



UNIDOScope

weekly internet newsletter

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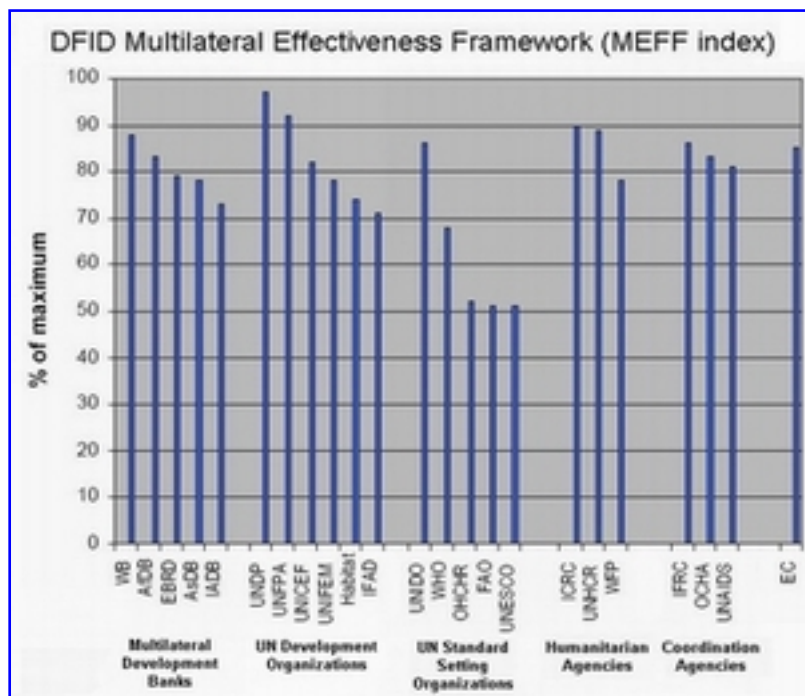
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UNIDO first among peers in DFID Report on organizational effectiveness



[larger version of graph available here](#)

The UK Department for International Development [DFID](#), has just released the results of its assessment of 23 international organizations ([view or download DFID Overview](#)).

Although DFID is mainly interested in using the assessment results at a disaggregated level to identify strengths and weaknesses of the assessed organizations and tracking progress over time, it was also deemed useful to obtain an overview of relative performance across the 23 agencies to identify common patterns. To construct meaningful comparison groups and indices, the assessment clustered the 23 multilateral institutions around similarities of function, i.e.

multilateral development banks (MDBs) [AfdB](#), [AsDB](#), [EBRD](#), [IADB](#), [WB](#); **United Nations development organizations:** [Habitat](#); [IFAD](#); [UNDP](#); [UNFPA](#); [UNICEF](#); [UNIFEM](#); **standard setting agencies** (the UN specialized agencies that have a specific mandate to promote and monitor global norms and standards): [FAO](#); [OHCHR](#); [UNESCO](#); [UNIDO](#); [WHO](#); **humanitarian agencies:** [ICRC](#); [UNHCR](#); [WFP](#); **coordination agencies:** [IFRC](#); [OCHA](#); [UNAIDS](#); and **"others"** (the [European Commission](#)).

UNIDO was rated first amongst the "standard setting agencies", and sixth amongst the 23 multilateral institutions. UNIDO has also been recognized as an organization carrying out "big bang" reforms. On distributing the good news to UNIDO staff, UNIDO Director-General Carlos Magariños congratulated the staff for their hard work and said "This is a tremendous recognition of the intensive work that we have all carried out over the past seven years in order to make our organization more relevant, effective and responsive to the needs of our stakeholders." The Director-General went on to point out that that although UNIDO was rated sixth amongst the 23 multilateral institutions, on *Internal Performance* it was rated fourth and on *Partnerships* it was rated second. "UNIDO would have scored even higher had improvements with regard to

Results-Based Management and Field Representation been in place at the time the assessment was carried out by DFID. At the time of the assessment, discussions with UNIDO Member States and UNDP on field representation had not concluded; similarly the impressive progress made by UNIDO in the second half of 2004 with regard to the RBM could not be taken into account by DFID in their assessment. DFID, however, intends to review these items this year, and in 2006, so further improvements in UNIDO's overall rating are to be expected." said a proud Director-General.

The approach followed by DFID for the assessment was established by DFID during 2003-4 especially for assessing and monitoring the effectiveness of international organisations that it funds centrally. The approach draws on Results- Based- Management (RBM) theory, which argues that an effective organization is one that incorporates a results focus into all its business processes and uses the results to continually improve performance. Referred to as the **Multilateral Effectiveness Framework (MEFF)**, it covers organizational systems that enable multilaterals to achieve results on the ground. **It looked at eight systems:** *corporate governance; corporate strategy; resource management; operational management; quality assurance; staff management; monitoring evaluation and lessons learning; and reporting of results.* Each of these eight systems was assessed in **three perspectives:** *their focus on internal performance; their focus on country-level results; and their focus on inter-agency partnerships.* A checklist of indicators for each component, using an adapted [Balanced Scorecard](#) format and a "traffic lights" scoring system were used. This assessment included 72 indicators covering the eight systems and three perspectives ([view or download DFID Assessment of UNIDO](#)).

In rating best within the UN standard setting agencies, UNIDO achieved a total score of 86, while the average score was 62 (the other organizations scored 51 to 68 points); On internal performance, UNIDO scored 88 points, while the average was 66 (the other organizations scored from 52 to 68 points); On the country-level results focus, UNIDO scored 75 points, while the average was 51 (the other organizations scored from 28 to 65 points); On partnerships, UNIDO scored 95 points, while the average was 67 (the other organizations scored from 54 to 70 points). Within the 23 multilateral institutions, UNIDO was rated: sixth on total scores; fourth on internal performance; eleventh on the country-level results; second on partnerships.

In the overview of the assessment ([view or download DFID Overview](#)), DFID says it will use the outcome for three main purposes: to provide information to support DFID's accountability under its [Public Service Agreement \(PSA\)](#) objectives; to provide inputs to DFID's Institutional Strategies (ISs) for engagement with multilaterals; and to provide inputs to future financing decisions. In 2003, DFID was rated as the top performing UK Government department by a survey judged by a panel of former Ministers, Lords, MPs, senior civil servants, broadsheet columnists etc.

The UNIDO Secretariat summarises the DFID verdict on the strengths, weaknesses and "areas of ongoing improvement" within UNIDO vis a vis the three DFID perspectives of: internal performance; focus on country-level results; and partnerships, as follows ([view or download UNIDO summary of DFID UNIDO Assessment](#)).

Internal performance: Strengths: The DFID assessment acknowledges the reform process initiated by UNIDO and the successful transformation of the Organization, as well as the refocusing of the Organization's activities based on the 1997 Business Plan and the 2004 policy document "[Operationalizing UNIDO's Corporate Strategy](#)". The increased cost-effectiveness and relevance of the Organization since 1997 is acknowledged as playing a part in regaining the confidence of Member States combined with the growing consensus on the strategic direction of the Organization leading to an increase in technical cooperation delivery over the past few years. **Weaknesses:** While commending the good interaction with Member States outside the formal sessions of the governing bodies, a lack of real dialogue and informed discussions during sessions of the governing bodies is viewed as a weakness, due in part to the fact that some conference room papers are received just before such meetings. Further, despite the comparative advantage that the Organization enjoys, the difficulty in attracting financing for non-environment related activities is noted, as is the low level of unearmarked funds to support strategic budgeting. **Ongoing improvements:** The establishment of informal advisory groups has increased inputs of Member States in policy-making. Another area receiving attention is the development of results-based management, as well as the fact that the establishment of the Office of the Comptroller General is beginning to improve the functioning of internal audit and evaluation, but further strengthening of these services is recommended.

Focus on country-level results: Strengths: The integrated approach to programming is regarded as a particular strength and high regard is attached to the implementation of Montreal Protocol projects. The increase in demand for UNIDO's services is acknowledged through the growing recognition that the Organization's activities contribute towards the achievement of the Millennium Development Goals.

Weaknesses: The limited field presence of the Organization, and the consequent limited success in funds mobilization at the field level is noted as a weakness, although initial information on the strategic partnership with UNDP was noted in the assessment. **Ongoing improvements:** Areas noted where **ongoing improvements** are being undertaken include the extension of results-based management techniques into programme formulation and the considerable efforts undertaken by the Organization to strengthen the field network.

Partnerships: Strengths: The unique network of Investment and Technology Promotion Offices ([ITPOs](#)), as well as the network of National Cleaner Production Centres ([NCPCs](#)), are noted as particular strengths. The commitment by the Director-General to establish innovative partnerships with other United Nations organizations, such as UNCTAD, WTO, is positively commented upon. The increasing use of customer feedback to assess client satisfaction with projects is commended as well as the reporting in the Annual Report. **Weaknesses:** The shortage of funds is noted as hampering the full benefits to be gained from strategic partnerships, as well as the UN-internal competitiveness for funds. **Ongoing improvements:** The strategic partnership with UNDP is noted as an area of ongoing improvement while at the same time achieving the linking of the ITPOs closer into the corporate objectives. It is also noted that new research guidelines should strengthen academic partnerships.

For UNIDO, DFID considers the following as priority areas for future monitoring: *further implementation, strengthening and reporting on results-based management; improved alignment of country programmes with UNDAF and PRSPs; and facilitation of greater input by governing bodies during formal meetings.* Of these, only the latter is unique to UNIDO, as the DFID assessment points out that " Across the board, we need to press all multilaterals for an increased adoption of measures to enhance country level results; improvements in results-based monitoring and reporting systems; information on the implementation of results-based management systems."

DFID has advocated institutional reform in the assessed multilaterals through its advocacy on their [governing bodies](#), the [replenishment process](#), and bilateral pressure groups such as the [Utstein group](#). It has also supported change processes directly through the [Institutional Strategies](#).

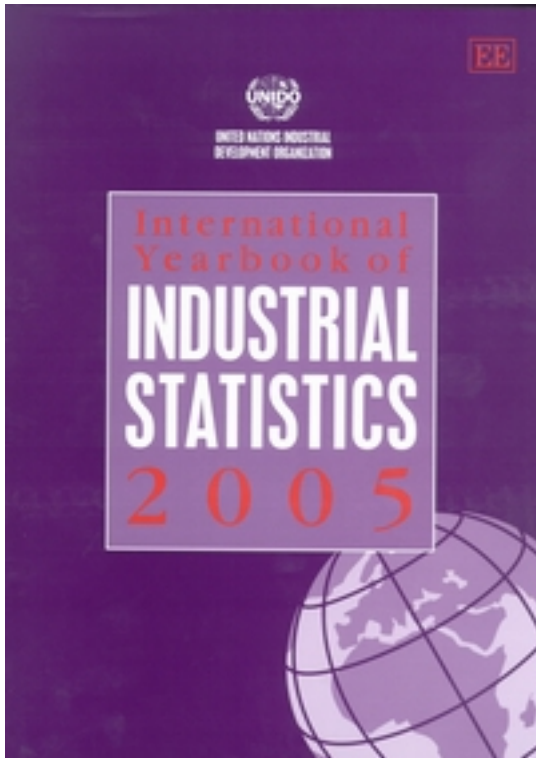
DFID says the MEFF has given it a greatly enhanced understanding of the organisations it is supporting and of organisational effectiveness issues generally. It has enabled it to develop a more strategic, focused and differentiated approach to promoting organisational effectiveness.

In a more general sense, DFID says it has become aware of the limitations of the Resource- Based Management approach, particularly that establishing results-based organisational systems is only one part of the effectiveness story. The RBM approach needs to be complemented with information on how well these systems are implemented. Such information would require a more in-depth analysis, which, it says, should be provided by the agencies themselves. As mentioned earlier, DFID will therefore press for increased internal reviews and evaluations of RBM implementation.

DFID will also gather evidence of multilateral effectiveness at country level, e.g. through the experience of DFID's country staffs working with multilaterals in the field. They will also continue to participate in the bilateral network ([MOPAN](#)), which conducts joint surveys of multilateral behaviour at country level.

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International Yearbook of Industrial Statistics



The latest edition of UNIDO's unique annual publication on industrial information, with world - wide statistics on current performance and trends in the manufacturing sector, the International Yearbook of Industrial Statistics, is now available.

The Yearbook is compiled from the UNIDO General Industrial Statistics Database, which comprises data obtained directly from national statistical sources or through the Organization for Economic Co-operation and Development (OECD), and from UNIDO's own estimates. These data have been adjusted to the requirements of international comparability and to standards promulgated by the United Nations, as necessary, enabling analysis of growth patterns, structural change and industrial performance in individual industries.

The yearbook consists of two parts. Part I deals with the manufacturing sector as a whole and with its branches. Statistical indicators are presented in terms of percentage distributions, cross-country averages, ratios and real growth rates, allowing international comparison among selected country groups and / or countries. Data for manufacturing branches are

arranged according to Revision 3 of ISIC at the three digit (or major group) level. Part II consists of a series of country / area - specific tables showing detailed data on selected basic statistics that were reported by national statistical offices.

The International Yearbook of Industrial Statistics 2005 can be ordered from:

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