

PEER REVIEW OF THE EVALUATION FUNCTION OF UNIDO



MARCH 2010

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Foreword

The Peer Review Panel would like to thank UNIDO Management for volunteering the agency for this exercise. Professional Peer Reviews are a key component in the multilateral accountability structure, yet they are entirely voluntary and thus the success of the approach depends on the willingness of agencies to participate in this exercise.

The purpose of Professional Peer Reviews is articulated in the guiding document “Framework for Professional Peer Reviews” established by the joint UNEG-DAC Peer Review Task Force: “This approach has several purposes: building greater knowledge, confidence and use of evaluation systems by management, governing bodies and others; providing a suitable way of ‘evaluating the evaluators’; sharing good practice, experience and mutual learning.”

Margareta de Goys, Director of the UNIDO Evaluation Group (EVA), and EVA staff provided the review team with insights and inputs throughout the Peer Review process. These helped deepen our understanding and guided us towards the conclusions contained in this report. The indispensable support provided by Erica Cody to the review team is also acknowledged.

The Peer Review Panel is grateful to all the interviewees for their time and willingness to share information and thoughts. We have all felt in the team how this exercise sparked rich exchanges on good practice and experience, and we noted a clear understanding of the Peer Review goals, which facilitated our task and enriched the discussions.

The Peer Review was conducted and the report structured so as to bring out a few clear, strategic messages, based on the thorough review of a selective number of key evaluation norms, as well as specific recommendations. The key messages are:

- UNIDO’s evaluation function generally meets the UN/DAC norms and standards related to the three criteria used in this assessment: independence, credibility and utility;
- UNIDO is in a period of rapid reform and the evaluation function must continue to be able to respond to these changes in particular by ensuring that evaluations address the twin issues of relevance and overall impact on sustainable development;
- It is necessary to protect EVA’s ability and capacity to meet its core obligations and fulfil its mandate as there is a risk of jeopardizing this due to a heavy demand for assistance in non-core evaluation areas;
- The ongoing initiatives to improve the basic building block for evaluation, a good monitoring system, are welcome and will eventually lead to a further improved evalaubility of projects and programmes, especially at outcome and impact level.

The Peer Review Panel consisted of:

- Silvia Alamo, Evaluation Section Chief for the Comprehensive Nuclear-Test Ban Treaty Organization, chair of the Peer Review Panel;

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- Margrethe Holm Andersen, Deputy Head, Evaluation Department, Ministry of Foreign Affairs of Denmark;
- Karin Kohlweg, Head of Evaluation Unit, Austrian Development Agency, Austria;
- Siv Tokle, Senior Evaluation Officer, Evaluation Office, Global Environment Facility (World Bank/GEF).

The Panel was supported by Dorte Kabell, Consultant, Kabell Konsulting.

It is our hope that the Peer Review will be a useful instrument for UNIDO management, and that it will build “greater knowledge, confidence and use of evaluation systems” in UNIDO as is indeed the purpose of such peer reviews.

Vienna, March 2010

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Acronyms and Abbreviations

| | |
|----------------|--|
| <i>ADA</i> | Austrian Development Agency |
| <i>CSF</i> | Country Service Frame |
| <i>DAC</i> | Development Assistance Committee (of the OECD) |
| <i>EVA</i> | UNIDO's Evaluation Group |
| <i>GEF</i> | Global Environment Facility |
| <i>HQ</i> | Headquarter |
| <i>IDB</i> | Industrial Development Board |
| <i>IP</i> | Integrated Programme |
| <i>ITPO</i> | Investment and Technology Promotion Office |
| <i>MRS</i> | Management response system |
| <i>NCPC</i> | National Cleaner Production Centres |
| <i>OECD</i> | Organization for Economic Cooperation and Development |
| <i>OIOS</i> | (United Nations) Office of Internal Oversight Services |
| <i>OSL/EVA</i> | UNIDO's Evaluation Group |
| <i>PAC</i> | Programme Approval Committee |
| <i>RBM</i> | Results Based Management |
| <i>QAG</i> | Quality Advisory Group |
| <i>TC</i> | Technical Cooperation |
| <i>UNEG</i> | United Nations Evaluation Group |
| <i>UNEP</i> | United Nations Environment Programme |
| <i>UNIDO</i> | United Nations Industrial Development Organization |

Executive summary

Professional Peer Review of evaluation functions at multilateral development agencies is an assessment of the capacity of an agency's evaluation function to produce evaluations that are credible and useful for learning and accountability purposes. The rationale behind these Reviews is to establish the credibility of evaluation reports coming from multilateral organizations so that the donor community can rely more on the multilateral organizations' own evaluations and thus potentially decrease the need for external multi-donor evaluations.

The main purpose of the UNIDO Peer Review is to provide UNIDO management, the Industrial Development Board and UNIDO's Evaluation Group (EVA) with an independent assessment of the evaluation function by a panel of professional evaluation peers, focusing on the functioning of EVA and the quality of its work against international standards and the evidence base. The core question addressed by the Peer Review is:

“Are the agency's evaluation function and its products independent, credible and useful for learning and accountability purposes, as assessed by a panel of professional evaluation peers against international standards and the evidence base?”

This review has been conducted according to “Peer Reviews for ‘small’ evaluation functions”. The methodology and methods applied are consistent with other “light” peer reviews and has included a range of different evaluation tools such as interviews, focus group discussions, case studies, product reviews and self assessment. The peer review builds on experience with other peer reviews. It applies a focused approach and stresses the strategic level while ensuring thorough evidence on the assessment of the norms that have been identified as key for UNIDO through an iterative and consultative process.

The primary intended audience of the results of this Peer Review is the UNIDO Evaluation Group and the agency's management and decision-makers. Other key audiences include UNIDO's donors and partners.

Strategic Findings

At the strategic level, the Peer Review Panel found that UNIDO's evaluation function generally meets the UN/DAC standards related to the three criteria used in this assessment: independence, credibility and utility. However, it also found that to fully meet the standards, current efforts to improve the basic foundation for evaluation, a sound monitoring system that supports assessment of outcomes and impact, should be continued and be an organizational priority. This is fundamental for ensuring evaluability and credibly establishing outcomes and impact of programmes.

The weakness in monitoring is generally recognized in UNIDO and EVA has been drawn into many of the organizational processes where this issue is being addressed because of the close link between monitoring and evaluation. While EVA does have much to contribute, it is also necessary to protect EVA's ability and capacity to meet its core obligations and fulfil its mandate. EVA's workload is very high compared to resources;

UNIDO management therefore may want to consider how to prioritize EVA's work plan to curtail its non-core workload while ensuring that EVA continues to play a strong organizational role. From an organizational perspective it would also be necessary to consider how other organizational units could then fulfil the "non-core roles" currently carried out by EVA.

A refocusing of the work plan has to take into account that EVA has to meet the twin requirements of accountability, of demonstrating "value for money" in output and outcome terms, but also of learning, of feeding in knowledge to the strategic discussions that any organization needs to continuously have to remain relevant and effective. And EVA does have the potential to contribute even more significantly to the strategic thinking of UNIDO by ensuring that evaluations address the twin issues of relevance and overall impact on sustainable development.

Assessment against Norms

In terms of assessment against the three criteria, the Peer Review found the following:

Independence

A distinction is made between structural and functional independence in order to assess UNIDO against the relevant UN Norms. Structural Independence refers to the organizational setting of the evaluation function within the organization, i.e. its link with the management structure and the Governing bodies. Functional Independence refers to the degree of independence and impartiality in planning and conducting evaluations. The panel considered that EVA has structural independence from line management as well as functional independence and no evidence or examples were found of attempts to limit this independence. The best guarantee of this functional independence is the integrity of current management, which has proven committed to ensure an enabling environment for evaluation and protects its independence and impartiality. However, a different management with less integrity could, within the current structure, jeopardize this independence.

Independence of the evaluation function is highly dependent on the independence and impartiality of staff and the Panel found in this respect that UNIDO's practice of recruiting EVA staff following open, transparent, international and competitive processes is a good practice, which strengthens independence and credibility.

EVA has played a strong role in UNIDO's efforts of introducing Results Based Management, but has also taken pains to always remain in an advisory capacity, as prescribed by the UN Norms. While practice thus is consistent with the norms, the issue for UNIDO is more the sheer volume of work in EVA, considering the resources at its disposal. The involvement with Results Based Management must not be at the cost of the work that is core for EVA: conducting evaluations and contributing to organizational learning.

At present, the relatively limited core budget of EVA vis-à-vis a large evaluation work programme has meant an ingenious use of available resources where for example EVA has "bunched" similar project evaluations and carried out thematic evaluations, consistent with the directives from the Industrial Development Board (IDB). However, for some country programme evaluations the depth of evaluations of projects that were part of a "bunch" was lighter than a fully fledged project evaluation would normally require.

For project evaluations a dependency on project evaluation budgets that are controlled by the backstopping officer has in the past posed budget constraints. This issue has recently been partly resolved by introducing a new evaluation budget line.

Credibility

EVA enjoys a high level of credibility. A core element for credibility is the existence of an evaluation policy. UNIDO's evaluation policy was issued in May 2006 and complies with the norms and standards for evaluation in the UN System. The Panel found that efforts are needed to make the key aspects of the evaluation policy better known, to explain the role of EVA, and to ensure consistency between the evaluation policy and other related policies and guidelines, notably the Technical Cooperation Guidelines.

Perceptions about staff are also key for credibility and EVA staff were considered competent, impartial and independent, and consultants employed were generally well perceived, although the role of EVA staff and consultants respectively was not always made sufficiently clear.

Impartiality is critical for credibility and the Panel found that overall the evaluation function is perceived as impartial. Evaluation reports generally present both achievements and failures of projects and programmes. The main area of improvement identified by the Panel was that many evaluations suffer from a less than optimal presentation of achievements at outcome level and that more work needs to be done on data (baseline, monitoring) so as to ensure a better foundation for documenting achievements.

There is a felt need to clarify and explain the respective roles of monitoring and evaluation and to ensure that the two functions are valued, aligned and mutually supportive. A certain frustration with "results chains" was expressed especially by operational staff. A perception that they were being asked to "link the earth with the sky" in order to demonstrate higher level outcomes and impact at the level of the MDGs of even small interventions was at the heart of this frustration. The Panel feels that from an organizational point of view, it is appropriate that EVA plays a role in helping ensure realistic project planning and good monitoring; this will enhance evaluability, a key concern for EVA. However, assisting in this process is not EVA's core mandate and therefore should only absorb limited resources.

Evaluation methodologies are appropriate for traditional project evaluations, and EVA is well aware of the need for methodological development for other types of interventions, including for impact evaluations. The participation in international networks where new methodologies and methods are discussed will help strengthen EVA's capacity in this area.

While evaluation reports include both successes and failures, the Peer Review did identify two areas of improvement; there is scope for improvement in the quality of the ToR, and the quality of evaluation reports reviewed was deemed somewhat uneven, calling for a better quality assurance process.

Utility

EVA to a very large extent lives up to expectations on utility and responds to the strong demand for meta evaluations and synthesis reports of evaluations and lessons learned. EVA has in recent years made a clear effort to pursue such substantive evaluations. There is also a demand on EVA for mid-term evaluations, but in view of EVA's heavy work-

load, these may better be carried out as lighter reviews and conducted by the operational departments. This would also enhance the effectiveness of monitoring.

The basis for carrying out evaluations is the ToR and the quality of evaluations to some extent depends on the quality of the ToR. Therefore the Panel reviewed a sample and in this respect recommends that ToR should be strengthened by improving the sections on purpose, objectives and context, and provide more detail on methodology and the reason for choice of evaluation criteria.

Another key area for utility is the response from management and the follow-up. EVA maintains a follow-up system, but project staff generally do not give sufficient priority to follow-up to evaluations, even in cases where recommendations have been accepted. Efforts have been made through increased transparency to improve the situation, but incentives need to be further strengthened to use the MRS so that it is not seen as a bureaucratic burden, but actively used to better manage projects and ensure sustainable results.

Generally there is a very strong appreciation for EVA's contribution to organizational learning among staff and management. However, the Panel found that a better general understanding of the difference between monitoring and evaluation would help ensure that EVA focuses on its core mandate and minimize the risk that EVA dissipates its efforts due to strong demand for its services.

Key Recommendations

Ensuring independence, credibility and utility of evaluation is a shared responsibility throughout different parts of UNIDO; a well established evaluation culture should be a corporate goal that is understood, accepted and shared by all staff. This also implies a need for a shared understanding and acceptance of changes necessary to address the various points raised in this report, including the following key recommendations:

- Good knowledge management and organizational learning should be maintained as priority areas of focus, especially with respect to the outcome and impact of UNIDO programmes and projects;
- The criteria Relevance requires more attention in evaluations and needs to be elaborated in the ToR and methodologies;
- EVA should be systematically invited to participate in the processes and fora where UNIDO's strategic direction and focus is discussed and decided;
- EVA's involvement in tasks that are not strategic or directly evaluation-related should be curtailed;
- More evaluations should be conducted by consultants and that EVA staff only participate as team members or team leaders in very complex evaluations with strategic and highly relevant organizational learning potential;
- The evaluation policy and role need to be better explained to be fully appreciated throughout the organization;

- Operational staff should be made more responsible for mid-term reviews, and incentives given to improve the quality of self-evaluation;
- Efforts should be made to help ensure better monitoring data at the outcome and impact levels.

More detailed recommendations are included in the text and summarized in Annex 1 in matrix form also showing responsibility for acting on them.

1. Introduction

1.1 Background and purpose of the Peer Review

Professional Peer Review of evaluation function in multilateral development agencies is an assessment of the capacity of an agency's evaluation function to produce evaluations that are credible and useful for learning and accountability purposes. A peer review is conducted by professional evaluators in other evaluation departments and based on a standard methodology and process.

Two key factors led to the introduction of Professional Peer Reviews of evaluation functions in multilateral agencies in 2004: a strong demand for multi-donor evaluations of UN organizations on the one hand, and the recognition of the need to harmonize evaluation practice due to the considerable variation across the UN System on the other. In view of this, the Evaluation Network of the Development Assistance Committee (DAC)/ Organization for Economic Cooperation and Development (OECD), jointly with the United Nations Evaluation Group (UNEG), introduced the Peer Review mechanism. The rationale behind the Peer Review of the evaluation function of a UN organization is to establish the credibility of evaluation reports coming from the organization itself and thus potentially decreasing the need for external multi-donor evaluations of an agency or its evaluation office. In this way, the donor community can rely more on the multilateral organizations' own evaluations.

Peer reviews are guided by the *“Framework for Professional Peer Reviews of Evaluation Functions in Multilateral Organizations Framework for Professional Peer Reviews”*, adopted by the DAC/UNEG Joint Task Force on Professional Peer Reviews of Evaluation Functions in Multilateral Organizations¹. The use of the normative framework helps structure the collection of data and facilitates assessments of standards across agencies. Because the Professional Peer Reviews are intended to assess the evaluation function against accepted international standards in a wide range of organizations, the framework has a blend of standard and flexible elements. It recognizes that the model may be adapted in some cases, for example, to very small or highly specialized organizations and/or those with limited existing evaluation capacities. In this respect, the DAC/UNEG Task Team developed a framework for 'lighter' peer reviews, those to be conducted in small(er) organizations². This framework is based on the same core criteria.

The normative framework specifies the aims of peer reviews, as follows:

- Build greater knowledge, confidence and use of evaluation systems by management, governing bodies and others;
- Provide a suitable way of “evaluating the evaluators”;
- Share good practices, experience and mutual learning;

1) This framework was established in 2007 and is based on the experience of two pilot reviews (UNDP, 2005 and UNICEF, 2006).

2) DAC Network on Development Evaluation, Room Document, Agenda Item V, II from 9th meeting of the DAC Network on Development Evaluation, 15-16 June 2009.

- Build internal capacity and external confidence.

The Peer Review mechanism is continually reviewed and refined. One refinement has been the introduction of “light” peer reviews aimed at covering small(er) UN agencies and multilateral organizations. Light reviews were introduced in recognition of the considerable differences in scope and size between various agencies and the resource requirements for conducting peer reviews. “Light” peer reviews are guided by the document *“Peer review for ‘small’ evaluation functions”*, which is derived from the abovementioned Framework and was applied to the UNIDO Peer Review.

UNIDO is the sixth UN agency to carry out a Professional Peer Review of the evaluation function.³ The main purpose of the UNIDO Peer Review, according to the Terms of Reference established by the Peer Review Panel (attached in Annex 2) is to provide UNIDO management, the Industrial Development Board (IDB) and UNIDO’s Evaluation Group (OSL/EVA, referred to in this report simply as EVA) with “an independent assessment of the evaluation function by a Panel of professional evaluation peers, focussing on the functioning of EVA and the quality of its work against international standards and the evidence base”.

The core question addressed by this Peer Review was:

“Are the agency’s evaluation functions and its products: independent, credible and useful for learning and accountability purposes, as assessed by a Panel of professional evaluation peers against international standards and the evidence base?”

The primary intended audience of the results of this Peer Review is the UNIDO evaluation office and the agency’s management and decision-makers.

1.2 Core Assessment Criteria

In line with the *Framework for Professional Peer Reviews of Evaluation Functions in Multilateral Organizations*, the Peer Review of the evaluation function of UNIDO examined three core criteria that need to be satisfied for evaluation functions and products to be considered of high quality. These are independence, credibility and utility, defined as:

- Independence** of evaluations and the evaluation system(s). The evaluation process should be impartial and independent in its function from the process concerned with the policy making, the delivery and the management of assistance. Furthermore, independence may be defined according to the nature of UNIDO’s work, its governance and decision-making arrangements and other factors. Systemic measures for ensuring the necessary objectivity and impartiality of evaluation work should receive due attention.
- Credibility** of evaluations. The credibility of evaluation depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process. Credibility assumes that evaluations should report successes as well as failures.

3) Peer reviews have been carried out of the evaluation function of UNDP, UNICEF, WFP, OIOS and GEF. UNIDO volunteered as the sixth multilateral organization for such review.

- c) **Utility** of evaluations. To have an impact on organizational change or development effectiveness, evaluation findings must be perceived as relevant and useful and be presented in a clear and concise way. Importantly, ensuring the utility of evaluations is only partly under the control of evaluators. Utility is also a function of the interest of many parties involved; managers and member countries, in commissioning, receiving and using evaluations for decision-making and for learning.

2. Methodology

2.1 Peer Review Approach

The methodology and methods applied are consistent with other peer reviews, using similar templates and methods within a consistent normative framework. However, this review has been conducted according to “Peer reviews for ‘small’ evaluation functions” and has therefore not included field visits, but only “virtual” field missions, i.e. interviews with a broad range of field level staff conducted by phone.

The Peer Review is built on experience with other peer reviews. It applies a focussed approach and stresses the strategic level while ensuring adequate evidence on the assessment of the norms that have been identified as key for UNIDO through an iterative and consultative approach. This focused approach also responds to lessons learnt from previous Peer Reviews, discussed at a DAC/UNEG Task Force meeting in February, 2009.

The Peer Review Team (Panel and consultant) has identified, among all the UN standards and norms, those found most fundamental for assessing independence, credibility and utility. The specific norms are identified in each of the relevant sections and include analysis of linkages between the three pillars (independence, credibility, utility) of the framework and the UN Norms and Standards.

The Peer Review aims to involve a large section of staff and management to help raise awareness and ownership of evaluation issues in UNIDO and also aims at exchanging experience and good practices where needs for improvement were identified.

2.2 Review Instruments

Care has been taken to use a variety of evaluation instruments and sources of evidence to ensure the robustness of findings.

Evaluation instruments used include:

- A Normative Framework covering the Norms and Standards for Evaluation in the UN System (UNEG, April 2005).
- A document review of a large number of key documents.
- A self-assessment by UNIDO, conducted based on a standard format mirroring the normative framework.
- A Factual Report structured around the normative framework.
- An in depth assessment of eight select EVA evaluations.
- An assessment of a number of Terms of Reference of UNIDO evaluations.
- An assessment of seven Management Response Sheets.

- Case studies of four evaluations: two evaluations of UNDO's main country level modality (India Country Service Framework and Burkina Faso Integrated Programme), one evaluation where there had been substantial dissenting views presented in the report (Investment and Technology Promotion Office, Italy, and one joint evaluation (UNIDO-UNEP Cleaner Production Programme). The case studies were used for illustrative purposes to explore in more depth through concrete cases some of the insights provided in interviews.
- A survey of chiefs and managers and UNIDO Representatives. The survey gathered views from a larger range of chiefs and managers than was possible in interviews, including perceptions of the field level through the UNIDO Representatives. Because of the relatively modest number of respondents, the replies are to be taken as guidance only.
- Interviews with a range of staff and management covering both administrative, operational and policy functions (list attached in Annex 3).
- Two focus group discussions to discuss preliminary findings, one with operational directors focusing on three issues: the role of EVA, evaluability, and knowledge management; and one open to all directors and staff who had been interviewed, where the review team presented and discussed preliminary findings.

2.3 Peer Review Process

The assessment process lasted one year from the first meeting of the Review Panel to the formal Peer Review meeting with UNIDO management. The Panel met twice in Copenhagen; once for a kick-off meeting in March 2009, which benefitted from the presence of a past Peer Review Panel member⁴ and the Director of UNIDO's Evaluation office and subsequently for a meeting in June 2009 to review the factual report and to review focus and scope of the exercise.

A preparatory mission to Vienna in August 2009 by the consultant helped sharpen the focus on key issues, through discussions with UNIDO staff and stakeholders, to fill in factual knowledge gaps in the preliminary assessment, clarify the plan for the main Peer Review mission and confirm the strategic areas of focus of the review.

The Panel conducted interviews in Vienna from 12-18 September, 2009 and met a wide spectrum of both external and internal stakeholders. The team consulted Senior Management (Department Heads, Directors, Advisors and unit Chiefs), professional staff, evaluation team leaders, consultants, and representatives of member states, as well as a representative of a peer evaluation function in a collaborating UN organization.

The Peer Review Report represents a team effort where all team members conducted interviews and were actively engaged in discussion and validation of insights and findings.

The Peer Review Report will be discussed formally on 14 April 2010 in Vienna.

4) Ted Kliet, Senior Evaluator, Policy and Operations Evaluation Department, Ministry of Foreign Affairs, The Netherlands, Co-chair of the UNEG/DAC Task Force on Professional Peer Reviews.

3. UNIDO: An Overview

UNIDO was established in 1966 as an autonomous body within the UN. In 1975, the General Assembly endorsed a decision to convert UNIDO into a specialized agency, but only in 1985 was the decision fully ratified. The first session of the General Conference of UNIDO as a specialized agency met in August 1985.

After the end of the Cold War and the growth of the market economic system, the role of industrial policy in economic development processes was questioned and some Member States felt that industrial development could be supported more effectively and efficiently by the private sector. UNIDO faced serious difficulties in the 1990s; its mandate, function, focus and role were debated over the years and various reforms initiated to try to give UNIDO a firm place in the global aid architecture. The worst crisis was in 1997 and resulted in Australia, Canada and the United States (UNIDO's then largest donor) withdrawing from the Organization.

A turning point came in 2003 when a new corporate strategy was introduced, and gained strength when the current Director-General, Kandeh K. Yumkella was elected in 2005. He initiated a structural reorganization, introduced Results Based Management and implemented a number of other reforms, including the introduction of an evaluation policy. These reforms continue under the Director-General's second mandate, which runs till 2013.

3.1 Mandate and Vision

UNIDO's mandate is *"to promote and accelerate sustainable industrial development in developing countries and economies in transition, and work towards improving living conditions in the world's poorest countries by drawing on its combined global resources and expertise"*.

The agency has defined two core functions: a normative and knowledge based function where UNIDO generates and disseminates industry-related knowledge, and an operational function where UNIDO as a technical cooperation agency provides technical support and implements projects.

In recent years, UNIDO has focused its activities on three main thematic areas:

- Poverty reduction through productive activities
- Trade capacity building
- Energy and environment

UNIDO sees its own comparative advantage in its ability to address the interlinked challenges of reducing poverty through productive activities, promoting the integration of developing countries in global trade through trade capacity building, fostering environmental sustainability in industry and improving access to energy.

The long-term vision is *"to aspire to a world of opportunity where progress is equitable, accessible and sustainable and where the alleviation of poverty is considered a common aim and global responsibility"*.

3.2 Governance

The General Conference, 173 member states, approves the programme and budget of the Organization and every four years appoints the Director-General. The General Conference also determines the guiding principles and policies of the Organization, including the evaluation policy, and elects the members of the Industrial Development Board (IDB) and of the Programme and Budget Committee.

The IDB, which meets annually, comprises 53 members, elected for a four-year term on a rotational basis from all Member States. It reviews the implementation of the work programme, the regular and operational budgets, and makes recommendations to the General Conference on policy matters, including the appointment of the Director-General. According to the evaluation policy, the IDB “fosters an enabling environment for evaluation throughout UNIDO. Under the bi-annual programming cycle of the agency, the secretariat submits to the IDB a report on evaluation activities of UNIDO. The IDB comments on the bi-annual report. If deemed necessary, it may also request ad-hoc evaluations, including thematic evaluations, on specific subjects”.

Consisting of 27 members, the Programme and Budget Committee is a subsidiary organ of the IDB and provides assistance in the preparation and examination of the work programme, the budget and other financial matters.

The Executive Board, at the time of the Peer Review, consisted of the Director-General, three Managing Directors and the Director of the Bureau for Organizational Strategy and Learning who was concurrently Chief of Cabinet. The Executive Board is chaired by the Director-General. It is responsible, *inter alia*, for the discussion of overall programmatic issues and consideration of technical cooperation activities. It approves UNIDO-wide policies, programming and thematic strategies and priorities, as well as programmes and projects above a certain threshold. It also allocates programmable resources at the disposal of the Organization and approves funds mobilization strategies and the biennial programmes of global forum activities. The Executive Board also holds Monitoring and Evaluation responsibilities in that it monitors progress of technical cooperation activities and determines corrective measures, whenever necessary. It also reviews key results of the independent evaluations and related follow-up activities, as well as the work of the Programme Approval Committee (PAC).

According to the evaluation policy, the Director-General and the Executive Board of UNIDO enable the Evaluation Group to operate effectively and with due independence. They ensure that i) necessary measures are taken to institutionalize the evaluation policy throughout UNIDO and ii) adequate resources are allocated to evaluation. They approve the bi-annual evaluation work programme and provisional budget of EVA, as well as its annual work programme. They may also request ad-hoc evaluations, something that the Director-General has occasionally done, for example in 2009 when requesting an evaluation of the Field Mobility Policy.

3.3 Organizational Structure

With a headquarter (HQ) in Vienna, UNIDO has, as of 2008, a field network of 28 regional and country offices, three offices in multilateral capitals⁵, 15 desks in UNDP offices and a number of technical offices at country level:

5) Brussels, Geneva, New York.

- Eighteen Investment and Technology Promotion Offices (ITPOs), which promote investment and technology flows to developing countries and countries with economies in transition, being financed by their host countries;
- Eight International Technology Centres, which act as catalysts for technology upgrading and assist in managing technology change;
- In collaboration with the United Nations Environment Programme, UNIDO set up a global network of National Cleaner Production Centres (NCPCs), aiming at building national capacities in clean production technologies, fostering dialogue between industry and government and enhancing investments for transfer and development of environmentally sound technologies;
- UNIDO's Industrial Subcontracting and Partnership Exchanges facilitate production linkages between small, medium and large manufacturing firms and link up with global markets and supply chain networks;
- UNIDO Centres for South-South Cooperation as part of a major UNIDO South-South cooperation initiative in several of the more advanced developing countries.

3.4 Organizational Resources

The UNIDO budget for the 2008-2009 biennium is Euro 384 million of which Euro 205 million is for Technical Cooperation (TC).

In 2008, the total net TC project and programme approvals from all sources of funds amounted to US\$ 155 million with delivery amounting to US\$ 124 million and ongoing programmes and projects being more than US\$ 312 million.

UNIDO's funding from government sources reached US\$ 93 million (including support costs) with the biggest contributor being Italy with a net contribution of US\$ 17.5 million followed by the European Commission with a contribution of US\$ 11 million.

The organization employs some 650 staff members at headquarters and other established offices around the world.⁶

3.5 Organizational Results

UNIDO is guided by the vision statement "Towards Pro-poor Sustainable Industrial Development: A Shared Vision for UNIDO". The Organization has embarked on a series of reforms and is gradually shifting towards a more Results Based Management approach, in line with a general UN commitment to do so.

In view of its history and the withdrawal of some major donors from the Organization, UNIDO is still faced with a need to demonstrate its comparative advantage, relevance and ability to join forces with other organizations working in common areas of focus, such as UNEP, UNDP, UNCTAD, World Bank, the Regional Development Banks and the GEF. At the same time, UNIDO must adhere to overall UN commitments on

6) Annual Report 2008.

3 UNIDO: AN OVERVIEW

Results Based Management, One UN, and working within the new aid architecture as represented by the Paris Declaration and the Accra Agenda for Action.

Evaluation is a key component in an organization's ability to articulate and measure results, demonstrate relevance, and share knowledge about how results are achieved. UNIDO is well aware of this and is currently working on improving its monitoring systems and has recently launched a change management process designed to improve knowledge management.

4. The Evaluation Office

Evaluation in UNIDO is governed by an evaluation policy, approved in 2006 as part of organizational reforms.

4.1 Role and Function

According to the UNIDO Evaluation Policy (2006): “The UNIDO Evaluation Group (EVA) is responsible for the independent evaluation function of UNIDO. It carries out different kinds of evaluations within UNIDO and monitors the management response to such evaluations. EVA ensures also the effective dissemination throughout UNIDO of lessons learned”.

The key functions of EVA include:

- Undertake, manage and monitor follow-up to independent evaluations. These can be evaluations of technical cooperation programmes and projects, global forum activities or strategic and thematic evaluations on cross-programmatic or institutional issues;
- Promote the wider use of evaluation findings, lessons learnt and recommendations in policy and programme formulation and implementation, including through dialogue with staff and stakeholders;
- Develop evaluation guidelines, methodology and training tools to support managers at UNIDO Headquarters and in the field in ensuring that quality standards in the whole technical cooperation cycle are met, with particular focus on evaluation and results management;
- Prepare reports on evaluation for submission to the Governing Bodies;
- Maintain and develop partnerships with UN System organizations within the context of UNEG and with OECD-DAC on evaluation-related work to ensure that UNIDO is fully abreast of developments in the evaluation field and able to implement good and best practices in evaluation.

4.2 Position in the Organization

The placement of EVA is determined in the evaluation policy. EVA is part of the Bureau for Organizational Strategy and Learning (OSL) and as such, it is independent of any line management functions in the Divisions involved with project/programme development and implementation.

The Director of EVA is appointed by the Director-General and has the independence to supervise and report on evaluations.

4.3 Staff and Budget

EVA has two general service staff and four professional staff, all based at headquarters.

EVA estimates that considerable time is spent on administrative and non-core task and that only roughly only half of staff time is spent on evaluation and other evaluation related work, including support to Results Based Management.

All professional EVA staff are active both in various UNIDO task forces and panels and in the international community of practice on evaluation. They participate in UNEG meetings and task forces and EVA director participates in the UNEG Heads network and co-chairs the UNEG Task Force on Impact Evaluation, inter alia.

The evaluation budget is managed by EVA and is derived from:

- i) Resources appropriations foreseen under evaluation in UNIDO Programme and Budget, referred to herein as core funds;
- ii) Resources specifically allocated by the Executive Board on the basis of the biennial evaluation Programme and Budget;
- iii) Resources for evaluation included in programme and project budgets. These are funds provided in donor, recipient government or UNIDO supported TC projects and which have a budget allocation as evaluation of these is mandatory.

The budget allocation for 2008-2009 under UNIDO's Regular Budget is Euro 1.3 million of which by far the largest post is staff costs, as shown in Table 1.

Table 1: OSL/EVA Regular Budget 2008-2009 in Euro

| Description | Estimates based on PBC.23/7 | Actual allotment |
|------------------------------|--------------------------------|------------------|
| Staff costs | 1,439,200 | 1,237,496 |
| Consultants | 34,300 | 15,260 |
| Official travel | 27,600 | 31,260 |
| Operating costs | 6,200 | 7,610 |
| General temporary assistance | 0 | 7,520 |
| Total | 1,507,300 | 1,299,146 |

EVA staff salaries and other core costs are financed by the UNIDO Regular Budget, and UNIDO evaluations are financed from two sources: project evaluations are financed from the budgets of the projects as evaluation is part of the project cycle and process evaluations, and thematic evaluations, meta evaluations, strategic reviews and country evaluations are allocated by the Executive Board, from UNIDO's internal resources based on the proposed bi-annual work plan.

In a few cases, additional evaluation funding is provided by donors to fund specific evaluations⁷ in support of EVA's expansion into innovative areas, such as impact evaluation. This is considered a good way on both sides to give the donors insight and knowledge about UNIDO's programmes and as a way to promote learning of UNIDO's larger

7) The thematic evaluation of UNIDO's activities in the area of standards, methodology, testing and quality (SMTQ) and the impact evaluation in Sri Lanka.

constituency provided that there is a clear agreement on how to involve the donor and on the distribution of roles.

Project evaluations, on the other hand, are funded by projects and programmes. These resources are thus not directly controlled by EVA. On average, a project evaluation costs Euro 35,000. The resources available for country and thematic evaluations vary but have over the last four years averaged Euro 291,000.

Table 2: Budget for evaluations, allocated by the Executive Board – 2006-2009 in Euro

| 2006 | 2007 | 2008 | 2009 |
|---------|---------|---------|---------|
| 304,000 | 288,000 | 281,000 | 292,000 |

The Director of EVA has the flexibility to use budgets from project evaluations to contribute to thematic or programme evaluations, thereby complementing the resources made available to EVA from the regular budget.

4.4 Guidelines

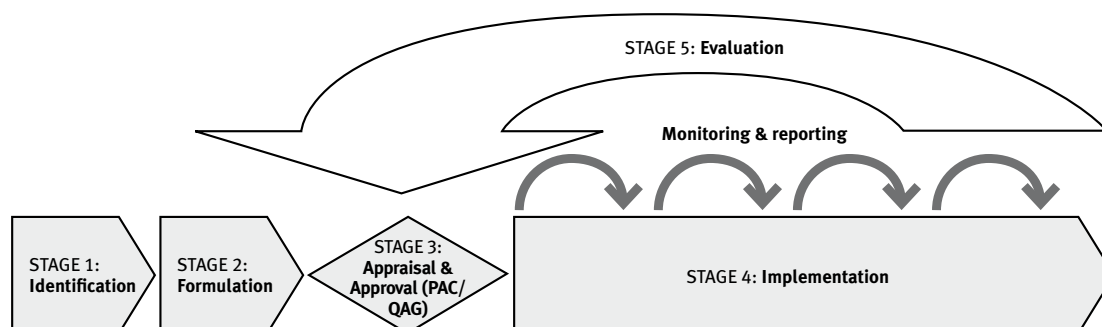
At the project and programme level, evaluations are governed by the TC Guidelines, which define the stages, conditions, financial thresholds and reporting for mandatory, independent evaluations of programmes and projects and for self-evaluation. They contain some formats and templates. A revision is being planned to bring the Guidelines up to date, and EVA has been consulted in this revision process, which is led by the Resource Mobilization and Quality Assurance Branch.

The Guidelines stipulate mandatory mid-term and terminal evaluations for the following projects:

- a. Projects with UNIDO inputs (budget without support costs) exceeding Euro 1 million;
- b. Projects being considered for extension in excess of Euro 0.7 million;
- c. Projects subject to evaluation requirements and mechanisms established in the funding agreement with the donor; and
- d. Projects encountering major implementation problems and/or serious disagreement between stakeholders, or programmes displaying a remarkable measure of success or 'replicability'.

In the latter case, the donors, the counterparts, UNIDO senior management or EVA (based on the findings of the project self-evaluation) may request an independent evaluation at any time. A request from the Director-General is obligatory while meeting requests from other stakeholders is at the discretion of EVA.

The TC Guidelines establish guidance for the two key institutional structures for quality assurance to which EVA acts as an advisor: the Programme Approval Committee (PAC) and the Quality Advisory Group (QAG). The way evaluation is treated in the TC Guidelines was explained to the Peer Review Team based on Figure 1.

Figure 1: Evaluation in the TC Guidelines

The PAC refers all programmes and project proposals that fall outside the parameters set by the Executive Board, to the Board, and reports every six months on major programmatic and other issues that emerge in the course of its work. It advises the Director-General and the Executive Board on matters pertaining to technical cooperation policy, programming and funds mobilization.⁸

The QAG screens and reviews all programme and project proposals submitted to the PAC in the form of programme screening forms, integrated programme documents, service summary sheets and project documents. It reviews the submissions in terms of their consistency, structure and logic, advises on the content of the submissions in terms of their compliance with established quality criteria (relevance, efficiency, effectiveness, impact and sustainability), consults with programme/project officers on their submissions prior to finalising its comments and prepares comments on each submission for incorporation in the advisory note to be prepared for the PAC.⁹

According to the TG Guidelines, the secretariat to PAC and QAG “prepares the documentation to be considered by both the PAC and the QAG and coordinates all the administrative and substantive activities in support of the meetings of both bodies”.¹⁰

According to EVA, participating in PAC and QAG has been key to contributing to organizational learning and improved quality of projects and programmes. While time consuming, EVA’s role in advising on evaluability of projects and programmes and on lessons learned from the evaluations during PAC and QAG meetings has been seen by EVA and other UNIDO staff as essential and an important feed back loop for UNIDO.

4.5 Evaluation Planning, Follow-up and Reporting

Evaluation Planning

According to the policy, evaluations are selected and undertaken in a transparent and consultative manner through the biennial work programme and approved by the Director-General and the Executive Board. The TC Guidelines are used as the main basis for deciding which project evaluations to undertake. Thematic evaluations are proposed by

8) Director-General’s Bulletin UNIDO/DGB/(P). 96.

9) Op cit.

10) Director-General’s Bulletin UNIDO/DGB/(O). 95. Add.1.

EVA after consultation with Management, and the Director-General also occasionally requests specific evaluations.

Table 3 summarizes the evaluations carried out over the four year period 2006-2009.

Table 3: Numbers and types of evaluations initiated in the period 2006-2009¹¹

| Type of evaluation/programme | 2006 | 2007 | 2008 | 2009 ¹² |
|---|------|------|------|--------------------|
| Integrated Programme/Country Service Framework | 5 | 3 | 7 | 4 |
| Project, including global | 3 | 12 | 11 | 17 |
| Thematic | | 1 | 3 | 4 |
| Other, including reviews and impact evaluations | 1 | | 1 | 9 |
| Total | 8 | 16 | 22 | 34 |

In 2008, three¹³ of the Integrated Programmes were evaluated using funds carried over from the 2006/2007 Work Programme while one Integrated Programme was moved forward to 2009.

For the first time, during 2008, UNIDO was responsible for the evaluation of a GEF-financed project, and EVA also for the first time undertook a review of eleven self-evaluation reports of Integrated Programmes. A number of thematic evaluations were also initiated during 2008 including *the Thematic/ Meta Evaluation of ITPOs, the Thematic Evaluation of Cluster and Networking Development Initiatives, the Thematic Evaluation on SMTQ and the Thematic Evaluation of Human Security/ post crisis rehabilitation projects in Iraq and Lebanon*. EVA also responded to an ad-hoc request from UNIDO management and initiated a Review of Mini Hydro projects, a terminal evaluation of the cooperation agreement between UNDP and UNIDO, as well as an evaluation of a SME support project in Uruguay. And, EVA produced a number of stand-alone project evaluations, directly financed from the budgets of the projects.

Consistent with the Paris Declaration, EVA has carried out a number of joint evaluations, including a major evaluation with UNEP.

A decision has been made by the IDB to conduct “broader results-based programme evaluations”¹⁴ and the 2009 Work Programme continues EVA’s move towards thematic and programme evaluations, as well as towards impact evaluations.

Consequently, the 2009 Work Programme encompassed a meta-evaluation to extract and disseminate generic lessons learnt of the eleven evaluations of Integrated Programmes and Country Service Frameworks conducted in 2008 and 2009, a continuation of the thematic evaluation of cluster projects and review of Mini Hydro projects, a thematic evaluation of International Technology Centres, and an evaluation of the Human Security/ Post Crisis which is linked with an evaluation of the IP of Sudan. At the request of the IDB, EVA carried out, in cooperation with the UNDP Evaluation Office, an evaluation

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- 11) Overview on evaluations and related activities implemented by the UNIDO Evaluation Group 2006 to 2009, and Revised work programme and budget for 2008/2009, EVA.
 12) Planned evaluations.
 13) Saudi Arabia, Senegal and Sierra Leone.
 14) IDB.34./5.

of the UNIDO/UNDP Cooperation Agreement. Furthermore, a policy-oriented process evaluation covered the Field Mobility Policy and three impact-oriented evaluations are being implemented. These evaluations are in addition to a number of stand-alone project evaluations.

Special mention should be made of the coverage of projects under the Montreal Protocol (MP) as MP projects amount to 25 % of UNIDO's portfolio. These are subject to specific evaluation procedures defined by the Multilateral Fund, and UNIDO interventions are covered by evaluations carried out by the MP Secretariat. Thus, EVA does not carry out evaluations of the MP projects.

The MP Secretariat evaluations focus very narrowly on the extent to which the projects have contributed to phase out Ozone Depleting Substances and do not consider other evaluative aspects or apply DAC evaluation criteria, as UNIDO evaluations do.

Since all projects implemented by UNIDO do fall under its responsibility and the MP projects encompass a large part of UNIDO's technical assistance portfolio, EVA does aim to capture lessons learnt and best practices from these projects for the purpose of organizational learning and obtaining strategic information on UNIDO's contribution to development results and impact.

The UNIDO Evaluation work programme 2008/2009 therefore included a desk review of UNIDO completion reports and of MP evaluation reports (encompassing UNIDO interventions). This desk review will also be used to strengthen cooperation with other agencies, such as the Evaluation Office of the GEF, which is carrying out an impact evaluation of projects to phase out Ozone Depleting Substances in Economies in Transition. In this context, the desk review will compare the approaches to Ozone Depleting Substances phase-out at the level of the underlying theories of change and intervention logic.

Follow-up

According to the evaluation policy, the "Director of EVA transmits the evaluation report with a management response sheet (MRS) and tracks compliance in reports to UNIDO management". This system has been in place since May 2006,¹⁵ The MRS are posted on the intranet and Director of EVA regularly provides information to the Executive Board on the follow-up to completed evaluations. The latest of such board reports¹⁶ shows that one year after the issuance of the MRS, 48% of recommendations in evaluations completed in 2008 had been implemented and 35% were under implementation.

A snapshot of follow-up to recommendations as of end 2008, shows that there were 19 delivered evaluations and MRS in 2008. The total number of recommendations was 387 and of these, 318 were responded to; 79% were accepted while 17% were partially accepted, 3 % were rejected and 1% had an unclear comment on the recommendation¹⁷.

The average delay in providing the management response was 2.4 months in 2008 against 9.6 months in 2006 and 1.7 months in 2007. The latest review concluded that "with some exceptions, compliance by project/ programme managers in following up on

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- 15) Before 2006 a simpler system to check on implementation of recommendations, without a management response sheet was in place.
 - 16) Background information to the Executive Board meeting on 10th July, 2009.
 - 17) Follow-up on completed evaluations 2008, prepared by OSL/EVA, 6th March 2009.

recommendations has not significantly improved since the previous review”. It also states, that “the usefulness of the management response exercise is questioned by project/programme managers”.

Usefulness of evaluations and their contribution to organizational learning are recognized as essential, and EVA informed the Peer Review Panel of its intentions to monitor the usefulness of the Management Response mechanism and the effectiveness of recommendations, as well as the use of “lessons learned”. One way of doing so is by assessing the recurrence of problems flagged and similar recommendations made.

Reporting

A biannual report of activities of EVA is submitted to the IDB, the latest dated March 2008. It is, as the title says, a report on activities, not on evaluation findings or lessons.

5. Strategic Assessment of Evaluation Function

As stated in the introduction, the Peer Review Panel decided to focus the Review at the strategic level and to assess a limited number of key norms. This section presents the strategic findings, the findings that require attention from the highest levels of management to ensure that the evaluation function will be able to fulfil its role in the future, and contribute to accountability and organizational learning, as it should.

The findings were built on a set of more detailed findings relating specifically to the UN Norms. These are explored in the Peer Review assessment in the next section.

Strategic finding 1: UNIDO's evaluation function generally meets the UN/DAC standards related to the three criteria used in this assessment: independence, credibility and utility.

While a detailed analysis of the basis of this finding is provided in the next section, key illustrating evidence includes the following:

UNIDO has in place and substantially implements an evaluation policy. Its evaluation office is independent of line management, and its staff were perceived as independent, impartial and credible by most interviewees. Credibility generally was perceived as high, due to respect for the externally recruited staff and rigorous evaluation process and methodologies. Ongoing efforts were encouraged to strengthen the assessment of relevance and impact. Transparency was also high with all evaluation reports accessible on UNIDO's website. A shift towards thematic evaluations and reviews has contributed significantly to enhance the perceived utility of the evaluation function.

Strategic finding 2: UNIDO is in a period of rapid reform and the evaluation function must continue to be able to respond to these changes.

As shown above, UNIDO currently conforms to the UNEG evaluation criteria, norms and standards. With rapid change and evolving context, care must be taken to ensure that the evaluation function evolves while maintaining its relevance and quality standards.

The Peer Review has examined some challenging issues of importance for UNIDO's future. One emerging challenge is Knowledge Management, specifically how to encourage feedback for the technical and operational parts of the organization to learn from experience and how to capture, analyze and ensure such feedback in systemic lessons. EVA is aware of the need to improve the mechanisms to feedback to operational departments and to contribute to organizational learning in general. The Peer Review Panel was provided with a draft status report on activities related to lessons learnt.

The TC Guidelines require that evaluation reports "identify lessons learned as they relate to broader application, replication of the programme approach and policies and strategies". These lessons, which go beyond the project/programme being evaluated to address issues such as the approach applied, aid modalities or specific policies, deserve to be systematically analysed and brought to the attention of management. This is work in progress in UNIDO and at the time of the Peer Review mission several initiatives were being launched.

EVA should contribute to the strategic thinking of UNIDO in terms of its global role by ensuring that evaluations address the issue of relevance, yet this was found to be a weak area in many of the reports examined by the Peer Review. The Panel found that relevance often was judged by very general statements, simply confirming that the intervention focused on a sector of priority for the government. However, more specific assessments of relevance vis a vis specific target groups were rare. Relevance should also be judged in a dynamic context, to see the extent to which objectives are still valid, and the extent to which outputs achieved are consistent with the overall goal and the intended impact and effects.

Concerning the latter, UNIDO faces the same difficulties as many other development organizations in presenting strong and credible evidence of overall impact on sustainable development. EVA is carrying out a number of impact evaluations and is also active in the international community of practice on impact evaluations, thus hopefully with time, acquiring and developing the necessary capacity, methodology and knowledge to conduct more such evaluations. Cooperation with other partners (UN, bilateral agencies and other) regarding impact evaluations can also help EVA develop appropriate methodologies for this.

EVA plays a key role in generating the knowledge on which UNIDO bases its operational programme and carves out its place in the global aid architecture. The key example mentioned is often the evaluation on Cleaner Production, but the evaluation of IP and CSFs also led to a change in UNIDO's approach to country level programming. EVA thus needs to be well integrated in policy and priority setting processes, while maintaining its independence, and participating actively in the fora where the future of the Organization is discussed, and where strengths and weaknesses are reviewed. EVA has to meet the twin requirements of accountability, of demonstrating "value for money" in output and outcome terms, but also in learning, of feeding in knowledge to the strategic discussions that any organization needs to continuously have to remain relevant and effective.

It is recommended that:

The criteria Relevance receives more attention in evaluations and is elaborated in the ToR and methodologies.

Good knowledge management and organizational learning is maintained as priority areas of focus, especially with respect to the outcome and impact of UNIDO programmes and projects.

EVA be systematically invited to participate in the processes and fora where UNIDO's strategic direction and focus is discussed and decided.

Strategic finding 3: It is necessary to protect EVA's ability and capacity to meet its core obligations and fulfil its mandate.

The Peer Review observed that UNIDO faces an "evaluability challenge" due to organizational weaknesses in two key areas: i) project design and ii) systematic monitoring and reporting. For the former, there is a lack of realistic and measurable goals, baseline, targets, or logframes; for the latter, reporting on implementation progress and results is weak in particular at the outcome and impact level.

These weaknesses are a challenge to subsequent evaluations and have led to high demand for EVA support. Examples include input to the design process of projects, assistance to develop logical frameworks and identify indicators at project level. In a wish to contribute as much as possible, and maybe to cement its utility and develop its support base in the Organization, EVA has acquiesced to many of the requests. Given available resources, the Peer Review considers that EVA should ideally not take on these tasks, and that EVA's role in evaluation and non-evaluation tasks needs to be revisited.

At the time of the Peer review, EVA had four professional and two general service staff and the workload is very high compared to resources. This might impact negatively on the coverage and quality of evaluations, which remains its main responsibility. The office seems to be “doing too much with too little”; the large number of project and programme evaluations keeps EVA tied up with many routine activities that could be done by operational staff (project managers), leaving EVA staff to focus on their core competencies, different types of more complex evaluations.

In view of these constraints, EVA may consider ways and means of curtailing its workload while ensuring that it continues to play a strong organizational role. Options include, limiting the EVA involvement in wider tasks that are not directly evaluation-related and further focusing the evaluation work plan.

The workload is also heavy because EVA staff conducts many evaluations themselves, in collaboration with consultants. In some organizations, evaluation staff increasingly manage rather than conduct evaluations. The exact balance depends on the experience, skills and capacity of staff, and of course on budgetary availability. The acceptance of additional, new tasks should be carefully considered, or undertaken with reduction of other, existing tasks.

It is recommended that:

EVA's involvement in tasks that are not directly evaluation-related be curtailed and the work plan better focussed.

More evaluations are conducted by consultants and EVA staff participate as team members or team leaders only in very complex evaluations with strategic and highly relevant organizational learning potential.

Strategic finding 4: The basic foundation for ensuring evaluability at outcome and impact level, a sound monitoring system, is “work in progress” and being addressed as part of UNIDO's change management process.

Monitoring is the basic foundation for evaluation and strategic planning, as shown in Figure 2¹⁸. Yet, in almost all interviews, UNIDO staff stressed the need to improve the monitoring system.

18) Presentation for Peer Review Kick off Meeting, 12th March 2009, by Director of EVA.

Figure 2: The M&E Pyramid

A review conducted on UNIDO's Integrated Programmes (IPs)¹⁹ showed that only 40% of the IPs had submitted annual progress reports in 2007. Another study²⁰ concluded, "There was a clear indication of a general dearth of sound results-oriented progress monitoring and reporting tools in UNIDO". Various attempts have been made over time to improve monitoring, with establishment of basic policies and procedures. For example, rules are laid down in the TC Guidelines including templates and business processes for reporting, there is guidance on self-evaluations, and new staff are briefed on requirements. Despite all these efforts, reviews and evaluations have repeatedly shown that implementation of the monitoring policies remains an Achilles heel for the Organization and current constraints to good monitoring include lack of consistent application of outcome indicators, monitoring plans and budgets in project documents, and comparable monitoring reports

It is also the impression of the Peer Review Panel that incentives for staff to develop new projects are stronger than incentives to closely monitor ongoing projects and programmes, a situation that is not unique in UNIDO but recognizable in many development agencies.

As a specialized UN Agency, UNIDO naturally values its technical expertise in managing projects; but monitoring of progress can be undertaken by different categories of staff or consultants, and the role of field offices in monitoring and evaluation could also be explored further.

The same is the case for self-evaluations, a potentially good tool for tracking results and internalizing lessons learnt. Yet, a review of self-evaluations²¹ showed weak compliance with the guidelines as only six out of eleven of the examined IPs had conducted such self-evaluations. The survey conducted for this Peer Review seemed to confirm this as only 45% of Chiefs and 50% of UNIDO representatives considered self-evaluations as "very important" and 8.3% and 40% of Chiefs and UNIDO representatives respectively, never used self-evaluations. One third of Chiefs however, indicated that they used these often or very often, an encouraging finding.

19) Review of 2007 self-evaluations of UNIDO Integrated Programmes.

20) Comparative review of lessons learned from 20 UNIDO Integrated Programmes.

21) Review of 2007 self-evaluations of UNIDO Integrated Programmes.

The review of self-evaluations also concluded, that “results statements were not supported by Monitoring and Evaluation (M&E) evidence”. In many interviews, staff indicated that results statements often try to “link the earth with the sky”, to establish a causality from a solar pump in Kenya to the MDGs but that this link is often a “leap of faith” rather than a well thought through logical chain of reasonable expectations based on a clear theory of change and empirical evidence. Other challenges that were found include lack of systematic reporting or follow-up from monitoring missions.

For many projects and programmes good monitoring systems are however in place and serve as useful inputs to evaluations. The challenge is to improve monitoring data at the outcome and impact levels as the lack thereof causes difficulties in evaluating all steps in the results chain and frustration when project managers are being held accountable for results at this level.

These issues are being addressed under the Organization’s “change management” initiative and will contribute greatly to evaluability at outcome and impact level when implemented.

It is recommended that:

Operational staff be made more responsible for mid-term evaluations and incentives given to improve the quality of self-evaluation.

Efforts be made to help ensure better monitoring data at the outcome and impact levels.

6. Assessment against Norms

The assessment below focuses on independence, credibility and utility. These are not independent of each other; there are strong synergies and trade-offs between them. Those norms of particular relevance to UNIDO, and synergies and trade-offs between them, are highlighted in the text where pertinent.

Text in *italics* contains the text for the norms being assessed, as articulated in the *Norms and Standards for Evaluation in the UN System (UNEG, April 2005)*.

6.1 Independence

The Peer Review Panel has focused the assessment of Independence based on the following Norms 2.1 - 2.4, 6.1- 6.5, and 7.1.

Independence is a basic criterion with bearing on credibility and usefulness, and there can be trade-offs between independence and usefulness. It has often been argued²² that “in house” evaluation functions close to management produce more useful and pertinent evaluations than external functions, less familiar with the organizational priorities, procedures and culture. On the other hand, credibility could be reduced if independence is jeopardized.

A distinction is made in the following between structural and functional independence in order to assess UNIDO against the relevant UN Norms. Structural Independence refers to the organizational setting of the evaluation function within the organization, i.e. its link with the management structure and the Governing bodies. Functional Independence refers to the degree of independence and impartiality in planning and conducting evaluations.

Structural and Functional Independence

Norm 2.2. The governance structures of evaluation vary. In some cases it rests with the Governing Bodies and in others with the Head of the organization. Responsibility for evaluation should be specified in an evaluation policy.

Norm 6.1. The evaluation function has to be located independently from the other management functions so that it is free from undue influence and that unbiased and transparent reporting is ensured.

Finding: EVA is considered to have functional independence, safeguarded by the integrity of current management.

The role and function of EVA are clearly described in the evaluation policy. The policy stipulates: “The members of an evaluation team must not have been directly responsible for the policy-setting, design or overall management of the subject of evaluation”. In this regard, EVA is fully independent and distinct from UNIDO management functions.

However, while developing the biannual evaluation work programme in a consultative manner with EVA taking the lead is considered good practice, the fact that the work

22) A Review of evaluation in Danida, Chapter 3: Independence and impartiality.

programme needs Executive Board approval could in theory compromise the functional independence of EVA. In practice, though, the Review Panel found no evidence of attempts to limit this independence and, furthermore, the perception of stakeholders was that the Director-General and the Executive Board provided the best guarantee of this functional independence, i.e. the integrity of current management, which has proven committed to ensure an enabling environment for evaluation, protects EVA independence and impartiality. Nevertheless, a different management with less integrity could, within the current structure and with the capability of approving the work programme, guide evaluations and jeopardize EVA's independence.

The fact that evaluation results and findings are presented to IDB by Director of EVA, not by Management is viewed as a positive feature regarding independence.

In terms of structural independence, Norm 2.2 recognizes that structures differ. In some organizations, the evaluation office is placed fully independently by reporting to the governing body; in other cases the office reports to or through the head of the Organization. For UNIDO, the EVA Director is appointed by the Director-General and reports to the Chief of Cabinet/Director of Bureau of Organizational Strategy and Learning (OSL)²³ of which the Evaluation Group is a part. In terms of structural independence, it is directly linked to the Head of the Organization through the Chief of Cabinet, i.e. fully independent from line management.

Governing bodies can also be instrumental in promoting or safeguarding the independence of an evaluation function. The UNIDO evaluation policy also requires a biannual report on evaluation activities. This report is provided as a Note by the Secretariat²⁴ to the IDB. Discussion by IDB of the report was limited and interest among member countries seem to be fairly low.

Norm 6.3. To avoid conflict of interest and undue pressure, evaluators need to be independent, implying that members of an evaluation team must not have been directly responsible for the policy-setting, design, or overall management of the subject of evaluation, nor expect to be in the near future.

Finding: All professional staff are recruited following open, transparent and competitive process and all are evaluation professionals.

All EVA professionals are external recruitments and have not been involved in any of the current operational activities that they are now evaluating, thus in compliance with the policy and adhering to the norm.

The Director of EVA was also externally recruited, through an open, transparent and competitive process. The Director tracks the progress of the work programme, supervises evaluations, and reports to the IDB on a biannual basis. The Director also occasionally conducts evaluations as a Team Leader, for strategic or complex evaluations.

Norm 7.1. During the planning stage of an undertaking, evaluation functions can contribute to the process by improving the ability to evaluate the undertaking and by building an evaluation approach into the plan. To safeguard independence this should be performed in an advisory capacity only.

23) A change in structure was discussed during the team's review mission.

24) IDB.34/5.

Finding: EVA has played a key role as advisor in UNIDO's quality assurance processes and in the launch of results-based management.

UNIDO management continuously stresses the importance of Results Based Management (RBM), introduced since 2006 through a variety of means and processes. A Steering Committee guides this process and EVA has played a key role as secretary to the Committee. EVA staff also advise the Project Approval Committee and Quality Advisory Group.

However, EVA's formally stated functions, although referring to support to managers and ensuring quality in the whole Technical Cooperation cycle with particular focus on results management, make no specific reference to RBM. The policy does not clearly articulate the link between evaluation and RBM.

Yet, the office commits substantive resources to this. The equivalent of one staff (year) is dedicated to RBM and to the Quality Advisory Group and the Project Approval Committee. A senior staff of EVA has acted as Secretary to the RBM Steering Committee and EVA has contributed to developing RBM tools and training. EVA was also instrumental in the development of a pilot Results Reporting System, which was, however, not implemented after the end of the pilot phase.

There is at an operational level in particular, a concern with "quality at entry" and interviews revealed a strong wish from operations for assistance from EVA in project design, development of logframes and indicators, for example. It is felt by operational staff that EVA could help improve project and programme quality through making experience and knowledge better available to the operational units, either through the presence of EVA staff in the design and development processes, or through a better system of sharing lessons learnt and knowledge about what works and what does not. This demand could be seen as a demand for more "spoon feeding" from EVA to operational departments as considerable efforts are already made to do so, and in the view of the Panel, over and beyond what many other evaluation offices would provide in terms of operational support.

For example, EVA staff prepare for PAC meetings by extracting relevant lessons learnt for the types of projects under review. This "service" is appreciated and helps ensure that organizational learning is effectively used and fed back into new projects and programmes. However, much of this information is available to operational staff already as all evaluations are available to all staff in the knowledge database, organized in a user friendly system.

There is a risk that EVA's role in providing lessons in each project case may not incentivize staff to actively seek such learning. In terms of good practice, in several other organizations in the UN and bilateral donors, project documentation requires that project designers point to lessons learnt from related initiatives. For better internalization and uptake, this remains the responsibility to operational units, also recognizing that technical experts have lessons from implementation and technical networks that they may include. Evaluation offices have responded to this by stepping up efforts in developing knowledge products, aggregating lessons learnt, and database access to reports. Any agency's focus in specific "categories of projects" normally allows such aggregation for program managers to use, without a case-by-case project lessons.

EVA staff is conscious of the importance of independence and try to stay at "arms length" from operations in terms of project and programme design. They provide support in

terms of logframe training and disseminating lessons widely and making them easily available to operations. A proposal for “design clinics” has also recently been made. While EVA staff can be said to have a comparative advantage in assessing and measuring results, the involvement of technical staff is equally important in developing measurable objectives and designing SMART²⁵ indicators and M&E systems.

However, EVA staff time is limited and the evaluation programme is very heavy, necessitating a strong prioritization of staff time and resources. The core task of EVA being to conduct evaluations, it is therefore a key management decision how much time should be spent on other activities.

In general, Evaluation Offices do not take active part in project appraisal and approval committees, though they may participate in corporate strategy planning and decision-making bodies. A move from project to corporate level focus may also bring EVA higher-level influence while liberating time for staff and maintaining independence. The experience of other organizations in RBM, such as UNDP, may be of interest.²⁶

Recommendation:

Level of EVA involvement in RBM development should be reconsidered given the limited resources of EVA.

Budgetary Independence

Norm 2.3. The Governing Bodies and/or the Heads of organizations are also responsible for ensuring that adequate resources are allocated to the evaluation function to operate effectively and with due independence.

Finding: EVA makes ingenious use of project and donor funds to fully fund its entire work programme, providing adequate coverage and including thematic and impact evaluations despite its limited core resources for evaluations (staff and budget).

The Director-General and the Executive Board are responsible for ensuring that adequate resources are allocated to evaluation. The overall resource envelope comes from different sources, as described above, and depends in any given year on both the core budget and the number of mandatory project evaluations.

The relatively limited core budget of EVA vis-à-vis a large evaluation work programme results in a need to juggle budgets. The solution to this is not necessarily in increasing the core budget, but in re-considering the respective roles of EVA and Operational departments in evaluations and mid-term reviews of projects and integrated programmes. Also, in fact the budget constraint has had some positive effects in that EVA has had an incentive to “bunch” similar project evaluations and carry out thematic evaluations, consistent with the directives from the IDB. On the positive side is also the flexibility that it gives EVA to reallocate resources according to emerging needs. An example can be found in

25) SMART stands for Specific, Measurable, Achievable, Realistic and Timebound.

26) UNDP launched the implementation of RBM in the late 1990s and the EVA was instrumental in the design, conceptualization and launch of the approach, contributing to the design of the Strategic Results Framework, establishment of links between output-outcomes-impact, application of indicators for the overarching results and reshaping its guidance on M&E. Once RBM was launched, the EVA took “a step back” so as to remain independent for subsequent assessments. RBM moved fully under the authority of the Operations Support Group with top management.

the 2008/2009 work programme. This was amended in April 2009 to take account of a postponement of an evaluation of the IP for Cuba, and a transfer of the funds originally budgeted for this exercise to the evaluation of the ITPO for China and expansion of the budget for the evaluation “Independent Thematic Evaluation of the UNIDO Cluster and Networking Development Initiatives”²⁷.

The limited resources put pressure on EVA staff and sometimes have an impact on individual evaluations in terms for example of fieldwork. In time, it may affect the delivery of the work programme. Lack of budgetary resources has also, at least in one case, resulted in the use of EVA staff for a requested evaluation in Nicaragua, while EVA would have preferred to use consultants.

The use of donor funds for evaluations also had implications for the relationship with those donors. Some interviewees raised questions about the role of donors in the evaluation process. This is an area where the Review Panel would propose that EVA bring more clarity so that expectations are clear on both sides. Clarification should address issues such as:

- Who to involve: the evaluations departments and/or operational departments, HQ or Vienna-based staff?
- How: when in the process and with how much time to take account of donors’ feedback?
- For what purpose: agree to and/or provide feedback on ToR and evaluation reports, or involvement in the actual evaluative work?

Clarity on such issues would improve the credibility of EVA and strengthen its independence. One possibility could be to develop different options for donors on how they might participate in evaluations of co-financed projects and ensure a clear dialogue and decision based on these options.

Recommendation:

EVA should clarify expectations when involving donors in evaluations and be early in the process giving donors adequate response time, e.g. for comments on ToR and/or evaluation reports.

6.2 Credibility

The Peer Review Panel has focused the assessment of Credibility based on Norms 2.4-2.5 (relate also to independence), 3.1, 4.2 (relate also to Utility), 5.1-5.3, 7.2, 8.1-8.2, 9.1-9.3 and 10.1-10.2.

Credibility depends to a large extent on people’s perceptions of evaluations and the evaluation function. The Peer Review has considered both perceptions and facts. As shown in the preceding section, an independent evaluation function is generally seen as credible, but other aspects such as professionalism of staff, and quality of reports and evaluation processes also play a role. Further, there is a strong link between credibility and utility

27) OSL/EVA work programme and budget for 2008/2009 – Amendment.

which goes both ways: evaluations should be seen as credible for stakeholders to see them as useful, but making useful and relevant evaluations also contribute to an evaluation function's credibility.

Evaluation Policy

Norm 3.1. Each organization should develop an explicit policy statement on evaluation. The policy should provide a clear explanation of the concept, role and use of evaluation within the organization, including the institutional framework and definition of roles and responsibilities, an explanation of how the evaluation function and evaluations are planned, managed and budgeted, and a clear statement on disclosure and dissemination.

Finding: The evaluation policy complies with international standards. An assessment of the extent to which the policy is known and implemented needs to take into account the fairly recent approval of the policy.

UNIDO's evaluation policy was issued in May 2006 as a Director-General's Bulletin²⁸. The policy responds to a resolution from the UN General Assembly²⁹ calling for the systematic evaluation of operational activities of the UN System by assessing their impact on poverty eradication, economic growth and sustainable development. The UNIDO evaluation policy complies with the norms and standards for evaluation in the UN System. For example, it includes sections dealing with definition of roles and responsibilities, evaluation principles, management, and follow-up of evaluations. The relative newness of the evaluation policy is a factor to consider when analyzing the present status and results.

The primary objectives of evaluation were stated in the policy as:

- Assuring accountability.
- Supporting management.
- Driving learning and innovation.

The policy outlines the different types of evaluation, the roles and responsibilities in evaluation, evaluation principles and management as well as follow-up to evaluations.

While describing different types of evaluation, including self-evaluations, independent evaluations and thematic evaluations, the policy also stressed: "Joint evaluations involving UNIDO, other UN and multilateral organizations and bilateral donors are gaining in importance as means of assessing the effectiveness of the UN System at country level". EVA has participated in several joint evaluations, after the initial engagement in the joint evaluation of the GEF project cycle. The Peer Review observed that these evaluations were of good quality, increased the visibility of the Evaluation Group to the larger evaluation community, and exposed EVA staff to different approaches, for which they express appreciation.

In addition to the policy, the Guidelines on Technical Cooperation Programmes and Projects cover the entire programme and project cycle, including evaluation. These Guidelines pre-date the evaluation policy as they were introduced in March 2005 and fine-tuned in August 2006. The Guidelines are now again being revised to reflect recent organizational developments, many of the initiatives related to RBM, and experience gained with the Guidelines. It was not apparent to the Peer Review Panel that there is a common corporate understanding of what the organization wants to do in terms of updating the TC Guidelines.

28) UNIDO/DGB(M).98.

29) 59/250.

In general, policies are determined at a high decision-making level, while more operational guidelines support the implementation of such policies. Ideally, there should be a clear line from overall evaluation policy (and other relevant policies on other subjects) – through TC Guidelines to the actual practice. In the case of UNIDO, the evaluation policy was developed to reflect the existing TC Guidelines with their requirement for mandatory evaluations. It is suggested that UNIDO would benefit from a more comprehensive and explicit discussion, in-house and with donors, on which types of projects should be evaluated and on the criteria for mandatory evaluations. For example, what is the ideal coverage of evaluation subjects in UNIDO? To what extent is it determined by financial scope? If the solution to coverage is cluster evaluation, should not the policy reflect cluster evaluations? For the TC Guidelines, an analysis of inherent constraints and incentives to M&E should drive the revision, rather than mere templates and formats.

To implement the evaluation policy, EVA has provided clarifications on certain aspects through internal guidance. The latest such update concerned evaluation preparation and management, implementation of evaluation, evaluation content and dissemination of evaluation reports. These updates are for EVA staff only and available on a shared G-drive.

A survey conducted as part of the Peer Review showed that half of the surveyed staff thought that the evaluation policy and guidelines are very important, and 9% that these are not important. 18% of UNIDO Representatives stated that they used the policy very often or often, while 18% had never used the policy. This spread is a little different for the Chiefs where half used the policy and guidelines often or very often, but 25% never. These survey results indicate the need for active promotion of the evaluation policy at various levels of the organization.

Recommendation:

Efforts are still needed to make the evaluation policy better known, to explain the role of EVA and to ensure consistency with other related policies and guidelines, notably the TC Guidelines.

Impartiality

Norm 5.1. Impartiality is the absence of bias in due process, methodological rigour, consideration and presentation of achievements and challenges. It also implies that the views of all stakeholders are taken into account. In the event that interested parties have different views, these are to be reflected in the evaluation analysis and reporting.

Norm 5.2. Impartiality increases the credibility of evaluation and reduces the bias in the data gathering, analysis, findings, conclusions and recommendations. Impartiality provides legitimacy to evaluation and reduces potential for conflict of interest.

Finding: The evaluation function enjoys a high level of credibility; there is a perception among interviewees and respondents to the survey that EVA staff are impartial and evaluations generally present both achievements and failures.

The UN Norms for evaluation define impartiality as absence of bias. It is discussed in the following related to the choice of evaluation subjects in the work programme and to the impartiality of EVA staff.

The evaluation policy states: “The biennial work programme of EVA makes sure that evaluations are chosen and undertaken in a transparent and timely manner”. The Work Programme is thus developed in consultative process with departments to ensure relevance and usefulness of evaluations. A large number of evaluations are mandatory, as prescribed in the TC Guidelines.

Interviews revealed a general satisfaction with the work programme of EVA and the process of developing it and choosing evaluation subjects. The survey showed that 67% of Chiefs and 27% of UNIDO Representatives say that they have made suggestions to EVA’s work programme, and examples were given where such proposals had been taken into account and the evaluations included in the work programme.

Impartiality of the evaluators of a project or programme is key for the credibility of the evaluation, whether from EVA staff or consultants. The perception of interviewees was that EVA staff was more independent and impartial than evaluation consultants. The survey revealed that 83% of Chiefs considered the impartiality and independence of EVA staff as high or very high, against a perception of impartiality by 60% of consultants. For the UNIDO Representatives these figures are 90% and 78% respectively. None of the Chiefs found impartiality and independence to be low in any of the groups whereas among UNIDO Representatives 11% and 10% found this to be the case for consultants and EVA staff respectively.

Evaluability

Norm 7.2. Before undertaking a major evaluation requiring a significant investment of resources, it may be useful to conduct an evaluability exercise. This would consist of verifying if there is clarity in the intent of the subject to be evaluated, sufficient measurable indicators, assessable reliable information sources and no major factor hindering an impartial evaluation process.

Finding: Evaluability is low because of weak monitoring and weak formulation of objectives and outcome and impact indicators in project design and logical frameworks (logframes).

In almost all conversations and interviews undertaken for the Peer Review, UNIDO staff expressed concerns regarding the weak monitoring system of the organization.

Yet, the TC Guidelines include a detailed section on monitoring IPs and projects, which stipulate that team leaders should hold “regular progress review meetings at headquarters and in the field” and they must prepare, every twelve months, “composite reports” on the status of implementation, additional measures required, synergies achieved and programme results against outcomes.

Responsibilities are also clearly laid out in the guidelines, among team leaders, project managers, Programme Chiefs, and the Programme Coordination and Fields Operations Division/Regional and Field Coordination Branch. Director of EVA is supposed to analyze the timeliness and quality of the reports and “use [the reports] in an annual statistical and analytical report, with copies to the RBM focal points”.

There are templates for progress reports of IPs, projects and self-evaluations, but there is a need for reviewing these templates and develop different templates for monitoring and self-evaluation to take account of the difference in who participates in these exercises and their use. This was raised by some interviewees as a reason for low compliance with the Guidelines.

Absence of good logframes and M&E evidence supporting project and programme outcomes was key for many staff, and a source of some frustration, especially for operational staff. This frustration may be linked to the Organization's simultaneous focus on the MDGs and RBM where some operational staff saw the RBM focus on impact and outcomes as an obligation to establish causality from a limited technical output to the MDGs, but found it difficult to support results with evidence as the results chains become too long and abstract.

To the Peer Review Panel this suggests a need to review the RBM strategy, to better explain what it means, what the implications are, and how it links with evaluation and demonstrating impact and relevance; this includes revisiting EVA's role in RBM.

Recommendation:

Monitoring and self-evaluation should be strengthened as basic building blocks for evaluation, based on good logframes, realistic project design, systematic mid-term reviews and better collection of baseline data

Review the RBM strategy to better explain what it means, what the implications are, and how it links with evaluation and demonstrating impact and relevance, including revisiting EVA's role in RBM.

Competencies

Norm 9.1. Each organization of the UN System should have formal job descriptions and selection criteria that state the basic professional requirements necessary for an evaluator and evaluation manager.

Norm 9.3. Evaluators must have the basic skill set for conducting evaluation studies and managing externally hired evaluators.

Finding: EVA staff is recruited under formal job descriptions and selection criteria and enjoy a high level of credibility and respect within UNIDO. EVA staff both manage and conduct evaluations in the latter case, often jointly with consultants.

EVA has four professional staff, all with good evaluation experience from outside UNIDO and with different degrees of seniority. EVA issues formal job descriptions and establish selection criteria for the necessary professional requirements, skills and competences for hiring evaluation team leaders and evaluators, as well as contracting evaluation experts. This is in accordance with the evaluation policy, which also states: "The Director of EVA must have proven competencies in the management of an evaluation function".

The survey conducted showed a high level of credibility for EVA staff, perceived by UNIDO staff as generally higher than for consultants. Addressing the competence of EVA staff versus consultants, 60% of Chiefs considered consultants' competence to be high or very high, against 92% for EVA staff. The UNIDO Representatives all considered the consultants' competencies to be high or very high, whereas 89% considered this to be the case for EVA staff.

Considering this together with the results on the perception on impartiality and independence, this speaks in favour of using EVA staff to conduct evaluations themselves to maintain the high level of credibility of EVA. However, EVA staff are in high demand

for support to other key organizational processes related to results and learning, and to feedback of knowledge and experience. The tradeoffs between using staff skills, expertise and knowledge and using consultants must be considered in view of this.

One challenge thus that EVA seemed to face is the difficulty of ensuring the right balance, role and mix of EVA staff and consultants in evaluation teams, and using EVA staff for the tasks where they are most valuable.

This is also linked to the different types of evaluations that EVA carries out and different degrees and types of EVA involvement and support could be developed for three types of evaluations:

- Self-evaluation.
- Independent evaluation managed by operational departments with EVA quality assurance (typically all “straight forward” or “routine” evaluations.
- Independent evaluation.

Recommendation:

The tradeoffs between managing and conducting evaluations needs to be considered to make best possible use of the human resources, also in view of the different types of evaluations.

Rigorous thought needs to be given when establishing each evaluation team to the pros and cons of using staff and consultants, and to what roles they should each play.

Quality of Evaluation

Norm 8.1. Each evaluation should employ design, planning and implementation processes that are inherently quality oriented, covering appropriate methodologies for data collection, analysis and interpretation.

Finding: The quality of evaluations, process and product, is acceptable, especially for traditional project evaluations.

The Peer Review Panel assessed the quality of evaluations based on interviews but also through a review of a sample of evaluation reports, which were assessed against the “Standards for Evaluation in the UN System”. Evaluation reports, however, do not necessarily reflect the evaluation process itself; therefore, the review was complemented by interviews and four case studies. Views were sought both from UNIDO staff involved in evaluations as well as external consultants, including team leaders and from government representatives.

The sample reflected different categories of projects and programmes and different types of evaluations/review and covered different geographical areas. It consisted of ten evaluations:

Table 4: Evaluation Reports assessed by Peer Review Panel

| Year | Title | Country | Type of evaluation/programme |
|------|---|--------------|------------------------------|
| 2008 | Appui a l'initiative privéé et au renforcement des capacites du secteur agro-industriel (Phase II) | Burkina Faso | IP |
| 2008 | Agro-Processing and Private Sector Development – Phase II | Uganda | IP |
| 2007 | Appui a la valorisation des produits agropastoraux et au développement du secteur privé | Mali | IP |
| 2006 | Country Service Framework | India | CSF |
| 2008 | Strengthening and dissemination of cluster development | Nicaragua | Project |
| 2009 | Meta Evaluation of ITPOs | Global | Meta |
| 2009 | Comparative review of lessons learned from 20 IPs | Global | Review |
| 2007 | UNEP-UNIDO GEF Project: “Fostering Active and Effective Civil Society Participation in Preparations for Implementation of the Stockholm Convention” | Global | Joint with GEF |
| 2008 | UNIDO-UNEP Cleaner Production Programme | Global | Joint with UNEP |
| 2009 | Strategic research project: Combating Marginalization and Poverty through Industrial Development (COMPID) | Global | Project |

Based on the review of the evaluation reports, several positive aspects emerged. The Panel concluded that the UNIDO evaluation reports all seem to have good executive summaries, subjects are generally well described and the reports overall present a good recording of outputs. Conclusions are generally consistent with findings. Evaluation reports contain good efforts to generalize lessons in most cases. Based on peer practice or norms, areas of possible improvement include:

- Enhance readability by ensuring focused and short descriptions of analysis. In particular, follow-up is facilitated by fewer and focused recommendations with clear priorities for action.
- Move beyond a standard description of evaluation objectives to include more information on evaluation criteria, including reasons why some “standard” criteria are not used, information on methodology and approach including the stages in the evaluation.
- Ensure consistent use of annexes.
- Transparency and motivation can be enhanced by including names and functions of the evaluators on a more prominent page (not merely in “introduction or methodology” sections).

- Strengthen logframes and improve monitoring and baseline data. Logframes are not systematically included in the reports and there are examples of evaluations that have resorted to ‘reconstruct’ the logframe. There are also examples of evaluations of programmes and projects with several components where logframes only exist at component level, and not for the programme as such, demonstrating the expected synergies between the various components. This may make it challenging to assess expected synergies between components (the Cleaner Production evaluation is one exception).
- Greater attention to analysis of outcomes and to the relevance (of interventions to national context) and to target groups (discussing what their real needs are) and the relevance of UNIDO interventions vis-à-vis the interventions of other cooperation initiatives.
- Broaden external vision by more consistent treatment in evaluation reports of the involvement of other donors, including the linkages to the United Nations Development Assistance Framework, as well as analysis of stakeholder contribution and stakeholder participation with consolidated analysis.
- Consider, where appropriate, issues of gender, human rights, or ethical and environmental safeguards and where not considered, give reasons clearly.

Four case studies were used to assess the evaluation process in-depth. These illustrated the following issues: (a) the need for ensuring strong consultation and transparency during evaluation processes; (b) the need to be conscious about the trade-offs in use of consultants, including of former UNIDO staff; and (c) the need to be clear about the role of EVA staff versus consultants in each evaluation to safeguard the high perception about impartiality.

Interviews showed that when using former UNIDO staff for evaluations, there is sometimes a perception that the consultants may not be fully impartial. At the same time, however, their deep knowledge of the Organization can also make them very effective consultants who can provide more added value than consultants who are new to the organization. The hiring of former staff was a concern for several interviewees although in terms of numbers, they are in fact relatively few: out of a total of 27 evaluation consultants hired over the last three years, three were former UNIDO staff members. The disproportionate attention given to this issue by interviewees given the actual numbers may indicate a need for better communication on the issue.

The Panel was also exposed to cases where roles had not been entirely clear, and where consultants felt that they needed to adjust their judgement to that of EVA staff as they represented the Organization that had commissioned the evaluation. This underlines the need for good briefing of evaluation consultants and EVA staff prior to the start-up of the evaluation and for clarity in the ToR of the roles of both.

The choice of consultants, the briefing of consultants and the clarity of roles in the ToR are thus critical issues for EVA to maintain its credibility.

Recommendation:

Further improve quality of evaluation reports, new methodologies may need to be

developed for new types of aid modalities and support, and for evaluating relevance and impact.

To improve the evaluation process, the trade-offs in use of consultants, including of former UNIDO staff and EVA staff must be considered and the respective roles be absolutely clear.

6.3 Utility

The Peer Review Panel has focused the assessment of Utility based on the following Norms: 2.6-2.7, 4.1-4.2 (relates also to credibility), 8.2 (relates also to credibility), 10.2 (relates also to credibility), 12.1-12.3, and 13.1-13.2.

There are synergies and trade-offs between the different criteria as shown in preceding sections. The same is the case for utility and independence, and utility and credibility. For example there can be a synergy between utility and credibility as the utility of evaluations will also colour the perception of credibility of the evaluation function. i.e. if seen as useful, it will also often be seen as credible. As for independence, however, there is a trade-off as the perception is often that if evaluation functions are too remote from operations, utility suffers, but if they are too close, independence is jeopardized. There is thus a balance to be struck.

Choice/Planning of Evaluations

Norm 2.6. The Governing Bodies and/or Heads of organizations and of the evaluation functions [...] should ensure that a system is in place for explicit planning for evaluation and for systematic consideration of the findings, conclusions and recommendations contained in the evaluations. They should ensure appropriate follow-up measures including an action plan or equivalent appropriate tools, with clear accountability for the implementation of the approved recommendation.

Norm 4.1. Planning for evaluation must be an explicit part of planning and budgeting of the evaluation function and/or the organization as a whole. Annual or multi-year evaluation work programmes should be made public.

Finding: There is a strong demand for meta evaluations and synthesis reports of evaluations and lessons learnt and EVA has in recent years made a clear effort to pursue such substantive work. There is also a demand on EVA for mid-term evaluations.

The biennial work programme of EVA ensures that evaluations are selected in a transparent and timely manner. As is also mentioned, the TC Guidelines stipulate that evaluations are mandatory for all IPs or extensions of IPs with funding larger than one million Euro, and for projects with UNIDO inputs over one million Euro or extension of projects above Euro 0.7 million. Donors may also require evaluations for co-funded projects.

In recent years, there has been a stronger demand from IDB for thematic and programmatic evaluations. As EVA has a large number of mandatory evaluations, due to requirements of the TC Guidelines and the large portfolio, a practice has been introduced to “cluster” evaluations of projects. This has a financial benefit as it enables the evaluation of a larger number of projects but also has a substantive benefit in that it provides an

opportunity to assess more cross cutting issues and draw lessons across a project portfolio of similar projects. The Peer Review Panel agrees that clustering project evaluations is a useful way forward and should ideally be reflected in the evaluation policy.

Table 3 (p.25) on numbers and types of evaluations initiated in the period 2006-2009 demonstrates the evolution in the types of evaluations carried out since the introduction of the evaluation policy in 2006. It shows an increasing number of thematic evaluations and also a greater diversity of EVA products in terms of reviews and impact studies and evaluations. However, as the TC Guidelines make evaluations mandatory for certain projects, EVA's hands are to some extent tied.

The TC Guidelines also require Mid-term evaluations after only a few years of project implementation. This may not be the best use of evaluation capacities as mid-term evaluations may be seen more as a monitoring function by assessing if the project is performing as it should and is on track to meet objectives. Independent mid-term evaluations can bring added value in case of large, complex projects or projects with strategic implementation problems. For most projects, however, a lighter midterm review should be sufficient. In line with practice that evaluation is a selective exercise, UNIDO could consider revising the TC Guidelines so that mid-term evaluations are replaced by mid-term reviews, to be carried out by the operative departments.

In the case of other organizations, practices and views vary on mid-term reviews or evaluations³⁰. Many see mid-term reviews as process-assessments which are operational in nature. In select cases, such as pilot projects, projects with significant issues or high political sensitivity, exceptionally large projects, independent mid-term evaluations by the evaluation unit may be called for.

Recommendation:

In view of EVA's heavy workload, mid-term evaluations may better be carried out as lighter reviews, not full evaluations, and conducted by the operational departments. This would also enhance the effectiveness of monitoring.

Usefulness of Terms of Reference

Norm 10.2. Evaluation Terms of Reference and reports should be available to major stakeholders and be public documents. Documentation on evaluation in easily consultable and readable form should also contribute to both transparency and legitimacy.

Finding: ToR are generally of acceptable quality to guide the evaluation.

The Peer Review Panel examined seven evaluation ToRs including some for the sampled evaluation projects. Based on the review of the evaluation ToR several positive aspects emerged:

Overall it was found that the ToRs contain sufficient background information on the topic or project:

- a) They generally mention the OECD/DAC evaluation criteria;

30) Asian Development Bank, Evaluation study: Midterm Review Process. December 2008.

- b) The “evaluation questions” are generally mentioned and mostly clearly formulated;
- c) Specific job descriptions of consultants are included in attachment;
- d) The reporting section contains sufficient information with reference to the quality assessment of evaluation reports or assessment criteria.

Areas of consideration for enhancement in ToRs include:

- Expansion on “Objectives/scope” and “purpose/context”; these allow the assessment to be contextualized to draw lessons;
- For transparency, more details on “methodology” (evaluation phases) and explanation for selection and interpretation of standard DAC criteria (or those less relevant and not included);
- Gender issues, Human rights and environment issues should be mentioned when appropriate;
- Indicate required skills of the combined team in the ToR, with clear information about tasks of different team members.

Recommendation:

The sections on purpose, objectives and context could be strengthened and more detail provided on methodology and the reason for choice of evaluation criteria.

Management Response and Follow-up to Evaluations

Norm 6.2. The head of evaluation must have the independence to supervise and report on evaluations and track follow-up of management’s response resulting from evaluation.

Finding: EVA maintains a follow-up system, but follow-up to evaluations still do not seem a high priority for project managers, even in cases where recommendations have been accepted.

The Director of Evaluation reports on evaluations to the IDB on a biannual basis and at regular intervals to the Executive Board. The latest such presentation was made on 10th July 2009 and focused on the System of Management Response, a review of self-evaluations, which EVA has carried out as well as findings from selected evaluations.

EVA has developed and managed a comprehensive system to track implementation of evaluation recommendations and management response. The Management Response System (MRS) is an internet based application and all staff have access to the system and are thus able to track the implementation of recommendations and the management response. Recommendations seem to be generally accepted: In the September update to the Executive Board³¹, only 3% of recommendations had not been accepted, and 17% only partially accepted. Yet, according to EVA’s own reviews, “there is a need to create awareness about the usefulness of the follow-up process, the usefulness of which (weighed against their time available for post-projet/programme work) is very often questioned by

31) Background information to the Executive Board meeting on 10th July, 2009.

the offices responsible to follow-up to the MRS.”³² Furthermore, a relatively high staff-turnover rate in UNIDO leads to many unanswered Management Response Sheets, since the projects, once completed, are not handed over to anybody.

Due to the time-lag between evaluation completion including the recommendations, and the completion of the Management Response Sheet and EVA tracking of follow-up, it is difficult to reconcile the various percentages presented in documents provided. However, it seemed to the Peer Review that sometimes, even when recommendations were accepted, they were not always implemented. It would be interesting for UNIDO to know in how big a share of projects this is the case and what the main reasons for this were.

EVA briefs new staff about the system and also tries to raise awareness among all staff about the importance of evaluation activities including MRS.

Other evaluation offices are considering or have implemented more responsibilities for follow-up by operational departments, as evaluation functions are not well-placed to ensure follow-up. If so, decisions on and follow-up of recommendations are conducted by field/desk offers. Evaluation offices occasionally analyze whether the nature of recommendations made by evaluations makes it possible to do proper follow-up, i.e. are recommendations relevant and implementable; or experiment with in-depth follow-up studies on selected evaluations to learn more about what makes evaluations useful or not.

The process to ensure that recommendations are discussed and follow-up takes place is managed by the EVA for strategic evaluations.

Recommendation:

EVA might want to consider moving actual follow-up on evaluations to management

Norm 12.1. Evaluation requires an explicit response by the governing authorities and management addressed by its recommendations. This may take the form of a management response, action plan and/or agreement clearly stating responsibilities and accountabilities.

Norm 12.2. There should be a systematic follow-up on the implementation of the evaluation recommendations that have been accepted by management and/or the Governing Bodies.

Norm 12.3. There should be a periodic report on the status of the implementation of the evaluation recommendations. This report should be presented to the Governing Bodies and/or the Head of the organization.

Finding: Completing the information on follow-up to evaluations does not seem to be a priority for the offices responsible to follow-up to the MRS.

The Peer Review assessed seven Management Response Sheets provided by EVA and found that there is a need for standardization and clearer common understanding of what is required to avoid different interpretations of standards and contents. Also there is also a need to adhere to format and deadlines. The Panel concluded based on this, on interviews and on other documented evidence that it is important that EVA strengthen

32) Background information to the Executive Board meeting on 10th July, 2009.

its quality control system but also that EVA re-considers guidance on conclusions and recommendations to avoid such a large number of recommendations which makes follow-up difficult and the MRS ineffective.

EVA may also consider the following proposals:

- A “model Management Response Sheet ” could be sent as a sample sheet to all staff involved in an evaluation to show a best practice;
- The cover page is self-explanatory but it was noted that not all sheets include information on the various delivery dates (date of evaluation report, of Management Response Sheet, of follow-up by project manager, of follow-up by field office/ regional programme). This could be improved in order to have an overview of the dates on the front page;
- The cover page could include a statement that the MRS format should not be changed;
- Given the workload in EVA and the experience, with follow-up actions to evaluations, EVA may consider to what extent the follow-up should indeed be with EVA or if it could be carried out by another unit.

Recommendation:

Incentives need to be strengthened to use the MRS as a management tool.

Knowledge Management and Lessons Learned

Norm 2.7. The Governing Bodies and/or Heads of organizations and of the evaluation functions are responsible for ensuring there is a repository of evaluations and a mechanism for distilling and disseminating lessons to improve organizational learning and systemic improvement. [...].

Norm 13.1. Evaluation contributes to knowledge building and organizational improvement. Evaluations should be conducted and evaluation findings and recommendations presented in a manner that is easily understood by target audiences.

Norm 13.2. Evaluation findings and lessons drawn from evaluations should be accessible to target audiences in a user-friendly way. A repository of evaluation could be used to distil lessons that contribute to peer learning and the development of structured briefing material for the training of staff. This should be done in a way that facilitates the sharing of learning among stakeholders, including the organizations of the UN System, through a clear dissemination policy and contribution to knowledge networks.

Finding: There is very strong appreciation for EVA’s contribution to organizational learning among staff and management.

Generally the Peer Review Team was met with genuine appreciation of the “mirror” that EVA provides to the Organization. There is also strong appreciation of evaluation lessons and findings. Thematic evaluations and project evaluations are seen as useful for accountability and for learning, especially when clustered.

The demand for meta evaluations and synthesis reports of lessons is strong as is the demand for support to ensure quality at entry (design clinics) and for mid-term evaluations.

There are examples of evaluations that have changed the way UNIDO works (India CSF, Cleaner Production, Evaluation of IP Evaluations) which shows that there are effective feedback mechanisms that ensure organizational learning and that EVA contributes to the strategic thinking in the organization.

There is both formal and informal dissemination of findings and knowledge (PAC, QAG, staff on various committees, dissemination tools), and EVA is currently thinking about innovative dissemination strategies.

The Peer Review Panel was informed that in all cases, findings of the evaluations or reviews were presented and discussed through in-house workshops. Recent examples include:

- 2007 Comparative review of lessons learned from 20 IPs (meta evaluation).
- 2008 Impact-oriented desk review on poverty alleviation (Impact oriented research).
- 2008 Review of 2007 Self-evaluations of UNIDO IPs (review).

Key recommendations are always communicated to Management as part of an Inter-Office Memorandum.

The areas needing improvement especially concern an uneven understanding of the difference between evaluation and monitoring in the Organization, which may jeopardize the evaluation function's effectiveness. This, combined with a certain reluctance on EVA's part to decline requests for support may lead to dissipation of efforts.

Recommendation:

A better general understanding of the difference between monitoring and evaluation would help ensure that EVA focus on its core mandate and minimize the risk that EVA dissipates its efforts due to strong demand for its services.

7. The Peer Review Panel's Overall Assessment

The Panel appreciates the commitment of UNIDO management to the Peer Review concept, and the dedication of EVA staff to their task. The strong interest and many discussions about monitoring and evaluation, results based management, impact measurement, etc. throughout the organization testify to the seriousness with which evaluation is taken in all its dimensions. This augurs well for the future of evaluation in UNIDO.

The Panel's overall view is that the evaluation function is well established within UNIDO, well staffed and well respected and was further strengthened from 2006 with the approval of the evaluation policy. The products produced are well received and an indication of the appreciation of EVA staff is the strong demand for their input into various organizational processes.

The Review did however highlight a weakness in project design and monitoring practices with serious implications for the evaluation function, i.e. weak evaluability. Logframes for projects and programmes must be better designed to include good outcome and impact indicators, baselines collected, and monitoring reports and self-evaluations improved to be able to demonstrate results at outcome and impact level. With this, evaluations will be more solid and the evaluation function strengthened both in terms of accountability and learning.

This is, however, not sufficient. A better understanding throughout the organization of the differences between monitoring and evaluations and a clearer attribution of accountability for the monitoring and evaluation processes, including at mid-term, are needed. These must ensure that EVA is able to and have the resources to focus on its core function: managing and conducting independent evaluations and ensuring organizational learning from the evaluation process.

Organizational learning with respect to relevance and impact are important. Whereas EVA is making progress on the latter, jointly with other organizations in terms of methodology development, the former – relevance – was found by the Panel to be an area where more work was needed, as this aspect did not seem to be sufficiently treated in the evaluations reviewed.

Looking specifically at the three core criteria assessed: independence, credibility and utility, the overall assessment is:

7.1 Independence

EVA is independent from line management and enjoys functional independence safeguarded by the integrity of the current management and the strong awareness among EVA staff of the importance of independence.

There is a strong demand for EVA services in terms of helping improve “quality at entry” through better project design. While ready to support this, EVA staff was also conscious of the importance of independence and try to stay at “arms length” from operations in terms of project and programme design. They provide support in terms of logframe training and disseminating lessons widely and making them easily available to operations

but do not participate actively in the design of specific projects or programmes. While EVA staff can be said to have a comparative advantage in assessing and measuring results, the involvement of technical staff is equally important in developing measurable objectives and designing SMART indicators and M&E systems.

Also, EVA staff time is limited and the evaluation programme is very heavy, necessitating a strong prioritization of staff time and resources. The core task of EVA being to conduct evaluations, it is therefore a key management decision how much time should be spent on other activities.

7.2 Credibility

EVA enjoys a high level of credibility. EVA staff are considered competent, impartial and independent and consultants employed are generally well perceived, although the role of EVA staff and consultants respectively was not always made sufficiently clear. In general EVA uses external consultants with no prior work-experience with UNIDO, but it has also worked with a small number of former UNIDO staff as consultants. Because of their familiarity with the organization and their network, these consultants carry both a strong advantage but also a certain risk of not being perceived a fully impartial. EVA has to consider this element when using such staff, even if the numbers remain limited.

Methodologies are appropriate for traditional project evaluations and EVA is well aware of the need for methodological improvement for other types of interventions, including for impact evaluations. Participation in international networks where new methodologies and methods are discussed will help strengthen EVA's capacity in this area.

While evaluation reports include both successes and failures, the Peer Review did identify two areas of improvement; there is scope for improvement in the quality of the ToR, and the quality of evaluation reports reviewed was deemed somewhat uneven, calling for a better quality assurance process.

There is a clear need to make the policy better known and clarify the respective roles of monitoring and evaluation and to ensure that the two functions are aligned and mutually supportive. A certain frustration among operational staff with results chains linking output with high-level outcomes was very clearly felt by the Panel, who feels that EVA has a role in helping explain how to develop causality chains and thus help ensure evaluability, but that resource use has to be modest given EVA's core function.

EVA might want to consider developing a "typology" for different degrees of involvement of EVA/UNIDO staff and support to different types of evaluations and assessments. In general, managing rather than conducting evaluations, at least in cases deemed as straight forward would free resources, but would also require an assessment of trade-offs.

7.3 Utility

The consultative process of determining EVA's work programme and EVA's responsiveness to requests from both staff and management and the IDB has led to a diversification of EVA "products", i.e. different types of evaluations/reviews. This has contributed to increase utility, further enhanced through new dissemination platforms and strategies.

Overall, EVA maintains a high level of relevance and is able to contribute significantly to organizational learning.

The one area where more efforts seem to be needed is follow-up to evaluations and using the MRS as a management tool. The MRS is built on a well developed, user friendly electronic platform, but without ownership among project managers and incentive to use it, will not ensure follow-up to evaluation recommendations,.

One finding of the survey was that evaluation is clearly seen as a learning tool. A high 83% of respondents agreed that the primary purpose of evaluation is to provide lessons learnt which can improve policies and programmes, whereas 36% agreed the primary purpose was to ensure accountability for use of funds. Interviewees also attributed a very high utility to the evaluation process itself.

EVA has thus clearly established itself in the organization as a driving force for organizational improvement. It has generated a high level of expectations and seems set to meet them. The Peer Review Panel hopes that this report can further help EVA meet the high expectations, and demonstrate to UNIDO management the value of EVA and the way forward to further strengthen this important function.

Annex 1

Matrix with summary of recommendations

The following table summarizes the most important recommendations and are listed according to the three assessment criteria of independence, credibility and independence with some strategic recommendations at the beginning. Since the assessment criteria are interlinked some of the recommendations are overlapping.

| Nr. | Reference | Recommendations | Management | Operational departments | EVA |
|-----|-----------------|--|------------|-------------------------|-----|
| | <i>Page nr.</i> | <i>Strategic level</i> | | | |
| 1 | 29 | The criteria Relevance receives more attention in evaluations and is elaborated in the ToR and methodologies | | | x |
| 2 | 29 | Good knowledge management and organizational learning is maintained as priority areas of focus, especially with respect to the outcome and impact of UNIDO programmes and projects | x | | x |
| 3 | 29 | EVA be systematically invited to participate in processes and fora where UNIDO's strategic direction and focus is discussed and decided | x | | |
| 4 | 30 | EVA's involvement in wider tasks that are not directly evaluation-related be curtailed and the work plan better focused | x | | x |
| 5 | 30 | More evaluations are conducted by consultants and that EVA staff only participate as team members or team leaders in very complex evaluations with strategic and highly relevant organizational learning potential | | | x |
| 6 | 32 | Operational staff be made more responsible for mid-term evaluations and incentives given to improve the quality of self-evaluation | x | x | x |
| 7 | 32 | Efforts be made to help ensure better monitoring data at the outcome and impact levels | | x | |

ANNEX 1 MATRIX WITH SUMMARY OF RECOMMENDATIONS

| Nr. | Reference | Recommendations | Management | Operational departments | EVA |
|----------------------------|------------------------|--|-------------------|--------------------------------|------------|
| <i>Page nr.</i> | <i>Strategic level</i> | | | | |
| <i>Independence</i> | | | | | |
| 8 | 36 | Level of EVA involvement in RBM development should be reconsidered given the limited resources of EVA | x | | x |
| 9 | 37 | EVA should clarify expectations when involving donors in evaluations and be early in the process giving donors adequate response time, e.g. for comments on ToR and/or evaluation reports | | | x |
| <i>Credibility</i> | | | | | |
| 10 | 39 | Efforts are still needed to make the evaluation policy better known, to explain the role of EVA and to ensure consistency with other related policies and guidelines, notably the TC Guidelines | x | | x |
| 11 | 41 | Monitoring and self-evaluation should be strengthened as basic building blocks for evaluation, based on good logframes, realistic project design, systematic mid-term reviews and better collection of baseline data | | x | |
| 12 | 41 | Review the RBM strategy, to better explain what it means, what the implications are, and how it links with evaluation and demonstrating impact and relevance, including revisiting EVA's role in RBM | x | | |
| 13 | 42 | The tradeoffs between managing and conducting evaluations needs to be considered to make best possible use of the human resources also considering different types of evaluations | | | x |
| 14 | 42 | Rigorous thought needs to be given when establishing each evaluation team to the pros and cons of using staff and consultants, and to what roles they should each play | | | x |

ANNEX 1 MATRIX WITH SUMMARY OF RECOMMENDATIONS

| Nr. | Reference | Recommendations | Management | Operational departments | EVA |
|-----|-----------------|---|------------|-------------------------|-----|
| | <i>Page nr.</i> | <i>Strategic level</i> | | | |
| 15 | 45 | To improve the evaluation process, the trade-offs in use of consultants, including of former UNIDO staff and EVA staff must be considered and the respective roles be absolutely clear | | | x |
| 16 | 44 | Further improve quality of evaluation reports, new methodologies may need to be developed for new types of aid modalities and support, and for evaluating relevance and impact | | | x |
| | | <i>Utility</i> | | | |
| 17 | 46 | In view of EVA's heavy workload, mid-term evaluations may better be carried out as lighter reviews, not full evaluations, and conducted by the operational departments. This would also enhance the effectiveness of monitoring | x | x | x |
| 18 | 47 | The sections on purpose, objectives and context could be strengthened and more detail provided on methodology and the reason for choice of evaluation criteria | | | x |
| 19 | 48 | EVA might want to consider moving actual follow-up on evaluations to management | x | | x |
| 20 | 49 | Incentives need to be strengthened to use the MRS as a management tool | x | | x |
| 21 | 50 | A better general understanding of the difference between monitoring and evaluation would help ensure that EVA focus on its core mandate and minimize the risk that EVA dissipates its efforts due to strong demand for its services | x | | x |

Annex 2

Terms of Reference

Professional Peer Review of the Evaluation Function at the United Nations Industrial Development Organization (UNIDO)

April 22, 2009

1. Introduction

The Professional Peer Review is conducted in line with the *Framework for Professional Peer Reviews of Evaluation Functions in Multilateral Organizations*, which was finalized by the DAC/UNEG Joint Task Force in early 2007. Following the Peer Reviews of the evaluation function of the UNDP, UNICEF, WFP, OIOS, GEF, UNIDO volunteered as the sixth multilateral organization for such review.

This document sets out the key elements of the Peer Review of the evaluation function of UNIDO. It describes the background of the Peer Review, its purpose, the scope and general approach and methodology, the composition of the Peer Panel and the time schedule. This document, approved by the Panel members and shared with UNIDO Management and the UNIDO Evaluation Group (EVA), serves as a basic reference guide for the Review.

2. Background

UNIDO is the specialized agency of the United Nations mandated to promote industrial development and industrial development cooperation. It is devoted to fostering competitive and environmentally sustainable industries, considered to have a crucial role to play in accelerating economic growth, reducing poverty and achieving the Millennium Development Goals (MDGs). As such, UNIDO works towards improving the quality of life of the world's poor by drawing on its combined global resources and expertise in the following three, interrelated, thematic areas:

- Poverty Reduction through Productive Activities.
- Trade Capacity Building.
- Energy and Environment.

UNIDO's headquarters is in Vienna, Austria but operations are worldwide. The highest decision-making body is the General Conference, comprising all 173 Member States. It meets every two years to set out the Organizations guiding policies and will convene, next time, between the 7 and 11 December 2009. The General Conference elects the members of UNIDO's two other governing bodies, the Industrial Development Board (IDB) with 53 members and the Programme and Budget Committee (27 members). Every four years the General Conference appoints a Director General. UNIDO's current Director General is Mr Kandeh K. Yumkella of Sierra Leone.

UNIDO's core budget, covering staff and running costs, is funded by assessed contributions of its Member States. Programmes and projects are mainly funded through voluntary contributions from donor countries and institutions, as well as from multilateral funds. The overall total budget is euros 384 million for the 2008-2009 biennium out of which euro 205 million encompass extra budgetary resources for Technical Cooperation.

UNIDO presently employs 682 regular staff at its Vienna headquarters, field offices and representational offices. In addition, the number of project personnel amounts to 710. It is represented in a large number of countries through Regional Offices, Country Offices, or UNIDO desks at UNDP Offices. In addition, UNIDO delivers services through its networks of National Cleaner Production Centres, Investment and Technology Promotion Offices and Technology Centres.

EVA is, in line with the UNIDO Evaluation Policy, responsible for the independent evaluation function of UNIDO. It carries out independent evaluations and monitors the management response to such evaluations. EVA also ensures the effective dissemination throughout UNIDO of Lessons Learned.

EVA has 6 staff members; 4 professional and 2 general service staff. EVA staff members are all based at UNIDO headquarters.

The UNIDO Evaluation Policy derives from a decision of the UNIDO IDB (DECISION 29/Dec.7), which recognized the importance of evaluation aligned with international policies, standards and practices, for measuring the impact of UNIDO's work at the field level. It complies with the norms and standards for evaluation of the UN System, as approved by UNEG on 29 April 2005.

The Evaluation Policy was formulated in conformity with the Medium-term programme framework of UNIDO, the rules and regulations of the Organization and its internal *Guidelines for the Technical Cooperation Programme and Project Cycle*. It was approved by the Director General and by the Executive Board of UNIDO.

EVA, in accordance with the decision 29/Dec.7 of the IDB, submits a report on evaluation activities, to the IDB, on a biannual basis.

The Director of EVA is appointed by the Director-General, who shall ensure the evaluation function's independence and impartiality. Further, the Director of EVA has the independence to supervise and report on evaluations. All independent evaluation reports are available on UNIDO's public website (www.unido.org).

EVA is part of the Bureau for Organizational Strategy and Learning (OSL). Its location is independent of any line management functions in the Divisions involved with project/programme development and implementation.

EVA representatives serve as advisors to the UNIDO appraisal and approval bodies, in order to ensure that prior evaluation findings and recommendations are taken into consideration, when reviewing new programmes and projects.

According to the Evaluation Policy, the Director-General and the Executive Board (EB) enable the UNIDO EVA to operate effectively and with due independence. They also ensure that adequate resources are allocated to evaluation and approve the biannual Evalu-

ation Work Programme and provisional budget and may request additional evaluations. The IDB may also request ad-hoc evaluations, on specific subjects or themes.

The biannual Work Programme describes the future activities of EVA over a given biennium. Presently, the 2008/2009 Work Programme is being implemented. The biannual Work Programmer is updated every year. The UNIDO evaluation budget is managed by EVA.

EVA conducts project, country programme as well as thematic evaluations. In 2009 the first impact evaluations will be implemented. In 2008, about 20 evaluations were carried out and each EVA staff member was directly involved in about 4 evaluations and managed a few additional ones. There is a deliberate move towards thematic evaluations.

The proposal to participate in a Peer Review came from the EVA Director. This proposal was accepted by UNIDO management, including the Director-General.

3. Purpose of the Professional Peer Review

The purpose of the Professional Peer Review is to provide UNIDO management, the IDB and EVA with an independent assessment of the evaluation function by a Panel of professional evaluation peers, focusing on the functioning of EVA and the quality of its work, against international standards and the evidence base.

The Peer Review will also be presented to the UNEG and DAC members as feedback on the quality of evaluation of one of the multilateral organizations. In addition to presenting its report, the Panel will also provide feedback on the Peer Review process to the joint DAC-UNEG task force in order to contribute to the further development of this instrument.

4. Subject, Scope of and Limitations to the Professional Peer Review

The Professional Peers will review the evaluation function of UNIDO in light of the objectives and structure of UNIDO, according to the three core assessment criteria summarised below that are also further developed in the normative framework in annex A.

The core question of the review is:

“Are the agency’s evaluation function and its products independent, credible and useful for learning and accountability purposes?”

The three core assessment criteria are:

- i) Independence of evaluations and the evaluation system(s). The evaluation process should be impartial and independent in its function from the process concerned with the policy making, the delivery and the management of assistance. A requisite measure of independence of the evaluation function is a recognised pre-condition for credibility, validity and usefulness. At the same time, the review should bear in mind that the appropriate guarantees of the necessary independence is defined according to the nature of UNIDOS’ work, its governance and decision-making

arrangements and other factors. Moreover, like most organizations, UNIDO's aim is to encourage the active application and use of evaluations at all levels of management, meaning that systemic measures for ensuring the necessary objectivity and impartiality of this work should receive due attention.

- ii) **Credibility of evaluations.** The credibility of evaluation depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process. Credibility requires that evaluations should report successes as well as failures. Recipient countries should, as a rule, fully participate in evaluation in order to promote credibility and commitment. Whether and how the organization's approach to evaluation fosters partnership and helps to build ownership and capacity merits attention as a major theme.
- iii) **Utility of evaluations.** To have an impact on decision-making, evaluation findings must be perceived as relevant and useful and be presented in a clear and concise way. They should fully reflect the different interests and needs of the many parties involved. Importantly, each review should bear in mind that ensuring the utility of evaluations is only partly under the control of evaluators. It is also critically a function of the interest of managers and member countries through their participation on governing bodies, in commissioning, receiving and using evaluations.

The consultant to the Peer Panel will together with the Peer Panel prepare a detailed set of assessment questions related to each of the core criteria in order to better focus the review. This set of questions will be formulated taking into account similar questions in the previous Peer Reviews.

To address the core question of the review and the three core criteria the Peer Review will examine and comment on:

- a. The evaluation policy of UNIDO and other policies and procedures having a bearing on EVA and its work, in particular the extent to which the evaluation policy conforms with international standards, and whether other policies are relevant to the functioning of EVA (e.g. those concerning results-based management, harmonization and alignment, strategic planning, budgeting, evaluation coverage, etc).
- b. Structural aspects of how the evaluation function operates in UNIDO, including whether the current functional arrangements are effective in ensuring that EVA can contribute to the learning, accountability and the provision of inputs to decision-making within UNIDO. Organizational relationships within UNIDO units/offices (regional offices, country offices, UNIDO desks at UNDP offices) regarding support and quality control for evaluation.
- c. The internal organization of EVA, including how the bi-annual Work Programme of EVA (is developed and updated; how and by whom evaluation topics/subjects are suggested; and how the dialogue between EVA and senior and line management takes place.
- d. Organizational relationships of EVA with other UN Evaluation Units/Departments, evaluation networks, associations and other partners; participation in conferences and presentation on website.

- e. Role and experience of EVA in joint evaluations and role in self-evaluations, if any, (e.g. approval process) carried out by implementing partners.
- f. The quality of the evaluations commissioned and undertaken by EVA. This includes:
 - iv) the planning process (also the quality of Terms of Reference for evaluations);
 - v) the conduct of the evaluations;
 - vi) the quality of the evaluation reports;
 - vii) the independence of evaluation teams and team leaders (e.g. role of UNIDO staff or former staff members in evaluations);
 - viii) the ways in which EVA enables them to produce credible reports;
 - ix) the ways stakeholders are facilitated to comment on draft reports (e.g. when do comments become an infringement on independence and when are they warranted to ensure standards of evaluation reports? Are country portfolio evaluations considering member countries perspective?).
- g. Quality and utilization of evaluation results and follow-up. Important aspects are:
 - i) whether evaluation results are practical and useful;
 - ii) the ways in which evaluation results are disseminated and lessons learned used within the UNIDO (different management levels and by others (e.g. donors, executing and implementing agencies and cooperating partners);
 - iii) the process of/responsibility for the follow-up of evaluation recommendations; how the follow-up is undertaken and monitored (management response); how well the entire process is documented; is it comprehensible that management decisions are based on evaluation findings?

The Peer Review Panel will not visit regional or country offices due to the centralized nature of the evaluation function in UNIDO, but may collect views from field staff that have been exposed to evaluations through phone interviews and possibly e-mail surveys.

This Peer Review is not a formal evaluation of UNIDO's performance. A professional Peer Review is a less comprehensive and less in depth assessment and is defined by the DAC/UNEG Joint Task Force on Professional Peer Reviews of Evaluation Functions in Multilateral Organizations³³ as:

“The systematic examination and assessment of the performance of an organization by its peers, with the ultimate goal of helping the reviewed organization improve its policy making, adopt best practices and comply with established standards and principles. The examination is conducted on a non-adversarial basis, and it relies heavily on mutual trust among the organizations involved in the review, as well as their shared confidence in the process”.

This Peer Review is not part of the Multilateral Organizations Performance Assessment Network (MOPAN)³⁴.

33) DAC/UNEG Joint Task Force on Professional Peer Reviews of Evaluation Functions in Multilateral Organizations. Framework for Professional Peer Reviews, January 2007.

34) MOPAN is a network of like-minded donor countries with a common interest in the monitoring and assessment of the work and performance of multilateral organizations. This group produces an annual survey looking at multilateral partnership behaviour.

5. Normative Framework, Methodology and Process

UNIDO's EVA is a member of UNEG, composed of 43 evaluation functions of the UN System and working in close cooperating with the OECD/DAC Evaluation Network. When assessing UNIDO's evaluation function, the Peer Review Panel will use the normative framework presented in Annex A, which is based on the normative frameworks of previous Peer Reviews: UNDP, UNICEF, WFP, OIOS and GEF.

The Peer Review process will include:

- a. a self-assessment by UNIDO's EVA based on the normative framework in Annex A;
- b. a desk study of key documents;
- c. an assessment of selected evaluation reports including ToR for impact evaluations;
- d. an e-mail survey (if necessary, to be decided later in the process);
- e. personal interviews with UNIDO head office staff, telephone and/or e-mail interviews with regional and country offices (in consultation with UNIDO's EVA).

Desk Study. Documents to be consulted (inter alia):

- The Standards and Norms for Evaluation in the UN System;
- UNIDO's Annual Reports;
- UNIDO Evaluation policy;
- The Work Programmes of EVA;
- UNIDO TC Guidelines;
- Reports for Governing Bodies (inter alia Board Papers for Activities of EVA) and other relevant internal or external performance reports;
- Internal studies, reviews, discussion papers regarding the work of EVA;
- Tools and guidelines used by EVA on:
 - Measuring results the SMART way
 - Conducting independent evaluations
 - Selecting programmes, projects, themes for evaluations
 - Supporting self-evaluations
 - Administrative procedures
 - Country portfolio evaluations, including Standard Terms of Reference for Country Portfolio Evaluations
 - Other standard Terms of Reference, format for action plans/management responses and other instruments/guidelines for quality control mechanism
- Other relevant documents (to be decided).

Evaluation Reports: The Panel will also select a representative sample of evaluation reports for a desk review.

Interviews – Persons to meet (by consultant and/or Peer Panel Members):

- UNIDO EVA Director;
- UNIDO EVA staff;
- UNIDO Executive Board, Board of Directors and staff dealing with projects evaluated in the last few years; knowledge systems, programme appraisals, management response on evaluations, good practices and portfolio quality improvement (e.g. Bureau for Organizational Strategy and Learning, Programme Development and Technical Cooperation Division, Programme Coordination and Field Operations Division, Office of Internal Oversight Services;
- Members of the IDB;
- Others (will be defined in a detailed stakeholder list).

6. Panel Composition

A number of important considerations were taken into account when composing the Panel membership: (i) relevant professional experience; (ii) independence – to avoid any potential or alleged conflict of interest or partiality, the Panel members don't have any close working relationship to UNIDO that might influence the Panel's position and deliberations; and (iii) independent multilateral and bilateral members.

The combination of these criteria together with the voluntary nature of serving on the Panel resulted in the following composition:

- Silvia Alamo, Evaluation Section Chief for the Comprehensive Nuclear-Test Ban Treaty Organization (CTBTO), chair of the Peer Review Panel;
- Margrethe Holm Andersen, Deputy Head, Evaluation Department, Ministry of Foreign Affairs, Denmark;
- Karin Kohlweg, Head of the Evaluation Unit of Austrian Agency for Development (ADA), Austria;
- Siv Tokle, Senior, Evaluation Officer, Evaluation Office, Global Environment Facility (World Bank/GEF).

The Panel will be assisted by one consultant responsible for data collection and information gathering; preliminary assessment of the collected information which is to form the basis for more detailed information gathering through structured and semi-structured interviews. The consultant will provide the Panel with a consolidated information base, specifying the sources. With the benefit of the information assembled by the consultant, its examination by the members of the Peer Panel, and observations provided by UNIDO on the information gathered, the Peer Panel will conduct interviews with

UNIDO (EVA staff, Senior staff and other staff). The consultant will draft the assessment report reflecting the consensus opinion of the Peer Panel. Any differences of opinion will be transparently documented.

The consultant will be mandated and supervised by the Evaluation Department of the Ministry of Foreign Affairs, Denmark. Separate ToR for the consultant are available.

7. Reporting

The Peer Panel will submit its final report to UNIDO's EVA and to the UNIDO Executive Board. As it has been the practice with other Peer Reviews, the report is expected to be presented to the IDB by mid 2010.

The final report will also be provided to the DAC-UNEG Task Force, for dissemination among its respective constituencies, and to interested cooperating partners. The Peer Review Panel will also provide feedback on the review process to the joint DAC-UNEG Task Force on Peer Reviews to contribute to the further development of this instrument.

8. Responsibility of UNIDO's Evaluation Group

UNIDO's EVA serves as the main contact point within UNIDO for the Panel and its consultant. UNIDO's EVA will provide requested information and data, including:

- the names and details of contact persons whom the Panel or its consultant wish to contact, including contact points in implementing and executing agencies;
- the complete list of UNIDO's evaluations;
- a timeline of future important events (e.g. meetings);
- an e-library accessible via internet;
- other documents on request.

As part of the Peer Review, EVA will conduct a self-assessment based on a format prepared by the Peer Review Panel.

EVA will furthermore brief the Executive Board and the IDB about the Peer Review. EVA will also be responsible for submitting the Panel's report and the recommendations and for reporting on follow-up action.

9. Review Process and Schedule

| | | |
|-----|---|--|
| 1. | Preparatory phase: Establishing the Peer Panel Review Team, sharing information about previous Peer Reviews and information about UNIDO, agreeing on the ToR for the consultant, selecting consultant, developing the ToR for the Peer Review. | November 2008-February 2009 |
| 2. | First meeting of the Peer Panel to discuss the ToR of the Peer Review and the Normative Framework, etc. meeting the consultant and others. | Copenhagen, 11-13 th March 2009 |
| | Finalization of ToR by Peer Panel Review Team. | March-April 2009 |
| 3. | (a) Consultant formulates draft normative framework and format for self-assessment to be filled in by UNIDO. (b) Consultant develops map of internal and external stakeholders based on inputs from UNIDO. (c) Consultant develops criteria for assessing UNIDO's evaluation reports. | April 2009 |
| 4. | Submission of self-assessment by UNIDO EVA to Peer Review Panel. | End of May 2009 |
| 5. | Letter to Director General. Request for a brief meeting to explain Peer Review Process. | April 2009 |
| 6. | Desk study and assessment of evaluation reports and ToR of impact evaluations by Peer Review Panel. | April-May 2009 |
| 7. | Consultant collects and summarises information on steering documents and decisions affecting UNIDO's evaluation function. Submission of factual report to Peer Review Panel. | May-June 2009 |
| 8. | Factual Report submitted to EVA. | June 2009 |
| 9. | Peer Review Panel and consultant determine if e-mail survey is necessary/useful. If so, consultant develops questions and carries out survey covering relevant UNIDO staff and/or stakeholders. | June-July 2009 |
| 10. | (a) Consultant selects a small number UNIDO field offices to be contacted by telephone for interviews in consultation with UNIDO's EVA and the Peer Panel. (b) Consultant develops topic lists or questionnaires for structured and semi-structured interviews to be conducted at UNIDO head office, regional offices and field offices. (c) Consultant develops draft outline of final report and circulate to Panel (before second meeting of Peer Review Panel). | June-August 2009 |
| 11. | Second meeting of the Peer Panel and the consultant to discuss draft questionnaires, progress of work, etc. | June 2009 |
| 12. | Consultant analyses verified factual report and identifies issues for filling out gaps. | July 2009 |
| 13. | Consultant summarises preliminary findings in a report (annotated outline) to be used as background document for interviews of the Peer Panel in September. | July-August 2009 |

ANNEX 2 TERMS OF REFERENCE

| | |
|--|---------------------------------------|
| 14. Peer Panel reviews preliminary report (by E-mail). | Summer 2009. Exact time to be decided |
| 15. Interview mission to Vienna and third meeting of the Peer Panel and the consultant to discuss progress of work (interviews will include a wide range of staff and executives at UNIDO headquarters (Director General, Executive Board members, directors, staff and others). | 14-18 th September 2009 |
| 16. Consultant prepares a draft final report to be reviewed by the Panel and used as a basis for the Peer Review meeting in November. | October 2009 |
| 17. Fourth meeting of the Peer Panel and the consultant for the formal Peer Review presentation at UNIDO (Vienna). | 5 th November 2009 |
| 18. Consultant produces final report to be submitted to UNIDO in November 2009. | By 30 th November 2009 |
| 19. UNIDO response to the Peer Review Report. | February 2010 |
| 20. Publishing of Peer Review Report. | To be decided |
| 21. Presentation to IDB (if agreed) by EVA. | June 2010 |
| 22. Reflect on the Peer Review process. Note to be prepared by Peer Panel and by EVA/UNIDO. Send note about the review process to the DAC/UNEG Task Force. | May-June 2010 |

Notes:

Throughout the period, consultations will take place between the Panel lead agency (CTBTO) with UNIDO, within the Panel, and between the Panel and the consultant, as necessary.

10. Resources

The costs of the Panel members will be covered by the respective agency. The budget for the consultant will be covered by the Evaluation Department of the Ministry of Foreign Affairs of Denmark. Other DAC or UNEG members may provide financial contribution on a voluntary basis.

UNIDO's contribution to the exercise will be in-kind (professional and general service staff time for organizing and facilitating the Peer Review process).

Annex A

Normative Framework for the Peer Review of the UNIDO Evaluation Group

| Assessment Criteria and Description | UNEG Norms & Standards (reference) | Response from UNIDO | Reference documents as appropriate |
|---|--|---------------------|------------------------------------|
| Independence | N.6 | | |
| 1. Structural Independence | | | |
| <ul style="list-style-type: none"> To whom does the director report/where is the office located in the organizational structure? | <p>N.2.2</p> <p>N.6.1</p> | | |
| <ul style="list-style-type: none"> Does EVA function in accordance with international standards for evaluation work? Is it distinct from management functions, such as RBM, policy-making, monitoring, etc.? | <p>N.1.4</p> <p>N.1.5</p> <p>N.7.1</p> | | |
| <ul style="list-style-type: none"> Does the Governing Council and the Director General of UNIDO ensure an enabling environment for evaluation, and clarity of the role and function? | N.2.1 | | |
| <ul style="list-style-type: none"> Are evaluations influenced by the interests of member countries through their participation on governing bodies, in commissioning, receiving and using evaluations? | | | |
| 2. Institutional Independence | | | |
| <ul style="list-style-type: none"> Do other policies than the evaluation policy (e.g. on TA, RBM, budgeting, etc.) affect the independence of evaluation? | | | |
| <ul style="list-style-type: none"> Are evaluation processes independent in their function from the process concerned with the policy making, the delivery and the management of assistance? | | | |

| Assessment Criteria and Description | UNEG Norms & Standards <i>(reference)</i> | Response from UNIDO | Reference documents as appropriate |
|--|--|---------------------|------------------------------------|
| 2.a. Choice/Planning of Evaluations | | | |
| <ul style="list-style-type: none"> Are subjects for evaluation chosen independently from managers' influence? | | | |
| <ul style="list-style-type: none"> How is the work programme established? | | | |
| <ul style="list-style-type: none"> Is it possible to stop an evaluation, or withhold funding, in case of a potentially unfavourable or sensitive outcome? | | | |
| 2.b. Funding of Evaluations | | | |
| <ul style="list-style-type: none"> How and by who is funding of evaluations decided? | N.2.3 | | |
| <ul style="list-style-type: none"> What proportion of funding is allocated to <ul style="list-style-type: none"> - regular staff of EVA - evaluation work (consultants, travel, etc.) - others? | | | |
| <ul style="list-style-type: none"> Are financial resources sufficient to ensure an adequate evaluation coverage? How many staff does EVA have? What is the typical work load in terms of numbers of evaluations? | N.2.3 | | |
| 2.c. Conduct of Evaluations | | | |
| <ul style="list-style-type: none"> What is the evaluation coverage vis a vis total portfolio of projects? Is a system in place to ensure evaluations are conducted independently? | N.6.2 N.6.5 | | |
| 2.d. Submission of Evaluation Reports | | | |
| <ul style="list-style-type: none"> To whom are evaluation reports submitted? | | | |
| <ul style="list-style-type: none"> Who clears the reports before distribution? | | | |
| <ul style="list-style-type: none"> How are comments on evaluation reports treated? Is there scope for exercising influence and, if so, of what nature? | 6.1 | | |

| Assessment Criteria and Description | UNEG Norms & Standards (reference) | Response from UNIDO | Reference documents as appropriate |
|---|---------------------------------------|---------------------|------------------------------------|
| 3. Behavioural Independence and Integrity of EVA staff | | | |
| • Are there provisions that ensure evaluators have the right competencies? | N.9 | | |
| • Are there provisions to prevent or manage conflicts of interest? | N.6.3 N.6.4 N.11 | | |
| • How is behavioural independence and integrity safeguarded? | | | |
| • Do evaluators take professional/career risks by acting independently and with integrity? | N.2.4 | | |
| Credibility | | | |
| 1. Impartiality (N.5) | | | |
| • Choosing Evaluation Subjects. Is a system in place to choose subjects of evaluation in a way that ensures an impartial and balanced choice, representative of the UNIDO portfolio? | 5.3 | | |
| • Identifying Evaluation Consultants. Is a system in place to ensure conflict of interest is avoided in the identification and selection of consultants? | | | |
| • Evaluation Design. Which evaluation criteria are used, are they clear and in line with common definitions of terms? Are corresponding indicators incorporated into project or programme design to enable evaluability? Do evaluation terms of reference (or equivalent) spell out the evaluation methodology to be used, and if so does it ensure impartiality (e.g. approach to selecting country case studies or site visits)? | 7.2 8.2 | | |

| Assessment Criteria and Description | UNEG Norms & Standards (reference) | Response from UNIDO | Reference documents as appropriate |
|---|---------------------------------------|---------------------|------------------------------------|
| <ul style="list-style-type: none"> • Systematic Assurance of Impartiality. Is a system in place to ensure the impartiality of the evaluation design and methodology, the conduct of the evaluation and its reporting? | N.2.4 | | |
| 2. Quality and Accuracy (N.8) | | | |
| <ul style="list-style-type: none"> • Professionalism. Is a system in place to ensure the professional competence on the evaluation team that is necessary for arriving at accurate and credible evaluation reports? | N.2.5 9.1 9.2 9.3 | | |
| <ul style="list-style-type: none"> • Are there formal job descriptions for evaluators and evaluation managers? | | | |
| <ul style="list-style-type: none"> • Is the code of conduct for evaluators applied and enforced? Is a system in place to review the quality of work (and associated, competence) of evaluators? How often are the same consultants used? | | | |
| <ul style="list-style-type: none"> • Is the professional competence and capacity of Director of EVA and EVA staff to deliver credible evaluations ensured? | | | |
| <ul style="list-style-type: none"> • Systematic Quality Assurance. Is a system in place to ensure the quality of the evaluations in their design, methodology, the conduct of the evaluation and reporting? What does the quality assurance system entail and how reliable is it for ensuring the credibility of evaluations? Who plays a role in quality assurance, especially of the technical content of evaluations? Does the quality assurance system apply to Montreal Protocol projects? | N.4.2 N.7 8.1 | | |

| Assessment Criteria and Description | UNEG Norms & Standards (reference) | Response from UNIDO | Reference documents as appropriate |
|--|---------------------------------------|---------------------|------------------------------------|
| <ul style="list-style-type: none"> • Dealing with Comments and Disagreements. Is a system in place to ensure stakeholder views are considered in the process of finalizing evaluation reports? Which stakeholders have the opportunity to comment? How are dissenting views handled? Does the process balance well the issue of independence and credibility/accuracy? | 5.1 | | |
| <ul style="list-style-type: none"> • Presentation of Aggregate Evaluation Results. Is the annual evaluation report based on a representative sample, presents credible, well-substantiated conclusions and can therefore credibly depict the overall performance of the UNIDO programme? If not, what provisions are made to ensure findings are qualified? | | | |
| 3. Transparency (N.10) | | | |
| <ul style="list-style-type: none"> • Evaluation Design. Is a system in place to ensure that the evaluation ToR, design and methodology is shared with stakeholders? | 10.2 | | |
| <ul style="list-style-type: none"> • Evaluation Conduct. Is a system in place to ensure that the evaluation process is clear and transparent to stakeholders, they understand how the evaluation is being conducted and how conclusions are arrived at? | 10.1 | | |
| <ul style="list-style-type: none"> • Evaluation Reporting. Is a system in place to ensure transparency in the reporting of evaluation findings and how comments are dealt with? | 8.2 | | |

| Assessment Criteria and Description | UNEG Norms & Standards (reference) | Response from UNIDO | Reference documents as appropriate |
|--|---------------------------------------|---------------------|------------------------------------|
| <ul style="list-style-type: none"> • Networking. Does the evaluation unit network with professional evaluation associations (through conferences, workshops, websites) and, if so, does this contribute to enhancing the quality/credibility of evaluations? | | | |
| Utility | | | |
| 1. Intentionality (N.4.1) | | | |
| <ul style="list-style-type: none"> • Intentionality of the Evaluation Function. Is the purpose that evaluation fulfils for the organization clear, i.e. what is the intention of the organization in having an evaluation function? How is evaluation function linked to the RBM system? | N.4.1 | | |
| <ul style="list-style-type: none"> • Is the evaluation programme made public? | | | |
| <ul style="list-style-type: none"> • Choosing Evaluation Subjects. Is selection of evaluation topics cyclical or purposive? a system in place to choose subjects of evaluation with the intention to contribute to decision-making, accountability and learning? | N.4.1 N.2.6 N.4.2 | | |
| <ul style="list-style-type: none"> • Follow-up. Is a system in place to ensure formal, corporate, substantive and timely management responses are given and that follow-up actions to evaluation recommendations are taken, recorded/tracked, and reported on? Are they reported to the Governing Council? | N.12.1 N.12.2 N.12.3 | | |
| <ul style="list-style-type: none"> • Client Views. Is the opinion of key stakeholders asked about the utility of evaluations? | | | |

| Assessment Criteria and Description | UNEG Norms & Standards (reference) | Response from UNIDO | Reference documents as appropriate |
|---|---------------------------------------|---------------------|------------------------------------|
| 2. Timeliness | | | |
| <ul style="list-style-type: none"> • Choosing Evaluation Subjects. Is a system in place to consider the timing of the evaluation and its relation to decision-making processes? | 1.5 | | |
| <ul style="list-style-type: none"> • Evaluation Design. Is a system in place to ensure that the evaluation design and methodology considers milestones when evaluation information is needed and can be fed back into decision-making processes? | 1.6 | | |
| <ul style="list-style-type: none"> • Evaluation Conduct. Is a system in place to ensure that the evaluations are carried out in a timely manner? | | | |
| <ul style="list-style-type: none"> • Evaluation Reporting. Is a system in place to ensure that the evaluation reports are produced and shared, in a timely manner? • Do evaluation reports report successes as well as failures? • Are evaluation findings perceived as relevant and useful and presented in a clear and concise way? | 2.7 | | |
| 3. Accessibility | | | |
| <ul style="list-style-type: none"> • Unrestricted access. What is the disclosure policy and practice of the agency? | 2.7 | | |
| <ul style="list-style-type: none"> • Readability. Are evaluation reports written in clear, concise and understandable ways? | N.8.2 N.10.2 N.13.2 | | |
| <ul style="list-style-type: none"> • Retrievable. Are evaluation reports easily retrievable, e.g. through a searchable website? | N.2.7 N.13.2 | | |

ANNEX 2 TERMS OF REFERENCE

| Assessment Criteria and Description | UNEG Norms & Standards <i>(reference)</i> | Response from UNIDO | Reference documents as appropriate |
|--|--|---------------------|------------------------------------|
| <ul style="list-style-type: none"> • Dissemination. Does the agency have an active policy/practice of disseminating evaluation findings and reports? | N.2.7 N.13.1 N.13.2 | | |
| <ul style="list-style-type: none"> • To which stakeholders and in which formats (are the different needs of audiences taken into account)? | | | |
| <ul style="list-style-type: none"> • Is a system in place to generate and share knowledge or contribute evaluation knowledge to the organization's knowledge management system? | | | |
| <ul style="list-style-type: none"> • Has there been an assessment of the effectiveness of this dissemination strategy or practice? | | | |

Annex 3

Persons interviewed during UNIDO Peer Review exercise, 14-18 September 2009

UNIDO HQ:

Ms. Margareta de Goys, Director, EVA/OSL
Mr. Peter Loewe, Senior Evaluation Officer, EVA/OSL
Mr. Johannes Dobinger, Evaluation Officer, EVA/OSL
Ms. Thuy Le, Evaluation Officer, EVA/OSL
Mr. Claudio Scaratti, Chief, Quality Assurance Unit, PCF/RQA
Mr. Georgios Anestis, OiC (in the absence of Mr. Si Ahmed, Dir.), Montreal Protocol, MPB/PTC
Mr. Guillermo Castella-Lorenzo, Project Manager, MPB/PTC
Mr. David Lee, Textiles and Leather Unit, AGR/PTC
Mr. Heinz Leuenberger, Director, Environmental Management, EMB/PTC
Mr. Dmitri Piskounov, MD, Programme Development and Technical Cooperation Division (PTC)
Mr. Atsushi Isoyama, Programme Management Officer, OMD/PTC
Mr. Yoshiteru Uramoto, Deputy DG (ex-MD, PCF)
Ms. Hui Sui, MD, Programme Support and General Management Division (PSM)
Mr. Paul Maseli, Chief, Human Resource Planning and Development Unit, HRM/PSD
Mr. Konstantin Ivanov, Chief, Staff Services and Employee Relations Unit, HRM/PSM
Mr. Michele Clara, (now) Programme Management Officer, OMD/PCF
Mr. Ahmidou Ouauouich, Chief, Food Processing Unit, AGR/PTC
Mr. Edward Clarence-Smith, Senior GEF Coordinator, OMD/PTC
Mr. Bashir Conde, Field Operations Officer, AFR/PCF
Mr. Yuri Akhvlediani, Chief, ITPO Coordination Unit, ITP/PTC
Mr. Fabrizio Condorelli, Int. Consultant, ITPO Coordination Unit, ITP/PTC
Ms. Dan Liang, Director, Investment and Technology Promotion, ITP/PTC
Mr. Wilfried Luetkenhorst, (ex-Chief of Cabinet, now) MD, Programme Coordination and Field Operations Division (PCF)
Mr. Augusto Alcorta, Director, Research and Statistics, RST/PCF
Mr. Ole Lundby, Special DG Advisor on MDGs, Office of the Director-General
Mr. Akmel Akpa, OiC, Regional and Field Operations, RFO/PCF
Mr. Miranda da Cruz, Director, Agri-Business Development, AGR/PTC
Mr. Lamine Dhaoui, OiC, Industrial Policy and Private Sector Development, PSD/PTC
Ms. Fatou Haidara, Director, Special Programmes Group, SPP/PCF
Mr. Emilio Vento, OiC (in the absence of Mr. Goonatilake, Director), Trade Capacity-Building, TCB/PTC
Ms. Fabienne Lambert, Director, Office of Internal Oversight Services (IOS)
Mr. Cornelius van Berkel, Chief, Cleaner and Sustainable Production Unit, EMB/PTC

External of UNIDO, in Vienna:

Ms. Donatella Magliani, ex-UNIDO Director of Evaluation (now Director at IAEA)
Mr. Erwin Kuenzi, ADA, Austrian Government
Ms. Elisabeth Schmid, ADA
Mr. Gottfried Traxler, ADA
Mr. Raj Srivasava, First Secretary, Permanent Mission of India to UNIDO

By Phone:

Ms. Leny van Oyen (on Burkina Faso)

Ms. Safyatou BA, Head of UNIDO Operations, Burkina Faso office

Mr. Philippe Scholtes, UNIDO Representative, UNIDO Field Office in India

Mr. Dua, ex-Secretary, DIPP, Government of India

Ms. Diana Battaglia, Head ITPO Italy in Rome

Mr. Stefan Denzler, SECO, Switzerland (on CP)

Mr. Segbedzi Norgbey, Chief, Evaluation Office, UNEP in Nairobi

Mr. Marco Lorenzoni, ex-Team Leader on ITPO Italy

