

Development Effectiveness



REVIEW OF EVALUATIVE EVIDENCE

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Acronyms

ADB	Asian Development Bank
APR	Annual Project/Programme Report
BDP	Bureau for Development Planning
BMZ	German Ministry for Economic Cooperation and Development
CEDAB	Central Evaluation Database
CGAP	Consultative Group to Assist the Poorest
CLIA	Country Level Impact Assessment
DFID	Department for International Development (United Kingdom)
ED	Entrepreneurship Development
ECD	Evaluation Capacity Development
EO	Evaluation Office
ERP	Evaluative Research Programme
EVALNET	Evaluation Network
MDGD	Management Development and Governance Division
MYFF	Multi-Year Funding Framework
NEX	National Execution
NHDR	National Human Development Report
OECD/DAC	Organization for Economic Cooperation and Development/ Development Assistance Committee
PEIS	Project Evaluation Information Sheet
RBM	Results-based Management
ROAR	Results-oriented Annual Report
Sida	Swedish International Development Agency
SME	Small and Medium Enterprise
SRF	Strategic Results Framework
SURF	Sub-regional Resource Facility
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
WB	World Bank

Introduction

The ability to promote concrete improvements in people's lives lies at the heart of what is termed development effectiveness. In recent years, while there is impressive convergence on international development goals, there is equally growing interest in seeing aid agencies demonstrate more effectively the purpose and value of their interventions. How effective are development projects and programmes in changing people's lives? How do aid agencies, in coordination with their national partners, maximise the benefits from taxpayer resources? More generally, donors, stakeholders and taxpayers have a collective interest in understanding better the use of aid resources and the differences these resources are making in the lives of people. In other words, what works, and for whom?

This report represents an attempt to respond to some of these questions for UNDP. Drawing upon evaluative evidence, it seeks to respond to the evaluator's perennial "so what?" question: "The organization may have made impressive progress but what does that progress amount to in terms of improving development conditions?"

The report assesses current challenges and obstacles facing UNDP and other development institutions in achieving development effectiveness. It seeks to highlight the various components of development effectiveness and to define the role and particular contribution made by UNDP. While the current information base does not yet permit a comprehensive analysis of all dimensions of development effectiveness, it provides a useful complement to existing mechanisms for assessing the organization's performance. In taking a medium- to long-term perspective and presenting an in-depth, evaluation-based examination of the ele-

ments that determine development effectiveness, this report complements the analyses provided in the UNDP Results-oriented Annual Report (ROAR).

A wide-ranging process of reform is underway that seeks to enhance UNDP development effectiveness. At the core of this reform process has been the introduction of results-based management (RBM). By setting out clear and measurable goals, RBM marks a clear departure from the traditional preoccupation with inputs and places new emphasis on tangible development results.

The adoption of RBM also highlights the essential role of monitoring and evaluation. The challenge to demonstrate value for money requires the ability to accurately monitor, assess and evaluate the outcomes of development programmes and projects. In this context, by promoting accountability and transparency, evaluation is increasingly recognised as a central component of good governance and an integral part of responsible civil action. As emphasised during the UNDP-sponsored Beijing Conference, "evaluation has become more important, not less," in enhancing development effectiveness.

Chapter 1 assesses how results-based management is contributing to improving UNDP development effectiveness. It presents the overall RBM framework, the current mechanisms upon which it relies, and its symbiotic relationship with the evaluation and monitoring process. A quantitative analysis of UNDP performance, including trends over time, provides a preliminary picture of the organization's contribution to development effectiveness. The picture it reveals includes encouraging indications of increased effectiveness over the past decade.

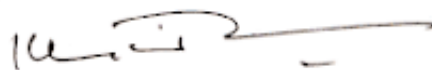
Equally important, however, are the deeper questions raised by this quantitative analysis and by the conclusions of the Results-Oriented Annual Report (ROAR) concerning the underlying factors determining development effectiveness.

Based on evaluative findings, Chapter 2 explores these questions in greater depth. It analyses the various challenges associated with each issue, from the topic of organizational strategy to the problems of capacity building. Preliminary emerging lessons and best practices are examined alongside the UNDP role and contribution. Emphasis is placed on the concrete measures that need to be taken in order to strengthen development effectiveness.

Chapter 3 examines current responses to these challenges, highlighting a number of mechanisms aimed at unlocking development effectiveness. Recognising that these reforms constitute the first steps only, this section seeks to provide the groundwork for future endeavours, both from an institutional and strategic view. The need for tighter and more systematic linkages between evaluative findings and decision-making is brought into focus. In particular, the report identifies shortcomings in following up on evaluation recommendations at both country and corporate levels. The importance of strategic partnerships for results is recognised, as well as the need for consolidation and sharing of knowledge. Finally, the chapter assesses the role played by evaluation capacity development in underpinning the development effectiveness of national partners.

Limitations in the data available demand a corresponding modesty in their presentation. While evaluation findings provide valuable perspectives on UNDP development effectiveness, they do not tell the whole story, due to the uneven depth and coverage of evaluations, their

project orientation and the detailing of past rather than current achievements. Understanding and assessing the full impact of development interventions requires a commitment to go beyond individual findings, challenge old assumptions and uncover new linkages among an ever-increasing number of variables. As such, it is a work in process, in which consultation, partnership and the sharing of new ideas and lessons play a vital role. Ultimately, this report presents the contribution of UNDP to this learning process.



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I. Assessing Development Effectiveness: Managing for Results

In recent years UNDP has underpinned its commitment to development effectiveness with intensive efforts to increase accountability and strengthen the assessment of its interventions. This focus has required a major shift in mindset and a strategic reorientation – changes that lie at the heart of ongoing reforms – to introduce results-based management.

This chapter identifies the challenges that gave rise to results-based reforms and analyses the potential benefits in terms of greater strategic focus and effectiveness. It presents the various mechanisms upon which RBM relies, including the pivotal role of monitoring and evaluation in promoting development effectiveness.

Results-based Management Reforms

The notions of results and "managing for results" are not concepts new to UNDP. The organization has been working to get things done and produce results for many years, but by focusing heavily on managing inputs and activities and devoting less attention to the consequences of its actions. The corollary of this has been that UNDP has not always been able to effectively demonstrate its results to the full satisfaction of donors and stakeholders. The changes summarised here show the move in emphasis from inputs to outputs and outcomes, with the latter achieved through an outwardly-oriented, partnership approach (see Box 1).

Overall, UNDP has taken significant steps to put into place a system that sets out clear substantive goals for the organization and includes indicators to monitor and assess progress in meeting them. Through the introduction of

results-based management, it is trying to answer more fully the basic questions surrounding aid institutions and their effectiveness. With regard to both domestic and international agencies, the concerns of taxpayers are straightforward: they want to know to what use their resources are being put, and what differences these resources are making to the lives of people. These are difficult but necessary questions that require appropriate responses from the aid community.

Box 1: RBM: A SHIFT IN MINDSET

FROM		TO
Entitlements	→	Results
Control	→	Delegation
Inputs	→	Outputs/Outcomes
<i>Ex ante</i>	→	<i>Ex post</i>
Bureaucratic	→	Speed
Risk averse	→	Opportunity driven
Introvert	→	Partnerships

UNDP has seen the RBM exercise as an opportunity to deepen an internal process of management reform begun in 1997 with the UNDP 2001 change initiative. It recognised that these changes were necessary because of a shift in the external environment and the new and increased demands being placed on the UN, particularly UNDP. In the new environment, UNDP becomes less an institution transferring resources and more a focused development agency. This focus prompts the organization to act proactively rather than reactively, and it lays stress on the results attained rather than the volume of assistance provided.

The challenge for UNDP has been to fashion an approach to RBM that stresses results and greater focus, without sacrificing the organization's commitment to decentralisation and responsiveness to country needs and priorities.

Results-based Management and Development Effectiveness

A key contribution of the RBM exercise, recognised from the start, is the enhanced ability it affords UNDP to identify what it does best and determine precisely where it can best add value within the broad areas of poverty, governance, the environment and gender. A fifth programme category covers special development situations, encompassing support provided by UNDP in response to disaster- and crisis-related events. In addition, a sixth (non-programme) category of assistance, support to the United Nations, is provided by UNDP in its role as the custodian of the UN Resident Coordinator function. By setting clear measurable goals, the results-based approach seeks to pinpoint the areas in which UNDP is successful in each category, as well as the areas where improvements are needed. This is achieved through the mechanism of Strategic Results Frameworks (SRFs).

The SRF is designed to be the primary planning tool for country, regional and global programmes and to serve as a management tool for both headquarters and the country offices (see Box 2). The individual SRFs are brought together to form the multi-year funding framework (MYFF). The MYFF is also the basis for a funding compact with the Executive Board, whereby UNDP has committed itself to establishing a four-year framework based on the key results identified and targeted by the organization.

The MYFF represents a major change for UNDP since, for the first time, a comprehensive framework clearly states the organization's planned results and provides an integrated resource plan that incorporates and presents in a transparent manner all financial allocations covering programmes, programme support and administrative operations. It is based on the premise that public institutions can no longer lay a claim on public resources on the basis of mandates alone. Rather, they have to outline specific programmes and services and fundamentally demonstrate impact.

Based on the intended results outlined in the MYFF, the Results-Oriented Annual Report (ROAR) is the principal instrument providing a systematic analysis of the actual results achieved by UNDP, and showing how these results relate

Box 2: STRATEGIC RESULTS FRAMEWORKS

To bring added definition to the intended results of UNDP's diverse activities and to concentrate UNDP's efforts around the organization's mandate and comparative advantage, Strategic Results Frameworks (SRFs) define for each area of focus:

- (a) a clear goal, normally building on global conferences supported by the UN and inter-agency agreements (such as those of the UN Administrative Committee on Coordination);
- (b) sub-goals (typically two or three) emphasising UNDP's distinctive contributions; and, for each sub-goal,
- (c) several strategic areas of support reflecting UNDP's areas of comparative advantage and programmatic emphasis.

Country offices and other operating units, working within this framework, identify the particular outputs and outcomes they expect to achieve, set specific targets, and subsequently report on accomplishments in relation to these intended results.

to the six goals of the organization. The ROAR presents a comprehensive picture of where UNDP has focused its efforts and analyses the progress made against the intended outcomes set out in the MYFF. As such, it provides both a critical opportunity to test and streamline the application of results-based management in UNDP and an empirical basis for assessing UNDP development effectiveness, thus permitting a closer alignment of current and future work of UNDP with the vision of the Administrator, set out in his Business Plans for 2000-2003.

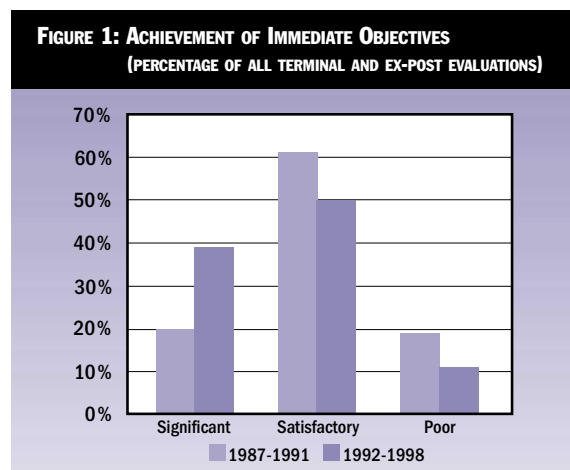
As a consequence of the energies devoted to the development of strategic results frameworks and the ROAR, the emphasis on development effectiveness has been strengthened within UNDP. At its core lies a focus on outcomes, which is still new to the organization and needs to be strengthened so that it becomes a normal part of its understanding and work. At the country level, this will require commitment to strong monitoring and evaluation of key outcomes, for which there is a demand for UNDP to contribute, in partnership with others. At the corporate level, UNDP is currently taking steps to simplify the SRF and render it more strategic. Success in both areas is central to the improvement of development effectiveness.

Evaluating Development Effectiveness¹

Successful implementation of RBM is heavily dependent on feedback and evaluation. Without a system in place to provide feedback on results, benchmarks cannot be produced and learning cannot take place. In this context, evaluation reports provide an important source of evidence through which UNDP substantive performance can be assessed.

The currently available evaluative data is largely project-oriented. It is important to recognise that, while this project-level assessment of effectiveness provides valuable evidence on performance, it provides only a partial picture of the UNDP overall contribution to developmental change at the country level. This gap is addressed by focusing on outcomes and results that go beyond individual projects – on UNDP's "soft interventions," which are discussed in the following chapter. Keeping these caveats in mind, one finds nonetheless that these tools yield interesting insights into the components of UNDP performance that help it to meet its objectives.

Evaluative data indicate that UNDP has shown significant improvement since 1992 in major areas denoting performance and success. Satisfactory or better achievement of project outputs has risen from 82 to 89 per cent and satisfactory or better achievement of immediate objectives has increased from 81 to 89 per cent (see Figure 1).



¹ This section draws upon evidence of development effectiveness contained in CEDAB, see Annex I.

The type of analysis presented above also allows for some comparison of effectiveness across development agencies. This comparison can be problematic given the fundamental differences in agencies in terms of their portfolios and their methodologies for evaluations or ratings systems. While keeping these qualifications in mind, some basic comparisons can be made, particularly by emphasising trends in performance rather than absolute percentage levels cited by agencies.

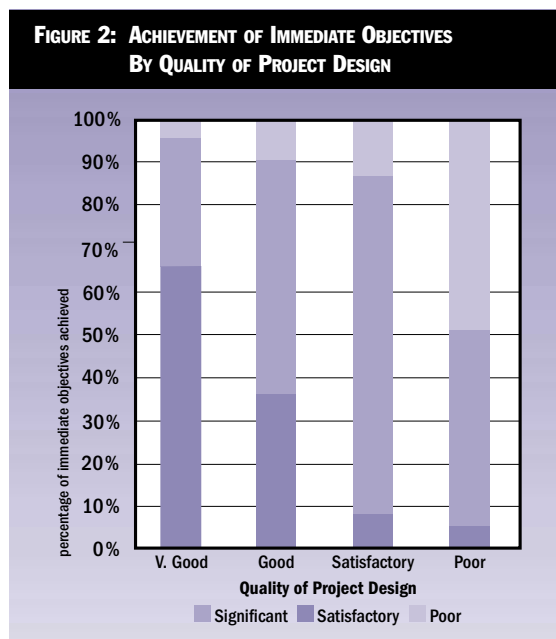
Comparisons were possible with both the Department for International Development (DFID) of the United Kingdom and the World Bank. DFID also shows an upward trend from 66 per cent (1979-1988) to 73 per cent (1989-1992) to 75 per cent (1993-1997) of projects rated as satisfactorily or better in terms of achieving their immediate objectives. The World Bank measures reveal an upward trend for satisfactory or better achievement with respect to outcomes, with 72 per cent in 1990-1993, 77 per cent in 1994-1997 and 81 per cent in 1998-1999. The World Bank's methodology, however, differs in a few significant ways in that it groups projects by exit year instead of approval year (as UNDP and DFID do) and focuses on outcomes as opposed to immediate objectives.

These comparisons allow us to see UNDP in the context of a broader community. While they are not perfect, they do reveal that UNDP, like DFID and the World Bank, appears to be demonstrating an upward trend in performance. To determine what the trends are able to say about the overall development effectiveness of any of the organizations we must see them in the wider context of the picture emerging from the monitoring and evaluation systems and the information generated by RBM. A range of factors influencing UNDP development effectiveness is discussed below.

Project Design

Evaluators rate the quality of project design as a way of judging whether UNDP plans and envisions its projects well both in terms of the country context and the ability of the organization to deliver on its plans. In this area UNDP seems to be performing well and improving, with 85 per cent of all projects approved during 1992-1998 having satisfactory or higher ratings for project design, up from 77 per cent for interventions designed earlier.

Furthermore, there is a strong positive correlation between high-quality project design and the achievement of immediate objectives, as is clearly shown in Figure 2, below. This indicates that 67 per cent of projects which had a very good quality of project design significantly achieved their immediate objectives, whereas under 5 per cent of projects with poor project design significantly achieved their objectives.



Other Measures of Good Performance

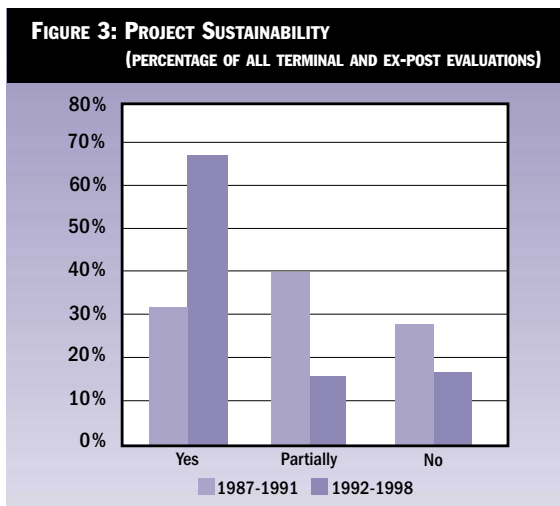
There has been a sharp increase in **efficiency**, defined as "the optimal transformation of inputs into outputs,"² with 56 per cent of all projects rated as efficient after 1992 compared with only 40 per cent before 1992. The portfolio shows a marked improvement in the **cost-effectiveness** of projects since 1992, with 60 per cent of the projects being rated as cost-effective, compared to 40 per cent before 1992. However, one-third of UNDP-supported projects is still rated as partially effective or not effective and, while this percentage is lower than in 1991, it remains high.

The share of evaluated projects effecting significant **institution-building** increased from 22 per cent in 1992 to 45 per cent in 1998, thereby signalling the success with which UNDP has worked with its partners to promote the strengthening of institutions. Significant improvement can also be seen in the **sustainability** of projects. From 32 per cent before 1992, the share of projects achieving sustainability has increased to 68 per cent since that

year. The UNDP Handbook for Programme Managers defines sustainability as "the durability of positive programme or project results after the termination of the technical cooperation channelled through that programme or project". This clearly must be seen as constituting a key component of development effectiveness.

Impact on Gender and Environment

Project impact with respect to promoting environmental sustainability and gender equality remains a great concern. The ambition of UNDP to mainstream environment and gender in all its interventions suggests that positive impacts would be expected from the majority of projects. Evaluators, therefore, have been asked to reflect upon impact in these two areas. While 46 per cent, up from 34 per cent, of projects were rated as having a positive impact on the environment since 1992, only 37 per cent, down from 46 per cent, were seen to have a positive impact on gender since that year. This last drop is quite significant and is further complicated by a large percentage of projects – 53 per cent for environment and 60 per cent for gender – rated as having no impact at all. These findings are particularly striking given the general improvement of UNDP project performance. They raise important questions about the effectiveness of mainstreaming in UNDP and the ability of projects to impact issues they do not specifically target. It is also important to consider the extent to which these disappointing results may also stem from inadequacies in the existing mechanisms for assessing environment- and gender-related changes. This is a subject of close scrutiny in the current refinement of the strategic results framework.



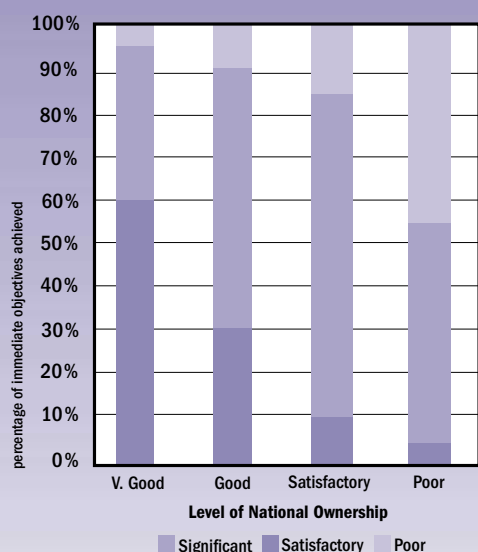
² UNDP, *A Handbook for Programme Managers: Results-oriented Monitoring and Evaluation*, OESP, 1997. p. 26.

Assessing the Impact of National Ownership

Ownership of the programmes and projects by national governments is increasingly recognised as paramount to the success of an intervention. Evaluation findings show a strong correlation between the level of local ownership and the performance of a project. Increased local support for projects, due to higher buy-in and ownership of the project by the national government, is one attribute that contributes to the improvement of a project's performance (in terms of achievement of immediate objectives).

Given the correlation between the different levels of national ownership and the different levels of achievement of immediate objectives (Figure 4), greater national ownership of projects can be seen to have a highly significant impact on the success of interventions supported by UNDP. Figure 4 shows that 60 per cent of projects with very good levels of national ownership significantly achieved their immediate objectives, compared to under 5 per cent of projects with poor levels of national ownership.

FIGURE 4: ACHIEVEMENT OF IMMEDIATE OBJECTIVES BY LEVEL OF NATIONAL OWNERSHIP (ALL PROJECTS)



Beyond the Numbers: Understanding Development Effectiveness

In recent years, a number of significant organizational changes have been instituted or launched. Among these are the programme approach, national execution, results-based management and the reorientation of UNDP to make it more of a learning organization. The overall improvement in project performance reflects some of these changes. Their full effect, however, can only be understood in a broader perspective by uncovering the contributions of these changes to the many challenges experienced at the programme and project levels.

The comprehensive framework provided by the shift to RBM and the quantitative analysis presented above have highlighted a number of overarching themes that play a vital role in determining development effectiveness. At the institutional level, important factors include strategic focus, comparative advantage and partnership. At the operational level, ownership, capacity building and sustainability are key concerns. These themes are assessed in greater depth in the following chapter, drawing on qualitative evidence from evaluations.

II. Uncovering UNDP Development Effectiveness: Evaluative Findings

Evaluating projects, programmes and the role of UNDP in promoting development effectiveness requires a two-pronged approach. At the institutional level, the goal is to determine the impact of the development strategy of UNDP, which has increasingly emphasised a shift towards upstream interventions. Evaluative evidence shows that as a corollary to this strategic focus there is a growing recognition that development effectiveness hinges on the organization's ability to identify its comparative advantages, build on them and engage in partnerships with others to offer coherent and efficient strategies. At the operational level, delivering on ownership, capacity building and sustainability requires a thorough understanding of the role of UNDP, its performance and the challenges it faces. Sustainability has traditionally been understood from a project perspective, and will require re-examination in the context of the increasing focus on promoting changes at the policy level.

The findings examined below are based on evaluative evidence drawn for the most part from the ROAR, the UNDP *Essentials* publication and the strategic and thematic evaluations conducted by the UNDP Evaluation Office.

Strategic Focus and Comparative Advantage

The ROAR confirms that UNDP is working increasingly at the policy or upstream level and is generally performing well at that level. Nonetheless, a substantial share of UNDP results occurs at the downstream level, involving many small-scale interventions. For example,

downstream activities outweigh upstream support in the area of poverty eradication by two to one. While the downstream interventions have value, the ROAR analysis points to the need for stronger links between UNDP's policy work and its direct interventions. Most micro interventions are focused at the community level, especially in Africa, although in a few countries experience gained at the downstream level is being fed into the design of policy and institutional frameworks – by broadening the access of the poor to micro-finance, for example.

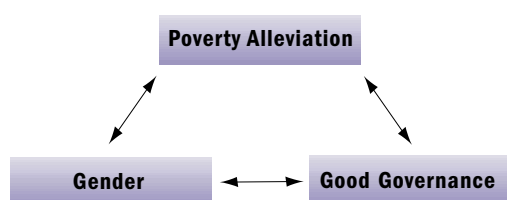
The findings from the ROAR are supported by substantive evidence drawn from strategic and thematic evaluations. In the area of decentralisation, an evaluation conducted by the Evaluation Office in collaboration with the German Federal Ministry for Economic Cooperation and Development (BMZ) supports UNDP putting greater emphasis on upstream policy advice. The report highlights many areas of strategic importance, stressing the need for strategic management approaches, developing multi-dimensional capacities, emphasising the principle of subsidiarity and promoting greater monitoring, risk-taking and risk management. At the same time, it agrees that UNDP should continue to support, in a selective fashion, field-level operational projects so as to provide an empirical basis for advocating innovative measures.

With respect to policy work supported by UNDP, not all outcomes have the same development value. Outcomes dealing with advocacy and awareness building can be seen as initial outcomes, while those relating to the actual for-

mulation and implementation of policies are more directly linked to actual development change.

UNDP appears to do well across all regions in advocacy and in promoting awareness of sustainable human development issues and policies, with national human development reports (NHDRs) as a key instrument. In terms of the formulation and implementation of policies, there is greater differentiation across the regions. In Africa, for instance, UNDP is concentrating on pro-poor policy formulation, while in Europe and the Commonwealth of Independent States it is focused mainly on promoting awareness of sustainable human development.

However, in devising strategic policy interventions, findings from the ROAR stress the need to identify potential linkages across sectors and themes. One area of concern has been the lack of synergies between programmes in the fields of poverty alleviation, good governance and gender.



The recent emphasis on maximising the use of scarce resources has highlighted the need for development institutions, and UNDP in particular, to identify the areas in which they enjoy comparative advantages and thus need to focus their efforts. The ROAR stresses the need to assess the comparative advantages of UNDP on a case-by-case basis. In this regard, thematic evaluations provide valuable insights into the potential that may be unlocked by the strategic management of these comparative advantages.

Post-conflict

The Evaluation Office undertook a strategic evaluation of the work of UNDP in post-conflict situations in late 1998, focusing on reintegration programmes. The evaluation team found that UNDP, along with other development actors, has faced difficulties in shaping its response to post-conflict situations over the last decade. Despite this, the majority of UNDP stakeholders and partners, especially programme country governments, stressed the unique strengths of the organization – such as its constant field presence, its neutrality and its cross-sectoral mandate to address the needs of the entire community rather than of one targeted group – as vital assets during complex and politically charged situations. The team found that UNDP has contributed significantly through area-based reintegration programmes that target the entire community and not just one target group, most notably in Central America and the horn of Africa, and has provided valuable technical assistance to national de-mining efforts, especially in Cambodia.

Decentralisation

Starting from the premise that decentralisation efforts need to build on the comparative advantages of each institution involved, evaluation of UNDP's decentralisation projects has shown that UNDP enjoys significant advantages vis-à-vis other donors in addressing issues of decentralisation and governance. In particular, its cross-sectoral mandate and its recognised neutrality, independence and objectivity render UNDP well equipped to overcome the political nature of decentralisation. In many instances, interviewees appreciated the fact that UNDP is not pursuing any political or economic agenda. Furthermore, its well-established country presence was perceived as important in understanding local particularities and supporting long-term initiatives. In addition, the value of

UNDP's use of innovative approaches such as participatory processes was recognised. Identifying one's strengths has consequences at the institutional and organizational level. The evaluation concluded that, based on the recognition of its position of considerable advantage, UNDP should change its image from that of simply a funder to one of an active catalyst of change.

Partnership

The focus on each institution's comparative advantage in turn reinforces the value of partnerships and aid coordination in order to guarantee balance and coherence in development interventions. Furthermore, RBM has shifted the focus of the organization from outputs – which could feasibly be produced by one organization – to outcomes – which necessarily require the efforts of many groups working together. Placing the emphasis on outcomes has therefore strengthened commitment to ensure that UNDP fully invests in partnerships. Hence, the largest gains in effectiveness are likely to lie in nurturing strong partnerships as part of outcome-oriented coalitions, national and international, in support of specific development change.

In this context, UNDP and the World Bank undertook parallel evaluations in 1999 of their respective coordination mechanisms, the Round Table Mechanism (RTM) and the

Consultative Group Meetings. The EO provided close technical assistance to the Management Development and Governance Division (MDGD) of the Bureau for Development Policy, which managed the evaluation. UNDP and the World Bank worked separately and produced two reports for presentation to the OECD/DAC.

The evaluation of the RTM found that the mechanisms have been relevant to the contexts in which they have worked, providing key linkages to the donor community for the programme country. The RTM has also contributed to facilitating and focusing countries' efforts in defining their policies and programmes, despite the fact that its follow-up mechanism remains relatively weak. The mechanism has also allowed for the mobilisation of significant financial resources. However, further information is needed as to the additionality of donor pledges and the value of the RTM as a vehicle for mobilising these resources.

To follow up on the findings and recommendations of the two reports, the OECD/DAC, the World Bank and UNDP jointly organized a Development Partnership Forum in December 1999. Forum participants reviewed their experiences with aid-coordination processes in light of the two evaluations' findings and recommendations. To build on the momentum of the Forum, each of the co-sponsoring organizations has agreed to strengthen their cooperation.

Box 3: ROLES OF PARTNERSHIP

- Collaboration at the **operational** level: the need to focus on one's comparative advantage highlights the importance of joining forces and combining expertise in the field.
- Coordination in **knowledge sharing**: consolidating evidence in the field and disseminating the findings among development institutions enhances effectiveness by enabling learning from others.
- Synergies in **capacity building**: at the UNDP-sponsored Beijing Conference on evaluation capacity participants agreed on the necessity to design a common framework so that evaluation efforts can build on synergies and gain from broad knowledge sharing.

Cooperation and partnership among donor institutions are required at all levels and across all types of interventions (see Box 3). From post-conflict relief to institution building, the focus on comparative advantage highlights the need to establish efficient coordination at the project and programme levels, where agencies identify their respective areas of greater expertise and work in synergy with one another. In the area of decentralisation, evaluative findings have emphasised that success hinges upon the ability to promote stronger operational partnerships and coordination among donors to tackle the highly cross-sectoral nature of decentralisation and governance programmes.

Ownership

The emphasis on aid coordination is also inextricably linked to renewed efforts to strengthen the principle of country ownership. In addition to its commitment to establish fruitful partnerships at the Development Partnership Forum, UNDP has pledged to promote country ownership in development cooperation and coordination, and to work with its multilateral and bilateral partners to strengthen national capacities to that end. The World Bank has also designated ownership as an essential component of sustainable reform.

As previously highlighted, evaluation evidence shows that the level of country ownership is positively correlated to the performance of the project. The mode of execution of UNDP-supported interventions is itself associated with varying levels of ownership. Since 1992, those interventions implemented through National Execution (NEX) appear to have been linked with higher levels of country ownership, and correspondingly improved results. This finding must, however, also be seen in the broader context of the need for the simplification and improvement of the NEX modality, highlight-

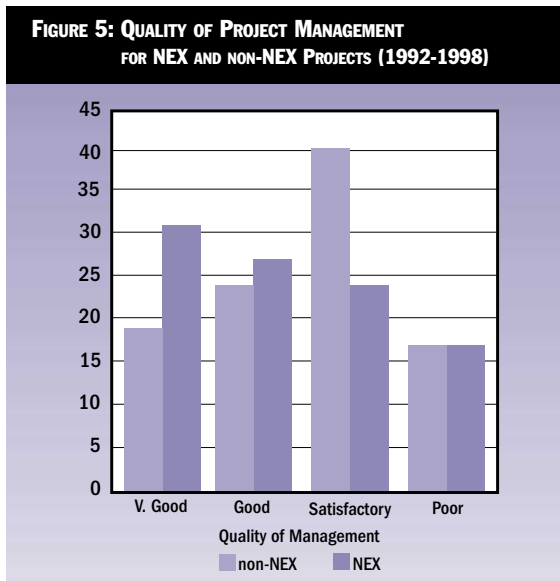
ed in an evaluation of NEX in 1995. Not surprisingly, NEX has proved less effective where national government is weak or non-existent.

According to the portfolio of projects available in the evaluation database, NEX projects enjoy higher levels of government support, as judged by the evaluators, with 34 per cent of all NEX projects receiving very good support, 35 per cent receiving good support, 19 per cent receiving satisfactory support and 12 per cent receiving poor support. Non-NEX projects, on the other hand, had lower levels of support, with 17 per cent receiving very good support, 25 per cent receiving good support, 43 per cent receiving satisfactory support and 15 per cent receiving poor support.

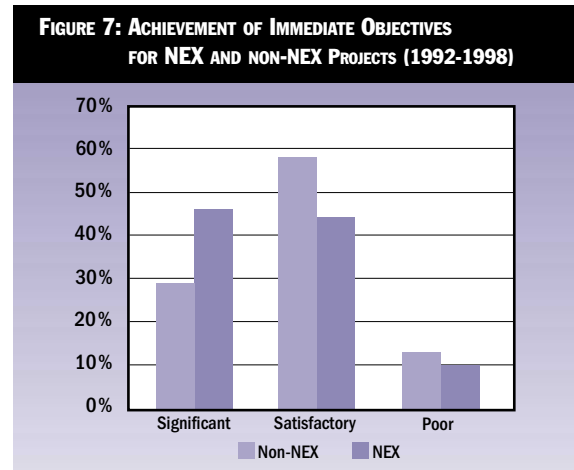
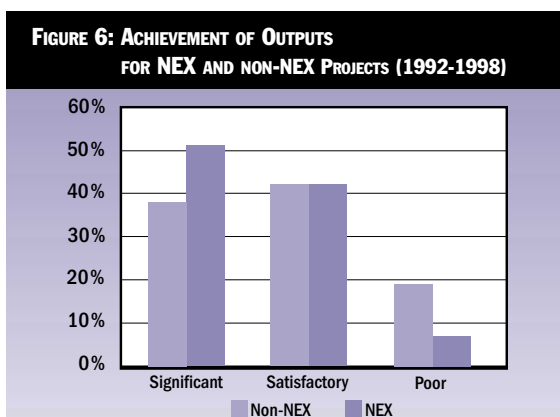
In examining NEX versus non-NEX performance, we see that overall the two are not performing that differently. With regard to NEX projects, 83 per cent were rated at or above satisfactory in the period 1987-1991 and 86 per cent had such ratings in the period 1992-1998. At the same time, 77 per cent and 83 per cent of non-NEX projects were rated at or above satisfactory in the respective time periods. However, this overall similarity masks two facts: a larger percentage of NEX projects is rated very good; and an examination of the breakdown between satisfactory, good and very good projects shows that NEX is significantly contributing to the upward trend in improving project design.

Interestingly, NEX projects are assessed to have a higher quality of management than non-NEX projects. This is one way in which NEX appears to contribute to an improved ability of UNDP-supported interventions to achieve their overall objectives. As shown in Figure 5, page 18, NEX projects are rated higher for quality of management, especially at the key levels of very good and good management.

In terms of achievement of outputs and immediate objectives, NEX is associated with an improvement both by lowering the percentage of projects performing poorly and by increasing the share that performed particularly well.



From 1992 to 1998, the proportion of NEX projects in the total pool of evaluations was large. Therefore, NEX project performance rates clearly contributed to the improved overall rates for UNDP in the most recent period (Figures 6 and 7).

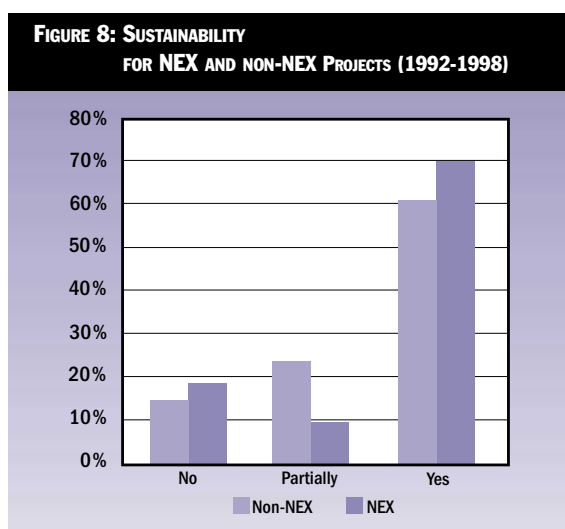


According to a 1995 evaluation, NEX projects play a significant and positive role in promoting an increase in ownership, self-reliance, capacity building and sustainability. Quantitative evidence does not, however, diminish the need to uncover a number of issues and challenges faced in the implementation of NEX projects. In particular, it is important to understand under what circumstances NEX is best able to contribute to improved development effectiveness. It is also vital to address the organizational challenges that NEX raises. In a recent evaluation commissioned by the Evaluation Office on the relationship between UNDP and UNOPS, concerns were raised over the limited scope of intervention afforded to UNOPS in NEX projects. A UNDP evaluation of the programme approach, completed in 1998, concluded that the programme approach, which commenced at broadly the same time as NEX, had also been significant in enhancing ownership. The United Nations agencies have defined the programme approach as a process that helps governments to formulate national priority development objectives, and to realise them through corresponding national programmes formulated and implemented in a coordinated and participatory manner.

More generally, the issue of ownership can generate both synergies and tensions with other factors that are part of development effectiveness. A World Bank study highlights the critical tension between ownership and partnership as governments and external donors may have different agendas.

Sustainability

Evaluation data suggest a significant increase in the sustainability of UNDP-supported interventions over the past decade. The share of interventions that were rated as having a good or high level of sustainability rose from one third of projects approved during the 1987-1991 period, to two thirds for projects approved during 1992-1998. Figure 8 below indicates that, as with other components of development effectiveness, projects implemented through the NEX modality are rated as having higher expected levels of sustainability than non-NEX projects.



More generally, the combination of partnership, ownership and capacity building, while carrying potential for tension, lies at the heart of efforts

to promote sustainability. A study of the micro-finance area in particular provides an important lesson: promoting the sustainability of micro-finance institutions and serving the needs of the poor do not have to be conflicting goals. A study of micro-finance institutions by the Consultative Group to Assist the Poorest (CGAP) found no clear trade-off between reaching the poor and achieving financial viability. A number of micro-finance institutions are cited that have achieved sustainability while continuing to serve very poor clients and offer loans of small size.

Capacity Building

Engaging local governments and putting them in the driver's seat of the development process requires that efforts be made and results achieved in building local capacities to undertake sound political, economic and social policies. As underlined by the World Bank, "institutional capacity to manage and co-ordinate aid is often a missing condition for country-led partnership." Achieving ownership and building capacity go hand-in-hand and should be approached simultaneously as mutually reinforcing processes.



Demand for strengthening the capacity of key governance institutions is high. Institution building now accounts for 38 per cent of UNDP core funding resources and 58 per cent of its non-core resources. The term embraces many activities, from establishing transparent

legal framework to developing local entrepreneurship. Examples drawn from evaluative evidence are provided for each of these below.

Assisting Legislatures

Legislative activities have a direct impact on the enabling environment for sustainable human development. Building legislatures can promote democracy, strengthen the rule of law, support human rights and increase efficiency in the marketplace. Development agencies have provided legislative assistance in many forms, including building mechanisms for enhancing the relations between the legislators and the constituents and supporting external partners who can influence and monitor them, such as non-governmental organizations, citizen groups, the media, other governmental branches and political parties.

Evidence gathered in the UNDP *Essentials* publication (see Box 8) provides a number of key lessons from experience in assisting legislatures. One lesson is the need for donors to understand and anticipate socio-economic changes in the country. This has required the direct and personal involvement of the head of the donor mission and the strengthening of the donor's ability to analyse and understand political dimensions. For example, after the military government in Gambia declared an interest in moving towards democracy, UNDP initiated a number of workshops in key areas that identified the parliamentary needs. Based on these discussions, the technical assistance strategy was designed and included in the country cooperation framework.

Another important lesson is the need to use non-partisan approaches and personnel in what are sure to be politically sensitive situations and programmes. Successful programmes have relied on steering committees or advisory

boards in which all blocks of government were represented. Other successful approaches have included the use of existing legislative committees that are composed of members of different political parties, or ensuring that all training and equipment are distributed fairly among different parties. One UNDP training programme in Mozambique diffused political tensions by abandoning the use of all political party names during the training and calling the groups by generic names instead. Attention to tensions and details can be critical in ensuring that assistance is successful.

Entrepreneurship Development

The primary obstacle to sound economic growth in a country is often a scarcity of dynamic entrepreneurs rather than a lack of capital, labour or land. Dynamic entrepreneurs bring these other factors together to create growth. Developing entrepreneurship, then, is an effective way of reducing poverty and targeting economic growth. Entrepreneurship development (ED) consists of enhancing entrepreneurial skills and knowledge through structured training and institution building. ED aims to enlarge the base of entrepreneurs so as to increase the rate at which new ventures are created and thereby accelerate employment generation and economic growth.

The first lesson learned by the findings published in *Essentials* is the importance of having a clear understanding of the feasibility and the objectives of any programme for ED. Often ED is confused with promoting self-employment. These two concepts are in fact quite different, require different approaches and should be carefully distinguished from one another in the design of an ED programme. ED should be about helping to build dynamic businesses and adding value to a growing sector. Supporting entrepreneurs therefore often requires a more

dynamic and growth-oriented view of business development. In Kenya for example, an evaluation of an ED programme recommended that it should be oriented towards building partnerships and small firms and enhancing their outreach, not just focus on promoting self-employment.

Another important lesson is the need to identify a market that has room for innovation and growth potential. Successful entrepreneurial businesses are more often those that meet a previously neglected or unforeseen need or present a new and better way of doing something. As such, evaluators have found that good ED programmes must help entrepreneurs to recognise and respond to unique opportunities, or to diversify based on knowledge of a particular sector and innovate. For example, in Nepal a women's ED programme found that many entrepreneurs had little business experience and were likely to copy successful business models rather than to innovate. The programme must therefore either help them to ensure that the market has room for the same types of products or services or assist them to diversify.

Building Civil Society

Country ownership is but the first step in promoting effective participation by local stakeholders. Development effectiveness requires devolution of power and resources to the local level and reaching out to all stakeholders and beneficiaries. For example, in discussing formulation of national policy and the creation of an enabling environment for SMEs, the UNDP *Essentials* publication cites evidence that participation by SMEs in decision-making is very important. In the past policies were often drafted without consulting SMEs. As a result, they tended to be largely irrelevant to their needs, failing to target weaknesses or build on strengths. Under the section on programme design and implementation, *Essentials* goes on

to highlight the importance of involving the private sector in the design and implementation of any programme targeting SMEs. Evaluators especially stress the use of United Nations Volunteers to garner the expertise of national private sector actors.

While the ROAR shows significant evidence of UNDP promoting civil society and public-private actor linkages, evaluations of projects and programmes on decentralisation highlight the need to ensure broad-based participation as a central feature of effectiveness. Often, the inclusion of actors from civil society and the private sector remains an aspiration rather than a reality. Evaluative findings also point to the lack of real fiscal decentralisation, which hampers the true devolution of power to the local level.

Developing Evaluation Capacity

Another integral part of responsible civil society development, and the enhancement of national capacity in general, is the development of evaluation capacity (ECD) at the local level. Evaluation is recognised as a mechanism for promoting accountability for the use of public resources as well as an instrument for organizational learning and institution building. The nexus between ECD and good governance cannot be ignored. Development agencies, working with national partners, have the potential to contribute to development effectiveness by strengthening national capabilities in this regard. This lies at the core of the promotion by UNDP of ECD, defined as the ability of public institutions to manage information, assess programme and project performance and respond flexibly to new demands. In this context, ECD is a necessary component in the UNDP programme of assistance.

The findings from the ECD Beijing conference held in October 1999 are highly instructive in this regard. In addition to citing systemic and methodological obstacles, many participants stressed the challenge of introducing a culture of evaluation at the national level and guaranteeing the independence of the evaluation

function. ECD hence requires a collaborative effort structured around political commitment, institutional support, local training and effective partnerships. Efforts to promote ECD have already yielded highly conclusive results (see Box 4).

Box 4. SRI LANKA: MOVING FROM CONCEPTS TO PRACTICE

The Area-Based Growth with Equity Programme funded by UNDP and the Government of Sri Lanka provides an interesting example of the application of results-based monitoring and evaluation and the role UNDP plays in ECD. It involves:

- Introduction of results-based monitoring and evaluation at the national, provincial and district levels, with subsequent extension to divisional levels.
- Preparation and translation into two national languages (Sinhala and Tamil) of training materials.
- Setting up, with assistance from UNICEF, of the Sri Lanka Evaluation Association under the monitoring and evaluation component of the Area-Based Growth with Equity Programme. With the establishment of the Evaluation Association, evaluation in Sri Lanka is now being extended to civil society as well. The Association meets regularly and has made contacts with other national evaluation bodies overseas and has organized several training programmes for its members.
- Support for a Network of Social Mobilization Practitioners to document the current best practices of participatory monitoring and evaluation programmes in the country.

III. Unlocking Development Effectiveness: Current Mechanisms and Directions for the Future

Unlocking development effectiveness is a multi-faceted endeavour. It calls for action at both the institutional level and in the implementation phase, from strengthening a results-based culture within the organization to promoting deeper partnerships with other institutions. This section outlines what UNDP is currently doing to provide these responses and then indicates what remains to be done, based on recommendations drawn from evaluative findings.

Institutionalising Results-based Management

UNDP has sought to learn from the experiences of other agencies in developing and implementing measures designed to strengthen development effectiveness. In 1997, the UNDP Evaluation Office and the Swedish International Development Agency (Sida) produced a joint review of performance measurement systems of selected public sector and aid agencies. This served as an initial building block for the introduction of RBM within UNDP. In October

1998, UNDP, Sida and the Aid Evaluation Working Group of the OECD Development Assistance Committee organized a workshop in New York to review the experience of bilateral and multilateral agencies in introducing RBM principles and practices. These consultations and exchanges of experience resulted in several **key lessons** for strengthening the institutionalisation of UNDP's RBM system (see Box 5). An attempt was made to ensure that each of these lessons was consciously reflected in the system.

A further general lesson that emerged was the importance of **stressing management over measurement**. The fundamental goal of RBM is to improve development effectiveness, which requires helping managers to better manage. In comparing RBM systems, the distinction is sometimes made between managing by results and managing for results. The former is principally oriented towards accountability and external reporting; the latter focuses on a cycle of planning, periodic performance and organizational learning. In implementing RBM, UNDP made a deliberate decision to emphasise management and learning. This was based on an

Box 5. INSTITUTIONALISING RBM: LESSONS LEARNED

- The organization needs to set **clear objectives** for RBM itself: should RBM be a reporting and classification system (results measurement) or a strategic planning and management tool that can help improve organizational performance (results management)?
- Any system must **fit UNDP's specific needs and culture**. As an approach, RBM requires that the culture and specific nature of the organization be carefully taken into account. In particular, the unique mandate and decentralised structure of UNDP require flexibility at the country level.
- Implementing RBM is a **learning process**. RBM depends on many aspects of organizational culture, policy and operational practice. Any system needs to be seen as a **work in progress**, evolving over a considerable period of time and incorporating flexibility to make changes as experiences are gained.
- It is essential to **keep the approach simple**. RBM should not lead to an increased workload. Instruments must be easy to understand, and their number limited.

unequivocal message from donors and staff: RBM must explicitly aim at changing the way the organization is managed, fostering a strategic orientation and culture of performance. Improved external reporting was approached as very important, but a secondary benefit.

At headquarters, Strategic Results Frameworks (SRFs) are intended to improve UNDP **substantive accountability** to national stakeholders and the Executive Board. They will assist managers in judging whether the overall results of UNDP assistance worldwide meet the goals, principles and standards set forth in the Mission Statement, in Executive Board decisions and in operational and thematic policies. In addition, for the first time, the SRFs will lay the basis for a funding strategy to support approved programmes whose results are clearly identified and monitored.

In support of the above, UNDP has instituted a more formal results-based accountability relationship with its resident representatives. A "compact" identifies the key strategic (programme and management) results for which a resident representative is held accountable over a given period. The results of the compact are derived from the larger set of planned results contained in the SRF. Items chosen for the compact reflect conscious decisions by the managers concerned regarding the most important results for which they are to be directly held accountable.

Although the problems associated with measuring and attributing development outcomes are well known, the drive to improve development effectiveness was felt to require that UNDP results-based management **ground its concept of results at the outcome rather than the output level**. While both levels of accomplishment are important and are reflected in the system, this decision to emphasise outcomes was based

on two considerations. The first was the crisis of confidence facing the development community as many question the effects of investments in development. In view of this crisis, it was felt necessary for UNDP to portray a significant and honest picture of the consequences of its interventions.

Secondly, since many of UNDP's most important contributions result from what some have called "**soft interventions**" – advocacy, policy dialogue and institutional strengthening, field presence – it was deemed essential to project and capture outcomes of these particularly hard-to-measure and hard-to-attribute areas. While this effort continues to be a work in progress, UNDP has committed itself to the proposition that "soft interventions need to have hard outcomes," and to incorporating such interventions into its system of results-based management.

Strengthening Substantive Accountability

Currently, no comprehensive framework exists within UNDP for ensuring substantive accountability. As discussed above, the ROAR and the SRF go some way towards filling this gap, given their emphasis on objective performance assessment through the use of indicators.

The systematic monitoring of evaluation compliance provides a further element of substantive accountability. The number of evaluation reports received by the UNDP Evaluation Office increased substantially in 1998 and 1999 compared with the 1996-1997 period. Overall, a 71 per cent rate of strict compliance was attained for projects originally approved in 1990, exceeding the target of 70 per cent.

The contribution made by the evaluation compliance instrument is modest, however, and in recognition of this an attempt has been made to provide additional mechanisms for substantive accountability. Some progress has been achieved through the introduction of evaluation plans in 1998, although these have yet to achieve their full potential.

Evaluation plans are designed to provide relevant advance information on the areas in need of assessment. While traditional compliance reporting involves a long time lag – often six or seven years – in its assessment of performance, evaluation plans furnish a more timely instrument for determining country-level substantive accountability. Evaluation plans could also provide a tracking framework to link recommendations to decision-making processes and implementation. They were made a requirement in 1998 and were included in the UNDP Programming Manual in April 1999.

Use of the evaluation plans makes it possible to calculate the proportion of mandatory evaluations to be conducted, broken down by regional bureau. While initial performance figures for 1999-2001 will be presented next year, preliminary estimates, by area of focus, of the evaluations planned in 1999 show differences in emphasis across bureaux. For example, poverty is the largest area for Africa, accounting for 41 per cent of planned evaluations, followed by environment. Governance ranks highest for Arab States, at 50 per cent, and for both Latin America and the Caribbean and Asia and the Pacific, at over one third of planned evaluations.

The assessment of country office evaluation plans, combined with strong encouragement to country offices to submit plans, represents an important step forward. The plans provide an important real-time mechanism for improved accountability by ensuring that the portfolio of

evaluations that a country office intends to carry out is consistent with UNDP priorities and is likely to allow lessons to be drawn for future programming. Evaluation plans offer UNDP an avenue through which it will increasingly be possible to offer country offices pro-active guidance on the types of evaluation that are likely to be most suitable, and to draw attention to the existence of similar evaluations conducted by others. The recently established Evaluation Plan Database, now accessible through the Evaluation Office Intranet site, allows country offices and other units managing evaluations to prepare their evaluation plans on-line, and makes them available more broadly. This will allow users to identify possible areas of collaboration in organizing evaluations addressing similar issues, as well as to identify potential sources of lessons themselves.

Methodologies for Assessing Impact and Improving Feedback

The ROAR provides a systematic assessment of progress made by UNDP vis-à-vis its strategic objectives. This in turn requires the development of complementary tools for impact assessment, an exercise that examines to what extent progress has been translated into concrete developmental changes for the poor. In response to this challenge, in 1999 the Evaluation Office developed a methodology for country-level impact assessments (CLIAs). These aim to: (a) document all UNDP interventions, including policy dialogue and advocacy; and (b) identify all factors that have led to the impact in order to draw appropriate lessons.

Since October 1999, the Evaluation Office has been testing its CLIA methodology in Burkina Faso. Further testing will be conducted in Malawi and in an Asian country. Once this has been completed and the methodology has been

appropriately refined, the Office will conduct three to five assessments a year. The focus on impact and the attention to building in-house capacities to evaluate impact will contribute to the wider promotion of results-based approaches.

RBM requires the rapid provision of feedback to allow for corrective steps in policy or implementation. An instrument seeking to respond to this need is the Evaluative Research Programme (ERP), developed by the Evaluation Office in 1999. The ERP is designed to meet the need of UNDP for "just enough knowledge, just in time," and thus provide relevant evaluative knowledge as and when it is needed. It represents an experimental approach to the challenge of making evaluation more relevant to the organization and will provide lessons for policy and strategy formulation more rapidly than is normally feasible. The programme of work was approved in early 2000 on the basis of the ROAR findings, the focuses on governance-poverty linkages and linkages between macro policies and micro-level initiatives.

Linking Evaluation Recommendations to Decision-making

Better knowledge of the UNDP contribution to development changes is a prerequisite for achieving long-term improvements in its effectiveness. However the ability to translate knowledge into change is also necessary. In other words, the policy-making process must be responsive to the findings emerging from results-based systems. Substantive accountability, therefore, requires efficacious mechanisms for ensuring effective follow-up to the recommendations of evaluations, as well as tracking progress in implementation. Action is required with respect to both country-level evaluations and corporate-level strategic and thematic eval-

uations. The following analysis highlights significant limitations in current mechanisms.

Country Level Follow-up

The annual project/programme report (APR) provides, in principle, a means of tracking the implementation of recommendations contained in country-level evaluations. While the APR is an essential part of the project cycle, it is clearly not working as it should, nor is it facilitating the mainstreaming of RBM. Concern over these shortcomings resulted in the decision to conduct a survey of various Evaluation Network members in country offices. Its purpose was to assess the extent to which recommendations contained in country-level evaluations are being implemented, and to identify what the obstacles to effective follow-up might be. The survey revealed that there is no systematic mechanism to ensure that recommendations are acted upon. While several country offices had developed their own semi-formal approaches, including the regular preparation and monitoring of implementation blueprints that include an action plan linked to recommendations contained in each evaluation, most respondents favoured a more systematic approach.

The survey highlighted several factors influencing the likelihood of effective follow-up of recommendations (see Box 6).

Furthermore, it was felt that ownership required the full participation of all major stakeholders, and that if this conflicted with considerations of objectivity, areas of contention

Box 6. EFFECTIVE FOLLOW-UP OF RECOMMENDATIONS

Essential components include:

- the **quality** of the evaluation itself;
- the **relevance** and realism of the recommendations,
- the degree of **ownership** felt by the key stakeholders.

should be addressed openly rather than by curtailing participation.

The majority of respondents underlined the value of mid-term evaluations over terminal evaluations. This finding is consistent with the increased share of the total that mid-term evaluations represent, up from 23 per cent for 1997-1998 to 37 per cent in 1999. It is also consistent with the emphasis the Evaluation Office has placed on the need for evaluation to provide managers with relevant information when they require it. While mid-term evaluations are seen as highly relevant, with the potential to assist mid-course corrections, they are often not acted upon. A possible function of the evaluation plans could be to provide a system of accountability that tracks whether recommendations are being heeded. Terminal evaluations remain important as a source of generic lessons and for overall accountability.

Corporate-level Follow-up

The 1999-2000 programme of strategic and thematic evaluations managed by the Evaluation Office corresponds closely to the strategic priorities of UNDP as revealed both in the MYFF and the Business Plans. It has been developed through dialogue with UNDP senior managers. The mechanism to ensure that evaluation recommendations are fed into decision-making includes the preparation of action briefs

by the Evaluation Office, summarising the main findings and recommendations of each evaluation as well as their corporate implications. Action briefs are submitted to the Executive Team for appropriate decision. The Evaluation Office keeps a record of the discussions and decisions made in this forum to facilitate the monitoring of implementation. For evaluations presented to the Executive Board, formal management responses are now prepared and submitted with the evaluation reports.

Considerable attention is being given to follow through of the recommendations included in the Strategic and Thematic Evaluations. With respect to the crisis and post-conflict evaluation, the report's findings and recommendations were presented to the Administrator's Transition Team and reflected in their report in October 1999, as well as in the Crisis and Post-Conflict Business Plan, which was submitted to the Executive Board in April 2000.

The decentralisation evaluation was actively followed up on, with UNDP and BMZ co-sponsoring a seminar in Berlin in May 2000 to present its main findings to development professionals and practitioners from developing countries and donor institutions. The results of this seminar are being reviewed and will form the basis for UNDP action jointly with other partners (see Box 7).

Box 7: FOLLOWING THROUGH ON EVALUATION FINDINGS – DECENTRALISATION

Recommendations include:

- Feeding the results of the evaluation and the seminar into a high-level policy dialogue, *inter alia* through the OECD-DAC Working Group on Aid Evaluation, to link the lessons learned to overall aid policy framework;
- Undertaking joint programmes and building effective partnerships. In particular, the joint evaluation and the Berlin seminar have significantly contributed to a stronger constituency for UNDP in Germany. Specifically, it is recommended that UNDP take advantage of this and seek the assistance of its German partners at BMZ in bringing key issues to the OECD-DAC forum;
- Instituting more systematic feedback and sharing of lessons learned among partners. It is critical that UNDP strengthen its corporate knowledge management system to effectively link all country offices, enabling them to access lessons learned from within and outside the organization.

Acquiring Knowledge and Sharing Lessons Learned: The Value of Partnerships

The Administrator has placed knowledge and learning in UNDP at the core of the new Business Plan. Generating lessons and best practices and improving the mechanisms by which this knowledge is disseminated are important means for enhancing development effectiveness. The Administrator states in the Business Plan, "The UNDP organizational model for the future should be based on dispersed capabilities and decentralised networks. Above all, the basis for our knowledge and learning – the bedrock of the intellectual capital that must become our trademark – should be located closer to the field, where it can feed the wider network."

Learning is, by its very nature, a work in progress. It has been targeted through numerous networks and products developed at headquarters, and through organizational changes at various levels. Evaluative findings, in the area of decentralisation in particular, point to weaknesses in the management and dissemination of information and knowledge despite the recognised strength of UNDP's research and development units. However, while the work is far from completing the vision of the Administrator, the groundwork for the future has been laid.

Sub-regional Resource Facilities

UNDP has worked to strengthen its abilities in the area of knowledge and learning for a number of years. In order to build a fully developed framework for knowledge management, UNDP has centred its efforts on increasing access to, and sharing lessons and knowledge through, better networks and targeted products and services, thereby helping the organization to devel-

op a culture of learning. This has included the establishment of the Sub-regional Resource Facilities (SURFs). These networks are designed to provide expert referrals for practitioners, technical and thematic backstopping and networking for a better dissemination of knowledge. They identify and disseminate best practices, link and assemble practitioners for a sharing of knowledge, and make the dissemination of such knowledge more effective through the use of information technology and the Internet. So far, according to a recent evaluation, the development of the SURFs has been uneven, due in part to the absence of a coherent global strategic framework for knowledge management at the senior level, and to a lack of adequate resources. Other findings and recommendations are presented in Annex II.

Evaluation Network

A further element designed to enhance development effectiveness through improved learning and knowledge dissemination is the Evaluation Network (EVALNET). EVALNET creates links among practitioners who share expertise and knowledge in the area of evaluations across countries and regions. This network has promoted practical learning by allowing UNDP staff to participate in evaluations being carried out in other country offices, as well as at the global level. By targeting both practical learning and the sharing of this knowledge, EVALNET has allowed the learning and capacity building for evaluations to take root substantively throughout UNDP. The first internal review of this recently-developed instrument points to the need to increase opportunities for more regular direct participation of EVALNET members in evaluations outside of their duty stations, in order to maximise the potential for the cross-fertilisation of ideas.

Essentials

The provision of concise information of direct, practical relevance to frontline country-office staff and their counterparts is a major component of efforts to increase UNDP development effectiveness (see Box 8). This is achieved with respect to evaluation through the *Essentials* publication. *Essentials* synthesises the main lessons generated by evaluations within UNDP and in the field in general. Presented in a readily accessible and concise format, the publication is a tool for development practitioners to use as a primer in a subject, and to guide them to more in-depth or specific information. All issues of *Essentials* are available from the UNDP Evaluation Office or on the website at <http://www.undp.org/eo>.

Thematic and Strategic Evaluations

Perspectives on development effectiveness and the factors determining it are provided through in-depth strategic and thematic evaluations. These tackle large policy issues through a thorough review of UNDP work, typically incorporating an examination of a number of UNDP country programmes as well as a comprehensive review of the policy framework. These evaluations may take up to a year or more to complete and are fed into the decision-making process through a series of meetings, briefs and presentations. They offer objective, independent information on topics of current import, as identified by UNDP management.

The programme of strategic and thematic evaluations managed by the Evaluation Office during 1999 and the first six months of 2000 corresponded closely to the corporate priorities of UNDP, as reflected in both the Administrator's Business Plans and the Results-oriented Annual Report. Feedback from the UNDP Executive Board suggests that the criteria used to prioritise the agenda for strategic evaluations have allowed UNDP management to effectively target issues relevant to current debate.

The major strategic and thematic evaluations conducted during the 1999-2000 period have covered subjects including post-conflict situations, decentralisation and local governance, the UNDP/UNOPS relationship, SURFs and the coordination conducted by the Bureau of Development Policy.

The acquisition of knowledge finds its true relevance within the framework of partnerships. Learning from others, and sharing lessons learned from the organization's own projects and programmes through efficient networks, ensures in turn successful collaboration at the project-implementation and policy-design levels. The value of partnership in tackling the many challenges associated with poverty alleviation is now firmly recognised across the development spectrum.

Box 8. PRACTITIONER-ORIENTED INFORMATION – ESSENTIALS

Essentials provides an opportunity for UNDP to scan a large number of current conceptual and evaluation documents and make key findings available to those who could benefit from them. The lessons it presents are culled from UNDP project evaluations carried out in close collaboration with substantive units from the Bureau of Development Policy; UNDP policy or sector evaluations or evaluations done by other organizations; conceptual documents on particular subjects; and discussions with practitioners and members of organizations involved in the work. Four issues of *Essentials* have been published since November 1999, each one presenting lessons learned, recommendations evaluators have made and country examples. Topics covered include Small and Medium Enterprise Development and Micro-finance. Issues covering each of UNDP's major strategic areas are planned for the coming year.

Strengthening Evaluation Capacity Development (ECD)³

The UNDP-sponsored Beijing Conference highlighted the main challenges facing ECD and laid the groundwork for future directions. In line with the overall RBM framework, evaluation results need to be based on quantitatively measurable and/or qualitatively comprehensible parameters and indicators in order to be widely accepted and used for assessing progress, bringing about changes in policies and practices, etc. In other words, evaluations and their outputs have to be **results based**.

However, the central goal of ECD – to create strong evaluation organizations at the national and local levels, capable of playing a significant role in resource allocation, planning and policy formulation – still presents enormous challenges. In most developing countries, especially in low-income countries, **results-based monitoring systems** are still in early stages of development. In most cases regular monitoring is focused on, or limited to, monitoring of financial and physical performance and rarely, measuring outcomes and impacts of development processes. In such situations **results-based evaluations** become indispensable to assess the effects of the development processes being used.

Operationalisation of ECD can be conceptualised in terms of the following three dimensions:

1. Development of a conceptual understanding and an effective and reliable system – comprising software, hardware and human resources. Such a system should capture data on the effectiveness of development interventions and associated trends, transmit information on trends and effects of development initiatives in

concrete terms, and highlight relationships among programme objectives, designs and results. Four broad capacity building elements are required in order to operationalise this function in the context of results-based monitoring and evaluation:

- Provision of training or human resources development at all levels.
- Preparation for results tracking that includes indicator development, information gathering and devising reporting formats and systems.
- Use of information and communication technology.
- Building partnerships at various points of the development continuum.

This last element, partnership, is necessary in order to reach a common understanding of the purpose, benefits and use of results-based monitoring and evaluation, and to bring about a common ownership of the process. The partnerships should connect those who are responsible for results-based monitoring and evaluation at the centre with those who are responsible for generating results. They also help to reduce misconceptions and fears with regard to results-based monitoring and evaluation, as well as to build understanding that such a system has less to do with policing than with providing an aid and tool for enhancing development effectiveness.

2. Strengthening or development of an operational environment within which results can be effectively analysed and presented and lessons fed into the policy development and implementation processes. This relates to four broad capacity building dimensions:

- The quality of the results-based monitoring and evaluation process and its outputs, which

³The contributions of Dr. Adil Khan, Mr. Tilak Gunawardena, Ms. Solfrid Lien, and Ms. Rekha Thapa are gratefully acknowledged.

depend on several factors, including: commitment of the senior level leadership; the capacity of a central agency to promote results-based monitoring and evaluation; the credibility of evaluators/analysts; extension of the system to places where development results/effects are generated (e.g., line/sectoral agencies, sub-national and grass-roots levels); timeliness; ability to produce results quickly; and robustness of the system (i.e., its ability to transmit data/information reliably from the point of origin to the central agency/other relevant points.)

- Capacity to convert data, through analytical and substantive work, for lessons and policy support. This is clearly critical to the credibility of results-based monitoring and evaluation as a tool for promoting greater development effectiveness. This area also provides a major opportunity for national and international development cooperation practitioners to form effective partnerships for learning, experimenting, piloting, and work on policy analysis and development. These practitioners might include development agencies and research and academic institutions of developing and developed countries. Often additional studies may also be needed to back up evaluation findings.
- Maturity of bureaucracy to accept results-based monitoring and evaluation for systematic learning and adjust development policies and processes in line with emerging lessons.
- Political will and commitment – evaluations are always likely to raise issues of political sensitivity for administrations. Capacities should be in place to ensure political ownership and constructive presentation of sensitive information in a manner acceptable to stakeholders.

3. An open environment of information sharing and dissemination, fulfilling the public accountability and transparency requirements of a culture of good governance. There are two broad capacity dimensions relating to this area:

- Establishing participatory results-based monitoring and evaluation, particularly at beneficiary levels; and
- Creating institutions in civil society that have awareness of results-based monitoring and evaluation in order to inculcate a culture of scientific public inquiry and accountability.

IV. Conclusions

The commitment of UNDP to development effectiveness lies at the heart of ongoing reforms. The shift to results-based management and the efforts to strengthen knowledge-sharing networks provide the strategic framework under which this commitment has found concrete application. The overarching goal is to strengthen the organization's understanding of how successfully it is contributing to positive changes in people's lives, and to use this knowledge to reinforce the effectiveness of its programmes. At the systemic level, establishing partnerships with other national and international institutions to share the lessons learned is increasingly recognised as a vital component of an effective development strategy.

However, these reforms remain a work in progress. There is a need to build upon the progress, tackling the many challenges highlighted in this report to enhance the contribution of UNDP to development effectiveness. Next steps might usefully be the following:

- Strengthen the results-based management framework by embedding it further within the organization's culture, at all levels.
- Continue efforts to integrate monitoring and evaluation into the RBM, recognising that these processes are mutually reinforcing.
- Bolster feedback mechanisms and ensure that evaluation findings are:
 - _ fed back into policy-making and planning decisions and accounted for in the design of programmes and projects;
 - _ shared with others, internally, through SURFs, and externally.
- Promote participatory approaches to the evaluation process, by broadening the scope of

partnership with different actors (e.g., civil society, private institutions).

- Establish UNDP as a knowledge-based learning organization where lessons are consolidated and made accessible to all.
- Strengthen national capacity for results based monitoring and assessment and learning.
- Intensify the efforts to establish partnerships among international and national institutions.

Development is far from being an exact science. Determining the true impact of support provided by an organization is a trial and error process of considerable complexity. In this context, it is important that the tools and reforms highlighted in this report be seen as informed by the best, most current knowledge available, which will require regular reassessment. Future success, however, will hinge on effective collaboration with partners at the country level, both within government and the donor community and extending beyond it. While accomplishing the vision of the Administrator will take some time, current efforts reflect the commitment of UNDP to make increased development effectiveness a reality.

Glossary

Capacity Development – the process by which individuals, organizations, institutions and societies develop their abilities individually and collectively to perform functions, solve problems and set and achieve objectives.

Direct beneficiaries– usually institutions and/or individuals that are the direct recipients of technical cooperation aimed at strengthening their capacity to undertake development tasks directed at specific target groups. In micro-level interventions the direct beneficiaries and the target groups are the same.

Effectiveness – the extent to which a programme or project achieves immediate objectives or produces its desired outcome.

Efficiency – the optimal transformation of inputs into outputs.

Evaluation – a time-bound exercise that attempts to assess systematically and objectively the relevance, performance and success of ongoing and completed programmes and projects of an organization, and to package the findings in an appropriate format.

Feedback – as a *process*, consists of relevant information from monitoring and evaluation activities, the dissemination of that information to target users and, most important, the use of the information as a basis for decision-making and the promotion of learning in an organization. Feedback as a *product* refers to information that is generated through monitoring and evaluation and transmitted to parties for whom it is relevant and useful. It may include findings, conclusions, recommendations and lessons learned from experience.

Finding – factual statement about the programme or project based on empirical evidence gathered through monitoring and evaluation activities.

Impact – see "Results."

Input – a means mobilised for the conduct of programme or project activities (i.e., financial, human and physical resources.)

Lesson learned – learning from experience that is applicable to a generic situation rather than to a specific circumstance.

Monitoring – a continuing function that aims primarily to provide programme or project management and the main stakeholders of an ongoing programme or project with early indications of progress, or lack thereof, in the achievement of programme or project objectives.

Objective – purpose or goal representing the desired result that a programme or project seeks to achieve. A **development objective** is a long-term goal that a programme or project aims to achieve in synergy with other development interventions. An **immediate objective** is a short-term purpose of a programme or project.

Outcome – see "Results."

Outputs – see "Results."

Performance – the extent to which a programme or project is implemented in an effective, efficient and timely manner.

Programme – a time-bound intervention that differs from a project in that it usually cuts across sectors, themes and/or geographic areas,

involves more institutions than a project, and may be supported by different funding resources.

Project – a time-bound intervention that consists of a set of planned, interrelated activities aimed at achieving defined objectives.

Recommendation – proposal for action to be taken in a specific circumstance, and including the parties responsible for that action.

Relevance – the degree to which the objectives of a programme or project remain valid and pertinent as originally planned, or as subsequently modified owing to changing circumstances within the immediate context and external environment of that programme or project.

Results – a broad term used to refer to the effects of a programme or project. The terms "outputs," "outcomes" and "impact" describe more precisely the different types of results:

Outputs – tangible products (including services) of a programme or project that are necessary to achieve its objectives. Example: agricultural extension services provided to rice farmers.

Outcomes – results of a programme or project relative to its immediate objectives that are generated by the programme or project outputs. Examples: increase in rice yield, increased income for the farmers.

Impact – results of a programme or project that are assessed with reference to the development objectives or long-term goals of that programme or project; changes in a situation, whether planned or unplanned, positive or negative, that a programme or project helps to bring about. Examples: higher standard of living, increased food security, increased earnings from exports, increased savings owing to a decrease in imports.

Stakeholders – groups that have a role and interest in the objectives and implementation of a programme or project; they include target groups, direct beneficiaries, those responsible for ensuring that the results are produced as planned, and those who are accountable for the resources that they provide to that programme or project.

Strategic Evaluation – an evaluation of a particular issue where *timing* is especially important owing to the urgency of the issue, which poses high risks to, and has generated widely *conflicting views* from, stakeholders. It aims to advance a deeper understanding of the issue, *reduce the range of uncertainties* associated with the different options for addressing it, and help to reach an *acceptable working agreement among the parties concerned*.

Success – a favourable programme or project result that is assessed in terms of effectiveness, impact, sustainability and contribution to capacity development.

Sustainability – durability of positive programme or project results after the termination of the technical cooperation channelled through that programme or project; **static sustainability** – the continuous flow of the same benefits, set in motion by the completed programme or project; **dynamic sustainability** – the use or adaptation of programme or project results to a different context or changing environment by the original target groups and/or other groups.

Target groups – the main stakeholders of a programme or project that are expected to gain from the results of that programme or project; sectors of the population that a programme or project aims to reach in order to address their needs based on gender considerations, socio-economic characteristics or other factors.

Annex I: Trend Analysis - Data and Methodology

UNDP maintains a central database of all of the project evaluations completed in the organization. The Central Evaluation Database (CEDAB) contains the evaluators' work both in the form of a written summary of their final report and their completed project evaluation information sheet (PEIS). UNDP had taken major steps in building a comprehensive framework that ensures substantive accountability and allows for systematic monitoring and evaluation of its performance. Nevertheless, many tools are still in the development stages while others need to be updated. For example, CEDAB, PEIS and the Handbook (*A Handbook for Programme Managers: Results-oriented Monitoring and Evaluation*) require further attention to ensure conformity with the results-based management framework.

The trend analysis of UNDP project performance looks at various measures of performance and success to capture the overall effectiveness of the organization. This analysis is organized around the criteria established in the Handbook and based on the information provided in the PEIS.

The Portfolio of Evaluations in CEDAB

The full portfolio of evaluations in CEDAB contains over 1,400 reports and accounts for a total of almost US\$3 billion in financial resources.

The portfolio is disaggregated by type of evaluation as well as by year of project approval. Terminal and ex-post evaluations are pooled to judge changes in the performance and success of projects. The classification of evaluations by the year in which the evaluated projects were approved (see Table 1) is used in this analysis, allowing projects of the same generation to be pooled together and better showing changes over time.

In order to assess trends over time the pool has also been divided into two groups of years, from 1987 to 1991 and from 1992 to 1998. This division allows the pools of projects to be large enough for one to see statistically significant changes; additionally, as 1992 marked the beginning of a new programming cycle for UNDP, it seemed an obvious point of division.

The portfolio of evaluations in CEDAB has been disaggregated by execution modality to assist in analysing the effects of NEX on the projects. Since the General Assembly decision to make NEX the norm in the Fifth Programming Cycle (1992-1996), it has become the executing option of choice for the majority of all projects launched. However, since the pool of evaluation reports in CEDAB contains an older generation of projects, this trend analysis does not capture the full effect of UNDP's commitment to NEX.

TABLE 1. DISTRIBUTION BY TYPE OF EVALUATION AND BY YEAR OF PROJECT APPROVAL CONTAINED IN CEDAB (NUMBER OF REPORTS)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Total
Mid-Term	81	65	49	34	31	66	29	14	11	7	15	6	08
Terminal	109	102	79	59	39	55	26	15	10	10	8	2	514
Ex-Post	4	12	7	11	8	6	5	1	3	2	2	0	61
Total	194	179	135	104	78	127	60	30	24	19	25	8	983

Annex II: Review of the Sub-regional Resource Facilities

At the request of the Associate Administrator and in response to the Transition Team report, the Evaluation Office launched a review of the SURF system, UNDP's primary knowledge management initiative to establish itself as a learning organization. The SURFs began full operations in early 1999, as a result of a 1997 UNDP decision refocusing the organization's mission and adapting it to future challenges by leveraging technology and new business practices, consolidating its knowledge base and facilitating the dissemination of information.

The review team found that the SURF system had made a significant contribution to country offices by providing a series of services that were not previously available to them. These services include the delivery of technical support (back-stopping), referrals and access to information on experts and programmes, the identification and dissemination of best practices, and the promotion of networking and information sharing. In particular, the decentralised structure of the SURFs was viewed as a key element in their usefulness. In line with the stated knowledge management principle to provide "the best knowledge to the right person at the right time," the review suggests many ways in which, in each area of focus, the SURF system is strengthening the knowledge management process by effectively garnering, consolidating and sharing relevant information for the country offices.

However, the review highlighted a number of areas in need of improvement. It was first noted that the development of the SURFs was uneven, due in part to the absence of a global coherent knowledge management strategic framework at the senior level and to a lack of

adequate resources. In addition, the review indicated that the SURFs encountered difficulty in performing both technical support services and knowledge management functions at present staffing levels. In many instances, despite displaying an entrepreneurial spirit that has overcome much adversity, the SURF staff has been unable to meet demand from the country offices, especially in the area of technical back-stopping.

The review's recommendations address both the specifics of the SURF system and the overall institutional context. To meet the growing demand from country offices for technical support services, the first set of recommendations includes a strengthening of the expert capacity at the sub-regional level, which can be accomplished through the decentralisation of BDP officials. The review also suggests a number of ways in which the expert referral system and the existing networking system could be enhanced. Finally, it underlines the need for two additional SURFs to cover Latin America and Africa adequately.

At the institutional level, the review team emphasised the need to embed and empower the knowledge management culture within UNDP. It recommends that the steps required to achieve this include the implementation, at the senior management level, of a coherent vision, the appointment of a Chief Knowledge Manager and the creation of a Knowledge Management Council designed to ensure coordination and standardisation at all levels to maximise efficiency. Corollary to these recommendations is the need to map UNDP's knowledge needs (what kind of knowledge, where, for whom), which is especially critical at a time

when UNDP moves towards an upstream focus. Finally, among a series of other recommendations, the team also suggests that the technology itself, and the software in particular, be upgraded to ensure the swiftest possible dissemination of knowledge.

The report was submitted to the Executive Team, which will consider how the recommendations can be implemented most effectively, and will subsequently be submitted to the Executive Board. UNDP is currently organizing a workshop with a panel of outside specialists and in-house stakeholders to further deepen some of the key findings and move the process forward for organizational action.

