Thematic Review

UNIDO Operations Integration
In Memoriam

Special thanks to Ms. Johanna Kadidja Hildebrandt, main author of this report who, although no longer with us, continues to inspire us by the example and dedication to the evaluation profession that she embodied during her various assignments with the UNIDO Independent Evaluation Division over recent years.

In memory of a very fine colleague and friend whom we will always fondly remember.

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This document has not been formally edited.
EXECUTIVE SUMMARY

The objective of this review is to distil and take stock of institutionalized and informal best practices, lessons learned, as well as recurrent issues or areas for improvement from evaluations and audits, in order to inform the Operations Integration Division’s (PTC/PPF OID) for future decision-making as regards enhancing the operations and integration of UNIDO’s Field Office Network.

This review is based on 22 reports from the period 2010 to 2018, comprising independent country and thematic evaluations, internal audits and one external audit. It is based entirely on direct quotations from the various reports. The methodology of analysis has adopted both quantitative and qualitative methods, e.g. differentiating best practices and risks under each category, quantifying the frequency of the findings for the various categories and/or sub-categories of quotations, and ranking the relative importance of the findings in terms of the various levels of results to which they might contribute (see Figure 1), e.g. project outputs, country programme results or ISID/SDGs.

Key findings

Although there are good examples of commitment, initiative and project/programme success that can be reported, the Review found more issues and recurrent risks than it did best practices. Moreover, the good examples are mostly intertwined with shortcomings in other areas. Regarding TC operations, communication and reporting contributes a majority of the risks.

The recurrent issues feature a complex set of elements with multiple actors, who at times seem to act in opposite directions.

Visibility, participation in UNDAF: While only few best practices or risks have been identified in this regard, reports appear to confirm that UNIDO FOs appear to have a significant contribution to enhancing UNIDO’s visibility vis-à-vis its Member States, with highest potential effect on the achievement of those SDGs to which UNIDO contributes as well as its own ISID mandate. However, this cannot be achieved employing the traditional “ambassadorial” role of a FO alone and requires strong integration between FOs and HQ.

“A precondition to ... improve UNIDO’s visibility and relevance... Under the current financial circumstances of UNIDO, ... is to envisage imaginative and low cost approaches for working with Governments and reinforce its “honest broker” role, e.g. through adapting or revitalizing existing technical resources, such as the Global Forum, with its capability to promote networking, best practices and benchmarking among Member States could be explored.”

In countries with a FO, there exist some necessary, though probably not sufficient, elements for a FO to function successfully, i.e. contribute to reaching proper visibility, achieving an adequate participation in UNDAF, improving its convening and resource mobilization roles as well as its project implementation support responsibilities and monitoring and reporting:

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1 Informe de evaluación independiente de la ONUDI Evaluación de Países en la Región de América Latina y el Caribe: Guatemala, Nicaragua y República Dominicana, page xiv
Element 1: Sufficient human resources to properly perform its role in managing the country's project portfolio with due regard to the number of countries covered by the FO. UR and FO staff must have the skills and capacities needed for the countries’ portfolio. This would imply also providing staff with adequate preparation and training and would enable the URs to devote time to advocacy work and project monitoring;

Element 2: Sufficient financial resources to carry out project field visits in all countries of coverage, and to allow for training of staff;

Element 3: Clear roles and responsibilities divided between HQ and FO and to have an appropriate network of arrangements with UN agencies in the country, and with major donors;

Element 4: Regular, complete and supportive communication from HQ to FOs so that FOs know what is planned at regional level; the potential for misunderstandings is then minimized.

Communication and reporting between Field Offices and Headquarters is one major source of risks for TC operations. Communication appears to occur predominantly in one direction: FOs are expected to send annual/bi-annual reports to HQ. However, in most cases there is little feedback from HQ to these reports.

UNIDO aims to become a seamless organization, especially as regards the relationship between HQ and FOs. At the same time, communication between FOs and HQs is not clear; it is at times one-sided and is often characterized by competition rather than by team spirit. This carries the risk of misunderstandings and reputational risk for UNIDO within countries. Communication is a major issue in achieving successful field integration.

Communication among FO and HQ (PTC and Regional Divisions) does not seem to have led to a ‘genuine team communication’ especially as regards project design, relationship management with counterparts and stakeholders, and project implementation. Communication seems to be more often characterized by competition, lack of information or parallel information, all of which can lead to misunderstandings that are ‘noticeable’ by governments and stakeholders in countries. At times they also lead to loss of opportunities and delays in project implementation which have the potential to harm UNIDO’s reputation. The problem might lie in unresolved clarification of the roles FO and HQ have to fulfil, roles that are at times claimed by both.

The question arises as to what are the genuine bottlenecks to teamwork in UNIDO between PTC, Regional Divisions and FOs? And: How can these internal obstacles be better managed so that they do not affect the relationship with countries and UNIDO’s reputation and contribute to better TC work?

The professional expertise of UNIDO is recognized and proven in many cases, yet in a large number of projects (or programmes) major shortcomings are reported at all stages of the TC cycle.

Funding contributions by the governments as a percentage of the overall programme budget is hardly mentioned, so that government commitment is not measurable and not comparable.
UNIDO’s field office network is overstretched, aiming to be present in many countries. However, covering too many countries from a regional office does not always ensure the desired high-quality visibility. The same overstretch is noticeable in country programmes which are often said to be thematically, regionally and institutionally overstretched.

Some RO’s zones of coverage are far-spread, often beyond language boundaries or sub-regional locations, and at times a UR cannot visit the locations for security reasons or due to a lack of funding for travel. This leads to situations where countries do not know who within UNIDO is really responsible.

**Main conclusions**

- There are excellent examples of commitment and initiative as regards the participation of URs in the UNCT and UNDAF process, at times taking the lead in a working group and mobilizing resources. UNIDO’s role has proven to be quite significant when FOs are represented by a UR who has time to devote to the UNCT and UNDAF process. In these circumstances, UNIDO’s visibility has been high and its knowledge much appreciated by other UN agencies and donors.

- However, these positives remain exceptions. In the majority of cases the FOs are not adequately funded and staffed to perform their roles and responsibilities well, and without overstretching resources. Moreover, with the increasing tasks that FOs are expected to undertake in overseeing project management and monitoring, the commitment to the UNCT/UNDAF process could suffer if the FOs are not sufficiently staffed. As the roles of FOs are not always clearly defined or communicated, misunderstandings arise between HQ and FOs; these hamper the FOs’ commitment and attention, and have led also at times to misunderstandings and frictions with governments and counterparts. This is disadvantageous for UNIDO’s reputation and visibility. A technically and diplomatically capable UR is key for the visibility of UNIDO in the field.

- In all the reports examined, UNIDO is described as a highly professional organization with valuable experience in other countries that it can refer to, and having highly specialized staff. A key advantage of UNIDO is seen in its clear mandate for industrial development and the approaches/tools with which it can create synergies and act flexibly.

- This positive image is offset by some critical points regarding UNIDO’s TC work, such as:
  
a) Weak project design based on a pre-assessment that takes due account of the national priorities of the country.
  
b) Some UNIDO interventions are characterized by too many stand-alone rather than connected projects, which thus do not lead easily to synergies in the country.
  
c) Projects are regionally and thematically too spread out, making it difficult to monitor them and create synergies among them.
  
d) Projects reach too few beneficiaries and are driven by UNIDO’s rather than by countries’ priorities.
  
e) Many projects are said to lack proper outcome formulation, which reflects on the quality of the project design and implementation and renders it difficult to assess their results.
  
f) The project monitoring is often not clearly distributed between FO and HQ, and a lack of funding in FOs makes project visits at times difficult.
g) Financial commitment to projects/programmes is insufficiently fixed during the project concept phase, and loose ends remain. These reveal themselves as bottlenecks during implementation, when pledged funding is not realized.

h) The post-project phase is at times a weak point, because project successes cannot be sustained, scaled up or replicated. Lessons learned and recommendations from evaluations do not seem to be systematically adopted in new project and programme design, so that the same mistakes are repeatedly mentioned.

- It seems that UNIDO is at times oscillating between the priorities of the countries, the donors, the UNDAF and UNIDO’s ISID. Although the priority setting towards donor-driven priorities allows UNIDO to implement fairly easily projects without having to mobilize further funding, and to ensure such projects lie within its priorities, it might not always be fully aligned with national priorities. At times national priorities are not fully in line with UNIDO priorities (e.g. private sector vs. SME). The aim to participate in UNDAF may at times lead to compromises in certain areas that are not directly UNIDO’s main strengths.

- UNIDO has a proven track record in specific areas. These successes have formed UNIDO’s good reputation. It seems that as UNIDO moves away from its core areas, it risks not achieving such high success. When exploring new areas of intervention, these need to be pursued carefully or be built around UNIDO’s strengths, or with partners that complement UNIDO’s strengths. This should not mean that UNIDO does not strive to extend its portfolio but it needs to weigh the risks.
# Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>CO</td>
<td>Country Office</td>
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<td>CP</td>
<td>Country Programme</td>
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<td>DaO</td>
<td>Delivery as One</td>
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<td>IA</td>
<td>Internal Audit Report</td>
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<td>IE</td>
<td>Independent Country Evaluation</td>
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<td>IP</td>
<td>Integrated Programme</td>
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<td>ITE</td>
<td>Independent Thematic Evaluation</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<td>LL</td>
<td>Lesson Learned</td>
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<td>MOSS</td>
<td>Minimum Operating Security Standards</td>
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<td>OID</td>
<td>Operations Integrations Division</td>
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<td>PCP</td>
<td>Programme for Country Partnership</td>
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<td>PM</td>
<td>Project Manager</td>
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<td>PMO</td>
<td>Policy Making Organs</td>
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<td>Rec</td>
<td>Recommendation</td>
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<td>RO</td>
<td>Regional Office</td>
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<td>SMT</td>
<td>Staff Management Team</td>
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<td>UCR</td>
<td>UNIDO Country Representative</td>
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<td>UR</td>
<td>UNIDO Representative</td>
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<td>UNCT</td>
<td>United Nations Country Team</td>
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<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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<td>UNDAP</td>
<td>United Nations Development Assistance Planning</td>
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1 PURPOSE AND SCOPE OF REVIEW

The objective of this review is to distil (institutionalized and informal) best practices, lessons learned, and recurrent issues identified by a number of ODG/OIOS/IEVD evaluation reports that are deemed helpful in guiding the Operations Integration Division’s (PTC/PPF/OID) future decision-making. This Review is based on an analysis of 22 reports and references (Annex 2) between 2010 and 2018, comprising independent country and thematic evaluations, internal audits and one external audit.

1.1 Rationale

Within the framework of the 2030 Agenda for Sustainable Development, and specifically to attain the SDG-9: Inclusive and Sustainable Industrial Development (ISID), UNIDO is aiming to expand its operations with development partners and Member States. Based on the increasing demand for key services to achieve ISID through technical cooperation activities, and also the increase in net voluntary contributions, UNIDO plans to expand the Programme for Country Partnership (PCP) beyond the pilot phases. For this to succeed, and to meet the demand, UNIDO needs to integrate and scale up operations in a global context by (1) utilizing scarce resources in an effective and innovative manner, and (2) by further strengthening partnerships through:

- building stronger synergies between Headquarters and the field,
- improving internal coordination by enhancing UNIDO’s oversight and monitoring role, and
- strengthening existing partnerships and building new ones.

For creating stronger internal coordination and synergies, UNIDO has undergone a restructuring in January 2018. This restructuring entailed the merging of two existing Departments – the Department of Partnerships and Results Monitoring (PTC/PRM) and the Department of Regional Programmes and Field Representation (EFR/RPF), to form the new Department of Programmes, Partnerships and Field Integration (PTC/PPF). The new PTC/PPF was then integrated into the existing Directorate of Programme Development and Technical Cooperation (PTC).

Among the seven divisions of the new PTC/PPF, the Operations Integrations Division (OID) will be mainly responsible for the PCP strategy, integrating the technical operations of UNIDO at all levels. It will in particular coordinate the identification, monitoring and communication of PCPs, in collaboration with respective PCP Programme Managers and with the support of the Regional Divisions.

To achieve this, the OID intends to develop operational guidelines and manual that are based on the lessons learned from the past to increase the scale, effectiveness, transparency and accountability of PCPs and Country Programmes (CPs). This Review aims at contributing to distilling the lessons learned.

1.2 Methodology

The methodology consisted mainly of desk reviewing those evaluation reports in which a focus was placed on field offices.

This review has been conducted by Ms. Kadidja Hildebrandt, Senior Evaluation Consultant, with methodological support by Ms. Silvia Alamo, Senior Evaluation Consultant.
1.2.1 Data collection

The source of data is the various reports identified in Annex 2.

Initial criteria to guide data collection were identified in the ToR for this assignment (Annex 1), encompassing the following aspects:

- Best institutional practices
  - in integration of UNIDO Operations in Technical Departments, Regional Divisions and Field Offices (identification, formulation, implementation, monitoring and communication at country and project level)
  - in coordination of regional and country level activities regarding coherence with UNCT/UNDG bodies
  - with regard to ensuring that UNIDO’s ISID mandate is adequately reflected in the UNDAFs as well as to what extent country programmes/projects are integrated in UNDAFs
- Main recurrent issues, findings, recommendations, risks in the area of integration of UNIDO operation in Technical Departments, Regional Divisions and Field Offices
  - Roles, responsibilities and competencies needed at UNIDO PTC Technical Departments, Regional Divisions, Field Offices for an integrated approach
  - Communication between FOs and HQ, in particular reporting channels, frequency and content
  - Visibility of UNIDO Field Offices
  - Combined use of TC and RB resources
  - Resource Mobilization
  - Definition of roles of FOs (country and regional) and HQ

1.2.2 Data analysis

1.2.2.1 Data categorization

Data analysis consisted basically in categorizing and synthetizing data in 2 main categories namely Management and Coordination, and Technical Cooperation Operations and a number of subcategories.

Management and Coordination: At this level the focus is on the set-up and general conditions under which a respective Field Office operates. This includes the standard agreement with the Government, security issues, risk management and business continuity plans. It also looks at MoUs, government contribution to FO operations and the role of the FO in the particular country (representational tasks in UN agencies or regional bodies, zone of coverage, relationship to other FOs in the region, work portfolio of Global Forum activities, project management and staffing to accomplish these tasks). Main sub-categories include inter alia:

- Visibility and image of UNIDO
- Cooperation of UNIDO with UN Agencies
- Host Country Agreements
- Resource mobilization
- Roles and responsibilities of field offices

2 Topics in italics were highlighted in addition to the ones mentioned in the ToR during a meeting on 18 May 2018 with Deputy Director PTC/PPP.
TC Operations: The second level regards the responsibilities of URs in the entire TC implementation cycle, starting with the concept/design phase, approval, implementation/monitoring, project closure stage and post-project situation. It also comprises communication and reporting at all levels. It also includes areas related to the administrative and financial level including the established systems, manuals and sets of rules. Main sub-categories include inter alia:

- Project/programme design and relevance
- Implementation and monitoring
- Gender
- Other implementation and cross-cutting issues
- Procurement
- ICT infrastructure and management
- Recruitment of staff at field offices

1.2.2.2 Quantitative analysis

Quantitative analysis consisted of the following:

- Under each of the categories, best practices and risks are differentiated to the extent possible.
- An attempt is made to quantify the frequency of the various categories and/or sub-categories of quotations.
- The frequencies of the findings or comments encountered in each category and sub-category were ranked in an attempt to illustrate the relative importance of the findings.
- The various categories of issues were associated to the various levels of results expected from UNIDO interventions (see Figure 1), e.g. project outputs, country programme results or ISID/SDGs.

![Figure 1. Level of contribution of various FO functions](image)

1.2.3 Documents analyzed

Altogether, 22 reports have been analyzed, of which 20 were quoted from for this review. These were nine internal audit reports, two reviews (2010 and 2007) were considered as they seemed exemplary reviews of the Integrated Programmes (IPs) with lessons learned that might still be relevant (see Annex 2).
1.2.4 Limitations

The country-level evaluations and the other reports included in this review did not develop a theory of change model. Because of this, the review did not attempt to construct one.

2 FINDINGS

These findings are based on direct quotations from the selected reports, listed in reverse chronological order, independently of their implementation since the publication of the report. Figure 2 shows that evaluation reports document risks to a much larger extent than best practices. It also shows that risks were identified mostly at the TC operations level while best practices are mostly identified at the management level rather than at the TC level.

![Figure 2. Best practices and risks identified in each classification category](image)

2.1 Management and coordination

Figure 3 shows that most risks identified related to management and coordination fall in the subcategory of "Roles and Responsibilities", while best practices were identified in the subcategories of "Visibility" and "Cooperation with UN Agencies".

![Figure 3. Best practices and risks identified in "Management and coordination" category](image)

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3 The evaluator is aware of the fact that some of the recommendations and less learned have been implemented meanwhile or that systems have contributed to the streamlining between HQ and Field Offices.
Best Practices: In most cases UNIDO has concluded Host Country Agreements since its very first commitment in Member States countries. These agreements have provided the foundation of all projects and programmes. Member States expressed their appreciation for the long-standing commitment of UNIDO and this has contributed to a relationship of mutual trust, appreciation and learning of Member States and UNIDO.

Risks: In exceptional cases this agreement has expired prior to renewing it. This had led to a loss of opportunities for UNIDO, a lack of conduit in programme/project activities and unfulfilled expectations among Member States. It seems that despite the recommendation to conclude the host country agreements for all countries, there seems to be different views within UNIDO about the importance and role of a Host Country Agreement.

Lesson Learned: It was mentioned that an automatic reminder to highlight the expiry date of Host Country Agreements would ensure that a renewal of the agreement can be done well in time to assure Member States of UNIDO’s continued commitment of UNIDO and to align the next programme easily to the previous one, if desired.

Risks

- 2018: RO China – “UNIDO has signed more MoUs with Chinese institutions than with any other country. However, this creates expectations that might be difficult to fulfil in the future. In some cases MoUs might not be necessary. MoUs create an additional administrative burden for UNIDO. MoUs are not used to their full potential.”

- 2018: RO China – “Since 1979 UNIDO has been operating in China under the UNDP Standard Basic Assistance Agreement. In 1985, the General Conference mandated UNIDO to conclude standard basic cooperation agreements with countries that are recipients of UNIDO's technical assistance. It is likely that with this agreement in place, fewer ad-hoc Memorandums of Understanding would be needed. However, the Government of China has so far declined UNIDO's invitation to enter such agreement.”

- 2018: RO China - “Recommendation 4: PTC/PPF (formerly EFR/RPF) should: (a) ensure that existing MoUs are used to their full potential; (b) develop, in cooperation with ODG/LEG basis operational criteria for accepting request for new MoUs; and (c) continue efforts to conclude a Standard Basic Cooperation Agreement with the Government of China, in line with the general Conference's mandate.” This recommendation was partly accepted by the auditee. In response to recommendation 4(c) the auditee’s response reads: “The [Chinese] Ministry of Commerce does not agree to pursue a Standard Basic Cooperation Framework, because this would set a precedent for other UN agencies currently operating under the UNDP agreement.”

- 2015: RO Nigeria – “Host Agreement not renewed on time, thereby losing contribution of Government of USD 245,000. At the moment there is no automatic reminder for renewal of agreements. This affects other FOs as well.”

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4 IA RO China, 2018, para 36-39.
5 IA RO China, 2018, para 39.
6 IA RO China, 2018, recommendation 4, p.11.
7 IA RO China, 2018, p.25.
8 IA RO Nigeria 2015,. para 48,49 and Rec 1.
2.1.2 Cooperation with UN agencies, participation in UNDAF/UNCT, contribution to ISID

**Best Practices:** Evaluation reports refer to a few excellent examples of commitment and initiative as regards the participation of URs in the UNCT and UNDAF process, at times taking the lead in a working group and mobilizing resources. UNIDO’s role has proven to be quite significant when represented by a UR who attaches high priority to UNCT and UNDAF processes. In these circumstances, UNIDO’s visibility has been high and its knowledge much appreciated by other UN agencies and donors.

**Risks:** However, the positive examples provided by evaluation reports remain exceptions. In the majority of cases the FOs are not adequately funded and staffed to perform the expected roles and responsibilities well, without overstretching their resources. Moreover, with the increasing tasks that FOs have taken on in project management, the commitment to the UNCT/UNDAF process can suffer from it. As the roles of FOs are not always clearly defined, misunderstandings arise between HQ and FOs; these hamper the FO’s full commitment and have led also at times to misunderstandings and frictions with governments and counterparts. This is disadvantageous for UNIDO’s reputation and visibility.

**Lesson Learned:** A technically and diplomatically capable UR is key for the visibility of UNIDO in the field, especially when the FO is staffed sufficiently, so that the UR can devote her/his time to the advocacy role. In case of an understaffed FO, the UR’s other roles are advocacy, global work, relationship management, UNDAF participation. In a few cases UNIDO was participating in the UNDAF process despite not having a UR.

If UNIDO’s FOs participate actively in the UNDAF process, the likelihood that the ISID is well promoted and reflected in the UNDAF is high.

**Best Practices**

- 2017: RO Egypt (ROE) – “...RO Egypt took the lead in the HAYAT project in terms of coordination of activities and reporting to donors. The HAYAT project is jointly undertaken by five UN agencies, namely UNIDO (being the lead agency), IOM, ILO, UN-Habitat and UN-Women. 2016: ROE chairs one of the five working groups reflecting the five pillars of UNDAF. The UR was requested to make the presentation on this pillar, on behalf of the whole UN system, when UNDAF steering committees were conducted. UNIDO participates regularly (monthly) in the UNCT meetings. ROE regularly takes part in UNCT meetings; when the UR is not present, UR is replaced by the NPO, but only heads of agencies are allowed to attend.”

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9 IA CO Pakistan, 2014, paras 32 and 36.
10 UNIDO Assessment Mission to Colombia 2012, p.23, 6b. The term “Cooperation framework” may not refer only to the Host Country Agreement.
11 It should be noted that participation of UR in UNDAF/UNCT is not necessarily always mentioned in evaluation reports.
12 IA RO Egypt, 2016, para 44.
2016: Kingdom of Thailand – “UNIDO participates actively in UNCT meetings despite having limited staff and resources. RO Thailand is heavily engaged in the development of the next UNDAF.”

2016: Kingdom of Thailand – “Since the Government of Thailand had set up the initiative ‘MDG plus’ with the aim of accelerating the achievement of the MDGs sooner, UNIDO was able to develop a programme (Poverty Reduction through Productive Activities) in the framework of this initiative.”

2016: Tanzania – “The FO Tanzania, which does not have a UR, represents UNIDO in the UNDAP and is an active team member in the UNCT. At the diplomatic level UNIDO is represented by the UN Resident Coordinator. The National Programme Officer was acting as Representative responsible for technical cooperation, and de facto exercised some diplomatic responsibilities.”

2016: Tanzania – “The FO also participates in the UN Joint Steering Committee (JSC), the Interoperations Management Team and in two UNDAP working groups (Economic Growth and Environment). UNIDO participates also in the Development Partners Group (DPG) on private sector Development (which UNIDO co-chaired for one cycle) and the Agricultural Working Group.”

2016: Tanzania – “Given the relatively small size of UNIDO, the participation in the DaO reform was adequate. UNIDO was a small but a solid performing/good citizen member of the UN family. The One UN Fund was an important source for UNIDO and UNIDO contributed to the formulation and implementation of UNDAP.”

2015: RO Nigeria – “In 2015 the Federal Ministry of Power asked the RO in Nigeria to set up a development partner working group on power, co-chaired by the UR and EU Heads of programme. UNIDO will thus be seen as a leader in the area of energy and power. This leadership places UNIDO in an advantageous position with donors related to energy and power. For example UNIDO has been approached by the EU to provide input into their CSP on power and energy for Nigeria. The Government of Nigeria will recommend UNIDO as an implementing agency for other grants such as from the EU.”

2015: RO Nigeria – “The RO Nigeria is leading the component of economic growth cluster of the UNDAF. UNIDO is also leading other agencies to develop a Joint programme on youth employment.”

Risks

2017: Regional Division of Africa – “A testing sample of country offices by IOE revealed that attendance/participation in the UN Country Teams (UNCT) in Africa was satisfactory. However, IOE noted a lack of active participation in the working groups, in particular dealing with issues related to SDG9, with the country counterparts, as well as UN inter-agency working groups. This was evident in the results of a 2015 survey presented to the UNDG on inter-agency groups, which are set up to support UNCT coordination, where

13 IE Thailand, 2016, p. xviii.
14 IE Thailand 2016, p. 65. The role the UR or FO had in the development of this programme is not quite clear.
15 IE Tanzania 2016, p. 23.
16 IE Tanzania, 2016, p. 23.
17 IE Tanzania 2016, p.xi.
18 IA, RO Nigeria, 2015, para 66.
19 IA RO Nigeria, 2015, para 67.
20 IA RO Nigeria 2015, para 42.
UNIDO was not listed under the top five agencies, even for activities related to SDG9, with the country counterparts, as well as UN inter-agency working groups. This was evident in the results of the 2015 survey, presented to the UNDG on inter-agency groups, which are set up to support UNCT coordination, where UNIDO was not listed under the top five agencies, even for activities related to SDG9. This was attributed to a number of reasons, such as that UNIDO operates as a non-residence agency in many countries, resource limitations, and the number of UR vacancies during the field restructuring process. With the appointment of UCRs completed in many of the country offices, including Africa, staff need to be trained to be more proactive and vigilant, and be leaders of SDG 9 in the respective countries.”

- 2017: RO Egypt – “The UR’s understanding was that Regional Directors represented the Organization in regional bodies... Regional Directors of all other UN agencies represent their organizations in the regional UNDG or other regional bodies; this was not the case with the RO Egypt. Although in the past UNIDO nominated regional Directors as representatives of UNIDO vis-à-vis regional UNDGs (see IOM from former D/RPF) the implementation was inconsistent.”

- 2015: RO Nigeria – “There was a poor coordination between PRF/RPF/OD, PRF/RPF/AFR and the RO in the prompt renewal of the Host Country Agreement between UNIDO and the federal Republic of Nigeria.... The host agreement was not renewed in time, UNIDO was thereby losing a contribution by the Government of Nigeria of USD 245,000 that was to be contributed bi-annually for the period that UNIDO operated without an agreement. Rec 1: An automatic alert system in place for prompt renewal of Host country Agreements.”

2.1.3 Visibility and Image of UNIDO

**Best Practices:** UNIDO is viewed as a long-standing partner, having wide and strong technical expertise. Generally, most FOs appear to have been able to develop and maintain good relations with ministries, stakeholders and donors as well as other UN agencies in the countries. Based on this, opportunities for funding and (joint) project development were identified. UNIDO FOs appear to have also been able to establish good relationships with the private sector. These achievements reflect on the good communication practice of FO staff.

**Risks:** The fact that UNIDO’s works on areas on which it does not have a monopoly, such as supporting SME development, trade promotion or value chain development, where as many as 20 international development partners can be involved in any given country, as well as the lack of flagship projects related to UNIDO’s core mandate, i.e. industrial development, hamper its visibility.

Not having a resident UNIDO UR in many of the countries where it operates poses a challenge for high level visibility and dialogue with the Government.

**Lessons Learned:** UNIDO’s positive technical image can be easily damaged if it is offset through an image of ‘several UNIDOs’ at country level. This can be avoided by better communication between FO and HQ, thereby presenting a coherent picture at field level.

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21 IA Regional Division of Africa, 2017, p.8, para 34.
22 IA RO Egypt, 2016, paras, 61 and 62.
23 IA RO Nigeria 2015, para 48,49 and REC 1.
• 2017: RO Egypt – “Ministry of Industry confirmed their high satisfaction with the work of the RO.” 

• 2017: RO Egypt – “On the governance side, the RO Egypt had been able to capture opportunities in the region due to an increasing demand from the Government of Egypt. At the time of the review the RO had been able to increase its portfolio in between 2012-2016.”

• 2016: Tanzania – “UNIDO’s visibility in Tanzania was high in several roles: expert, capacity builder, catalyst, modernizer of industries, and advocate for environmentally friendly industry. UNIDO’s visibility benefitted from the ‘UN Delivering as One’ initiative. Occasionally, UNIDO attracted the attention of media.”

2016: Tanzania – “Given the relatively small size of UNIDO, the participation in the Delivering as One reform was adequate. UNIDO was a small, but solid performing/good citizen member of the UN family. The One Fund was an important funding source for UNIDO and UNIDO contributed to the formulation and implementation of UNDAP I.”

• 2016: Tanzania – “Views among stakeholders diverged significantly with regard to UNIDO’s comparative advantage vis-à-vis other development partners. A consensus emerged only around the notion of being the only UN agency with a clear focus on industrial development, thus being in a position to share experience from other countries on industrial development. In addition, UNIDO’s advantage was seen in its experience in collaborating closely with producers at the sector level, and its ability to introduce appropriate technologies. It was also noted that there are synergies between UNIDO’s industrial development and GEF environmental protection mandate.”

• 2016: Republic of Tanzania – “UNIDO is seen as having good implementation strengths, due to its trusted long-term engagement, its wide industrial expertise and strong capacity building efforts. In general UNIDO’s support was seen as adequate. Overall the Government of Tanzania was very satisfied with the collaboration ... with a few exceptions also non-governmental stakeholders were satisfied. Technical expertise was greatly valued.”

• 2015: RO Ethiopia and Partnerships – “During meetings held with different Ministries in Ethiopia, they expressed their appreciation for the long-standing relationship between UNIDO and Government of Ethiopia. Specific mention was made of UNIDO’s cluster methodology which had been helpful for the small and medium scale industry for many years.”

• 2012: Colombia – “The area of SME support, in particular of networks of enterprises and the sub-contracting linkages, is considered a technical strength of UNIDO by several public and private sector counterparts in different Departments in Colombia. Supporting such long-term development processes requires more continuity and sufficient funding.”

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24 IA Egypt 2017, para 42.
25 IA RO Egypt 2017, para 39.
26 IE Tanzania, 2016, p.ix.
27 IE Tanzania 2016, p.xi
28 IE Tanzania 2016, p.x.
29 IE Tanzania 2016, p.41.
30 IE Tanzania 2016
31 IA RO Ethiopia and Partnerships 2017, para 5.
32 Assessment mission to Colombia 2012, p.15.
**Risks**

- **2016: Tanzania** – “While UNIDO plays several roles in Tanzania (e.g. expert agency, catalyst, capacity builder), views among stakeholders diverge with regard to UNIDO’s comparative advantage vis-à-vis other development partners. In particular, because UNIDO does not have a monopoly on areas such as supporting SME development, trade promotion or value chain development. …a mapping that had been done in this area showed… that there were at least 20 international development partners involved in value chain development in Tanzania.”

- **2016: Tanzania** – “Although the absence of a UR was not seen as a problem for daily activities, it posed a significant challenge for UNIDO’s visibility and high level dialogue with the Government as well as for the conceptual leadership across the project portfolio … overall visibility of UNIDO in Tanzania was limited. Main constraints were the lack of a flagship project, the absence of a UR and strong competition with other development partners. Many stakeholders expected and encouraged UNIDO to have a higher profile with regard to industrial development in future.”

- **2017: Regional Division of Africa** – “Engagement risk is considered very high with an impact on the Organization’s implementation and delivery capabilities in Africa, as dwindling resources are coupled with highest TC delivery of UNIDO regions.”

- **2017: Regional Division of Africa** – “The expanding mandate for Africa’s industrialization priorities is a challenge for RDAf to keep abreast of African initiatives in addition to UNIDO ones. UNIDO takes lead for IDDA III which requires financial and human resources.”

- **2017: RO Ethiopia and Partnerships** – “At the engagement level, through interviews conducted with key managers, risks considered included the following:

  (a) Reputational risk due to failure to meet expectations of the GoE [Government of Ethiopia] and donors;

  (b) The complexity of PCP-ETH, as well as significant and direct involvement of HQ staff, may have limited the involvement of the RO in key advocacy and relationship management activities. This may not be sustainable for UNIDO’s TC activities in Ethiopia.

  (c) Appropriate risk management mechanisms and processes may not be implemented to manage UNIDO’s risks associated with its cooperation relationship with the Government of Ethiopia as well as the PCP.

  (d) The Partnership Trust Fund (PTF) may not be managed effectively and efficiently, and may also be underfunded.

  (e) The 4 Agro-Industrial parks (under the PCP) may fail due to the inability of the Government of Ethiopia to secure the required funding/financing, or delays in the delivery of pre-implementation activities.

  (f) Integration of PCP and TC projects may not be achieved due to incompatible project designs, inadequate/lack of coordination, inadequate planning, and/or other institutional bottlenecks and efficiently due to institutional bottlenecks, lack of capacity or resources, and/or.

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33 IE Tanzania 2016, p.29.
34 IE Tanzania 2016, p. xi.
35 IA Regional Division of Africa 2015, para 30.
36 IA Regional Division of Africa 2017, paras 20 and 25.
37 IA Regional Division of Africa 2017, para 28.
(g) Ethiopia Regional Office’s oversight/monitoring function may not be performed effectively poorly defined framework for measuring performance or projects/programmes.” 38

2.1.4 Resource mobilization/Voluntary contributions

**Best Practices:** Best practices on this issue are not often highlighted as such in the evaluation reports reviewed. However, the PCP Independent Mid-Term Evaluation of UNIDO’s Programme for Country Partnerships (PCP) refers to a number of cases where UNIDO played a key role supporting the Government regarding the mobilization of resources. This report also emphasizes UNIDO’s experience and capabilities in securing development partners resources for UNIDO’s TC projects.

**Risks:** The role of UNIDO with regard to the support of government resource mobilization efforts is not clearly defined, and some Governments appear to expect UNIDO to take a leading role. UNIDO’s resource mobilization capacity builds largely on individual project managers’ fundraising capacity and network which is reflected in the successful mobilization of resources for UNIDO TC projects.

**Lessons Learned:** Unrealistic Government expectations regarding the role that UNIDO can play in resource mobilization needs to be managed carefully. The mobilization of external funding for the implementation of multilateral environmental agreements needs to be addressed as soon as possible.

**Risks**

- **2017:** UNIDO’s PCP – “Roles and responsibilities with regard to fund-raising are not clearly defined between government and UNIDO. Since resource mobilization from public and private sources requires significant amount of time, within the two years of implementation of pilot PCPs large-scale resources have – with some exceptions – not yet materialized. In addition, concerns were voiced whether UNIDO has the in-house competence to support governments in approaching development finance institutions (DFIs) for ‘parallel funding’. The shortage of seed money on UNIDO’s side has negatively affected UNIDO’s ability to prepare fully-fledged projects.” 39

- **2017:** Ethiopia and Partnerships – “There is lack of voluntary contributions for Ethiopia RO. There is a risk that RO Ethiopia activities may not adequately contribute to TC activities and overall mandate of UNIDO.” 40

- **2014:** Russia – “The country Service Framework (CSF) 2003-2006 was developed, built on the Integrated programme with a strong focus on SME development ... The CSF required approximately USD 15.5 million for implementation; however, only USD 2.5 million was mobilized and in line with experiences from other countries most of the planned activities were not implemented.” 41

- **2012:** Colombia – “The mobilization of external funding has been a major issue. In particular, the lack of access to funding for the implementation of multilateral environmental agreements – one of the main fields of expertise of UNIDO – needs to be addressed as soon as possible. This lack of access might be related to limited technical capacities at the RO to develop relevant proposals (e.g., in the area of persistent organic

38 IA Ethiopia and Partnerships, 2017, para 25.
39 IMTE UNIDO’s PCP, p. vii, viii.
40 IA RO Ethiopia and Partnerships, 2017, para 35.
41 IE Russia 2014, p.4, para 12.
pollutants where UNIDO has considerable expertise at HQ) as well as to the need to improve the communication with the relevant decision-making authorities in Colombia.”

- 2013: CO Russia – “Despite the increase in activities and the growing project portfolio, the Government’s USD contribution of USD 157,932 has remained static since 1989. The RUB contribution, which ceased for a period of time, recommenced in 2009 with a RUB 10 million contribution (about USD 300,000). Both contributions are made for a two-year cycle. As a result there has been no addition to the three core personnel.”

2.1.5 Roles and Responsibilities of Field Offices

**Best Practices:** While best practices are not often identified in this area, Field Office staff seem in most cases to be very committed to fulfil their mandate despite a lean human resources base. This speaks for the inherent interest in the technical and advocacy tasks of UNIDO’s work.

**Risks:** With some country and regional-specific features, it appears that there might exist some lack of clarity between the roles of the UR and those of the Regional Bureaus. In addition, there is a need to increase headcount and skills set in various FOs. The staffing situation in the different FOs determines whether the UR can either devote sufficient time to advocacy, participation in UNDAF/UNCT and other higher level activities. In many a case, it appears that URs take many project management functions and the UR is the only person in the office with certain access rights to SAP, and the sole point of authority for local procurement. Training is an important factor for FO staff, who could at times cover certain work areas, SAP operations in particular, better if the appropriate training could be offered. Communication with FOs appears to be an issue.

**Lessons Learned:** A clear distribution of tasks between Regional Divisions, Technical Departments and Field offices would increase performance of all staff dealing with one region or country. Clarity does not only come with the Terms of Reference, but it needs to be ensured that there is a genuine common understanding of the roles and interfaces for each phase of the TC cycle, and also in areas such as media presence, regional initiatives and other areas, with the aim of pre-empting any communication problems that might occur. The more the UR’s work will be dedicated to administrative and project administration, the less the UR can devote time to advocacy functions. HQ needs to spell out what it expects FOs to do. In case where the FO is underfunded and understaffed, priorities for the FO should be clearly defined, and some leeway agreed to in case the FO cannot fulfil all of its tasks.

**Risks**

- 2017: RO Egypt – “RO Egypt was not consulted regarding its new structure. Input was provided to HQ, but remained unanswered. The new structure (RO to HUB) was not accompanied by new ToR and remained unclear to staff. There are still staffing vacancies in Algeria, Morocco and Tunisia. With the same amount of staff more countries have to be covered. Whereas FO felt it needed more information about the operationalization of the change, EFR/FLD did not share this opinion.”

- 2017: RO Egypt – “The fundamental question posed by the UR was about the regional character of her function as regional representative that seemed to overlap with the role of

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42 UNIDO Assessment Mission to Colombia 2012, p.23.
43 IA CO Russia, 2013, para 35.
44 IA Co Rssia, 2013, para 36.
45 IA RO Egypt, 2016.
the Chief of the Arab programme. Unfortunately, this was never fully clarified. This leads to risks for UNIDO. EFR/RF/ARB plans activities in the region without informing the RO."\(^{46}\)

- **2017: RO Egypt** – “The UR requested clarification from EFR/RPF/OD regarding the definition of a Regional Director as her understanding was that regional directors represented the Organization in regional bodies.”\(^{47}\)

- **2017: Regional Division of Africa** – "The Regional Division of Africa (RDAf) covers the maximum number of countries of all regional divisions; 46 countries, including South Sudan, a non-member State of UNIDO; the total includes 19 country offices. With limited resources – five staff (3 Professional and 2 General Service staff) – RDAf is performing reasonably well in servicing the country offices and countries under their coverage, though a better service could be provided with additional staff resources. Also, a number of COs did not have URs during the period; the professional staff in RDAf had to cover these offices from HQ. Subsequent to the restructuring exercise of the FOs, most vacancies have been filled. However, at the time of writing this report UCRs in Cameroon and Madagascar are still vacant and being covered by RDAf staff.”\(^{48}\)

- **2017: RO Egypt** – "... In UNIDO, as well as in some other larger UN organizations, NOs still had to apply as external candidates in order to convert from locally recruited to internationally recruited staff. However, for a number of agencies present in Egypt (for instance UNHCR) NPOs are considered internal candidates after four years in service. It should be noted that disparities among agencies and more favourable conditions in other agencies could prompt able staff members to leave UNIDO and seek better opportunities."\(^{49}\) "The ERO referred to some cases of national consultants who left UNIDO to seek more stable contracts with more benefits (fixed term appointments rather than ISA contracts). This was a trend that could weaken UNIDO’s capacity in the country. For this reason the ERO was in dialogue with ODG/HRM to seek solutions to facilitate the conversion of a number of ISA contracts to fixed-term.”\(^{50}\)

- **2017: RO Ethiopia** – “FO staff should be trained on the financial rules and regulations of UNIDO to enable them to provide the required support to the UR.”\(^{51}\)

- **2017: Regional Division of Africa** –"Staff need to be trained to be more proactive and vigilant and be leaders of SDG initiatives.”\(^{52}\)

- **2017: RO Ethiopia and Partnerships** – "UR-UR transition needs to be closely monitored by EFR and ODG/HR for proper handover. UR needs to be able to focus on higher-level advocacy and building of new partnerships, therefore UR needs to be freed from project portfolio. It is not clear how the Team Leader position fits in a) the PCP management structure in the country and b) in the PCP management structure at HQ. The Country Team Leader is PM for some PC projects and that is how the PMO performance is measured.”\(^{53}\)

- **2016: Tanzania** – “While most UN agencies’ decision-making is decentralized, decision-making at UNIDO is done by HQ by project managers.”\(^{54}\)

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\(^{46}\) IA RO Egypt 2017, para 79.  
\(^{47}\) IA RO Egypt 2017, para 61.  
\(^{48}\) IA Regional Division of Africa 2017, para 36.  
\(^{49}\) IA RO Egypt, 2017, para 97.  
\(^{50}\) IA RO Egypt, 2017, para 101.  
\(^{51}\) IA RO Egypt 2017, REC 21.  
\(^{52}\) IA Regional Division of Africa 2017, para 35 and REC 3.  
\(^{53}\) IA RO Ethiopia, para 42a.  
\(^{54}\) IE Tanzania 2016, p.24.
2015: RO Ethiopia – “Based on the roles and responsibilities stated in DGB/2016/01/Amend.1, the volume of the work and the skills-set required to meet the expectations set for UNIDO in the respective areas (including UN Country Team activities), there is a need to increase the headcount and widen the skills-set of the RO structure … recruitment of additional experienced staff with the skills-set and capacity to assist the UR in monitoring and advocacy should be considered. This will enable the UR to focus on high-level advocacy (i.e. inter-ministerial level), contribute effectively to the creation of new partnerships and have a ‘bird’s-eye’ view of project implementation in all the countries covered by the RO.”

2015: RO Nigeria – “A difficulty is the ambiguity between the role of Regional Bureau and the RON, i.e. UNIDO allocates funds to the African Bureau to develop country programmes without reference and collaboration with RON. The African Bureau sends consultants to French-speaking countries without recourse to RON.”

2015: RO India – “ISA of NPC Sri Lanka could not be renewed due to lack of funding. This led to an embarrassing setback vis-à-vis Ministry officials. At present no representation of UNIDO at UNCT meetings, UN cooperation activities and Sri Lankan government. This lack of RO capacity prevents taking an active part in SDG activities.”

2015: RO India – “IOS recommends that budget of IC-ISID should be managed by UR/DIR of RO India. The control of the technical budget can be done by PM in HQ.”

2015: Nigeria – "IOS was informed that UNIDO has two HUOs in Burkina Faso and in Mali, but no representation in Niger and Benin due to budgetary constraints. Despite having HUOs in Burkina Faso and Mali all four countries under the RO Nigeria were operating directly under the PRF/RPF/AFR. The UR is sometimes is kept out of the loop as he has no direct role on the day-to-day activities of the countries under his coverage, despite being accredited to these countries.”

2013: Russia CO – “The RCO has a unique operation where the UNIDO focal point was established to function in close cooperation with the CIIC (Centre for International Industrial Cooperation) by utilizing the same personnel and location, thus performing the pivotal role of a de facto UNIDO CO. It is therefore difficult to differentiate the role and responsibilities, the reporting lines and the respective budget usage of the two offices … While the feedback received from the officials in the relevant ministries on the services provided by the CIIC and HQ was satisfactory, IOS observed that with the increase in activities, the growing portfolio and the limitations and human resources, the capacity to sustain the current level of services in the RCO is not possible.”

2013: CO Russia – “...the Director, in addition to his responsibilities at the CIIC and UNIDO focal point, is also the Allotment Holder for a portion of the GEF energy-efficiency project. The Directors’ annual work plan and the CIIC annual report are submitted only to the ITPO Coordinator, which emphasizes the primary role performed by the CIIC in Moscow. However, given the Directors’ multiple roles, his reporting structures to HQ require a clear delineation.”

2013: CO Russia – “For many reasons (language barriers, Director’s networking abilities, project managers' travel restrictions on GEF funds etc.) many project management

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55 IA RO Ethiopia and Partnerships 2017, para 34.
56 IA RO Nigeria 2015, para 73.
57 IA RO India, para 54.
58 IA RO India, p.11.
59 IA RO Nigeria 2015, para 72.
60 IA CO Russia 2013, paras 40, 43.
61 IA CO Russia 2013, para 42.
functions are performed by the Director, in addition to his other duties. While this appears to be a positive step to achieve the objective of integrating the field operations with PTC, consideration should be given to the availability of resources at the RCO... An option would be to allocate a portion of agency fees (PSC) received from GEF to increase implementation support capacity within the RCO.”

- 2013: Russia CO – “... Despite the provision of training on SAP modules, IOS noted that the training is inadequate for day-to-day use of the system by RCO personnel. In addition, the functionalities available to them are limited due to granted access rights. IOS notes that further training on SAP and timely replenishment of imprest accounts would contribute to enhance effectiveness of the operations.”

2.2 TC Operations

Figure 4 indicates that most best practices were identified in relation to TC projects design and relevance. Best practices and risks with regard to both project design and relevance issues and other TC-related issues are analyzed in the following sections.

![Figure 4. Best practices and risks identified in the “TC Operations” category](image)

2.2.1 Project/Programme Design and Relevance

**Best Practices:** The analysis conveys that UNIDO’s programme has high relevance for the respective countries if they have a national development programme that is well formulated and puts emphasis on areas that are in line with UNIDO expertise. However, a caveat needs to be made: the role of FO vis-à-vis the high relevance of projects remains unclear in a context of highly centralized UNIDO management, with strong decision making capabilities residing in HQs.

**Risks:** The relevance has at times been diminished by the fact that the programme has not taken up the countries’ focus areas, projects often aligned with donor priorities, interventions often geographically, institutionally and thematically dispersed. In a few cases it seems that UNIDO has gone beyond its area of expertise such as when a large poverty-alleviation programme served as a framework.

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62 IA CO Russia, 2013, para 84.
63 IA CO Russia 2013, para 39.
Lessons learned: Develop ISID aligned CPs, reaching many beneficiaries, focusing on job creation and embedding replication in project plans. UNIDO strong leadership at project design often leads to reduced ownership.

Best Practices

- **2016: Tanzania** – “UNIDO’s activities were well aligned with national priorities and UNDAP 2011-2015.”64

- **2015: The RO Nigeria** – “... had developed a Country Programme with a results-based framework and successfully mobilized resources from the Government of Nigeria.”65

- **2015: Ethiopia** – “Specific mention was made of UNIDO’s cluster methodology which had been useful in the small and medium scale industry for many years.”66

- **2015: Post-Crisis Interventions** – “There was a positive rating of the relevance of UNIDO’s projects in post-crisis settings. The Organization has shown that it is capable of performing a larger role in post-crisis settings with demonstrated effectiveness and adequate efficiency, when led and supported by a strong team in the field.”67

Risks

- **2018: China Project 140142** – “In March 2015 the Executive Board recommended to formulate the expected impact for this project as it was missing. Despite the lack thereof the project was approved. At the time of the Internal Audit (2017), this had still not been done. One of the recommendations by the Internal Auditors was to formalize the approval process with an additional assessment of expected impact, to be able to prioritize high-level projects and plan for human resources. This recommendation was rejected, as it was considered politically incorrect. However, IOD considers this recommendation important.”68

- **2016: Kingdom of Thailand** – “A more effective collaboration between the government of Thailand and UNIDO will be more beneficial in developing a ‘country programme’ that identifies the priority areas in which they should work together and then seek funding from the potential sources than the choice of the projects being driven by UNIDO on the basis of financial support UNIDO is able to mobilize.”69 “As can be seen....UNIDO projects are heavily tilted towards environment and energy issues because of the availability of funding from GEF. A more balanced approach is desirable, including the focus on poverty alleviation and trade capacity building, areas which have received support for at least the five years.”70

- **2016: Kingdom of Thailand** – “... projects that are designed and executed well will most likely deliver the desired outputs, but may still not be sustainable in the long run unless sufficient care is taken to ensure the continued involvement of key drivers.”71

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64 IE Tanzania 2016, p. ix.
65 IA RO Nigeria, 2015, para 40.
67 ITE Post-Crisis Interventions, p.x and 36.
68 IA China RO, 2018, Rec 18.
69 IE Thailand 2016, p. 75.
70 IE Thailand 2016, p. 72.
71 IE Thailand 2016, p. xx.
• 2016: Tanzania – “There were limited synergies between UNIDO projects in the three thematic clusters ((1) Policy, national Systems, Statistics, Trade; (2) Value Chain development, Industrial Upgrading Entrepreneurship; (3) Environment and Energy). Reasons were the conception of the projects as individual, unrelated interventions, funding uncertainties or structural issues. This led to rather isolated interventions fragmented, geographically, thematically and institutionally, lending themselves to limited synergies.”

• 2016: Tanzania – “If UNIDO continues with the rather isolated small-scale project approach, its contribution to the industrial development of Tanzania may not be significant enough. UNIDO needs a more strategic approach … and must reach significantly more beneficiaries. It must also better explain and plan how its pilot/demonstration projects – if successful – can be replicated and scaled up. It is essential that already at the project planning and design stage, the mechanisms for replication and scaling up is included.”

• 2016: Tanzania – “UNIDO should focus on youth employment, set ambitious targets, and create synergies by using different approaches if UNIDO consider a PCP for Tanzania.”

• 2016: Tanzania – “Projects of all three clusters in Tanzania were found to be quite general at the design stage and were not updated as additional knowledge became available. Consequently, the definition of project boundaries was vague.”

• 2016: Tanzania – “At times UNIDO’s interventions were too technical and too standardized with insufficient context analysis and limited ownership, high transaction costs and limited results monitoring…. Monitoring of projects was somewhat limited. Critical was the occasional top-down approach from UNIDO HQ.”

• 2015: RO Ethiopia Integration of TC projects and PCP may not be achieved due to incompatible project designs, inadequate/lack of coordination, inadequate planning and/or institutional bottlenecks.

• 2012: Uruguay – “It was recommended that UNIDO formulates a tailor-made ISID country programme as it fits with the national programme for the next 5 years. Danger that if UNIDO does not align its programme more with middle-income countries, it may become obsolete.”

• 2011: Morocco – “UNIDO should promote cooperation, but without creating ‘artificial complementarity’. It should focus on ‘natural opportunities’ which validate the complementarity of other organizations. UNIDO should ensure that all UNIDO programming missions take account of the coordination efforts of the UNS in the country and to meet the Resident Coordinator.”
**Project/Programme Focus**

**Risks**

- 2016: Thailand – “One project (Reducing industry’s carbon footprint through compliance with an energy management system) was perceived as a mismatch between the focus of the project (large industries) and the key interest of the main partners (SMEs).”

- 2016: Thailand – “Country Programme was too focused toward environment due to GEF available funds. It needed to be more balanced. In energy and environment too many areas covered with too few resources, thus lacking priority-setting.”

- 2016: Tanzania – “As the UN agency with the mandate of industrial development, UNIDO can potentially play a significant role. ....If UNIDO continues with the rather isolated, small-scale project approach, its contribution to the industrial development of Tanzania may not be significant enough. UNIDO needs a more strategic approach.”

**Government Ownership**

**Mixed Experiences**

- 2016: Tanzania – “Government ownership is relatively strong overall, but limited due to a perception of a rather rigid top-down implementation.”

**Risks**

- 2016: Tanzania – “The extent of ownership is strongly influenced by the approach to project management. Evidence shows that pushing projects too strongly in order to stick to the timeline can reduce ownership. Flexibility and giving priority to national stakeholder needs (while possibly deviating from the UNIDO blueprint) are factors supporting ownership.”

- 2015: Kingdom of Thailand – “To ensure government ownership and as a commitment indicator, UNIDO should formally request the Thai government to appoint for every project one or more officials from the key ministries related to the projects to be part of PMU. UNIDO should ensure greater ownership, engagement and commitment during the project design as well as its execution so that government actually leads the process while UNIDO plays a catalytic role.”

- 2015: Kingdom of Thailand – “Many projects appear to be much too UNIDO driven, overlooking the fact that the technical, managerial and institutional capacities of Thai counterparts have been developing sufficiently over the years. While the intentions of UNIDO may be good, too much support at the project design stage weakens the ownership of the institutional partners.”

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80 IE Thailand, 2016, p. xv.
81 IE Thailand 2016, p.72.
82 IE Tanzania 2016, p. xii.
83 IE Tanzania 2016, p. 47.
84 IE Tanzania 2016, p. 48.
85 IE Thailand 2016, p. 72.
86 IE Thailand 2016, p. 72.
87 IE Thailand 2016, p. 71.
2.2.1.1 Implementation

**Best Practices:** Refer mostly to project implementation. The actual role of FOs with regard to project implementation is very diverse. Project teams usually report directly to HQ and occasionally can be based in UNIDO premises. Quite frequently, however, project teams are located in specific premises. On occasions, FO staff, including the UR or acting UR, might be involved in implementation. However, in general FO role in implementation consists mainly in providing infrastructure support.

**Risks:** At the same time, there seems to have been programme implementation arrangements that have not been clearly distinguishing roles and responsibilities between UNIDO’s FO, project personnel and institutional counterparts. In these cases, this was in the long run detrimental to project implementation because roles overlapped, accountability was not as strong and the arrangement led to misunderstandings. Therefore it is essential that, from the outset, roles and responsibilities, access rights to systems, places of work and salary structures are clearly defined.

In several reports it is stated that it would have been good if UNIDO had analyzed more systematically prior to project start, the countries’ framework conditions and national priorities, and to formulate outcome and impact indicators and a systematic Monitoring System/Framework so as to increase the probability of long-term impact in countries.

**Lessons learned:** In many reports a stronger role of FOs in implementation can allow swift reaction, ‘troubleshoot’ and contact easily appropriate counterparts or project personnel. The flexibility in implementation, which has been identified in reports as a major factor for relevance and government ownership, appears to be more easily assured through FO than through HQ.

**Best practices**

- 2016: Tanzania – “Regarding policy, national systems, statistics and trade, the most notable successful intervention was the strengthening of the analytical technical capacity of the National Bureau of Statistics (NBS) and staff of the Ministry of Industry, Trade and Investment (MITI), because of its influence on the five-year development plan 2016/17 – 2020/21. … Value chain development, industrial upgrading and entrepreneurship development projects had either achieved their intended results or were on track to achieve them. Achievement in the leather, cashew net and meat sectors ranged from training hundreds of experts in leather processing and shoemaking, to improving turnover up to 38% through industrial upgrading. Most projects were on track or were likely to achieve their intended results. (However, since project documents and information were not available for UNDAF projects, this was difficult to assess.) Energy and Environment had all been achieved or were likely to be achieved. The most relevant example, a mini-grid project.”

- 2013: Russia RO – “Project Support Costs from GEF are allocated to carry out parts of project implementation activities.”

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88 IE Tanzania 2016, p.x.
89 IE Tanzania 2016, p.x.
90 IA RO Russia, 2013, REC 22.
• 2012: Colombia – “Currently most of the projects in Colombia are managed by UNIDO staff in the RO (instead of being managed by HQ-based staff). This has facilitated the project implementation on the ground.”91

Risks

• 2017: Regional Division of Africa – “There is an issue as to whether URs should implement projects or if their main function is to represent UNIDO. At the same time current field structure needs to be implemented first, before a decision is taken. Capacity issues both ends, PTC requires more implementation capacity as funding for pipeline projects exceeds TC delivery regularly. At the same time poorly staffed FOs are faced with meeting the core representation adequately.”92

• 2017: RO Ethiopia and Partnerships – “RO Ethiopia's project monitoring and oversight function is hampered by institutional bottlenecks, lack of capacity/resources, and poorly defined framework for performance measuring of projects/programmes.”93

• 2017: RO Ethiopia and Partnerships – “Delays (Agro-industrial Parks despite all funds utilized), due to release of funds by donors, PMs overwhelmed with administrative tasks, inadequate risk assessment, limited input by PM during project implementation, lack of procurement planning.”94

• 2017: Egypt – “.... The Nigerian Ministry of Industry thought the main challenge for the project (SAP Ref. 100089 Green trade Initiative GTI) was that there had been similar projects in the past, educating people, but when the project was finished, the people were left alone. They would like more projects to incorporate these people and requested that new projects utilize these people again.”95

• 2017: RO Egypt – “National Cleaner Production Unit is part of Government and at the same time executing partner for a number of projects, thus subcontractor and counterpart. It was recommended to re-define the role of NC as this constellation might otherwise lead to a conflict of interest.”96

• 2016: Tanzania – “While there are logical relationships between projects, actual synergies did not materialize. ... Some, although limited synergies, were noted between two components of the same project. Potential for synergies was identified in several clusters (Cluster 1: Policy, national systems, Statistics, trade; Cluster 2: value chain development, Industrial Upgrading, Entrepreneurship, and Cluster 3. Environment and energy) which had not been fully used.”97

• 2016: Tanzania – “Reasons for limited synergies among projects (Lessons Learned):

- Synergies must be considered at inception/project design stage, then projects logically relate to each other. If not addressed at the design stage, it become more difficult to modify them during?? project implementation;

- Different starting dates. However, some components can be fairly easily integrated also at a later stage such as youth employability and entrepreneurship;”
- Unpredictability of funding, in particular disbursements from UN One Funds;
- Some projects are designed and implemented ‘in silos’; managers were not always aware of other UNIDO projects and initiatives in Tanzania. There appears to be a limited exchange among project managers (structural issue);
- Limited management autonomy of the UNIDO CO Tanzania which is in many ways is in a much better position to realize synergies. It is interesting to note that the cluster with comparatively most synergies is the 1st cluster (policy, national systems, statistics, trade) with several projects being managed by the CO and only two project managers based at UNIDO HQ.
- Tanzania is not conceptualized as a programme. The fragmentation is geographically (9 regions) thematically and institutionally (more than 50 stakeholders).
- Possibly the lack of using a theory of change approach to project design might have contributed to the limited synergies and anticipation of socio-economic challenges.”

- 2016: Thailand – “There is no replication foreseen for regional projects in neighboring countries.”

- 2016: Tanzania – “Some projects appeared unsustainable due to the socio-economic situation of beneficiaries (E.g., use of ethanol in cooking stoves proved to be too expensive for target population).”

- 2016: Tanzania – “There were limited synergies between UNIDO projects in the three thematic clusters (1) Policy, national Systems, Statistics, Trade; (2) Value Chain development, Industrial Upgrading Entrepreneurship; (3) Environment and Energy). Reasons were the conception of the projects as individual, unrelated interventions, funding uncertainties or structural issues. This led to rather isolated interventions fragmented, geographically, thematically and institutionally, lending themselves to limited synergies.”

- 2016: Thailand – “A weakness of many projects is the excessive emphasis on making the projects technically sound (activities and outputs oriented) but not giving adequate attention to make them results oriented (outcomes and impact). As a result, while projects may achieve very good results as planned, they may not necessarily lead to long-term impacts due to inadequate emphasis on policy level...”

- 2015: Nigeria – “...RO Nigeria would be more successful if the office had a Partnership and Communication Officer to promote UNIDO on a regular basis, to keep the partners engaged and provide them with he need information.”

- 2015: RO Nigeria – “limited project visits due to lack of funding. ... Sometimes counterparts feel that UNIDO is an implementing agency and that it does not involve them in the implementation of projects unlike other agencies which visit their premises frequently, work with them and use their technical staff.”

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98 IE Tanzania 2016, p.46-47 and 50
99 IE Thailand 2016
100 IE Tanzania 2016
101 IE Tanzania 2015, p.x
102 IE Thailand 2016, p.71
103 IA RO Nigeria 2015, para 63
104 IA RO Nigeria 2015, para 146
105 IA RO Nigeria 2015, para 62
• 2014: Russia – “The effectiveness of UNIDO projects was moderate. More than half of the projects assessed delivered planned outputs, but less progress was made on achieving outcomes. The reasons for this relate to overambitious objectives; a lack of progress of putting in place environmental policy and regulatory frameworks; and the lack of enforcement.”

• 2013: Russia –: The projects implemented in the Russian Federation focus mainly on the thematic area energy and environment. The major challenges confronting successful implementation in Russia are the low cost of energy and the lack of environment related legislation. Consequently, the project managers and supporting personnel have to find ways to mitigate them with the assistance of authorities.

2.2.1.2 Gender

Best Practices: UNIDO’s Policy on Gender Equality and the Empowerment of Women, issued in 2009 and updated in 2015, sets out the Organization’s gender equality and gender mainstreaming guidelines have been issued for the various thematic areas since 2015. Thus, gender mainstreaming guidelines were not applicable to the projects evaluated in most reviewed reports. Gender balance was achieved in most FOs.

Risks: While gender criteria have always been part of GEF projects, it is notable that in the reports analyzed, gender is given little attention.

Best Practices

• 2017: RO Egypt – “ERO observed gender balance at the office as well as in projects supervised by the ERO. This was observed with the GTI project...and in the RO in Cairo where women represent 48.8%.”

• 2012: CO Sudan – “In the context of UNIDO’s Policy on Gender Equality and the empowerment of women, IOS observed that projects under implementation in Sudan endeavor to address gender equality and empowerment of women’s livelihood improvement by achieving the projects’ stated objectives. The Women’s Business Association project (TF/SUD/09/002) is an excellent example for this. Likewise the women being trained in various self-employment small scale industries under the project CLARIS and YEM are also noteworthy. ... in overcoming conservative cultural barriers of women by being trained for employment in trades which are traditionally done by men (e.g. tiling, leather product manufacture, carpentry, masonry among others).”

• 2012: Sudan – “IOS also observed that when women are in leading positions, within or outside of UNIDO, there is a tendency to address gender elements more actively.”

• 2017: RO Egypt – “ERO observed gender balance at the office as well as in projects supervised by the ERO. This was observed with the GTI project...and in the RO in Cairo where women represent 48.8%.”

106 IE Russian Federation 2014, p. xii.
107 IA Russia CO 2013, para 16.
108 IA RO Egypt 2017, para 45.
109 IA CO Sudan 2012, paras 100, 101.
110 IA CO Sudan 2012, para 102.
Risks

- 2017: UNIDO’s PCP – "Gender is not a particularly strong priority in the PCP pilot projects."¹¹² "...Neither the PCP annual progress reports, nor do the original PCP documents refer to specific women’s needs being addressed. Interviews indicated that gender will be mainstreamed across each of the programme components and projects following UNIDO’s gender mainstreaming guidelines."¹¹³

- 2016: Tanzania – "While there were many references to gender and youth in the UNDAP/UNIDO country programme, at the project level these two focus areas were not fully mainstreamed. Youth, with a few exceptions, received even less attention compared to the gender dimension. However, it can be assumed that UNIDO projects benefitted men and women equally and to a limited extent the young population."¹¹⁴

- 2015: India – "The gender analysis (July 2013 – Jan 2015) indicates a very low level in recruitment of female ISAs in the three countries (India, Sri Lanka, Bangladesh). ISA-holder ratio of male to female was 65:1. 2015: India – "A number of projects reviewed had gender indicators stated in PPM. However, only some recorded the progress, albeit partially. Reporting accurate statistics on gender results was still under development at the time of the audit. The Gender Coordinator should be in a position to run periodic reports from SAP to report on gender mainstreaming achievements in UNIDO." REC 33: "The gender Coordinator, in coordination with PSM/BSS, should expedite development of reports for monitoring and reporting on gender."¹¹⁵

- 2015: Nigeria RO – “Despite the efforts undertaken by the RO Nigeria in addressing gender issues, there were no documented gender-related KPIs. The main reason for this is because UNIDO being a demand-driven organization, where projects are initiated by donors [sic]¹¹⁶, such as the Federal and State Governments. In addition 35, HRM should provide advice and encourage recruitment of female consultants...”¹¹⁷

- 2015: Nigeria – The RO Nigeria has insufficient funds available to monitor gender-related activities."¹¹⁸ In addition, the Regional Office Nigeria has insufficient funds available to monitor gender-related activities. IOS was further informed that it is also difficult to measure the gender-related output for some project activities such as ... institutional building."¹¹⁹ ... the RO Nigeria concluded that it is making efforts collaborating with UN Women on gender issues. Further guidance is needed from HQ on the way forward as far as gender-related issues are concerned.¹²₀ ... IOS noted that the gender focal point at HQ has designed a simple review tool to be used by all FOs and projects... the tool is a "Yes or No" format and would enable classification of projects as far as gender considerations are concerned. The tool is known as the “Gender Marker”. The tool ... is not yet operational. The gender focal point mentioned that once it becomes operational, PMs will be asked to rate their projects according to the Gender Marker.¹²¹

¹¹¹ IA RO Egypt 2017, para 45.
¹¹² IMTE, UNIDO’s PCP, 2017, p.vii
¹¹³ IMTE UNIDO’s PCP, p.25.
¹¹⁴ IE Tanzania 2016, p.ix.
¹¹⁵ IA RO India 2015, para 125 and REC 33.
¹¹⁶ It reads donors, although it might be a misnomer.
¹¹⁷ IA RO India 2015, para 124.
¹¹⁸ IA RO Nigeria 2015, para 179.
¹¹⁹ IA RO Nigeria, 2015, para 179.
¹²₀ IA RO Nigeria 2015, para 180.
¹²¹ IA RO Nigeria 2015, para 181.
• 2014: Russia – “UNIDO missed opportunities to integrate gender perspectives into the majority of projects, e.g. there is little appreciation of the differential risks and impacts of chemical hazardous waste management on men and women.”\textsuperscript{122}

• 2012: CO Sudan – “Despite the good practices in gender mentioned (see best practices) IOS noted that the focus on performance indicators should be results- and impact-oriented to comply with the policy on Gender Equality. As such, consideration should be given for developing results-based KPIs for gender mainstreaming activities at the project formulation stage ... it was noted that addressing gender issues in project proposals at the formulation stage, in line with UNIDO's policy, is still being applied on an ad-hoc basis.”\textsuperscript{123}

• 2012: Sudan – “Despite the initiatives taken to address gender in specific systems solutions (SAP/PPM), to some extent UNIDO is still behind in addressing gender perspectives in its project activities. Some of the reasons for this are: the absence of a gender mainstreaming action plan; gender focal points are pre-occupied with their substantive work; lack of training and awareness on gender matters; lack of resources to employ an in-house gender-specialist.”\textsuperscript{124}

• 2012: Sudan – “IOS noted that more commitment and effort from senior management and project managers is required to mainstream gender issues in the Organization's programmes and project activities to achieve the objectives promulgated in the Policy.”

REC 1: “IOS therefore recommended that PTC should make it a mandatory requirement to incorporate gender elements at the project formulation stage in the relevant thematic areas with results oriented KPIs.”

REC 2: “Executive management should make the necessary resources available to ensure that the organization's programmes and projects, as well as the Organizations at large, are able to achieve the gender mainstreaming objectives.”\textsuperscript{125}

• 2012: Uruguay –“ No documented gender KPIs developed.\textsuperscript{126} Environmental issues seem to be steadily gaining ground while the gender dimensions still have a limited presence.”\textsuperscript{127}

### 2.2.1.3 Procurement related issues

| Risks: | The high use of waivers in FO procurement might hamper effective competition. In addition, in many instances, procurement was not carried out by officers possessing a valid delegation; the UR did not possess the valid delegation authority for procurement, but was able to authorize procurement for two years. There was a lack of clear segregation of duties at all stages of procurement process. Often, FO did not keep any PE records to report and furniture and fixtures supplied by the landlord were not inventoried and easy identifiable. |

#### Use of waivers

- 2018: China RO – “In some FOs there seems to be a high number of waivers, which does not ensure effective competition. Active additional publicity and effective competition should be ensured. Partly this problem might have to do with the fact that UNIDO does not have a

\textsuperscript{122} IE Russia 2014, p.xiv.

\textsuperscript{123} IA CO Sudan 2012, paras 104,105.

\textsuperscript{124} IA CO Sudan 2012, para 106.

\textsuperscript{125} IA CO Sudan 2012, paras 106, 107 and RECS 17 a and b.

\textsuperscript{126} IE Uruguay, para 179.

\textsuperscript{127} IE Uruguay 2015, p. xvii.
grant pillar providing for the engagement of non-for-profit organizations. If wider publication should be done, additional resources would be needed.”

- 2018: RO China – "At least 50% of medium- and high-value purchase orders in China were placed through waivers (without competition), most of which were processed by HQ. In some cases of open competition, insufficient publicity led to only one company bidding. The lack of effective competition may negatively affect the value-for-money/quality of purchased services.”

- 2018: RO China – "... considering both centralized and decentralized procurement, 31 out of 59 purchase orders in China (i.e. 53%) were placed through waivers (i.e. without competition)." Finding 6: "... effective competition is not always ensured. ... It is of the utmost importance to ensure effective competition for UNIDO’s contracts ... this can only be achieved through adequately publishing the procurement notices in the relevant market.”

- 2015: CO Russia – "2 out of 5 procurement orders used waivers. Of these three contracts, few overseas contractors were based in Russia; low participation by international suppliers indicates a lack of interest.”

Valid delegation for FO procurement

- 2018: RO China – “Procurement was not carried out by officers possessing a valid delegation; the UR did not possess the valid delegation authority for procurement, but was able to authorize procurement for two years. This creates a risk of error, fraud and reputational risk. This development was caused by the fact that procurement transactions up to an amount of EUR 40,000 are not subject to scrutiny by procurement services as central monitoring of decentralized procurement was intentionally removed to ease the burden on procurement services. This results in the risk that procurement transactions might not comply with requirements with the Organization not having a mechanism to prevent or detect such cases.”

- 2014: Pakistan – “IOS noted a few deficiencies, namely: lack of clear segregation of duties at all stages of procurement process.”

Decentralized Procurement

- 2018: RO China REC 9 – "Procurement should split the current procurement user profile in SAP/SRM into two profiles: one for creating SRM documents and a separate one for authorizing/approving, and regularly compare delegation granted in SA/SRM with actual signed delegations.”

- 2013: CO Russia – "Some deficiencies noted such as (1) offers not signed and dated at the time of opening, (2) vendor’s name stated on MOD differed from the actual supplier (in case of computer equipment), c) not all procurement of equipment was reported to HQ for recording in the fixed assets register.”

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129 IA RO China 2018, para 9 and RECS 6-10.
130 IA RO China 2018, paras 49,53, RECs 6,7,8, finding 6.
131 IA RO Russia, para 55.
132 IA China RO, 2018, paras 60-64.
133 IA Pakistan CO 2014, para 51 and REC 7.
135 IA CO Russia, 2013, para 58, RECs 9-11.
2.2.2 Other implementation and cross-cutting issues (risks)

Figure 5 presents best practices and risks regarding field integration in relation to TC issues. Most risks identified related to Communication and reporting issues and good practices to Government ownership.

Below, some headings with specific references to risks related to different aspects of integration, communication FO-HQ, FO staffing, etc.

**Best Practices:**

*Reporting* of ROs to HQ, Government and UNDAP (as appropriate) appears to work well, including biannual reports, minutes of staff meetings and policy briefs. In some instances, annual retreats are held to share best practices, assess performance and plan for the year ahead. Also, induction is provided by some ROs to familiarize new staff, national and international consultants with UNIDO practices.

**Risks:**

The above reporting and communication good practices, however, were not general. Often, project managers send consultants to countries without informing the RO or even visit Government or donors without informing the FO. Slow response from HQ to Government requests processed through FO was experienced. The relationship between RO and HQ was frequently identified as an area for improvement, e.g. occasions for consultations, exchange of information, feedback and guidance.

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136 IA CO Russia 2013, paras 73-75.
from HQ seemed to be rare and there was no institutional mechanism established to this end. Lack of feedback from HQ was frequently reported.

**ICT infrastructure and recruitment** of consultants: ICT infrastructure needed in FO should be clarified and inventories kept. Format of TORs and JDs for recruitment of consultants should adhere to UNIDO norms.

UR-UR handover needs to be closely monitored by HQ.

With regard to **implementation modalities**, it was recommended to limit execution methods to be used in the future, and reinforce the use of national execution in contrast to the dominant one of direct execution. The role of UR in PCP needs to be clarified. IP or CP concepts are at times rhetorical, many projects are funded outside the IP or CP.

**Lessons learned:**
Performance delivery could be improved if HQ takes FO team into confidence in programme design and implementation.

When communication between HQ and FO is not as desired, projects are put at risk.

### Implementation Modalities (Integrated Programmes, PCP, National Execution)

- **2018. RO China** – “IOS recommended that PTC should make a decision on limited execution methods to be used by UNIDO in future. This recommendation was rejected by the audited national execution has not been regarded as appropriate. More likely is that the new Business Model will work, but this is still in a pilot phase. UNIDO started to develop alternative modalities (in contrast to the dominant one of direct execution): such as according to DGAI.24. National execution is highly recommended by the UN system.”  

- **2018: China** – “There are a few countries in which UNIDO considers developing alternative/delegated execution modalities. In relation to programmes in China, IOD noted the emergence of three separate alternative/delegated modalities: such as (a) turn-key implementation, (b) AQSIQ (counterpart is responsible for the execution of the project) and (c) ICSHP (New Business Model) where counterparts carry out transactions through direct access to UNIDO’s SAP system). While these efforts are based on UNIDO DGAI.24, IOS identified also the risk that developing several methodologies in parallel might lead to duplication of effort, in efficiencies and delays.”

- **2018: RO China** – “Three additional modalities exist: (1) Turnkey implementation modality, (2) AQSIQ (counterpart is responsible for the execution of the project and day-to-day management, including procurement), and (3) ICSHP (New Business Model), where the counterpart carries out transactions through direct access to UNIDO’s SAP ERP system. IA recommended that UNIDO should make a choice on new modalities, as too many different might lead to duplication of efforts, in efficiencies and delays.”

- **2017: Programme for Country Partnerships** – “Ownership and alignment of the PCPs to national development plans are such that governments do not perceive them as a UNIDO planning tool.”

- **2017: UNIDO's PCP** – “UNIDO's internal coordination works particularly well during the PCP inception phase. During the implementation phase UNIDFO project managers appear

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137 IA China RO, 2018, paras 66-68.
139 IA RO China 2018, para 69-72.
140 IMTE UNIDO’s PCP 2017, p.vii.
to be operating rather independently. The role of the UR is unclear if not at the same time PCP team leader (Senegal). The sustainability of the organizational set-up is uncertain.”

- 2015: Ethiopia – “The role of the RO Ethiopia in PCP implementation and management is unclear; whereas the PCP coordination is the responsibility of the PCP Secretariat, advocacy and management related to the PCP is to be expected by the UR/RO of Ethiopia as with all other TC projects in the country. For PCP a funding strategy needs to be developed at country and HQ level.”

- 2011: Morocco – “8 of 17 projects are funded, the rest are developed outside the IP....The concept of an ‘Integrated Programme’ remained theoretical...almost meaningless; structural weaknesses of IP became apparent and had become already visible in Integrated Programme I. The Government of Morocco did not support an IP III because they considered it too inflexible.”

- 2011: Morocco – “With regard to the implementation modality of the joint UNDP/UNIDO project (FM/MOR/09/002 PCB) a long delay was by finding a common modality. UNIDO and the Moroccan Department of Environment preferred a national execution model. Even though a compromise was at last found, the activities foreseen in the work plan for 2010 could not be implemented. This incompatibility of management modalities with other UN agencies risks compromising the capacity of UNIDO to implement similar projects in the future.” REC: “UNIDO’s senior management should pay attention to the request of its partners in advanced developing countries to gradually shift project implementation towards the national execution modality (NEX). This problem is particularly pressing for those projects that are executed in cooperation with other UN entities that have already adopted this modality.”

- 2011: Morocco, REC 25 – “UNIDO should identify execution modalities which respect the wish of the country to manage projects according to national execution.”

2.2.3 Field Integration and Headquarters Relationship

Information flow/Reporting FO-HQ

- 2017: Regional Division of Africa – “In respect of bi-annual reporting to HQ, this has been more regular since 2016 ... most country offices are in compliance with the procedure introduced by UNIDO/DGB/2014/01, with some late submissions. Those that have not submitted reports on time receive a reminder from RDAf. It was noted that the bi-annual reporting is an effective way to monitor progress and activities in the field. The template used for reporting is very comprehensive and upon receipt, the regional chief compares and reviews reports and provides comments on areas, as required, before submitting it to the Director EFR/RPF.”

- 2017: RO Egypt – “... reports that the collaboration on different projects with the PMs in HQs went smoothly. The experience of local project management in Egypt with technical

141 IMTE UNIDO’s PCP 2017, p. vii.
142 IA RO Ethiopia and Partnerships, para 42d.
143 IA Ethiopia and Partnerships, para 42.
144 IE Morocco 2011
145 IE Morocco 2011, p. xiv and recommendation p. xv and p. xx,
146 Ibid, p.90.
147 Internal Audit, Regional Division of Africa, 2017, para 39. This statement is somewhat in contradiction to numerous comments, where FOs did not receive feedback from HQ as to their reports. See 2.3.1 Information Flow from HQ to FO in this report.
back-up from technical branches in HQ seemed to an interesting and effective working arrangement.”

- 2015: RO Nigeria – “Minutes of all staff meetings are prepared with clear action plans. Bi-annual meetings with HQ staff are held where reports from PSC meetings are also presented.”

- 2015: RO of Nigeria – “… prepares….proper minutes of monthly staff meetings; quarterly reports from RO Nigeria were submitted to the Director of PRF/RPF/OD in a timely manner.”

2.2.3.1 Reporting in Field Offices (FO)

- 2017: RO Egypt – “… prepares policy briefs/lessons learned together with recommendations on the way forward. This helps align ERO work with GoE policies for sustainability. A best practices that should be amulated by other UNIDO FOs as it enables the GoE to entrench project activities even after project completion.”

- 2017: RO Egypt – “… prepares and documents minutes of monthly staff meetings, quarterly reports are submitted to DIR/EFR/RPF in a timely manner, bi-annual and annual reports are sent promptly to EFR/RFP/OD.” “RO Egypt prepares report for external partners, although not a requirement.”

- 2016. Tanzania – “National coordinators report to HQ; The National Programme Officer, based on information from HQ and national coordinators provide project progress information to the UNDAP monitoring system.”

FO- Internal Communication


- 2015: RO India “… holds an annual retreat with all staff to share best practices in the office. The costs for the retreat are minimal in comparison to the benefits.”

- 2015: RO Nigeria – “All new staff, national and international consultants of RO Nigeria and projects which are situated in the same premises, participate in an induction to familiarize themselves with UNIDO’s working practices.”

FO-Staff Training

- 2015: RO India – “FO staff is well-trained in SAP and could take on further responsibilities if additional training were provided.”

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148 IA RO Egypt 2017, para 74.
149 IA RO Nigeria 2015, para 68.
150 IA RO Nigeria, 2015, para 41.
151 IA RO Egypt 2017, para 40.
152 IA RO Egypt 2017, para 42.
153 IA RO Egypt 2017, para 67.
155 IA RO Nigeria 2015, para 97.
156 IA RO India 2015, para 49.
157 IA RO Nigeria 2015, para 43.
2.2.3.2 Communication and Reporting

a) Field Offices to Headquarters

- 2018: RO China – “Project: UCSSIC PSC did not meet and no work plan was found for years 2015-2017.”\textsuperscript{159}

- 2018: RO China – “Annual Report lacks detail in content (outputs, deliverables); it should also include an update of the FO work plan. As it is, it is not possible to verify if RO has accomplished it objectives. No evidence of scrutiny or feedback provided by EFR/RPF/ASP in preparing the work plan.”\textsuperscript{160}

- 2018: RO China – “HQ templates and instructions for FO annual planning were not found conducive to HQ's effective oversight of CRO activities. China: Bi-annual report template does not include reporting on FO's annual work plan; it is thus not possible to verify that RO has accomplished its objectives.”\textsuperscript{161} HQ reporting format was not found conducive for HQ to verify if RO has accomplished its objectives. UR has to obtain information about specific projects for individual PMs at HQ via email. This is considered inefficient.

- 2013: Russia RO: “Clear separation needed between reporting to ITP coordinator and UFP, ideally with two individuals reporting respectively.”\textsuperscript{162}

b) Headquarters to Field Offices

- 2018: RO China – “Several reports mention that once the report is submitted to HQ, there is no response or feedback at all. Disbursement by UNIDO based on submitted work plan and not progress reports, might weaken UNIDO's position.”\textsuperscript{163}

- 2017: Regional division of Africa – “IOS observed that though there are some measurable indicators in the work plan, RD Af does not prepare an annual report for the division on the achievements against the work plan activities and/or deviations from it.”\textsuperscript{164}

- 2017: RO Ethiopia and Partnerships – “HQ should provide feedback on FO reporting.”\textsuperscript{165}

- 2017: RO Egypt – “Little feedback/guidance from HQ.”\textsuperscript{166}

- 2017: RO Egypt – “EFR/RPF/OD informed the UR that the ToR for regional offices were being revised and that she would be informed in due course but this never took place.”\textsuperscript{167}

- 2017: RO Egypt – “The RO Egypt mentioned that the relationship with EFR/RPF/OD could be improved and made more effective. Occasions for consultations, exchange of information, feedback and guidance from HQ seemed to be rare and there was no institutional established mechanism for them. There had been, occasionally conference calls between HQ and all the URs in the Regions and Regional programmes. During the last

\textsuperscript{158} IA RO India 2015, para 51.
\textsuperscript{159} IA RO China, para 92,94.
\textsuperscript{160} IA RO China, 2018, para 29, 30.
\textsuperscript{161} IA RO China 2018, para 34.
\textsuperscript{162} IA RO Russia 2013, REC 2.
\textsuperscript{163} IA RO China 2018, para 89.
\textsuperscript{164} IA Regional Division of Africa 2017, para 33 and REC 2.
\textsuperscript{165} IA Ethiopia RO and Partnerships, REC 3 and 4.
\textsuperscript{166} IA RO Egypt.
\textsuperscript{167} IA RO Egypt, para 62.
of these calls, HQ briefed URs on the 50th [UNIDO] anniversary celebrations and the new FO structure. However, the URs were only given 2-3 minutes to talk, which is not sufficient for a meaningful conversation. No minutes of the meeting were prepared and no follow-up on issues [was] discussed.168

- 2017: Egypt – “HQ project managers sent consultants to the countries without informing UR.169 EFR/RPF/ARB plans activities without informing Regional Office Egypt.”170

- 2017: RO Egypt – “RO considered that the programme was not well reflected in publications produced by EFR/RF/ARB; only a few and mostly obsolete activities were mentioned.”171

- 2016: Thailand – “Better performance delivery can be assured if HQ takes FO team into confidence in programme design and implementation.”172

- 2012: Uruguay – “Communication between HQ and FO is not as desired, putting projects at risk.”173

- 2015: Nigeria – “Slow response to requests by the Government of Nigeria that were received by the Office and captured in SAP/PPM for further action by the relevant PTC branches at HQ. RO Nigeria discussed these requests, no technical staff from HQ responded to them or prepared a response in SAP system.”174

- 2015: Nigeria – “…. There appears to be a disconnection when it comes to implementation of projects. Some HQ project managers send consultants to the countries under coverage without informing the UR (e.g. DELTA projects). It would be helpful if HQ PMs shared in advance the ToRs with the RO Nigeria for information. This would also assist the RO to better inform counterparts and HQ on progress of projects.”175

c) Governments to UNIDO (HQ and FOs)

- 2011: IE Morocco – “As regards the technical follow-up, it has been noted that the role of the office in Morocco varies according to the projects. Several partners perceived UNIDO’s decision-making as too much HQ-biased and centralized, which is also a concern of UNIDO’s partners in many other countries.”176

d) Field Office to Field Office

- 2017: RO Egypt – “...contacts between FOs were rare and there was no mechanism in place as the present communication channels and opportunities were scarce and irregular.”177

168 IA RO Egypt 2017, paras 75, 76.
169 IA RO Nigeria, para 70.
170 IA RO Egypt 2017, para 82.
171 IA RO Egypt 2017
172 IE Thailand, p. 75.
173 IE Uruguay, p.xvi and xvii.
174 IA RO Nigeria, para 75-77.
175 IA RO Nigeria, para 70 and REC 5.
176 IE Morocco 2011, p.xix.
177 IA RO Egypt 2017, para 77.
2.2.3.3 Infrastructure and Management

Number of Servers

- 2018: RO China – “Clarification is needed of how many servers are in use in a FO in compliance with IR guidelines. An inventory of all servers should be conducted.”\(^{178}\)

Use of private email accounts by national consultants

- 2013: Russia CO – “Several consultants use their private email accounts while conducting official business for UNIDO because obtaining/renewal of email accounts by HQ is cumbersome.”\(^{179}\)

2.2.3.4 Recruitment of Staff at Field Offices

- 2013: CO Russia – “Allotment Holders’ compliance to the requirements of ISAs needs improvement and monitoring by PSM/HRM for adherence. ...the ToR format specified in appendix 3 to the ISA framework is not followed by most, instead using the old job descriptions format, omitting thus vital sections on organizational and project context, required competencies and in some instances, the required years of experience.”\(^{180}\)

UNIDO Representative Transition

- 2017: RO Ethiopia and Partnerships – “UR-UR handover should be closely monitored by EFR and ODG/HR. The two departments should ensure timely communication is that the hand-over is done effectively. As a minimum a checklist of activities should be completed by the outgoing UR, signed by both URs and submitted to ODG/HRM and EFR.”\(^{181}\)

3 CONCLUSIONS FROM THE REVIEWER

Figure 1 and Figure 6 provide an indication of the overall ranking of the findings and issues identified by the reports analyzed.

Figure 6. Overall best practices and risks in key categories and subcategories

\(^{178}\) IA CO China 2018, para 102-104.
\(^{179}\) IA RO Russia 2013, para 81.
\(^{180}\) IA RO Russia 2013, para 52 and REC 6.
\(^{181}\) IA Ethiopia and Partnerships 2017, REC 23.
From both figures, the following conclusions can be drawn:

1. **Visibility:** While only few best practices or risks have been identified in this regard, reports appear to confirm that UNIDO FOs have a significant contribution to enhancing UNIDO's visibility vis-à-vis its Member States, with highest potential effect on the achievement of those SDGs to which UNIDO contributes as well as its own ISID mandate. However, this cannot be achieved employing the traditional "ambassadorial" role of a FO alone and requires strong integration between FOs and HQ.

   "A precondition to ... improve UNIDO’s visibility and relevance... Under the current financial circumstances of UNIDO, ...is to envisage imaginative and low cost approaches for working with Governments and reinforce its "honest broker" role, e.g. through adapting or revitalizing existing technical resources, such as the Global Forum, with its capability to promote networking, best practices and benchmarking among Member States could be explored." From Informe de evaluación independiente de la ONUDI Evaluación de Países en la Región de América Latina y el Caribe: Guatemala, Nicaragua y República Dominicana, page xiv

2. In countries with a FO, there exist some necessary, though probably not sufficient, elements for a FO to function successfully, i.e. contribute to reaching proper visibility, achieving an adequate participation in UNDAF, improving its convening and resource mobilization roles as well as its project implementation support responsibilities and monitoring and reporting:

   Element 1: Sufficient **human resources** to properly perform its role in managing the country’s project portfolio with due regard to the number of countries covered by the FO. UR and FO staff must have the skills and capacities needed for the countries’ portfolio. This would imply also providing staff with adequate preparation and training and would enable the URs to devote time to advocacy work and project monitoring;

   Element 2: Sufficient **financial resources** to carry out project field visits in all countries of coverage, and to allow for training of staff;

   Element 3: **Clear roles and responsibilities** divided between HQ and FO and to have an appropriate network of arrangements with UN agencies in the country, and with major donors;

   Element 4: **Regular, complete and supportive communication** from HQ to FOs so that FOs know what is planned at regional level; the potential for misunderstandings is then minimized.

3. Figure 6 appears to indicate that **communication and reporting** between Field Offices and Headquarters is one major of source of risks for TC operations. Communication appears to occur predominantly in one direction: FOs are expected to send annual/bi-annual reports to HQ. However, in most cases there is little feedback from HQ to these reports.

   - It also seems that HQ does not always share information informally or on a voluntary basis (e.g. as regards regional activities, or other meetings with key stakeholders of that country that might affect FOs). This creates situations for FOs...
in which they are not informed of HQ activities, thereby creating confusing situations for Member States and embarrassing situations for FOs.

- The two directions of communication and information flow are unevenly distributed and do not convey a teamwork approach, where in reality the information from both sides is essential for a successful country programme and for a uniform ‘image’ of UNIDO within countries.

- Furthermore, there seems to be only irregular and rare personal contact (face-to-face, skype or telephone) between HQ and FOs. As a result some URs begin to have doubts about whether, and if so to what extent, they can rely on the support from HQ.

- The lack of communication from HQ might also be related to understaffing of Regional Divisions in HQ.

- There has been few or no formal attempt to promote communication among FOs, so that they could exchange experiences, meet in the region and present their needs, or make proposals regarding their work portfolio to HQ.
Annex 1: Terms of Reference

TERMS OF REFERENCE FOR PERSONNEL UNDER INDIVIDUAL SERVICE AGREEMENT (ISA)

<table>
<thead>
<tr>
<th>Title:</th>
<th>Senior International Evaluation Consultant</th>
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<tbody>
<tr>
<td>Project title</td>
<td>Thematic review/synthesis—Integration of UNIDO technical operations at all levels, i.e. HQ (PTC and Regional Divisions) and Field Offices</td>
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<td>Main Duty Station and Location:</td>
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<td>Mission/sto:</td>
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<td>Start of Contract (EOD):</td>
<td>March 2018</td>
</tr>
<tr>
<td>End of Contract (COB):</td>
<td>April 2018</td>
</tr>
<tr>
<td>Number of Working Days:</td>
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BACKGROUND

Director General’s Bulletin DGB/2018/02, of 31 January 2018, recognized UNIDO’s continued work in close cooperation with development partners and with Member States to expand UNIDO’s operations to meet the global covenants established within the Sustainable Development Goals (SDGs). Net voluntary contributions and technical cooperation activities have continued to increase as has been the demand for key services towards inclusive and sustainable industrial development (ISID).

In order to meet such demands, DGB/2018/02 highlights the expansion of the Programme for Country Partnership (PCP) beyond the pilot phases, which implies the need to integrate and scale up operations in a global context; utilize scarce resources in an effective and innovative manner; and further strengthen partnerships.

DGB/2018/02 envisages achieving this by means of building stronger synergies between Headquarters and the Field, improving internal coordination, enhancing UNIDO’s oversight and monitoring role, strengthening existing partnerships and building new ones. This should accelerate ISID and increase UNIDO’s impact on the advancement of the 2030 Agenda for Sustainable Development, in particular SDG-9.

In order to achieve the goals above, DGB/2018/02 established a new structure for UNIDO. Inter alia, a new Department of Programmes, Partnerships and Field Integration (PTC/PPF) was created within the Directorate of Programme Development and Technical Cooperation (PTC) by merging the Department of Partnerships and Results Monitoring (PTC/PRM) with the Department of Regional Programmes and Field Representation (EFR/RPF).

The Department of Programmes, Partnerships and Field Integration (PTC/PPF) includes the Operations Integration Division (PTC/PPF/OID), in order to facilitate the integration of the technical operations of UNIDO at all levels. It coordinates in particular the identification, monitoring and communication of PCPs, in collaboration with the respective PCP Programme Managers and with the support of the Regional Divisions. The Division has, among other responsibilities, to advice and coordinate pilots on operation and integration in Field Offices, as part of the Directorate-wide strategy, in collaboration with the Directorate’s technical departments, concerned Regional Divisions and Field Office.

PURPOSE OF THE ASSIGNMENT

The Consultant will undertake an Independent Thematic Review of independent evaluations, internal and external audit reports and relevant Joint Inspection Unit reports from the past 5-6 years with a focus on issues related to the integration of UNIDO’s technical operations at all levels, i.e. HQ (PTC and Regional Divisions) and Field Offices.

The purpose of the assignment is to provide evidence-based findings to guide the Operations
Integration Division (PTC/PPF/OID) decision making, inter alia regarding pilots on operation and integration in Field Offices.

The thematic review will encompass:

- around 20 past country evaluation reports;
- some specific project evaluation reports (to be determined during the inception phase);
- internal audit reports related to field offices and field operations corresponding to audits conducted in the past 5 years;
- reports of the UNIDO’s External Auditor from the past 5 years (parts relevant to the subject of the assignment);
- Reports of the Joint Inspection Unit from the past 5 years relevant to the subject of the assignment, including the Review of Management and Administration in UNIDO, JIU/REP/2017/1.

Some guiding/tentative questions to be addressed by the thematic review include the following:

- What are the best institutionalized practices in integration of UNIDO operations in Technical Departments / Regional Divisions / Field Offices? (Identification, formulation, implementation, monitoring and communication at country and/or project level)
- What are the main recurrent issues/findings/recommendations/risks in the area of integration of UNIDO operations in Technical Departments / Regional Divisions / Field Offices?
- What are the best practices in coordination of regional and country level activities regarding coherence with UNCT / UNDG bodies and to ensure that UNIDO's ISID mandate is adequately reflected in the UNDAFs;
- To what extend country programmes/projects are actually integrated in UNDAFs?
- What are the roles/responsibilities/competences needed at UNIDO PTC Technical Departments / Regional Divisions / Field Office for an integrated approach for
  - Programme and project identification, formulation, implementation, monitoring
  - Coordination with UN system-wide initiatives (One UN, UNDAP/UNDAF, etc.)
  - Activating regional, inter-regional and South-South cooperation
  - Partnerships and strategic alliances
  - Corporate Social Responsibility / Gender mainstreaming
  - Fund raising
- The extent to which UNIDO Field Offices engage in the implementation and results monitoring of TC projects;
- The extent to which effective cooperation, supervision and reporting arrangements between the programme/projects and HQ and country office are established;
- Implementation vs. field execution challenges. What is the field execution capacity/constraints? Field resources and presence challenges.
ORGANIZATIONAL AND PROJECT CONTEXT

The senior international evaluation consultant will support DG/EIO/IED in the conduct of the thematic review/synthesis of the field integration of UNIDO technical operations at all levels, i.e. HQ (PTC and Regional Divisions) and Field Offices.

<table>
<thead>
<tr>
<th>Main Tasks</th>
<th>Concrete/ measurable outputs</th>
<th>Expected duration</th>
<th>Location</th>
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<tbody>
<tr>
<td>1. Inception phase:</td>
<td>Inception report, and tools.</td>
<td>5 days</td>
<td>Home-based and UNIDO HQ</td>
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<tr>
<td>• Familiarization with evaluation and audit reports</td>
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<tr>
<td>• Consolidation of a methodological approach, e.g. conceptualizing data analysis based on a TOC model</td>
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<td></td>
<td></td>
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<tr>
<td>• Review/consolidation of the key review questions and criteria</td>
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<td></td>
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<tr>
<td>• Completion of draft review tools</td>
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<td></td>
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<tr>
<td>2. Data collection and analysis:</td>
<td>Aggregated information related to field integration</td>
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</tr>
<tr>
<td>• Review of reports, and mapping-out the different field integration related findings. Conclusions, recommendations, lessons.</td>
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<tr>
<td>• Internal validation of results with key stakeholders</td>
<td></td>
<td></td>
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<tr>
<td>3. Preparation of draft review report</td>
<td>Draft review report</td>
<td>5 days</td>
<td></td>
</tr>
<tr>
<td>4. Further to feedback from stakeholders, preparation of final review report</td>
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</tr>
<tr>
<td>TOTAL</td>
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<td>23 days</td>
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</table>

MINIMUM ORGANIZATIONAL REQUIREMENTS

**Education:** Advanced university degree in business administration, economics, social science, environmental science related field. Knowledge of evaluation and excellent drafting skills. In-depth knowledge of UNIDO and technical cooperation.

**Technical and Functional Experience:** A minimum of 15 years’ experience in the field of development and evaluation, including experience at the international level involving technical cooperation in developing countries. Exposure to the needs, conditions and problems in developing countries.

**Languages:** Fluency in written and spoken English is required. Fluency and/or working knowledge of another official UN language, particularly Spanish and/or French would be an asset.

REQUIRED COMPETENCIES

**Core Values:** Integrity, Professionalism, Respect for diversity

**Core Competencies:** Results orientation and accountability, Planning and organizing, Communication and trust, Team orientation and Client orientation

**Managerial Competencies:** Strategy and direction, Judgment and decision-making

IMPARTIALITY:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have been fitted from the programme/project (or theme) under evaluation. The consultant will be requested to sign a declaration that none of the above situations exists and that the consultants will not seek assignments with staff, responsible for the programme before the completion of her/his contract for this evaluation.
Annex 2: Documents analyzed

Internal Audits
2018: Internal Audit Country Office China
2017: Internal Audit Regional Office Egypt
2016: Internal Audit Regional Division of Africa
2017: Internal Audit Ethiopia and Partnerships
2015: Internal Audit Regional Office Nigeria
2015: Internal Audit Regional Office India
2013: Internal Audit Country Office Russia
2013: Internal Audit Country Office Pakistan
2012: Internal Audit Country Office Sudan

Independent Country Evaluations
2017: Países en la Región de América Latina y el Caribe: Guatemala, Nicaragua y República Dominicana
2016: Independent Country Evaluation Tanzania
2016: Independent Country Evaluation Kingdom of Thailand
2015: Independent Country Evaluation Uruguay
2015: Independent Country Evaluation Sri Lanka
2011: Independent Country Evaluation Morocco

Thematic Evaluations
2017: Independent Mid-Term Evaluation of UNIDO’s Programme for Country Partnerships (PCP)
2015: Independent Evaluation of UNIDO’s Post-crisis Interventions
2011: UNIDO’s Contribution to One UN Mechanisms

Other Reports
2017: JIU Review of Management and Administration in UNIDO
2012: Report of the UNIDO Assessment Mission to Columbia
2007: Comparative Review of Lessons Learned from 20 UNIDO Integrated Programmes
### Background Documents

2018: Director General’s Bulletin: UNIDO Secretariat Structure 2018

### Other Sources of Information

2017: Interviews notes with UR from Thematic Evaluation on Staff Competence Development

<table>
<thead>
<tr>
<th>Africa</th>
<th>Europe</th>
<th>Latin America</th>
<th>Asia</th>
<th>Thematic Evaluations</th>
<th>Other reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 IA Ethiopia</td>
<td>2014 IE Russia</td>
<td>2017 IE Países en la Región de America Latina y el</td>
<td>2018 IA China RO</td>
<td>2017 IE Mid-Term Evaluation of UNIDO’s PCP</td>
<td>2017 JIU Review of Management and Administration in UNIDO</td>
</tr>
<tr>
<td>2016 IA Tanzania</td>
<td>2016 IA Regional Division of Africa</td>
<td>2015 IE Country Uruguay</td>
<td>2015 IA India RO</td>
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<td>2015 IA RO Nigeria</td>
<td>2012 IA Sudan CO</td>
<td>2012 UNIDO Assessment of mission to Columbia</td>
<td>2013 IA Pakistan CO</td>
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<tr>
<td>2017 IE Países en la Región de America Latina y el Caribe: Guatemala, Nicaragua y República Dominicana</td>
<td>2015 IE Country Uruguay</td>
<td>2011 UNIDO’S Contribution to One UN Mechanisms</td>
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<tbody>
<tr>
<td>Year</td>
<td>2007</td>
<td>2010</td>
</tr>
<tr>
<td>Basis</td>
<td>20 evaluations of Integrated Programmes since 1998</td>
<td>11 evaluations covering 7 African, 2 Asian and 2 Middle Eastern countries</td>
</tr>
<tr>
<td>Findings</td>
<td></td>
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<tr>
<td>Policy Relevance/ Ownership</td>
<td>Policy relevance</td>
<td>&quot;Most IPs were designed with a view to industrial national policies and priorities. In this context, UNIDO was found to be highly relevant as a partner of the private sector. However, the need to allocate more resources to the initial assessment of the industrial development context was regularly cited. A prerequisite for enhancing policy relevance through the programme cycle is a strong field presence with adequate analytical and monitoring capacity in the FO. In the private sector development should be part and parcel of joint Assessment such as the CCA process. In cases where such considerations were excluded, the CCA and UNDAFs had indeed been poorer for it.&quot;</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Findings (reaching target groups): &quot;The effect on target groups of UNIDO interventions proved too difficult to assess. The evaluations stressed the need for better ex-ante assessment of target beneficiary needs, establishment of baselines and more precise/realistic outcome indicators. ... Due to the short time span of the programmes verifiable economic and social impact at target group level could be detected only in few cases. Due to the limited size of most UNIDO interventions and impact at the sectoral-level could only be achieved in some cases.&quot;</td>
<td>&quot;In a number of countries policy advice translated into nationally validated industrial strategies and sector master plans. There were also several cases of useful south-south transfer of experiences. Introduction of improved process technologies implied a hands-on demonstration of local value addition opportunities. Overall, the programmes brought more visibility to UNIDO at the country level. However, results were often labeled as ‘fragile’, ‘anecdotal’, ‘limited’ or ‘modest’. Monitoring of programme implementation was considered as a weak point and several cases of unattended or abandoned projects were reported.&quot;</td>
</tr>
<tr>
<td>Efficiency/ Results-Based Management</td>
<td>Results-based Management</td>
<td>&quot;The ongoing transposition of the RBM programme and budget into programme management posed several RBM-related challenges. The most urgent RBM-related challenges are the need for more focused and results-oriented design, based on a constant application of LF, including realistic and measurable indicators of outputs and outcome in programme documents. Another major challenge is represented by the need to improve results-based monitoring and reporting systems, and implementation arrangements that ensure proper delegation of authority to the field and accountability frameworks for programme managers.&quot;</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Findings: &quot;Sustainability is closely interrelated with counterpart and beneficiary ownership and needs to be built up during IP formulation and implementation, and not merely at the end of the implementation phase. Good practices in sustainability were found in programmes with a strong national leadership in design and implementation, involving private sector institutions, those that succeeded in applying a comprehensive a multi-disciplinary approach and programmes in areas where UNIDO’s expertise was recognized and had a proven track record. Main factors that affected negatively sustainability were supply orientation, poor design, weak monitoring and lack of funding.&quot;</td>
<td>Findings: &quot;There were cases of programmes in which the country was in the driver seat and carrying/likely to carry the results further. Nonetheless, in many programme interventions the discussion of sustainability tended to start towards the end. Also instances of rather independent implementation units were reported, operating from outside rather than inside the national institutional infrastructure. Demonstration projects often missed a built-in replication strategy and some instances of subsidization of services created unfair competition with private sector providers.&quot;</td>
</tr>
<tr>
<td>Impact</td>
<td>&quot;Most evaluations focused on result and outcome levels as they were conducted at the end of the programmes, it was premature to make evidence-based statements on impact. In one case impact analysis was carried out;&quot;</td>
<td></td>
</tr>
</tbody>
</table>
### Findings (Funding):

"Funds mobilization constituted the main bottleneck for IPs. Fully funded IPs are the ideal delivery mode for UNIDO TC, but remained exceptional. In practice, piecemeal approaches and delays in funding had often culminated in the disintegration of IPs. Joint and well-coordinated fund mobilization efforts by all parties involved, under government leadership and a strategic use of UNIDO single ‘seed money’ for fund mobilization purposes, were instrumental in the successful cases."

The most important lesson on funds mobilization was the need to improve the involvement of national governments. Reports noted that the gradual shift of donors to budget support increases the influence of governments on allocating donor resources.

The evaluations found that donors – while providing lip service towards the usefulness to the programme approach – had de facto not supported it sufficiently. They mainly continued to follow a project approach based in their bilateral priorities and funding patterns. This was detrimental to integration. In many cases fundamental IP components could not be implemented because of the lack of funding while other components, which were less central ones for the achievement of the IP objectives, were implemented because of available funds.

### Findings (external coordination):

"Progress towards achieving MDGs requires concerted action. UN country-level policies and programme modalities require strong coordination under the GCA/UNDAF approach. Evaluations found that UNIDO could make better use of UNDAF for programme and monitoring purposes. UNDAF, however, is a resource-intensive exercise that requires a continuous field presence and a Resident Coordinator and UN country team receptive to UNIDO inputs. Participation in UNDAF does necessarily lead to more funding opportunities and higher Government ownership. Greatest successes in external coordination were reported in cases with effective and senior-level UNIDO representation in the field, regardless of the region."

As regards internal integration, implementation was often found to be rather compartmentalized (branch-specific). Moreover, IPs under the CCA/UNDAFs approach were instrumental in the successful cases.

### Findings (Funding):

"Funds mobilization was found to be disappointing due to design and implementation weaknesses, whereas impact of investment promotion activities was encouraging through mainly attributable to funding outside the IP."

### Integration/External coordination

Findings (external coordination): "Progress towards achieving MDGs requires concerted action. UN country-level policies and programme modalities require strong coordination under the GCA/UNDAF approach. Evaluations found that UNIDO could make better use of UNDAF for programme and monitoring purposes. UNDAF, however, is a resource-intensive exercise that requires a continuous field presence and a Resident Coordinator and UN country team receptive to UNIDO inputs. Participation in UNDAF does necessarily lead to more funding opportunities and higher Government ownership. Greatest successes in external coordination were reported in cases with effective and senior-level UNIDO representation in the field, regardless of the region."

As regards internal integration, implementation was often found to be rather compartmentalized (branch-specific). Moreover, IPs under the CCA/UNDAFs approach were typically seen as separate support packages, resulting in lost opportunities to forge intra-UNIDO linkages and creating the image on the ground that there are ‘several UNIDO’s’. Concerning external integration, reference was made to UN-wide cooperation (UNDAF) in the programme design stage, but there was little indication of real cooperation among agencies in terms of implementation. With respect to cooperation with other (non UN) donors, examples of cooperation were reported but there was found to remain ample room for strengthening external synergies."

### Internal integration

"UNIDO internal integration of interrelated services under the programme approach succeeded in enhancing UNIDO visibility and identity at country level. However, evaluations found that synergies between projects and components under the umbrella of one and the same IP could be exploited more effectively. Integration proved much stronger in those IPs where the UNIDO Country Representative was the IP team leader. Strong national ownership of the integration aspect is ... and a steering committee for the entire IP is essential."

### Innovation

"The UNIDO service modules and standardized services have contributed to improving the identity and the efficiency of UNIDO TC. Standardization, however, should not result in a blueprint thinking and 'copy and paste' mentality. Transposing lessons learned and innovation is a prerequisite for maintaining relevance, recipient demand and donor support. It also requires a corporate approach to innovation and piloting and management support to the principle and process. Evaluations found that recipient countries have great expectations of UNIDO promoting South-South learning."

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**Conclusions**

"To the extent that several lessons from previous meta assessments reappear in the current one, there is scope for re-emphasizing the need to monitor how lessons..."
from past programmes are ploughed back into ongoing and future operations and approaches. Learning points of prior stocktaking also came up in the current exercise, such as superficial needs assessments, insufficient rigour in demonstration projects, concern for sustainability mainly towards the end, opportunities for synergies underexploited, lack of funding strategy, and debatable use of seed money.”

Recommendations

The recommendations following from the above include, in particular:

“To conduct more solid country assessments and ensure organization wide application of assessment tools/instruments once agreed upon; to review in this respect the experience with a industry-focused methodology developed in 2006 that has been applied in a number of cases but has not yet been institutionalized.”

“To establish a concise partnership agreement with client countries (rather than developing front full-fledged programme documents); to encourage the local stakeholders in the client country to drive this process.”

“To make sure that programme budget estimate are realistic and to follow a step-by-step approach based on priority setting (with a clear sectoral/thematic focus to programmes rather than spreading interventions thinly over different fields).”

“To refine the procedures pertaining to seed money to ensure that these resources are used in line with their intended purpose and also enhance accountability of their use.”

“To delegate administrative (including financial) and technical authorities to field offices where feasible, as this is expected to enhance the speed of operations.”

“To ensure more rigour in the development and implementation of demonstration projects in order for such interventions to be based on solid preparation and with a built-in replication strategy, when the results justify to take the pilot to scale and expand the coverage.”

“To forge more effective linkages between national and regional interventions to ensure complementarity, bring about collective efficiencies and also demonstrate at the country level that UNIDO truly delivers as one.”

“To build into the design of interventions the envisaged exit strategy, ensuring that sustainability concerns are discussed at the start rather than towards the end of a programme/project.”

“To seek proper institutional anchorage of support (thus avoiding the creation of programme implementation units outside national institutions).”

“To put more emphasis on steering and monitoring of programmes, inter alia by considering the introduction of obligatory annual reviews.”

“To fund thematic impact evaluations and develop case studies and stories.”

Challenges

“Way forward: The main challenge is how to accelerate the process from learning lessons to the implementation of lessons learned. This is suggested to be stimulated by: (i) in-house discussions on problems and challenges; (ii) management decisions to improve practices; and (iii) monitoring of improved practices.”
## Annex 4: Internal Audits – Acceptance Rates of Recommendations

<table>
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<th>Year</th>
<th>Title</th>
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<th>Notes</th>
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<td></td>
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<td>Total</td>
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<tr>
<td></td>
<td></td>
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