



# Oversight and Evaluation in the UN System

This reference document seeks to clarify the role of evaluation in oversight in the UN System (including necessary criteria to ensure the effectiveness and integrity of evaluation in relation to other oversight functions).

It was prepared by the UNEG Evaluation and Oversight Working Group for presentation and discussion at the UNEG Annual General Meeting 18 – 20 April 2007.

# Introduction

## Background

1. At the 2006 Annual General Meeting of the United Nations Evaluation Group (UNEG)<sup>1</sup>, in response to the report of the Joint Inspection Unit (JIU) on “Oversight Lacunae in the United Nations System” (JIU/REP/2006/2)<sup>2</sup>, UNEG members expressed concern about the proposal to consolidate the functions of evaluation, audit, investigation and inspection into a single unit under the head of internal oversight reporting directly to the executive head.<sup>3</sup> In view of the fact that the report was being issued, and considered, in relation to the on-going Summit Outcome mandated comprehensive review of Governance and Oversight in the UN, UNEG issued a statement suggesting that that “Recommendation 6 should have explored other, or differentiated solutions to enhancing the efficiency and effectiveness of oversight. These solutions may include improved modalities of collaboration between the functions that have oversight responsibility in areas of mutual gain, and may be adjusted to the mandates and sizes of the agencies.” The statement was shared with the members of the team responsible for the comprehensive review.

2. As follow-up to the statement, UNEG members noted that it was important to further clarify the role of evaluation in oversight in the UN System. Accordingly, this Working Group was established for that purpose<sup>4</sup>. It is envisaged that this paper of the Working Group can be used by UNEG members to help clarify the relationship between evaluation and other oversight functions within their respective institutions, as well as to suggest criteria for the proper establishment, location and adequate resources in support of the function, that will ensure the effectiveness and integrity of evaluation.

## Purpose

3. This report of the Working Group seeks to clarify the role of evaluation in oversight in the UN System (including necessary criteria to ensure the effectiveness and integrity of evaluation in relation to other oversight functions). Specifically, the report attempts to:

- a. Review international definitions, norms and practices for oversight (including the UN system) in order to identify those that are relevant for the UN.
- b. Review the practice of oversight and evaluation in the UN and the relationship between the two.
- c. Identify existing best practices of evaluation in oversight (i.e. evaluation as an oversight function), at the same time identifying the minimum conditions required to ensure the effectiveness of evaluation both as both an oversight and a learning function.

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<sup>1</sup> Held at UNESCO in Paris between the 27-28<sup>th</sup> March, 2006

<sup>2</sup> This document is available at - [http://www.unjiu.org/data/reports/2006/en2006\\_2.pdf](http://www.unjiu.org/data/reports/2006/en2006_2.pdf)

<sup>3</sup> Recommendation number 6, p. 9 of “Oversight Lacunae in the United Nations System” (JIU/REP/2006/2)

<sup>4</sup> See Annex 4 for list of UNEG Members of the Working Group and their representatives

## Methodology

4. In preparing the report, the Working Group conducted a desk-review of available literature on international definitions, norms and practice for oversight; including close review of recently available studies conducted on governance and oversight in the UN; i.e. the JIU Oversight Lacunae report, the World Summit mandated Comprehensive Review of Governance and Oversight at the UN (A/60/883)<sup>5</sup>, and the GAO report on UN oversight<sup>6</sup>, as well as the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) of the UN General Assembly, and various Member States, on these reports and a review of selected evaluation policies of UN organizations. Available studies done by the UNEG Working Group on Quality Stamp for Evaluation and the Working Group on Evaluation and Results-Based Management were also reviewed and relevant information used. Other important sources of reference were, *inter alia*, the OIOS Secretariat-wide Evaluation Needs Assessment exercise (2007), the biennial report of OIOS on strengthening the role of evaluation and application of evaluation findings on programme design, delivery and policy directives (A/61/83), the UNDP and UNICEF Peer Reviews. Views and perspectives were also received from various Working Group members on the shared draft and incorporated.

## Findings

### Definitions

#### ***What is oversight?***

5. Oversight, as the verb “to oversee,” is defined in the dictionary simply as “watchful and responsible care” or “regulatory supervision”<sup>7</sup>.

6. In practice, no singular, standard international definition of oversight exists in either the private or the public sectors. However, in conventional usage, oversight has historically been seen to provide assurance to those governing an organization that:

- a. The activities of the organization are fully compliant with legislative mandates (legislative accountability) and
- b. The funds of the organization are fully accounted for (financial accountability), including the prevention of fraud.

7. In the private sector, the experiences of Enron and WorldCom<sup>8</sup> have demonstrated that the general market mechanisms combined with oversight by federal institutions were not a guarantee for effective and transparent control. As a result, the private sector has undergone significant reforms

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<sup>5</sup> This document is available at: <http://www.un.org/reform/governance/report.html>

<sup>6</sup> [GAO Testimony before the Committee on International Relations, Subcommittee on Oversight and Investigations, House of Representatives](#), US Government (GAO -05-392T).

<sup>7</sup> Source: [The Merriam-Webster Dictionary](#)

<sup>8</sup> In 2002, Enron and WorldCom were exposed for fraudulent financial practices, which ultimately destroyed up over \$200 billion worth of investor's money.

toward stronger governance, more transparency and accountability<sup>9</sup>; this is perceived as a new era of corporate accountability.

8. The oversight function in public organizations has a long tradition, starting as an administrative function to control accounts and practices<sup>10</sup>. Over time it has become increasingly managerial. The recent developments in the private sector, along with the UN's Oil for Food debacle, have had their impact on the public sector. There has been an increasing demand for public structures to function more transparently and to be more results and performance oriented, as well as pressures to set up clearer control structures in order to prevent fraud and misuse of public funds.

9. Consequently, in addition to legislative and financial accountability, additional assurances of the accountability of public and private sector organizations have been sought. The scope of oversight has, in many cases, been enlarged to address controls regarding aspects of risks, of relevance/importance, effectiveness, efficiency, and impacts of operations. In many public structures, new departments for monitoring, performance-control or evaluation have been set up in the last two decades. These have sought to add the following dimensions of assurance to oversight:

- a. That the activities of the organizations are conducted in the most efficient and effective manner;
- b. That the staff and all other officials of the organizations adhere to the highest standards of professionalism, integrity and ethics; and
- c. That programme overlaps, duplications and waste of resources are avoided.

10. Thus, the oversight function has evolved to respond to different challenges in accountability, fraud prevention and organizational integrity. As assurance engenders cost ("the higher the assurance, the higher the costs"), the practical objective of oversight is to provide "reasonable assurance". What is considered 'reasonable' is left up to the governance of the organization to decide. The scope of oversight can cover the entire span of an organization's activities. However, for practical considerations of time and costs, as well as to ensure adequate coverage of strategic issues, the governance or management of an organization typically makes choices on the specific aspects that require oversight depending on the entities' objectives and tolerance for risk.

11. In summary, oversight refers to a key activity of the governance and management of an organization, which ensures that an organization and its component units perform in compliance with legislative mandates and policy, with full accountability for its finances, as well as for the efficiency, effectiveness and impact of its work, with adherence to standards of professionalism, integrity and ethics, while adequately managing and minimizing risk.

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<sup>9</sup> For example, new federal rules and regulations such as the "Sarbanes Oxley Act"<sup>9</sup>, adopted in 2002, signals the shift towards a more closely supervised corporate environment, requiring companies to comply with stricter financial and internal control rules and standards.

<sup>10</sup> The Greeks and then the Romans established a system that held public agents accountable toward an assembly or a court of justice. In the Middle Ages, the so-called "missi dominici" (literally the special envoys of the king of France, Charlemagne) were sent out regularly to trace fiscal abuse and the functioning of local administration. Such early control functions, mainly established under monarchical regimes evolved considerably with the checks and balance system reigning democratic systems and structures since.

## ***Internal and external oversight***

12. An important distinction to be made in oversight practices is that between internal and external oversight. This distinction has arisen as a practical measure for further assurance, and to guard against conflicts of interest that may arise if oversight was purely internal to an organization.

13. Oversight functions that are functionally and managerially a part of an organization are classified as internal oversight. The main purpose of internal oversight is to support the managers (internally) in fulfilling their management responsibilities by providing advice on the adequacy of internal resources and management practices based on a systemic, methodical, and independent (from operation) review of the activities. In the private sector, each management level has internal control responsibilities that allow it to identify risks and to ensure the performance, efficiency and smooth functioning of the firm.

14. Oversight functions that are functionally and managerially independent, reporting to the State or any external bodies and/or processes that observe or provide ‘watchful care’ over an organization, are considered external oversight. The main purpose of external oversight is to provide assurance of the compliance of the entity to legislative and financial rules and regulations that govern its activities. In general, external oversight is external (independent) to an entity (for example external auditors auditing the accounts of a private company at the end of each business year).

15. The primary difference between the internal and the external oversight functions is the degree of independence with which they are able to carry out their activities. Another difference is with regard to the reporting lines, where typically the internal oversight body reports to management, while the external oversight body reports to the governing body. However, this difference is reduced in situations where the internal oversight body has dual reporting lines, to both management and the governing body. Lastly, there are also differences in terms of the focus of oversight activities carried out internally, or externally.

## **Functions that contribute to internal oversight**

16. The four primary functions that contribute to internal oversight are investigation, inspections, internal audit and evaluation.

### ***Investigation***

17. An Investigation is a legally based and analytical process designed to gather information in order to determine whether wrongdoing occurred and, if so, the persons or entities responsible. They generally consist of independent inquiries into the conduct of, or action taken by, an individual/group or a situation resulting from an accident or force of nature. An investigation pursues reports of fraud, corruption and any other irregular activity, including misconduct, with a view to propose corrective management and administrative measures and, if appropriate, eventual prosecution or disciplinary measures. An investigation compares the subject it investigates to established criteria such as rules and codes of conduct.

## ***Inspection***

18. An Inspection is “a special on-the-spot assessment, either scheduled or unexpected, made of an activity and directed toward the resolution of problems which may or may not have been previously identified”<sup>11</sup>. In practice, the definition and scope of Inspection vary, ranging from oversight involving direct observation (hence inspecting), to involving investigative, audit or evaluation approaches, a hybrid of all three. In some cases, inspection is used as a generic term referring to any one of the three approaches. Thus, of all the oversight functions, inspection is the one with the least clearly defined and demarcated boundaries and identity.

## ***Internal Audit***

19. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes<sup>12</sup>. Independence is established by the organizational and reporting structure. Objectivity is achieved by an appropriate mind-set. The internal audit activity evaluates risk exposures relating to the organization's governance, operations and information systems, in relation to the effectiveness and efficiency of operations; reliability and integrity of financial and operational information; the safeguarding of assets; and the compliance with laws, regulations, and contracts.

20. In addition, there are specific types of audit that go beyond the regular checking of financial accounts:

- Compliance audit determines whether the application of rules etc. and the activities, financial transactions and information that are listed in the accounts are in accordance with norms and standards for public-sector financial or other management, relevant laws and regulations, budgetary laws or other relevant laws and decisions.
- Performance audit (or value-for-money audit) checks whether an organization is effectively meeting its objectives and whether it uses its resources economically and efficiently. Such audits provide an assessment of a particular area of the organization's activity and intend to improve resource management. Such audits examine the management practices, controls and reporting systems according to the organization's policies and best practices.
- Management audit reviews the general management policy and policymaking of an institution.

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<sup>11</sup> JIU Glossary of Evaluation Terms (JIU/REP/78/5).

<sup>12</sup> Source: [The Institute of Internal Auditors](#)

## **Evaluation**

21. The UNEG Norms<sup>13</sup> define evaluation as “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 the interventions and contributions of the organizations of the UN system. 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 UN system and its members”<sup>14</sup>.

22. For evaluation functions that are located within an organization, hence ‘internal evaluation functions’, the norm of independence from other management functions is stated as a UNEG norm. Independence ensures that evaluation is free from undue influence and is able to produce unbiased and transparent reporting. This is preserved through various principles pertaining to evaluation methodology, competencies, hiring practices, relationship with management, reporting lines, dissemination, and follow-up.

23. Evaluations conducted or commissioned directly by operational units fall into a different category due to the inability to assure the impartiality of the product. These are variably termed ‘auto-evaluations’, ‘self-evaluations’, ‘decentralized evaluations’, ‘reviews’ or ‘assessments’.

## **Functions that contribute to external oversight**

24. As noted earlier, external oversight functions of investigation, inspection, audit and evaluation, are those that are independent both functionally and managerially, reporting to the national government or any external bodies and/or processes that observe or provide ‘watchful care’ over an organization. Although consistent to their internal counterparts in terms of norms, standards and approach, external oversight functions can differ by way of focus, emphasizing the accountability and compliance aspects of these functions.

25. External investigation functions include, for example, criminal investigation bodies and independent judicial investigative processes that have stronger investigative clout than internal investigations, and can lead to punitive measures beyond those managerial actions emanating from internal investigations.

26. External inspection functions, for example, include health, education, and safety inspection bodies, and similar to investigation functions, external inspection can result in significant punitive measures against an organization found in non-compliance with established rules and regulations, whereas internal inspections rely on managerial action.

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<sup>13</sup> [UNEG Norms for Evaluation in the UN System](#) (UNEG/FN/Norms[2005]).

<sup>14</sup> This definition draws on Regulation 7.1 of Article VII of ST/SGB/2000/8 and from the widely accepted Principles for Evaluation of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD DAC).

27. External audit, in addition to being independent from the organization, typically also has a functional distinction from internal audit. External audit is authorized by the State or external bodies to examine and publicly issue an opinion on the reliability of an organization's financial reports. External audit, typically, does not assess the accounting processes and systems that derive such values. Internal audit typically concentrates on the reliability of the accounting data input and subsequent system processing, while external audit focuses mainly on the validity of the accounting data output and underlying supporting evidence.

28. Evaluation that is both functionally and managerially independent of an organization, hence 'independent evaluation' is uncommon in the UN and in other organizations. External bodies of organizations periodically commission evaluations, but these are not systematic. Alternatively, internal evaluation functions that have preserved independence from management may also report directly to external oversight entities (See section 2.3).

## **Oversight in the UN**

### ***Definition of oversight in the UN***

29. With regard to the UN, the recent comprehensive review on Governance and Oversight has defined oversight as follows:

- "Oversight is a key activity in governance. The Assembly of Member States of the entity would have oversight over the governing body, the governing body oversight over management, senior management oversight over lower level management as well as all operational activities of the entity.
- The primary principle of oversight is the separation of duties between executive management and the governing body or bodies.
- Oversight activities consist of monitoring, evaluating and reporting on the entity's performance. It also encompasses the auditing, internal and external, of the entity's financial results and effectiveness of its internal control and cases of fraud or malpractice.
- Oversight is carried out through processes and procedures designed by the organization's executive management and approved by the governing body.
- Oversight ensures management accountability for providing the direction planning and monitoring of policies and procedures, financial controls plus follow-up and implementation of audit recommendations."<sup>4</sup>

30. The comprehensive review provided further clarity on the role of governance and oversight in the UN. These include the finding that amongst international organizations, the UN is unique because of its universal representation and the sovereign equality of the Member States, and the particular nature of its sources of funding; whereby there are assessed contributions, which are fixed and binding, as well as voluntary funds, which are driven by Member States supply and demand forces.

31. In consideration of these unique governance and funding arrangements of the UN, the review concluded that – “Given the diversity of missions and operations covered, governance and oversight arrangements cannot have a one-size fits all scenario. And it was further noted that, as a result, the regime of governance is that of “Comply or explain”, rather than “Comply or else”.

32. The report went on to clarify that the governing bodies of the UN are

- For the Secretariat – the General Assembly;
- For UN fund and programmes – the respective Executive Boards;
- For UN specialized agencies – the respective Councils, Executive Boards, Executive Councils, Governing Councils, *etc.*

33. Drawing on international public and private sources, the review identified the key governance and oversight principles that are relevant to the UN (See Annex 1 for detail). These include:

- a. Responsibility in Governance;
- b. Accountability in Governance and Oversight;
- c. Transparency and disclosure in Governance and Oversight;
- d. Ethical environment for Governance and Oversight.

34. Similarly, the JIU report on Oversight Lacunae in the UN System states that oversight in the UN, as an integral part of governance established by Member States, seeks to provide Member States with assurance that activities of the organizations are in accordance with legislative mandates (relating to the principle of responsibility in governance); the funds provided are fully accounted for (relating to the principle of accountability); that the activities are conducted in the most efficient and effective manner (also relating to accountability), and that staff and other officials adhere to standards of professionalism and ethics (relating to the principle of an ethical environment).

## **Contribution of evaluation to governance and oversight in the UN**

35. Evaluation has the *potential* to contribute to all four of the key governance and oversight principles of the UN – responsibility, accountability, transparency, and an ethical environment.

36. Specifically, in reference to the detailed description of these principles (in Annex 1), through the provision of credible, objective evaluation information, the evaluation function *can* contribute to:

- The responsibility of the governing body for the organization’s strategic direction, allocation of resources, effective monitoring of management and operation of entity.
- The assurance that the organization’s strategic plan ensures efficiency, effectiveness and sustainability.
- The access of the governing body to independent advice.

- The ability of management to provide timely disclosure on all matters of significance to governing body, and that of the governing body to provide the same to the Assembly of Member States and stakeholders.
- The assurance that the organization acts responsibly and responsibly to stakeholders.

37. However, in reality, the use of evaluation as a means through which to exercise governance and oversight in the UN system in all these ways varies considerably from one organization to another. This reflects the varying governance arrangements (see Annex 2) and the focus of oversight within these, and the confidence (or lack thereof) in the ability of evaluation services to provide credible and useful information.

38. On the supply side, the ability and willingness of programme managers or the Heads of an organization to use evaluation to facilitate oversight reflects the governance arrangements, the management structures and objectives and that of the evaluation entities themselves (see Annex 3). To better understand this, this section will take each of these dimensions in turn.

### ***The demand for evaluation in external oversight***

39. At the systemic level, the General Assembly (GA), its committees and subsidiary organs review the financial, administrative and programmatic aspects of the budget and its implementation. In exercising this function, demands for evidence of performance and propriety can come from the GA or its subsidiary organs. Of these, the ACABQ, the CPC and the ICSC<sup>15</sup>, as the primary policy/review oversight mechanisms of the GA, are most likely to demand evaluation information to fulfill their mandates. The CPC, for example, mandates OIOS to conduct evaluations in response to particular requests. However, the demand for evaluation is lower than the scope of programmes to be evaluated and the extent of other oversight activities such as audit.

40. This trend of low demand for evaluation, relative to scope of the programmes, and to other oversight activities, is also broadly evident across the administrative and operational bodies of the UN system (Funds, Programmes, Organizations, etc) based on the governance and structural relationships that exist between evaluation units and oversight entities. It appears that, despite policy statements to the contrary, evaluation is not perceived as strongly required for oversight purposes.

41. The self-reported data in the QSTF self-assessment in March 2006 revealed the following:

- *Approval of work programme:* 13% of agencies have their evaluation work programme approved by their governing body; 35% by head of governing body and head of organization. Thus, the majority of evaluation is not approved by the governance and oversight bodies, which is indicative of low demand for evaluation in external oversight.
- *Formal reporting line:* 30% of agency heads has formal reporting line to governing body and/or head of organization; 9% (2 agencies) report only to the governing body.

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<sup>15</sup> These are the Advisory Committee on Administrative and Budgetary Questions, the Committee for Programme and Coordination, and the International Civil Service Commission respectively.

Thus, for the most part, a direct reporting line for evaluation is not demanded by governance and oversight bodies, which is indicative of low demand for evaluation in external oversight.

- *Formal management response system:* 43% of agencies have a system for formal management response, monitor, follow-up and report on it; 80% of these report to the head and/or governing body of the agency in some form. The majority of organizations have no formal response system for their evaluation findings, which is indicative of low demand for evaluation in external oversight.

42. The caveat to this is that these criteria and data do not reveal the full nature of demand for and use of evaluation by oversight bodies, particularly as it is not possible to differentiate between those reporting directly to the governing bodies and those reporting to the heads of agencies. Furthermore, the request for evaluations often occur outside of the approval of the work programme, and evaluations are often made available or reported to Boards and Committees by evaluation offices/units despite not necessarily having a direct reporting line. In addition, programme managers also respond to requests of governing bodies for self-evaluations.

43. Nevertheless, the demand for, and use of, evaluation in external oversight does not appear to be particularly strong across the system. It has been noted that a number of Executive Boards, Committees and other organs that exercise oversight place greater emphasis on audited financial statements, internal controls and, increasingly, risk assessments (all of which fall within the remit of audit), and to a lesser extent on evidence of achievement of results (which is the purview of internal results-based management systems and evaluation). This is despite the fact that many programmatic planning documents (global, regional, country programmes, projects, etc.) are approved by these same bodies.

### ***The demand for evaluation in internal oversight***

44. Oversight functions that are functionally and managerially part of the organization, and report to managers, are classified as internal oversight organs. Internal oversight typically addresses organization performance and risk issues. Performance is typically subdivided into operational and financial performance, or organizational effectiveness and operational efficiency. Organizational effectiveness can be thought of as the substantive performance of an organization.

45. Defined in these terms, internal oversight requires that the key evaluation questions are posed: has the organization positioned itself appropriately to address its mandate; is the organization achieving its intended objectives; is the organization continually learning and improving based on evaluation findings and recommendations?

46. How then is internal oversight structured across the UN system to draw upon evaluation? Out of the 56 UN and UN-related organizations, about 38 (68%) have established evaluation functions.

47. Of these 38, 9 (24%) have been co-located with other internal oversight functions. The rationale for this co-location include that evaluation shares a common need as these other functions for operational independence; that co-location with other oversight functions is cost-effective, and with respect to the use of evaluation findings for internal oversight purpose, there are synergies to be gained from housing evaluation with the other oversight functions; i.e. better coordination between

conduct of audits and evaluations, sharing of information, etc. These arrangements seem to ensure that evaluation serves internal oversight well.

48. Nine (24%) of UN organizations have independent evaluation functions, defined as being located externally both to other internal oversight functions and to operational management, and having a direct reporting line to the Head or Governing body. It should be noted that, while independent, these are nevertheless, mostly internal evaluation functions. In some of these cases, the evaluation office/unit is a member of an internal oversight group or committee in which evaluation data are shared alongside that of audit, and in some cases inspection and investigation. Again, these arrangements also seem to ensure that evaluation serves internal oversight well.

49. It has been argued that, in both the above cases where evaluation is either independent or co-located with oversight functions, its effectiveness in support to internal oversight *may* be at the expense of evaluation's contribution to the learning function. However, it is also argued that evaluations conducted by independent, or co-located, units *can* as effectively make direct contributions to the learning function in terms of improvements in programme planning, design, and implementation, and through wider dissemination of evaluation findings, contribute to expanding knowledge. This remains an evaluation question that has yet to be addressed; i.e, how does the location of evaluation effect its contribution to learning?

50. In the remaining 20 (52%) of UN organizations that have evaluation functions, evaluation is co-located with programme planning, policy, and/or management functions, or research and learning. Depending on the specific relationship between the evaluation function and management, vis-à-vis the other functions, the contribution of evaluation to internal oversight varies. In cases where evaluation is co-located with policy-making and operational functions, it is unclear how effective the function can be in ensuring the credibility and objectivity of its findings, given the risks of conflict of interest inherent in co-location with, and in some cases, subservience to, the subjects of inquiry. Such co-location arrangements may not be best suited to serve internal oversight.

51. The task of internal oversight via evaluation is further complicated under certain circumstances that prevail in the UN system:

- Where the body is decentralized, with authority and management decisions delegated to the decentralized units;
- When operating in conflict and post conflict countries where information is scarce and the cost of getting information has a high opportunity cost relative to other priority tasks;
- Where goals are long-term, complex and require partnerships to achieve. As a result, issues of attribution and credible measurement of progress may complicate oversight.

52. Nevertheless, these challenges also serve to underscore the importance of evaluation's potential contribution to internal oversight.

## ***The supply of evaluation in oversight (internal and/ or external)***

53. In the UN, with the exception of the Joint Inspection Unit, the suppliers of evaluation for oversight are internal. The JIU is the only external oversight body of the UN system mandated to conduct evaluations system-wide. While there are a few independent evaluation entities, these remain internal. While operationally independent, they remain under the management of the organization.

54. As the demands for evaluation for external and internal oversight may not be consistent, the supply pressures may also vary. This reflects the mandates, structural considerations within the organizations, where bottlenecks and competition over resources may restrict evaluation, and the design and use of evaluation as a means to exercise oversight *vis-à-vis* its use for internal management and operational learning.

### ***Mandate***

55. The mandates of evaluation entities, as expressed through policy statements, vary in terms of the relative emphasis placed on evaluation for accountability *vis-à-vis* for learning. While there is little hard evidence to draw implications from this in terms of the relationship with oversight, some considerations may be made.

56. First, there does appear to be some correlation between the location of the central evaluation function (independent, within oversight, with policy and programme, etc.) and the primary role stipulated in policy statements. Where evaluation is more closely correlated with other programme functions, it may be inferred that the greater emphasis is on the internal learning and management functions; where evaluation is established independently or within oversight, greater emphasis is placed on its use for accountability and oversight<sup>16</sup>. However, evaluation typically plays a role with regard to both learning and accountability functions, regardless of where it is placed. The difference is more on which function is emphasized, rather than excluding one function at the expense of the other.

57. While few disagree that evaluation contributes to both dimensions, differences exist in terms of the systemic relationships that appear to govern the demand for and use of evaluation information, and these in turn, have implications on the supply of evaluation.

### ***Structure***

58. The structural conditions required for evaluation to adequately serve the demands of external and internal oversight are generic to all service functions and specific to the particular needs of integrity, quality and timeliness.

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<sup>16</sup>To support this, the survey of the UNEG Task Force on Evaluation and Results Based Management concludes that the role of evaluation is in direct correlation with the size of the organization and its evaluation function: “the bigger the organization and its central evaluation function (in terms of staff and non-staff resources), the more the role of evaluation is perceived as a ‘complementary function to RBM’ using independence arguments. On the other hand, the smaller the agency and the central evaluation function, the more evaluation is seen as part of RBM with the central evaluation office performing/ or closely linked to RBM related processes.”

### *Organisational level*

59. Evaluation is used at different organizational levels to provide assurance that an organization's investments are efficient, effective and have a positive impact.

60. At the primary level, self-evaluation is managed by programme, project or unit managers and provides assurance to these managers that resources spent are achieving their stated objectives. A large amount of self-evaluation work is initiated by these managers, either in the field or at HQ. These managers have the primary responsibility for self-evaluation. Currently, a lot of the self-evaluation work at this level is not credible. A key challenge, therefore, is to raise the quality of self-evaluations so that they can credibly serve both the oversight and learning purpose at that level.

61. At the secondary level of the organization, more independent evaluation is managed and conducted by the central (HQ) evaluation unit and provides assurance that evaluations managed by management are of high standard and are able to demonstrate impact, that programmes designed and implemented by management are relevant and are aligned with the strategic direction of the organization.

### *Finance*

62. The generic needs relate to the resources required to be effective – the necessary financial resources to conduct or commission evaluations with the quality and with the timeliness required. While some argue that evaluation resources must be ring-fenced, it is also arguable that, like other functions, coverage and quality are elastic. Thus, the issue becomes one of priority. Is evaluation considered a non-negotiable function in support of oversight to assure the work of the organization? If so, then the issue of evaluation budget becomes a specific one.

63. A second budgetary issue relates to the distribution of resources among different, related functions. Within the evaluation community, there is some, contested, evidence to suggest that where co-located or subsumed under internal oversight along with audit, inspection and investigation, there is a risk of reduced funding. In some cases where the resources for evaluation are not protected and ensured (either by legislature or by management), audit resources have been increased at the expense of evaluation. This is considered to be due to the fact that financial audit has a well-established, recognized and mandated (by legislature) institutional role in all organizations, and as such, audit entities need to be headed by professional auditors, who may not perceive the value of evaluation as a separate, additional oversight function.

### *Staffing competencies*

64. The human resource requirements for evaluation include staff with appropriate qualifications and experience to manage and conduct evaluation. While these staffing requirements may be true of any position in any department, the generalist skills often sought in international public civil service, coupled with the rotational system of postings, has led some to require that the staffing for evaluation is managed separately, or that the number of posts that can be advertised externally be sufficient to ensure that suitably qualified personnel are recruited. Thus, where organizations are not hiring specialists for all positions, or where the evaluation function does not operate an independent resource strategy, the supply of adequate candidates for the evaluation function may be constrained. This, in turn, may restrain the evaluation function's ability to fulfill its mandate.

## ***The criticality of credibility and independence for Oversight***

65. The specific demands for evaluation to contribute to oversight pertain in particular to the question of the credibility and the integrity of evaluation findings and recommendations. While it will be expected that mechanisms are in place to assure the quality of self-reported evidence, it has been noted that, when there is demand for evaluation, external oversight entities place strong emphasis on independent evaluation as a source of impartial evidence on performance.

66. The clearest examples of this practice are found among the international financial institutions, with the evaluation entities that are financially and operationally independent of the organization, and with direct lines of accountability to the oversight bodies. These, in effect, act to some extent as extensions of these oversight entities, serving primarily the substantive accountability function. In these cases, the assurance over the independence of evaluation is expected to be absolute, and the supply should meet the demand for evaluation in its use for external oversight.

67. Complete independence is found in less than 10% of UN organizations. In several organizations, indirect or informal arrangements have been established that link evaluation with the external oversight entity, even where subsumed organizationally. The question remains whether the credibility, quality and timeliness of the evaluations conducted under these conditions is affected by their institutional position.

68. On this issue, the UNEG has established the following as norms and standards for independence – the unambiguous norm that “the evaluation function has to be located independently from other management functions so that it is free from undue influence and that unbiased and transparent reporting is ensured,” and the slightly more ambiguous standard that “the head of evaluation should report directly to the Governing Body, *or* to the Head of the organization”.

69. While the implication seems clear that UNEG considers the independence of evaluation as critical to its ability to serve as a credible oversight function, the optional nature of the standard of reporting, either to the Governing Body, or to the Head of the organization, leaves it up to the organization to decide whether its perception of the credibility of evaluation is sufficiently assured if only reporting to the Head, rather than the Governing Body. In the case of the IFIs, that choice has been clearly made. In the case of the other UN system organizations, it is less clear. The majority of UN system evaluation units seem to be geared more towards serving internal learning, primarily, then internal oversight, and to an even lesser extent, external oversight, and the importance of, and requirement for independence is reduced, with commensurate effect on the credibility of the function as an independent source of information on programme performance.

## **Comparative advantages of different locations of evaluation for oversight**

70. In the above review of how internal oversight is structured across the UN, the location of the evaluation function was discussed as an important factor affecting its contribution to oversight (paragraphs 45 – 48). There is a strong perception amongst UNEG members that the location of evaluation has significant implications for the function; i.e. that the effectiveness and credibility of evaluation, and its usefulness for oversight and/or learning purposes, is to some extent dependent on

whether it is located independently, or co-located with other oversight functions, co-located with other policy, programme, and/or management functions, or with research and learning functions. Table 1 below provides a comparison of the different locations of evaluation, and some suggested pros and cons of such location.

71. Drawing on some of the experiences of the various evaluation entities in the UN, indications are that, regardless of the location of evaluation, there are measures that can be taken to overcome the specific challenges raised by location, to ensure the integrity of the evaluation function.

Location of Evaluation Function	Pros	Cons	Measures to ensure integrity of the evaluation function
Independent Stand-Alone Unit	<ul style="list-style-type: none"> <li>• Objectivity strengthened</li> <li>• Credibility improved</li> <li>• Utility in terms of policy influence likely to be greater</li> </ul>	<ul style="list-style-type: none"> <li>• Possibly weaker working knowledge of the organization(s)</li> <li>• Possibly weaker relationship with/ and influence over, management and staff</li> <li>• Possibly weaker relevance and use of findings, depending on the influence of the oversight authority</li> </ul>	<ul style="list-style-type: none"> <li>• Develop strong relationship with the external oversight authority (e.g. Board) to ensure continued relevance and support (enshrined in policy)</li> <li>• Develop strong relationship with management to ensure continued relevance and support</li> <li>• Develop strong outreach to organization to educate programme staff on the role and value of evaluation, as well as to develop self-evaluation capacity.</li> </ul>
Co-located with Other Oversight Functions	<ul style="list-style-type: none"> <li>• Objectivity strengthened</li> <li>• Credibility improved</li> </ul>	<ul style="list-style-type: none"> <li>• Possible reduced management buy-in of evaluation findings</li> <li>• Perception of evaluation as a subset of audit – and thus seen as a compliance instrument</li> <li>• Competition with other oversight functions for resources</li> </ul>	<ul style="list-style-type: none"> <li>• Develop strong relationship with the external oversight authority (e.g. Board) to ensure continued relevance and support (enshrined in policy)</li> <li>• Develop strong relevance and presence within the oversight framework, vis-à-vis other oversight functions</li> <li>• Establish policy that ensures adequate resources, appropriate competencies, and management support for evaluation as an oversight function</li> <li>• Develop strong outreach to organization to educate oversight partners and programme staff on the role and value of evaluation</li> </ul>
Co-located with Programme Policy, Management, Planning and/or Monitoring Unit	<ul style="list-style-type: none"> <li>• Relevant, working knowledge of the organization(s) strengthened</li> <li>• Relationship with / and influence over management and staff strengthened</li> <li>• Possibly greater relevance and use of findings.</li> </ul>	<ul style="list-style-type: none"> <li>• Objectivity possibly put at risk</li> <li>• Credibility potentially weakened</li> <li>• Possible conflict of interest</li> <li>• Competition with other programme functions for resources</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure, as far as possible, the operational independence of the unit through policy and practice</li> <li>• Ideally, the Head of Evaluation should have a direct reporting line to the Head of Organization, or the Governing Body.</li> <li>• Policy ensures adequate resources, appropriate competencies, and management support for evaluation function.</li> </ul>
Co-located with Research and/or Learning Units	<ul style="list-style-type: none"> <li>• Better access to, and linkages with, research data and program development issues.</li> <li>• Utilization of findings for learning and staff development improved</li> </ul>	<ul style="list-style-type: none"> <li>• Utilization of findings weakened</li> <li>• Lower credibility</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure, as far as possible, the operational independence of the unit through policy and practice, as per above.</li> <li>• Policy ensures adequate resources, appropriate competencies, and management support for evaluation function.</li> </ul>

## Conclusion

72. The JIU's report on Oversight Lacunae raised the important question of whether or not UN organizations had a sufficient system in place to support oversight. The conclusion was negative (hence the assertion of lacunae) with the recommendations, *inter alia*, that, in order to strengthen the system's oversight architecture, evaluation be placed with other oversight functions, and that adequate resources be provided. UNEG was of the opinion that this recommendation did not adequately consider the role of evaluation in support of management and internal learning, and the potential threat to its effective functioning by placing evaluation within a primarily oversight-oriented unit.

73. The comprehensive review of Governance and Oversight, despite its comprehensive terms of reference, did not address the question of evaluation other than in the context of the UN Secretariat, where it made the accurate conclusion on the weakness of the central evaluation function, but focused only on the role of evaluation as a support to management and for learning, thus recommending that evaluation be located in management, as indeed, is the majority practice in the Organization.

74. With regard to the actual role of evaluation in oversight in the UN system, this paper has noted that, in theory, there is common acceptance for, and importance placed on, the role of evaluation as an oversight function, amongst the governing bodies. However, there appears to be a potential disconnect between expectations of evaluation's contribution to oversight and the actual practice of evaluation and the use of its findings for oversight. Clearly, current practice has to be improved if proper, adequate oversight is to be served.

75. The fragmented nature of governance and the disparate practices of governance and oversight have not created an environment where evaluation is used systematically and rigorously for accountability. In those organizations where evaluation is independently established or placed within oversight, it, arguably, serves this role better. However, further study will be required to ascertain actual use and the quality of evaluation in those situations, as well as the effect such location has on the contribution of evaluation to learning.

76. The debate over whether it is more important for evaluation to serve as an oversight function versus as a learning function should, in the view of the authors, be seen largely as a red herring<sup>17</sup>. In almost all existing policy documents on evaluation, it is stated as serving both, though, as noted, there seems to be less emphasis on its use for oversight. The more important issue at hand is the credibility and independence of evaluation. Credible, impartial and accurate evaluation should be seen as a knowledge product that serves, as desired, both oversight and learning.

77. In the view of the Working Group, UNEG, in its endorsement, and propagation of its norms and standards for evaluation, has taken an explicit position on the importance of independence not as a statement that evaluation is to serve oversight more, but to ensure the integrity and credibility of the function. Nor should the suggestion that evaluation needs to be separated from management and operation

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<sup>17</sup> Based on limited evidence, some differences may be noted between evaluations that contribute primarily to oversight, and those that are directed towards management for learning. The objectives, types of questions posed and answers sought may vary depending on the intended use. More evidence of this would be required to make clearer distinctions between the two.

be seen as an attempt to reduce its utility for internal management and learning. The goal is to ensure the accuracy and credibility of the evaluations conducted, in order to be of use for either, as desired.

78. Similarly, the debate over whether evaluation needs to be placed independently of, or together with other oversight functions, misses the point. As long as credible, accurate evaluations can be assured, *where* it is located is an issue for consideration, but it is less the issue than *how* it is located. Ideally, the location should reinforce the notion and reality of independence; as such, location with other oversight, management or operational functions do constitute some threat to independence, but these are not insurmountable. This paper concludes that, highest priority should be accorded to ensuring the credibility and objectivity of the evaluation function, primary of which is strengthening the independence of the function, wherever it is located, keeping in mind those other factors that are critical to its effectiveness.

79. These other factors, in line with the relevant UN norms and standards, should be given due consideration:

- a. The reporting independence of the function (*i.e.* the designated post responsible for evaluation should have the ability to report directly to the Head of Organization and/or the Governing Body);
- b. The operational independence of the function (*i.e.* the staff who are responsible for providing objective evaluations should not have any operational responsibilities, so as not to place them in potential conflict of interest situations;
- c. Adequate resources for the function;
- d. Adequate competencies of staff carrying out the function; and
- e. Transparent dissemination of evaluation findings.

80. In short, for evaluation to contribute effectively to oversight, the minimum assurances for credible, objective evaluations have to be put in place, and these are – independence from operations and management, adequate financial resources, adequate competencies, and transparency.

# Annex 1 – Principles of governance and oversight in the United Nations

## Responsibility in governance

- The governing body is expected to always act in the best interest of the organization, and is responsible for the organization's strategic direction, allocation of resources, effective monitoring of management and operation of entity.
- There has to be a strategic plan to ensure efficiency, effectiveness and sustainability.
- The purpose, stakeholders, risk tolerance and key performing indicators of the organization must be clearly defined.
- The members of the governing body must be major stakeholders, and be independent of management.
- Governance should be competent (skills and knowledge), be compensated, and have succession plans in place.

## Accountability in governance and oversight

- The governing body may appoint committees to support its governance and oversight role; but cannot abdicate its ultimate accountability.
- The governing body should have access to independent advice.
- Appointments should be made on transparent process and agreed criteria.
- The governing body has to satisfy itself that management has a sufficiently robust framework for internal controls, risk management, systems and compliance with laws, regulations, and appropriate accounting standards.
- Audit committees should be in place.
- A professional and competent Internal Audit function should be accountable to Executive Management but also report independently to the Governing Body, through an Audit Committee.
- External Audit should be appointed and accountable to the Assembly of Member States.

## **Transparency and disclosure in governance and oversight**

- Management should provide timely disclosure on all matters of significance to governing body. The governing body should provide the same to the Assembly of Member States and stakeholders.
- There should be full disclosure of all personal financial interests that may give rise to conflict of interest.
- Probity should be demonstrated in the conduct of business.
- The governing body and management should subject itself to facilitated evaluation of their work.

## **Ethical environment for governance and oversight**

- The organization (entity) should act responsibly and responsively to stakeholders.
- The organization should have a written code of conduct and have investigations and disciplinary procedures in place; there should be a mechanism for responsible whistle-blowing.

## Annex 2 – Institutional arrangements for governance, oversight and evaluation in the UN

### Governing bodies

#### *The main or principal organs*

There are four main or principal organs of the UN system that have governing powers, these are:

- a. The General Assembly (GA) - the UN's central deliberative body empowered to discuss and make recommendations on any subject within the scope of the UN Charter.
- b. The Security Council (SC) - primarily responsible for maintaining international peace and security.
- c. The Economic and Social Council (ECOSOC) - responsible for organizing the UN's work on economic and social matters and promotion of human rights.
- d. The International Court of Justice (ICJ) - the principal judicial organ of the UN.

Of these, the GA is the primary governing body, while the SC, ECOSOC and the ICJ have designated areas of responsibilities and authority. The Secretariat, which is the administrative arm of the UN, is governed by the GA.

### The subsidiary organs

Three of the main organs – the GA, SC and ECOSOC, are empowered by the UN Charter to establish subsidiary organs as necessary to help perform their functions. The subsidiary bodies fluctuate in number from year to year, according to the changing requirements of the main organ concerned. Some of the subsidiary organs in turn set up their own subsidiary units—working groups, subcommittees, and the like.

#### *Subsidiary organs of the GA*

The General Assembly's subsidiary organs range in complexity and status from temporary committees to semi-autonomous institutions that maintain their own secretariats or administrative departments. The main committees comprise representatives of all member states and are formally reconstituted at each regular General Assembly session to discuss the various items on the agenda for that year.

The main committees are:

- a. The First Committee: Disarmament and International Security (DISEC)
- b. The Second Committee: Economic and Financial (ECOFIN)
- c. The Third Committee: Social, Cultural, and Humanitarian (SOCHUM)

- d. The Fourth Committee: Special Political and Decolonization (SPECPOL)
- e. The Fifth Committee: Administrative and Budgetary
- f. The Sixth Committee: Legal

There are many standing committees, ad hoc bodies, and other subsidiary organs and related bodies. Two of the more important of these (in relation in evaluation for the Secretariat programmes) are:

- a. The Advisory Committee on Administrative and Budgetary Questions (ACABQ), a 16-member expert committee which reviews the budgets submitted by the Secretary-General;
- b. The Committee for Programme and Coordination (CPC), a 34-member committee, that reviews the programmatic aspects of the Secretary-General's budget, which also reports to the ECOSOC.

### *Subsidiary organs of the SC*

Subsidiary organs of the SC includes - The Military Staff Committee, the Committee of Experts on Rules of Procedure and the Committee on Admission of New Members. Additionally, there are various ad hoc committees, established as needed; these comprise all council members and meet in closed session.<sup>12</sup> The Security Council, acting under Chapter VII of the charter, which deals with "action with respect to threats to the peace, breaches of the peace, and acts of aggression," also sets up committees to monitor compliance by member states with its resolutions.

### *Subsidiary organs of the ECOSOC*

There are four types of subsidiary organs of the Economic and Social Council:

- a. The semiautonomous bodies that govern various programs and funds of the UN; i.e. UNDP, UNICEF, UNFPA, WFP, etc.
- b. The regional commissions – ECE, ESCAP, ESCWA, ECA, ECLAC.
- c. The functional commissions; including the commissions for statistics, population and development, social development, human rights, status of women, narcotics drugs, science and technology for development, crime prevention and criminal justice, and sustainable development.
- d. Several sessional, standing and ad hoc committees, that often report to both the GA and to the ECOSOC. These include – the committees on human settlements, NGOs, negotiations on intergovernmental agencies, development policy, economic, social and cultural rights, energy and natural resources for development, indigenous issues, etc.

## **Executive Boards of Specialized Agencies and Research and Training Institutes**

The UN Specialized agencies are separate, legally autonomous organizations with their own policy-making and executive organs, secretariats, and budgets. The precise nature of their relationship with the UN is defined by the terms of special agreements that were established with the ECOSOC and subsequently approved by the GA, as provided for in Article 63 of the charter. Since Article 63 also empowers the ECOSOC to coordinate the activities of the specialized agencies through consultation and recommendations, they are required to report annually to it.

There are several research and training institutions created under the framework of the UN, most of which are separate, autonomous organizations. Some are governed by subsidiary organs of the GA or ECOSOC and some are governed by their own policy-making and executive organs. The majority rely primarily on voluntary funds, though some receive funding from the UN.

## **Administrative and operational bodies of the UN system**

### ***The UN Secretariat programmes***

The UN Secretariat is the primary administrative arm of the UN. It is governed by the GA and managed by the Secretary-General, with assistance of the DSG. The activities of the UN Secretariat are organized as “programmes”. To date, there are 28 discrete programmes (See Annex 2), and these include the regional commissions, subsidiary organs, as well as some funds and programmes. (See below) Most Secretariat programmes are governed directly by the GA through its main committees, whilst some are governed by other subsidiary organs of the GA or ECOSOC. The activities of the UN Secretariat are funded partly by assessed contributions of the UN Member States, and partly by voluntary contributions. These programmes are managed by Directors at the Under Secretary-General level (USG).

### ***The UN funds and programmes***

The UN Funds and Programmes were created by the UN to meet needs not envisaged at its creation, such as Palestine refugees, development assistance, food aid, or the environment. They are subordinate to the UN; *i.e.* the GA, but since they are immediately controlled by distinct inter-governmental bodies and derive most of their financial resources from other sources than the UN regular budgets, they are somewhat more akin to specialized agencies than to "subsidiary organs" such as UN commissions and committees. Moreover, as their activities are more operational and carried out at field level, they have needs dictated by an environment quite different from that of headquarters-centered administrations. The Programmes and Funds apply UN rules and regulations in the realm of administration and personnel. Of the ten UN funds and programmes, six are considered part of the Secretariat - UNHCR, UNRWA, UNEP, UNODC, UNCTAD, and UN-HABITAT, while the remaining four are more autonomous - UNDP (which includes the associated funds and programmes of UNIFEM, UNCDF and UNV), UNICEF, UNFPA and WFP.

## ***Specialized Agencies and Research and Training Institutions***

The UN Specialized agencies are separate, legally autonomous organizations with their own policy-making and executive organs, secretariats, and budgets. These agencies were brought into relationship with the UN through negotiated agreements. Some of the agencies existed before the First World War, some were associated with the League of Nations, others were created almost simultaneously with the UN and yet others were created by the UN itself to meet emerging needs. Given the diversity of their respective fields of action, history and experience, each agency has its own needs and concerns, not to speak of "corporate culture".

## **Management and coordinating bodies of the UN system**

### ***The office of the Secretary General (SG)***

The SG is the chief administrative officer of the UN. In the management of the Secretariat, he is assisted by a Deputy Secretary General. To support his overall management of the UN system, there is a Senior Management Group, which is a committee of senior UN managers that serves as the Secretary-General's cabinet and the central policy planning body of the United Nations. Its objective is to ensure strategic coherence and direction in the work of the Organization.

### ***The Chief Executives***

The UN operational and administrative bodies; *i.e.* the UN Secretariat programmes, the UN Funds and Programmes, and the Specialized Agencies and Research and Training Institutions, are managed by Chief Executives (typically at the Under Secretary-General level). In larger organizations, the Chief Executives are assisted by a Deputy and a senior management team.

### ***The Chief Executives Board (CEB) for Coordination***

The Chief Executives Board (CEB) for Coordination, formerly the Administrative Committee on Coordination (ACC), was established by ECOSOC in 1946. It is composed of the Secretary-General and the executive heads of UN member organizations (See Annex 1) and is assisted by two high-level committees, the High Level Committee on Programmes (HLCP) and the High Level Committee on Management (HLCM). Its purpose is to promote cooperation on all of the substantive and management issues facing the UN system.

### ***Thematic coordinating bodies***

In addition to the CEB, other system-wide coordinating and policy setting bodies are – the Executive Committee for Peace and Security (ECPS), the UN Development Group (UNDG), the Executive Committee on Economic and Social Affairs (ECESA), and the Inter-Agency Standing Committee on Humanitarian Assistance (IASC).

## Annex 3 – Evaluation in the UN system

### The purpose of evaluation

81. Evaluation is an instrument that predominates in the national and international public sectors as a means to ensure substantive (rather than financial) accountability of the investments made, and as a basis for learning to improve the relevance and quality of future actions.

82. Within the specific context of the UN, evaluation helps to ensure the accountability of the various UN bodies, their managers and staff, to the General Assembly (GA) and/or their respective Governing Bodies, as well as to national stakeholders (particularly national governments). At the same time, it supports reflection and learning by the Member States, Governing Bodies, management and staff, as well as national stakeholders, on the relevance, effectiveness, efficiency, impact and sustainability of UN activities, so as to be able to improve on them.

83. Evaluation serves this dual purpose through the provision of reliable and credible evaluative evidence, analyses and information to Member States, the Secretary-General, programme managers, staff, and national stakeholders, on the activities of the UN system and their impact. These evaluation outputs are provided in the form of evaluation reports, briefings, various information exchanges and other evaluation products; including the act of conducting or participating in the evaluation itself. In order to be of use, they have to be provided in a timely manner, in relation to the different organizations' programme planning, budgeting, implementation and reporting cycles.

84. Because evaluation has to simultaneously support both accountability and learning at different levels of governance, oversight, management, and operations, the conduct of evaluation has to be carried out at these different levels within each organization. Typically, in large, complex organizations with decentralized, global operations, evaluation is divided between centralized and decentralized functions. Due to the fragmented nature of governance in the UN, with various subsidiary organs and independent boards responsible for the various funds, programmes and specialized agencies, there is no single center for the production or consumption of evaluation.

### How evaluation works in the UN

85. As can be seen in the Governance and Oversight overview<sup>18</sup>, the United Nations system consists of various entities with diverse mandates and governing structures that aim to engender principles such as global governance, consensus building, peace and security, justice and international law, non-discrimination and gender equity, sustained socio-economic development, sustainable development, fair trade, humanitarian action and crime prevention.

86. The heterogeneity of mandates of the UN System organizations, covering normative, analytical and operational activities, combined with the requirement for evaluation to be carried out at different levels within each organization, has resulted in a diverse set of arrangements for the management,

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<sup>18</sup> See *UNEG Institutional Arrangements for Governance Oversight and Evaluation in the UN*, UNEG/REF(2007)4.

coordination and/or conduct of evaluation in the UN. In some cases, there is a dedicated evaluation entity established, in other cases, the evaluation entity is established within the organization's oversight entity. Others have established the evaluation entity within a programme management, policy, strategic planning or budgeting entity, and yet others have established it within an entity dedicated to research, learning, communications or other operational functions. A few have yet to establish any kind of evaluation capacity, but their management or operational staff may nevertheless, be involved in the conduct self-evaluations.

87. The regulations that currently govern the evaluation of United Nations activities were promulgated on 19 April 2000 in the Secretary General's bulletin (PPBME). Similar regulations and policies have been issued in recent years in several UN system organizations. For the autonomous organizations that are part of the UN system, each is governed by their own regulations and policies. In 2005, the heads of evaluation of 43 UN entities, under the auspices of the UN Evaluation Group (UNEG), adopted a common set of norms and standards for evaluation in the UN system.

### ***UN system-wide evaluation***

88. In support of evaluation for the UN System as a whole, there is only one entity in the UN that has a system-wide evaluation mandate from the GA; the Joint Inspection Unit.

89. The Joint Inspection Unit (JIU) was created on an experimental basis by the GA in 1966 and in 1976 was established as a standing subsidiary organ, responsible to the GA and the competent legislative organs of those specialized agencies and other international organizations within the United Nations system that have accepted its statute.

90. The JIU Inspectors have the broadest powers of investigation in all matters having a bearing on the efficiency of the services and the proper use of funds. Towards these ends, they may make on-the-spot inquiries and investigations. They are mandated to provide an independent review through inspection and evaluation aimed at improving management and methods and at achieving greater coordination between organizations. Its reports are addressed to the one or more organizations concerned or to all the organizations when the subject is of interest to the System as a whole, for consideration by the competent legislative organs of the organizations concerned. Notes and confidential letters are submitted to executive heads for their own discretionary use. The JIU produces about nine reports a year (ranging from 6 to 15), and these are a mix of system-wide, thematic and agency specific topics. Given its limited size, scope of work and ad hoc approach to topic selection, though a valuable source of independent analysis and information for the GA, its current programme does not constitute an adequate system-wide evaluation function.

91. In addition to the JIU, the UN has other ad hoc, as well as standing, arrangements for reviews, which might constitute a form of evaluation, of specific thematic or cross-agency issues system-wide. By way of example, these include:

- Ad hoc GA mandated or SG initiated reviews that are carried out by the SG or specific UN departments; for example, the High Level Panels established to evaluate - Governance and Oversight in the UN, UN System-wide coherence, UN Reform, Peace Operations, Threats, Challenges and Change, and so on. These reviews are assigned to the appropriate lead UN agency; e.g. DM, CEB, EOSG, DPKO, DPA, etc.

- The Triennial Comprehensive Policy Review, which evaluates the effectiveness and efficiency of the United Nations development system's assistance to national efforts of developing countries, specifically in their efforts to pursue their priorities and meet their needs in the context of the Millennium Declaration and other global conferences and summits. This review is assigned to the Department for Economic and Social Affairs (DESA) and is submitted to the GA / ECOSOC for consideration.

### ***Evaluation in the UN Secretariat***

92. With regard to evaluation of UN Secretariat programmes, the rules and regulations of the PPBME apply for all of them. Given the heterogeneity and size of Secretariat programme activities, in order to ensure that all programme activities are evaluated, evaluation is decentralized to the programme level, and each Secretariat programme is required to conduct regular, periodic evaluation of all activities. Moreover, in some cases, individual programmes are mandated by intergovernmental bodies that directly oversee the substantive and operational aspects of the respective programmes to conduct specific evaluations and report to them, so as to ensure effective and substantive intergovernmental oversight at the programme level. Individual programmes also receive requests from donor agencies to conduct evaluations of activities supported by voluntary funding provided by those donor agencies.

93. To respond to the above needs, currently, 15 of the 28 Secretariat programmes have a dedicated office, team or unit supporting evaluations; these are – UNCTAD, UNEP, UNHABITAT, UNODC, ECA, ECE, ESCAP, ECLAC, ESCWA, UNCHR, UNHCR, OCHA, DPI, OIOS and UNON. Some of these have, in addition to the PPBME, established programme specific evaluation policies (OCHA, UNEP, UNODC, ESCAP and UNHCR). The remaining Secretariat programmes do not have any dedicated evaluation office, team or unit, though self-assessment activities are conducted by management or programme staff for the purpose of mandatory reporting. In a few cases, there has been little or no evaluation at all, of programme activities.

94. The central evaluation function of the Secretariat is assigned to OIOS, where evaluation complements its other oversight functions of investigation, audit and inspections, by focusing on broad issues of relevance, effectiveness, efficiency and impact of Secretariat programmes and activities. The Evaluation Section of OIOS is mandated by the GA to conduct in-depth and thematic evaluations on the work of the Secretariat programmes, as well as to establish guidelines for the conduct of self-evaluation by the programmes, and to provide methodological support. OIOS evaluations are considered by the CPC, and as appropriate, by the Main Committees of the GA. Once endorsed by the GA, OIOS recommendations are mandatory and subject to triennial reviews for compliance..

### ***Evaluation in the UN Funds and Programmes***

95. The UN Funds and Programmes that are not part of the Secretariat; i.e. UNDP, UNFPA, UNICEF and WFP, have well established evaluation offices and evaluation policy. Again, given the size of these programmes and their global reach, with their complex activities and stratified management arrangements, it has also been necessary to establish decentralized and centralized evaluation functions within each of them. Typically, the central evaluation offices conduct programme, thematic and country-level evaluations, while providing methodological guidance to decentralized evaluation functions at the country and project levels, which are carried out by programme managers, country directors, and project

managers. The central evaluation offices of these UN funds and programmes report to their respective Governing Bodies (or Executive Boards) through (or simultaneously to) their respective Chief Executives.

### ***Evaluation in the UN Specialized Agencies and Funds***

96. Similarly, most of the autonomous specialized agencies have well established evaluation offices, each with their own evaluation policy. Some of these – IFAD, IBRD, IMF, IFC and GEF, have established central evaluation offices that have a high degree of independence; i.e. the evaluation offices report directly to the Executive Boards, have heads of evaluation appointed by the Board, and have budgets approved independently by the Board. Several – ILO, FAO, UNESCO, WIPO, WHO, WMO and UNIDO, have established central evaluation offices or units with operational independence and clear evaluation policy in line with UNEG norms and standards, and reporting to the Heads of the Organization, if not directly to the Governing Bodies. There are a few without central evaluation capacity (ICAO, UPU, and IAEA) but that have evaluation capacity decentralized, or embedded, within management or operational structures. Finally there are a few that do not seem to have any established evaluation capacity – ITU, IMO, OPCW, UNFIP and UNWTO (Tourism) and WTO (Trade).

### ***Evaluation in UN Research and Training Institutes***

97. The following are UN research and training institutes - UNDIR, UNICRI, UNRISD, INSTRAW, UNITAR, UNSSC and UNU. No information available with regard to evaluation in these institutions.

## ***Placement of evaluation functions in United Nations and related Organizations (56)***

Placement	Organisations
<p>Entities with Independent Stand-Alone Evaluation Units (9) (16.7%); i.e. the Head of Evaluation reports directly to either the Head of Organization or the Governing Body, and the Evaluation Unit is located separate from policy, management and operational units.</p>	<ol style="list-style-type: none"> <li>1. GEF - Evaluation Office</li> <li>2. IFAD - Office of Evaluation</li> <li>3. IMF - Independent Evaluation Office</li> <li>4. WFP - Office of Evaluation</li> <li>5. World Bank (IBRD &amp; IFC) - Independent Evaluation Group</li> <li>6. UNDP - Evaluation Office</li> <li>7. UNCDF (associated fund of UNDP) - Evaluation Unit</li> <li>8. UNV (associated prog. of UNDP) - Evaluation Unit</li> <li>9. UNAIDS - Evaluation Department</li> </ol>
<p>Entities with Evaluation co-located with Oversight Units (9) (16.7%)</p>	<ol style="list-style-type: none"> <li>1. OIOS - Evaluation Section/MECD</li> <li>2. UNEP - Evaluation and Oversight Unit</li> <li>3. UNFPA - Division for Oversight Services (DOS)</li> <li>4. UNESCO - Evaluation Section of the Internal Oversight Service (IOS)</li> <li>5. WIPO - Evaluation functions within the Internal Audit and Oversight Division (IAOD)</li> <li>6. ICAO - Office for Programmes Evaluation, Audit and Management Review</li> <li>7. IMO – Member State Audit and Internal Oversight Unit (Includes Evaluation?)</li> <li>8. WHO - Evaluation and Performance Audit Office of Internal Oversight Services</li> <li>9. WMO – Evaluation and Performance Audit Service, Internal Oversight Office</li> </ol>
<p>Entities with Evaluation co-located with Programme Policy, Management, Planning and/or Monitoring Units (17) (30.4%)</p>	<ol style="list-style-type: none"> <li>1. UNCTAD – Programme Planning and Assessment Unit (PPAU) and ITC Evaluation Unit</li> <li>2. UNODC - Independent Evaluation Unit in the Division for Policy Analysis and Public Affairs</li> <li>3. ECA - Programme Monitoring and Evaluation Section (PMES)</li> <li>4. ESCAP - Programme Planning, Budget and Evaluation Section</li> <li>5. ECE - Programme and Evaluation?</li> <li>6. ECLAC - Programme Planning and Evaluation Unit</li> <li>7. ESCWA - Programme Planning and Technical Cooperation Division</li> <li>8. UNHCR - Evaluation and Policy Analysis Unit</li> <li>9. UN-HABITAT - Monitoring and Evaluation Unit?</li> <li>10. OCHA - Evaluation and Studies Unit in the Policy Development and Studies Branch</li> </ol>

	<ul style="list-style-type: none"> <li>11. UNCHR – Project Management and Technical Cooperation Unit</li> <li>12. UNICEF - Evaluation Office, Programme and Strategic Planning</li> <li>13. FAO - Evaluation Service in the Office of Programme, Budget and Evaluation</li> <li>14. ILO - Evaluation Unit in Mgt and Admin Sector</li> <li>15. UNIDO - Evaluation Group under the Bureau for Organizational Strategy and Learning</li> <li>16. IAEA - Office of Programme Support and Evaluation</li> <li>17. CTBTO - Evaluation Section, Office of Executive Secretary</li> </ul>
Entities with Evaluation co-located with Research and/or Learning Units (3) (5.4%)	<ul style="list-style-type: none"> <li>1. DPI - Evaluation and Communications Research Unit</li> <li>2. UNIFEM (associated fund of UNDP) - Learning Unit</li> <li>3. DPKO – Peacekeeping Best Practices Unit</li> </ul>
Entities with no dedicated evaluation units (18) (32.1%)	<ul style="list-style-type: none"> <li>1. EOSG (UNOG, UNOV, UNLOAA, and UNON – UNON has a Compact Team that has evaluation?)</li> <li>2. DGACM – Proposed Monitoring and Evaluation Unit</li> <li>3. DPA</li> <li>4. DDA</li> <li>5. OOSA</li> <li>6. OLA</li> <li>7. DESA</li> <li>8. OHRLLS</li> <li>9. OSAA (NEPAD)</li> <li>10. 1UNRWA – Proposed Evaluation Unit under Director of Operations</li> <li>11. DM</li> <li>12. DSS</li> <li>13. ITU</li> <li>14. UPU</li> <li>15. UNWTO (Tourism)</li> <li>16. OPCW</li> <li>17. UNFIP</li> <li>18. WTO</li> </ul>

## **How evaluation is coordinated in the UN system**

98. Currently, there is no centralized coordination and/or planning of evaluation for the UN system as a whole. However, to some extent, “sub” system planning and coordination is being done by – OIOS for the Secretariat programmes, UNDP for the development related funds and programmes, and OCHA for humanitarian-related activities. There does exist an inter-agency working group (called the United Nations Evaluation Group (UNEG)). Established in January 1984 (originally under the name of the Inter-Agency Working Group on Evaluation), UNEG’s objective is to provide a forum for the discussion of evaluation issues within the UN System and to promote simplification and harmonization of evaluation reporting practices among UNDP and the executing agencies. To date, UNEG has 43 member organizations. UNDP chairs UNEG and provides the Secretariat facilities. In 2005, UNEG adopted a common, UN system-wide set of norms and standards for evaluation. These norms and standards are currently being adapted and used by UN system organizations as appropriate for their particular evaluation needs.

## Annex 4 – Members of the UNEG Evaluation and Oversight Working Group

<b>Co-Chairs:</b>	OIOS	Eddie Yee Woo Guo
	UNDP	David Rider Smith
<b>Members</b>	FAO	John Markie
	GEF	Rob D. van den Berg
	IAEA	Dalibor Kysela
	ICAO	Hilary Jackson
	IOM	Christophe Franzetti
	OPCW	Ram Babu Nepal
	UNESCAP	Urs Nagel
	UNESCO	John Parsons
	UNFPA	Olivier Brasseur
	UNICEF	Samuel Bickel
	UNODC	Sibanda Backson
	WFP	Annemarie Waeschle
	WMO	Jorge Cortes