

**UNIDO Independent Evaluation Division:**  
**Work programme and provisional budget**  
**for 2018/2019**

15 January 2018

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## **Decisions by the UNIDO Executive Board**

As provided in the UNIDO Evaluation Policy, the present document seeks the decision of the UNIDO Executive Board for the approval of the biennial Independent Evaluation Division's work programme and budget for 2018-2019, on the following points:

1. Agreement on: i) continuing the emphasis on strategic and thematic evaluations to maximize learning and continuous improvement, focusing on the inclusive and sustainable industrial development agenda; ii) assessing results and pathways at outcome and impact levels; and iii) ensuring that mandatory project/programme evaluations are conducted at the same time.
2. Agreement on conducting strategic/thematic evaluations and country-level evaluations as detailed in this document
3. Agreement to mainstream issues related to contributions to inclusive sustainable industrial development, and the operationalization and follow-up of the implementation of the sustainable development goals (SDGs), in particular SDG-9 and those where UNIDO contributes directly.
4. Agreement to continuing joint activities with the United Nations Evaluation Group (UNEG) and other international cooperation agencies, and on activities to build national evaluation capacity of UNIDO counterpart ministries.
5. An allocation of euro 332,000 for 2018 and of euro 373,000 for 2019 for the implementation of the IED work programme.

## 1. Background and introduction

### ***Our IED Mission***

*Foster accountability and learning through independent, credible and useful evaluations of UNIDO work*

### ***Our IED Vision***

*Increase the results and performance of UNIDO work for Inclusive and Sustainable Industrial Development through excellence in evaluation*

In line with its mandate to evaluate the activities of UNIDO, the Independent Evaluation Division (IED) ensures that its evaluations are aligned with the Organization's strategic priorities and are forward looking. The IED biennial work programme (WP) ensures accountability and independent oversight of performance and results, and contributes to organizational learning in a way that informs decision-makers and supports national evaluation capacity building and professional development.

The Director-General's Administrative Instructions No. 21<sup>1</sup>, No.17/Rev.1<sup>2</sup> and the appended Guidelines for the Technical Cooperation Programme and Project Cycle (TC Guidelines), and the Director General's Bulletin No. 130<sup>3</sup> provide guidance on the management of technical cooperation programmes and projects. These Guidelines specify that independent terminal evaluations are mandatory for programmes/projects:

- (i) with UNIDO inputs (budget without support costs) exceeding USD 2 million<sup>4</sup>; and,
- (ii) being considered for extension in excess of euro 0.7 million.

The TC Guidelines also specify that independent evaluations should be conducted for projects that are:

- (i) Subject to evaluation requirements and mechanisms established in the funding agreement with the donor;
- (ii) Encountering major implementation problems and/or severe disagreement between stakeholders; or those displaying a remarkable measure of success or replicability.

In particular instances, donors, counterparts, senior UNIDO management or IED may commission an independent evaluation at any time.

The WP budget enables IED to conduct strategic/thematic and country-level evaluations, to implement activities jointly with other UN agencies, and to contribute to the development/strengthening of national evaluation capacities of counterpart ministries and key government stakeholders. The demand for strengthening evaluation capacities is rapidly growing (including in the context of the UNIDO Programmes for Country Partnerships (PCPs) development) as policy makers increasingly voice their concern in

<sup>1</sup> UNIDO. (2014). Director General's Administrative Instruction No. 21. Technical Cooperation (TC) programme/project revisions, budget revisions and extensions including funds availability controls (UNIDO/DGAI.21, 7 November 2014)

<sup>2</sup> UNIDO. (2006). Director General's Administrative Instruction No. 21 Guidelines for the Technical Cooperation Programme and Project Cycle (UNIDO/DGAI.17/Rev.1, 24 August 2006)

<sup>3</sup> UNIDO (2014). Director General's Bulletin. The programme and project formulation and approval function (UNIDO/DGB/(P).130, 4 July 2014)

<sup>4</sup> As per EB Decision EB/2016/4-Page 10: "In order to reduce work load of the independent evaluation division, to lift threshold of mandatory project evaluations to USD 2 million (from previously EUR 1 million)"

the lack of relevant information to support evidence-based policymaking for sustainable development.

Through the implementation of this WP, IED will continue its efforts to supporting the Organization's priority towards the implementation of the 2030 Agenda for Sustainable Development, notably SDG-9.

The work programme serves three main purposes, namely to:

- 1) Provide a planning and budget instrument for the UNIDO Independent Evaluation Division;
- 2) Provide information to UNIDO managers and staff and other stakeholders on evaluations planned; and to ensure that corresponding evaluation budgets are allocated under the project budgets of those projects for which an evaluation is mandatory;
- 3) Support organizational learning and evaluation capacity development of UNIDO staff and national counterparts.

The IED **biennial work programme and provisional budget 2018-2019** has been developed in consultation with senior UNIDO staff and proposals for evaluations were collected from within the Organization and are presented for review and approval to the UNIDO Executive Board. It proposes corporate/centralized evaluations to be managed, commissioned and/or conducted by the Independent Evaluation Division. These evaluations will be linked to UNIDO priorities, specific programmes, and horizontal themes or will be of relevance to the core functions and strategies.

The IED WP 2018-2019 includes the independent project evaluations that are delegated to be partially administered by project/programme managers at UNIDO Headquarters, at regional and/or country offices. IED will continue to be responsible for those evaluations (including clearance of ToRs, selection of independent external evaluators and approval of evaluation reports), and will provide quality assurance and technical backstopping. IED will also continue supporting the Management Response System, a building block for organizational learning and improvement.

During the biennium 2018-2019, and though the evaluation threshold was raised to USD 2 million in February 2016<sup>5</sup>, IED is faced with a substantive increase in mandatory independent project terminal evaluations, in particular, GEF terminal evaluations. Thus, it is foreseen that complementary consultancy resources are required in IED, in particular, to adequately manage the GEF terminal evaluations and to keep ensuring that UNIDO is aligned to the GEF evaluation policy and its fiduciary standards.

The UNIDO evaluation policy<sup>6</sup> states, inter alia, that the Director General and the UNIDO Executive Board ensure that adequate resources are allocated to evaluation. As such they approve the biannual WP and provisional budget of IED. The budgets allocated since 2008 by the UNIDO Executive Board for the IED biennial work programmes have been stable at values around euro 600,000 to euro 700,000.

The work programme and provisional budget 2018/2019 responds to the request of the Lima Declaration for UNIDO to report on results in achieving enhanced levels of inclusive and sustainable industrial development and on its development impact. It also provides that the UNIDO independent evaluation function further contributes to the relevant

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<sup>5</sup> As per EB Decision EB/2016/4-Page 10: "In order to reduce work load of the Independent Evaluation Division, to lift threshold of mandatory project evaluations to USD 2 million (from previously EUR 1 million)"

<sup>6</sup> UNIDO. (2015). Director General's bulletin. Evaluation policy (UNIDO/DGB/(M).98/Rev.1, 19 March 2015)

monitoring and evaluation mechanisms for the follow-up on the operationalization and implementation of the SDGs.

The work programme is in line with the UNIDO Evaluation Policy and with the UNEG Norms and Standards for Evaluation<sup>7</sup> and their principles of independence, credibility and utility. Due consideration has been given to aspects of accountability and availability of evidence-based information about development results, to learning and informed decision-making and strategy formulation.

## 2. Work programme priority areas and planned evaluations in 2018-2019

### 2.1 Thematic/Strategic evaluations

ODG/EIO/IED will continue to conduct thematic/strategic or corporate-level evaluations as this has been found instrumental to increase the utility of and broader institutional learning from evaluation.

Thematic evaluations have been selected on the basis of in-house consultations and the draft IED work programme was shared with the members of the UNIDO Executive Board. Requests that were expressed and expected utility were major criteria for the selection of thematic and country evaluations. All evaluations will have a major focus on cross-cutting issues, aggregated performance, efficiency and effectiveness, including results at the outcome and impact levels. Due attention will be given to feeding evaluation findings and recommendations into results-oriented reporting, strategic planning frameworks and organizational learning and to link them with ongoing in-house research activities.

Table 1 below summarizes the envisaged thematic evaluations (including proposed time frames and budgetary requirements) for the biennium 2018/2019.

Table 1: Thematic evaluations planned during 2018/2019

Theme	Tentative year	Budget (in euro)
1. Synthesis evaluation of performance and results of UNIDO projects and programmes evaluated during 2015/2017	2018	48,000
2. Performance and results of GEF projects	2019	75,000
3. Evaluation of UNIDO's value chain programmes and approaches		84,000
<b>TOTAL (est., in euro)</b>		<b>207,000</b>

Since 2010, IED has consistently taken stock of past independent evaluations and has consolidated key findings and lessons into synthesis reports to promote learning at UNIDO. In continuation, and based on independent evaluations that IED conducted during 2016 and 2017, IED will undertake a **Synthesis evaluation of performance and results of UNIDO projects and programmes evaluated during 2015/2017**. This synthesis is to provide an independent and systematic overview of UNIDO's results and

<sup>7</sup> UNEG. (2016). Norms and Standards for Evaluation. (June 2016)

performance. The evaluation aims to facilitate learning and wider use of evaluation findings by identifying and capturing accumulated knowledge on UNIDO's results and performance. Synthesizing existing evaluation reports, together with latest research thinking allows evaluation evidence to be fed into UNIDO's decision-making process in an effective way.

The independent thematic evaluation **Performance and results of GEF projects** aims at reviewing and assessing existing evidence from evaluations of GEF projects. By doing so, it will aggregate and synthesize cross-cutting issues, lessons and areas for improvement to inform UNIDO GEF coordination and GEF project managers and stakeholders on aspects that could be further improved or mainstreamed in GEF projects that are being developed and/or implemented. The evaluation would also validate as possible, success cases, where past projects have led to impact or relevant developmental changes.

The independent thematic evaluation of **UNIDO's value chain programmes and approaches** will review and assess the evidence from past evaluations of value chain (VC)-related projects and UNIDO's research programme. It will synthesize lessons learned and possible areas for improvement to inform project managers and stakeholders on aspects to be further developed. The evaluation will also assess, as much as possible, success cases and if VC- based approaches contribute to a higher level of impact compared to other possible alternatives such as sectoral or cluster based programmes.

In line with the 2016-2017 work programme, IED had initiated in 2017 the Impact evaluation of UNIDO activities in the area of energy efficiency by scoping and developing a theoretical framework and appropriate methodology to conduct impact evaluations in this area. Given the complexity of impact measurement and the limited availability of previous evaluative evidence, the proposed framework will require further inputs and work to be conducted during the 2018-2019 biennium.

In addition to the abovementioned thematic evaluations, and in coordination with the Office for Gender Equality and Empowerment of Women (ODG/HRM/GEW), IED will conduct the mandatory **independent evaluation of UNIDO's strategy for Gender Equality and the Empowerment of Women (GEEW)**. The UNIDO policy on GEEW obliges the Organization to conduct regularly an independent evaluation to assess the progress in implementing this policy and the associated four-yearly GEEW strategies. The evaluation will be funded from budget allocated to GEEW.

## **2.2 Country evaluations**

The IED work programme 2018/2019 encompasses three country evaluations of which two are planned for implementation in 2018 and one in 2019. Table 2 below lists the planned evaluations and provides details on the rationale for selection.

Due consideration was, inter alia, given to the size of the TC portfolio, including country programme, GEF and MP projects.

Table 2: Country evaluations planned for 2018/2019<sup>8</sup>

Country	Project portfolio to be covered by the country evaluation (est. million USD)	Remarks	EVALUATION	
			Timing	Budget (in euro)
Colombia	10.32	UR requested this country eval. within the Colombia cooperation framework 2015-2019	2018	64,000
Mozambique	16.47	Country Programme; overall budget, No of projects / mix of thematic areas; UNIDO Country Office in operation (led by a UNIDO Country representative)		70,000
Armenia	9.68	Overall budget; No.of projects /mix of thematic areas; UNIDO Country Office in operation (led by a UNIDO Country representative)	2019	64,000
<b>Total evaluation budget</b>				<b>198,000</b>

<sup>8</sup> Source: Information received from UNIDO Representative; UNIDO Infobase and ERP (as at 2017-12-12)

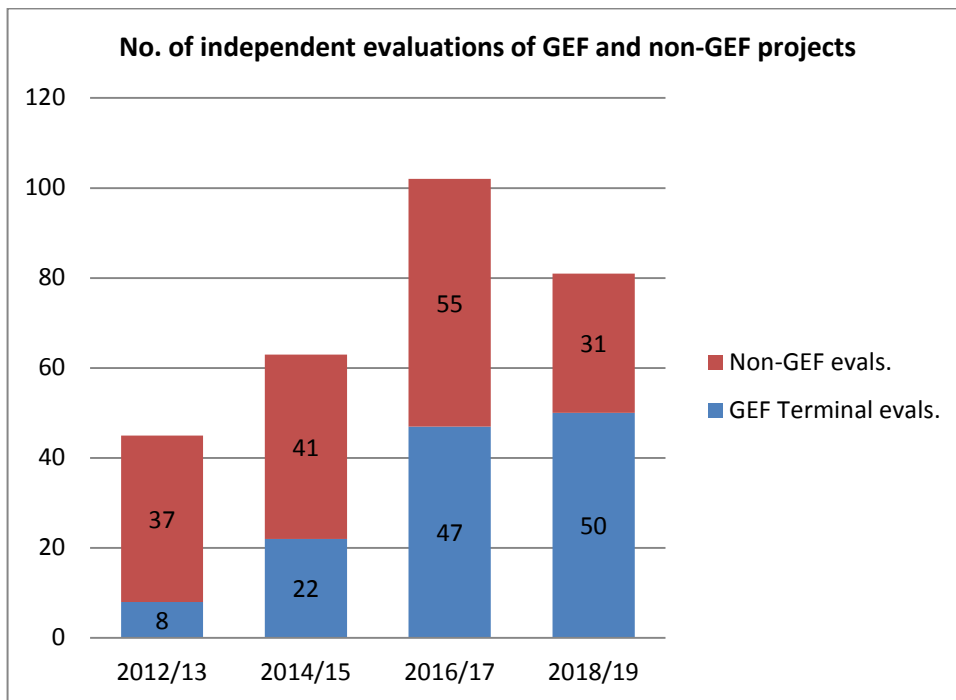


## 2.3 Project evaluations

The 2018/2019 biennium foresees so far **81 mandatory independent project terminal evaluations** (31 non-GEF and 50 GEF projects), compared to a total number of 102 project evaluations during 2016/2017, 63 during 2014/2015, and 45 during 2012/2013.

### A. Project evaluations (non-GEF)

Independent terminal evaluations (non-GEF projects) will continue to be partially administered by the respective project/programme managers under the overall responsibility and guidance of an assigned IED Evaluation Officer, who is responsible for the selection of independent evaluators, and clearance or evaluation terms of reference, inception report, draft and final report.



### B. GEF project evaluations

The evaluation process of independent terminal evaluations (TEs) of GEF-funded projects will continue to be managed in full by IED. Terminal evaluations of GEF-funded projects are conducted in line with the GEF Evaluation Policy and fiduciary standard.

### C. Budget to be allocated in projects for an independent terminal evaluation

The minimum financial requirements for the conduct of an independent terminal evaluation are provided in below table 3.

Table 3. Minimum financial requirements for conduct of independent terminal evaluations

Total project allotment (in EUR)	Minimum Budget allocation for evaluation task (in EUR)		
	Country-level (national) project	Regional project (2-3 countries)	Regional project (>3 countries)
below 5 million	40,000	70,000	10,000 per additional country
5-10 million	60,000	90,000	
above 10 million	80,000	110,000	

As an alternative to discharge administrative workload of project managers, and to further ensure implementation of its evaluation mandate, IED will enter discussions with senior management for the establishment of an UNIDO Evaluation Trust Fund (ETF). The ETF will be managed independently by IED and is to receive the budget allocation from each approved UNIDO project/programme for the purpose of evaluation of the same project/programme, or as a contribution to the Organization's general evaluation mandate. The ETF follows similar and more sustainable evaluation funding models in the UN system (e.g. FAO).

It is noted that IED and the UNIDO GEF Coordination Unit have entered discussions, and have agreed in principle that efforts will be made to generally pool budget allocations for mandatory evaluations of GEF-funded projects at the start of a project, thus, avoiding that an independent terminal evaluation of GEF project is put at risk, because of limited resource allocation, or of a non-availability of evaluation funds at the end of a project. The pooled budget allocations for evaluation will be managed independently by IED.

It is also noted that a significant number of GEF projects, compared to the previous biennium is due for evaluation during the 2018/2017 biennium. As regards GEF terminal evaluations, a total number of **50 GEF TEs**<sup>9</sup> are planned. **31** such TEs are foreseen in 2018, and **19** in 2019. This represents another increase from previously 47 TEs in 2016/2017, 22 TEs in 2014/2015 and 8 TEs in 2012/2013.

#### D. Project/programme evaluations led by donors

IED will continue to be involved in evaluations of UNIDO executed projects conducted or led by donors. To this category belong, among other, projects funded by the EU or other bilateral donors.

### 3. Participation in the UNEG and other external working groups

IED will continue to play an active role in the United Nations Evaluation Group (UNEG), including participating in various UNEG Task Forces and sharing experiences within the UN evaluation community.

### 4. Methodological development, learning and capacity building

IED will pursue its efforts to develop/strengthen evaluation capacities within UNIDO and those of counterpart ministries.

<sup>9</sup> The number of evaluations is based on information provided by Senior Management following ODG/EVQ/IEV's request dated 5 September 2017.

In this respect, IED will keep organizing evaluation workshops for UNIDO project implementers who will have a role in independent evaluations during the new biennium and participate in cross-divisional exchange and learning activities.

Additionally, and in order to further develop/strengthen evaluation national capacities of Member States' counterpart ministries, IED will continue its training programme. During this biennium, one national evaluation capacity training per year is envisaged. The trainings will be implemented in close cooperation with the respective UNIDO Field Offices and the Bureau of Regional Programmes and technical branches as appropriate.

IED will also continue to conduct briefings scheduled with UNIDO Member States to foster exchange in the subject of evaluation.

## **5. Estimated budget**

### **Project evaluations**

In line with the UNIDO Evaluation Policy, TC Guidelines and executive issuances, mandatory project evaluations will continue to be financed from the respective project budgets and it is the responsibility of a project manager to ensure that the respective evaluation output is created and corresponding budget allocations made and available at the time of the evaluation. Please refer to table 3 under point 2.3.C above, for a standard cost estimate of the evaluation budget required for an independent project evaluation.

### **IED work programme and provisional budget 2018-2019**

The budget for the implementation of the IED work programme and provisional budget for the biennium 2018/2019 is estimated at euro 705,000. An amount of euro 332,000 is budgeted for 2018 and an amount of euro 373,000 for 2019.

For the tasks of managing project terminal evaluations and providing support and guidance to project managers on evaluation issues, there will be a need for additional support to manage the increasing project evaluation portfolio, hence EUR 80,000 per anno are allocated for consultancy support to assist in the preparation and management of project-related terminal evaluations and overall IED support. It is recalled that project managers are responsible to timely indicate to IED and initiate the evaluation process and to ensure that sufficient project resources are available to fund evaluation activities in accordance with GEF standards and/or provisions in the project document.

The budgetary requirements for thematic and country evaluations are provided in tables 1 and 2 above. The overall budget breakdown for the IED work programme 2018/2019 is shown in table 4 below.

Table 4: Overall IED budgetary requirements for 2018 and 2019 (in euro)

<b>2018</b>	<b>Estimated budgetary requirements (in euro)</b>
Two country evaluations	134,000
One thematic evaluation	48,000
Joint missions and activities with international agencies	20,000
Training and capacity building of partners	50 000
Evaluations support (GEF and others)	80,000
<b>Total amount for 2018</b>	<b>332,000</b>
<b>2019</b>	
One country evaluation	64,000
Two thematic evaluation	159,000
Joint missions and activities with international agencies	20,000
Training and capacity building of partners	50 000
Evaluations support (GEF and others)	80,000
<b>Total amount for 2019</b>	<b>373,000</b>
<b>Grand total (2018/2019)</b>	<b>705,000</b>

