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## PROGRAMME IMPLEMENTATION

### EVALUATION AND RELATED MEASURES FOR IMPROVING THE QUALITY OF TECHNICAL CO-OPERATION

#### Report of the Administrator

##### Summary

In this report, the Administrator outlines his actions and proposals for improving the quality, efficiency and effectiveness of UNDP-financed operational activities through the examination and revision, as necessary, of all aspects of the project cycle in preparation for the third country programming period. Proposals are presented on substantive and process "theme" evaluations, more systematic evaluations of individual projects and feedback mechanisms for translating findings into improved project design and implementation. Now that findings from the "theme" evaluations (including the two "process" evaluations on Country Programming and Investment Follow-up which are presented in separate reports) are increasing, the costs entailed in developing a comprehensive feedback mechanism (including publication costs of the individual evaluations) can be more precisely estimated. The Administrator estimates that the approximate costs of all the related activities in 1980 and 1981 will amount to about \$550,000 and that these costs can be met from existing appropriations for staff travel and consultants contained in the budget of the Bureau for Programme Policy and Evaluation. If this estimate should prove to be insufficient and any additional cost could not be met from savings elsewhere, he would raise the question of supplementary financing at the Council's twenty-eighth session.

## Introduction

1. As the third programming cycle approaches, the Governing Council has given increasing attention to improving the quality of UNDP-financed operational activities in terms of increasing their efficiency, effectiveness and relevance. The Administrator has responded by initiating the examination and revision, as required, of the various related procedures and policies which make up the entire programming and project cycles. Improving quality and effectiveness is seen as involving two important thrusts: (a) increasing the soundness and relevance of the substantive contents of the programme; and (b) increasing the efficiency of the operational mechanism while ensuring strict compliance with existing, revised or new guidelines and procedures.
2. The broad scope of the Administrator's initiatives is clear from the wide range of actions and proposals concerned with improving the quality of operational activities, which are described in this and other documents to the twenty-sixth and twenty-seventh sessions. The complete revision of the chapters of the UNDP Policy and Procedures Manual concerned with the Project Cycle (3200) and the Country Programme Process (3400) will be one important accomplishment which is expected to be completed towards the end of 1980. 1/ This report outlines the progress made in strengthening individual components of the project cycle. In addition it responds to the following specific requests to the Administrator made by the Council at its twenty-sixth session: 2/
  - (a) Over-all programme monitoring: to seek effective compliance by all concerned with measures for improving the quality and efficiency of operational activities;
  - (b) Programme evaluation: to maintain the emphasis on programme evaluation and inform the Council regularly of the content and direction of such evaluations along with summaries of the findings and recommendations of completed studies;
  - (c) Project evaluation: to propose to the Council ways of systematizing the evaluation of individual projects, and to submit estimates of the cost of more systematic project evaluation;
  - (d) Project monitoring: to ensure that the tripartite monitoring of projects is being carried out efficiently and effectively;
  - (e) Feedback: to ensure that the lessons learned from the evaluation studies are applied in the identification of future projects; to explore the best ways of achieving this; and to publish the evaluation reports in a UNDP series as and when they are completed and to give them appropriate distribution;

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1/ Related aspects of programming before the Council include documents on Examination of Country Programming, Priorities for Intercountry Programmes, Evaluation of the Global and Interregional Programme; in the area of evolution of guidelines and procedures see documents on the Role of Qualified National Personnel, TCDC, Criteria for Natural Disasters, ISIP, etc.

2/ See Governing Council decisions 79/10, paragraph 5; and 79/48, paragraph 2.

(f) Project design: to improve the quality of project design so that objectives, outputs and pre-requisites are properly identified, the appropriate functional orientation is emphasized and the work programme prepared by the project co-ordinator is realistic and up-to-date;

(g) Financing: to report to the Council at its twenty-seventh session including information on the financial implications of the recommendations.

#### I. THEME (PROGRAMME) EVALUATION

3. Theme evaluation 3/ is the analysis of the experience of the United Nations system in defined subject-matter areas, over a period of years, cutting across all regions. It permits comparative analysis of factors leading to success or failure of projects in the designated "theme" area and results in broad operational guidelines on the process and substance of technical co-operation which are used in the design of new projects. The studies are conducted on a tripartite basis among UNDP, Governments and Agencies. Since approximately 18 months are needed to plan, carry out and synthesize the findings of a study, they are planned over a two-year rolling period as part of a total theme evaluation programme.

4. UNDP undertakes two types of theme studies: those on substantive issues or themes in selected sub-sectoral, sectoral or multi-sectoral areas (substantive studies); and those dealing with the operational process or mechanism for implementing technical co-operation (process studies). Although there is a degree of overlap between them, primary emphasis in the substantive studies is on the technical approach, on outputs and on the achievements of the projects' objectives, i.e., effectiveness and impact as a whole. The process studies, on the other hand, are concerned with the manner in which the delivery system in place operates and how it can be streamlined and made more efficient. Seven substantive studies and two studies on process aspects are in various stages of implementation. The full list of completed and ongoing studies is in Annex I.

#### Substantive theme studies

5. The rationale for and methodology of substantive theme evaluation studies have been described in detail to the Governing Council in papers submitted to the twenty-fifth and twenty-sixth sessions in 1978 and 1979. By the time of the twenty-seventh session, the findings of the following evaluations will have been published in 1979 and 1980 as part of the "Evaluation Studies" series: Development Planning, Rural Development, Textile Industries, Agricultural Training, Industrial Research and Service Institutes, Rural Women in Development and Non-Conventional Energy. Further studies now in progress are: Rural Co-operatives, Export Promotion, Industrial Training, and Innovation and Reform in Education (final phase). The cost of publication was not specifically foreseen in the UNDP budget at the time of its preparation, and consequently publication costs are presently being financed from a variety of sources (see Section V below); the Administrator will revert to this issue, as

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3/ The term "theme evaluation" replaces the term "programme evaluation" used in former Governing Council documents on the same subject in order to distinguish it from use among Executing Agencies in which programme evaluation refers to assessment of regular programmes as distinct from technical co-operation activities at the field level.

necessary, at the twenty-eighth session. Summaries are submitted in line with the Council's request, on the studies in Agricultural Training, 4/ Women in Development, 5/ and Non-Conventional Energy. 6/

Process theme studies

6. The two process studies undertaken thus far, both at the specific request of the Council, are on the Country Programming Process and Investment Follow-up. Because of the priority and wide scope of each study, a comprehensive report on each is being presented separately by the Administrator. The studies should be seen as important components of the over-all evaluation and revision, as necessary, of the programme and project cycles in preparation for the third programming period. 7/

Upcoming theme evaluations

7. Since the last session of the Council, UNDP has held extensive consultations with Agencies, with field offices, and through them with Governments, in order to identify the topics of greatest interest for future theme evaluations. A large number of alternative topics have been proposed and it has been necessary to narrow down the list considerably. Selection of topics took into account the importance accorded the subject by Governments individually and collectively in intergovernmental forums; desirability of expanding UNDP's activity in areas heretofore only lightly covered; and pragmatic considerations of the financial and human resources implications for interested Agencies and UNDP. In selecting substantive studies, a deliberate balance was made between poverty-oriented areas and those linked to technological self-reliance in order to take account of the widely varying development problems and priorities expressed by Governments. The topics identified are:

- (a) National agricultural research centres
- (b) Technology in light industries
- (c) Human resource development in health
- (d) Telecommunication training centres
- (e) Public administration

In selecting topics for process studies, UNDP attempted to give weight to areas which were of particular importance in approaching the third cycle to both Governments and Agencies. The topics are:

- (a) Government execution
- (b) Assessment of efficiency of procedures in the project cycle

It is anticipated that both process studies as well as three of the five substantive studies can be undertaken over the next two years, given evaluations already initiated and resource constraints.

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4/ DP/452

5/ DP/453

6/ DP/437

7/ See DP/454 on the Country Programming Process and DP/442 on Investment Follow-up.

## II. PROJECT MONITORING AND EVALUATION

8. An important part of upgrading the quality, effectiveness and relevance of operational activities is improvement of the existing mechanism for monitoring and evaluating individual projects.

### Project evaluation

9. The evaluation of individual projects comprises critical examination of an on-going or completed project's design, experience, results, and actual or potential effectiveness in contributing to the achievement of the Government's development objectives. It is a management tool used to:

(a) Identify and undertake needed initiatives and/or corrective measures to improve the effectiveness of a project; and

(b) Synthesize experience of projects in a country programme which would contribute to a required revision in that country programme or to the make-up of the succeeding country programme.

10. At the project level, UNDP has had a requirement for several years that, as a rule, each project receiving assistance of \$150,000 or more should be subject to evaluation on one or more of the following occasions:

(a) About the mid-point of implementation;

(b) At the transition of a project from one stage to another;

(c) Towards the end of the implementation phase, when a proposal has been made for a substantial extension of the project's duration or for a successor project; and

(d) After completion of the project in order to ensure adequate follow-up or to apply the experience of the project in future programming and/or theme evaluations.

11. Project evaluation is a tripartite responsibility, carried out by the Government, the Executing Agency and UNDP. Provision for evaluation is usually made during the formulation of a project and is scheduled in the project document. However, sufficient flexibility is provided so that a scheduled evaluation may be deferred or not undertaken if the three parties concerned agree. Evaluation of an individual project is carried out by high-level consultants or staff not closely associated with formulation and implementation of the project, a characteristic which distinguishes project evaluation from tripartite review monitoring (described below). It aims at objective and independent examination of the project's design, results and effectiveness encompassing: (a) progress made and the factors contributing to or impeding progress; and (b) whether the project was realistically conceived and designed or requires modification in the light of experience.

12. The cost of an evaluation is chargeable to a project and is estimated on a pro forma basis at \$5,000. This is a small proportion of the cost of a project, considering that the improvements in project design and implementation effected as a result of an evaluation are usually important and sometimes critical in terms of the quality and impact of the project.

### Upcoming action on project evaluation

13. Evaluation is a priority item on the agenda of the CCSQ (OPS) and CCSQ (PROG) joint meeting in March 1980. Several Executing Agencies (in particular FAO, ILO, UNIDO and WHO) have recently been introducing more systematic evaluation procedures for their fields of activities and the joint meeting will provide an opportunity to exchange information on approach and experience systemwide in order to identify the specific steps needed to undertake evaluation more systematically and effectively. Consideration will also be given to aspects of theme evaluation, as relevant. The opportunity is being taken to consult with the JIU, which has considerable experience in this area. UNDP's contribution will include an examination, begun in response to the Council's expressed concern with project evaluation at its last session, of the effectiveness of the mechanism described above which is built into the UNDP project cycle. The examination will identify the proportion of large-scale projects which underwent individual examination during the 1976-78 period and the methodology, nature and depth of those evaluations, based on a representative sample. The results of the meeting will be prepared for the information of the Council following termination of discussions at CCSQ (OPS) and CCSQ (PROG).

### Individual tripartite review monitoring

14. In addition to project evaluation, the project cycle provides for the progress of a project to be subjected to monitoring at least once each year to ensure that activities are being implemented in line with the project document. Monitoring is a tripartite responsibility of the Government, the Executing Agency and UNDP and is undertaken at the field level, usually by the personnel who are directly involved in implementing the project.

15. Following the Council's twenty-sixth session, UNDP initiated an examination of tripartite monitoring reviews, their frequency, and the extent to which they focus on substantive and/or process aspects. UNDP will be discussing findings with the Agencies during 1980, in the context of various inter-Agency consultations on the project cycle mentioned in this report, and as another aspect of the guidelines which are being revised for the Policy and Procedures Manual in connexion with third cycle programming. As requested by the Council, the Administrator will report fully on this subject in 1981.

### III. PROJECT DESIGN

16. In 1979 the Governing Council gave particularly detailed guidance to the Administrator in connexion with project design: namely, to "improve the quality of project design so that objectives, outputs and pre-requisites are properly identified, the appropriate functional orientation is emphasised and the workplan prepared by the project co-ordinator is realistic and up-to-date". <sup>8/</sup> In response UNDP has begun an examination of both the format of the project document and the substance of the project design:

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<sup>8/</sup> Governing Council decision 79/48, paragraph 2(c).

(a) The effectiveness of the format in eliciting and recording information on substantive, procedural and financial aspects which are essential to a complete project document;

(b) The desirability of simplifying the format, to the extent consistent with the requirements of (a) above; and

(c) The necessity to specify base-line data, either existing or to be gathered, as well as to establish "milestones" in order to permit the measuring of progress and facilitate project monitoring and evaluation.

17. Since improvement in project design would only result if Executing Agencies found that the project document and the larger issue of project design met their own needs as well as those of UNDP, a wider enquiry was initiated at the October and December Inter-Agency Consultative Meetings. The questions asked were:

(a) What steps have Agencies taken to ensure that their staff concerned with the preparation of projects for UNDP assistance, as well as Government officials concerned, are fully conversant with the project design requirements, standards, methodologies and guidelines which UNDP and the Agencies have developed? What improvements are needed?

(b) What materials relevant to project design have been developed independently by Agencies? (It was suggested that, where projects assisted by UNDP are concerned, concepts, terminology and methodologies that Agencies might develop for their own use should be consistent with those in use by UNDP.)

(c) What staff training programmes do UNDP and the Agencies have that aim at improving the competence of staff in regard to project design, appraisal, monitoring and evaluation? Could these be reviewed jointly to ensure that, where UNDP-assisted projects are concerned, they are producing the desired quality and effectiveness of projects?

(d) If Agencies do not have training programmes of the kind referred to in (c), would they work with UNDP in establishing in-house programmes and training the staff needed to operate them?

(e) What other steps do Agencies feel might be taken by them, by UNDP, or by Agencies and UNDP jointly, to improve the quality and potential effectiveness of projects assisted by UNDP?

The dialogue on these points, many of which relate as much to aspects of feedback (discussed below) as they do to project design, is continuing in 1980. When work on the project document format is sufficiently advanced, this aspect will also be fed into discussions with the Agencies. As requested, the Administrator will report more fully on project design to the Council in 1981.

#### IV. FEEDBACK

18. Now that the results of the various examinations of substantive and process aspects of the quality of field operations are becoming available, it is clear that

a more explicit and comprehensive mechanism is needed to ensure that they are fed back into the programme. Initial steps have been taken to develop that mechanism in three ways:

(a) Publication of evaluation findings: the primary emphasis is on the publication of the reports on the individual theme evaluations, which the Council has directed should be published on a continuing basis "as and when ready". In addition, the recommendations of each study are being synthesized into operational guidelines in Programme Advisory Notes which get distribution to field staff.

(b) Incorporation of the recommendations resulting from evaluations explicitly into the content of personnel training activities of UNDP and the Agencies: training courses and seminars are being developed to provide a channel, supplementing the Policies and Procedures Manual, through which all aspects of policies and procedures related to the project cycle are disseminated and applied to operations. The overriding purpose is improvement in project quality, both in terms of substantive content and of ensuring efficient compliance with guidelines and procedures. In addition to these regular training courses, specific workshops are planned on the application of the findings of individual theme evaluations: e.g., rural co-operatives, export promotion, women in development. Workshops will be held, as appropriate, on a regional or subregional basis for selected target groups of project, field office and Government personnel.

(c) Regular follow-up discussions among UNDP and the Agencies on the recommendations in all substantive and process areas and, where needed, identification of focal points in UNDP and the Agencies to monitor the implementation of feedback measures adopted. Corresponding mechanisms will also be developed, as appropriate, with the relevant departments of the Governments concerned which have the ultimate responsibility for formulating and implementing technical co-operation programmes and projects.

#### V. FINANCIAL IMPLICATIONS

19. In response to the Council's request in its decision 79/10 to examine financial implications of the various measures outlined in this report, the Administrator has examined how the costs could be met from existing resources in 1980 and 1981. The costs entailed are for:

(a) Carrying out the theme studies endorsed by the Council in the 1980-1981 evaluation programme and publishing the findings of each study; and

(b) Developing the training courses and related aspects of feedback described above.

20. The implementation of the theme studies, which received the support of the Council at its twenty-fifth and twenty-sixth sessions, has been financed from the budget for staff travel and consultants of the Bureau for Programme Policy and Evaluation (BPPE). The studies undertaken to date have incurred total costs ranging from around \$50,000 to \$120,000 per study, which have been shared about equally over-all between the participating Agencies concerned and UNDP. So long as the present approach is retained, costs for this type of study are expected to



remain approximately within the same range. At the time the Evaluation Programme was being formulated in 1978-1979, financial provisions were not made for the costs of publication (including translation) and feedback, and initial publication and feedback activities have been financed from a variety of sources; but principally the budget for consultancies of the BPPE.

21. The Administrator considers that for the biennium of 1980-1981, the amount of \$550,000 presently appropriated for evaluation in the BPPE budget will probably be sufficient to cover: (a) UNDP's share of the cost of carrying out the evaluation studies identified; (b) publishing the results of further studies as they are completed; and (c) developing the feedback mechanisms and the measures for improving the project cycle described in paragraphs 14 - 18 above. Activities in connexion with (c), however, will involve field, headquarters and Agency staff and may need to be developed on a regional or subregional basis. The Administrator will, as necessary, revert to this issue at the twenty-eighth session.

## VI. RECOMMENDATION

22. Taking into account the foregoing, the Administrator recommends that:

### The Governing Council,

(a) Support the measures to improve the efficiency, effectiveness and relevance of UNDP-financed operational activities through examination and, as necessary, revision of the policies and procedures for the project cycle;

(b) Note with appreciation the publication of the first five substantive theme evaluations on Development Planning, Rural Development, Textile Industries, Agricultural Training, Industrial Research and Service Institutes and Women in Development; the first two process theme evaluations on Country Programming and Investment Follow-up; and the summaries of the Studies on Agricultural Training, Women in Development and Non-Conventional Energy;

(c) Request the Administrator:

(i) To proceed with the examination of policies and procedures covering the project cycle as outlined in document DP/448 including, in particular, the improvement and systematization of the process for individual project evaluations and the improvement of monitoring to ensure greater compliance with project cycle procedures;

(ii) To maintain the emphasis on substantive and process theme evaluations and proceed with the studies outlined in DP/448, in full collaboration with the Agencies concerned, and continue to provide the Council with summaries of the studies completed during the preceding year, including their important conclusions and recommendations;

(iii) To proceed with the feedback activities described in DP/448 in order to support the project design and monitoring objectives as defined there and to ensure that the lessons learned from evaluations are fed back to improve the quality of technical co-operation.

(d) Concur in the Administrator's proposal to undertake and publish in 1980-1981 the additional studies as requested and implement the proposed measures for feedback and improving project design as outlined, under the existing appropriations for 1980-1981 of \$550,000; if this estimate proves to be insufficient to cover these costs and savings cannot be found within the 1980-1981 appropriation, the Administrator would revert to the question of financing for this purpose at the twenty-eighth session of the Council;

(e) Request further that the Administrator report to the Council at its twenty-eighth session on the financial aspects of implementing these measures and on the progress made in examining and revising, as appropriate, the procedures and policies governing the project cycle as UNDP approaches the third programming period.

ANNEX

JOINT/UNDP/AGENCY THEMATIC EVALUATION STUDIES

<u>Subject</u>	<u>Participating Agency</u>	<u>Status/expected date of completion</u>
I SUBSTANTIVE STUDIES		
(i) <u>Completed studies</u>		
1. Comprehensive Development Planning	UN/DTCD, IBRD	Published
2. Rural Development: Issues and Approaches for Technical Co-operation	Various	Published
3. Textile Industry Technical Co-operation Projects	UNIDO	Limited Circulation
4. Industrial Research and Service Institutes	UNIDO	Limited Circulation
5. Innovation and Reform in Education (Phase I)	UNESCO	Limited Circulation
(ii) <u>On-going studies</u>		
6. Agricultural Training	FAO	December 1979
7. Women in Development	UN, FAO, WHO, ILO, UNESCO, UNIDO	February 1980
8. Rural Co-operatives	COPAC, FAO, ILO	September 1980
9. Non-Conventional Sources of Energy	UN/DTCD	February 1980
10. Export Promotion	ITC (UNCTAD/GATT)	December 1980
11. Industrial Training	ILO, UNIDO, UNESCO	December 1980
12. Innovation and Reform in Education (Final Phase)	UNESCO	December 1980
II PROCESS STUDIES		
13. Investment Follow-up	Various	March 1980
14. Country Programming	Various	January 1980