

UNIDO Evaluation Group

UNDP Evaluation Office

25.6.2009

**Draft**

June 2009

# **Joint terminal evaluation**

- of the implementation of the  
Cooperation Agreement between  
UNIDO and UNDP

## Evaluation Team

Asbjorn Skaaland	Team Leader, responsible for PSD sections
Urs Zollinger	Team member, responsible for UNIDO Desk sections
Johannes Dobinger	Co-task Manager & Team Member, UNIDO Evaluation Group
Suppiramaniam Nanthikesan	Co-task Manager & Team Member, UNDP Evaluation Office
Sergio Lenci	Co-task Manager & Team Member, UNDP Evaluation Office

Meghan Tierney                      Research Support, UNDP Evaluation Office

Michelle Sy                              Programme Support, UNDP Evaluation Office

Chapter		Pages
	<b>Acronyms and abbreviations</b>	4
	<b>Executive summary</b>	NA
<b>1</b>	<b>Introduction</b>	<b>6</b>
1.1	Purpose and Objective	6
1.2	Scope and Evaluation Criteria	6
1.3	Methodology	7
1.4	Structure of the Report	12
<b>2</b>	<b>The Cooperation Agreement and its Implementation</b>	<b>13</b>
2.1	The Cooperation Agreement	13
2.2	Background for the Agreement	13
2.3	Main Components of the Agreement	14
2.4	Programming Arrangements and Resources	15
2.5	UNDP and UNIDO Strategies in PSD	16
2.6	UN Development Assistance within the Context of UN Reform	17
<b>3</b>	<b>Assessment of the Cooperation Agreement</b>	<b>19</b>
3.1	General Findings	19
3.2	Findings: UNIDO Desk	20
3.2.1	<i>Design and Implementation</i>	20
3.2.2	<i>Relevance</i>	26
3.2.3	<i>Effectiveness</i>	29
3.2.4	<i>Efficiency</i>	36
3.2.5	<i>Sustainability</i>	40
3.3	Findings: Joint PSD Programme	<b>41</b>
3.3.1	<i>The PSD Concept in the Agreement</i>	41
3.3.2	<i>The PSD Context</i>	42
3.3.3	<i>Implementation</i>	45
3.3.4	<i>Relevance</i>	52
3.3.5	<i>Effectiveness</i>	56
3.3.6	<i>Efficiency</i>	58
3.3.7	<i>Sustainability</i>	58
<b>4</b>	<b>Conclusions</b>	<b>60</b>
4.1	Overall Conclusions	60
4.2	Conclusions: UNIDO Desk	61
4.3	Conclusions: Joint PSD Programme	64
<b>5</b>	<b>Recommendations and Lessons Learned</b>	<b>67</b>
5.1	Recommendations	67
5.2	Lessons Learned	72
Annexes	1: Terms of Reference for the evaluation	75
	2: List of persons interviewed	82
	3: List of documents reviewed	88
	4: Self-Assessment questionnaire	91
	5: Questionnaire for headquarter staff	99

## Acronyms and abbreviations

ADB	Asian Development Bank
BRSP	Bureau for Resources and Strategic Planning (UNDP)
CA	Cooperation Agreement between UNDP and UNIDO (signed on 23 September 2004)
CCA	Common Country Assessment (UN)
CRP	Conference Room Paper (UNIDO)
FAO	Food and Agriculture Organization of the United Nations
GBS	General Budget Support
GC	General Conference (UNIDO)
GTZ	German Technical Cooperation Agency
HQs	Headquarters
HUO	Head of UNIDO Operations (UNIDO Desk officer)
IT	Information and Communication Technology
IDB	Inter-American Development Bank
IDB	Industrial Development Board (UNIDO)
IFC	International Finance Cooperation
ILO	International Labor Organization
IP	Integrated Programme (UNIDO)
ITC	International Trade Centre
JPSDP	Joint Private Sector Development Programme
MDGs	Millennium Development Goals
MDTFs	Multi-Donor Trust Funds
MTA	Joint Midterm Assessment of Cooperation Agreement
NGOs	Non-governmental Organizations
NRA	Non-Resident Agency
ODA	Official Development Assistance
Para.	Paragraph
PCF	Programme Coordination and Field Operations Division (UNIDO)
PRSP	Poverty Reduction Strategy Papers
PSD	Private Sector Development
PSM	Programme Support and General Management Division (UNIDO)
PTC	Programme Development and Technical Cooperation Division (UNIDO)
Res.	Resolution
RFO	Regional and Field Operations branch (UNIDO)
RR	Resident Representative (UNDP)
SME	Small and medium enterprise
TC	Technical Cooperation
UD	UNIDO Desk
UN	United Nations
UNCT	United Nations Country Team

UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHABITAT	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNRC	United Nations Resident Coordinator
UR	UNIDO Representative (in a UNIDO Country Office)
USD	United States Dollar



# 1

## Introduction

### 1.1 Purpose and Objective

The present evaluation report is the result of a joint terminal evaluation of the Cooperation Agreement between UNDP and UNIDO signed 23<sup>rd</sup> September 2004 for a period of five years.

The purpose of the evaluation is to present evidence and findings on past performance as well as recommendations for future steps to be taken by both organizations. The evaluation findings and recommendations will be presented to the UNDP Executive Board (EB) during its September 2009 Session and to the UNIDO General Conference in December 2009.

The objective of the evaluation was to assess the extent to which the work carried out under the Agreement succeeded in achieving goals specified in the Agreement. The evaluation was launched in response to the requirement of the UNIDO governing council (Industrial Development Board (IDB)). The evaluation was implemented during the last part of the Agreement validity period, from March to July 2009, with meetings and interviews at the UNDP and UNIDO Headquarters and visits to five pilot countries.

### 1.2 Scope, Evaluation Criteria

The evaluation covers the two components of the Cooperation Agreement: the UNIDO Desks component and the Joint Private Sector Development (PSD) component. It covers the 19 pilot countries initially identified for the implementation of the Cooperation Agreement.

In 2006, the UNDP Evaluation Office and the UNIDO Evaluation Group did a Joint Midterm Assessment (MTA) of the Cooperation Agreement. It recommended continuing the cooperation provided that a number of changes be implemented. The present terminal evaluation builds on the MTA, but focuses on the 2006 to 2009 period.

The evaluation addresses the relevance, efficiency, effectiveness and sustainability of the Cooperation Agreement; and, in so doing, it covers the implementation process and the progress made towards the intended results.

This evaluation does not assess development results of UNIDO/UNDP projects or programmes. This is not an evaluation of projects, nor a performance appraisal of individual local Heads of UNIDO Operations (HUOs). Rather, it assesses the institutional performance related to achieving the objectives in the Cooperation Agreement. Some of the key questions posed by the evaluation include (for the complete list of questions, see the evaluation Terms of Reference in Annex 1):

- 35 • Taking into account other initiatives of UN reform and new funding sources and modalities,  
36 are all elements of the Cooperation Agreement between UNIDO and UNDP still relevant /  
37 appropriate?  
38 • To what extent have the objectives set out in the Cooperation Agreement been achieved?  
39 • What are the main results achieved?  
40 • Are the objectives of the expanded UNIDO field representation and of the Joint PSD  
41 programmes as set out in the Agreement of continuous relevance?  
42 • Is the UNIDO Desk model of field representation appropriate to meet country demands?  
43 • To what extent are UNIDO Desks cost-effective?

44 This independent evaluation was conducted jointly by the UNDP Evaluation Office and the  
45 UNIDO Evaluation Group, and carried out by two independent consultants with support from  
46 the professional staff of the evaluation offices of UNDP and UNIDO.

47

### 48 1.3 Methodology

49 The present evaluation adheres to the Norms & Standards for Evaluation in the UN System as  
50 developed by the UN Evaluation Group (UNEG).<sup>1</sup> This section presents how the team designed  
51 and implemented the evaluation recognizing the selection and treatment biases involved in  
52 multi-agency evaluations.

53 Based on the experience of the MTA of the Agreement, a mixed method approach was deemed  
54 necessary. The evaluation was based on quantitative and qualitative data from primary and  
55 secondary sources. The design involved the following key components:

- 56 • Background research and desk review;  
57 • Stakeholder mapping and analysis;  
58 • Data collection from primary and secondary sources, including field validation missions and  
59 visits to the Headquarters of both agencies;  
60 • Data analysis and triangulation.

61 A **background research and desk review** was conducted to fully understand the context of the  
62 Agreement and to design the evaluation. The research involved a close analysis of the following:  
63 background documents on the Agreement, UN Reform and UN Development Operations  
64 Coordination Office (DOCO) guidelines for country representation and joint programming;  
65 previous assessments, reviews and progress reports, including the MTA; strategy and policy  
66 documents of UNIDO and UNDP; programming and financial documents of UNIDO and UNDP;  
67 and policy and strategy documents from the countries in which the Agreement was  
68 implemented. Particular emphasis was paid to studying the documentation related to the  
69 original 19 pilot countries of the Agreement (see Annex 3), including UNDAF documents,  
70 progress reports on PSD projects, and UNIDO delivery rates.

---

<sup>1</sup> Norms & Standards for Evaluation in the UN system, 29 April 2005.



71 This research helped the team to prepare the evaluation work plan that spelled out the key  
 72 stakeholders, evaluation issues, possible indicators, data sources and data collection  
 73 instruments (surveys, interviews, etc.), and means of verification (field validation missions).

74

75 **Stakeholder Mapping**

76 Table 1.1 presents the categories of stakeholders at the Headquarters for both UNDP and  
 77 UNIDO and in pilot countries, identified through the desk research and experience from the  
 78 MTA. For primary data, partners were identified from the government, bilateral donors,  
 79 members from the private sector and the civil societies. Within the government, the  
 80 counterparts related to PSD were selected. Key donors contributing to PSD were identified in  
 81 pilot countries. For secondary data, staff of UNDP and UNIDO (at Headquarters and pilot  
 82 countries), as well as the UN Country Teams (heads of UN agencies), were selected. The team  
 83 paid close attention to identifying UNDP and UNIDO staff with direct experience, either in the  
 84 design or in the implementation of the Agreement.

85

86 The team attempted to validate data through triangulation of data from documentary research,  
 87 interviews with stakeholders at Headquarters and field visits. The team also attempted to collect  
 88 counterfactual data, such as looking at activities of both agencies in countries where UNIDO  
 89 Desks were not established. Also, in the absence of documented results, and to better  
 90 understand the weaknesses in the design and processes applied for the implementation of the  
 91 Cooperation Agreement, semi-structured interviews were conducted where electronic surveys  
 92 were found unsuitable.

93

94 **Table 1.1**

Stakeholder groups	Data collection instruments
Headquarters staff of UNIDO and UNDP	HQ Survey, selected semi-structured interviews
UNIDO Regional Directors	HQ Survey, selected semi-structured phone interviews
Head of UNIDO Operations (UNIDO Desk staff)	Self-Assessment, selected semi-structured interviews
UNDP Resident Coordinators / UNDP Resident Representatives (or Country Directors)	Country Office Survey, selected semi-structured interviews
UNDP Country Office staff	Country Office Survey, selected semi-structured interviews
Government representatives	Selected semi-structured interviews
Private sector representatives	Selected semi-structured interviews
PSD project counterparts	Selected semi-structured interviews

PSD project staff	Selected semi-structured interviews
Main development partners in the PSD field	Selected semi-structured interviews

95

96

97

98

99 **Data Collection**

100 The data collection involved: i) desk review and document analysis; ii) semi-structured  
 101 interviews at HQ and in five countries selected for the validation missions; and iii) surveys  
 102 targeting select stakeholders, including a Self-Assessment for the HUO (UNIDO Desk staff).

103 A **desk review** was conducted to collate available evaluative evidence including financial and  
 104 human resources utilized under the Agreement, progress of PSD projects, and past reviews  
 105 including the MTA.

106 Given the paucity of quantitative data revealed by the desk review, it became necessary to  
 107 collect qualitative evidence. To this end, the team conducted **semi-structured interviews** with  
 108 the broad range of stakeholders identified (see Table 1.1) in the Headquarters of UNIDO and  
 109 UNDP as well as select pilot countries. The interview guidelines were developed to address the  
 110 key evaluation issues identified by the team (see Annex 2).

111 The evaluation included field missions to five selected countries, primarily to validate the  
 112 findings of Headquarter interviews and the desk review. The selection of countries for these  
 113 missions was based on purposive sampling. The following criteria were used to select the  
 114 mission countries (see evaluation Terms of Reference in Annex 1):

- Pilot countries with a UNIDO Desk operating for at least two years with the same HUO in place;
  - Existence of joint UNDP-UNIDO activities and active Joint PSD programmes or related PSD programmes;
  - Possibility of follow-up studies in countries that were visited during the MTA;
- Conditions that were conducive for UN agencies to work together, such as in pilot countries for the Delivering as One initiative, and countries with donor funds that encourage UN system coherence (e.g. MDG Funds).The team also chose to include countries with successful UNIDO Desk presences or PSD initiatives, as well as those where the performance was reportedly weak.

115

116 Based on these criteria, the following countries were selected: Armenia, Bolivia, Lao PDR,  
 117 Nicaragua and Rwanda.

118 The validation missions were conducted by either one or two members of the evaluation team,  
 119 with each visit taking three to five days. Preparatory work for each mission involved the team  
 120 members familiarizing themselves with the desk research to capture the specific context and

121 framework conditions for the implementation of the Cooperation Agreement in each country.  
122 Evaluation team members conducted semi-structured interviews with different stakeholders at  
123 the field office locations (see list of interviewees in Annex 2). The findings of each field  
124 validation mission was summarised in a separate interim report in order to share the findings  
125 with other team members; these were key data sources for this evaluation report.

126 To broaden the evidence base and validate the findings from Headquarter interviews and  
127 validation missions, email-based **stakeholder surveys** were conducted among UNIDO and UNDP  
128 staff (Headquarters as well as all pilot countries). Based on experiences from the earlier MTA,  
129 and the key evaluation questions, the team developed three surveys with slightly different  
130 questionnaires with the expectation that these would map different aspects of the Agreement  
131 implementation results:

- 132 1) Self-Assessment of the UNIDO Desks (Annex 4) directed to the Heads of UNIDO Operations  
133 (HUOs) in the thirteen original pilot countries for UNIDO Desks;
- 134 2) Survey for Headquarter staff (UNDP and UNIDO) and UNIDO Regional Offices (Annex 5);
- 135 3) Survey targeting UNDP senior management in the 19 pilot countries.

136 The team decided not to conduct a survey among government and private sector  
137 representatives, as the MTA did, because at the time they had produced very low response  
138 rates. While the Self-Assessment was circulated and responded to via e-mail, the two other  
139 surveys were web-based and completed online. The respondents were assured that the  
140 responses would be dealt with confidentially and would not be quoted.

141 The team interviewed 123 stakeholders (38 at Headquarters and 85 at the pilot countries: 37  
142 from UNDP, 31 from UNIDO, 8 from other UN agencies, 25 from the government, 11 donor  
143 agencies, and 11 from the private sector) and received 48 survey responses (28 from  
144 Headquarters and 20 from pilot countries: 13 from UNDP and 35 from UNIDO).

145

## 146 **Analysis and Synthesis of Data**

147 As a multi-agency evaluation, this study encountered a number of specific challenges and  
148 challenges of a more general in nature.

149 The response rate of surveys was low, particularly on the UNDP side. For instance, only 7 out of  
150 19 respondents completed the survey from UNDP country offices and 6 from Headquarters.  
151 Time constraints prevented the utilization of other data collection mechanisms such as  
152 telephone interviews with targeted UNDP stakeholders. The response rate had two  
153 consequences. The low number of responses from the country offices raises questions on the  
154 representative nature of the responses. Second, survey data also resulted in an unintended  
155 **selection bias** (13 UNDP and 35 UNIDO responses).

156 To address the low survey response rate, in making evaluation claims related to UNIDO Desks,  
157 the team gave relatively more weight to the views of the partners at the country level and

158 quantitative data analysis, as opposed to the opinions expressed through surveys. In fact, the  
159 survey response was primarily used to highlight issues of importance.

160 In validating the data, triangulation of data sources and methods were used. The views  
161 expressed by secondary data sources (UNDP and UNIDO) were triangulated with the views of  
162 partners in countries and documentary evidence, where available. Views expressed by the staff  
163 from each organization were triangulated with the views of the other agencies, evidence from  
164 national counterparts and documentary evidence.

165 Benchmarks for assessing performance were based on the following considerations: i) value  
166 addition of the Agreement (UNIDO Desks and Joint PSD initiatives) to national efforts to achieve  
167 country's development goals through private sector development; ii) contribution of the  
168 Agreement to the promotion of synergies between the two agencies while strengthening the  
169 ongoing UN Reform processes.

170

### 171 **Limitations and constraints**

172 Time constraints and team capacities limited the options for more extensive probing. However,  
173 the team is of the opinion that the key evaluation issues have been verified sufficiently to form a  
174 basis for drawing conclusions.

175 The team had difficulties receiving aggregated data on PSD activities from both UNIDO and  
176 UNDP. At times, it was also difficult to decide whether certain activities fell under the PSD  
177 component of the Cooperation Agreement or not.

178 This evaluation has built on the results and findings of the MTA. The MTA comprehensively  
179 collected data from all sources. As previously stated, the survey of government and private  
180 sector stakeholders was not repeated in this evaluation due to the low response rate for a  
181 similar survey during the MTA. It was therefore agreed that stakeholder views would have to be  
182 collected, mainly in the course of field validation missions. The field validation missions, for that  
183 reason, were carried out after the interviews of UNDP and UNIDO Headquarters staff, and  
184 aimed at validating preliminary findings. The focus of data collection was on the developments  
185 since the MTA in 2006.

186 There are fundamental asymmetries in the Agreement which also affect the methodology of this  
187 evaluation. The most important asymmetry is the different levels of interest in the Agreement.  
188 For UNIDO, the stakes are much higher than for UNDP, in particular with regard to the  
189 expansion of its field presence. Information and knowledge about the functioning of the UNIDO  
190 Desk are therefore mainly from UNIDO sources and UNIDO staff respectively, while the  
191 information and knowledge about the UNIDO Desks on UNDP's side were rather limited,  
192 particularly at Headquarters level. As a result, UNIDO data sources are more frequently used in  
193 this evaluation. The evaluation team has taken this into account and has made an effort to filter  
194 out possible biases from responses (e.g. HUU self-interest in maintaining a UNIDO Desk, etc.).

195 Given the time constraints, the team could not develop benchmarks in consultation with the  
196 stakeholders and therefore used its own experience and judgment.

197

#### 198 **Quality assurance**

199 A UNDP/UNIDO internal review team was constituted in order to do the following: i) ensure the  
200 rigour of the evaluation methodology and the validity and quality of the evidence, ii) verify that  
201 findings are based on evidence, and iii) to ensure that conclusions and recommendations are  
202 based on findings. Stakeholder feedback was sought for factual inaccuracies, errors of  
203 interpretation and omissions of evidence that could materially change the findings.

204

### 205 **1.4 Structure of the Report**

206 This report is organized in five chapters. **Chapter 1** provides the rationale, scope and  
207 methodology of this evaluation. **Chapter 2** gives the background to the Cooperation Agreement  
208 and the UN Reform context, as well as relevant information on the PSD strategies of UNDP and  
209 UNIDO. **Chapter 3** assesses the implementation and performance of UNIDO Desks and the Joint  
210 PSD Programmes component, and provides the findings of this evaluation. **Chapter 4** presents  
211 the conclusions of the evaluation. **Chapter 5** proposes a number of recommendations and  
212 options for the future, as well as some lessons learned for the UN system, going beyond the  
213 immediate subject being evaluated.

214

215

216

217

# 2

218

219

## The Cooperation Agreement and its Implementation

220

221

222

223

### 2.1 The Cooperation Agreement

224

225

226

227

228

229

230

231

In the summer of 2003, the UN Secretary-General convened the UN Commission on the Private Sector and Development to explore ways and means of stimulating the private sector in developing countries so that expanded business activity could create new employment and wealth. Increased local entrepreneurship would thereby support poverty alleviation and contribute to the achievement of the Millennium Development Goals (MDGs). One of the key recommendations of the Commission was to apply the approach of specialization and partnership to private sector development, an area where both UNIDO and UNDP were involved.

232

233

234

235

236

237

238

239

240

241

242

At about the same time (early 2004), the UNIDO Secretariat carried out an assessment of field representation and submitted to Member States options for the rationalization of its field presence. Within UNIDO, the issue of an effective decentralization of activities and of strengthened field representation has been a priority since the adoption of the Business Plan on the future role and functions of UNIDO in 1997. The issue of decentralization and field representation has been a central and recurrent item during sessions of UNIDO governing bodies since then. Following the assessment, UNIDO Member States met in an informal advisory group on decentralization and reviewed the issue during sessions of governing bodies. During these sessions, Member States recommended that UNIDO expand its field presence in a carefully planned and phased manner. They also encouraged the UNIDO Secretariat to dialogue with UNDP in this context.

243

244

### 2.2 Background for the Agreement

245

246

247

248

249

250

The UNIDO-UNDP Cooperation Agreement was conceived through direct discussions between the Administrator of UNDP and the Director-General of UNIDO during the summer of 2004. By September, the heads of UNIDO and UNDP signed the Agreement, recognizing the core competencies of both agencies, particularly UNIDO's level of expertise in industrial development focused on PSD, and UNDP's strength at the country level, capacity to deliver services to a wide range of partners, and capacity to act as a development broker.

251

252

253

254

Aligned with the Secretary-General's agenda for UN Reform and call for greater inter-agency coherence, the UNDP Administrator was particularly keen to develop a model for inter-agency cooperation using the UNDP Country Office system as a platform for the provision of technical services by UN agencies. The UNIDO Director-General, in accordance with UNIDO's own internal

255 planning and Member States' mandates, was exploring options for expansion of UNIDO's field  
256 representation. Additionally, UNIDO was seeking to better serve its Member States through an  
257 increased presence at the country and regional levels in order to be more responsive to their  
258 development needs.<sup>2</sup> The agency heads also saw opportunities for other synergies to evolve as a  
259 result of inter-agency cooperation in the context of UN Reform.

260 Aimed at strengthening cooperation in a number of areas, but focused mainly on PSD, the  
261 Cooperation Agreement sought to allow the government and private sector partners to benefit  
262 from more effective delivery and better quality of services and programmes in support of their  
263 national development goals (and their related MDGs) in countries where the two organizations  
264 were active.

265 The establishment of the Cooperation Agreement was the subject of extensive dialogue and  
266 consultations with UNIDO Member States, and UNIDO governing bodies took a number of  
267 decisions in this respect. The Agreement was also presented to the UNDP Executive Board but  
268 was never a subject of a specific decision.

269

## 270 2.3 Main Components of the Agreement

271 The Agreement highlighted two dimensions of collaboration: Joint PSD Programmes and the  
272 introduction of a new model of field representation with UNIDO establishing Desks within UNDP  
273 country offices; thus it generally sought increased collaboration between the two agencies. In  
274 accordance with the recommendations from the report of the United Nations Commission on  
275 the Private Sector and Development entitled "Unleashing Entrepreneurship: Making Business  
276 Work for the Poor" and UNIDO's Corporate Strategy, joint technical cooperation programmes  
277 were the main focus of the Agreement. The promotion of Joint PSD programmes was codified in  
278 a separate agreement entitled "Framework for Joint UNIDO/UNDP Technical Cooperation  
279 Programmes on Private Sector Development." The PSD areas of intervention defined in the  
280 Agreement include: trade capacity building, investment promotion, agro-industries, energy,  
281 cleaner and sustainable industrial development, entrepreneurship, and small and medium  
282 enterprise (SME) development.

283 The second focus of the Cooperation Agreement, the UNIDO Desks, foresaw the establishment  
284 of UNIDO field posts to increase UNIDO's presence (beyond its pre-existing 30) to 80 countries  
285 over a five-year period. To do so, the Agreement envisioned desks at locations where UNIDO did  
286 not have an office, by converting UNIDO country offices into UNIDO Desks and/or by  
287 establishing UNIDO Regional Technical Centres. To support this endeavour, the UNDP  
288 Administrator waived the mandatory cost recovery by country offices on UNIDO Desks' local  
289 operational costs for two years in the 15 pilot countries.

290 The Agreement was to begin with a pilot phase of two years, which was to be followed by a Joint

---

<sup>2</sup> Details of decisions and recommendations regarding the agreement: are contained in GC.10/ Res. 2, GC 10/Res.10, IDB 28/Dec.2, IDB.29/CRP.4, and IDB.30/CRP.6.

291 Midterm Assessment<sup>3</sup> (MTA) in 2006, evaluating its impact in terms of enhancing and expanding  
292 technical cooperation services and providing a cost-effective modality for joint field  
293 representation. In response to the MTA, a joint Management Response endorsed the overall  
294 findings and agreed to establish a joint Task Force to do the following: i) manage the  
295 implementation of the Agreement, ii) work to expand the number of UNIDO Desks to 30, iii)  
296 develop a sustainable funding mechanism for the UNIDO Desks, and iv) increase efforts to work  
297 on joint activities.

298

## 299 2.4 Programming Arrangements and Resources

300 The programming arrangements of the two organizations and the UN Reform processes are keys  
301 to understanding the constraints and opportunities in implementing the Agreement.

302 UNDP is one of the development agencies within the UN system and, in 2007, had an annual  
303 budget of US\$4.92 billion<sup>4</sup> and employed 4,392 employees.<sup>5</sup> As a resident UN agency  
304 operational in 166 countries, UNDP has adopted a highly decentralized structure: All country  
305 programming – prioritization, planning and implementation – is conducted at the country level.<sup>6</sup>  
306 Country offices develop their programme of work with a focus on the priorities identified in the  
307 United Nations Development Assistance Framework (UNDAF) (see below for details) and in line  
308 with UNDP’s corporate priorities. The Country Programme Document (CPD) provides an outline  
309 of the areas of focus and outcomes sought during a four-year period. The CPD is developed in  
310 close consultation with the national government and is submitted to the Executive Board (EB),  
311 UNDP’s governing body, for approval. The Country Programme Action Plan (CPAP) is the formal  
312 agreement between UNDP and the government to execute the country programme. It details  
313 the programme, the major results expected and the strategies for achieving these results, and  
314 clarifies the arrangements for programme implementation and management.

315 UNIDO is a specialized UN agency mandated to promote industrial development and  
316 international industrial cooperation. It employs 650 regular staff with an annual budget of  
317 US\$483 million.<sup>7</sup> Its field network now has 12 regional offices, 16 country offices and 16 UNIDO  
318 Desks (13 of which were operational during the period of evaluation).<sup>8</sup> UNIDO management has  
319 repeatedly committed itself to strengthening field presence in light of a growing technical  
320 cooperation (TC) portfolio and the increased need for implementation support and  
321 harmonization and alignment at the country level. In 2006, a field mobility policy was introduced  
322 to strengthen the human resources available at field offices. Programming arrangements,

---

<sup>3</sup> “It is important to note that the exercise was an assessment, not a full-fledged evaluation, given the limited implementation time of the agreement since its signature in September 2004 and hence the limited evidence of results achieved on the ground.” (From the Introduction of the Management Response to the Assessment).

<sup>4</sup> Source: UNDP Annual Report 2008; core resources USD 1.12 billion; non-core USD 3.8 billion.

<sup>5</sup> Source: Office of Human Resources, website, 3<sup>rd</sup> quarter, 2007.

<sup>6</sup> Regional and global programmes are directly overseen by Headquarters; however, these constitute a fraction of UNDP expenditure.

<sup>7</sup> Source: UNIDO Annual Report, 2008.

<sup>8</sup> UNIDO Directory of Field Offices, UNIDO, 2009.



323 including priority setting, project formulation and procurement authorization, are mainly  
324 determined by Headquarters in collaboration with partner governments. Technical experts at  
325 Headquarters lead the development of comprehensive technical cooperation proposals, and  
326 these documents are used for mobilizing non-core resources. The broad programmatic  
327 objectives and priorities of UNIDO are given in the Strategic Long-Term Vision Statement and in  
328 the Medium-Term Programme Frameworks (the current one covering the period 2008 to 2011).

329 Besides acting as a global forum for issues relating to industrial development, UNIDO is primarily  
330 a TC agency. TC is delivered primarily through integrated programmes (IPs) and country  
331 programmes (CPs), based on combinations of its different services or through stand-alone  
332 projects involving only one or two different services. Since 1999, IPs have been the preferred  
333 modality for TC delivery; currently IPs are ongoing in 51 countries.<sup>9</sup> Integration within an IP is  
334 not just at the level of the different services selected for the programme. It also aims at the level  
335 of donor mechanisms, national counterparts and other development activities in the country or  
336 region.

337

## 338 2.5 UNDP and UNIDO Strategies in PSD

339 PSD is a corporate priority for both agencies. It has been identified as a priority by UNDP in the  
340 past three Business plans.<sup>10</sup> UNDP's current PSD portfolio consists of over 400 projects in more  
341 than 100 countries accounting for approximately US\$80 million in programme spending [as of  
342 September 2007].<sup>11</sup>

343 At UNDP Headquarters, the Private Sector Division of the Partnerships Bureau and Bureau for  
344 Development Policy jointly direct UNDP's PSD strategy and provide technical advice to country  
345 offices while managing global programmes.<sup>12</sup> The Partnerships Bureau Private Sector Division  
346 produced the UNDP Private Sector Strategy in September 2007, which was developed in  
347 consultation with a number of agencies and reportedly shared with UNIDO. The strategy  
348 document mentions UNCDF and ILO as partners for research and development. UNIDO and  
349 other specialised agencies working in PSD, such as ILO, UNCTAD, FAO and IFAD, are listed as  
350 partners for closer cooperation. The Cooperation Agreement is not mentioned.

351 For UNIDO, being a significantly smaller agency and with its overall mandate for industrial  
352 development, PSD is of relative high importance within the organisation's portfolio of activities.  
353 Over the period 2002 to 2008, PSD represented approximately 10 percent of UNIDO's overall  
354 delivery.<sup>13</sup> More importantly, for UNIDO, cooperation with the private sector is a key strategy  
355 element that cuts across all service areas and is reflected in several corporate documents (e.g.

---

<sup>9</sup> UNIDO webpage, June 2009.

<sup>10</sup> As a corporate outcome in the Strategic Plan (2008-2011), as Service Line 1.5 in the Multi Year Funding Framework-II (2004-2007), and as the Strategic Area of Support I.1.2. in the Multi Year Funding Framework-I (2000-2003)

<sup>11</sup> Source: UNDP Partnership Bureau.

<sup>12</sup> The following three global projects are currently being implemented by UNDP Headquarters: Growing Inclusive Markets (GIM), Growing Sustainable Business (GSB), and Public-Private Partnerships for Service Delivery (PPPSPD).

<sup>13</sup> Own calculations on the basis of UNIDO delivery reports, March 2009.

356 Corporate Strategy, Long-Term Vision Statement). The PSD area of UNIDO is managed by the  
357 Industrial Policy and Private Sector Development Branch. In 2009, UNIDO developed a draft PSD  
358 strategy which has not yet been made public. The UNIDO PSD Strategy is currently being  
359 formulated. The draft version lists partnerships with UNDP and ILO<sup>14</sup> and refers to the Joint PSD  
360 programmes in Lao PDR,<sup>15</sup> but does not refer to the Cooperation Agreement.

361

## 362 2.6 UN Development Assistance within the Context of UN Reform

363 The UNDAF was rolled out in 2000 as part of the UN Reform and details the framework for all  
364 development assistance provided by UN agencies active in each country for a four-year period.  
365 UNDAF priorities are identified from the Common Country Assessment (CCA) - an analysis of  
366 national development priorities. The UNDAF is developed by the UN Country Team (consisting of  
367 all accredited heads of agencies resident in the country), coordinated by the UN Resident  
368 Coordinator (who is normally also the Resident Representative of UNDP).

369 The UNCT is normally complemented by a Steering Committee (SC), consisting of staff from the  
370 different UN agencies, funds and programmes, which is in charge of the technical  
371 implementation and follow-up to the UNDAF. Finally, inter-agency operational coordination in  
372 specific thematic areas occurs through the Inter-Agency Thematic Groups (ITG), which are  
373 formed around the development priorities and the key areas of focus defined in the UNDAF.

374 At the time of implementation of the Agreement, the efforts to seek inputs from non-resident  
375 agencies (NRAs) with expertise relevant to UNDAF priorities were left to the discretion of the UN  
376 Resident Coordinator. New arrangements are being introduced, facilitated by the DOCO, to  
377 institutionalize the participation of the NRAs in the UNDAF process, and thereby bringing the full  
378 range of UN technical expertise in support of the country efforts to achieve development goals.

379 UN Reform efforts continue. Since the implementation of the Cooperation Agreement, the  
380 Delivering as One (DaO) approach<sup>16</sup> has been piloted in eight countries. Under this approach, UN  
381 agencies are expected to deliver their assistance in a coordinated fashion. According to DOCO,  
382 "the eight countries will pilot different models to deliver as 'One', looking at common elements,  
383 such as 'One Programme', 'One Budgetary Framework', 'One Leader', and 'One Office.'" In addition,  
384 DOCO continues to update and expand the guidelines for cooperation between UN agencies.  
385 Along the same line, in December 2008, the Director-General of UNIDO has endorsed the  
386 principle of National Execution,<sup>17</sup> in accordance with the efforts being made at the UN system  
387 level to simplify and harmonize operational and administrative mechanisms and procedures.

---

<sup>14</sup> Draft UNIDO PSD Strategy, Executive Summary, last paragraph.

<sup>15</sup> Draft UNIDO PSD Strategy, Case study, p.20.

<sup>16</sup> The creation of the "Delivering as One" pilots was recommended by the Secretary-General's High-Level Panel on UN System-wide Coherence, a group of heads of state and policy makers tasked to examine ways to strengthen the UN's ability to respond to the challenges of the 21st Century.

<sup>17</sup> Report: "Action taken by the Executive Boards and Governing Bodies of the UN funds, programmes and specialized agencies in the area of simplification" (zero draft 19 April 2009).

388 These changes are acquiring increasingly more weight, and the implications for inter-agency  
389 cooperation at the country level are highly relevant for assessing the performance of the  
390 Agreement and identifying possible ways forward.

391

392 **UNIDO Participation in the Country Team and UNDAF**

393 One of the aims of the Agreement was for UNIDO to have increased participation in the UNCTs  
394 and UNDAFs. At the country level, full membership in the UNCT was assured for all accredited  
395 heads of resident UN agencies. For non-accredited heads of UN agencies, such as HUOs, regular  
396 participation is allowed only at the discretion of the UN Resident Coordinator. During the  
397 UNDAF process, many NRAs are invited to participate. DOCO is taking steps to ensure greater  
398 participation of NRAs in this process. This process is critical because resident agencies should, in  
399 principle, provide technical assistance only in the priority areas identified within the UNDAF.  
400 Participation greatly enhances the ability of NRAs to ensure that country priorities that are  
401 consistent with their organizational mandate are reflected in the UNDAF.

402

403

# 3

404

405

## Assessment of the Cooperation Agreement

406

407 This Chapter assesses the implementation of the Cooperation Agreement and provides the  
408 findings of this evaluation. The first section (3.1) presents a general finding on the relevance of  
409 the Cooperation Agreement between UNDP and UNIDO, taking into account current trends in  
410 intra-UN cooperation. The subsequent sections present the findings related to the UNIDO Desks  
411 component (3.2) and the Joint PSD Programmes component (3.3) of the Agreement.

412

413

### 3.1 General Findings

414

415

*Is the Cooperation Agreement between UNDP and UNIDO still relevant, taking into account current trends in intra-UN cooperation?*

416

417

**While its objectives remain important, the Agreement has lost its relevance as a platform for joint programming, particularly in light of the UNDAF guidelines. On the other hand, there still is need for operational agreements defining the administrative and logistic support to the UNIDO Desks.**

418

419

420

421

While the issue of cooperation and coordination in principle addressed in the Agreement has gained importance, the Agreement as a means has less relevance than other initiatives. The pilot initiative Delivering as One (DaO), in particular, focuses on the same issues of inter-agency collaboration.

422

423

424

425

At the country level, UN reform efforts continued to gain traction after the Agreement was signed. Institutional mechanisms for non-resident agencies (NRAs) to be represented by the UN Resident Coordinator have been strengthened. Moreover, NRAs are part of the UNCT, even if the agency is physically not present. DOCO is developing guidelines for better representation of NRAs in UN programming at the country level. Moreover, there is a related action plan for NRAs, approved in January 2009, aiming to strengthen their participation.

426

427

428

429

430

431

UNDP staff at Headquarters and to some extent at the country level emphasized that within the context of UN reform, UNDP can no longer have a privileged relationship with one agency. Since the Agreement was signed, UNDP has developed a standardized Memorandum of Understanding (MOU) in order to harmonize its collaboration with UN specialized agencies. UNDP has signed these MOUs recently with, for example, UNESCO and UNODC. These MOUs provide a global umbrella for the collaboration with each agency.

432

433

434

435

436

437

About two-thirds of the respondents of the survey conducted among UNDP and UNIDO Headquarters staff directly involved in the implementation of the Agreement (including UNIDO Regional Offices) are of the view that the Agreement has limited relevance or is no longer relevant in light of new trends in intra-UN cooperation.

438

439

440

441 However, UNIDO staff also highlighted the importance of being located in the UNDP premises  
442 (or UN House) in order to be able to rely on the logistical and administrative support from  
443 UNDP.

444

445

## 446 **3.2 Findings: UNIDO Desk**

447

448 This section assesses the UNIDO Desk component of the Cooperation Agreement. The other  
449 component – the Joint PSD Programmes - is assessed in Chapter 3.3.

450

### 451 *3.2.1 Design and Implementation*

452 The Cooperation Agreement was designed in 2004 in the context of the United Nations reform  
453 process and was seen, in part, as an attempt to develop a new model for other UN agencies.

454 Some of the key features of the Agreement with regard to the UNIDO Desks are:

- 455 a. To initially establish 15 UNIDO Desks within the UNDP premises;
- 456 b. To staff the UNIDO Desk with one national officer financed by UNIDO (without  
457 accreditation with the government);
- 458 c. UNDP to represent UNIDO at the country level where the UNIDO Desk is established;
- 459 d. UNIDO Desks to rely on the administrative and logistical support from UNDP; UNDP to  
460 meet the operating costs during the first two years of the Desks operation; after the first  
461 two years, UNDP to provide implementation support services required by the UNIDO  
462 Desks in accordance with the Universal Price list;
- 463 e. The UNDP Resident Representative to serve as the first reporting officer of the HUOs;  
464 the UNIDO Regional Director to act as the second reporting officer; and
- 465 f. To close the UNIDO Desk if after two years of operation it fails to generate programmes  
466 and projects with sufficient income to cover the cost of the UNIDO Desk.<sup>18</sup>

467

#### 468 ***Was the Cooperation Agreement implemented as planned?***

469 **With regard to the UNIDO Desk component, the Agreement was largely implemented as**  
470 **envisaged.**

471 The evaluation team found that with regard to the UNIDO Desk component, both parties have  
472 largely met their obligations as agreed,<sup>19</sup> thereby confirming the findings of the Joint Midterm  
473 Assessment conducted in 2006.

474 In more detail, the status regarding some of the key responsibilities is as follows:

- 475 a. By the end of 2009, 16 UNIDO Desks will have been established (Table 3.2.1). The  
476 Agreement envisaged 15 Desks in the initial phase.
- 477 b. All Desks have been staffed by one professional staff member under a UNIDO letter of  
478 appointment. The cost (salary) of these staff members was (and is) covered by UNIDO.
- 479 c. In all UD countries, the UNDP Resident Representative (RR) *officially* represents UNIDO  
480 at the country level.

---

<sup>18</sup> The MTA recommended disregarding the self-financing clause, see para. 249.

<sup>19</sup> Article V of the Cooperation Agreement.

- 481 d. UNDP provides the UNIDO Desks with office space within the UNDP premises. In some  
 482 cases, the office space is not quite adequate, mainly due to space limitations on some  
 483 premises.
- 484 e. UNDP has met the operating costs for most of the initial 13 UNIDO Desks during the first  
 485 two years of the Desks' operation. In Bolivia, all the costs from the start have been  
 486 charged to UNIDO based on the argument that "the CA Para 5.4.c states that only when  
 487 it is free for UNDP will it be free for UNIDO." After the first two years, UNDP has been  
 488 providing implementation support services required for the UNIDO Desks in accordance  
 489 with the Universal Price list.
- 490 f. The Heads of UNIDO Operations (HUOs) have been assessed periodically (staff  
 491 performance appraisal) by the UNDP Resident Representatives as the first reporting  
 492 officer.
- 493 g. No UNIDO Desk has been closed, although some did not generate any programmes or  
 494 projects after two years of operation.<sup>20</sup> Some Desks did not generate any significant  
 495 programmes or projects even after nearly four years (see Chapter 3.2.3 below on  
 496 Effectiveness, including Tables 3.2.3 and 3.2.4).  
 497  
 498

Table 3.2.1 UNIDO Desks		
No.	Country	Start Date of Desk
1	Afghanistan	March 05
2	Armenia	May 05
3	Bolivia	June 05
4	Burkina Faso	May 05
5	Cambodia*	09
6	Ecuador	March 05
7	Eritrea	August 05
8	Jordan	August 05
9	Kyrgyzstan*	09
10	Lao PDR	March 05
11	Mali	March 05
12	Mozambique*	09
13	Nicaragua	March 05
14	Rwanda	October 05
15	Sierra Leone	May 05
16	Zimbabwe	January 06

\* not included in this evaluation

499  
 500  
 501

---

<sup>20</sup> The MTA recommended disregarding the self-financing clause, see para. 249.

502

503 ***Did the Agreement provide sufficient guidance on implementation?***

504 **With regard to the UNIDO Desk component, the Agreement did not provide sufficient**  
505 **guidance on implementation. Country-level agreements complementing the Agreement would**  
506 **have helped.**

507 The majority of UNDP and UNIDO Headquarter staff and UNIDO regional offices directly involved  
508 in the implementation of the Agreement are of the view that the latter should have been  
509 complemented with a country-level agreement. This need for more specific country level  
510 arrangement indicates that the Agreement had its limitations in terms of guidance.

511 The MTA identified some areas where the Agreement did not provide sufficient guidance with  
512 regard to the UNIDO Desk, based on which it provided a number of recommendations<sup>21</sup> (see  
513 paragraph on the follow-up to the recommendations of the MTA).

514 Directly linked to the issue of insufficient guidance, the Team of this terminal evaluation found  
515 the following:

- 516 • The Agreement did not provide adequate direction to the UNDP Resident  
517 Representative. For example, the Agreement states that UNDP “*shall ensure, through its*  
518 *Resident Representatives that government counterparts are provided with all*  
519 *appropriate information.*” It is unclear what exactly this entails.
- 520 • UNIDO participation in the UNCT is uneven (see also Chapter 3.2.3 below on  
521 Effectiveness regarding the contribution to the work of the UNCT). While in a majority of  
522 Desk countries HUOs are full members of the UNCT, in some countries they are not.
- 523 • The validation missions showed that there are no finalized job descriptions for the HUOs  
524 approved by UNIDO and UNDP. HUOs rely on “Draft Terms of Reference and  
525 Operational Guideline of the UNIDO Desks” or the vacancy announcements for the  
526 respective HUOs. This creates some ambiguity and diverging views among UNDP and  
527 UNIDO country office staff regarding the role of the HUOs. However, UNIDO has  
528 introduced results-based work plans for the HUOs (on an annual basis), which  
529 compensate to some extent for the lack of approved Terms of Reference.
- 530 • The Agreement did not establish formal structures for joint management, which  
531 includes joint monitoring, reporting, problem solving and decision-making.
- 532 • The Agreement did not provide sufficient guidance with regard to possible examples of  
533 collaboration between UNDP and UNIDO (also beyond joint PSD projects). Staff  
534 members would have welcomed more guidance.

535

536 ***To what extent did UNIDO and UNDP facilitate and support country level implementation of***  
537 ***the Agreement?***

538 **While UNIDO Headquarters made efforts to facilitate the implementation of the activities**  
539 **related to the Agreement in many ways, there are still a number of issues which need to be**

---

<sup>21</sup> MTA of the Cooperation Agreement between UNIDO and UNDP (2006).

540 **resolved. UNDP's support to the implementation of the Agreement was limited to the**  
541 **administrative support provided at the country level for the UNIDO Desks.**

542 As emerged from the survey among HUOs and the validation missions, the HUOs, in general,  
543 expressed satisfaction with the technical and administrative support received from UNIDO  
544 Headquarters. Moreover, by acting on the key recommendations of the MTA (see further  
545 discussion below), UNIDO facilitated the implementation of the Agreement at the country level.

546 UNDP's support to the implementation of the Agreement was limited to the logistical and  
547 operational support provided at the country level for the UNIDO Desks. However, the team  
548 found a number of issues related to the support provided, which affected the implementation of  
549 the Agreement:

- 550 • Support from UNIDO Headquarters to HUOs in resolving issues at the country level was  
551 not always as forthcoming as expected.
- 552 • HUOs have no access to AGRESSO.<sup>22</sup> Enabling access to AGRESSO is seen as an essential  
553 ingredient of Headquarters support to the Desks. The team was informed that UNIDO is  
554 currently working on a technical solution to provide full AGRESSO access to all Desks by  
555 the end of 2009. This is expected to permit the HUOs to work more efficiently.

556 Although the HUOs were included in the UNIDO induction training programme as a follow-up to  
557 the MTA, HUOs still express significant training needs after several years on duty. Most HUOs  
558 were new to UNIDO at their appointment and, for their optimal functioning, needed to learn as  
559 much as possible about (a) UNIDO's mandate and areas of expertise, (b) the functioning of  
560 Headquarters, (c) the implementation modalities at country level, and (d) the functioning of the  
561 UN system. Selected cases reveal that HUOs have only been to Vienna twice in four years for  
562 training and networking (less than 10 days in total). Additionally, there was one global retreat of  
563 UNIDO Country Directors and HUOs in Bangkok in 2007.

564  
565 With regard to the UD component, both parties have shared the costs as envisaged in the  
566 Agreement.

567 The UNDP Administrator waived the mandatory cost recovery by UNDP country offices on  
568 expenditures incurred for the operation of UDs for two years in the 13 pilot Desk countries.

569 After the first two years, UNIDO covered all the costs involved, including staffing and  
570 operational costs (with the exception of two country offices where the UDs are rent-free). UNDP  
571 provides operational services required for the functioning of the UNIDO Desks in accordance  
572 with the Universal Price list.

573 Cost recovery is not without friction. In some cases, UNIDO is of the view that UNDP is pushing  
574 its cost recovery too far. In other cases, UNDP is of the view that despite the cost recovery, it is  
575 subsidizing UNIDO, as it cannot recover all the costs (e.g. costs of renovating a UN House).

576  
577

---

<sup>22</sup> AGRESSO is a database used by UNIDO for financial and project information.



578 ***Were the findings and recommendations of the Joint Midterm Assessment carried out in 2006***  
579 ***acted upon?***

580 **The evaluation team found that the follow-up to the recommendations is mixed. UNIDO has**  
581 **focused on those recommendations that it could implement unilaterally. The evaluation team**  
582 **found little evidence of UNDP taking action to follow up on the recommendations of the Joint**  
583 **Midterm Assessment.**

584 The Joint Midterm Assessment of the Cooperation Agreement between UNIDO and UNDP  
585 provided a number of pertinent recommendations.<sup>23</sup> The evaluation team found that follow-up  
586 to those recommendations is mixed. In November 2007, the UNIDO Evaluation Group compiled  
587 a Management Response Sheet in order to take stock of the follow-up. The team found that  
588 UNIDO was focusing on implementing those recommendations related to UD while paying less  
589 attention to those related to the JPSPDs. Moreover, UNIDO has focused on those  
590 recommendations that it could implement unilaterally.

591 UNIDO decided to cover the costs of all UNIDO Desks (even those that have not become  
592 financially viable after two years) from its regular budget as a follow-up to the MTA  
593 recommendation to “devise a sustainable funding arrangement for UNIDO Desks.” Moreover,  
594 UNIDO is in the process of establishing three additional UDs this year (2009), thereby adhering  
595 to the recommendation to “establish the two remaining Desks included in the pilot period.”

596 There is progress along a number of other recommendations of the MTA. Based on the field  
597 validation missions and the responses provided by the HUOs in the Self-Assessment, the  
598 evaluation team perceives progress in the following areas:

- 599 • the incorporation of HUOs in the overall UNIDO structure;
- 600 • the system to monitor the UD work plans;
- 601 • the flow of information; and
- 602 • the reporting lines between UDs and UNIDO Headquarters.

603 Moreover, UNIDO has adhered to the recommendation to disregard the self-financing clause as  
604 criteria for any closure or extensions of UNIDO Desks. (This evaluation is recommending  
605 different criteria; see Chapter 5.1 Recommendations.)

606 Some issues remain a challenge:

- 607 • the reporting/supervision lines between UDs and UNDP RRs are still unclear;
- 608 • the relationship between Integrated Programmes, stand-alone projects and joint  
609 programmes is not fully clarified and neither is the expected support of the HUO;
- 610 • the HUOs administrative and financial authority is still very limited;
- 611 • the provision of seed money is very limited;
- 612 • the HUOs responsibilities regarding programme development and implementation  
613 remain unclear; and

---

<sup>23</sup> Joint Assessment of the Cooperation Agreement between UNIDO and UNDP (2006), Chapter 6.

614 • an exit strategy to close a UNIDO Desk if necessary does not exist and no UNIDO Desk  
615 has been closed to date.

616 Furthermore, the MTA recommended the establishment of a “formal joint management  
617 mechanism/group to manage the continuing implementation of the Agreement.” Although a  
618 Joint Task Force was established, it met only once.

619 Apart from continuing the Agreement as recommended, the evaluation team found little  
620 evidence of UNDP taking action to follow up on the recommendations of the MTA. UNDP did,  
621 however, give a management response.

622 Interviewees at UNIDO and UNDP Headquarters expressed the view that joint follow-up to the  
623 recommendations was limited due to a partial loss of interest in revitalizing the operational part  
624 of the Agreement. The team found that the main reason for the diminishing interest in the  
625 Agreement was a fundamental asymmetry in the design of the Agreement. While the  
626 establishment of UNIDO Desks in UNDP country offices was (and still is) of great interest to  
627 UNIDO, the benefits for UNDP are limited. Therefore, UNIDO had a higher stake to follow-up on  
628 the recommendations than UNDP.

629

630 ***Does an effective working-relationship exist between UNIDO Desks and the staff of respective***  
631 ***UNIDO Regional Offices?***

632 **The effectiveness of the working-relationships between the UDs and the respective UNIDO**  
633 **Regional Offices vary widely.**

634 Twelve of the 13 UNIDO Desks report to their respective UNIDO Regional Offices. Not being  
635 covered by a UNIDO Regional Office, only the UNIDO Desk in Armenia reports directly to  
636 Headquarters. Regional Office coverage of UNIDO Desks was only established in June 2006.<sup>24</sup>

637 Of the eight UNIDO Regional Directors that participated in the stakeholder survey, seven are of  
638 the view that they have either a very effective (3) or an effective (4) working-relationship with  
639 their UDs.

640 This partly contrasts with the views of the HUOs and the findings of the validation missions.  
641 Based on the responses provided by the HUOs in the self-assessment and the validation  
642 missions, the evaluation team found that the working-relationships between UNIDO Desks and  
643 UNIDO Regional Offices differ widely. Some HUOs have a very close working-relationship with  
644 frequent exchange on all matters related to UNIDO activities and receive guidance from Region  
645 Directors. Other HUOs have relationships limited to administrative matters (e.g. formulating  
646 contracts for national experts) or information sharing. Likewise, the team found that some  
647 UNIDO Regional Directors visited the UD countries regularly, while others follow an ad-hoc  
648 approach.

649 The team also found that the foreseen role of the UNIDO Regional Directors in representing  
650 UNIDO in UD countries is somewhat ambiguous. Although in general the UNIDO Regional  
651 Director is officially accredited with the host government, the Agreement states that “UNDP will

---

<sup>24</sup> UNIDO Field Reform. Note by the Secretariat, UNIDO, IDB.31/CRP.6, 1 June 2006.

652 represent UNIDO at the country level where the UNIDO Desk is established.”<sup>25</sup> In other words:  
653 Officially (formally) the UNDP Resident Representative represents UNIDO in the Desk countries  
654 as long as the accredited UNIDO Regional Director is not in the country. Unofficially (informally)  
655 the Head of UNIDO Operations represents UNIDO vis-à-vis government and development  
656 partners on a day-to-day basis. Thus, two persons represent UNIDO officially (UNDP RRs, UNIDO  
657 Regional Directors) and one person represents UNIDO unofficially (HUOs). This creates  
658 confusion among stakeholders.

659 Moreover, it appears from the HUOs’ responses to the survey and the validation missions that  
660 the UNIDO Regional Offices constitute an additional layer of communication between the  
661 UNIDO Desks and UNIDO Headquarters. Involving UNIDO Regional Offices creates a bottleneck  
662 and causes unnecessary delays in decision-making, as project managers at UNIDO Headquarters  
663 are responsible for all technical decisions related to projects.

664

### 665 *3.2.2 Relevance*

666 Two dimensions are central in assessing the relevance and appropriateness of the Agreement  
667 with regard to the UNIDO Desk component:

- 668 • Dimension 1: relevance of the expanded UNIDO field representation to partner  
669 countries, UNIDO and UNDP.
- 670 • Dimension 2: appropriateness of the UD model of field representation.

671

672

673 *Is the objective of an expanded UNIDO field representation as set out in the Agreement of*  
674 *relevance to partner countries, UNIDO and UNDP?*

675 **Field visits have shown instances where UNIDO Desks have added value to governments. The**  
676 **expanded UNIDO field representation is increasingly important to UNIDO. To UNDP, the**  
677 **UNIDO Desks are of limited relevance.**

678 Based on the interviews with government representatives in the five countries selected for the  
679 validation missions, it can be said that governments value UNIDO’s services. The support  
680 provided by UNIDO Desks, was appreciated by these five governments, particularly in Rwanda  
681 and Armenia (see also chapter 3.3.3 on the Relevance of PSD).

682 UNIDO staff recognizes the importance of expanded field representation that offers the  
683 programme countries improved access to UNIDO services. Interviews with UNIDO staff at  
684 Headquarters and at the country level highlighted a number of reasons for this improved access.  
685 First, UDs increase visibility and profiling of UNIDO services. Second, UDs allow participation in a  
686 range of country level activities, such as advising various PSD activities of the host government,  
687 preparing of UNDAF, etc. Third, UDs facilitate project development and implementation. Fourth,  
688 Desks help build networks and better position UNIDO for resource mobilization activities. In the  
689 voice of one UNIDO staff, the UDs are “UNIDO’s ears and eyes in the country.” UNIDO  
690 management has taken a decision to continue the UNIDO Desks and to allocate the necessary

---

<sup>25</sup> Cooperation Agreement between UNDP and UNIDO, para. 5.4.a.

691 resources in the agency’s budget 2010-2011; this demonstrates the importance UNIDO places  
 692 on expanding its country presence.<sup>26</sup>

693 The evaluation team found that in the context of increasing collaboration between UN agencies,  
 694 the presence of UNIDO at the country level has gained importance since the Agreement was  
 695 launched in 2004. Country presence through UNIDO Desks facilitates UNIDO participation in  
 696 UNCT and UNDAF. The Rwanda experience also supports this view where the HUU facilitated  
 697 UNIDO participation and active involvement under One Programme. Rwanda is the only  
 698 Delivering as One UN pilot country with a UNIDO Desk.

699 Moreover, UNIDO staff at Headquarters and at country level stated that the field presence is  
 700 indispensable to developing projects financed by new funding modalities such as global Multi-  
 701 Donor Trust Funds (MDTFs). For example, in Armenia, the HUU’s role was instrumental for  
 702 UNIDO to become a participating organization in a programme headed by the United Nations  
 703 High Commissioner for Refugees (UNHCR) funded through the UN Human Security Trust Fund.  
 704 The findings for the UNIDO Desk countries in Bolivia and Nicaragua are very similar, where  
 705 UNIDO has activities funded through the Spanish MDG Achievement Fund. With regard to this  
 706 funding source, it is interesting to note that of the 14 countries with UNIDO activities funded  
 707 through the MDG Fund, only one has no UNIDO country presence (see Table 3.2.2). This finding  
 708 suggests that country presence is indeed key to prepare joint projects and access that type of  
 709 funding source. According to the MDTF Office, country presence is not necessarily required to  
 710 participate in MDTF financed activities. Therefore, the participation of NRAs is possible.  
 711 However, according to the MDTF Office, country presence facilitates participation and is a  
 712 requirement to *lead* a Joint Programme.

713

714

Table 3.2.2 Countries with UNIDO activities funded through the UNDP Spanish MDG Achievement Fund		
With UNIDO country presence		Without UNIDO Country presence
UNIDO Country or Regional Office	UNIDO Desk	
China	Bolivia	Honduras
Egypt	Nicaragua	
Ethiopia	Mozambique*	
Mexico		
Morocco		
Senegal		
Tunisia		
Turkey		
Uruguay		
Vietnam		

\*UNIDO Desk established in 2009; before UNIDO was present with a UNIDO Focal Point.  
 Source: UNDG/UNDP Multi-Donor Trust Fund Office, May 2009.

715

716

---

<sup>26</sup> Programme and budgets, 2010-2011, Proposals of the Director-General, UNIDO, IDB.36/7–PBC.25/7, 24 March 2009.

717 UNDP staff at Headquarters does not consider UNIDO country presence as important for UNDP.  
718 The views expressed by UNDP staff reflect a perceived limited benefit for UNDP of having  
719 UNIDO Desks, although the views vary, especially at the country level. While the HUOs are  
720 highly appreciated in some countries, in others the Desks are seen as an additional burden  
721 (particular where UNIDO has only very few activities). In one case, UNIDO is seen as a “paper-  
722 agency” with no projects. The value-added of the UNIDO Desks to the work of UNDP depends to  
723 some extent on the priority areas of UNDP. If there is limited thematic overlap between the two  
724 agencies, naturally there is no reason for collaboration. UNDP staff at country level also  
725 mentioned that to UNDP it is not always obvious to use UNIDO expertise, if UNDP can get the  
726 same expertise from other agencies (and sometimes at a lower cost).

727 However, while the value-added for UNDP of having UNIDO Desks might be limited, it appears  
728 to the evaluation team that the UNIDO Desks contribute to the work of the *UNCT* by expanding  
729 its overall capacity and know-how in all five validation countries (see also Chapter 3.2.3 below,  
730 regarding the UD contribution to the UNCTs).

731

732 ***Is the UD model of field representation appropriate (adequate) to meet country demands?***

733 **The staffing of the UNIDO Desk with nationals is appropriate and adequate. However, there is**  
734 **a miss-match between the many tasks assigned to the HUOs and the tools provided to master**  
735 **them.**

736 The nationals selected as HUOs in general were valued by UNIDO Headquarters staff, UNCTs and  
737 government representatives. Overall, they are considered to be well qualified to perform the  
738 HUO’s tasks. Some highlighted the need for expertise in industrial development.

739 Many actors see national HUOs as adding value since they generally have a good understanding  
740 of the country context and excellent contacts to governments and civil society. The fact that  
741 national officers are not accredited with governments is not seen as a major disadvantage. The  
742 evaluation team found that many other UN organizations operate with nationals without  
743 accreditation, e.g. FAO in Armenia or IMF in Lao PDR with a similar model of regional  
744 representation as UNIDO.

745 The evaluation team found that the HUOs are charged with many tasks. A generic job  
746 description could look like (in brief):

- 747 • Represent UNIDO vis-à-vis government officials, private sector, UNCT and development  
748 partners
- 749 • Liaise with UNIDO Headquarters and Regional Offices on all matters related to UNIDO
- 750 • Facilitate government and private sector access to UNIDO expertise
- 751 • Identify technical cooperation requirements and develop UNIDO projects together with  
752 Headquarters
- 753 • Formulate joint UNDP/UNIDO programmes on PSD
- 754 • Engage in resource mobilization
- 755 • Facilitate and host UNIDO and joint missions
- 756 • Participate in UNCT activities
- 757 • Play an advisory role regarding sustainable industrial development (SID) to UNDP and other  
758 UN partners
- 759 • Participate in donor coordination meetings and networking with international organizations

760 It appears to the evaluation team that there is a mis-match between the many tasks assigned to  
761 the HUOs and the tools provided to master them. First, the team found that some of the above  
762 tasks could consume a significant amount of time. For example, the full participation in the  
763 UNCT (or expanded UNCT) results in substantive demands on the HUOs' time in order to  
764 participate in meetings, but also in order to contribute to the work of the UNCT.

765 Second, many stakeholders made a point in interviews and the survey that HUOs have very  
766 limited authority and recognition. In particular, UNIDO's centralized decision-making process  
767 was mentioned as debilitating the UDs. It was stated: "they always have to go back to  
768 Headquarters," "the HUO is a tiger without teeth," or "the HUO is only a post-office."

769 Third, it was stated that the somewhat ambiguous status affects the HUOs' standing (a) in the  
770 UNCT, (b) vis-à-vis other development partners and c) with regard to fundraising. The title 'Head  
771 of UNIDO Operations' appears to be misleading (i.e. head of agency? head of project  
772 management?).

773 Fourth, the evaluation team found that the appropriateness of the one-person staffing depends  
774 to a large degree on the volume of UNIDO activities. In some cases, stakeholders question the  
775 appropriateness of the one-person staffing (e.g. only a "one man show"). HUOs indicated to the  
776 evaluation team that the one-person staffing may not be sufficient in the long-run. The  
777 evaluation team found that in countries with a growing portfolio, UD capacities have been  
778 increased by engaging full- or part-time assistants, which are either financed by the UD budget,  
779 UNIDO projects or UNIDO Integrated Programmes (IP). The UNIDO Desk in Bolivia for example  
780 now consists of seven people.<sup>27</sup> In Lao PDR, the HUO can rely on the support from the IP  
781 assistant and driver.

782 Fifth, some government officials and stakeholders regret that the UDs have no programmable  
783 resources.

784

785

### 786 *3.2.3 Effectiveness*

787 It is important to recall that this evaluation does not assess development results of  
788 UNIDO/UNDP projects or programmes. It assesses the effectiveness of the Agreement and its  
789 signatories in achieving the agreed upon objectives. The terms of reference for this evaluation  
790 has identified five criteria to measure the effectiveness of the Agreement with regard to the  
791 UNIDO Desk component:

- 792 1) Extent to which the UNIDO Desks have been an effective tool for facilitating government  
793 and private sector access to UNIDO expertise through the UNDP country offices;
- 794 2) Contribution of the UNIDO Desks to enhancing UNIDO participation in national, UNDAF  
795 and One UN objectives;
- 796 3) Advisory role played by UNIDO Desks to UNDP and other UN partners regarding  
797 sustainable industrial development (SID).
- 798 4) Contribution of the UNIDO Desks to the work of UNCTs; and
- 799 5) Extent to which coverage of 80 countries has been achieved.

---

<sup>27</sup> In addition to the HUO, the UNIDO Desk now consists of a secretary, a communication/library assistant, two project managers and two internees.

800

801 *To what extent have the UNIDO Desks been an effective tool for facilitating government and*  
802 *private sector access to UNIDO expertise?*

803 **The UDs' performance with regard to facilitating access to UNIDO expertise is uneven and**  
804 **depends to some extent on the size of the UNIDO portfolio.**

805 The evaluation team found several examples demonstrating the UNIDO Desks' role in facilitating  
806 access to UNIDO expertise that benefits the host government and the private sector. The  
807 examples range from becoming a trusted advisor of the government or guiding the government  
808 in policy formulation, to conducting technical roundtables or consultations with the government  
809 and the private sector; from introducing UNIDO mandated activities in the UNDAF or developing  
810 new projects, to organizing regional or local UNIDO events; and from facilitating UNIDO's  
811 mission or distributing UNIDO's print production, to channelling requests for expertise supply  
812 (see also Box 1).

813 The MTA also found that the "Desks are relevant ... to Member States who want to expand  
814 access to the technical expertise of UNIDO."<sup>28</sup>

815

**Box 1: How UNIDO Desks are useful to the countries – experience from Rwanda and Armenia**

In Rwanda, Government counterparts clearly expressed that the establishment of the UNIDO Desk has improved their access to UNIDO expertise and services. The HUU has been a member of the Board of a national institution for small enterprise development providing direct advice on industrial development issues. Before the UNIDO Desk, there was a national consultant acting as coordinator of the UNIDO Integrated Programme in Rwanda. This consultant was placed in the offices of UNIDO's main government counterpart, Ministry of Industry, Commerce and Cooperatives which today considers it more useful to have a Desk than an IP coordinator, because the HUU has better access to One UN funding and acts more as an independent advisor than project staff. The HUU also participates in the donor coordination group on PSD. This was also felt to be beneficial to the government.

Similarly in Armenia, the government, the development partners and the private sector all confirmed the need of UNIDO services in Armenia. The current global economic crisis reinforces the need for support in the area of PSD (e.g. investment and export promotion). The HUU in Armenia is widely respected by government, development partners and the private sector and is considered to be an added value to the development community. The HUU is seen as very proactive, facilitating communication with UNIDO Headquarters and access to UNIDO expertise, although facilitating access to expertise is limited by the fact that until very recently UNIDO only had one project in Armenia.

816

817 However, the evaluation team found evidence suggesting that the UDs are not always an  
818 effective tool for facilitating access to all UNIDO expertise and services. The interviews with  
819 government counterparts in Nicaragua and Bolivia showed that in both countries the UDs are  
820 currently not advising the government on PSD. This is not because of lack of efforts made by the  
821 HUOs. Rather, it reflects the limited government demand for PSD services in these countries.

---

<sup>28</sup> Joint Assessment of the Cooperation Agreement between UNIDO and UNDP (2006), para. 43.

822 Enabling access to technical expertise also depends on the number and nature of UNIDO  
823 projects. In countries with only a few UNIDO projects, access to UNIDO’s technical expertise is  
824 naturally hampered, in spite of the HUOs’ best efforts (e.g. Armenia). Some UNIDO Headquarter  
825 staff members are of the view that the UNIDO Desks have played a limited role in facilitating  
826 government/private sector access to their area of expertise (e.g. energy).

827 ***What has been the contribution of the UNIDO Desks to national, UNDAF and One UN***  
828 ***objectives?***

829 **While the UNIDO Desks contribute to national development objectives by facilitating UNIDO**  
830 **participation in UNDAFs and the development of new UNIDO projects, the establishment of**  
831 **UNIDO Desks does not automatically lead to an increased delivery of UNIDO services.**

832 First, as mentioned above, this evaluation does not assess actual development results. Second, it  
833 is difficult to isolate the UNIDO Desks’ specific contribution to national development objectives.  
834 This question can therefore only be answered by (a) using proxy indicators<sup>29</sup> and (b) agreeing on  
835 a few plausible assumptions.

836 This evaluation is using the following proxy indicators to measure the specific role of the UNIDO  
837 Desks in contributing to national development objectives:

- 838 i. Change in financial delivery figures. Assumptions: change in delivery figures say  
839 something about the level of activity in a given country and thematic area; increasing  
840 delivery figures point towards a growing UNIDO portfolio which might – at least to some  
841 extent – be attributed to having a UNIDO Desk in a country; increasing delivery figures  
842 could indicate that the UNIDO Desks are instrumental in developing new projects and in  
843 implementing on-going projects. (However, change in financial delivery figures does not  
844 indicate the quality of the development results.)
- 845 ii. Pipeline projects. Assumptions: new projects will ultimately contribute to development  
846 results; the UNIDO Desks can play an active role in developing new projects.
- 847 iii. Extent to which UNIDO’s mandate is represented in UNDAFs. Assumptions: UNIDO being  
848 represented in the UNDAF increases the funding potential of UNIDO activities, which  
849 may ultimately contribute to more development results; UNIDO Desks can play a role in  
850 the development process of UNDAFs.

851 i. Change in delivery figures: The evaluation team analyzed UNIDO delivery figures between  
852 2002 and 2008 for the UD countries. As most UNIDO Desks were established in 2005, the team  
853 compared delivery figures of 2002 to 2005 (four year average) with delivery figures between  
854 2006 to 2008 (three year average) assuming that the Desk had little influence on delivery during  
855 the first year (2005) (see Table 3.2.3).

856 Delivery in PSD substantially increased in four UNIDO Desk countries (Jordan, Lao PDR,  
857 Nicaragua and Rwanda) and decreased in six countries. In three countries, the PSD delivery in  
858 both periods was zero or negligible (Armenia, Bolivia and Mali). For comparison, the average

---

<sup>29</sup> A proxy indicator is a variable used to stand in for one that is difficult to measure directly (Handbook on Monitoring and Evaluating for Results, UNDP, 2002).



859 delivery in PSD for all countries globally with a UNIDO PSD portfolio was US\$171,878 (annual  
860 average 2006-2008).

861 Total delivery of all UNIDO services modules (including PSD) increased in six countries and  
862 decreased in seven countries (see Table 3.2.4). For comparison, the delivery in all UNIDO service  
863 modules in all UNIDO programme countries was US\$700,744 (annual average 2006-2008).

864 Based on this analysis, establishing a UNIDO Desk will *not* automatically lead to an increased  
865 delivery of UNIDO services. The analysis of delivery figures is not sufficient to assess the UNIDO  
866 Desks' role. Delivery depends on many factors. For example in Zimbabwe, the high increase in  
867 delivery is directly accredited to two Montreal Protocol projects. While the UNIDO Desk might  
868 play a small role in facilitating the implementation of the projects, UNIDO project development  
869 happens at its Headquarters, generally without UNIDO Desk involvement.

870 ii. Pipeline projects: Pipeline projects are approved projects under advanced preparation. Based  
871 on the five validation missions to Armenia, Bolivia, Lao PDR, Nicaragua and Rwanda, the team  
872 found that the HUOs are actively involved in developing new projects and a number of projects  
873 have recently been approved. The main challenge is to raise the necessary financial resources.

874 iii. Representation in UNDAFs: The validation missions to the five programme countries revealed  
875 that HUOs play a crucial role in enhancing UNIDO's representation in the UNDAF. For example in  
876 the Lao PDR UNDAF (2007-2010), UNIDO has the ninth largest share of the resources allocated  
877 among the 15 participating UN agencies with US\$4.6 million resource allocations and  
878 contributing to 3 UNDAF outcomes. In addition, UNDP staff interviewed in country offices  
879 confirmed the active role of HUOs in the development of UNDAFs. For example in Bolivia, the  
880 participation of the UD in the UNDAF process and its substantive contribution are highly  
881 appreciated by the UNRC, UNDP and the Resident Representatives of FAO and WFP. An analysis  
882 of the UNDAF documents of the 13 UNIDO Desk countries confirmed that, in general, UNIDO's  
883 mandate is well reflected in the UNDAF priorities. The self-assessment among HUOs suggests  
884 that almost all HUOs participated in the UNDAF development process in their countries.

885 The views on whether or not country presence is required to fully participate in the UNDAF  
886 process vary. UNDP staff interviewed in country offices, on the one hand, mentioned that  
887 country presence is not a requirement to participate in the UNDAF process. The team was given  
888 examples of NRAs that fully participated in the UNDAF process without having a local presence  
889 (e.g. UNESCO in Armenia). UNIDO staff at Headquarters, on the other hand, stated that in some  
890 Desk countries UNIDO is present in the UNDAF only thanks to HUOs' interventions. In any case,  
891 being represented in the UNDAF, while necessary for UNIDO programming activities, does not  
892 necessarily translate in higher delivery, as funding for envisaged activities must first be secured.

893  
894  
895  
896  
897  
898

Table 3.2.3  
**Change in delivery of UNIDO service module Private Sector Development (PSD) in UNIDO Desk countries, 2002-2008**

	Pre-Agreement 4-year average (2002-2005) USD	Post-Agreement 3-year average, (2006-2008) USD	Change
Afghanistan	50,091	22,174	-56%
Armenia	0	0	--
Bolivia	0	9,787	(+)
Burkina Faso	26,402	7,639	-71%
Ecuador	104,748	2,124	-98%
Eritrea	70,192	6,745	-90%
Jordan	29,876	40,116	+34%
Lao PDR	76,505	93,288	+22%
Mali	0	0	--
Nicaragua	293,134	512,640	+75%
Rwanda	65,770	109,332	+66%
Sierra Leone*	27,854	21,648	-22%
Zimbabwe	109,604	0	-100%

Source: evaluation team, based on UNIDO delivery figures.

\* Sierra Leone 2004-2008

899  
900  
901

Table 3.2.4  
**Change of total delivery of all UNIDO services modules (including PSD) in UNIDO Desk countries, 2002-2008**

	Pre-Agreement 4-year average (2002-2005) USD	Post-Agreement 3- year average (2006-2008) USD	Change
Afghanistan	250,198	502,111	+101%
Armenia	152,668	84,094	-45%
Bolivia	133,604	51,992	-61%
Burkina Faso	246,949	76,908	-69%
Ecuador	327,286	175,910	-46%
Eritrea	365,363	103,461	-72%
Jordan	800,154	270,290	-66%
Lao PDR	432,599	476,792	+10%
Mali	162,524	103,848	-36%
Nicaragua	298,572	710,814	+138%
Rwanda	253,458	774,729	+206%
Sierra Leone*	53,485	312,775	+485%
Zimbabwe	146,161	1,316,002	+800%

Source: evaluation team, based on UNIDO data.

\* Sierra Leone 2004-2008

902  
903

904 ***Are the UNIDO Desks playing an effective advisory role regarding sustainable industrial***  
905 ***development (SID) to UNDP and other UN partners?***

906 **The UNIDO Desk role as advisors on sustainable industrial development (SID) to UNDP and**  
907 **other UN partners varies and depends on the UNCT thematic priorities.**

908 UNDP Headquarters staff is of the view that the experience is mixed. Some see limited value  
909 added. Others are of the view that the UNIDO Desks serve the UNRC as an advisor in matters  
910 related to industrial and private sector development. Other findings, including field validation  
911 missions, confirm a mixed picture. This evaluation identified several examples, which indicate  
912 that UNIDO Desks play an advisory role regarding sustainable industrial development:

- 913 • In Nicaragua, the UNRC/UNDP RR or other UNDP staff normally invite the HUO to  
914 participate in meetings with national or international counterparts to discuss PSD issues.  
915 In addition, the UD has contributed to the design of and resource mobilization for a  
916 number of joint initiatives which are now ongoing (e.g. MDGF).
- 917 • In Bolivia, UNDP staff members have recognized that they benefit from the specialized  
918 expertise of the UNIDO Desk in areas related to the Agreement.
- 919 • In Rwanda, stakeholders confirm the HUO's role as competent advisor on industrial  
920 development issues in different fora (e.g. donor group on PSD).
- 921 • In Armenia, the HUO chairs the Economic Equity Working Group of the UNCT.
- 922 • In Lao PDR, the HUO is the focal point for 'Trade and PSD' and is also responsible for  
923 coordinating with other NRAs on PSD matters, i.e. UNCTAD and ITC.
- 924 • In Jordan, the HUO is invited to play a role whenever there is a UN concern regarding  
925 industrial development.

926 These positive findings are supported – although moderately – by the results of the survey of  
927 Headquarters staff. Over two-thirds of the respondents are of the view that UNIDO presence  
928 through a Desk adds some value to UNDP's efforts.

929 HUOs reported that in countries where UNIDO's mandate was not reflected in the UN priorities,  
930 the advisory role of UD was also limited (e.g. Afghanistan, Ecuador, Eritrea, Mali and Zimbabwe).

931

932 ***Are the UNIDO Desks effectively contributing to the work of UNCTs?***

933 **UNIDO Desks contribute rather well to the work of the UN Country Teams, particularly with**  
934 **regard to the UNDAF process and thematic working groups. The participation of the HUOs in**  
935 **the UNCT as full members is an issue.**

936 The evidence found during the evaluation suggests that the UNIDO Desks contribute rather well  
937 to the work of the UN Country Teams, particularly with regard to the UNDAF process and  
938 thematic working groups. The HUOs not only participate actively in working groups, but at times  
939 also take the lead (e.g. UNIDO was the lead agency for the Private Sector Development MDG  
940 Fund Window in Bolivia). Interviews at Headquarters and the validation missions to the five  
941 selected countries largely confirmed the responses provided by the HUOs (see Table 3.2.5).

942 The UNIDO Desks' contribution to the work of the UNCT is also widely recognized by UNDP staff  
943 and other UNCT members at the country level. HUOs' contribution to the work of the UNCT

944 goes beyond the 'narrow' interests of UNIDO (e.g., the HUU in Lao PDR coordinated the staff  
 945 forum during the UN Secretary-General's recent visit). In fact, it appears from the interviews at  
 946 the country level that collaboration with the larger UNCT works better than the collaboration  
 947 between UNIDO and UNDP.

948 The participation of the HUOs in the UNCT as full members is an issue. While in a majority of  
 949 Desk countries the HUOs are full members of the UNCT, the HUOs in a minority of countries are  
 950 not full members and cannot, for example, participate in all UNCT meetings (Table 3.2.6).  
 951 Generally speaking, only heads of agencies can attend UNCT meetings and UNIDO is in this  
 952 regard represented by the UNDP Resident Representative. It is under the UN RC's authority to  
 953 decide to what extent the HUU can participate in the UNCT. Beyond those meetings, HUOs can  
 954 always participate in the extended UNCT meetings and as such have an opportunity to  
 955 contribute.

956  
 957

Table 3.2.5 UNIDO Desks contribution to the work of the UN Country Teams					
Answer each component	Fully agree	Mostly agree	Disagree somewhat	Fully disagree	Don't know
The Head of UNIDO Operations is a full member of the UNCT.	8	1	0	4	0
The Head of UNIDO Operations fully participates/ed in the UNDAF process.	10	2	1	0	0
The Head of UNIDO Operations regularly participates in inter-agency meetings.	7	5	0	1	0
The Head of UNIDO Operations is an active participant in thematic working groups.	11	1	1	0	0

Source: HUU Self-assessment, 2009.

958  
 959

Table 3.2.6 HUU Participation in the UN Country Teams	
Afghanistan	HUU fully disagrees that s/he is full member of UNCT, but actively participates in thematic working groups and inter-agency meetings.
Armenia	Fully participating member of UNCT
Burkina Faso	Fully participating member of UNCT, contributes to RC annual reports, and can represent UNCT to partners technical meetings or PRSP sectoral committee.
Bolivia	Member of UNCT, including accepting delegation of UNCT tasks in the economic development field.
Ecuador	Member of UNCT, though not necessarily regular participation in inter-agency meetings. Co-chairs and/or participates in several working groups, as well as MDG Fund proposals.
Eritrea	HUU fully disagrees that s/he is a full member of UNCT; fully disagrees that HUU regularly participates in inter-agency meetings; and disagrees that HUU is an active participant in thematic working groups. The UNIDO Desk did not have access to UNCT and there could not be any contribution as such.
Jordan	Not a member of UNCT, does participate in some inter-agency meetings and actively participates in thematic working groups. UNIDO Desk office is also invited and effectively engages in various UN common exercise.

Table 3.2.6 HUU Participation in the UN Country Teams	
Lao PDR	Fully participating member of UNCT
Mali	Fully participating member of UNCT, as of January 2009 (in substantial ways)
Nicaragua	Fully participating member of UNCT, including 4 working groups
Rwanda	Member of UNCT, though room for growth. Participates in the Development partners consultative Group and Member of the UN Communication group.
Sierra Leone	Fully participating member of UNCT. Once, UNIDO prepared an advisory note (on request) for the UNCT as part of a submission to the Head of State.
Zimbabwe	Not a full member of UNCT. Only participates upon invitation by the UN RC. Participates some in inter-agency meetings and thematic working groups.

Source: HUU Self-assessment, 2009.

960

961 ***To what extent has the objective as set out in the Agreement towards coverage of 80 countries***  
 962 ***been achieved?***

963 **With a country representation in 46 countries by the end of 2009, UNIDO has - thanks to the**  
 964 **Agreement - expanded its country presence by over 50 percent.**

965 The Agreement intended to introduce a new model of field representation, which sought to  
 966 allow UNIDO “to ultimately expand its field presence to 80 countries.” The field presence in 80  
 967 countries includes the 30 UNIDO Country and Regional Offices already established at the  
 968 beginning of the Agreement. The Agreement does not specify in what period the expansion  
 969 should be achieved.

970 Of the envisaged 50 UNIDO Desks, 13 were established within the first two years of the  
 971 Agreement while three additional UNIDO Desks are being established in 2009 (Cambodia,  
 972 Kyrgyzstan and Mozambique). At the end of 2009, a total of 16 UNIDO Desks will have been  
 973 established. Although the target of coverage of 80 countries has not been achieved, adding 16  
 974 UNIDO Desks to the 30 country offices - an increase of over 50 percent - is a major improvement  
 975 towards expanded country presence. The main reason for failing the ambitious objective seems  
 976 to have been the unrealistic assumption that a Desk would become self-sustainable within two  
 977 years, which would then allow for opening of new Desks.<sup>30</sup> With the cost of the UNIDO Desks  
 978 now covered by the regular budget of UNIDO, plans to expand will continue to face financial  
 979 constraints.

980

981

### 982 ***3.2.4 Efficiency***

983 The evaluation team has identified two dimensions to assess the efficiency of the UNIDO Desks:

- 984 • contribution of the UNIDO Desks to the implementation of projects and programmes,  
 985 and
- 986 • cost efficiency of the UNIDO Desks and overhead income on technical cooperation.

987

---

<sup>30</sup> Joint Assessment of the Cooperation Agreement between UNIDO and UNDP (2006), para. 224.

988 ***To what extent have UDs contributed to efficiency in the implementation of projects and***  
989 ***programmes?***

990 **UNIDO Desks contribute to efficient implementation of projects, but several factors constrain**  
991 **them.**

992 The findings regarding the UDs' contribution to project implementation is mixed. The HUOs  
993 themselves are of the view that the UNIDO Desks:

- 994 • make communication between projects and Headquarters (UNIDO and/or UNDP) more  
995 efficient,
- 996 • make communication between projects and the host government much more efficient,
- 997 • provide crucial support to project staff, and
- 998 • increase UNIDO/UNDP's responsiveness to national needs and priorities with regard to  
999 private sector development.

1000 In addition, the survey of Headquarters staff reveals that the UDs have made communication  
1001 between projects and Headquarters (UNIDO and/or UNDP) more efficient.

1002 To UNIDO staff at Headquarters, the HUOs are beneficial in:

- 1003 • providing information on countries
- 1004 • establishing contacts
- 1005 • working with counterparts
- 1006 • preparing UNIDO missions

1007 However, national stakeholders mentioned the slow communication between UNIDO projects  
1008 and UNIDO Headquarters, in spite of UNIDO Desks. Beyond communication, UNIDO's centralized  
1009 implementation approach in general was an issue, particularly in comparison with UNDP's highly  
1010 decentralized structure. In some instances, UNIDO's general implementation capacity was  
1011 questioned.

1012 Different stakeholders mentioned several factors that hamper the ability of the UNIDO Desks to  
1013 contribute to a more efficient implementation:

- 1014 • HUO's very limited decision-making power, including with regard to the use of financial  
1015 resources;
- 1016 • the pressure (at the beginning) to become financially sustainable after two years;
- 1017 • UNDP management has sometimes perceived the UDs as "overdoing" it in its effort for  
1018 visibility and networking, not always in full coordination with UNDP;
- 1019 • the UNIDO Regional Offices create an additional layer of communication which currently  
1020 creates delays;
- 1021 • HUO's limited human resources to spend on providing implementation support because  
1022 of the many tasks at hand and lack of support staff;
- 1023 • UDs are not sufficiently integrated in UNIDO and UNDP IT networks (no access to  
1024 AGRESSO or ATLAS); and
- 1025 • not fully clarified responsibilities of HUOs regarding programme implementation at the  
1026 country level.

1027  
1028

1029 ***Are the UNIDO Desks cost-efficient and is overhead income on technical cooperation***  
1030 ***appropriate for measuring cost effectiveness?***

1031 **Not all UNIDO Desks are cost-efficient.**

1032 Based on the latest figures available, the average annual cost of a UNIDO Desk is approximately  
1033 US\$88,000 (see table 3.2.7). On average, staff costs (salary) are approximately US\$56,000 and  
1034 operating costs (e.g. rent) around US\$32,000.

1035 The total costs of the UNIDO Desks vary considerably from one country to the next. While the  
1036 total cost of the UD in Lao PDR is around US\$33,000, the UD in Ecuador costs approximately  
1037 US\$140,000. This finding suggests that cost-efficiency must be answered on a country-by-  
1038 country basis.

1039 The comparison between total costs of the UNIDO Desks and the volume of activities (financial  
1040 delivery) reveals a diverse picture (see Table 3.2.7, column E). While the total cost of the UNIDO  
1041 Desks in Lao PDR and Zimbabwe only amounts to seven percent of the total UNIDO delivery (a  
1042 three-year average), the same ratio is at 242 percent for the UNIDO Desk in Bolivia. In other  
1043 words, the cost of the UNIDO Desk in Bolivia is 2.4 times the delivery.

1044 Assuming a 13 percent cost recovery rate,<sup>31</sup> the cost recovery is within reach for UNIDO in only  
1045 five countries (see Table 3.2.7, column F). In the other eight countries, the cost of the UNIDO  
1046 Desk is higher than what is being recovered from project implementation under this  
1047 assumption.

1048 Full cost recovery may not be an appropriate benchmark. The criterion to generate programmes  
1049 and projects with sufficient income to cover the costs of the UNIDO Desk<sup>32</sup> was questioned by  
1050 the MTA: *"The financing strategy was unrealistic and inappropriate."*<sup>33</sup> Although this evaluation  
1051 agrees with the MTA that most variables, which affect the volume of technical cooperation and  
1052 income for UNIDO, are beyond the control of the UNIDO Desk, the volume of activities  
1053 compared to the cost of the UNIDO Desk is an important parameter in order to assess whether  
1054 or not a UNIDO Desk in a given country is justifiable.

1055 Common sense would demand that the ratio between UD cost and delivery in a given country  
1056 should (at least in the medium- and long-term) not be higher than around 50 percent, meaning  
1057 that UNIDO should spend at least twice as much on projects than on its Desk. In five countries,  
1058 the cost of the UNIDO Desk is still higher than 50 percent of the delivery (see Table 3.2.7,  
1059 column G). Thus, it appears that - after four years of investment - some UNIDO Desks do not yet  
1060 justify the occurring costs. This is not a question about the HUOs' performance. This is an  
1061 institutional question about whether or not a UNIDO Desk in a given country can be justified in  
1062 the long-term. Furthermore, the justification of a Desk cannot be dealt with by only comparing  
1063 cost with delivery. As demonstrated in Chapter 3.2.3 on the effectiveness of the UNIDO Desk,

---

<sup>31</sup> In the absence of budget figures, the recovery rate is calculated on financial delivery.

<sup>32</sup> Para. 5.3.k of the Agreement requires to "... close the UNIDO desks, if after two years of operations, it fails in any country to generate programmes and projects with sufficient income to cover the costs of the UNIDO Desks".

<sup>33</sup> Joint Assessment of the Cooperation Agreement between UNIDO and UNDP (2006) para. 150-153.

1064 delivery is only one of several criteria. There are other positive effects, such as the advisory role  
 1065 to governments, UNDAF participation or strengthening the UNCT. Justification of a Desk  
 1066 depends on the specific functions of a Desk in a particular country in a particular period.

1067 Finally, while the annual cost of a UNIDO Desk (approximately US\$88,000) is certainly lower  
 1068 than the annual cost of the full-fledged UNIDO country office (estimated at US\$350,000<sup>34</sup>), this  
 1069 evaluation is of the view that cost efficiency is not about comparing different modalities, but  
 1070 about – as demonstrated above – the ratio between cost and delivery in any given country.

1071

1072

	A	B	C (A+B)	D	E (C/D)	F (E<≈13%)	G (E<≈50%)
	Staff cost 3-year average (2006-2008) USD	Operating cost Allotment* (2008) USD	Total cost (annually) USD	Delivery 3-year average (2006-2008) USD	Total cost in % of delivery	Cost- recovery** within reach: ✓ (13% cost recovery rate)	Cost < 50% of delivery
Afghanistan	49,639	29,750	<b>79,389</b>	<b>502,111</b>	16%	✓	✓
Armenia	45,419	31,200	<b>76,619</b>	<b>84,094</b>	91%	✗	✗
Bolivia	79,759	46,290	<b>126,049</b>	<b>51,992</b>	242%	✗	✗
Burkina Faso	51,990	31,990	<b>83,980</b>	<b>76,908</b>	109%	✗	✗
Ecuador	105,583	34,370	<b>139,953</b>	<b>175,910</b>	80%	✗	✗
Eritrea	26,531	17,460	<b>43,991</b>	<b>103,461</b>	43%	✗	✓
Jordan	73,641	20,700	<b>94,341</b>	<b>270,290</b>	35%	✗	✓
Lao PDR	15,153	17,390	<b>32,543</b>	<b>476,792</b>	7%	✓	✓
Mali	58,615	32,053	<b>90,668</b>	<b>103,848</b>	87%	✗	✗
Nicaragua	72,259	14,100	<b>86,359</b>	<b>710,814</b>	12%	✓	✓
Rwanda	66,130	36,000	<b>102,130</b>	<b>774,729</b>	13%	✓	✓
Sierra Leone	27,711	67,825	<b>95,536</b>	<b>312,775</b>	31%	✗	✓
Zimbabwe	57,968	32,410	<b>90,378</b>	<b>1,316,002</b>	7%	✓	✓
Total	730,399	411,538	<b>1.141.937</b>	<b>4,959,727</b>	23%	✗	✓
Average	56,184	31,657	<b>87,841</b>	<b>381,517</b>	23%	✗	✓

Source: evaluation team, based on UNIDO data.

(USD/Euro exchange rate 1.35)

\* 2008 allotment: actual figures are not yet known as the accounting exercise through processing IOV (Inter Office

<sup>34</sup> Joint Assessment (2006), para. 45.



---

Vouchers) submitted by UNDP has not been completed. Savings are expected.

\*\* In the absence of budget figures, the recovery rate is calculated on financial delivery.

1073

1074

1075

### 1076 *3.2.5 Sustainability*

1077

#### 1078 *Are the UNIDO Desks sustainable?*

1079 **Sustainability depends on many factors, including country demand; demonstrable**  
1080 **comparative advantage of partnerships to meet country demands in the context of changing**  
1081 **aid environment; and commitment to partnership at all levels of organizations which in turn,**  
1082 **depends on the strength of the mutual benefits accruing through the Agreement including**  
1083 **resource mobilization. Sustainability can only be decided on a case-by-case basis.**

1084 The Agreement states an optimistic expectation that over time revenue generated, such as  
1085 support costs from the implementation of new programmes, will offset the costs of the Desks.<sup>35</sup>  
1086 This served as a strong incentive for the UDs to develop as many projects as possible. Already  
1087 the MTA concluded that this financing strategy was unrealistic and inappropriate and  
1088 recommended to “devise a sustainable funding arrangement for UNIDO Desks.”<sup>36</sup> The strategy  
1089 was not only unrealistic it was also not conducive to strengthen the cooperation between UNDP  
1090 and UNIDO, as this pressure caused the UDs to move forward without UNDP. Consequent to  
1091 these shortcomings of the original approach, UNIDO decided to cover all costs for the UNIDO  
1092 Desks from its regular budget. The UNIDO management has taken a decision to continue with  
1093 the UNIDO Desk model and has allocated the necessary resources in the UNIDO budget 2010-  
1094 2011.<sup>37</sup>

1095 The sustainability of the UNIDO Desks depends on a number of factors. Sustainability depends  
1096 on the continued demand for UNIDO services. In this regard, the team found that in the five  
1097 countries visited by the team, there is clear demand for industrial development as reflected in  
1098 the national development priorities. In addition, governments in the countries visited expressed  
1099 appreciation for the contributions of UNIDO’s support in areas related to PSD.

1100 Sustainability also depends on UNIDO’s ability - not the HUOs’ ability – to mobilize funding and  
1101 the willingness and power of donors to fund UNIDO projects. The evaluation found that it is very  
1102 hard for HUOs to mobilize funds at the country level. This relates to a general trend towards  
1103 increased budget support (e.g. European Commission in Armenia, Bolivia, Nicaragua and  
1104 Rwanda), which diminishes resources for technical cooperation available at the country level.  
1105 This also relates to the fact that UNIDO has very limited programmable resources, which HUOs  
1106 could bring to the table. Several development partners mentioned that co-financing of activities  
1107 is theoretically possible provided UNIDO contributes financial resources as well. Furthermore,

---

<sup>35</sup> Agreement, Article 5.3.k requires to “... close the UNIDO desks, if after two years of operations, it fails in any country to generate programmes and projects with sufficient income to cover the costs of the UNIDO Desks”.

<sup>36</sup> Joint Assessment (2006), para. 37, 56.

<sup>37</sup> Programme and budgets, 2010-2011, Proposals of the Director-General, UNIDO, IDB.36/7–PBC.25/7, 24 March 2009

1108 HUOs depend largely on Headquarters for the development of project proposals. Last but not  
1109 least, the HUOs' limited authority and ambiguous status does not enable fundraising.

1110 Third, the long-term success of a UD depends on the ratio between the UD cost and delivery in a  
1111 given country. As discussed above, the ratio between UD costs and delivery should - at least in  
1112 the medium- and long-term - not be higher than around 50 percent. Seven of the 13 UNIDO  
1113 Desks currently meet this criterion (see Table 3.2.7).

1114 Fourth, sustainability depends on the performance of the HUOs. Overall, the team found that  
1115 the HUOs are well-qualified, as confirmed by many stakeholders.

1116 Finally, the sustainability of the UNIDO Desks also depends on UNDP's readiness to host the  
1117 Desks within the UNDP premises. Although UNIDO now reimburses the UD costs incurred by  
1118 UNDP, the readiness to provide provision of office space and logistical support remains crucial.

1119

### 1120 **3.3 Findings: Joint PSD Programme**

1121

#### 1122 *3.3.1 The PSD Concept in the Agreement*

1123 The scope of the cooperation as described in Article II of the Agreement was that the parties  
1124 should *"work together at the country level on issues of sustainable industrial development in line*  
1125 *with the national priorities and the Millennium Development Goals as expressed in country level*  
1126 *frameworks, in particular the CCA/UNDAF."* With the MDGs promoted by the UN system, the  
1127 Agreement was seen as a platform for coordinated contribution aimed at involving the private  
1128 sector in the efforts of creating employment and reducing poverty.

1129 The main objectives of the joint PSD programmes are expressed in the Cooperation Agreement  
1130 Framework paragraph 2.3:

*"The ultimate objective of joint programmes is to expand, and enhance the impact of, both organizations' PSD support programmes with a view to strengthening the contribution of the private sector to the achievement of the Millennium Development Goals (MDGs) in developing countries. Special emphasis will be placed on the joint design and development of mutually reinforcing, interlinked support programmes, which can effectively tackle existing constraints to unleashing dynamic entrepreneurship."*

*Furthermore, the main benefit of joint PSD support programmes would be derived from the design of innovative solutions and partnerships, according to the Framework (Para 2.4).*

1131 The broad nature of the PSD concept and the resulting varying applications of the concept by  
1132 different actors in the PSD field, including UNDP and UNIDO, have led to a lack of common  
1133 understanding of what PSD is supposed to encompass. Furthermore, the Agreement and the  
1134 PSD Framework have different sets of activities for joint programme development. The  
1135 Agreement states that:

*"UNIDO, within the overall vision and framework to foster private sector development and with ultimate view to reducing poverty, shall make available the services described below.", namely: 1) Trade capacity building 2) Investment promotion 3) Agro-industries 4) Energy 5) Cleaner and sustainable industrial*

*development 6) Entrepreneurship and SME development*

1136 Alongside the Cooperation Agreement, a Framework for Joint UNIDO/UNDP Technical  
1137 Cooperation Programmes on Private Sector Development was drafted as a companion  
1138 document to the Agreement and signed together with the Agreement. It describes the  
1139 objectives, substantive areas and cooperation modalities of the envisaged joint programmes  
1140 aimed at strengthening PSD in developing countries. The Framework responds to the analysis,  
1141 conclusions and recommendations of the United Nations Commission on the Private Sector and  
1142 Development and gives substance to the fundamental recommendation of the Commission that  
1143 the operational strategies of development agencies be redirected towards a better coordination  
1144 of collective actions, based on specialization and partnerships.

1145 The Cooperation Agreement Framework defines four quite different components of programme  
1146 areas:

*1) Creating an enabling environment, 2) Assist skill and knowledge development, 3) Develop broad financing and investment options for entrepreneurs, 4) Mobilise private sector capabilities and resources*

1147

1148 These components are typical ingredients of many UNIDO and UNDP interventions, not only  
1149 those that are labelled as PSD (e.g. many projects in the area of environment and industry have  
1150 these components).

1151 The concept of PSD in the Cooperation Agreement does not refer to the commonly found  
1152 distinction between (i) interventions that strengthen the private sector as an engine for growth  
1153 and development (sometimes referred to as PSD in a narrow sense) and (ii) interventions that  
1154 involve the private sector in partnerships for development (sometimes referred to as private  
1155 sector engagement, PSE). This distinction, however, can now be found in the PSD strategies of  
1156 both UNIDO and UNDP.

1157 For UNIDO, the ambiguous definition of the PSD concept in the Agreement means that most of  
1158 the UNIDO services to promote sustainable industrial development can be interpreted as falling  
1159 under the Agreement. At the same time, UNIDO has a branch that specializes in PSD with a given  
1160 set of services (policy support, cluster and business linkages, rural development and women  
1161 entrepreneurship). UNIDO anchored implementation of the Cooperation Agreement to that  
1162 particular branch, resulting in a narrower focus than the one reflected in the Agreement.

1163

### 1164 ***3.3.2 The PSD Context***

1165 The roots of donor interest in PSD lay in the early 1980s, when the "Washington consensus"  
1166 shifted the focus from the regulatory role of the state in economic development to the idea of  
1167 self-regulating market. Correspondingly, the private sector and market forces became perceived  
1168 as more efficient, more productive and more conducive to promoting the economic growth

1169 necessary to achieve poverty reduction. Privatising state-owned enterprises, ‘unleashing’  
1170 market forces, increasing competition, and paring back the state’s role became viewed as the  
1171 optimal means of attaining development goals, including poverty reduction. The development  
1172 agencies could not ignore PSD, which, amongst other things, promised to mitigate a growing  
1173 sense of aid fatigue.

1174 Most of the international cooperation agencies started discussing the issue of PSD in the early  
1175 1990s. The OECD/DAC published its “Orientations for development co-operation in PSD” in  
1176 1995.<sup>38</sup> However, since then the concept has remained difficult to operationalise. This issue has  
1177 been raised by different stakeholders during this evaluation and is underpinned by findings of  
1178 relevant research: “donors work with concepts of PSD that are highly abstract...”<sup>39</sup> This can also  
1179 be gathered from the very broad descriptions of PSD used in different publications of UN  
1180 agencies, development banks and bilateral donors<sup>40</sup>. In fact, the PSD concept could as well be  
1181 interpreted as a cross-cutting theme similar to gender-related concepts. The list of UN  
1182 organisations that have appointed Private Sector Focal Points include the agencies usually  
1183 involved in economic development, like UNIDO, UNDP and IFAD, but also UNEP, WFP, WHO,  
1184 UNFPA, UNODC, UNV, UNESCO, UNICEF, and others.<sup>41</sup>

1185 The eight Millennium Development Goals that were formulated by the UN in 1999 established  
1186 very measurable goals for official development assistance. It was realised that the speed and  
1187 momentum of the current progress of the publicly financed development would not alone be  
1188 sufficient to achieve such goals. Since the private sector controlled significantly larger amounts  
1189 of financing directed towards the developing countries, the UN system developed the “Ten  
1190 Principles” described in the Global Compact as an invitation to partnership with private sector  
1191 enterprises. Merging the two into a new concept of Corporate Social Responsibility (CSR),  
1192 became the vehicle of cooperation that many donors applied in order to achieve its objective;  
1193 reducing poverty by promoting economic growth and social development in developing  
1194 countries. The Cooperation Agreement reflects much of the philosophy described above.

1195  
1196 The publication of the “Unleashing Entrepreneurship” report<sup>42</sup> of the UN Commission on the  
1197 Private Sector and Development recognised the importance of mobilising the private sector in  
1198 order to achieve the MDGs. It focused on two broad areas of action. First, the unleashing of  
1199 entrepreneurial forces, i.e. the creation and strengthening of private companies and related  
1200 institutions that stimulate the (pro-poor) growth of the economy. Second, the engagement with  
1201 the private sector in development, i.e. issues like CSR and foreign direct investment (FDI),  
1202 leverages additional resources for social advances (this area is sometimes also referred to as

---

<sup>38</sup> See: Support of Private Sector Development, OECD, 1995.

<sup>39</sup> Lau Schulpen and Peter Gibbon, Private Sector Development: Policies, Practices and Problems, Centre for International Development, Issues Nijmegen (CIDIN), Denmark, 2001.

<sup>40</sup> See for example: UN ECOSOC (<http://webapps01.un.org/nvp/frontend!polCat.action?id=122>).

<sup>41</sup> UN System Private Sector Focal Point meeting 2006, final participation list.

<sup>42</sup> Unleashing Entrepreneurship, UN Commission on Private Sector & Development, 2004.

1203 Private Sector Engagement (PSE)). While the report aimed at providing guidance for the PSD  
1204 efforts of the UN System and other partners, it did not foresee the creation of a coordinating  
1205 mechanism (e.g., UN Energy in the energy field) or funding vehicles (e.g., the UN Trust Fund for  
1206 Human Security) for PSD.

1207 Today, the PSD area is often referred to as a “crowded” field of development cooperation, with  
1208 many bilateral donors and multilateral agencies implementing their own strategies and projects.  
1209 Many donors have their own PSD programmes that are often connected and in cooperation with  
1210 their domestic productive sector. PSD became a concept that includes all types of activities  
1211 directed at strengthening the productive sectors in developing countries, from micro to  
1212 international.

1213 Agencies usually apply the term PSD in accordance with their own mandate and needs. Some of  
1214 the agencies have developed PSD strategies (UNDP, World Bank, UNIDO, IFAD), while others use  
1215 the term more loosely.

1216 Given that the PSD concept is not clearly defined, it is not possible to obtain meaningful  
1217 information on the volume and scope of international cooperation in the PSD field. For example,  
1218 road and energy infrastructures have direct linkages to PSD and many of the larger loans and  
1219 projects under the PSD heading include such components. However, it is safe to assume that  
1220 both UNDP and UNIDO are rather small players in terms of financial volume of PSD cooperation.  
1221 In 2006, for example, the Asian Development Bank (ADB) approved 22 PSD projects with a  
1222 combined value of US\$1.42 billion.<sup>43</sup> The UNIDO PSD portfolio in 2009 showed a volume of  
1223 approximately US\$80 million (UNIDO Infobase 2009) and an annual expenditure of US\$18  
1224 million for 2008 UNDP figures are available for yearly expenditures, amounting to approximately  
1225 US\$80 million.<sup>44</sup>

1226 Both UNIDO and UNDP work under serious constraints due to the limited availability of core  
1227 resources for projects and programmes. Both agencies depend to a large extent on non-core  
1228 funding from bilateral donors and from the governments of host countries for their TC activities,  
1229 including PSD projects. Moreover, donors’ budget lines for PSD are limited. With the exception  
1230 of the Spanish MDG Fund, which opened a private sector development funding window in 2008,  
1231 there are no other major funds directly focused on PSD support.

1232 Another factor potentially constraining a greater engagement in PSD on behalf of the UN has to  
1233 do with the current trends in official development assistance. The increasing share of direct  
1234 budget support in overall ODA further reduce the amount of funds that can be channelled  
1235 directly through UNDP or UNIDO, and poses a serious challenge in terms of redefining their role  
1236 in the ODA system.

---

<sup>43</sup> Private Sector Development and Operations: Harnessing Synergies with the Public Sector, ADB, Operations Evaluation Department, 2007.

<sup>44</sup> UNDP Private Sector Development Strategy, 2007.

1237 In most PSD strategies the reasoning to strengthen and involve the private sector is based on an  
1238 assumed direct link to poverty reduction and income generation. Combined with the fact that  
1239 today most developing countries have adopted private sector friendly policies, it is assumed that  
1240 the need for PSD in the developing world is enormous. This, of course, does not necessarily  
1241 result in a real developing country demand for PSD support from UN agencies. However, since  
1242 there is very limited coordination in the field of international PSD cooperation<sup>45</sup>, no guidance  
1243 documents or mechanisms exist to define specific roles for different actors (banks, bilateral  
1244 donors, UN agencies, etc.).

1245

### 1246 3.3.3 Implementation

#### 1247 ***Was the Cooperation Agreement implemented as planned?***

1248 **The MTA found that “the Agreement and the implementation strategy needed to be revisited”**  
1249 **in order to “overcome the implementation shortcomings identified.”<sup>46</sup> After the MTA in 2006,**  
1250 **no changes have been implemented.**

1251 After the Cooperation Agreement was signed in September 2004, UNIDO started organising  
1252 formulation missions in 2005 and attempted involving the UNDP country offices and host  
1253 governments. During 2005, six projects were formulated and presented to donors for financing.  
1254 The following year some more projects were jointly formulated, but the lack of success in  
1255 achieving financing chilled further efforts. The participation of the local UNDP staff was varying.  
1256 UNIDO Headquarters and UNDP country offices interpreted the Agreement in different ways  
1257 and/or adapted it to suit the specific context in which they were working. The MTA found that  
1258 this led to different types of programmes.<sup>47</sup>

1259 The MTA also stated that some of the reasons for the limited success after two years were due  
1260 to the fact that the Cooperation Agreement did not sufficiently consider the organisational  
1261 changes that were necessary for effective implementation.<sup>48</sup> *“Top management in both agencies*  
1262 *underestimated the order of magnitude of the changes that the Agreement was mandating for*  
1263 *their respective organizations.”* A number of factors clearly suggested the need for a broader  
1264 joint strategy. These factors include:

1265 *“(a) The two organizations did not, at many levels, know each other very well in regard to*  
1266 *programmes, operations and cultures;*

1267 *(b) There was internal resistance or indifference in both organizations; ignorance and pessimism*  
1268 *about the other party continues at present in both agencies to some degree.*

1269 *(c) The changes in organizational behaviour mandated by the Agreement required motivational*  
1270 *communications designed to convince concerned personnel in both agencies of its value. In*  
1271 *particular, UNDP’s de-centralized management structure necessitated a promotional effort with*

---

<sup>45</sup> A noteworthy exception is the Donor Committee for Enterprise Development (DCED, [www.enterprise-development.org](http://www.enterprise-development.org)).

<sup>46</sup> MTA (2006), Para 221.

<sup>47</sup> MTA (2006), Para 131.

<sup>48</sup> MTA (2006), Para 163.

1272 *its Country Offices for the Agreement, above and beyond simply communicating its terms. Such*  
1273 *an effort was especially important since Country Offices were being asked to absorb the local*  
1274 *operational costs of the Desks for two years”.*

1275 Since no further project formulation activities have taken place after the pilot phase according  
1276 to the UNIDO portfolio listing, the finding is also valid for the final assessment of the Agreement.

1277 The MTA had found that the different formulation and approval processes were causing  
1278 difficulties for implementing the Agreement<sup>49</sup>. *“Related to the problems of monitoring already*  
1279 *described is the specific issue of “approval” and what it means to the two organizations in the*  
1280 *context of collaborative efforts. For UNDP approval will usually come after resources have been*  
1281 *mobilized, the project has gone through a local appraisal process and has been signed by the*  
1282 *government. For UNIDO, approval precedes funds mobilization and will usually come after the*  
1283 *project or programme document has been formulated. This difference in approach can help*  
1284 *explain apparent misunderstandings and the long delays between UNIDO approval and final*  
1285 *approval by UNDP.”* The Cooperation Agreement was found to be insufficiently specific for  
1286 effective implementation, but no action has been taken after the MTA in order to bridge the  
1287 differences between the two agencies.

1288 In classifying the projects, there still exists a lack of conceptual clarity defining which  
1289 programmes can indisputably be considered “joint”. Both UNDP and UNIDO are members of the  
1290 UNDG and the UNDG Guidelines produced in late 2003 provide a menu of approaches for  
1291 preparation of joint programmes:

*“A joint programme is a set of activities contained in a common work plan and related budget, involving two or more UN organizations and (sub-) national partners. The work plan and budget forms part of a joint programme document, which also details roles and responsibilities of partners in coordinating and managing the joint activities. The joint programme document is signed by all participating organizations and (sub-) national partners.”* (Source: www.undg.org)

1292 These Guidelines provided by UNDG were not utilized (see also paragraph 173 of the MTA).  
1293 Additionally, the guidance provided in the Agreement itself was not sufficiently clear for  
1294 operational purposes, hence different interpretations were found during the evaluation. The  
1295 Cooperation Agreement left implementation modalities to be decided between the parties and  
1296 this resulted in lengthy processes. The Agreement was not very specific on how the above  
1297 objectives of PSD should be achieved programmatically. Due to this, deadlock situations  
1298 between the partners occurred at the operational level, which hampered and delayed  
1299 implementation in several cases. It took, for example, three years to resolve the implementation  
1300 modalities for one of three approved projects in Sierra Leone even after the project was partly  
1301 funded by an Irish Trust Fund.

1302 The MTA found that the Agreement described an inappropriate approach for pilot activities.  
1303 *“The Agreement was too rigid for what was meant to be a pilot exercise. It neglected to provide*  
1304 *for a mechanism for adaptation during the pilot phase. This was a critical oversight as any pilot*

---

<sup>49</sup> MTA (2006), Para 198.

1305 *activity requires a robust framework for monitoring and feedback so that required adaptations*  
1306 *can be identified and implemented.*<sup>50</sup> The parties to the Agreement established a formal joint  
1307 management mechanism, as recommended in the MTA, which should monitor, identify and  
1308 resolve operational problems, but the mechanism never functioned.

1309 A total of 11 countries were identified for joint programmes on PSD at the outset of the  
1310 cooperation: Lao PDR, Nicaragua, Nigeria, Tanzania, Rwanda, Afghanistan, Burundi, Ethiopia,  
1311 Ghana, Sierra Leone, and Jordan. A reserve list was established in January 2006 for periodical  
1312 review/reactivation of activities: Angola, Ecuador, Kazakhstan, Mozambique, Senegal, and  
1313 Regional Asia. However, the formulation of joint projects stopped at the end of 2006 and almost  
1314 no further activities were registered until the Spanish MDG Fund opened its Private Sector  
1315 Window in 2008 for joint projects executed by UN agencies.<sup>51</sup> At the time of this evaluation, 15  
1316 countries are listed as having draft documents for joint PSD programmes under the Agreement.  
1317 UNIDO Headquarters provided a list of jointly formulated projects per February 2009 as  
1318 presented in Table 3.3.1. However, it is unclear what the role of the Agreement was in their  
1319 preparation. In cases where the documents were prepared for submission to the Spanish MDG  
1320 Fund and where other agencies are usually involved, it is safe to assume that these documents  
1321 would have been produced with or without the limited guidance provide by the PSD component  
1322 of the Agreement and that the PSD component of the Agreement, as such, did not add any value  
1323 to the formulation.

1324 The Framework states clearly that the format of the joint PSD programmes should “... *follow the*  
1325 *formats defined in the UNDP Programming Manual*” (Article 4.4). This procedure could place  
1326 UNIDO in the role of contractor to UNDP and is contrary to the spirit of partnership with  
1327 synergies upon which the Agreement is based. The Agreement and the Framework do not refer  
1328 to the DOCO’s work on policies and procedures on UN Reform, including the harmonization of  
1329 operational procedures that were issued in December 2003. The MTA recommended that the  
1330 DOCO Joint Programming Guidelines should be applied as default guidelines to facilitate inter-  
1331 agency cooperation. However, the Agreement was never amended. With respect to the joint  
1332 PDF programmes, the guidance on implementation is hence generally found insufficient.

1333 The MTA found that “*the two organizations and the PSD Framework had different concepts and*  
1334 *areas of interest related to PSD. Not much had been done to enhance conceptual clarity.*”<sup>52</sup> The  
1335 MTA team considered that there had been missed opportunities in this respect and that there  
1336 was great potential for collaboration in this area. Further, the relationship between various  
1337 country level programming instruments (i.e. UNDAF, UNIDO integrated programmes, and joint  
1338 programmes) was identified as a source of confusion. In that sense the Cooperation Agreement  
1339 was vague.

---

<sup>50</sup> MTA (2006), Para 220.

<sup>51</sup> The exceptions include Mali (Valorisation Produits Agropastoraux funded by Luxembourg), and Armenia.

<sup>52</sup> MTA (2006), Para 31.



1340 After the MTA, both organizations developed their own PSD strategy documents. Both strategies  
 1341 are to a large extent similar in terms of areas of intervention (e.g. value chains, cluster, policy,  
 1342 CSR, etc.), but reflect each agency's approach to TC, trying to define specific niches. Both  
 1343 documents can be considered products driven by the respective agency. As such they do not  
 1344 contribute to the conceptual clarification demanded by the MTA, which would have required an  
 1345 ample consultation process resulting in strategies based on a common understanding of PSD.  
 1346 The strategy for cleaner production (CP) recently developed by UNEP and UNIDO can serve as an  
 1347 example for such an approach.

1348

1349 **Table 3.3.1 Progress Report on UNIDO/UNDP Framework Agreement on Joint PSD Programmes**  
 1350 **February 2009**

<i>Countries</i>	<i>Formulation date of joint Concept / Pro Doc</i>	<i>Title</i>	<i>Budget in USD</i>	<i>Amount of mobilized funds and source of funding incl. UNIDO and/or UNDP funding</i>
Afghanistan	2006	Private-sector-led Growth for Sustainable Livelihood in the Balkh Province	Total 2,250,847 UNIDO: \$ 1.5 mill UNDP: \$ 0.258 mill	
Armenia	June 2007	UNDP-UNIDO Joint PSD Programme	\$: 1 mill	
Bolivia		None		
Burkina Faso		None		
Burundi	Jan 2005	Politiques de développement industriel du Burundi et cadre de mise en oeuvre		
Ecuador	Oct 2008	Programme for economic inclusion through public-private sector coordination	UNIDO: 2,753,628 UNDP: 2,426,760 FAO: 875,260 ILO: 749,749 UNESCO: 603,373 UNICEF: 257,197	Waiting for MDG- F response on whether Ecuador PSD Window proposal is approved & funded
Eritrea		None		
Ethiopia	2005	PSD and TCB Programme	\$: 5, 8 mill	
Ghana	2005	UNIDO contribution to PSD in Ghana in the framework of UNDP-UNIDO joint program formulation	\$: 1.215 mill	
Jordan	Dec 2008	Strengthening the capacities in the Jordanian private sector to reduce poverty & promote development	\$: 4.2 mill	Submitted for approval from MDG-F
Jordan	Nov 2008	Promoting food security in Jordan	\$: 6.11 mill	Submitted MDG-F
Lao PDR	2005	Promoting PSD through the strengthening of chambers of commerce and industry (CCIs) and business associations (BAs)	\$: 2.3 mil	UNIDO: € 200,000 UNDP: \$ 250,000
Mali		None		
Nigeria	2005	UNDP/UNIDO Private Sector Support Programme	\$: 18.234 mill	
Nicaragua	2005	Programa de desarrollo del sector privado enfocado en las PYME del rubro agroindustrial	\$: 14.804 mill	
Philippines		None		
Rwanda	Sep 2005	Promotion of opportunities for private sector enterprise expansion, development and shared-growth	\$: 1,475 mill	UNIDO:\$ 155,000 UNDP: \$ 150,000
Sierra Leone	2006	UNDP/UNIDO Joint Programming in PSD	\$: 1,735 mill	UNDP/Irish TF funds: \$ 760,000
Tanzania	2005	Private Sector Support Programme	\$: 6 mill	UNIDO:€ 300,000
Zimbabwe		None		

1351 Source: UNIDO PTC/PSD progress report, February 2009

1352

1353 ***To what extent were joint fundraising activities undertaken?***

1354 **The MTA found that no joint PSD programmes had mobilized the intended level of resources.**  
1355 **No changes have taken place for the joint PSD programmes since then with the exception that**  
1356 **some components have been presented to the Spanish MDG Fund.**

1357 Resource mobilization proved to be one of the major constraining issues facing the joint PSD  
1358 programmes. Much time and resources went into preparing the programmes, but after some  
1359 discouraging results, resource mobilization efforts did not receive priority since earlier efforts  
1360 yielded meagre results. The Agreement handles the fundamental issue of resource mobilization  
1361 in a sub clause under the UNDP obligations:

*UNDP Undertakes to explore with UNDO further opportunities for cooperation, including the possibility of joint resource mobilization activities to secure additional funding for joint programmes and projects.*

*CA paragraph: 2.1.5*

1362 The MTA found that many joint PSD programmes were very ambitious from a resource  
1363 mobilization perspective.<sup>53</sup> Programme formulation missions contacted donors at the country  
1364 level and were in some cases preceded by stakeholder consultation missions. This approach,  
1365 however, proved to not be sufficiently effective and should have been backed by more high-  
1366 level joint resource mobilization efforts, including a joint approach to donor capitals, as  
1367 originally envisaged by the Agreement.<sup>54</sup>

1368 Only in a few countries did joint fundraising take place. In Nicaragua, for example, three  
1369 meetings were held with donors, but lack of response stopped further efforts of funding the  
1370 total programme as a single package. In most countries, no initiative was taken. Some UNDP  
1371 Resident Representatives found that the procedures for both joint project formulation and joint  
1372 fundraising were contrary to the UNDP priorities – and therefore not implemented. In the Self  
1373 Assessment, nine HUOs state that fundraising rarely was undertaken during the functioning of  
1374 the Desk. Three respondents state that fundraising never took place and only one responded  
1375 that it happened occasionally.

1376 By May 2007, six PSD programmes had received approval from UNIDO Headquarters: Lao PDR,  
1377 Nicaragua, Nigeria, Rwanda, Sierra Leone, and Tanzania. At the time of this evaluation, limited  
1378 implementation of activities in two programmes is ongoing with UNIDO funds in Lao PDR and  
1379 with UNIDO and UNDP co-funding in Rwanda under the One UN programme. As per February  
1380 2009, US\$363 thousand was spent. Another (the third) the joint PSD programmes has begun  
1381 implementation in Sierra Leone early 2009 with funding from the Government of Ireland.

1382 Of an accumulated budget of US\$5.5 million for these three projects, only US\$0.76 million has  
1383 been obtained from external financing, while US\$0.76 million has been provided from core  
1384 resources. In spite of external funding having been available for the Sierra Leone project that  
1385 was formulated in 2006, no expenditures have been made so far. As per February 2009 no joint

---

<sup>53</sup>Joint Assessment (2006), Para 192.

<sup>54</sup> See point 6 of the Framework for Joint Technical Cooperation Programmes on PSD.

1386 PSD programme has yet mobilized the budgeted amount of resources. Some core resources  
 1387 have been committed by both UNIDO and UNDP, but this is insignificant seen in light of the  
 1388 financing need (Table 3.3.2).

1389 The potential for raising financial resources at the local level to finance UNIDO or UNIDO/UNDP  
 1390 PSD activities is also questionable in some countries. In Lao PDR for example, there are a rather  
 1391 limited number of donors active in PSD. They have well defined agendas and are not necessarily  
 1392 inclined to fund the UN in PSD. Evidence of the same was observed in Nicaragua and Bolivia.

1393

1394 **Table 3.3.2 List of Ongoing Activities within the UNIDO/UNDP Framework Agreement - PTC/PSD, March**  
 1395 **2009**

<i>Country</i>	<i>Formu- lation date</i>	<i>Title</i>	<i>Budget USD</i>	<i>Amount of Funds mobilized</i>	<i>Expenditures as of end Feb 2009</i>
Lao PDR	2005	Promoting PSD through the strengthening of chambers of commerce and industry (CCIs) and business associations (BAs)	2,3 mill	UNIDO: € 200,000 UNDP: \$ 250,000	XP/LAO/06/001: <b>\$: 191,668</b>
<p><b>Status:</b> Implementation of the project started in Aug 2006 with seed fund allocations by UNIDO (EUR 200,000; for project outputs 2-4, all dealing with advisory and capacity building support geared at business membership organizations [BMOs]) and UNDP (US\$250,000; for a focus on output 1 on PSD-related research). Since funds mobilization attempts for the remainder of the overall US\$2.3 million project budget failed, UNIDO support focused on "first things first". i.e. assistance towards the creation of a new legal base for the transition of an erstwhile state chamber system to a "continental system" that the government had initiated with the formal release of the Lao National Chamber of Commerce and Industry (LNCCI) from government coffers to becoming an independent, private sector led entity.</p>					
Rwanda	2005	Promotion of opportunities for private sector enterprise expansion, development and shared-growth	1,5 mill	UNIDO: \$ 155,000 UNDP: \$ 150,000	FB/RWA/08/B01 <b>\$ 70,793</b> FB/RWA/08/H01 <b>\$ 33,284</b> XP/RWA/06/005 <b>€: 67,868</b>
<p><b>Status:</b> Programme formulation mission in September 2005; follow-up UNIDO mission October 2005, preliminary programme document endorsed by UNDP Local-PAC May 2006, cleared by UNIDO PAC for donor negotiations in June 2006. Programme launched 26 September 2006, UNIDO allocated seed money of \$ 155,000, UNDP contributed \$ 150,000; UNIDO project monitoring mission in March 2007. In October 2007, two SMEs were selected to serve as food-processing demonstration units.</p> <p>2009; With the joint ONE-UN/UNIDO funds upgrading of technical equipment of selected SMEs and on-site training in operation/maintenance of equipment and processing techniques is now scheduled for June 09.</p> <p>FB/RWA/08/B01 Entrepreneurship Development Curriculum (EDC); FB/RWA/08H01 Capacity Building Food Processing; XP/RWA/06/005 PROPSEED.</p>					
Sierra Leone	2006	UNDP/UNIDO Joint Programming in PSD	1,7 mill	UNDP/Irish TF funds: \$ 760,050	DZ/SIL/08/001: <b>(so far no expenditures)</b>
<p><b>Status:</b> After UNDP Res Rep expressing high interest in January 2006, kick-off programming mission was held 25 March – 4 April 2006. Draft document with initial comments by FAO, UNIFEM and UNDP finalized in February 2007 together with Letter of Agreement for UNDP/Irish TF funding. Approved by UNIDO PAC on 13 March 2007.</p> <p>Upon receipt of work plan, UNDP has transferred the first installment of the project budget, € 0.3 mill incl. support costs, to UNIDO in late 2008. After PAD issuance, implementation will start 2<sup>nd</sup> quarter 2009. DZ/SIL/08/001 (\$ 760,000)</p> <p>UNDP/Irish TF funds received in 2008, PAD issuance delayed; BSO to clarify budget total</p>					

1396

Source: UNIDO PTC/PSD progress reports, 2009

1397

1398 In spite of very limited results in raising funds for joint PSD programmes conceived and  
 1399 formulated under the Agreement, some good practices have been identified in terms of

1400 coordinated resource mobilization efforts of UNIDO and UNDP at the country level. One such  
1401 case is that of Nicaragua, illustrated in Box 1 below.  
1402

**BOX 2: Nicaragua – an example of collaboration at country level**

After its establishment, the UNIDO Desk, in cooperation with the UNDP Cluster Coordinator for Equitable Economic Development, has worked to design a Joint Programme for PSD support in Nicaragua. This resulted in the formulation of a large PSD support programme with a budget of 14 million USD. Once the programme had been approved by UNIDO Headquarters, the UNIDO Desk in Nicaragua and UNDP engaged in joint resource mobilization activities. Three meetings with different donors were held to present the programme and discuss funding possibilities. None of the donors committed to finance the entire programme, though some interest was shown. Some of the donors stated that they were increasingly shifting their ODA to budget support, away from project finance through agencies.

Unable to secure funding for the JP in 2006 as a single package, the UNIDO Desk and UNDP decided to use the JP document as a programmatic framework, within which they would raise funds for specific components from different donors, while trying to maintain an overall coherence and coordination of the activities of the different projects.

When the Spanish MDGF opened a window in 2008 this proved to be a successful strategy that led to the funding of 3 Joint Programmes under the MDG-F<sup>55</sup> in which both UNIDO and UNDP participate, together with other UN Agencies, Funds and Programmes, as well as national institutions. All of the three programmes focus on issues that are relevant to the Agreement, such as employment generation and creation of opportunities for economic development.

1403

1404

1405 ***To what extent did UNIDO and UNDP promote the Agreement at the country level and among***  
1406 ***donors and facilitate country level implementation of the Agreement?***

1407 **Promotion of the Agreement by the two organizations and facilitation of the implementation**  
1408 **at the country level were limited during the pilot phase and even less evident during the final**  
1409 **phase.**

1410 The MTA team observed that arrangements for the management of the implementation of the  
1411 Agreement were sub-optimal in both organizations and that divided responsibilities left some  
1412 voids in ownership and management follow-up at the country level.<sup>56</sup>

1413 The extent of promotion of the Cooperation Agreement at the country level and among donors  
1414 after the MTA is not evident. General lack of knowledge of the existence of the Agreement  
1415 particularly on the UNDP side was found in some country offices that were interviewed during  
1416 the field visit. In one case, a member of the country office management team was only made  
1417 aware of the Cooperation Agreement in connection with the evaluation visit.

1418 In some cases it was found that rotation of UNDP field staff has further decreased the level of  
1419 awareness of the Agreement at UNDP field offices.

---

<sup>55</sup> Six Joint Programmes have been approved and funded by the MDG-F in Nicaragua. Three of them see the participation of UNIDO and UNDP.

<sup>56</sup> Joint Assessment (2006), Para 170.

1420 During the Agreement period, UNDP has developed its own Headquarters PSD unit, and its PSD  
1421 strategy was finalized in 2008. UNIDO is in the process of preparing its PSD strategy, but the  
1422 draft version only mentions the existence of the Agreement along with other partnerships, and  
1423 does not reflect on coordination or modes of cooperation. A joint strategy could have been a  
1424 desired result of the Agreement. The interaction between the UNDP PSD unit and the UNIDO  
1425 PSD unit was limited and of an ad-hoc nature. However, some exchange took place in the  
1426 context of the Donor Committee for Enterprise Development (DCED), in which both agencies  
1427 participate.

1428 The MTA noted that there had been no joint presentation of the Cooperation Agreement to the  
1429 Headquarters of key potential donors and no joint mobilization of funds for specific activities,  
1430 including joint PSD programmes.

1431 No evidence is found by this evaluation team that UNDP has actively facilitated country level  
1432 implementation. Promotion and facilitation of the Agreement depends more on country offices  
1433 than on Headquarters. This observation was confirmed in interviews at UNDP Headquarters and  
1434 during the field validation missions. The main support from UNIDO in implementation of the  
1435 Agreement was the formulation missions for joint PSDs already mentioned above. With respect  
1436 to development of joint PSD programmes, UNIDO made investments of approximately  
1437 US\$500,000 for project formulation activities under the Agreement during the initial two-year  
1438 pilot phase. The MTA found that “UNIDO had high expectations with regard to increasing its  
1439 resource mobilization and formulated the PSD programmes accordingly. It seems that some of  
1440 this optimism resulted from perceived donor enthusiasm for joint or harmonised approaches, at  
1441 least in their headquarters rhetoric.”

1442

1443 **Were the findings and recommendations of the MTA carried out in 2006 acted upon?**

1444 **With respect to joint PSD programmes, the recommendations of the MTA were not**  
1445 **implemented. A task force was established but did not produce observable effects with regard**  
1446 **to the joint PSD programmes.** The MTA recommended both assigning more resources to carry  
1447 out comprehensive country analysis, and giving highest priority to joint global resource  
1448 mobilization. Neither was acted upon. None of the respondents have seen any tangible evidence  
1449 of response to the MTA recommendations by the Agreement partners. The recommendation of  
1450 the MTA to clarify complementarities in PSD was also not acted upon.

1451

### 1452 *3.3.4 Relevance*

1453 ***Taking into account other initiatives of UN Reform, new funding sources and modalities, are***  
1454 ***all elements of the Cooperation Agreement between UNIDO and UNDP still relevant /***  
1455 ***appropriate to the country context?***

1456 **The emergence of several joint programme funding initiatives as well as the progress made in**  
1457 **the operationalization of the UN Reform have, to a large extent, made the Agreement**  
1458 **redundant with respect to joint PSD programmes.**

1459 The Agreement was important in establishing stronger local presence and profile for UNIDO. The  
1460 establishment of UNIDO Desks led also to closer cooperation and better coordination with other  
1461 agencies. However, with respect to joint PSD programmes, other institutional developments  
1462 promoted by UNDG and parts of the UN Reform, including DaO, have presented clearer  
1463 guidelines and better protocols than the ones described in the Cooperation Agreement. More  
1464 importantly, the examples of the MDG Fund, other trust funds (such as the one for human  
1465 security) and the One UN funds have clearly demonstrated that cooperation among agencies  
1466 occurs swiftly as soon as funding opportunities are attached to the cooperation frameworks. It  
1467 can be seen by the fact that while the projects prepared under the Agreement so far have  
1468 encountered limited success of achieving funding, the Spanish MDG Fund so far has had  
1469 substantially more success both with regards to funding and joint cooperation. As already stated  
1470 in this chapter, increased priority on the budget support modality will represent a new challenge  
1471 for the UN. The limited willingness expressed in interviews and track records of host  
1472 governments “buying services from the UN system” indicates the need to explore new sources  
1473 of funding and/or take a new role in the overall ODA system and particularly as relates to PSD  
1474 support.

1475 The stakeholder survey confirms these findings, with almost two thirds of the Headquarters staff  
1476 that responded stating that the Cooperation Agreement had no or limited relevance with regard  
1477 to PSD activities.

1478

1479 ***Are the objectives of the joint PSD programme as set out in the Agreement of continuous***  
1480 ***relevance to partner countries, UNIDO and UNDP?***

1481 **All of the host countries covered by the Agreement have employment creation and income**  
1482 **generation as priority areas in their respective national policies.** The overall objectives of  
1483 enhanced impact of PSD activities are hence of continued relevance to partner countries.

1484 However, while economic development, employment creation and income generation are a  
1485 priority in all the countries covered by the Agreement, the policies to achieve them do not  
1486 always coincide. In some countries, like Nicaragua and Bolivia, there is greater emphasis on  
1487 community-level initiatives and on state-led industrialization than on private sector industrial  
1488 development. In other countries like Lao PDR, the government explicitly mentioned that PSD,  
1489 and, in particular, entrepreneurship development, is seen as very important for the future of the  
1490 country. This is very much in line with the origins of the Agreement (“Unleashing  
1491 Entrepreneurship”).

1492 The relevance of overall objectives to partner countries was confirmed by the responses of the  
1493 stakeholder survey among Headquarters staff, where a great majority is of the view that the  
1494 objectives of the Agreement with regard to joint PSD programmes are still relevant to *partner*  
1495 *countries* but the evaluation team was not able to collect sufficient evidence from the partner  
1496 countries to determine if these are of the same opinion.

1497 However, the relevance of the more immediate objective of the Cooperation Agreement, i.e. the  
1498 cooperation between UNDP and UNIDO, was not confirmed during stakeholder interviews in  
1499 selected countries.

1500 Also, a great majority of the UNIDO and UNDP staff surveyed stated the opinion that the  
1501 objectives of the Agreement with regard to joint PSD programmes are still relevant to *UNIDO*  
1502 *and UNDP*.

1503 The HUOs are of the opinion, as expressed in the Self-Assessment, that the Agreement's  
1504 objective to *enhance the impact of both organizations' PSD support programmes* are of  
1505 continuous relevance to *host countries*.

1506

1507 ***Has the selection of target countries for the implementation of the Agreement been relevant?***

1508 **The constraints encountered during the implementation of the joint PSD programmes and the**  
1509 **lack of successes is not found to have been affected by the choice of target countries.**

1510 The MTA found that, in selecting countries for PSD programmes, a conscious choice was made  
1511 to target countries meeting the criteria of i) demand orientation and ii) existence of good  
1512 potential for PSD development (including linkages with CCA, UNDAF, PRSPs, and funding  
1513 opportunities). In spite of care taken during the selection, the results were not forthcoming. UN  
1514 internal constraints were found by analysing material collected to be more limiting, like i) the  
1515 lack of conceptual clarity and common understanding of PSD priorities and planning  
1516 mechanisms, ii) the lack of foreseen fundraising, iii) limited funding opportunities for joint PSD  
1517 programmes, iv) asymmetry of the organisations, and v) others.

1518 At the time of this evaluation, no evidence is found that selection of countries in general was the  
1519 prime cause for the limited joint PSD achievements. The political environment, placement of a  
1520 UNIDO Desk, the continuity of support received from UNDP, funding, and a facilitating legal and  
1521 economic framework are important factors for establishing successful PSD cooperation at the  
1522 country level. Some of these factors have changed considerably in some countries during the  
1523 evaluation period (e.g. Zimbabwe, Eritrea, Bolivia, and Nicaragua).

1524 ***Is the Agreement relevant to strengthening complementarities and to creating synergies***  
1525 ***between the two organizations? (B6)***

1526 **Relevance of the Cooperation Agreement in creating synergies between the two partners was**  
1527 **initially limited by lack of interest. Gradually, through the presence of the UNIDO Desks at the**  
1528 **country offices, synergies and evidence of complementarities are emerging. But the joint PSD**  
1529 **programme component of the Agreement did not play a role in this.**

1530 At the time of establishing the Agreement, the work of UNIDO was mainly known to address  
1531 advocacy and policy advice on the business environment and interventions to support small and  
1532 medium scale enterprise development. The UNIDO competence in these areas was supposed to  
1533 add value to the cooperation, benefiting UNDP's increasing PSD activities. The MTA found that

1534 the potential for synergy was not fully grasped by UNDP.<sup>57</sup> Interviews with UNDP staff at  
1535 Headquarters and some country offices suggested that in many cases the specialized role and  
1536 competence of UNIDO in PSD was not recognised. A better understanding of areas and  
1537 modalities of UNIDO’s work could have helped to make the Cooperation Agreement more  
1538 effective.

1539 The relevance of the Agreement in strengthening the complementarities and in creating  
1540 synergies between the two organizations is currently found to be variable. In Lao PDR for  
1541 example, the Agreement was certainly the reason behind the development of the joint PSD  
1542 project. It was the first time UNDP became active in PSD in Lao PDR. UNDP is interested in  
1543 expanding collaboration with UNIDO, but needs to clarify its own role with regard to PSD in Lao  
1544 PDR first. Both agencies confirm the good working relationship related to PSD. The objective of  
1545 the Agreement to strengthen the collaboration in PSD is still seen as relevant.

1546 As described in the Cooperation Agreement, the segments of PSD are many and difficult to  
1547 define precisely. Both parties to the Agreement now work in the PSD field and this could, in light  
1548 of the Agreement, be seen as a UNDP “mandate creep”. However, the needs and demand in  
1549 countries outweigh the supply capacity of both agencies, making it possible to avoid direct  
1550 competition between the two Agencies and focus on different aspects of PSD. While this context  
1551 offers the potential to avoid conflict, it does not promote synergies either. With respect to the  
1552 presence of a UNIDO Desk at the country office of UNDP, it is found that the Desk contributes  
1553 with its complementary technical and human capacity to address some of the challenges of  
1554 inter-agency cooperation in PSD.

1555 The HUOs responding in the Self-Assessment are of the view that complementarities and  
1556 synergies between UNDP and UNIDO were only strengthened to some extent since the  
1557 establishment of the UNIDO Desk. Joint activities take place, but competition and lack of  
1558 interest to collaborate on UNDP’s side are also mentioned.

1559

1560 ***Is the Agreement relevant in relation to other multi-partner cooperation initiatives in the area***  
1561 ***of PSD?***

1562 **Recent developments at the UNDP country offices in planning and implementation have made**  
1563 **the relevance of the Agreement to multi-donor PSD cooperation redundant.**

1564 The cooperation that exists at the project formulation and implementation level between  
1565 agencies in the countries visited is, with the exception of Lao PDR, not directly attributable to  
1566 the Cooperation Agreement. Other cooperation initiatives have appeared, like the donor-  
1567 initiated coordination at country level (e.g. MDG Funds), which is frequently organised in  
1568 thematic groups including PSD as one area. Recent UN reforms changing the programming  
1569 arrangements and implementation processes include wider cooperation and coordination.  
1570 These processes provide more powerful incentives for cooperation than the Agreement.

---

<sup>57</sup> Joint Assessment (2006), Para 164.



1571 Another question is whether the Agreement has added any value to the discussion in PSD, in  
1572 particular regarding other initiatives such as Global Compact, donor coordination such as the  
1573 DCED, Global Reporting Initiative, World Business Council on Sustainable Development  
1574 (WBCSD), etc. Given that, on the one hand, the Agreement has produced limited results in  
1575 furthering the substantive discussion in the PSD area, and, on the other hand, taking into  
1576 account that the Agreement did not have a strong management mechanism that both agencies  
1577 could have used as a platform to voice common concerns and launch joint proposals (e.g. to  
1578 improve Global Compact), it is clear that the Agreement did not offer any value to other multi-  
1579 partner cooperation initiatives in the PSD field.

1580 Representatives of donors in host countries expressed reservations when considering financing  
1581 of UN PSD projects. Donors interviewed generally do not regard the efficiency as high, and  
1582 many agencies now work on developing direct budget support or prefer implementation of  
1583 project work through their own, bilateral executing agencies. On the other hand, there is also no  
1584 evidence that governments will, to a significant extent, finance general PSD projects with their  
1585 own funds (e.g. the ones they obtain through budget support), except for very specific strategic  
1586 interventions. The MTA pinpointed the changes in international development assistance that  
1587 affect the relevance of the Cooperation Agreement by the following quote:

*“International development assistance is undergoing a transformation, emphasising greater national ownership and the harmonisation and alignment of donor programmes with the development priorities of recipient countries. Principles behind the transition have been outlined in the Paris High-Level Forum on Aid Effectiveness (2005). New aid modalities are emerging to support implementation of the harmonisation and alignment agenda, among them Direct Budget Support in the forms of General Budget Support (GBS) and Sector Wide Approaches (SWAs). These modalities are the logical outcome of reform policies championed by the United Nations over the past two decades. However, their implementation erodes some of the organisation’s traditional roles, programmes and funding sources. The United Nations system is, therefore, challenged to respond both in its country programmes and at the corporate level.*

*Source: “The UN System and New Aid Modalities”, Scanteam, Oslo (2005)*

1588  
1589  
1590

### 1591 3.3.5 Effectiveness

1592 ***Did the cooperation lead to expanded PSD programmes of both organizations with enhanced***  
1593 ***impact?***<sup>58</sup>

1594 **The cooperation has not led to expanded PSD programmes with enhanced impact.**

1595 There is clear evidence that the Agreement did not lead to expanded PSD programmes with  
1596 enhanced impact. As mentioned earlier, out of the original joint programming exercise, only two  
1597 projects passed the stage of formulation and went into implementation (Lao PDR and Rwanda).  
1598 In both cases, only a small fraction of the original budget could be mobilized. The total amount  
1599 implemented in these two projects (approx. US\$0.5 million each) represents less than 1 percent  
1600 of the two agencies’ PSD portfolios. While this does not answer the question of whether or not

---

<sup>58</sup> Impact is described in the “Framework” as “strengthening the contribution of the private sector to the achievement of the MDGs in developing countries” and “effectively tackling constraints to unleashing dynamic entrepreneurship.”

1601 the two projects have led to results at the country level, it clearly proves that the Agreement has  
1602 not led to expanded PSD programmes of both agencies.

1603 During the MTA the team found that the joint activities had not progressed and required more  
1604 attention. First, there did not appear to have been any corporate effort on the part of UNDP to  
1605 consider the implications of disseminating information on UNIDO advisory and project services,  
1606 or to develop a promotional strategy for the Agreement to country offices. UNIDO, for its part,  
1607 could have been more proactive in promoting its services at the country level and in a country  
1608 relevant context.

**Box 3 Lao PDR: Promoting Private Sector Development Through Strengthening of Lao Chambers of Commerce and Industry And Business Associations**

Intended Outcome: Strengthened business member organizations and an improved enabling business environment contributing to accelerated private business sector growth.

Total project budget: USD 2.3 million. However, as fundraising did not succeed, only USD 500,000 have been allocated. UNDP and UNIDO contributed USD 250,000 each from regular resources to the project.

Results achieved by April 2009: There has been some progress in strengthening the management capacities in Lao Chambers of Commerce and Industry and Business Associations. In addition, the Prime Minister's Decree has been drafted and official endorsement is expected in 2009.

1609 The direct and tangible results of the joint PSD programme running near five years is minimal  
1610 compared to the time and resources invested. Some results have been achieved as described by  
1611 the joint PSD programmes in Lao PDR (see Box 2). However, the degree to which it has  
1612 strengthened the contribution of the private sector in achieving the MDGs has so far been too  
1613 small to be measured. This illustrates another weakness of the Agreement: it specified no  
1614 targets or benchmarks. The one benchmark established – cost recovery of the UNIDO Desks  
1615 after two years – was at the time of the MTA found to be unrealistic and therefore ignored. If  
1616 the ultimate goal had been taken seriously, it was probably not justified to continue the  
1617 Agreement after the MTA, since the progress had been so limited. However, no further  
1618 resources have been invested after the MTA – except for one meeting held by the task force in  
1619 2007.

1620 Finally, the evaluation did not find evidence that the joint PSD programmes generated any  
1621 “innovative solutions” as originally envisaged in the Agreement.

1622 ***Have the joint PSD programmes led to broader inter-agency coordination in PSD?***

1623 **No evidence has been found indicating that the joint PSD programmes led to broader inter-**  
1624 **agency coordination in PSD, the presence of the UNIDO Desks did.**

1625 The Agreement was generally found to be top-down and met with considerable resistance from  
1626 the operational levels on the UNDP side. Operational issues were left unresolved and have in  
1627 practice caused huge delays, even when financing was available (three years in Sierra Leone).  
1628 Even if the modality of inter-agency coordination had been defined in the formulated projects,  
1629 little or nothing was realised since the project could not find financing. None of the programs  
1630 were implemented as planned. The agencies did not experience any increased inter-agency  
1631 coordination as result of the Agreement.

1632 However, UNIDO staff felt differently. Less than a third of the respondents to the stakeholder  
1633 survey at Headquarters are of the view that the joint PSD programmes led to broader inter-  
1634 agency coordination in private sector development. Of those that have responded (7) to the Self  
1635 Assessment, a majority of HUOs is of the view that the joint PSD programme in their country led  
1636 – at least partially – to broader inter-agency coordination in PSD. And, of those that have  
1637 responded (9), a majority of HUOs is of the view that the Agreement helped to bring about – at  
1638 least to some extent – inter-agency coordination in areas other than PSD (e.g. environment or  
1639 energy).

1640 With respect to the joint PSD programmes the HUOs participated in most countries as members  
1641 of the formulation teams of the joint projects and played an important role in relating the  
1642 projects to local conditions by involving relevant partners and stakeholders. This study finds that  
1643 the reason for the meager external resources mobilized for activities under the Agreement  
1644 cannot be attributed to the lack of initiatives of the HUOs. Indeed, given the need for UN  
1645 system-wide coordination at the country level, the activities of the HUO were at times regarded  
1646 by UNDP as over-reaching.

1647

### 1648 *3.3.6 Efficiency*

1649 ***To what extent have the implementation of UNDP, UNIDO or Joint UNIDO/UNDP projects and***  
1650 ***programmes been influenced by the presence of UNIDO Desks?***

1651 Validation missions confirmed that donors regard UNIDO's Headquarters-based project  
1652 execution to be more complex and less efficient than local execution and found evidence of  
1653 significant delays in obtaining information and decisions from Headquarters. The presence of  
1654 the Desks helped somewhat, but delegations to the Desk is too limited to ameliorate this  
1655 weakness.

1656 Furthermore, the team finds that the Desks cannot always count on timely responses from  
1657 UNIDO Headquarters when they require inputs to formulate joint projects or when they require  
1658 expert advice in the course of UN-wide country programming. Frequently, technical advice that  
1659 is needed urgently at the country level takes too long to reach the UNIDO Desks. This issue of  
1660 Headquarters implementation capacity will become more important with increased numbers of  
1661 UNIDO Desks handled by a limited number of staff at Headquarters.

1662

### 1663 *3.3.7 Sustainability*

1664 ***To what extent is the cooperation between UNIDO and UNDP, as described in the Agreement,***  
1665 ***sustainable, and will the efforts under joint PSD lead to sustainable results?***

1666 The joint task force, established after the MTA, met only once in three years. The PSD strategies  
1667 formulated by both agencies are not complementary to each other and do not establish any  
1668 cooperation mechanisms. They do not refer to the Cooperation Agreement. Thus, the  
1669 Agreement has led to only insignificant sustainable structures or mechanism that could have  
1670 allowed a more sustainable relationship between UNIDO and UNDP with regard to PSD.

1671

1672 **With the limited progress of the three operational projects formulated and partly**  
1673 **implemented, it is too early to judge sustainability of results.**

1674 The observations made both at Headquarters and in the field indicate that with respect to joint  
1675 PSD programmes, the Agreement did not survive more than the first two years. Over the past  
1676 three years other institutional and organizational operating systems have taken dominance and  
1677 made the cooperation, as described in the Agreement, redundant. Seen in light of the limited  
1678 progress the three jointly formulated and initiated projects have made, it is too early to tell  
1679 whether the efforts under joint PSD programmes will lead to sustainable results.

1680 A number of UNIDO staff also viewed the joint PSDs as unsustainable. In the stakeholder survey,  
1681 only one-third of the respondents are of the view that the efforts under joint PSD led to any  
1682 sustainable results on the ground. In the self-assessment, only a minority of HUOs is in a  
1683 position to judge if joint PSD led to sustainable results on the ground. And only one respondent  
1684 answered affirmatively on the issue of sustainability. It appears hence that UNIDO Headquarters  
1685 are more optimistic with respect to sustainability of efforts under joint PSD than the HUOs.

1686

1687

1688

# 4

1689

## Conclusions

1690

1691

1692 This section presents the conclusions of this evaluation. The first section (section 4.1) presents  
1693 the overall conclusions, looking at how the Cooperation Agreement benefited programme  
1694 countries, through strengthening UN capacity at the country level in line with the efforts  
1695 towards UN Reform. The subsequent subsections present the conclusions from this evaluation  
1696 addressing the two main components of the Agreement, reflecting the fact that both  
1697 components have different stakeholders and led to different implications as to the future steps  
1698 required. These component-specific conclusions are presented in sections 4.2 (UNIDO Desks)  
1699 and 4.3 (PSD).

1700

### 4.1 Overall Conclusions

1701 **a) The Agreement signed in 2004 was visionary in addressing at an early stage issues of**  
1702 **enhanced “system wide coherence,”<sup>59</sup> but did not fully internalize the country level conditions**  
1703 **and did not take into account the existing modalities for inter-agency collaboration, in**  
1704 **particular the joint programming modalities as suggested by UN Development Operations**  
1705 **Coordination Office (DOCO).** The intention of the Agreement was twofold. First, it aimed to  
1706 strengthen the field representation of a specialized agency (i.e. UNIDO) by using the  
1707 infrastructure of the UN (i.e. UNDP). Second, it intended to strengthen collaboration between  
1708 the two UN agencies, in particular in the area of PSD. Both objectives were designed with a UN  
1709 system perspective in mind and are still relevant today. In fact, the Agreement addressed at an  
1710 early stage issues that are now key elements of the “Delivering as One” process with regard to,  
1711 for example, joint programming.

1712 Existing mechanisms to enhance system wide coherence were not sufficiently taken into  
1713 account in the design and implementation of the Agreement: first, the modalities for UN agency  
1714 cooperation developed by the UN DOCO, aiming to address the increasing demands from NRAs;  
1715 and second, the UNDAF mechanism at country level. While the former were completely ignored,  
1716 the latter was not sufficiently built into the Agreement as a driver for joint programmes.

1717 **b) The bilateral partnership failed to utilize the opportunity to involve other relevant UN**  
1718 **agencies that work in the area of PSD** (for instance, UNCTAD and ILO). Nor did the Agreement  
1719 result in UN-wide discussion to develop a common strategy to strengthen synergies in this  
1720 emerging global priority.

1721

---

<sup>59</sup> The “Delivering as One” report of the Secretary-General’s High-level Panel on UN System-wide Coherence was released in November 2006.

1722 c) **The systemic asymmetries between agencies posed important challenges to the successful**  
1723 **implementation of the Agreement.**

1724 The Agreement did not make adequate arrangements to meet the operational difficulties  
1725 associated with implementing cooperation between the two agencies with completely different  
1726 programming arrangements – UNDP with decentralized, country-based programme  
1727 development, and UNIDO with centralized, Headquarters-based programme development. The  
1728 Agreement was concluded at the Headquarters of both agencies and left it to the parties at the  
1729 country level to find solutions as problems arose in the course of cooperation; it was apparent  
1730 that the mechanisms to correct for mistakes were weak and ineffective. Moreover, it should be  
1731 noted that for UNIDO the stakes were much higher than for UNDP, in particular with regard to  
1732 the expansion of the former's field presence.  
1733

1734 d) **The focus of the Cooperation Agreement on a particular difficult area for cooperation posed**  
1735 **an additional challenge.** While industrial development is clearly of increasing importance to  
1736 governments in the developing world (reflected in national priorities and interventions), this  
1737 does not necessarily result in a demand for cooperation and support from UN agencies. The  
1738 vague definition of PSD further complicates the emergence of a clear demand for services from  
1739 different cooperation partners. Additionally, PSD may not always be a priority for all countries.  
1740 In this respect, the team did not observe innovative ways of presenting and promoting UNIDO  
1741 services in order to better fit the diversity of national contexts.  
1742

1743 e) **As an incentive for joint programming the Cooperation Agreement was of limited relevance**  
1744 **and effectiveness.** Other stronger incentives for joint programming exist, including the MDGF  
1745 and UN reform initiatives (DaO); they have proven effective in enhancing cooperation among  
1746 agencies (however, little is yet known about effectiveness of these initiatives in terms of  
1747 development results). Where there has been country ownership and demand, joint programmes  
1748 between UNDP and UNIDO have been developed outside the Agreement. While progress under  
1749 the Agreement has been very limited in general, in countries where one or more of these  
1750 conditions prevailed, robust joint programmes have resulted independent from the existence of  
1751 the Agreement.  
1752

## 1753 4.2 Conclusions: UNIDO Desk

1754 **The evaluation concludes that the central role of the UNDAF for the UN system at the country-**  
1755 **level and the progress in the system-wide coherence process makes country presence of**  
1756 **UNIDO and the continued participation in UNCTs is relevant and in line with the Triennial**  
1757 **Comprehensive Policy Review (2008).**<sup>60</sup> Field visits pointed to instances where country presence  
1758 in the form of a UNIDO Desk adds value to the UN support to countries. Many other UN  
1759 agencies, such as the FAO and UN-HABITAT, are maintaining country presence using a variety of  
1760 different modalities, which are similar to the UNIDO Desk modality.

---

<sup>60</sup> Ref. paragraphs 101 and 109.

1761 **The Agreement has helped UNIDO achieve its aim to enhance field presence to better support**  
1762 **countries. However, benefits to UNDP in expanding its capacity in PSD through collaboration**  
1763 **seem minimal.** The Agreement was beneficial for UNIDO as it allowed the organization to  
1764 expand its country presence by over 50 percent - from 30 to 46 countries by the end of 2009.  
1765 However, the benefits for UNDP are marginal and primarily consisting of enhanced competence  
1766 and increased human capacity in the country offices where the UNIDO Desks are placed.

1767 Several UNIDO Desks have demonstrated that the *concept* of the UNIDO Desk works. UNIDO  
1768 Desks can:

- 1769 • strengthen UNIDO participation in the UNDAF development process;
- 1770 • facilitate project/programme development;
- 1771 • facilitate Government access to UNIDO expertise; and
- 1772 • contribute to the work of the UNCTs.

1773 However, while the UNIDO Desk concept works, not every UNIDO Desk has added value to the  
1774 programme country and it is a shortcoming that UNIDO has not established a functioning review  
1775 mechanism for the Desks. For example, establishing a UNIDO Desk will not automatically lead to  
1776 an improved support to countries as evidenced by, for instance, increased delivery of UNIDO  
1777 services. The value-added by UNIDO in a given country depends on many factors of which the  
1778 UNIDO Desk is one. The potential of the UNIDO Desks should not be overestimated.

1779 Some of the emerging contextual factors for the successful establishment of new UNIDO Desks  
1780 include:

- 1781 • government demand for UNIDO services;
- 1782 • strength of the UN reform and links to UNDAF processes;
- 1783 • availability of donor funding for industrial development activities (aid modalities) in  
1784 general; and
- 1785 • in particular, the availability of multi-donor trust funds (such as MDGF and Multi Donor  
1786 Trust Fund for human security) since implementation requires inter-agency  
1787 coordination.

1788 In addition, there are institutional factors. These include:

- 1789 • track record of past UNIDO projects in the country;
- 1790 • availability of highly qualified and well connected HUOs; and
- 1791 • strong technical and administrative support to the UNIDO Desk from UNIDO  
1792 Headquarters.

1793 While the staffing of the UNIDO Desks with national officers is appropriate, the evaluation team  
1794 is of the view that there is a mismatch between the many tasks assigned to the Desks and the  
1795 'tools' provided to master these tasks. Critical areas are:

- 1796 i. The level of authority and status of HUOs is insufficient, in particular with regard to the  
1797 decision-making power and representation role. Officially (formally), the UNDP Resident  
1798 Representative represents UNIDO in the Desk countries as long as the accredited UNIDO  
1799 Regional Director is not in the country. Unofficially (informally), the HUO represents  
1800 UNIDO vis-à-vis government and development partners on a day-to-day basis. Thus, two  
1801 persons represent UNIDO officially (UNDP RRs, UNIDO Regional Directors) and one

- 1802 person represents UNIDO unofficially (HUOs). This creates confusion among  
1803 stakeholders.
- 1804 ii. The title 'Head of UNIDO Operations' is not accurate and creates confusion. HUOs are  
1805 neither heads of operations (as the project responsibilities are with the project  
1806 managers in Vienna) nor heads of agencies (given the current level of authority and  
1807 status).
- 1808 iii. Regional office organizational authority over UNIDO Desks (a) creates bottlenecks in  
1809 communication with Headquarters and (b) undermines the HUOs representation role to  
1810 some extent.
- 1811 iv. Lack of programmable resources ('seed-money') is problematic, particularly in countries  
1812 with no or very limited UNIDO activities. The government and potential donors are in  
1813 some cases prepared to co-finance activities. However, the expectation is that at least  
1814 some resources come from UNIDO. HUOs' fundraising capacities are very limited. The  
1815 main reasons are the HUOs' lack of access to donors and the fact that HUOs cannot  
1816 develop proposals on their own and UNIDO Headquarters support is often difficult to  
1817 secure. Fundraising is a corporate task and the UNIDO Desks can contribute to  
1818 fundraising only to a limited extent.
- 1819 v. Technical support from Headquarters is insufficient, in particular training on UNIDO  
1820 services.
- 1821 vi. Human resource capacity of the UNIDO Desk is limited, especially when the UNIDO  
1822 portfolio is growing.
- 1823 vii. The concept of UNIDO being represented by the UNDP Resident Representative has to  
1824 be weighed against that of being represented by the UN Resident Coordinator. HUOs in  
1825 some cases are well qualified and positioned to represent UNIDO at a higher level than  
1826 is the case now. In such cases, a reporting line to the UNRC seems to be more  
1827 appropriate than that to the UNDP RR.

1828  
1829 **The ambitious goal of UNIDO to expand its field presence to 80 countries by means of the**  
1830 **Cooperation Agreement has not been achieved and appears to be unrealistic without ensuring**  
1831 **increased TC implementation capacity of UNIDO Headquarters.** Any (new) UNIDO Desk creates  
1832 an additional demand on Headquarters in terms of technical and administrative support. In  
1833 particular, new project development and implementation require many capacities at  
1834 Headquarters as the responsibility for project implementation is with the project managers in  
1835 Vienna. It seems that already at present the technical experts in Vienna have difficulties  
1836 servicing all the needs of the UNIDO Desks in a timely manner. The Desks are very active and  
1837 develop projects for which they depend on Headquarter support. Therefore, any significant  
1838 expansion of the UNIDO Desk network has implications on the availability of support from  
1839 UNIDO Headquarters. With more Desks, the technical and administrative workload at  
1840 Headquarters will increase significantly. The availability of adequate human and financial  
1841 resources is a necessary condition for a significant expansion of the UNIDO Desk network and  
1842 inevitably has implications on the UNIDO corporate budget.

1843 **Some UNIDO Desks do not seem to justify their costs yet.** The total cost of the UNIDO Desk  
1844 network is significant and amounts to approximately US\$1.5 million annually for the current 16



1845 UNIDO Desks. As these costs are covered from the generally limited UNIDO programmable  
1846 resources, they are partially seen as “seed funds” and are expected to translate into new  
1847 projects funded from third party sources. In this respect, UNIDO Desks are not different from  
1848 any other UNIDO country office or units at Headquarters. In general, only very few offices or  
1849 units would be self-financing. However, an adequate ratio between the cost of a UNIDO Desk  
1850 and the volume of UNIDO activities should be achieved. This ratio, however, can only be set on a  
1851 country-by-country basis, as the costs of the UNIDO Desks vary significantly and, more  
1852 importantly, functions other than TC delivery (such as direct advice to Government and private  
1853 sector) might be deemed more important for a certain period. The Agreement’s expectation  
1854 that over time revenue generated would cover the costs of the UNIDO Desks was not only  
1855 unrealistic, but also inappropriate.

1856 **The current logistical arrangements of housing UNIDO Desks in UNDP premises have been**  
1857 **beneficial.** Although in some countries rent outside the UNDP premises is cheaper, the  
1858 proximity to UNDP and other UN agencies in the common premises/UN House (in terms of  
1859 administrative support and programmatic synergies) benefits UNIDO and, as anecdotal evidence  
1860 suggest, also the Government and private sector counterparts. This appears to justify the  
1861 additional costs. As UNIDO has benefited more from the Agreement than UNDP, it is  
1862 appropriate that UNIDO has covered most of the costs after the initial two-year phase.

1863

#### 1864 4.3 Conclusions: Joint PSD Programme

1865 **The initiative to establish a joint and coordinated approach to private sector development was**  
1866 **visionary in responding to the recommendations of the “unleashing entrepreneurship” report**  
1867 **of the UN Commission on PSD.** The objectives with respect to unleashing the entrepreneurial  
1868 forces in order to reduce poverty as described in the Agreement remain relevant for the large  
1869 majority of countries. However, the Agreement did not succeed in establishing a comprehensive  
1870 guiding framework for PSD work of both agencies and other partners. Instead of establishing  
1871 such a framework (e.g. a joint PSD strategy), the Agreement left the options open for the  
1872 partners to try cooperation through a number of joint pilot projects.

1873 **The PSD component of the Agreement did not achieve any results.** With only three joint  
1874 projects under initial implementation and only partly funded, no significant results have so far  
1875 been achieved through the joint PSD component of the Agreement. The time and resources  
1876 spent on joint PSD programmes have not provided any measurable advance towards the  
1877 ultimate purpose of the joint programme.

1878 **Lack of funding and limited interest of recipient countries with regard to UNIDO/UNDP**  
1879 **cooperation were the main obstacles for the cooperation in PSD.** Seen in light of what has  
1880 been achieved within the field of PSD, the expectations of the Agreement appear to have been  
1881 overly optimistic. None of the projects formulated under the Agreement convinced the  
1882 programme country or the donors that implementation of these projects would be a cost-  
1883 effective means to contribute to the MDGs. During the period of the Agreement there have

1884 been changes in the donor environment as well. Many of the bilateral donors who support PSD  
1885 (e.g. Germany, Denmark, and Netherlands) have their own programmes and implementing  
1886 agencies and many do not request UN assistance in this specific area. None of the host countries  
1887 have so far provided financing for the developed projects, nor have they explicitly requested  
1888 donors to support UNIDO/UNDP cooperation. In many countries, governments express interest  
1889 in PSD projects as long as these are accompanied with financing; it is of secondary importance  
1890 whether or not such projects are jointly carried out by UNIDO and UNDP. UNIDO and UNDP  
1891 were unable to make realistic projections of funding potentials for joint PSD programmes.

1892 This points to another critical area: **The comparative advantages of UNDP and UNIDO in PSD**  
1893 **are not obvious to governments and donors and neither are the synergies of the two agencies**  
1894 **working together in PSD.** Governments demand PSD projects, but these do not necessarily have  
1895 to be UNDP and/or UNIDO projects. This is not to suggest that there are no comparative  
1896 advantages (that would go beyond the scope of this evaluation), but it certainly indicates that  
1897 neither organization communicates sufficiently (or convincingly) about why donors should fund  
1898 UNDP/UNIDO PSD. Moreover, though PSD is a corporate priority for UNDP, it may not be a  
1899 national priority for all countries. As such, joint PSD projects may not be feasible in all situations.

1900 **The drive to establish joint PSD programmes had essentially stopped even before the MTA.**  
1901 The constraints for success identified by the MTA were not given proper attention by the  
1902 Agreement partners and recommendations to overcome the barriers for enhanced cooperation  
1903 were not implemented. The two partners developed their own PSD strategies, but these  
1904 documents show very limited regard for coordination, synergy and/or cooperation. A common  
1905 PSD strategy would have been in line with the spirit of the Cooperation Agreement, but the  
1906 limited results and problematic cooperation experienced by the few joint PSD programmes did  
1907 not provide a motivation for agencies to work closer together on PSD concepts and strategies.  
1908 When funding became scarce, the agencies found themselves in a competitive rather than  
1909 cooperative relationship.

1910 **Multi-Donor Trust Funds, such as the Spanish MDG Fund or the Trust Fund for Human**  
1911 **Security, represent opportunities for the UN system to effectively work together.** Cooperation  
1912 among UN agencies, including joint projects in the PSD area, has happened swiftly when funding  
1913 was provided with multi-agency participation being one of the prerequisites. No additional  
1914 agreements, beyond joint project agreements, were needed to facilitate cooperation among  
1915 agencies.

1916

### Summary of Conclusions

1. In aiming to promote synergies and collaboration between the Agencies, the Agreement was in line with the spirit of the UN Reform and should be regarded as a positive step. However, the Agreement was not embedded in the principles of UN reform and did not fully internalize the systems at the country level:
  - a. The Cooperation Agreement focused exclusively on UNIDO and UNDP and failed to utilize an opportunity to include other relevant UN agencies involved in PSD (UNCTAD, ILO, etc) to be part of a larger UN strategy on PSD.
  - b. The Cooperation Agreement ignored UNDAF processes and DOCO modalities.
2. Systemic asymmetries between agencies posed significant challenges (e.g. lack of shared commitment, ability to 'enforce' the Agreement and correct for mistakes, etc.) to the successful implementation of the Agreement.
3. While industrial development is clearly of increasing importance to governments in the developing world (reflected in national priorities and interventions), this does not necessarily result in a clear demand for cooperation and support from UN agencies. The vague definition of PSD further complicates the emergence of a clear demand for services from different cooperation partners.
4. As an incentive for joint programming, the Agreement was of limited relevance and effectiveness. Other stronger incentives exist; aid modalities (such as MDGF) and UN reform experiments (particularly, DaO) have thus far proven more effective than the Agreement. Where there has been country ownership and demand (e.g. China) joint programmes between UNDP and UNIDO have been developed outside the Agreement. While progress under the Agreement has been anaemic, in countries where one or more of these conditions prevail, robust joint programmes have resulted.
5. UNIDO country presence expanded from 30-46 as a result of the Agreement. The merits of UNIDO Desks and how they benefit programme countries need to be situated. The evaluation concludes that the presence of Desks added value to the programme countries in the presence of the following conditions:
  - a. Contextual factors: Favourable conditions include, aid modalities that encourage joint UN efforts, strength of UN reform processes, and country demand for UNIDO services.
  - b. Institutional Factors: Including how well UNIDO was represented (formally and informally) in the programme country; clear and functional institutional arrangements with UNDP for logistics and supervision; substantial devolution of authority from UNIDO HQ; support from UNIDO regions and Headquarters. Presence of strong HUOs is central to strengthening UNCT in the area of PSD.

# 5

## Recommendations and Lessons Learned

### 5.1 Recommendations

#### General

1. UNDP and UNIDO should spearhead an effort to ensure that UN develops a common PSD strategy to further coordination and coherence as well as to promote synergies among UN agencies working in PSD. Such a strategy should articulate a joint UN position on critical issues to clarify and operationalize the PSD concept for application by UN partners. To be consistent with UN Reform efforts, not only UNDP and UNIDO, but all UN agencies working in PSD (e.g. UNCTAD, ICT, ILO, UNIFEM, etc.) should be involved in developing this strategy. After developing and implementing such strategy, a periodic platform similar to the Donor Committee for Enterprise Development (DCED) should be created for all UN agencies working in PSD. Such common platforms could eventually be a driving force for more collaboration at the country level.
2. Until a UN system-wide approach is developed, UNDP and UNIDO should replace the current Agreement with a Memorandum of Understanding (MOU) similar to the MOUs used by UNDP with other UN agencies that includes also provisions for the UNIDO Desks. The MOU should provide a corporate framework of cooperation between the two agencies and facilitate collaboration between the parties on a 'non-exclusive basis'. The MOU should address the following issues:
  - Describe the thematic areas of cooperation and common interest. This should not be limited to PSD; it should include other areas of common interest (e.g. energy). The MOU should resist the temptation to clarify a division of labour in PSD. Each country is different and the country context should define who does what.
  - The principle administrative arrangements for hosting the UNIDO Desk (e.g. office space, cost recovery, etc.).
  - The preferred modality (or modalities) for joint collaboration at country level to simplify and standardize the collaboration. An annex could even provide some templates. This should fully reflect the inherent challenges in bridging the asymmetries in the operational modalities of a decentralized organization like UNDP and a more centralized one like UNIDO. The modalities should be developed in line with the UN Reform and in consultation with DOCO. The modalities of cooperation should be consistent with other MOUs and practices of the UN system.

1961 **UNIDO Desk**

- 1962 3. The expansion of UNIDO Desks must be managed very carefully and should happen on a  
1963 step-by-step basis, taking into account the capacity of UNIDO Headquarters to respond to  
1964 the increased demand in technical assistance triggered by new UNIDO Desks. Before the  
1965 network is expanded, UNIDO must ensure that it has the necessary technical, human and  
1966 financial capacities to provide the Desks with the technical and administrative support they  
1967 need to fulfil their functions effectively.  
1968
- 1969 4. UNIDO must establish a transparent selection and review mechanism for the UNIDO Desks,  
1970 applying some criteria with SMART indicators:<sup>61</sup> All of the following selection criteria should  
1971 be present in considering expansion:
- 1972 (1) **Level of government and private sector interest and demand:** Strong  
1973 stakeholder interest in UNIDO services is certainly a must (national  
1974 development priorities/strategies should reflect the need for these services).  
1975 Evidence shows that country commitment to thematic areas of the Agreement  
1976 (as measured for example by articulation in national development plans) in  
1977 conjunction with strong government interest in UNIDO/UN services are critical  
1978 prerequisites. Clear and comprehensive assessment of demand for UNIDO  
1979 services must be conducted.
- 1980 (2) **Alignment with UNDAF:** Ideally, UNIDO mandate is already well reflected in the  
1981 on-going UNDAF even before a Desk is established. If UNIDO is not or is only  
1982 marginally represented in the ongoing UNDAF, the establishment of a new  
1983 UNIDO Desk must be timed with the development process of the next UNDAF  
1984 (second half of the ongoing UNDAF).
- 1985 (3) **Substantial pre-existing volume and trend in the UNIDO portfolio:** Having a  
1986 track record of past UNIDO projects in the country helps to justify UNIDO Desks.  
1987 A good portfolio demonstrates a robust relationship with the government and  
1988 financial feasibility of UNIDO activities; it also suggests country demand. Clear  
1989 targets must be established at the onset for annual delivery rates. If after four  
1990 years of operation the annual delivery is less than the agreed target (e.g. twice  
1991 the total cost of the UNIDO Desk or the costs are higher than 50 percent of the  
1992 delivery), the justification of that Desk must be questioned. However, strategic  
1993 considerations should be allowed to prevail under exceptional circumstances –  
1994 for instance, UNIDO positioning to support countries in transition (in economic  
1995 or crisis periods). Under these conditions, clear and measurable (process)  
1996 outcomes must be specified upfront and verified annually during operations.
- 1997 (4) **Funding opportunities for UNIDO projects:** A history of funding for UNIDO  
1998 services by government and/or donor sources is essential. In addition to clear  
1999 evidence of government/donor commitment to industrial development within

---

<sup>61</sup> SMART indicators = indicators that are specific, measurable, attainable, relevant and traceable.

2000 national development priorities, donor funding must be available for related  
 2001 initiatives that are in need of resources. Funding scenarios should be developed  
 2002 that take into account the general trends in ODA in a given country.  
 2003

2004 5. The review of existing UNIDO Desks - as outlined above - should be conducted annually by a  
 2005 panel representing the different divisions in UNIDO.  
 2006

2007 6. As the ‘investment’ for the establishment of a Desk is significant (it also carries the risk of  
 2008 failure), a feasibility study assessing the above criteria should be conducted before a new  
 2009 UNIDO Desk is established.  
 2010

2011 7. The HUOs’ role must be clarified internally and externally and they should be empowered by  
 2012 UNIDO. This evaluation recommends new staffing modalities for the UNIDO Desks. Taking  
 2013 into account the specific country situation (no ‘one size fits all’), the Team recommends  
 2014 using two different staffing modalities for the Desks. Well established Desks or Desks in  
 2015 countries with a significant UNIDO portfolio should be managed by National UNIDO Country  
 2016 Directors (NCD). New UNIDO Desks or Desks in countries with a small UNIDO portfolio  
 2017 should be managed by ‘Assistant Representatives’. The titles of both new staffing modalities  
 2018 are in line with the practice of other UN agencies and clarify roles and status. The title ‘Head  
 2019 of UNIDO Operations’ is confusing and should disappear.

2020 The staffing of a UNIDO Desk can be changed as appropriate, i.e. a Desk can be upgraded  
 2021 from being staffed with an Assistant Representative to being staffed with a National UNIDO  
 2022 Country Director. However, the decision should be based on institutional criteria not on  
 2023 individual performance.

2024 Country Directors’ role and responsibilities could be defined as follows (see Table 5.1.9 for  
 2025 more details):

- 2026 • National UNIDO Country Directors are heads of agency with the same status and  
 2027 responsibilities as the international UNIDO Country Directors only that they are  
 2028 not accredited with the Government (there is no need for accreditation).
- 2029 • National UNIDO Country Directors are – as a head of agency – part of the UNCT.  
 2030 Having a formal agreement with the host government (accreditation) should not  
 2031 be a criterion to participate in the UNCT, as the experience of the UNCT in Cape  
 2032 Verde demonstrates.<sup>62</sup> However, the UNRC remains the “primary interlocutor  
 2033 for the UNCT with the Head of State or Government.”<sup>63</sup>
- 2034 • National UNIDO Country Directors are not under the supervision of UNIDO  
 2035 Regional Offices. They communicate directly with UNIDO Headquarters.
- 2036 • The financial authority should be similar to the one enjoyed by international  
 2037 Country Directors.

---

<sup>62</sup> Cape Verde “Delivering as One”, Stocktaking Report 2008.

<sup>63</sup> UN Resident Coordinator Generic Job Description, approved by the UNDG, 29 January 2009.

2038  
 2039  
 2040  
 2041  
 2042  
 2043  
 2044  
 2045  
 2046  
 2047  
 2048  
 2049  
 2050  
 2051  
 2052  
 2053  
 2054  
 2055  
 2056  
 2057  
 2058  
 2059

Assistant Representatives (AR) role and responsibilities could be defined as follows (see Table 5.1.9 for more details):

- Assistant Representatives are under the supervision of UNIDO Regional Offices.
- ARs should have more financial authority than the current HUOs. At least they should be empowered to manage the office budget in order to reduce time required for implementing some activities.
- In countries with no or very little UNIDO activities, some programmable resources ('start-up money') should be allocated to the country. As a minimum, the programmable resources should not be lower than the total cost of the UNIDO Desk. It is imperative to have some 'start-up money' in order to bring negotiation power to the table. Final authority over the start-up money shall remain at headquarters. Once the UNIDO portfolio is well developed and delivery rate is sizable and growing, the 'start-up money' may no longer be needed. (In countries with already large UNIDO portfolios, new Desks may not need 'start-up money' at all).
- However, more authority should not mean more implementation responsibilities. In fact, with growing portfolios, HUO cannot be any more involved in implementation. More authority should relate to decision making in project development and implementation. A higher status should also help in fundraising.

Table 5.1.9 Recommended Modalities to replace the 'HUOs'			
	Recommended post-agreement modalities (2010 onwards)		Agreement modality (2004-2009)
Title	National UNIDO Country Director	Assistant Representative	Head of UNIDO Operations
Nationality	National officer	National officer	National officer
Status	Head of agency	Assistant head of agency	Unclear
Supervision and line of reporting	Director, RFO, UNIDO Headquarter	Representative and Head of UNIDO Regional Office	Unclear, dual line of reporting to the UNDP Resident Representative and the Representative and Head of UNIDO Regional Office
Criteria	Well established UNIDO Desk or new UNIDO Desk in countries with significant UNIDO portfolio	New UNIDO Desk or very small UNIDO portfolio	All new and established UNIDO Desks
Relationship with UNIDO Regional Office	Coordination	Head of the UNIDO Regional Office is also	Officially representing UNIDO at the country

		the Head of the country office with a UNIDO Desk	level
Relationship with UNRC	UNRC primary interlocutor with Head of State/Government	UNRC primary interlocutor with Head of State/Government	UNRC primary interlocutor with Head of State/Government
Relationship with UNDP Resident Representative (UNDP Country Director)	Colleague in the UNCT	Colleague in the extended UNCT	UNDP RR primary interlocutor on behalf of UNIDO with government officials First reporting officer
Relationship with government	Direct communication with senior officials (UNRC primary interlocutor with Head of State/Government)	Direct communication with senior officials (UNRC primary interlocutor with Head of State/Government)	Direct communication with senior officials (UNRC primary interlocutor with Head of State/Government)
UNCT	Full member	Member of the extended UNCT	At times full member, at times member of the extended UNCT
Role of UNDP	Host of UNIDO Desk	Host of UNIDO Desk	Host of UNIDO Desk Joint PSD development Joint fundraising for PSD Etc.
Fundraising	Fundraising responsibility in coordination with UNCT and UNRC	Fundraising responsibility in coordination with UNCT and UNRC	Fundraising under the leadership of the UNDP RR
First reporting officer	Regional Director, PCF, UNIDO Headquarter	Representative and Head of UNIDO Regional Office	UNDP Resident Representative
Accreditation with government	No (only UNRC)	No (Representative and Head of UNIDO Regional Office Director is accredited)	No (Representative and Head of UNIDO Regional Office Director is accredited)
Financial authority	Similar to international UNIDO Country Directors	empowered to manage the office budget	None
Programmable resources	Not required (portfolio is large enough)	Start-up money available (under the authority of PTC or PCF)	None

2060  
2061  
2062  
2063  
2064

### **Joint Private Sector Development (PSD) Programmes**

8. With respect to the Agreement on Joint Private Sector Development (PSD) Programmes, the functioning stopped for all intended purposes in 2006 and has not been active since.



2065 Evidence shows that other developments provide more effective incentives for the  
2066 coordination and cooperation envisaged in the Agreement, such as strengthened UN  
2067 Reform processes at the country level and new aid modalities such as the MDG Funds. This  
2068 leaves no justification for extending the Agreement. Thus, it is recommended not to renew  
2069 the joint PSD programmes component of the Agreement after expiry of the original five year  
2070 period.

2071 9. Both UNDP and UNIDO should resist the temptation of establishing a too rigid global division  
2072 of labor within PSD. Each country context is different and may require a different division of  
2073 labor thereby building on each agencies comparative advantage in a particular country (e.g.  
2074 experience, network, etc.). As demonstrated above, the main challenge is not to define each  
2075 other's role, but to meet to huge demand for PSD and access the necessary resources to  
2076 finance the support.

2077 10. Whenever the two agencies embark on joint projects (PSD or other), they should pay due  
2078 attention to the issue of implementation modalities and the division of labour between  
2079 them. DOCO modalities should be referred to and the agreed modalities and division of  
2080 labour should be included in the project document beforehand. This should help avoid  
2081 deadlock situations as have been seen in the implementation of the present agreement.

2082

## 2083 **5.2 Lessons Learned**

2084

2085

2086 1) The central role of the UNDAF for the UN system at the country-level and progress in  
2087 the 'Delivering as One' (DaO) initiative makes the continued participation of the UN  
2088 specialised agencies in UNCTs increasingly important. Although not a requirement,  
2089 permanent country presence facilitates this participation.

2090 2) The proximity of the UN specialised agencies to UNDP and other UN agencies in  
2091 common premises/UN House are beneficial to the UN specialised agencies and the  
2092 UNCT as a whole. It facilitates inter-agency collaboration and allows for pooled  
2093 administrative services and logistical support.

2094 3) Having UN specialised agencies with relatively small country presences staffed and  
2095 headed by nationals is a workable and cost-effective alternative to international heads  
2096 of agencies. The knowledge of the country context and professional networks can be  
2097 very beneficial.

2098 4) The initiative of two UN agencies to jointly raise funds for joint projects has not worked  
2099 in the case of the CA. The available evidence suggests that this approach is also very  
2100 unlikely to produce results in possible future attempts. First, individual fundraising, even  
2101 if done by two UN agencies at the country level, is (increasingly) difficult given the trend  
2102 towards UN-wide joint planning and fundraising. Second, the trend towards an  
2103 increased share of ODA being directed to budget support diminishes resources for

2104 technical cooperation available at the country level. Third, the agencies have limited  
2105 incentives to jointly raise funds when they are actually competing in a shrinking pool of  
2106 funding for technical cooperation.

2107 5) Many actors are operating in the PSD segment and most of the larger ones have direct  
2108 access to funding (EU, WB, IFAD, etc.). Only when relevant and specialised competences  
2109 and services can be offered will there be demand and possibilities for funding for  
2110 agencies that do not have their own resources. This is the case for most UN agencies.

2111  
2112 6) The systemic asymmetries of agencies that enter into an agreement need to be  
2113 reflected in the design of an agreement by means of specific provisions. Agreements  
2114 between UNDP and NRAs that aim at combining the advantages of the UNDP country  
2115 presence with the HQ-based specialized competence of the NRA, need to ensure  
2116 adequate involvement of the UNDP country offices in the process of developing the  
2117 agreement.

2118

2119

2120

2121

2122	<b>Annexes</b>
2123	
2124	
2125	
2126	

2127 **Annex 1: Terms of Reference for the evaluation**

2128

2129

2130 **UNDP Evaluation Office and UNIDO Evaluation Group**

2131 **Terms of Reference**

2132 **Joint terminal evaluation of the implementation of the Cooperation Agreement**  
2133 **between UNIDO and UNDP**

2134

2135

2136 **Background and rationale for the evaluation**

2137 On 23 September 2004 UNDP and UNIDO signed a cooperation agreement to work together at  
2138 the country level to better support developing countries achieve their Millennium Development  
2139 Goals. The agreement sought *“to establish the basis for both Organizations to develop joint*  
2140 *technical cooperation programmes, particularly in support to private sector development in*  
2141 *developing countries. At the same time it introduces a new model of field representation with*  
2142 *UNIDO desks established in UNDP Offices”*.<sup>64</sup>

2143

2144 The overall objective of the Cooperation Agreement was the reduction of poverty. To do so,  
2145 there will be collaboration at the country level on issues of sustainable industrial development,  
2146 in line with national priorities and the Millennium Development Goals as expressed in particular  
2147 in the country in the CCA/UNDAF. Areas of intervention defined in the agreement are: trade  
2148 capacity building; investment promotion; agro-industries; energy; cleaner and sustainable  
2149 industrial development; entrepreneurship and small and medium enterprise (SME)  
2150 development. Also agreed was a joint UNIDO/UNDP technical cooperation initiative on private  
2151 sector development, defined in a separate framework document, aimed at implementing the  
2152 recommendations of the United Nations Commission on Private Sector and Development.

2153

2154 For UNIDO, in addition to the programmatic objectives outlined above, objectives include the  
2155 better reach of its Member States through an increased presence at the country and regional  
2156 levels in order to be more responsive to their development needs.<sup>65</sup>

2157

2158 As of February 2009 a total of 13 UNIDO desks were operational worldwide:  
2159 Afghanistan, Armenia, Bolivia, Burkina Faso, Ecuador, Eritrea, Jordan, Lao PDR, Mali, Nicaragua,  
2160 Rwanda, Sierra Leone, Zimbabwe. Three further Desks were in the process of establishment:  
2161 Cambodia, Kyrgyzstan and Mozambique.

2162

---

<sup>64</sup> Letter on Cooperation Agreement between UNDP and UNIDO dated 23 September 2004 signed by Mark Mallock Brown, Administrator UNDP and Carlos Magariños, Director General of UNIDO

<sup>65</sup> Details of decisions and recommendations regarding the agreement: are contained in GC.10/ Res. 2, GC 10/Res.10, IDB 28/Dec.2, IDB.29/CRP.4, and IDB.30/CRP.6.

2163 By May 2007 six private sector development programmes had been approved: Lao People's  
2164 Democratic Republic, Nicaragua, Nigeria, Rwanda, Sierra Leone and the United Republic of  
2165 Tanzania. Implementation of programme activities has started with UNIDO funds in Lao People's  
2166 Democratic Republic and with UNIDO and UNDP co-funding in Rwanda. For further details of  
2167 this agreement refer to Annex 1.

2168  
2169 As required by the Resolution GC 11/Res 5 (December 2005), an assessment of the pilot phase  
2170 of the agreement was conducted. This assessment was jointly conducted by UNDP Evaluation  
2171 Office and UNIDO Evaluation Group in 2006. It recommended continuation of the cooperation  
2172 provided that a number of changes were implemented.<sup>66</sup> The terminal evaluation is required by  
2173 the UNIDO governing council (*Industrial Development Board (IDB)*) and the UNDP Executive  
2174 Board.

2175

#### 2176 **Purpose of the evaluation**

2177 The present evaluation is the terminal evaluation for the Cooperation Agreement between  
2178 UNDP and UNIDO that was concluded on 23<sup>rd</sup> September 2004 for an initial period of five years.  
2179 This evaluation is designed to present evidence and findings on past performance as well as  
2180 recommendations for future steps to be taken by both organizations.

2181

#### 2182 **Audience**

2183 The evaluation findings and recommendations will be presented to the General Conference of  
2184 UNIDO in December 2009 and to the Executive Board of UNDP during its September 2009  
2185 Session.

2186

#### 2187 **Scope of the evaluation**

2188 The evaluation will use build on the "Joint Assessment" carried out by both organizations in  
2189 2006. Focus of the information gathering will thus be on the developments after the Joint  
2190 Assessment (period 2006 to 2009).

2191

2192 The evaluation will cover the two components of the agreement: UNIDO Desks and the Joint  
2193 Private Sector Development (PSD) Programme. It will cover all geographic regions.

2194

#### 2195 **Key evaluation questions and Criteria**

2196 The evaluation will address the performance related to the partnership agreement in terms of  
2197 results and processes. The evaluation will evaluate against the evaluation criteria of relevance,  
2198 efficiency, effectiveness and sustainability. To the extent possible, the evaluation may also  
2199 address other criteria – impact, value-for-money and client satisfaction. The key questions  
2200 posed by the evaluation include:

2201

#### 2202 **Effectiveness of Processes**

- 2203 • Was the cooperation agreement implemented as planned (refer in particular to the specific  
2204 responsibilities of both partners as set out in the agreement)?
- 2205 • Did the Agreement provide sufficient guidance on implementation?

---

<sup>66</sup> Joint Assessment: UNIDO-UNDP Cooperation Agreement- Pilot Phase, 2007

- 2206 • Were the findings and recommendations of the joint assessment carried out in 2006 acted  
2207 upon?
- 2208 • To what extent were joint fund raising activities undertaken?
- 2209 • To what extent did UNIDO and UNDP Headquarters promote the Agreement at the country  
2210 level and among donors?
- 2211 • To what extent did UNIDO and UNDP Headquarters facilitate country level implementation  
2212 of the Agreement?
- 2213 • Does an effective working-relationship exist between UNIDO Desks and the respective  
2214 UNIDO regional offices?

2215

2216 ***Relevance and appropriateness***

- 2217 • Taking into account other initiatives of UN reform (e.g. Delivering as one) and new funding  
2218 sources (e.g. Spanish Fund, ) and modalities (e.g. budget support), are all elements of the  
2219 cooperation agreement between UNIDO and UNDP still relevant/appropriate?
- 2220 • Is the objective of an expanded UNIDO field representation as set out in the Agreement of  
2221 continuous (past and present) relevance to partner countries, UNIDO and UNDP?
- 2222 • Is the UNIDO Desk model of field representation (staffing etc) appropriate to meet country  
2223 demands?
- 2224 • Are the objectives of the joint PSD programme as set out in the Agreement of continuous  
2225 relevance to partner countries, UNIDO and UNDP?
- 2226 • Has the selection of target countries for the implementation of the Agreement been  
2227 relevant (relevant selection criteria and adequate selection process)?
- 2228 • Is the Agreement relevant to strengthen complementarities and to create synergies  
2229 between the two organizations?
- 2230 • Is the Agreement relevant in relation to other multi-partner cooperation initiatives in the  
2231 area of PSD (e.g. Global Compact)?

2232

2233 ***Effectiveness***

2234 To what extent have the objectives set out in the Agreement been achieved?

- 2235 • Desks: progress towards coverage of 80 countries
- 2236 • PSD: joint design and implementation of PSD support programmes (article 4.4.)

2237

2238 What are the main results of UNIDO Desks? In particular:

- 2239 • What has been the contribution of the UNIDO desks in enhancing UNIDO contribution to  
2240 national, UNDAF and One UN objectives?
- 2241 • To what extent have the UNIDO desks been an effective tool for facilitating Government  
2242 and private sector access to UNIDO expertise through the UNDP country offices?
- 2243 • Are UNIDO desks effectively contributing to the work of UNCTs?
- 2244 • Are the UNIDO Desks playing an effective advisory role regarding sustainable industrial  
2245 development (SID) to UNDP and other UN partners?

2246

2247 What are the main results of the Joint PSD Programme? In particular:

- 2248 • Did the cooperation lead to expanded PSD programmes of both organizations with  
2249 enhanced impact<sup>67</sup> (para 2.3. “PSD Framework”)?  
2250 • Have the joint PSD programmes led to broader inter-agency coordination in PSD?  
2251

### 2252 **Efficiency**

- 2253 • To what extent have the costs incurred by both parties been commensurate to the achieved  
2254 and/or planned benefits?  
2255 • To what extent are UNIDO desks cost effective – were comparable results achieved in  
2256 countries where UNIDO was active without field presence?  
2257 • Is the overhead income on TC programmes and projects a relevant parameter for  
2258 measurement of cost effectiveness?  
2259 • To what extent have UNIDO desks contributed to efficiency in the implementation of UNDP,  
2260 UNIDO or Joint UNIDO/UNDP projects and programmes (including responsiveness of  
2261 UNIDO/UNDP to national needs and priorities)?  
2262 • To what extent have the two parties, including the respective field offices, been efficient in  
2263 selecting, managing, coordinating, monitoring and providing administrative as well as  
2264 technical support for the implementation of the activities related to the agreement?  
2265

### 2266 **Sustainability**

- 2267 • Are UNIDO Desks sustainable?  
2268 • To what extent is the cooperation between UNIDO and UNDP as described in the Agreement  
2269 sustainable?  
2270 • Have the efforts under joint PSD led to sustainable results?  
2271

2272 The criteria for the performance of UNIDO Desks case study countries are stated in the Industrial  
2273 Board Document (*IDB.29/CRP.4*) and is presented in Annex 2.  
2274

### 2275 **Evaluation Approach**

2276

#### 2277 **The UNIDO Desk modality**

- 2278 • Desk Review of background information available within both organizations  
2279 • Self Assessment of UNIDO Desks to obtain structured information on issues such as:  
2280 advisory, programming and technical cooperation support function, funds mobilization,  
2281 relations with UNDP and with UNIDO HQs and field representations, thematic focus of  
2282 activities etc. (through questionnaires to HoUO, UNIDO and UNDP HQ Staff, UNDP field  
2283 offices and UNIDO Regional Offices).  
2284 • Survey among UNCT, UNIDO Regional offices, UNDP Regional Service Centers, UNDP  
2285 Country offices and relevant HQ staff in both organizations to assess the usefulness of  
2286 UNIDO Desks for main stakeholders and to collect information on the implementation of the  
2287 Agreement  
2288 • Field assessment of selected UNIDO Desks in 4 countries (jointly identified by UNDP and  
2289 UNIDO)<sup>68</sup> to assess their progress in the areas of priority identified in the agreement.

---

<sup>67</sup> Impact is described in the “Framework” as “strengthening the contribution of the private sector to the achievement of the MDGs in developing countries” and “effectively tackling constraints to unleashing dynamic entrepreneurship”.

2290 Interviews will be carried out with the Resident Representatives, UNDP and UNIDO field  
2291 staff as well as selected Government and private sector representatives.

2292

2293 ***Programmatic Cooperation in Private Sector Development***

- 2294 • Desk Review of all developed Joint PSD Programmes covered by the Agreement to  
2295 determine progress in implementation of these joint programmes
- 2296 • Interviews with PSD staff of both organizations
- 2297 • Field assessment of selected joint PSD programmes
- 2298 • Comparative review of the PSD strategies of both organizations to determine the potential  
2299 for synergies between the organizations and to what extent potential synergies have been  
2300 exploited

2301

2302 Necessary background information related to UNDP, including the inputs and activities under  
2303 this partnership agreement evaluation can be obtained from the sources and references listed in  
2304 Annex 3.

2305

2306 **Counterfactual:** to assess the contribution of the UNIDO desks, this study will compare countries  
2307 with UNIDO desk with those where UNIDO has been active without having a field presence. To  
2308 assess the contribution of the agreement to PSD cooperation, the study, to the extent possible,  
2309 will compare PSD cooperation with cooperation between UNIDO and UNDP in other areas (e.g.  
2310 environment & energy).

2311

2312 Data collection will be made through surveys, field validation studies as well as intense desk  
2313 studies. The studies will focus both on countries with successful UNIDO Desk presences or PSD  
2314 initiatives as well as those where the performance is weak.

2315

2316 **Management Arrangements and Schedule for Evaluation Outputs**

2317

2318 *Team Composition*

2319 The evaluation team will be composed of a team leader, two or more international evaluation  
2320 consultants one evaluation staff member of UNIDO and one evaluation staff member of UNDP.  
2321 The task managers of the exercise (one from UNDP and one from UNIDO) will be joining the  
2322 team in conducting field validation missions. A research assistant recruited by UNDP EO will  
2323 provide research support and the designated Programme Associate at UNDP EO will provide  
2324 necessary programme support.

2325

2326 *Quality Assurance*

2327 An external advisor (a head of evaluation of a UNEG member agency) will be appointed jointly  
2328 to advise the evaluation team. The Advisory Panel will review the design of the evaluation as  
2329 well as the draft evaluation report.

2330

2331 The conduct of this evaluation will be guided by the following **norms, standards and policies:**

---

<sup>68</sup> See Annex 4 for selection criteria.



- 2332 • The UN Evaluation Group's (UNEG) *"Norms for Evaluation in the UN System"* and  
2333 *"Standards for Evaluation in the UN System"* (April 2005)<sup>69</sup>  
2334 • The UNEG Ethical Guidelines (June 2008), UNEG *"Code of Conduct for evaluations in the UN*  
2335 *system"* (June 2008)<sup>70</sup>  
2336 • The Evaluation Policy of UNDP<sup>71</sup>  
2337 • *"UNDP Programme and Operations Policies and Procedures"*,<sup>72</sup> UNDP Monitoring and  
2338 Evaluation Handbook".<sup>73</sup>  
2339  
2340 UNDP and UNIDO will provide necessary logistical support to field visits. The consultants will be  
2341 responsible for their own travel arrangements.  
2342

---

<sup>69</sup> [http://www.uneval.org/normsandstandards/index.jsp?doc\\_cat\\_source\\_id=4](http://www.uneval.org/normsandstandards/index.jsp?doc_cat_source_id=4)

<sup>70</sup> <http://www.uneval.org/papersandpubs/index.jsp?ret=true#>

<sup>71</sup> UNDP Executive Board document DP/2005/28 (June 2006)

<sup>72</sup> <http://content.undp.org/go/userguide/results/>

<sup>73</sup> <http://www.undp.org/eo/methodologies.htm>

2343  
2344  
2345  
2346  
2347  
2348  
2349  
2350  
2351  
2352  
2353  
2354  
2355  
2356  
2357  
2358  
2359  
2360  
2361  
2362  
2363  
2364  
2365

**Addendum:**

**Criteria for the selection of countries to be covered by validation missions**

Countries visited during the terminal evaluation:

- should have a UNIDO Desk that has been operating for at least two years with the same Head of UNIDO Operations in place (should not go to a country where the Head has been appointed recently);
- should have joint UNDP-UNIDO activities with verifiable results. The activities might be with or without a direct relation to the cooperation agreement and ideally, would include PSD activities.

Furthermore the following criteria should be taken into account:

- Viability and usefulness of follow-up studies in countries that were visited (Armenia, Lao PDR, Sierra Leone and Nicaragua) during the mid-term assessment.
- The sample should include both, countries with successful UNIDO Desk presences or PSD initiatives as well as those where the performance is reportedly weak
- Conditions conducive for UN agencies to work together, such as pilot countries for Delivering as One initiative, countries with donor funds that encourage UN system coherence (e.g. MDG Funds).

## Annex 2: List of persons interviewed

2366  
2367  
2368  
2369  
2370  
2371  
2372  
2373  
2374  
2375  
2376  
2377  
2378  
2379  
2380  
2381  
2382  
2383  
2384  
2385  
2386  
2387  
2388  
2389  
2390  
2391  
2392  
2393  
2394  
2395  
2396  
2397  
2398  
2399  
2400  
2401  
2402  
2403  
2404  
2405  
2406  
2407  
2408  
2409  
2410

### **United Nations Industrial Development Organization, (UNIDO) Vienna**

Akmel P. Akpa, Officer-in-Charge, Regional and Field Operations Branch, Programme Coordination and Field Operations Division  
Klaus Billand, Senior Coordinator for UN System Coherence  
Massata Cissé, Chief, Africa Programme, Programme Coordination and Field Operations Division  
Margareta de Goys, Director, Evaluation Group, Bureau for Organizational Strategy and Learning  
Adrie de Groot, Director, Resource Mobilization and Quality Assurance Branch, Programme Coordination and Field Operations Division  
Mohamed-Lamine Dhaoui, Officer-in-Charge, Industrial Policy and Private Sector Development Branch, Programme Development and Technical Cooperation Division  
Grzegorz S. Donocik, Chief, Europe and NIS Programme, Programme Coordination and Field Operations Division  
Dr. Mohamed El Gallaf, Chief of the Arab Programme, Programme Coordination and Field Operations Division  
Victor Hinojosa-Barragan, Ph.D., Chief, Latin America and the Caribbean Programme, Programme Coordination and Field Operations Division  
Konstantin Ivanov, Unit Chief, Human Resources Management Branch, Programme Support and General Management Division  
Agerico O. Lacanlale, Director, Strategic Planning and Coordination Group, Bureau for Organizational Strategy and Learning  
Heinz Leuenberger, Director, Environmental Management Branch, Programme Development and Technical Cooperation Division  
Paul Maseli, Unit Chief, Human Resources Management Branch, Programme Support and General Management Division  
Pradeep Monga, Ph.D., Director, Energy and Climate Change Branch, Programme Development and Technical Cooperation Division  
Chua Chin Pen, Deputy to the Director and Chief, Asia and the Pacific Programme, Programme Coordination and Field Operations Division  
Dmitri I. Piskounov, Managing Director, Programme Development and Technical Cooperation Division  
Juergen Reinhardt, Industrial Development Officer, Industrial Policy and Private Sector Development Branch, Programme Development and Technical Cooperation Division  
Hans Rosnitschek, Senior Programme Management Officer, Office of the Managing Director, Programme Coordination and Field Operations Division  
Yoshiteru Uramoto, Deputy to the Director-General and Managing Director, Programme Coordination and Field Operations Division  
Behrouz Moradi, Chief and Legal Adviser, Legal Department, UNIDO

### **United Nations System and UNDP, New York**

Jonathan Brooks, UNDP Partnership Bureau  
Daphne Casey, UN Volunteers (UNV)  
Sophie De Caen, Director, MDG Achievement Fund (MDGF)  
Yamina Djacta, Deputy Director, NY Office, UN Human Settlements Programme (UN-HABITAT)  
Tegegnetwork Gettu, Regional Director and Assistant Administrator (RBA)

- 2411 Chandi Kadirgamar, Evaluation Adviser, UNCDF
- 2412 Arun Kashyap, UNDP Partnership Bureau
- 2413 Azusa Kubota, former ARR UNDP Mali and Evaluation Specialist, UNDP Evaluation Office
- 2414 Deborah Landey, Director, UN Development Operations Coordination Office (UN DOCO)
- 2415 Magnus Magnusson, Business Development Adviser, UNCDF
- 2416 David Morrison, Executive Secretary, UN Capital Development Fund (UNCDF)
- 2417 Romesh Muttukumar, Deputy Director, UNDP Partnerships Bureau (PB)
- 2418 Douglas Passanisi, UNDP Partnership Bureau
- 2419 Michael Reynolds, Evaluation Adviser, Team Member of UNIDO-UNDP Cooperation Agreement Mid-Term Review
- 2420
- 2421 Tomas Sales, UNDP Partnership Bureau
- 2422 Sahba Sobhani, UNDP Partnership Bureau
- 2423 Gerd Trogemann, Deputy Director, Div. for Resource Mobilization (OneFund), UNDP Partnership Bureau
- 2424 Felix Ugbor, Director, UN Industrial Development Organization (UNIDO) Office, NY
- 2425 Liselotte Waltmann, Director, Multi-Donor Trust Fund (MDTF), UNDP Partnerships Bureau (PB)
- 2426 Kadmiel Wekwete, Local Development Director UNCDF
- 2427
- 2428 *RBx Desk Officers and PSD Focal Points (from Group Meeting)*
- 2429 Carlos Benitez, Nicaragua Desk Officer
- 2430 Marija Ignjatovic, PSD Focal Point, RBEC
- 2431 Ade Lekoetje, Head of Tokyo International Conference on African Development (TICAD) in RBA
- 2432 Nelima Okhoya, Policy Specialist, RBA UN Support & Partnerships
- 2433 Marielza Oliveira, Programme Advisor, PSD Focal Point, Bolivia and Ecuador Desk Officer
- 2434 Tega Shivute, Consultant, RBA
- 2435 Akiko Suzuki, PSD Focal Point, RBAP
- 2436 Christine Umutoni, Programme Specialist, RBA
- 2437
- 2438 **Armenia validation mission**
- 2439 **UN**
- 2440 Consuelo Vidal, UN Resident Coordinator, UNDP Resident Representative
- 2441 Dirk Boberg, Deputy Resident Representative, UNDP
- 2442 Bushra Halepota, Representative, UNHCR
- 2443 Anahid Simonyan, Head of Operations, UNIDO
- 2444 Narine Sahakyan, Assistant Resident Representative Programme, UNDP
- 2445 Armen Martirosyan, Environmental Portfolio Manager, UNDP
- 2446 Diana Harutyunyan, UNDP Energy Efficiency and Atmosphere Protection Annual Workplan Manager (Project Coordinator), UNDP
- 2447
- 2448 Sara Sangoi, UNV Programme Officer, UNDP
- 2449 Nune Hovhannisyan, National Coordinator, ILO
- 2450
- 2451 **Government of Armenia**
- 2452 Nerses Yeritsyan, Minister, Ministry of Economy
- 2453 Hranush Hakobyan, Minister, Ministry of Diaspora
- 2454 Vache B. Terteryan, First Deputy Minister, Ministry of Territorial Administration
- 2455 Dr. Simon Papyan, First Deputy Minister, Ministry of Nature Protection

2456 Dr. Aram Gabrielyan, Head of Environmental Protection Department, UNFCCC National Focal Point  
2457 Ruzanna Davtyan, Director of Department, international Cooperation Department, Ministry of Nature  
2458 Protection  
2459 Levon Rukhkyan, Deputy Minister of Agriculture  
2460 Andranik Petrosyan, Head of International Relations and Marketing Department  
2461  
2462 **Government Agency**  
2463 Lilit Apujanyan, Start-up Support Programs, Small & Medium Entrepreneurship Development National  
2464 Center of Armenia  
2465 Robert Harutyunyan, Director-General, Armenian Development Agency  
2466 Dr. Tigran Khanikyan, Coordinator, Financial Support Programs  
2467 Dr. Levon Mnatsakanyan, Expert, Financial Support Programs  
2468  
2469 **Donors**  
2470 Hayley Alexander, Chief of Party, USAID CAPS project  
2471 Zara Allahverdyan, Senior National Programme Officer, Swiss Agency for Development and Cooperation  
2472 SDC  
2473 Jose Garcia Medrano, Adviser to the Ministry of Economy, EU Advisory Group to the Republic of Armenia  
2474 Karen Grigorian, Senior Economist, Private and Finance Sector Department, The World Bank  
2475 Uffe Holst Jensen, Head of Operations, European Union,  
2476 Raul de Luzenberger, Ambassador, Head of Delegation, European Union  
2477  
2478 **Private Sector**  
2479 Gagik Makaryan, Executive Director, Union of Employers of Armenia  
2480 Raffi Mekhjian, Chairman, Union of Exporters of Armenia (and General Manager, Raffael Contini Trading  
2481 Compnay)  
2482  
2483 **Bolivia validation mission**  
2484 **UN**  
2485 Gonzalo Calderon, Project Director, UNDP  
2486 Valery Collard, Pasante Internacional, UNIDO  
2487 Vitoria Ginja, Country Representative, WFP  
2488 Rene Fernadez, Project Coordinator, UNIDO  
2489 Martha Lanza, Manager Gender Projects, UNIDO  
2490 Monica Mendizabal, National Coordinator of the Poverty Program, UNIFEM  
2491 Cielo Morales, Deputy Resident Representative, UNDP  
2492 Alejandra Ovando, Communication Assistant, UNIDO  
2493 Elisa Panades, Country Representative, FAO  
2494 Cesar Sevilla, Chief of operations HUO, UNIDO  
2495 Yoriko Yasukawa, Resident Representative, UNDP RC  
2496  
2497 **Government of Bolivia**  
2498 Maria Cecilia Chacon, Director Multilateral Relations Ministry of Foreign Relations  
2499 Marcos Kucharsky, Vice-Minister Policy Analysis, Ministry of Development Planning  
2500 Noel Aguirre Ledezma, Minister of Development Planning  
2501 Patricia Valdez Munguia, Vice-Director Multilateral Relations, Ministry of Foreign Relations

2502 Roger Carvajal Saravia, Vice-Minister Science and Technology, Ministry of Development Planning  
2503 Javier Fernandez Vargas, Vice-Ministry of Public Investments and External Financing  
2504  
2505 **Donors**  
2506 Ricardo Losa Jimenez, Second Secretary, Embassy of Spain  
2507 Ivo Hoefkens, Chief Economic Development Section, European Union Delegation  
2508 Gonzalo Vidaurre, Economic Development Adviser, European Union Delegation  
2509  
2510 **Private Sector**  
2511 Avrello Maldonado Apaza, Technisian, AsF Mancomunidad  
2512 Ninotshka Calderon, Sub-Director of Industrial Development, National Chamber of Industry  
2513 Alejandro Choque, Director Aymara sin Fronteras Mancomunidad  
2514 Nestor Tenorio Franes, President, AsF Mancomunidad  
2515 Marco Antonio Gonzales, President, National Confederation of Micro and Small Scale Enterprises  
2516  
2517 **Lao PDR validation mission**  
2518 **UN**  
2519 Ayumi Fujino, Representative and Head of Regional Office Thailand, UNIDO Regional Office in Bangkok  
2520 (telephone interview)  
2521 Kheungkham Keonuchan, Ph.D, Head of UNIDO Operations  
2522 Jaakko Korpela, Technical Laboratory Officer, FAO  
2523 Phanchinda Lengsavath, Assistant Resident Representative, Chief, Poverty Reduction Unit (incl. PSD),  
2524 UNDP  
2525 Siena Perry, Communications Officer, FAO  
2526 Latsany Phakdisoth, Programme Analyst, Poverty Reduction Unit, UNDP  
2527 Serge Verniau, Representative, FAO  
2528 Stéphane Vigié, Deputy Resident Representative, UNDP  
2529 Sonam Yangchen Rana, Resident Coordinator, United Nations, Resident Representative, UNDP  
2530 Avi Sarkar, Chief Technical Advisor, South East Asia Region, UN-HABITAT  
2531  
2532 **Government of Laos**  
2533 Sisomboun Ounavong, Deputy Director General, Department of International Cooperation, Ministry of  
2534 Planning and Investment  
2535 Vang Phommasack, Director General, Department of Industry, Ministry of Industry and Commerce  
2536  
2537 **Project Staff**  
2538 Sengdavone Bangonsengdet, Deputy Secretary General, Director of the Employers' Bureau Activities, Lao  
2539 National Chamber of Commerce and Industry (LNCCI) and Project Manager of Joint UNIDO-UNDP PSD  
2540 project  
2541 Jos van der Zanden, Chief Technical Advisor, Consultant Rural Agro-Industry Development, Post-opium  
2542 Surpass Poverty (PSP-Project Oudomxay), UNIDO/UNODC Project  
2543  
2544 **Private Sector (Government Agency)**  
2545 Dr. Ramon Bruesseler, Advisor to the Board, CIM Integrated Expert, Lao National Chamber of Commerce  
2546 and Industry (LNCCI)  
2547 Dr. Sananh Chounlamany, Vice-President, Lao National Chamber of Commerce and Industry (LNCCI)

2548

2549 **Development Partner**

2550 Phanthouleth Louangraj, Economics Officer. Asian Development Bank (ADB)

2551 Dr. Manfred Marzdorf, Programme Director, Lao-German Programme on Human Resource Development

2552 for Market Economy, German Technical Cooperation (GTZ)

2553

2554 **Nicaragua validation mission**

2555 **UN**

2556 Leslie Castro, Programme Officer, Office of the UN Resident Coordinator in Nicaragua

2557 Elisabeth Gotschi, Programme Officer, Poverty Reduction in Nicaragua, UNDP

2558 Galio Gurdian, Coordinator Caribbean Coast, UNDP

2559 Alvaro Herdocia, Coordinator Economic Development, UNDP

2560 Alfredo Missair, UN Resident Coordinator, Resident Representative, UNDP

2561 Matilde Mordt, Assistant Resident Representative, UNDP

2562 Daizen Oda, Project Coordinator, UNV

2563 Juan Fernando Ramirez, Operation Chief UNIDO HUO

2564 Maria Rosa Renzi, Regional Coordinator for Economic Development, UNDP

2565

2566 **Government of Nicaragua**

2567 Luis Alberto Mendoza, Director Multilateral Cooperation, Chancellery

2568 Arturo Solorzano, Director General, Ministry of Industry and Technology, MIFIC

2569 Leellen Zauria, Cooperation Analyst

2570

2571 **Project Staff**

2572 Cesar Barahona, National Coordinator, Cleaner Production, CPML

2573 Ernesto Bendana, UNIDO Project Consultant

2574 Pastora Sandino, UNIDO Cluster Project

2575

2576 **Donors**

2577 Fransisco Ausin, Governance Programme Director, MDGF, AECI

2578 Yader Baldizon, Adviser SME, Austrian Cooperation, Austrian Embassy

2579

2580 **Private Sector**

2581 Pedro Antonio Blandon, Coordinator Comisiones Sectoriales, APEN

2582 Guillermo Thomas, Board Secretary Camera of Industry in Nicaragua, CADIN

2583

2584 **Rwanda validation mission**

2585 **UN**

2586 Aurelien A. Agbenonci, UN Resident Coordinator & UNDP Resident Representative

2587 Ms. Maggy Ntalindwa Gatera, Head of Democratic Governance Unit, UNDP

2588 Emmanuel Kalenzi, Head UNIDO of Operations

2589 Canisius Karurange, UNIDO National Expert (Industrial Governance)

2590 Anthony Kwaku Ohemeng-Boamah, UNDP Country Director

2591 Safiou Eso Ouro-Doni, UNDP Deputy Country Director

2592 Jean Paul Rwabuyonza, Programme Specialist, UNDP Economic Advisor

2593

2594 **Government of Rwanda**

2595 Pipien Hakizabera, Rwanda Development Board, Director General

2596 Annoncee Kuradusenge, Ministry of Trade and Industry

2597

2598 **Donors**

2599 Mr. Jan Bade, First Secretary for Economic Development; Embassy of the Kingdom of the Netherlands

2600 Jean-Pierre Dekens, Counsellor-Head of Section; Rural Economy, Food Security Decentralisation and

2601 Environment; Delegation of the European Commission in Rwanda

2602 Laurent Gashugi, Assistant Representative FAO

2603 Mr. Lamech Nambajimana, ILO Desk Officer

2604 Ryan Washburn, USAID

2605

2606 **Private Sector**

2607 Manzi Rutayisire, Private Sector Federation

2608

2609



## 2610 **Annex 3: Key documents reviewed**

- 2611 1. Cooperation Agreement between UNIDO and UNDP (“Agreement”), 2004.
- 2612 2. Framework for Joint UNIDO/UNDP Technical Cooperation Programmes on PSD (“PSD Framework”),  
2613 2004.
- 2614 3. UNIDO UNDP Cooperation Announcement, September 2004.
- 2615 4. Joint Assessment of the Progress in the Implementation of the Cooperation Agreement between  
2616 UNIDO and UNDP (“Joint Assessment”), 2006.
- 2617 5. Management response of UNIDO to the mid-term evaluation, amendment November 2007.
- 2618 6. Joint management response of UNIDO and UNDP to the mid-term evaluation, for Executive Board of  
2619 the UNDP and UNPF, first regular session (DP/2007/7), January 2007.
- 2620 7. Relevant reviews or studies conducted on projects/activities related to the cooperation agreement.

2621

### 2622 *UNDP Reporting Instruments*

- 2623 8. UNDP’s Results Oriented Annual Reports (ROARs) for the period.
- 2624 9. Multi Year Funding Framework Reports (MYFFR).
- 2625 10. Annual Project Reports (APR) in select UNDP Country Offices.

2626

### 2627 *UNDP Planning Instruments*

- 2628 11. Common Country Assessment (CCA) in select countries.
- 2629 12. United Nations Development Assistance Framework (UNDAF) in select countries.
- 2630 13. Country Programme Documents (CPD) in select countries.
- 2631 14. Country Programme Action Plans (CPAP) in select countries.
- 2632 15. Relevant Project and Programme documents.
- 2633 16. UNDP ATLAS project tree.

2634

### 2635 *UNDP Other Documents*

- 2636 17. Memorandum of Understanding between UNDP and UNESCO, 2008.
- 2637 18. Memorandum of Understanding between UNDP and UNODC, 2008.
- 2638 19. UNDP-Administered Multi-Donor Trust Funds & Joint Programmes (Website: [www.undp.org/mdtf](http://www.undp.org/mdtf)),  
2639 2009.
- 2640 20. UNDP Private Sector Strategy - *Promoting Inclusive Market Development*-Final Version, September  
2641 2007.
- 2642 21. UNDP Private Sector Development and Engagement Heatmap of programmes and projects, 2006.
- 2643 22. *Creating Value for All: Doing Business with the Poor*, GIM Report, 2008.
- 2644 23. Standard UNDP Joint Programme Document, MOU, and Administrative Arrangement documents.
- 2645 24. UNDP Guidelines and Procedures on SBS and pooled funding (March 2009).
- 2646 25. UNDP Private Sector Community of Practice Action Plan.
- 2647 26. Handbook on Monitoring and Evaluating for Results, UNDP, 2002

2648

2649

2650 *UNIDO Documents*

- 2651 27. Strategic alliance with the United Nations Development Programme – Implementation plan, report by  
2652 the Director-General (IDB.29/CRP.4), 2004.  
2653 28. The contribution of UNIDO to United Nations system-wide coherence: synergy at work, 2008.  
2654 29. United Nations system-wide coherence, report by the Director-General (IDB.35/12), 2008.  
2655 30. Conceptual Foundation and Special Support Programmes of UNIDO's PSD Branch, February 2009.  
2656 31. UNIDO, SMEs and the Global Compact (2006).  
2657 32. UNIDO, Supply Chain\_Global Compact (2005).  
2658 33. Global Compact, Survey of SMEs (2004).  
2659 34. UNIDO Annual Report (2008).  
2660 35. UNIDO Programme and Budget (2010-2011).  
2661 36. UNIDO country workplans in select countries.  
2662 37. UNIDO statistics on PSD deliveries extracted from UNIDO Infobase.  
2663 38. Draft UNIDO PSD Strategy, 2009.  
2664 39. UNIDO Field Reform. Note by the Secretariat, UNIDO, IDB.31/CRP.6, 1 June 2006.  
2665 40. Programme and budgets, 2010-2011, Proposals of the Director-General, UNIDO, IDB.36/7–PBC.25/7,  
2666 24 March 2009.  
2667

2668 *UNIDO Reporting Documents*

- 2669 41. UNIDO internal progress reports, Industrial Policy and Private Sector Development Branch, 2009.  
2670 42. UNIDO internal document on PSD Cooperation with other UN organizations.  
2671 43. UNIDO Progress Reports on Joint PSD Programmes (January 2005, April 2007, January 2008).  
2672 44. UNIDO Mission Report on PSD Cooperation Strengthening, Geneva, June 2008.  
2673 45. UNIDO IP and project/programme reports in select countries.  
2674

2675 *UN DOCO*

- 2676 46. UNDG Guidance Note on joint programming, December 2003.  
2677 47. UNDG Summary report of lessons learned from UNDG – Review of joint programmes.  
2678 48. UNDG Enhancing the Effectiveness of Efficiency of Joint Programmes, March 2006.  
2679 49. UN Resident Coordinator Generic Job Description, approved by the UNDG, 29 January 2009.  
2680 50. Enhancing the participation of Non-Resident Agencies in UN country-level development activities,  
2681 2006.  
2682 51. Non-Resident Agency (NRA) Workplan UNDG 2009-2011.  
2683

2684 *Other Documents*

- 2685 52. *Delivering as One*, Secretary-General's High-level Panel on UN System-wide Coherence, November  
2686 2006.  
2687 53. Cape Verde – Delivering as One - Stocktaking Report, 2008.  
2688 54. *Unleashing Entrepreneurship: Making Business Work for the Poor*, Commission on the Private Sector  
2689 and Development, March 2004.  
2690 55. Independent strategic evaluation of the performance and impact of Habitat Programme Managers  
2691 (HSP/GC/21/INF/4), 2006.

- 2692 56. Actions taken by the Executive Boards and Governing Bodies of the United Nations funds,  
2693 Programmes and specialized agencies in the area of simplification and harmonization of rules and  
2694 procedures (preliminary unedited version), May 2009.
- 2695 57. National, Government and UN planning/review/progress report documents, including related to  
2696 achieving the MDGs, poverty reduction, and One UN agendas in select countries.
- 2697 58. UN Private Sector Focal Points, Meeting Reports, 2006 & 2008.  
2698
- 2699  
2700

2701 **Annex 4: Self-Assessment questionnaire**

2702

2703

2704 Joint Terminal Evaluation of the Implementation of the Cooperation Agreement  
2705 between UNIDO and UNDP

2706

2707

2708 **Self Assessment of UNIDO Desks**

2709

2710 **Questionnaire for Heads of UNIDO Operations (HUO)**

2711

2712

2713

2714

2715

2716

2717

**This questionnaire will serve as a key input into the Joint Evaluation. Please return by mail before (date) to (e-mail address)**

2718

2719

**Background**

2720

2721

2722

2723

2724

2725

2726

2727

2728

2729

2730

2731

2732

2733

2734

**How to use the questionnaire?**

2735

2736

2737

2738

2739

2740

2741

2742

2743

2744

2745

2746

As this is a self assessment, this questionnaire can only be filled in by the Head of UNIDO Operations (HUO). Please respond to the questions as accurately as possible. Please comment your responses where we invite you to do so.

Please fill in this questionnaire electronically and e-mail it back to (e-mail address) no later than (date).

Your responses will be kept confidential and you will not be quoted.

The evaluation team appreciates your collaboration.

---

2747  
2748  
2749  
2750  
2751  
2752  
2753  
2754  
2755  
2756  
2757  
2758  
2759  
2760  
2761  
2762  
2763  
2764  
2765

**Factual Information**

Please provide us with some factual information.

UNIDO Desk in country: ...

How long have you been a HUO (e.g. since May 2006): ...

Is there a joint UNDP-UNIDO Private Sector Development Programme (PSD) in your country which is funded and operational?

yes  no

If yes, please provide project name, number and amount (in USD):...

**Follow-up to the recommendations of the Joint Assessment**

**1.** In 2006, UNDP and UNIDO conducted a Joint Assessment of the Cooperation Agreement between UNDP and UNIDO. In the assessment a number of recommendations were made. Please indicate the extent to which you agree with below statements.

<i>Answer each component</i>	<i>Fully agree</i>	<i>Mostly agree</i>	<i>Disagree somewhat</i>	<i>Fully disagree</i>	<i>Don't know</i>
The working arrangements at country level have been formalized. (K2a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The arrangements at country level are coherent with the provisions of the agreement. (K2b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
You, the HUOs, are fully incorporated in the overall organizational structure of UNIDO. (L2a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The system to monitor the UD work plans is working well. (L2c)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The support and flow of information from UNIDO HQs and Regional Offices to UDs is satisfactory. (L2d)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The reporting and supervision lines between UDs and UNDP RRs are clear. (L3 a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The administrative and technical relationship and reporting lines between UDs and UNIDO HQs are clear. (L3b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The administrative and technical relationship and reporting lines between UDs and UNIDO Regional Offices are clear. (L3b)					
The relationship between Integrated Programmes, stand-alone projects and joint programmes and the role of the HUO in support to all these is clarified. (L3 c)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The HUU has more administrative and financial authority and accountability compared to role in 2006. (L4a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The UD was provided with sufficient seed money for programming and advisory activities after 2006. (L4b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The responsibilities regarding programme development and implementation at the country level has been clarified. (regarding joint and integrated programmes) (L4c)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2766

2767

**Questions related to the implementation of the Agreement**

2768

2769 **2.** Who is officially representing UNIDO in your country vis-a-vis the Government? (A1) Tick only  
2770 one:

- The UNDP Resident Representative
- The Head of UNIDO Operations
- The UNDP Resident Representative and the Head of UNIDO Operations, depending on the occasion

2771

2772 **3.** In your country, to what extent were joint UNDP-UNIDO fund raising activities undertaken  
2773 since the UNIDO Desk was established? (A4)

Frequently  Occasionally  Rarely  Never

2774

2775 **4.** What is the volume of funds jointly raised since the establishment of the UNIDO Desk? (A4)  
2776 USD: ... (please provide project names, numbers and amounts in USD )

2777

2778 **5.** From your point of view, how would you describe the efforts of UNIDO Headquarters to  
2779 promote the Cooperation Agreement at the country level? (A5)

Strong efforts  Some efforts  Only few efforts  No efforts

2780

2781 **6.** From your point of view, how would you assess the efforts of UNDP Headquarters to promote  
the Cooperation Agreement at the country level? (A5)

Strong efforts  Some efforts  Only few efforts  No efforts

2782

2783 **7.** Do you have an effective working-relationship with your UNIDO Regional Office? (A7)

Very effective  Effective  Only occasionally effective  Not effective

2784

*Please explain briefly your rating:...*

2785

**Questions related to the Relevance of the Agreement**

2786

2788 **8.** In your country, is, in your opinion, the Agreement between UNIDO and UNDP still relevant,  
2789 taking into account current trends of intra-UN cooperation and new funding modalities (e.g.  
2790 'Delivering As One', One Programme, Spanish Fund)? (B1)

Highly relevant  relevant to some extent  limited relevance  no longer relevant

2791

*Please explain briefly your rating:...*

2792

2793

2794 **9.** From your point of view, is the UNIDO presence with a Desk in the country of continuous (past  
2795 and present) relevance to the Government? (B2)

Highly relevant  relevant to some extent  limited relevance  no longer relevant

2796 *Please explain briefly your rating:...*

2797

2798 **10.** From your point of view, is the UNIDO presence in the country of continuous (past and  
2799 present) relevance to UNIDO? (B2)

Highly relevant  relevant to some extent  limited relevance  no longer relevant

2800 *Please explain briefly your rating:...*

2801

2802 **11.** From your point of view, is the UNIDO presence in the country of continuous (past and  
2803 present) relevance to UNDP? (B2)

Highly relevant  relevant to some extent  limited relevance  no longer relevant

2804 *Please explain briefly your rating:...*

2805

2806 **12.** From your point of view, to what extent is the UNIDO Desk model of field representation  
2807 (staffing etc) meeting country demands? (B3) (

Very Well  Welle  Not quite appropriate  not appropriate

2808 *Please explain briefly your rating:...*

2809

2810 The Agreement sets out the following objectives of the JPSD: *The ultimate objective of joint  
2811 programmes is to expand, and enhance the impact of, both organizations' PSD support  
2812 programmes with a view to strengthening the contribution of the private sector to the achievement  
2813 of the MDGs.*

2814

2815 **13.** Are these objectives of continuous relevance to Your Host? country? (B4)

Highly relevant  relevant  limited relevance  no longer relevant

2816

2817 **14.** Are these objectives of continuous relevance to UNDP? (B4) Necessary?

Highly relevant  relevant  limited relevance  no longer relevant

2818

2819 **15.** Are these objectives of continuous relevance to UNIDO? (B4) Necessary?

Highly relevant  relevant  limited relevance  no longer relevant

2820

2821

2822 **16.** Do you consider your country to be a good choice for the establishment of a UNIDO Desk?  
2823 (B5)

Very good choice  Good choice  Not so good choice  Bad choice

2824 *Please explain briefly your rating:...*

2825

2826 **17.** Were complementarities and synergies strengthened between UNDP and UNIDO since the  
 2827 establishment of your UNIDO Desk? (B6)

Very much so  To some extent  Only to a limited extent  Not really

2828 *Please explain briefly your rating:...*

2829  
 2830 **18.** In your country, is the partnership with UNDP relevant in relation to other multi-partner  
 2831 cooperation initiatives in the area of PSD? (B7)

Very much so  to some extent  only to a limited extent  not really

2832 *Please explain briefly your rating:...*

2833

2834 **Questions related to the Effectiveness of the Agreement**

2835

2836 **19.** Below are two statements on UNIDO Desk's contribution to national and UN objectives.  
 2837 Please indicate the extent to which you agree that these statements apply to your UNIDO Desk.  
 2838 (C2)

2839

<i>Answer each component</i>	<i>Fully agree</i>	<i>Mostly agree</i>	<i>Disagree somewhat</i>	<i>Fully disagree</i>	<i>Don't know</i>
The UNIDO Desk has contributed to enhance UNIDO's role in meeting national development objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UNIDO's mandate is better than before represented in such planning documents as CCA/UNDAF.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2840

2841 **20.** To what extent have the UNIDO Desks been an effective tool for facilitating Government  
 2842 access to UNIDO expertise through the UNDP Country Offices? (C3)

To a large extent  To some extent  Only to a limited extent  Not really

2843 *Please explain briefly your rating and provide examples:...*

2844

2845 **21.** To what extent have the UNIDO Desks been an effective tool for facilitating private sector  
 2846 access to UNIDO expertise through the UNDP Country Offices? (C3)

To a large extent  To some extent  Only to a limited extent  Not really

2847 *Please explain briefly your rating and provide examples:...*

2848

2849 **22.** Below are some statements on UNIDO Desk's contribution to the work of the UN Country  
 2850 Team. Please indicate the extent to which you agree that these statements apply to your UNIDO  
 2851 Desk. (C4)

2852

<i>Answer each component</i>	<i>Fully agree</i>	<i>Mostly agree</i>	<i>Disagree somewhat</i>	<i>Fully disagree</i>	<i>Don't know</i>
The Head of UNIDO Operations is a full member of the UNCT.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Head of UNIDO Operations fully	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



participates/ed in the UNDAF process.					
The Head of UNIDO Operations regularly participates in inter-agency meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Head of UNIDO Operations is an active participant in thematic working groups.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2853 *Please provide additional examples of contributions to the work of the UN Country Team:...*

2854

2855 **23.** Are the UNIDO Desks playing an effective advisory role regarding sustainable industrial development (SID) to UNDP and other UN partners? (C5)

2856

To a large extent  to some extent  only to a limited extent  not really

2857 *Please explain briefly your rating and provide examples:...*

2858

2859 *Only answer the following question if there is a Joint UNIDO-UNDP Private Sector Development Programme in your country. Otherwise move to the next question.*

2860

2861 **24.** Has the joint PSD programme in your country led to broader inter-agency coordination in private sector development? (The question goes beyond the collaboration between UNDP and UNIDO and refers to other UN agencies)? (C7)

2862

2863 Very much so  to some extent  only to a limited extent  not really

2864

2865 **25.** Has the agreement helped to bring about inter-agency coordination in areas other than private sector development (e.g. environment or energy)? (G7)

2866

Very much so  to some extent  only to a limited extent  not really

2867

2868 **Questions related to Efficiency**

2869

2870 **26.** Below are some statements on UNIDO Desk's contribution to efficiency in the implementation of UNDP, UNIDO or Joint UNIDO/UNDP projects and programmes. Please indicate the extent to which you agree that these statements apply to your UNIDO Desk. (D4)

2871

2872

2873

<i>Answer each component</i>	<i>Fully agree</i>	<i>Mostly agree</i>	<i>Disagree somewhat</i>	<i>Fully disagree</i>	<i>Don't know</i>
The UNIDO Desk makes communication between projects and Headquarters (UNIDO and/or UNDP) much more efficient.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The UNIDO Desk makes communication between projects and the Government much more efficient.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The UNIDO Desk provides crucial support to project staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because of the UNIDO Desk, UNIDO/UNDP are much more responsive to national needs and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

priorities with regard to private sector development.					
---	--	--	--	--	--

2874  
2875  
2876  
2877  
2878  
2879  
2880  
2881  
2882  
2883  
2884

**27.** Below are some statements regarding the technical and administrative support received by the UNIDO Desks. Please indicate the extent to which you agree that these statements apply to your UNIDO Desk. (D5)

<i>Answer each component</i>	<i>Fully agree</i>	<i>Mostly agree</i>	<i>Disagree somewhat</i>	<i>Fully disagree</i>	<i>Don't know</i>
The <i>technical</i> support received from UNIDO headquarters was always satisfactory.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The <i>administrative</i> support received from UNIDO headquarters was always satisfactory.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The <i>technical</i> support received from UNDP country office was always satisfactory.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The <i>administrative</i> support received from UNDP country office was always satisfactory.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2885

**Questions related to Sustainability**

2886

*Only answer the following question if there is a Joint UNIDO-UNDP Private Sector Development Programme in your country.*

2887

**28.** Have the efforts under joint PSD led to sustainable results on the ground? (E3)

2888

Yes  To some extent  Not really  Too early to tell

2889

*Please explain briefly your rating:...*

2890

28 Is there donor interest or cost-sharing possibilities to fund UD modality in your country?

2891

Very much so  to some extent  only to a limited extent  not really

2892

29. Expanding the Agreement to include other related UN agencies such as ILO and/or UNCTAD will help improve the effectiveness, efficiency and relevance of UNIDO and UNDP support to programme country:

2893

Very much so  to some extent  only to a limited extent  not really

2894

*Further comments: ...*

2895

This is the end of the questionnaire. Thank you very much for your collaboration.

2896

2897

2898

2899

2900

2901 We would like to invite you to provide concrete recommendations or suggestions with regard to  
2902 the way forward and steps that UNIDO and UNDP should take to achieve the objectives of the  
2903 agreement. If you have such recommendations, please insert them below.  
2904  
2905

2906 **Annex 5: Questionnaire for headquarter staff**

2907

2908 Joint Terminal Evaluation of the Implementation of the Cooperation Agreement  
2909 between UNIDO and UNDP

2910

2911 **Questionnaire for Headquarter Staff (UNDP and UNIDO) and UNIDO**  
2912 **Regional Offices**

2913

2914

2915 **This questionnaire will serve as a key input into the Joint Evaluation. Please**  
2916 **return by mail before (date) to (e-mail address)**

2917

2918

2919 **Background**

2920 The present questionnaire is part of the terminal evaluation for the Cooperation Agreement  
2921 between UNDP and UNIDO that was concluded on 23<sup>rd</sup> September 2004 for an initial period of  
2922 five years. The evaluation is designed to present evidence and findings on past performance as  
2923 well as recommendations for future steps to be taken by both organizations.

2924 The evaluation is of strategic importance to both organizations. Its findings and recommendations  
2925 will be presented to the General Conference of UNIDO in December 2009 and to the Executive  
2926 Board of UNDP during its September 2009 Session.

2927 The evaluation covers the two components of the Agreement: UNIDO Desks (UD) and the Joint  
2928 Private Sector Development (PSD) Programme. It will cover all geographic regions.

2929 The evaluation team is composed of two external evaluators, one of which is the team leader,  
2930 and two internal evaluators one from UNDP and one from UNIDO.

2931 The evaluation builds on the "Joint Assessment" which was carried out by both organizations in  
2932 2006.

2933

2934 **How to use the questionnaire?**

2935 This questionnaire should be filled in by UNDP and UNIDO staff at headquarters directly involved  
2936 in the implementation of the Cooperation Agreement between UNIDO and UNDP, in particular  
2937 staff dealing with the UNIDO Desks (UD) and staff being involved in PSD. This questionnaire is  
2938 also for UNIDO regional offices.

2939 The questionnaire has three parts. The first part is related to the Agreement in general. The  
2940 second part is related to the UNIDO Desks. And the third part is related to Joint UNDP-UNIDO  
2941 Private Sector Development Programmes (JPSDP). Please only respond to those parts you feel  
2942 comfortable having sufficient knowledge. (e.g. if you are engaged in PSD but have no knowledge  
2943 about the UNIDO Desks only respond to the questions in first and third Part).

2944 Please respond to the questions as accurately as possible.

2945 Please fill in this questionnaire electronically and e-mail it back to (e-mail address) no later than  
2946 (date).

2947 Your responses will be kept confidential and you will not be quoted.

2948

2949 The evaluation team appreciates your collaboration.

2950

2951

2952

2953 **Factual Information**

2954

2955 *Please provide us with some factual information.*

2956

2957 a) The division you are working in (e.g. *UNIDO, Evaluation Group*):

2958

2959 b) Your position (e.g. *Programme Officer*):

2960

2961 c) Your link to the implementation of the Cooperation Agreement (e.g. *monitoring of private sector*

2962 *development projects*):

2963

2964 **1. Part: About the Agreement in General**

2965

2966 **1.** Is Private Sector Development (PSD) an important area for your organisation?

Very important  Important  Limited importance  Not important

2967

2968 **2.** From your point of view, is the Agreement between UNIDO and UNDP still relevant, taking into

2969 account current trends of intra-JN cooperation and new funding modalities (e.g. 'Delivering As

2970 One', One Programme, Spanish Fund)? (B1)

Highly relevant  relevant to some extent  limited relevance  no longer relevant

2971

2972 **3.** Did the Agreement serve its intended purpose?

Very much so  To some extent  Only to a limited extent  Too early to tell

2973

2974 **4.** In general, have the right countries been selected for the implementation of the Agreement?

2975 (B5)

Very good selection  Good selection  Not so good selection  Bad selection

2976

2977 **5.** In your opinion, do you think that the complementarities and synergies between UNDP and

2978 UNIDO were strengthened since the Agreement is in place? (B6)

Very much so  To some extent  Only to a limited extent  Not really

2979

2980 **6.** In your opinion, is the partnership between UNDP and UNIDO relevant in relation to other

2981 multi-partner cooperation initiatives in the area of PSD? (B7)

Very much so  to some extent  only to a limited extent  not really

2982

2983 **7.** From your point of view, how would you describe the efforts of UNIDO Headquarters to

2984 promote the Cooperation Agreement at the country level and among donors? (A5)

Strong efforts  Some efforts  Only few efforts  No efforts

2985

2986 **8.** From your point of view, how would you assess the efforts of UNDP Headquarters to promote

2987 the Cooperation Agreement at the country level and among donors? (A5)

Strong efforts  Some efforts  Only few efforts  No efforts

2988

2989 **9.** The agreement at Headquarters level needs to be complemented with country-level  
2990 agreements.

Very much so  To some extent  Only to a limited extent  Not really

2991

2992

2993 **2. Part: About the UNIDO Desk**

2994

2995 **10.** *This question is only for UNIDO Regional Offices:* Do you have an effective working-  
2996 relationship with the UNIDO Desk(s) in your region? (A7)

Very effective  Effective  Only occasionally effective  Not effective

2997

2998 *Please explain briefly your rating:*

2999

3000 **11.** From your point of view, is the UNIDO presence with a UNIDO Desk at country level adding  
3001 significant value to the host Government? (B2)

Significantly  To some extent  Of limited value  No longer useful

3002

3003 **12.** From your point of view, does the UNIDO presence with a UNIDO Desk (past and present)  
3004 provide value addition to UNDP's efforts? (B2)

Significantly  to some extent  Of limited value  No longer useful

3005

3006 **13.** From your point of view, does the UNIDO Desk modality at the country level provide value  
3007 addition to UNIDO's efforts to promote its mandate? (B2)

Significantly  to some extent  Of limited value  No longer useful

3008

3009 **14.** From your point of view, to what extent is the UNIDO Desk model of field representation  
3010 (staffing etc) appropriate for meeting country demands? (B3)

Very appropriate  Appropriate  Not quite appropriate  Not appropriate

3011

3012 **15.** Below are some statements on UNIDO Desk's contribution to efficiency in the implementation  
3013 of UNDP, UNIDO or Joint UNIDO/UNDP projects and programmes. Please indicate the extent to  
3014 which you agree with the following statements. (D4)

3015

<i>Answer each component</i>	<i>Fully agree</i>	<i>Mostly agree</i>	<i>Disagree somewhat</i>	<i>Fully disagree</i>	<i>Don't know</i>
The UNIDO Desks make communication between projects and Headquarters (UNIDO and/or UNDP) much more efficient.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because of the UNIDO Desks, UNIDO and UNDP are much more responsive to national needs and priorities with regard to private sector development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3016

3017 **16.** Does the performance of the UNIDO Desks in general meet your expectations? (this question  
3018 does not refer to specific Desks or the HUO, but to the overall performance of the UNIDO Desk  
3019 model, taking into account the HQ support it receives and other factors)

Exceeds expectations  Satisfactory  Below expectations  Poor

3020

3021 **17.** What do you consider to be the main value added of the UNIDO Desks?

3022 *Please describe briefly.*

3023

3024

3025 **18.** What are the most important challenges/problems faces by the UNIDO Desks?

3026 *Please describe briefly.*

3027

3028 **19.** How could the UNIDO Desks' relevance, effectiveness and efficiency be improved?

3029 *Please describe briefly.*

3030

3031 **20.** Would you recommend the UNIDO Desk scheme to be replicated in other countries?

3032 yes  no

3033

3034

3035 **3. Part: About the Joint UNIDO/UNDP Private Sector Development Programmes (JPSPD)**

3036

3037 The Agreement sets out the following objectives of the JPSPD: *The ultimate objective of joint*  
3038 *programmes is to expand, and enhance the impact of, both organizations' PSD support*  
3039 *programmes with a view to strengthening the contribution of the private sector to the achievement*  
3040 *of the MDGs.*

3041

3042 **21.** Are these objectives of continuous relevance to partner countries? (B4)

Highly relevant  relevant  limited relevance  no longer relevant

3043

3044 **22.** Are these objectives of continuous relevance to UNDP? (B4)

Highly relevant  relevant  limited relevance  no longer relevant

3045

3046 **23.** Are these objectives of continuous relevance to UNIDO? (B4)

Highly relevant  relevant  limited relevance  no longer relevant

3047

3048 **24.** Has the joint PSD programmes led to broader inter-agency coordination in private sector  
3049 development? (The question goes beyond the collaboration between UNDP and UNIDO and  
3050 refers to other UN agencies)? (C7)

Very much so  to some extent  only to a limited extent not really

3051

3052 **25.** Has the agreement helped to bring about inter-agency coordination in areas other than  
3053 private sector development (e.g. environment or energy)? (G7)

Very much so  to some extent  only to a limited extent not really

3054

3055 **26.** Have the efforts under joint PSD led to sustainable results on the ground? (E3)

Yes  To some extent  Not really  Too early to tell

3056

3057 *Please explain briefly your rating:*

3058

3059 This is the end of the questionnaire. Thank you very much for your collaboration.

3060 We would like to invite you to provide concrete recommendations or suggestions with regard to  
3061 the way forward and steps that UNIDO and UNDP should take to achieve the objectives of the  
3062 agreement. If you have such recommendations, please insert them below.

3063

3064 *Further comments:*

3065

3066