POLICY ISSUES

Agenda item 5

For consideration

REPORT ON THE MANAGEMENT OF EVALUATION
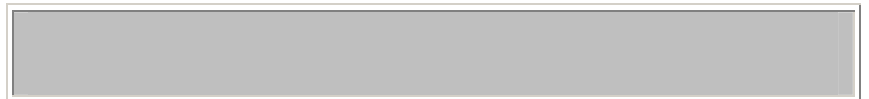
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NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Director, Office of Evaluation (OEDE):   Mr K. Tuinenburg   tel.: 066513-2252

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).

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EXECUTIVE SUMMARY

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This paper is presented to the board in response to its October 2003 request to the Steering Group on Governance to amplify three related issues to strengthen WFP's evaluation function. When discussing the follow-up to the Board's request, the group widened the coverage of the document to include eight questions for consideration. Following discussions with the Secretariat, the group invited the Secretariat to produce a paper for the Board, which is put forward on the authority of the Executive Director with the support of the group. The paper concludes with a management protocol that summarizes the principles for WFP's centralized evaluation function.

The main innovations to strengthen the role of evaluation include:

➢ establishment of a consultative internal evaluation committee;

➢ an annual informal consultation on evaluation, the first of which took place on 19 May 2005;

➢ professionalization of the evaluation function, whereby three or four posts, including that of the Director of the Office of Evaluation, would be filled by people with a professional background in evaluation, and whereby a more relaxed rotation policy would be introduced for these posts;

➢ involvement of eminent outsiders for purposes of peer review for important evaluations; and

➢ a peer review of WFP's evaluation machinery in 2007.

DRAFT DECISION[*]

The Board takes note of the contents of "Report on the Management of Evaluation" (WFP/EB.A/2005/5-E) and looks forward to the results of the peer review planned for 2007.

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[*] This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

BACKGROUND

1.   WFP's Evaluation Policy was discussed by the Board in October 2003. In document WFP/EB.3/2003/4-C, the Board:

"…approved WFP's Evaluation Policy contained in Section I of document WFP/EB.3/2003/4-C and requested the Secretariat to take note of comments and observations made by the Board. The Board also requested the SG/G to examine three related issues and report on them at the First Regular Session in 2004: the location of the Office of Evaluation, the merits and practicability of establishing a sub-committee of the Board on evaluation, and the staffing arrangements for the Office of Evaluation." (WFP/EB.3/2003/13)

2.   The Steering Group on Governance (SG/G) took up the issue in December 2004. It had before it the *Principles for the Evaluation of Development Assistance* agreed in 1991 by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) (see Annex I). These principles are widely accepted as a benchmark against which to assess the operation of the evaluation function in bilateral and multilateral agencies. The SG/G also reviewed papers on emerging practice in other United Nations bodies, notably the International Fund for Agricultural Development (IFAD) and the Food and Agriculture Organization of the United Nations (FAO). Against this background, the SG/G was not persuaded that there were compelling grounds either for changing the location of the Office of Evaluation in WFP or for establishing a sub-committee of the Board to consider evaluation matters – the latter would in any case be unique in the United Nations Funds and Programmes, where there is a general understanding that sub-committees should not form part of the common structures under which they are governed (General Assembly Resolution 48/162). Instead, the SG/G concluded that the questions underlying the Board's identification of the three issues noted above – further promotion of independence, transparency, accountability and lesson-learning – could more usefully be pursued by a process of managed evolution than by structural change. The SG/G accordingly identified the following questions for consideration:[1]

➢   Is WFP devoting sufficient resources to evaluation?

➢   What scope exists for improving lesson learning in the Secretariat?

➢   Could the presentation of evaluation issues to the Board be improved?

➢   Should evaluation be the subject of an annual informal consultation?

➢   What steps might be taken to strengthen the skills and experience of the staff in OEDE?

➢   Should the Board be involved in the appointment of the Director of Evaluation, and if so, how?

➢   Could the quality control of evaluation be enhanced by involving outsiders?

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[1] These questions relate only to evaluations managed by the Office of Evaluation (OEDE). Evaluations managed by country offices and regional bureaux are excluded. The basis for the division of work is summarized in paragraph 14 of document WFP/EB.3/2003/4-C.

> ➢ Should WFP's evaluation machinery be the subject of a peer review by outside experts at some point?

3. The SG/G discussed these issues with the Secretariat and invited the Secretariat to produce a paper for the Board. This is the result, put forward on the authority of the Executive Director, with the support of the SG/G. The structure follows the questions in paragraph 2 above. In practice these are inter-connected and need to be considered as a package. The paper concludes with a Management Protocol (Annex II), which summarizes the guiding principles for the management of WFP's central evaluation function. It is based on the evaluation policy paper agreed by the Board in October 2003[2] and on developments since, including certain proposals included in the present paper.

RESOURCES FOR EVALUATION

4. In the current biennium, WFP has allocated US$4.4 million to OEDE to carry out its programme of work as approved by the Board. The additional costs of decentralized evaluations and self-evaluations are met from the project and programme budgets of country offices and regional bureaux.

5. It is not currently possible to compare WFP's expenditure on evaluation with that of other agencies, partly because the costs of decentralized evaluations are not centrally reported, and partly because centrally-managed evaluations are often funded in part or in whole by project budgets. There are no established norms for expenditure on evaluation in relation to an agency's administrative budget or to the total value of its programmes. Some agencies have, however, decided to allocate 1 percent of their administrative budget to centrally managed evaluations, or 5 percent of total programme funding to monitoring and evaluation. A survey undertaken in 2004 by the United Nations Evaluation Group (UNEG) showed that WFP, with seven professional staff in OEDE, was in the top league of United Nations agencies and comparable to FAO and IFAD but some way behind the United Nations Development Programme (UNDP), which has 12 professional staff, and the World Bank, which has 50. WFP will continue to monitor the available data on resources expended on evaluation and will report any useful developments in the context of its budget proposals for forthcoming programmes of evaluation work.

IMPROVING LESSON LEARNING IN THE SECRETARIAT

6. In order to raise the profile of evaluation in the Secretariat and to contribute to improved lesson learning in WFP, the Secretariat has decided to establish an Internal Evaluation Committee, chaired by the Director of the Division of Results-Based Management (RBM), with a membership drawn from the executive staff in the Operations Department (OD), the Policy, Strategy and Programme Support Division (PDP) and the Inspector General and Oversight Services Division (OSD); the membership will include the Director of OEDE, which will provide the secretariat. The committee will meet at least four times a year. Its core tasks will be to review and monitor the programme of work undertaken by OEDE, to review the findings of evaluation studies and to ensure that the findings are suitably disseminated internally and externally and given proper weight in the design of new programmes and projects. In doing this, it will allow for consultation between OEDE and

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[2] "WFP's Evaluation Policy" (WFP/EB.3/2003/4-C).

management with the aim of improving the coordination and implementation of WFP's evaluation function, both OEDE evaluations and field-managed evaluations.

PRESENTATION OF EVALUATION ISSUES TO THE BOARD

An Annual Informal Consultation

7.   The Board's involvement with evaluation issues currently amounts to the following:

  ➢   the Board approves the biennial programme of work on evaluation in terms of content and cost when it considers the Biennial Management Plan;

  ➢   the recently introduced Annual Performance Report (APR), which the Board considers at each annual session, includes a synthesis of evaluation findings in an annex;

  ➢   individual project evaluation reports are submitted to the Board; they are no longer routinely discussed but are highlighted in an intervention by the Director of OEDE early in the regional presentations; it is then up to Board members to decide how much attention, if any, to give to the evaluation reports in the discussion of regional and country issues; and

  ➢   all thematic and policy evaluations come to the Board as agenda items in their own right; the Board is of course in charge of its own biennial programme of work and is free to decide when to consider the reports and how much time to allocate to them.

8.   A review of the working of these arrangements has revealed several issues that need attention:

  ➢   the synthesis of evaluation findings that appears as an annex to the APR cannot, for reasons of space, do justice to the subject; nor is it likely to get the attention it deserves from the Board if it is reported in this way;

  ➢   project evaluations may similarly be eclipsed by other issues in discussion of regional presentations, and their wider implications outside the region may not be addressed;

  ➢   decentralized evaluations undertaken by regional bureaux and country offices are not shared with the Board; and

  ➢   the development of the biennial programme of work on evaluation would benefit from informal discussion with the Board before it appears as a formal proposal in the context of the Biennial Management Plan.

9.   The SG/G accordingly proposed earlier this year that the Board should experiment with an annual Informal Consultation on Evaluation. The first such consultation is planned for 19 May 2005. The core documents are (i) an annual Report on Evaluation, drafted among other things to deal with the first three problems noted above, and (ii) a draft biennial programme of work to address the fourth. The object of the consultation is to enable the Board to develop a more informed view of the evaluation function, which it can deploy in making formal decisions later in the year about the programme of work and in its subsequent consideration of individual evaluation reports. The timing of the annual consultation in May is intended to fit in with WFP's business cycle.

Strengthening the Skills and Experience of Staff in OEDE

10.   OEDE currently comprises one director (D1), one chief evaluation officer (P5), one senior evaluation officer (P5), four evaluation officers (P4), a junior professional

officer and four general service staff. These professional posts have traditionally been filled internally by WFP generalists, who are of course subject to the rotation policy under which staff who have been in their posts for four years are automatically considered for re-assignment. It is now agreed in the evaluation community that evaluation is a specialist area justifying separate treatment in the recruitment and management of staff, and that a critical mass of staff should have an appropriate professional background. In WFP's case this means (i) recruiting externally against evaluation-specific competencies and (ii) applying a more relaxed rotation policy to the staff thus recruited. The Executive Director has decided that these provisions should apply to half the staff of OEDE. Three or four posts, including that of the director, will accordingly be filled as vacancies arise by people with a professional background in evaluation.

Appointment of the Director of Evaluation

11.   In line with emerging practice in the United Nations on handling the appointment of the Director of Evaluation, the Executive Director plans to share the job description for this post with the Board, and will subsequently inform the Board of his decision on the candidate. It is expected that the post of Director of Evaluation will fall vacant on 31 August 2006.

Use of Outside Experts to Enhance the Objectivity and Quality of Evaluations

12.   WFP employs outside experts and evaluators to undertake its centrally managed evaluations. The final decision on recruitment of outsiders rests with the Director of OEDE (see Annex II), who looks for subject matter and evaluation expertise coupled with the necessary objectivity. Draft evaluation reports are subject to internal peer review by OEDE staff. OEDE has not so far involved eminent outsiders in such reviews. WFP's evaluation reports on humanitarian assistance are subject to an annual peer review by the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), which uses a questionnaire to obtain feedback from mission leaders and OEDE evaluation managers on the basis of a standardized management-response matrix. The completed reviews are shared with OEDE and discussed in WFP with a view to improving the quality of future evaluations.

13.   WFP will adapt its approach to the use of outside expertise by (i) inviting the external team leaders of centrally managed evaluations to participate in the discussion of reports by the Board in cases where there would be a clear value-added, (ii) involving eminent outsiders in the peer review of draft evaluation reports and (iii) indicating in the OEDE draft programme of work the studies for which external peer review is envisaged.

Peer Review of WFP's Evaluation Machinery

14.   Emerging best practice is that evaluation functions should periodically be the subject of peer review. Evaluation in the United Nations Children's Fund (UNICEF)[3] was reviewed in 2000, and in the Danish International Development Agency (DANIDA) in 2003; UNDP has sought such a review under the auspices of the DAC Evaluation Network, the first United Nations agency to do so. There is already much codified material on principles and practice available from DAC sources; the United Nations Evaluation Group, to which

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[3] UNICEF document E/ICEF/2002/10, paragraph 23.

WFP belongs, will shortly finalize a statement of norms and standards for evaluation that will serve as a further point of reference.

15.   WFP management would welcome a peer review. It would make sense to do this after the changes proposed in this paper have been adopted. The Executive Director accordingly proposes that a peer review should be conducted during the course of 2007 as part of the Evaluation Programme of Work for that year.

Management Protocol for Evaluation

16.   Annex II to this paper is a management protocol. As noted in paragraph 3, it is based on the paper on Evaluation Policy considered by the Board in October 2003 and on this paper.

DAC PRINCIPLES FOR EVALUATION OF DEVELOPMENT ASSISTANCE

➢ The main purposes of evaluation are (a) to improve future aid policy, programmes and projects through feedback of lessons learned, and (b) to provide a basis for accountability, including the provision of information to the public (paragraphs 6–10).[4]

➢ Through the evaluation of failures as well as successes, valuable information is generated which, if properly fed back, can improve future aid programmes and projects. The accountability notion of evaluation referred to here relates to the developmental results and impact of development assistance. It is distinct from accountability for the use of public funds in an accounting and legal sense, responsibility for the latter usually being assigned to an audit institution.

➢ Aid agencies should have an **evaluation policy** with a clear definition of the role of the evaluation office, its responsibilities and its place in the institutional aid structure (paragraphs 4 and 7).

➢ The evaluation process should be **impartial and independent** from the process concerned with policy-making, and the delivery and management of development assistance (paragraphs 11–16).

Impartiality and independence will best be achieved by separating the evaluation function from the line management responsible for planning and managing development assistance. This could be accomplished by having a central unit responsible for evaluation reporting directly to the minister or agency head responsible for development assistance, or to the board of directors or governors of the institution. To the extent that some evaluation functions are attached to line management they should report to a central unit or to a sufficiently high level of the management structure or to a management committee responsible for programme decisions. In this case, every effort should be made to avoid compromising the evaluation process and its results (paragraph 16).

According to the 1998 DAC Review, impartiality and independence can be judged by the following aspects of the evaluation function: (i) an organization's policy statement on evaluation; (ii) the relationships between evaluation and the management and governance structure of the organization; (iii) selection/fixed term/removal/re-employment of chief evaluator; (iv) authority over the evaluation budget; (v) authority over the selection of projects to be evaluated; (vi) authority for selection of evaluators; (vii) authority for approval of an evaluation programme; (viii) authority for preparation and approval of terms of reference; (ix) process and authority for review and revision of evaluation reports; (x) whether or not reports are issued in the evaluator's name; and (xi) linkage between evaluation and decision-making for feedback and other aspects of evaluation.

➢ Ensuring the credibility of evaluation depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process (paragraphs 18–19).

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[4] Paragraph numbers refer to the original source: OECD/DAC. 1991. *Principles for Evaluation of Development Assistance*. Paris.

Credibility requires that evaluation should report successes as well as failures. Recipient countries should, as a rule, fully participate in evaluation in order to promote credibility and commitment. Aid agencies need a critical mass of professional evaluation staff in order to have sufficient expertise in their various fields of activity and to ensure credibility of the process.

> The **usefulness** of evaluation contributes greatly to its impact on decision-making (paragraph 21–22).

Evaluation findings must be perceived as relevant and useful and be presented in a clear and concise way. They should fully reflect the different interests and needs of the many parties involved in development co-operation. Easy accessibility is also crucial for usefulness. Evaluations must be timely in the sense that they should be available at a time which is appropriate for the decision-making process.

> Aid agencies should elaborate **guidelines and/or standards** for the evaluation process. These should give guidance and define the minimum requirements for the conduct of evaluations and for reporting (paragraph 31).

> An **overall plan** must be developed by the agency for the evaluation of development assistance activities. In elaborating such a plan, the various activities to be evaluated should be organized into appropriate categories. Priorities should then be set for the evaluation of the categories and a timetable drawn up (paragraph 27).

> **Transparency** of the evaluation process is crucial to its credibility and legitimacy. The evaluation process must be as open as possible with the results made widely available (paragraph 20).

> **Feedback** to both policy-makers, operational staff and the general public is essential (paragraphs 39-43).

To ensure that the results of evaluation are utilized in future policy and programme developed it is necessary to establish feedback mechanisms involving all parties concerned. These would include such measures as evaluation committees, seminars and workshops, automated systems, reporting and follow-up procedures. Informal means such as networking and internal communications would also allow for the dissemination of ideas and information. In order to be effective, the feedback process requires staff and budget resources as well as support by senior management and the other actors involved (paragraph 42). Evaluation reporting should be clear, as free as possible of technical language and evaluation methods used; the main findings; lessons learned; conclusions and recommendations (which may be separate from the report itself) (paragraph 39).

> Systematic **dissemination** is essential for ensuring improved planning and implementation of development assistance activities. Evaluation results may be disseminated in several ways apart from the evaluation report itself e.g., annual reports providing a synthesis of findings (paragraph 41).

> **Partnership** with recipients and donors in aid evaluation is essential; they are an important aspect of recipient capacity-building and of aid co-ordination and can reduce administrative burdens on partners (paragraphs 23–26).

Whenever possible, both donors and recipients should be involved in the evaluation process. Since evaluation findings are relevant to both parties, evaluation terms of reference should address issues of concern to each partner, and the evaluation should reflect their views of the effectiveness and impact of the activities concerned. Participation and impartiality enhance the quality of the evaluation, which in turn has significant implications for long term sustainability since recipients are solely responsible after the donor has left (paragraph 23).

Collaboration between donors is essential in order to learn from each other and to avoid duplication of effort. Donor collaboration should be encouraged in order to develop evaluation methods, share reports and information, and improve access to evaluation findings. Joint donor evaluations should be promoted in order to improve understanding of each other's procedures and approaches and to reduce the administrative burden on the recipient. In order to facilitate the planning of joint evaluations, donors should exchange evaluation plans systematically and well ahead of actual implementation (paragraph 26).

Note: The *Principles for Evaluation Development Assistance* contains definitions, purpose of evaluations and guidance on design and implementation of individual evaluations.

<div align="right">**ANNEX II**</div>

OEDE MANAGEMENT PROTOCOL

1. OEDE provides an independent evaluation service to the Board and to the Executive Director.

2. WFP has an evaluation policy that is approved by the Board based on the twin pillars of accountability and learning.

3. OEDE will be located in the Office of the Executive Director.

4. OEDE is currently one of the two offices constituting the RBM division. The Director of OEDE reports to the Director of the RBM division, who will ensure that the parameters are in place to enable OEDE to carry out its work.

5. OEDE is autonomous in carrying out its evaluation work. The budget and programme of work are approved by the Board.

6. OEDE consists of a director, senior staff and support staff. The director is appointed by the Executive Director and will have relevant professional evaluation experience in line with a job description that will be shared with the Board beforehand. With regard to professional staff, it will consist of a mix of professional evaluators, to be externally recruited, and experienced internal staff. Reassignment cycles will be longer than usual. The final selection of staff will be made by the Director of OEDE, with due regard to HR procedures.

7. Terms of reference for evaluation work are finalized by the Director of OEDE following a process of consultation.

8. As a rule, OEDE-managed evaluations are undertaken by external and independent evaluators. The final decision on recruitment is taken by the Director of OEDE.

9. The Director of OEDE is responsible for signing off all evaluation reports before submitting them simultaneously to the Board and the Executive Director.

10. Summary reports of all OEDE-managed evaluations are shared with the Board. Full technical reports will be made available separately. Summary reports contain a management-response matrix as an annex.

11. OEDE will maintain a follow-up mechanism of evaluation recommendations.

12. OEDE prepares an annual evaluation report incorporating decentralized evaluations for discussion in the annual informal consultation with the Board. This report will feed into the APR submitted to the Board's Annual Session.

13. OEDE will maintain an externally accessible website presenting WFP's evaluation policy, programme of work, evaluation reports and other information.

ACRONYMS USED IN THE DOCUMENT

ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action
APR	Annual Performance Report
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
FAO	Food and Agriculture Organization of the United Nations
IFAD	International Fund for Agricultural Development
OD	Operations Department
OECD	Organisation for Economic Co-operation and Development
OEDE	Office of Evaluation
OSD	Oversight Services Division
PDP	Programme Support Division
RBM	results-based management
SG/G	Steering Group on Governance
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNICEF	United Nations Children's Fund