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Cooperation with the United Nations Development Programme and UNIDO's field representation

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Final report by the Director-General

I. Background

1. The Cooperation Agreement with the United Nations Development Programme (UNDP) was signed on 23 September 2004 and expired after a five-year period, including a two-year pilot phase, during which UNDP funded part of the operational costs of 15 UNIDO desks. The agreement had the purpose of engaging UNIDO and UNDP in a strategic alliance to: (a) introduce an innovative model of field presence within the United Nations system, through the establishment of UNIDO desks in UNDP premises at the country level; and (b) develop joint programmes of technical cooperation in the area of private sector development (PSD). A joint assessment of the agreement was carried out in 2006 (IDB.32/11 refers), and a joint terminal evaluation report was presented to the governing bodies of both organizations in 2009 (GC.13/6 and CRP.1 refer), as well as a joint management response thereto (GC.13/7). The General Conference at its thirteenth session took into account the findings and recommendations of the terminal evaluation and the joint management response, and requested the Director-General, inter alia, to continue undertaking measures towards decentralization (resolution GC.13/Res.7). UNIDO shares the conclusions and recommendations of the joint terminal evaluation report including the recommendation to continue the UNIDO desk programme. Discussions are under way with UNDP management regarding the follow-up to the joint terminal evaluation.

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II. UNIDO desks and joint private sector development programme

2. Under the terms of the Cooperation Agreement, 17 UNIDO desks were established in UNDP country offices, led by Heads of UNIDO Operations (HUOs). The majority of desks operated successfully, as noted by the joint terminal evaluation report, and in more than half of the countries with UNIDO desks, HUOs have been admitted to the United Nations country teams (UNCTs).

3. However, the PSD-related component of the agreement did not fully achieve the intended results. The ultimate objective, to formulate and fund joint PSD programmes and to enhance the impact of both organizations in this area could not be met.

4. The decision to establish UNIDO desks in 2005 can be seen as an early model for United Nations system-wide coherence at the country level. In addition, the establishment of the UNIDO desks was a significant innovation in UNIDO's field structure and resulted in a cost-effective expansion of the Organization's country presence. The desks have also proven to be particularly beneficial to UNIDO in countries where the Organization was formerly not present, which is why UNIDO agreed to cover the costs of the desks after the conclusion of the two-year pilot phase. Based on a thorough situation analysis, and supported by the recommendations of the joint terminal evaluation, UNIDO therefore decided to continue the existing desk operations and to assess the possibility for the establishment of new desks.

5. However, as a result of the United Nations system-wide harmonization and cooperation approaches related to Delivering as One, the conclusion of individual cooperation agreements with a single organization, UNDP, has become less relevant to the delivery of country-level technical cooperation. Moreover, joint programming has become an integral aspect of the Delivering as One initiative that is being adopted by an increasing number of countries. This approach is pursued in the framework of the UNCT deliberations under the United Nations Resident Coordinator as the One Leader and within the local Common Country Assessment (CCA), United Nations Development Assistance Framework (UNDAF) and One Programme processes. Against this background, UNIDO will continue to take measures to broaden its country presence to be able to contribute proactively and continuously to the CCA/UNDAF processes.

6. The evaluation teams of UNDP and UNIDO recommended that the 2004 Cooperation Agreement should be terminated. In this context, it should be noted that another United Nations cooperation framework continues to exist, applying to UNIDO and UNDP. This framework is based on the Relationship Agreement between UNIDO and the United Nations, concluded in December 1985, which also covers all United Nations funds and programmes, including UNDP.¹

7. The above notwithstanding, UNIDO is currently engaged in consultations with UNDP regarding the specific operational and administrative arrangements to optimally regulate the continued operation of the existing desks. UNIDO will

¹ United Nations General Assembly resolution 40/180 of 17 December 1985.

thereby also review the reporting lines of HUOs and align the new operational modalities with UNIDO's usual practice and field structure. For bridging the interim period until the conclusion of these consultations, UNIDO has proposed to UNDP an exchange of letters for regulating the desk operations ad interim in accordance with the operational arrangements in the expired Cooperation Agreement.

III. Steps ahead

8. The Director-General considers the present report as the final one on the subject of the Cooperation Agreement with UNDP. A separate report to be issued as an addendum to this document will seek to address, inter alia, the aspects raised in resolution GC.13/Res.7, paragraph 4 (c): ways and means of strengthening and enhancing UNIDO's field representation, an impact analysis of any envisaged field representation expansion on technical cooperation delivery and programme implementation, as well as the establishment of a selection and review mechanism.

IV. Action required by the Board

9. The Board may wish to take note of the information provided in the present document.
