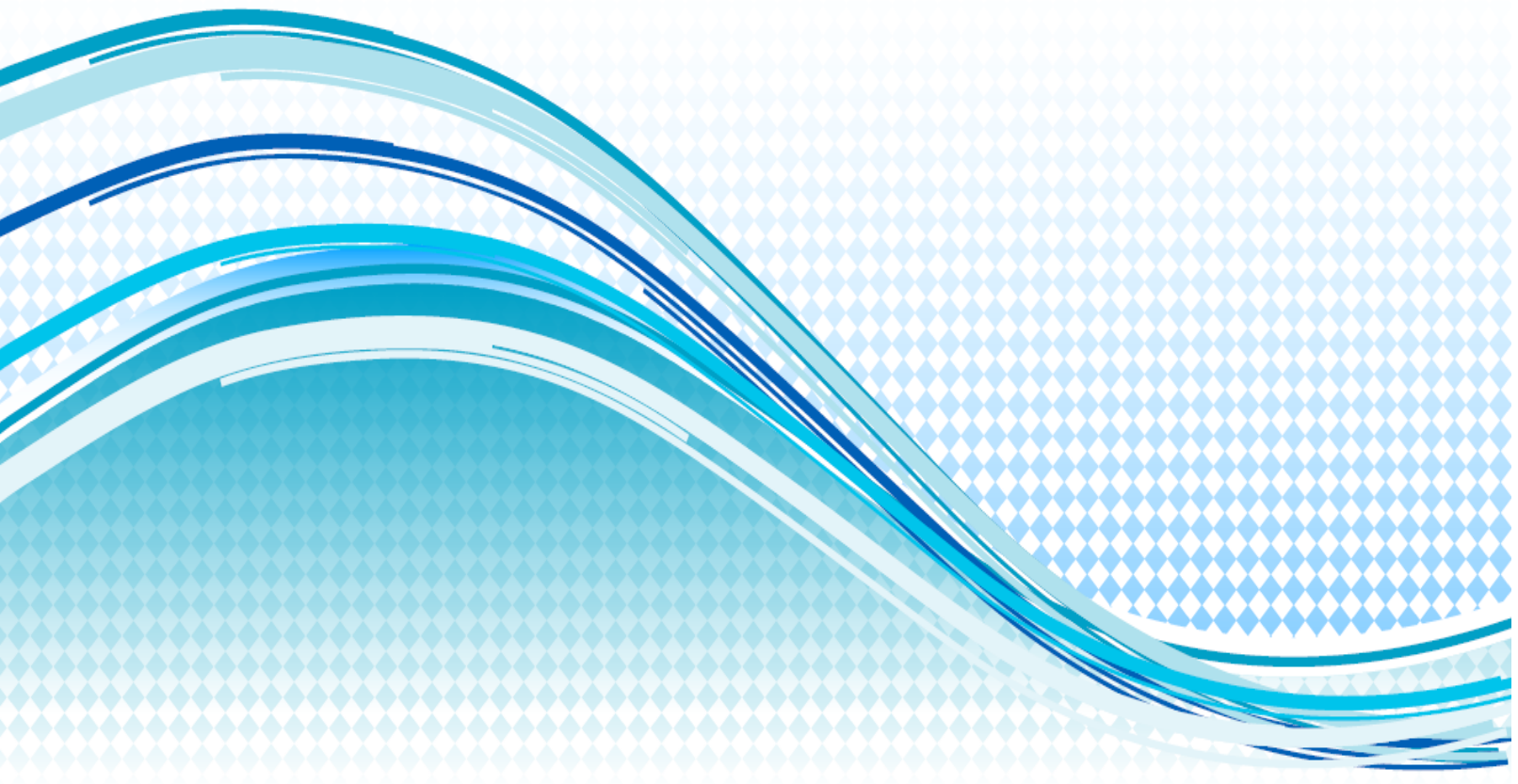


# UN-Habitat Results-Based Management Handbook -Version 2.0

*Applying RBM concepts and tools for a better urban future*

**UN HABITAT**  
FOR A BETTER URBAN FUTURE



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## Acronyms and Abbreviations

<b>ACABQ</b>	Advisory Committee on Administrative and Budgetary Questions	<b>PMF</b>	Performance Measurement Framework
<b>BPP</b>	Biennial Programme Plan	<b>POW</b>	Programme of Work
<b>CBO</b>	Community Based Organizations	<b>PPA</b>	Preliminary performance Assessment
<b>CPC</b>	Committee for Programmes and Coordination	<b>PPBD</b>	Programme Planning and Budget Division
<b>CPR</b>	Committee of Permanent Representatives	<b>PPR</b>	Programme performance report
<b>DAC</b>	Development Assistance Committee	<b>QAU</b>	Quality Assurance Unit
<b>DM</b>	Department of Management	<b>RBM</b>	Results-Based Management
<b>EA</b>	Expected Accomplishments	<b>SMA</b>	Strategic Management Application
<b>ECOSOC</b>	United Nations Economic and Social Council	<b>SMART</b>	Specific, Measurable, Attainable, Realistic and Time-bound
<b>ESCAP</b>	Economic and Social Commission for Asia and the Pacific	<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>GC</b>	Governing Council	<b>TCPR</b>	Triennial Comprehensive Policy Review
<b>HRBA</b>	Human Rights-Based Approach	<b>TOR</b>	Terms of Reference
<b>IMDIS</b>	Integrated Monitoring and Documentation Information System	<b>UN</b>	United Nations
<b>IP</b>	Implementing Partner	<b>UNCT</b>	United Nations Country Team
<b>IPMR</b>	Integrated Planning Monitoring and Reporting	<b>UNDAF</b>	United Nations Development Assistance Framework
<b>ISBN</b>	International Standard Book Number	<b>UNDG</b>	United Nations Development Group
<b>LM</b>	Logical Model	<b>UNDP</b>	United Nations Development Programme
<b>M&amp;E</b>	Monitoring and Evaluation	<b>UNEG</b>	United Nations Evaluation Group
<b>MDG</b>	Millennium Development Goals	<b>UNFPA</b>	United Nations Population Fund
<b>NGO</b>	Non-Governmental Organization	<b>UN-Habitat</b>	United Nations Human Settlements Programme
<b>OECD</b>	Organization for Economic Co-operation and Development's (OECD)	<b>UNICEF</b>	United Nations Children's Fund
<b>OIOS</b>	Office of Internal Oversight Services	<b>WATSAN</b>	Water and Sanitation
<b>PAAS</b>	Project Accrual and Accountability System	<b>WP&amp;B</b>	Work Programme and Budget

## Acknowledgements

UN-Habitat has been implementing Results-Based Management (RBM) since 2000. Preparation of this Handbook was made possible through the generous support of the Swedish International Development Agency (SIDA) during the period 2012-2015, for which UN-Habitat is very grateful. SIDA's critical support enabled the organization to institutionalize RBM, including through training and development of systems and tools, as well as support to planning, monitoring, evaluation and implementation of projects and programmes. The Handbook is intended to further strengthen and support UN-Habitat staff, management and partners' understanding of what RBM is, and how its key pillars comprising planning, monitoring & reporting and evaluation are implemented at strategic, programme and project levels.

Development of this Handbook was led by the Quality Assurance Unit, in the Management and Operations Division that is responsible for Programme Planning; Monitoring and Reporting; and Audit and Inspection. The Evaluation Unit contributed the section on evaluation and the Programme Division wrote the section on project planning and monitoring. All the contributions to this Handbook are greatly appreciated. Special thanks to Pacome Kossy who also coordinated the process. The core team comprised:

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## Preface

This is the 2021 revised version of the Handbook on Results-Based Management (RBM). The first version was developed in 2017 to give guidance on strategic, programme and project planning, monitoring, reporting and evaluation in UN-Habitat. The current revised version has deepened the Theory of Change to enable easier application in more step by step version. It has also added more illustrations to explanations of concepts. This document should be used in conjunction with the RBM Policy, the Project-Based Management Policy<sup>1</sup>, and the Evaluation Policy, which together guide the implementation of RBM in UN-Habitat. UN-Habitat has been implementing the results-based budgeting (RBB) approach in its programme planning, monitoring, reporting and evaluation since 2000, in line with Regulations and Rules Governing Methods of Evaluation, ST/SGB/2000/8 of April 2000, which were updated in May 2016 with the Regulations and Rules Governing Methods of Evaluation, ST/SGB/2016/6. The organization adopted Results-Based Management as the management approach for implementing and achieving the results of its six-year Medium-term Strategic and Institutional Plan (MTSIP) of 2008-2013, and more recently, its strategic plan for 2014-2019. Implementing Results-Based Management is in line with current international development expectations and practices.

## Purpose and audience of the Handbook

The main purpose of this Handbook is to provide UN-Habitat staff at all levels with common ground for programme and project planning, monitoring, reporting and evaluation using RBM principles and tools. The Handbook responds to the need to institutionalize RBM in all UN-Habitat processes, activities, projects and programmes; and strengthen the culture of results, with the aim of enhancing the organization's relevance, efficiency, effectiveness, accountability, visibility and value for money. Effective implementation of RBM in UN-Habitat will greatly enhance the achievement of desired results and demonstrate real change in the lives of the people for whom its interventions are designed.

This user-friendly Handbook will clarify key concepts, principles, terminology and tools to enhance RBM knowledge, skills and application by UN-Habitat management, staff and partners. The reader of the Handbook will understand:

- ❖ What RBM is and why it is used; its key elements and history; and how it is applied in UN-Habitat;
- ❖ The value of strategic programme and project planning for effective implementation, monitoring and evaluation;
- ❖ The critical role of monitoring in demonstrating the performance of programmes and projects, and in steering the implementation process towards the intended results;
- ❖ How monitoring lays the groundwork for evaluation;
- ❖ Different types of evaluation in UN-Habitat and their contribution to learning and accountability;
- ❖ The role of monitoring and evaluation in strengthening UN-Habitat's humanitarian and development effectiveness and managing for development results;
- ❖ Principles, norms, standards, policy, processes and responsibilities for planning, monitoring and evaluation in UN-Habitat;
- ❖ Where to look for references and materials for additional information and guidance.

The Handbook is divided into the following five parts:

- ❖ Part 1 consists of an overview of RBM, including its origins and international context, as well as its place in the United Nations reform agenda, in general, and in UN-Habitat in particular.

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<sup>1</sup> [http://habnet.unhabitat.org/sites/default/files/documents/11782\\_Project\\_Based\\_Management\\_policy\\_November\\_2012.pdf](http://habnet.unhabitat.org/sites/default/files/documents/11782_Project_Based_Management_policy_November_2012.pdf)

- ❖ Part 2 deals with RBM in planning. It presents the general approach to planning using RBM principles and tools before presenting how planning for results in UN-Habitat is undertaken at strategic, programme and project levels.
- ❖ Part 3 presents RBM in monitoring and reporting. It also presents the general concepts of monitoring and reporting, before dealing with monitoring and reporting for results in UN-Habitat at strategic, programme and project levels.
- ❖ Part 4 deals with RBM in evaluation. It presents the basic principles of evaluation in the UN system in general, and in UN-Habitat in particular. It provides guidance on how to plan and conduct evaluations in UN-Habitat.
- ❖ Part 5 is about capacity building, knowledge management and innovations in RBM.

The five sections are mutually reinforcing and make up a coherent whole. At the same time, each section is designed to stand alone by reiterating the key introductory concepts, and can be read by itself.

# Part 1: Overview of RBM

## 1.1. What is Results-Based Management?

Results-Based Management (RBM) is a broad management approach whose core focus is achieving results. The Office of Internal Oversight Services (OIOS) defines RBM as a “*management strategy by which processes, outputs and services contribute to the achievement of clearly stated expected accomplishments and objectives. It is focused on achieving results, improving performance, integrating lessons learned into management decisions and monitoring and reporting on performance.*”<sup>2</sup>

The Organization for Economic Cooperation and Development (OECD) defines RBM as “*A management strategy focusing on performance and achievement of outputs, outcomes and impacts.*”<sup>3</sup>

The United Nations Development Group defines results based management as “*a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of desired results (outputs, outcomes and higher level goals or impact). The actors in turn use the information and evidence on actual results to inform decision-making on the design, resourcing and delivery of programmes and activities as well as for accountability and reporting.*”<sup>4</sup>

CIDA holds that RBM “*aims at improving management effectiveness and accountability by defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learned into management decisions and reporting on performance.*”<sup>5</sup>

RBM is sometimes used interchangeably with managing for development results (MfDR). MfDR is about achieving development or sustainable rather than short-term results that have an impact on the lives of people. It is about accountability for delivering results to the citizens on whom the interventions are focused.

Another commonly used term is results-based budgeting (RBB), which has a narrower focus than RBM and refers to “*a programme budget process in which (a) programme formulation revolves around a set of predefined objectives and expected results (b) expected results justify the resource requirements which are derived from and linked to outputs required to achieve the results; and (c) actual performance in achieving results is measured by objective performance indicators.*”<sup>6</sup>

RBM is about selecting a destination first, then deciding on the route, checking against a map and making adjustments as required, in order to achieve the desired results. The RBM approach shifts away from a focus on inputs, activities and processes to a focus on benefits and achievements that are a direct effect of the intervention. RBM also emphasizes using information on results to improve decision making. The RBM approach demands that management continually reflects on the extent to which that implementation of activities and outputs will lead to the achievement of desired outcomes. It is about effectiveness of implementation. Accordingly, management is supposed to continually make necessary adjustments to ensure that planned or desired outcomes or results are realized.

RBM is not a tool; it is a mindset, a way of working that looks beyond processes, activities, products and services to focus on the actual social and economic benefits of projects and programmes at the level of beneficiaries. RBM is a system, and like all systems its components must work harmoniously and cohesively for it to be effective.

### What is a result?

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<sup>2</sup> Review of results-based management at the United Nations (OIOS)- A/63/268/

<sup>3</sup> Organisation for Economic Cooperation and Development (OECD), “Glossary of Evaluation and Results Based Management (RBM) Terms”, 2010 edition, page 34.

<sup>4</sup> United Nations Development Group, Results-Based Management Handbook: Harmonizing RBM concept and approaches for improved development results at country level” edited draft October 2011, p 2.

<sup>5</sup> Results Based Management in Canadian International Development Agency (CIDA), January 1999.

<sup>6</sup> A/53/500 of 15 October 1998 - Office of Programme Planning Budget and Account

A result is a describable or measurable change that is derived from a cause and effect relationship. At UN-HABITAT, results are the same as Outcomes and further qualified as immediate (short term), intermediate (medium term) or ultimate (long term).

- Results are **consequences** of our project/programs actions/interventions taken to meet certain purposes
- An **effect** arising from our intervention (projects, programs, policies/guidance/influence)
- The **success or benefit** obtained from a course of action by our projects, programs or policies/guidance/influence).
- A result is the **difference you make** with project money on targeted beneficiary's problems.

Results may:

- appear within a short time or take years to be fully realized;
- be planned or unforeseen;
- be either positive or negative;
- be reflected at the level of individuals, groups, institutions or society.

What then is a result or a development result?

- Results must **be measurable and observable** (OECD-DAC 2002)
- Development Results' are found **outside UN-Habitat** where the problems have been identified and NOT within an organization.
- Development results **reflect the actual changes in the state of human development** that are **attributable**, at least in part, to a UN- Habitat activity.
- They are effects/**consequences of actions** or **interventions** taken to meet certain objectives

*In RBM we, **judge projects by the change they have created.**  
**Results** of a project, policy or program **must reflect a change** in the problem identified.*

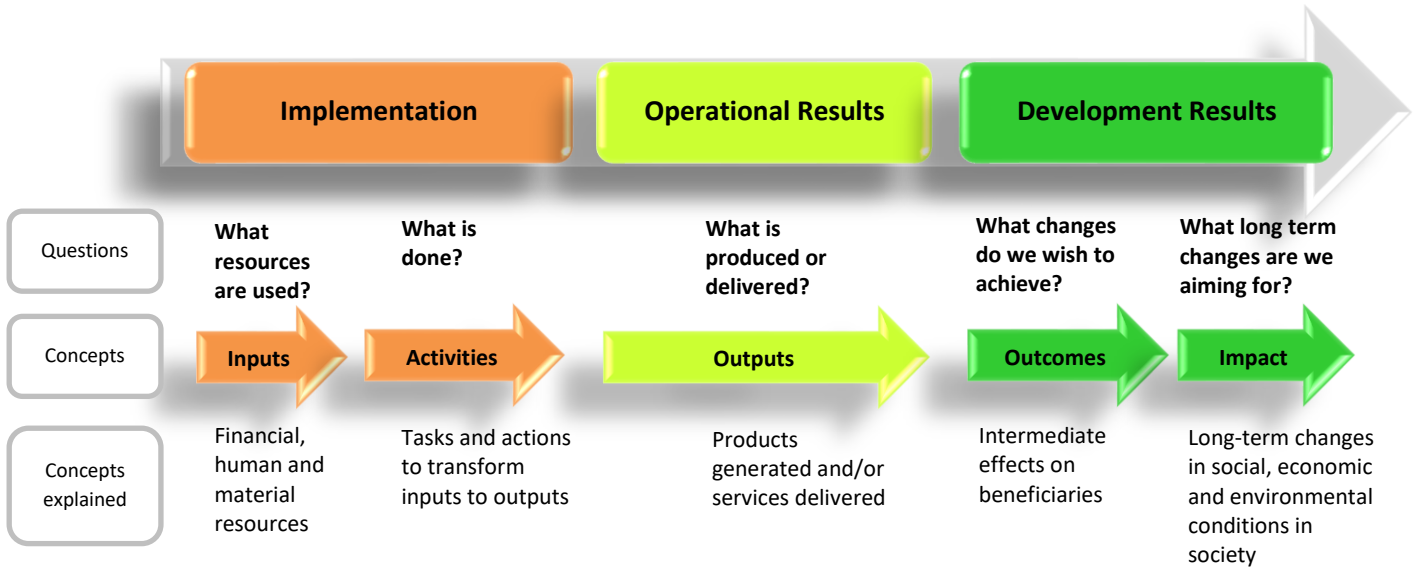
A result arises as a consequence (intended or unintended, positive or negative) of a development intervention or humanitarian assistance, deriving from the utilization of products and/or services provided to targeted institutions and communities. Some of the key elements of RBM are:

1. Focusing the dialogue on results at all phases of the development process;
2. Aligning programming, monitoring and evaluation with results;
3. Keeping measurement and reporting simple;
4. Managing for, not by results; and
5. Using results information for learning and decision-making.

Other commonly used terms for results are effect, outcome, expected accomplishment and impact.

A central tenet of results thinking is the results chain – which is an illustration of the causal relationship between various elements over time. A results chain can be summarized as a series of conditional statements: If A is done, B will happen; if B happens, C is also likely to happen. The diagram below is an illustration of a results chain.

Figure 1: The Results Chain



**Inputs:** are financial, human and material resources used for the development intervention

**Activities:** are options taken or work performed using resources to produce specific outputs

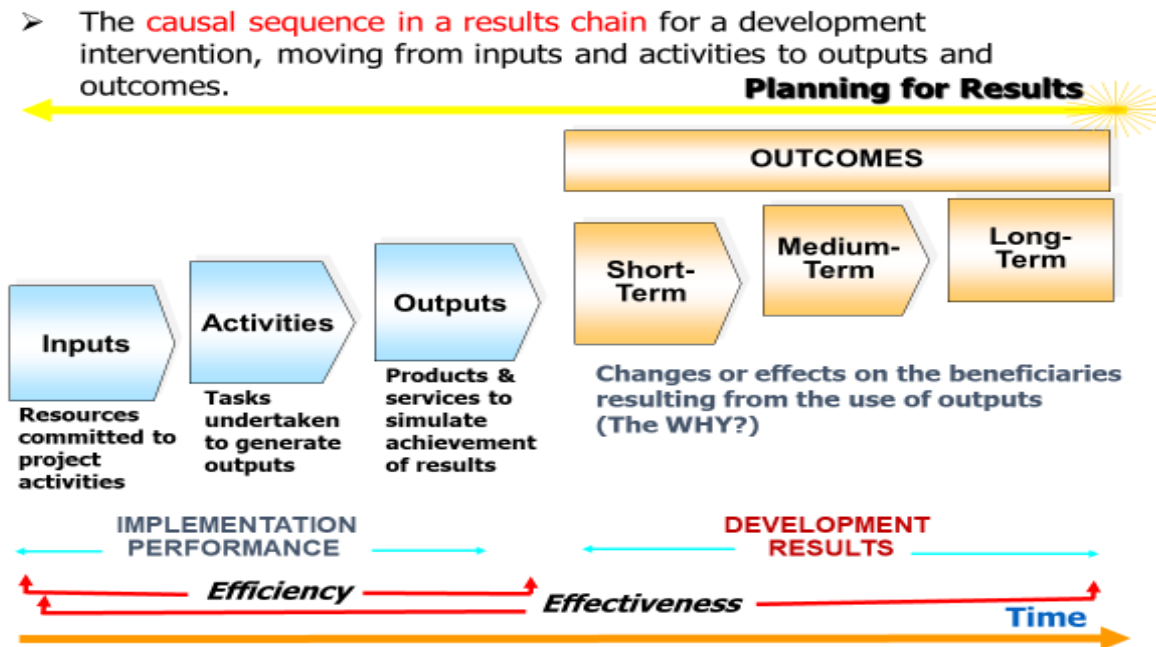
**Outputs:** are products or services which are relevant for the achievement of outcomes – they are the short term products of completed activities.

**Outcomes/Expected Accomplishments<sup>7</sup>:** are the intended intermediate effects on the target groups –they represent the most important result-level in RBM.

**Impact:** refers to long term improvement in society. The causal relationship between the development intervention and the changes that have taken place in society is often difficult to prove and is a function of multiple factors, both negative and positive.

<sup>7</sup> Within the UN Secretariat and UN-Habitat outcomes are referred to as “expected accomplishments”.

Figure 2: The Results Chain 2

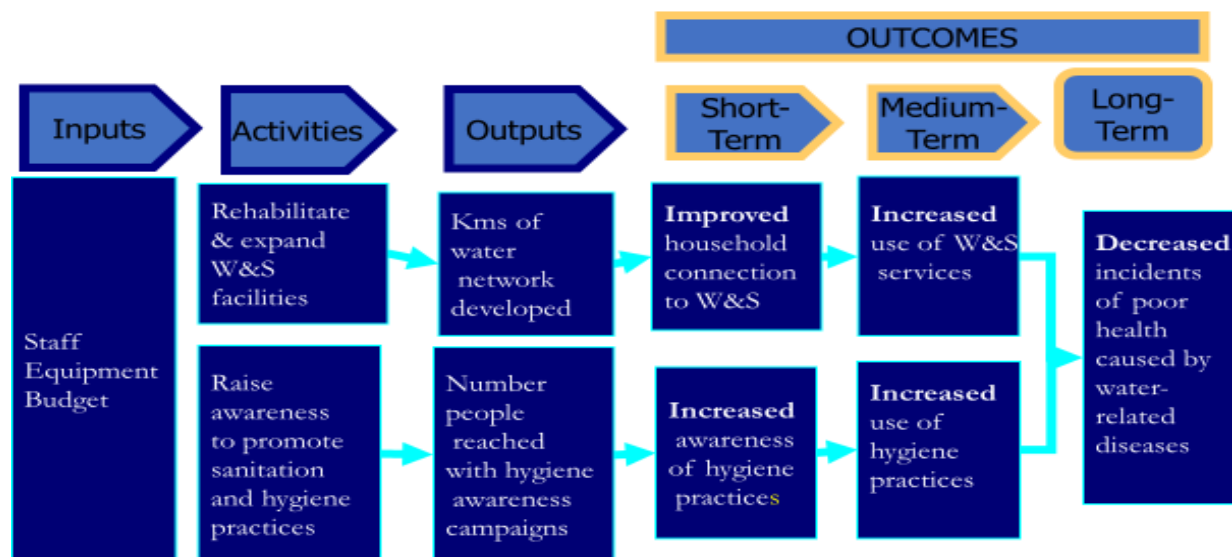


While a results chain shows a causal relationship over time, it is not a simple linear process. There are many external factors that may affect the results of the intervention, especially at outcome and impact levels. Outcomes may be caused by factors both within and beyond the control of the programme – the intervention may be one of the many contributors to an outcome. In the value chain of results – or the intervention – the question to ask is, “Would the change have occurred without the intervention?” The intervention strategy has to have reasonable influence on the planned outcomes. At impact level, it becomes increasingly difficult to attribute the observed development change to a particular intervention, as there are many variables and many actors or sources (i.e., the partner country, multiple donors and other stakeholders, both local and international) who may be contributing. At that high level, success or failure cannot be attributed to one specific programme intervention; therefore, reference is made to their contribution.

Figure 3: The Results Chain 3

Example: Water and Sanitation Project

**Problem:** Poor water supply, sanitation and hygiene practices adversely affect health of rural households and often limit their productivity



Multiple factors, events, conditions or risks beyond the control of the programme or intervention may negatively influence or threaten the achievement of intended results or changes. Accordingly, in any intervention, it is always important to analyse both internal and external risks that may hinder the success of the programme and attainment of planned results. Risks are closely related to results and should therefore be analysed against the results framework of a programme. Risk management is therefore an integral part of Results-Based Management. Internal risks are factors under the control of the programme that may hinder success, and include human and financial resource capacity, corruption, management capabilities, incentive structures, ownership, etc. External risks are factors beyond the control of the programme which could hinder the achievement of results and include political, institutional, economic, environmental, social and technological conditions.

### 1.1.1. Results should be grounded in a sound Theory of Change

Achieving the Sustainable Development Goals (SDGs) set by the United Nations General Assembly will require a strong RBM approach to the planning and implementation of development initiatives, including a strong monitoring and evaluation (M&E) system. Evidence shows that both planning and achievement of results increasingly receive attention at global, regional and country levels. However, when results are not explicitly factored into the planning and budgeting process, we often tend to let the projects/programmes manage us instead of us managing them. Experience indicates that clarity in direction invariably leads to enhanced effectiveness and efficiency for policy makers, planners and programme managers.

As donor assistance shrinks and internal financial allocations are shared among competing priorities, managers are challenged to prove that their programmes and projects produce the results that they promise to achieve.



RBM together with a changing mind-set and culture towards achievement of results is often positioned as an important part of management reform. It helps to connect policy, resources and programme designs with service delivery and their effect on communities.

At the beginning of a planning cycle, whether it is at programme or project level, it is important to determine what results need to be achieved, when they need to be achieved, and what needs to be done right away, in order to successfully achieve set goals and objectives. Results should be based on a sound Theory of Change (ToC) that will guide the different phases of programme/project implementation.

The Theory of Change is not simply a ‘buzzword’; it represents an increasing desire for organizations to explore and represent change in a way that reflects a complex and systemic understanding of development. This desire stems at least in part from the “results agenda”, and this places the ToC at the center of RBM.

### **What is the ToC?**

The Theory of Change as an approach is a guiding framework for all stages of planning (thinking), implementation (action) and performance management (accountability and lessons-learning) when intervening in social change processes.

The Theory of Change is the first thing you should complete before writing a project Concept or a Project Document. A plausible “theory of change” helps organizations and other change actors to understand how their work and their relationships are contributing to complex, long term social change. It provides a framework within which they can plan and update their activities, conduct their stakeholder dialogues, learn from their experiences, and communicate the extent of and reasons for their success

Change in the lives of people, in communities and societies is often a complex process. Its course and outcomes depend on many different forces and actors in the context who are pushing for changes in different directions. Actors with goals of social change – organizations, individuals, networks or coalitions - need to understand how their actions can contribute in a meaningful way to bringing about sustainable long-term changes. But lasting solutions to problems and complex developmental change are seldom achieved by one organization working in isolation.

Theory of Change is a process-oriented approach for analyzing the complex systems in which UN-Habitat and its partner organizations work, and for planning action that we think will influence parts of that system in a positive way. It helps us to navigate in unpredictable and complex processes and to ‘track’ changes in the system that our interventions may have contributed to.

#### *Different kinds of theory of change for different kinds of change processes*

Not all change processes are complex. For example: in a vaccination campaign the causal relationship between the activity and the result is quite simple, linear, predictable. Where a change process and its context are of a simple nature and the actor has control over most factors at play, the theory of change is simple and a planning tool such as the logframe is suitable to plan and monitor the process.

However, operating in complex change processes requires a theory of change that allows us to understand **multiple causal relationships, intended and unintended consequences**, and the direct and indirect effects of what we do. In this paper, the notion of a theory of change is used and explained in relation to complicated or complex change processes and contexts that cannot be controlled by single actors.

A theory of change can be visualized as a roadmap of change. It sketches a picture of important destinations and roads to travel, and guides us on what to look for on the journey to ensure we are on the right track. It describes the destination of change, the processes to engage in during the journey, our co-travellers, and the belief system which underlies the importance of travelling in a particular way.

While constructing this ‘map’, an organization explores the (assumed) relationships between goals, intended results and strategies. It helps to identify the steps they think they need to take in order to achieve longer term goals. Breaking down these goals in smaller steps (intermediate results) makes it easier to monitor progress and assess the contribution of the organization’s work to longer term change. They will be able to plan for the short-term while not losing sight of their ultimate destination, and to adapt their plans if the environment changes.

Doing a theory of change analysis helps organizations to understand their own work in relation to the institutional context in which they operate. Developing the map should be a participatory process as much as possible right from the start, and include different stakeholders in order to create a large sense of ownership, a common belief system and a solid foundation for the actions required in a often complex context. It provides the basis for a learning system of organizations, their constituents and their investors, fostering a relationship of mutual accountability and learning. It helps the organization to engage in strategic collaborations and partnerships that can lead to greater impact.

In short, the result of the analysis can be pictured as a change ‘map’ that:

- reflects the system we are operating in, and how we think that change in the system might unfold;
- maps out the ‘pathways of change’, linking our actions to the outcomes we aim for;
- makes our assumptions about cause-effect relationships explicit;
- links our actions to those of other key actors that influence the outcome we want to achieve;
- clarifies the specific role of our organization in the change process and its main strategic choices;
- locates the above in a time perspective.

### ***Why a theory of change?***

The term ‘theory’ can mean two different things:

a more or less verified or established explanation accounting for known facts or phenomena (e.g. Einstein’s relativity theory); a hypothesis, a possible explanation of phenomena or relations, which serves as a basis of argument or experimentation.

In ‘theory of change’ the term is used in the second meaning. A theory of change reflects our ideas and assumptions about how and why change might evolve in the future - not how it will evolve in reality.

### ***Our personal theory of change informs our analysis and strategic decisions***

How we personally think about change is based on our underlying beliefs about the world, about the nature of human beings, about power, about society. Those beliefs are formed by:

- our background: class, gender, religion, the history of our family, the values that we have been brought up with, our education;
- the history, culture and context of the place where we grow up;  
and
- our personal history and life experiences.

These underlying beliefs feed into any discussion we have about change or politics, and into decisions we make in our professional work towards social change.

The way we see the world, our understanding of change and our assumptions about cause–effect relationships in change processes, influence the way we feel we should act to achieve it. In an organization, network or a community striving for change, it is important to share our views on change, our ‘theories’, as they may be different. Joint action is less likely to be consistent and effective if the actors involved don’t work from a shared vision and a shared understanding of the goals, strategic choices and the values underlying them.

Within most organizations a difference can be observed between the theory of change as reflected in formal policy documents and the practice on the ground. Mapping out the theory of change, and the assumptions underlying it, with different stakeholders from within and outside the organization can help to bring these differences to the surface, to discuss why this is the case and to decrease the gap between formal policy and actual practice. This may be expected to lead to more effective action and use of resources, to increased engagement of stakeholders, and to more results.

### **How to do a Theory of Change Analysis**

There are different ways of generating one’s theory of change. But most approaches share the common elements outlined below. The process evolves in practice not as linear as the sequence presented here might suggest. The discussions in developing the map lead to all sorts of findings that are more systematically investigated in other stages of the process. For example: during the development of the pathways of change many assumptions will be identified and elements of the ecosystem come into view. Where they have direct consequences for the way you construct your map you integrate them immediately. If they raise questions that you think can better be addressed in a later stage you can record them on cards or flip-overs and come back to them later.

### **Formulation of the ‘dream’ or ‘vision of success’ at the goal or impact level**

This is the long-term, lasting and positive change in the lives of people or groups, or in society at large, that your organization wants to contribute to. It is probably a visionary, ambitious statement, but it should be specific, dynamic (describe people and institutions as actively sustaining change) and plausible. To achieve the desired situation many smaller changes must occur ‘on the way’ and it will involve the contributions of many other actors. The vision of success or overall goal should be formulated as a result (the changed situation) and describe the change itself and who should benefit from the change. A delimitation in terms of the location (a country, region, specific districts or communities) and in terms of time (e.g. 10 years) can be added. All participants in the exercise should feel comfortable, included and inspired by the vision or ‘dream’.

### **Develop pathways of outcome**

Many changes must occur before the desired situation will be achieved. In order to picture the change process as the participants think it might take place, they map out the sequence of steps on the way to the vision of success (intermediate results) and how they link to one another in the process. These pathways of change can take the form of interlinked results chains or a web. The exercise requires participants to be specific about the ‘logic’ of change as they see it, and the (assumed) cause-effect relationships. The picture that emerges reflects how they think that the change might evolve in the future (their ‘theory’).

The analysis is started by defining the changes – or preconditions - that must be realised before the dream can be achieved. Think of important changes in conditions, institutions<sup>8</sup>, relationships, capabilities, attitudes and behaviours of actors involved. The changes can be formulated at the level of individuals, families, communities,

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<sup>8</sup> Institutions: “Structures, norms, and rules of behaviour, both formal and informal, that shape the social order of a human community”.

organisations, other actors and institutions that make up the system. The change must - again – be formulated as a result: what does the changed situation look like?

### ***Conflicting ideologies***

In answering questions of what and who should change in order to achieve the desired situation, one may touch immediately upon important underlying beliefs of participants about which change strategies are the most effective to achieve the desired change: people believing in civil society empowerment will make other choices than people believing primarily in the benefits of the market mechanism.

The point is not who is 'right', but to make differences in view explicit and to develop a shared, consistent theory of change as the basis for effective joint action. If the underlying beliefs and related theories of change of the actors involved are too far apart, a shared approach and joint action may not be possible.

From each of these preconditions or 'areas of change', the pathways or web can be further developed, asking the question again: what needs to have changed before this can be realized?

There are different approaches to developing pathways of change, depending on the purpose of the analysis and the nature of the change process. More specific information can be found in the available guidelines. Choices made in the development of the pathways should be discussed and underpinned by arguments. If in the course of the analysis reasons come up to question earlier decisions – for example because they turn out to be based on invalid assumptions, they should be revisited and changed if necessary.

Experience learns that for many people, especially those who are used to logframes, the pathways that emerge may still suggest predictability and linearity of the change process. In reality, complex change processes follow 'long and winding roads', move forwards and backwards, make detours, etc. Different changes may take place at the same time and some may stagnate for years.

The emerging map is not a planning tool or a plan in itself (see also the last part of this paper: Use of a Theory of Change). But constructing the map helps us to explore (multiple) cause-effect relationships and the interrelations between different types of intended results, for example how they can reinforce each other.

The map is a 'projection' of plausible (and desirable) future developments, to be revised over time and to be used during implementation to check and question whether we are on 'the right track' and whether our assumptions are valid.

### **Articulate assumptions**

We need to refine the map by articulating the assumptions that underlie and influence the map's design. It helps us to test and improve the validity and the plausibility of the 'logic' of the projected sequence of intended results. Assumptions reflect our thinking about cause and effect: "if we do this, then that will happen" "this can only succeed if ...".

They are strongly related to our underlying beliefs (see box on page 2) about change, about people, about power, etc. Including our - positive or negative – expectations regarding the response of other actors to our actions: "the local authorities will never co-operate with us" or "if we mobilize the women, they will join forces and speak up for themselves".

Exploring the underlying assumptions in our pathways of change brings our own convictions - and those of others we work with - to the surface, and open them up to critical reflection. It forces us to question how likely

it is that a desired result will actually occur, which forces influence that particular step and which strategies may make it happen. We can identify the critical factors in our theory of change. And it helps us to remain realistic about our own role in the process and to strategize for collaboration with others because we cannot achieve that specific change without them.

By exchanging our assumptions and confronting them with the views of others, people may view situations from a different perspective and try other approaches than they normally would choose.

### **Context and the role of other actors: the ecosystem<sup>9</sup>**

The intended outcomes identified in our map are never the doing of one single organization. Other actors and forces in the context influence whether they come about, and in what way. Many issues related to the role of other actors will already have come up while discussing the development of pathways and the assumptions. They need to be explored systematically, in order to answer the more strategic questions related to the map: how are we going to work towards the intended change? The outcome is important input for strategic choices and realistic objective setting in the planning and programming stage.

Which actors are active in our context that could influence the outcomes we seek to bring about? Do they represent a positive influence and share a similar purpose and values, how important are they for our work and results, and what does that mean for possible strategic collaboration?

Or do they represent a negative influence and what does that mean for the likelihood of achieving our objectives? Can we involve and enhance the positive forces and benefit from them, and mitigate or counter the negative forces, or are they beyond our control?

1. What change processes are already taking place in our ecosystem, and how do they influence the outcomes that we want to achieve? What does that mean for the appropriateness and timeliness of our interventions? Can we link up with these other developments?
2. What assumptions do we make in our outcome map about the role of other actors, their response (positive or negative) to our interventions, and about the progress and influence of other change processes? How valid are these assumptions, are they shared by others? What do they mean for our choice of strategies?
3. What common interests in social change outcomes do we share with other actors in the context?
4. What are the common and complementary capabilities that we each possess?
5. How can we best work alongside or in collaboration with other actors and processes to achieve social outcomes more effectively than we could on our own?

### **Role and strategies of the organization in the change process**

Organizations don't start from scratch: in most cases specific programmes, capacities and relationships already exist. Analyze where existing strategies and programmes are in line with the theory of change, where they are not, or where the theory of change and context mapping suggest other, potentially more effective strategies. Explore especially the question of possible collaboration or dialogue with other actors to achieve the desired outcomes. Define what you see as the main role of your organization in the change process and how that relates to the theory of change.

There are often two kinds of strategy that an organization will consider:

- strategies for changes that it can bring about by working directly with constituents,

- strategies for changes that it can bring about in the institutional context: influencing other actors in certain ways, trying to build relationships and partnerships for change, etc.

### **Test the logic and relevance of the theory and consult (more) stakeholders**

In the above steps, you have collected and researched the main building blocks for making conscious strategic choices for working in an effective and realistic way towards the achievement of longer-term objectives:

- desired outcomes and their interrelationship
- actors and forces in the context that influence the change process
- assumptions about change, cause-effect relationships, and the responses of the context to changing circumstances
- possible strategies, related to your specific role in the process.

Each step in the process has probably led to changes in the overall picture. It is typical for a theory of change outcome map to be revised several times before it provides a complete and clear picture of your change effort<sup>10</sup>. Test whether the most relevant outcomes and strategies are included, the linkages between the strategies, short-term and longer-term results/outcomes are logical, and important assumptions are clear.

If you didn't develop the map together with (all) stakeholders directly involved in the change process, it is important to share the last version of the map with them. Discuss whether they share your vision and main assumptions about the change process, the logic of linkages between strategies and results/outcomes, and the choice of strategies. Based on these discussions you revise again.

### **Use of a Theory Of Change**

When you have developed your theory of change, it can be used for many purposes and enhance the consistency and effectiveness of your programming and planning processes; organizational processes and systems, such as monitoring and evaluation practice; your dialogue with constituencies, donors, collaborating organizations; your learning processes internally and with others, etc.

#### **1. *Planning***

Based on the map, you can decide on realistic objectives and intended (intermediate) results for a specific time period (e.g. 2-3 years) and further develop and refine the appropriate strategies for the short term. To be clear: the map itself is not yet a plan. But the information in your map is valuable input for any planning tool or format you choose, or are asked to use by a donor. Where you work with different programmes funded by different donors, you can use the map to ensure maximum consistency in your overall programme.

#### **2. *Dialogue with stakeholders***

In principle, primary stakeholders will be included in the design of your theory of change. But others will not have such a direct influence on your decision making or come in at later stages of your work. Based on the map, you can dialogue with (new) groups of *constituents* about their priorities, views on change, concerns, values in the approach on the ground, involvement in monitoring change, etc.

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<sup>10</sup> Maybe you'll find that all your 'building blocks' do not fit into one picture or map and you need several 'pictures' or diagrams. But it is advisable to make them all visual (at first) as it helps to see interrelationships and inconsistencies. When using several 'maps', make sure the interrelationship between them are clear to all involved.

With potential *collaborating organizations* or other actors in the process, you can use the map in explaining your vision on the process at hand, discuss possible joint action on specific issues, explore commonalities and strategies to use, identify tensions that need to be addressed, etc.

With *donors*, you can use the map to explain your longer-term vision and goals, justify your proposals, come up with clear and realistic objectives, argument your strategic choices and prove your organizational quality. It helps you to keep focused and coherent on what you want to achieve and to counter possible donor pressure to compromise on issues you care about.

### 3. *Organizational practice*

The map can help you to identify whether your organizational structure, systems and processes are in line with what you need to achieve your goals. Having analyzed your organizational make-up in relation to your goals and strategies, you can draw conclusions related to necessary (development of) organizational capacity, use of resources, etc.

The map forms the basis of monitoring and evaluation processes as it becomes clear what kind of process and result information needs to be collected and monitored, which stakeholders should be involved in the process, what relevant indicators might be, which assumptions and relationships should be monitored and for what purposes the information should be used. It will be easier to focus on the most crucial processes and results, which will help to keep measurement and reporting as simple as possible.

### 4. *Monitoring your theory and learning from practice*

Monitoring the assumptions underlying your theory and plans on a regular basis is crucial in order to ‘test’ your theory: are the assumptions (still) valid? Are intended results showing? Which unintended or unexpected effects are to be seen? What does that say about your theory? If some assumptions prove to be not valid, or if the ecosystem has changed in a way the organization did not foresee, it may be necessary to revise the map and/or plans and strategies. Revisiting one’s assumptions, seeking evidence to confirm or challenge them, and updating them where necessary is core to critical reflective practice.

Revisiting your map regularly with staff, constituents and other stakeholders will help all of them to learn about the change processes in your context. Reflecting on monitoring information, the initial assumptions, and experiences and stories from practice, will enable the actors involved to analyze and understand better what works and doesn’t work, and why. It becomes clear how relationships develop, maybe as a result of your work, and how new opportunities or possible conflicts develop. When you do this regularly, the overall understanding of the change process will grow, and you will be increasingly able to respond to changing circumstances in a strategic and effective way.

### 1.1.2. Defining the pillars of RBM

**Planning (discussed in greater detail later under the sections on strategic & programme planning, Sec 2.2):**

Planning in an RBM system is the process of identifying the goals or objectives to be achieved; formulating the strategies to achieve them; organizing or creating the means required; and establishing performance measurement frameworks, as well as determining the resources required. Planning lays the basis for implementation, monitoring, reporting and evaluation processes, and directs all steps in their proper sequence. A basic principle of results planning is to start with the desired change (impact and outcomes) and then identify the outputs, activities and inputs required to achieve them – develop a results framework. This implies a thorough analysis of the problem that needs to be solved, the changes that are desired and the activities and inputs that are necessary to achieve them. Key questions to be addressed during the planning phase are:

- a) What is the problem to be solved (the undesirable situation)?
- b) What do we want to achieve (the desired change)?
- c) How do we get from A to B (the strategy)?
- d) How will we know when we have arrived (the indicators)?
- e) What assumptions are we making if the desired change is to happen (what needs to be in place)?
- f) What are the risks and how will they be mitigated?

**Monitoring (discussed in detail later, under the sections on strategic and programme monitoring, section 3.2):** Monitoring in an RBM system is a continuous or periodic process that provides performance information on the degree of progress made towards achievement of desired change or results at a particular time. It involves systematic collection of data on selected indicators to measure performance against targets. Data on indicators provide management and the main stakeholders of an ongoing development intervention with pointers to the extent of progress in implementation and achievement of outcomes/objectives, and use of allocated funds. Monitoring tracks progress and alerts management on whether actual results are being achieved. It focuses on the fidelity of the cause-and-effect relationships: Are inputs or resources leading to desired activities? Are activities producing the desired outputs? Are outputs being utilized by target users? The process involves making adjustments and tradeoffs. Monitoring checks to see whether outputs are of the desired quality and whether they are timely and adequate to lead to the desired change. If not, adjustments are required – that is adaptive management.

Monitoring provides records of activities and results, and identifies challenges and risks. It will not explain why a programme is not reaching its planned outcome or impacts. That kind of analysis, as well as questions of cause and effect, is normally dealt with through reviews and evaluations. As part of monitoring, evidence of the reported results should be collected using indicators to verify what is reported.

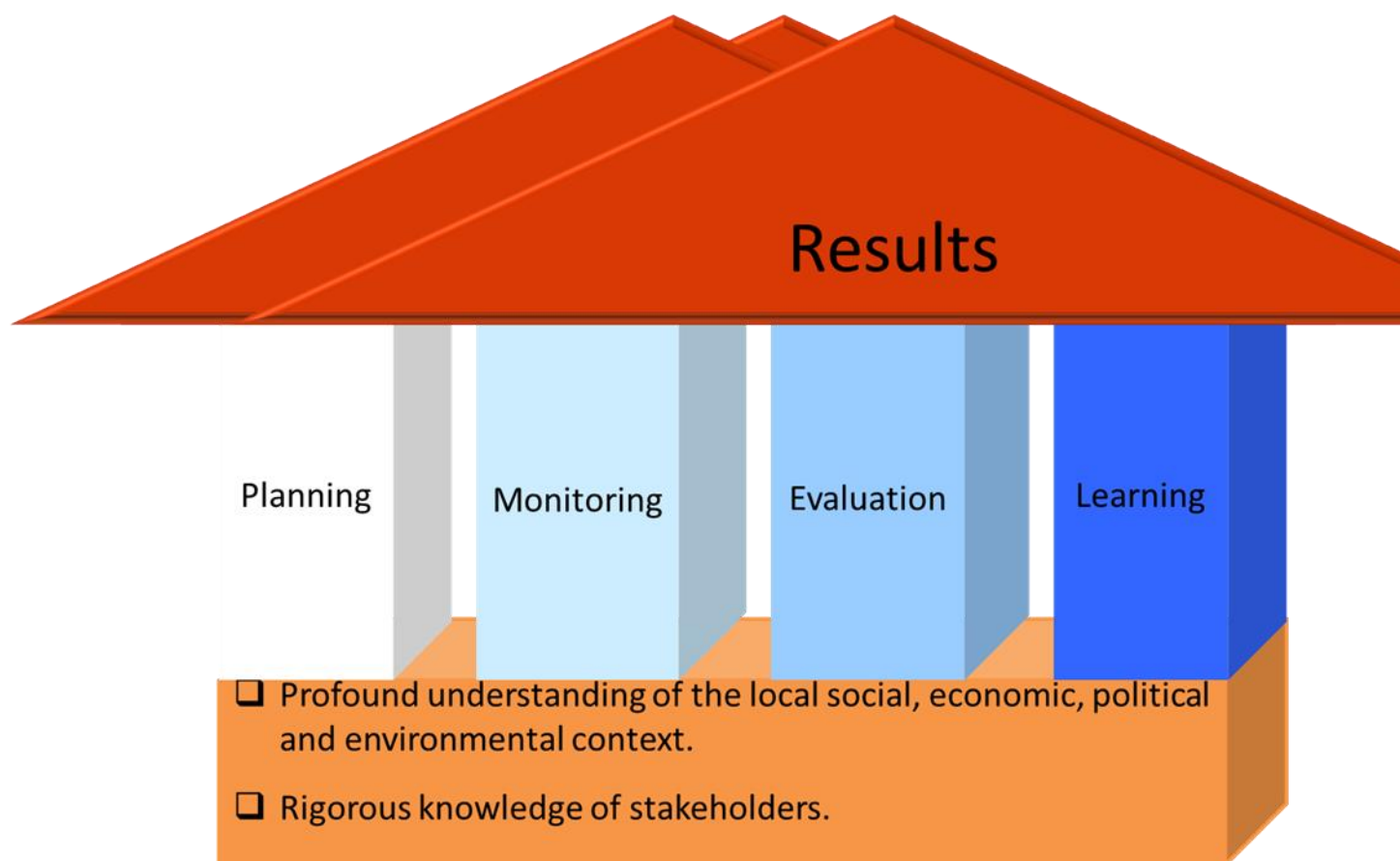
**Evaluation (discussed in detail later under the section on evaluation, section 4.2):** Evaluation in an RBM system is the systematic and objective assessment of an ongoing or completed project, program, or policy, including its design, implementation, and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact, and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making processes of both implementers and donors. More importantly, evaluations should be able to indicate whether desired results, especially outcomes and impacts were achieved, and if not why not? They should provide information that monitoring cannot adequately provide. Evaluation focuses on the achievement of desired results.

**Learning:** Learning in an RBM system is a critical and continuous process that occurs throughout the cycle of planning, implementation, monitoring and evaluation, all of which contribute to knowledge creation. Learning



informs management and the organization at every stage about what is working well and what needs to be adjusted. It strongly influences strategy development, programme/project design and implementation. An effective monitoring system is critical to facilitating learning and accountability, which are essential elements of RBM.

Figure 4: RBM Cycle and Pillars



NB: Learning takes place at every stage. Figure 2 emphasizes the importance of reflecting on and factoring lessons learned before and during the planning phases.

Within each of the pillars described above, methodologies and tools are developed to form the RBM nervous system. This notwithstanding, for the system to be effective and sustainable, the environment in which RBM is utilized is as important as the tools and methodologies. RBM thrives in an environment that meets some basic success factors:

**A results-oriented leadership to drive the results agenda:** A major precondition of effective results management is leadership commitment. A results-oriented leadership ensures selection of clear objectives and strategies for the programme, demands information and documentation of results and uses performance information for decision-making. Results-oriented leadership demonstrates attitudes and behaviour that are essential for the success of the organization. The focus on the desired change or results must be supported from the highest political or management level by demanding results and results information. Key to the

development of a results-oriented culture is training for everyone involved in implementation, readily available RBM tools and reference materials, incentives that promote application of RBM and disincentives for non-application of RBM principles.

**Incentives to institutionalize a culture of results:** Managing for results represents a very different way of doing business. Traditional systems reward delivery of activities and processes rather than achievement of results. Research and the experience of organizations and countries that have mature RBM systems have demonstrated that an incentive system is important for consistent use of RBM and the embedment of a results culture. Incentive structures are important for motivating management and staff to change a traditionally compliance-oriented culture.

**An organizational culture conducive to improvement and learning:** Involving staff in the development and implementation of a results approach is important for creating the support for the necessary change of orientation. This implies training and provision of necessary tools, as well as participation in setting realistic goals and targets, assessing risks and reporting on performance. A results-oriented organization ensures that knowledge and learning from reporting and evaluation are used consistently to improve decision-making. A key question to ask is “What should be changed in order improve achievements?” Emphasis on learning implies flexibility in responding to the situation.

**Accountability and clear roles and responsibilities:** Committing to results management requires that staff and management be held accountable for appropriate levels of results.

**Inclusiveness:** Buy-in and support for RBM can only be achieved by actively involving staff and stakeholders. People are inclined to resist any approach that is perceived as being imposed from above. When staff is involved in developing and implementing results, they own the process and appreciate the relevance of RBM and its related systems, processes and tools.

**Resources:** According to the UN Joint Inspection Unit, accounting for results is at the heart of the shift to RBM in the UN, where it is regarded as “a management tool that should enhance responsibility and accountability in the implementation of programmes and budgets”. Accordingly, harnessing the organization’s resources to achieve its desired results/objectives, and demonstrating the linkage between resources and results, is essential for an effective RBM system. Most accounting systems do not show the alignment of resources to objectives. Linking resources to objectives enables assessment of a programme’s performance level in relation to resources provided and enhances accountability.

Most RBM systems include the following processes:

**Figure 5: Main characteristics of RBM**



## 1.2. Origins and International context

RBM has its modern day roots in public sector reforms in a number of OECD<sup>11</sup> countries in the 1980s and 1990s, in response to economic, social and political pressures, especially budget deficits, globalization, lack of public confidence in government, and growing demands for efficiency in the delivery of public services, value for money and greater accountability for taxpayers' money. Several high level meetings also called for greater effectiveness, accountability for results and value for money.

A central feature of the reforms was the emphasis on improving performance and ensuring that government activities achieve desired results. Performance management of public organizations was introduced in some industrialized countries in the 1980s, but its emphasis was initially on efficiency or cost-effectiveness in delivering public sector services.

RBM emerged a decade later and shifted the emphasis to effectiveness, which is achieving desired outcomes. Countries such as the United States of America, Canada, Australia, New Zealand, the United Kingdom and the Scandinavian countries adopted RBM in the 1990s, which required their public sectors to measure performance and conduct evaluations as part of a comprehensive approach to RBM.

Some middle income countries, such as Chile, Colombia, Malaysia, and South Africa, developed their public sector performance management systems independently. Most low income countries originally acted at the instigation of the official development assistance agencies (i.e. World Bank and International Monetary Fund).

Despite many challenges, some based on misconceptions, others stemming from genuine concerns about the effectiveness of monitoring and evaluation (M&E) systems, RBM has been flourishing, and has evolved over the last 10-15 years, most notably with increased emphasis on participation.

The Millennium Development Goals (MDGs) became one of the drivers of RBM, following a series of international conferences, culminating in the Millennium Summit of September 2000. World leaders committed themselves to a global agenda to reduce extreme poverty and set out a series of time-bound targets. The concept of the MDGs would have been weakened without the means to measure whether progress was being achieved, and how. RBM was the focus of major international conferences and roundtables on aid effectiveness and managing for development results, outlined below.

**Table 1: Major International Conferences on Aid Effectiveness and Managing for Development Results**

<b>2002 Washington, First International Roundtable on Managing for Development Results</b>	The Roundtable took stock of ongoing efforts in countries and agencies to manage for results, with a focus on the actions needed to build demand for and increase capacity to adopt results-based approaches in developing countries. It stressed the need for development agencies to offer coordinated support for capacity-building and to harmonize approaches to results-measurement, monitoring and reporting. Further, it discussed ways for development agencies, including the Multilateral Development Banks, to develop results-focused corporate cultures and incentives.
<b>2002 Monterrey, First Conference on Financing for Development</b>	The Conference reaffirmed the importance of improved policies and development strategies, both nationally and internationally, to enhance aid effectiveness. Financing for Development: Outcome document of the International Conference on Financing for Development spelled out actions needed to promote a global partnership for development and accelerate progress towards the MDGs.

<sup>11</sup> OECD: Organization for Economic Co-operation and Development, whose mission is to promote policies that will improve the economic and social well-being of people around the world.

<b>2003 Rome, High Level Forum on Harmonization</b>	Convened by the OECD, donor agencies committed to work with developing countries to better coordinate and streamline their activities at the country level. They agreed to take stock of concrete progress before meeting again in Paris in 2005.
<b>2004 Marrakech, Second International Roundtable on Managing for Development Results</b>	The second International Roundtable on Management for Development Results took place in Marrakech on 4-5 February 2004. The Roundtable brought together representatives from developing countries and development agencies to discuss the challenges of Managing for Development Results at the country level, and ways in which countries and development agencies were addressing these issues on the ground.
<b>2005 Paris, Second High Level Forum on Aid Effectiveness (second such conference after Monterrey)</b>	The <b>Paris Declaration on Aid Effectiveness</b> called on countries to improve aid effectiveness and be held accountable through a series of indicators and targets, to combat poverty in developing countries. The declaration was organized around five core principles: <b>ownership, alignment, harmonization, managing for results and mutual accountability.</b>
<b>2007 Hanoi, Third Roundtable on Managing for Development Results</b>	Government officials and development experts from more than 40 developing countries, as well as donor agencies, private companies, and NGOs met in the Vietnamese capital, Hanoi, and called for stronger action to improve the number and quality of development results achieved with countries' own public funds and with international aid.
<b>2008 Accra, Third High Level Forum on Aid Effectiveness</b>	The Accra High Level Forum in September 2008 endorsed the <b>Accra Agenda for Action (AAA)</b> to accelerate and deepen implementation of the Paris Declaration. The AAA set out three broad challenges: strengthening country ownership; building more effective partnerships; and delivering and accounting for development results.
<b>2011 Busan, Fourth High Level Forum on Aid Effectiveness</b>	In Busan, Korea, on the occasion of the Fourth High Level Forum on Aid Effectiveness, over 3000 delegates met to review progress on implementation of the principles of the Paris Declaration. The forum culminated in the signing of the <b>Busan Partnership for Effective Development Co-operation</b> by ministers of developed and developing nations, emerging economies, providers of South-South and triangular co-operation and civil society - marking a critical turning point in development co-operation.

As a result of these high level fora, in the last ten years, RBM has been taken seriously by government agencies, international development organizations and large NGOs. The Paris Declaration noted that “the true test of aid effectiveness is improvement in people’s lives”.

## 1.3. RBM in the UN Reform agenda

### 1.3.1. RBM in the global UN context

In 1997, the General Assembly recommended the establishment of a ‘better performance yardstick’. Results-Based Management is not a stand-alone initiative, but forms part of the broader agenda of reforms in the United Nations. Indeed, a central feature of UN reform, as defined in 1997 by the UN Secretary General in his Programme for Reform<sup>12</sup>, has been to “[...] place greater emphasis on results in planning, budgeting and reporting and shifting the focus of planning, budgeting, reporting and oversight from how things are done to what is accomplished”. Moreover, these reforms aim to achieve system-wide coherence on major policy and operational matters in the United Nations; strengthen accountability; and improve the impact of the United Nations.

The work on RBM in the context of UN reform is guided by the UN Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME) set forth in the Secretary-General's Bulletin (ST/SGB/2000/8) and updated in 2016 as ST/SGB/2016/6.

United Nations organizations have since been undertaking wide-ranging efforts to integrate RBM in their work culture. RBM is today one of the five core programming principles applied by the UN country teams in the preparation of common country programming documents such as the United Nations Development Assistance Framework (UNDAF).

#### Box 1: RBM in the UN reform

“The United Nations is engaged in a continuous process of change and reform to strengthen its ability to meet new demands and deliver its vital services in the most effective and efficient ways. This means:

- ❖ Constant emphasis on transparency, accountability, integrity, efficiency and flexibility.
- ❖ Creating an environment in which improvement is expected and innovation is welcomed.

These efforts are aimed at (i) delivering results to those most in need, (ii) doing more with what we have, and (iii) strengthening accountability.

*(Reform of the UN: Strengthening the UN)*

### 1.3.2. RBM in UN-Habitat

Results-Based Management is central to the work of UN-Habitat, from strategic planning to programming, monitoring and reporting, and evaluation. In this regard, UN-Habitat like other UN agencies has been applying Results-Based Management in planning, monitoring and evaluation at programme level since 2000 in line with ST/SGB/2000/8 and updated in 2016 as ST/SGB/2016/6. In 2007, the organization adopted RBM as the approach for implementing and achieving the results of its first six-year Medium-Term Strategic and Institutional Plan (MTSIP), as mandated by the Governing Council in its resolution 21/2. It requested the Executive Director “irrespective of the level of funds received, to give immediate priority to the proposed institutional reforms, including further implementation of results-based management ....” As part of the process of institutionalizing RBM, UN-Habitat developed a results framework for the strategic plan,

<sup>12</sup> Renewing the United Nations: A Programme for Reform – A/51/950

commenced participatory programme planning, started a programme to build staff capacity in RBM, and reformed the Programme Review Committee (now Project Advisory Group), a key instrument for ensuring that all projects are results-focused and aligned to the approved annual work programme and budget..

Following the adoption of RBM as the management approach for achieving the results of the MTSIP, UN-Habitat carried out an assessment of the status of RBM in the organization in 2008-2009, and identified gaps and institutional changes commensurate with the RBM approach. As part of the process of institutionalizing RBM, UN-Habitat developed an action plan and a road map. The action plan included the following major deliverables:

1. Refined MTSIP with SMART objectives, indicators, and performance measures;
2. An RBM framework and strategy for mainstreaming RBM;
3. A reformed Programme Review Committee (the Programme Review Committee (now Project Advisory Group), a key instrument for ensuring that all projects are results focused and aligned to the approved annual work programme and budget;
4. Guiding principles and benchmarks for designing performance measurement plan for the MTSIP;
5. An introductory RBM training programme for all staff;
6. Guidelines for results-based participatory program planning and budgeting; and
7. A knowledge management system.

A roadmap for implementation of all these was developed and guided the process up to 2010, when most institutional reforms connected to the MTSIP were completed. Another important recommendation of the review was the restructuring of the organization and the programmatic structure to ensure that they were aligned for effective achievement of the MTSIP results. Implementation of the RBM processes listed above was undertaken after implementation of the MTSIP had commenced. Refinement of the results framework, which was supposed to be the basis of the annual and work programmes and budgets for the four-year period could only be reflected in the documents for the last biennium of the MTSIP. The earlier documents had already been developed and adopted by the Governing Council and the General Assembly. These were therefore, not fully aligned, which presented a major challenge. As result, the MTSIP and the work programme and budget had to be monitored and reported on separately as they had different logframes.

Many lessons learnt from the MTSIP informed the development, operationalization, implementation and management of the second four-year strategic plan for 2014-2019. Everything was done in sequence, so that the results framework of the strategic plan was completed early, and the logframes for the strategic framework and the work programme and budget were replicated from the results framework of the strategic plan. A four-year performance measurement plan was developed and was the basis for planning, monitoring and evaluation for the four-year period. The reporting burden was greatly reduced as only one report was required to inform on progress made in implementation of the four-year strategic plan and the successive annual work programmes and budgets, as they were fully aligned. The organizational structure and the programme also were fully aligned, i.e. seven subprogrammes and seven branches. An RBM capacity assessment (CAPSCAN) undertaken in 2012 concluded that significant progress had been made in implementation of RBM in the organization with over 75% of the staff trained in RBM and significant improvement noted in all pillars of RBM. An OIOS evaluation of UN-Habitat undertaken in 2014 concluded that “UN-Habitat has made measurable progress in its approach to results over time. ... in interviews and surveys, staff noted an overall improvement in the culture of results compared to the period of the MTSIP”<sup>13</sup>

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<sup>13</sup> Evaluation of United Nations Human Settlements Programme: Report of the Office of Internal Oversight Services, E/AC.51/2015/2



In spite of a few challenges encountered along the way (see figure 4 below), strengthening of RBM in UN-Habitat is a continuous endeavour, and this Handbook exemplifies the efforts deployed by the organization since the Governing Council of April 2007 to implement RBM and strengthen the culture of results.

Figure 6: Challenges associated with the implementation of RBM in UN-Habitat

**Inadequate knowledge and skill among staff and management:** Management and staff cannot apply RBM in their work if they lack the knowledge and skills. Ensuring that staff and management have knowledge and skills in RBM is a challenge due to time constraints, pressure of work or little value placed by management on staff having RBM knowledge & skills and applying them in their work. Turnover of staff can also mean that the level of RBM competence in an organization is low. Competence in RBM is a function of both training and practice, if RBM skills are not used, they disappear. To address this, there is a need for continuous training, coaching and briefings on RBM.

**Lack of alignment of corporate and country level priorities:** Country level programming has to respond to national priorities. Balancing or aligning corporate priorities for UN agencies to national ones, takes time and effort and can be challenging to achieve. UN-Habitat is attempting to do this through Habitat country programme documents (HCPDs) but not all countries in which UN-Habitat is working have these.

**Poor definition of results:** Defining and measuring results at output level is easy, while meaningful definition and measurement of outcomes with SMART and sound indicators is challenging. The definition and measurement of results in normative work is even more challenging. To deal with this, more effort and emphasis should be put into this.

**Attribution versus contribution to results:** There are challenges in identifying results achieved through an intervention – *attribution*. Donors are especially interested in knowing the development results/impact achieved by a recipient organization. The problem is that there are usually many players in a country and the UN is only one; and often the resources invested in the intervention are a small proportion compared to what is invested by the government. Attribution of results can be done at lower level results, but at development results or impact level, UN agencies *contribute* to achieved results.

**Partial implementation of the RBM system:** Results-Based Management is a system and for it to be implemented effectively, all elements of the system must work. One of the weakest links is between the results framework and the resources framework. There are often gaps between plans and resources. Strategic plans and biennial plans are rarely fully funded. For Results-Based Management systems to be effective there must also be effective knowledge management (as part of organizational learning) and accountability systems.

**Weak culture of results:** Building a results culture and fully institutionalizing RBM is the most difficult aspect of RBM. Building a culture of results takes time and requires necessary incentives – however, to a large extent there are no incentives.



Figure 7: Expected Benefits of RBM in UN-Habitat



## Basic RBM terminology (A full RBM Glossary is provided in annex 2)

### Results-Based Management

RBM is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the desired results (outputs, outcomes and higher level goals or impact), and use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities, as well as for accountability and reporting.

### Results

Results are changes in a state or condition that derive from a cause-and-effect relationship. There are three types of such changes - outputs, outcomes and impact - that can be set in motion by a development intervention. The changes can be intended or unintended, positive and/or negative.

### Results chain

The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired results. It begins with inputs, moving through activities and outputs, and culminating in individual outcomes and those that influence outcomes for the community, goal/impacts and feedback. It is based on a Theory of Change, including underlying assumptions.

### Impact

Impact implies changes in people's lives. This might include changes in knowledge, skill, behaviour, health or living conditions for children, adults, families or communities. Such changes are positive or negative long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types. Positive impacts should have some relationship to the Millennium Development Goals (MDGs), internationally-agreed development goals, national development goals, as well as human rights as enshrined in constitutions and national commitments to international conventions and treaties.

### Goal<sup>14</sup>

A specific end result desired or expected to occur as a consequence, at least in part, of an intervention or activity. It is the higher order objective that will assure national capacity building to which a development intervention is intended to contribute.

### Outcome<sup>15</sup>

Outcomes represent changes in the institutional and

behavioral capacities for development conditions that occur between the completion of outputs and the achievement of goals.

### Outputs

Outputs are changes in skills or abilities and capacities of individuals or institutions, or the availability of new products and services that result from the completion of activities within a development intervention *within the control of the organization*. They are achieved with the resources provided and within the time period specified.

### Activity

Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources, are mobilized to produce specific outputs.

### Inputs

The financial, human, material, technological and information resources used for development interventions.

### Performance indicator

A performance indicator is a unit of measurement that specifies what is to be measured along a scale or dimension but does not indicate the direction or change. Performance indicators are a qualitative or quantitative means of measuring an output or outcome, with the intention

<sup>14</sup> In UN-Habitat, goals are termed objectives or strategic results

<sup>15</sup> In UN-Habitat, outcomes are termed expected accomplishments

of gauging the performance of a programme or investment.

reasonably be expected to have been achieved under similar circumstances.

for performance indicators, to compare how well a development intervention, partnership or policy reform is being implemented against expected results (achievement of outputs and progress toward outcomes).

**Baseline**

Information gathered at the beginning of a project or programme against which variations that occur in the project or programme are measured.

**Target**

Specifies a particular value that an indicator should reach by a specific date in the future. For example, “total literacy rate to reach 85 percent among groups X and Y by the year 2010.”

**Benchmark**

Reference point or standard, including norms, against which progress or achievements can be assessed. A benchmark refers to the performance that has been achieved in the recent past by other comparable organizations, or what can

**Results framework or matrix**

A results framework or matrix explains how results are to be achieved, including causal relationships and underlying assumptions and risks. The results framework reflects strategic level thinking across an entire organization, a country programme, a programme component within a country programme, or a project.

**Performance**

The degree to which a development intervention or a development partner operates according to specific criteria/standard/guidelines, or achieves results in accordance with stated plans.

**Monitoring**

A continuous process of collecting and analyzing data

**Evaluation**

A rigorous and independent assessment of either completed or ongoing activities to determine the extent to which they are achieving stated objectives and contributing to decision making

**Project**

A project is a planned set of coordinated and interlinked activities to deliver agreed outputs over a fixed time period and within certain cost and other limitations. These outputs are expected to contribute to outcomes and impact.

# Part 2: Results-Based Planning

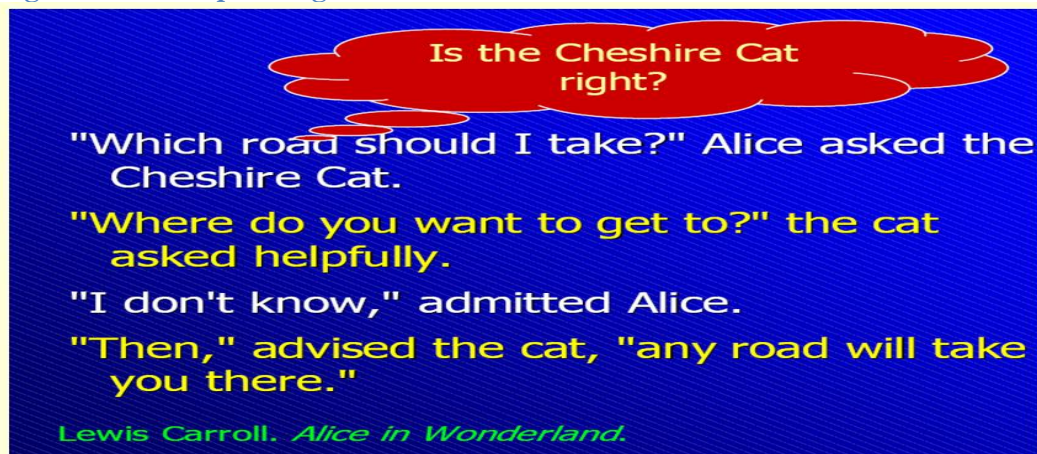
## 2.1 General concept

### 2.1.1 What is planning?

Planning is a critical management function that aims to achieve an optimum balance of needs or demands using available resources. The planning process identifies the goals or objectives to be achieved, formulates the strategies to achieve them, organizes or creates the means required and establishes performance measurement frameworks as well as determining the resources required. Planning forms the basis of the implementation process and directs all steps in their proper sequence.

*"If you fail to plan, you are planning to fail."* Benjamin Franklin

Figure 8: What is planning?



### 2.1.2 Why planning?

Planning, especially results-based planning is the first phase of the Results-Based Management approach. It uses a combination of methodologies and tools. We plan because:

- (i) Planning enables an organization to set its vision, mission, goals, values and strategies for achieving results as well as the means for measuring performance.
- (ii) Planning enables alignment of project and programme objectives with organizational goals and strategies — without planning the organization may not be in a position to achieve corporate goals and impact, as projects and programmes could deliver services and products that do not effectively contribute to the organizational mission.
- (iii) Planning clarifies and outlines what should be done when — without proper planning, projects or programmes may be implemented at the wrong time or in the wrong manner and could result in poor outcomes.
- (iv) Planning helps mitigate and manage crises and ensure smoother implementation
- (v) There will always be unexpected situations in programmes and projects. However, a proper planning exercise helps reduce the likelihood of these, and prepares the team to deal with them when they occur. The planning process should also involve assessing risks and assumptions and thinking through possible

unintended consequences of the activities being planned. The results of these exercises can be very helpful in anticipating and dealing with problems.

- (vi) Planning improves focus on priorities and leads to more efficient use of time, money and other resources —Having a clear plan or roadmap helps focus limited resources on priority activities; that is, the ones most likely to bring about the desired change. Without a plan, it is easy to get distracted by competing demands. Similarly, projects and programmes will often go off track and become ineffective and inefficient.
- (vii) Planning helps determine what success will look like – a proper plan helps individuals and units to assess whether the results achieved are those that were intended, and to assess any discrepancies. Of course, this requires effective monitoring and evaluation of what was planned. For this reason, good planning includes a clear strategy for monitoring and evaluation and use of the information from these processes.
- (viii) Planning helps senior management by providing guidelines and frameworks for future decisions. The planning process seeks to answer the following questions: "*Who are we? Where are we now? Where do we want to be? How do we get there? How do we measure our progress?*"

In most organisations, planning takes place at the corporate level as well as at the operational level. At the corporate level, corporate goals and strategies are formulated in a strategic planning process. In many organisations implementation is often organised through projects and programmes. In this case the operational planning process is also called project/programme planning.

In UN-Habitat, corporate or programme level planning takes place at three levels:

- (i) The four year strategic plan
- (ii) Results Framework 2020-2023, and
- (iii) Annual work programme and budget,

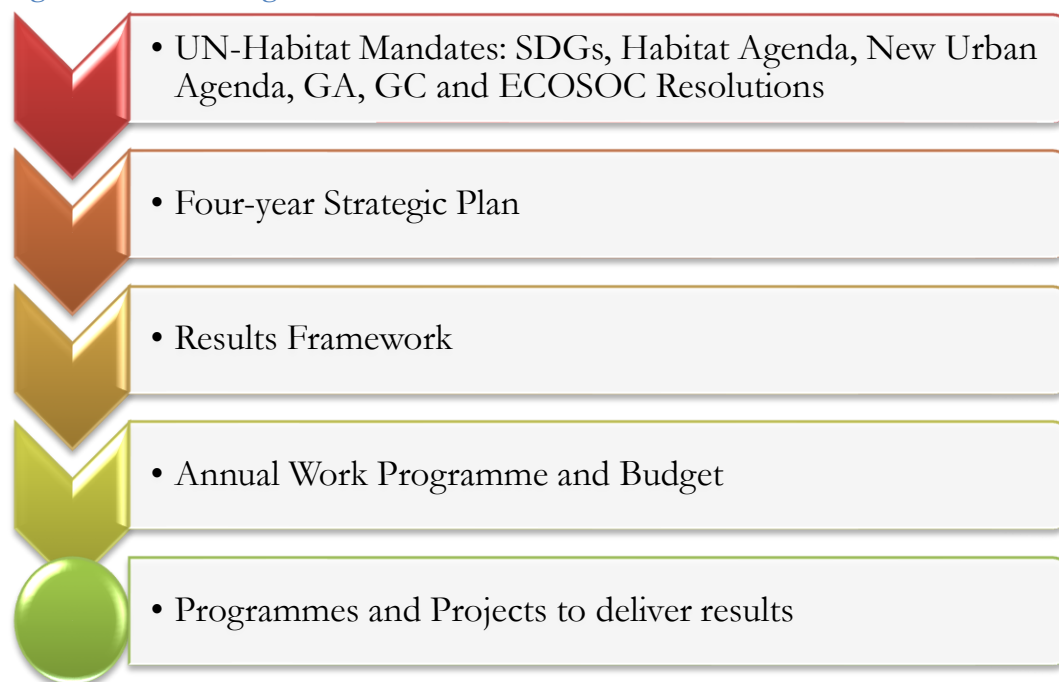
**Figure 9: Corporate or Programme Level Planning in UN-Habitat**



At project level, planning is guided by concept notes, and project documents. Projects are vehicles for implementing outputs included in the annual work programme and budgets.

Planning at both programme and project levels is also used to translate mandates received from intergovernmental bodies into results.

**Figure 10: Translating UN-Habitat mandates to results**



## **2.2 Corporate level planning in UN-Habitat**

### **2.2.1 Introduction to corporate planning**

Strategic planning is a fundamental organizational management activity that is used to set priorities; focus energy and resources; ensure that management, staff various offices within the organization and other stakeholders are working toward common goals; establish agreement around intended results; and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful.

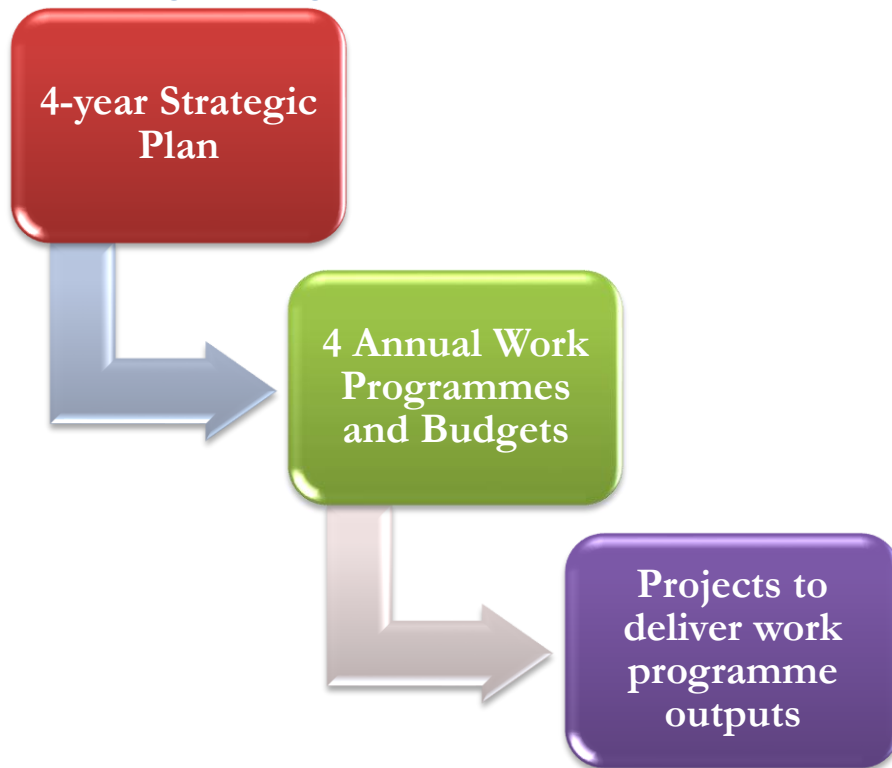
In UN-Habitat, the strategic plan provides the (i) strategic setting; (ii) overarching vision, (iii) strategic results to be achieved, (iv) areas of focus, and (v) implementation strategies, that will guide its work for a period of six years.

The Governing Council in 2005 requested UN-Habitat to develop a strategic plan to sharpen its programmatic focus in critical areas. The first strategic plan, the Medium-Term Strategic and Institutional Plan (MTSIP) for 2008-2013 was developed in 2007, and a subsequent strategic plan for 2014-2019 was developed by the Agency and approved by the Governing Council in 2013.

UN-Habitat's planning process therefore starts with a four-year strategic plan. In order to align the strategic plan with the planning cycle of the UN Secretariat, UN-Habitat implements the strategic plan in a rolling manner, through four consecutive annual work programme and budgets.



Figure 11: Delivering the Strategic Plan



The strategic plan and the annual work programmes and budgets, are all implemented through the four UN-Habitat domains of change (Subprogrammes); namely:

- ❖ Subprogramme 1: Reduced spatial inequality and poverty in communities across the urban - rural continuum
- ❖ Subprogramme 2: Enhanced shared prosperity of cities and regions
- ❖ Subprogramme 3: Strengthened climate action and improved urban environment
- ❖ Subprogramme 4: Effective urban crisis prevention and response

The four subprogrammes are jointly implemented by four corresponding thematic branches and 4 regional offices under a matrix structure<sup>16</sup>.

### 2.2.2 Strategic planning

The UN-Habitat Strategic Plan is a four-year document that constitutes the overarching framework providing the vision, mission, goal and strategic direction of the organization.

The preparation of the strategic plan at UN-Habitat includes the following steps:

1. Selecting a team
2. Preparing a concept note

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<sup>16</sup> See UN-Habitat organizational structure in annex 1

3. Communicating with staff about the preparation of the strategic plan
4. Conducting a situation analysis (Where are we now and what are the trends?)
5. Defining an identity/assessing UN-Habitat's identity (Who are we?)
6. Defining the future (Where do we want to be? What are our priorities and results?)
7. Defining strategies (How do we get there? What are the risks and assumptions? How much will it cost?)
8. Defining performance tracking mechanism (How do we measure progress?)

### **Step 1: Selecting a team**

The strategic planning exercise is led by the Executive Director of UN-Habitat (ED). The ED is responsible for establishing a diverse and inclusive strategic planning team, including a chair.

The strategic planning team should be kept to a manageable number that allows representation from a diverse cross-section of UN-Habitat staff and representatives of the Committee of Permanent Representatives (CPR) (Member States) if need be, but not too large as to impede the ability of the team to operate effectively. The team should represent Senior Management Board and other core functions .

### **Step 2: Preparing a concept note or a roadmap**

One of the first tasks of the strategic planning team is to develop a concept note and roadmap that defines the strategic planning process and stages, responsibilities, timeframe and communication plan. The team also prepares the terms of reference for a facilitator, preferably a trained professional who has no vested interests in the outcome of the plan, and is therefore less likely to be intimidated or become partial. An impartial third party can concentrate on the process instead of the end result and can ask the tough questions that others may be afraid to ask.

### **Step 3: Communicating with staff about the preparation of the strategic plan**

A strategic plan is an organization-wide process and staff at all levels must be involved and contribute. For this reason, the ED should communicate with all the staff, through town hall meetings and regular memos on the preparation of the strategic plan; including on channels available to all staff to contribute to the development of the plan (e.g. email, intranet, posters, etc.). Open and free discussion regardless of each person's position within the organization should be encouraged.

### **Step 4: Conducting a situation analysis (Where are we now and what are the trends?)**

Before an organization attempts to chart its future course, it must first determine where it currently stands. It must gauge conditions both inside and outside the organization in order to plan ahead.

At UN-Habitat, an internal/external assessment supports the *"Where are we now and what are the trends?"* stage of the strategic planning process. It provides a baseline assessment of the organization. Further, extending the internal/external assessment by anticipating the evolution of current conditions and identifying emerging issues and trends (also known as "foresight"), lays the groundwork for the *"Where do we want to be? What are our priorities and results?"* stage of the strategic planning process.

By gaining a thorough understanding of both internal and external factors, senior managers and planners in UN-Habitat are better able to position the organization to respond to beneficiaries' needs in the area sustainable urban development.

Typically, guided by the facilitator, both senior managers and staff are involved in collecting and analyzing the data to enhance their understanding of the organization. Inputs should also be sought from Member States

(e.g. through the UN-Habitat Committee of Permanent Representatives), strategic and key partners, beneficiary communities and other stakeholders.

Internal/external assessment involves:

- ❖ **Situation Inventory** - An assessment of UN-Habitat's position, performance, problems, and potential.
- ❖ **Environmental Scan** - An analysis of key external elements or forces that affect the environment in which UN-Habitat functions.

To lead into the "*Where do we want to be? What are our priorities and results?*" part of the planning process, the internal/external assessment is supported by:

- ❖ **Foresight** - Explicit efforts should be made to systematically identify, monitor, and analyze long-term trends and issues that are likely to affect UN-Habitat's future environment of operations. It also examines the implications those trends and issues may have for alternative organizational goals and potential actions.
- ❖ **Problem Analysis** - An identification and analysis of strategic issues—problems or concerns of critical importance to UN-Habitat and its beneficiaries and other stakeholders.

It does not matter whether the internal situation inventory or the external environmental scan is done first, as long as both are done. Foresight and problem analysis should be ongoing at some level in the organization. However, both play a particularly important role during the strategic planning process and should therefore be formally undertaken.

**(a). Situation inventory - *How to conduct a situation inventory***

A situation inventory is an assessment of UN-Habitat's position, performance, results, problems, and potential. It identifies strengths and weaknesses and evaluates authority and capacity to respond to issues, problems, and opportunities. It identifies beneficiaries and their needs and expectations. It also reveals the paradigms (patterns or beliefs) and values that comprise the organization's current philosophy and drive (or disrupt) current operations; it throws light on administrative or managerial policies and procedures that help or inhibit performance. A situation inventory should accurately reflect UN-Habitat's internal situation.

A situation inventory is a team exercise. Senior management, with support from the facilitator, and input from the planning officers, should design the method (e.g. survey, focus group, etc.) to be used in conducting an internal assessment. Managers and staff should be involved in the collection and analysis of information. They must be briefed thoroughly beforehand regarding the assessment and its purpose, and how the information gathered during the assessment will be used.

Generally, a situation inventory includes meetings in which managers and staff, with the help of the facilitator, work through a series of exercises and questions designed to assess the organization's internal condition and capacity. Senior management may opt to conduct an employee survey. However, the key to a successful internal assessment is thorough preparation and communication.

The situation inventory is the first time that many staff, and even some managers, become involved actively in the strategic planning process. So this may be their first opportunity to express any doubts or complaints they may harbor about the process. To help prepare participants for the situation inventory, be sure to let them know ahead of time about the purpose of the internal assessment and how it fits into the complete strategic planning process. Garnering input from managers and staff for the design of assessment methods can also expedite the actual assessment exercise.

Specifically, a situation inventory responds to the following questions:

- (i) Who are UN-Habitat's beneficiaries and stakeholders?
- (ii) Where has UN-Habitat been programmatically?
- (iii) Where is UN-Habitat now?
- (iv) What opportunities for positive change exist?
- (v) What are UN-Habitat's strengths and weaknesses?

These questions can be part of a survey, or can be discussed in meetings carried out as part of the situation inventory process.

**(b). Environmental scan - *How to scan the external environment***

UN-Habitat does not operate in a vacuum. To carry out its mission, UN-Habitat must function within an external environment that often exerts forces over which the organization has little control. Further, that operating environment (internal and external) may be subject to frequent shifts or changes.

An environmental scan is an analysis of key external elements or forces that influence the environment in which UN-Habitat functions. Scanning provides an essential backdrop for both strategic planning and policy development. An environmental scan looks at the current operating environment and, combined with foresight methodologies, anticipates changes in the future environment.

An environmental scan looks at both the internal and external environment and responds to the following types of questions, which should be customized by senior management and planning officers depending on the context:

**Table 2: Sample questions for environmental scan**

External	Internal
<ul style="list-style-type: none"> <li>❖ What are the emerging sustainable urban development challenges to be addressed, in line with UN-Habitat’s mandate?</li> <li>❖ What is the state of knowledge on sustainable urban development issues?</li> <li>❖ What progress has been made in implementing the Habitat Agenda/New Urban Agenda, the SDGs and other internationally agreed goals?</li> <li>❖ What external environmental elements currently affect UN-Habitat? How? Which are most critical? Which are likely to help or impede the organization?</li> <li>❖ What major current issues or problems affect the organization? Are these local, national, regional, or global in scope? Why are they of such importance?</li> <li>❖ What current events (development, humanitarian, etc.), issues, or trends have captured the attention of the public? How do these affect UN-Habitat’s work?</li> <li>❖ What topical significant issues should UN-Habitat address?</li> </ul>	<ul style="list-style-type: none"> <li>❖ What are UN-Habitat’s strengths, weaknesses, opportunities and threats?</li> <li>❖ What are the weaknesses and strengths of the current or previous strategic plans?</li> <li>❖ What risks is UN-Habitat confronted with?</li> <li>❖ UN-Habitat’s comparative advantage and its current niche.</li> <li>❖ What are the gaps and capacity constraints UN-Habitat is confronted with?</li> </ul>

**(c). Foresight - *Why and how to foresee or anticipate change***

The environment in which UN-Habitat operates is changing rapidly. For example, demographic shifts, economic swings, technological innovations, and changing social values and lifestyles require alterations to UN-Habitat’s policies and strategies for contributing to the implementation of the 2030 Agenda for Sustainable Development and achieving lasting results. To avoid crisis management and wasted resources, the Executive

Director must be able to anticipate issues, problems, and opportunities. Foresight leads to better decision making, policy development, and strategic planning. To decide where UN-Habitat wants to be in the future, it helps to have an idea of what the future operating environment will be.

Foresight involves explicit efforts to systematically identify, monitor, and analyze long-term trends and issues that are likely to affect UN-Habitat's future environment and to examine the implications those trends and issues may have for alternative organization goals and possible organization actions.

Foresight methods often involve one or more of the following: (i) issue identification, (ii) trends analysis, (iii) futures programmes, and (iv) alternative futures.

- (i) Issue or problem identification uses methods to identify policy issues that are likely to occur in the future. It is usually associated with scanning activities. Scanning is a periodic and systematic assessment of the social, political, economic, and physical external environment, with an eye for changes that may affect the organization over time.
- (ii) Trends analysis, which is often used in demographic, economic, technological, and social forecasting, analyzes trends and attempts to project future developments. Trends analysis is more statistically oriented than other foresight methods.
- (iii) A futures programme usually starts by identifying a preferred future and working its way backward to identify the means necessary to bring about that future. This generally results in a broad policy framework or strategic plan that drives more detailed strategic and/or operational plans. Futures programmes are often linked to a highly visible date or event (for example, a major upcoming event or forum such as the World Urban Forum).
- (iv) Alternative futures is a method that uses scenario building to investigate possible or probable future paths. It allows managers to simulate various future conditions and explore the probable outcomes of various courses of action. For example, linked with trends analysis, different scenarios could project futures with "if the trends continue" (a reactive approach) or "if we alter the trends" (a proactive approach) alternatives. In difficult financial times, organizations might construct scenarios reflecting different levels of funding.

**(d). Problem analysis - *How to analyze issues/problems***

Environmental scanning and foresight activities allow management to: (i) anticipate emerging policy issues; (ii) identify unanticipated side effects of proposed policy; (iii) understand emerging trends and crossover effects of policies; (iv) support accountability (oversight and evaluation); and (v) identify and involve relevant stakeholders.

Before an issue can be addressed, it must be analyzed or diagnosed. That is, the facts must be determined. This involves the following:

- (i) Define the issue or problem and determine its parameters.
- (ii) Understand who is affected by the issue or problem and how they are affected.
- (iii) Determine how serious and immediate the issue or problem is.
- (iv) Project future trends for the issue or problem.
- (v) Determine the underlying causes of the issue or problem; identify and verify the key cause(s).
- (vi) Assign a priority relative to other concerns.
- (vii) Use the information generated by the situation inventory, environmental scan, foresight and problem analysis.

The key purpose of this analysis is to try and ensure that ‘root causes’ and not just the symptoms of the problem(s), are identified and subsequently addressed as part of the strategic plan process. A clear and comprehensive problem analysis provides a sound foundation on which to develop a set of relevant and focused objectives.

### **Problem Tree analysis**

One main tool used in problem analysis is the “**problem tree**”, a simplified example of which is shown in annex 3.

Important points to note about using the problem tree tool are:

- ❖ There are two main approaches that can be used to help give focus to the problem analysis, namely: (i) the ‘focal problem’ method, through which the group brainstorms on development problems (or constraints). With this method a focal problem is identified, and the cause and effect analysis then pivots around the focal problem; (ii) the ‘objectives oriented’ method, whereby a broad or high-level development objective is specified at the start of the analysis, and constraints to achieving this objective are then brainstormed, analyzed and sorted into a cause-and-effect logic. Both approaches are equally valid, and which approach to use is largely up to individual preference and circumstances.
- ❖ Ideally, problem analysis should be undertaken as a group activity involving stakeholders who can contribute relevant technical and local knowledge. A workshop environment is an appropriate forum for developing problem trees, analyzing the results, and proposing solutions.
- ❖ It may be appropriate to undertake a number of separate problem analysis exercises with different stakeholder groups, to help determine different perspectives and how priorities vary.
- ❖ One should not necessarily expect full consensus among stakeholders on what the priority problems are or what the causality of these problems is.
- ❖ It is important to recognize that the problem tree diagram—however it is produced—should provide a simplified but nevertheless robust version of reality. If it is too complicated, it is likely to be less useful in providing direction to subsequent steps in the analysis.

Before starting work on preparing a problem tree:

- ❖ Clarify the scope of the investigation or analysis. You will not want, or be able, to deal with a limitless range of problems. This information should thus help identify either an appropriate objective, or focal problem, to help give focus to the problem tree analysis.
- ❖ Inform yourself further. Collect and review existing background information on the main issue(s) of concern. Are you clear what the main issues are, or are likely to be?
- ❖ Identify the relevant stakeholder group(s). Who needs to be involved?

The following main steps should be followed in conducting a problem tree analysis:

#### **1. Identifying and listing the main problems**

- ❖ Explain the purpose of the exercise and the context within which it is taking place. Explain the problem tree method and the input expected from the participants. Provide some examples of the cause and effect relationship before starting, emphasizing the importance of identifying root causes.
- ❖ Using contributions from the group, list all the negative statements about the situation you are analyzing. This can be undertaken as a brainstorming session.
- ❖ Print each problem statement in clear language on a card and display this on some suitable wall space.

#### **2. Identifying core problems**

- ❖ Through discussions, identify a core problem on which all can agree - the one(s) which appear to be linked to the most negative statements.
- ❖ Print a precise definition of the core problem on a card (if the existing statement requires further clarification).
- ❖ Display the card on a wall (or on the floor) so that the whole group can clearly see it.

### **3. Identifying cause and effect**

- ❖ Begin to distribute the negative statement cards according to whether they are ‘causes’, i.e. leading to the core problem, or ‘effects’, i.e. resulting from the core problem. Do this until all causes are below the core problem and all effects are above the core problem. At any stage in the exercise, those statements that are considered to be unclear should either be more clearly specified or discarded. Problems that are clear but very general in nature and which affect not only the core issue, but would apply to almost any development problem, can be treated as ‘overall constraints’ and moved to the side of the main problem tree. This helps keep the core problem tree focused and manageable. You can be guided in this by considering whether or not the problem is likely to be one that can be addressed by an activity-based solution. If not, it is a constraint.
- ❖ Then the guiding questioning for further structuring the statements into a problem tree becomes “What leads to that?” Choose any negative statement printed as a problem on the cards and ask: “What leads to that?” Then select from the cards the most likely cause of the problem, and place it below the chosen statement.
- ❖ If there are two or more causes combining to produce an effect, place them side by side below the resulting effect.
- ❖ After you have placed the card or cards for each relationship, pause to review. Then ask the group if there are more causes leading to that problem.
- ❖ Similarly you must ask if there are any more effects resulting from that problem.
- ❖ If there are multiple effects resulting from a cause, place them side by side and above the cause(s).

### **4. Checking the logic**

- ❖ At each stage you should invite participants to move the cards, i.e. to suggest or hypothesize other relationships.
- ❖ When you have placed all cards, review the structure to ensure that related streams of cause and effect are close to each other on the problem diagram.
- ❖ Choose one of the cards at the top line of your Problem Tree, then work back through the diagram according to the guiding question: “What leads to, or causes, that?” in order to check the logic or completeness of your cause-effect structure.

### **5. Drafting the problem tree diagram**

- ❖ Draw vertical links to show cause-effect relationships, and horizontal links to show joint causes and combined effects;
- ❖ Copy your diagram onto a sheet of paper and distribute it for further comment and variations within an appropriate time period.

### **6. Dealing with overall constraints**

Overarching development problems that are identified during the analysis, but cannot be addressed directly should be taken out of the main problem tree diagram and considered as overall constraints. These overall constraints should then be considered as part of the risks and assumptions analysis undertaken later in the process.

### Summarizing the outcome of the situation analysis

At several points during the strategic planning process, senior managers and staff review and analyze the information generated by the internal/external assessment. The information gathered is ultimately presented in a report, including a strengths, weaknesses, opportunities and threats (SWOT) matrix; as well as a synthesis section on trends and emerging priorities. Whatever format is used, the report should be concise.

Through the situation inventory, environmental scan, foresight and problem analysis, senior managers and staff of UN-Habitat should have a thorough understanding of the internal and external factors affecting the organization. They should also have identified any strategic issues and priorities that merit special emphasis. The final results of the internal/external assessment inform the other phases of the strategic planning process. The information revealed during the assessment is also valuable for implementing quality management efforts, developing budget requests, conducting programme evaluations, and preparing for audits.

The assessment should be reviewed or repeated when revising and updating the strategic plan. Foresight efforts should remain ongoing, even if they are informal rather than institutionalized. Staying aware of environmental conditions and emerging issues helps UN-Habitat avoid being blindsided by events or problems.

**Table 3: Template for a SWOT matrix**

	<b>Helpful</b> To achieving strategic results	<b>Harmful</b> To achieving strategic results
<b>Internal factors</b>	<b>Strengths</b> ❖ ... ❖ ... ❖ ...	<b>Weaknesses</b> ❖ ... ❖ ... ❖ ...
<b>External &amp; Internal factors</b>	<b>Opportunities</b> ❖ ... ❖ ... ❖ ...	<b>Threats</b> ❖ ... ❖ ... ❖ ...

### Step 5: Defining an identity/reviewing UN-Habitat’s identity (Who are we?)

In the context of the strategic planning process, UN-Habitat senior managers and staff must take a critical look at the identity of the organization before projecting the organization into the future, by reviewing and adjusting as necessary the vision, mission and philosophy of the organization based on the findings and conclusions of the internal/external assessment.



The vision, mission, and philosophy (values) comprise the "identity" of UN-Habitat —its "uniqueness." Organizational identity is more than a name, logo, or line of business. It denotes the unique capabilities and characteristics of the organization (the special mix of knowledge, skills, experience, expertise, and even attitude) that distinguish it and determine its ability to achieve lasting results. Strategic planning links organizational identity to productive potential; it pinpoints what the organization does well and what it does not. Identity reveals information about the character of the organization and provides the glue that binds the parts of an organization together to form a whole.

## Box 2: Effective organizations

Organizations that effectively manage and market their identities—convey their unique values, strengths, and experience inside and outside the organization—can position themselves to take greater advantage of opportunities and withstand adversity.

Senior managers with support from the facilitator take the lead in identifying and expressing the uniqueness of UN-Habitat. However, organizational identity reflects the values and ideas of the whole organization. Senior managers should therefore seek and weigh the opinions and perceptions of all staff as well as external stakeholders. For that reason, the findings of the internal/external environmental scan are important, before undertaking the vision-mission-philosophy components of the strategic planning process.

**(a) Vision:** A compelling conceptual image of the desired future

The vision focuses on what the organization wants to achieve in a way that motivates the organization toward its attainment. It is the inspiration for all other components of the planning process. It is a vision of and for success and results.

The vision symbolizes UN-Habitat's future. It is a critical ingredient for change. It represents a global, continual purpose for the organization and is not bound by time. It is the ultimate standard toward which progress and results are measured. Its structure is less important than its effect on the values and behavior of every member of the organization.

### *How to assess/create the vision of UN-Habitat?*

Crafting a great vision is a leadership challenge. In fact, it can be argued that crafting an organization's vision for change—and then empowering staff to achieve that vision—is management's most important contribution to the achievement of excellence and results.

However, a great vision is conceived through partnership between senior managers and those who will be living with the vision. UN-Habitat's vision incorporates values and ideals of all staff in Headquarters, Regional, Country and Liaison Offices. By sharing the vision, management and staff members establish shared ownership of the overall vision as well as a commitment to the fulfillment of that vision.

Reviewing or crafting a vision of UN-Habitat takes into account the following:

- ❖ What are our aspirations? What is our ideal future?
- ❖ What overall results do we want to accomplish?
- ❖ What legacy do we wish to leave?
- ❖ What will UN-Habitat be like in the future?
- ❖ How do we wish to be known by our stakeholders?
- ❖ How will we enhance the quality of life for those who use our services/products?

UN-Habitat's vision statement covers the lifetime of the strategic plan and may even extend beyond the time frame of the plan. The vision statement should be:

- ❖ Brief and memorable
- ❖ Inspiring and challenging
- ❖ Descriptive of the ideal
- ❖ Descriptive of future accomplishments or service levels
- ❖ Appealing to everyone in the organization and to beneficiaries and other stakeholders

### Box 3: UN-Habitat's Vision Statement

“UN-Habitat promotes the stronger commitment of national and local governments as well as other relevant stakeholders to work towards the realization of a world with economically productive, socially inclusive and environmentally sustainable cities and other human settlements”. *2014-2019 Strategic Plan*

#### **Other examples of vision statements:**

##### **UNICEF**

*“UNICEF is the driving force that helps build a world where the rights of every child are realized.”*

##### **UNDP**

*“To help countries achieve the simultaneous eradication of poverty and significant reduction of inequalities and exclusion” (2014-2017 Strategic Plan).*

**(b) Mission:** A broad, comprehensive statement of purpose

The mission identifies what UN-Habitat does and for whom. That is, it describes UN-Habitat's services and products and its beneficiaries. The mission is all encompassing and rarely changes.

The mission statement should be written to answer the following questions:

- (i) What is our name?
- (ii) What do we do?
- (iii) For whom do we do it?
- (iv) Why are UN-Habitat's resources devoted to this effort?

A well-written mission statement:

- (i) Identifies purpose but not process. It describes the overall reason for the existence of the organization, as established by relevant mandate and resolutions.
- (ii) Identifies beneficiaries of the organization or users of the organization's products or services.
- (iii) Identifies the services or products provided by the organization to meet the needs of its beneficiaries and other stakeholders. It helps identify the needs or expectations of stakeholders
- (iv) Is clear and succinct.

In defining UN-Habitat's mission, the following tasks should be completed:

- (i) Identify the organization's purpose. Why does UN-Habitat exist? What problems or needs was UN-Habitat created to address? Why are public resources devoted to this endeavor? What functions or services are or should be provided by UN-Habitat? What mandates have been assigned to UN-Habitat? Is UN-Habitat carrying out all mandated or authorized programmes?
- (ii) Identify the organization's beneficiaries and other stakeholders. For whom does the organization carry out its functions? Who receives or benefits from the services provided by the organization? Are there other stakeholders?
- (iii) Review and revise existing mission statements and draft new statements as appropriate.

#### Box 4: UN-Habitat's Mission Statement

UN-Habitat promotes transformative change in cities and human settlements through knowledge, policy advice, technical assistance and collaborative action to leave no one and no place behind (2020-2023 Strategic Plan).

#### Other examples of mission statements:

##### UNFPA

*UNFPA, the United Nations Population Fund, is an international development agency that promotes the right of every woman, man and child to enjoy a life of health and equal opportunity. UNFPA supports countries in using population data for policies and programmes to reduce poverty and to ensure that every pregnancy is wanted, every birth is safe, every young person is free of HIV/AIDS, and every girl and woman is treated with dignity and respect."*

##### World Bank

*"The World Bank Group aims to fight poverty with passion and professionalism for lasting results - to help people help themselves and their environments by producing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sector".*

#### **(c) Philosophy:** Core values defining how the organization conducts itself in carrying out its mission

Philosophy defines the way in which UN-Habitat does business. It summarizes the operating principles or core values that will be utilized in fulfillment of the vision and mission. It characterizes UN-Habitat's corporate culture and is part of its organizational identity.

Expressing an organization's philosophy is essential to planning because the philosophy lays a foundation of principles or beliefs to support the vision and mission. A worthy vision must be guided by an equally worthy philosophy. Principles or values expressed in a philosophy serve as a test or criteria for judging the quest for excellence; they guide decisions, choices, and the selection of strategies. Principles are of no use unless they are implemented; but when they are implemented, they can be powerful instruments for changing organizational culture and motivating staff members.

#### ***How to express the philosophy?***

Describing UN-Habitat's philosophy (core values) presents another challenge for management. Not only should the philosophy reflect the values and principles of the senior management but it should address

organization-wide values and assumptions as well. The philosophy should be compatible, comfortable, and convincing for everyone within UN-Habitat, as well as for Member States and other stakeholders.

There is a great deal of leeway in the articulation of organization philosophy. Length and format may vary. Sometimes philosophies are expressed in terms of responsibilities—an organization’s responsibilities to its beneficiaries, its staff members, its environment and its stakeholders. Sometimes philosophy is expressed in terms of quality or excellence in management and services.

A well-written philosophy statement should:

- (i) Express principles, core values, or fundamental beliefs in clear, decisive language
- (ii) Express basic beliefs about the conditions under which people work best
- (iii) Support systems and processes that will help make the vision a reality

Generally, the best statements of philosophy express the organization's attitude and values about three things:

- (i) People: the way in which people inside and outside the organization—staff and beneficiaries—are treated.
- (ii) Process: the way in which the organization is managed, decisions are made, and products or services are produced.
- (iii) Performance: expectations concerning the quality of the organization's products and services.

#### Box 5: UN-Habitat’s Philosophy Statement

“a better quality of life for all in an urbanizing world”

**Other example of philosophy statements:**

#### **World Bank**

*“Fighting poverty”*

#### **Step 6: Defining the future (Where do we want to be? What are our priorities and results?)**

Goals and strategic results make up the “*Where do we want to be? What are our priorities and results?*” part of the strategic planning process. Goals establish the direction in which UN-Habitat is heading in order to achieve its mandates; strategic results identify milestones along the course. Both are inspired by UN-Habitat's vision, mindful of the organization's mission and philosophy, and based on the organization's current internal situation and external operating environment, as well as projections of future conditions.

**(a) Goal:** The general end result toward which effort is directed

The formulation of goals is one of the most critical aspects of the strategic planning process. Goals are broad statements that describe desired outcomes for UN-Habitat. They stretch and challenge the organization, but they are realistic and achievable. They chart direction—show where the organization is going—and point toward a desired destination. However, they do not set specific milestones or determine ways to get there.

#### **How to set UN-Habitat’s goal**

## Characteristics of a goal

- ❖ The goal is in harmony with and clarifies or amplifies UN-Habitat's vision, mission, and philosophy. The goal is aligned with UN-Habitat's mandates.
- ❖ The goal charts a clear course and points to a particular destination but do not determine specific ways to get there. The goal addresses policies and priorities but not strategies.
- ❖ The goal provides a framework for the rest of the strategic planning process. It guides the formulation of strategic results and the development of effective strategies to achieve those results.
- ❖ The goal reflects the results of the internal/external assessment and is developed in response to strategic issues or critical success factors.
- ❖ The goal encompasses a relatively long period of time. As a general rule of thumb, the goal is for the lifetime of the strategic plan and may have such a long time frame that it continues into subsequent plan updates.
- ❖ The goal tends to remain essentially unchanged until a shift in the environment under which it was created occurs.
- ❖ The goal is challenging but realistic and achievable. It reflects positive change.

## Tips for setting goals

- ❖ Hold a goal-setting session away from the everyday activities of the office. Go on retreat if possible. If it is not possible to get out of the office, go to a quiet, comfortable area and do not allow interruptions.
- ❖ Use the information gathered during the internal/external assessment to support goal setting. Like policy development, goal setting should be grounded in fact and based on reliable information.
- ❖ Verify that the goal is within UN-Habitat's mandate.

### Box 6: UN-Habitat Goal (Strategic Plan 2020-2023)

Sustainable urbanization is advanced as a driver of development and peace, to improve living conditions for all in line with the SDGs

## (b) Priorities or Focus areas

*After determining the goal of the organization, the next process is to determine the key priority areas of the organization. This is a serious process that involves an intense and iterative process (through meetings, workshops, etc.) during which there are reviews, discussions and decisions on programmatic priorities that will best address the global challenges affecting human settlements, especially chaotic urbanization. This process is informed by UN-Habitat's mandates, the situation analysis, the organization's competitive advantage, outcomes of evaluations and reviews, emerging issues, etc. For the strategic plan for 2020-2023, the following seven priorities or focus areas were identified:*

- ❖ **Focus area 1 - Urban Legislation, Land and Governance:** aims at fostering equitable sustainable urban development through the formulation and adoption of enabling legislation, increased access to land, and strengthening of systems of decentralized governance for improved safety and service delivery.
- ❖ Subprogramme 1: Reduced spatial inequality and poverty in communities across the urban - rural continuum
- ❖ Subprogramme 2: Enhanced shared prosperity of cities and regions
- ❖ Subprogramme 3: Strengthened climate action and improved urban environment
- ❖ Subprogramme 4: Effective urban crisis prevention and response

After the priorities or focus areas are agreed upon and endorsed by key stakeholders, (e.g. senior management and Member States through the CPR), the next stage is to clearly articulate the overall strategic result for the entire strategic plan, and then determine what each priority or focus area is about. This is a highly participatory exercise that requires inclusion of as many staff members as possible to determine what this strategic result should be. The process should commence with orientation on Results-Based Management, including the process of developing a results chain to ensure that everyone participating in the process understands what results are, and what a strategic result is. Participants also need to have in-depth knowledge of the substantive areas on which they are working. With the facilitator, experts on RBM from the Quality Assurance Unit support and guide the process.

**(c) Strategic result or objective:** *a specific and measurable target for accomplishment*

A strategic result is the highest level of result sought by UN-Habitat. It includes the degree or type of change and a timetable for its accomplishment. In contrast to the goal (which is a broad, general statement of long-range purposes), strategic results are specific, quantifiable, time-bound statements of outcomes. As such, strategic results represent milestones or intermediate achievements necessary to realize the goal. Strategic results complete the “*Where do we want to be? What are our priorities and results?*” part of the planning process.

***How to formulate strategic results?***

Strategic results are a required strategic plan component. In UN-Habitat strategic results or objectives are set both at programme and focus area levels.

**Box 7: UN-Habitat Programme Level Strategic Result (Strategic Plan 2014-2017)**

Sustainable urbanization is advanced as a driver of development and peace, to improve living conditions for all in line with the SDGs.

**Characteristics of Strategic Results**

Well-written strategic results are **SMART**. That is, they are:

- ❖ **Specific:** strategic results reflect specific accomplishments that are desired, not ways to accomplish them. All strategic results should be capable of generating specific strategies or actions. A strategic result should also be detailed enough to be understandable and give clear direction to others.
- ❖ **Measurable:** a strategic result must be measurable in order to determine when it has been achieved.
- ❖ **Attainable:** strategic results should challenge, but not demand the impossible. They should be realistic yet not superficial. Strategic results should also be consistent with available resources.
- ❖ **Realistic:** strategic results should target results or outcomes, not ways to accomplish them.
- ❖ **Time-bound:** A time frame for meeting strategic results should be specified. Each strategic result should be attainable within a reasonable time period--certainly within the span of the strategic plan.

When formulating strategic results:

**(i)** Review the organization's mission and goal. Be sure the purpose is clear; all stakeholders are identified; and the intent of goals is understood.

**(ii)** Be sure that you understand the internal and external factors affecting UN-Habitat. Review information generated during the internal/external assessment for:

- ❖ What are UN-Habitat's strengths, weaknesses, opportunities, and threats?
- ❖ What are the most critical issues that must be addressed?
- ❖ What are UN-Habitat's mandates?
- ❖ What are the needs and expectations of Member States?

(iii) Decide what results you want:

- ❖ How do UN-Habitat's activities or processes work? What can be improved?
- ❖ What is our baseline performance level? What benchmarks exist? How much room for improvement is there?
- ❖ What specific outcome(s) do we hope to achieve? Is this realistic? What variables or factors may influence the outcome?
- ❖ Are specific levels of achievement already mandated by governing bodies? Do service standards exist?
- ❖ Are proposed results consistent with the United Nations policies, values, and priorities?

(iv) Set a time frame for achievement of results:

- ❖ What is a reasonable period of time for achieving the desired results?
- ❖ How critical is immediate action? What are the opportunities to act now versus later? What are the consequences of action now versus action later?
- ❖ Are specific time frames or deadlines already mandated by governing bodies?

(v) Build in accountability. As you set objectives, think about how you will measure progress toward those objectives.

(vi) Keep records related to the formulation of strategic results. Each strategic plan must include, where applicable, a description of any programme evaluations used to develop strategic results and an identification of the primary persons who will benefit from, or be significantly affected by, each strategic result within the plan. This information should have been obtained in the internal/external assessment. It is part of the process documentation that accompanies the strategic plan and is subject to performance audit.

## **Step 7: Defining strategies (the "How do we get there?" part of the process)**

To achieve results, it is not enough to know where UN-Habitat wants to be; it is fundamental to know how to get there. Strategies make up the "*How do we get there?*" part of the strategic planning process. Strategies indicate how strategic results and expected accomplishments will be achieved. Essentially, a strategy deploys resources to achieve specific outcomes addressing Member States' needs, service delivery, and/or mitigation or resolution of public issues and problems.

Strategies are the methods used to accomplish goals, strategic results and expected accomplishments. To achieve strategic results, UN-Habitat must select specific courses of action or build strategies. Strategies are concepts for leveraging and generating success. They are directed toward the accomplishment of specific outcomes (expected accomplishment); they exist for that purpose. Strategies bridge the gap between goals and strategic results, and expected accomplishments and outputs that are delivered in order to achieve those goals and strategic results.

In UN-Habitat, development of strategies for achieving the focus area strategic results is a heavily participatory process that includes subject matter experts, senior management and other staff. They discuss what the key role of the focus area will be and what it will focus on in order to achieve the strategic result. Experts on each of

the focus areas prepare policy papers on each of them, and these form the basis of the discussions and brainstorming.

Successful strategy building incorporates:

- ❖ Reality and reasonableness: Strategies do not represent wishful thinking but make reasonable assumptions based on solid data.
- ❖ Self-awareness: Strategy builders are cognizant of how well or how poorly their current strategies perform; use metrics to gauge the effectiveness and efficiency of processes; and have their finger on the pulse of internal capacity and the external operating environment.
- ❖ Awareness of similar programmes: Strategy builders incorporate knowledge of how similar UN agencies work. They use benchmarking to identify best practices and think about how that information can be used to improve their own strategies.
- ❖ Emphasis on action, execution, and follow-through: Strategies do not fall victim to “analysis paralysis”—over-thinking and under-doing.
- ❖ Willingness to change and/or take risks: Strategy builders are willing to challenge the status quo, take on “sacred cows,” abandon a current strategy or initiate an innovative new one when clear evidence supports that change, and tolerate risk taking. Of course, tolerance of risk taking must be a part of UN-Habitat’s corporate culture if innovation is to occur.
- ❖ Diverse thinking: Strategy builders are not a homogeneous group. Strategies are not viewed through the same lens; diverse opinions and points of view are sought.
- ❖ Inclusiveness and perspective: Strategy building involves the right people throughout the organization at the right time. Organizational silos are overcome. The “big picture” is maintained even while separate programmes and projects contemplate their individual strategies. Ultimately, all programme and project strategies work together to achieve organization-wide goals and strategic results.

### **How to build strategies?**

In UN-Habitat strategy building involves research, analysis, and prioritization. Strategy options or alternatives may be identified and compared through:

- (i)** Brainstorming how to achieve expected accomplishments: Free-flowing discussions generate innovative ideas, identify opportunities for coordination and cooperation, and encourage innovative approaches.
- (ii)** Researching what works: Benchmarking, for example, identifies “best practices” and how they got to be that way. Senior managers and key staff members may already have an idea of what works and what does not. Issue scanning may have pinpointed innovative approaches in both the public and private sectors.
- (iii)** Evaluating what is already in place: The situation inventory portion of the internal/external assessment should have identified what UN-Habitat is doing well, where improvements are needed, and organizational strengths and weaknesses. Programme evaluations, internal audits, and performance audits should also be used to review current strategies.

Strategy building is a decision-making process; and good decisions are based on good information. Use the information generated during the internal/external assessment, including any alternative future scenarios developed through foresight, to build strategies. Before a decision is made regarding the course of action that will be taken, each alternative must be weighed. To analyze the merits of alternative strategies, the following questions need to be considered:

- ❖ Is this strategy being used currently or has it been used in the past? If so, how successful has it been? How do we know? Why should we continue or re-implement this strategy?



- ❖ If a new strategy is implemented, is it plausible to assume that the expected accomplishments and strategic result will be reached? How do we know? Has this strategy been successful in other UN agencies or private sector organizations? What assumptions must hold true in order for the strategy to be effective?
- ❖ What are the anticipated costs and benefits of this strategy?
- ❖ How does this strategy address the needs and expectations of Member States?
- ❖ Will this strategy have a positive or negative impact on any other strategic result or strategy? Is it dependent upon the implementation of other strategies?
- ❖ Do we have the mandate to take this action?
- ❖ Do we have the resources (personnel, financial, physical facilities, training, hardware, software, other equipment, funding, etc.) required to implement this strategy? If not, how will we obtain the resources? Can we reallocate resources within the organization? Can we raise funds?
- ❖ Are we organized to act on this strategy? If not, what changes must be made? How long will they take?
- ❖ What is the time frame for this strategy? Is it currently ongoing? If not, when would it be implemented and how long would it last? How does the time frame for this particular strategy relate to the time frames for other strategies? Are there priorities or particular sequences for implementation?

Compare alternative strategies on these factors, then select and prioritize the strategies that will be used to achieve the goal and strategic results. However, prepare to be flexible after the strategic plan is operationalized. If strategies prove to be more or less successful than anticipated, be prepared to revisit and revise strategies. If unanticipated consequences or situations arise, be flexible enough to react in a timely fashion—minimizing damage or maximizing an opportunity.

With the completion of strategies—after the identification of the goal, strategic results, mission and vision—what is termed a “strategic choice” will have been made for the next six years of UN-Habitat’s contribution to the sustainable urban development process.

Figure 12: Pyramid of strategic choice



## **Step 8: Tracking progress (how do we measure progress?)**

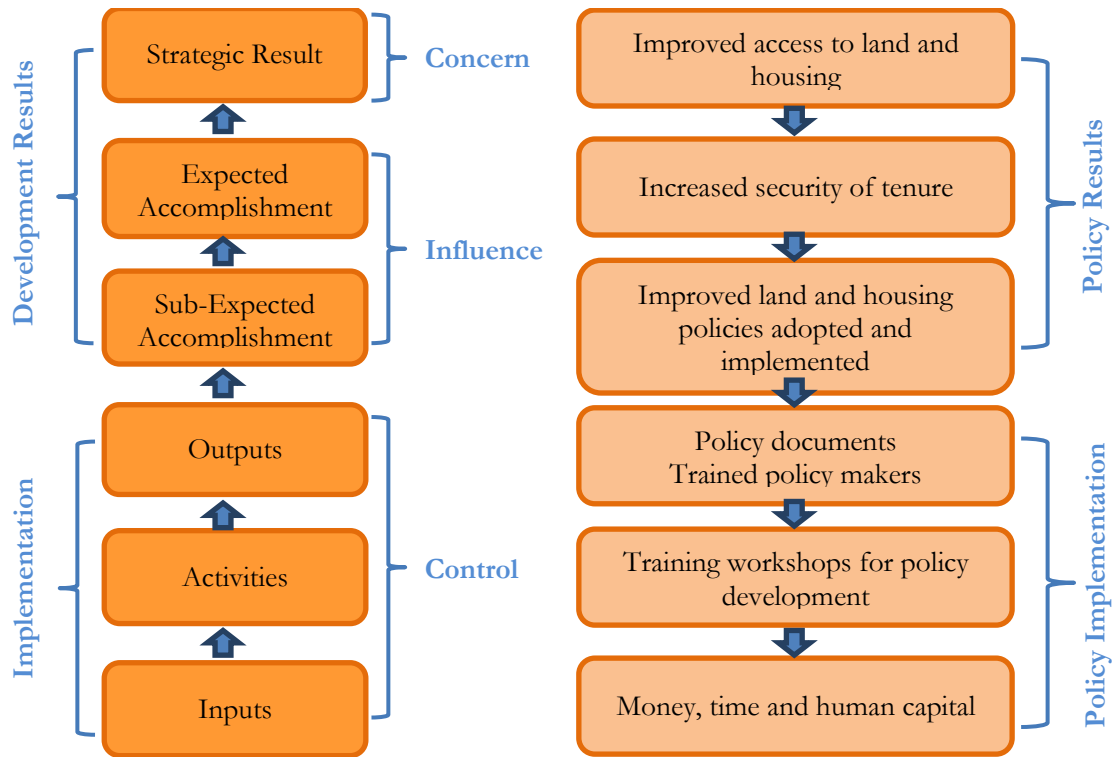
### **(a) The results framework**

Results frameworks are an explicit articulation (graphic display, matrix, or summary) of the different levels, or chains of results expected from a particular intervention—project, programme, or development strategy

Once the vision, mission, philosophy, goal, overall strategic result and all the focus areas have been defined, a very important step in the strategic planning process is the preparation of results frameworks, which not only clearly articulate the different levels of results, but also allow for clear expected accomplishments and indicators of achievements for each strategic result.

Although UN-Habitat uses the term “results framework”, similar conceptual tools—also designed to organize information regarding intended outcomes and results—are used across different agencies: logical frameworks, logic models, results chains and logframes. Thus, at the level of the strategic plan, the results framework captures the essential elements of the logical and expected cause and effect: linking outputs, outcomes, impacts or expected accomplishments, strategic results and the goal.

Figure 13: Example of UN-Habitat's results chain



### What is required to design a results framework?

Designing a results framework is an iterative process, with objectives and interventions providing the basis for its design, and draft results frameworks in turn helping to clarify specific objectives and interventions. The process for developing a results framework therefore starts with understanding both the problem to be addressed and the desired outcomes, specifying the programme logic, and building stakeholder consensus. Once this agreement is in place, stakeholders can focus on selecting appropriate indicators. Thus, basic steps are as follows:

- (i) Identify and work with stakeholders
- (ii) Develop expected accomplishments and sub-expected accomplishments
- (iii) Develop indicators
- (iv) Identify critical assumptions and risks

### 1. Identifying and working with stakeholders

Stakeholders are those who may be affected by or have an effect on an initiative of UN-Habitat. They may also include people who have a strong interest in the initiative, even though they are not directly affected by it.

One way to characterize stakeholders is by their relationship to the initiative in question.

- ❖ *Primary stakeholders* are the people or groups that stand to be directly affected, either positively or negatively, by an initiative or the actions of UN-Habitat. In some cases, there are primary stakeholders on both sides of the equation: a regulation that benefits one group may have a negative effect on another.

- ❖ *Secondary stakeholders* are people or groups that are indirectly affected, either positively or negatively, by an initiative or the actions of UN-Habitat.
- ❖ *Key stakeholders*, who might belong to either or neither of the first two groups, are those who can have a positive or negative effect on an initiative, or who are important within or to UN-Habitat, or another institution engaged in the effort.

Stakeholders' interests can be many and varied. A few of the more common ones are:

- ❖ Social
- ❖ Economic
- ❖ Environmental
- ❖ Political

Stakeholder mapping is a method for identifying all those people or organizations that may have an important impact on UN-Habitat's results.

Stakeholder engagement involves influencing and managing the people or organizations that have an interest in UN-Habitat's initiatives. For this purpose, a stakeholder engagement strategy should be developed.

## 2. Developing Outcomes

**Outcomes (Expected accomplishments/EAs)** are changes that occur in part because of a programme or project *intervention*, i.e. its approach to realize the overall objective. Expected accomplishments are: (i) the direct consequence or effect of the generation of outputs and services; (ii) indicative of a positive change for the end-users/beneficiaries of the programme or project's outputs; and (iii) at a lower level than strategic results and should lead to the fulfillment of the strategic result (expected accomplishments occur before realizing the strategic result).

**Sub-Outcomes (Sub-expected accomplishments -Sub-EAs)** are utilized in UN-Habitat to help strengthen the relationship between EAs and outputs. Sub-EAs are a critical middle layer that helps determine if the right mix of outputs is in place.

EAs and sub-EAs are results. As described in Section 1.1, results are the consequences (outcomes, effects, expected accomplishments) for the beneficiaries of a development intervention or humanitarian assistance, deriving from the utilization of products and/or services provided to them.

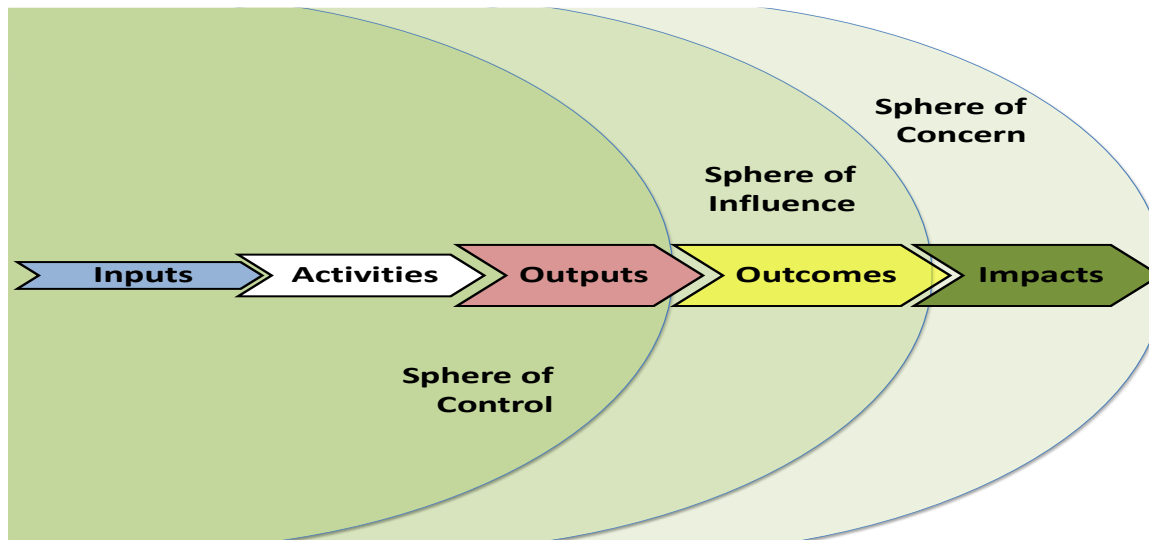
As defined in the introductory sections, results are a describable or measurable change that is derived from a cause-and-effect relationship. There are two types of such changes: (i) outcomes (EAs and Sub-EAs), and (iii) impact (strategic results and goals), which can be set in motion by a development intervention. The changes can be intended or unintended, positive and/or negative. It is expected that careful management for development results within programmes using RBM will lead to positive change. However, this is not always the case. Change can sometimes lead to unintended or negative consequences. It is therefore important to continually manage for results so that programmes and projects can truly result in positive change.

To distinguish results from each other, it can be helpful to reflect on the concept of "Spheres of Control, Influence and Concern". These spheres facilitate differentiation of results:

- ❖ over which UN-Habitat has power (Sphere of Control; deliverables or outputs);
- ❖ from those UN-Habitat can influence, but cannot control (Sphere of Influence; use-level outcomes);

- ❖ and those UN-Habitat is concerned about (Sphere of Concern; change in society or impact).

**Figure 14: Spheres of control, influence and concern**



### Using the theory of change to develop EAs and Sub-EAs

The Theory of Change (ToC) is essentially a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. It is focused in particular on mapping out or “filling in” what has been described as the “missing middle”, between what a programme, project or change initiative does (its activities or interventions), and how these lead to the desired goals being achieved. It does this by first identifying the desired strategic results and then working backwards from the results to identify all the preconditions (outcomes) that must be in place for the strategic results to occur (and how these are related to one another causally).

The ToC is therefore an excellent tool to use when identifying EAs and sub-EAs, with the two central questions being:

- ❖ What expected accomplishments (also called preconditions or outcomes in ToC) should be realized in order to achieve the strategic result or objective of each focus area?
- ❖ What sub-expected accomplishments should be realized in order to achieve the expected accomplishments?
- ❖ Which assumptions must hold true to move from the sub-EA to the EA on one hand, and from the EA to the strategic result on the other hand?

These are all mapped out in an outcomes or results framework.

The results framework then provides the basis for identifying what type of output, activity or intervention will lead to the EAs and sub-EAs identified as preconditions for achieving the strategic result. Through this approach the precise link between outputs and the achievement of the strategic result is better understood. This leads to better planning, in that outputs and activities are linked to a detailed understanding of how and why change actually happens. It also leads to better evaluation, as it is possible to measure progress towards the achievement of EAs and strategic results that goes beyond the identification of outputs.

The process of developing a ToC is led by the facilitator or an RBM specialist. Below are the steps to follow in developing a ToC:

**Step 1:** Clarify the purpose of the ToC process

A clear purpose for going through a ToC process gives you a sense of direction and helps to ensure that the participants start off on the same foot.

The purpose informs decisions about who should participate in the process, how to shape the process, and what levels (e.g. policy, programme, project) it needs to encompass, as well as what type of outputs or products you want to end up with and which questions need specific attention in each step.

Core questions:

- ❖ Why are we doing this? What do we want to be different for the Member States and the Agency as a result? Which specific benefits do we expect the process will bring us?
- ❖ What is this ToC process expected to produce?

**Step 2:** Describe the change

What you want to change, why and for whom are the core questions of any ToC process. The desired change represents the changes in people's lives and the conditions and relationships in society that we wish to see occurring and want to contribute to through UN-Habitat's actions during the four-year period of the strategic plan,

In UN-Habitat the departure point or the change we want to see will be the strategic results of each focus area, which have been already identified. However, the ToC could be taken as an opportunity to fine-tune the strategic results.

Core questions:

- ❖ What is the desired change? Why? And for whom?

**Step 3:** Analyze the current situation

Every change initiative takes place in a context that determines the conditions and opportunities for change. We need to understand the situation in order to make strategic choices that increase the chances of success. This step is about analysis of the existing situation and the issues we wish to change: the 'ecosystem' in which the desired change is to take place; and the social, political, economic, cultural, ecological and geographical factors that directly influence the issue, its causes or effects, and the desired change process? What are the roles and interests of stakeholders and other actors? Are there power and gender dynamics at play? What are the drivers of change and what are the opportunities?

In the case of UN-Habitat the report summarizing the outcome of the situation analysis should be an input to the ToC process and therefore made available to the facilitator and participants.

Core question:

- ❖ What is the current situation in relation to the issue(s) we wish to change?

#### **Step 4: Identify domains of change**

Once the existing situation has been explored and mapped, we need to identify the domains where important changes have to take place in order to achieve the overall desired change.

Identifying the domains of change helps to make the complexity more manageable, and to determine what matters for the desired change, and for the people who we hope will benefit from that change. It enables us to decide where best to intervene.

To make the desired change possible, changes usually need to happen simultaneously in many different domains and amongst different groups of stakeholders. For example, changes may be needed in formal institutions, as well as in the behaviour and relationships of actors involved in those institutions, —such as the legal system; changes in the behaviour and relationships that shape people’s participation in political processes; changes in the norms and values people have about housing; changes in the attitudes of service providers, etc. These changes are substantial, beyond the control of any single actor, and often need to happen in parallel in order to reach the desired change.

Core questions:

- ❖ For the desired change to happen, who and what needs to change? Where and in which way? Who needs to do what differently?

Figure 15: Example ToC diagram

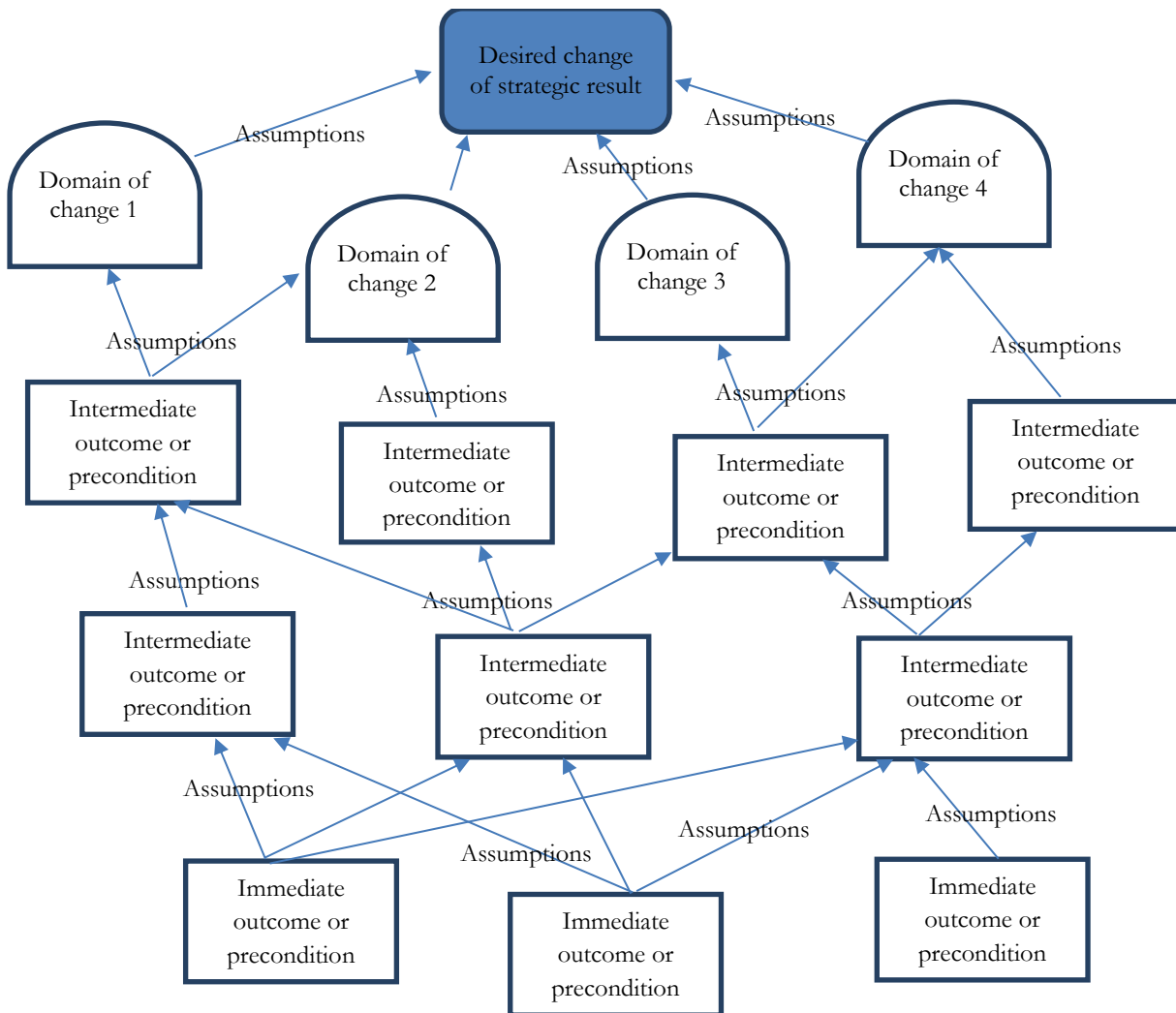
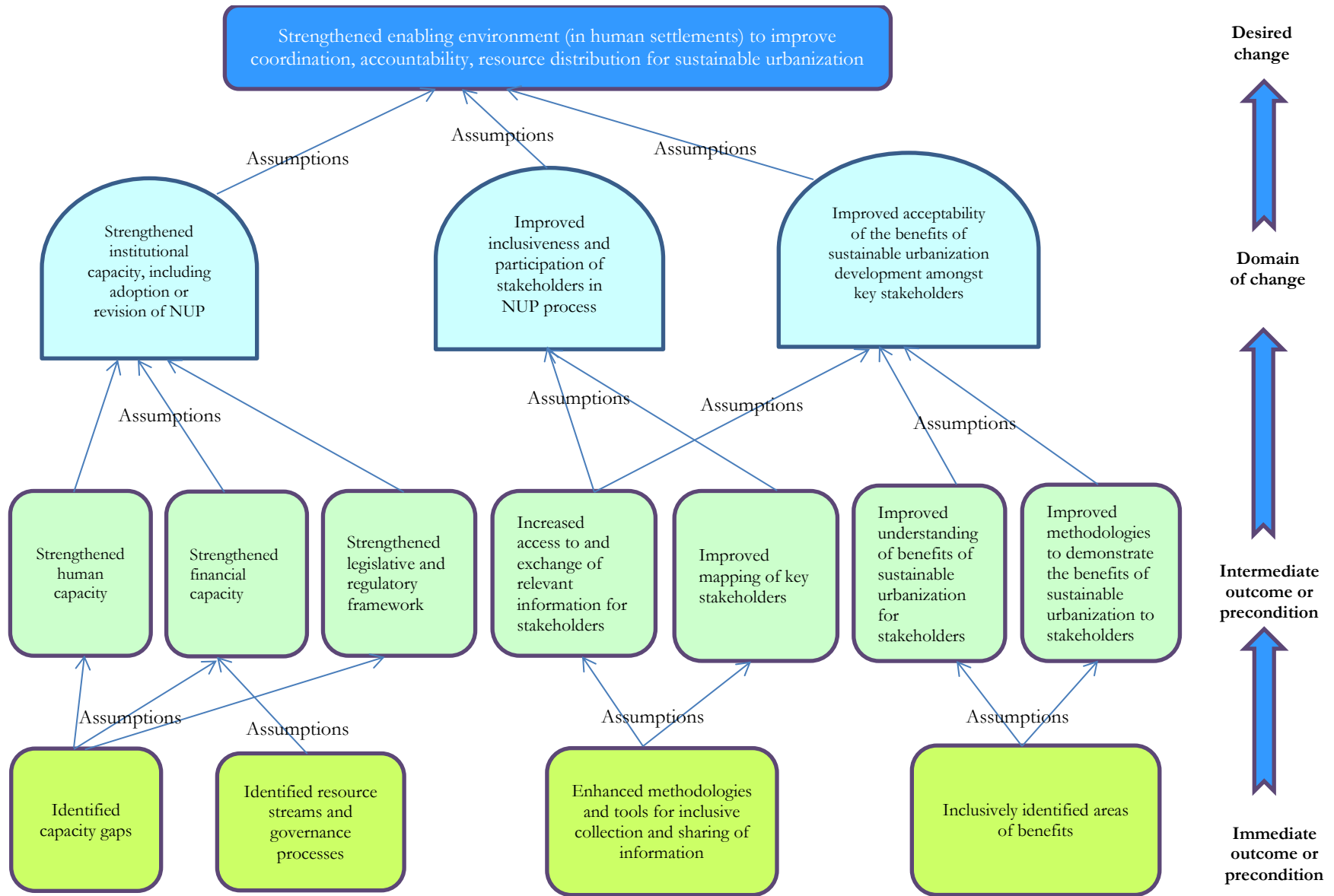




Figure 16: Example ToC diagram, using National Urban Policies



## **Step 5: Map change pathways**

Pathways of change are a projection of the envisaged change process into the future, based on what we know of the current situation and our views and beliefs about how change happens.

Mapping ‘pathways of change’ is done by working backwards from the long-term desired change, asking ourselves what needs to change for the desired change to occur.

At the same time, we are also unpacking and testing our thinking about how the change process may evolve from the current situation to the future.

Pathways of change, or causal pathways, can be pictured as a series of intermediate changes realised, often called ‘results chains’, or in the form of a less linear representation, such as a flow chart, web or system map. It is essential to indicate the interrelations between elements, as well as the feedback mechanisms and how the process is expected to evolve over time. In practice, this process will never be linear: think of backlashes and recurrent processes. This means that the pathways and underlying ToC need regular adaptation, in response to developments in the situation and new information.

Realistic assumptions are identified along the way. Assumptions are the variables or factors that need to be in place for results to be achieved. Assumptions can be internal or external to UN-Habitat.

Assumptions should be stated in positive language. The expectation from stakeholders is that if the outputs have been delivered and the assumptions in the programme document still hold true, then the outcome will be achieved.

At the end of this process, each focus area must have its own ToC.

Core questions:

- ❖ How do we think the change process may evolve? What needs to happen before the next positive step in the process can take place?

## **Step 6: Select EAs and sub-EAS for the results framework**

Because the rule of thumb is to have no more than three EAs per objective or strategic result and no more than three sub-EAs per EA, this step of the ToC is about prioritizing the EAs and sub-EAs that are not only relevant to the work of UN-Habitat, but also critical to achieving the strategic result.

A prioritization process based on step 5 is therefore carried out by considering UN-Habitat’s comparative advantages, to determine the specific areas in which to focus development assistance in the anticipated strategic plan. The prioritization must consider the mandates, technical capacities available (in-country, regional or global) and resources of the organization. The process also uses the outcome of the situation analysis.

The EAs and sub-EAs selected will then be part of the results framework.

EAs and sub-EAs are about change. It is important to use ‘change language’ rather than the customary ‘action language’.

The differences between change language and action language are:

Action language (i) expresses would-be results from the providers’ perspective – and usually starts with “by doing this or that”; (ii) can be interpreted in many ways because it is not specific or measurable (e.g., improve housing); and (iii) focuses only on the completion of activities (e.g., to establish 25 new youth-friendly centers).

On the other hand, change language: (i) describes changes in the conditions and/or quality of life of people; (ii) sets precise criteria for success; and (iii) focuses on results, and does not focus on the methods to achieve them (hence the need to avoid expressions such as “through this and that” or “by doing this and that”).

The following are some examples of results using change language:

- ❖ Improved capacity of partner cities to adopt strategies supportive of inclusive economic growth;
- ❖ Increased capacity of local and national governments and other Habitat Agenda partners to implement urban legislation in the urban extension, densification, urban planning and finance areas;
- ❖ Enhanced capacity of slum communities to partner with national and local authorities implementing policies or programmes on access to adequate housing and improved standard of living in slums;
- ❖ Improved capacity of national and local authorities and partners to formulate evidence-based policies or programmes.

### 3. Developing indicators

An indicator is a specific observable and measurable characteristic that is used to show changes or progress a programme or intervention is making towards achieving a specified outcome or result. It specifies exactly what is to be measured, but does not indicate the direction of change. There are various types of indicators: input and process indicators (these two constitute implementation indicators); and output, outcome and impact indicators (these three constitute performance indicators). Indicators can be qualitative or quantitative, and provide evidence to demonstrate the extent to which expected accomplishments have been achieved by the end of a programme or specific time period. It is important that stakeholders agree a priori on the indicators that will be used to measure the performance of an initiative.

Quantitative indicators are discrete statistical measures. Quantitative indicators measure specific change through hard numbers or percentages that are verifiable:

- ❖ Number of....
- ❖ Frequency of....
- ❖ Percentage of....
- ❖ Amount of....

Qualitative indicators are interpretative judgements. They are measures of an individual or group’s judgement and/or perception of the presence or absence of specific conditions. Qualitative indicators normally utilize surveys or opinion polls that ask respondents their opinions or views on a given aspect of change:

- ❖ Capacity of....
- ❖ Extent of....
- ❖ Degree of....
- ❖ Level of....

The criteria for a strong indicator are as follows:

- ❖ Validity: Does the indicator actually measure the EA?
- ❖ Reliability: Is the indicator a consistent measure over time?
- ❖ Sensitivity: When the EA changes will the indicator be sensitive to those changes?
- ❖ Simplicity: How easy will it be to collect the data?
- ❖ Utility: Will the information be useful for decision-making and learning?

- ❖ **Affordability:** Can UN-Habitat afford to collect the information? Choose indicators that provide the best possible measurement of the results achieved within the budget available. Look for a balance of rigor and realism
- ❖ **Meaningful and relevant:** They are significant and relate directly to the EAs. They are valid measures of progress toward the EAs they measure.
- ❖ **Credibility:** They are based on accurate and reliable data. They stand up to audit.

Good indicators are SMART indicators, with the following characteristics or criteria:

- ❖ **Specific** (to the process being measured)
- ❖ **Measurable** (either in quantitative or qualitative terms)
- ❖ **Achievable** (without overstressing local statistics capacity)
- ❖ **Realistic** (cost-effective)
- ❖ **Time-bound** (within a reasonable time period.)

**Tip for developing indicators:** Avoid combining **several results or variables** (changes in condition), or indicators into one statement. Specify statements about the quality, improvement, or implementation of a policy, legislation or service in verifiable terms.

**Table 4: Some example of indicators**

Quantitative indicators	Qualitative indicators
<ul style="list-style-type: none"> <li>❖ Number of government officials who have attended learning programmes addressing gender issues.</li> <li>❖ Number of information materials on gender issues targeted specifically at men.</li> <li>❖ Percentage of county governments that have established results-based strategies.</li> <li>❖ Number of jobs opportunities accessed by youth.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Extent to which men respond favourably to women’s participation in a community committee.</li> <li>❖ Level of satisfaction of the beneficiaries with the basic services offered.</li> <li>❖ Degree of trainee participation in developing results-based work plans.</li> <li>❖ Level of beneficiary satisfaction with learning opportunities available.</li> <li>❖ Quality of city plans developed by trainees</li> <li>❖ Evidence of inclusive planning by county governments</li> </ul>

Often qualitative indicators may be quantified. For example, we may quantify the number of people who are very satisfied, moderately satisfied or unsatisfied with the service provided. However, the level of satisfaction remains a qualitative indicator.

**4. Identifying risks**

Risk corresponds to a potential future event, fully or partially beyond control that may (negatively) affect the achievement of results. Since potential impacts can be both positive and negative, some agencies have chosen to widen the definition of risks to include both threats that might prevent them from achieving their objectives and opportunities that would enhance the likelihood that objectives can be achieved. Such a definition has the advantage that it enables a more balanced consideration of both opportunities and threats, thereby promoting innovation and avoiding risk aversion.

During the strategic planning process, risk assessment should consider a wide range of potential risks, including strategic, environmental, financial, operational, organizational, political and regulatory risks. Using a risk matrix, as in Figure 15 below, enables systematic identification and prioritization of identified risks. In the risk matrix, risks can be ranked according to their likelihood of happening (from improbable to frequent) and potential harmfulness (from unimportant to critical) if they were to occur. A risk mitigation strategy should also be defined for each risk to minimize the potential impact of risks on the achievement of results. Programmes and projects are expected to manage the risks related to their activities. The following are a range of risk mitigation strategies that may be considered:

- ❖ Prevention: prevent the risk from materializing or prevent it from having an impact on strategic results or EAs;
- ❖ Reduction: reduce the likelihood of the risk developing or limiting its impact if it materializes;
- ❖ Transference: pass the impact of the risk to a third party;
- ❖ Contingency plan: prepare actions to implement should the risk occur;
- ❖ Acceptance: based on a cost/benefit analysis, accept the possibility that the risk may occur and go ahead without further measures to address the risk.

During implementation, it is good practice to incorporate the planned responses to risks into the regular work plan of the programme or project, assigning staff members to be responsible for the actions and resources required.

The risk assessment should be repeated during the formulation of work programmes and budgets, programmes and projects and should be guided by the Enterprise Risk Management Strategy.

**Figure 17: Risk levels along the Results Chain**

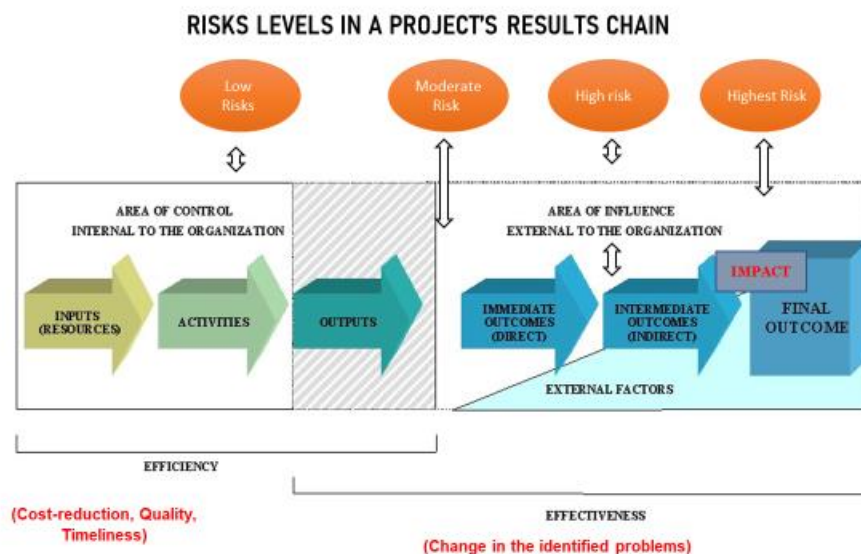
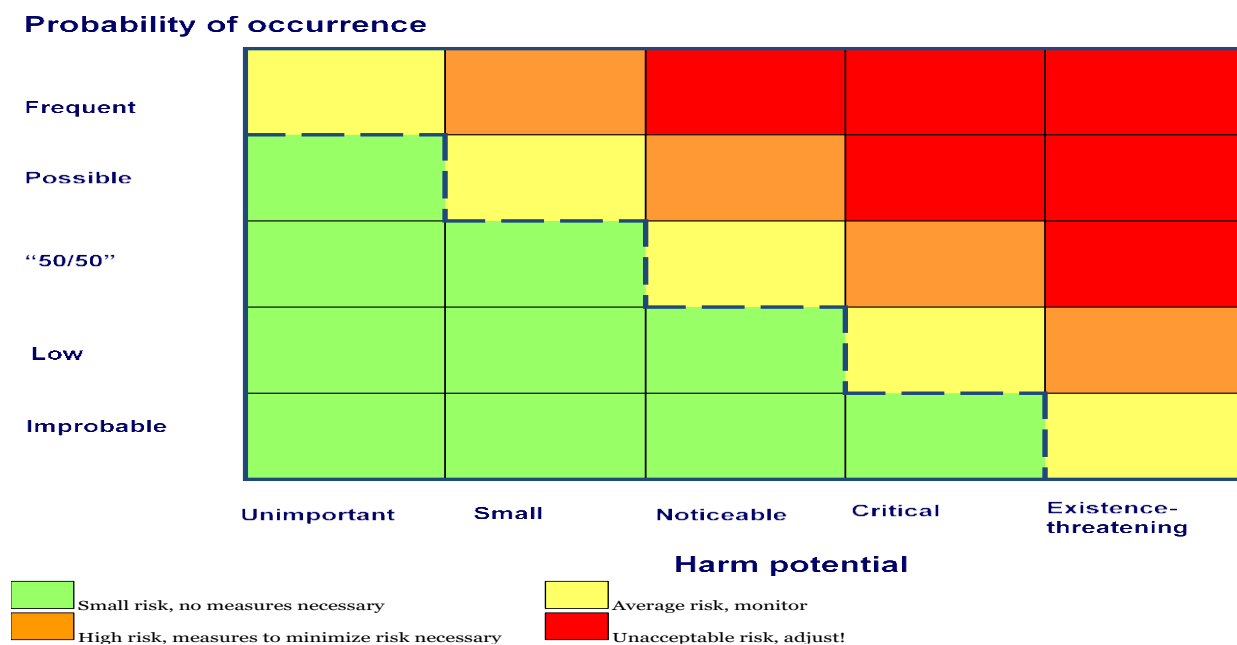


Figure 18: Programme risk matrix



### (b) The performance measurement plan

The performance measurement plan (PMP) is a framework that operationalizes all the indicators constructed as part of the strategic planning process, by providing the basis to effectively use indicators to track progress and trends for the work to be undertaken during the six year period, and for the seven focus areas.

In this respect, for each indicator the PMP:

- ❖ Clearly states the constituent elements and what is to be measured, i.e. operationalizes the indicators;
- ❖ Establishes the units of measurement (e.g. number of countries, local authorities, cities etc.);
- ❖ Establishes what each UN-Habitat branch/regional office/unit is and will be doing for each of the indicators, in each of the countries, cities, etc., and with which partners; if work has been started, provide evidence/documentation to support reported progress /status of the indicators;
- ❖ Determines all baselines for indicators of the strategic results and expected accomplishments for the seven focus areas, as well as for the Executive Direction, the management and the Programme Division;
- ❖ Establishes annual targets for each of the above indicators for the four-year period;
- ❖ Reviews coordination and collaboration among the various organizational units in UN-Habitat, towards indicator targets, expected accomplishments and strategic results; and
- ❖ Gives clear recommendations and suggests methodologies, processes and tools for more efficient and cost-effective ways for tracking performance on indicators and expected accomplishments in future reports, taking into account the organizational context, and informed by best practices in other organizations.

To succeed, senior managers have to know how well UN-Habitat is doing. Therefore, this part of the strategic planning process, after the development of results frameworks, deals with measuring results. The most comprehensive, elegant, and technically perfect plan is of no worth unless it works.

What gets measured gets done. Most people want to do a good job. Performance measurement helps managers and staff focus on what is important. By comparing actual results with expected results, managers and policy makers are able to evaluate progress toward goals and objectives. Performance measurement also brings greater clarity to budget processes and provides donors with a more meaningful sense of the results being obtained with their resources.

The PMP follows the structure of the results framework and adds for each indicator:

- ❖ Unit/division/department responsible for collecting data on the indicator
- ❖ Measurement unit
- ❖ Data collection method
- ❖ Frequency
- ❖ Source of data
- ❖ Baseline data
- ❖ Target data
- ❖ Milestones

### What is Responsibility?

Responsibility looks at who is responsible for collecting and/or validating the data.

#### Box 8: Some examples of actors responsible for data collection/validation:

- ❖ Beneficiaries
- ❖ Local professionals
- ❖ Partner organizations
- ❖ Consultants
- ❖ External monitoring and evaluation specialists
- ❖ UN-Habitat staff

### What is a measurement unit?

A measurement unit is a quantity used as a standard of measurement so that any other value of the physical quantity can be expressed as a simple multiple of the measurement unit.

### What is a data collection method?

Data collection methods represent HOW data about indicators is collected. Choosing a data collection method depends on the type of indicator and the purpose of the information being gathered. It also depends on how often this information will be gathered.

#### Box 9: Selecting appropriate Data Collection Methods

- ❖ Determine which data collection methods best suit the indicators in question and give the best evidence for the desired change.
- ❖ Use multiple lines of evidence (observation, interviews, and reports). The combined data from these sources will produce stronger evidence that can be corroborated.
- ❖ Consider the practicality and costs of each method.
- ❖ Weigh the pros and cons of each data collection method (accuracy, difficulty, reliability, time).

#### Some Examples of Data Collection Methods:

- ❖ Observation
- ❖ Analysis (of records or documents)
- ❖ Literature review
- ❖ Survey
- ❖ Interview
- ❖ Focus group
- ❖ Comparative study
- ❖ Collection of anecdotal evidence
- ❖ Questionnaire
- ❖ Pre and post-intervention survey

The identification of data collection methods and data sources can help with the selection and validation of realistic indicators. Data sources and collection methods should be established in collaboration with partners, stakeholders and evaluation specialists.

### **What is Frequency?**

Frequency looks at the timing of data collection; how often will information about each indicator be collected and/or validated? Will information about a performance indicator be collected regularly (quarterly or annually) as part of ongoing performance management and reporting, or periodically, for baseline, midterm or final evaluations? It is important to note that data on some indicators will need to be collected early in the initiative to establish a baseline.

### **What is a data source?**

Data sources refer to the individual, organizations or documents that will provide the information you need. Performance data on some indicators can be found in existing sources, such as land registries, appointment logs, and tracking sheets; or in the reports and studies carried out annually by actors, tracked by governments and partner organizations, and reported in annual reports to donors. Finally, UN-Habitat staff and partners may need to identify their own sources of data to track performance against expected results.

The source of the performance data is very important to the credibility of the reported results. Try to incorporate data from a variety of sources to validate findings.

### **Box 10: Some Examples of Data Sources**

- ❖ Beneficiaries (individuals, groups, communities etc.)
- ❖ Partner organizations (local and international)
- ❖ Government documents or officers
- ❖ Government Statistical reports
- ❖ Human Development Reports
- ❖ Things that you can observe (field sites, etc.)

### **What is baseline data?**

Baseline data is the set of conditions existing at the outset of a programme or investment; quantitative and qualitative data collected to establish a profile. Each performance indicator must have an initial baseline figure, or the point in time preferably before the commencement of the initiative, programme or project that is designed to achieve a given result. Without a baseline it will be impossible to measure change that results from the interventions or activities that are undertaken to achieve the concerned result. Baseline data is collected at



one point in time and is used as a point of reference against which results will be measured or assessed. A baseline is needed for each indicator that will be used to measure results during the investment.

Without a baseline, it will not be possible to detect change resulting from the interventions (e.g. “70 % of households with access to clean water” is not a meaningful result if the current status is not known – it might already be at 75 %!).

### What are targets?

A target specifies a particular value for a performance indicator, to be accomplished by a specific date in the future; it is what the development intervention would like to achieve within a certain period of time, in relation to one of its expected results. Targets are normally expressed as either a percentage or a number.

### Box 11: Developing Strong Targets

- ❖ Targets must be realistic and reviewed regularly.
- ❖ Beneficiaries and stakeholders should be involved in establishing targets.
- ❖ Timelines for targets can vary from short to long-term (i.e., monthly, midway and project-end).
- ❖ A strong target consists of a clear statement of desired performance against an expected outcome, and is developed using an established baseline.

#### Example:

**Indicator:** Percentage of households in region Y living within X distance of a well.

**Baseline:** At the moment, 5% of households in region Y live within X distance of a well.

**Target:** For the first year of the Basic Services Initiative for region Y of country Z, the target is to have 25% of household living within X distance of a well. The target for the end of the initiative is to have 65% of households living within X distance of a well. This target is realistic because it takes into account the low percentage established during the baseline study and the fact that some communities in region Y are very remote and potentially difficult to work in.

### What is a milestone?

Milestones are key stages, scheduled events or benchmarks on the results continuum that enable to formulate progress achieved towards planned results in concrete terms.

**Table 5: Example of a Results Framework – UN-Habitat Results Framework 2014 – 2019**

<b>Goal</b>	Environmentally, economically, and socially sustainable, gender sensitive and inclusive urban development policies implemented by national, regional and local authorities have improved the standard of living of the urban poor and enhanced their participation in the social economic life of the city.						
<b>Indicators</b>	<ul style="list-style-type: none"> <li>➤ Percentage of people living in slums, disaggregated by gender</li> <li>➤ Percentage of urban population with access to adequate housing</li> <li>➤ Percentage of people residing in urban areas with access to safe drinking water, adequate sanitation and regular waste collection services, clean domestic energy and public transport, disaggregated by gender</li> <li>➤ Number of city, regional and national authorities that have implemented urban policies supportive of local economic development and creation of decent jobs and livelihoods</li> <li>➤ Number of city and regional authorities that have implemented sustainable urban plans and designs that are inclusive and respond to urban population growth adequately</li> </ul>						
<b>Strategic Result/ Focus Area</b>	FA 1: City, regional and national authorities have adopted enabling legislation and established systems for improved access to land, effective decentralised governance and urban safety that foster sustainable urban development	FA 2: City, regional and national authorities have adopted improved policies, plans and designs for more compact, socially inclusive, better integrated and connected cities that foster sustainable urban development and are resilient to climate change	FA 3: City, regional and national authorities have adopted or implemented improved urban policies and strategies that are supportive of economic development, with particular focus on young men and women and enhanced urban and municipal finance	FA 4: City, regional and national authorities have implemented policies to increase equitable access to urban basic services and improve the standard of living of the urban poor	FA 5: Local, national and regional authorities have implemented policies for sustainable and inclusive housing, slum upgrading and prevention	FA 6: Cities have increased their resilience to the impacts of natural and human-made crises and have undertaken rehabilitation in ways that advance sustainable urban development	FA 7: Key actors at local, national and global levels acquire increased knowledge on sustainable urbanization issues and enhanced capacity for monitoring urban conditions, as well as for formulation and implementation of evidence-based policies and programmes

**Table 6: Example of a Results Framework – Urban Legislation, Land and Governance**

<b>Strategic Result</b>	City, regional and national authorities have adopted enabling legislation and established systems for improved access to land, effective decentralised governance and urban safety that foster sustainable urban development.		
<b>Indicator</b>	<p>Number of partner cities, regional and national authorities that have adopted legislation for improved urban governance</p> <p>Number of partner cities, regions and countries that have improved tenure security</p> <p>Number of partner cities, regional and national authorities implementing the Guidelines on Decentralization and the Strengthening of Local Authorities, the Guidelines on Access to Basic Services and all the Guidelines for the Prevention of Crime.</p>		
<b>Expected Accomplishment</b>	Increased capacity of local and national governments and other Habitat Agenda partners to implement enabling legislation to improve urban extension, densification, urban planning and urban finance	Increased capacity of local and national governments and other Habitat Agenda partners to implement programmes that improve security of tenure for vulnerable groups, including women, youth, indigenous people and minorities	Local and national governments and other Habitat Agenda partners develop improved policies, plans and strategies that strengthen decentralised governance, inclusive urban management and safety
<b>Indicators</b>	(i). Number of consultative legal reform processes to improve urban extension, densification, urban planning and finance	(i). Number of programmes implemented by partner local and national governments and other Habitat Agenda partners to improve security of tenure for vulnerable groups, including women, youth, indigenous people and minorities	<p>(i). Number of partner cities, regional and national authorities that have adopted the guidelines on decentralization and access to basic services for all</p> <p>(ii). Number of partner city, regional and national authorities that have adopted local crime prevention strategies</p>

### **Structure of the strategic plan**

At the end of the strategic planning process, the planning team produces a report, which comprises at least the following sections:

#### **I. Strategic analysis**

- ❖ Mandate of UN-Habitat
- ❖ Urban trends, challenges and opportunities
- ❖ Lessons learned from previous strategic plan
- ❖ SWOT analysis

#### **II. Strategic choice**

- ❖ Vision
- ❖ Mission
- ❖ Goal
- ❖ Theory of change
- ❖ Strategic result
- ❖ Priority areas
- ❖ Focus areas, their strategic result and scope
- ❖ Results framework: focus area results and indicators of achievements
- ❖ Strategies

#### **III. Implementation of the Strategic plan**

- ❖ Implementation through the WP&B
- ❖ Risk management
- ❖ Organizational structure
- ❖ Monitoring and reporting
- ❖ Evaluation
- ❖ Financial and human resources

#### **IV. Annexes**

- ❖ Performance measurement plan
- ❖ Resource mobilization strategy
- ❖ Communication strategy

Member States, through the UN-Habitat's Committee of Permanent Representatives, are consulted at each stage of the formulation of the strategic plan.

Once the strategic plan is finalized, it is submitted to the Governing Council for its review and approval. The approved document becomes the guiding programme policy of UN-Habitat for the next six years.

### 2.2.3 The Work Programme

The Annual work programme and budget is an implementation document that operationalizes the organizational strategic plan by translating the plan into concrete deliverables or outputs and resources (both post and non-post resources) with a view to achieving the expected accomplishments. The instructions for its preparation are provided to all entities of the UN Secretariat by the UN Controller's office, in particular the Programme Planning and Budget Division.

Figure 19: Preparation of the work programme and budget

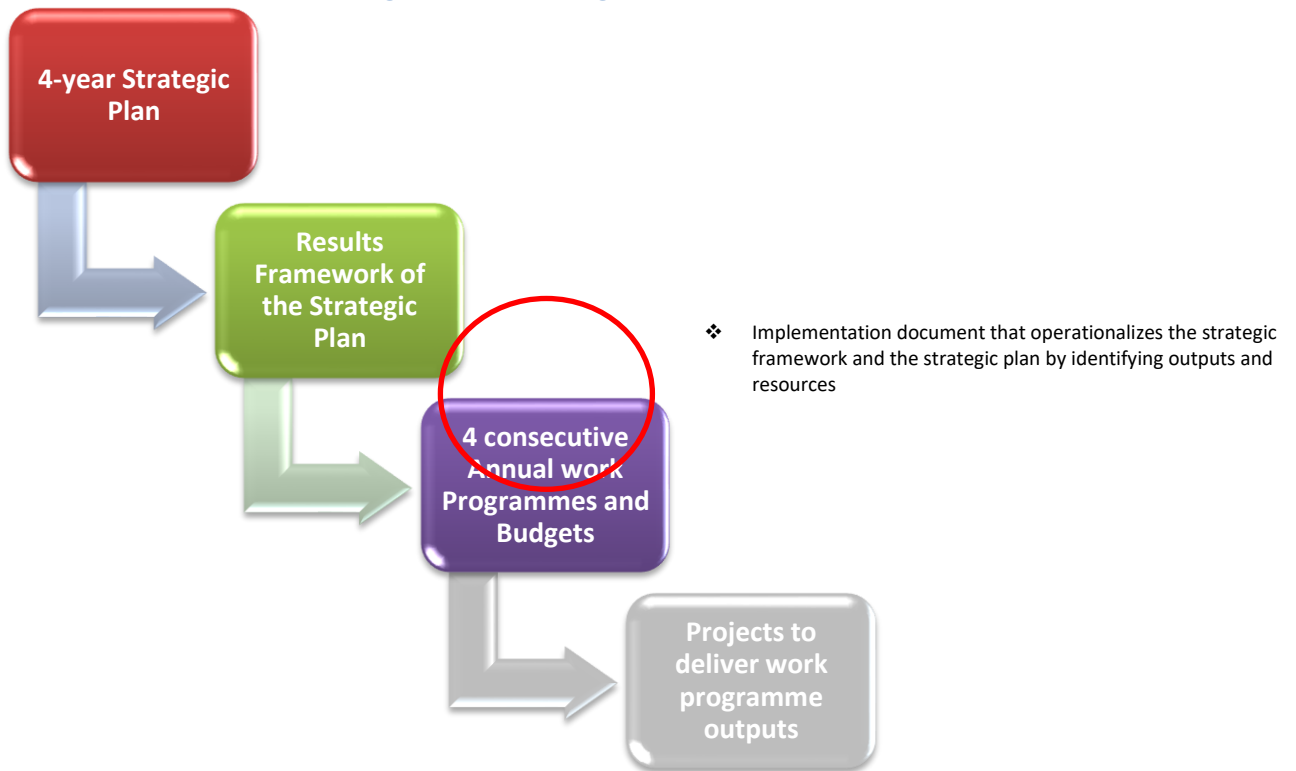
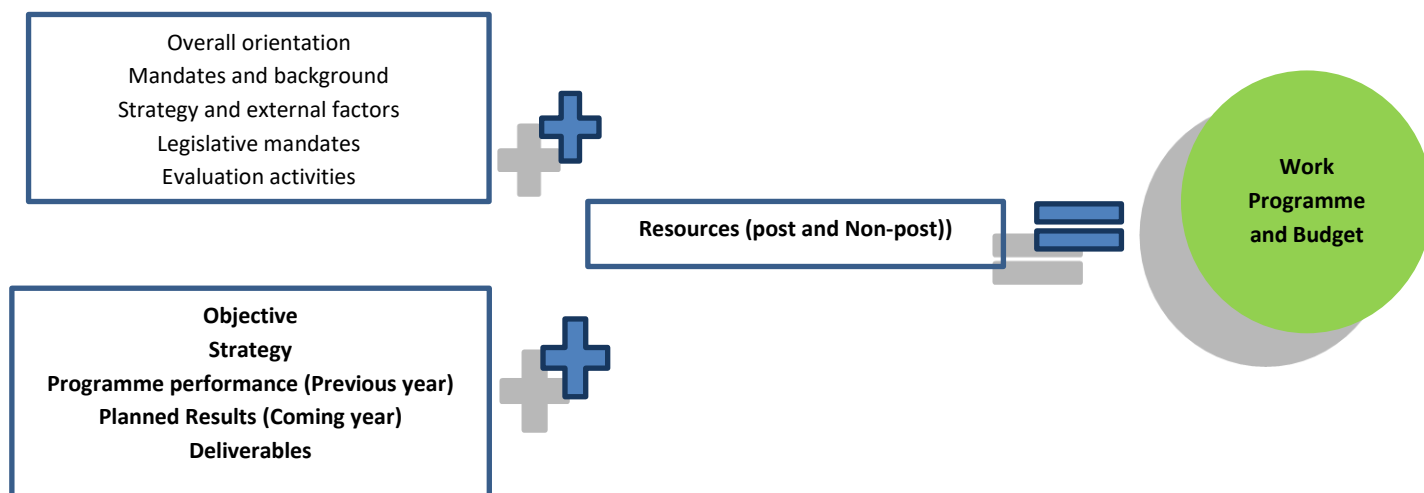


Figure 20: Components of the work programme and budget



In preparing the work programme and budget, one of the first tasks is to complete the logframes by ensuring that each indicator is accompanied by related performance measures or baseline and target data (see definitions of baselines and targets on page 55). This will enable a performance assessment at a later stage, by comparing the actual value of the indicator against a known past measure or comparator (i.e., baseline) and a planned goal (i.e., target).

In addition to identifying adequate resources, one of the most critical aspects of the preparation of the work programme and budget is to come up with the “right” outputs in terms of number, time frame and adequacy to achieve the expected accomplishments and respond to the needs of beneficiary groups and communities. The outputs (development or humanitarian interventions) must be sufficient to achieve planned results or EAs.

In other words, outputs should contribute to the attainment of outcomes (expected accomplishments), so that the sum of planned outputs constitutes the optimal combination of services and products for achieving these expected accomplishments.

For example, to achieve EA1 (included in the logframe on page 64) “Increased and secure access to land and adequate and affordable housing”, would a single workshop be sufficient to achieve the EA in a particular country? This would probably be extremely difficult.

Therefore, three questions that need to be asked to guide the identification of outputs in terms of adequacy or sufficiency:

- (i) What combination of outputs (e.g. advisory services, training, guidelines) would be enough to achieve the EA?
- (ii) How many of these outputs should be delivered?
- (iii) Where should they be delivered (countries/cities)?

In general, only final outputs should be listed. That is, the output of a particular office could be a report but not the research and analysis required for delivering that report, unless the office in question does not have final responsibility for finalizing or issuing the report.

Where an output is jointly produced by two or more subprogrammes within a programme, a choice must be made as to which subprogramme will reflect the output.

Outputs within each subprogramme in UN-Habitat are organized under the following categories:

I. Facilitation of the intergovernmental process and expert bodies

- a) Substantive servicing of meetings
- b) Parliamentary documentation

II. Generation and transfer of knowledge

- a) Technical cooperation projects
- b) Seminars, workshops, fellowships and training events
- c) Publications
- d) Technical materials

Non-Quantifiable deliverables

III. Substantive deliverables

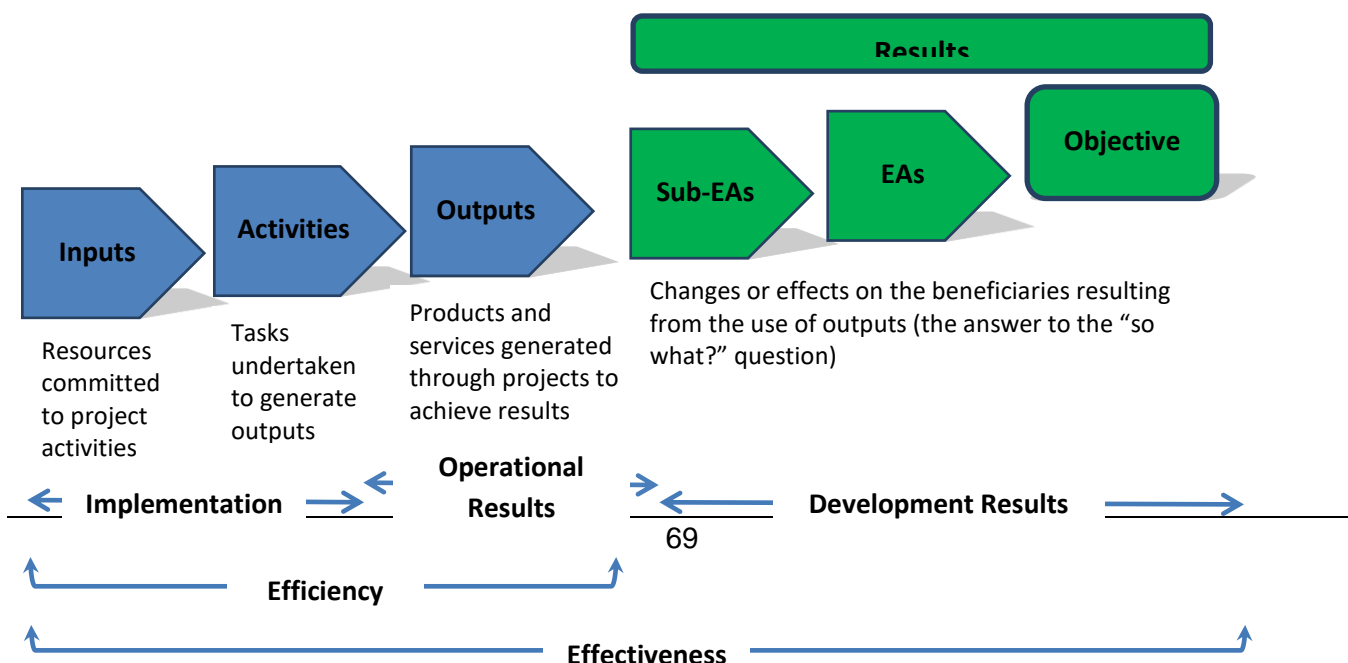
- a) Consultation, advise and advocacy
- b) Databases and substantive digital materials

IV. Communication deliverables

- a) Outreach programmes, special events and information materials
- b) External and media relations
- c) Digital platforms and multimedia content

Results-chains are used to identify outputs under each of the categories of outputs above. The development of results-chains starts with the identification of the objective or higher result. The EAs are then identified, followed by the sub-EAs. The most sufficient (quantity) and adequate (quality and appropriateness) outputs to achieve the sub-EAs and EAs are ultimately identified. Results-chains as planning tools are developed from right to left.

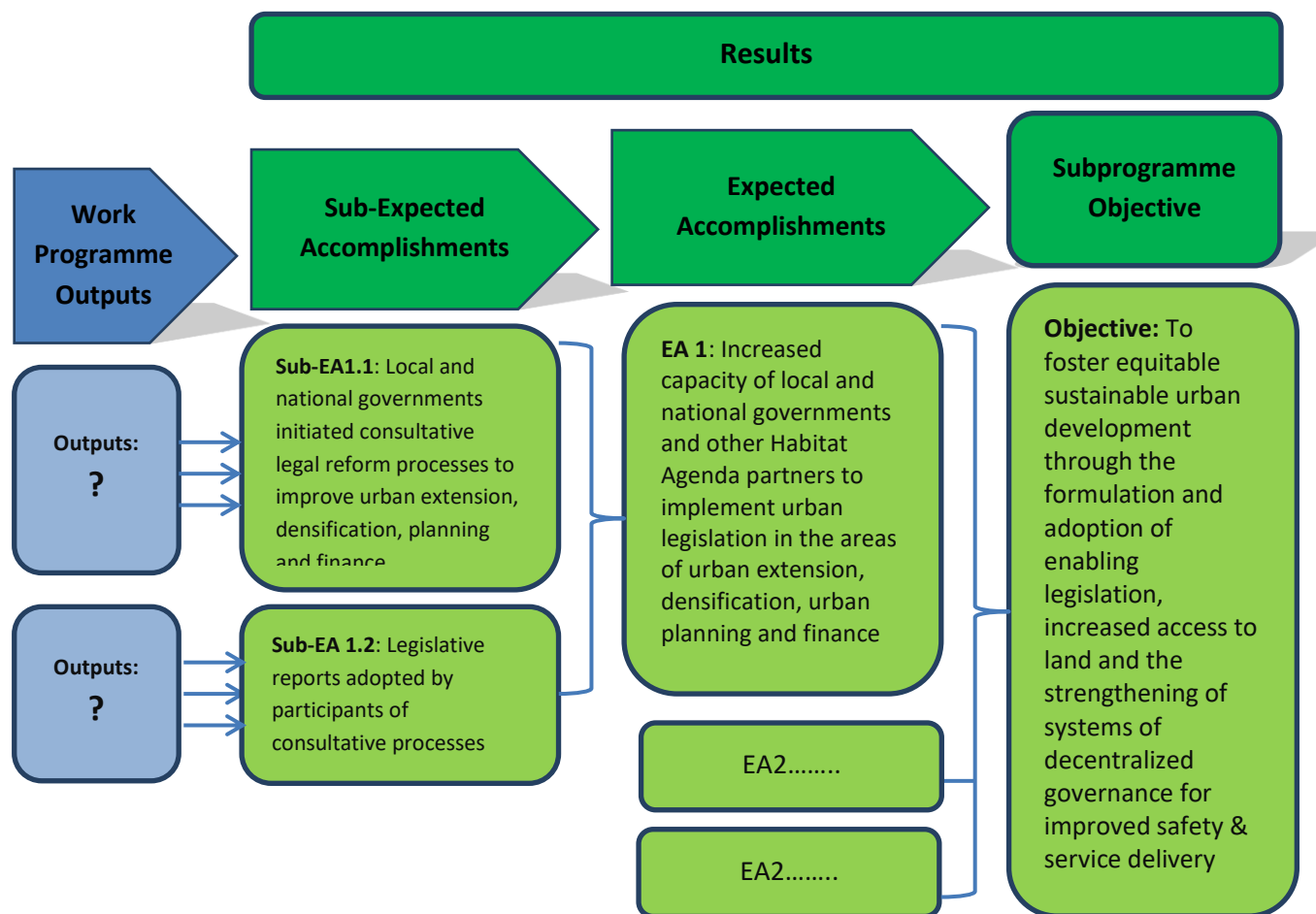
Figure 21: General example of a results-chain



Rigorous consultation and brainstorming processes must take place within teams in charge of the preparation of the WP&B in order to identify the “right” outputs, services and products that UN-Habitat needs to generate to achieve the desired change. Indeed, the identification of outputs should not be viewed as a business as usual, linear exercise undertaken by one person in her/his office. It should not be viewed as merely copying and pasting outputs from the previous biennium. It should rather be conducted as a team exercise involving a critical questioning process about the rationale of current and past outputs; using available evaluations and assessments; and coming up with relevant, adequate and “transformational” outputs, able to make a difference in beneficiary communities and achieve lasting results. Achieving results starts with planning for results.

In addition, all activities planned and implemented in UN-Habitat, whether at Branch level or Regional Office level, must contribute to the delivery of the WP&B. There is only one WP&B for UN-Habitat per biennium. Operating outside of that WP&B could put the organization at risk (confusion, unclear mandates, unclear focus and direction).

Figure 22: Example of a results-chain using subprogramme1



The preparation of the WP&B is a very important step in the process of Delivering As One UN-Habitat. Indeed, Delivering as One UN-Habitat starts with:



- (i) Planning together in planning weeks/retreats
- (ii) Agreeing on the outputs needed to achieve results
- (iii) Identifying possible hindering factors and coming up with mitigation measures
- (iv) Exploring potential partnerships
- (v) Factoring in cross-cutting issues

In addition to RBM, a related approach used by the UN-Secretariat in formulating budgets is results-based budgeting (RBB).

As a literal reading of the term suggests, RBB is about formulating programmes and budgets that are driven by a number of desired results, which are articulated at the outset of the budgetary process. It involves calculating and proposing resource requirements on the basis of pre-determined results, rather than merely on the basis of scheduled outputs or activities. RBB requires managers to identify objectives and results that involve certain changes or benefits to end-users, and subsequently measure the extent to which these changes or benefits have actually been brought about. Or to give the precise definition of RBB as it has been proposed by the Secretary-General: results-based budgeting is a programme budget process in which (a) programme formulation revolves around a set of pre-defined objectives and expected results, (b) resource requirements are derived from and linked to such expected results, and (c) actual performance in achieving results is measured by objective performance indicators<sup>17</sup>.

RBB therefore places more demanding standards on programme design and planning, and as such it is a component of RBM. RBM goes beyond RBB by (i) using Theory of Change to guide the implementation of programmes and projects; and (ii) having performance management (i.e., monitoring and evaluation) as a major pillar of the approach. In other words, RBM does not stop with a budget or plan that is results-oriented. RBM ensures that the implementation phase is guided by the need to achieve planned results, and that performance is systematically assessed for decision-making, accountability and lessons-learning purposes.

By following a rigorous Results-Based Management approach, UN-Habitat ensures that the RBB methodology proposed by the United Nations Secretariat is also taken care of.

### **Steps and responsibilities for preparing the annual work programme and budget**

**Step 1:** The preparation of the work programme and budget starts with the issuance of a memo by the Office of the Executive Director (i) announcing the commencement of the preparation process; (ii) clarifying roles and responsibilities; (iii) comprising internal guidelines; and (iii) forwarding instructions (i.e. Support Guide) received from the Programme Planning and Budget Division.

**Step 2:** The Strategic Planning Unit leads the whole process by engaging with Branches and Regional Offices, ensuring that guidelines are followed and contributions are submitted on time. In engaging with various offices, the Unit uses RBM methodologies and tools (e.g., result-chains, theories of change, etc.) in view of supporting the identification of transformational outputs.

**Step 4:** The Strategic Planning Unit in liaison with the programme Development Branch puts the draft annual work programme together, which will later on be complemented with resources (the incorporation of resources is coordinated by the Finance and Budget Unit of the Management, Advisory & Compliance Division). It re-engages with Branches and Regional Offices to ensure that the draft annual work programme and budget is of the best possible quality, and in particular that the relationship between agreed outputs and expected accomplishments is as robust as possible.

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<sup>17</sup> A/53/500 of 15 October 1998 - Office of Programme Planning Budget and Account

**Step 5:** The Strategic Planning Unit in liaison with Management, Advisory & Compliance Division submits the draft annual work programme to the Senior Management Board for review and clearance.

**Step 6:** The Management, Advisory & Compliance Division organizes consultations with the UN-Habitat Executive Board on the draft annual work programme; the consultations are attended by the all the Branches under the coordination of the Office of the Executive Director.

**Step 7:** Following consultations with the UN-Habitat Executive Board, the draft annual work programme is submitted to the Committee of programme and Coordination while the resources are submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), whose recommendations and report on extra-budgetary resources are submitted to the UN-Habitat Executive Board and the Committee of Permanent Representatives Governing Council to support its deliberations.

**Step 8:** The Management and Operations Division also submits the draft annual work programme and budget to the Programme Planning and Budget Division, which coordinates the review of regular budget resources by the Advisory Committee on Administrative and Budgetary Questions.

**Step 9:** The Executive Director presents and defends the draft annual work programme and budget before the CPC and the ACABQ.

**Step 10:** CPC and the ACABQ provides their report to the UN-Habitat Executive Board.

**Step 11:** The UN-Habitat Executive Board approves the proposed annual work programme and budget before final approval by the General Assembly.

#### **Box 12: Role of the Management and Operations Division (Quality Assurance Unit & Finance and Budget Unit) in preparing the biennial work programme and budget**

- ❖ Leads the preparation process and establishes task teams if need be
- ❖ Involves the Programme Division and the Evaluation Unit whenever appropriate
- ❖ Organizes planning working sessions/meetings/retreats
- ❖ Coordinates inputs on resources
- ❖ Submits the WP&B to intergovernmental bodies and to the PPBD
- ❖ Ensures that deadlines are fully respected
- ❖ Backstops Senior Management during the presentation and defence of the WP&B before the CPR, PPBD and ACABQ

#### **Box 13: Role of branches in preparing the biennial work programme and budget**

In their role as subprogramme coordinators, the branches:

- ❖ Ensure the full involvement of Regional Offices, (taking into account that subprogrammes are jointly implemented by branches and regional offices) and ensure that regional priorities and particularities are fully reflected in the subprogrammes
- ❖ Fully own the process of preparing the WP&B
- ❖ Ensure that identified outputs are sufficient and adequate to achieve the EAs
- ❖ Are realistic and consider available resources
- ❖ Ensure that the process of preparing the WP&B is inclusive and iterative

## 2.2.4 The annual work plan, roles and responsibilities

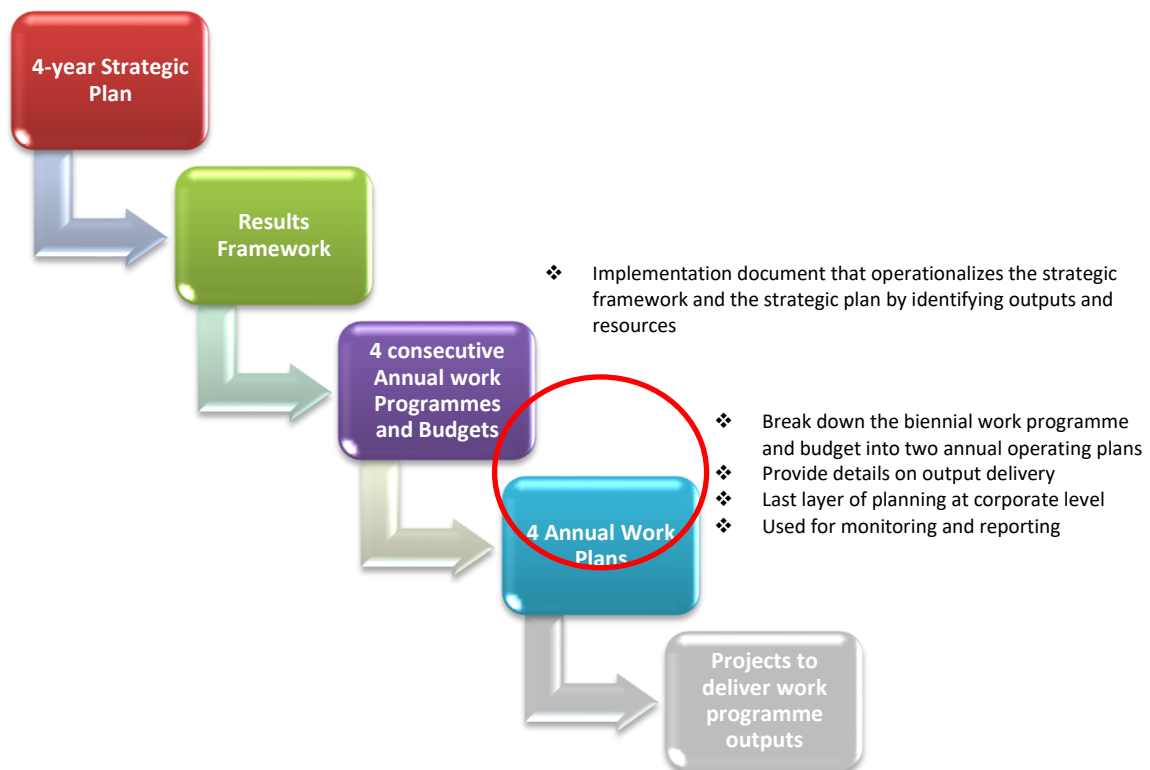
The annual work plan (AWP) is an internal document used to track and monitor progress in implementing the annual work programme and budget. It is not subjected to the approval of intergovernmental bodies. The AWP is a very important tool for UN-Habitat as it also supports the resource mobilization strategy.

The annual work plan provides detailed output delivery planning and sets out what will be accomplished during each year of the biennium, and by each of each of the branches and regional offices.

It breaks down the annual work programme and budget into two distinct annual plans, which helps to strengthen UN-Habitat's implementation arrangements, plan resources, support monitoring and reporting, and have better control of activities. The AWP is UN-habitat operating plan and constitute the last layer of planning at programme of corporate level.

From the UN-Habitat annual work plan, individual offices (e.g. branches, regional offices, etc.) can extract their own annual work plan, which can also be translated into staff work plans.

**Figure 23: Preparation of the annual workplan**



The preparation of the AWP follows the approval of the work programme and budget. Outputs must be delivered within the biennium. The AWP contains:

- (i) The expected accomplishments and indicators of achievements (taken from the WP&B);
- (ii) Sub-expected accomplishments (taken from results framework of the four-year strategic plan or from inputs to the preparation of WP&B);
- (iii) Approved work programme outputs (taken from the WP&B);
- (iv) Number of planned outputs for the whole biennium (taken from the WP&B);

- (v) Number of planned outputs for the year being considered (to be provided by responsible offices and officers);
- (vi) Beneficiaries (to be provided by responsible offices and officers);
- (vii) Location where the output will be delivered (to be provided by responsible offices and officers);
- (viii) Responsible office and officer (taken from inputs to the preparation of WP&B, and to be reviewed and confirmed by responsible offices and officers);
- (ix) Internal and external partners, if any (to be provided by responsible offices and officers);
- (x) Priority level (taken from the WP&B; each output is assigned a priority level ranging from 1 to 3 during the preparation of the WP&B);
- (xi) Funding needed to deliver the output (to be provided by responsible offices and officers); and
- (xii) Percentage of funding available (to be provided by responsible offices and officers).

Where possible, details on the projects or programmes through which various outputs are to be delivered should be provided.

The Strategic Planning Unit and the Programme Development Branch coordinate the preparation of the AWP based on inputs from Branches and Regional Offices.

### **Steps and responsibilities in preparing the annual work plan**

**Step 1:** SPU prepares a template (see template in annex 4) that includes the elements above; it fills out the template using data from the annual work programme and budget.

**Step 2:** SPU sends the templates to all offices with instructions on how to fill it out and complete the required information.

**Step 3:** Offices return the duly filled out templates to the SPU by the deadline.

**Step 4:** SPU engages offices to obtain additional data, as applicable.

**Step 5:** SPU finalizes and issues the AWP, which is then used (i) to extract each office's own annual work plans; (ii) to extract staff work plans; and (iii) for monitoring and reporting.

## 2.3 Project level planning

### 2.3.1 RBM in Project Planning

This section of the guide responds to a staff need for better understanding of how projects are linked to the delivery of UN-Habitat’s programme and subprogramme level strategic results. It links projects to work programme and strategic planning. It is also designed to provide staff with the information they need in order to start to apply Results-Based Management principles to project planning, monitoring and reporting.

After reading this section of the guide, staff should be able to:

- (i) closely align project results to work programme outputs and strategic results
- (ii) be able to confidently apply the RBM approach throughout the project management cycle
- (iii) have a common understanding of and commitment to RBM

#### What is the link between project objectives and strategic results?

Projects are the vehicles through which UN-Habitat delivers its work programme outputs and ultimately its strategic results, as contained in the four-year strategic plan and in the annual work programme and budget. Projects are the vehicles that create high-level agency results. Results from projects aggregate and contribute to the delivery of higher level results (work programme outputs, EAs and strategic results). For instance, if projects are not implemented as planned to deliver work programme outputs, then UN-Habitat will be unable to deliver the global social and economic benefits outlined in the Strategic Plan.

Figure 24: Link between project objectives and strategic results

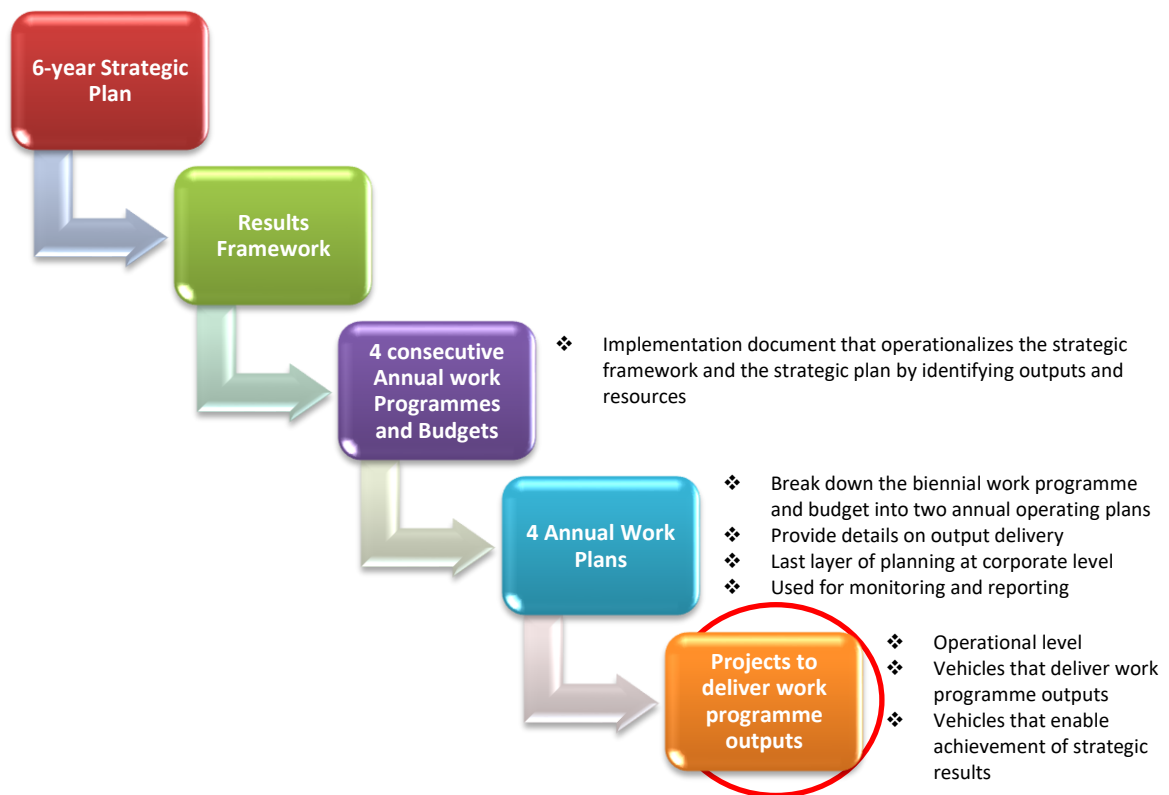
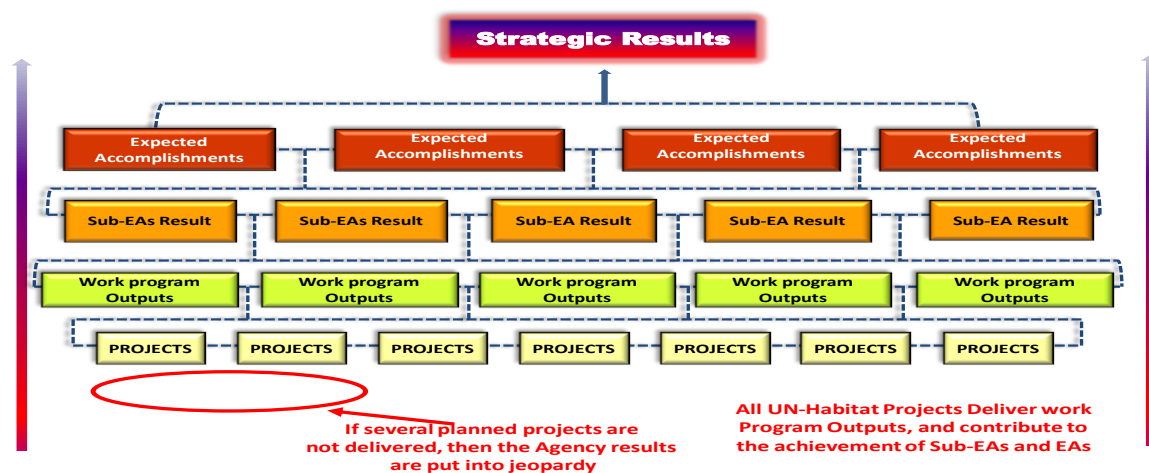


Figure 25: Link between projects and the delivery of UN-Habitat's higher level results (EAs and strategic results)



To ensure that the results at project level contribute to delivering the planned strategic results or higher results, project reviews are based on the following criteria:

- ❖ The coherence between the approved programme of work and the contents of projects
- ❖ Coherence and alignment with subprogramme level expected accomplishments,
- ❖ Collaboration and joint programming across focus areas/subprogrammes
- ❖ Relevance of projects (to beneficiaries and identified problem)
- ❖ Effectiveness (the likelihood that the proposed theory of change will deliver results, given the assumptions and identified risks)
- ❖ Feasibility and appropriateness of the intervention (likelihood of success given time & available resources)
- ❖ Technical quality of the project, feasibility and appropriateness of measures for managing any foreseen project risks
- ❖ Clarity of implementation arrangements in showing the distinct roles and responsibilities of, and budget allocation to partners, as well as to branches and regional offices
- ❖ Internal cooperation agreements that show what each Branch and Regional Office is responsible for, including milestones and progress reporting/monitoring roles
- ❖ Clarity on the engagement to be undertaken with stakeholders
- ❖ Utility of the monitoring plan for tracking progress in implementation against delivery by Branches and Regional Offices
- ❖ Cost effectiveness of proposed budgets, which may be assessed on the basis of comparison with similar projects
- ❖ Utility of the project design for addressing the needs of countries, i.e., where applicable, checking the relevance of projects to country needs with the regional offices
- ❖ Potential negative environmental and social impacts of projects
- ❖ Gender, youth, human rights and pro-poor responsiveness
- ❖ Sustainability potential and approach
- ❖ Replication potential and implementation arrangements for promoting replicability
- ❖ Sustainability (likelihood that benefits will be maintained after the project)
- ❖ Horizontal integration across sub-programmes

UN-HABITAT has adopted three main RBM working tools at project level (based on best practices of lead development organizations) to make managing for results throughout the entire life-cycle of an investment or project easier for UN-HABITAT staff, partners and executing agencies: (i) the logic model (LM), (ii) the Logical

Framework (logframe), which includes the Performance Measurement Framework (PMF), and (iii) the Risk Register. These tools are meant to be flexible working documents throughout the lifecycle of the investment, and can be adjusted or modified under certain circumstances. The LM and PMF are usually at least partially completed during the planning and design stages of an investment and refined during the development of the implementation plan (this will vary depending on the type of programming in question). The risk register is completed during project design and updated on a regular basis during the project’s implementation.

**(a). Theory of Change and the Logic Model (LM): What is a Logic Model/Results Chain and Theory of Change?**

A Theory of Change is a diagram that explains how a programme impacts on its beneficiaries. It outlines all the things that a programme does for of its beneficiaries, the ultimate impact that it aims to have on them, and all the separate outcomes that lead to or contribute to that impact. Sometimes called a “results chain”, or LM it is a depiction of the causal or logical relationships between inputs, activities, outputs and outcomes of a given policy, programme or investment.

At the core of “results thinking” is the concept of the results chain, a schematic illustration of the intended causal relationships among various elements (the inputs, activities, outputs and outcomes of a given policy, programme, or initiative) over time, including underlying assumptions. The results chain clearly shows the plausible, causal relationships among its elements, while also clarifying the various cyclical processes and feedback loops planners need to be aware of. The basic rationale is to plan from right to left by initially focusing on impacts and intended outcomes and then identifying the outputs, activities, and inputs required to achieve them. Tracking performance then goes from left to right, feeding information back to inputs and activities to make necessary adjustments and improvements, thus leading to better results.

A basic principle in results planning is to start with the intended impact and outcomes and then identify the outputs, activities and inputs required to achieve them. The method implies a thorough analysis of the problem that needs to be solved, what changes are desired and what activities and inputs are necessary to achieve them. Key questions are:

- ❖ What is the present situation or problem (called the undesired situation A)?
- ❖ What do we want to achieve in, for instance, 3 or 5 years (called the desired result or situation B)?
- ❖ How do we get from where we are (A) to where we want to be in 3 or 5 years (B)?
- ❖ What are the risks and assumptions in getting from A to B?
- ❖ How will we know we are succeeding in creating the change we want?

**Table 7: Example of a Horizontal Project Results Chain**

Example of a Results Chain for a UN-Habitat Project				
Inputs	Activities	Outputs	Outcomes	Impacts
<b>People</b> (staff, consultant’s trainers, etc.) <b>Money, Time, Material</b>				

The LM is divided into six levels; inputs, activities, outputs, sub-expected accomplishments, expected accomplishments and the project objective, each of which represents a distinct step in the causal logic of a policy, programme or investment. The bottom three levels (inputs, activities and outputs) address the *how* of an investment, while the top three levels (outcomes) constitute the actual *changes* that take place: the *development results*.

Figure 26: Example of a Vertical Project Results Chain

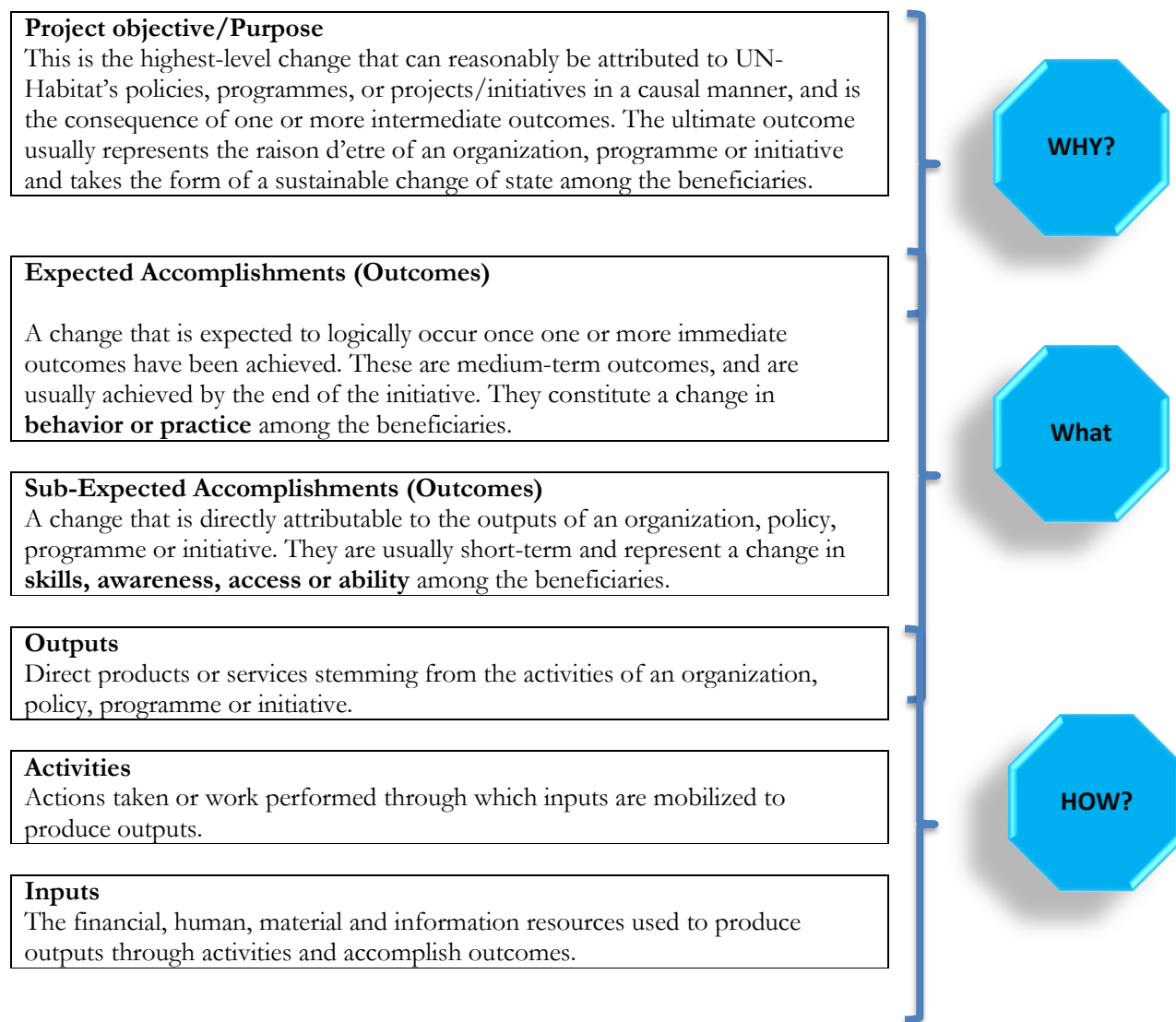




Figure 27: Logic Model as contained in the Concept note

<b>Project Title:</b>		<b>Budget:</b>	<b>Project Leader:</b>	
<b>Country:</b>		<b>Duration:</b>		
<b>Objective</b>				
↑	↑	↑	↑	↑
<b>Expected Accomplishments</b>				
↑	↑	↑	↑	↑
<b>Sub-Expected Accomplishments</b>				
↑	↑	↑	↑	↑
<b>Output</b>				
↑	↑	↑	↑	↑
<b>Activities</b>				

UN-Habitat’s LM template does not include inputs and starts instead at the activity level. To complete a logic model template you need to write clear and concise result statements.

### Drafting or Assessing Result Statements during Planning

#### What is good result (EA) statement?

A result statement outlines what a policy, programme or investment is expected to achieve or contribute to. It describes the change stemming from UN-HABITAT’s contribution to a development activity in cooperation with others. A statement of results should illustrate the type of change that may be expected to occur because of a specific intervention. It should be: **(1)** as specific as possible, **(2)** realistic in relation to the time and resources available, and **(3)** measurable in some (qualitative or quantitative) way.

## EA = Result Statements

### Box 14: Questions to ask yourself when drafting or assessing a result statement:

- ❖ **Is the statement simply worded and does it contain only one idea?** The Logic Model is a snapshot of your investment; the result statements should be clearly stated and easy to understand. Would the public be able to understand this result statement? Does the statement contain more than one idea? If so, can it be split into separate statements?
  - ❖ **Was the result statement drafted in an inclusive, participatory fashion?**  
RBM is a participatory process. The process and methodology for the selection of outcomes and drafting of result statements should be as participatory as possible, involving a wide representation of key stakeholders. Ensuring that all voices are heard and that you expected outcomes are shared with all involved is essential. Were key stakeholders, including UN-Habitat analysts and specialists, partners, and implementers involved? Make sure that the design has mechanisms in place to ensure that leaders, decision-makers, women and men, minorities and direct beneficiaries are involved. EAs are realized through use of outputs by others not by UN-Habitat. By NOT defining expected accomplishments with those that are intended to generate them, we greatly reduce the likelihood of a policy, programme or project's success.
- A. Stakeholder Involvement
- ❖ Has a stakeholder analysis been done?
  - ❖ Has adequate consultation been performed?
  - ❖ Is there participation of both male and female stakeholders?
  - ❖ Are there mechanisms for participation in the design and decision making throughout the life cycle of the investment?
- B. Gender/Human Rights/Youth Analysis
- ❖ Are the results truly sensitive to cross-cutting issues?
  - ❖ Do they address the concerns, priorities and needs of women and men, girls and boys?
- C. Environmental Analysis
- ❖ Have environmental implications been taken into consideration?
  - ❖ Will results be sustainable?
  - ❖ Does the result statement include an adjective and does it describe:
    - **What?** Does the result statement describe the type of change expected using an adjective that indicates action and direction (increased, improved, strengthened, reduced, enhanced)?
    - **Who?** Does the result statement specify the target population or beneficiary of the intervention? Does it specify the unit of change (individual, organization, group)?
    - **Where?** Does it specify the location or site where the result will occur?
  - ❖ Can the result be **measured**? Can the result be measured by either quantitative or qualitative performance indicators? Can performance indicators that will measure the result be easily found, collected and analyzed?

- ❖ Is the result **realistic** and **achievable**? Is the result within the scope of the project’s control or sphere of influence? Is there an adequate balance between the time and resources allocated and the expected reach and depth of change expected? Are the results at the immediate and intermediate and intermediate level achievable within the funding levels and time period for the project? Is the result (immediate and intermediate outcome level) achievable during the life cycle of the investment? In other words, can the expected changes (immediate and intermediate outcome level) be realistically achieved by the end of the intervention?
- ❖ Is the result **relevant**? Does the result reflect country ownership and needs, and will it support higher-level development change in the strategies or programmes it supports? Is the result aligned to the country partners’ national Development Strategy? Does the result reflect needs and priorities among the beneficiaries that were identified in a participatory fashion? Does the result take into account the culture of the local population? Is the result aligned to UN-Habitat’s programme and corporate priorities?

#### Examples of Weak and Strong Results Statements

Result	Issue	Is it a strong result statement?
Increased participation	❖ Does not identify for <b>who</b> or <b>where</b> the expected change will occur.	Not strong
<b>Increased public participation</b> of men and women in Nairobi county’s governance (in Kenya)		Strong
More women can have access to basic services	<ul style="list-style-type: none"> <li>❖ Doesn’t use an adjective that clearly indicates action and direction of change. (e.g. increased, improved)</li> <li>❖ Does not identify <b>where</b> the expected change will occur.</li> </ul>	Not strong
Improved access to basic services for women in Nepal		Strong
Rehabilitation in Country X	<ul style="list-style-type: none"> <li>❖ Does not specify direction of expected change, nor <b>who</b>, specifically, it will affect.</li> <li>❖ Not achievable</li> </ul>	Not strong
Increased resilience to climate change in Country X		Strong

#### Developing a logic model (LM) at project level

Here are the steps that need to be taken to create a logic model. The order in which they are undertaken will depend on the status, scope and size of the investment/project.

- ❖ Identify ultimate beneficiaries, intermediaries, and stakeholders.

#### Box 15: Useful Definitions

**Beneficiary:** The set of individuals and/or organizations that experience the change of state at the ultimate outcome level of a LM, although they could also be targeted in the immediate and intermediate outcome levels. Also referred to as “reach” or “target population”

**Intermediary:** An individual, group, institution or government that is not the ultimate beneficiary of an investment but is the target of select activities that will lead, via the associated immediate and intermediate outcomes, to a change in state (ultimate outcome) for the ultimate beneficiaries

**Stakeholder:** An individual, group, institution, or government with an interest or concern, either economic, societal, or environmental, in a particular measure, proposal, or event

**Partner:** The individuals and/or organizations that collaborate to achieve mutually agreed upon expected results

**Implementing Partner (IP):** Any organization or agency, whether governmental, non-governmental, inter-governmental, specialized, multilateral or private sector, which implements an investment (project or programme) for which UN-Habitat provides funding

- ❖ Ensure that the right people (branch, environmental, governance and gender specialists, executing agency, local stakeholders, beneficiaries etc.) are at the table; remember that this is a participatory exercise. This can be done via brainstorming, focus groups, meetings, consultative emails, etc. (Please note that the “right people” may vary based on the type of programming). For directive programming, ensure that country partner organizations, beneficiaries and stakeholders (including women, men and children) are at the table during the design/development of the LM. For responsive programming, ensure that the right UN-Habitat team is at the table during the review and assessment of the LM. The review team should include the development officer or project team lead, branch environmental, governance and gender specialists, and other sector specialists and performance management advisors. As part of your due diligence, you should also validate the LM through a participatory approach.
- ❖ Identify the project’s objective. Start by identifying the problem the investment intends to address. The ultimate objective of an investment is its *raison d’être*; the highest level of change we want to see to solve that problem. Make sure to analyze the context (cultural, socio-political, economic, and environmental) surrounding the problem.

#### Box 16: Example of a project objective

**Problem:** Poor municipal planning in central counties in El Salvador due to lack of planning capacity.

The project’s objective or strategic result is the highest level of change that can be achieved, a change of state for the target population.

**Project objective:** Improved municipal planning in central El Salvador.

- ❖ Identify main activities for both UN-Habitat and partners. Brainstorm the main or key activities of the investment, making sure to address contributing contextual factors. If possible, group activities into broad categories or work-packages to avoid duplication.
- ❖ Identify outputs for each activity package.
- ❖ Make sure activity statements begin with a verb in the imperative form and that outputs are written as completed actions. Outputs are usually things that are bought, produced or generated with project money and that can be counted.

### Box 17: Example of activities and outputs

To achieve the project’s objective “improved municipal planning in central El Salvador”, stakeholders in country X (local authorities, governors, mayors, local community organizations etc.), and UN-Habitat staff have decided to concentrate on three groups of activities; training planning staff, revising old plans and study tours to other well-planned cities.

#### Activities:

- ❖ Develop and deliver training to planning staff in central El Salvador.
- ❖ Study tours to well organized and planned cities.
- ❖ Revision of existing city plans.

#### Outputs:

- ❖ Wells built in region Y.
- ❖ Training on well maintenance developed and delivered to people living in region Y.
- ❖ Regional health centres in region Y rehabilitated and staffed.

- ❖ Identify logical EA results for immediate and intermediate levels.
- ❖ A logic model is like a pyramid; it gets smaller the closer you move toward the highest level. Three or four changes at the immediate level (changes in access, ability, awareness) may lead to only two changes at the intermediate level (practice, behavior). Similarly, two changes at the intermediate level will lead to only one change at the ultimate level (change in state). The logic model template is flexible and will allow you to change the number of boxes at each level to reflect the logic of your investment. Make sure the number of EA decreases as you move upwards towards the Project’s objective. Try also to have only one or two EAs per box.

### Box 18: Example of sub-expected accomplishments and expected accomplishments

Immediate level results (sub-EAs) flow logically from the activities and outputs; they represent the change brought about by the existence of goods and/or services created through the activities. Thus, in access to basic services for instance, the provision of wells equals increased access to clean water. Intermediate level results (sub-EAs) represent a change in behavior. They are the next logical step from the immediate level and lead logically to the ultimate outcome.

#### Sub-EAs (depict a change in access, ability or skills):

- ❖ Increased access to clean drinking water for people living in region Y.
- ❖ Increased ability to maintain wells among people living in region Y.
- ❖ Increased access to basic services for people living in region Y.

#### EAs (depict a change in behavior or practice):

- ❖ Increased use of clean drinking water by people living in region Y.
- ❖ Increased use of basic services by people living in region Y.

- ❖ Identify linkages. Check back and forth through the levels (from activities to project objective and from project objective to activities) to make sure everything flows in a logical manner. Make sure there is nothing in your EAs that you do not have an activity to support. Similarly, make sure that all your activities contribute to the EAs listed.

- ❖ Validate with stakeholders/partners. Share the draft logic model with colleagues, branch specialists, stakeholders, and partners, etc., to ensure that the EAs meet their needs and that the investment will actually work the way you have envisioned it.
- ❖ Where required, write the narrative text to illustrate linkages and explain the causality of the logic model. The narrative should speak to the arrows in the logic model: the causal relationship between the levels and HOW we see the proposed activities leading to the expected changes. The most compelling narratives are those that are succinct and use brief, concrete, evidence-based examples to support these explanations.

Note: Targets, although necessary for the establishment of a budget, are not displayed in the LM, but appear instead in the Performance Measurement Framework (PMF). This will be discussed in further detail in the PMF section.

**Table 8: Concrete example of a Logic Model**

<b>Project Objective</b>	<b>Improved health among IDPs living in region Y of country X</b>		
<b>Expected Accomplishment</b>	<b>Increased use</b> of clean drinking water by IDPs living in region Y.		Increased use of health services by IDPs living in region Y.
<b>Sub-Expected Accomplishment (Immediate Outcomes)</b>	<b>Increased access</b> to clean drinking water for IDPs living in region Y.	<b>Increased ability</b> to maintain wells among IDPs living in region Y.	<b>Increased access</b> to basic services for IDPs living in region Y.
<b>Outputs</b>	X number of wells built and completed in region Y.	X number of men and women IDPs living in region Y trained on well maintenance.	X number of regional health centres in region Y rehabilitated and staffed.
<b>Activities</b>	Building Wells in region Y.	Developing and delivering training on well maintenance for people living in region Y.	Rehabilitating and staffing regional health centres in region Y.

**(b). Performance measurement framework**

**What is Performance Measurement for a project?**

Project performance aggregates to contribute to subprogramme results or EAs, and subprogramme EAs in turn, contribute to strategic results. It is important to establish a structured plan for the collection and analysis of performance information. At UN-HABITAT, the performance measurement framework (PMF), commonly called the logframe, is the RBM tool used for this purpose at project level.

**Why Performance Measurement?**

Performance measurement is undertaken on a continuous basis during the implementation of investments so as to empower managers and stakeholder with “real-time” information (use of resources, extent of reach, and progress towards the achievement of outputs and outcomes). This helps identify strengths, weaknesses and problems as they occur, and enables project managers to take timely corrective action during the investment’s life cycle. This in turn increases the chances of achieving the expected results.

**Monitoring provides accurate and up-to-date information on progress:**

- ❖ To provide regular feedback and early indications of progress, or lack thereof;
- ❖ To track actual the performance or situation against what was planned/expected.

**Monitoring is for the purpose of learning and decision-making:**

- ❖ To detect early signs of potential problems and success areas;
- ❖ To take corrective action;
- ❖ To improve the design and performance of ongoing programmes;
- ❖ To generate knowledge about what works and what does not.

**Monitoring serves to improve accountability:**

- ❖ To ensure that a programme or process continues to be relevant, and is achieving results as intended;
- ❖ To make an overall judgement about the effectiveness of interventions.

**What is a PMF or Project Logframe?**

A performance measurement framework is a plan to systematically collect relevant data over the lifetime of an investment to assess and demonstrate progress made in achieving expected results. It documents the major elements of the monitoring system and ensures that performance information is collected on a regular basis. It also contains information on baselines, targets, and responsibility for data collection. As with the LM, the PMF should be developed and/or assessed in a participatory fashion, with the inclusion of local partners, beneficiaries, stakeholders and relevant UN-Habitat staff. UN-Habitat has a standard PMF Template.

**Table 9: Performance Measurement Framework Template**

Title		No.			Team leader		
Country/region institution		Budget			Duration		
Expected result	Indicators of Results	Baseline data for indicator	Targets (Note: you cannot have targets without baseline data as your starting point)	Data sources to verify indicator E.g., performance (project reports, members of target group, government officials/reports, etc.)	Data collection methods (E.g., Observation, interviews, survey, document reviews, group discussions, etc.)	Frequency (quarterly, annually, bi-annually)	Responsibility
Project Objective (long term)							
Project EAs (Intermediate Outcomes )							
Project Sub-EAS (Immediate Outcomes )							
Outputs							
Activities							

The PMF is divided into eight columns: expected results, indicators, baseline data, targets, data collection methods, frequency and responsibility. To complete a PMF you will need to fill in each of the columns accurately.

## Definitions:

### What is the expected results column?

The expected results column is divided into four rows, one for each of the outputs, Sub-EAs (immediate outcomes), EAs or intermediate outcomes and project objective/goal. **To complete this column, simply cut and paste the result statements from your LM into the appropriate row.**

### What are performance indicators?

Performance indicators are what you will use to measure actual results. A performance indicator is a quantitative or qualitative unit of measurement that specifies what is to be measured along a scale or dimension, but is neutral; it does not indicate a direction or change nor does it embed a target. It is important that stakeholders agree a priori on the indicators that will be used to measure the performance of the investment.

**Quantitative performance indicators** are discrete measures such as number, frequency, percentile, and ratio, (e.g., number of human rights violations, ratio of women-to-men in decision-making positions in government).

**Qualitative performance indicators** are measures of an individual or group's judgment and/or perception of the presence or absence of specific conditions, the quality of something, or an opinion about something (e.g., client opinion of the timeliness of service). Qualitative indicators can be expressed concretely when used to report on achievement of results. They should convey specific information that shows progress towards results and is useful for project management and planning.

### Box 19: Example of a qualitative performance indicator

Our investment has, as one of its sub-EAs immediate outcomes, "Increased ability to maintain wells among people living in region Y." Through consultation, it was decided that this would be measured by tracking "confidence of women and men who took training in their ability to maintain wells." The pre-training survey of women and men participating in the training showed that 3% felt that they were capable of maintaining wells. A survey conducted directly after training showed that 80% of participants felt that they were capable of maintaining the wells and a follow-up survey at the midpoint of the investment showed that 75% of women and men who received training still felt that they were capable of maintaining the wells in their communities.

For more on criteria for strong performance indicators see section 2.2.2, page 51.

### Steps to complete a PMF or logframe

The development of the PMF starts at the planning and design phase. Remember, some elements of the PMF may be established after or during project implementation (ex: collection of baseline data and setting of some targets).

**Step 1:** Ensure that the information for your PMF is developed in a participatory fashion, including key local stakeholders, partners, beneficiaries and the appropriate UN-Habitat specialists.

**Step 2:** Cut and paste the objective, expected accomplishments, sub-expected accomplishments and outputs from your Concept LM into the appropriate boxes in the PMF template.



**Step 3:** Establish performance indicators for your expected outcomes and outputs and enter the performance indicators for the final, intermediate and immediate outcomes and outputs. Validate and **check the quality** of your performance indicators. Do they have: *validity, reliability, sensitivity, utility, and affordability*?

**Step 4:** Establish the “Data source for verifying indicator” and “Data collection method” for your chosen performance indicators. Look to include **multiple lines of evidence** wherever possible to increase the reliability of your performance data.

**Step 5:** Fill in the “Frequency” and “Responsibility” columns for each performance indicator. Decide whether information on each performance indicator needs to be collected on an ongoing basis as part of performance monitoring, or periodically (quarterly, bi-annually or annually)?

**Step 6:** Fill in baseline data where it exists. If reliable historical data on your performance indicators exists (in the form of government data, information from a previous phase of the investment or information gathered during a needs analysis), then it should be used; otherwise you will have to collect **a set of baseline data at the first opportunity** (within the first 6-12 months after commencement of project). If you will be gathering the data later, indicate this in your PMF with a statement like: “Baseline data to be collected at investment inception” or “Data to be provided by the Implementing organization after communities identified.” If possible set the date by when this will be completed (**this should be done within the first year**).

**Step 7:** Establish realistic targets for each indicator in relation to the baseline data you have identified for year 1, 2, 3 etc.). This sets the expectations for performance over a fixed period of time. Key targets based on gaps and priorities identified during initial analysis are necessary to establish budgets and allocate resources, and play an important role in project planning and design. Others may be established later, once a baseline study has been conducted.

### What are project assumptions?

**Assumptions** refer to the positive conditions that are necessary to ensure that:

- ❖ planned activities will produce the expected results; and
- ❖ the logical, cause-effect relationship between different results will occur as expected.

Implicit and explicit assumptions underlying projects need to be identified and assessed in terms of their validity. Assumptions that turn out to be incorrect need to be addressed; although some can turn out to be project ‘killer’ assumptions. Assumptions that may turn out to be unfounded include:

- ❖ that governments will enforce agreed upon policies;
- ❖ that the private sector will participate;
- ❖ that technical alternatives function as thought;
- ❖ that development environment trade-offs can be reconciled;
- ❖ that the price of fossil fuels will remain high;
- ❖ that human expansion into forests or reserves can be controlled; and many, many more

External assumptions are closely related to impact drivers, except that they are judged to be largely beyond the power of the project to influence or address. The critical assumptions that have already been identified in project documentation may well be a useful starting point for identifying the assumptions likely to influence the outcomes-impacts pathways. Achieving results depends on whether or not the assumptions you make remain or prove to be true. Incorrect assumptions at any stage of the results chain can become an obstacle to achieving the expected results.

## Box 20: Examples of external assumptions

- ❖ The project assumes that the local government will keep its promise of allocating a budget to revise plans. We assume that trained municipal staff will stay within their respective municipality for at least two years after the end of the project.
- ❖ We assume that the project will have a second phase after the end of the first phase of the project.

### (c). Risk register

What is a project risk?

- (i) Certainty
- (ii) Uncertainty
- (iii) The unknown
- (iv) A surprise
- (v) Danger
- (vi) Something that can go wrong
- (vii) Failure to get things right
- (viii) A missed opportunity

### Risk Definition

Risk is the chance of something happening that will have a negative impact on the project's objectives. Risk appetite is the amount of risk —broadly speaking— an entity is willing to accept in pursuit of value. Use quantitative or qualitative terms (e.g., earnings risk vs. reputation risk), and consider risk tolerance (range of acceptable variation).

### What is risk analysis?

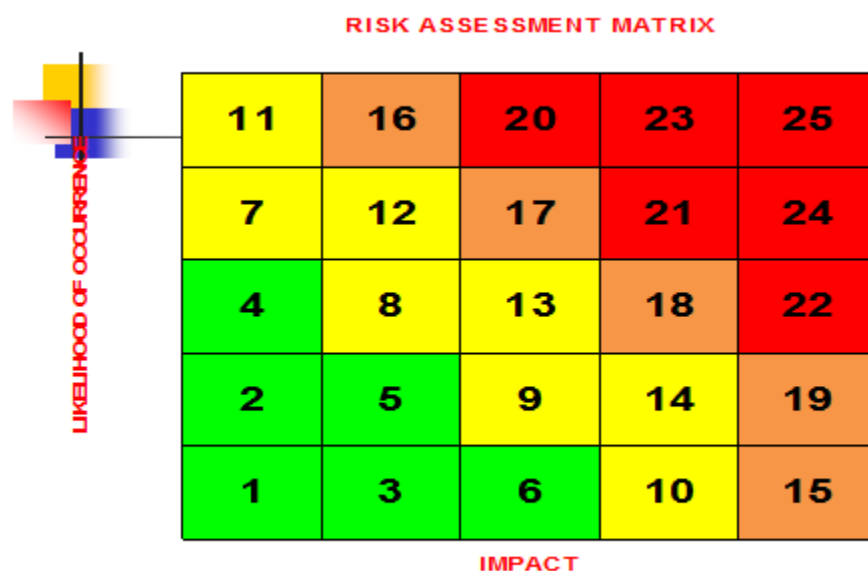
Risk analysis identifies how likely it is that the conditions necessary to achieve the expected results will not be present. Risk analysis allows to consider strategies to manage the risks you identify. Some external factors may be beyond your control, but other factors will be manageable with slight adjustments in the project or approach. It is recommended that stakeholders take part in the risk analysis as they offer different perspectives and may have key information about the context.

The risks associated with achieving Outputs are generally low because project managers can make changes as needed to ensure that results are achieved.

### What is a Risk Register?

A risk register lists the most important risks, the results of their analysis and a summary of risk response strategies. Information on the status of the risk is included over a regular reporting schedule. The risk register should be continuously updated and reviewed throughout the course of a project. Risk is measured in terms of consequences (or impact) and likelihood (or probability).

Figure 28: Risk assessment matrix



### Integrated Risk Management at UN-Habitat

Integrated Risk Management is a continuous, proactive and systematic process to understand, manage and communicate risk across the organization. Other government departments, donors and private sector companies use similar frameworks.

#### Elements of integrated risk management:

- (i) Development of a project risk profile
- (ii) Establishment of an integrated risk management framework
- (iii) Practicing integrating risk management at all levels
- (iv) Ensuring continuous risk management learning

Integrated risk management supports a consistent approach to risk management across the Agency both vertically and horizontally. UN-Habitat is recognized as working in high-risk environments. By providing a common and consistent platform, we can reduce uncertainty for staff and managers and allow them to better understand and manage their risks. As a result, they will be in a position to make informed decisions and take responsible risks where appropriate.

#### Key objectives of the Risk management in projects:

Integrated risk management helps UN-Habitat strengthen its decision making process in managing risks that are within its control and positions the agency to better respond to risks that are beyond its control. Specific objectives are:

- (i) Develop a systematic approach to risk management
- (ii) Contribute to a risk-aware culture
- (iii) Propose simpler, more effective practices
- (iv) Provide an on-going scan of key risks
- (v) Communicate the benefits of risk management to all stakeholders
- (vi) Ensure that the framework for managing risk continues to remain appropriate

## UN-Habitat's Projects Key Risk Areas

Figure 29: Categories of risk



Figure 30: Basic Model (adapted from World Bank)



## Box 21: Useful Risk Terminology

*Risk* refers to the effect of uncertainty on results.

*Risk Impact* is the effect of the risk on the achievement of results.

*Risk Likelihood* is the perceived probability of occurrence of an event or circumstance.

*Risk level* is impact multiplied by likelihood.

*Risk Response* is the plan to manage risk (by avoiding, reducing, sharing, transferring or accepting it).

*Risk Owner* is the person who owns the process of coordinating, responding to and gathering information about the specific risk as opposed to the person who enacts the controls. Stated otherwise, it is the person or entity with the accountability and authority to resolve a risk incident.

*Operational Risk* is the potential impact on UN-Habitat's ability to operate effectively or efficiently.

*Financial Risk* is the potential impact on the ability to properly protect public funds.

*Development Risk* is the potential impact on the ability to achieve expected development results.

*Reputation Risk* is the potential impact arising from a reduction in UN-Habitat's reputation, and in stakeholder confidence in the Agency's ability to fulfill its mandate.

UN-Habitat uses a standardized Risk Register Template.

### Steps to complete a risk register:

**Step 1:** Under "Risk Definition," write down the key risks to the project. There should be at least two risks each for the categories operational, financial and development risks, and at least one risk in the category of reputational risk.

**Step 2:** For each risk selected, establish the current risk level, i.e. the intensity of the risk. A risk map or some other tool may be useful for determining the level. Identify the risk on the four-point scale below, and apply the correct colour.

**Step 3:** Over a regular monitoring schedule, re-rate the risk and apply the colour and so on. Monitoring periods will vary according to the project, but a typical period is three months.

**Step 4:** Indicate if the risk is the same as one found in the programme risk assessment (if one exists).

**Step 5:** A risk is an uncertainty about a result. Indicate the level of the results as found on your logic model.

**Step 6:** Give a brief summary of the risk response strategies that will be used to manage the risk or to prevent a risk event.

**Step 7:** Indicate the risk owner. If possible, there should only be one person per box. The owner will vary according to who is the person that actually has to deal with a given risk event.

*Risk Monitoring:* In the real world of development, the risk profile will change constantly during the life of the project. As risks arise or disappear, change the corresponding risk definitions and risk level. Also track the use and effectiveness of the risk response strategies, and change the "Risk Response" column as necessary.

*Note:* Please do not hesitate to rate risks as "Red" if that is their real level

**Table 10: Four-point rating scale**

Criteria:	Very Low (1)	Low (2)	High (3)	Very High (4)
Potential impact on UN-HABITAT ability to meet objectives	Routine procedures sufficient to deal with consequences	Could threaten goals and objectives, and thus may require monitoring	Would threaten goals and objectives, and thus may require review	Would prevent achievement of goals and objectives
Likelihood of occurrence	Very unlikely	unlikely	likely	Very likely

**Table 11: Risk Register or Matrix (risk management measures include prevention, reduction, acceptance, contingency, outsourcing risk and risk ownership)**

Anticipated Risks	Description of Consequence	Probability	Consequence	Risk Factor	Mitigation	Responsible	Date
<u>Partner Operational Risk</u> (e.g. Sound technical and managerial capacity of institutions and other project partners Likelihood of Incompetence, poor monitoring and evaluation systems, process efficiency, likelihood of institutional/ execution capacity, partnerships failing to deliver, leadership and management, stakeholder relations, competition, accountability, implementation arrangements, values, code of conduct, new unexpected regulations, policies, e.g., critical policies or legislation fails to pass or progress in the legislative process)							
<u>Partner Financial Risks</u> Likelihood of low financial commitment from key partners, frauds, poor controls							
<u>Political Stability</u> (Likelihood of corruption, government commitment, political will, political instability, change in government, armed conflict, instability )							
<u>Economic Social/Cultural</u> (social, cultural and/or economic issues that may affect project performance and results)							
<u>Environmental Conditions Factors</u> (Likelihood of natural disasters: storms, flooding, earthquakes, pollution incidents, safety/security, etc.							
<u>UN-Habitat’s Reputation Risk</u> Likelihood that UN-Habitat’s image and reputation in the eyes of stakeholders could be damaged by the failure or involvement in this project.							

Probability X consequence= Risk factor

# **Part 3: Results-Based Monitoring and Reporting**

## 3.1. General concept

Monitoring and reporting on programme/project implementation and performance are key elements of results based management, and components of the programme/project management cycle. Results-Based Management is concerned with both the achievement of results and the evidence-based measurement of these achievements. This section of the Handbook seeks to promote a common understanding of the key concepts, tools, steps and responsibilities for results based monitoring and reporting on the four-year strategic plan, the annual work programme and budget, as well as projects in UN-Habitat. Its emphasis is on how to implement results-based monitoring and reporting at corporate or programme level.

Results-based monitoring and reporting are mandated functions of the United Nations Secretariat and the Governing Council of UN-Habitat. UN-Habitat monitors and reports progress on the implementation of the four-year strategic plan and on the annual programme of work and budget, in response to various mandates and resolutions, including:

- (i) The Secretary-General's bulletin of 19 April 2000 entitled "Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation" (ST/SGB/2000/8).
- (ii) UN-Habitat Governing Council resolutions 22/7 April 2009, 23/11 April 2011, 24/15 of April, 2013 and 25/3 of April, 2015 that request the Executive Director to report regularly, to Member States through the Committee of Permanent Representatives and to the Governing Council, progress on the implementation of the strategic plan and the work programme and budget.

### 3.1.1 What is results-based monitoring?

Monitoring of programme/project implementation is an integral part of results-based planning and budgeting practiced in the United Nations. Monitoring may be defined as a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives (planned results), and progress in the use of allocated funds (DAC/OECD).

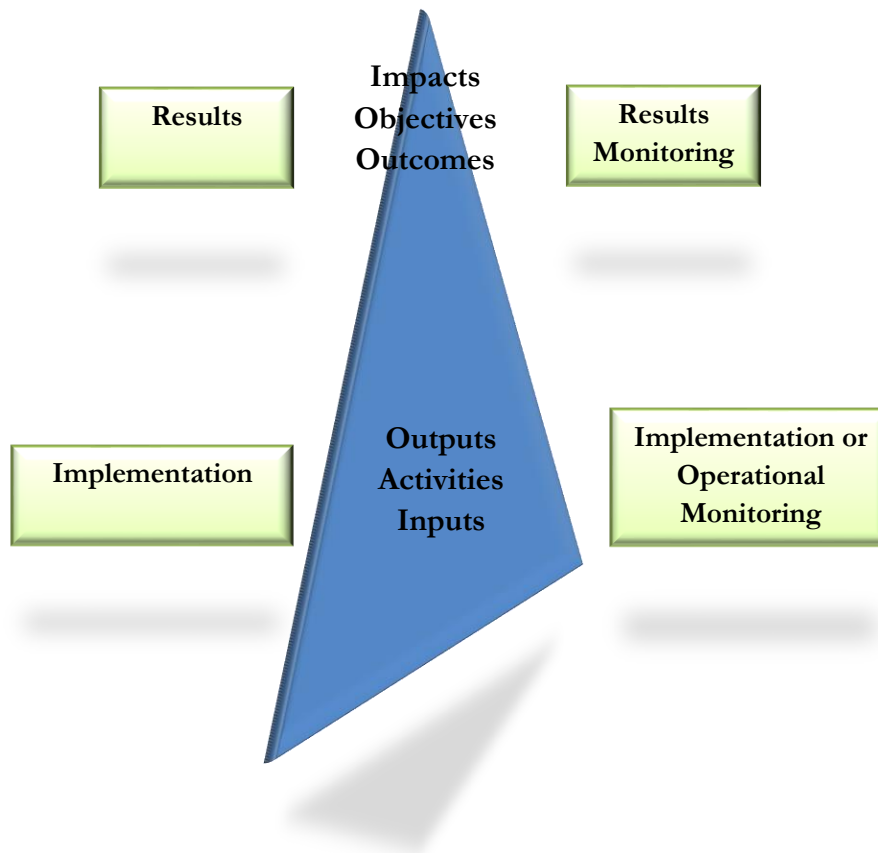
Results based monitoring involves two main levels (Figure 30):

- (i) Tracking implementation or operational monitoring
- (ii) Tracking results or results monitoring

In order to track both implementation and results, we must measure performance and record results. Tracking progress in implementation of a programme or project entails tracking compliance with the implementation plan. It focuses on inputs, activities and delivery of outputs. Results monitoring on the other hand focuses on progress towards achievement of the planned results. Results-based monitoring uses indicators to track actual results, against planned results, and provide periodic information on progress towards achievement of expected results. It provides information on where an intervention is at any given time relative to targets and expected results.



Figure 31: Levels of monitoring



In line with results-based planning, which applies SMART criteria in the definition of the strategic results/objectives and performance indicators, the criteria for the monitoring systems adopted by UN-Habitat must also be SMART. The programme performance plan for the four-year plan 2014-2019 reflects the application of these basic principles for results based monitoring (annex 7 - an example for one Expected Accomplishment)

- (i) **Specific:** The monitoring system captures the essence of the desired outcome (results) by clearly relating results to the achievement of specific objectives.
- (ii) **Measurable:** The monitoring systems can measure whether the expected change occurred.
- (iii) **Attainable:** The monitoring system identifies what changes occurred as a result of an intervention. Attribution requires that changes in the development issue can be linked to the intervention.
- (iv) **Relevant and Results-oriented:** The monitoring system establishes levels of performance that are likely to be achieved in a practical manner. Will programme participants, partners, funders, beneficiaries view the outcome as meaningful or beneficial? Will they value the desired outcome as a reflection of their expectations?
- (v) **Time-Bound:** Results are never open-ended. The monitoring system allows progress to be tracked at the desired frequency for the specified period and reflects expectations of stakeholders.

**Table 12: Key Aspects of Programme Monitoring**

<b>Key Aspects of Programme Monitoring</b>	
<b>Element</b>	<b>Description</b>
<b>Frequency</b>	Periodic, regular
<b>Main action</b>	Keeping track
<b>Basic purpose</b>	To improve progress in implementation and appropriately adjust work plan
<b>Time frame</b>	Short term
<b>Focus in programme</b>	Inputs, process, outputs, expected accomplishments/outcomes
<b>References for comparison</b>	Work plans, performance targets and reference indicators (this may include early warning indicators for problem areas)
<b>Information sources</b>	Routine or sentinel systems, field observation, progress reports, rapid appraisal
<b>Undertaken by</b>	Programme managers, community workers, primary stakeholders, supervisors, donors
<b>Reporting to</b>	Management, governing bodies, beneficiaries, , primary stakeholders, donors

The purpose of monitoring is to provide early information on progress or lack of progress towards achieving the intended objectives, outcomes and outputs. By tracking progress, monitoring helps identify implementation issues that warrant decisions at different levels of management. In this way, it provides regular feedback and progress on performance to management and stakeholders that facilitate decision-making and learning for programme improvement. Information from monitoring serves as a critical input for evaluation.

### **3.1.2 What is results-based reporting?**

Results-based reporting refers to the process of analyzing and interpreting programme/project performance data collected during monitoring, and communicating progress on programme implementation and achievement of results to key stakeholders such as partners, donors, governing bodies, beneficiaries and management, using various relevant reporting formats.

Application of the Results-Based Management approach in reporting on the strategic plan and annual work programme and budget involves: (i) describing the overall progress towards achievement of expected accomplishments and strategic level results for a specific period, using the indicators of achievement; (ii) identifying the actual result/changes achieved during the reporting period; (iii) analyzing and explaining the difference between what was expected and what was actually achieved by making comparisons between what was achieved against the baselines and set targets for the reporting period; (iv) identifying any changes to be made during the next period in order to increase the likelihood of achieving the expected results.

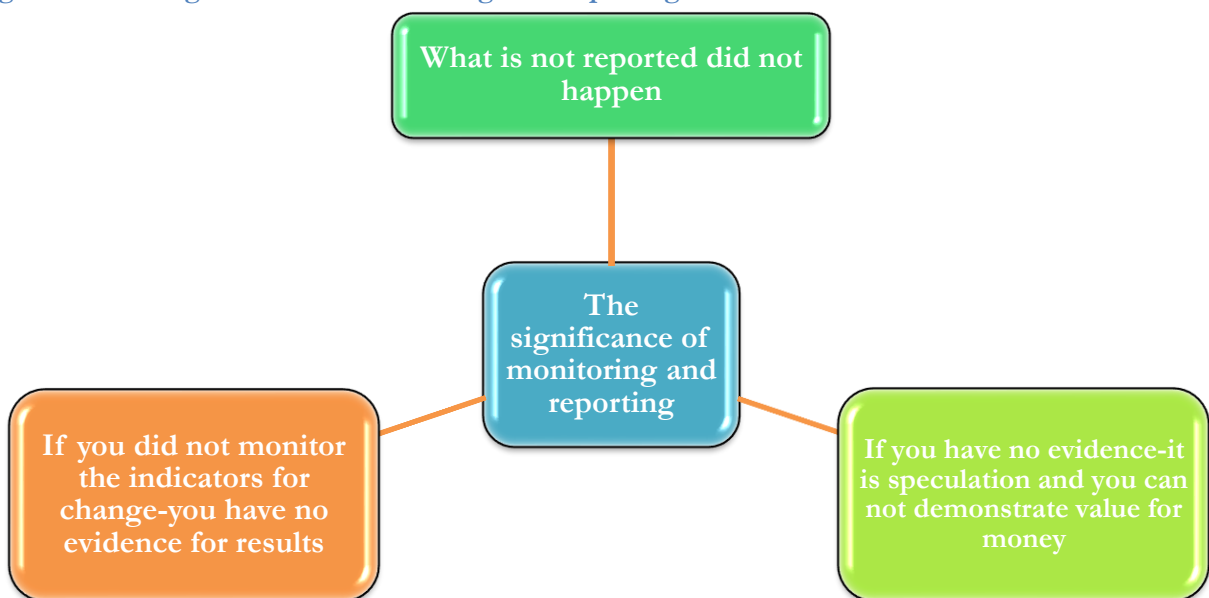
Data collection, analysis and interpretation are essential for monitoring programme/project implementation, and tracking and reporting results. Based on the expectations set by the indicators of achievement, data collection plans and methodology are put in place during the planning stage. Data analysis and interpretation entails systematically providing answers to the following questions:

- (i) What is the overall picture/change the data is showing?

- (ii) What are the trends and conclusions that can be drawn? Report results in comparison to earlier achievements and to your baseline and targets.
- (iii) Can the conclusion drawn be verified? Use the most important and relevant data and findings from evaluations to support performance reporting.

Monitoring reports provide the means for regular feedback and early indications of progress (or lack thereof) in achievement of intended results, which facilitates decision-making and learning for programme/project improvement. Information from monitoring also serves as a critical input to evaluation.

**Figure 32: The Significance of Monitoring and Reporting**



The Purpose of monitoring and reporting in UN-Habitat is to:

- (i) Promote accountability for the achievement of objectives to governing bodies, donors, partners, beneficiaries and other stakeholders through the annual reports on the implementation of the strategic plan, programme performance reports on the annual work programme and budget, as well as progress reports on project implementation;
- (ii) Provide information for decision making to management, governing bodies, donors and other stakeholders to improve the performance of the organization;
- (iii) Prepare the Secretary General’s programme performance reports to the General Assembly (mid-biennium and end of each biennium);
- (iv) Provide evidence-based programme performance information that is credible, reliable and useful, and is critical for evaluation;
- (v) Provide information (particularly results monitoring) for advocacy to change policies or programmes;
- (vi) Form the basis for knowledge sharing, reflection, and learning from successes and best practices, as well failures, to make future programming and implementation more effective.

## 3.2 Monitoring and reporting for results at programme level of UN-Habitat

The strategic results that UN-Habitat seeks to achieve are articulated in the three key planning documents which are aligned: the four-year strategic plan and the annual work programme and budget. As explained in the previous chapter, the four-year strategic plan is implemented through three consecutive annual work programme and budget. For example, the 2014-2019 strategic plan will be implemented during the 2014-2015, 2016-2017 and 2018-2019 annual work programmes and budgets. Preparation for results-based monitoring and reporting on the programme results takes place during the planning process, when the results and the corresponding performance indicators that measure them are formulated, as explained in Part 2 of this Guide.

### 3.2.1 Monitoring and reporting framework for the strategic plan and the annual work programme and budget

Results based monitoring and reporting requires a structured system or framework for the collection and analysis of performance information. A performance measurement framework is a plan to systematically collect relevant data over the time frame of the planned programme, to track and demonstrate progress made towards achieving expected results. It documents the major elements of the monitoring system, (see also page 86) and ensures that performance information is collected on a regular basis. It also contains information on baseline, targets, and the responsibility for data collection.

In UN-Habitat, the framework for measuring performance in the strategic plan and annual work programme and budget comprises the results framework and the performance measurement plan.. These frameworks therefore provide the basis for results-based monitoring and reporting and overall programme performance management for the organization. These main frameworks are accompanied by various tools that support the collection and analysis of the programme performance data as explained in subsequent sections under monitoring and reporting on the strategic plan and annual work programme and budget. Table 14 shows the major tools that are used in monitoring and reporting on the strategic plan and annual work programme and budget, and some aspects also apply to project level.

**Table 13: Tools for programme performance monitoring, data collection and analysis**

Strategic planning documents	Tools for programme monitoring, performance data collection and analysis
<ul style="list-style-type: none"> <li>❖ 4-year Strategic Plan</li> <li>❖ Results framework for the strategic plan</li> <li>❖ Annual Work Programme and Budget</li> <li>❖ Annual Work Plans</li> </ul>	<ul style="list-style-type: none"> <li>❖ Performance measurement plan for the strategic plan</li> <li>❖ Indicator data-sheets</li> <li>❖ Reporting templates</li> <li>❖ Logical Framework of the work programme and budget in UMOJA</li> <li>❖ IPMR for project planning, implementation and monitoring</li> </ul>

### 3.2.2 Monitoring and Reporting on the Implementation of the Four-year Strategic Plan

#### Monitoring the implementation of the strategic plan

In order to assess progress made in implementation of its four year strategic plan, UN-Habitat undertakes results-based monitoring of its programme performance. The results framework for the strategic plan defines “*what to monitor*”, and the performance measurement plan describes “*how to monitor*” the implementation and performance of the strategic plan. The two documents together with other accompanying tools constitute the main monitoring framework and system for tracking progress on the implementation of the strategic plan. Monitoring the implementation of the strategic plan entails tracking these different levels:

- (a) **Overall strategic results:** Monitoring at this level entails assessment of higher level indicators (such as *the percentage of urban population with access to adequate housing*), through surveys and strategic impact evaluations. Performance information should be collected at least once during the four-year period of the strategic plan. As the performance information required for this level of results is largely dependent on surveys, censuses and studies carried out at national, regional and global levels by different institutions, the responsibility for ensuring identification and access to the required sources should be at corporate level. This should include the independent evaluation unit, directors and branch coordinators.
- (b) **Focus area strategic results:** (such as *number of partner cities, regions and countries that have improved tenure security*) are monitored based on performance data on indicators collected at least once per biennium. It also includes the documentation of results statements tracked annually during the collection of programme performance information. This information is then used as the basis for external reviews and evaluations to assess UN-Habitat’s performance at the strategic results level. Branch coordinators and regional directors are responsible for monitoring the focus area strategic results noting the contribution of UN-Habitat and that of partners.
- (c) **Expected accomplishments:** Monitoring entails annual collection of data on indicators of achievement at expected accomplishment level. Most indicators are quantitative, with specified variables to be measured and data collected as per the defined frequency in the Programme Performance Plan. Subprogramme coordinators have the overall responsibility for monitoring progress towards expected accomplishments, with the support of Unit Heads and RBM Champions (*e.g., number of partner cities that prepared local economic development plans, and number of partner cities that set priorities based on local economic assessment*), by collecting indicator data using data sheets once a year. This information is also recorded in Umoja Strategic Management Application, which has provision for six-monthly updates of interim or estimate values. Analysis of the data collected is done annually for the preparation of the annual report and also every two years at the end of every biennium. Qualitative information relevant to the expected accomplishment is also captured as **results statements** in the annual progress report and as **accomplishment accounts statements** in Umoja Strategic Management Application. Findings from evaluations carried out during the reporting period, on the performance of the respective focus areas, also provide valuable information to corroborate monitoring information that is largely self-assessment.
- (d) **Outputs:** Monitoring implementation of outputs that contribute to the achievement of the strategic plan results is also part of the monitoring of the implementation of the work programme and budget, because they are aligned. This is a continuous process undertaken by project managers at all levels in the organization as explained under project level monitoring and monitoring of the work programme and budget using PAAS, Umoja SMA and IPMR.

#### 2. Reporting on the implementation of the strategic plan

Reporting on the implementation of the four-year strategic plan is a requirement which is internal to UN-Habitat. The annual progress report is mandated by the Governing Council (GC) of UN-Habitat through its resolutions, for example, the **Strategic plan for 2014-2019 and the work programme and budget of the United Nations Human Settlements Programme for the biennium 2016-2017** “calls upon the Executive Director to report annually to Member States and, in consultation with the Committee of Permanent Representatives, to the Governing Council at its twenty-sixth session on progress made in resource mobilization, outcome-level performance, the implementation of the strategic plan and the work programme and budget, including evaluation in line with the Results-Based Management framework” (Resolution GC/25/3 of April 2015) .

As the strategic plan is implemented through three successive annual work programmes and budgets, the annual report includes progress made on the implementation of the work programme, while also capturing the cumulated progress in the implementation of the strategic plan through the programme performance indicators.

Since each of the subprogrammes/focus areas is implemented jointly by regional offices and thematic branches in a matrix fashion, the performance information for the report is provided by the branches, regional and country offices following guidelines provided by the Strategic Planning Unit.

Reporting on the implementation of the strategic plan follows results-based principles and should cover the major achievements in relation to the strategic results: progress on indicators of achievement measured against targets; results achieved at expected accomplishment level; resource utilization rates compared with budgets/allocations, and explanation for any variance. Reporting on UN-Habitat’s results should be guided by the following *principles of good results-based reporting*:

**Table 14: Principles of good results-based reporting**

<p><b>Principle 1: Focus on outcomes/results: explain critical aspects of performance and set them in context</b></p> <ul style="list-style-type: none"> <li>❖ Clearly present achievements: The results statements should be short and supported by factual evidence to determine progress towards achieving UN-Habitat strategic results.</li> <li>❖ Briefly describe delivery mechanisms (such as technical assistance, training, advocacy platforms, normative tools such as guidelines, etc.), indicating how they contributed to change and UN-Habitat’s role in that change.</li> <li>❖ Where possible, use numerical comparisons and trends.</li> <li>❖ Discuss key challenges, risks and opportunities, and their effect on performance during the reporting period</li> </ul>
<p><b>Principle 2: Present credible, reliable and balanced information</b></p> <ul style="list-style-type: none"> <li>❖ Provide factual and independently verifiable performance information, as found in monitoring data and evaluations.</li> <li>❖ Use comparisons and trends.</li> </ul>
<p><b>Principle 3: Associate performance with plans, priorities, and expected results, explain changes, and discuss lessons learned</b></p> <ul style="list-style-type: none"> <li>❖ Link performance with plans (work programme and project documents)</li> <li>❖ Demonstrate links to UN-Habitat’s four-year strategic plan focus areas, work programme, expected accomplishments, etc.</li> <li>❖ Briefly discuss lessons learned and corrective actions to be taken, if any.</li> <li>❖ Briefly discuss the likelihood of sustainability of positive results</li> </ul>
<p><b>Principle 4: Link resources to results</b></p> <ul style="list-style-type: none"> <li>❖ Explain what has been accomplished with the resources allocated in relation to what was planned.</li> <li>❖ Demonstrate whether the performance represents efficient and effective use of funds.</li> <li>❖ Significant internal reallocations to meet emerging priorities, or to better sustain progress toward the achievement of the strategic outcomes should be discussed.</li> <li>❖ Explain any variances</li> </ul>

**Process of preparing the annual report: roles and responsibilities**

Preparation of the annual progress report on the implementation of the four-year strategic plan starts in October and ends when it is presented to the UN-Habitat Executive Board Ad Hoc working Group. A summary of the document is presented to the Governing Council for the alternate year. The process which takes about four months involves several steps and responsibilities as explained and illustrated below.

The reports are consolidated by the Strategic Planning and Reporting Unit using performance data and information from country, regional and focus area global activities, which are tracked by programme managers and other field staff using performance management data sheets and reporting templates. Each focus area/branch reports progress using reporting templates for reporting. Achievements at global, regional and country level are reported in separate paragraphs. Regional and country offices use reporting templates to report on focus areas or expected accomplishments as appropriate.

Global reporting includes the results achieved at expected accomplishment and sub-expected accomplishment levels. Important outputs and processes that led to significant achievements of results may be reported. Also to be reported is a results statement which is a synthesis of the information on trends and conditions of indicators of achievement and targets from the data sheets (quantitative data), to strengthen the analysis of the progress made. At country level, reporting should cover outstanding achievements in any of the focus areas as appropriate.

All the information provided should be validated using the evaluation reports and six-monthly self-assessments by each branch discussed by the senior management. The strategic plan focal points should ensure that all the information provided by regional and country offices is cleared by the Regional Director before submission to the Strategic Planning and Reporting Unit.

The Management, Advisory & Compliance Division provides information on budget utilization for each focus area. To demonstrate efficiency in the use of resources towards achievement of the planned results, the financial information should include statements on variances between estimated, allotment and expenditure. Branch Coordinators are responsible for providing the interpretation on resource utilization, and explanations for any variances as appropriate.

The data and information from the focal points is consolidated by the Strategic Planning and Reporting Unit into a draft report, which is circulated to the senior management team for validation and comments. Once the comments have been incorporated, the revised report is discussed in a senior management performance review meeting to assess the performance of the agency, address emerging issues and provide management response and next steps.

The final draft with the management response is then presented by the Office of the Executive Director to the CPR sub-committee for programmes, for review and feedback. The final report is then prepared by the Strategic Planning and Reporting Unit incorporating feedback from the UN-Habitat Executive Board Ad Hoc working Group. The annual report is also used to meet the reporting requirements of UN-Habitat development partners (multi-year funding donors) as per the cooperation agreements. Providing reports on the results achieved to Member States and other stakeholders is a way of accounting for the resources entrusted to the organization in terms of results attained.

**Table 15: Step by step process in preparing the Annual Progress Report**

<b>Step 1:</b>	The Strategic Planning and reporting Unit prepares and regularly reviews and updates the reporting templates which are used for collecting the programme performance information for each focus area/subprogramme at branch, regional and country levels. The reporting templates follow the results framework and the performance measurement plan of the four-year strategic plan and the annual work programme and budget. The changes introduced take into consideration the feedback from Member States, RBM champions (who are also the reporting focal points) and programme managers, as well as lessons learned from the previous annual report preparation process. This may include clarification of terms to make the guidelines simple and results focused.
<b>Reporting guidelines and templates are developed/revised (August-September).</b>	
<b>Step 2:</b>	To kick-start the process, the Strategic Planning and reporting Unit issues a memo which is sent with reporting templates to senior managers and RBM champions on the guidelines, process, requirements and timelines for preparation of the report.
<b>Guidelines and reporting templates are issued to senior managers and reporting focal points</b>	
<b>Step 3:</b>	This is an important exercise that provides guidance for the preparation of the annual report. The Strategic Planning and reporting Unit team holds meetings with various teams responsible for coordinating and consolidating inputs to the report at different levels.  The first briefing is done with the RBM champions for each branch, regional and country office. Other briefings are done with managers and their teams at branch level and regional office level.  The briefings address the following: <ul style="list-style-type: none"> <li>▪ The purpose of preparing the annual progress report and reminders on the key elements of results-based programme performance reporting;</li> <li>▪ Explanations and clarifications on the use of the templates in collecting relevant information;</li> <li>▪ Structure and key elements of the report including any changes introduced; and</li> <li>▪ Timelines, key deliverables and responsibilities.</li> </ul>
<b>Briefings by Quality Assurance Unit</b>	
<b>Step 4:</b>	Based on the timelines stipulated in the memo, branches and regional offices prepare and submit their respective contributions to the Strategic Planning and reporting Unit using the reporting templates. The preparation of the draft inputs takes 3 to 4 weeks. This allows regional focal points to work with country teams and regional office teams in preparing regional as well as country level reports. They consult and get consensus on which results were achieved and should be reflected during the reporting period.
<b>Preparation and submission of inputs to the report (global, regional and country)</b>	
<b>Step 5:</b>	The Strategic Planning and reporting Unit is responsible for the preparation of the consolidated draft for each subprogramme. The process involves reviewing, analysing and collating of inputs from regional, country and branch level inputs for each of the expected accomplishments. The results statements are presented separately for global, regional and country levels.
<b>Preparation of the zero draft for each subprogramme/ focus area and offices</b>	
<b>Step 6:</b>	



<b>Circulation of subprogramme draft to branch coordinators and reporting focal points.</b>	<p>The purpose of this step in the preparation of the annual report is to enable the branch teams and regional office teams to have bilateral consultations, and to enable validation, clarification and revisions of the reported results for each subprogramme by the various teams. Consolidated indicator values for each expected accomplishment are also verified and validated at this stage. Branch coordinators submit the revised subprogramme draft reports to the Strategic Planning and reporting Unit. A similar process of review and validation is used for the draft reports from the Executive Direction and Management, the Programme Division and the Division of Operations and Management.</p> <p>The above process sounds straightforward but in fact this is an intensely iterative process that takes time, effort and patience. The Strategic Planning and reporting Unit tries to ensure that all the necessary information on reported results and indicator values is provided, tallies and is supported by available evidence. If indicator values are below the target or exceed it, a justification has to be provided.</p>
<b>Step 7:</b>	<p>The Strategic Planning and reporting Unit prepares a consolidated draft report which contains all the inputs from the subprogrammes as well as the Executive Direction and Management, the Programme Division and the Division of Operations and Management. The consolidated draft, which contains all the elements of the final report, is circulated to all managers for review and final validation of the reported results at expected accomplishment level, indicator values and performance rating for the year. Feedback from the managers on the consolidated draft is expected back to the Quality Assurance Unit.</p>
<b>Preparation of the consolidated draft report covering subprogrammes and offices</b>	
<b>Step 8:</b>	<p>The Strategic Planning and reporting Unit prepares a refined draft based on inputs from all branches, regional offices, divisions and other offices. The clean draft is then submitted for programme performance review by the senior managers.</p>
<b>Preparation of a revised consolidated report</b>	
<b>Step 9:</b>	<p>A senior management programme performance review meeting, which is chaired by the Deputy Executive Director, meets to review the programme performance of the organization as reflected in the draft annual report. The purpose of the management review is to learn what the organization is doing well and what it is not doing well; to make adaptive decisions; for accountability (where we are lagging behind, etc.); to exercise transparency on programme performance; and for verification and validation of the document at corporate level. The meeting also provides an opportunity for senior management to strategize before the CPR on possible responses to difficult issues that may arise. Feedback and recommendations from this meeting inform the refinement of the document before it is presented to the CPR Subcommittee on the programme of work and budget.</p>
<b>Programme performance review by senior management</b>	
<b>Step 10:</b>	<p>The draft is submitted to the Executive Director's Office for clearance before submission to the CPR subcommittee for review, one week before the meeting.</p> <p>This stage provides an opportunity for the UN-Habitat Executive Board Ad Hoc Working Group members to critically engage with the UN-Habitat Secretariat on its programme performance. During the meeting, UN-Habitat presents the report through a PowerPoint presentation and member states ask questions and seek clarification. They make observations on the different aspects of the report and provide inputs and recommendations for improvement. All subprogrammes and offices must be represented by senior managers, preferably subprogramme coordinators who have an overview of the programme and are able to respond effectively on the focus area/subprogramme report. Feedback and recommendations from this meeting are incorporated into the next version of the report.</p>
<b>Clearance of the clean draft for submission and discussion by the UN-Habitat Executive Board.</b>	
<b>Step 11:</b>	

<b>Preparation of the final draft for clearance by the Executive Director.</b>	The revised draft of the annual report is sent to key donors, currently Sweden and Norway by the 15 <sup>th</sup> of February. Normally there is back and forth exchange as the donors also seek clarification, and responses are provided in writing. Any recommendations for improvement are incorporated into the draft, which is amended accordingly depending on whether the recommendations arrive before it is submitted to Member States for Review by the formal CPR during its regular session, usually in March/April. If it's not possible to incorporate the comments, these are taken on board and inform the next annual report.
<b>Step 12:</b>	During the year when the CPR of UN-Habitat has a session, a summary of the reports for the two years is prepared and presented to the GC as part of the documents on the strategic framework, as requested by the resolution on the strategic plan and work programme and budget. This informs the GC of programme performance since its last session
<b>Presentation to the CPR</b>	

### 3.2.3 Monitoring and reporting on the implementation of the Annual Work Programme and Budget

Monitoring and reporting on the implementation of the work programme and budget is a UN-Secretariat mandatory self-assessment. As a member of the UN Secretariat, UN-Habitat uses the online Integrated Monitoring and Documentation Information System (IMDIS) (<http://imdis.un.org/>) for monitoring and reporting on its annual work programme and the strategic plan. IMDIS is the Secretariat-wide system for programme performance monitoring and reporting, including the preparation of the Secretary-General's Programme Performance Report.

The annual work programme and budget approved by the General Assembly, is uploaded in IMDIS and set for monitoring its implementation. IMDIS is designed to facilitate continuous and comprehensive programme implementation monitoring by staff at different levels within the same organizational unit in accordance with their assigned roles and responsibilities. Programme managers use IMDIS to track and record programme performance monitoring and reporting information on outputs, indicators and accomplishments within their particular area of responsibility. The Department of Management is able to verify progress and generate all necessary IMDIS information for the organization-wide monitoring and reporting. The system promotes accountability, transparency and information sharing. Step-by-step instructions on how to use IMDIS for monitoring and reporting on programme performance by UN-Habitat managers and reporting focal points is presented in section 3.2.4.

Evidence for programme performance delivery is collected at all levels: outputs and indicators of achievement as well as results, change and impact. In addition to the minimum evidence entered in IMDIS, UN-Habitat has responded to external audit recommendations to strengthen its evidence-based programme performance monitoring and reporting. A separate database (Programme Performance Evidence Database) has been established where all documents that support evidence for delivery of the annual work programmes are uploaded and stored either as documents or web links to sites where the relevant documents are located. These include hyperlinks to the intranet, PAAS, extranet and shared drives such as the K drive in Lotus Notes.

#### Monitoring and data collection in IMDIS

Monitoring of the work programme in IMDIS takes place along the results chain as shown in Figure 32 below. The process involves tracking progress on implementation and recording achievement of results by collecting performance information on:

- a) Delivery of outputs according to categories
- b) Expected accomplishments (outcomes) through
  - ❖ Indicators of achievement
  - ❖ Accomplishment accounts (highlights of results achieved)

Figure 33: Linkages in the results chain within the IMDIS

**Programme of work for the biennium 2016-2017**  
**Urban Planning and Design**



The Department of Management issues advisory notes and guidelines to all agencies under the UN Secretariat, that guide the process of monitoring and reporting on the implementation of the work programmes and budgets throughout the biennium. The required actions to be undertaken in IMDIS within the six-monthly updates and reporting timeframes are communicated. UN-Habitat follows this monitoring and reporting cycle, which is summarized in table 17 below.

**Table 16: UN-Secretariat required Work Programme monitoring and reporting cycle actions**

<b>Timing and Major Actions in IMDIS</b>
<b>Month 6 (June) of the biennium</b>
<ul style="list-style-type: none"> <li>❖ Review and adjust all performance measures (baseline and target figures).</li> <li>❖ Define and agree on indicator methodology to be used for monitoring and periodic reporting. All fields except “Clarification of terms” are mandatory.</li> <li>❖ Enter the name of the officer(s) responsible for delivering a particular output and for monitoring.</li> <li>❖ Review and ensure that all outputs approved in the work programme budget have been entered into IMDIS.</li> <li>❖ Begin data collection.</li> <li>❖ Start updating the implementation of the work programme. For each output indicate whether: “not started”, “in progress”, or “implemented”. Provide further details as appropriate.</li> </ul>
<b>Months 12 &amp;13 (December-January) of the biennium</b>
<ul style="list-style-type: none"> <li>❖ Review all outputs that have not been started or are in progress and report on their implementation status. For each output indicate whether it is: “not started”, “in progress”, or “implemented”.</li> <li>❖ Add discretionary or legislated outputs in IMDIS only when they have been fully implemented, for review by the Department of Management (DM).</li> <li>❖ Notify the Quality Assurance Unit (QAU) of all outputs (programmed, additional, reformulated, postponed and/or terminated) once input is complete. The QAU will verify the output before submitting to Department of Management.</li> <li>❖ Verify outputs that have been carried forward by matching them with the postponed outputs from the previous biennium.</li> <li>❖ As a general rule, additional discretionary or legislated outputs should only be added in IMDIS when they have been fully implemented. There should be no postponements or terminations of additional outputs.</li> <li>❖ Update interim performance measurements. <ul style="list-style-type: none"> <li>▪ Input information from data collected on each indicator of achievement.</li> <li>▪ For each indicator, report interim progress under “Description of results”.</li> <li>▪ Provide highlights of expected accomplishment (EA) statement (reporting the results achieved) at subprogramme/thematic level, by summarizing progress made toward the expected accomplishment, including the impact that the programme had on its beneficiaries at the national, regional or international levels drawing on programme performance information and findings of any recent self-evaluations, conducted during the reporting period. Any areas of programme design requiring improvement should also be reported, drawing on programme performance information and findings of any self-evaluations conducted during the reporting period. Limit statement to 150 words.</li> </ul> </li> <li>❖ For each expected accomplishment state areas that need improvement, as well as lessons learned and next steps, considering summaries of intergovernmental, external and internal reviews. Limit to 75 words</li> <li>❖ Input work months</li> </ul>
<b>Months 18-21 (June-September) of the biennium</b>
<ul style="list-style-type: none"> <li>❖ Update all newly implemented, reformulated, and terminated outputs.</li> <li>❖ Analyze and synthesize data on each indicator of achievement and update progress reports on each indicator. <ul style="list-style-type: none"> <li>▪ Update “Accomplishment Accounts” with the most recent progress achieved in attaining the desired results</li> <li>▪ Update the work months</li> </ul> </li> <li>❖ Prepare the “Statement of Accomplishments/Results Achieved”, “Highlights of Programme Results” and summary of “Challenges, Obstacles and Unmet Goals”</li> <li>❖ Attach any internal and/or external evaluation or assessment that may have been undertaken and mark them appropriately if they are for sharing with Member States.</li> </ul> <p>Participatory Review</p> <ul style="list-style-type: none"> <li>❖ Organize a participatory review among all concerned staff, to review the final draft of the “Accomplishment Accounts”, “Statement of Accomplishments/results achieved”, “Highlights of programme results” and “Challenges, Obstacles and Unmet Goals”.</li> <li>❖ Take stock of any lessons learned that should be considered when formulating the next strategic framework</li> </ul>

<b>Months 22-24 of the biennium (October-December)</b>
<ul style="list-style-type: none"> <li>❖ Provide a final measure for the indicator reflecting the overall performance for the biennium per indicator.</li> <li>❖ For each indicator, report final progress under “Description of results”.</li> <li>❖ For each expected accomplishment, provide a final assessment of performance, including a concise statement of results. Analysis should be made principally in reference to the performance indicators of achievement and the corresponding performance measures (baselines and targets). Limit the statement to 150 words.</li> <li>❖ For each expected accomplishment, provide a final assessment on lessons learned and areas needing improvement. Summarize intergovernmental, external and internal reviews. Limit the statement to 75 words.</li> <li>❖ Attach any internal and/or external evaluation or assessment that may have been undertaken and mark them appropriately if they are for sharing with Member States.</li> <li>❖ At this stage, mark incomplete outputs as postponed or terminated</li> <li>❖ No outputs should remain in the “not started” or “in progress” status.</li> <li>❖ All outputs marked “postponed” or “terminated” must include a statement as to why.</li> <li>❖ All outputs added by legislation should have the legislative decision number and date.</li> <li>❖ For all publications, an ISBN or HS number or website link must be provided. Alternatively, a valid web link to an electronic version of the documents can be provided.</li> <li>❖ All training activities must provide a gender breakdown of participants.</li> <li>❖ All activities must have work months recorded.</li> </ul>
<b>After 24 months of implementation (January)</b>
<ul style="list-style-type: none"> <li>❖ The Quality Assurance Unit will verify the outputs, work months, accomplishment statements, results achieved, highlights of programme results, challenges and evaluations undertaken, and submit these to Department of Management for verification.</li> </ul>

**Table 17: Responsible persons for different actions in the monitoring and reporting process**

<p><b>Responsibilities:</b></p> <p>The Quality Assurance Unit is responsible for the overall coordination, quality control and reporting.</p> <p>The IMDIS focal points at branch, unit and at regional office level are responsible for systematic entry of the information into the system.</p> <p>The branch manager and unit heads are responsible for ensuring quality control for their respective sections and reporting on expected accomplishments and results highlights for their respective subprogrammes.</p>
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Authorised programme staff monitor and enter updates in IMDIS on the outputs, indicators of achievement, expected accomplishment and results attained through the implementation of their respective programme of work during a given biennium. Each user can only update their areas of responsibility, depending on the approved right of access, but can view the whole programme of work for their organization as well as other programmes. Information on progress towards achievements of expected accomplishments is captured at the aggregate level.

Step-by-step instructions on how to use IMDIS for monitoring and reporting on programme performance by UN-Habitat managers and reporting focal points is discussed in detail in Section 3.2.4.

## **Monitoring progress towards achievement of expected accomplishments**

### **(a). Verifying and updating indicator methodology**

Data on indicators of achievement are used to monitor progress towards achievements of expected accomplishments. The process of tracking progress towards achieving expected accomplishments in IMDIS starts with setting up, verifying and updating the indicator methodology which defines how the indicator data will be collected, recorded and analysed. Branch coordinators and Unit heads are responsible for defining, verifying and updating indicator methodology for the expected accomplishments they are accountable for.

In analyzing the use of indicators as tools for reporting on accomplishments during a biennium, every effort should be made to rely on sound data collection methods. For that, programme managers need to define the variables that make up the indicator, identify data sources, determine data collection and verification methods, determine how often the measurements will be done, create a presentation format and identify external factors that could distort measurements. This should be done early in the biennium so that the collection and reporting of results becomes less cumbersome. For UN-Habitat, the programme performance plan for the four-year strategic plan (2014-2019) contains all the basic information on how the strategic plan and the work programmes and budgets for the period will be monitored. Minor revisions will need to be made at the start of each biennium as appropriate to reflect changes made during the planning process for that biennium.

### **(b). Tracking progress on expected achievements in IMDIS**

#### **(i) Updating performance measures (indicators)**

Indicators of achievement are primary sources of data for analysis of programme performance, and as such need to be relevant and reliable. The baseline and target values for each indicator in IMDIS should be aligned with the approved budget fascicle. A baseline measure is the actual value of an indicator on the first day of the biennium, or on a date as close to 1 January as is practical. When the actual value is new and cannot easily be determined, a reasonable estimate may be substituted. The target is an estimated value of the indicator on the last day of the biennium, given the original programme of work and budget approved by the General Assembly.

Baselines and targets are needed to gauge actual programme outcomes/impact, as well as variations from anticipated results. Measurements should be taken as regularly as is feasible during the biennium in order to evaluate progress over time and to connect changes with specific accomplishments and/or shortcomings in programme design and delivery. All documentation, as supporting evidence on the reported progress on indicators and results achieved (Table 19 below), must be collected and uploaded to the Programme Performance Evidence Database as soft copies or through web links/hyperlinks to relevant sites.

Table 18: Template for collecting evidence for programme performance monitoring and reporting progress on indicators and results achieved (Example for subprogramme 3.)

Subprogramme 3: 2014-2015 biennium		Required information for tracking progress on indicators in IMDIS		Documentation evidence on progress on indicators and results achieved- uploaded into programme performance evidence database
Expected Accomplishment	Indicators of achievement	Baseline: 2013 (Number and List of names)	Actual 2015 (Number and List of names)	
<b>EA1: Improved capacity of partner cities to adopt strategies supportive of inclusive economic growth</b>	Number of partner cities that prepared local economic development plans	0	7: (Bogota in <b>Colombia</b> , Silay City and Cagayan de Oro in the <b>Philippines</b> , Akure in <b>Nigeria</b> , Kisumu in <b>Kenya</b> , El Alamein in <b>Egypt</b> and Nampula in <b>Mozambique</b> )	<b>Technical Scoping reports; stakeholders' thematic consultation reports on scoping; urban economic profiles; draft progress reports (quarterly and six monthly); and mission reports and sample LED plans</b>
	Number of partner cities that have prepared set priorities based on local economic assessment	0	7	<b>Technical Scoping reports; city economic profiles; draft progress reports (quarterly, six monthly, annual); and mission reports</b>
<b>EA2: Improved capacity of targeted cities to adopt urban policies and programmes supportive of increased employment opportunities and livelihoods, with a focus on urban youth and women</b>	Number of partner cities that have adopted programmes supportive of increased employment opportunities and livelihoods, with a focus on urban youth and women	7: Kampala, Dar-es-Salaam, Nairobi, Kigali, Sao Paolo, Harare, and Katmandu	22: Goma ( <b>DRC</b> ), Mogadishu ( <b>Somalia</b> ), Lokoja ( <b>Nigeria</b> ), Mandera ( <b>Kenya</b> ), Sao Paulo ( <b>Brazil</b> ), Harare ( <b>Zimbabwe</b> ), Sanaa ( <b>Yemen</b> ), Kampala ( <b>Uganda</b> ), Mandeville ( <b>Jamaica</b> ), Cairo ( <b>Egypt</b> ), Raipur ( <b>India</b> ), and Dar es Salaam ( <b>Tanzania</b> ), Akure, ( <b>Nigeria</b> )	<b>Programme documents and MOUs with partners, project/programme evaluation reports, bi-annual and annual progress reports from partners and beneficiaries as appropriate; evidence of relevant policies adopted by partner cities/governments</b>



<b>EA3: Improved capacity of partner cities to adopt policies, plans and strategies for improved urban and municipal finance</b>	Number of partner cities that have adopted programmes and strategies for improved urban and municipal finance	8: Chibuto, Manica and Nacala (Mozambique: participatory budgeting) Hargeisa and Borama , (Somalia) Somoto, Ocotal, and Esteli (Nicaragua: ERSO infrastructure financing)	19: <b>Somalia</b> -14 (Berbera, Borama and Sheikh in Somaliland, and Bander Beyla, Eyl and Jariiban in Puntland ....?: <b>Afghanistan</b> - Herat, Mazar-e-Sharif, Jalalabad, and Kandahar Mozambique- Nacala Porto and the district of Nacala Velha: <b>Kenya</b> – Kiambu <b>Philippines</b> -Cagayan de Oro, Iloilo, and Silay	<b>Progress reports, advisory/mission reports (UN-Habitat template); diagnostic reports; executive authority resolutions as evidence of adoption; partner city revenue enhancement plans and reports</b>
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“Interim values” and “description of results” serve as an indication of whether the expected targets approved by the Member States for the subprogramme indicators have been or will be achieved by the end of the biennium. This data should be recorded by programme managers before writing statements of results on a subprogramme level, for interim reporting as of end of first year of biennium and final reporting as of end of the entire biennium.

## (ii) Recording results statements

Also assessed are the results statements. The results statement includes information on trends and conditions of indicators of achievements on whether (or not) the expected accomplishments have been achieved or are being achieved. Other relevant information captured in the results statement includes challenges or issues being addressed; activities undertaken; results or accomplishments; verifiable data; and other information including comparison of the actual value of indicators with the original targets, variations from the target and reasons why, and lessons learned, including recommendations on how to solve problems/issues identified.

## Monitoring and recording delivery of outputs in IMDIS

To assess whether or not delivery of outputs is on track and in line with the programme budget, the number of outputs delivered and the percentage of outputs completed in relation to the total number of outputs planned is monitored in IMDIS. The purpose is to assess whether output delivery is in line with the programme budget in terms of quantity and timeliness. Within the results chain, outputs are the products and services such as reports, publications, servicing of major meetings, training workshops, advisory services and field projects, which result from the completion of several activities that a programme is expected to produce in order to achieve its expected accomplishments.

Detailed information required for tracking output delivery must be entered in the IMDIS and in the programme performance evidence database, including supporting documents (table 19) as evidence of accountability and to demonstrate their contribution towards the achievement of the expected accomplishments.

**Table 19: Information for tracking and verifying output delivery in IMDIS and programme performance evidence database**

Output category	Required information for tracking output delivery in IMDIS	Evidence information and documentation on output delivery –in Programme Performance Evidence Database
Substantive servicing of meetings	Title of the meeting; Meeting date(s); Venue; Responsible officer; and Intermediate results	Meeting preparation documents; HS numbers, ISBN of outcome reports; web links for pre-session and post-session documents.
Parliamentary documentation	Title of the document; Document identifier; Date; Status of implementation	Background reports, HS Numbers/GA document symbol
Expert group meetings, rapporteurs, depository services	Title of the meeting; Meeting date(s); Venue; Responsible officer; Intermediate results and Status of implementation	Preparatory documents for the meeting, meeting agenda; list and number of participants; outcome documents, e.g., meeting report, tools developed/revised, declarations or decisions taken, etc.
Recurrent and non-recurrent publications	Title of the publication; status of implementation; Publication Identifier; Issue Date; Responsible Officer and Intermediate results	Completion date, specific identifier for each publication, e.g., ISBN number, HS number, weblink to external website
Advisory Service	Title/nature of advisory services; Status of implementation; Identifier description of advisory services offered; No. of missions	Preparatory documents (written requests or invitation letters, emails, memos, teleconference or skype meeting notes and

	undertaken and Location; Start Date; End Date; Responsible officer and Intermediate results	reports of the meetings to show what was discussed; documents showing decisions taken, advise provided; mission reports, MOUs signed; draft strategies; policies, guidelines, etc.
<b>Special Events</b>	Title of the event; Identifier of the event; Start and End date of the event; Venue for the event; Responsible officer and Intermediate results	Background documents, list and number of participants, agenda, weblink of media coverage and press releases, report of the event and any outcome documents such as declarations, decisions or action plan agreed, reports of proceedings.
<b>Training courses, seminars and workshops</b>	Title; Status of implementation; Identifier description; Location; Date (start/end); Country; Location; Participants; and Female participants	Preparatory documents (programme and agenda, participant list, invitation letter); background documents(concept note), training materials; workshop evaluation report; weblink for any media coverage of the workshop.
<b>Field Projects</b>	Title of cluster of field projects; Status of implementation; Title of each project; Number of projects; Organizational Unit responsible and Intermediate results	Project document, signed cooperation agreements for funding and implementation partners; progress report on the project, documentation on revisions; field visit reports; newsletters, press releases on the launch or progress on the projects, etc.

## Recording output delivery in IMDIS

The instructions for updating the output details for each category in IMDIS can be found in this Handbook under section 3.2.4. Information on the following elements should be provided for each implemented output:

- (a). Replace the output definition (aggregate output title which was formulated at the work programme and budget planning stage) with an actual specific description of the deliverable (see the hypothetical example provided below).
- (b). *Start/End date*: enter the **actual** month/year when the output implementation started and ended.
- (c). *Output status*: review and update output delivery status (applicable status for the 1<sup>st</sup> quarter of the biennium is “*not started, in progress, implemented, reformulated*”).
  - ❖ For the output *in progress* provide a short description of the work undertaken. This can be entered in the field of “*Remarks*” in the category of *Non-recurrent publications*. In other output categories it is best entered into the field of “*Description*”;
  - ❖ For the *implemented* output, enter mandatory output identifiers as specified in table 19;
  - ❖ For the *reformulated* output, enter the reason for deviation by clicking on the drop down arrow and highlighting the relevant reason. In addition enter remarks explaining why the output was reformulated. Please note that an output can still be considered reformulated even if it continues to address the same subject matter of the originally programmed output and caters to the same intended users.
- (d). *Issue date and publication identifier* (applicable to the non-recurrent publications category): Enter issue date and ISBN/ISSN number or URL as mandatory identifiers for any publication reported as “implemented”.
- (e). *Abstract* (applicable to non-recurrent publications category): Enter a short abstract of the publication
- (f). *Responsible officers*: Enter the name of the staff member(s) and division responsible for the implementation of the output.
- (g). *Organizational unit*: Please note that the implementing branch in the field of *organizational unit* is pre-selected by QAU based on the approved programme frameworks.

- (h). *Intermediate results* (applicable to **implemented** output): Record how the output has been used or applied by the intended beneficiaries and/or assisting constituencies; record usage statistics and reference and beneficiary feedback. This information serves as evidence of how the outputs have contributed towards the achievement of the expected accomplishment.
- (i). *Remarks*: indicate the relevance of the output to the Expected Results. Please note that the Quality Assurance Unit will use the “Remarks” field to provide comments for revising the output content, if needed

In addition to the output delivery information entered in IMDIS by programme managers, substantive documents should also be uploaded onto the PAAS and UN-Habitat websites.

## **2. Reporting on the Programme of Work**

Reporting on the work programme and budget is a UN-Secretariat requirement. The Department of Management prepares three reports based on the information and actions entered in IMDIS as per the advisory notes and guidelines. These include the programme performance documentation status report for the biennium, interim programme performance report and the programme performance report for the biennium.

### **Programme performance data analysis and reporting on the work programme and budget**

Mandatory self-assessments are requested by the UN Secretariat and are conducted by managers in the context of reporting results of the subprogrammes in the results-based format that are reflected in the annual programme performance report. In real terms, this is mandatory monitoring/assessment of the annual work programme.

The self-assessment reports on the programme of work comprise six-monthly data and information (months 12, 18 and 24). The reporting consists of analysis of the logical framework, trends and conditions of indicators of achievements (together with baselines and targets), and the methods used in the collection of data in IMDIS. The information collected in IMDIS throughout the biennium is used by UN-Habitat to contribute to the programme performance reports prepared by the Department of Management for accountability to Member States. The data analysis and results reporting takes place at two main levels: the strategic objective and expected accomplishment levels.

**Highlights of programme results:** should showcase the key achievements of the Agency selected from each subprogramme. In addition, programme managers are required to prepare a brief summary describing the main challenges, obstacles and unmet goals the programme encountered. Ideally the lessons learned and areas in need of improvement identified when assessing subprogramme performance for each expected accomplishment should be reflected in this summary.

**Expected Accomplishment Results or Statements of Results:** these are required at 12, 18 and 24 months of the programme cycle. The responsibility for analyzing and preparing results for each expected accomplishment rests with the branch coordinators and unit heads for subprogrammes, and heads of offices responsible for the respective expected accomplishments. The purpose of the statements of results is to provide a summary of specific sub-programme statement of results based on data collected for the indicators of achievement and other relevant information that serves as the source for reporting on the extent to which the relevant expected accomplishment was achieved. The analysis of progress in the statements of results should be made principally in reference to the indicators of achievement including the comparison of targets to actual achievements and corresponding performance measures (baselines and targets) established by departments and approved by the General Assembly at the beginning of the biennium. Programme managers may wish to highlight specific outputs or groups of outputs that were particularly effective, and best practices identified in the programme’s substantive or operational areas, or use supplementary indicators or other compelling information to further support the results achieved.

A typical statement of results would address these questions:

- ❖ What was accomplished (statement of facts)?
- ❖ How was it verified (reference to indicator methodology used)?
- ❖ How did this compare with your target (comparison with the target)?
- ❖ What explains the variation (reason for variation with the target)?
- ❖ What did you learn (reference to best practices and lessons learned)?

Information on challenges, obstacles and unmet goals should also be included for progress (months 12, 18) and final reporting (months 21-23) on accomplishment accounts, so that they can be extracted and summarized at the end of the biennium.

**Work months reporting:** the time spent by each professional staff member or consultant on the delivery of planned outputs is reported, irrespective of whether funding is received through the regular budget or from extra-budgetary resources. The purpose of the reporting is to account for allocation of professional staff and consultants' time within the subprogrammes. Work months are reported using a standard template in IMDIS.

#### **(i) Programme performance documentation status report for the biennium**

The report is published in early October of the first year of the biennium and is based on data recorded in IMDIS by the end of September. The report uses the following specific set of data for measuring the status of programme performance documentation in IMDIS:

- ❖ Percentage of indicator of achievement methodology completed
- ❖ Percentage of performance measures that have baselines and targets in line with approved budgets
- ❖ Percentage of output for which the status reported is implemented or reformulated. This does not include outputs 'in progress' or 'not started'

An average of the three percentages mentioned above provides the documentation status of programme performance data. All agencies under the Secretariat are rated based on the percentage achieved. The report helps to indicate the level of preparedness of the agencies to effectively monitor and report on the implementation of the work programme and budget during the biennium.

#### **(ii) Interim programme performance report**

This report covers the first year of implementation of the annual work programme and budget. It is used to assess and record progress achieved in programme implementation halfway through the programme. The data collected from IMDIS at the end of the first 12-month period of the biennium is used to develop an interim report on programme performance that is presented to the Management Performance Board meeting held at the start of the second half of the biennium, and assessed in conjunction with the senior managers' compacts. The interim report covers all key elements of the programme performance report, which includes implementation rate of programmed outputs, interim progress on indicators of achievement, statements of results achieved and highlights of programme results. The report also captures challenges and lessons learned at expected accomplishment level.

#### **(iii) Programme performance report for the biennium**

This is the end-of -biennium programme performance report that is submitted as the report of the Secretary General by the Department of Management. It presents the overall programme performance in terms of the implementation and results achieved over the biennium. All three reports are prepared as consolidated reports for the Secretariat but also contain sections for each agency.

### 3.3. Project Level Monitoring and Reporting

Aggregated project results deliver programme results. If projects deliver no results, we will not be able to deliver Programme EAs. It is for this reason that the project implementation or execution stage is the most critical stage in the project management cycle, as it is during this stage that planned benefits/results are delivered. By monitoring projects, we want to maximise their impact. In monitoring, the quality of the process is as important as the results.

We monitor the Theory of Change.-It is depicted as linear but it is a winding iterative process.

- ❖ Are the causal relationships still valid?
- ❖ Are assumptions still holding?
- ❖ Has the ecosystem changed in any way that was not foreseen?
- ❖ What is working and why?-What is not working and why not?
- ❖ Are the critical actors in the theory of change still active?
- ❖ Going forward, what do we need to change?

Project Monitoring became policy by the ED's memo of November 2012 contained in the Project-Based Management Policy. The mandate for project monitoring was given to the Programme Division. Monitoring is through the PAAS. Outputs monitoring is carried out **every three months**. **Progress towards EAs/outcomes** is monitored every **6 months**. Project monitoring and oversight/supervision is the work of the Project Managers.

RBM puts a lot of emphasis on **participation**, not just **during project design** (like Project cycle management (PCM), logical framework analysis (LFA), but also **during the execution** of the project (including monitoring)

Project team leaders have PAAS authority to enter data into the monitoring system. Monitoring includes identification, tracking and response to risks and other issues affecting project implementation and achievement of project objectives. This ensures effective and efficient delivery of outputs, and achievement of planned outcomes in all activities undertaken by staff.

**For projects and programmes** – The Logical Framework (logframe) provides the basis for monitoring results. With the additional identification of persons or groups responsible for collecting data, and the frequency of such data collection for indicators selected, the logframe guides staff and partners in collecting and analyzing data so that actual results can be compared with planned results. Monitoring should include an analysis of progress towards achieving the programme's outputs ("deliverables"), as well as its contribution towards achieving the purposes and goals. Information gathered through monitoring is discussed with stakeholders at various meetings, including the sub-programme, programme and mid-term reviews.

**For data collection and analysis** – A management information system that ensures timely access to up-to-date and accurate programme and financial data is essential. The PAAS, which is currently being developed, will integrate information on programmes and financial resources, and make this information accessible to all headquarters regional and country offices.

**Table 20: UN- Habitat PAAS Based Project Implementation Monitoring & Reporting (according to the 2012 Project-Based Management Policy)**

Areas of Monitoring Reporting	Why we monitor projects at levels below	What to monitor	When to report	Who reports
<b>1. Project EAs and Development Objective</b>	We report on cumulative progress towards end-of-project objectives and EAs or outcome targets ( <i>progress toward results</i> ), to assess the likelihood of achieving project EAs (outcomes) and ultimately the project objective (accountability for results or value for money). Projects are categorized as “at risk” when the likelihood of achieving EA/outcomes is considered low.	Accurate and timely performance information from Performance Indicators of EAs (Outcomes) against set baselines.	Biannually/annually to the PAG Committee or Senior Management	Project Team Leader/Branch Coordinators or Regional Director  An independent analysis of project implementation by the PAG secretariat
<b>2. Evidence- Based Project Implementation Progress (IP) Reporting</b>	We report implementation progress (and delays) in delivering outputs, including mainstreaming gender and other cross-cutting issues. Feedback allows us to detect early signs of project success or failure, as well as risks and changes to be made.	Accurate and timely performance information on planned activities & target Outputs against allocated time and finances	Quarterly	Project Team Leader  An independent analysis of project implementation by the PAG secretariat
<b>3. Project Risks &amp; Assumptions</b>	The most frequently reported critical risks are financial and operational/partner risks followed by political and environmental risks. We monitor threats/risks and re-confirm key assumptions and stakeholder commitment to the project Theory of Change and results framework. The project’s Theory of Change at every level of the results chain is based on some assumptions, and if these assumptions do not hold, the project’s Theory of Change collapses and the planned outcomes cannot be realised. A project must therefore continuously validate these assumptions.	Identified risks against mitigation plans; and that assumptions made at the beginning of the project are still valid.	Quarterly	Project Team Leader
<b>4. Project Closure self-assessment Tools</b>	Project quality criteria are: completeness, balance, consistency, substantiveness, reliability and clarity; as well as outcomes and ultimately the project’s objective, lessons learned and best practices	Assessment of what has been realised against what was planned	After the project operations are over; and before an independent evaluation	Project Team Leader/Branch Coordinators or Regional Director with support from the PAG secretariat.

### 3.3.1. Using Performance Information

Performance monitoring and evaluation provide the information needed to enhance learning and make a number of important decisions:

- (a). **To determine if strategic trade-offs are required** – are adjustments required to:
  - ❖ the **Reach or Target group** of the programme – can you still involve the same number and type of stakeholders?
  - ❖ the **Resources** available – are they sufficient and of the right type?
  - ❖ the **Results** expected – are they still realistic within the timeframe and the resources available?
- (b). **To strengthen the cause-effect links between activities, outputs, EAs and goals**—are the planned strategies still appropriate, or should adjustments be made to improve results? This iterative approach is called adaptive management—we continuously reflect on the 3 Rs and learn during implementation and adjust the project’s implementation accordingly.
- (c). **To strengthen your organization’s management capacity by learning from experience.**
- (d). **To report on programme or organizational performance to stakeholders** – ministries and local governments, co-operating groups, donors, etc.

Figure 33 below shows how expected **results, resources and reach must be balanced**. If you want to increase the reach of the programme using the same resources, then you may have to reduce your expectations for results.

**Figure 33: Balancing reach, resources and results**

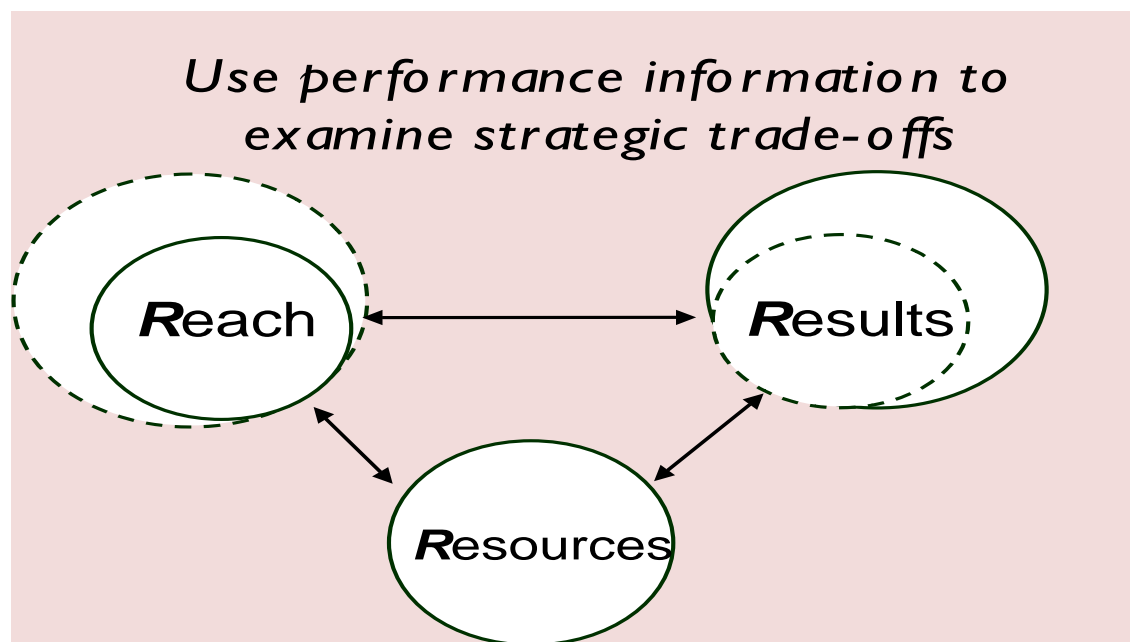


Figure 34 below demonstrates that continuous performance monitoring enables stakeholders to make decisions about strategies and use of resources at key points in order to improve results. For example, if monitoring shows that the programme/process is not producing the expected outputs, then adjustments can be made to the types of activities, the resources or the strategies, to improve the likelihood of achieving expected results.

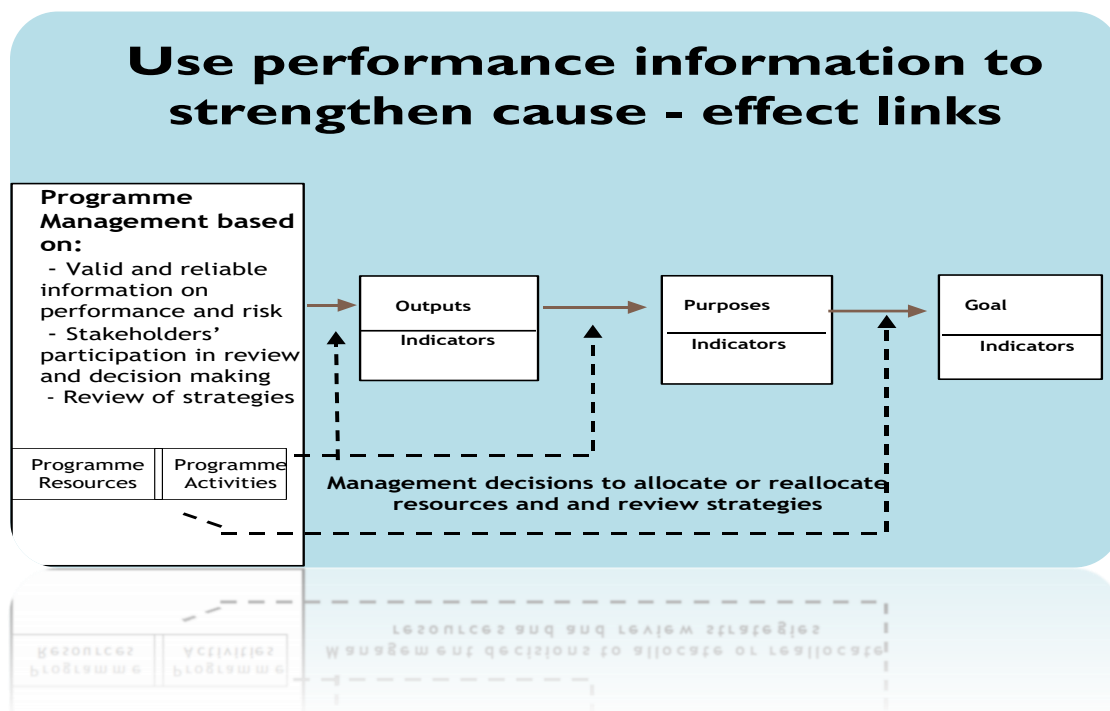
## How does RBM apply to reporting?

Reporting using the RBM approach involves:

- ❖ Describing the **progress towards expected results** for a specific period;
- ❖ Identifying the actual result/changes achieved during the period;
- ❖ Analyzing and explaining the difference between what was expected and what was actually achieved; and
- ❖ Identifying any changes you plan to make in the next period in order to increase the likelihood that the expected results will be achieved.

Project managers should refer back to the project logframe indicators when monitoring and evaluating performance and preparing reports. UN-Habitat's organizational performance reports will refer back to the strategic plan EAs and indicators when assessing the outputs achieved and the organization's progress towards its goals (see Project Implementation Report (PIR) Template in annex 8).

Figure 34: Continuous performance monitoring and decision making



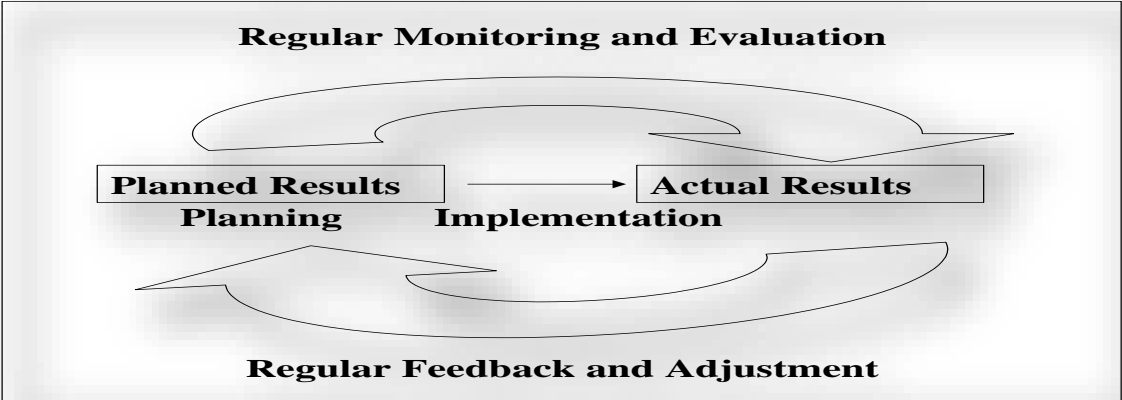
Internal reporting and feedback strengthens the process of identifying lessons and incorporating them into future planning. External reporting improves accountability to stakeholders and communication with partners.

Figure 35 below shows how planning, monitoring, evaluation and feedback are integral parts of the process of managing for results.



Figure 35: A simple RBM Model

# A Simple RBM Model



# Part 4: Results-Based Evaluation

## 4.1 General concept

Effective implementation of RBM requires that evaluation become an integral part of the RBM framework of an organization<sup>18</sup>. Also, there is an increasingly widespread understanding that effective ways of managing-for-results require both RBM-oriented measurement of results, as well as evaluative information generated by evaluations. This suggests that evaluation is an important tool in promoting sound RBM systems that promote managing for results, help institutionalize a culture of reflection and learning, and contribute to accountability.

Evaluation at UN-Habitat is governed by regulations and rules of the United Nations Secretariat, as put forth by the Secretary-General in 2000<sup>19</sup>, and guided by the UN-Habitat Evaluation Policy<sup>20</sup>, which is in conformity with the Norms and Standards for Evaluation in the UN System developed by the United Nations Evaluation Group<sup>21</sup>, as well as the Revised UN-Habitat Evaluation Framework document<sup>22</sup>.

The UN-Habitat Evaluation Policy was adopted in 2013 to strengthen the evaluation function in UN-Habitat. The policy describes the institutional framework for the planning, conduct, management, reporting, follow-up and use of evaluations. The norms and standards as expressed in the policy and the UNEG Norms and Standards for Evaluation in the UN system, guide the practice and use of evaluation in UN-Habitat. The revised framework document specifies evaluation performance targets for UN-Habitat, identifies which projects require evaluation, and outlines responsibilities of project managers and the Evaluation Unit as well as guides on how to cost evaluations..

The purpose of evaluation chapter of this Handbook is to provide staff members who are either tasked with managing and /or conducting evaluations with practical guidance on conducting evaluations. The chapter is also being useful to those responsible for designing, managing and monitoring programmes and projects.

This section addresses the basic questions of evaluation: What is an evaluation? Why does UN-Habitat carry out evaluations? What is evaluation in the UN system and what are UN-Habitat's expectations, roles and responsibilities in evaluation?

### 4.1.1. What is evaluation?

UNEG defines an 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, sustainability and impact 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 process of the organizations of the UN System and its Members.

### 4.1.2 Why UN-Habitat carries out evaluations?

Evaluations of the UN-Habitat are carried out to inform the management, the governing bodies and the agency's partners about what UN-Habitat is achieving, what improvements should be considered, and what is

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<sup>18</sup> The Role of Evaluation in Results-Based Management ( UNEG/REF(2007)1

<sup>19</sup> Secretary-General's Bulletin, " Regulations and Rules Governing Programme Planning, the Programming Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME)", ST/SGB/2000/8

<sup>20</sup> UN-Habitat Evaluation Policy was approved by UN-Habitat Management in January 2013. It is available at <http://www.unevaluation.org/evaluations>

<sup>21</sup> United Nations Evaluation Group (UNEG), "Norms and Standards for Evaluation in the UN System", April 2005 (available online at <http://www.uneval.org>).

<sup>22</sup> "Revised UN-Habitat Evaluation Framework", approved by UN-Habitat Management in September 2015 and adopted by Executive Directive of 5<sup>th</sup> January 2016.

being learned. In general, the main purposes of the evaluation will relate to programme improvement, knowledge generation, learning and accountability.

- (i) **Programme improvement:** Evaluation is an important source of evidence of achievement of results and organizational performance.
- (ii) **Decision-making:** The evidence can be used for decision-making on programme direction, allocation of resources and improving programmes.
- (iii) **Knowledge generation and supporting learning:** Evaluation is an important contributor to building knowledge and to organizational learning. Some evaluations are undertaken to describe the effects of an intervention, and as such contribute to building knowledge and organizational learning. This may form a basis for making future interventions more relevant and effective.
- (iv) **Supporting accountability and transparency:** Sharing evaluation results with key audiences demonstrates accountability and transparency. By building a greater understanding about what UN-Habitat is intending to achieve, evaluation meets requirements for donors, governing bodies and Member States and generates support.
- (v) **Agent of change:** Evaluation promotes, defends or opposes specific approaches or programmes and shapes opinions.
- (vi) **Cohesion and collaboration:** Evaluation informs the planning, programming, budgeting, implementation and reporting cycle, and increases consistency and communication between departments and organizations.
- (vii) **Evaluation** aims at improving institutional relevance, optimizing the use of resources, providing client satisfaction and maximizing the impact of the contribution of the organization.

In essence, evaluations offer a learning opportunity to find out what is working, what is not and what needs to be improved. Evaluations demonstrate objectivity in identifying valid, balanced and accurate results that are supported by the evidence assessed.

### 4.1.3 Evaluation in the UN System

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 to their respective governing bodies, as well as to national stakeholders. 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, in order to improve on them.

Evaluation serves this dual purpose of accountability and understanding what we are doing right and what we may be getting wrong through the provision of reliable and credible evaluative evidence, analysis 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.

Because evaluation has to simultaneously support both accountability and learning at different levels of governance, oversight, management and operations, it has to be conducted at different levels within each organization. In many organizations, evaluations are carried out as either centralized or decentralized functions.

The regulations that currently govern the evaluation of United Nations activities were promulgated on 19 April 2000 in the Secretary General's bulletin (PPBME). 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.

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, and 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.

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 of 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.

In the General Assembly report “Strengthening the role of evaluation findings in programme design, delivery and policy directives” (A/59/79), OIOS found that programmes did not consistently use the same nomenclature when classifying evaluations. In June 2005, OIOS published an online manual “Managing for results: A guide to using evaluation in the United Nations Secretariat”, which defines four types of evaluations. These are:

- (a). **Mandatory external evaluations**, which are requested by the General Assembly, Committee for Programme and Coordination (CPC) and donors; conducted by OIOS, the Joint Inspection Unit (JIU) and external consultants; and used by the CPC, General Assembly, and other intergovernmental bodies.
- (b). **Discretionary external evaluations**, which are requested by senior managers, conducted by OIOS, JIU or external consultants, and used by donors, external stakeholders and senior managers.
- (c). **Discretionary self-evaluations**, which are requested by senior managers and subprogramme managers, conducted by staff internal to the departments, and used by senior managers and their staff.
- (d). **Mandatory self-assessment**, are required by management and conducted by project managers in the context of the focused approach to reporting results of sub-programme performance and integrating lessons into management decisions.

The above are the different types of evaluations conducted by UN-Habitat, which can further be differentiated based on:

- (a). **When the evaluation is undertaken (timing – before, during and after):** (i) ex-ante evaluation, (ii) mid-term evaluation, (iii) terminal evaluation, and (iv) impact/ex-post evaluation;
- (b). **What is being evaluated:** (i) project evaluation, (ii) programme evaluation, (iii) thematic evaluation, (iv) policy evaluation, (v) sectoral evaluation, (vi) institutional evaluation, (vii) country evaluation;
- (c). **Who conducts the evaluation:** (i) self-evaluation, (ii) independent evaluation, (iii) joint evaluation, (iv) peer review; and
- (d). **How the evaluation is conducted:** (i) Summative and (ii) Formative evaluations

### Self Evaluations

Self-evaluation is a requirement for all closing projects, in line with the implementation of the UN-Habitat Evaluation Policy and the Revised UN-Habitat Evaluation Framework, expected to further strengthen the role of evaluation in project/programme design, implementation and decision-making.

The main purpose of institutionalizing self-evaluations is to increase the coverage and scope of UN-Habitat evaluations, within the budget constraints affecting the organization. Self-evaluations facilitate learning from projects and use of the evaluation findings. A Results-Based Self-Evaluation (RBSE) template (annex 14) should be used by project managers to assess performance of the projects they supervise.

#### 4.1.4 UN-Habitat's expectations from evaluations

UN-Habitat expects evaluations to bring improvements to its interventions through better informed decision-making. Evaluations should provide information about which expected accomplishments of the evaluated intervention are being achieved, what improvements should be considered and what is being learned.

Evaluations should be used to determine what works and what does not work – in achieving sustainable development. Producing credible, timely and useful evaluations that describes how UN-Habitat's interventions are performing promotes effective programming. What is learned from evaluations becomes strategic in decision-making, and in turn leads to improved policies, strategies and operations.

Evaluations satisfy the requirements of the Terms of Reference and expectations set out in the evaluation work plan. They bring focus to UN-Habitat's mandates, programming priorities and cross-cutting themes (e.g., gender equality, youth, human rights and the environment). They should produce credible, reliable results using an appropriate design and adhering to appropriate methods and techniques.

#### 4.1.5 Roles and responsibilities

The UN-Habitat Evaluation policy outlines the organizational roles and responsibilities of key constituents of UN-Habitat (see pages 11-13 of the UN-Habitat Evaluation Policy). Table 21 summarizes the roles and responsibilities that are relevant to all evaluation processes:

**The evaluation manager:** The primary role of the evaluation manager is to manage the evaluation process, rather than conduct the evaluation. Typical tasks of the evaluation manager include preparing the terms of reference, establishing the evaluation team, overseeing the review of draft reports, disseminating evaluation results and making other logistical arrangements. The evaluation manager is responsible for representing the best interests of the agency and is accountable for his/her decisions.

In UN-Habitat, management of centralized evaluations is the responsibility of the Chief of the Evaluation Unit. For decentralized evaluations the responsibility is that of programme/project managers, and supervision falls under the relevant branch coordinator or head of office. The Evaluation Unit provides guidance and support to the evaluation process.

**The evaluator or evaluation team:** conducts the evaluation through document reviews, interviews, surveys, meetings, site visits, etc. The team is generally comprised of one or more external consultants. The candidates should have the knowledge and working experience to carry out the evaluation as per Management's expectations. The evaluation team leader should fully understand UN-Habitat's work and have the capacity to effectively address the four cross-cutting issues (i.e., gender equality, human rights, climate change and youth) in the evaluation methods, findings and recommendations.

**Reference Group:** Resources permitting, the evaluation should have a reference group comprised of key stakeholders who work closely with the evaluation manager to guide the evaluation process and ensure the quality of the process and outputs of the evaluation. The reference group should review the documents required such as draft TOR, draft evaluation work plan and draft evaluation reports and provide advice on quality and options for improvement.

**UN-Habitat Management Board/Senior Management Team:** A management response, as the formal, written response to the findings and recommendations of an evaluation, is discussed and adopted by UN-Habitat's management. The management response is formulated jointly by organizational entities that are responsible for, or will be involved in the follow-up to the evaluation recommendations. The management response is a requirement for all centralized evaluations managed by the Evaluation Unit.

**Table 21: Summarizes the key actors, their roles and responsibilities in the evaluation process**

Actor	Roles and responsibilities
<b>Evaluation Manager</b>	<ul style="list-style-type: none"> <li>❖ Identifies and engages potential stakeholders</li> <li>❖ Leads the development of the evaluation TOR</li> <li>❖ Manages the selection and recruitment of the evaluation team</li> <li>❖ Ensures that the evaluation consultant/team understand the TOR</li> <li>❖ Guides the evaluation process, provides advice on performance management approaches and provides technical support as required</li> <li>❖ Manages the contractual arrangements, budget and personnel involved in the evaluation</li> <li>❖ Introduces the evaluation team to various stakeholders</li> <li>❖ Explains evaluation standards and ensures they are respected</li> <li>❖ Oversees the progress and conduct of the evaluation</li> <li>❖ Makes payments against results (outputs)</li> <li>❖ Reviews and approves the inception report and the draft evaluation report(s); and ensures the final draft meets quality standards</li> <li>❖ Publishes and disseminates evaluation products</li> </ul>
<b>Evaluation Team</b>	<ul style="list-style-type: none"> <li>❖ Fulfils the evaluation contractual arrangements in line with UN Norms and Standards and ethical guidelines</li> <li>❖ Plans and conducts the evaluation</li> <li>❖ Involves stakeholders in the evaluation</li> <li>❖ Delivers specified evaluation outputs including inception report, draft reports and final report in a timely manner</li> </ul>
<b>Reference Group</b>	<ul style="list-style-type: none"> <li>❖ Reviews documents as required and provides advice on the quality of the evaluation and options for improvement</li> </ul>
<b>UN-Habitat Management Board</b>	<ul style="list-style-type: none"> <li>❖ Provides the overall management response to the evaluation; and responds to all recommendations. The process is facilitated by the Evaluation Unit.</li> <li>❖ Provides an action plan to implement accepted recommendations and timelines for implementation</li> <li>❖ Provides responsible parties/officers to implement the recommendations</li> </ul>

#### **4.1.6 Involving key stakeholders in evaluation processes**

Involving stakeholders before an evaluation starts, and keeping them informed about its progress during the evaluation process allows the stakeholders to explain their expectations of the evaluation and raise related questions and concerns. This involvement is crucial to ensuring the support of stakeholders during the evaluation process and later during the implementation of follow-up actions to the evaluation.

Stakeholders in an evaluation should be identified in the evaluation TOR, and should ideally be involved in the preparation of the TOR. One mechanism for ensuring the active involvement of stakeholders in an evaluation process is through the establishment of a reference group. The reference group can be formed in order to provide the evaluator or evaluation team with feedback from a technical and methodological perspective. Reference group members can include stakeholders and peers, both internal and external to the project and to UN-Habitat. The composition of the reference group is at the discretion of the evaluation manager.

The reference group performs an oversight function that helps ensure transparency of the evaluation process, as well as generate a sense of ownership and participation among reference group members and the organization as a whole. Box 24 explains why stakeholders should be engaged.

## Box 22: Why engage stakeholders?

Involving key stakeholders such as donors, programme managers, beneficiaries, and governing bodies:

- ❖ Increases the chances that the evaluation results will be used
- ❖ Improves ownership, credibility and transparency of the evaluation exercise
- ❖ Reveals barriers and sensitivities that can be dealt with in the early stages of the evaluation
- ❖ Clarifies roles and responsibilities
- ❖ Enhances the relevance of the evaluation
- ❖ Avoids real or perceived conflicts of interest

## 4.2 Evaluating for results in UN-Habitat

In 2007, UN-Habitat launched an ambitious organizational renewal, making a commitment to its governing bodies, donors, Member States and its partners to become more results-oriented and accountable. It provided a coherent framework for strategic planning and management – including evaluation.

RBM, adopted by UN-Habitat, emphasizes the importance of defining realistic results to achieve, clearly identifying beneficiaries and designing interventions to meet their needs. In this context, evaluation is expected to play a fundamental role in the agency's transformation into a more results-oriented, transparent and accountable organization.

This section describes evaluation requirements at UN-Habitat and evaluation processes<sup>23</sup>, divided into three stages: planning evaluations, implementing evaluations and using evaluation findings. A set of “evaluation tools”, including checklists and templates are provided to guide and support evaluation steps where necessary.

### 4.2.1 Three main types of evaluation in UN-Habitat

- (a) **Corporate and thematic evaluations** with a global perspective, as well as ‘high risk’ areas of operations. This includes mandatory external evaluations requested by the UN-Habitat governing bodies, donors or other inter-agency bodies, or discretionary external evaluations requested by UN-Habitat.
- (b) **Project and programme evaluations** focus on delivery of outcomes and operational performance in terms of efficiency, effectiveness, relevance, impact and sustainability of UN-Habitat interventions. These evaluations are typically ex-ante evaluations, and mid-term and end-of-project evaluations. Mid-term evaluations are undertaken for projects with over four years duration, and with emphasis on high risk projects. End-of-project evaluations are undertaken at the completion of the project. As of 2015, all projects with a value of US\$1 million and above require a mandatory end-of-project evaluation conducted by an external consultant.
- (c) **Mandatory self-evaluation of all closing projects** is required by management and is conducted by programme managers at global, regional and country levels. The Project Office coordinates and manages the self-evaluations. To ensure high quality, a few projects are randomly selected and evaluated by the Evaluation Unit. Every six to twelve months, the Evaluation Unit synthesizes the results of evaluation activities, including lessons learned and follow-up on recommendations, and presents a substantive evaluation report to the UN-Habitat Board.

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<sup>23</sup> The evaluation approach adopted by UN-Habitat, shown in figure 36 is based on evaluation guidelines used by other organizations, mostly OIOS.



The Evaluation Unit is responsible for managing and conducting evaluations included in the annual or annual evaluation plans; these evaluations are considered **centralized evaluations**. Other evaluations commissioned and managed by project leaders in branches, regional offices and country offices are considered **decentralized evaluations**, for which the Evaluation Unit is responsible for providing technical support. The Evaluation Unit must be informed of all evaluations, including decentralized evaluations and donor-led evaluations, and a copy of the final report submitted to the Evaluation Unit.

Project and programme evaluations should be financed through the projects' own budget. Project leaders are obliged to include an evaluation budget in their project proposals. The indicative evaluation cost estimate index should be followed for costing of evaluations. Evaluations commissioned or requested by donor agencies or other external entities must be financed by the party that commissioned or requested the evaluation.

Due to the limited resources available, there is a prioritization and risk assessment of interventions to be evaluated. Two evaluations of the Strategic Plan 2014-2019 (mid-term and end-term) must be carried out by the Evaluation Unit over the four-year period of the Plan and should be adequately resourced in the budget process for those years as a core expense. Impact evaluations may be carried out for long-standing demonstration projects and programmes with the costs covered largely by those projects or programmes.

All closing projects must have a self-evaluation report. The self-evaluation report is the responsibility of the project leader and focuses on results achieved and performance of the project.

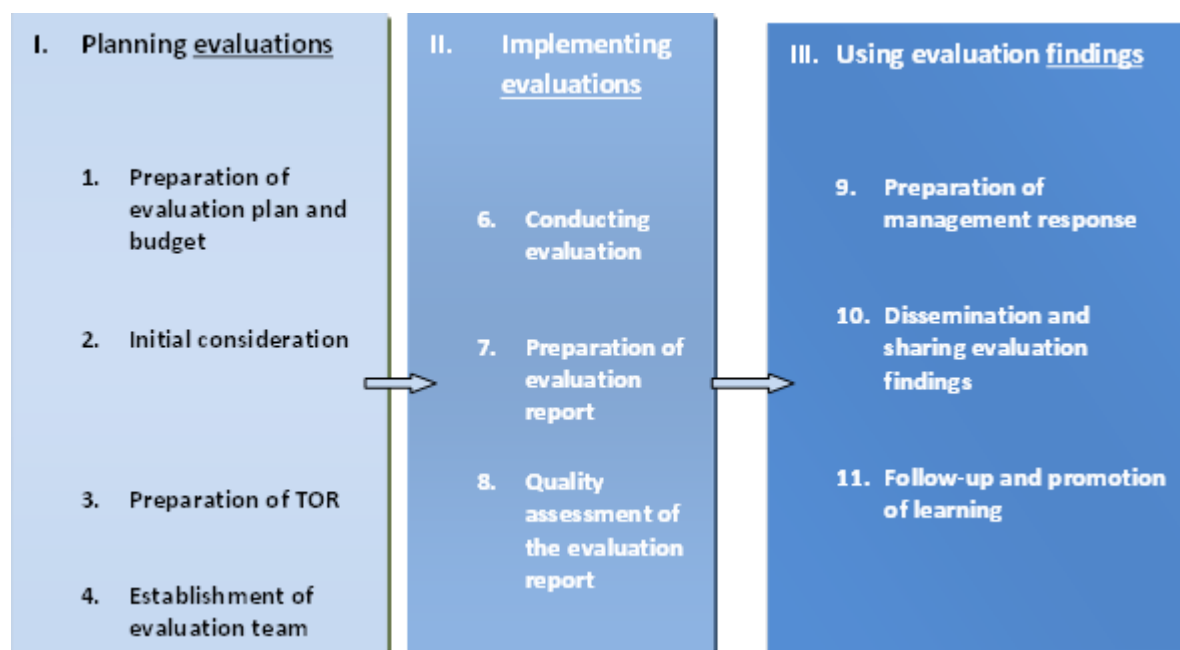
All evaluations managed and conducted by the Evaluation Unit must have a management response, including an action plan to implement accepted recommendations. Regular monitoring of progress in the implementation of the evaluation recommendations is the responsibility of the Evaluation Unit, which will contact responsible offices for the implementation of action plans.

Evaluation capacity development is a critical component to institutionalize evaluation. Training workshops and evaluation tools to support the project-based management approach will be developed in order to build evaluation skills and promote evaluation awareness.

#### **4.2.2. Planning, implementing and using evaluations**

Evaluation processes can be summarized in three stages namely planning, implementation and use of evaluation findings, as in the figure 36 below.

Figure 36: Phases of evaluation



#### 4.2.2.1 Planning Evaluations

##### a) Preparation of UN-Habitat biennium evaluation plan

The UN-Habitat Evaluation Plan is prepared for every biennium and includes evaluation activities to be carried out by UN-Habitat during the two-year programme cycle, as well as related financial resource requirements. The evaluation plan is developed in conjunction with the formulation of UN-Habitat's annual programme budget, and thus forms an integral part of the programme planning cycle. The biennium evaluation plan is updated annually.

Prior to the start of the biennium, branch coordinators, regional directors and other programme managers, in consultation with their staff, identify and propose evaluation topics for inclusion in the biennium evaluation plan. The Evaluation Unit reviews the proposals in the context of UN-Habitat's overall requirements and prepares a draft evaluation plan for review by the UN-Habitat Board.

The prioritization of evaluation topics is a critical exercise and the following criteria (considerations) guide the selection of priority evaluation topics to be included in the evaluation plan.

- (i) Mandatory evaluations requested by the Governing Council, other intergovernmental bodies, donors, etc.
- (ii) The relative importance of the proposed evaluation topic within the context of UN-Habitat's strategic direction and priorities
- (iii) Evaluations that are cross-cutting in nature
- (iv) Evaluation of 'high risk' interventions
- (v) Evaluation of interventions that have innovative value and potential for replication
- (vi) Impact evaluations to assess changes brought about by UN-Habitat interventions
- (vii) Resource requirements

#### (viii) Evaluability

The prioritized evaluations will form the evaluation plan that will be managed centrally by the Evaluation Unit. This annual evaluation plan does not, however, determine the complete set of evaluations actually undertaken. The implementation of the plan is influenced by various factors, including the availability of resources, and requests for ad hoc evaluations by different stakeholders. The plan must be flexible to absorb new demands from within as well as from outside the organization, as the need arises.

Programme/Project managers may initiate and commission evaluations that are not included in the evaluation plan, to assess and seek ways to improve their programmes. They may be internally or externally conducted. Such evaluations are referred to as decentralized evaluations. Programme managers are responsible for managing decentralized evaluations, but must inform the Evaluation Unit of such evaluations and request technical advice and assistance from the Evaluation Unit.

It is essential that planning for monitoring and evaluation take place at an early stage of project/programme formulation, and resources required for evaluation need to be reflected in project documents. This is because (i) the design of the project affects how it will be evaluated in future; (ii) SMART project results and indicators are foundational to evaluation and; (iii) monitoring results throughout the project's implementation is critical to having valid information for an evaluation.

#### **b) Budgeting for evaluations**

Evaluation being a core function of the organization, it is essential that a core budget be allocated to the evaluation function as part of the overall planning and budgeting processes. This core budget allocation should be complemented by other budget sources, such as donor commitments for specific programmes and evaluation budgets for projects and programmes.

The UNEG norm (N2) states that *“the Governing Bodies and/or the Head of the organizations are also responsible for ensuring that adequate resources are allocated to enable the evaluation function to operate effectively and with due independence”*. The standard benchmark established for evaluation is three to five percent of the overall budget of a programme. However, given the resources constraints in the UN Secretariat, and the developing status of the Secretariat evaluation functions, a benchmark of 1% of the total budget was suggested<sup>24</sup>

Programme and project managers/leaders are responsible for ensuring that adequate resources and for evaluation are planned in the project documents, and the Programme Advisory Group (PAG) should not approve projects that do not have adequate resources for evaluation.

Responsibility for provision of financial resources required for evaluation that are not included in the evaluation plan rests with the party that requests or commissions the evaluation. For decentralized evaluations, cost-recovery will be charged for support activities rendered by the Evaluation Unit, such as reviews of TOR, draft evaluation reports, training staff in evaluation and review of project proposals in the Programme Advisory Group.

#### **4.2.2.2 Pre-evaluation: Initial considerations for an evaluation**

Before evaluation managers start to design a specific evaluation, they should consider the following elements:

- (i) Establish the need and purpose of the evaluation.
- (ii) Establish what needs to be accomplished and the issues to be addressed.
- (iii) Identify and engage the relevant stakeholders.

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<sup>24</sup> United Nations Secretariat Evaluation Scorecards 2010-2011 to complement the OIOS biennial report on “strengthening the role of evaluation and application of evaluation findings in programme design, delivery and policy directives”.

- (iv) Determine the scope, approach and appropriate methodology.
- (v) Estimate resources needed and/or available for the evaluation.
- (vi) Determine the evaluability of the intervention to be evaluated.

### Determining the evaluability of the intervention to be evaluated

Determining evaluability means assessing the intervention to see if the evaluation is feasible, affordable and of sufficient value to proceed. Unless considerations of evaluability are built into the design, an evaluation may eventually not be feasible. In addition to developing logical frameworks of programmes and projects, options for data collection and availability of baseline data should be considered during the design phase of an intervention. Table 22 shows six practical steps for determining evaluability of interventions.

**Table 22: Steps in evaluability Assessment**

	Steps	Questions	Data sources
1	Understand the context of the intervention	What is the political, economic, social and cultural context of the intervention? Who are the key stakeholders and beneficiaries?	Background documents, progress reports, and colleagues
2	Is the strategic intent of the intervention clear?	Is the strategic intent well understood by key stakeholders? Is the intervention relevant to the UN-Habitat, donors and national priorities?	Background documents and manager of the intervention
3	Determine if the intervention is clear about what will be accomplished	Are there clearly defined and realistic results (expected accomplishments) for the intervention? Has a Theory of Change been developed that clearly captures the programme logic and its underlying assumptions? Are there valid indicators for each expected accomplishment of the intervention?	Background documents
4	Determine whether there is required data for the evaluation	What monitoring data exists? Is there sufficient capacity to provide data for the evaluation? Does baseline data exist? Is there sufficient data collected from monitoring against a set of targets? Are there well documented progress reports? Who will be key informants?	Progress reports Databases Key partners
5	Determine how the evaluation information will be used	How will the evaluation information be used? What purpose will the evaluation serve? Is the evaluation relevant given the evolving context? Who is requesting the evaluation and who stands to benefit from the evaluation?	Office or unit commissioning the evaluation, Senior managers Key partners
6	Roughly estimate the time and resources needed for the evaluation, and their availability	When does the evaluation need to be completed? E.g. for decision-making or budgetary purposes? What expertise is needed for the evaluation? Are there sufficient resources (human and financial) allocated for evaluation?	Documents on similar evaluations

### Checklist for initial consideration before the evaluation

Before the evaluation manager begins to prepare the TOR, they should have a basic understanding of the evaluability, purpose and issues to be addressed, involvement of stakeholders, scope, approach and methodology, resource, timing and need for a reference group (see table 23).

**Table 23: Checklist for consideration at the early planning stage of the evaluation**

Ensuring Evaluability	✓	The evaluability of the programme/project in question was considered during the planning stage. If not, it should be clarified by whoever requested the evaluation.
	✓	The evaluation budget was considered and planned during the planning stages and proper approval/appraisal mechanisms were utilized.
Determining the purpose of evaluation	✓	Identify why the evaluation is being carried out. Identify potential users of the evaluation: Who requested the evaluation? What do they want and why do they want it? E.g., UN-Habitat management, donors, governing bodies or institutions that are expected to make use of the evaluation process and its results.
	✓	Ensure that the evaluation purpose is defined through a participatory process engaging relevant stakeholders
	✓	Do not proceed with the evaluation unless a clear purpose is determined.
Issues to be addressed	✓	Identify fundamental questions to be answered by the evaluations.
Involving stakeholders	✓	Identify key stakeholders, clarify roles and responsibilities and how they will be involved in the evaluation process.
	✓	Consult insiders (e.g., project managers , programme funding sources, and programme implementers).
	✓	Consider how stakeholder inputs will be encouraged throughout the process of design, operation and use of evaluation.
Scope, approach and methodology	✓	Consider the scope, approach and methodology of the evaluation. The scope of the evaluation should be covered by the approach and methods to be applied for the evaluation; and should be feasible with the resources and time available.
Resources required for conducting evaluation	✓	Are there <b>sufficient</b> (human and financial) <b>resources</b> allocated to the evaluation? For instance, are key informants such as implementing staff, main partners and target group representatives available?
Timing of the evaluation	✓	The time frame for completion of evaluation
Evaluation reference group, where necessary	✓	Consider establishing a reference or steering group, where necessary, to support the evaluation process.
	✓	Clarify the roles of the reference group.
	✓	Discuss approaches, strategies and issues with the steering/reference group
Assessing evaluability	✓	Does the subject of the evaluation have a <b>clearly defined results chain – the programme logical model</b> ? Is there common understanding as to what initiatives will be subject to evaluation?
	✓	Is there a <b>well-defined results framework for initiative(s)</b> that are subject to evaluation? Are goals, outcome statements, outputs, inputs and activities clearly defined? Are indicators SMART?
	✓	Is there sufficient capacity for the initiative(s) to provide <b>required data for evaluation</b> ? For example, is there baseline data? Is there sufficient data collected from monitoring against a set of targets? Are there well-documented progress reports, field visit reports, reviews and previous evaluations?
	✓	Is the planned evaluation still <b>relevant</b> , given the evolving context? In other words, is there still a demand for the evaluation? Is the purpose of the evaluation clearly defined and shared amongst stakeholders?
	✓	Will <b>political, social and economic factors</b> allow for the effective conduct and use of evaluation findings as envisaged?

#### 4.2.2.3 Developing Terms of Reference (TOR) for an evaluation

The Evaluation Manager prepares the TOR once the decision is made to proceed with an evaluation. The TOR document offers the first substantive overview and conceptual outlook of the evaluation. It articulates management's requirements and expectations for the evaluation and guides the evaluation process, until the evaluation work plan (inception report) takes over as the primary control document. The evaluation work plan, prepared by the evaluator, brings great specificity and precision to evaluation planning – refining and elaborating on what has been set out in the TOR.

Developing an accurate and well-specified TOR is a critical step in managing a high-quality evaluation. Before for preparing the TOR, you should have a basic understanding of:

- (i) Why and for whom the evaluation is being done.
- (ii) The issues to be addressed and what the evaluation intends to accomplish.
- (iii) Who will be involved and the expertise required to complete the evaluation.
- (iv) When milestones will be reached and the time frame for completion.
- (v) What resources are available for conducting the evaluation.

##### **(a). What goes into an evaluation TOR? (content of the TOR)**

The content of the TOR should provide sufficient background information related to the assignment, and move in a logical order from the evaluation objectives and intended users, through the required qualifications of the evaluation team and the resources available. The level of detail of the sections will vary based on the nature and magnitude of the evaluation task, but essential elements are summarized in Box 25.

A TOR presents an overview of the requirements and expectations of the evaluation. It details parameters for the conduct of the evaluation. It provides the background and context for the evaluation: the purpose, objectives and for whom the evaluation is being done; the scope of the evaluation; the framework, including criteria, tailored evaluation questions and how crossing cutting issues such as human rights, gender and environmental issues will be incorporated; evaluation methodology; stakeholders involvement; accountabilities and responsibilities; evaluation team composition and qualifications; procedures and evaluation process; description of deliverables; scheduling of evaluation and resource requirements. This section sets out essential elements of the TOR:

## Box 23: Contents of the TOR

### Why do the evaluation and why now?

- ❖ Evaluation title
- ❖ Introduction/background and rationale
- ❖ Evaluation purpose and objectives
- ❖ Users of the evaluation

### What are we evaluating?

- ❖ Evaluation scope and focus
- ❖ Evaluation criteria and questions
- ❖ Beneficiaries
- ❖ Intervention indicators

### How are we evaluating?

- ❖ Evaluation approach and methodology
- ❖ Data sources and collection procedures
- ❖ Stakeholders participation
- ❖ Data analysis procedures

### How will evaluation be managed?

- ❖ Roles and responsibilities
- ❖ Evaluation team composition
- ❖ Evaluation activities and schedules
- ❖ Evaluation deliverables
- ❖ Budget and payment

#### (i) Title

The title identifies what is being evaluated. A good title is one that is short, descriptive, striking and easily remembered.

#### (ii) Introduction/Background information and rationale

The opening section of the TOR provides orientation about the overall intervention being evaluated. This section should describe the background and context of the programme and its current status. Main **objectives** and **expected results** of the programme must be clearly stated, including key outcome indicators. The context in which the programme is being implemented including organizational, social, political, regulatory, economic or other factors that have been directly relevant to the programme's implementation should be described. Roles and responsibilities of key stakeholders in the design and implementation of the programme should also be described. In addition, this section should provide information on the legislative authority and mandate for the evaluation, and what is expected to be achieved.

### **(iii) Purpose and objectives of evaluation**

This section should provide the purpose and objectives of the evaluation. It should clarify who the evaluation is for. Why is the evaluation being undertaken, and why is it being undertaken now? And how will the evaluation results be used?

While the purpose clarifies why the evaluation is being carried out, the objectives should describe what the evaluation aims to achieve. The following are typical objectives for a programme or project evaluation.

- ❖ To assess what the programme achieved vis-à-vis its objectives?
- ❖ To assess the relevance, efficiency, effectiveness and sustainability of the programme/intervention
- ❖ To assess the extent to which the design and implementation of the programme takes into consideration cross-cutting issues of gender equality and human rights approaches
- ❖ To identify concrete recommendations for improvement
- ❖ To assess the efficiency with which the outputs are being achieved

### **(iv) Evaluation scope and focus**

This section presents the parameters of the evaluation in terms of scope and limits. The scope should be realistic given the time and resources available to implement the evaluation. The following should be considered in defining the scope for evaluation:

- ❖ The period covered by the evaluation, e.g., past five years of the programme; or since the implementation of the Strategic Plan 2014-2019;
- ❖ Geographical coverage: country level, regional, global? E.g., African countries targeted by the WATSAN programme;
- ❖ Thematic coverage (If it is a programme, which projects will be covered?).
- ❖ Criteria against which the subject will be evaluated: All major evaluations usually include the criteria of efficiency, effectiveness, relevance, impact and sustainability (for definitions of the evaluation criteria *see* UN-Habitat Evaluation Policy page 3, paragraph 10)

### **(v) Evaluation approach and methodology**

Specifying the evaluation approach and methodology for the evaluation is normally challenging. It should describe steps and activities that will be undertaken to answer the evaluation questions. At UN-Habitat, development of the evaluation approach and methodology consists of three steps:

- ❖ Determining the design
- ❖ Choosing information collection methods
- ❖ Determining the method(s) of data analysis

#### **v.1 Determining the design**

In order to establish whether an intervention has brought about change, the situation before and after the implementation of the intervention must be compared. For this method to be employed, it requires baseline data be established before project implementation.

If changes have been observed after the implementation of the intervention, it is important to determine whether the changes observed can be directly attributed to UN-Habitat's contribution. One way to do this is to explore the "counterfactual", which means asking "*What would have happened without UN-Habitat's involvement?*"



UN-Habitat's contribution is determined with more certainty if it can be shown that a similar change did not take place for groups or countries that were not targeted by the intervention.

For many evaluations it would be a challenge to ascertain this information for the following reasons: (i) it is difficult to attribute a change directly to UN-Habitat's involvement, and 2) it is difficult to compare the situation of countries or regions because of differences in historical, political, social and economic conditions. As UN-Habitat's work is carried out predominantly at global, regional, national and local levels, it is not easy to find suitable comparison groups. For these reasons it is advisable to do a pre and post intervention comparison.

## **v.2 Choosing data collection methods**

The methodology and evaluation questions should guide the determination of the data collection method that would be most appropriate. The following considerations may help to determine which method of data collection would be appropriate:

- ❖ What data is already available and what needs to be collected?
- ❖ What data collection method will best answer the evaluation questions?
- ❖ What resources and time are available for data collection
- ❖ What method will ensure stakeholder involvement?
- ❖ Would the validity, accuracy and reliability (consistent results using the same method) of data be strengthened through a mixed qualitative/quantitative approach?

The quality of the evaluation very much depends on the methods used. Key elements generally include:

- ❖ The methodological framework (document review, desk study, interviews, field visits, questionnaires, observation and other participatory techniques, participation of partners and stakeholders, benchmarking)
- ❖ Expected data collection methods (instruments used collect information)
- ❖ Availability of other relevant data, such as existing from similar programmes
- ❖ Process for verifying findings

## **v.3 Determining method(s) for data analysis**

Analysis and interpretation of results is a critical exercise. Data analysis is the search for patterns and relationships within the data, and is guided by the evaluation questions. Many different means for analysing qualitative and quantitative data exist. Whichever method is chosen, the evaluation manager and the reference group, if established, should work with the evaluation team to place the findings within the context of the programme or organization; identify possible explanations for unexpected results; and determine what conclusions that can be drawn from the data without unduly influencing the recommendations.

### **(vi) Stakeholder participation**

This section should specify the involvement of key stakeholders, as appropriate, and provide a sound rationale. It should be clear how specific stakeholders will participate, i.e., in planning and design, data collection and analysis, reporting and dissemination, and/or follow-up.

### **(vii) Evaluation team composition**

The expertise, skills, and experience needed will depend on the scope and methodology of the evaluation. The TOR should specify as clearly as possible what the profile of the evaluator or team should be, to attract strong candidates to conduct the evaluation. Useful details in this section relate to:

- ❖ Whether the evaluation is to be conducted by an individual or a team, or whether both possibilities could be considered.
- ❖ What specific expertise, skills, and prior experience the evaluators are required to have? Evaluators must have extensive experience in carrying out evaluations, technical knowledge of the topic that is being evaluated, as well as other specific expertise, such as country-specific knowledge, language skills, and an understanding of UN-Habitat and the organizational context in which it operates. The M&E Unit will be available to provide support in identifying suitable candidates.
- ❖ Distinguishing between desired and mandatory competences, as well as whether competencies are required by the whole team or by certain team members;
- ❖ The expected distribution of responsibilities among the team leader and other team members.
- ❖ Additional information that will assist in gauging the qualifications of evaluators should be noted in this section.

### **(viii) Responsibilities and accountabilities**

This section of the TOR specifies the roles, responsibilities and management arrangements for carrying out the evaluation. Any decision-making arrangements (such as a steering committee or an advisory or reference group) should be described here in terms of their functions. The responsibilities of the evaluation manager, evaluation team leader and team members, as well as other stakeholders should be included in this section.

### **(ix) Deliverables**

The outputs and reporting requirements expected for the evaluation should be specified in this section. Generally, the TOR calls for the evaluator to produce three primary deliverables: (i) an evaluation work plan (inception report); (ii) draft evaluation report for review; and (iii) a final report (including an executive summary). The standard format for preparing the final report is set out in this guide.

### **(x) Evaluation Schedule**

The time frame for products, including milestones should be included in this section. An approximate timetable (to guide preparation of the evaluation work plan) should be prescribed. Alternatively, the TOR may specify the expected scope and deliverables, and request that evaluators propose a realistic time frame.

### **(xi) Budget and payment schedules**

The evaluation manager should have cost projections for the evaluation. In cases where a limited budget is likely to constrain the scope and methodology, a good practice is to state the available budget and ask evaluation proposers to describe what they can achieve with that budget. Alternatively, the TOR can ask evaluators to come up with their own estimates based on the tasks they propose. For TORs targeting individual consultants, UN-Habitat will set a budget for the consultant's fee, with the expectation that travel costs will be arranged and covered separately.

### **(xii) Cross-cutting Issues Human Rights, Gender issues, youth and climate change /environment in evaluations**

A number of cross-cutting issues need to be taken into account in carrying out evaluation studies. These include gender mainstreaming, human rights, climate change and capacity building. UN-Habitat is committed to ensuring that these basic principles are reflected in all its programming activities and throughout the project cycle.

UN-Habitat's *Gender Policy (2002) and Gender Equality Action plan (2008-2013)* aim at mainstreaming a gender perspective and practicing a gender-sensitive approach in all UN-Habitat interventions. All UN organizations

are guided by the United Nations Charter, and have a responsibility to meet obligations towards the realization of human rights. Many projects impact on the physical environment and climate change, both directly and indirectly. For any project to be truly sustainable, it is important that issues of environmental impact are taken into account. UN-Habitat's environmental assessment requirements (2004) emphasize integrating environmental assessments in project planning, implementation, monitoring and evaluation, in order to minimize adverse impacts programmes may cause for the environment.

### **(xiii) Gender equality and empowerment**

The "gender approach" is not concerned with women per se, but with the social construction of gender and the assignment of specific roles, responsibilities and expectations to women and men. The gender approach does not focus solely on productive or reproductive aspects of women's and men's lives. Rather, it analyses the nature of the contribution of every member of society both inside and outside the household, and emphasizes the right of everyone to participate in the development process and benefit from the results of the process. Gender analysis should be considered throughout the process from programme planning and design to programme evaluation.

Indicators need to allow for measurement of benefits to women and men, and these will depend on the nature of the project under evaluation. Indicators need to capture quantitative and qualitative aspects of change. Quantitative indicators should be presented in a sex-disaggregated way. Qualitative information is also critical, and information will need to be collected through participatory methods such as focus groups and case studies.

Another area of importance is the need to develop indicators of participation. Examples include pinpointing levels of men's and women's participation; women's and men's perceptions of the degree of group solidarity and mutual support; women's and men's perceptions of the ability of group members to prevent and resolve conflicts; and the participation of women and poorer people in decision-making processes.

There is no agreed-upon method to measure empowerment, but it usually involves two aspects:

- ❖ personal change in consciousness characterized by a movement towards control, self-confidence and the capacity to make decisions and determine choices; and
- ❖ the creation of organisations aimed at social and political change.

### **(xiv) Human rights**

Human rights are the civil, cultural, economic, political and social rights inherent to all human beings, whatever their nationality, place of residence, sex, sexual orientation, national and ethnic origin, colour, ability, religion, language, or any other factor. They are considered universal, interdependent, and non-discriminatory. All human beings are entitled to these rights without discrimination. The strategy for implementing human rights in UN programming is called the Human Rights-Based approach (HRBA).

Key concepts of HRBA are:

- ❖ The development process is normatively based on international human rights standards and principles;
- ❖ It aims for the progressive achievement of all human rights;
- ❖ It recognizes human beings as rights-holders and establishes obligations for duty-bearers. It focuses on identifying capacity gaps, and developing capacities accordingly;
- ❖ It focuses on discriminated and marginalized groups;
- ❖ It gives equal importance to the outcome and process of development.

### (xv) Youth

- ❖ Similar to the analysis of gender equality and empowerment, a youth analysis should be part of the total process from project planning and design to project evaluation.
- ❖ Indicators need to allow measurement of benefits to youth, and these will depend on the nature of the project under evaluation. Indicators need to capture quantitative and qualitative aspects of change. Quantitative indicators should be presented in an age-disaggregated way. Qualitative information is also critical, and information will need to be collected through participatory methods such as focus groups and case studies.
- ❖ Indicators of participation are also important. Examples include pinpointing levels of youth participation; youth perceptions of the degree of group solidarity and mutual support; perceptions of the ability of group members to prevent and resolve conflicts; and youth participation in decision-making processes.

### (xvi) Climate Change/ Environmental Aspects

Many projects impact on the physical environment, both directly and indirectly. For any project to be truly sustainable, it is important that issues of environmental impact are taken into account. The following are some key questions from which the most appropriate response should be selected:

- ❖ Was an environmental impact assessment made?
- ❖ Was environmental damage done by or as a result of the project?
- ❖ Did the project respect traditional ways of resource management and production?
- ❖ Were environmental risks managed during the course of the project? Will these continue to be managed?
- ❖ Overall, will the environmental effects of the project's activities and results jeopardize the sustainability of the project itself or reach unacceptable levels?

The TOR for an evaluation should contain questions to assess whether human rights, gender and environmental dimensions have been adequately considered by the intervention during its design and implementation. The evaluation manager will have the greatest influence at the initial consideration stage and it is important that they have a good understanding of the application of human rights, gender, youth and climate change/environment in the UN system. If this expertise is missing, it is advisable to seek assistance during the planning and development of TOR.

### UN-Habitat Quality Checklist for Evaluation Terms of Reference and Inception Reports

The following checklist provides a basis for reviewing the quality of the TOR and inception reports. It should be used by the drafters of the evaluation TOR and inception reports to ensure that all necessary elements are contained within the documents. The checklist is drawn from the UNEG Quality Checklist for Evaluation Terms of Reference and Inception Reports (2010) with modifications.

**Table 24: Checklist for preparation of ToRs**

<b>Evaluation Title</b>	✓	Does the title indicate what is to be evaluated?
<b>Background/Context</b>	✓	Does the TOR adequately elaborate the expectations and rationale for the intervention being evaluated? Does the TOR include sufficient and relevant contextual information?

	✓	Is there clear description of the external political, economic, social and cultural context within which interventions are situated?
	✓	Does the TOR reference the mandate for the conduct of the evaluation? Does the TOR adequately describe the most relevant programmatic and thematic aspects relevant to the evaluation?
<b>Purpose and Objectives</b>	✓	Does the TOR clearly state the purpose of the evaluation and how it will be used? Does the purpose clearly state why the evaluation is being carried out and what is expected to be accomplished?
	✓	Does the TOR mention who requires the evaluation results and how they will use the evaluation findings?
	✓	Do specific objectives clearly follow from the overall purpose of the evaluation? Are the objectives realistic and achievable, in the light of the information that can be collected?
<b>Scope and Focus</b>	✓	Does the TOR include the scope of the evaluation, indicating for instance time frames, phases of the project, geographical area to be covered by the evaluation, or parameters with respect to the subject being evaluated?
	✓	Is the scope of the evaluation feasible given resources and time considerations?
	✓	Is the scope of the evaluation adequate to meet the stated evaluation objectives?
<b>Evaluation Criteria</b>	✓	Does the TOR specify the evaluation criteria against which the intervention should be assessed, including for instance efficiency, effectiveness, relevance, impact and sustainability?
	✓	Does the TOR include assessment of cross-cutting issues such as human rights, gender equality and environmental aspects?
	✓	Does the TOR spell out any additional criteria of relevance to the particular type of evaluation being undertaken, such as evaluations of development, humanitarian response and normative programmes?
<b>Tailored Evaluation Questions</b>	✓	Does the TOR include evaluation questions within the framework of the evaluation criteria? Does it include questions to assess cross-cutting issues of gender, human rights, and environment?
	✓	Does the TOR have evaluation questions tailored to the objectives of the evaluation?
	✓	Do the questions address the value added by the interventions?
<b>Methodology</b>	✓	Does the TOR specify the data collection and analysis methods, including information on the overall methodological approach?
<b>Stakeholder Participation</b>	✓	Does the TOR describe involvement of key stakeholders and communicate expectations from stakeholder participation?
<b>Evaluation Team</b>	✓	Does the TOR set out qualifications for evaluators, the composition of the evaluation team, the skills, experience and other relevant competences required?
<b>Responsibilities</b>	✓	Does the TOR specify the roles, responsibilities and management arrangements for carrying out the evaluation?
<b>Work Scheduling</b>	✓	Does the TOR specify the time frame for evaluation products?
<b>Deliverables</b>	✓	Does the TOR describe the deliverables/products, in terms of format, structure and length?
	✓	Is there a proposed structure for the evaluation report?
<b>Budget</b>	✓	Does the TOR indicate financing for the work to be performed?

#### 4.2.2.4 Selection of the evaluator or evaluation team

Evaluations should be conducted by well-qualified evaluators, selected through an established contracting process. A good team should have an appropriate mix of skills and perspectives, and the team leader is responsible for organizing the work distribution, and for making sure that all team members contribute meaningfully. The number of evaluators in a given team will depend on the size of the evaluation. Multi-faceted

evaluations will need to be undertaken by a multi-disciplinary team. It is important to uphold the UNEG norms and standards on competences and ethics in order to minimize conflict of interest and maximize the objectivity of the evaluation.

The engagement of an evaluation team essentially involves four steps: (i) deciding on the sourcing options; (ii) identifying potential candidates; (iii) notifying the successful candidates; and (iv) negotiating and signing the contract. In UN-Habitat, the selection process is guided by UN rules of procurement. Members selected must bring different expertise and experience to the evaluation team. If possible, at least one member of the team should be experienced in the sector or technical areas addressed by the evaluation, or have the knowledge of the subject to be evaluated; and at least one other member should preferably be an evaluation specialist experienced in using specific evaluation methodologies.

The composition of the evaluation team should have a gender balance and geographical diversity, and should include professionals from the countries or regions being evaluated. The skills and other qualifications required for the evaluators vary from case to case, but the following are usually important:

### **(i) Evaluation expertise**

For an evaluation to be successful, the team must have extensive experience in carrying out evaluations and an understanding of RBM principles, as well other specific expertise such as country-specific knowledge, language skills and an understanding of UN-Habitat and the context in which it operates. The evaluators should have the ability to present credible findings derived from evidence and put forward conclusions and recommendations supported by the findings, and the skills necessary for facilitating stakeholder participation and effectively presenting evaluation results to diverse audience. The United Nations Standards for Evaluation in the UN System<sup>25</sup> advise that work experience in the following areas is particularly important:

- ❖ Design and management of evaluation processes
- ❖ Survey design and implementation
- ❖ Social science research
- ❖ Programme/project/policy planning, monitoring and management

It is also recommended that an evaluator be identified, with specialized experience including data collection and analytical skills in the following areas:

- ❖ Understanding of gender considerations
- ❖ Understanding of human rights-based approaches to programming
- ❖ Logic modelling/logical framework analysis
- ❖ Qualitative and quantitative data collection and analysis
- ❖ Participatory approaches

In addition, personal skills in the following areas are important:

- ❖ Teamwork and cooperation
- ❖ Capability to bring together diverse stakeholders
- ❖ Communication skills

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<sup>25</sup> United Nations Evaluation Group (UNEG), Norms and Standards for Evaluation in the UN system, April 2005 ( available online at <http://www.uneval.org>)

- ❖ Strong drafting skills
- ❖ Analytical skills
- ❖ Negotiations skills

**(ii) Subject matter expertise**

Substantive expertise is always important, although more so in some evaluations than in others. It is not until the evaluation questions have been formulated that the need for subject-matter expertise can be more precisely defined.

**(iii) Local knowledge**

A good understanding of local social and cultural conditions is often necessary to help evaluators understand whether an intervention has been successful. When the evaluation involves contacts with local level officials or representatives of target groups, local language skills may be required. In any case, members of the evaluation team should familiarize themselves with the cultural and social values and characteristics of the intended beneficiaries. In this way, they will be better equipped to respect local customs, beliefs and practices throughout the evaluation work.

**(iv) Gender equity representation**

An evaluation team should be gender balanced and geographically diverse, and should aim to include professionals from the countries or regions concerned. Using local consultants can also help build evaluation capacity in the countries concerned.

**(v) Ethical considerations**

This is a critical element of selecting and managing an evaluation team. The UNEG website<sup>26</sup> has code of conduct guidelines on ethic attitudes and behaviours of evaluators. These codes of conduct must be an integral part of any contract with any consultant to undertake evaluation in UN-Habitat.

UN-Habitat has a roster of consultants and there a number of rosters online with evaluation professional associations that can be useful in searching for qualified evaluators. Box 26 (below) provides resources for identifying an external evaluator.

**Box 31: Resources for identifying external evaluators**

Disseminating the TOR for the evaluation through a listserv or posting it on the website of an evaluation association may increase the number of qualified applicants for the consultancy. A few of the relevant associations are listed below:

- ❖ United Nations Evaluation Group: [www.uneval.org/contacts](http://www.uneval.org/contacts)
- ❖ Organization for Economic Cooperation and Development – Development Assistance Committee (OECD/DAC) Network on Development Evaluation : [www.oecd.org/dac/evaluationnetwork](http://www.oecd.org/dac/evaluationnetwork)
- ❖ International development Evaluation Association (IDEAS): [www.ideas-int.org](http://www.ideas-int.org)
- ❖ International Program for Development Evaluation Training (IPDET): [www.ipdet.org](http://www.ipdet.org)
- ❖ Monitoring and Evaluation News: [www.mande.co.uk](http://www.mande.co.uk)
- ❖ Sri Lanka Evaluation Association: [www.usf.ac.lk/sleve](http://www.usf.ac.lk/sleve)
- ❖ Malaysian Evaluation Association: [www.mes.org.my](http://www.mes.org.my)

## Profile of the evaluation consultants

Depending on the complexity of the evaluation, UNEG has outlined levels of expertise for reference<sup>27</sup>. In general, evaluators should have professional work experience, specific technical knowledge, understanding of evaluation process and interpersonal skills. The following table (table 25) is an evaluator selection checklist developed from the UNEG Standards.

**Table 25: Checklist for selection of evaluation consultants**

<b>Knowledge of UN context and topics</b>	✓	Does the candidate have understanding of the UN context and work experience to structure and carry out all aspects of the evaluation as per management's expectations?
	✓	Does the candidate have understanding of human rights, gender considerations and environmental issues?
	✓	Does the candidate have experience in the country where the evaluation is to take place?
	✓	Does the candidate possess adequate understanding of the local social and cultural issues and meet the language requirements to function effectively?
	✓	Does the candidate demonstrate of knowledge of participatory approaches?
<b>Technical and professional skills.</b>	✓	Does the candidate possess knowledge of technical area being evaluated?
	✓	Does the candidate have knowledge of evaluation processes, including evaluation design, data collection, data analysis and reporting?
	✓	Does the candidate understand quantitative and qualitative data collection methods and analysis?
	✓	Does the candidate have knowledge of logical framework analysis and application of RBM?
<b>Managerial skills</b>	✓	Does the candidate possess capabilities for managing human and financial resources?
	✓	Does the candidate possess skills for planning, setting standards and monitoring work?
	✓	Does the candidate possess strategic and global thinking?
	✓	Does the candidate possess foresight and problem-solving skills?
<b>Personal skills</b>	✓	Does the candidate have teamwork and cooperation competences?
	✓	Does the candidate have capability to bring together diverse stakeholders?
	✓	Does the candidate have good communication skills?
	✓	Does the candidate have strong writing skills?
	✓	Does the candidate demonstrate the ability to successfully complete the evaluation respecting time and cost constraints?

<sup>27</sup> UNEG Core Competencies for Evaluators of the UN System



## Contract negotiations

The evaluation manager selects and recommends the successful evaluation consultant(s) to the recruitment sections for drawing the contract. Before undertaking evaluation work within UN-Habitat, the evaluation manager should initiate contract negotiation with the evaluator(s). The intent is to establish a mutual understanding of what is to be done, by when, and at what cost, within the best interest of the organization. Methods of payment should also be negotiated, for example:

- (i) 20% upon signing the contract
- (ii) 40 % upon submission of draft report
- (iii) 40% after approval of final report

## Briefing the evaluation team

It is recommended that a briefing session be organized with the evaluation team before the start of the evaluation. The briefing should cover the following:

- ❖ Introducing evaluation team members, particularly if they have not worked with each other before
- ❖ Ensuring that the evaluation team understands the programme to be evaluated and the organizational context
- ❖ Ensuring a common understanding of the purpose, objectives, scope and limitations of the evaluation
- ❖ Providing available documentation, and
- ❖ Explanation of the reporting requirements.

A list of documentation that may be useful to the evaluation team is listed in the box 27 below:

### Box 39: List of documents to be made available to the evaluation team

#### GENERAL

- ❖ Organizational diagram
- ❖ Contact list of relevant stakeholders to be contacted
- ❖ Publications/promotional materials (booklets, brochures etc.)
- ❖ Mission reports
- ❖ Budget allotments and expenditures
- ❖ Reports from previous evaluations

#### PROGRAMMES/SUBPROGRAMMES

- ❖ Work programmes and budgets,
- ❖ Results framework
- ❖ Branch annual work plans
- ❖ IMDIS reports
- ❖ MTSIP performance reports

#### PROJECTS

- ❖ Project documents
- ❖ Project logic frameworks
- ❖ Relevant agreements
- ❖ Project revisions if applicable
- ❖ Project progress reports
- ❖ Other evaluations /reviews if applicable.

#### 4.2.2.5 Preparation of evaluation work plan (the inception report)

The evaluation work plan provides an opportunity for evaluators to build on the initial ideas and parameters set out in the TORs, to identify what is feasible, suggest refinements and provide elaboration. It describes the main elements of how evaluation will be conducted. It outlines the overview of the intervention being evaluated, the evaluation issues, how findings will be used, the evaluation questions, information sources, evaluation methods, responsibilities and accountabilities, the profiles of evaluation team, a work schedule attaching dates to key milestones for the evaluation and the budget and payment schedule.

Evaluators are therefore expected to review all relevant information related to the intervention being evaluated and prepare an evaluation work plan (the inception report) based on (i) the TOR and (ii) the planning and approval documents. Provision for the preparation of the evaluation work plan should be made in the TOR, and in such cases UN-Habitat normally requires that the evaluation work plan be approved before the evaluation can proceed to the next phase.

Once approved, the evaluation work plan becomes the key management document for the evaluation delivery. In preparing the work plans, evaluators are expected to build on what was put forward in the TOR and identify what is feasible, suggest refinements and provide elaboration. It is important that both evaluation manager and the evaluation team come out of the planning process with a clear understanding of how the evaluation work is to be performed. The following table (table 26) provides the main elements of an evaluation work plan.

**Table 26: Elements of the evaluation work plan**

<b>The key to a good evaluation plan</b>	Focus should link the evaluation to UN-Habitat mandates and priorities, expected results and reach to beneficiaries.
<b>Overview of the intervention</b>	Focus should be on the context, overview of the intervention and its objectives, and the level of investment and stakeholder participation
	The expected results (outputs, outcomes and impacts) of the intervention)
	Progress towards achieving expected results should also be reported in this section
<b>Why evaluation is being conducted (Purpose of evaluation)</b>	This section should address the objectives (key issues) and identify key audiences of the evaluation. Expectations of evaluation and evaluation questions should come out clearly.
<b>Evaluation methodology</b>	The methodology adopted should focus on meeting the requirements and expectations set out in the TOR. The goal is to formulate a strategy that best achieves these objectives given the range of available information.
	The evaluation methodology should describe a logical model for assessing the intervention that credibly responds to key evaluation issues.
	The process for data collection and analysis should be identified. Limitations and challenges the evaluator expects should be addressed in this section.
<b>Evaluation framework</b>	The evaluation framework systemizes the methodology, identifies issues to be addressed and sub-questions that provide elaboration, as well as the performance indicators and sources of information and methods of collecting that information.

<b>Accountabilities and responsibilities</b>	The work plan should specify the roles of each stakeholder in the evaluation. It should profile the composition of the evaluation team, identifying each individual's roles and responsibilities. Qualifications, experience and areas of expertise of each evaluation team member could be appended.
<b>Work scheduling</b>	The evaluation work plan should provide a schedule that establishes a working framework for the evaluation. Individual tasks should be assigned time frames and target dates for milestones and completion of deliverables.
<b>Resources &amp; Budgets</b>	The evaluation work plan should include budget and payment schedules.
<b>Reporting</b>	The evaluation work plan should describe schedules for reporting, briefing and outlining the contents for the evaluation report.

**4.2.2.6 Ethical conduct of Evaluation**

**Obligations of Evaluators**

**Independence**

Evaluation in UN-Habitat should be demonstrably free of bias. To this end, evaluators are recruited for their ability to exercise independent judgment. Evaluators shall ensure that they are not unduly influenced by the views or statements of any party. Where the evaluator or the evaluation manager comes under pressure to adopt a particular position or to introduce bias into the evaluation findings, it is the responsibility of the evaluator to ensure that independence of judgment is maintained. Where such pressures may endanger the completion or integrity of the evaluation, the issue should be referred to the evaluation manager who will discuss the concerns of the relevant parties and decide on an approach that will ensure that evaluation findings and recommendations are consistent, verified and independently presented (see below Conflict of Interest).

**Impartiality**

Evaluations must give a comprehensive and balanced presentation of the strengths and weaknesses of the policy, program, project or organizational unit being evaluated, taking due account of the views of a diverse cross-section of stakeholders. Evaluators shall:

- ❖ Operate in an impartial and unbiased manner at all stages of the evaluation.
- ❖ Collect diverse perspectives on the subject under evaluation.
- ❖ Guard against distortion in their reporting caused by their personal views and feelings.

**Credibility**

Evaluation shall be credible and based on reliable data and observations. Evaluation reports shall show evidence of consistency and dependability of data, findings, judgements and lessons learned; appropriately reflecting the quality of the methodology, procedures and analysis used to collect and interpret the data. Evaluation managers and evaluators shall endeavour to ensure that each evaluation is accurate, relevant, and timely, and provides a clear, concise and balanced presentation of the evidence, findings, issues, conclusions and recommendations.

**Conflicts of Interest**

Conflicts of interest shall be avoided as far as possible so that the credibility of the evaluation process and product shall not be undermined. Conflicts of interest may arise at the level of the Evaluation Unit, or at the

level of individual staff members or consultants. Conflicts of interest should be disclosed and dealt with openly and honestly.

Evaluators are required to disclose in writing any past experience, or that of their immediate family, close friends or associates that may give rise to a potential conflict of interest.

### 4.3 Implementing Evaluations

The implementation of evaluations is carried out by the evaluation team. The evaluation manager stays in touch with the evaluation team to provide assistance or clarification where needed. To ensure that evaluations are carried out in a professional and ethical manner<sup>28</sup>, evaluators should be provided with UNEG Norms and Standards as an integral framework for evaluations in UN-Habitat, in addition to UN-Habitat policy.

After the evaluation workplan is approved, establishing a clear understanding of how the evaluation will be carried out and what will be achieved, the evaluator embarks on data collection and analysis.

#### 4.3.1 Conducting the evaluation

##### (a). Data collection

The evaluation team conducts the evaluation following the methodology described and agreed upon in the TOR and inception report.

The data to be collected and methods for collecting the data will be determined by the evidence needed to address the evaluation questions, the analyses that will be used to translate the data into meaningful findings and judgments about what data is feasible to collect given time and resource constraints.

UN-Habitat evaluations should draw heavily on performance data generated through monitoring during the programme or project implementation cycle. However, performance information and indicators do not explain the full range of questions the evaluation seeks to address. For example, the indicators provide a measure of what progress has been made. They do not explain why that progress was made or what factors contributed to the progress. UN-Habitat evaluations should make use of a mix of data sources, collected using multiple methods, to give meaning to what the performance information reveals about the intervention.

**Primary data** consists of information evaluators observe or collect directly from stakeholders about their first-hand experience with the intervention. This data generally consists of the reported or observed values, briefs, attitudes, opinions, motivations and knowledge of stakeholders, generally obtained through questionnaires, surveys, interviews, focus groups, key informants, expert panels, direct observation and case studies. These methods allow for more in-depth exploration and yield information that can facilitate deeper understanding of observed changes in outcomes and outputs.

**Secondary data** is data that was collected, compiled and published by someone else other than the stakeholder. Secondary data can take many forms but usually consists of documentary evidence that is directly relevant to the evaluation. Sources of documentary evidence include: national demographic data, published reports, project or programme plans, monitoring reports, previous evaluations/reviews and other records.

Table 27 presents brief descriptions of data collection methods that are commonly applied in evaluations in UN-Habitat.

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<sup>28</sup> UNEG Ethical Guidelines and UNEG Code of Conduct for Evaluations in the UN System (annex 10, 11 and 12).

Table 27: Summary of common data collection methods used in UN-Habitat evaluations

Method	Description	Advantage	Challenges
<b>Documents review</b>	Existing documentation, including quantitative and descriptive information about the intervention	Cost efficient	Documentary evidence can be difficult to code and analyse in response to evaluation questions
<b>Monitoring and evaluation systems</b>	Uses performance indicators to measure progress, particularly actual results against expected results	Can be a reliable, cost-effective, objective method for assessing progress of outputs and outcomes	Depends on systems that have established baseline indicators and targets and have collected reliable data in relation to targets, as well as data relating to indicators
<b>Surveys/ Questionnaires</b>	Provide a standardized approach to obtain information on a wide range of topics	Good for gathering descriptive data on a wide range of topics and is easy to analyze	Data may provide a general picture but may lack depth; may not provide information on context, and is subject to sampling bias
<b>Interviews</b>	Solicit person-to-person responses to predetermined questions designed to obtain in-depth information about individual impressions or experiences.	Facilitates fuller coverage, range and depth of information on a topic	Can be time consuming, difficult to analyse and costly
<b>Field visits/on-site observations</b>	Uses detailed observation forms to record accurate information onsite about how a programme operates ( ongoing activities, processes, discussions, social interactions and observable results as directly observed during the course of an intervention	Possible to view programme operations as they are occurring.	Can be difficult to categorize or interpret observed behaviours Can be expensive
<b>Group interviews</b>	A small group (8 to 10 people) are interviewed together to explore in-depth stakeholder opinions about an intervention.	Quick and reliable way to obtain common impressions from diverse stakeholders	Can be difficult to analyse responses
<b>Key informants</b>	Qualitative in-depth interviews are often one-on-one, with a wide-range of stakeholders who have first-hand knowledge about the intervention and context.	Can provide insight on the nature of problems and give recommendations  Can provide information on a single issue or a range of issues	Must have some means to verify information given
<b>Expert panels</b>	A peer review or reference group, composed of external experts to provide input on technical or other substantive topics covered by evaluation	Adds credibility; can verify or substantiate information and results in a topic area	Cost of consultancy and related expenses may be high
<b>Case studies</b>	Involves comprehensive examination through cross-comparison of cases, to obtain in-depth information with the goal of fully understanding the operational dynamics, activities, outputs, outcomes and interactions of a development project or programme	Useful for fully exploring factors that contribute to outputs and outcomes	Requires considerable time and resources not usually available for commissioned evaluations

## Data analysis and synthesis

Data analysis is a systematic process that involves organizing and classifying the information collected, tabulating and summarizing it, and comparing the results with other appropriate information to extract useful information that responds to the evaluation questions and fulfils the purpose of the evaluation.

Data analysis seeks to detect patterns in evidence, either by isolating important findings (analysis) or by combining sources of information to reach a greater understanding (synthesis). Mixed-method evaluations require the separate analysis of each element of evidence and a synthesis of all sources in order to examine patterns of convergence or complexity.

Depending on the evaluation, the evaluation team discusses the main findings with the evaluation manager or presents the main findings to the relevant UN-Habitat staff members. It is important that the evaluation manager ensures the independence of the evaluators by being prepared to accept the findings, even when they differ from the programme or evaluation manager's perspective.

### 4.3.2 Preparation of the draft evaluation report

Virtually all evaluations are presented as written reports. The main objective of the evaluation report is to convey the results of the evaluation in a way that corresponds to the information needs of the intended users of the evaluation.

Throughout the evaluation process, the evaluation team will document findings and conclusions. Usually, the lead evaluator will organize and facilitate team meetings to discuss findings and conclusions and coordinate the preparation of a draft report.

#### (a). The format of the draft report

UN-Habitat recommends the format for evaluation reports. The format should be used unless there is good reason for doing otherwise. The evaluators should consult with UN-Habitat's evaluation manager before adopting a different framework. Table 28 summarizes the format and contents of the evaluation report.

**Table 28: Contents of the evaluation report**

Content	Pages recommended	Comments
Title page	1	Title, date of issue Names of the evaluators Name of the office or unit commissioning the evaluation
Management Response	1	To be completed by the UN-Habitat Management Board
Table of Contents	1	List of chapters, sections and annexes
Executive Summary	1-4	❖ Background of the evaluation (one paragraph) ❖ Purpose and scope (one paragraph) ❖ Methodology (one paragraph) ❖ Brief summary of the main findings (one paragraph) ❖ Main conclusions (one-sentence conclusions ) ❖ Lessons learned (summary) ❖ Recommendations (summary)
Introduction	1-3	❖ Background of the evaluation and the topic being evaluated.

<b>Purpose and Objectives</b>		<ul style="list-style-type: none"> <li>❖ Purpose, objectives and outputs</li> <li>❖ Scope (including evaluation questions)</li> </ul>
<b>Methodology</b>	1-2	<ul style="list-style-type: none"> <li>❖ Description of methodology: activities, time frame, changes, compared to TOR, reasons for selecting sample reports, countries, sites, case studies, and interviewees as a representation of the topic being evaluated</li> <li>❖ Limitations of the methodology and scope, and problems encountered</li> </ul>
<b>Evaluation findings</b>	Vary in length	<ul style="list-style-type: none"> <li>❖ General: supporting information for the performance assessment and other assessments</li> <li>❖ Performance assessment: assessment against relevant evaluation criteria (relevance, efficiency, effectiveness and sustainability) with ratings</li> <li>❖ Other assessments: against relevant additional criteria (gender, rights-based approach, environmental sustainability)</li> </ul>
<b>Conclusions</b>		<ul style="list-style-type: none"> <li>❖ Main conclusions, both positive and negative, of the evaluation that follow logically from the findings</li> </ul>
<b>Lessons learned</b>		<ul style="list-style-type: none"> <li>❖ In formulating lessons learned, the evaluator is expected to develop a perspective that goes beyond the subject evaluation, and use their expertise and experience to extrapolate the information learned for general application</li> <li>❖ Lessons learned should generally be of two types: <ul style="list-style-type: none"> <li>(a) <i>Development lessons</i> pertain to the realization of developmental results, improving aid practices, and delivering on UN-Habitat programming priorities.</li> <li>(b) <i>Operational lessons</i> have a managerial and administrative component, offering ideas for the establishment of a facilitating work environment and effective work practices. They can relate to performance measurement, donor coordination, resourcing requirements, team building, procurement practices, delivery or reporting systems</li> </ul> </li> </ul>
<b>Recommendations</b>		<ul style="list-style-type: none"> <li>❖ Recommendations based on the conclusions, which can be addressed to UN-Habitat management, staff, donors and other relevant stakeholders</li> <li>❖ These are defined as ‘individual statements derived from the evidence that prescribe who should do what in the future’ to bring about the desired change. Recommendations 1) provide suggestions for introducing improvements and/or 2) identify matters for follow-up. The evaluator should explain the basis for making recommendations, with clear linkages to the information collected in the evaluation.</li> </ul>
<b>Annexes</b>		<ul style="list-style-type: none"> <li>❖ I. Management Response</li> <li>❖ II. Terms of reference</li> <li>❖ III. List of documents reviewed</li> <li>❖ IV. List of interviewees</li> <li>❖ V. Other annexes as required</li> </ul>

**(b). Review of the draft evaluation report**

The evaluation manager sends the draft report to the relevant branches and office managers and to other programme or project staff for comments. Depending on the evaluation, the draft report may also be sent to external stakeholders for comment. Comments can focus on the conclusions and recommendations, as well as technical and methodological issues. It is the responsibility of the relevant programme or project officers to conduct a technical review with inputs from other stakeholders, which includes:

- ❖ Is the information in the report accurate? (i.e., check for factual errors);



- ❖ Is the information in the report complete? (i.e., is there information lacking that could affect the conclusion);
- ❖ Are the recommendations relevant, objective and specific enough to be implemented?

For all evaluations, the evaluation manager conducts a methodological review or quality check of the draft report. This review aims to ensure that the report and the drafting process meet a set of standard quality criteria (see table 29 below).

The evaluation manager sends the compiled comments to the evaluation team for incorporation.

### UN-Habitat Quality Checklist for Evaluation Reports

This checklist is intended to help evaluation managers and evaluators to ensure that the final product of the evaluation (evaluation report) meets the expected quality.

**Table 29: Checklist for evaluation report**

<b>1. The Report Structure</b>	
1.0	The report is well structured, logical, clear and complete.
1.1	The report is logically structured with clarity and coherence (e.g., background and objectives are presented before findings, and findings are presented before conclusions and recommendations)
1.2	The title page and opening pages provide key basic information: name of the evaluation object; time frame for the evaluation and date of the report; names and/or organizations of evaluators; name of the organization commissioning the evaluation;  List of acronyms
1.3	The Executive Summary is a stand-alone section of 2-3 pages that includes: 1. Overview of the evaluation object, 2. Evaluation objectives and intended audience, 3. Evaluation methodology, 4. Most important findings and conclusions, 5. Main lessons learned, and 6. Main recommendations
<b>2. Introduction/Background information</b>	
2.0	The report presents a clear and full description of the 'object' of the evaluation.
2.1	The logic model and/or the expected results chain (inputs, outputs and outcomes) of the object are clearly described.
2.2	The context of key social, political, economic, demographic, and institutional factors that have a direct bearing on the object is described. For example, the partner government's strategies and priorities; international, regional or country development goals, strategies and frameworks and the concerned agency's corporate goals and priorities, as appropriate.
2.3	<ul style="list-style-type: none"> <li>❖ The scale and complexity of the object of the evaluation are clearly described, for example: "The number of components", if more than one, and the size of the population each component is intended to serve, either directly and indirectly.</li> <li>❖ The geographic context and boundaries (such as the region, country, and/or landscape, and challenges where relevant</li> <li>❖ The purpose, goal, and organization/management of the object</li> <li>❖ The total resources from all sources, including human resources and budget(s) (e.g. concerned agency, partner government and other</li> </ul>
2.4	The key stakeholders involved in the object implementation, including the implementing agency(s) and partners, other key stakeholders and their roles



2.5	The report identifies the implementation status of the object, including its phase of implementation and any significant changes (e.g. plans, strategies, logical frameworks) that have occurred over time, and explains the implications of those changes for the evaluation.
<b>3. Evaluation Purpose, Objective(s) and Scope</b>	
3.0	The evaluation's purpose, objectives and scope are fully explained.
3.1	The purpose of the evaluation is clearly defined, including why the evaluation was needed at that point in time, who needed the information, what information is needed and how the information will be used.
3.2	The report provides a clear explanation of the evaluation objectives and scope, including the main evaluation questions, and describes and justifies what the evaluation did and did not cover.
3.3	The report describes and provides an explanation of the chosen evaluation criteria, performance standards, or other criteria used by the evaluators.
3.4	As appropriate, evaluation objectives and scope include questions that address issues of gender and human rights.
<b>4. Evaluation Methodology</b>	
4.0	The report presents a transparent description of the methodology applied to the evaluation that clearly explains how the evaluation was specifically designed to address the evaluation criteria, yield answers to the evaluation questions and achieve evaluation purposes.
4.1	The report describes the data collection methods and analysis, the rationale for selecting them, and their limitations. Reference indicators and benchmarks are included where relevant.
4.2	The report describes the data sources, the rationale for their selection, and their limitations. The report includes discussion of how a mix of data sources was used to obtain a diversity of perspectives, ensure data accuracy and overcome data limitations.
4.3	The report describes the sampling frame – area and population to be represented, rationale for selection, mechanics of selection, numbers selected out of potential subjects, and limitations of the sample.
4.4	The evaluation report gives a complete description of stakeholder consultation process in the evaluation, including the rationale for selecting the particular level and activities for consultation.
4.5	The methods employed are appropriate for the evaluation and to answer the evaluation questions.
4.6	The methods employed are appropriate for analysing gender and human rights issues (and youth and climate change as applicable) identified in the evaluation scope.
4.7	The report presents evidence that adequate measures were taken to ensure data quality, including evidence supporting the reliability and validity of data collection tools (e.g. interview protocols, observation tools, etc.)
<b>5. Evaluation Findings</b>	
5.0	Findings respond directly to the evaluation criteria and questions detailed in the scope and objectives section of the report and are based on evidence derived from data collection and analysis methods described in the methodology section of the report.
5.1	Reported findings reflect systematic and appropriate analysis and interpretation of the data.
5.2	Reported findings on the achievement of expected accomplishments
5.3	Reported findings address the evaluation criteria (such as efficiency, effectiveness, sustainability, impact and relevance) and questions defined in the evaluation scope and the performance of each criterion is rated.
5.4	Findings are objectively reported based on the evidence.
5.5	Gaps and limitations in the data and/or unanticipated findings are reported and discussed.
5.6	Reasons for accomplishments and failures, especially continuing constraints, were identified as much as possible
5.7	Overall findings are presented with clarity, logic, and coherence.
<b>6. Conclusions</b>	
6.0	Conclusions present reasonable judgments based on findings and are substantiated by evidence, and provide insights pertinent to the object and purpose of the evaluation.

6.1	The conclusions reflect reasonable evaluative judgments relating to key evaluation questions.
6.2	Conclusions are well substantiated by the evidence presented and are logically connected to evaluation findings.
6.3	Stated conclusions provide insights into the identification and/or resolution of important problems or issues pertinent to the prospective decisions and actions of evaluation users.
6.4	Conclusions present strengths and weaknesses of the object (policy, programmes, project's or other intervention) being evaluated, based on the evidence presented and taking due account of the views of a diverse cross-section of stakeholders.
<b>7. Recommendations</b>	
7.0	Recommendations are relevant to the object and purposes of the evaluation, are supported by evidence and conclusions, and were developed with the involvement of relevant stakeholders.
7.1	The report describes the process followed in developing the recommendations including consultation with stakeholders.
7.2	Recommendations are firmly based on evidence and conclusions.
7.3	Recommendations are relevant to the object and purposes of the evaluation.
7.4	Recommendations clearly identify the target group for each recommendation.
7.5	Recommendations are clearly stated with priorities for action made clear.
7.6	Recommendations are actionable and reflect an understanding of the agency and potential constraints to follow-up..
<b>8. Gender and Human Rights</b>	
8.0	The report illustrates the extent to which the design and implementation of the object, the assessment of results and the evaluation process incorporate a gender equality perspective and human rights based approach, as well as climate change and youth issues.
8.1	The report uses gender sensitive and human rights-based language throughout, including data disaggregated by sex, age, disability, etc.
8.2	The evaluation approach and data collection and analysis methods are responsive to gender equality and human rights, address youth and climate change, and are appropriate for analyzing the gender equality and human rights issues identified in the scope.
8.3	The report assesses whether the design of the object was based on sound gender and human rights analysis, and whether the implementation of results was monitored through gender and human rights frameworks, as well as the actual results in terms of gender equality, human rights, youth and climate change.
8.4	Reported findings, conclusions, recommendations and lessons provide adequate information on gender equality, human rights, youth and climate change.

### (c). Preparation of the final evaluation report

The evaluation team adjusts the report based on feedback provided and submits the final report to the evaluation manager. The evaluation manager ensures that the report is edited (in most cases only the executive summary is formally edited) and formatted properly. In case of major edits, the evaluators should review the report once more to ensure that they have not affected the content. Next, evaluators sign off on the report and no further changes may be made to the report.

### Clearance and approval of the Evaluation Report

The evaluator submits a soft draft evaluation report to the evaluation manager for review and clearance. Once UN-Habitat's needs have been addressed satisfactorily, the UN-Habitat Management Board approves the final report and the formulation of UN-Habitat's management response and a follow-up action plan to its findings, conclusions and recommendations is developed.

## 4.4 Using Evaluation Findings

### 4.4.1 Preparation of the management response and action plans

The use of evaluations for accountability and organizational learning is facilitated through the development of the management response and follow-up actions. All UN-Habitat evaluations should be followed by a management response and an action plan for implementing accepted recommendations. The action plan specifies what will be done, by whom and by when. If the responsible unit rejects any of the recommendations of the evaluation, or plans to implement certain recommendations in different ways than those proposed by the evaluators, the reasons for such modification should be clearly explained in the management response. The standard format for evaluation management response is found in annex 9.

UN-Habitat management will be responsible for drafting the management response for the evaluated intervention. A focal point to coordinate the preparation of the management response and action plan should be appointed. The Evaluation Unit will monitor the implementation of the action plans and report on progress to management and governing bodies.

#### (a). The management response

The management response consists of two parts and is inserted at the beginning of the evaluation report:

- ❖ The first part provides an overall response from the perspective of UN-Habitat management on the evaluation and its results. This can include comments regarding the relevance and usefulness of the results. It may also highlight any differences of opinion with regard to the evaluation findings.
- ❖ The second part provides a response from management to each individual recommendation, resulting in either (partial) acceptance or rejection of the recommendation. Additional comments may relate to broader implications for ESCAP, in particular in relation to programme and project planning and implementation.

#### (b). Follow up action plan

In conjunction with preparing the management response, evaluation follow-up actions are identified for each accepted recommendation. The expected completion dates and responsible unit are stated for each follow-up action.

### 4.4.2 Dissemination and sharing of evaluation findings

Sharing evaluation results creates the potential for improving development and operational performance, and helps to build shared meaning and understanding, develop programming support and generate widespread learning opportunities. When results are shared openly, the credibility of the agency is increased and greater pressure is generated for recommendations to be implemented.

The evaluation manager is responsible for finalizing the evaluation report for publication, including the incorporation of the final management response.

All evaluation reports (including the management response) will be made available internally and external on UN-Habitat intranet and extranet with the aim of enhancing transparency, ownership and internal accountability. The UN-Habitat Evaluation Updates, is a quarterly or six monthly newsletter, addressed to all staff to draw attention to recent evaluation reports and other evaluation matters.

It is recommended that staff briefing sessions or 'Brown Bags' be organized to share and highlight important evaluation findings and recommendations, particularly where they are of strategic importance.

Evaluation reports will be shared with external stakeholders, and posted on IMDIS and PAAS as evidence of accomplishment accounts.

Evaluation reports mandated to be submitted to intergovernmental bodies, e.g. CPR, Governing council must be in the proper format, meeting editorial standards. The document must include information on how to obtain a copy of the full report of the evaluation.

#### **4.4.3 Follow-up and promotion of learning from evaluations**

Follow-up and periodic reporting on the status of implementation of evaluation recommendations can lead to improvements of UN-Habitat's work, if learning from evaluations is promoted and actions following from the recommendations are implemented.

Since 2013, tracking of implementation of evaluation recommendations (emerging from centralized evaluations) is done through "PAAS". The Evaluation Unit monitors the implementation of the action plan and reports to management and governing bodies on compliance.

# **Part 5: Capacity Building, Knowledge Management and Innovations in RBM**

## 5.1 Building RBM Capacity in UN-Habitat

The lack of capacity for building and maintaining RBM systems has been a particular problem for international organizations. Indeed, designing and building planning, and M&E systems that can produce trustworthy, timely, and relevant information on the performance of projects, programmes, and policies requires experience, skill, and real institutional capacity.

The capacity for an RBM system has to include, at a minimum, the ability to successfully develop objectives and outcomes; construct indicators; the means to collect, aggregate, analyze, and report on performance data in relation to indicators and baselines; and managers with the skill and understanding to know what to do with the information once it arrives. Building such capacity in international organizations is often a long-term effort.

Statistical capacity is an essential component of building RBM systems. Information and data should be valid, verifiable, transparent, and widely available to the organization and interested stakeholders. Technically trained staff and managers are therefore a must.

UN-Habitat capacity building activities in the area of Results-Based Management are supported by a “capacity self-assessment for effective implementation of RBM” also called a Cap-Scan, which enables identification of strengths, weaknesses and ways to improve the achievement of results.

The Cap-Scan exercise is important for UN-Habitat in that it provides an analytical framework and participatory process for managers and staff to assess progress in developing a culture, behaviour and systems to manage for development results; and helps them prioritise concrete steps to improve RBM implementation. Moreover, the Cap-Scan enhances institutional insights into RBM, and provides a framework for investing in capacity improvement for results. It is unique in that it examines the people, systems, structures, cultural fit and consistency of application across UN-Habitat. The insights gained on the peculiarities, practicalities and barriers associated with the implementation of RBM are fundamental in creating a deeper understanding of the best options for the way forward.

The Cap-Scan exercise is generally facilitated by an external consultant, based on terms of reference prepared by the Quality Assurance Unit, which coordinates the assessment and reports back to Senior Management on the findings and recommendations.

The assessment utilizes a framework composed of the following seven pillars:

- (i) Leadership
- (ii) Planning
- (iii) Budgeting
- (iv) Monitoring & reporting
- (v) Evaluation
- (vi) Statistics and evidence
- (vii) Accountability

Within these seven pillars, the assessment looks into several critical elements or dimensions needed for an effective implementation of RBM, including: (i) technical skills, (ii) managerial skills, (iii) existence and quality of data systems, (iv) available technology, (v) available resources, and (vi) institutional buy-in. The assessment also directs the examination of existing or potential barriers to building an RBM system, including lack of resources, leadership will, champion, expertise, strategy, or prior experience.

**On the champions!!!**

Champions in UN-Habitat are critical to the sustainability and success of the RBM system. For example, highly placed champions can be strong advocates for more well-informed decision-making, and can help diffuse and isolate attacks from counter-reformers who may have vested interests in averting the construction of a robust Results-Based Management system.

In addition to highly-placed champions, UN-Habitat identifies, trains and maintains a network of staff members in HQ and Regional Offices to champion RBM and support the implementation of related activities. Their support and advocacy is crucial to the success and sustainability of the RBM system within the agency.

In establishing and maintaining a network of RBM champions, attention must be paid to the placement, both in terms of hierarchy and location, of champions within the organization. To this effect, if the emerging champion is located away from the center of policymaking and has little influence with key decision-makers, it will be difficult, although not impossible, to envision the RBM system being used and trusted. That is because it is difficult to ensure the viability of the system under these circumstances. Viability is dependent upon the information being viewed as relevant, trustworthy, useable, and timely. RBM systems with marginally placed champions who are peripheral to the decision-making process will have a more difficult time meeting these viability requirements.

#### Box 47: A few reminders

- ❖ The demand for capacity building never ends.
- ❖ Keep champions on your side and help them.
- ❖ Establish a commitment with Senior Management that an RBM system needs sustained resources.

Using the results and recommendations of the capacity scan assessment and the network of champions, capacity building in RBM in UN-Habitat therefore takes a more strategic, systematic and coordinated form. It is implemented through:

- (i) Formal training sessions and workshops (face-to-face and via skype or WebEx for offices away from HQ)
- (ii) Brown-bag lunch seminar series organized to share and discuss new developments in the area of RBM
- (iii) CD-ROMs
- (iv) Newsletters

The aim of the various capacity building activities is to assist managers, champions and staff in: (i) understanding the basic principles of RBM; (ii) using planning tools effectively; (iii) effectively using monitoring and reporting tools (e.g., data entry, cleaning, and editing in IMDIS to help ensure the quality and timeliness of the information generated); (iv) embedding risk management in their activities; (v) data collection; (vi) data processing and analysis; (vii) data dissemination and usage; and (viii) survey organization and administration.

### Box 55: Components of RBM sustainability

Good Results-Based Management systems must be used to be sustainable. Six components are necessary to sustain these systems:

- ❖ Demand from decision makers,
- ❖ Incentives,
- ❖ Clear roles and responsibilities,
- ❖ Trustworthy and credible information,
- ❖ Accountability, and
- ❖ Capacity

## 5.2 Knowledge Management and Learning in RBM

Knowledge management means capturing findings, institutionalizing learning, and organizing the wealth of information produced continually, so that knowledge sharing becomes about connecting people (staff, partners, Member States and donors) with the knowledge they need, rather than collecting and compiling documents.

Learning encompasses a cycle of planning, implementation, periodic performance assessment and organizational learning, all of which are supportive of knowledge creation and sharing. It is important to ensure that learning influences strategy development and programme/project design, and that lessons are fed back into programme/project implementation.

The benefits of knowledge sharing for organizations have been well researched and documented, particularly over the last 20 years. The main benefits can be summarized as follows: (i) it helps to reveal tacit knowledge or hidden resources and identify knowledge gaps and; (ii) it provides a forum for brainstorming, innovation, problem solving, sharing experiences and good practices, and exchanging knowledge across different subject areas. Of course, knowledge takes many different forms and different strategies are needed to ensure that the necessary pathways are there to provide easy and timely access to the knowledge that is needed.

Good RBM systems therefore build knowledge capital by enabling organizations to develop a knowledge base of the types of policies, programmes, and projects that are successful, and more generally, what works, what does not, and why. Results-Based Management systems also help promote greater transparency and accountability, and foster political and financial support through demonstration of results.

In UN-Habitat, knowledge management and learning are additional key components of using performance findings, and therefore using Results-Based Management. UN-Habitat considers that new knowledge can be generated by using these findings on a continuous basis. The organization believes that:

- (i) learning and knowledge management improve institutional performance;
- (ii) a process for generating, reporting on, and utilizing lessons learned and best-practices should be maintained; and
- (iii) it is important to ensure that learning from activities implemented across the seven subprogrammes influences strategic planning, programming and implementation.

UN-Habitat believes in the benefits provided by a strong knowledge management system. For example, some of the benefits already reported in the context of technical cooperation projects can be summarized as follows:

- (i) improving quality of work and operational relevance;
- (ii) avoiding duplication of work;
- (iii) speeding up work processes;

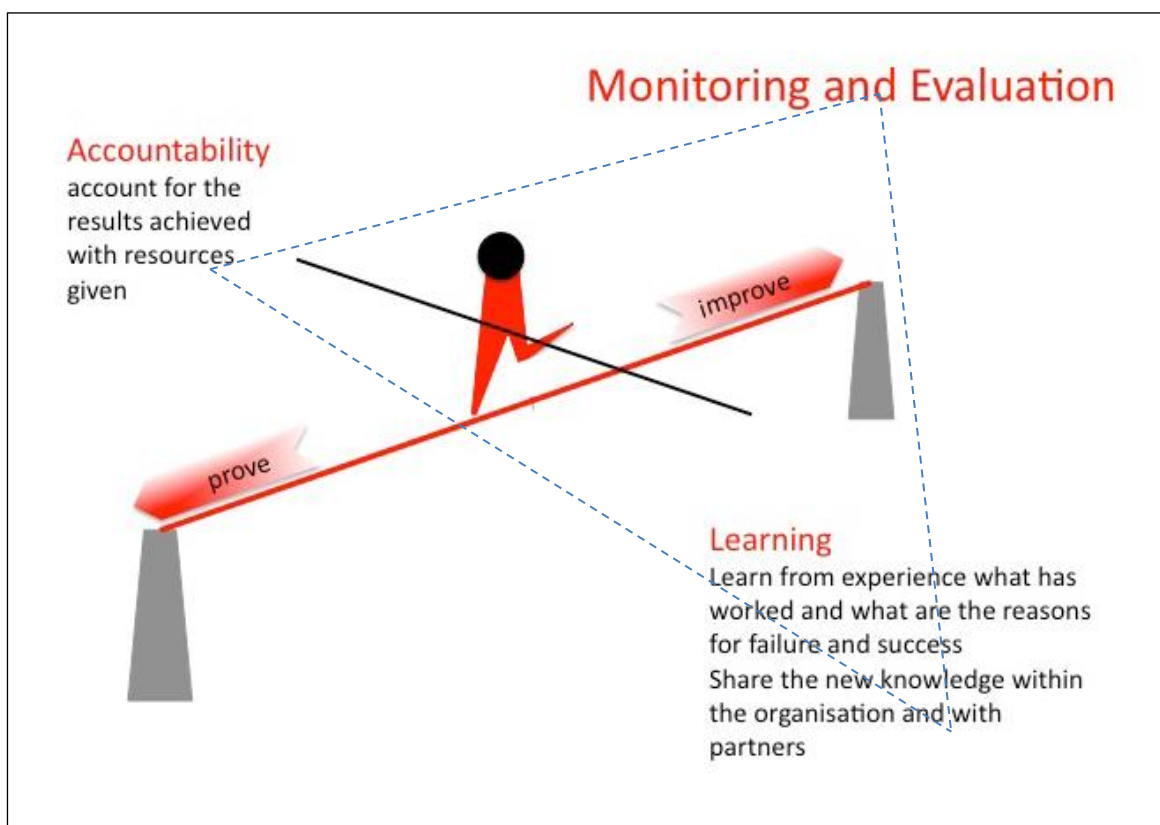


- (iv) disseminating knowledge;
- (v) fostering good relationships with colleagues and partners through recognition;
- (vi) communicating relevant information at the start of a project allowing it to move
- (vii) moving forward with less ongoing input;
- (viii) highlighting problems sooner;
- (ix) increasing the likelihood that others will volunteer beneficial information;
- (x) allowing tasks to be shared or delegated; and
- (xi) creating a positive atmosphere and stronger team spirit.

In order to capitalize on the benefits generated by the use of the knowledge management system in UN-Habitat, the Organization ensures that knowledge capture, sharing and learning is clearly articulated in the four-year strategic plan, the annual strategic frameworks, the annual work programme and budgets, and the annual progress report on the implementation of the strategic plan.

Conversely, UN-Habitat ensures that the Knowledge Management Strategy clearly articulates the dissemination of results and lessons learned through RBM processes as one of its pillars. Thus, collecting, capturing, storing, codifying, transferring and communicating knowledge generated through the use of RBM techniques and tools is one of the central elements of the Knowledge Management Strategy.

**Figure 37: The M&E-Learning-Accountability Virtuous Triangle**



### 5.3 Driving innovations in RBM

UN-Habitat implements a continuous learning approach in Results-Based Management. As a result, RBM in UN-Habitat is dynamic and flexible, and accommodates change and innovation.

RBM in UN-Habitat responds to the higher demands placed on it, and to the fast-changing environment. Moreover, as technology moves forward, opportunities in RBM are opening up.

A number of factors are driving innovation within the main pillars of RBM in UN-Habitat:

- ❖ **Need for flexible and faster performance management systems.** Increased unpredictability, rapidly changing circumstances, and a dynamic environment for public action require more flexible, dynamic and nimble approaches to performance measurement that capture and adapt to rapidly and continuously changing circumstances and cultural dynamics. Traditional approaches of diligently checking if a public policy, programme or service is ‘on-track’ in achieving a pre-defined milestone is often not sufficient anymore. Further, feedback loops of traditional monitoring (with quarterly and annual monitoring, mid-term reviews, final evaluations, annual reporting, etc.) have often proven to be too slow to influence decision-making in time. More real-time updates are required for better use of monitoring information and evaluation findings.
- ❖ **Theories of change need intermediate outcomes that can be measured quickly and easily.** There is an increased emphasis on measuring outcomes (changes in behaviour and performance) as a result of public policy, programmes and service delivery. Due to their nature, however, outcomes are typically more difficult to monitor and evaluate, since data is often not readily available and primary data collection is typically required. A Theory of Change that include a more proximate series of outcomes or milestones that can be measured and reported on more quickly and easily can be used as a meaningful tool to manage and assure the quality of UN-Habitat’s policies, programmes and service delivery.
- ❖ **A single method is not sufficient any more.** Policies, programmes and service delivery operate in increasingly complex and ever-changing social, economic, ecological and political contexts. No single M&E methodology can adequately describe and analyze the interactions among all of these different factors. Mixed methods allow for triangulation – or comparative analysis – which is better suited to capture complex realities and to provide different perspectives on the effect of policies, programmes or service delivery.
- ❖ **Need to show evidence of results to donors and Member States.** We increasingly operate in an environment marked by resource constraints and dwindling donor contributions, particularly with regard to non-earmarked resources. Donors who are still availing resources for humanitarian assistance and development programmes are looking for organizations that are results-focused and demonstrate value for money. The emphasis is no longer on what organizations can do but rather on what they were able to achieve in the past. UN-Habitat therefore strives to come up with innovative ways to show concrete evidence of results achieved in view of securing needed funding and political support from Member States.
- ❖ **An innovation is the introduction of something new, a new idea, method, or device.** Typical categories of innovations for performance management are a) technological innovations, b) innovative products, c) innovative services, d) innovative processes, or e) innovative interactions and partnerships. It is worth noting that in UN-Habitat we consider a product, process, service or a technology to be an innovation in RBM if at least two of the following criteria are met:
  - **Significant process improvement.** Innovations in RBM are technologies, products, services, processes or interactions that have shown a significant impact on how planning, monitoring and reporting and evaluation are done (not just innovation for innovation’s sake), or have a clear potential to change RBM in order to improve the value or usefulness of performance information. Typically, innovations with a great potential impact also address a core need or core challenge in RBM.
  - **Catalytic change.** Innovations in RBM have to go beyond incremental change and re-frame, re-imagine, or re-combine different existing elements to yield a new pathway. In other words: an

innovation in RBM is not simply a better, faster, cheaper way of doing the same thing. It requires going beyond current models of thinking in RBM. That is why it often takes outsiders or unconventional partnerships to break down old paradigms in RBM.

- **Concrete.** Innovations in RBM must be sufficiently concrete. Ideas and theoretical approaches are not innovations (although they can lead to innovations). Innovations are concrete if they are already being implemented (at least as pilots), can be replicated and are potentially scalable across different contexts and regions.

## **ANNEXES:**

1. UN-Habitat Organizational Structure
2. RBM Terminology
3. Problem Analysis “Problem Tree”
4. Annual Work Plan – Template
5. UN-Habitat Results Framework 2014–2019 – Template
6. Results Logical Framework & Performance Management Framework
7. Results Reporting on the Implementation of the Strategic Plan - Template
8. UN-Habitat Project Implementation Monitoring Report - Template
9. Management Response and Action Plan to the Recommendations – Template
10. UNEG Good Practice Guidelines for Follow up to Evaluations
11. UNEG (2016), Norms and Standards for Evaluation
12. UN-HABITAT Standard Outline for Evaluation Report
13. UN-Habitat- End-of-Project Summary Report