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Evaluation

Annual report on evaluation 2018

Summary

In this annual report on evaluation for 2018, the Independent Evaluation Office of UNDP presents the status of key initiatives during 2018 and looks at progress to date in applying the evaluation principles of independence, credibility and utility associated with the professionalization of the Independent Evaluation Office.

Elements of a decision

The Executive Board may wish to: (a) take note of the annual report; and (b) request UNDP to address the issues raised.

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I. Introduction

1. This annual report on evaluation details work undertaken by the Independent Evaluation Office (IEO) of UNDP in 2018. The year was one of the office's busiest as it met its obligation to the Executive Board to evaluate all country programmes up for Board discussion and approval in 2019, in addition to conducting three detailed thematic evaluations in its workplan. As UNDP implements its new Strategic Plan, 2018 to 2021, which defines platforms for development and an increased focus on innovative solutions to support development, it is increasingly relevant for the organization to have strong, credible and independent oversight to ensure it is held accountable and upholds transparency in its operations.
2. The independence of the UNDP evaluation function continues to be essential to ensure it remains insulated from influence and is credible in its judgement of UNDP programmatic effectiveness. IEO has successfully established its own structure, budget, and professional and managerial independence, and will continue to work to protect this from erosion and undue influence to ensure the continued credibility of its work and the transparency and accountability of the organization as a whole.
3. As outlined in the 2016 UNDP evaluation policy (DP/2016/23), clear budgeting benchmarks were established to ensure IEO work cannot be limited nor restricted through financial constraints. The UNDP Administrator continues to affirm the importance of independence in the work of IEO and its value in strengthening the work of UNDP. In practical terms, this has resulted in a four-fold increase in independent evaluations across UNDP by IEO, bringing \$7.2 billion in programming under evaluation in 2018 and 2019. A critical mass has been reached to further advance a reflective evaluation culture.
4. IEO regularly reports to the Executive Board, which approves its budget and programme of work. In addition, it engages regularly with the Audit and Evaluation Advisory Committee of UNDP and is supported by the Evaluation Advisory Panel, which advises on the office's work and provides periodic quality assurance of evaluations.
5. Though independent, the office continues to engage fully with UNDP colleagues in undertaking evaluations to ensure that findings, conclusions and recommendations are thoroughly considered and taken into account in policies, programmes and new development approaches across the organisation.

The Executive Board

6. In detailed informal and formal sessions with the Executive Board, IEO has presented its detailed evaluation findings, giving opportunities for robust discussion. In addition, the office is increasingly developing new information pieces to keep the Board informed of its work. In 2018, these included an annex to the 2017 annual report on evaluation (DP/2018/12), detailing the status of the implementation of IEO recommendations (DP/2018/12/Add.1). At the first regular session of the Board in 2019, IEO reported on its work supporting evaluation capacity development in document DP/2019/6.
7. The second IEO multi-year evaluation workplan, 2018-2021 (DP/2018/4), was approved by the Executive Board in its decision 2018/1 at the first regular session 2018. The plan builds on expectations set out in the 2016 evaluation policy, as affirmed in decision 2017/12, and cemented a resource base for IEO of \$42.1 million from 2018 to 2021.
 - *First regular session 2018.* Presentation of the second costed workplan for the IEO
 - *Annual session 2018.* Annual Report on Evaluation 2017 and annex detailing the status of the implementation of IEO recommendations, and
 - *Second regular session 2018.* Evaluations of UNDP Inter-agency Operational Services and Pooled Financing

The Evaluation Advisory Panel

8. The Evaluation Advisory Panel (EAP) is now in its fifth year supporting IEO, with its experts routinely assisting in ensuring evaluations retain the highest quality. The 12 members of the panel come from all global regions and have academic as well as practical evaluator experience and are considered leaders in the field of evaluation. In May 2018, EAP and IEO staff came together over three days to discuss in detail the past five years of support from the panel, taking stock of assistance overall and exploring specific issues, such as methodological

approaches and national evaluation capacity development. The panel has helped IEO improve the quality of its evaluations, navigate a transition towards a professional evaluation model, increase its evaluative competencies, and deepen its role in evaluation within UNDP and externally.

The Audit and Evaluation Advisory Committee

9. IEO has continued to engage with the Audit and Evaluation Advisory Committee (AEAC), presenting its work and key evaluation findings, three times in 2018 in meetings with the IEO Director. The AEAC is charged with reviewing the work and operational activities of UNDP oversight entities – including IEO, the Office of Audit and Investigation and the Ethics Office – and increasing harmonization in their work. The AEAC, a new feature, in the UNDP evaluation policy, has been tested in operation since 2016 and the policy review of 2019 will be important to reflect on its particular role with regard to IEO.

II. Key evaluations undertaken in 2018

10. As one of its busiest years, in 2018 IEO conducted three comprehensive thematic evaluations and 14 country programme evaluations covering \$1.9 billion in programme funds, amid the move to 100 per cent evaluation coverage of UNDP country programmes. In addition, the office made preparations for 38 country programme evaluations, covering a further \$5.3 billion in programme funding, slated for 2019. It produced an evaluation synthesis of 15 years of country programme evaluations covering 93 countries and all five regions. All evaluations were undertaken in close collaboration with programme units within UNDP as well as partners and stakeholders. Continued strong communication and cooperation with UNDP has ensured highly informative and detailed evaluator findings, and robust and detailed management responses to recommendations.

UNDP provision of inter-agency operational services from 2010 to 2017

11. IEO conducted an evaluation of the effectiveness and efficiency of UNDP in providing inter-agency operational services from 2010 to 2017 (DP/2018/25). The evaluation synthesized information from 350 interviews and over 600 surveyed responses from UNDP and United Nations entities at the central, regional and country office levels in over 100 countries. It noted the ongoing reform of the United Nations development system but did not comment on it.

12. The evaluation found that while UNDP has the largest geographical footprint of operational services among all United Nations entities, and currently serves over 80 of these organizations in about 170 countries, it has only been able to partially recover the cost of providing services, an average of around \$53 million per year. Furthermore, UNDP effectiveness has varied across different services and locations, with lower client satisfaction at the country level. There is room for improvement in terms of efficiency, a goal to which UNDP committed to in its Strategic Plan, 2018-2021.

13. The evaluation found a lack of client orientation and transparency in the pricing of services, leading clients to question value for money. Other issues comprised underinvestment in information technology, poor appraisal systems and feedback channels, and no consistent use of service-level agreements and key performance indicators. A full clustering of services not dependent on given locations could have delivered greater efficiencies, savings and economies of scale.

14. While United Nations entities served by UNDP gain cost savings and value for money from services, these efficiencies are not enough. Organizations expect improved quality and timeliness of services as well as greater responsiveness and risk reductions. For UNDP, economies of scale (related to premises, procurement, banking and foreign exchange) are the most tangible sources of value addition. Intangible benefits include the opportunity to position UNDP as a leader in the United Nations system, synergies among different United Nations entities, enhanced coordination and greater visibility.

15. Integrated service models have provided United Nations country teams with more ownership and higher satisfaction, but a lack of mutual recognition and harmonization of policies, procedures and systems challenges further integration.

16. Other issues encompass insufficient financial and human resources, inadequate managerial tools and systems, and an inability to properly price and fully recover costs for services. To a degree, these issues have negatively affected the reputation of UNDP. The absence of a clear vision and incentives, such as performance

assessments, have limited corporate buy-in and demotivated UNDP staff. UNDP management welcomed the evaluation's recommendations, which largely confirmed its own analysis based on an internal review of management services. The management response (DP/2018/26) outlined key actions to implement the recommendations.

Evaluation of UNDP inter-agency pooled financing services 2010 to 2017

17. Inter-agency pooled funds are a mechanism to receive contributions from multiple financial partners and allocate them to implementing entities to achieve specific national, regional or global development priorities. United Nations pooled funds are administered by the Multi-Partner Trust Fund Office, hosted by UNDP. The two major types of pooled funds are multi-donor trust funds and joint programmes. This evaluation examined UNDP efficiency and effectiveness in providing inter-agency pooled financing services (DP/2018/23) through the Multi-Partner Trust Fund Office and considered information from 19 countries, including United Nations organizations' headquarters in New York, Geneva, Rome, Vienna, London, Paris and Nairobi, and interviews with a total of 35 United Nations entities, 16 donors and six other organizations.

18. The evaluation found that the Multi-Partner Trust Fund Office has established itself as a strong, credible and neutral provider of pooled financing services. It is recognized by most donors and agencies as the preferred choice for an administrative agent. However, concerns remain around the quality of fund design and a weak result focus. Financial transfers to and from the office are recognized as prompt, often exceeding key performance indicators. Stakeholders recognized that while the Multi-Partner Trust Fund Office Gateway is a transparent tool for reporting information on donor contributions, it would benefit from more frequent reporting on expenditures.

19. Pooled financing has reduced transaction costs for donors, but costs increased substantially for United Nations country office staff and resident coordinators. Other concerns relate to insufficient attention to fund closure, which has undermined efficiency and accountability. Stricter compliance on timely fund closure would free up significant resources that could potentially be used by active projects.

20. The firewall between the Multi-Partner Trust Fund Office as an administrative agent and UNDP as an implementer is working as it should; there is no evidence of violation. There is, however, a perception among a significant minority of participating United Nations organizations that the firewall at the country level is less effective than it should be, with greater dissatisfaction among specialized agencies.

21. United Nations pooled funds have promoted donor coordination and United Nations coherence, despite increased competition for resources among participating organizations. They have been instrumental in promoting integrated planning in support of United Nations Development Assistance Frameworks and national ownership. But success varies and largely depends on the commitment of key actors.

22. The management of UNDP and the Multi-Partner Trust Fund Office welcomed the evaluation and agreed overall with its findings, conclusions and recommendations, with some reservations requiring broader dialogue within the United Nations Sustainable Development Group and with participating United Nations organizations. The UNDP management response outlined key actions to implement the recommendations in document DP/2018/24.

Evaluation of UNDP support to poverty reduction in least developed countries

23. A major evaluation of UNDP support to poverty reduction in the least developed countries (DP/2019/4) covered a priority area for UNDP support and considered activities under the Strategic Plan, 2014-2017. It assessed five streams of programmatic assistance: inclusive growth, employment and social protection; sustainable livelihoods; local economic development; economic revitalization in crisis contexts; and mainstreaming the Millennium Development Goals/Sustainable Development Goals. The evaluation came at a time when countries are in the process of integrating the Sustainable Development Goals in their respective national development strategies, and several challenges remain if the least developed countries are to achieve the targets for the Goals.

24. The evaluation found that while there was progress in reducing extreme poverty, the pace of reduction has been slow. The rate of decline in extreme poverty in sub-Saharan Africa was slower than in other regions. The evaluation also found that many of the least developed countries are constrained by structural weaknesses in

their economies, poor infrastructure development and low productivity. Other challenges include jobless growth with significant gender disparities, climate change, transborder disease transfer and conflict.

25. While the least developed countries are very diverse, they share some common structural challenges and specificities, such as a lack of effective integration into the global economy, a narrow and externally uncompetitive base of productive capacities, and limited domestic absorption capacities and revenue potential, especially in small least developed countries. The magnitude of these structural challenges distinguishes them from other developing countries and has defined UNDP programme support.

26. UNDP has programmes in all 47 of the least developed countries, absorbing a significant share of its resources. From 2014 to 2017, UNDP programme expenditure was \$17.4 billion; expenditure in the least developed countries was \$7.1 billion or 41 per cent. Expenditure on poverty reduction was \$2.17 billion dollars, or 41 per cent of total spending in the least developed countries (excluding the Afghanistan law and order trust fund). Of the \$1.5 billion dollars in regular resources received by UNDP from 2014 to 2017, 60 per cent was assigned to the least developed countries, with a major share going to Africa given the large number of these countries there.

Key evaluation findings and conclusions

27. *In terms of overall strategy*, UNDP poverty reduction programmes and priority areas are highly relevant for the least developed countries. Globally, the UNDP approach has evolved with new tools being introduced. Inclusive growth initiatives combined with environment and climate resilience support have provided greater opportunities to demonstrate income-generation and sustainable livelihood models.

28. *Institutional capacity-building and policy support* provided by UNDP have contributed to national efforts to reduce poverty. UNDP has built a solid track record in raising financial resources for institutional capacity development and sourcing specialist expertise from its wide network. ***UNDP has shown a strong commitment to fostering transformative partnerships with the private sector and has*** not only facilitated public-private connections but has also brought in complementary resources to address policy and institutional bottlenecks and enhance value for private actors. The evaluation points out that the low scale of such engagement, however, is undermining the UNDP contribution to poverty reduction.

29. *Inclusive businesses and markets* were prioritized to integrate bottom-of-pyramid segments of the population as consumers, suppliers, employees and business holders in value chains and markets. UNDP has yet to use its comparative advantages of country presence and credibility to scale up work in this area. Interventions such as microenterprise and value chain development necessitate multipronged initiatives, spanning support to community-level enterprise development, market linkages, integration and scaling up. Most initiatives did not combine these multiple aspects, resulting in limited outcomes. In the least developed countries, alternative and impact financing from the private sector, although conceptually relevant, is still at a nascent stage. While there are some ongoing initiatives, private sector financing successes are mostly in countries with more mature financial sectors and capital markets. UNDP is well suited to facilitate greater private sector participation and should develop robust and appropriate tools to enable engagement.

30. *Sustainable livelihood* approaches – as part of environment, energy and climate change adaptation initiatives at the community level – had tangible outcomes in mainstreaming environmental issues within community systems and demonstrating links to reducing poverty. They provided models that can be replicated, but UNDP has yet to pay sufficient attention to applying the insights gained to inform national policies.

31. In conflict-affected and post-conflict countries, the *UNDP role and contribution in economic revitalization* have been important, enabling temporary benefits to affected populations. But such initiatives were often short-term, quick-impact programmes meant to address widespread unemployment, and not designed for long-term sustainable employment creation. The lack of adequate attention to interlinking dimensions of multiple fragilities and the challenges of limited income-generation capacities and investments reduced the contribution to poverty reduction.

32. UNDP management will provide a full management response to this evaluation at the annual session of the Executive Board in June 2019. A management note was presented during the first session of the Board in January 2019, which recognized the evaluation findings but requested additional time to develop a detailed response.

Independent country programme evaluations

33. In 2018, 14 country programme evaluations were undertaken for Angola, Bosnia and Herzegovina, Colombia, Comoros, Cuba, Guatemala, Madagascar, Mali, Paraguay, Sierra Leone, Timor-Leste, Tunisia, Venezuela and Yemen. Preparations were also made for the country programme evaluation for Afghanistan, which was carried over into 2019, after the country programme was extended by two years. These evaluations covered \$1.9 billion of UNDP programme expenditure and cover all country programme documents coming to conclusion in 2019.

34. The 100 per cent evaluation coverage of concluding country programmes comes at the request of the Executive Board and has been implemented within the same envelope of funding for IEO. This remains a manageable challenge going forward, but in order to ensure evaluation quality at lower cost, the office has strengthened its team of professional evaluators as well as its research team, enabling more research and data collection prior to country visits when initial desk-related findings are followed up and verified. In addition, stakeholder meetings, where final evaluations are presented to UNDP country offices and their partners, are now successfully implemented remotely through online meeting platforms.

35. In some countries, ongoing conflict and social upheaval have prevented IEO evaluators from visiting the country or interviewing government counterparts and beneficiaries directly. As a result, evaluators have had to rely on UNDP corporate and country office information, and remote interviews with United Nations staff, civil society, private sector actors and bilateral donors. The conflict in Yemen meant that UNDP colleagues and implementing partners were interviewed either in the Arab States regional hub in Jordan or remotely through teleconferencing. Despite these challenges, a robust evaluation was undertaken and was well received by the regional bureau and country office, which will be used to strengthen future programmes. The process illustrated the possibility of useful and credible evaluation even in challenging circumstances, but for this to happen, full support and engagement are needed.

36. Experiences from evaluations in challenging contexts will strengthen future work in 2019 and beyond, especially in crisis countries such as Afghanistan, Iraq, Somalia and the Syrian Arab Republic, all of which will undergo evaluations in 2019.

Independent country programme evaluation synthesis and evaluation briefs

37. In its oversight of UNDP programme implementation, the IEO has undertaken 105 assessments of development results in 93 countries between 2002 and 2016. The office reviewed the evaluations and synthesized findings to provide UNDP and the Executive Board with an overview of how country programmes contributed to development results over the last 15 years, and to inform future programme strategies. Key lessons drawn from the 105 evaluations included the following.

- (a) UNDP is more successful at the country level, with a stronger programme fit and better results, when *it takes a human development approach and focuses its efforts on institutional strengthening*, resource mobilization and United Nations system integration.
- (b) *Results-based management and knowledge management* is most often associated with compliance-driven practices required to satisfy monitoring and reporting requirements. Successful country offices are developing theories of change for each outcome and use monitoring of progress and knowledge management of lessons as continual feedback loops, which become integrated into internal learning and improvement processes.
- (c) *Democratic governance* results are often driven by UNDP involvement in strengthening national capacity for policy development and action. A focus on gaps and needs assessments is useful to ensure that interventions are demand-driven.
- (d) *Successful poverty reduction* entails strengthening national capacity to develop national multidimensional poverty strategies and initiatives that identify vulnerable and marginalized populations.
- (e) *UNDP environmental sustainability* achievements largely depend on the design and implementation of financing schemes that bring together governments, donors, international development banks, non-governmental organizations and the private sector to jointly address complex environmental issues.

- (f) *In crisis response and disaster risk reduction*, UNDP is perceived to be especially effective where it can effectively coordinate the United Nations system for institution-building and policy advice, on one hand, and livelihood recovery and resilience-building. on the other.
- (g) *The sustainability of UNDP programme results* is most often directly related to the extent of national ownership, sustained attention to national capacity-building, and engagement with civil society. Limits to sustainability are most often due to the lack of exit strategies and inadequate monitoring, insufficient attention to evaluation and learning for adaptive management, and missed opportunities to replicate successful initiatives.
- (h) *Gender equality and women's empowerment as a cross-cutting issue*. Many country offices are operating without adequate gender strategies and are overly dependent on one gender focal point. Offices with dedicated, comprehensive gender equality strategies and plans are better prepared to contribute to equitable development results in any context.
- (i) *National implementation is a challenge*, though nationally implemented initiatives can help to increase national ownership and the sustainability of results. Country offices often lack adequate strategies to deal with the risks and challenges associated with managing such projects, however.
- (j) Country offices face increasing challenges with the *decline of core funding* and need to diversify their funding sources. Those that have developed resource mobilization strategies have managed to better diversify funding sources, balancing government cost-sharing with vertical funds, and incrementally adding other sources of co-financing such as the private sector.

38. IEO also produced a compendium of two-page country programme evaluation briefs covering the 105 evaluations from 2002 to 2016, which give easy access to evaluation findings, conclusions and recommendations. The briefs detail the relevance of UNDP work and approach to national development priorities, its effectiveness in achieving and sustaining results, and its strategic positioning and partnership with other United Nations entities and development organizations. They also offer evaluation insight into the challenges and achievements UNDP has faced over the last 15 years in its work across the globe.

III. Advancing global evaluation culture and practice in 2018

39. IEO continues to work across the global evaluation community to strengthen the culture of evaluation within UNDP and the United Nations system as well as within governments. In 2018, IEO remained highly active following the 2017 National Evaluation Capacities Conference with the publication of the proceedings and the launch of a national diagnostic tool to strengthen evaluation within government agencies. IEO retained a leading role in the United Nations Evaluation Group (UNEG). In January 2019, it presented a paper to the Executive Board outlining its support to capacity development within UNDP and beyond (DP/2019/6).

- *National Evaluation Capacities Conference 2017 proceedings and follow-up*

40. IEO organized the 2017 National Evaluation Capacities Conference in Istanbul from 18 to 20 October 2017, which brought together more than 500 participants from 110 countries under the theme “People, Planet and Progress in the Sustainable Development Goals Era”. The publication in 2018 of the proceedings of the conference drew together 46 papers by more than 70 authors, the majority from the conference participant countries, providing an excellent resource for people who attended the conference and the wider evaluation community.

41. Following the 2017 conference, IEO supported further National Evaluation Capacities engagements in response to regional demand. The office financially supported UNDP country offices in Kazakhstan and Turkmenistan to implement a multi-country project, Partnering for Green Sustainable Development Goals. The project addressed the findings of a mainstreaming, acceleration and policy support engagement that identified significant gaps in the alignment of national development plans with Goals pertinent to the environment. The project also strengthened the national capacities of Kazakhstan and Turkmenistan to produce environment statistics based on the Framework for the Development of Environment Statistics 2013, developed by the United Nations Statistical Commission, as well as related tools.

42. In June 2018, IEO provided financial and technical support to the Regional Bureau for Africa to organize an Africa regional National Evaluation Capacities Workshop in Kigali, Rwanda, bringing together representatives of governments, regional institutions, evaluation networks, and United Nations and UNDP staff to share efforts in strengthening national evaluation functions and systems and linking these to Sustainable Development Goals evaluation and monitoring processes. The active participation of government representatives from 14 countries was notable. Presentations on the new IEO online evaluation system diagnostics tool led to a pilot by the Government of Senegal and preparation of a diagnostic report on the country's national evaluation system, with a view to developing a national evaluation policy.

43. IEO supported the participation of government representatives from Botswana in the 2018 Asian Evaluation Week in Chengdu, China, organized by the Asian Development Bank and the Asia-Pacific Finance and Development Institute of the Ministry of Finance of China, which brought together 240 participants from 49 countries. IEO facilitated a country-led session on how supreme audit institutions support evaluation, which included a UNDP-sponsored joint presentation from the Auditor General's Office and National Strategy Office (lead agency for evaluation) of Botswana.

- *Other activities*

44. *Wilton Park dialogue, United Kingdom.* IEO collaborated with Wilton Park in a dialogue delving into a number of pressing questions on evaluation and the Sustainable Development Goals. The three-day meeting brought together a select group of 25 thought leaders in the fields of development assistance and evaluation research, along with specialists from other sectors, including audit, statistics, humanitarian assistance, banking, academia and the media to discuss and reflect on the topic of "revisiting independence, objectivity and the critically reflective role of evaluation for the Sustainable Development Goals era". The dialogue enabled a high-level, practical but informal debate, addressing conceptual and practical issues arising from the intersections of accountability, independence, objectivity and the critical voice of evaluation, and explored the extent to which the 2030 Agenda for Sustainable Development, along with evolving understanding of the meaning of 'development', give rise to a new set of challenges to evaluation as an independent, objective, critically reflective, professional practice.

45. *The International Programme for Development Evaluation Training (IPDET), Bonn, Germany.* This course is one of the leading evaluation executive training programmes globally. IEO has long partnered with the programme and supported a range of participants from IEO, UNDP and governments to attend; the IEO Director remains a visiting faculty member. As part of forthcoming IPDET courses, IEO will offer a course on evaluation in the United Nations system, attesting to the leadership role and capacity within the office.

46. The IEO Deputy Director participated in the second United Nations World Data Forum, a key biennial event for major producers and users of data and statistics. The forum was an opportunity to engage on the technical and political dimensions of data and statistics, and to address how public and private sectors are meeting the data challenges and opportunities faced by the global statistical community.

- *United Nations Evaluation Group: the changing role of IEO*

47. IEO continued to engage fully with UNEG and across several of its working groups in 2018. It was the final year of UNDP and IEO full sponsorship of the UNEG secretariat. Moving forward, IEO will significantly reduce its financial and staff support. UNEG heads have recognized a high IEO dependence on UNDP and the unsustainability of the current IEO business model. This move releases much needed human and financial resources for UNDP evaluations.

48. From 2019, IEO will continue to be a leading member of UNEG and will support the group as it establishes a governance task force to revisit the principles of different United Nations entities working together in preparation for strategic development beyond 2019. The IEO Director will continue as Vice-Chair and will participate in the core leadership team, which will work on the formulation of a new UNEG strategy to be discussed at the 2019 annual general meeting.

49. The IEO Directorate and staff members participated in the UNEG evaluation week in Rome, Italy in May 2018, along with over 160 evaluators from more than 40 United Nations entities.

- *National diagnostic tool*

50. IEO has developed an online self-assessment tool for evaluation diagnostics and strategizing, which has been supported by the Agency for International Development of Norway. The tool facilitates the development or strengthening of a national evaluation framework for the Sustainable Development Goals; addresses gaps in national evaluation thinking and practice; and informs country-led evaluation processes and systems. As mentioned above, the tool was introduced to government representatives from 14 countries at a workshop in Kigali, Rwanda. In addition to Senegal, Nepal and Uganda are testing the tool.

- *Communications and outreach*

51. IEO has a comprehensive communications strategy and develops strategic evaluation products that disseminate its evaluation findings to target audiences and help ensure take-up of recommendations. IEO reports are published in a wide array of formats, including two-page briefs, illustrated summaries, infographics, along with full reports, and are increasingly only available electronically. Shorter reports allow decision-makers to identify key challenges quickly and easily, with follow-up through more detailed technical reports. IEO conducted a rebranding exercise in 2018; to improve its online visibility, IEO revamped its website to enhance user experience via interactive visualizations and easier navigation. The website is now mobile friendly. To target audience needs for shorter reports in times of information overload, IEO changed its independent country programme evaluation reports to integrate a storytelling approach with compelling visuals.

52. Analytics indicated over 85,413 visitors to the IEO website in 2018 with more than 10,500 followers on Twitter.

53. The Evaluation Resource Centre has seen further development during 2018 as IEO works with UNDP bureaux to strengthen oversight and support to decentralized evaluations. The centre now operates as a public database of evaluations, holding more than 4,000 UNDP and IEO evaluations across all regions and thematic areas. It is also a comprehensive management tool for oversight of evaluation plans, supporting timeliness in implementation as well as follow-up on management responses and key actions.

IV. Oversight and support to decentralized evaluation

- *Investment in evaluation, 2018*

54. UNDP utilized \$22 million on evaluation across the organization during 2018, 0.48 per cent of core and non-core UNDP fund utilization.¹ IEO had a budget expenditure of \$8.7 million for evaluations, institutional activities, and staff and rental costs, with \$8.55 million allocated from core resources. In total, IEO allocations accounted for 0.19 per cent of UNDP core and non-core funds, a slight decrease from 2017 (\$9 million, with \$8.7 million from core resources); however, the allocation was in line with the requested annual budget for the office approved by the Executive Board at its first session of 2018 (DP/2018/4).

55. UNDP country offices spent \$11.5 million on evaluation during 2018. This includes evaluation implementation costs (\$6.6 million), staff costs (\$3.9 million) as well as additional evaluation-related costs (\$1 million).²

56. Expenditure at UNDP headquarters and by regional bureaux in implementing, supporting and overseeing evaluation amounted to \$1.8 million, including evaluation costs (\$0.3 million) staff (\$1.4 million) and additional evaluation expenditures (\$0.1 million).

¹ The UNDP Administrator's annual report 2018 details core and non-core fund utilization of \$4.6 billion.

² This has been calculated using self-reported expenditure figures from the results-orientated annual report as well as self-reported evaluation expenditure figures through the evaluation resource centre.

- *Decentralized evaluation implementation, 2018*

57. In 2018, UNDP completed 283 evaluations planned for the year, a decline from 2017 when 315 were completed. In 2018, UNDP completed 126 project evaluations (45 per cent), 121 Global Environment Facility (GEF) project evaluations (43 per cent), 21 outcome evaluations (7 per cent) and 15 United Nations Development Assistance Frameworks, thematic or country programme evaluations (5 per cent). The decline can be seen mostly in a reduction of UNDP project evaluations, which fell from a planned 224 evaluations in July 2018 to 126 completed by 31 January 2019.

58. This reduction mirrored a continued difference between evaluations planned and those completed during any given year. This issue was highlighted in the annual report on evaluation for 2017 where a similar trend was seen (562 evaluations planned vs. 315 completed). By July 2018, UNDP had planned to complete 504 evaluations with a total budget of \$16 million. By the close of year, 283 evaluations had been completed with a budget of \$8.7 million, 56 per cent.

59. While evaluation plan adjustments in any given year can be expected, IEO is concerned that changes are leading to excessive focus on mandatory evaluations and that changes and deletions are not being included and addressed in future years to ensure comprehensive evaluation coverage. Equally, in some regions, adjustments to evaluation plans have become a regular occurrence, are a means to ensure annual compliance and present more positive reporting. Greater support is needed to ensure that programme units plan appropriately and implement evaluations in a timely manner to capture results and meet accountability, transparency and learning commitments under their evaluation plans.

60. Continuous changes within programme units' evaluation plans are leading to an imbalance in the organization's evaluation coverage and the capturing of lessons to inform future programming; as such, they are leading to inadequate evaluation coverage and the capturing of results. Though the number of GEF terminal evaluations and midterm reviews has remained steady (around 120 per year), they are increasingly the predominant evaluation type within UNDP (43 per cent up from 35 per cent in 2017). GEF-financed programming, through GEF midterm and terminal evaluations, therefore overly represents UNDP commitments to transparency, accountability and learning. This is despite the fact that GEF projects accounted for only 9 per cent of UNDP expenditure in 2018³ and 17 per cent of projects (754 active GEF projects/4,378 UNDP projects). New UNDP evaluation guidelines call for programme units to ensure that programme and project portfolios have balanced evaluation plans capturing lessons from all UNDP work and are not just focused on evaluations that are mandatory, such as for GEF projects.

61. For 2019, 531 decentralized evaluations are planned with a budget of \$16.8 million.⁴

- *Assessing the quality of decentralized evaluations*

62. The decentralized evaluation quality assessment process is now in its third year, with the quality assessment tool remaining the same through 2016, 2017 and 2018, ensuring consistency. For 2018, 225 evaluations planned and completed were quality assessed.⁵ The process showed an improvement in the quality of evaluations over the three years, with 76 per cent of completed evaluations (170 evaluations) considered moderately satisfactory, satisfactory or highly satisfactory in 2018, compared to 74 per cent in 2017 (212 evaluations) and 72 per cent (187 evaluations) in 2016.

63. The quality assessment process for 2018 found that the percentage of evaluations with a satisfactory rating had risen compared to 2017 findings, from 19 to 25 per cent. In 2018, one evaluation was highly satisfactory, 25 per cent were satisfactory (56) and 50 per cent were moderately satisfactory (113). The quality of 24 per cent of evaluations, 55 with a budget of \$1.7 million, fell short of UNDP minimum standards.

³ UNDP executive snapshot, February 2019: UNDP expenditure and commitments in 2018, \$4.6 billion. Adaptation and GEF fund utilization and commitment for 2018, \$415 million.

⁴ Evaluation Resource Centre, 31 January 2019.

⁵ 42 evaluations for 2016, 2017 and 2019 were quality assessed in 2018. The total number of evaluations quality assessed was 267 in 2018.

64. The quality assessment process allows headquarters and bureaux to identify areas that may need further support, both geographically and by evaluation type. Quality assessment data are readily available for programme units and bureaux to access and learn from in order to improve future evaluation implementation and use of resources.

65. It is important to highlight that while the overall improvement in quality may be seen as slight, there has been an underlying effort in some regions to ensure better quality evaluations. This is especially true in the Arab States where 47 per cent of evaluations were found to be of moderately satisfactory or above quality in 2016; this increased to 65 per cent in 2018, illustrating an effort by the regional bureau to support country offices and improve evaluation quality. Equally, the quality of evaluation in Europe and the Commonwealth of Independent States country offices had risen from 65 per cent considered of satisfactory quality in 2016 to 83 per cent in 2018.

- *Decentralized evaluation support in 2018*

66. Support to decentralized evaluations in 2018 focused on a comprehensive rewrite and relaunching of the UNDP evaluation guidelines, which were completed in 2018 with endorsement from the Operational Performance Group in November 2019. The guidelines reflect the UNDP commitment to evaluation and its desire to improve evaluation quality, credibility and usability in capturing lessons learned and ensuring future work is informed and strengthened by past experience.

67. IEO led a participatory drafting process for the guidelines that included representatives from the Bureau for Policy and Programme Support, regional bureaux and country offices. The new guidelines update previous guidance in line with changes across UNDP since their initial launch in 2009, and now reflect the Sustainable Development Goals, the 2016 UNDP evaluation policy, UNEG revised norms and standards, and the UNDP Strategic Plan, 2018-2021.

68. The main changes in the guidelines focused on areas of need communicated to IEO during 2016-2017 workshops with regional and country office monitoring and evaluation focal points as well as observations from overseeing implementation of evaluation plans and the annual quality assessment of evaluations. Key changes include:

- (a) detailed roles, responsibilities and accountability for the implementation of evaluation in programme units;
- (b) support and oversight structures for evaluation implementation and quality assurance;
- (c) detailed processes for evaluation plan development, content and adjustment throughout its life; and
- (d) detailed templates and guidance for terms of reference, inception reports and evaluation reports, including links to high-quality examples.

69. The new evaluation guidelines have been developed across six sections with the express aim of making it easier to implement and manage evaluations, and to ensure evaluation results and findings are credible, high quality and useable. The guidelines will be reviewed and updated annually to address the needs of programme units.

70. Over the last three years, IEO has worked closely with UNDP to strengthen decentralized evaluations, improve quality and transparency and capture lessons learned to enhance programming. In addition to funding from UNDP, the breadth of the support to decentralized evaluations was made possible through financial assistance from the Swiss Agency for Development and Cooperation, which has enabled IEO and UNDP to:

- (a) develop new evaluation guidance (2018);
- (b) deliver face-to-face training for UNDP staff in evaluation (2016, 2017 and 2019);
- (c) develop online training in evaluation (planned for 2019); and
- (d) conduct annual quality assessments of decentralized evaluations (2016, 2017 and 2018).

71. Beyond 2019, an organizational commitment for further evaluation funding, training, oversight and technical support will be required to ensure gains and improvements in decentralized evaluations continue, and that a culture of evaluation takes root and is further embedded within UNDP. It is essential that senior managers make evaluation a key component of programmes. It is also essential that senior

managers are held accountable for timely implementation of evaluations and the quality and usability of evaluations in their programme units in order to enhance transparency and ensure the organization captures lessons to improve and inform its future programme work.

V. *United Nations Capital Development Fund and United Nations Volunteers*

72. The United Nations Capital Development Fund (UNCDF) stepped up its support to evaluation in 2018, in line with commitments made in its new Strategic Framework, 2018-2021. It completed external midterm evaluations of two programmes. The Mobile Money for the Poor Programme works in 10 countries to accelerate the supply of digital financial services to the poor through a market development approach. The Shaping Inclusive Finance Transformations programme aims to build inclusive financial markets in Cambodia, the Lao People's Democratic Republic, Myanmar and Viet Nam by expanding access and usage of financial products and services among low-income people, particularly women. It also facilitated a midterm evaluation of the Better Than Cash Alliance – which is hosted by UNCDF – at the request of its Executive Committee, helping to ensure relevant evaluation standards were applied.

73. The UNCDF Evaluation Unit also began midterm and final evaluations of three additional financial inclusion programmes: the Shaping Inclusive Finance Transformations programme in South Asia, with a particular focus on Bangladesh; the Making Access to Financial Services Possible global programme, which supports governments in more than 20 least developed countries in Africa and Asia and the Pacific to develop and implement financial inclusion roadmaps and strategies; and the Pacific Financial Inclusion Programme, which is expanding formal financial inclusion and financial education through support to private sector financial service providers as well as policymakers and regulators.

74. UNCDF worked closely with United Nations Member State partners on evaluation in 2018, designing and managing the evaluation of the Shaping Inclusive Finance Transformations programme with the Government of Australia and contributing to a Government of Denmark commissioned evaluation of the Access to Finance programme in Nepal. UNCDF continued to be an active member of UNEG and began working with an Organisation for Economic Co-operation and Development (OECD) working group looking to develop guidance measuring blended finance under the broader OECD Development Assistance Committee blended finance principles. In line with the UNDP evaluation policy, UNCDF continued to benefit from its close association with IEO, such as through inclusion in IEO corporate evaluations, while the assessment of UNCDF evaluation reports by IEO demonstrated continued strong adherence to UNDP evaluation quality standards.

75. To support increased activity, and in line with evaluation commitments through its strategic framework, UNCDF increased its complement of evaluation staff to three professional posts. Annual expenditure on evaluation in 2018 was \$599,711 (including staffing and evaluation costs), 1.15 per cent of UNCDF programmatic expenditure, exceeding the 1 per cent target in the evaluation policy.

76. The United Nations Volunteers (UNV) budget for evaluation in 2018 was around \$122,500, drawn from core and non-core funds, including special voluntary funds. The budget covered the cost of the evaluability assessment of its Strategic Framework, 2018-2021, five project evaluations and the salary of one Evaluation Specialist. Under its strategic framework, UNV continued to focus on conducting external independent evaluations of selected key projects mainly at the end-point of implementation. It remained committed to working with partners in undertaking joint thematic and impact evaluations that consider UNV contributions to partners' results. The UNV evaluation plan accompanying the strategic framework includes four project evaluations, two impact evaluations and three thematic evaluations.

77. As part of the evaluation plan, 2016-2017, a final evaluation of the National Youth Volunteer Programme in Burundi and a final evaluation of the Support to the Establishment of the National Volunteer Programme in Mauritania project were completed. A final evaluation of the Partners for Prevention Regional Joint Programme for Violence against Women and Girls Prevention in Asia and the Pacific was jointly conducted with UNDP, UNFPA and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). The evaluation found volunteerism to be a vital concept and practice within the programme and recommended a more strategic positioning of institutionalized volunteerism in prevention programmes.

78. As part of the new four-year evaluation plan, 2018-2021, a final evaluation of the programme Support to Enhancing Capacity of the United Nations Plan of Action on Disaster Risk Reduction for Resilience in South and East Asia and the Pacific found it high in terms of relevance, effectiveness and efficiency. But questions around sustainability and the impact of the volunteer component within the multi-partner project remained a challenge for the evaluators. In upcoming evaluations, UNV will seek to pay special attention to identifying the comparative advantage and value added of both volunteers and volunteerism to the results of joint projects and programmes.

79. Key challenges for UNV remain a limited evaluation culture and competing priorities within the organization. UNV undertook an organizational transformation and strategic repositioning during 2017-2018, paving the way for its new Strategic Framework, 2018-2021. The framework established a very clear framework for evaluation in UNV, setting out key expected results at the impact, outcome and output levels, and a series of impact pathways to achieve those results.

80. In 2018, UNV concluded its transitional evaluation plan by developing a systematic evaluation work planning process, which has helped to identify the type of evaluation work required by the organization and an approach to prioritizing this work, enhancing the overall evaluation function. To further promote effectiveness and quality assurance and as a response to the recommendations of evaluation of the Strategic Framework, 2014-2017, an evaluability assessment of the Strategic Framework, 2018-2021, was conducted.

81. UNV has expressed appreciation for its partnership with IEO, from which it receives support and guidance on evaluation quality and approaches, as well as, where relevant and applicable, additional evaluation coverage in areas where UNDP and UNV are working closely together. Comments and suggestions as well as ratings through the quality assessment system continue to strengthen UNV evaluations and the organization's accountability, transparency and learning.

VI. *Staffing and finances, 2018*

82. IEO is built on a foundation of skilled professional evaluators who come to evaluation with a wide variety of professional experiences and perspectives, enabling the office to offer comprehensive judgement through its evaluations. Moving forward, the office will continue to strengthen the professional capacity of its staff and is committed to their professional development.

- *Independent Evaluation Office staffing*

83. The structural division of the office across four sections operated successfully in 2018. To ensure evaluations draw on diverse insights, colleagues work across sectors. Increased commitment to country programme and thematic evaluations as well as capacity development work prompted the office to request additional staff, which led to the successful implementation of a comprehensive programme of work in 2018. This has ensured that IEO continues to lead evaluations rather than rely on subcontracting.

84. The office now has a staff of 31, comprising 22 international professional staff and nine general service staff. Although six of these positions are temporary, the office hopes to make them fixed posts in the future to meet its commitments and the requests of the Executive Board. The office has full gender parity across professional staff.

- *Finances*

85. In 2018, IEO utilized \$8.72 million for evaluations and other institutional activities (including staffing and rent), which represent 0.19 per cent of overall UNDP core and non-core funds. The office continues to partner strategically and selectively with external development agencies and governments in advancing the evaluation mandate and function within UNDP as well as externally. In 2018, it sustained or entered into strategic partnerships with the Governments of Finland, Norway, Sweden and Switzerland to support, strengthen and expand work related to the National Evaluation Capacities Conference, the national evaluation capacities diagnostic tool, and decentralized evaluation support, among other areas.

VII. Programme of work, 2019

86. The 2019 budget allocation for IEO evaluation work is \$10.2 million, 0.2 per cent of UNDP core and non-core budget. This is in line with the IEO multi-year plan as reported in the annual report on evaluation, 2017.

- *Corporate section*

87. The corporate evaluation section remains committed to the programme of evaluations agreed under its multi-year plan for 2018-2021. In 2019, the corporate section will undertake two key evaluations, namely, an evaluation of UNDP assistance to vulnerable developing countries for disaster risk reduction and climate change resilience, and an evaluation of UNDP development support services to middle-income countries. Due to commitments to country programme evaluations, and the disbursement of financial and human resource allocations accordingly, some delays may occur in the finalization and presentation of corporate evaluations going forward. The Executive Board will be informed accordingly, although the office remains committed to undertaking all evaluations outlined in its multi-year workplan.

88. The evaluation offices of UNDP, UNFPA, the United Nations Children's Fund (UNICEF) and UN-Women are jointly evaluating the strategies, precursors, implementation modalities and initial results from the agreed joint actions in the common chapter to each of their individual strategic plans. Following the approval of the plans, the Executive Board of UNDP/UNFPA/UNOPS and the Executive Board of UNICEF requested that evaluation offices jointly evaluate the common chapter.⁶ In 2019, following close collaboration in 2018 and the development of a joint concept note outlining the approach to the evaluation, the four evaluation offices will further collaborate on a baseline study to:

- (a) analyse achievements, challenges and lessons of previous joint programming efforts by the four organizations;
- (b) establish common understanding and framing of key concepts and issues within the areas of collaboration highlighted in the common chapter; and
- (c) contextualize and establish common understanding on expectations for common chapter achievements within the wider United Nations development system.

89. Following the approval of the current evaluation policy in 2016, the Executive Board requested that IEO commission a review of the policy in 2019. The findings will be presented to the Executive Board, along with a management response and planned actions, at the annual session in 2019. The review is focusing on:

- (a) assessing progress in implementing the revised evaluation policy of 2016, noting strengths and weaknesses;
- (b) reviewing the evaluation architecture; and
- (c) identifying constraints inhibiting effective implementation of the policy and areas that may require policy change.

- *Country programme evaluations section*

90. In 2019, 38 country programme evaluations are planned. Such a high commitment means IEO has had to allocate greater human and financial resources to the country programme evaluations process. The new methodology stresses a focus on one country programme document cycle and the following guiding evaluation questions:

- (a) What did the UNDP country programme intend to achieve during the period under review?
- (b) To what extent has the programme achieved (or is likely to achieve) its intended objectives?
- (c) What factors contributed to or hindered UNDP performance and, eventually, the sustainability of results?

⁶ DP/2018/9, decision 2018/1 and 2018/2; and E/ICEF/2018/6.

- *Capacity development section*

91. The sixth National Evaluation Capacities Conference will be held in Egypt in 2019, following highly successful conferences in Istanbul (2017), Bangkok (2015), Sao Paulo (2013), Johannesburg (2011) and Casablanca (2009).

92. IEO will continue to support and oversee decentralized evaluation throughout 2019 and will roll out the new evaluation guidelines to country offices and regions through several regional workshops. In addition, the office is developing online certified courses for monitoring and evaluation focal points across UNDP as well as general evaluation training for programme unit staff. The office will continue to oversee the implementation of decentralized evaluations as well as the annual quality assessment of all UNDP evaluations, and report results to the Executive Board.
