United Nations Children's Fund

Evaluation Office

Evaluation of innovation in UNICEF work: Synthesis Report

Executive summary

Summary

The world is changing faster than ever before, and so too are the challenges facing its most vulnerable. Conflict and displacement, disasters and climate change, urbanization and disease outbreaks are growing increasingly complex and inter-related, demanding new strategies and approaches. Innovation for development – exploring new ways of delivering programmes, with new partners and new technologies – is increasingly recognized as crucial to meeting the Sustainable Development Goals. While UNICEF has made innovation a corporate priority, the organization has not yet examined the extent to which it is optimally positioned ('fit for purpose') to implement innovation as a strategy. The present evaluation sought to address these knowledge gaps. Using a framework focused on organizational values, structures and systems, UNICEF was found to have clearly signalled its strategic intent through placement of innovation as a core element in strategic plans. Actual implementation, overall, was found to fall short with just over half of staff (55 per cent) agreeing that 'new ideas and innovations are supported in my office'. Aspects of organizational culture act as barriers to innovation with staff reporting that risk-taking and acceptance of failure are largely absent. The decentralized nature of UNICEF is a significant feature of the institutional architecture for innovation. Indeed, much innovation within UNICEF occurs in a diffused manner outside of the formally-recognized innovation structures. Many at the country and regional office level felt that central structures could support them more effectively by acting as mediators or translators for innovation activities, by brokering contact with relevant experts and by supporting their fundraising efforts. UNICEF systems including human resources and financial management, programme and knowledge management could better support and facilitate innovation. Currently, the lack of institutionalized knowledge management and feedback loops limits UNICEF's ability to learn from successes and failures. The evaluation recommends action along three lines: a shared organization vision and strategy, revised organizational structures and introduction of a portfolio management approach for innovation.

I. Background and purpose of the evaluation

1.   The world is changing faster than ever before, and so too are the challenges facing its most vulnerable. Conflict and displacement, disasters and climate change, urbanization and disease outbreaks are growing increasingly complex and inter-related, demanding new strategies and approaches. Innovation for development – exploring new ways of delivering programmes, with new partners and new technologies – is increasingly recognized as crucial to meeting the Sustainable Development Goals and the promise of the 2030 Agenda for Sustainable Development.

2.   UNICEF has made innovation a corporate priority. Yet the extent to which this investment has translated into meaningful and sustainable outcomes for children has not been systematically analysed. Neither has the organization undergone an assessment to determine the extent to which it is optimally positioned ('fit for purpose') to implement innovation as a strategy. As UNICEF moves into the second year of its current Strategic Plan (SP), addressing these knowledge gaps has acquired renewed urgency, and is the subject of the present evaluation.

3.   The overall purpose of the evaluation is to generate important information for organizational learning and accountability. The evaluation objective was to assess UNICEF's 'fitness for purpose' to employ innovation as a key strategy to achieve the outcomes and goals defined in its strategic plans for the period 2014-2021. It also sought to provide insights on how innovation contributes to UNICEF's goals and objectives, as well as how innovation might contribute to increasingly effective organizational responses in the coming years. Accordingly, the evaluation examines innovation in both a retrospective and formative manner.

II. Evaluation approach

4.   The evaluation was conducted through separate yet inter-related projects corresponding to the main lines of inquiry. These included **innovation case studies**, an **organizational assessment**, and a **synthesis** to integrate learning and generate conclusions and recommendations. This report covers the synthesis and represents the final evaluation report.

5.   Based on this design, each of the two main elements (i.e. the organizational assessment and case studies) was intended to contribute to the overarching synthesis in a specific manner. The *purpose of the organizational assessment* was to provide evidence on UNICEF's 'fitness for purpose' to innovate as a key strategy to achieve its outcomes and goals from 2014-2021 as defined in its prior and current SPs. The *purpose of the innovation case studies* was to provide evidence of how specific innovations have progressed through stages of development from ideation to scale, with in-depth consideration of multiple pathways and dynamics that underpin innovation within the organization.

6.   The intended users of the evaluation are primarily an internal audience of UNICEF decision-makers, across levels. The synthesis report will serve as a tool for UNICEF to assess its progress in innovation and make decisions regarding future directions. The 13 innovation case studies are expected to be used as knowledge-sharing tools by UNICEF staff and a range of stakeholders including government partners, other United Nations agencies and initiatives, development partners and implementers.

7.   The evaluation covers the period corresponding to two strategy cycles, namely 2014-2017 and 2018-2021. To the extent possible, activities in 2018 were included. The evaluation looks across various organizational units at headquarters (HQ) and other levels (i.e. regional and country offices) and considers countries with varying degrees of capacity.

8.   The scoping for this evaluation showed a wide variety of types of innovation across UNICEF. The following categories were used to help structure the lines of inquiry:

   (a) 'Hard' technologies, commonly referred to as "product innovation" within UNICEF, to enable sector-specific results, with examples including diagnostic tools for the prevention of diseases, emergency shelters or water pumps;

   (b) Information and communications technology (ICT), particularly mobile technologies, as cross-sectoral enablers for information management, service delivery, performance monitoring, participation and advocacy;

   (c) Innovative methodologies, approaches and processes ('soft' technologies) like behaviour change approaches or design thinking, allowing for wider programmatic impact.

9.   The organizational assessment (OA) used a framework that builds on studies of organizational effectiveness in promoting and managing the innovation cycle. The framework groups these themes into three overarching categories: values, structure and systems. These thematic areas provided the structure both for the OA fieldwork and the findings presented in the synthesis report. The main questions addressed through the evaluation appear below each theme.

10.   **Organizational values** – The collective 'ways of thinking' that shape the manner in which staff work and influence the wider organizational culture, with specific reference to UNICEF's innovation activity.

   (a) To what extent is innovation implemented as a global strategy for UNICEF?

   (b) To what extent does UNICEF's organizational culture stimulate or incentivize innovative thinking?

   (c) To what extent is UNICEF able to accept the risks associated with pursuing innovative solutions?

   (d) To what extent do UNICEF's innovation approaches and initiatives foster ownership among government and other entities?

   (e) To what extent are they aligned with national priorities and agendas?

   (f) To what extent does UNICEF's approach to innovation support its equity agenda (disability, gender, ethnicity)?

11.   **Organizational structures** – UNICEF's institutional architecture, including the configuration of staff and departments across the organization and its individual parts. These structures influence what kind of innovation takes place, as well as where and when it occurs.

   (a) To what extent do formal structures exist to support innovation in different parts of the organization?

(b) To what extent does the decentralized nature of UNICEF affect its innovation work? What are the relative strengths and weaknesses for innovation work within this structure?

(c) To what extent does UNICEF adopt / mainstream innovation within its programmes?

(d) To what extent is space created for new ideas by 'intrapreneurs'?

(e) How effectively does UNICEF leverage resources for innovation across offices, divisions and levels?

(f) To what extent does UNICEF's engagement with industry and the private sector benefit innovation?

(g) How effectively does UNICEF leverage resources for innovation from diverse sources?

12. **Organizational systems –** The processes and networks supporting the flow of information, knowledge and resources that support UNICEF's work.

(a) Are skills and expertise for innovation adequately developed and appropriately distributed through the organization?

(b) Does UNICEF have adequate staff capacity for providing leadership, advocacy and technical guidance/support in innovation? If not, what factors are constraining effective performance?

(c) To what extent is UNICEF's innovation work designed and implemented according to quality programme planning and design principles?

(d) To what extent do UNICEF management practices facilitate the implementation of innovation as a strategy?

(e) To what extent does the UNICEF management model respond to practical needs for innovation?

(f) Does UNICEF's approach to innovation contribute effectively to organizational learning, including evidence from 'failures'?

(g) To what extent have learning and insight generated by innovation been used to shape UNICEF's approach to programmes?

(h) How effectively are activities, results and good practices of innovation work documented and shared?

13. For the case studies, a mixed methods approach was used to examine the innovation process in specific instances with a focus on key issues, lessons, challenges and successes. Data were gathered through desktop review, key informant interviews, and where appropriate, observation and online surveys. Nine of the 13 case studies had field missions to countries where the innovation under study was being implemented. Data collection methods used in the OA included interviews with staff in twenty-five country offices, all regional offices and headquarters units as well an online survey and document review.

14. Overall, the evaluation utilized a mixed methods approach with a summative emphasis (2014-2017). The evaluation methodologies are primarily qualitative and based on key informant interviews as linked to an online survey. To the extent possible, the evaluation also draws on existing in-house sources of information, including the Global Staff Surveys (GSS), SP-linked key performance indicators,

office plans, annual reports and financial data. To the extent possible, triangulation was conducted between sources and methods.

III. Conclusions

15.   **Organizational values.** For the purposes of this evaluation, "values" are defined as collective ways of thinking that shape the way an organization works. To assess the role of UNICEF's values in supporting innovation, the evaluation examined a number of elements including (a) the extent to which there is strategic clarity around innovation, as well as the extent to which that strategy is implemented; (b) whether organizational culture incentivizes innovation and its associated risks; and (c) how the approaches used to partner with programme countries foster ownership among government and other entities.

16.   On the theme of *organizational values*, the evaluation found that UNICEF has clearly signalled its strategic intent through placement of innovation as a core element in strategic plans spanning the period of 2014-2021.

17.   However, the evidence suggests that UNICEF, overall, is falling short on actual implementation. Based on KPI data, slightly more than half of COs (55 per cent) reported use of innovation as an implementing strategy (2017). Similarly, just over half (55 per cent) of staff agreed or strongly agreed that '*new ideas and innovations are supported in my office*', based on the global staff survey (2018).

18.   Aspects of organizational culture appear as barriers to innovation. Based on multiple sources, staff feel that risk-taking and acceptance of failure are largely absent. Only one third of online survey respondents felt that staff were encouraged to take risks in order to innovate, and a similar proportion agreed that their COs have created space to discuss and learn from failures. Some respondents pointed to the requirements of donor funding as a factor in low risk acceptance. However, the weight of the evidence pointed to a set of ingrained management practices as a greater impediment.

19.   were mixed opinions as to the extent of management support for innovation. Where staff do feel enabled to innovate, a critical factor is the supportive stance of their immediate supervisors. In these instances, managers are credited with creating the 'space' for innovation. At country level, the role of the representative and deputy representative is a critical factor in how staff perceive innovation and their ability to pursue it.

20.   However, staff still work through the time-consuming procedures related to fundraising, recruitment and procurements. While these processes may work with traditional partners (e.g. line ministries), they are not well suited to engaging the private sector, where more nimble processes may be needed. In addition, innovative work is often seen as 'something extra' running parallel to routine programming.

21.   Another significant obstacle to progress is the differing understandings of innovation among staff. To some extent, this limited shared understanding centres on the role of technologies in UNICEF's work on innovation. Many respondents felt that UNICEF had come to focus too greatly on technologies, particularly digital technologies, as representing innovation, to the detriment of other potential approaches like product innovation and programming approaches.

22.   UNICEF could account for the context in which different COs and ROs work in a more systematic manner. Understanding of the innovation ecosystem within which UNICEF is an actor is a necessity, and staff should be supported to assess and operate

within the innovation ecosystem with the people, processes and resources required to do so.

23. UNICEF's experience with working with programme country partners demonstrates that considerable attention to issues of ownership is needed, including planning for the necessary steps, resources and time required to achieve this. Likewise, planning should also examine and account for the systems capacities to fully implement innovations, including how those may need to be strengthened and the duration and resources needed to achieve this.

24. **Organizational structures.** For the purposes of this evaluation, "structures" refer to UNICEF's institutional architecture, including its physical footprint, governance and administration, and the formal and informal configuration of staff and departments throughout the organization. These structures influence what kind of innovation takes place, as well as where and when it occurs. Data collection involved offices and units with an innovation remit (i.e. Office of Innovation, Information and Communication Technology Division, Supply Division Innovation Unit) as well as the wider set of structures that promote and support innovation across levels. The emphasis was on internal structures; external-facing arrangements such as partnerships were included to a limited extent.

25. During the period covered by the evaluation, there has been considerable change within the three units with innovation remit (OoI, SD IU, ICTD). Entering into the period 2018-2021, strategies and OMPs of these units show diverse approaches to issues such as risk management and governance as well as shifts in direction based on the SP and new priorities (e.g. ICT Strategy, Products and Markets Global Supply Strategy of the Supply Division). As these changes play out, it will be important **to** clarify and communicate these new roles and how they relate to other units with formal innovation remit.

26. Overall, staff awareness of these structures and their ability to support innovative ideas is relatively low. The findings suggest that far greater investment is needed to translate the innovation work of these structures into scalable programmes.

27. While the Office of Innovation was viewed positively for its ability to 'think outside the box', respondents saw a number of ways in which its practices lacked transparency and appeared incongruent with priorities on the ground. Some interviewees clearly expected that the fairly recently-created office would help them navigate potential donor and partner relationships (including private, for-profit) and advise them on the innovation work within their country programmes.

28. Perhaps the most significant feature of the institutional architecture for innovation is the highly decentralized nature of UNICEF. Consistent with this, much innovation within UNICEF occurs in a diffused manner outside of the formally-recognized innovation structures. UNICEF's decentralized structure has both benefited and hindered innovative activity in a variety of ways in recent years. Important benefits of the decentralized structure include strong partnerships with country actors, knowledge of in-country situations, and understanding of stakeholder needs. In general, UNICEF COs are best placed to develop solutions to problems taking the local context into consideration, to align with country priorities and to integrate into country-level plans and systems.

29. However, this structure also makes it more difficult to move ideas through the hierarchy, and the onus for fundraising falls more on country-level staff. These factors can result in projectization or a piecemeal organizational approach to innovation, with

small sums of money, short funding cycles, high staff turnover and insufficient knowledge transfer. It is particularly frustrating for CO staff to have nurtured an innovation, demonstrated its effectiveness and then have no funds available for taking it to scale.

30.   Many recognized that support for COs could not follow a 'one-size-fits-all' model and that differing solutions would be needed based on an assessment of needs. The role of the deputy representatives emerged as particularly pivotal in encouraging innovation, working cross-sectorally and integrating new ways of doing things into programmes.

31.   Both CO and RO staff interviewees felt that central units could support them more effectively by acting as mediators or translators for innovation activities, by brokering contact with relevant innovation experts and by supporting their fundraising efforts for innovation.

32.   UNICEF has long experience in supporting the development, testing and mainstreaming of innovations. In the cases studied, ecosystem factors that particularly impacted on UNICEF's support to mainstreaming an innovation included the presence of a policy or framework, capacities of the individuals and systems that will eventually operate the innovation, and having a funder with the intent to bring to scale.

33.   As UNICEF's work in innovation evolves and takes on new challenges, new partners will be important. New forms of partnership are being used to engage the private sector, for example through priority shared values partnerships. Interviewees expressed concern that UNICEF (in this case COs) may not be adequately prepared to assess risk before moving into issues of data privacy or self-sovereign identity.

34.   The period 2014-2017 saw a number of changes regarding the innovation architecture. However, many staff are dissatisfied with the current organizational set-up, and there is appetite for structural changes within UNICEF to address many of the issues identified throughout the evaluation. To that end, in the final stage of the evaluation, options on structures were developed for the organization's consideration. These are discussed as part of the recommendations below.

35.   **Organizational systems.** For the purposes of this evaluation, "organizational systems" are defined as the processes and networks supporting the flow of information, knowledge and resources that support UNICEF's work, including with regard to innovation. These systems cover both human resource-related aspects such as staffing capacity/capability, management systems and practices, as well as knowledge management and systems for obtaining, leveraging and managing innovation-related funding. In some ways, this theme proved the most difficult to assess, as many of the existing information systems are unable to meaningfully disaggregate to the level of a specific strategy such as innovation.

36.   **UNICEF is not entirely clear about the staffing model it is pursuing** with regard to innovation capacity – whether it is seeking to concentrate innovation skills and activities in certain specialist teams or rather to mainstream innovation across the workforce. There was recognition from respondents of the benefits of having an embedded team member with innovation skills and 'know-how'. Several skill sets were mentioned that would better enable UNICEF's innovation, some of which could be strengthened among existing staff. To date, however, innovation work has been heavily reliant on external consultants working through short-term agreements. Issues of 'in-sourcing' versus 'out-sourcing' of these skills have yet to be addressed.

37. During the period 2014-2017, innovation was treated in a manner similar to the other well-established implementation strategies (e.g. inclusion in expenditure coding, KPIs, annual report templates). However, guidance around these and other programme planning and results-based management systems (e.g. CPDs, annual reports, etc.) provides scant consideration of innovation. This limited guidance to staff reduces the degree to which even the most effective management practices can embed innovative behaviours and approaches, and hence support innovation activity.

38. A point that emerged repeatedly during fieldwork for the evaluation was that the very hierarchical management style of the organization was seen to influence its approach to innovation. Notable was the key role of senior staff across a range of organizational units (notably representatives, deputy representatives and directors) in setting the 'tone from the top' with regard to innovation. The fact that the majority of UNICEF staff feel that there is no clear message about their role in innovation confirms that these issues have yet to be sufficiently addressed. Compounding this is the lack of emphasis on a matrix approach to management which has the potential to reduce the prevalence of silos and very hierarchical decision-making structures.

39. There are contrasting opinions within the agency as to the correct focus for UNICEF's innovation activities – notably between focusing on existing, tried-and-tested technologies that need scaling up vis-à-vis those that need developing from early stages. Other agencies have used a portfolio management approach as a tool to find that balance. Use of a portfolio management approach could help UNICEF to ensure that its resources are well-aligned with its strategic priorities, its comparative advantages and unique positioning.

40. Despite the existence of various fora for information-sharing, there is scope for UNICEF to achieve more consistent recording, documenting and disseminating of innovation-related lessons. Currently, the lack of such institutionalized knowledge management and feedback loops limits UNICEF's ability to learn from successes and failures. This issue is compounded by a reluctance to highlight perceived 'failure' more widely – even where this could provide significant learning opportunities and improved effectiveness going forward. Structured documentation processes, such as that used in the SD IU Innovation Review Board, should be reviewed as good practice.

41. In making resource decisions, the team found that UNICEF's financial management systems provide limited information on budgeted and actual expenditure on innovation. The best available data suggest that spending on innovation has tripled between 2014 and 2017, from $14 to $44 million. However, the system underlying these figures does not allow UNICEF management to readily obtain a comprehensive, forward-looking innovation budget, or a comprehensive retrospective financial analysis. As a result, UNICEF management cannot easily obtain a clear global overview of spending on innovation within the organization, let alone a view on the robustness (or otherwise) of innovation budgeting in a given office or unit.

42. UNICEF has the capacity to provide and leverage considerable amounts of funding for innovation, and is working in several important ways to leverage external resources for innovation to benefit children. These engagements are taking on new and different forms including the development of priority shared value partnerships, consultations with industry around products, and market-shaping. These developments should be closely monitored to allow fine-tuning of approach.

43. Despite these efforts, however, there are clearly barriers to finding funds for innovation. The majority of UNICEF staff feel that there are insufficient resources for innovation and a lack of clarity in processes to access funds for that purpose.

IV. Recommendations and Management Response

44.   **Recommendation area 1: Develop a shared strategic vision and approach that directly addresses fundamental constraints in the current approach and drives decision-making across the organization.**

45.   UNICEF should be commended for clearly signalling its intent to use innovation as a means of delivering results for children. However, UNICEF can achieve greater organizational coherence and impact by establishing a strategic vision and approach that builds on a shared understanding of priority challenges and informs decision-making across the organization. UNICEF's strategic vision and approach must include considerations and principles on innovation in humanitarian settings.

46.   The approach needs to directly address key barriers and impediments to innovation through the development of UNICEF-wide positions on:

   (a) *Lack of appetite for risk as a major impediment to innovation*;

   (b) *How different parts of the organization contribute to innovation*;

   (c) *Commitment to increased transparency of governance/oversight* and decision-making roles within dedicated innovation units;

   (d) *More standardized approaches and processes*, based on good practices already used in parts of the organization, should be adapted for wider use;

   (e) *Clarity on medium- and long-term staff requirements* to enable implementation of innovation as a core strategy.

   (f) *Greater attention to and investment in learning and uptake.*

47.   **Recommendation area 2: Act on needed structural change to advance innovation as a means of achieving results for children.**

48.   The period 2014-2017 saw many changes regarding the innovation architecture. However, many staff are dissatisfied with the current organizational set-up and there appears to be appetite for structural changes within UNICEF to address many of the issues identified throughout the evaluation. To that end, in the final stage of the evaluation, options have been developed for the organization's consideration. Key elements emerging from these options include the following:

49.   UNICEF has unique strengths in its decentralized structure and strong collective capacities at centralized levels. Ample attention is needed at the local level regarding ideas, projects/products to prioritize and how to take these to scale. At the same time, strong central units are needed to leverage the power of the whole through learning from both failures and successes across settings and working towards systematized and replicable approaches. As part of any structural adjustment, UNICEF should balance these structures, their respective strengths and roles.

50.   In order to provide clear strategic vision and manage the wide-ranging innovation portfolio, a senior management role is needed at the Deputy Executive Director level to oversee the various dimensions of organization's agenda. This post would have direct responsibility for aspects of the innovation portfolio, notably new Innovation Enabling Services teams, as well as serving as the focal point for matrix management of innovation capacities and resources across UNICEF. This position would also have responsibilities for working closely with managers of internal systems (e.g. budgeting, recruitment) to develop needed adaptations for the purposes of innovation.

51. **Innovation Enabling Services teams** should also be created, with responsibility for portfolio management and prioritization as well as development and provision of frameworks, tools and processes, monitoring, evaluation, knowledge-sharing, learning and feedback. These teams would support country offices in a range of activities such as identifying and engaging new and/or unfamiliar partners (e.g. local tele-communication firms), partnership arrangements (e.g. shared values partnerships, innovative financing), systems issues and funding opportunities (e.g. identifying funding sources and options for differing types and stages of innovation processes). For certain innovations, COs may require support capacity to scan the innovation ecosystem with consideration of risks associated with legal, data, and regulatory framework issues.

52. Currently, the roles and responsibilities of existing units with innovation remit are unclear to some and suggest potential overlap. Therefore, as part of recommended structural changes, leadership for digital innovation should be housed under the ICT Division, which should also bring together various parts of headquarters that are currently working on digital innovation. Appropriate measures should be instituted to mitigate any adverse effect of this recommendation on other core functions of the ICT Division.

53. There is a need for dedicated innovation staff in COs, especially in medium to large programmes, and also in ROs. The role played by the regional T4D specialists is, in general, widely recognized and appreciated and should serve as a model. Innovation staff are best placed under the deputy representative as a means to ensure programme relevance and cross-sector participation. There is no 'one-size-fits-all' model for this support, and efforts should be tailored to specific country and CO variables. UNICEF should also ensure that the 'eco-system' in which an innovation is unfolding is well understood and should garner ownership and anticipate the requirements of scale, hand-over and exit.

54. **Recommendation area 3: Utilize a portfolio management approach for innovation.**

55. UNICEF has yet to clarify how its unique structures and resources are optimally positioned to innovation and scale – whether to focus on existing, tried-and-tested technologies that need scaling up or to emphasize those that need developing from early stages. UNICEF should use a portfolio management approach to ensure that its resources are well aligned with its strategic priorities, comparative advantages and acceptable levels of risk. Such an approach should help mitigate or overcome the projectization or piecemeal organizational approach to innovation in which small sums of money, short funding cycles, high staff turnover and insufficient knowledge transfer are common. A portfolio approach should be utilized in which the time and resources dedicated to innovation initiatives are weighed accordingly. Portfolio management should inform decision-making by identifying who is doing what in innovation across the organization, what resources are being spent and what results are being measured.