



Management Commentaries on the 2023 Annual Report on Evaluation

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UNDP Management Commentaries on the 2023 Annual Report on Evaluation

I. INTRODUCTION

1. UNDP welcomes the 2023 Annual Report on Evaluation (ARE), submitted by the Independent Evaluation Office (IEO) to the Executive Board. This management commentary reflects UNDP's perspectives on the overall evaluation issues and performance raised in the ARE, key steps and actions taken to address those, and more importantly, strategic priorities to strengthen the evaluation function in 2024 and beyond based on the insights from the ARE.
2. UNDP appreciates and values the efforts of the IEO in conducting three thematic and 10 Independent Country Program Evaluations (ICPEs) besides its consistent efforts in extending its support to the regional bureaus and the country office through the regional evaluation focal points.
3. UNDP looks forward to the appointment and deployment of the IEO regional evaluation advisors to the regions. Deployment of the IEO regional evaluation advisors will support the bureaus and country offices in better evaluation planning, management, and use, besides their contributions in the new program and projects design with stronger evaluation acumen.

II. LESSONS LEARNED FROM INDEPENDENT EVALAUTIONS

4. UNDP values findings reflected in the ARE 2023, synthesizing lessons from the three thematic and 10 ICPEs and the reflection series produced by IEO during the year. UNDP is pleased to take note of the overall positive trend in the areas of *Social Protection, Access to Justice and integrated development solutions that Leave No One Behind*. This is in addition to the overall synthesis of 10 ICPEs and their contribution to the six UNDP signature solutions.

This section presents how lessons learned from evaluations inform decision making and shape UNDP's contribution to national and regional priorities and learning. *It is worth noting UNDP business units responsible for each evaluation have already developed comprehensive management responses and action plans to address findings and recommendations.*

5. **Embracing holistic approaches for poverty and inequality reduction:** UNDP recognizes that poverty and inequality reduction that leaves no one behind cuts across all solutions of its Strategic Plan, with specialized expertise at global, regional, and country levels to fostering holistic approaches to address multi-dimensional challenges, nurture broad-based knowledge sharing and learning and systematize programming that leaves no one behind. By integrating actions across the drivers of poverty, from limited income to poor health to remote locations, UNDP is steadily moving towards its moonshot of lifting 100 million people out of multidimensional poverty by 2025. Building on the positive gains, UNDP remains committed in balancing short-term investments with strategic structural support to strengthen governments policies and regulations at the macro level and to

target areas offering maximum poverty reduction impact across sectors as prioritized in the Strategic Plan - including energy, nature-based economies, agriculture value chains, and women-owned businesses. It's important to note, fulfilling this commitment depends on stronger financial backing from its partners to make the shift from short-term efforts to a more strategic structural support using portfolio approach as the current funding pattern still drives the organization to a highly projectized and short-term focus.

- 6. Risk informed governance systems augment investment and sustain impact:** UNDP's work on governance in more challenging operating contexts is delivering results and augmenting impact due to longstanding relationships and experience, comprehensive programming which minimizes fragmentation and a scaled-up approach on responding to risks. The FutureGov initiative co-led by UNDP and UN DESA aims to advance the next generation of public sector practices, and is one of 12 UN high-impact initiatives designed to achieve the SDGs. Moving forward, building on the results and lessons from the digitalization of public services and e-governance solutions aimed at enhancing access to basic social services, particularly in countries such as Burundi, Burkina Faso, the Central African Republic, Chad and Comoros, efforts will be reinforced with the mapping of governance-related "leverage points" that address immediate and structural needs, as well as strengthen vertical and horizontal coordination between different levels of governments and stakeholders with re-enforced focus on local governance to maximize development impact.
- 7. Building resilience in a poly-crises era is more critical than before:** Since 2022, UNDP's Crisis Offer has helped demonstrate that development action is integral to prevent, respond and recover from crises. UNDP links immediate entry points to improve well-being, such as jobs and livelihoods for 9.6 million people in crises in 2023, with measures to reduce risks and build the basis for resilience and recovery, such as more effective local and national institutions. By working across a continuum of conflict prevention, governance, disaster risk reduction and climate change, UNDP's six-year investment of \$1.6 billion in the Regional Refugee Resilience Plan, has convened 270 partners, including UN organizations, civil society, and local authorities, to strengthen national entities to manage ongoing crisis and instability. Systems approach also provides an entry point for coherent integration of resilience across UNDP's work for scaling impact.
- 8. Integrated development frameworks bolster climate resilience :** UNDP's multi-partner Climate Promise has supported 125 countries in delivering on Nationally Determined Contributions, raising the ambition of climate goals and the urgency of action. Countries like Ghana supported by UNDP are a forerunner in the voluntary carbon market. Similar efforts are underway in Kenya, Namibia, and Rwanda. Ghana has unlocked \$850 million in investments through 2030, and expects to create 7,000 green jobs, reduce 6 million tons of carbon emissions, and increase access to clean cooking, renewable energy, and electric mobility. Moving forward, UNDP will leverage vertical funds such as GEF to scale up successful initiatives like the High Integrity Carbon Markets for furthering enforcement of legal frameworks using digital technologies while advocating for nature sensitive and environmentally friendly economic growth solutions.
- 9. Propelling closer integration of energy and sustainable development for greater impact:** In 2023 UNDP introduced its Sustainable Energy Hub to propel closer integration of energy and sustainable development, aiming for a moonshot of providing access to clean energy for 500 million people as part of the UN Energy pledge. By focusing on linking people and the planet, UNDP has helped navigate complex, sensitive points of transition. With UNDP backing, Iraq made a bold pledge to phase out gas flaring and direct multibillion-dollar investments to renewable energy and sustainable urbanization. In addition, partnerships with the private sector and IFIs have helped unlock resources for clean energy solutions. This includes IBM's Sustainability Accelerator and support to European Investment Bank on the design a Green and Resilience Debt Platform which is expected to raise \$2 - \$3 billion and unlock over \$20 billion in private investments. Besides those positive gains, UNDP recognizes issues identified by the independent evaluations such as limited financing for SDGs, the need for stronger engagement with private sector, and instability of national institutions. Recognizing the ambitious target of mobilizing \$ 1 trillion for SDGs, UNDP has already begun to develop a roadmap for

this endeavour with a twin-track approach, working with partners to: (a) leverage additional finance for the Goals; and (b) realign existing resources with the Goals including private sector investments.

- 10. Partnerships on gender equality has helped address structural barriers and boosted performance:** In 2023, the Gender Justice Platform, in partnership with UN Women, promoted intersectional approaches to gender justice in 19 countries. Over 700 UNDP partnerships with civil society and women’s organizations in 2022-2023 supported women’s leadership in 50 countries. At the corporate level, UNDP’s Gender Equality Strategy 2022-2025, is building capacities to dismantle structural barriers impeding progress for women. A flagship initiative - Equanomics, deploys public policy tools, such as fiscal and tax reforms, to make economies more gender equitable. Over 20 countries are analyzing and defining reforms to tackle in-built gender-biases in policies and reduce some root causes of the gender poverty gap. Looking ahead and guided by its Gender Equality Strategy 2022-2025, UNDP will support the creation of a global learning lab on gender-equal economies to, amongst others, promote better understanding and disseminate evidence on intersectional economic biases, discrimination, and inequalities for holistic gender responses and effective partnerships at country level. In doing so, it will also address the issues highlighted in some evaluations such absence of sector-wide solutions and policy connections.
- 11. Innovation is transforming UNDP’s approach to accelerating development:** By responding to demand for “development R&D” and the testing of ideas to inform new policy choices and reforms, UNDP is discovering new partnerships, new ways of solving problems and a new cycle of learning. Operating in 115 countries, the Accelerator Labs are an open global research and development resource for the SDGs, sourcing over 6,000 development solutions. Learning from the portfolio approach piloted in 50 countries, UNDP rolled out a robust and flexible policy accompanied with a delivery instrument applicable across different contexts for promoting systems transformation and unlocking innovation and value at scale.
- 12. Scaling digitalization is necessary for promoting inclusive development:** UNDP is playing a leading role in global digital development. As co-lead of the Secretary-General’s High-Impact Initiative on Digital Public Infrastructure, UNDP and ITU has mobilized governments, philanthropies, and multilateral organizations behind a pledge to build digital public infrastructure in 100 countries by 2030. The initiative has already attracted \$400 million in commitments. The Digital Health for Development Hub was launched as a one-stop South-South shop for solutions to strengthen and scale digital health systems based on successful vaccination programmes in India and Indonesia. The expansion of work on digitalization is grounded in sustained investment in organization-wide capacities, including through the Digital Fitness Programme. Continuous awareness, recalibration and realignment will be prioritized to keep abreast of rapid changes in technology and meet accelerating demand for support.
- 13. Aligning public and private investments is critical for bridging the SDG financing gap:** UNDP’s Sustainable Finance Hub portfolio of work has grown to include taxation, budgeting, debt, insurance, and private finance. It has helped align approximately \$200 billion behind the SDGs, a step towards the 2025 moonshot of \$1 trillion. Efforts to shape new markets for blue, green, and SDG-linked bonds have yielded nearly \$15 billion in new finance for Cabo Verde, Fiji, Gabon, Jordan, Indonesia, Mexico, Nepal, Nigeria, Rwanda, Uruguay, Uzbekistan, and others over 2022-2023. Looking ahead priority will be accorded to building capacities in line with a consolidated set of UNDP SDG finance services as well as tracking UNDP’s contribution to financial alignment and the monitoring of financial leverage.

III. INDEPENDENT EVALUATIONS

THEMATIC EVALUATIONS

Implementation of thematic evaluations

14. UNDP appreciates the IEO for presenting the three thematic evaluations to the executive board in 2023 namely (1) the Evaluation of UNDP Support to Social Protection, (2) the Evaluation of UNDP Support to Access to Justice, and (3) the formative evaluation of the integration by UNDP of the principles of leaving no one behind. UNDP presented its management responses to the first evaluations at the first regular session in February 2023, and for the remainder two were presented in the annual session of June 2023.

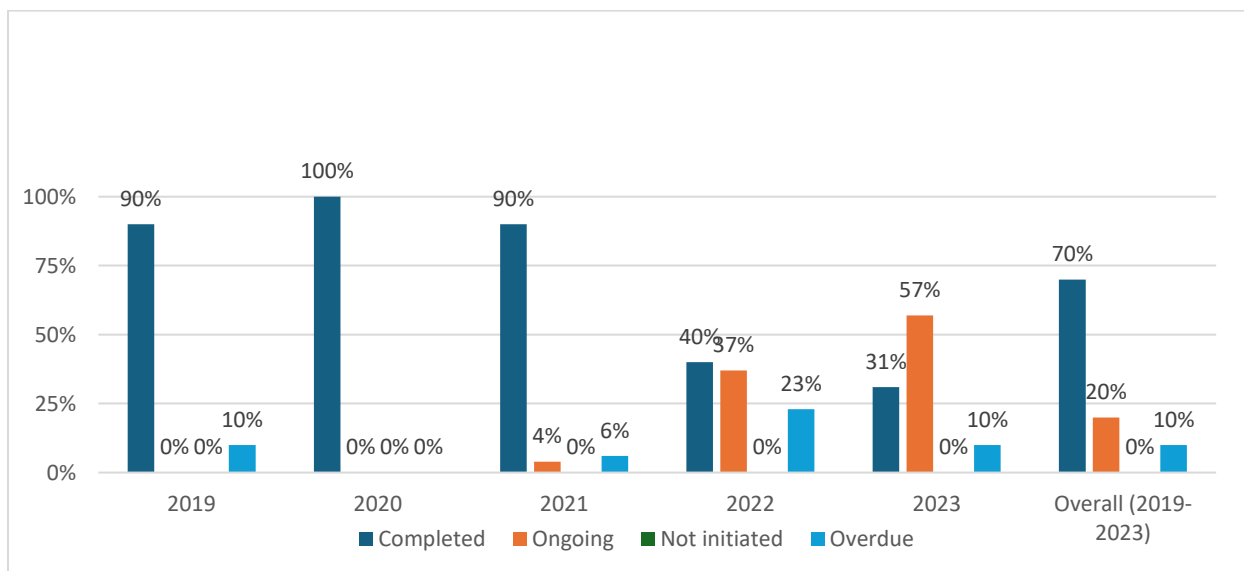
15. UNDP was actively engaged in supporting the above-mentioned three thematic evaluations and developing their management responses. UNDP will ensure that findings and recommendations are tracked, followed, and applied in the new program and project designs.

Implementation of management actions of thematic evaluations recommendations

16. In November 2021, in line with the Executive Board decision, UNDP institutionalized quarterly monitoring of key performance indicators (KPIs) to strengthen oversight and offer timely support to planning and implementing decentralized evaluations. Through the same platform, UNDP tracks and reports progress of implementation of the management responses of these evaluations as well. Also, key performance indicators are a standing item on the agenda of the Organizational Performance Group (OPG) – comprising of senior organizational leadership, with regular follow up across bureaus.

17. UNDP appreciates IEO’s leadership in the conduct of 14 thematic evaluations over a period of five years. Management responses to the evaluation recommendations are tracked for a period of five years after the completion of each evaluation. *UNDP is pleased to inform the executive board that 90 per cent of management actions were implemented for thematic evaluations (70 per cent “completed”, 20 per cent “ongoing or initiated” with only 10 per cent overdue).* Figure 1. below highlights implementation of management actions for the evaluations is on track with actions for evaluations conducted between 2019 and 2023.

Figure 1: Implementation of management actions for thematic evaluations conducted in 2019-2023.



INDEPENDENT COUNTRY PROGRAMME EVALUATIONS (ICPEs)

Coverage and Use of ICPE

18. UNDP values evidence collected and shared through the ICPEs as elaborated under section II of these management commentaries. This is evidenced by the uptake of ICPE recommendations in the design of the 29 new Country Programme Documents (CPDs) approved in 2023 with satisfactory ratings against UNDP’s program quality index. Quality of evaluation plans are assessed as part of the same program quality index.
19. The 2018 Executive Board decision (2018/1) noted the IEO decision “to achieve full evaluation coverage of all country programmes prior to the Board’s consideration of new country programme documents, as guided by decision 2015/8.”
20. In line with the 2018 Executive Board decision, out of the 29 CPDs approved in 2023, 17 were accompanied by an ICPE. Learning from this experience, UNDP recognizes that Decentralized Country Programme Evaluations (DCPEs) or country program performance summaries in comparison to an ICPEs are unable to offer an adequate assessment of development results potentially impacting the quality of new CPDs developed as well as affecting the Country Program performance rating undertaken by IEO. *UNDP therefore requests IEO, in line with the executive board decision and IEO’s 2022–2025 multi-year work plan, to ensure the UNDP framework of support at the country level is anchored in an independent assessment of development results. Details of ICPE coverage are captured in Table 1.*

Table 1: Coverage of ICPEs to new CPDs submitted to the Board 2019-2023¹:

Year	CPDs approved by the Executive Board	CPDs with Evaluation Coverage		Coverage		CPDs approved without any coverage. (Countries declined, unable to complete, or unresponsive to IEO DCPE support)
		ICPE	DCPE (and unpublished)	ICPE Only	Total (ICPE + DCPE)	
2018	35	13	0	37%	37%	
2019	17	17	0	100%	100%	
2020	20	18	0	90%	90%	South Africa, Congo (DRC)
2021	23	20	2	87%	96%	*Spillover effects from COVID Albania
2022	35	25	4	71%	83%	*Spillover effects from COVID Niger, Pakistan, Libya, Jordan, Guyana, Trinidad and Tobago.
2023	29	17	7	59%	83%	*Spillover effects from COVID Gabon, Sao Tome and Principe, Mauritania, Chile, Dominican Republic

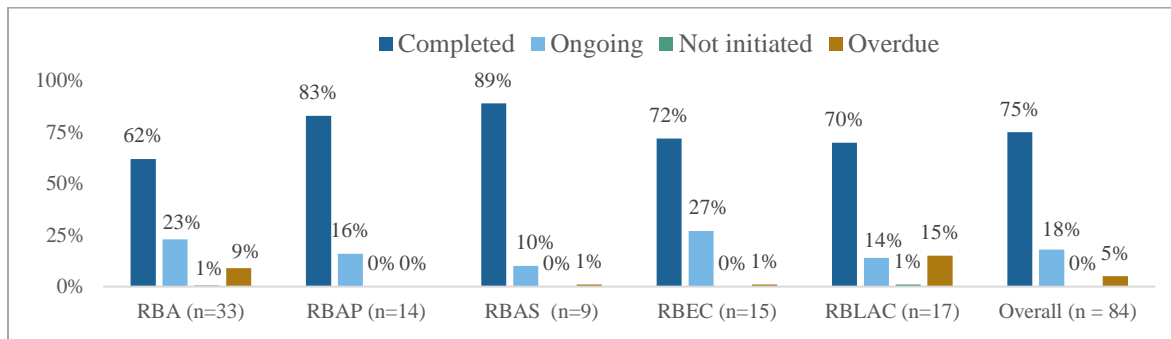
¹ Between 2019 to 2020, IEO conducted several Independent Country Program Reviews (ICPRs) which was discontinued after 2020.

21. UNDP is pleased to see a very high satisfaction rate amongst stakeholders on the evaluations and knowledge products prepared and shared by IEO. UNDP takes note of *the decline in rating of utility of the ICPEs* which in part may be attributable to the timeliness of the reports and their input to the UN Country Cooperation Framework evaluations as well as the design of the new Country Programme., *therefore, UNDP requests IEO to share the ICPEs on time, to enable country offices to integrate finding and recommendations in new program design.*

Implementation of management actions of ICPE evaluation recommendations

22. Between 2019-2023, IEO conducted 84 ICPEs in five regions, for which UNDP committed to 1125 management actions. Implementation of ICPE management action for both completed and ongoing stands at 93% (75 per cent completed, 18 per cent ongoing).

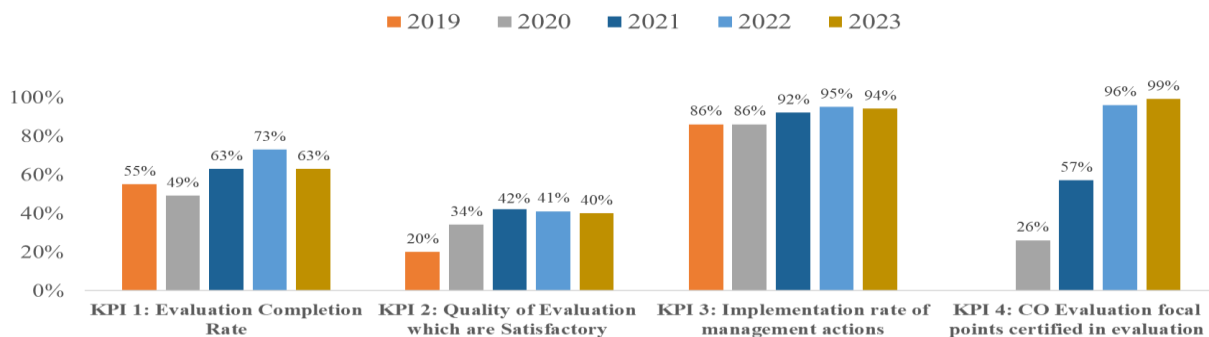
Figure 2: Implementation of management actions for ICPEs conducted in 2019-2023, disaggregated by region².



IV. DECENTRALIZED EVALUATIONS

23. Investment in strengthening the evaluation function with particular attention to decentralized evaluation, has resulted in incremental improvements on evaluation key performance Indicators namely: evaluation planning, implementation, quality, capacities, follow-up, and implementation of recommendations to inform higher quality programing. Figure 3. highlights the trend of key performance indicators between 2019 to 2023.

Figure 3: The trend of Decentralized Evaluation Key Performance Indicators (2019-2023)



² RBA: Regional Bureau for Africa; RBAP: Regional bureau for Asia and the Pacific; RBAS: Regional bureau for Arab States; RBEC: Regional bureau for Europe and the CIS; RBLAC: Regional Bureau for Latin America and the Caribbean

Implementation of decentralized evaluation plans

- 24. As reflected in the 2023 ARE, UNDP completed 63 per cent of planned decentralized evaluations (289 against 456 planned). Reviewing the trend over the last seven years, UNDP planned around 500 evaluations on average and completed around 300 evaluations per year (around 60% completion rate against the annual targets). The performance in 2023 is within the average completion rate of previous years. The only exception was 2022, when the organization completed 73% of its planned evaluations (around 400). A key factor contributing to this jump in the completion rate was on account of backlog of evaluations delayed in the prior year due to the pandemic and completed in 2022.
- 25. Challenges confronting the timely implementation of evaluation plans range from delayed procurement, protracted partner consultations for the finalization of terms of reference and evaluation reports to changes in country context. In addition, there are other strategic factors influencing the buildup of a large body of evaluations in UNDP’s annual decentralized evaluation plan. This includes a highly earmarked projectized funding model, compelling business units to evaluate projects rather than analyze results across multiple signature solutions. With funding connected to projects, there are limited resources for strategic or outcome evaluations which offer the potential for providing evaluative evidence on wider development impact. As a result, UNDP is unable to realize the target of 15% impact, thematic, program, outcomes, portfolio evaluations.
- 26. Apart from evaluations mandated by funding partners (including GEF and GCF) for projects where these vertical funds do not allow combining evaluations in any strategic format, compliance with UNDP’s evaluation policy has resulted in many evaluations being reflected in the annual evaluation plan. This is on account of the mandatory project evaluation thresholds required under the policy. See table 2 below.

Table 2: MANDATORY PROJECT EVALUATION THRESHOLDS	# EVALUATIONS
Projects with a planned budget or actual expenditure of more than \$ 5 million. If the project is under four years, then only one evaluation is required.	Midterm and final evaluation
Projects with a planned budget or actual expenditure of between \$3 million and \$5 million.	Midterm or final evaluation
Projects with duration of more than five years.	At least one evaluation: midterm or final
Projects entering a second or subsequent phase.	One evaluation before moving into the new phase
Development initiatives being considered for scaling up.	An evaluation before expansion

UNDP looks forward to engaging with IEO and Member States on the revision of the evaluation policy to ensure that the revised policy advocates for more strategic and portfolio evaluations that capture results and impact in line with the vision of the Strategic Plan for 2022-2025.

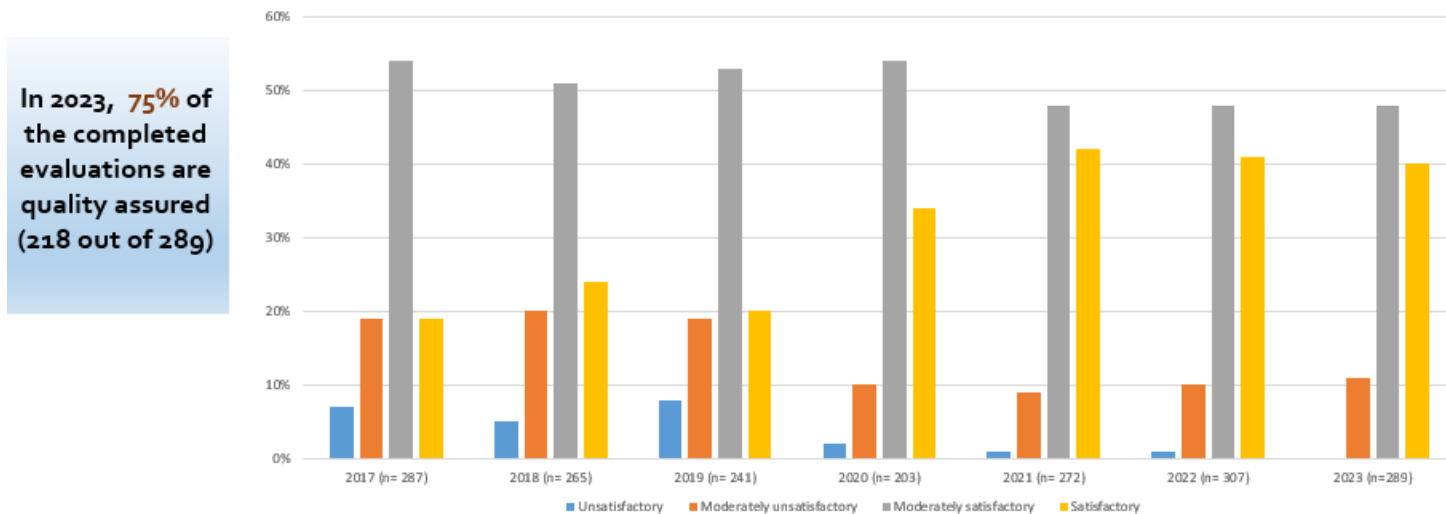
27. With the roll out of the new policy on portfolio, UNDP looks forward to receiving guidance from IEO on conducting portfolio evaluations. A shift from project to strategic evaluations including impact, thematic, programme and, outcomes and portfolio evaluations is welcomed, enabling stakeholders to review a wider body of evidence on the results and impact of UNDP’s contribution to national and sub-regional priorities. In line with the portfolio approach, revision of the thresholds for mandatory evaluations will enable offices to prioritize strategic evaluations, as well as plan for an achievable and more realistic number of evaluations focusing on higher quality programming.

Quality of decentralized evaluations

28. UNDP appreciates IEO’s efforts in rating the quality of decentralized evaluations. Of the 218 evaluations assessed in 2023 for quality, 40 per cent were rated as highly satisfactory and satisfactory; 48 per cent as moderately satisfactory, and 11 per cent were moderately unsatisfactory. In terms of regional distribution RBAS had 59 per cent of evaluation reports rated “satisfactory”; the only region meeting the corporate quality target of 50 per cent. Comparing to 2022, the overall quality rating of the evaluations remains the same therefore, BPPS will take this up with the Regional Bureaus through the OPG meetings for improvements in the quality of evaluations to meet the minimum corporate target for 2024.

29. UNDP Recognizes and appreciates investments made by the regional bureaus and IEO on six regional evaluation workshops in 2023 which in long term should lead into improved planning, quality, and use of the decentralized evaluations.

Figure 4: Decentralized evaluation quality, 2017-2023



Implementation of management actions to the decentralized evaluation recommendations

30. UNDP has strengthened its follow up and implementation of the action plans committed to the decentralized evaluations over the years. For 2023, the implementation rate of management actions for decentralized evaluations conducted stands at 95 per cent (completed and ongoing actions) with only 2 per cent overdue. A disaggregated regional snapshot of management actions completed is captured in Figure 6. There is an overall recognition in the ARE on implementation of the management responses and associated key actions by the offices across the regions.

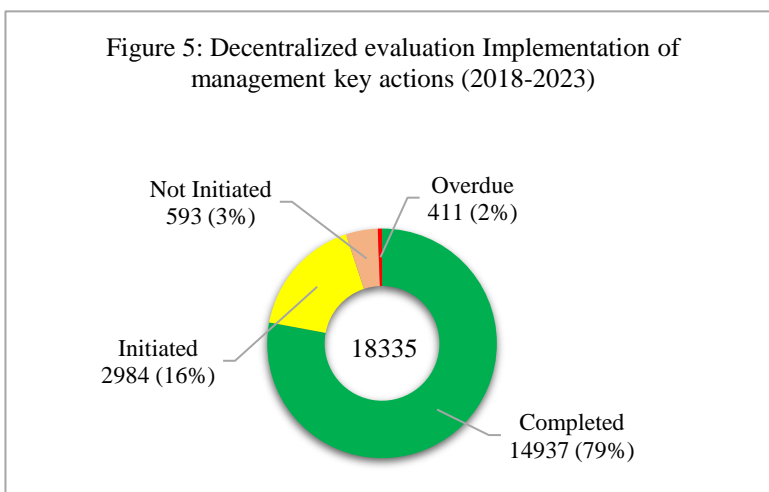
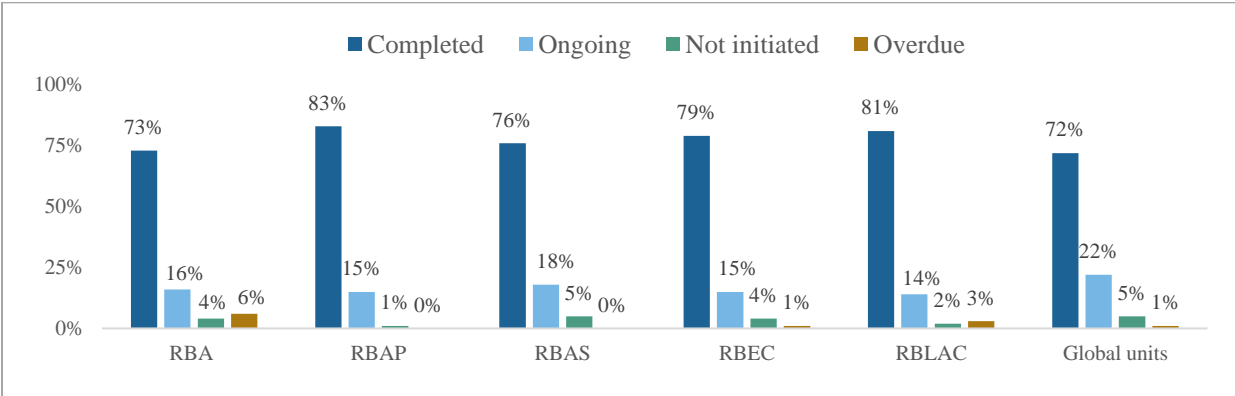


Figure 6: Implementation of management actions for decentralized evaluations conducted between 2018- 2023, disaggregated by region.



V. ACTIONS TAKEN IN 2023 TO STRENGTHEN DECENTRALIZED EVALUATIONS

31. "Roadmap for strengthening decentralized evaluations in UNDP" was developed jointly by UNDP and IEO in response to the Executive Board decision (UNDP/2022/3). Key actions from UNDP on the implementation of the decentralized evaluation roadmap in 2023 are listed below.

Pillar 1. Evaluation Implementation, Independence, and Quality

32. **Strategies at the Central and Regional Bureau level for strengthening decentralized evaluations:** The strategies contain commitments to strengthen management accountability and strategic actions to improve the coverage, quality, and use of decentralized evaluations in decision-making. The strategies were followed through periodic reviews by OPG.

33. **Strengthening programming tools related to evaluation:** In line with UNDP evaluation guidelines, BPPS in coordination with IEO reviewed and updated the Programme and Project Management (PPM) - Program and Operations Policies and Procedures (POPP)³ guidance documents related to evaluation.

34. **Enhanced support for the development of country program evaluation plans:** BPPS extended strategic advisory inputs to 29 country offices in the development of evaluation plans focusing on (a) inclusion of conducting a range of evaluations like impact, thematic, program, outcomes, portfolio, and project evaluations; (b) balanced evaluation coverage across all country program outcomes; and (c) realistic timing, resourcing, and sequencing of evaluations.

35. **Expansion of the Express Roster for quality evaluators:** BPPS partnered with IEO to quality assure evaluators in the roster to ensure high-quality expertise across all signature solutions, ensuring geographic coverage and language requirements. This effort has resulted in an increased uptake of evaluators sourced from the roster (1 in 3 decentralized evaluations conducted sourced expertise from the roster). In addition, the roster is powered by artificial intelligence functionality for ease of access.

³ Updated PPM chapters (11) related to evaluation functions and procedures: Quality Standard for Programming; Formulate Programmes and Projects; Multi-country and South-South Cooperation Projects; Performance-Based Payments; Appraise and approve; Annual Planning; Deliver Results; Monitor; Manage Change; Report; Close and Transition

Pillar 2. Management Accountability and use

- 36. Evaluation scorecard and key performance indicators:** The rollout of the Evaluation Scorecard complements the data available in IEO’s Evaluation Resource Center, offering management real-time data on evaluation performance to facilitate timely action to lift UNDP’s performance on evaluation KPIs. Detail of the performance metrics and progress against KPIs in 2023, is presented in *Annex 1*.
- 37. Quarterly monitoring and senior management review of decentralized evaluation performance:** UNDP has institutionalized regular monitoring by senior management of KPIs. In 2023, four quarterly reviews were conducted to monitor and analyze performance for timely action by the bureaus and country offices.
- 38. New Tier 3 indicators on evaluation performance for the IRRF of the Strategic Plan:** Five evaluation indicators were included in UNDP strategic plan 2022-2025 with associated methodological notes. BPPS monitored and tracked the progress to ensure the timely completion of milestones. Details of the IRRF progress against the annual targets for 2023 are presented in Annex 2.
- 39. Updated Annual Reporting on Evaluation Actions and Expenditure:** In 2023 UNDP used the revised methodology to accurately capture organizational investments in the evaluation function in line with the UNDP evaluation guideline and approved an organizational roadmap for strengthening quality, coverage, and use of decentralized evaluations.

VI. INVESTMENT IN EVALUATION

- 40.** UNDP’s expenditure on evaluation reached \$36.71million in 2023. The evaluation spending is approximately 0.75% per cent of UNDP’s total program expenditure⁴ for 2023. It is worth noting that the total evaluation expenditure of 2023 is almost at the same level as 2022, with an increase in 2023 delivery resulting in a lower evaluation expenditure percentage.

Table 3: UNDP expenditure in millions on evaluation, 2018-2023

UNDP evaluation expenditure in millions, 2018-2023								
UNDP overall Evaluation expenditure			2018-2023					
			2018	2019	2020	2021	2022	2023
UNDP expenditure	UNDP Country Office expenditure on evaluation	Evaluation implementation costs	\$6.60	\$7.00	\$6.00	\$9.04	\$10.80	\$7.40
		Staff costs	\$3.90	\$4.80	\$5.40	\$5.20	\$8.80	\$9.66
		Additional evaluation-related costs	\$1.00	\$1.50	\$0.90	\$0.10	\$3.60	\$2.73
		Country office expenditure	\$11.50	\$13.20	\$12.30	\$14.30	\$23.20	\$19.79
	Expenditure at Headquarters and by	Evaluation costs	\$0.30	\$0.25	\$0.40	\$0.80	\$0.70	\$1.15
		Staff costs	\$1.40	\$1.30	\$1.80	\$1.30	\$1.20	\$2.08

⁴ Executive Snapshot <https://app.powerbi.com/groups/me/reports/bfae426e-1f64-46cf-893e-ffcb697221a1/ReportSection086ef516d0e0624c6a74?experience=power-bi>

	regional bureaux	Additional evaluation-related costs	\$0.10	\$0.05	\$0	\$0.02	\$0.02	\$0.09
		Regional expenditure	\$1.80	\$1.60	\$2.20	\$2.10	\$1.90	\$3.32
	TOTAL		\$13.30	\$14.80	\$14.50	\$16.40	\$25.10	\$23.11
IEO expenditure	Evaluations and other institutional activities	TOTAL	\$8.70	\$10.90	\$11.20	\$11.40	\$11.80	\$13.60
GRAND TOTAL			\$22.08	\$25.70	\$25.80	\$27.80	\$36.90	\$36.71
% Resources spent for evaluations			0.48	0.58	0.57	0.58	0.77	0.75%
UNDP program expenditure			\$4,603	\$4,411	\$4,507	\$4,802	\$4,810	\$4,910

41. In overall, country office expenditure reduced from \$23.2 million in 2022 to \$19.8 million in 2023. The reduction is mainly due to the lesser number of evaluations completed in 2023 in comparison to 2022 and increase in accuracy of reporting due to comprehensive guidelines issued in 2023. It's important to note that the overall increase in staffing cost in 2023 is mainly due to more accurate capturing of country offices and regional bureaux expenditures and investments in the M&E capacities.

VII. STRATEGIC PRIORITIES FOR 2024

42. UNDP in collaboration with IEO and building on the lessons learned from 2023, will focus on strengthen evaluation planning, improve quality, and increase strategic and thematic evaluations in 2024 and beyond.

More specifically UNDP will prioritize:

- Engage with IEO on the revision of evaluation policy and guidelines to accommodate more portfolio and strategic evaluations as well as contribute to national evaluation capacities.
- Continue with enforcement of the decentralized evaluation strategies for the bureaux and regular follow up with the bureau's leadership through the OPGs.
- Regular guiding sessions and training for evaluation focal points of the bureaux and country offices on key aspects of planning, management, and implementation of the decentralized evaluations.
- Improve evaluation quality through targeted actions to address bottlenecks at the country level such as lack M&E capacity in the country offices in collaboration with the regional bureaux.
- Facilitate cross regional knowledge sharing and best practices, especially from the country offices or bureaux with good performance in certain areas.
- Expand the evaluators roster and disseminate information to the country offices for selection of vetted evaluators.
- Socializing evaluators with UNDP evaluation guidelines and standards and use of evaluators induction package.
- Prioritizing programmatic and management/operational actions leveraging findings from evaluation synthesis and IEO's Artificial Intelligence for Development Analytics to inform management decision-making, communication, and advocacy.



UNCDF management commentaries on the 2023 Annual Report on Evaluation

UNCDF welcomes the 2023 Annual Report on Evaluation, submitted by the Independent Evaluation Office (IEO) to the Executive Board. The report provides a summary of key findings from independent evaluations for organizational lessons to help UNCDF improve program quality. UNCDF Management commentaries reflect UNCDF perspectives of critical elements related to evaluation tasks, independent evaluations, actions taken by UNCDF in 2023, and those that will be elaborated by the UNCDF evaluation function during the 2022-2025 Strategic Framework period.

In line with UNCDF's commitments under the Strategic Framework 2022-2025, UNCDF Management reiterates its intention to continue to ensure an appropriately – resourced evaluation function (UNDP Evaluation Policy, point 27), UNCDF will aim to continue to allocate at least 1 per cent of its combined programmatic (core and non-core) resources to the evaluation function on an annual basis) that can support the independent evaluation of selected key programmes and projects at the mid-term and final points of their implementation. UNCDF also commits to increasingly conduct thematic and portfolio evaluations to capture UNCDF's performance at the organizational level overall and across key themes and priority areas of UNCDF's work – including with its key partners.

I. LESSONS

UNCDF Management highly values findings reflected in the report, synthesizing key lessons from evaluations conducted by UNCDF. UNCDF is pleased to note the evaluation findings on its 'innovation-learning-scale up', devolved planning and financing for climate adaptive investments, locally led adaptation (LLA), as well as the findings on combining different interventions to systematically contribute to a common development challenge. Key lessons from various evaluations informing actions of UNCDF programmatic approach are the need to consider trade-offs between different approaches while consolidating achievements and expanding operations, and reviewing its approach to digitalization, considering it as a means to achieving other strategic objectives.

II. IMPLEMENTATION OF EVALUATION PLAN

Following the delays in the implementation of the evaluation plan reported in 2022, management is pleased to report that the corrective measures taken in 2023 have enabled the Evaluation Unit to catch-up on the delays and implement the 2023 evaluation plan as planned, while maintaining the quality and utility of its evaluations. Going forward, the UNCDF Evaluation Unit setup and capacity is included as part of the broader Organizational Review process currently ongoing with the Operational Performance Team in the Bureau for Management Services (BMS/OPT). Management will review all recommendations from the Review with the objective of strengthening the evaluation function of UNCDF in line with the UNDP Evaluation Policy to which UNCDF is party.

III. IMPLEMENTATION (COMPLETED AND INITIATED) OF MANAGEMENT ACTIONS

Over the last five years, UNCDF conducted 14 evaluations, tabling a total of 121 recommendations with 273 management key actions. 92 per cent of management actions were implemented⁵ (75% completed, 2% no longer applicable, 17% initiated, 0% overdue, 5% not initiated)⁶. UNCDF management Recognizes the importance of the management response for effective organizational learning and will continue to focus on maintaining its commitment to the timely implementation of management response key actions.

IV. STATUS OF EVALUATION QUALITY RATINGS

Of the three evaluations quality assessed in 2023, all were rated satisfactory, scoring 5 out of 6. This remains consistent with the quality ratings received over the last five years with a total of 17 Evaluations rated satisfactory and above.

Management is committed to maintaining the same high quality for all evaluations going forward. The UNCDF Evaluation Unit will continue to be highly involved in each evaluation.

V. EVALUATION RESOURCE CENTER FOCAL POINT WITH EVALUATION CERTIFICATIONS

Management is pleased to report that all UNCDF Evaluation Unit Staff are currently duly certified.

VI. GOING FORWARD

While awaiting the recommendations from UNCDF's Organizational Review, supported by BMS/OPT, UNCDF management will continue to receive quarterly updates during management meetings on the progress made by the Evaluation Unit in achieving its KPIs. These will be in addition to the regular briefings by the Evaluation Unit to the Executive Secretary to whom it reports.

⁵ Implemented includes completed and initiated key actions.

⁶ 273 Key Actions: 206 completed, 5 no longer applicable, 15 not initiated, 47 initiated.

Annex 1: Evaluation Key Performance Indicators 2023

Critical evaluation performance in KPIs		UNDP Overall			Bureaus						Global Units (By programme units)				
		Baseline (2022 performance)	Annual Target 2023	2023 achievement (31 January 2024)	RBA	RBAP	RBAS	RBEC	RBLAC	Global	BPPS	CB	UNOSSC	UNCDF	UNV
KPI 1. Percentage of completed evaluation against quarterly and annual targets from Annual evaluation plan	Annual target	73%	>90% by Q4 or end of year	63%	60%	92%	67%	48%	52%	53%	56%	50%	67%	100%	0%
		396 out of 545		289 out of 456	65 out of 108	90 out of 98	34 out of 51	40 out of 83	50 out of 97	10 out of 19	5 out of 9	1 out of 2	2 out of 3	2 out of 2	0 out of 2
KPI 2. Percentage of decentralized evaluation reports rated as 'highly satisfactory' or 'satisfactory' quality		41%	>= 50%	40%	36%	35%	59%	44%	33%	83%					
		98 out of 219		87 out of 216	16 out of 45	23 out of 6	16 out of 27	14 out of 32	13 out of 40	5 out of 6					
KPI 3: Percentage of decentralized evaluation management actions that are implemented (Completed +Initiated)	Decentralized evaluations	95%	90%-95%	95%	90%	99%	95%	94%	95%	94%	94%	93%	90%	93%	99%
		17299 out of 18145		17921 out of 18335 (79% completed, 16% initiated, 2% overdue)	3769 out of 4173 (5% overdue)	5583 out of 5713	1757 out of 1819	3026 out of 3071 (1% overdue)	3094 out of 3234 (2% overdue)	703 out of 748 (1% overdue)	209 out of 289 (1% overdue)	83 out of 139	57 out of 63	253 out of 273	70 out of 71
	ICPEs	97%	90%-95%	91%	84%	99%	96%	98%	84%						
		984 out of 1014		1125 out of 1029 (71% completed, 21% initiated, 6% overdue)	318 out of 377 (9% overdue)	209 out of 211	105 out of 109	252 out of 256	145 out of 172 (15% overdue)						
Thematic evaluations	97%	90%- 95%	88%								85%	95%			
	211 out of 216		187 out of 212 (71% completed, 26% initiated, 11% overdue)								123 out of 145 (15% overdue)	64 out of 67 (4%overdue)			
KPI 4. Percentage of CO evaluation focal (ERC focal points) with evaluation certification		96%	>90%	99%	100%	100%	100%	97%	97%				100%	100%	
		190 out of 198		210 out of 213	72 out of 72	45 out of 45	35 out of 35	23 out of 23	34 out of 35	35	18	9	1 out of 1	2 out of 2	5

Annex 2: Progress Against IRRF Targets for 2023

