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**Industrial Development Board**

**Thirty-fourth session**

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Item 7 of the provisional agenda

**Activities of the Evaluation Group**

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**Note by the Secretariat**

In compliance with Board decision IDB.29/Dec.7, reports on evaluation activities on a biennial basis, thereby complementing the information provided in the *Annual Reports 2006 and 2007*.

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## I. Background

1. In decision IDB.29/Dec.7, the Board, inter alia, affirmed the importance of Member States' receiving objective and credible feedback on the performance of UNIDO country-level programmes based on the findings and lessons learned from independent evaluations. The present report is submitted in accordance with paragraph (h) of that decision, which requested the Secretariat to report on evaluation activities on a biennial basis. The document should be considered in conjunction with the information on evaluation-related activities provided in the *Annual Reports 2006 and 2007*. In addition, all UNIDO independent evaluation reports are available publicly and posted on the UNIDO website ([www.unido.org/doc/5122](http://www.unido.org/doc/5122)).

## II. Context

2. The Evaluation Group (EVA) is responsible for independent evaluations of UNIDO projects and programmes as well as of global, regional, thematic or organizational issues. Furthermore, EVA monitors the management response to evaluations and ensures the effective dissemination of lessons learned. The UNIDO evaluation policy defines the roles and responsibilities of EVA.

3. The UNIDO evaluation policy derives from Board decision IDB.29/Dec.7, recognizing the importance of an independent and effective evaluation function, aligned with international policies, standards and practices. The evaluation policy was issued on 22 May 2006<sup>1</sup> and was a major milestone, defining the evaluation function and role and aligning UNIDO with the norms and standards of the United Nations system. Furthermore, it set the basis for evaluation as a tool for organizational learning. According to the policy, evaluation serves three main purposes: it supports management, assures accountability and drives learning and innovation.

4. The evaluation function is, moreover, guided by the UNIDO Guidelines for the Technical Cooperation Programme and Project Cycle (TC Guidelines),<sup>2</sup> according to which independent evaluations are mandatory for integrated programmes and stand-alone projects involving defined budget amounts. Furthermore, evaluations are to be conducted according to evaluation requirements and mechanisms established in the funding agreement with a donor or when specific circumstances warrant an evaluation.

## III. Activities and contributions of the Evaluation Group

### Evaluations

5. During the 2006-2007 biennium, EVA implemented activities in accordance with the work programme established for the period and agreed upon by the UNIDO Executive Board. In addition, EVA has responded to ad hoc requests for evaluations

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<sup>1</sup> Director-General's Bulletin UNIDO/DGB(M).98.

<sup>2</sup> Director-General's Administrative Instruction DGAI.17/Rev.1.

from UNIDO management. To this category belongs the “Joint Assessment of Progress in the Implementation of the Cooperation Agreement between UNIDO and UNDP” which was a major undertaking in 2006. The assessment revealed a need to further strengthen the joint management arrangements and of a joint strategy to operationalize the agreement. The results of this assessment were shared with Member States at the thirty-second session of the Board (IDB.32/11).

6. Important efforts were made, throughout the period, to increase the usefulness of evaluations and to feed evaluation findings and recommendations into managerial decision-making and strategic planning processes. This has been done through more upstream or thematic evaluations and through the participation of EVA staff, as advisers, in the Programme Approval Committee (PAC), the Quality Advisory Group (QAG) and various other strategic working groups. EVA has, likewise, initiated a series of workshops to raise evaluation-related awareness and knowledge among UNIDO staff members. Specific quality tools for evaluation have been introduced in order to ensure comparability, validity and reliability of the evaluation findings.

7. A meta-evaluation was carried out in terms of a “Comparative Review of the Lessons Learned from 20 Integrated Programme (IP) Evaluations”. This exercise enabled the extraction of benchmarks and lessons learned, with the purpose to contribute to UNIDO’s quest to improve the relevance and effectiveness of its integrated programmes. It also revealed a number of weaknesses in the design and implementation of the IP instrument. The review was well received by UNIDO management and staff and its recommendations are being used in the design of new IPs.

8. In-depth evaluations were undertaken of four IPs and two country service frameworks (CSFs). Furthermore, independent reviews of two IPs were carried out. In addition, four IP evaluations, funded under the evaluation work programme 2006-2007<sup>3</sup> were initiated in 2007 but completed in 2008. Moreover, a review of 11 IP self-evaluation reports was carried out, enabling the validation of findings of these reports, assessments of the compliance with reporting requirements and of the overall usefulness of the self-evaluation exercise. The review revealed certain weaknesses in UNIDO’s system for monitoring, reporting and self-assessment, which are being addressed in the implementation plan developed by the Steering Committee for results-based management (RBM).

9. A major undertaking during the biennium was the Programme Evaluation of the UNIDO/UNEP Cleaner Production Programme, which included assessments of and field visits to 18 National Cleaner Production Centres (NCPCs). The evaluation resulted in distinct recommendations for the continuation of the Cleaner Production Programme, in particular, and the fostering of cleaner and more efficient production processes, in general. The findings and recommendations of the evaluation have been considered in the development of a new strategy for the Cleaner Production Programme. This evaluation was carried out in close cooperation with UNEP and the main donors of the programme, Austria and Switzerland.

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<sup>3</sup> The evaluation work programme 2006-2007 can be accessed from the pages of the Evaluation Group on the UNIDO website [www.unido.org/doc/5122](http://www.unido.org/doc/5122).

10. Four UNIDO Investment and Technology Promotion Offices (ITPOs) in France, Italy and Japan were evaluated during the biennium and findings related to the relevance, efficiency and effectiveness of these Offices were presented in a synthesized manner to UNIDO management. The evaluations indicated a need to revisit the general mandate of the ITPOs. A meta-evaluation to aggregate findings and identify lessons learned from a wider series of ITPO evaluations is taking place in 2008.

11. The Evaluation Group evaluated seven stand-alone projects, including global and regional projects such as the Operational Phase of the International Centre for the Advancement of Manufacturing Technology (ICAMT) as well as country-based projects like the small and medium enterprises (SME) support programme in Argentina and three SME and quality promotion projects in Viet Nam. In addition, one GEF-funded global project on the elimination of persistent organic pollutants (POPs) was evaluated jointly with UNEP.

12. In 2007, for the first time, EVA evaluated one of UNIDO's global forum activities, the research project Combating Marginalization and Poverty through Industrial Development (COMPID). This exercise provided useful learning in terms of assessing poverty reduction results and UNIDO's capacity for organizational learning. A first step towards the development of a UNIDO toolbox for impact evaluations has also been taken.

13. As the number of EVA staff was temporarily reduced from February to September 2007 and because of the increased workload due to the Group's new responsibilities in relation to results-based management, it was not possible to carry out all evaluations foreseen in the 2006-2007 work programme, and for instance, an evaluation of a global forum project was deferred. In total, 43 evaluations were implemented by EVA during the biennium.

14. An online follow-up system to track the response to and implementation of recommendations and lessons learned has been launched on UNIDO's Intranet. Management response sheets (MRS), developed for each individual evaluation, provide updated information on the follow-up to recommendations by responsible managers. According to the information provided through the management response system, the acceptance rate of recommendations has, on an average, been above 80 per cent.

### **Results-based management**

15. Since 2006, the Evaluation Group has supported the introduction of RBM in UNIDO. In 2007, EVA coordinated the preparation of UNIDO's RBM self-assessment and of the RBM Implementation Plan for 2008-2009. Moreover, the Group contributed substantially to the development of RBM tools and to the RBM training, organized by the Human Resource Management Branch.

16. EVA has also been instrumental in the development of the Results Reporting System (RRS) that is now available on the Organization's Intranet. RRS enables a systematic reporting on the results of UNIDO interventions.

## Inter-agency activities

17. UNIDO has benefited from fruitful collaboration with other international agencies and this has manifested itself in joint project evaluations with FAO, UNDP, UNEP and the Global Environment Facility (GEF). The joint assessment of the Cooperation Agreement between UNIDO and UNDP has already been mentioned above (paragraph 5 refers). Another activity, to be highlighted, is the participation in the Joint Evaluation of the GEF Activity Cycle and Modalities.<sup>4</sup> UNIDO formed part of the management team of this multi-stakeholder evaluation and was actively involved in its implementation. This evaluation helped to pave the way for a more effective GEF activity cycle and a more direct access of UNIDO to the GEF.

18. UNIDO, as an active member of the United Nations Evaluation Group (UNEG), has participated in several of its task forces and contributed substantially to the Evaluation Capacity Development and the Quality Stamp Task Forces. In 2006, UNIDO participated in the peer review of UNICEF's evaluation function. Insights from this exercise contributed to further professionalizing the evaluation function of UNIDO.

## IV. Human resource endowment

19. The Director of the Evaluation Group departed in February 2007 and a new, externally-recruited Director commenced duties in September 2007. EVA has presently six staff members: four Professionals and two General Service staff. It is estimated that the staff time, on an average, has been equally divided between core evaluation tasks and other tasks. The latter include providing support to the implementation of RBM in UNIDO, participation in PAC and QAG and other activities to disseminate learning. A senior EVA staff member serves as the Secretary to the RBM Steering Committee, and another Professional works part-time on RBM. It will be important to ensure that the staff resources of EVA remain in line with the development of the technical cooperation activities of UNIDO and the Organization's evolving learning needs.

## V. Action required of the Board

20. The Board may wish to consider adopting the following draft decision:

“The Industrial Development Board:

“(a) Recalls its decisions IDB.29/Dec.7 and IDB.31/Dec.7;

“(b) Reiterates its support to the evaluation function for accountability, organizational learning and contribution to results-based management;

“(c) Encourages the initiation of broader, results-based programme evaluations and the feedback of lessons learned into management and strategic planning processes.”

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<sup>4</sup> Evaluation of the GEF Activity Cycle and Modalities (GEF/ME/C.30/6).