



# UN-HABITAT EVALUATION POLICY

JANUARY 2013

**UN**  **HABITAT**  
FOR A BETTER URBAN FUTURE



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## Acronyms and Abbreviations

|                 |  |
|-----------------|--|
| CPC             | Committee for Programme and Coordination                   |
| CPR             | Committee of Permanent Representatives                     |
| DAC             | Development Assistance Committee                           |
| EA              | Expected Accomplishment                                    |
| JIU             | Joint Inspection Unit                                      |
| M&E Unit        | Monitoring and Evaluation Unit                             |
| MTSIP           | Medium-Term Strategic and Institutional Plan               |
| NGO             | Non-governmental Organization                              |
| OECD            | Organisation for Economic Co-operation and Development     |
| OIOS            | Office of Internal Oversight Services                      |
| PAG             | Project Advisory Group                                     |
| PPCU            | Programme Planning and Coordination Unit                   |
| PRC             | Programme Review Committee                                 |
| SMART           | Specific, Measurable, Achievable, Realistic and Time-bound |
| TOR             | Terms of Reference   |
| UN              | United Nations   |
| UNCHS (Habitat) | United Nations Centre for Human Settlements                |
| UNEG            | United Nations Evaluation Group                            |
| UN-Habitat      | United Nations Human Settlements Programme                 |
| USAID           | United States Agency for International Development         |

## Foreword by the Executive Director



With the growing demand and emphasis from Member States, our governing bodies, donors, and other development partners to assess the results of UN-Habitat's development interventions, it is no longer acceptable for the organization to simply report how much money has been spent or what outputs have been produced. Instead, UN-Habitat must demonstrate how well its interventions are achieving intended results, and how effectively they are contributing to broad development objectives such as the Millennium Development Goals and the eradication of poverty.

As part of UN-Habitat's on-going reform processes, I have established the Independent Evaluation Unit in January 2012, with the aim of further improving and strengthening the evaluation function so as to enable the organization to assess the results we achieve, to promote transparency and support accountability, and to ensure that evaluations contribute to organizational learning and overall programme performance. Strengthened evaluations will also enable us to make better evidence-based decisions, enhance programme design and improve our effectiveness and efficiency.

This evaluation policy is an important step towards enhancing the evaluation function and ensuring independence, credibility and utility of UN-Habitat's evaluations. The policy describes the institutional framework for the effective conduct and management of UN-Habitat's evaluations, including roles and responsibilities of various parties. It provides principles, norms and standards for planning and conducting evaluations, and explains how evaluations will be prioritized, budgeted for and managed. It also highlights the reporting requirements and mechanisms for follow-up on evaluations, including management responses to evaluations, and statements of disclosure and dissemination.

We recognize our broad mandate and our limited resources to conduct evaluations. However, the measure of our success will not be predicated by the number of evaluations done. Rather, it will be based on our ability to identify areas in which we are able to achieve development results and those in which we may register less success and, therefore, need to improve. With the implementation of this policy, we expect firstly, changes in the quantity, coverage and quality of UN-Habitat's evaluations; secondly, improved programme and project design; thirdly, better resource allocation decisions; and, finally, improved evaluation practice.

I would like to thank the Evaluation Unit for developing this policy. Most provisions in the policy are implementable within our current budget and will enter into force immediately. The policy will be reviewed and updated periodically based on the lessons learned from its implementation and in light of emerging best practices and consistent with evaluation processes of the United Nations System.

The policy is a useful tool to all of us and to our partners. It has my approval and I count on the cooperation and support of all UN-Habitat staff in using this policy and further enhancing it to strengthen UN-Habitat's evaluation function.

**Dr Joan Clos**

Under-Secretary-General and  
Executive Director

Approval Date: 23<sup>rd</sup> January 2013

## I. Introduction

1. The United Nations Human Settlements Programme (UN-Habitat) was established in 2001, replacing the United Nations Centre for Human Settlements, UNCHS (Habitat), which had been in operation since 1978. UN-Habitat has a broad mandate to promote sustainable urbanization and human settlements development and reduce poverty.
2. Until January 2012, the organization's evaluation function was coordinated and managed by the Monitoring and Evaluation Unit (M&E Unit). The Unit was created in 1997, following the Office of Internal Oversight Services (OIOS) recommendation that UNCHS establish a mechanism for performance monitoring, evaluation and reporting, separate from the planning function.
3. In 2012, as part of UN-Habitat's organizational reform, the monitoring and evaluation functions were separated. An independent Evaluation Unit was created reporting directly to the Executive Director, while the monitoring function was transferred to the Quality Assurance Unit, Operations Division.
4. This document presents UN-Habitat's evaluation policy. The purpose of the policy is to establish the overall framework for evaluation at UN-Habitat and to foster the culture of evaluation across the organization. The policy is also intended to facilitate conformity of evaluation at UN-Habitat with best practices, and with the norms and standards of the United Nations Evaluation Group (UNEG). The policy seeks to support accountability and to increase the generation and use of knowledge from evaluations for effective results-based management, decision-making and organizational learning.
5. The policy aims at providing clarity to UN-Habitat's staff, the organization's partners and other key stakeholders about the purposes of evaluation, the types of evaluations conducted, organizational roles and responsibilities, as well as requirements for conducting, managing, disseminating and using evaluations. It also serves to communicate to implementing partners and key stakeholders a new approach to evaluation.
6. The evaluation policy responds to various decisions and recommendations, including:
  - (a) *The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation* (ST/SGB/2000/8), which mandate the conduct of evaluation in the United Nations Secretariat and requires all United Nations programme activities to be monitored and evaluated, within the context of the professional guidelines.
  - (b) *Norms and Standards for Evaluation in the United Nations System, 2005*, which call for each agency to develop its own evaluation policy that is relevant and meaningful to the organization.
  - (c) *UN-Habitat Governing Council Resolution 21/2 of April 2007*, on the Medium-Term Strategic and Institutional Plan (MTSIP) for 2008-2013, which calls for a strengthened evaluation function.
  - (d) Recommendation 5 of the Office of Internal Oversight (OIOS) report entitled *Assessment of Evaluation Capacities and Needs in the United Nations Secretariat* (IED-2006-006, 24 August 2007), which requires that all programmes that do not yet have established evaluation policies develop an explicit policy on evaluation.
  - (e) Recommendation 1 of the report *Professional Peer Review of the Evaluation Function of UN-Habitat*, which recommends the development of an evaluation policy aligned to UNEG norms and standards.



## II. Definition of Evaluation

7. As defined in the norms and standards for evaluation in the United Nations System, an evaluation is an assessment, as systematic and impartial as possible, of an activity, project, programme, strategy, policy, topic, theme, sector, operational area, institutional performance, etc. It focuses on expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality, in order to understand achievements or the lack thereof. It aims at determining the relevance, impact, effectiveness, efficiency and sustainability of interventions and contributions of the organizations of the United Nations System.
8. An evaluation should provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons into the decision-making processes of the organizations of the United Nations System and its members.
9. Evaluation feeds into management and decision-making processes and makes an essential contribution to managing for results. Evaluation informs the programme planning, budgeting, implementation and reporting cycle. It aims at improving institutional relevance and the achievement of results, optimizing the use of resources, providing client satisfaction and maximizing the impact of the contribution of the United Nations System.<sup>1</sup>
10. The above definition includes five main criteria of an evaluation: relevance, effectiveness, efficiency impact and sustainability. The use of the five criteria by UN-Habitat will depend on the type, resources available and timing of the evaluation.
  - (a) **Relevance.** The extent to which the objectives and implementation strategies of a development intervention are consistent with the organization's strategies and the requirements of beneficiaries, and also the extent to which they are responsive to the organization's corporate plan and human development priorities such as empowerment and gender equality. Also important is the extent to which a development initiative and its intended outputs and outcomes are consistent with national and local policies and priorities, and the needs of target beneficiaries.
  - (b) **Effectiveness.** A measure of the extent to which the initiative's intended results (outputs and outcomes) have been achieved or how likely they are to be achieved. In this context cost-effectiveness assesses whether or not the costs of an intervention/activity can be justified by the outcomes.
  - (c) **Efficiency.** A measure of how economically resources or inputs, such as funds, expertise and time, are converted to outputs/results. An initiative is efficient when it uses resources appropriately and economically to produce the desired outputs.
  - (d) **Impact.** The positive or negative changes produced by a development intervention, directly or indirectly, intended or unintended. Measuring the impact involves determining the effects of an activity on social, economic, environmental and other development indicators. Evaluation of impact is important because it generates useful information for decision-making and supports accountability for delivering results.
  - (e) **Sustainability.** The likelihood of an intervention to continue to deliver benefits for an extended period of time after donor funding or other form of external support is withdrawn. Interventions need to be environmentally, financially, socially and culturally sustainable.

<sup>1</sup> Definition of evaluation and monitoring is adapted from the UNEG Norms for Evaluation in the UN System, 2005. It draws on Regulation 7.1 of Article VIII of ST/SGB/2000/8 and from the widely accepted principles for evaluation of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC).

11. Evaluation is different from monitoring, which is defined as a continuous examination of progress achieved during the implementation of an undertaking to track progress with the plan and to take necessary decisions to improve performance. Monitoring uses systematic collection of data on specific indicators to provide management and main stakeholders of an on-going intervention with indications of the extent of progress and achievement of objectives, and utilisation of resources.

**Monitoring and evaluation are distinct but complimentary functions. Successful evaluation hinges on successful monitoring data that can be used in evaluation.**

12. UN-Habitat will ensure that evaluation is an integral part of its results-based management system. It will guarantee this by establishing evaluation as part of its planning and programming processes and feeding back lessons from evaluations into the design of new projects and programmes. Through well-designed programmes and projects with specific, measurable, attainable, realistic and time-bound (SMART) results that can be monitored and evaluated, evaluation is able to contribute to more informed decision-making, planning and implementation.
13. Evaluations will be conducted in a gender and culturally sensitive manner. Human rights and gender equality aspects will be integrated into evaluation processes.

### III. Purposes of Evaluation

14. The purposes of evaluation include understanding of why and the extent to which intended and unintended results are achieved, and their impact on stakeholders. Evaluation is an important source of evidence of the achievement of results and institutional performance. It is also an important contributor to building knowledge and to organizational learning. In addition, it is an

important agent of change and plays a critical and credible role in supporting accountability. The objective of evaluation in the United Nations Secretariat is defined in the Regulations and Rules of the United Nations<sup>2</sup> as follows:

- (a) To determine as systematically and objectively as possible the relevance, efficiency, effectiveness and impact of the organization's activities in relation to their objectives.
- (b) To enable the Secretariat and Member States to engage in systematic reflection, with a view to increasing the effectiveness of the main programmes of the organization by altering their content and, if necessary, reviewing their objectives.
- (c) To promote a sustained and expanding organizational culture of accountability, transparency, learning and performance improvement.

15. In the context of evaluation objectives, UN-Habitat aims to be accountable towards its stakeholders, demonstrate the agency's achievements, improve transparency and effectiveness, strive for constant improvement of its operations, and contribute to organizational learning.

### IV. Norms and Standards: Ensuring Quality of UN-Habitat Evaluations

16. This policy provides a framework for the evaluation function and evaluation processes to ensure the systematic application of the key principles of evaluation in UN-Habitat. These guiding principles are also set out in the UNEG Norms and Standards.<sup>3</sup> The Evaluation Unit will ensure that UN-Habitat evaluation function is compliant to the norms of impartiality, independence, credibility, quality, utility, transparency and accountability.

<sup>2</sup> Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of implementation and the Methods of Evaluation (ST/SGB/2000/8), 19 April 2000.

<sup>3</sup> UNEG Norms and Standards for Evaluation in the UN System, 2005.

## Impartiality

17. Impartiality is the absence of bias in due process, consideration and presentation of achievements and challenges. It also implies methodological rigour that the views of all stakeholders are taken into account. In the event that interested parties have different views, these are to be reflected in the evaluation analysis and reporting. Impartiality increases the credibility of evaluation and reduces bias in data gathering, analysis, findings, conclusions and recommendations.
18. All evaluations should be conducted in an impartial manner at all stages, including the planning of evaluation, the formulation of scope, the selection of evaluation teams, the conduct of the evaluation, and the formulation of findings and recommendations.

## Independence

19. Independence is freedom from the control, or undue influence, of others. Independence provides legitimacy to evaluation and reduces the potential for conflicts of interest that could arise if policymakers and managers are solely responsible for the evaluation of their own activities. Evaluations should be conducted in an independent manner.
20. Independence must be ensured at organizational structure, functional, and behavioural levels. In the **organizational structure**, the evaluation function must be located independently from other management functions; and report directly to the Executive Director so that it is free from undue influence and that unbiased and transparent reporting is ensured.
21. At the **functional level**, independence will be ensured in the planning, funding, and reporting of evaluations. The Head of the Evaluation Unit must have independence to supervise and report on evaluations as well as to track and follow-up management's responses to evaluations. The Head reports on evaluation matters directly to those who commissioned the

evaluation and to the management or to the governing bodies, without any influence or clearance from the line management of programmes evaluated. Adequate resources should be allocated by the organization to the evaluation function to ensure that it operates effectively and with due independence.

22. At the **behavioural level**, evaluators must not have any vested interest. External evaluators must not have been directly involved in the policy-setting, design, or any other engagement in the work of the programme evaluated, nor expected to be in the near future. UN-Habitat will strive, within the practical limitations that may exist, to avoid engaging evaluators with vested interests. However, under exceptional circumstances, it may be necessary to engage an evaluator with past connection to the object of the evaluation, for instance, where there is a very small pool of competent experts. In such a case, measures to safeguard the integrity of the evaluation shall be adopted and such measures shall be disclosed in the evaluation report.
23. Evaluators must maintain the highest standards of professional and personal integrity during the entire evaluation process. They are expected to ensure that evaluations are conducted in an ethical manner. The welfare of stakeholders should be given due respect and consideration. Evaluations should also be conducted in a gendered and culturally sensitive manner, including respecting the confidentiality and dignity of those being interviewed. Evaluations should be sensitive to contextual factors, such as the beliefs, manners and customs of the social and cultural environments evaluated. All external evaluators should abide to the code of conduct developed by UNEG. This code seeks to prevent or appropriately manage conflicts of interest.

## Credibility

24. The credibility of evaluations depends on several factors. First, the evaluators must be accepted as impartial and unbiased. Second, the evaluators must be technically and culturally competent to deal with the questions raised by the evaluation. If they are regarded as lacking in the necessary qualifications, the credibility of the evaluation is compromised. Thirdly, the methods and sources for data collection and analysis must be regarded as appropriate.
25. The Head of the Evaluation Unit must have proven competencies in the management of the evaluation function and in the conduct of evaluation studies. Evaluators must have a basic skill set for conducting evaluation studies. Transparency and consultation with major stakeholders will be essential features in all stages of the evaluation process. This improves the credibility and quality of evaluation. It also facilitates consensus building and ownership of the evaluation findings, conclusion and recommendations.

## Quality

26. All evaluations shall meet minimum quality standards. The key questions and areas for evaluation should be clear, coherent and realistic to ensure that information generated is accurate and reliable. Each evaluation shall employ design, planning and implementation processes that are quality oriented, covering appropriate methodologies for data collection, analysis and interpretation. The work plan for evaluation design, data collection and analyses of evaluation findings and recommendations shall be presented in a manner readily understood by target audiences.
27. Quality of evaluation reports will be ensured through: (a) adherence to the UN-Habitat quality assessment checklist; and (b) oversight by the evaluation reference group, when appropriate. While it is not common practice, it is highly recommended that a reference group be formed to provide

the evaluation team with feedback from a technical and methodological perspective. Reference groups can include peers and stakeholders, and could be both internal and external to UN-Habitat. The group can assist in reviewing evaluation terms of references and draft evaluation reports. All evaluation reports must be presented in a complete and balanced way, detailing evidence-based findings, conclusions, recommendations and lessons. Reports must be brief, to the point and easy to understand. Reports must explain the methodology used, and highlight the methodological limitations of the evaluation and evidence-based findings. Reports must also have an executive summary that sums up the essence of the information contained in the evaluation report.

## Utility

28. Utility relates to the effect of the evaluation on decision-making and requires that evaluation findings are relevant and useful. To be useful, evaluations must be responsive to the needs of the stakeholders and timely in relation to stakeholders' agendas so that stakeholders regard them as credible. To enhance the usefulness of evaluations, key stakeholders will be engaged throughout the evaluation process.
29. Utility will be ensured through the systematic prioritization of the content of UN-Habitat's evaluation plan, on the basis of established criteria and consultation with relevant stakeholders. Utility will also be ensured by systematic consideration and follow-up of the evaluation recommendations, with clear accountability for the implementation of the accepted recommendations; public access to the evaluation products; and alignment with the results-based management framework. There should be a periodic report on the status of the implementation of the evaluation recommendations.

## Ethical Conduct

30. Evaluators must have personal and professional integrity. Evaluators must

respect the confidentiality of sensitive information provided or views expressed and ensure the anonymity of their sources. Evaluators must not intentionally misrepresent views expressed and must be sensitive to beliefs, gender roles, manners and customs of the people with whom they interact during the course of evaluation.

31. When encountered with evidence of suspected wrongdoing, evaluators must promptly report them in writing to the appropriate authority, bearing in mind that the related investigation is not under their authority.
32. Evaluators are responsible for their products and should pay due regard to the welfare of those involved in the evaluation as well as those affected by its findings. In accordance with the United Nation's Universal Declaration of Human Rights and other rights conventions, evaluators must be sensitive to and tackle issues of discrimination and gender inequality, and acknowledge different perspectives and views.

### Transparency

33. To achieve transparency, stakeholders should be aware of the reason for the evaluation, the selection criteria for evaluators, the purpose of evaluation and how the findings will be used.
34. Transparency will be ensured through the following approaches. The commissioner of the evaluation will ensure a continuous consultation process with key stakeholders at all stages of the evaluation process. Evaluation plans and terms of reference (TOR) will be made available to major stakeholders. Reports will be made public on the UN-Habitat website.

### Accountability

35. Accountability is the primary purpose of conducting evaluations, to account for resources provided to the organization for implementation of its activities and achievement of results. The Evaluation Unit in co-operation with the Operations Division will periodically assess the

portfolio of projects. To ensure high quality project implementation, a few projects will be randomly selected on quarterly (four projects per year) basis to assess the adequacy of project supervision plans, processes, progress on implementation and utilisation of resources. The Evaluation Unit will regularly present a substantive report, on six-monthly basis, to the UN-Habitat Board on the performance of the evaluation function.

## V. Types of Evaluations

36. The evaluations conducted by UN-Habitat fall into four categories based on the general categories of the OIOS used in the United Nations System:
  - (a) *Mandatory self evaluations* are required by management and will be conducted by project managers in the context of focused approach to reporting results of Subprogramme/Branches performance and integrating lessons learned into management decisions.
  - (b) *Mandatory external evaluations*, which are requested by the General Assembly, Committee for Programme and Coordination (CPC), the Governing Council and donors; conducted by United Nations independent oversight bodies such as OIOS, the Joint Inspection Unit (JIU) and external consultants; and used by CPC, the General Assembly and other intergovernmental bodies.
  - (c) *Discretionary external evaluations*, which are requested by senior managers; conducted by OIOS, JIU, or external consultants; and used by donors, external stakeholders and senior managers.
  - (d) *Discretionary/Internal evaluations*, which are requested by senior managers, branch managers and project managers and conducted by programme and project staff, internal evaluators or external evaluators and used by programme and project managers and their staff.

- (e) *Mandatory project evaluations*, every closing project will have a self evaluation of delivery of objectives, expected accomplishments, outputs and utilization of funds. Project and programme managers will be responsible for carrying out such evaluations. The Evaluation Unit will assist the responsible offices in design and conduct of mandatory project evaluations.
37. The different types of evaluations conducted by UN-Habitat can further be categorized on the basis of timing, what is evaluated, who evaluates, purpose of evaluation and extent of evaluation. The box below indicates a variety of evaluations.
38. Recognizing the diversity of UN-Habitat projects and programmes and other agency activities, the Evaluation Unit will use a priority-setting model for identifying topics to be evaluated in the biennial evaluation plan. The plan will be updated on annual basis. The topics will be a representation of UN-Habitat's work. The priority-setting model does not, however, determine the complete set of evaluations finally undertaken. The plan is flexible to allow for internal and external demands of UN-Habitat to be incorporated.
39. A mix of criteria, including size of the project in terms of budget, evaluation requests, cross-cutting nature of the intervention, risk of not meeting objectives, potential contributions to the Millennium Development Goals and relevance to UN-Habitat mandates and policy formulation will be used for prioritizing evaluation topics.
40. *Evaluation of Expected Accomplishments (EA) on the implementation of the work programme and the Strategic Plan.* As part of mandatory self evaluation [see paragraph 36(a)] each Branch will be required to self-evaluate its performance towards achievement of expected accomplishments in the work programme and the Strategic Plan. These performance self assessments will be timed (every six months) so that the findings will be available to inform decisions on new strategies and resource allocations.

### Different ways of naming evaluations

| WHEN UNDERTAKEN  | WHAT IS EVALUATED  | WHO EVALUATES   | PURPOSE OF EVALUATION   | EXTENT OF EVALUATION   |
|--|--|---|---|--|
| <ul style="list-style-type: none"> <li>• Ex-ante / appraisal</li> <li>• In-situ evaluation (during) e.g. Mid-term evaluation</li> <li>• Ex-post evaluation e.g. end of programme evaluation</li> </ul> | <ul style="list-style-type: none"> <li>• Policy evaluation</li> <li>• Project evaluation</li> <li>• Sub-programme/ programme evaluation</li> <li>• Institutional evaluation</li> <li>• Sector evaluation</li> <li>• Thematic evaluation</li> <li>• Country Evaluation</li> </ul> | <ul style="list-style-type: none"> <li>• Self evaluation</li> <li>• Internal evaluation</li> <li>• External evaluation</li> <li>• Joint evaluation</li> </ul> | <ul style="list-style-type: none"> <li>• Formative evaluation</li> <li>• Forward looking evaluation</li> <li>• Outcome evaluation</li> <li>• Impact evaluation</li> </ul> | <ul style="list-style-type: none"> <li>• In-depth evaluation</li> <li>• Review evaluation</li> </ul> |

Good news – Evaluation principles will work for all types of evaluations

41. *Evaluations of projects and programmes.*

(a) *Evaluability (Ex-ante evaluations)*

These will be conducted to ensure that projects are designed using RBM approach and that evaluation frameworks are built in project designs. In addition, before undertaking a major evaluation, an evaluability exercise will be conducted to verify if there is clarity and the programmes are designed on the basis of the theory of change with SMART objectives, indicators of achievements and targets and in the light of major factors that could hinder the evaluation process.

(b) *Mid-term evaluations.* These will be undertaken approximately half-way through project implementation. The aim is to analyze whether the project is on track, and to identify constraints encountered and challenges which need correction measures.

(c) *Terminal and project closing evaluations.*

These will be undertaken at the completion of the project. Every project will have a formal closing assessment process. Such self evaluations will provide judgement on accomplishments of objectives, actual results achieved, operation efficiency, including utilization of financial resources. The Evaluation Unit will supervise and ensure that every closing project will have a self evaluation report. The goal is to enhance feedback on project performance; and lessons of operational relevance identified for future project design and implementation.

42. *Evaluations of the strategic plan.* These evaluations will be conducted to assess the effects resulting from interventions implemented through the seven focus areas of UN-Habitat's six-year Strategic Plan, which are identical to the seven subprogrammes. These will be assessed systematically and empirically against the indicators of achievement of the Plan's strategic results, examining the achievement of results, efficiency, effectiveness, sustainability impact, and

delivery of the sub-programmes. Cross-cutting themes (gender, youth, climate change and human rights) that have significance beyond a particular project will be evaluated, focusing on broad-based linkages in UN-Habitat's work. Resources permitting two evaluations will be carried out over six-year period of the strategic plan: (i) mid-term evaluation of the strategic plan, and (ii) end evaluation of the Strategic Plan.

43. *Impact evaluations* attempt to determine changes that are attributable to the intervention. They determine a range of effects of programmes/project activities including long-term effects as well as effects on people or environment outside immediate target group/area. These impacts usually occur later than immediate and intermediate outcomes. For instance, achieving the outcome of improved access to water and sanitation comes earlier than the final impact on the health of beneficiary community members. Impact evaluations are often expensive and will be conducted on selective basis with the objective of learning lessons or demonstrating significant benefit in line with UN-Habitat's strategic objectives. UN-Habitat will conduct one impact evaluation per year during the first five years of the Strategic Plan and two impact evaluations during the last year of the Plan. Projects that are more than five years old and falling within focus areas that have not changed significantly from the previous strategic plan (Medium-Term Strategic and Institutional Plan) will be selected for impact evaluation in the early years of the strategic plan, i.e. Housing and Slum Upgrading, Urban Basic Services, Risk Reduction and Rehabilitation, and Research and Capacity Development. Care will be taken to ensure that by the end of the six-year period of the Strategic Plan, all seven focus areas of the Plan will have been covered.

## VI. Management of Evaluations

- 44. Centralized evaluations:** All evaluations that are prioritized by UN-Habitat due to their strategic, thematic or demonstration importance will be conducted as corporate centralized evaluations by external consultants or the Evaluation Unit. Centralized evaluations will be planned for in the UN-Habitat biennial evaluation plan and updated on an annual basis. They will be managed by the Evaluation Unit in consultation with the relevant programme unit. Such evaluations will have a management response before they are disclosed to the public.
- 45. Decentralized evaluations:** Programme/project managers may initiate and commission evaluations to assess and seek ways to improve their programmes. They may be internally or externally conducted. Such evaluations are referred to as decentralized evaluations. Programme managers are responsible for managing decentralized evaluations and must inform the Evaluation Unit of such evaluations and request technical advice and assistance from the Evaluation Unit. Project managers and heads of offices, branches, regional and liaison offices are obliged to keep the Evaluation Unit informed of all external evaluations that they undertake. The Evaluation Unit will provide support on the evaluation design and methodology of such evaluations. In addition, programme/project managers are obliged to undertake self evaluations as specified in paragraph 36 (a and e).

## VII. Other Types of Assessments Undertaken in UN-Habitat

46. There are other forms of assessments conducted in UN-Habitat that vary with purpose, techniques used and level of analysis, and that may also overlap to some extent. Evaluation is to be differentiated from these assessments, which include<sup>4</sup>:

- (a) **Audit:** an assessment of the adequacy and effectiveness of internal controls to ensure compliance with regulations, rules and established policies; the economical and efficient use of resources; the integrity and reliability of financial and operational information; the safeguarding of assets; the effectiveness of programme management for achieving stated objectives consistent with policies, plans and budgets; and the adequacy of organizational structures, systems and processes.
- (b) **Appraisal:** a critical assessment of the nature or value of an undertaking before a decision is made on its implementation.
- (c) **Inspection:** a general examination that seeks to identify vulnerable areas with malfunctions and to propose remedial action. It asserts the extent of adherence to set standards and makes recommendations for improvement or corrective action.
- (d) **Investigation:** a specific examination of a claim of wrongdoing and provision of evidence for eventual prosecution or disciplinary measures.
- (e) **Review:** the periodic or *ad hoc*, often rapid, assessment of the performance of an intervention.<sup>5</sup>
- (f) **Research:** encompasses a systematic examination of an intervention to gather or generate knowledge that will enhance understanding.

## VIII. Roles and Responsibilities

47. Evaluation is a shared responsibility in UN-Habitat. Programme units and other stakeholders will share distinct roles and responsibilities in ensuring that evaluation informs decision making, supports accountability and contributes to learning.

<sup>4</sup> Adapted from *Managing for Results: A Manual to Using Evaluation in the United Nations Secretariat*, June 2005.

<sup>5</sup> Frequently "Evaluation" is used for more comprehensive and/or more in-depth assessment than "Review". Reviews tend to emphasize operational aspects. Sometimes "review" and "evaluation" are used as synonyms.



## Governing Bodies of UN-Habitat

48. The UN-Habitat Governing Council reviews the mandates, policies and approves the biennial programme of work. The Committee of Permanent Representatives (CPR), the inter-sessional advisory body of the Governing Council, reviews and monitors the implementation of the work programme as well as the implementation of decisions of the Governing Council, within the policy and budgetary framework provided by the Governing Council.
49. With respect to the evaluation function, the *UN-Habitat governing bodies will*:
- (a) Provide oversight, and monitor to ensure accountability of UN-Habitat's evaluation function;
  - (b) Endorse the biennial evaluation plan of UN-Habitat as part of approving the strategic framework and programme budget;
  - (c) Ensure that the UN-Habitat Secretariat effectively responds to evaluation findings and recommendations;
  - (d) Request the UN-Habitat Secretariat to conduct specific evaluations, as appropriate.

## The Executive Director of UN-Habitat

50. The Executive Director is entrusted with the authority to conduct evaluations on behalf of the governing bodies and stakeholders. He/She must ensure that the principles of evaluation are abided by and provide necessary institutional support for the proper conduct of evaluation. He/She will:
- (a) Ensure due independence of the evaluation function, adequate staffing of the Evaluation Unit and appropriate budgetary support for its activities;
  - (b) Approve the evaluation policy of UN-Habitat;
  - (c) Approve and ensure requirements for the implementation of the UN-Habitat Evaluation Policy are applied;
  - (d) Appoint a competent Head of Evaluation and ensure that the

evaluation function is staffed with professionals competent in the conduct of evaluation;

- (e) Approve the biennial evaluation plan, including the provisional budget for the implementation of the plan, and ensure annual reports on its implementation are presented to the CPR and governing bodies;
- (f) Approve centralized evaluation reports for dissemination to the public;
- (g) Hold senior managers accountable for providing management responses to centralized evaluations and for implementing recommendations;
- (h) Ensure that senior management uses and draws on the findings and recommendations of evaluation for oversight and approval of policies, strategies, programmes and projects;
- (i) Ensure that decisions of the governing bodies and donors on the evaluation are followed and implemented, as appropriate.

## The UN-Habitat Board

51. The Board (which includes the Executive Director, the Deputy Executive Director, Branch Coordinators, Regional Office Directors, and Directors and Heads of Liaison Offices) will collectively play an important role in strengthening evaluation culture and capacity, and championing evaluation within UN-Habitat by:
- (a) Ensuring development of logical frameworks with clear objectives, results, baseline and target information for projects, and with key indicators of achievement;
  - (b) Ensuring effective monitoring of implementation and performance of projects to generate relevant and timely information for managing for results and for evaluation;
  - (c) Ensuring relevant and sufficient institutional capacity and resources to conduct and manage evaluations are in place;

- (d) Making all necessary information available to the evaluation team;
- (e) Drawing on evaluation findings to improve the quality of projects, inform decision-making on strategic issues and future programming, and share lessons learnt;
- (f) Ensuring that evaluation contributes to accountability, organizational learning and improvement and supports decision-making.

52. The Deputy Executive Director (in addition to her/his role in the Board) will be responsible for ensuring that management responses to evaluations are developed, disseminated and followed-up in a timely manner.

### **The Evaluation Unit of UN-Habitat**

53. The Evaluation Unit is the custodian of the evaluation function. The Evaluation Unit will be independent of operational branches, regional, liaison, national offices as well as other management functions. To ensure this independence, the unit is located in the Office of the Executive Director, and the Head of the Unit reports directly to the Executive Director of UN-Habitat. This ensures an undue influence and facilitate objective assessment of programme and project activities without interference. The Unit is responsible for coordinating evaluation activities of UN-Habitat and improving evaluation systems by:

#### ***(a) Accountability***

- i. Developing and regularly updating the UN-Habitat evaluation policy, requirements, guidelines and methodologies;
- ii. Ensuring that the biennial evaluation plan for centralized evaluations is developed as part of the organization's planning and budget cycle;
- iii. Monitoring and reporting to the management and governing bodies on the evaluation function, implementation of the evaluation plan,

findings, lessons and follow-up to evaluations;

- iv. Preparing a biennial evaluation report summarizing evaluation findings and regularly informing senior management of emerging evaluation-related issues;
- v. Maintaining a system to make all evaluation reports publicly accessible, tracking the implementation of evaluation recommendations and preparing regular progress reports on the status of the implementation of recommendations.

#### ***(b) Managing and conducting of evaluations***

- i. Managing, or conducting, and supporting the evaluation activities of UN-Habitat according to UNEG norms and standards for evaluation in the UN System;
- ii. Ensuring that centralized evaluations achieve strategic and representative coverage of UN-Habitat's normative and operational work and are completed in a timely manner to feed into decision-making;
- iii. Ensuring that evaluators selected for evaluation assignments possess core competences and involve stakeholders in evaluation processes;
- iv. Providing guidance and assistance to programme/project managers and staff at UN-Habitat on all matters related to evaluation;
- v. Participating in the review of new project proposals, with a view to ensuring the evaluability of the logical frameworks of projects;
- vi. Managing the Evaluation Unit's budget, including contributions from donors.

#### ***(c) Knowledge management and capacity-building***

- i. Maintaining a public, accessible central website containing tools, guidelines and evaluation reports;

- ii. Disseminating evaluation findings and lessons in appropriate formats for the target audiences;
- iii. Supporting the building of evaluation capacity at different levels of UN-Habitat, including training and on-the-job mentoring;
- iv. Providing training to develop skills and knowledge required to facilitate decentralized evaluations and carry out self evaluations.

***(d) United Nations system-wide collaboration***

- i. Ensuring that the evaluation function in UN-Habitat is consistent with United Nations system-wide evaluation practices;
- ii. Actively participating in and contributing to inter-agency initiatives on evaluation and other professional evaluation networks so as to advance the credibility, practice, quality and usefulness of evaluations in UN-Habitat;
- iii. Ensuring that evaluation in UN-Habitat contributes to and remains consistent with United Nations policy and reforms;
- iv. Maintaining a close working relationship with other evaluation offices of the United Nations and affiliated organizations, and contributing to system-wide evaluations; and
- v. Acting as the focal point for UN-Habitat on all evaluation matters, in particular external evaluations conducted by the OIOS and the JIU.

**Programme Managers and Project Officers**

54. Project leaders are obliged to keep the directors of their respective offices, coordinators of branches, and the Evaluation Unit informed of all evaluations that they undertake. For all such evaluations, the Evaluation Unit has to give final clearance on the evaluation design and methodology. In particular,

in addition to consultations with relevant colleagues in his/her branch/unit, project leaders should seek guidance and clearance from the Evaluation Unit on the terms of reference, methodology, selection of external evaluators, review of draft reports, and receipt and final clearance of the evaluation report. In addition, the Programme Division will make available monitoring reports of all projects in the Project Accrual and Accountability System.

**IX. Planning and Prioritizing Evaluations**

55. All UN-Habitat interventions should ideally be evaluated. However, because of limited resources, it is not possible for UN-Habitat to evaluate all its interventions. Evaluations must, therefore, be planned and prioritized during the preparation of UN-Habitat's evaluation plan for strategic and centralized evaluations managed by the Evaluation Unit. The selection of priority evaluations shall be based on, among others, the following criteria:
- (a) Mandatory evaluations requested by the Governing Council, other intergovernmental bodies, donors, etc.;
  - (b) Evaluations that are of strategic relevance to the performance of the organization;
  - (c) Evaluations that are cross-cutting in nature;
  - (d) Evaluations of interventions that have innovative value and potential for replication – in this context, some 'small projects' can also be evaluated;
  - (e) Impact evaluations to assess changes brought by UN-Habitat interventions.
56. The prioritized evaluations will form a biennial organization-wide evaluation work plan as part of the organization's planning and budgeting cycle. The biennial evaluation plan does not, however, determine the complete set of evaluations finally undertaken. The implementation of the plan is influenced by various factors,

including the availability of resources and requests for *ad hoc* evaluations by different stakeholders. The plan should also be flexible enough to absorb new demands from within as well as from outside, as the need arises.

## X. Evaluation Team Selection

57. Evaluations will be conducted by well qualified evaluation teams. Evaluators must have specific competencies relevant for conducting evaluations. They will be selected through a competitive process on the basis of competence and by means of a transparent process. The following should be considered in the selection of the evaluation team:

- (a) **Knowledge of the United Nations System**, including of human rights, gender, environment and results-based management; and work experience at the policy, institutional, strategic, programme, project and activity levels;
- (b) **Technical and sectoral expertise**, including sound knowledge of the programme area being evaluated and evaluation skills such as knowledge and experience of quantitative and qualitative evaluation methodologies, planning and designing of evaluations, data collection and analysis, reporting, follow-up on evaluation recommendations, identification of good practices and lessons, as well as information dissemination. The composition of an evaluation team will be gender balanced and geographically diverse, but fundamentally determined by competence.
- (c) **Previous experience of conducting reviews or evaluations**, especially within the United Nations System or similar development organizations;
- (d) **Interpersonal skills**, including communication, cultural sensitivity, negotiation and facilitation; and
- (e) **Personal attributes**, including ethics, judgment, relevant education and experience in evaluation.

58. The team selection process must ensure that no member of the evaluation team has a conflict of interest. The evaluation team leader shall be responsible for interactions among the evaluation team members and have overall responsibility for the evaluation outputs.

## XI. Financing of Evaluations

- 59. Provision of financial resources required for evaluation rests with the party that commissions the evaluation. This implies that evaluations conducted under the auspices of UN-Habitat should be financed centrally<sup>6</sup>.
- 60. Evaluations commissioned or requested by donor agencies or other external entities must be financed by the party that commissioned or requested the evaluation. Project leaders are obliged to include an evaluation budget in their project proposals, except in cases where the donor envisions its own conduct of an evaluation.
- 61. In determining the amount required to finance evaluation in UN-Habitat, indicative estimations provided by other organizations have been considered. For instance, United States Agency for International Development (USAID) devotes 3 per cent of the total programme costs to evaluation. OIOS recommends for the Secretariat evaluation functions, a benchmark of 1 per cent of the total budget. It implies that centralized evaluations managed by the Evaluation Unit should have a budget fraction share of 1 percent or more of the total UN-Habitat biennium budget.
- 62. The following table gives indicative budget estimates for programme/project evaluations. Project managers are obliged to include an evaluation budget in their project proposals.

| Total budget of the project/programme | Indicative evaluation cost as % of the total project budget |
|---------------------------------------|---|
| Less than US\$ 1 million              | minimum cost of US\$ 30,000                                 |
| US\$1million to 5 million             | 1% to 3%  |
| Above US\$ 5 million                  | > 1%  |

<sup>6</sup> This levy was abolished by management in 2013.

## **XII. Evaluation Reporting and Disseminating Evaluation Results**

63. The evaluation report is the key product of the evaluation process. Its purpose is to provide a transparent basis for accountability of results, for decision-making on policies and programmes and for the strengthening of organizational learning. The final evaluation report shall be logically structured and contain evidence-based findings, conclusions, lessons learned and recommendations. The report must:
- (a) Include an executive summary;
  - (b) Provide an overview of the evaluated intervention with an implicit theory of change for achievement of outcomes;
  - (c) Describe the purpose of the evaluation and attach the terms of reference;
  - (d) Describe the methodology used to collect and analyse information and indicate limitations;
  - (e) Answer the key questions detailed in the terms of reference;
  - (f) Present evaluation findings on achievements and assessments according to evaluation criteria that include the evidence on which the conclusions, lessons and recommendations are based.
64. The primary responsibility for preparing the evaluation report rests with the evaluation team. Key stakeholders could be involved in reviewing the draft report to check if there are factual errors or omissions. The evaluators should accept changes related to factual errors. However, in safeguarding the principle of independence, they should be free to draw their own conclusions from the evaluation findings.
65. All evaluation reports of external evaluations undertaken by UN-Habitat must be made publically available, except if the reports contain material of a confidential nature. All evaluation reports will be made public on the UN-Habitat evaluation website: [www.unhabitat.org/evaluations](http://www.unhabitat.org/evaluations).

66. In order to maximize learning opportunities for the organization, the Evaluation Unit will promote the identification and sharing of lessons learned. Dissemination strategies will be developed for all external evaluations and will include effective and creative methods for sharing evaluation findings, recommendations and lessons learned through internal and external entry points to ensure uptake and use of evaluations.

## **XIII. Follow-up on Evaluation Recommendations and Use of Evaluation Findings**

67. Evaluation is useful if it provides evidence to inform decision-making. Lessons learned from experience of previous interventions should be easy to access and be considered when designing and implementing new projects. Projects or policies should be designed to be evaluated and should include an evaluation plan. Utilization of evaluation findings is encouraged in the formulation of UN-Habitat's strategic plans, biennial work programmes, annual work plans, and projects that commit the organization to achieve results. Evaluation findings and recommendations should be followed-up to influence decision-making; and the lessons learned should be applied in future programme planning, design and delivery of new programmes and projects. All evaluations carried out by external consultants will require a management response dealing with evaluation recommendations.
68. A UN-Habitat management response should include an overall response to the evaluation; an answer to every recommendation; an action plan to implement accepted recommendations; timelines for implementation; and parties/units responsible for implementing the recommendations.

69. Follow-up on progress in the implementation of the evaluation recommendations will be systematically carried out by the Evaluation Unit and periodically reported to management and to the CPR. In consultation with the responsible units, the Evaluation Unit will prepare a report to be presented to the Governing Council on a biennial basis synthesizing findings of evaluations conducted during the biennium. The report will highlight main findings, status of the implementation of evaluation recommendations and lessons learned so as to improve operational effectiveness.
70. Evaluation shall contribute to knowledge building and organizational improvement. The Evaluation Unit will maintain a website for evaluation reports, evaluation briefs, tools, guidelines and the evaluation policy. The Unit will take advantage of all possible means of sharing lessons learned with a broader audience through electronic channels, such as the Project Accrual and Accountability System, and knowledge and evaluation networks.

#### **XIV. Operationalization of the Evaluation Policy**

71. This policy comes into force once it is approved by the Executive Director of UN-Habitat. UN-Habitat's ability to fulfill commitments on accountability and institutional learning depends, in large part, on application of good evaluation practices throughout the organization. No single policy can provide detailed guidance for the diverse set of UN-Habitat operations and contexts. Detailed guidance to staff on evaluation processes is provided in the *Requirements for the Implementation of the UN-Habitat Evaluation Policy* and the *Handbook on Results-based Management*.
72. As the policy is implemented, new and better ideas will emerge on how to improve evaluation. Overtime, those ideas will be integrated into the organization's work through an update of the present policy.



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