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EVALUATION POLICY

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List of Acronyms and Abbreviations

D-G	Director-General
EB	Executive Board
EVA	Evaluation Group
IDB	Industrial Development Board
OSL	Bureau for Organizational Strategy and Learning
TC Guidelines	Technical Cooperation Guidelines
UNDAF	United Nations Development Assistance Framework
UNEG	United Nations Evaluation Group

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Introduction

1. The UNIDO evaluation policy derives from a decision of the UNIDO Industrial Development Board¹, which recognized the importance of an efficient and comprehensive evaluation system, aligned with international policies, standards and practices, for measuring the impact of UNIDO work at field level.
2. The UNIDO evaluation policy takes due cognizance of General Assembly resolution 59/250 calling for the systematic evaluation of operational activities of the UN system by assessing their impact on poverty eradication, economic growth and sustainable development.
3. The UNIDO evaluation policy complies with the norms and standards for evaluation in the UN System².
4. The policy has been formulated in conformity with the corporate strategy of UNIDO, the rules and regulations of the Organization and its internal guidelines, in particular the TC Guidelines.
5. Implementation of the UNIDO evaluation policy is effected via tools, guidelines and methodologies that are updated as appropriate.
6. The UNIDO evaluation policy as laid down in the present document has been approved by the Director-General and the Executive Board of UNIDO.

Definition of the evaluation concept

7. Evaluation is an assessment, as systematic and impartial as possible, of a project, programme or entire strand of activities under a single thematic or institutional heading. An evaluation should provide evidence-based information that is credible, reliable and useful, thereby permitting the timely incorporation of findings, recommendations and lessons into the decision-making processes at the corporate, programme and project levels.
8. Evaluations aim at determining the relevance, impact, effectiveness, efficiency and sustainability of the interventions of UNIDO. They focus on the analysis of expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality, in order to ascertain the degree of achievement or the lack thereof.
9. Evaluations are distinct from other forms of assessments. They differ from: appraisals (a critical assessment of the potential value of an undertaking before a decision is made to implement it); monitoring (management's continuous examination of

¹ IDB decision 29/Dec.7

² As approved by the United Nations Evaluation Group (UNEG) on 29 April 2005.

progress achieved during the implementation of a project or a programme in order to track compliance with the plan and to take necessary decisions to improve performance); audits (an assessment of the adequacy of management controls to ensure the economical and efficient use of resources; the safeguarding of assets; the reliability of financial and other information; the compliance with regulations, rules and established policies; the effectiveness of risk management; and the adequacy of organizational structures, systems and processes); and research (a systematic examination designed to develop or contribute to knowledge).

The primary objectives of evaluation

10. Evaluation serves three main purposes. It assures accountability, supports management and drives learning and innovation.
11. Evaluations assure accountability by reporting on UNIDO activities to the governing bodies of UNIDO, to partner governments, to donors that have (co-) financed the activity and to other stakeholders of UNIDO.
12. Evaluations provide recommendations to project managers, team leaders and UNIDO management at all levels, in both the technical branches and country offices, at headquarters and in the field, as well as to UNIDO counterparts and donors. Recommendations must be practical and evaluation users should participate actively in the entire evaluation process.
13. Evaluations drive organizational learning and innovation. To this end, they attempt to draw general lessons from specific cases and make those lessons available to all those within UNIDO and without who might benefit from them. The findings are used to improve the services of the Organization, to guide management decisions or evolve innovative approaches.

Importance of evaluation

14. Evaluation plays an increasingly important role in modern public management. As an integrated part of results-based management, it guides policy and improves accountability and performance.
15. Results-based management and evaluation are important mutually supportive elements in the UN-wide reforms. They bolster the credibility of the UN system and contribute to achieving the Millennium Development Goals.
16. 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.

Evaluation in UNIDO

Evaluation informs UNIDO management

17. Evaluation is not a decision-making process per se, but rather serves as an input to provide decision-makers with knowledge and evidence about performance and practices.
18. Project and programme evaluations are part of project cycle management as defined in the UNIDO TC guidelines. Through their higher more aggregate analytical content, thematic evaluations inform UNIDO management at both the policy-making and organizational effectiveness levels.
19. In technical cooperation, evaluation is essential to project/programme identification and formulation. It feeds directly into project / programme appraisal and is closely connected to monitoring/reporting. Evaluation quality depends on the other stages of the programme/project cycle: realism and logic of objective setting as well as definition of meaningful and viable indicators during formulation; thorough and transparent decisions under appraisal and approval; quality of the information produced under monitoring / reporting and congruence between rigorous planning and flexibility during implementation.
20. Project and programme evaluations take two complementary forms: self-evaluations and independent evaluations.

Self-evaluations

21. Self-evaluations are periodic progress reviews of projects or programmes carried out by those responsible for implementation. Self-evaluations build upon monitoring and reporting and take place according to the rules established in the TC Guidelines. They are the vehicle for steering corrective action by line management. They are also the starting point for independent evaluations.

Independent evaluations

22. Independent evaluations are the responsibility of the UNIDO Evaluation Group. They provide an independent view on a given entity under evaluation, such as a project, a programme or an entire strand of activities under a thematic or institutional heading. Independent evaluations might be internally led by members of the Evaluation Group or externally led by independent consultants.
23. Independent evaluations of technical cooperation activities can take the form of mid-term, terminal or ex-post evaluations.
24. The TC Guidelines define the stages, conditions and mandatory financial thresholds set for independent evaluations of programmes and projects. Independent evaluations may also be mandatory for programmes and projects as established in funding agreements with donors.

25. Furthermore, independent evaluations are carried out on projects and/or programmes encountering major implementation problems and/or serious disagreement between stakeholders, as well as on programmes displaying remarkable success or degree of replicability.

Thematic evaluations

26. Thematic evaluations provide strategic information to UNIDO management on policy-making and organizational effectiveness. Thematic evaluations may cover regional, corporate or organizational issues. Thematic evaluations are carried out at the request of UNIDO management and/or governing bodies. They may involve panels of independent evaluation or technical experts from other UN organizations or sources outside the UN system.

Roles and responsibilities

UNIDO Industrial Development Board

27. The Industrial Development Board (IDB) is one of the principal policy-making organs of UNIDO. It reviews the implementation of the work programme, the regular and operational budgets and may submit recommendations to the General Conference on policy matters.
28. 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.

UNIDO Director-General and the Executive Board

29. The Director-General and the Executive Board of UNIDO enable the UNIDO Evaluation Group to operate effectively and with due independence. The D-G and the EB ensure that necessary measures are taken to institutionalize the evaluation policy throughout UNIDO.
30. The D-G and the EB ensure that adequate resources are allocated to evaluation. They approve the bi-annual evaluation work programme and provisional budget of the UNIDO Evaluation Group, as well as its annual work programme. They may also request ad-hoc evaluations.

UNIDO Evaluation Group

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

32. EVA lends methodological support to the self-evaluations to be carried out by the project managers and team leaders. EVA reviews the quality of self-evaluation reports and may recommend follow-up actions.
33. 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.
34. The UNIDO Evaluation Group 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 staff members should not perform financial transactions outside EVA, nor should they be decision-makers or chair of a decision-making or appeals committee.

Bureau for Organizational Strategy and Learning

35. OSL ensures that evaluation contributes to accountability, supports management decision-making and facilitates the dissemination of lessons learned from evaluations throughout the entire organization.

UNIDO appraisal and approval bodies

36. The appraisal and approval bodies of UNIDO ensure that programmes and projects comply with established quality criteria. To this end they take prior evaluation findings and recommendations into consideration when reviewing new programmes and projects. EVA representatives advise the UNIDO appraisal and approval bodies in these matters.

UNIDO line management

37. UNIDO line managers (Managing Directors and Directors) support evaluations by ensuring that all necessary information is provided, and the project managers and team leaders under their supervision cooperate fully in evaluations. Those line managers are responsible for ensuring that management responses to evaluations are prepared and that recommendations and lessons learned are followed up in their respective areas of responsibility.

Team leaders and project managers

38. Team leaders and project managers are the immediate clients of evaluations and are actively involved in the preparation of the terms of reference, including the determination of the most suitable approach.
39. Team leaders and project managers contribute to the preparation, execution and follow-up of evaluations and provide the evaluators with a complete information dossier well in advance of the evaluation. In the case of integrated programmes, the team leader is the evaluator's central access point. In his/her coordinating role and responsibility for programme monitoring, the team leader assumes responsibility for the preparation of the information dossier.

- 40. Project managers ensure that the necessary evaluation funds are properly allocated in the project budget during the formulation phase.
- 41. Team leaders and project managers contribute to and/or coordinate the preparation of management responses to evaluation. They also assume primary responsibility for the follow-up to evaluation recommendations.

Evaluation principles

Evaluation ethics

- 42. Evaluators must respect the right of institutions and individuals to provide information in confidence and ensure that sensitive data cannot be traced to their source. Evaluators must ensure that those involved in evaluations are given an opportunity to examine the statements attributed to them.
- 43. Evaluators must be sensitive to beliefs, manners and customs of the social and cultural environments in which they work. In the light of the United Nations Universal Declaration of Human Rights, evaluators must be sensitive to, and address issues of, discrimination and gender inequality.
- 44. Should an evaluation reveal evidence or sufficient suspicion of wrongdoing, the director of EVA will inform the Director-General and the Office of Internal Oversight Services.

Involvement and consultation of stakeholders

- 45. Transparency and consultation with the major stakeholders are essential at all stages of the evaluation process. Involvement of and consultation with stakeholders facilitates consensus building and ownership of the findings, conclusions and recommendations; it also heightens the credibility and quality of the evaluation.

Impartiality and independence

- 46. 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. Thus it provides legitimacy to evaluation and reduces the potential for conflict of interest.
- 47. Evaluators must have no vested interest and be free to conduct their evaluative work impartially, without potential negative effects on their career development. They must be able to express their opinions in a free manner.
- 48. For independent evaluations, 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 (nor expect to be so in the near future).

49. UNIDO staff from organizational units other than the Evaluation Group and carrying out evaluations shall confirm the absence of any conflict of interest in writing upon request by the Director of the Evaluation Group.
50. External evaluators contracted for the purpose of an evaluation must be selected in a transparent manner. Contracts are conditional upon their signing a confidentiality agreement and a disclaimer confirming the absence of conflict of interest.

Competencies and professional standards

51. The director of EVA must have proven competencies in the management of an evaluation function.
52. EVA issues formal job descriptions and selection criteria that state the necessary professional requirements, skills and competences for hiring evaluation managers and evaluators, as well as contracting evaluation experts.

Evaluation management

Evaluation programming

53. Proper and efficient evaluation implies that there is a clear intent to use the evaluation findings, recommendations and lessons learned. The biennial work programme of EVA makes sure that evaluations are chosen and undertaken in a transparent and timely manner so that they provide decision-makers with relevant and timely information. It also identifies opportunities for joint evaluations with donors and other UN organizations.
54. The biennial work programme describes the future activities of EVA over a given UNIDO biennium. EVA drafts this work programme at the beginning of the biennium in consultation with UNIDO line management, project managers and team leaders, thereafter submitting it for approval to the Director-General and the Executive Board. EVA updates the biennial work programme each year in order to accommodate any necessary adjustments.

Evaluation budget

55. The biennial evaluation work programme includes a provisional budget forecast for approval by the D-G and the EB.
56. The UNIDO evaluation budget is managed by EVA and is mainly derived from three sources: resources appropriations foreseen under evaluation in the UNIDO Programme and Budget; resources specifically allocated by the Director-General and the Executive Board to programme/project evaluations on the basis of the biennial evaluation plan; and resources for evaluation included in programme and project budgets.

Organization of independent evaluations

57. EVA prepares the terms of reference for an independent evaluation in keeping with the biennial evaluation plan, in line with the standard terms of reference and in cooperation with the team leader/project manager. The terms of reference clearly describe the subject to be evaluated and spell out the envisaged evaluation methodology. They define the priorities and the appropriate level of detail of the evaluation in such a way that the objective of the evaluation is achieved in the most cost-effective manner.
58. Prior to an evaluation proper and if appropriate, EVA assesses the feasibility of the exercise. This preliminary assessment is based on the information dossier submitted by the team leader/project managers and discussions between the latter and the evaluators. In case of insufficient information, an evaluation may be held in abeyance until the necessary information becomes available.
59. EVA prepares and manages the evaluation budget, drafts the job descriptions for consultants, and selects and recruits the evaluation team. In general, an evaluation team includes a representative of UNIDO and/or international consultants, donor representatives as required by donor policies, and an evaluator from the countries or regions concerned.
60. The national evaluators should be professionals with the experience and skills required to make a substantive contribution to the evaluation.
61. The evaluation team analyses the information dossier, carries out additional desk research if necessary; and conducts interviews at UNIDO headquarters and in the field with UNIDO staff and stakeholders. The latter include donors, the UN Resident Coordinator; representatives of the partner government, counterparts and beneficiaries.
62. Towards the end of the field mission, the evaluation team presents its preliminary findings, conclusions and recommendations to all those concerned. The purpose of this preliminary submission is to collect feedback and validate the initial findings, conclusions and recommendations.
63. On returning from the field mission, the evaluation team holds meeting(s) at headquarters to present, discuss and clarify open issues on its findings, conclusions, recommendations and lessons learned.

Evaluation reports

64. Evaluation reports present in a complete and objective manner the evidence, findings, conclusions and recommendations of an independent evaluation. They are brief, to the point and easy to understand. They explain the methodology followed and highlight the methodological limitations of the evaluation, key concerns and evidence-based findings and dissenting views as well as conclusions,

recommendations and lessons learned. They include an executive summary that encapsulates the essence of the information contained in the report. They also include a chapter with lessons learned of wider applicability.

65. Evaluation reports are based on consultations among all parties involved. The evaluation team is responsible for the reliability and quality of the information contained in the report and reflects any factual corrections brought to its attention prior to finalizing the report. The evaluation reports are the outputs of the evaluation team. In the event of differing views being expressed, these are reflected in the analysis and in the report.

Quality assurance and evaluation capacity building

66. EVA maintains an internal quality assurance system of its workflow and reports as well as a reference framework.
67. The EVA quality tool identifies processes and products of key importance to the quality of EVA work. For each of these processes and products the quality tool defines rules and responsibilities. More particularly, the quality tool defines the rules for quality assurance of evaluation reports. The reference framework is a constantly updated set of evaluation criteria, lessons learned and good practices that orientate UNIDO evaluations.
68. EVA enhances its organizational capacity and the competence of its staff by fostering the exchange of experience and identifying good evaluation practices at the international level. Active participation in UNEG plays a prominent role in this respect.
69. EVA is the focal point of evaluation know-how in UNIDO. In collaboration with the UNIDO Human Resource Management Branch, it designs and carries out training for UNIDO staff and other stakeholders on subjects that are relevant to evaluation.

Follow-up of evaluations

Follow-up to self-evaluations

70. The follow-up to self-evaluations comes under the responsibility of team leaders and project managers and their line managers. The TC Guidelines specify the details of self-evaluations and the conditions under which submission of the draft self-evaluation reports to a field review meeting with all counterparts is mandatory. The purpose of those meetings is to review the draft self-evaluation report, to reach a common understanding of progress made and to adopt, if necessary, a list of corrective measures to be taken.
71. If stipulated in the project document and/or funding agreement, field-level review meetings may include representatives of the donor.

Follow-up of independent evaluations

- 72. The director of EVA transmits the evaluation report together with a management response sheet. This sheet allows tracking, for each recommendation, the comments of acceptance or non-acceptance of evaluation recommendations, the deadlines and action taken by those responsible for follow-up.
- 73. UNIDO line managers ensure that those responsible for follow-up keep information in the management response sheet up-to-date.
- 74. EVA monitors the information in the management response sheets and compiles periodical reports on the status of the implementation of the follow-up activities for the attention of UNIDO management.

Contribution to organizational learning

- 75. Evaluation contributes to knowledge building and organizational improvement by feeding its results into the appropriate entry points of the organization. As a prerequisite for the uptake of evaluation results, the recommendations and lessons learned must be presented in a concise manner that corresponds to the needs of the different target audiences in the organization.
- 76. EVA makes the lessons learned from evaluations available throughout the organization as well as to field offices. In a proactive manner, it facilitates the adoption of lessons learned through targeted briefing material; and it may also facilitate peer learning sessions. Formulation and appraisal/approval of projects and programmes are two key entry points for lessons learned in this respect.
- 77. The contribution of evaluation to organizational learning also goes beyond UNIDO. It includes the sharing of lessons learned among stakeholders, including the other organizations of the UN system, using UNEG as a knowledge network.

UNIDO dissemination and disclosure policy

- 78. The EVA biennial work programme, the terms of reference of independent evaluations and the evaluation reports are posted on the relevant pages of the UNIDO public website.