

EXECUTIVE DIRECTIVE

To: Members of the Senior Management Board

Reference:

From: Dr. Joan Clos
Under-Secretary-General and
Executive Director

Date: 5 January 2016

Subject: **Funding for Project and Programme Evaluations**

I refer to the enclosed Revised UN-Habitat Evaluation Framework that was approved by the UN-Habitat Management Board on 9th September 2015. The revised framework updates the UN-Habitat evaluation requirements for implementation of the 2013 UN-Habitat Evaluation Policy. It establishes a system for assessing projects at risk, conducting decentralized evaluations, storing and sharing of evaluation reports and charging of evaluation costs to UN-Habitat projects.

In order to improve our evaluation coverage and strengthen the evaluation function, all projects and programmes of value over US\$300,000 must have budget provision for evaluation, as specified in paragraph 18 of the Revised Evaluation Framework. An evaluation budget line will be reserved for allocation of these funds and no new project should be approved by the Programme Advisory Group (PAG) and Regional PAGs (R-PAGs) without evaluation costs specified in the project's budget.

I must emphasize that all projects of over US\$1 million shall be subject to evaluation by external consultants. The Evaluation Unit will monitor the practice of evaluation of projects and report to the UN-Habitat Management Board on a regular basis. In cases, where specific circumstances do not allow for evaluation of the project, the Branch Coordinator or the Regional Director will explain to the Chief of the Evaluation Unit the circumstances and justify why the evaluation cannot be undertaken.

With implementation of these measures, I expect a strong evaluation function and effective coordination and monitoring of evaluation activities by the Evaluation Unit. I request Branches and Regional Offices to be forthcoming with information that will help ensure implementation of the evaluation framework. This will help us to develop more efficient and focused projects and programmes by learning from best practices, improve our accountability and overall programme performance, and assess impact of our interventions.

Encl: "Revised UN-Habitat's Evaluation Framework", September 2015

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Revised UN-Habitat Evaluation Framework

September 2015

I. Introduction

1. The evaluation function in UN-Habitat is outlined in the UN-Habitat Evaluation Policy (of January 2013). In the policy is outlined the institutional framework, roles and responsibilities for evaluation in UN-Habitat based on UN system-wide evaluation norms and standards. The Evaluation Unit is the custodian of the evaluation function and in this capacity, and after consultation with senior managers in UN-Habitat and evaluation peers in other agencies, presented a revision of UN-Habitat's Evaluation Framework for the UN-Habitat Management Board for its approval on 9th September 2015. The present framework paper incorporates comments received from members of the Board and is provision for the Board's approval.
2. This approved revision of the UN-Habitat Evaluation Framework updates the requirements for the implementation of the UN-Habitat Evaluation Policy and effectively strengthens the implementation the evaluation policy within the current organizational context. UN-Habitat's evaluation coverage, especially at project level, needs to be improved to raise accountability and performance levels, to comply with UN-Habitat strategy and policies, to respond to donor and UN system recommendations, and to prove and improve UN-Habitat's reputation for 'doing-good' urbanization. A review of the UN-Habitat project portfolio in May 2015 based on PAAS found that only 41 % (18) of 44 projects over US\$1 million closing in 2015 had planned for evaluation. The framework is intended to address low evaluation coverage, lack of systematic and risk based selection of projects for evaluation, reliance on donor-led evaluations, poor awareness and use of evaluations conducted by donors and others, failure to allocate funds for evaluation during project design and implementation, and inadequate regular funds to secure the core activities of the evaluation function.
3. UN-Habitat is a global actor in the field of sustainable urban development. It depicts global conditions and trends on urbanization, promotes global norms, supports governments in the formulation and implementation of policies and strategies for sustainable urbanization, assists in developing innovative models and interventions in urban development, helps mobilize national resources and external support for improving human settlements conditions. As a learning and knowledge-based organization, UN-Habitat needs to better use knowledge generated and stored in the organization to increase its ability to respond better to demands, meet objectives and facilitate progress towards the achievement of organizational goals. UN-Habitat intranet is not routinely updated and key information such as evaluation reports by donors and other entities are not centrally available. Learning from evaluation processes, best practices and other internal knowledge sources is also low. The framework will increase the

generation of knowledge on results and lessons learned from UN-Habitat's interventions and the sharing of such information.

4. Impact evaluations attempt to determine changes that are attributable to the intervention and can contribute to better understand and address barriers to sustainable urbanization. Methodological issues are considerable conducting impact evaluations of urban development projects; however, it is mainly lack of resources that prevents UN-Habitat from conducting impact evaluations. This framework will increase the ability to identify innovative interventions through its shared knowledge base and increased evaluation coverage thereby helping to plan for less costly small-scale impact evaluations of innovative methods used by UN-Habitat to test the effectiveness of those innovations in the field.
5. The key components of the evaluation framework are:
 - Evaluation goal and performance targets for UN-Habitat at corporate level
 - A decentralized evaluation system for evaluation of projects based on size and type of intervention and risk-based assessment
 - A system for storing and sharing all evaluation reports of UN-Habitat interventions
 - Indirect and direct evaluation costs charged to all UN-Habitat projects

II. Framework goal, assumptions and risks

6. The goal of the framework is to increase UN-Habitat's evaluation coverage to 60 % of all UN-Habitat projects (and over 95% of its portfolio value) while ensuring high quality and credibility of evaluations conducted.

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7. The achievement of the framework's goal is based on some key assumptions and risks.
8. Key assumptions:
 - *Evaluation coverage* is understood by: 1) % of projects evaluated, 2) % of project portfolio value evaluated, and 3) number of country programme evaluations. In addition, evaluation coverage will be measured by number of Branches and Regional Offices that have conducted at least one evaluation in a 2 year period of the Programme of Work.
 - Primary focus of evaluations is projects of value USD1million and above. Value added to evaluation of all small projects (below USD500,000) due to low budget evaluation and variable quality of such evaluations, is assumed to be low and not efficient.

- 'High risk' projects are identified through the development of project risk analysis and realistic risk frameworks during project design and approval.
- Inadequate human resources capacity is assumed to be *status quo*. There is lacking adequate regular/foundation budget funded staff, especially evaluation officers to undertake core evaluation functions in the Evaluation Unit. The evaluation focal points' role assumed by Branch and Regional office staff is intended to increase the capacity.
- Effective quality assurance system for decentralized evaluation functions is based on enforcement and penalties on unit/offices that do not comply with evaluation standards/requirements for implementation of the evaluation policy and requirements. The quality assurance system will be supported by updated RBM Handbook, an evaluation manual and additional guidelines, including training of evaluation focal points in each Branch and Regional Office.

9. Key risks:

- Branches and Regional Offices try to influence evaluation processes. As a result they do not deliver credible decentralized evaluations that contribute towards accountability and learning. In UNDP, over 40% of decentralized evaluation consultants report some form of unacceptable measures by UNDP Managers affecting the independence of their evaluations (Baastel 2014: Review of the UNDP Evaluation Policy).
- With more than 38 project evaluations expected per year, the current evaluation resources of the Evaluation Unit i.e., two professional staff is not sufficient to provide technical support to decentralized evaluations (such as review of draft reports is only expected for projects selected by the Evaluation Unit but all decentralized evaluation reports will be rated on quality) and levy/ cost-recovery for technical support is not forthcoming from Branches and Regional Offices. Each Evaluation Professional in the Evaluation Unit can support or manage 8-10 evaluations, including corporate evaluations, in a year.

III. Project Portfolio Development and Evaluation Trends in 2015 and after 2015

10. The UN-Habitat project portfolio is expected to develop with same pace over the next 2-4 year period with about 100 projects closing every year (Tables 1 and 2). It is expected that there will be a slight trend towards an increase in high value projects and a decrease in low value projects.

Table 1: Project portfolio in number of projects

| Project value in IMIS/USD | Number of projects closing in 2015 | Number of projects closing after 2015 |
|---------------------------|------------------------------------|---------------------------------------|
| 0-500,000 | 51 (45%) | 33 (34%) |
| 500,001- | 18 (16%) | 10 (10%) |

| | | |
|---------------------|------------|-----------|
| 1,000,000 | | |
| 1,000,000-3,000,000 | 26 (23%) | 29 (30%) |
| Above 3,000,000 | 18 (16%) | 26 (26%) |
| Total | 113 (100%) | 98 (100%) |

Table 2: Project portfolio in value of projects

| Project value in IMIS/USD | Value of projects closing in 2015/ million USD | Value of projects closing after 2015/ million USD |
|---------------------------|--|---|
| 0-500,000 | 13,3 (4%) | 6,9 (2%) |
| 500,001-1,000,000 | 12,6 (4%) | 8,0 (2%) |
| 1,000,000-3,000,000 | 47,3 (16%) | 51,0 (14%) |
| Above 3,000,000 | 231,7 (76%) | 302,5 (82%) |
| Total | 304,3 (100%) | 368,5 (100%) |

IV. Evaluation Performance Targets

11. In the framework, four evaluation performance targets are established with a view to achieve the goal of increasing UN-Habitat's evaluation coverage to 60% of all UN-Habitat projects (and over 95% of its portfolio value) while ensuring high quality and credibility of evaluations conducted.
12. **Target 1: 100% of projects of value USD1 million and above is evaluated.** This is an estimated 30-40 project evaluations per year and it includes programme evaluations. The vast majority of these project evaluations are conducted as decentralized evaluations by an external consultant and managed by the Director of the Regional Office or the Branch Coordinator with technical support of the Evaluation Unit. Evaluation of global initiatives categorized as 'high risk' or of 'high strategic, thematic or demonstration importance' will be managed by the Evaluation Unit. All evaluations will follow specified format for evaluation and rate performance of the intervention (highly satisfactory, satisfactory, partially satisfactory, unsatisfactory, and highly unsatisfactory). The quality of each evaluation report is rated by the Evaluation Unit (Unsatisfactory, satisfactory, good, and very good). In addition, the Evaluation Unit selects 10 evaluations (30% of projects evaluated) for inspection and field visit during the evaluation.
13. **Target 2: 10% of projects of value USD 0-1,000,000 bracket is evaluated.** This target translates to evaluation of about 6 projects (regional/ country level) and at least 1 project implemented by Branches at Headquarters per year. Most evaluations of these projects will be covered in country programme evaluations (see target 3).
14. **Target 3: At least one country programme evaluation for each 2 year PoW in each of the four regions.** These evaluations are managed by the Regional Office. Country programmes most in

need of evaluation are identified using a risk-based approach. The country programme evaluation should evaluate projects clustered equal to one third or exceeding one third of the overall country office portfolio. The country programme should not cover more than five projects and at least one project should below USD1million.

15. **Target 4: Two corporate evaluations are conducted per year.** The corporate evaluations are managed by the Evaluation Unit and conducted by its staff or with support from external consultants. Corporate evaluations include thematic/special subject, a priority area, mid-term and final evaluation of the Strategic Plan. For example, pending approval by the Board of the UN-Habitat Evaluation Plan 2016-2017, in 2016 this could be evaluations of Emergency Responses and Gender Equity and Mainstreaming in UN-Habitat's work (cross-cutting issue), in 2017 mid-term / formative evaluation of the Strategic Plan (requirement).

V. Proposed Plan of Action and Requirements

16. The implementation of the revised evaluation framework is expected to commence immediately with the approval of the framework as of 9th September 2015 (Table 3).

Table 3: Immediate action in 2015

| | Action | Responsible Unit(s) | Time Schedule |
|----|---|---|---|
| 1. | Appointment of evaluation focal points in each Branch and Regional Office, including Divisions | Evaluation Unit | July 2015 (Completed) |
| 2. | All projects over value USD 3 million closing in 2015 will be identified with the purpose of ensuring that these projects are evaluated in 2015. Currently, only 6 of 18 projects over value USD3 million closing in 2015 have scheduled an evaluation. | Evaluation Unit; Programme Division; Relevant project managers | End of September 2015 (Pending) |
| 3. | All new projects over value USD 1 million are not approved (and coded in PAAS/ Umoja) unless the project has evaluation budget line and adequate resources allocated for end-of-project evaluation. | All Senior Managers; Programme Division (PAG); Division of Operations and Management | From point of approval of action plan, 9 September 2015 |
| 4. | Review of all projects with value over USD 1 million | Evaluation Unit | 30 December 2015 |

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_19448

