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THE ROLE OF EVALUATION IN UNIDO ^{1/}—

An Issues Paper •

prepared by

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Subject: The Role of Evaluation in UNIDO

PURPOSE:

This document has been prepared by a UNIDO consultant* to provide a basis for expert deliberations in Vienna of an appropriate evaluation methodology for UNIDO. It does not reflect any opinions of the UNIDO Secretariat. Rather it is intended to identify the important issues, provide an appropriate background and suggested courses of action, and receive the advice and recommendations of those attending the Expert Group Meeting. The results will be carefully reviewed by the Executive Director and his senior staff in preparing plans for evaluation activities specifically designed to meet UNIDO's needs, programs and activities, and constraints.

BACKGROUND:

The UNIDO Secretariat has been concerned with evaluation almost from its inception. Since 1971, the portfolio of evaluation studies presented to the UNIDO Industrial Development Board (IDB) has included at least 15 country studies and a number of program, branch or sector studies (sometimes referred to as thematic studies). During this period, the IDB has expressed an increasing and continuing interest in the subject which resulted in the establishment of a Permanent Committee to assist the IDB in increasing the efficiency of the activities of UNIDO, to enable the UNIDO Industrial Development Board to give guidance to the Secretariat in the implementation of the decisions of the IDB, and to "evaluate periodically the results of the activities of the organization with a view to assuring the most appropriate utilization of available resources."

* The consultant is a former employee of the U.S. Agency for International Development with many years of experience in programming and evaluation. He has leaned heavily on this experience, and a one month's TDY assignment with the U.S. Mission to UNIDO last year to study UNIDO's evaluation needs, in preparing this paper.

The debate in recent meetings of the Permanent Committee of the UNIDO Industrial Development Board on the subject of evaluation has turned on the questions of the purpose of evaluation, methodologies for improving the quality, objectiveness and usefulness of the reports submitted to the IDB, in-house versus outside evaluation, infringement on sovereignty of developing countries, establishing a central programming and evaluation unit, and the priority and cost of evaluation versus other necessary activities.

With no apparent consensus in view within the IDB nor additional resources made available to the Secretariat for evaluation, in May of 1974 the Executive Director nevertheless established a Planning, Programming and Evaluation unit (PPE) reporting to the Senior Advisor to the Executive Director and staffed by reassignment of officers from other units. Among the responsibilities of this unit is (a) the evaluation and assessment of current programs and activities and their implementation and (b) the development and formulation of programs and projects on the basis of the evaluation of past and current programs, policy objectives and directives.

STATE-OF-THE-ART

There is a lot of myth, rhetoric and professional jargon involved in evaluation, a new discipline still in its evolutionary stages. It will be useful to review briefly the current state-of-the-art, particularly as it is applied to development activities, as a backdrop for subsequent discussion of the specific issues facing UNIDO.

Definition

Evaluation is an ambiguous term which may cover anything or everything from pre-project review and selection, approval, and implementation to the assessments of results long after the termination of a program, project or activity. As used by this consultant, it is interpreted to include: those

activities which build-in evaluation at the program or project design stage; monitoring; feedback; redesign and/or rescheduling; through the final assessment of impact after project termination. While it excludes those processes and procedures which lead up to the actual selection of a project or program, it emphasizes evaluation which is related to the development of strategy, program or project design, implementation activities, and to providing data for use in planning future strategies, programs and/or projects.

In other words, the value of the process is seen principally in the management of resources and on-going activities in carrying out pre-determined missions and the achievement of both long and short-term objectives. The process will not provide the answers to all questions and is no substitute for competence, diligence, leadership, resources, etc. On the other hand, few large scale or important organizations in today's complicated world can operate successfully without adequate planning and adjustments as events require changes in those plans. Evaluation provides the feedback to make these adjustments. Without such a process, a manager or an organization proceeds blindly and, most likely, with disastrous or, at best, unknown results. Briefly but correctly stated, evaluation is a key part of the total management process.

UNITAR Study

In 1971, a UNITAR study on "UN development AID - Criteria and Methods of Evaluation" was published. It consisted of two parts: one concerning the principal problems involved in the planning and management of development projects and stressing the critical importance of systematic planning, and the second dealing with the tools of analysis.

It begins by providing a rationale for evaluation. First, because of the insistence among contributors that they and their legislative bodies have assur-

ance that resources made available are expended only for the most useful projects and for those which contribute directly, even though marginally, to the priority needs of developing countries. In addition, developing or recipient countries have become increasingly aware of the need for systematic scrutiny of technical cooperation programs in light of their own national objectives.

Great stress is placed on beginning evaluation at the planning, i.e., project design level, before projects are formally implemented. Once approved, the project should be subject to operational control with the purpose of monitoring administrative and technical efficiency. Upon completion, projects need to be examined from the standpoint of an assessment of results to determine to what extent the projected targets were obtained. Finally, an overall evaluation of the impact of all activities of the UN system of agencies on national economics and social development may be made.

Difficulties in Measuring Impact

Discussing the problems of evaluation, the question of definition is raised. Also, the difficulties of attributing or measuring overall impact of technical assistance projects is recognized, particularly when estimating benefits accruing from institutional building projects and projects relating to the development of economic and social infrastructure. The effectiveness of such projects are not likely to be known for many years to come and specific information concerning them would require special and rather detailed investigations in the future. Evidence of the effectiveness of projects which are essentially of an advisory nature is even more difficult to obtain, particularly where the results may be intangible and not subject to any quantification or other objective measurement. They may be strategic or catalytic and thus success

may have to be imputed.

Another problem involves the diverse nature of programs which poses difficulties when governing bodies are looking for "systematic", "scientific" and "uniform" approaches to evaluation. It is stated that no one formula of evaluation could reasonably apply to such a range of projects except in the most generalized way. Also as the size and duration of a project varies so does the need for evaluation.

No Standard Methodology

Taking all these facts into account, the study concludes that the content of the programs, the methodologies employed, the wide variation in the size of individual projects and their number - make it clear that no single "scientific" method could apply uniformly. It is necessary, therefore, to distinguish between types and categories of projects and programs for evaluation purposes where different methods and guidelines would be applicable. In a strict sense, the report states that the purpose of the evaluation exercise is to produce some kind of objective evidence of accomplishment in terms of outputs and to set this against the cost of inputs which, in an ideal situation (seldom realized), would have been committed in the knowledge of alternative methods and costs for achieving the same or better results. This process implies a quantification of goals, objectives and targets against which progress may be measured. Considering the diversity of development programs, quantification is not an easy matter in many cases. On the other hand, efforts to quantify have not been sufficiently assiduous or imaginative in the eyes of the authors. At any rate, when direct or indirect indicators are not readily available or where baseline data cannot be established at the time of project approval, there is in almost all cases a kind of intermediate position. This would consist of detailed planning of the

work, distinguishing specific steps or activities to be undertaken, each with an estimated completion time. This procedure would at least give indications of whether a project is properly organized and implemented, even if it contributed little in an assessment of results.

Cost of Evaluation

While rejecting the accusation that a country is being deprived of assistance by reason of project or agency money being spent on evaluation, the study warns that care must be taken to make sure that the cost of evaluation - and the resulting inevitable disturbance while checking operations - does not outweigh the improvements and savings it may afford. In other words, the study should include cost-benefit analysis of evaluation itself. The study gives a great deal of attention to rationalizing program and project formulation and suggests that institutional arrangements must be pragmatic and selective. Regardless of what form of machinery ultimately emerges, it suggests a start must be made. With programming operations strengthened and project preparation systematically organized, an indirect benefit would very likely be a rationalization of the heterogenous and unstructured activity now carried on in the name of evaluation. Pressure would begin to be applied at the vulnerable points. Sound programs with properly prepared projects will have built-in machinery for monitoring during the operational phases with some basis to evaluate effectiveness at the end, and for the feedback of information to assist in future planning.

The part of the study dealing with methods and techniques of evaluation is disappointing. One chapter is devoted to cost-benefit analysis for project evaluation by which is meant project selection criteria with little relationships to either project design or evaluation as previously defined. A second chapter is devoted to PERT networking analysis for project planning and control.

In summary, the study makes an important contribution to the rationalization of need as well as the purpose of evaluation. On the other hand, while it aids in the conceptualization of evaluation, particularly in connection with technical assistance and similar development projects, it does not suggest a specific methodology or inventory or explain techniques which can be applicable for varying types of activities and circumstances. The special features of the UNITAR approach to evaluation include the examination and adaptation of management techniques to programming and project planning - including cost/benefit and network analyses, feedback for current management and operations, and information retrieval for future program planning. The limitations of existing methodologies are also recognized, including the problem of measurement and the need for flexibility and evolution.

UNDP Requirements and Directions

The UNDP adopted a system of evaluation at the beginning of 1967 which, since that date, has been going through a continuous process of evolution, revision, and sometimes vacillation, as to purpose and importance. The development of a methodology and a set of techniques to carry it out was done in co-operation with other UN organs mainly through the Inter-Agency Study Group on Evaluation, a subcommittee of the Administrative Committee on Co-ordination. Early attention was given to selected projects already under way with post-project evaluation being left principally to the executing agencies.

Tripartite Reviews

With the re-organization in 1971, and the subsequent emphasis on decentralization, UNDP decided to introduce an integrated approach to program and project management at the field level. Applying the same principles to the examination of project progress and the effectiveness that underlay the evaluation methodology introduced earlier, the result was the launching in 1973 of a tripartite review system by which all large scale projects funded by UNDP are reviewed at the field level jointly by representatives of UNDP, the relevant executing agency and the government authorities concerned. The primary purpose of these semi-annual reviews is to examine the progress being made by each project, identify the factors which enhance or diminish project effectiveness and pave the way for appropriate corrective action.

Detailed guidelines on the organization and substance of tripartite reviews have been included in Chapter IV, of the UNDP Operational and Financial Manuals, issued September 1973. This manual also includes guidelines on project monitoring, review and progress reporting and the evaluation of selected on-going projects. While the system is concerned with project objectives, outputs and activities, it does not yet operationally link the design process to evaluation and is primarily concerned with inputs and efficiency. The semi-annual or tripartite reviews of projects, in the opinion of this consultant, do not normally constitute a thorough in-depth analysis, though they may give rise to that kind of an evaluation. In some cases, they have exposed deficiencies in project design or other problems which called for more comprehensive evaluation by the government, the executive agency and the UNDP. More than 100 of such in-depth evaluations were in fact taken up to 1973 by missions constituted by this purpose.

Two working groups have been laboring on developing Chapter 4, Project Design, and Chapter 2, Country Programming for the UNDP Operational and Financial Manual. It is expected that the Chapter on Project Design will incorporate the essential features of the logical framework concept, developed by AID, and provide new impetus to improving project design while, at the same time, building in evaluation components appropriate to the dimensions of a specific project. In the past, top management support has been more readily apparent for the more traditional functions of organization and management, audit and inspection, and reporting. But there are signs that project evaluation is now being better appreciated as a tool of management rather than an historic, after-the-event, appraisal. It is also expected that in the new programming cycle, there will be more emphasis on sector studies involving the cooperation of the various executive agencies.

Inter-Agency Study Group Guidelines

In Geneva in February 1972, the Sixth Session of the Inter-Agency Study Group on Evaluation* took place. Guidelines were developed which represented an extension and further refinement of the methodology and techniques of evaluation which the UNDP and other agencies had developed and tested over a period of years and in which UNDP was to apply on a systematic basis, specifically at the country level, with regards to program and projects assisted by it.

The guidelines incorporated the following general points: (1) the achievement of project purpose is related to a higher level, sectorial or national goal; (2) a project can only make a partial contribution to its development objective with the effectiveness of the contribution depending not only upon whether the immediate objectives of the project are obtained but also

* The Inter-Agency Study Group on Evaluation - reporting through the AAC - is a useful and existing instrument for consensus building.

whether the project results are effectively utilized; and (3) evaluation of an individual project requires: (a) a reappraisal of the basic conception and design of the project; (b) an examination of the various aspects of project implementation with emphasis on inputs; and (c) an assessment of the results achieved or likely to be achieved.

Project Design and Implementation

With regard to the conception and design of the project, attention must be paid to two sets of factors, those that link the projects' immediate objectives and its long range objective, and those which have a bearing on successful and efficient obtainment of its immediate objective. The evaluation of project implementation consists essentially of: (a) determining whether the project activities as undertaken constitute adequate means to achieve their target outputs; (b) identifying factors which were or are significantly favorable to the implementation of project activities; (c) identifying factors which were or are adverse to the implementation of project activities; and, (d) considering the results of actions which may have been taken to correct adverse factors and in identifying corrective actions still needed.

Assessment of Results

With regard to the assessment of project results (as distinct from implementation) it requires the examination in three steps of: (a) the outputs of each activity of the project and their contributions to the achievement of project objective; (b) the extent to which the immediate objective of the project are being and have been achieved; and (c) the effectiveness of the project's contribution to the achievement of its long range objectives. Effectiveness is defined as depending, first, on the project achieving its immediate

objective, and, secondly, on the results of the project being utilized properly along with the results of other development projects or activities towards the fulfillment of long-range goals. In order to provide feedback for project and program formulation, the Study Group considered it highly desirable for each organization to prepare a periodic synthesis of evaluation findings concerning project activities in a manner most suitable for its own requirements.

Program Evaluation

Another section of the guidelines concerned evaluation of country programs as a whole. It included guidance on such subjects as providing a general frame of reference, examining the need for on-going projects, encouraging a multidisciplinary approach to the solution of a major development problem, looking at problems beyond the programming period, and similar considerations. It was stressed, that in the further elaboration of the guidelines dealing with program evaluation, UNDP should spell out the procedures for evaluation of the program as a whole, including its timing and relation to annual reviews in the formulation of country programs, the precise role of executive agencies, etc.

Self-evaluation

Finally the guidelines concerned themselves with self-evaluation and external evaluation. The guidelines prepared by UNDP provide for independent evaluation of programs and projects within the United Nations Development System. The group expressed the belief that this approach would provide an objective basis for determining the effectiveness of UNDP assisted programs and projects and that, until and unless experience showed that this was not being met fully, it would not be necessary to seek

recourse to strictly "external" evaluation. It concluded however, that the use of outside assistance should be considered where necessary and feasible, including the possibility of utilizing the services of the Joint Inspection Unit. The group also discussed the desirability of promoting self-evaluation within the United Nations system, in addition to internal, independent evaluation. It was noted that a group of the participating organizations have introduced or are planning to introduce self-evaluation on a continuous basis as a built-in element of project implementation.

Welcoming this initiative, the group expressed the hope that the participating organizations would pay special attention to the technical or substantive aspects of project implementation, vis-a-vis monitoring of inputs. It felt this was necessary and desirable, inasmuch as the UNDP guidelines emphasized, as a matter of deliberate choice, the management aspects of project and programs. Development of appropriate models of build-in evaluation, especially of technical aspects, was recommended of projects in different substantive fields.

Breakthrough

In the opinion of this consultant, these discussions represent a breakthrough and a significant advance in the state-of-the-art if they are reflected in appropriately revised priorities and procedures by UNDP and can be implemented by the various executing agencies, i.e., adequate professional staff and backup resources are made available.

Other Evaluation Systems

A review of the evaluation methodologies, organization and staffing of other UN specialized agencies and financing institutions is not in-

cluded here. To the extent they act as executing agents for UNDP projects, they have also been influenced by UNDP requirements and procedures. There is also every reason to assume that the effectiveness of any specific system is constrained by the limitations already mentioned in the UNDP system and by organizational variables of top management support, available professional competence, and adequate supporting procedures. In these circumstances, many UN agencies also look to bilateral development organizations for help and guidance.

In May 1973, the Executive Director of UNIDO sent a letter to 18 permanent missions to UNIDO, all developed countries, asking for information on "existing systems, approaches and criteria as regards to evaluation of industrial activities similar in nature and scope to those undertaken by UNIDO in its operational and supporting programs." While only seven of the 18 replied, it provides an interesting insight into the status of evaluation methodology in developing countries. One reply confused evaluation with the process of project approval and was, therefore, not truly responsive.

In 1971, the Belgium Government established an Inspector General for Evaluation and Control in the Administration for Development Cooperation. The Inspectorate General is an independent unit performing its own evaluations with outside help as needed. At this stage, it is operating on an empirical basis and the reply notes that there are sociological and technical difficulties and serious questions regarding balance of effort. No joint evaluations have yet been held and the next stage will involve more attention to program and project evaluation. It is a good testimony for the importance of the evaluation, the need for a specific organizational location and also the requirement for time to develop adequate systems and methodologies.

The French experience has been pretty much confined to rural development projects and relies chiefly on financial monitoring and special missions. Evaluation is decentralized and usually performed on request but in accordance with criteria as to importance and usefulness. The French reply reports an increasing stress on systematic, ongoing evaluation but notes that this approach has not yet been formalized. Evaluation has been carried on principally by outside consultants but there is a trend to include administration representation on such teams. Some doubt was expressed as to whether any truly satisfactory evaluation methods exist, at least insofar as rural development projects are concerned.

The Swedish International Development Agency (SIDA) has developed reporting guidelines and a manual of support preparation based on a concept of management by objectives. It states that in order for the work of follow-up to be a good way to learn from experience gained and to make use of it, evaluation must take place as a continuous process from idea to terminated activity and must be employed both during implementation and in the planning of projects and programs. Evaluation is categorized in two principal types: (1) the built-in evaluation emphasizing efficiency and (2) special evaluation with emphasis on significance. While there is some confusion between project selection, approval, and evaluation, the system described in the SIDA Manual is sophisticated and professional. An evaluation unit has been established in a research division and there are four planning and evaluation officers stationed in the field. Some criteria has been developed on when to apply a significant evaluation effort, for example, risk projects, complexity, need for management, new areas and other non-routine type of activities. Nevertheless, there is no formal methodology and no standardization. Plans are reported, however, to develop

a general master system for built-in evaluation of agriculture projects.

Among development aid agencies, the United States Agency for International Development has been a leader in developing a comprehensive, result-oriented management system which incorporates long-range planning, programming, project design and evaluation. The evaluation function is highly developed and formalized and being applied with increasing effectiveness and useful results. The system is strongest at the project design and evaluation levels but decreases in effectiveness as the use is expanded to the program, sector and country levels. Essentially, the project design and evaluation system is developed around a concept called the "logical framework" which, briefly and simply stated, is an adaptation of the "means-end" chain concept. A set of worksheets, matrices, and similar tools have been developed which assist the project designer and subsequent evaluators in providing desired information regarding different aspects of project design and evaluation. It helps distinguish between the resources to be provided, the activity or work which consumes these resources, the outputs or results to be produced or achieved by such work, and the purpose for the whole endeavor as related to a higher level goal. It also facilitates the use of interim targets as a basis for resource scheduling and emphasizes the need for baseline data, progress indicators, and complementary actions required for the successful achievement of project purpose. Beyond this conceptual approach to project design and evaluation, the methodology consists of a series of procedures and forms unique to a particular bureaucracy involving a large, decentralized field staff. The system in its current form is not generalizable and, in fact, requires considerable adaptation by the Agency itself for programs administered at the headquarters level. However, the logical framework concept itself is transferable, with necessary adaptations, to any development agency which is dealing with a sig-

nificant project portfolio.

The Government of Switzerland emphasizes ongoing evaluation at predetermined times and performed by outsiders. The reported purpose is to assess the socio-economic impact of its bilateral projects and to suggest modifications or follow-up actions to improve ongoing projects and the selection and management of new projects. Guidelines for on-site evaluations and format for reporting have been developed with model grids used to facilitate project planning and evaluation. The system is completely oriented to project evaluation.

The Netherlands also provided a brief description of its system which emphasizes progress control with the principal responsibility being with the host government.

Implications for UNIDO

Evolutionary Process

As is both illustrated and demonstrated by the above descriptions, concepts and methodologies of evaluation are in an early and evolutionary phase and can be described as a sub-system of management by objectives. In the United States, it is a concept which, along with project design, received significant emphasis only in the late fifties and early sixties when large sums of money were flowing into the research and development of major weapons and space systems. The idea of planning and evaluating projects in terms of pre-determined goals, objectives, outputs or targets, is relatively new in the development field, particularly, in the area of technical assistance and similar activity. The problem is compounded by confusion as to definition and use of the term "evaluation" and by the difference between evaluation rhetoric and actual practices. Traditionally, evaluation has been looked at in the same terms as inspection, audit and post-facto autopsies. The vision of evaluation as an ongoing management

concept is new but, despite its challenge of work habits formed by cultural patterns and long years of tradition, is increasingly gaining in importance and acceptance.

Methodology - A Function of Critical Variables

There is not and never will be any standard methodology of evaluation with general applicability just as there is no one management system applicable to all programs, organizations and managers. Methodology is a function of three basic factors: (1) Purpose - Ideally the purpose of evaluation is to help develop and implement better projects and programs in cooperation with the recipient developing countries. Evaluation can also serve other purposes some acceptable, some less so. For example, the purpose of evaluation may be to learn the lessons of experience or it may be simply to satisfy higher levels of authority that programs and projects are being managed effectively. It may be used as a device to communicate and involve other parties. Whatever the mix, dominant and complementary purposes have to be recognized in developing appropriate methodology. (2) Type - A second factor affecting methodology is the type of activity to be evaluated. Notwithstanding the current efforts of national, bilateral and multilateral organisations to grapple with sector evaluations, a different approach is required when evaluating a program or sector vis-a-vis a project. The logical framework concept is an outstanding tool for designing and evaluating significant projects. Its usefulness, however, is greatly diminished in small, routine or non-project type activity. Except for the general application of the scientific method for problem-solving and modern management principles, nothing deserving the description of an evaluation methodology has been developed at the program or sector level. (d) Constraints - Finally another important factor in developing a methodology for a particular

organization and program involves constraints. In the case of most UN executive agencies these constraints consist, among others, of outside requirements (e.g. UNEP), the sensitivity of dealing with sovereign governments who are not only recipients of assistance but often members of the Board of Directors, the dilemma of independent versus self-evaluation (particularly, as it affects sovereignty and role issues) and last, but equally if not most important, the amount of resources (i.e., staff and time) available for evaluation activity.

When these factors have been adequately considered, a function of this meeting, approaches may be developed for different types of evaluation exercises appropriate to the needs and limitations of UNIDO. It is at this point where general guidelines can be developed to provide both a consistent standard and approach as well as a methodology and package of analytical tools to assist the evaluators.

Changing Concepts of Technical Assistance

A treatment of evaluation methodology would not be complete without some discussion of its usefulness as applied to technical assistance which is, of course, quite different from capital assistance. The concept of a technical assistance project has been transformed over the years from one identified by the donor inputs provided to one which is a joint endeavor of the assisted government, UNDP, and the executing agency designed to carry out special activities for the purpose of achieving specific objectives. In the case of UNIDO, the feeling is even stronger ". . . that both parties, developed and developing countries, should cooperate in the search for exchange of experience and identification of cooperative actions that will further, in the long run, common objectives and a more equitable and positive development of all countries." Historically, technical assistance activities which involve advisory services,

training, etc., have been difficult to measure except in terms of inputs. The impact, for example, of institutional development projects is subject to a great deal of subjective judgment and projection. The developing concept of technical assistance which emphasizes the transfer of knowledge within a problem-oriented and cooperative structure will require new evaluation concepts as, indeed, it will require new concepts of cooperative projects.

Determining a Proper Balance

UNIDO, like all organizations involved in providing development assistance, will need to give increasing attention to two types of evaluation activity. First, that which is essentially involved in the management of current technical assistance programs and projects. At the project level, methodology should stress the adequate design and redesign of projects with emphasis on the efficiency with which inputs are supplied and the effectiveness of the outputs or results produced. A different approach will have to be used in evaluating programs and central support activities with the emphasis being on evaluating the significance of these activities.

The second activity requires a type of evaluation methodology tailored to the consideration of key problems and sectors. Here, the emphasis is on the future: in both identifying the problems which impede the development process; in analyzing alternative plans to ameliorate the problem; and in providing a structure for orienting an agency's allocation of its resources to attack critical problems. It is also a process for looking at problems which cross sectors or traditional divisions of labor and for providing a forum for involving a development organization with other sources of knowledge, expertise and assistance, private as well as public.

Conclusion

Despite a lot of rhetoric, organizational imagery, publications of guidelines and handbooks, etc., the state-of-the-art in evaluation both within the UN system and among bilateral agencies is in an evolutionary stage, particularly as it applies to technical assistance activities. There is no single "scientific" method that can be uniformly applied nor any set of procedures which guarantees "success." If the Executive Director accepts evaluation as a continuing management process related to improved program management, the challenge is to face the issues which are identified here and to make his decisions regarding a systems design and investment of resources taking into account the critical variables and constraints relevant to UNIDO. There are some principles and concepts to guide the Executive Secretariat and outside expertise to advise on the basis of empirical and organizational experience (the purpose of this meeting), but the search for a magic formula which will please all people is useless. An evaluation methodology, i.e. a systems design, appropriate for UNIDO will evolve from considerations and decisions regarding the purpose of evaluation, the types appropriate, and the constraints imposed.

CRITICAL ISSUES

These issues have been developed to provoke informed discussions on the important variables and constraints, as mentioned above, which can apply to UNIDO evaluation activities. In some cases, they represent the questions raised by parties of concern, in others they represent problems facing all development agencies which are seeking to improve their efficiency and effectiveness. One viewpoint, including conclusions and/or recommendations, is presented to stimulate debate. Other viewpoints, other issues, and alternative recommendations from the expert group are welcomed by the Secretariat.

1. Is there a need for formalized evaluation of UNIDO activities?

Discussion - while many "Group B" member countries of the IDB and senior staff of the Secretariat accept evaluation as a necessary component of UNIDO's management activities, there is by no means a consensus on this point on the part of all IDB members and secretariat staff. Among the more important objections and reservations to the evaluation function are:

it infringes on the sovereignty of national governments

it diminishes the authority of the Executive Director

it diverts resources which can better be employed in direct technical assistance to developing countries. It is premature and of second priority to the expansion of operational activities in the field.

no need because of the limited scale of UNIDO's activities

duplicates evaluation already done by field personnel and host government

is premature in view of ACABQ refusal to budget for an evaluation staff

it is impossible to measure the impact of limited technical assistance involving only partial inputs

results are of low value as compared to the investment and staff time, required for other priorities

fear of personal or organizational criticisms

Some of these reservations are specious and self-serving. Others are quite real and must be dealt with by UNIDO. It is useful to refer back to the UNITAR study which suggested the following rationale for evaluation:

major contributors, and their legislative bodies, need assurances that resources made available to multilateral organizations are used both efficiently and affectively and are directed to the priority needs of developing countries.

developing countries need assurance that technical cooperation programs are being developed and implemented in accordance with their own rational objectives

A third rationale, one which affects UNIDO management directly, needs to be added, namely

Secretariat senior staff, UNDP, and reviewing bodies need assurances that on-going and planned programs, projects, and activities are formulated, designed and managed in a fashion to most effectively meet the needs of developing countries in selected areas of program concentration and priority development problems.

Conclusion:

No large organization can successfully administer a world-wide and complicated set of programs in a rapidly changing environment without adequate planning and adjustments as events require changes in those plans. Evaluation provides the feedback to make these adjustments in a rationale way. It is part of the total management process. This fact is recognized by the Executive Director and his senior staff. The real issue at hand is not the need for evaluation per se but to develop an approach which makes the optimum use of the minimum resources available to obtain actionable results in areas or subjects of priority concern. As UNIDO's role increases in scope and importance, the challenge is greater and the results more critical.

2. What should be the purpose of evaluation in UNIDO?

Discussion - In October 1972, UNIDO's evaluation mission was described as having three primary tasks:

the evaluation of all completed and ongoing UNIDO administered projects and activities in a selected country

the identification of special factors affecting the formulation and implementation of projects

recommendations for ongoing and new projects to be included in the country program for 1972-76 and for other worthwhile projects to be financed from other sources

The basic purpose of built-in evaluation was described as providing the project manager and other decision-makers with up-to-date information on progress so that adjustments can be made at an earlier stage and in a more specific manner than would otherwise be possible.

In the annual report of the Executive Director for 1973, evaluation is described as an intricate part of all planning and program exercises with particular emphasis on work carried out in particular countries over a period of years and of work in specific industrial branches or subsectors.

Current thinking in the UNIDO Secretariat tends to view evaluation primarily as an exercise to assess progress in order to improve the existing situation with emphasis on the efficiency of the inputs supplied, e.g., recruitment of technicians. In other words, the practical aim of evaluation is to identify problems, find solutions, and improve on-going performance.

While the above descriptions of purpose have been generally accepted, some members of the IDB, the Secretariat, and others have suggested other purposes such as:

measuring the broader impact of UNIDO projects on the economy of the country concerned

basis for reallocation of resources to higher priority and/or more effective projects/activities

a means for involving host country personnel, outside experts, other UN agencies, etc.

providing a more effective linkage of the pre-investment activities of UNIDO with a country's investment phase

to build up UNIDO's experience in industrial sectors and then improve the quality of future technical assistance

relating UNIDO's activities in fields chosen for study to the needs of developing countries seen as a whole and to the work being done in the same field by other parts of the UN system, under bilateral programs, and by private initiative

to utilize the capacities of socialist countries with centrally planned economies

to meet the requirements of the UNDP system

to increase the influence of the IDB and its Permanent Committee

to provide UNIDO with a "brain"

assure compliance with policies, directives, regulations and procedures

In addition to some of those implied above, there are ancillary purposes which can be involved, some legitimate, some not so, as, for example, to:

demonstrate interest in or focus attention on a particular country or program

improve understanding and internal communications

provide a historical record

stimulate attention to an identified problem by reluctant or busy parties

serve a political objective

demonstrate management concern and diligence

In terms of the UNDP system, the stated purpose of the Tripartite Semi-annual Reviews is to examine the progress being made by each project, identify the factors which enhances or diminishes project effectiveness and pave the way for corrective action. In February of 1972, the Inter-Agency Study Group on Evaluation (see "state-of-the-art" section) recommended a set of guidelines which recognizes that (a) the purpose of a project is related to a higher level goal, and, (b) a project can only make a partial contribution to such a goal which,

In turn, depends on whether the project results are effectively utilized.

The purpose of project evaluation was enlarged to include:

- a reappraisal of the basic conception and design of the project
- an examination of the various aspects of project implementation with emphasis on inputs
- as assessment of the results achieved or likely to be achieved

Conclusions

In any organization, and among the participating parties, there needs to be a mutually shared understanding of what can and should be produced by evaluation activity and for what purpose(s) and what audience(s). Variables in either purpose or audience will affect the methodology used, i.e., how such an evaluation is carried out and the desired results.

A formal explanation* of the purpose of evaluation describes it as:

a systematic assessment of actions in order to improve planning or implementation of current and future activities. It is one aspect of the intertwined program management cycle consisting of planning, implementation, and evaluation

While the needs of others cannot and should not be ignored, the primary purpose of evaluation should be to assist the Executive Director and senior staff of the Secretariat in decision-making and program management by providing reasonably objective information about problems, programs, projects and support activities in a regular and selective fashion. It should also facilitate greater understanding of the development process taken as a total dynamic and help provide a more rational basis for future program planning, policy and project formulation. Particularly, evaluation should help in determining what ways projects and programs can and should be shifted in directions to deal more effectively with priority problems and selected areas of concentration. This function will become increasingly

* Evaluation Handbook (Second edition), Agency for International Development, Washington, D. C. 20523

important as UNIDO takes on an enlarged role in the UN system.

Recommendation

The primary purpose of evaluation activity should be to serve the needs of UNIDO management - at all levels and including participating parties - to:

help improve the efficiency and effectiveness of on-going operational activities

help test the viability of current strategies, policies and approaches

suggest alternative courses of action

assist in determining new ways and means for dealing more effectively with critical development problems

The Secretariat should re-examine the types and priorities of evaluation activities carried out in terms of the above (or substitute) purpose and develop a methodology or system which will achieve the desired results.

3. The roles and interests of other parties in UNIDO evaluation activities

Discussion

Outside of the Secretariat, including its field staff, there are three major groups which have a legitimate and continuing interest in the purpose, type and quality of evaluation activity in UNIDO, namely, the Industrial Development Board and its Permanent Committee, UNDP, and the governments receiving assistance.

While a clear consensus on the purpose, value and quality of evaluation has yet to emerge, the IDB has shown a continuing interest in the function and can share a great deal of the credit for its present status in UNIDO. All evaluation reports are submitted to the IDB and there have been regularly scheduled sessions to debate the implications of individual country and sector reports as well as a proper methodology for evaluation.

Until quite recently, the involvement of UNDP was pretty much limited to the tripartite field reviews but, since over 68% of UNIDO's operational activities

are financed by UNDP, it can be correctly stated that the principal evaluation of UNIDO activities takes place under the system designed by UNDP and under the supervision of its own field personnel. Recently, however, UNDP initiated a joint approach with UNIDO staff for a critical assessment of 25 selected on-going and completed technical assistance projects in the field of industrial strategy, programming and policies. If successful, UNDP and UNIDO can be expected to increase joint evaluation of selected subjects of mutual interest.

The third group is the individual recipient countries themselves whose involvement has been primarily in the tripartite reviews and in the country evaluations carried out by UNIDO in the past several years. There is no unifying interest, common understanding or appreciation of the process since, collectively they represent a broad spectrum of development, industrialization, national aspirations, resources, etc. There are certain characteristics and aims, however, they do share with all governments, e.g.

avoid public and/or personal embarrassment

maintain their sovereignty and national dignity

more needs than resources available

increase the rate of economic and social development

The recipient governments are what the whole thing is about and many of them also serve on UNIDO's Board of Directors. Their willing and effective involvement in evaluation is critical if there are to be any reasonable results and follow-up.

Conclusions

A great deal of the evaluation activity to date in UNIDO has had the preparation and submission of a report to the IIB as its primary purpose and end-result. Some members have expressed dissatisfaction with the content and quality of the reports and Secretariat staff themselves have been disappointed with the inconclusive results of IIB discussions which have been largely political in nature,

dealing in broad generalities, and/or not providing any guidance which is useful to the Secretariat.

The mission and authorities of the IDB are not clearly established by precedent or otherwise and is constrained by the action or inaction of other UN bodies, particularly those controlling funding. In addition, individual members have sometimes expressed unreasonable expectations in terms of public self-examination and in expected results which are not conformed to resource and other constraints and to the type of projects and activities which make up the bulk of UNIDO's programs. There is a clear need for the new Executive Director to enter into negotiations with the IDB to clarify the purpose of evaluation in UNIDO and the respective roles and expectations of the IDB and the Secretariat.

As a political and policy-making group with little or no expertise on the subject matter, the IDB would do well to shift its emphasis from an almost exclusive interest in operations to questions of strategy and policy. They might also express more concern with the results of evaluation activity than with individual reports submitted to them. It is not meant to suggest that the IDB should be unconcerned with evaluation but that it limit or focus its concern to:

agreeing on the purpose of evaluation in general and in reference to specific types or categories of evaluation

recognizing that internal and external constraints limit what can be done

assisting the Executive Director in installing a systems design that will meet the needs of all parties including, that of the Secretariat

participate in the establishment of evaluation priorities and selection of subjects for evaluation - but not to the extent of over-burdening the system and/or precluding UNIDO management from making its own selection to serve its own management purpose(s)

support the evaluation function by urging necessary funding and staffing and providing voluntary contributions earmarked for evaluation

arranging for public and private experts of member countries to participate in evaluation exercises and/or the analysis of their results

The role of the UNDP in the evaluation of UNIDO's activities is critical and there is almost universal agreement that the current system of tripartite reviews needs improvement. Even given such improvement, UNIDO cannot afford and should not want to either participate in all field project evaluations or rely only on project evaluations for providing the type of information Secretariat management needs. Rather, UNIDO should:

in the UNDP's general endeavors to improve its evaluation requirements, support the efforts of the Inter-Agency Group on Evaluation to expand the concept of project evaluation to include project design and redesign and the effectiveness and significance of expected results

jointly with UNDP, develop criteria for the selective involvement of UNIDO headquarters and/or field staff in project formulation, design and in depth evaluation at pre-determined and appropriate phases of project implementation.

build on the recent experience of joint UNDP/UNIDO headquarter and field staff evaluation of selected areas of concentration or priority

participate in UNDP sponsored country evaluations where program commitments justify.

In negotiating these items with the IDB and the UNDP, the role and sensitivities of the host government must be clarified and recognized. This is particularly important when deciding on the purpose and desired result of a particular evaluation; the type of report required; and the forum for discussion. As a principle, maximum participation of host government personnel is required but its application has to be tempered by the limited host government staff and time that may be available, the purpose of the evaluation, and whether it directly affects one particular country.

Recommendation

The Executive Director of UNIDO, both separately and jointly, should negotiate the respective roles of the IDB, UNDP, recipient countries, and the Secretariat in the evaluation of UNIDO's activities based on the purpose, principles, and objectives specified above and recognizing the primary concern of UNIDO management.

4. What should be evaluated and why?

Discussion

As the discussion below on methodology will show, one does not go about evaluating everything in the same manner, for the same purpose and expect or want the same results - nor should equal priority and investments be made in all types of programs. The purpose of discussing this issue is to help determine what are the appropriate categories of evaluation for UNIDO and their relative priority and importance in terms of the purpose of evaluation agreed to, the external constraints and requirements of the UN system, and in consideration of such important factors as program priorities, staff competence, expected useful results, available resources, and other program management priorities.

A loose categorization already exists as follows:

Project Evaluation (Field)

Project evaluation in the field is carried out through the mechanism of the UNDP designed and supervised tripartite reviews. Because of the small size of UNIDO's field staff, they are often not even involved. In any case, they are not viewed as particularly significant and are almost exclusively performance or input oriented. The reviews are arbitrarily scheduled without regard to the size, importance, or significant implementation phases of a particular project and tend to become a routine "reporting" process.

Project evaluation is also carried out at UNIDO's headquarters through its planning and programming exercises. The principal method employed is a continuing series of quarterly reviews of performance and progress where the emphasis is on obligation rates and monitoring the delivery of project inputs, including the need for remedial actions. These reviews are chaired by the Executive Director, include the Division Chiefs, and are backstopped by the Program Planning and Evaluation Unit. UNIDO relies on these reviews

for management purposes and not the tripartite reports.

Country Evaluations

There have been over 15 of these types so far which involve the review of all UNIDO projects, on-going and completed in the selected country. Some involve trips to the subject country and discussion with UNDP and host country staff but most do not because of funding limitations.

In the latter case, the geographic (TCD) staff officer is reduced to a review of project files and inquiries by correspondence. Quality of the reviews, not surprisingly, has varied widely and the subsequent reports have been more descriptive than analytical. It is generally agreed that the results, except possibly to the staff officer assigned the task, have been minimal.

Sector Evaluations

Also referred to as sub-sector or branch evaluations, these involve evaluations of programs which are usually the responsibility of a single branch in a substantive division, e.g., investment promotion, fertilizer industry and oilseed processing. These studies, like the country evaluations, have also concentrated on the review of on-going and completed projects. They are usually prepared by the technicians responsible for the program. However, there have been some recent innovations which merit consideration. It is the consultant's opinion that the Swedish International Development Agency (SIDA) should be involved in sending out joint missions to selected countries for intensive on-the-spot examinations of projects concerning industrial estates with the intent being to obtain direction for future projects including, if necessary, a reformulation of the whole approach.

A most interesting joint approach with UNDP is also in process of an evaluation of individual projects in the field of industrial strategy, programming and policies. Initiated by UNDP, a critical assessment of field

operations is being mounted involving 25 selected ongoing and completed technical assistance projects. The UNDP prepared a brief description of the purpose and approach of each project with UNIDO concentrating on the implementation. The assessment was carried out in several stages, first staff members of UNDP and UNIDO jointly reviewed the outline and agreed upon the approach, definitions, etc., then individual UNIDO professionals who were backstopping the selected projects reviewed them according to the outline. Independently, UNDP officers also assessed the projects and forwarded the results to UNIDO. The individual project assessments were checked and analyzed and brief summary of each was made. The findings on the individual projects were reviewed by the concerned substantive UNIDO section and a generalized report was prepared for the project as a whole. A report was then prepared in draft for joint review by UNDP and UNIDO. The assessment is recognized as subjective and incomplete, especially since no investigation was made in the recipient countries. It is hoped, however, that the report will give a view of the principal problems encountered in the design, execution and backstopping of projects in this field and indicate certain measure that can be taken to avoid or solve the identi-field problems in the future. A further elaboration of the preliminary results and a more detailed assessment in the recipient countries is deemed as essential to improving the results of technical assistance in the subject field.

Thematic Evaluation

Also referred to as subject evaluations, these can involve evaluation studies of selected subjects which do not fit in the above categories, such as: the role of field advisors; recruitment of technicians; training; and special fund project implementation. There have not been any of these types undertaken in recent years.

Conclusion

In determining a strategy for evaluation, there are a series of choices which must be made and a balance struck regarding investments and expected benefits. Illustrative of these dichotomies, which are not absolute of course, are the following:

- on-going v. post evaluation
- macro v. micro (e.g., project v. country, sector v. sub-sector)
- efficiency v effectiveness
- effectiveness v. significance
- administrative compliance v. technical substance
- inputs v. outputs
- descriptive v. analytical
- actionable v. historical record
- present v. future [and/or past]
- internal v. external use
- dissemination v. confidentiality
- ideal v. the feasible

In reaching an overall conclusion of this issue, it will be useful to first review the categories:

Project Evaluation - It is not the purpose of this meeting to review the UNDP system. It suffices to say that the system is adequate for the type of field project which is most typical for UNIDO, i.e., a "project" which averages about \$40 to 50,000 and the short-term services of one or two specialists.

However, there is a need for the selective involvement of UNIDO staff in the formulation, design, scheduling and on-going evaluation of major projects, i.e. projects which involve a comparatively large investment, several years of inputs, an innovation or experiment, and/or high risk. If these actions are taken, it will remove most of the confusion, friction, and useless debate of whether and

how industrial assistance projects can be evaluated and make the best use of UNIDO's limited resources.

Country Evaluations - These reports have caused UNIDO the most trouble and given it the least return on its investment. To a significant extent, they implicate the UNDP system, both in terms of country programming, tripartite reviews and reporting. A more effective use of UNIDO resources would be joint participation with UNDP in analytical country and regional studies.

Sector Evaluation - The majority of the reports presented to the IDB in the past have been descriptive, lacked analytical content, and did not result in any actions either by the Board or the Secretariat. Recent changes, including joint evaluation with UNDP staff, have indicated that a real potential exists to provide specific and useful results.

The U. K. delegation to UNIDO has suggested the need for intensive and expert analysis of a particular sector or program component to relate UNIDO's activities in the chosen sector, branch or subject to the needs of developing countries and in relation to work being done in the same field by other parts of the UN system, under bilateral development program, and by private initiative. The objectives of such studies should be to answer the following questions:

in the sector under study, is UNIDO doing the right thing?

is it doing them in the right way?

is it doing work which is unnecessary, either because it duplicates work which is being done elsewhere or does not effectively contribute to industrial development?

is there work in the field that needs doing which is not being done, and which UNIDO could usefully equip itself to do?

It appears that this type of evaluation activity would have the strong support of IDB membership and would provide the basic structure for the further development of UNIDO's intellectual and analytical capabilities as well as to :

dialogue with other UN, bilateral and private organizations on the priority needs and problems relating to industrialization in developing countries.

Thematic studies - While increasing attention to program evaluation which is focused on solving projected critical development problems is in order, improving current performance both in technical and administrative content cannot and should not be ignored or de-emphasized. Rather, existing systems may be used to flag management problems which require improvement in terms of both efficiency and effectiveness. There have already been a good many subjects which have been identified and are susceptible to definition and solution by the use of management analysis and improvement techniques. Examples include: defining the role and functions of field advisors; reducing recruitment time for experts; improving the organizational structure of UNIDO headquarters; increasing the effectiveness of short-term training; and a myriad of other problems which are common to operational activities. While perhaps not evaluation in the "pure" sense, effective work on such problems adds to the creditability of a central staff unit and often gains it access to and closer working relationships with the technical experts and those responsible for day-to-day operations. In addition, this function generally requires analytical skills which are not dissimilar from those required in both project and sector evaluation.

Recommendation - UNIDO should shift its focus from general and aggregate project evaluation involving country-wide and subject-wide inventories to (a) a further reliance on, and more effective participation with, the UNDP in its programming, design and evaluation systems and (b) a new focus on sub-sector or problem-oriented evaluation studies. Specifically, (1) country evaluation studies should be eliminated; (2) UNIDO should selectively participate in the design and evaluation of important field projects according to pre-determined

criteria; (3) sub-sector or problem-oriented, in-depth evaluation studies, with maximum participation of interested parties, should receive high priority; and (4) studies involving management improvement should be initiated.

5. Is there a standard methodology which can or should be applied to the evaluation of UNIDO activities?

Discussion

This issue has been the subject of continuous debate within the IDB and PC and with the Secretariat. Dissatisfied with the content, objectivity, quality and usefulness of the reports submitted, a number of delegations have maintained pressure on the Secretariat to establish a standard methodology which would permit the measurement of the effectiveness of UNIDO projects as a basis for improving the design of new projects and developing new priorities. Concern has also been expressed with the lack of specific guidelines and the over-reliance on subjective analyses.

The Secretariat has argued that the drawing up of a standard methodology must be an evolutionary process. Over 18 countries and other organizations within the UN family were contacted in an attempt to review their methodologies in evaluating activities similar to those conducted by UNIDO. UNIDO staff have attended evaluation seminars sponsored by the U.S. agency for International Development and the OECD and participated in workshops of the Inter-agency Group on Evaluation. Members of sister organizations, bilateral development agencies, and individual experts have been invited by the Secretariat to recommend a methodology appropriate to UNIDO. The convening of this Group Meeting of Experts is but the latest in a series of steps taken by UNIDO to comply. Notwithstanding these attempts, the issue is still unresolved.

Conclusions

This issue is not understood by many of the individuals who argue for or against a standard methodology. Even more serious, the arguments advanced, either pro or con, often are specious or can mask different motives unrelated to methodology, e.g. maximize use of UNIDO resources in the field, respect the sovereignty of recipient countries, avoid or require the establishment of a central unit, diminishing or maximizing the authority of the Executive Director or the IDB, etc. If not defined, it is also easy for non-experts to debate ceaselessly because it can mean all things to all people.

Undoubtedly, the raising of this issue in frequent sessions of the IDB and PC is intended to urge and help the Secretariat improve its procedures and techniques for performing useful evaluation. In effect, the development of a standard methodology means to design an evaluation system appropriate to the needs and constraints of the principal parties.

If methodology is defined as a given set of principles, procedures, models, measurements, forms, techniques and the like, then it is obvious upon reflection that there is not now and never will be any standard methodology with universal applicability. A review of the state-of-the-art clearly shows that both within and among development agencies, it is still an evolving art. It can employ the scientific method and use quantitative methods of measurement and analysis but it is still an art (as is technical assistance itself), not a science, and is indispensibly related to the management function.

Methodology, or systems design, is a function of three critical variables, namely:

the purpose of an evaluation and the intended results

the size, importance and character of the program, project or subject being appraised

the staff, time, and resources available, including any special requirements and constraints

While some generic guides are possible and, indeed necessary, more detailed guidelines and decision criteria are required for each major category of evaluation activity to be undertaken. These guidelines should cover such points as:

purpose of evaluation

principal audience

intended results

desired participants, including role of central unit, field and/or headquarters staff, UNDP and/or other UN agencies, outside consultants/experts, host country

necessary coordination

suggested techniques, tools, methods

end-product wanted, including report content and format

forum(s) for discussion and review

dissemination of final results

follow-up actions required

While conducting such an exercise will require a considerable expenditure of in-house time, it will pay dividends in years to come by facilitating a more effective allocation of program resources and greatly increasing the impact, i.e., benefits in relation to costs, of evaluation activities on UNIDO's policies and program management. These actions will require time to develop, test and adjust. While the evolution of the process can be expected to continue indefinitely, if UNIDO is provided with sufficient talent and resources, an effective evaluation systems design (i.e., methodology) can be developed and installed within the reasonable future (two years is a good estimate) which will provide a common approach applying consistent standards appropriate to the evaluation being undertaken.

If the Secretariat and Expert Group feels it would be a good use of its time, it might be productive to take a stab at each identified category applying the above variables and guideline requirements and suggest at least the outline of a preliminary systems design, including alternative suggestions if a consensus is not possible or more than one viable approach appears evident or acceptable.

Recommendation

In consultation with the IDB and the UNDP, UNIDO should develop a systems design which provides a consistent approach and reasonable standards for each major category of evaluation activity and is appropriate to the needs and constraints of the principal parties involved.

6. Can technical assistance activities of UNIDO be evaluated?

Discussion

Expectations regarding the results of UNIDO's evaluation activities reveal a wide range of opinion on what can and should be evaluated. On the one hand, measuring the impact of UNIDO's projects on the economy of the country concerned is sought; on the other extreme, the simple measurement of the supply of inputs is deemed sufficient.

Some delegations to the IDB urge a greater differentiation between objectives and activities with more emphasis on qualitative and quantitative indicators which will permit a realistic assessment of successes and failures.

The former Executive Director, in a frank and illuminating report to the IDB entitled "Evaluating the Evaluation" conceded that evaluation of performance is a basic function of management and executive responsibility at any level. The question is, however, how to measure results against the original objectives and how to propose actions that will lead to a more effective realization of new objectives. This is particularly a problem for UNIDO field operations which in-

variably represents a limited segment of a more extended process. What is called a "project" is a specific set of actions that generally never represent a complete operation such as the establishment of a factory or the implementation of development policy for a certain region. Technical assistance projects are not like financial or construction projects where exact measurement is possible, where benefits can always be balanced against cost. Given these and a host of other reasons cited, it is concluded that evaluation must be related more precisely to the timing of the different phases identified as "final results." In many cases, the delicate diplomatic and operational relations between governments and the UN make it undesirable to express openly shortcomings on either side, particularly when dependent upon subjective judgements that in many cases are mere expressions of opinion rather than careful evaluation. However, the discussion continues, within a limited circle and in a discrete, on-the-spot approach, a lot of careful criticism and reorientation can be done and is usually gladly accepted by both parties.

Recognizing the increasing IDB interest in questions of evaluation, the use of internal or external evaluation staff is cited as one of the most important. So is methodology and what is obtained from evaluation in the form of positive and specific proposals for improvement through changes in procedures, personnel, or organization. With specific components of technical assistance, such as fellowships, performance of experts, etc., there is a possibility of making a judgement about the soundness of the choice and the success of implementation. But, the argument continues, to judge the imponderable implications of the project operation against indicators of industrial growth or of productivity may go beyond possible judgement and proper evaluation. At the present stage of evaluation in UNIDO, most procedures relate to the establishment of an identifiable and phased program of action and to the quarterly and annual follow-up on the implementation

of these programs against planned targets. At later stages, evaluation could take the form of cost measurement for increasing implementation productivity while at still another stage, a qualitative judgement on the operations and the operators could be sought through statistical and case studies so that judgements could be reached about the advisability of continuing or modifying certain approaches to program or activities. It is admitted that the country reports, drafted jointly with the recipient government, may therefore suffer from a mutual concealment of differences or adverse judgements. Yet they do present a total picture of cooperation and a reasonable expression of value by the two parties concerned. It is hoped that in successive years the technique and procedure of evaluation by country and by subject can be further developed so as to combine a greater element of critical examination and more specific proposals for correction and improved actions that are realistic and likely to be supplemented within the authority and resources of UNIDO. The report concludes by stating that evaluation will be continued and amplified but it is desirable that recipients should always be involved in the process and that the evaluation effort lead to practical proposals for improvement and not merely to the illumination of shortcomings against assumed standards.

Conclusions

The stated issue contains a number of sub-issues, some of which have already been discussed, e.g.

the purpose of evaluation and expected results

performance indicators

evaluation priorities

involvement of recipient government

concepts of technical assistance

the role of UNIDO, etc.

In the opinion of this consultant, attempts to measure the impact of any technical assistance project (vis-a-vis capital assistance) in objective terms at the macro-level is an exercise in futility (refer to UNITAR study reference on pages 4 and 5) and a poor use of UNIDO's limited resources. This opinion is reinforced by the current portfolio of UNIDO "projects" which are mostly short-term, involving a small amount of money, and are responses to country requests for operational and technical services. As previously stated, the UNDP systems and UNIDO's quarterly reviews, both of which are input and performance oriented, are sufficient.

However, as UNIDO assumes a new role of leadership and participates in the development of innovative and complex projects aimed at developing solutions to global priority development problems, reliance on the above system will not be sufficient as it is presently inadequate for projects which are, for example, over three years in duration, involve costs exceeding \$100,000, and/or meet some other combination of criteria which select a project for special attention. In these cases, attention to the project outputs and their relationship to a higher level purpose may be at least equal and probably more important than mere attention to performance efficiencies.

In such cases, there are objective means (at least more objective than the personal opinions of concerned participants or consultants) to measure results based on a specification of outputs (or objectives) and the establishment of pre-determined quantitative and qualitative indicators*. The logical framework concept is an excellent tool for such an exercise as are the guidelines developed by the Inter-Agency Evaluation Group (Refer to pages 9 to 12).

If the above actions are taken, the debate over the measurement of technical

*See Chapter VI, Measurement, Data Collection and Analysis, Evaluation Handbook, AID.

assurances can be by-passed if not eliminated. It does not, however, answer the thorny question of how you get sovereign governments to take necessary remedial actions. Bi-lateral development agencies can threaten to eliminate or reduce aid if commitments are not met. Even multilateral organizations in the business of resource transfers can persuade or even force compliance by reducing the flow of funds. An organization like UNIDO not only has none of these "weapons," but many of the recipient governments sit on its own Board of Directors, i.e., the IDB.

There are a number of ways to get around this problem. First, in the type of country project "selected" for special design and evaluation attention, appropriate host government personnel simply must be involved in all stages. Formal reports, however, may need to be limited to those which reflect the remedial or new actions taken, and not necessarily include all the data, analyses and decisions which lead up to such actions.

A second way is to include an appraisal of the industrial sector and UNIDO's assistance as part of an overall assessment of UN programs in a selected country by UNDP in the manner of the Nigerian and similar evaluations. This permits an assessment under conditions which are not likely to offend individuals, and UNIDO, other UN agencies and the country itself can disassociate itself from the findings of the evaluation team or a specific recommendation.

Finally, with more concentration on thematic evaluations (with the joint participation of UNDP) which cut across a selected group of countries, the necessity to defend a [specific] conclusion or recommendation in terms of a specific country is greatly lessened if not eliminated.

In any event and in all cases, there must be recognition that it is the process and the results it brings which are critical, not the publication of reports for outside distribution. The IDB in particular will have to curb its

desires for public reports and self-criticism by the Secretariat or recipient countries and maintain a delicate balance between a flow of information useful to them in their deliberations and setting up requirements which will reduce the quality of such a flow.

Recommendation

Recognizing the problems, limitations and difficulties in evaluating the technical assistance activities carried on by UNIDO now and in the future, emphasis should be given to: (1) the evaluation of selected field projects where the focus will be on effectiveness, utilization and significance and using design and measurement techniques adapted from the logical framework concept; (2) priority participation in joint evaluations, particularly with the UNDP, in overall country assessments and sector studies which include a cross-section or sample of developing countries; and (3) the process and actionable results, not the publication of reports per se.

7. Self-avaluation versus external and/or independent evaluations

Vary few UNIDO evaluations to date have involved the use of outside consultants or contractors and, in at least one instance, a report prepared by a consultant on a country evaluation caused UNIDO some embarrassment. Most studies have been conducted by the staff officer, geographic or functional, who had the responsibility for the area or program. This has led to criticisms regarding objectivity, bias, and/or conflict of interest and suggestion that, in the future, a judicious mixture of internal and external evaluation should be adopted.

The Inter-agency Group on Evaluation have endorsed the UNDP guidelines which provide for independent evaluation within the United Nations Development System vis-a-vis strictly "external" evaluation but added that use of outside assistance should be considered where necessary and feasible.

Conclusion

The question of whether evaluation should be done inside or outside the Secretariat is a false dichotomy. Responsibility for assessment of UNIDO activities must be given to the Executive Director, not to outside consultants, branch or geographic chiefs, or individual countries. Indeed one of the most important functions of a central evaluation unit is to assure that both a sufficient degree of objectivity and uniformity is applied to evaluation and that both the organization involved and other interested parties believe that an objective and professional analytical study, within the constraints imposed, has been performed.

There are many ways to do this without delegating one's managerial responsibilities to an outside group, organization or individual whose own objectivity may be suspect. It must also be recognized that evaluation which requires follow-up actions and does not involve the managers and operators who will be responsible to take such actions, is rarely useful. To the extent that evaluation exercises can be carried out jointly and in cooperation with other UN agencies and experts donated by bilateral development agencies or independent organizations, however, this problem of objectivity will be minimized. In any case, an evaluation unit must be adequately staffed by professionally competent people with enough stature, flexibility and independence to assure that the Executive Director receives a frank and hard-hitting appraisal including actionable and, if appropriate, alternative recommendations.

Because of UNIDO's small staff and the fact that much of the industrial expertise is located in the private sector, it may be necessary for UNIDO to make a greater use of private consultants than some other parts of the UN family. This will be especially true if sub-sector evaluation studies concentrate on new

problems, e.g. the effect of energy constraints, and the adaptation of new technologies to the needs and resources of developing countries.

In any case, the selection of in-house personnel and the mix of outside personnel, if any, is a critical step in any evaluation. I can foresee no circumstances in which any evaluation should be external only. On the other hand, evaluation which involves only the operators of the program or projects being evaluated is likely to result in little more than a subjective plea for continuation.

Consultants, as we all know, have their advantages and disadvantages and it may be useful to review some of them at this point:

experts, particularly those in a narrow or specialized field, may have their own strong bias; however, disinterested consultants have the advantage of objectivity and a fresh viewpoint

consultants can augment limited resources needed in a specific evaluation, of particular importance to a small agency such as UNIDO; however, the experience gained by the consultant is lost to the agency when he leaves

consultants can provide a specialized knowledge, use of different techniques, and add a cross-disciplinary dimension that cannot be readily matched within the organization; they may also use up valuable time of busy people in getting oriented and familiar with the problem

Some of the disadvantages in using outside consultants can be ameliorated if they come from other multilateral, bilateral or private development organization and are experienced in the general art of development and/or a particular aspect of it. This is one good reason for UNIDO to seek out opportunities for joint evaluations with UNDP and other UN agencies as well as bilateral development agencies. Another reason is that they often come free of charge. The question, however, is not whether to use consultants but how, when and who.

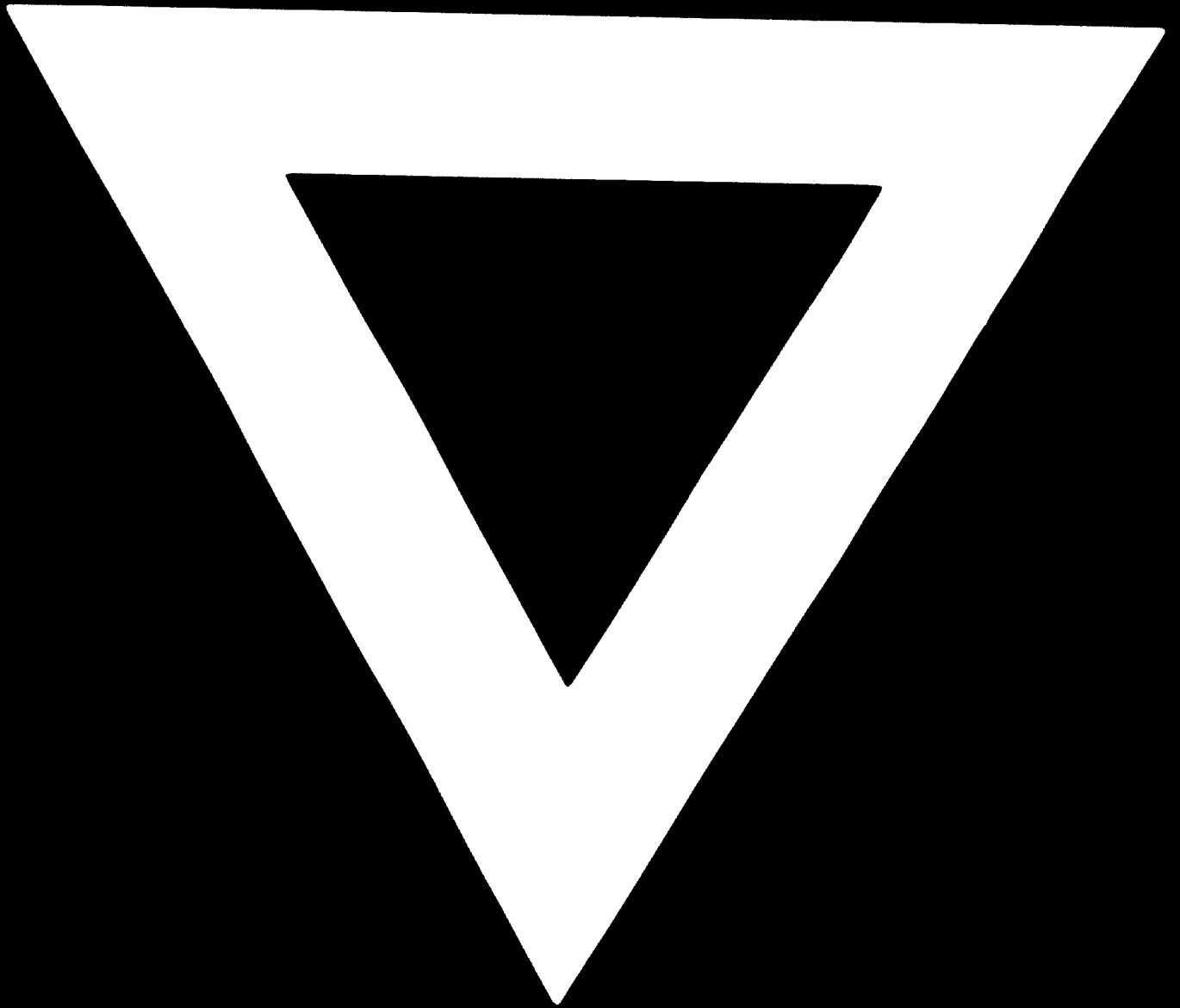
Finally, the best assurance that there is a proper balance in evaluation i.e. the right mixture of: inside and outside participants; line and staff,

headquarters and field - is a central evaluation unit tied into the policy review and resource allocation functions. Such a staff will need sufficient stature to be taken seriously by the operators and, at the same time, given an independence from the objects of evaluation (through organizational location) with access to outside assistance and expertise.

Recommendation

The primary responsibility for the evaluation of UNIDO's activities must remain with the Executive Director. In order to achieve objectivity and credibility, however, UNIDO should: (1) encourage joint evaluations; (2) make a judicious use of outside consultants as part of a team approach to evaluation; and (3) strengthen the central evaluation unit to manage, participate in, and assure the right mixture of inside and outside expertise on evaluation exercises - including subsequent review of results by its own senior management.





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