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**Industrial Development Board**  
**Forty-ninth session**  
Vienna, 12–15 July 2021  
Item 15 of the provisional agenda  
**Evaluation and internal oversight activities****Evaluation activities****Report by the Director of the Office of Evaluation and Internal Oversight**

The present report provides information on the activities of the evaluation function in accordance with decisions IDB.44/Dec.3 and IDB.48/Dec.10, and updates the previous report contained in IDB.48/24.

**I. Background**

1. The Office of Evaluation and Internal Oversight (EIO) is responsible for the oversight functions, which include the internal audit, investigation, and evaluation functions. The mandate of EIO is to provide independent and objective assurance, advice, investigation, and evaluation for the purpose of adding value to and improving the efficiency and effectiveness of UNIDO's operations, internal control framework, risk management, results-based management, and governance processes. In addition, EIO is also the focal point for coordinating the activities of the Joint Inspection (JIU), and serves as the Secretariat to the UNIDO Independent Oversight Advisory Committee (OAC).
2. EIO is composed of two divisions: the Independent Evaluation Division (EIO/IED) and the Internal Oversight Division (EIO/IOD).
3. The evaluation function is governed by the EIO Charter,<sup>1</sup> the UNIDO Evaluation Policy, and the Evaluation Manual. The evaluation function manages, conducts and provides quality assurance to different kinds of independent evaluations within UNIDO and monitors the management response to such evaluations. EIO ensures also the effective dissemination of evaluation results and lessons learned throughout UNIDO and to external stakeholders.

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<sup>1</sup> Director General's Bulletin DGB/2020/11.

For reasons of sustainability, this document has not been printed. Delegates are kindly requested to refer to electronic versions of all documents.



4. Currently, the EIO evaluation function's budgeted posts are comprised of four and a half Professional and two General Service staff, including the Chief of EIO/IED, three evaluation officers and two support staff.

## II. Key achievements in 2020

5. **EIO policy framework:** A major milestone was achieved in 2020, with the approval of the revised EIO Charter by the Industrial Development Board at its forty-eighth session (decision IDB.48/Dec.10). This brought UNIDO in line with relevant JIU recommendations, for the consolidation of the oversight functions, and contribute to enhance their effectiveness. This important milestone was achieved with the valuable contributions and guidance of the OAC, whose revised terms of reference were approved by the Board at the same session (decision IDB/48/Dec.5). The inclusion of the evaluation and investigation functions under the mandate of the OAC aligned its mandate with best practice in the United Nations system.

6. **EIO strategy:** The EIO strategy 2020–2024 was issued in February 2020, as a key management and accountability framework for EIO and a road map on how EIO can add further value to UNIDO's achievement of the goals and objectives of the Organization. This EIO strategy was duly used for the preparation and update of EIO workplans, as well as for monitoring and reporting on its progress.

## III. Overview of EIO evaluation work in 2020

7. In 2020, EIO adjusted its workplans to the context of the ongoing COVID-19 pandemic. EIO ensured that its evaluation activities continued to provide evidence-based information at strategic and project levels.

8. The EIO evaluation workplan and budget 2020, as approved by the Executive Board, allocated a budget of €280,000 for the implementation of the workplan in 2020. These resources were used to conduct strategic and corporate-level evaluations, support the management of project and programme evaluations and other evaluation-related activities.

9. In 2020, the following strategic evaluations were conducted:

(a) Independent thematic evaluation of the UNIDO formulation, appraisal and approval function (completed);

(b) Independent thematic evaluation of the UNIDO Investment Technology Promotion Offices' Network (completed);

(c) Independent thematic synthesis from independent evaluations of UNIDO renewable energy projects (completed); and

(d) Independent thematic evaluation of UNIDO's Gender Policy and 2016–2019 Gender Strategy (under finalization).

10. In addition, 16 independent project evaluations were managed, for which quality assurance was provided and evaluation reports issued. Independent evaluations of technical cooperation projects and programmes are financed from the respective project or programme budgets.

11. All UNIDO independent evaluation reports are available on the UNIDO website (<https://www.unido.org/resources/evaluation>).

12. Due to the COVID-19 pandemic, the planned evaluation training, as a contribution to building and strengthening national evaluation capacities in Member States, was postponed to the second half of 2021.

13. The EIO evaluation function supported management with methodologies and tools for conducting systematic final self-evaluations for Country Programmes (CPs), which started to be implemented under CP management responsibility.

14. EIO provided evaluation inputs to several initiatives launched, such as the Programme for Country Partnership (PCP) Guidelines, Field Offices Handbook, and provided contributions in task forces on resource optimization for technical cooperation, results-based budgeting, and the Technical Cooperation Guidelines.

15. EIO confirms that in performing its evaluation activities during 2020, it functioned independently and objectively without any interference and/or influence from any internal or external parties. However, operational limitations due to budget constraints should be noted.

#### **Evaluation funding**

16. EIO has continued to explore the possibilities for the establishment of a sustainable and predictable evaluation funding or a similar mechanism with the purpose to further strengthen the operational independence of the evaluation function by merging the endowment of evaluation funds allocated as part of overall projects' and programmes' budgets. Furthermore, such a funding mechanism would facilitate the creation of synergies, the possibility to conduct impact evaluations, inter alia, as a means to assess UNIDO's contribution to Member States achieving the 2030 Agenda for Sustainable Development, and the increase of the operational capacity of EIO with the pooling of project evaluation budgets.

### **IV. Key findings from strategic evaluations from 2020**

17. Findings from the evaluation of UNIDO's formulation, appraisal and approval function indicate considerable room for strengthening this function in order to increase the value added to UNIDO technical cooperation projects and programmes in the process. The final results were presented to the Technical Cooperation Cycle Task Force in order to contribute to the review and design of an enhanced process. The report was issued in November 2020.

18. Findings from the ITPO Network evaluation indicate that the ITPO network is increasingly recognized as a relevant partner for UNIDO Member States. At the same time, a strong need for better results-orientation and a stronger programmatic approach, results monitoring, and integration are needed to realize the potential synergies of the network. The report was issued in March 2021.

19. The synthesis review of UNIDO renewable energy projects, based on available independent evaluation reports of related projects, was prepared in the reporting period and shared with internal stakeholders for comments and review. The synthesis review is the first of its kind and is designed to generate overarching findings and lessons learned that can be used at the programme level. The report was issued in April 2021.

### **V. Cooperation with United Nations and other evaluation bodies**

20. Throughout the year 2020, the EIO evaluation function was actively involved in the activities of the United Nations Evaluation Group (UNEG).

21. EIO evaluation staff was engaged on the United Nations joint study "Evidence Summary on COVID-19 and Food Security", as part of the Management Group together with evaluation offices from Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), and World Food Programme (WFP). This study focused on a review of the United Nations system response to COVID-19 in the area of food security; it presented key findings in three areas: social protection and basic services to ensure food security during crises; economic response and recovery of food insecure populations in times of crises; and social cohesion and community resilience.

22. In cooperation with the International Development Evaluation Association (IDEAS), EIO contributed with a panel in the IDEAS global conference in 2020, presenting a case of innovative evaluation approaches for transformational interventions. This was done in close collaboration with technical departments of UNIDO.

23. EIO staff attended the 2020 Asian Evaluation Week (September 2020) and the Director, EIO, and Chief, EIO/IOD, led a session on “Theory of change – a pathway to transformational changes”, and shared EIO experiences from strategic evaluations and the use of theory of change to enhance ownership and use of evaluation results.

24. EIO also contributed to the Seventh Comprehensive Evaluation (OPS-7) of the Global Environment Facility (GEF) with 15 completed GEF independent terminal project evaluation reports.

## **VI. Strengthening governance of the evaluation function**

25. In 2020, the Board adopted the revised terms of reference of the OAC (decision IDB.48/Dec.5). With this, the mandate of the OAC was expanded to include the evaluation function. In early 2021, the OAC started providing advice to EIO evaluation function through the revision of the Evaluation Policy.

## **VII. Outlook**

26. On the basis of the EIO Strategy and the UN-SWAP, and by taking into account the COVID-19-related measures in place, a review of the EIO evaluation workplan for 2021 was prepared. The updated workplan foresees one strategic evaluation of UNIDO’s medium-term programme framework (MTPF) 2018–2021, and one thematic evaluation of UNIDO’s capacity to contribute to transformational change. Since country-level evaluations are on hold due to travel restrictions, the two planned country-level evaluations (China and Kenya) will be kept on hold for a possible roll out during the second half of 2021. The evaluation of the Programme for Country Partnership (PCP) Senegal is planned for the second half of 2021. Furthermore, more than 15 mandatory project terminal evaluations are expected to be managed and conducted in 2021, despite the ongoing COVID-19 pandemic.

27. EIO will continue its briefings to Member States to foster dialogue, present evaluation activities, the updated work plan, and to share key findings from strategic evaluations.

28. EIO has initiated the process of updating its guidance documents to adapt them to new or revised internal policy frameworks, requirements from donors, the United Nations system reform, and to international evaluation standards, thus making available improved guidance documents and tools to evaluation partners and clients.

29. A joint advisory engagement together with the internal audit function, is being conducted in 2021 to take stock of lessons learned and knowledge generated from the global COVID-19 pandemic.

## **VIII. Action required of the Board**

30. The Board may wish to take note of the information provided in the present document.

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