DIRECTOR GENERAL’S BULLETIN

EVALUATION POLICY

1. This bulletin contains the revised Evaluation Policy, which supersedes the Policy issued on 22 May 2006 (UNIDO/DGB/(M).98).

2. The present Policy reflects, inter alia, the modifications resulting from the issuance of the UNIDO Secretariat Structure 2014 (UNIDO/DGB/2014/01) that reflect, inter alia, organizational changes (i.e., renaming of the Office and discontinuation of its participation in the appraisal and approval committees for programmes and projects).
EVALUATION POLICY

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List of acronyms and abbreviations

- **DG**: Director General
- **EB**: Executive Board
- **EVA**: Office for Independent Evaluation
- **IDB**: Industrial Development Board
- **ODG**: Office of the Director General
- **UNEG**: United Nations Evaluation Group
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Introduction

1. The UNIDO evaluation policy derives from a decision of the UNIDO Industrial Development Board\(^1\) that recognized the importance of an efficient and comprehensive evaluation system that was 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 United Nations 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 United Nations system\(^2\).

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 technical cooperation 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 and endorsed by the Industrial Development Board.

Definition of the evaluation concept

7. Evaluation is an assessment that is 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 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).

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\(^1\) IDB.29/Dec.7

\(^2\) As approved by the United Nations Evaluation Group (UNEG) on 29 April 2005.
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 the implementation and results of UNIDO interventions to the policymaking organs, UNIDO management, partner governments, donors and other stakeholders of UNIDO.

12. Evaluations provide recommendations to project managers, team leaders and UNIDO management at all levels, at Headquarters and in the field, as well as to UNIDO stakeholders. 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 these 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 and/innovations.

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 strategy 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 United Nations system and contribute to achieving higher level goals, such as the Millennium Development Goals.

16. Joint and system-wide evaluations involving UNIDO, other United Nations and multilateral organizations and bilateral donors are gaining in importance as means of assessing the effectiveness of the United Nations system at country level. UNIDO is committed to contribute to such initiatives.

Evaluation in UNIDO

Evaluation informs UNIDO management

17. Evaluation is not a decision-making process per se, but serves rather as an input to provide decision-makers with knowledge and evidence about performance and practice.

18. Project and programme evaluations are part of project cycle management. Through their higher and more aggregated analytical content, thematic and country evaluations inform UNIDO management at both the policymaking 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 and 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; establishment of baselines, 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 project management 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 Office for Independent Evaluation (EVA). 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 Office for Independent Evaluation 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. UNIDO guidelines for the management of technical cooperation projects define the stages, conditions and mandatory financial thresholds set for independent evaluations of projects and programmes. Independent evaluations may also be mandatory for projects and programmes as established in funding agreements with donors or other stakeholders.

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 projects/programmes displaying remarkable success or degree of replicability.

**Thematic evaluations**

26. Thematic evaluations provide strategic information to UNIDO management on policymaking 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 policymaking organs or initiated by the Office for Independent Evaluations when specific learning needs are identified. They may involve panels of independent evaluation or technical experts from other United Nations organizations or sources outside the United Nations system.

**Roles and responsibilities**

**UNIDO Industrial Development Board**

27. The Industrial Development Board (IDB) is one of the principal policymaking organs of UNIDO. It reviews the implementation of the work programme, the regular and operational budgets and may submit recommendations to the UNIDO General Conference on policy matters.
28. The IDB fosters an enabling environment for evaluation throughout UNIDO. Under the biannual programming cycle of the agency, EVA submits to the IDB a report on evaluation activities of UNIDO. The IDB comments on the biannual report. If deemed necessary, it may also request ad-hoc evaluations, including thematic or strategic evaluations, on specific subjects.

UNIDO Director General and the Executive Board

29. The Director General (DG) and the Executive Board (EB) of UNIDO enable the Office for Independent Evaluation to operate efficiently and effectively and with due independence. The DG and the EB ensure that necessary measures are taken to institutionalize the evaluation policy throughout UNIDO.

30. The DG and the EB ensure that adequate resources are allocated to evaluation. They approve the biannual evaluation work programme and provisional budget of EVA, as well as its annual work programme. They may also request ad-hoc evaluations.

31. The DG and the EB ensure that evaluation contributes to accountability, supports management decision-making and facilitates the implementation of recommendations and dissemination of lessons learned from evaluations throughout the entire Organization.

UNIDO Office for Independent Evaluation

32. EVA is responsible for the independent evaluation function of UNIDO. It manages, conducts and provides quality assurance to different kinds of independent evaluations within UNIDO and monitors the management response to such evaluations. EVA ensures also the effective dissemination throughout UNIDO and to external stakeholders of lessons learned.

33. EVA lends methodological support to independent project evaluations, to self-evaluations conducted by project managers and it performs an advisory and quality-assurance function in relation to independent project evaluations managed by project managers.

34. The Director of EVA is appointed by the Director General. That Director shall ensure the evaluation function’s independence and impartiality. Further, the Director of EVA has the independence to supervise and report on evaluations.

35. EVA is part of the Office of the Director General (ODG). 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.

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 staff provides, upon request, advisory services for the approval of programmes and projects and in particular as concerns the integration of evaluation findings and recommendations and evaluability.
UNIDO line management

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

Programme and project managers

38. Programme and project managers are the immediate clients of evaluations and are actively involved in the evaluation process. They can assume management functions in relation to a project evaluation in accordance with existing project evaluation guidelines.

39. Programme and project managers contribute to the preparation, execution and follow-up of evaluations in line with existing guidelines and provide the independent evaluators with a complete information dossier well in advance of the evaluation. In the case of country-level 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. Programme and project managers ensure that the necessary evaluation funds are properly allocated in the programme/project budget and that evaluations are included in the project structure.

41. Programme and project managers contribute to and/or coordinate the preparation of management responses to evaluation in accordance with existing guidelines. They also assume primary responsibility for a timely follow-up on 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 DG 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 rigor, 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 EVA and conducting evaluations shall confirm the absence of any conflict of interest in writing upon request by the Director of the Office for Independent Evaluation.

50. External evaluators contracted for the purpose of an evaluation must be selected in a transparent manner. Contracts are conditional upon their signing of 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 ensures that formal job descriptions are issued in line with existing guidelines and that the selection criteria state the necessary professional requirements, skills and competences for hiring evaluation managers and evaluators, and for contracting evaluation experts. The selection of evaluators and evaluation consultants is mandated to EVA.

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 biannual evaluation 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, other United Nations organizations and external stakeholders.
54. The biannual evaluation work programme describes the planned 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 Executive Board. EVA updates the biannual evaluation work programme each year to accommodate any necessary adjustments.

**Evaluation budget**

55. The biannual evaluation work programme includes a provisional budget forecast for approval by the EB.

56. The UNIDO evaluation budget is managed by EVA and is mainly derived from three sources: resource appropriations foreseen under evaluation in the UNIDO Programme and Budget; resources specifically allocated by the Director General and/or by the Executive Board to programme/project evaluations on the basis of the biannual evaluation work programme; and resources for evaluations included in programme and project budgets.

**Organization of independent evaluations managed by EVA**

57. EVA has the overall responsibility for the management and conduct of the independent evaluations. According to current project evaluation guidelines, EVA can delegate the management of the evaluation conduct to project managers, while keeping the quality assurance function of the whole process and clearing/approving the terms or reference and selection of evaluation consultants.

58. EVA prepares and clears the terms of reference for an independent evaluation in keeping with the biannual evaluation work programme, and in line with the standard terms of reference and in cooperation with the programme/project manager. The terms of reference clearly describe the subject to be evaluated and spell out the envisaged evaluation methodology and key evaluation questions. 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.

59. Prior to an evaluation, and if appropriate, EVA assesses the feasibility of the exercise. This preliminary assessment is based on an 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.

60. EVA prepares and manages the evaluation budget, drafts the job descriptions for consultants, and selects and recruits the evaluation team. An evaluation team can include a member of EVA and international consultants, donor representatives as required by donor policies, and an evaluator from the countries or regions concerned.

61. All evaluators should be professionals with the experience and skills required to make a substantive contribution to the evaluation.

62. 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 United Nations Resident Coordinator; representatives of the partner Government, UNIDO experts and consultants, counterparts and beneficiaries.
63. Towards the end of the field mission, the evaluation team presents its preliminary findings, conclusions and recommendations to those concerned. The purpose of this preliminary submission is to collect feedback and validate the initial findings, conclusions and recommendations.

64. On returning from the field mission, the evaluation team holds meeting(s) at Headquarters and presents preliminary findings, conclusions, recommendations and lessons learned.

**Evaluation reports**

65. 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 on lessons learned for wider applicability.

66. Evaluation reports are based on consultations among all parties involved. Draft reports are shared with key stakeholders for comments and factual validation. 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**

67. EVA maintains an internal quality assurance system and all UNIDO evaluations are subject to quality assessments by EVA. Quality control is exercised throughout the evaluation process. The quality of an evaluation report is assessed and rated against a set of criteria.

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 the United Nations Evaluation Group (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 on evaluations**

**Follow-up on self-evaluations**

70. The follow-up to self-evaluations comes under the responsibility of programme and project managers and their line managers.
Follow-up on independent evaluations

71. The Director of EVA transmits the evaluation report together with a management response sheet (MRS). This sheet enables tracking for each recommendation that covers the comments of acceptance or non-acceptance of evaluation recommendations, the deadlines and action taken by those responsible for follow-up.

72. UNIDO line managers ensure that those responsible for follow-up keep information in each MRS up to date.

73. EVA monitors the information in the MRSs and compiles periodic reports on the status of the implementation of the follow-up activities and draws attention of UNIDO management to that status.

Contribution to organizational learning

74. 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 various target audiences in the organization.

75. EVA makes the lessons learned from evaluations available throughout the organization and to external stakeholders. In a proactive manner, it facilitates the adoption of lessons learned through targeted briefing material. EVA also facilitates peer learning sessions when indicated.

76. The contribution of evaluation to organizational learning goes beyond UNIDO. It also shares lessons learned among stakeholders, including with other organizations of the United Nations system, using UNEG as a knowledge network.

UNIDO dissemination and disclosure policy

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