

idavies@capacity.ca

Evaluation of the ESCAP sub-programme on Macroeconomic Policy and Inclusive Development

Final report

Ian C Davies, CE
&
Julia Brümmer

September 2016

Acknowledgements

We would like to express our deep appreciation to staff members of MPFD and other divisions within ESCAP as well as to the external stakeholders who participated in the evaluation at various stages and graciously provided us with their time, perspectives and insights. Special thanks go to the team in the Evaluation Unit of ESCAP for all the efforts they made to ensure a smooth and successful evaluation process.

We trust that both the process of the evaluation and its results have been and will be useful to MPFD and to ESCAP in their endeavour to continuously enhance their performance and the value of their work. We wish them success in their ongoing efforts!

Ian Davies, CE, & Julia Brümmer

Executive summary

This report presents the evaluation of the ESCAP sub-programme for macroeconomic policy and inclusive development under the substantive responsibility of the Macroeconomic Policy and Financing for Development Division (MPFD). The evaluation is undertaken in the context of recent key developments in relation to the global development agendas as well as important organisational changes within ESCAP.

The purpose of this evaluation is to contribute to MPFD and as well to ESCAP management generally, recommendations on how it can improve its management performance and create additional value for its member states. While recognising that MPFD is part of a broader organisation, namely ESCAP, the exercise does not undertake to evaluate other divisions or sub-programmes.

Approach & methodology

The evaluation process is framed by a formative and developmental approach. It focuses on MPFD's current situation in light of its new areas of work and its desire to address and undertake these efficiently and effectively.

The analytical framework distinguishes between different levels and functions within ESCAP and MPFD, namely executive governance, executive management, divisional and programmatic management, and operational management. The evaluation conducted a functional analysis of the extent to which the governance and management systems in place within MPFD meet necessary conditions of modern management and well-performing, learning organisations. It examines the extent to which existent systems and processes enable MPFD to focus on value and performance as well as monitor the progress achieved in relation to these.

Methods of data collection included document analysis; a web-based survey of MPFD staff; a web-based survey of external stakeholders; semi-structured, remote interviews of external stakeholders; and two missions to Bangkok for consultations, in-depth interviews and focus group discussions.

Main conclusions

The evaluation found that MPFD does not have in place a management approach that addresses explicitly and systematically its value proposition and the priorities it should set accordingly. The absence of a divisional strategic frame of reference makes the nature, direction and value of its activities, as well as the soundness of the allocation of its resources to these, difficult to know, to assess, to manage and to account for.

Moreover, the evaluation found that MPFD does not have in place an operational planning and monitoring system that allows it to manage its activities with a focus on the achievement of intended outcomes, to allocate its resources and adapt its choice of activities and outputs accordingly, and to report meaningfully on its performance.

Work allocation and workload in MPFD is insufficiently organised and managed so that, despite the high commitment and work ethic of its staff, efficiency of work processes including communication and coordination between staff, sections and within the division, is lacking.

Although MPFD has undertaken to consider gender in its work there is not as yet a systematic and well-integrated gender lens in all dimensions of its organisation, management and work.

The evaluation concludes that, although MPFD is working to the requirements of the ESCAP programme budget and strategic framework, it is functioning and delivering below its potential.

Given that the evaluation finds that the staff of MPFD is qualified, motivated and committed to improvement, the evaluation concludes that the key to exploiting more fully MPFD's potential lies in strengthening its management processes as well as its enabling organisational environment, i.e. the direction and support it receives from both the executive management and governance levels of ESCAP, in a manner consistent with good practices.

Main recommendations

The following are the overall recommendations provided by the evaluation:

- ESCAP should implement a management function at the level of the office of the director of MPFD, with responsibility, authority and accountability for the overall management of the sub-programme, and for management of the relationships with the executive management level of ESCAP and with the management of other ESCAP divisions.
- MPFD, with the support of the executive management level of ESCAP, should develop and implement a fulsome and systematic strategic management process including, but not limited to, a strategic framework that makes explicit the vision, mission and value proposition for MPFD and a 3 to 5 year rolling strategic plan which is updated on an annual basis particularly in terms of strategic priorities.
- MPFD sections should, in close collaboration with the management function of the office of the director of MPFD, develop and implement annual operational plans, i.e. business plans, that, among other things, identify and allocate human and financial resources to MPFD activities, consistent with its strategic priorities.
- MPFD, with the support of the Strategy and Programme Management Division, should develop and use an outcome focused performance monitoring and reporting framework, including but not limited to, measures of economy, efficiency, quality and effectiveness. The framework should be used by MPFD and by each of its sections, to support divisional, programmatic and operational management decisions and to provide accountability information on its performance and value added.
- MPFD, with the support of the Strategy and Programme Management Division's evaluation function, should institute periodic evaluations focusing on the value of its activities for ESCAP member countries and for ESCAP, as well as of the soundness of its management.

In addition, the report provides specific recommendations on strategic management and operational management aspects of MPFD.

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List of acronyms

ADB	Asian Development Bank
CAPSA	Centre for Alleviation of Poverty through Sustainable Agriculture
ESCAP	Economic and Social Commission for Asia and the Pacific
IMDIS	Integrated Management and Document Information System
MDGs	Millennium Development Goals
MPFD	Macroeconomic Policy and Financing for Development Division
OIOS	Office of Internal Oversight Services
SDGs	Sustainable Development Goals
SMT	Strategic Management Team
SPMD	Strategy and Programme Management Division
UN	United Nations
UNDP	United Nations Development Programme
UN SWAP	UN System-wide Action Plan (on gender equality and women's empowerment)

1. Introduction

This report presents the evaluation of the ESCAP sub-programme for macroeconomic policy and inclusive development under the substantive responsibility of the Macroeconomic Policy and Financing for Development Division (MPFD). The present document is one among several reporting processes of the evaluation, the others being consultations with management and a presentation of the evaluation findings, conclusions and recommendations.

After a brief introduction of the context of this evaluation (chapter 2), its scope and purpose (chapter 3) as well as the approach and methodology used (chapter 4), the report presents the findings, conclusions and recommendations in two separate chapters: Chapter 5 contains key findings, conclusions and recommendations related to MPFD strategic and operational management levels. The final section (chapter 6) summarises the main evaluation findings for each of the key evaluation questions.

More details on the evaluation process, methodology and findings can be found in a separate companion report, which complements this document.

2. Context

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations for the Asia-Pacific region. The overall objective of ESCAP is to promote inclusive and sustainable economic and social development in the Asia-Pacific region. The ESCAP sub-programme on macroeconomic policy and inclusive development aims to enhance regional cooperation and foster forward-looking macroeconomic policymaking for inclusive and sustainable development, especially in support of poverty reduction and attainment of internationally agreed development goals, including the development agenda beyond 2015. The Macroeconomic Policy and Financing for Development Division, which is one of the eight divisions of ESCAP, has the substantial responsibility for delivering the sub-programme's work. The Division is constituted of three sections: 1) Development Policy, 2) Macroeconomic Policy and Analysis, and 3) Countries with Special Needs.

MPFD is responsible for publishing the Economic and Social Survey for Asia and the Pacific, the joint ESCAP/ADB/UNDP Regional Report on MDGs (to be replaced by a joint report on the SDGs), and the Asia-Pacific Countries with Special Needs Development Report. MPFD supports least developed countries, landlocked developing countries and small island developing states in Asia and the Pacific region in implementing the Istanbul Programme of Action (for least developed countries), the Vienna Programme of Action (for landlocked developing countries) and the Samoa Pathway (for small island developing states).

The evaluation is undertaken in the context of recent key developments in relation to global development agendas, including the adoption of the 2030 Agenda for Sustainable Development as well as the Addis Ababa Action Agenda on Financing for Development. These developments are important to ESCAP and particularly have a bearing on the mandate and work of MPFD because of their significant economic dimensions.

At the same time, the evaluation takes place at a time of important organisational changes within ESCAP, including internal adjustments following an evaluation of ESCAP by the Office of Internal Oversight Services (OIOS) carried out in 2013 as well as a revision of the conference structure of the Commission.

MPFD has already begun to consider how it can address these new challenges and developments. It is in the context of this change process that the present evaluation is being carried out taking a forward looking perspective and focusing on the adjustments and improvements that ESCAP and MPFD wish to realise.

3. Purpose & scope

3.1 Purpose

The purpose of this evaluation is to contribute to MPFD and as well to ESCAP management generally, recommendations for how it can improve its management performance and create additional value for its member states. The evaluation is formative in nature, i.e. supporting organisational learning and decision-making, and improving organisational management processes and practices. The evaluation also provides MPFD with information to improve the relevance of its work to its stakeholders.

The following evaluation objectives have been adapted from the evaluation terms of reference:

- i. To provide evaluative information on MPFD's operations over the past two biennia, including an assessment of strengths and weaknesses, and, on this basis, make actionable recommendations for the future organisation of work of MPFD;
- ii. To draw lessons from the recent work of MPFD, including the ongoing organisational change process, which could apply to other ESCAP work programmes, and thus contribute to organisational learning.
- iii. To assess the relevance, efficiency and effectiveness of the work of MPFD, with a particular focus on (a) its research and analysis work as well as (b) its work in relation to countries with special needs.

These evaluation objectives were arrived at based on consultations and discussions not only with the Evaluation Unit, but also with MPFD and the Evaluation Reference Group. They were presented and confirmed as part of the inception report approval process.

3.2 Scope

The evaluation focuses on MPFD, in particular its management processes and value creation. While recognising that MPFD is part of a broader organisation, namely ESCAP, the exercise does not undertake to evaluate other divisions, sub-programmes or the overall management or governance of ESCAP. Neither is the Centre for Alleviation of Poverty through Sustainable Agriculture (CAPSA) included in the scope of this evaluation, even though it has been part of the sub-programme. The evaluation does not assess the individual performance of staff members; neither does it attempt to systematically measure the impact of MPFD's work.

4. Approach and methodology

4.1 Approach

This evaluation process is framed by a formative and developmental approach¹, which means that rather than focusing on past performance, with a view to providing accountability information, the evaluation focuses on MPFD's current situation in light of its new areas of work and its desire to address and undertake these efficiently and effectively.

Key features of the approach that is used for this evaluation are: participation in the evaluation and interaction between ESCAP/MPFD staff and evaluators from the start of the evaluation, i.e. in developing the evaluation plan², throughout the evaluation process and particularly in discussing recommendations and in identifying actions to be taken appropriate to the mandates, resources, and strategic orientation of MPFD and of ESCAP.

4.2 Questions

The following are the key questions addressed by the evaluation, as agreed by the ESCAP Evaluation Reference Group and the evaluation team:

Coherence and effectiveness

1. What are the synergies and trade-offs of the work conducted by the three sections of MPFD? How can the division's overall coherence and effectiveness be enhanced?
2. How can MPFD make its work more effective in addressing new mandates emanating from the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda?
3. How can synergies between MPFD's work and that of other divisions of ESCAP be strengthened?

Research, publications and analysis

4. How can MPFD make its work more relevant to stakeholders?
5. How can MPFD contribute to ensuring that the findings of its analytical research are translated into implementable policies in member States?
6. How can MPFD strengthen its analytical research capacities to better suit the needs of stakeholders?

¹ http://betterevaluation.org/plan/approach/developmental_evaluation

² Please see the inception report in the companion document.

While the above evaluation questions have served as a reference for data collection and analysis, it is important to note that the focus of the exercise evolved during the process. This is a result of the developmental approach taken by the evaluation. As a consequence, the main findings, conclusions and recommendations in chapter 5 of this report are presented in a structure that is different from the evaluation questions, but reflects the format that was considered appropriate in light of the formative nature of the evaluation. The final chapter (chapter 6) makes an attempt to answer each of the evaluation questions.

4.3 Methodology

Design

The evaluation uses a mixed construct design, which means that it considers the value of what is being assessed from the perspectives of different stakeholders. As well, the evaluation methodology is framed by a systemic lens. This means that MPFD is looked at as a system, within the larger system of ESCAP, which in turn is part of the UN system. The design takes into account interactions and dynamics between these different systems.

This means that the evaluation acknowledges that whatever MPFD does and is able to produce is linked to what other parts of the system do, in particular ESCAP and the UN. The conclusions and recommendations included in this report should be read taking this reality into account. Because the main focus of this evaluation is MPFD, the evaluation has not undertaken to assess specifically other levels of ESCAP and the UN system. The evaluation has however engaged with other divisions and other levels in ESCAP from a developmental perspective to flag certain aspects and issues that arose as the evaluation was carried out.

The evaluation has identified and cross-referenced the perspectives of different actors in the various systems as they relate to the work of ESCAP and MPFD. This includes perspectives of external recipients of publications and services, such as member countries and international organisations, as well as senior staff in other divisions of ESCAP and the staff of MPFD itself.

Basis for assessment

The evaluation assesses the extent to which sound governance and management systems are in place within MPFD, i.e. processes and practices of modern management and of well-performing organisations, including for results based management.

Analytical framework

The evaluation uses an analytical framework that distinguishes different levels and functions within ESCAP and MPFD as detailed in table 1 below.

Table 1: Governance and management levels within ESCAP

ESCAP	Levels	Function	Goals	Accountability
Executive governance	Office of the Executive Secretary	Overall governance direction, priorities and guidance for ESCAP	Global and regional relevance and value of ESCAP	To Commission
Executive management	Offices of the Deputy Executive Secretaries	Overall management direction, priorities and support to divisions	Inter-division synergy and cross-division thematic initiatives. Support to Executive governance	To Executive governance
Divisional and Programmatic management	Division director offices	Overall management of division and sub-programme	Setting direction consistent with ESCAP executive management direction and providing good value to stakeholders	To Executive management
Operational management	Section heads	Operational management of activities	Economical, efficient and effective management of activities based on achievement of intended outcomes	To Divisional and Programmatic management

The evaluation has conducted a functional analysis of the extent to which the executive governance, executive management and programme management systems and processes in place meet necessary conditions of modern management and well-performing, learning organisations. It looks at the extent to which existent systems and processes enable MPFD to focus on value and performance as well as monitor the progress achieved in relation to these two. Necessary conditions include in particular management autonomy, management direction, responsibility, authority, accountability and transparency.

Table 2 shows how the key evaluation questions relate to the different management and governance levels within MPFD and ESCAP.

Table 2: Relationship of evaluation questions and governance/management levels within ESCAP

Evaluation questions	Strategic management MPFD	Operational management MPFD	Executive management ESCAP	Executive governance ESCAP
<i>Coherence and effectiveness</i>				
1. a) What are the synergies and trade-offs of the work conducted by the three units of MPFD? b) How can the division's overall coherence and effectiveness be enhanced?	X (1a)	X (1b)		
2. How can MPFD make its work more effective in addressing new mandates emanating from the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda?	X			
3. How can synergies between MPFD's work and that of other divisions of ESCAP be strengthened?*	X		X	
<i>Research, publications and analysis</i>				
4. How can MPFD make its work more relevant to stakeholders?	X		X	
5. How can MPFD contribute to ensuring that the findings of its analytical research are translated into implementable policies in member States?	X			
6. How can MPFD strengthen its analytical research capacities to better suit the needs of stakeholders?	X	X	X	

* The Strategic Programme Management Division has a responsibility for this particular function.

Data collection

The data collection process consisted of the following steps:

- Document analysis
- Web-based survey of MPFD staff on work processes within MPFD and across ESCAP divisions as well as the relevance and effectiveness of MPFD's products and services
- Web-based survey of external stakeholders (i.e. representatives of member states, research institutions/think tanks, other international organisations and civil society organisations) on the use, utility, perception of quality of MPFD products and services
- Semi-structured, remote interviews of a selection of external stakeholders
- Two missions to Bangkok for consultations, in-depth interviews and focus group discussions with MPFD staff, staff of other ESCAP divisions as well as ESCAP executive management

5. Findings, conclusions & recommendations

This chapter presents the key findings, conclusions and recommendations of the evaluation on MPFD's strategic management, i.e. the value of its work for both external stakeholders such as ESCAP member countries and other divisions of ESCAP, as well as its operational management.³ It ends with some overall conclusions and recommendations.

5.1 Strategic management

5.1.1 Key findings

MPFD's value for external stakeholders

The findings summarised in this section are based on an external web-based survey of recipients of MPFD products and services as well as follow-up interviews with a selected number of external stakeholders. 'External stakeholders' are understood to be representatives of member state governments (including those planning, deciding on and implementing national policies), research institutions and think tanks, other international institutions active in the Asia-Pacific region as well as civil society organisations.

Overall, external stakeholders value the publications and services they receive from MPFD. Among the publications, the Economic and Social Survey for Asia and the Pacific receives the highest ratings, in the web-based survey, for both relevance and quality, followed by the Asia-Pacific Regional MDGs Report. Respondents indicate that they use MPFD publications mostly for study and research purposes, followed by acquiring general knowledge and policy making. Reference to MPFD publications is often made for statistics and for comparative country data.

While many respondents appreciate the quality of research done by MPFD, a number consider that publications follow an outdated approach, including a too exclusive focus on macroeconomic growth. They highlight the need for adjustments to continuous changes in the economic and social environment as well as new development agendas within the Asia-Pacific region.

Among the intergovernmental activities carried out by MPFD, the Committee sessions receive the highest scores for relevance and effectiveness, followed by high-level thematic events. Capacity building activities conducted by MPFD, including training and practice-oriented sessions, are generally appreciated by respondents to the external stakeholder survey and a number of respondents propose that more of these be carried out.⁴

External stakeholder respondents suggest that the relevance and effectiveness of MPFD publications and events could be further enhanced by focusing more on country-specific topics, including case studies, and by paying more attention to specific country contexts, by engaging more closely with member states, and by widening the distribution of MPFD products, including by electronic means, as well as better targeting relevant participants for the various events.

³ More detailed findings can be found in the companion report.

⁴ It should be noted that respondents to the external stakeholder survey, at least those representing governments, all represented developing countries, mostly countries with special needs.

According to a number of respondents, formats, content and stakeholder involvement should be re-thought to enhance the value of MPFD's work towards external stakeholders. Several respondents consider that the current substantive work of MPFD is more supply-driven than driven by demand. The evaluation found that MPFD staff are generally well aware of these areas for improvement and share to a large extent the view of their external stakeholders.

MPFD and its clients

A number of comments made both internally in MPFD/ESCAP and by external stakeholders suggest that MPFD should make an effort to better understand its clients, i.e. who they are and what their needs are. At present, MPFD does not have a comprehensive database or list of recipients or targets for its products and services.

MPFD also presently does not have a clear and explicit communication strategy. Improving the MPFD web presentation, including a clearer structure and more up to date information, as well as better use of social media, e.g. to convey key messages from MPFD publications, are two concrete suggestions from respondents to enhance the communication of MPFD's work and its value to external audiences.

ESCAP/MPFD vis-à-vis other international institutions in the Asia-Pacific region

According to external stakeholder respondents, two aspects constitute mainly ESCAP's strength, as compared to other international institutions active in the Asia-Pacific region:

1. The good relationship with its member states and, consequently, its strong convening power.
2. The multi-sector coverage by the various ESCAP divisions. This gives ESCAP a unique position for addressing the Sustainable Development Agenda and more generally for raising and focussing on social issues.

ESCAP's comparative advantage is not particularly seen in the substantive economic work it produces and which MPFD is mainly responsible for. Several respondents indicate that other institutions, such as the World Bank, the International Monetary Fund and the Asian Development Bank, have more capacity on specific economic topics.

MPFD's interaction with other institutions in the Asia-Pacific region concentrates mostly on collaboration on specific publications. Other collaboration is mostly ad hoc, often informal and based on existing personal rather than institutional links.

MPFD's collaboration with other ESCAP divisions

Similar to MPFD's interaction with other international institutions, collaboration with other divisions of ESCAP is restricted largely to soliciting, and at times providing, contributions to publications, among which the survey is the most prominent. Other joint initiatives are not carried out on a regular basis and usually not included in the formal work planning. They typically depend on personal relationships or individual interests and initiatives.

Among the interview respondents and focus group participants of ESCAP divisions other than MPFD, several expressed a concern about MPFD's exclusive focus on macroeconomic analysis at the expense of, for instance, integration of social aspects. Especially in light of the 2030 Agenda for Sustainable Development, integrating the different work areas of ESCAP is seen as essential. A stronger focus on applied economics (to various substantive themes of other divisions) is seen as having a potential to add more value to MPFD's work. Some respondent suggest that MPFD, being the main pool of economists within ESCAP, could play a stronger role as an 'economic advisory function' to other divisions. A few go as far as to suggest that MPFD in its present form could be dissolved and that it could be re-configured as a 'virtual division' with MPFD's economists placed across the other divisions.

Staff members from other divisions often see MPFD as not very responsive to their demands and they note a lack of communication when it comes to feedback on contributions that have been made for MPFD publications. From the perspective of MPFD, while contributions from other divisions to their publications are generally appreciated, collaboration is described as not always being easy as the quality and timeliness of input received varies and there is often not enough time to get back to contributors with requests for further amendment of the work.

Generally, respondents recognise that improvements of interdivisional work in ESCAP need to start with encouragement and initiative taken by higher level management. They describe a need for creating incentives and developing a programmatic approach conducive to such collaborations. At present, internal rules and practices, such as the apparent requirement that division directors approve the sharing of documents with staff from other divisions, do not always favour initiatives for joint work among divisions. There is a desire to see higher-level management initiate more interdivisional task forces around specific projects and cross-divisional programmes.

5.1.2 Conclusion

The evaluation found that MPFD does not have in place a management approach that addresses explicitly and systematically the division's value proposition and the priorities it should set accordingly, taking into account its available resources and the guidance provided to it by the Executive Secretary and ESCAP's strategic framework.

As a result, in the absence of a divisional strategic frame of reference, the nature, direction and value of its activities, as well as the soundness of the allocation of its resources to these, are difficult to know, to assess, to manage and to account for.

In addition, without a clear set of divisional strategic priorities set by and for MPFD, operational management, at the division level and in each section, lacks the strategically informed roadmap to allow it to plan, monitor, manage and account for its activities and resources based on intended outcomes and evolving contexts.

In particular, the macro-economic work of MPFD appears to be conducted in much the same fashion from year to year with little systematic consideration from a strategic perspective.

Although MPFD has undertaken to consider gender in its work there is not as yet a systematic and well-integrated gender lens in all dimensions of its organisation, management and work.

5.1.3 Recommendations

1. MPFD should develop an explicit value proposition and based on this, decide on the functions it intends to fulfil. The organisation of work needs to be adapted to those functions, including the development of job profiles with the needed competencies, knowledge, skills and abilities and corresponding job descriptions. The existing vacancies in MPFD provide an opportunity in this respect and should therefore not be filled until the new Director is in place and the basic strategic set-up of the division is implemented.
2. MPFD should engage with member states on a regular basis – including with concerned ministries as well as local experts – to enhance the relevance, quality, ownership and potential for use in policy making of MPFD’s research, intergovernmental and capacity building initiatives. In this context, the balance between research, intergovernmental and capacity building activities within MPFD should be reviewed, as well as the possibility for creating more intentional linkages among these three.
3. MPFD should develop and implement processes for more systematic assessment of member states’ needs in the areas of research and capacity building and for including their priorities into the strategic planning of MPFD, supported by official mandates.
4. MPFD should develop a framework for the division and its sections to monitor on an ongoing basis and to report annually, on the performance of its activities against intended outcomes as well as explicit and agreed measures of economy, efficiency, quality and effectiveness.
5. MPFD should further draw on the strengths of ESCAP, namely its multi-sector coverage and its strong convening power, to enhance the value of its work, particularly in view of the 2030 Agenda for Sustainable Development and including in comparison to other international organisations in the Asia-Pacific region. For this, a more strategic approach to working with other ESCAP divisions is required.

5.2 Operational management

5.2.1 Key findings

Planning and monitoring

The overall work planning processes of the UN and of ESCAP constitute the main planning processes for MPFD. In the biennial programme plan of the UN Secretariat, which is submitted to the General Assembly, programme 16 on Economic and social development in Asia and the Pacific guides the work of ESCAP for the present biennium 2016-2017. Within programme 16, sub-programme 1 on Macroeconomic policy, poverty reduction and financing for development guides the work of MPFD. This format is found also in the two preceding biennia, i.e. 2014-2015 and for 2012-2013.

For the current biennium, the section on MPFD presents the sub-programme's resource requirements; its objectives, expected accomplishments, indicators of achievement and performance measures summarised in a table; a list of general "external factors"; a summary of the general outputs of activities. According to MPFD respondents the development of the content for this section is made three to four years ahead of time, after which only marginal changes are possible.

The processes and practices for contributing to the programme budget are relatively well established at the level of the UN generally, and of ESCAP, and MPFD may have relatively little influence on substantive changes to these, both in form and in content.

However, using the strategic framework of ESCAP as a substitute for MPFD's own divisional strategic management framework, operational planning and performance reporting is fraught with negative risks for MPFD and for ESCAP.

At its most basic level the UN-ESCAP strategic framework and programme budget are intended primarily as general organisational budgeting vehicles that are submitted for political approval to the UN General Assembly. And while they may provide indications of programmatic priorities, they do not appear suitable for organisational management at the divisional level, i.e. strategic and operational management, performance monitoring and reporting.

The relatively "mechanistic", according to a majority of respondents, approach to preparing the programme budget for MPFD provides for what appear to be only marginal changes from biennium to biennium. A comparison of the past three strategic frameworks of ESCAP shows very little change over time in the section that concerns MPFD.

Because the strategic framework and programme budget specify outputs that apply to MPFD, their use as a substitute for divisional level strategic and operational management, risks that the activities are considered to all extent and purposes locked in 3 to 4 years before, and during, their implementation. This, in turn, may limit significantly the ability of MPFD and the sub-programme that it is responsible for, to adapt its organisation and work in response to the rapidly changing contexts within which it operates and the complex adaptive systems with which it interacts.

As well, using the indicators of the programme budget as measures of performance does not provide an adequate basis for performance monitoring and reporting, nor does it allow for the generation of meaningful information on the value of MPFD's activities. The inadequacy of the indicators and targets is unanimously acknowledged by all of the MPFD participants in the evaluation, and their use is considered more as a pro-forma exercise which is part of the bureaucratic requirements of the budgeting process.

The same type of message is conveyed by respondents with respect to the fact that MPFD uploads data to the UN-wide Integrated Management and Document Information System (IMDIS) system on a regular basis. Data and information from this system are not much used by MPFD staff and IMDIS is considered an obligatory pro-forma accounting tool with little relevance and use for MPFD management.

The fact that MPFD does not have a divisional level strategic framework and performance monitoring system contributes to what respondents consider to be a lack of ownership of strategy and planning within MPFD as well as insufficient consolidated planning across the three sections of MPFD and across ESCAP divisions. As well, the absence of systematic outcome focussed management and monitoring in MPFD, together with a programme budget focus on outputs, leaves little room for results-based management.

Mandates and priorities of MPFD

Respondents both within and outside MPFD consider that the balance between the core areas of the division's work, i.e. research and publications, intergovernmental work and capacity building, should be re-considered. Emphasis should be put on enhancing the integration of these three areas rather than becoming more dispersed. Respondents see a clear need for prioritizing the work, including taking decisions on what not to do.

MPFD's new mandate on financing for development is seen by MPFD staff and in ESCAP as an opportunity to enhance the profile of the division. However, interview respondents and focus group participants point out the need to develop a clearer focus for MPFD's work in this area in order to find a niche with respect to other institutions working on financing for development. They also highlight the need for further capacity building of MPFD staff in this area.

Generally, MPFD staff members indicate that clear processes are lacking for prioritizing research topics, including the focus of publications and events. Staff consider that decisions on the focus of the substantive work of MPFD appear largely to be taken on an ad hoc basis and in some cases relatively late.

Work load and work processes

MPFD staff generally consider their work load too high. This situation is exacerbated by the fact that, at the time of the evaluation, a third of the professional level staff positions in the division were vacant.

Furthermore, MPFD staff state that they receive frequent requests from the Office of the Executive Secretary for substantive inputs to the preparation of travel, participation in events etc. There appears to be no system for planning and managing of these types of requests nor systematic process for their allocation within the division. As a consequence, such requests are seen as disruptive of the regular work flow and an addition to a work load that is already considered excessive by MPFD staff.

From the perspective of MPFD personnel, the distribution of assignments among staff appears to be done to a large extent on an ad hoc basis, without sufficient planning. As a consequence, several staff members point out that they are not well aware of what their colleagues are working on. This has led to duplication of work in some cases and gaps in others.

MPFD staff expressed concerns about both the quantity and the form of communication within the division: communication is described as insufficiently effective, irregular and 'not modern'. A clear need for more regular sharing of information as well as divisional staff meetings was expressed.

According to MPFD staff, there is no systematic matching of skills or knowledge to tasks, neither are training or capacity building needs of staff members identified in relation to priority areas of work or research of the division. Some staff members point out that tasks are changing too quickly to enable them to build up their expertise on any given topic.

The survey on allocation of work time, which was conducted among MPFD staff, shows that the largest proportion of time, about 40%, is spent on research and publications, followed by 'ad hoc tasks', approximately 29%, which include requests by the Office of the Executive Secretary of ESCAP. Another 11% is spend on administrative tasks and the remaining time is split between intergovernmental work, about 12%, and capacity building activities at about 8%.

Gender considerations

According to MPFD: it "follows the technical guideline provided in UN SWAP and implements it whenever possible in planning projects, organizing workshops, meetings and conferences, selection for vacant posts and other relevant areas stipulated in the guideline. In addition, MPFD also supports and implements the overall direction provided by OES in mainstreaming gender equality and women's empowerment policies and strategies across the programme of work in the context of supporting member States in promoting inclusive and sustainable development." MPFD has appointed a gender focal point.

This said, at present, MPFD professional staff consists of eleven men and one woman. A gender imbalance is also noted in the choice of consultants, participants and resource persons of intergovernmental as well as capacity building events. MPFD does not yet appear to apply consistently a gender lens to its planning, neither to the content of its substantive work including its research.

5.2.2 Conclusion

The evaluation found that MPFD does not have in place an operational planning and monitoring system at division level that allows it to manage its activities with a focus on the achievement of intended outcomes, to allocate its resources and adapt its choice of activities and outputs accordingly, and to report meaningfully on its performance.

In particular, the indicators and targets that are identified in the ESCAP programme budget have little validity and meaningful use for operational management. Reporting requirements against these as well as for the UN wide work reporting system, i.e. IMDIS, have little added value and use for managing activities at the division level.

Under present conditions it is unrealistic to expect results based management in MPFD.

Work allocation and workload in MPFD is insufficiently organised and managed so that, despite the high commitment and work ethic of its staff, efficiency of work processes including communication and coordination between staff, sections and within the division, is lacking.

Although MPFD has undertaken to consider gender in its work there is not as yet a systematic and well-integrated gender lens in all dimensions of its organisation, management and work.

5.2.3 Recommendations

1. MPFD should change the way in which it manages divisionally and programmatically, consistent with basic principles of results-based management: management autonomy and responsibility for the resources allocated to it at the corresponding level, ongoing outcome focussed monitoring, accountability for performance.
2. MPFD should develop and institute a sound performance monitoring and reporting practice that allows it to manage its activities based on reliable data on the extent to which outputs are achieving intended outcomes, and to vary these as required to increase the achievement of outcomes, i.e. the effectiveness of its activities and outputs.
3. MPFD should institute systematic processes for clear communication and more information sharing within MPFD, including regular division-wide meetings in which sections update each other on their ongoing and upcoming work and discuss possible areas of collaboration. This should include a system, for example web based, by which everyone in MPFD can see what others in the division are working on, annual work plans, status, etc.
4. MPFD should institute a systematic process for developing and implementing division-wide work programmes, including planning for the allocation of financial and human resources. As part of this process, MPFD should institute a clear task allocation system consistent with MPFD strategic priorities and allocation, and based on the assessment of existing skills and knowledge as well as needs for further professional development of individual capabilities.
5. Within the annual operational plan of the division, MPFD should allocate a certain percentage of work time for unplanned requests. MPFD should also develop a transparent and clear system by which unplanned requests are received, a decision made as to their appropriateness and, if accepted, are assigned within the division.
6. MPFD should incorporate systematically and explicitly into both its strategic and operational management processes a gender lens so that all of its activities are gender responsive.

5.3 Overall conclusions

The evaluation concludes that, although MPFD is working to the requirements of the ESCAP programme budget and strategic framework, it is functioning and delivering below its potential.

Given that the evaluation finds that the staff of MPFD is qualified, motivated and committed to improvement, the evaluation concludes that the key to exploiting more fully MPFD's potential lies in strengthening its management processes as well as its enabling organisational environment, i.e. the direction and support it receives from both the executive management and governance levels of ESCAP, in a manner consistent with good practices.

As such, the evaluation considers that the opportunities that exist, for improvements to the performance of the sub-programme and to the value MPFD brings to ESCAP member countries and to other divisions in ESCAP, are actionable. This means that the improvements to the management and governance processes, that are highlighted in the evaluation's recommendations, do not require additional human and financial resources but rather, their implementation is a matter of direction and support at the executive and divisional levels of ESCAP.

Finally, the evaluation considers that opportunities are actionable particularly with respect to the efficiency of MPFD's operations, the effectiveness with which these achieve intended results, i.e. outcomes, as well as the value of its products and services for stakeholders.

5.4 Overall recommendations

The following recommendations for MPFD should all be implemented consistent with ESCAP's overall strategic framework and programme budget.

Overall

ESCAP should implement a management function at the level of the office of the director of MPFD, with responsibility, authority and accountability for the overall management of the sub-programme, and for management of the relationships with the executive management level of ESCAP and with the management of other ESCAP divisions. This management function should be fulfilled by an individual with the appropriate competencies, i.e. requisite knowledge, skills and abilities in organisational and program management.

Strategic

MPFD, with the support of the executive management level of ESCAP, should develop and implement a fulsome and systematic strategic management process including, but not limited to, a strategic framework that makes explicit the vision, mission and value proposition for MPFD and a 3 to 5 year rolling strategic plan which is updated on an annual basis particularly in terms of strategic priorities.

Operational

MPFD sections should, in close collaboration with the management function of the office of the director of MPFD, develop and implement annual operational plans, i.e. business plans, that, among other things, identify and allocate human and financial resources to MPFD activities, consistent with its strategic priorities.

Monitoring and reporting

MPFD, with the support of the Strategy and Programme Management Division, specifically its evaluation and results-based management functions, should develop and use an outcome focussed performance monitoring and reporting framework, including but not limited to, measures of economy, efficiency, quality and effectiveness. The framework should be used by MPFD and by each of its sections, to support divisional, programmatic and operational management decisions and to provide accountability information on its performance and value added.

Evaluation

MPFD, with the support of the Strategy and Programme Management Division's evaluation function, should institute periodic evaluations focusing on the value of its work for ESCAP member countries and for ESCAP, as well as on the soundness of its management.

6. Evaluation questions

This section summarises the main findings and conclusions of the evaluation with respect to the key evaluation questions.

Coherence and effectiveness

1. *What are the synergies and trade-offs of the work conducted by the three sections of MPFD? How can the division's overall coherence and effectiveness be enhanced?*

Given the absence of a divisional strategic framework and performance monitoring system, possible synergies among the three sections of MPFD are presently not fully developed. There is a potential for enhancing the division's overall coherence and effectiveness by establishing an explicit value proposition and priorities for MPFD and putting in place operational management processes that help to allocate resources as well as monitor, manage and account for its activities and resources accordingly. Better communication and coordination among staff and sections of the division has the potential to enhance the management of work allocation and workload within MPFD.

2. *How can MPFD make its work more effective in addressing new mandates emanating from the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda?*

The 2030 Agenda for Sustainable Development provides an opportunity for ESCAP to demonstrate a comparative advantage vis-à-vis other international institutions in the Asia-Pacific region. For MPFD to capitalize on this opportunity, it needs to be able to better exploit the multi-sectoral nature of ESCAP, i.e. strengthen synergies and collaborations with other divisions beyond seeking input for the Economic and Social Survey.

While MPFD's new mandate on financing for development can be seen as an opportunity to enhance the profile of the division, a clearer focus of MPFD's work in this area needs to be developed and it needs to be ensured that staff have or build up the necessary capacity to address this focus in a high-quality manner.

3. *How can synergies between MPFD's work and that of other divisions of ESCAP be strengthened?*

Strengthening synergies between MPFD's work and that of other divisions bears a high potential for increasing the value of MPFD's work. For that to happen, collaboration with other divisions needs to be re-thought to go beyond the ad hoc provision of inputs to selected publications. Improvements in this area need to be initiated by executive level management, including the creation of incentives for inter-divisional initiatives and developing a programmatic approach conducive to such collaboration.

Research, publications and analysis

4. How can MPFD make its work more relevant to stakeholders?

Increasing the relevance of MPFD's work for its external stakeholders as well as other stakeholders within ESCAP needs to start by engaging with those stakeholders on a regular basis. This will help in assessing their needs in a more systematic manner and in enhancing the inclusion of those needs into the priorities of the division, supported by official mandates. Establishing a comprehensive database or list of actual and potential recipients of MPFD's products and services provides an opportunity to better target MPFD's work.

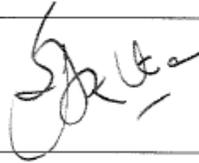
5. How can MPFD contribute to ensuring that the findings of its analytical research are translated into implementable policies in member States?

Apart from continuously improving the relevance of the contents of MPFD's analytical research for its key stakeholders in member states based on a systematic needs assessment, a potential for enhancing the uptake of findings from that work lies in developing a communication strategy. Among others, there is room for MPFD to strengthen the dissemination of its research work, including targeting a broader audience, improving its website and making more systematic and intentional use of social media channels. A more proactive integration of MPFD's research work with its intergovernmental and capacity building activities may be an opportunity to assist member states in applying findings from research to their local contexts.

6. How can MPFD strengthen its analytical research capacities to better suit the needs of stakeholders?

MPFD presently does not have a systematic way of mapping the research capacities available within the division with a view to identifying strengths as well as possible gaps in relation to defined priorities. The present vacancies in the division provide an opportunity to adjust strategically the available knowledge and skill set. This should be complemented by capacity building of existing staff members, particularly with respect to the new mandates of MPFD. Strengthened collaboration with other divisions is an important way of broadening the resource base of MPFD in terms of analytical research capacities.

Evaluation Management Response and follow-up Action Plan

Title of Evaluation	Evaluation of the ESCAP subprogramme on Macroeconomic Policy and Inclusive Development (2016)	
	Signature	Date
Ms. Shamshad Akhtar Executive Secretary, ESCAP		8 August 2017
Mr. Adnan Aliani Director, Strategy and Programme Management Division		3 Aug 17
Mr. Hamza Malik Officer-in-Charge, Macroeconomic Policy and Financing for Development Division		10 July 2017 .
General Remarks by Management		
<p>Given that the director/officer-in-charge and most of the section chiefs have recently assumed their responsibilities, a detailed evaluation of the division's work has indeed been very helpful. We take the findings and recommendations of the evaluation report as an opportunity to give the division a new direction, especially related to its management function. We appreciate the candid tone of the report, and segregation of recommendations among strategic, operational, monitoring, and evaluation aspects.</p> <p>We agree with the overall assessment that MPFD is performing below its potential, and that strengthening of management processes, both horizontal (that is, within the division) and vertical (that is, between OES and MPFD) can improve the situation. We also acknowledge the challenges, highlighted in the report, posed by relatively higher workload, a higher number of 'ad-hoc' but critical assignments, and less engagement with member states in terms of making the work more demand-driven.</p>		

We would like to note, however, that some recommendation are rather general and can be applicable to any division of ESCAP. These recommendations could have been formulated in more concrete terms and include specific or operational details and proposals for their implementation in MPFD. Nevertheless, in terms of implementing the recommendations of the report, management and the division has already taken a number of steps, and is planning to take further necessary follow-up actions. Guidance and support from the executive management and executive governance would be much appreciated.

Title of Evaluation	Evaluation of the ESCAP subprogramme on Macroeconomic Policy and Inclusive Development (2016)	
Report Recommendation	Management Response	Follow-up Action
<p>Recommendation 1: ESCAP should implement a management function at the level of the office of the director of MPFD, with responsibility, authority and accountability for the overall management of the sub-programme, and for management of the relationships with the executive management level of ESCAP and with the management of other ESCAP divisions.</p>	<p>We agree that in the recent past the overall management of the division was undertaken in a somewhat haphazard manner. However, more recently, with support of management, the office of the officer-in-charge has taken a number of steps to: (i) strengthen flow of information across all sections regarding available budgetary resources and planned activities within the division. Specifically, this information is now available to all staff members. The updated information tables are circulated prior to the regular monthly divisional meetings.; (ii) enhance internal communication and discussion to better understand the overall objectives of the sub-programme, keeping in view the strategic discussions at the executive management level of ESCAP (and SMT meetings) and broad contours of other sub-programmes. The section chiefs and director meet regularly, at least once in two weeks, to discuss all aspects of divisions work. In these meetings, the director de-briefs section chiefs regarding discussions at SMT and with the senior management.; (iii) improve allocation of responsibilities in terms of day-to-day</p>	<p>Further steps need to be taken to ensure that non-programmed work that is frequently assigned to the division does not impede the divisions ability in delivering its work programme. In this vein, advance planning on the part of the division (whenever possible) and clear and timely communication from OES is critical. In terms of specific steps to be taken, the division will prepare an action plan to implement its work programme, clearly identifying work that is not part of it and/or that goes beyond work programme requirements. This will be shared with OES to seek their support.</p>

	<p>tasks and ongoing planned work, within sections and across the division as a whole. In the same spirit, to facilitate staff in allocating their time and planning their activities, in December 2016, MPFD's officer-in-charge has appointed staff members as focal points for programme monitoring and evaluation matters, and for a host of other activities.; and (iv) improve advance planning and anticipate additional ad-hoc assignments, wherever possible.</p> <p>As part of this process, regular meetings within sections, at the divisional level, and between senior management of the division (section chiefs and director) take place. Taken together, this process is helping to ensure that the work programme and additional responsibilities are fulfilled in a timely manner, with responsibility, authority and accountability resting with the office of the director.</p>	
<p>Recommendation 2: MPFD, with the support of the executive management level of ESCAP, should develop and implement a fulsome and systematic strategic management process including, but not limited to, a strategic framework that makes explicit the vision, mission and value proposition for MPFD and a 3 to 5 year rolling strategic plan which is updated on an annual basis particularly in terms of strategic priorities.</p>	<p>We agree that the division can benefit from developing an explicit value proposition and vision to guide its overall strategic work. This would enable connecting biennial work plans more coherently with one another. This exercise will also help in improving cohesion among the division's analytical products, its capacity building work, and the inter-governmental processes.</p> <p>Specifically, the division intends to (i) enhance synergies across all sections of the division, and with other divisions/SROs where applicable, in order to efficiently use scarce human resources, especially in terms of producing analytical research and reports; (ii) build partnerships in order to further strengthen the division's policy research and intergovernmental work in the area of financing for development; and (iii) strengthen and effectively utilize the <i>Committee on</i></p>	<p>Conditional upon receiving sufficient resources, the division will organize a divisional retreat to develop a strategic framework making explicit the vision, mission and value proposition for MPFD, with current and next biennium rolling strategic plan that is updated at the end of the biennium. The retreat will also provide an opportunity to fine-tune the three strategic considerations highlighted under 'management response'.</p>

	<p><i>Macroeconomic Policy, Poverty Reduction and Financing for Development</i> as an inclusive intergovernmental platform to discuss the work of the division and seek guidance from member states, especially that related to financing for development issues.</p>	
<p>Recommendation 3: MPFD sections should, in close collaboration with the management function of the office of the director of MPFD, develop and implement annual operational plans, i.e. business plans, that, among other things, identify and allocate human and financial resources to MPFD activities, consistent with its strategic priorities.</p>	<p>We agree with this recommendation, and consider it to be a part of the strategic framework that is to be developed, as highlighted above in recommendation 2. We will focus on streamlining planned workshops/meetings/capacity building activities to reflect better the strategic aspects of the divisions work. A closer mapping of work plan responsibilities of section staff will certainly be beneficial to ensure that activities are undertaken in an effective and timely manner. This will also facilitate in improving the morale of the staff by helping them plan their work efficiently, rather than in an-hoc manner as has been the case in recent past.</p> <p>In this endeavour, the division has the support of executive management of ESCAP in terms of filling vacant positions in a timely manner and in keeping ad-hoc requests to a minimum.</p>	<p>To develop and implement annual business plans for MPFD sections, which have a link to the rolling strategic framework.</p>
<p>Recommendation 4: MPFD, with the support of the Strategy and Programme Management Division, should develop and use an outcome focused performance monitoring and reporting framework, including but not limited to, measures of economy, efficiency, quality and effectiveness. The framework should be used by MPFD and by each of its sections, to support divisional, programmatic and operational</p>	<p>While in principle we agree with this recommendation, a performance monitoring system is already in place at ESCAP. In this regard, any new system that is designed must be done in such a way that it can be used across all divisions uniformly, rather than tailoring individual monitoring frameworks to different divisions.</p> <p>Nevertheless, starting this business year, the division is already working on improving performance</p>	<p>Not needed</p>

<p>management decisions and to provide accountability information on its performance and value added.</p>	<p>monitoring by strengthening the existing performance management system.</p>	
<p>Recommendation 5: MPFD, with the support of the Strategy and Programme Management Division's evaluation function, should institute periodic evaluations focusing on the value of its activities for ESCAP member countries and for ESCAP, as well as of the soundness of its management.</p>	<p>We agree that steps need to be taken to ensure that the division's analytical products and its capacity building work meet the needs and expectations of member States and other stakeholders, and that they find the division's output useful. Some checks-and-balance mechanisms are already in place. For example, the <i>Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development</i> can and should perform this function.</p> <p>Similarly, bi-annual monitoring meetings with SPMD are already in place to discuss implementation of MPFD activities for internal stakeholders.</p>	<p>a) Along with bi-annual monitoring meeting with SPMD, an evaluation aspect can be introduced as part of this exercise to gauge the value of MPFD activities for both internal and external stakeholders.</p> <p>b) To strengthen MPFD's Committee by: (i) preparing focused background documents with clear and specific recommendations for the consideration of the Committee; (ii) proposing amendments to the ToRs of the Committee to align them with the work programme of the division. (iii)- seek feedback from member States and other stakeholders on the value of MPFD's work as part of the meeting assessment through a questionnaire.</p> <p>c) Make greater use of online resources for member States to provide feedback on division's work, and regular monitoring of downloads and citations' data of MPFD publications, to ensure MPFD's work is valuable to member countries and the development community. The result of this exercise will be shared within ESCAP and selected stakeholders on an annual basis.</p>