



Independent Thematic Evaluation: UNIDO's Partnerships with Donors

Partnerships to achieve development results

UNIDO's partnerships with national governments and multilateral funds and institutions have been important for UNIDO to strengthen performance and achieve intended development results in inclusive and sustainable industrial development (ISID). The partnerships contribute to organizational effectiveness, shared knowledge, mobilization of resources and expanded networks that help to generate results. UNIDO has pledged to further strengthen existing partnerships and forge new ones with donors and other relevant organizations to deliver results more effectively and efficiently.

UNIDO's funding partners include national governments that are UNIDO Member States, multilateral funds and institutions and also non-Member States that provide funds for technical cooperation activities, usually tied to partner interests and focus areas. In 2016-2017 the UNIDO Independent Evaluation Division conducted a thematic evaluation to understand the current status of partnerships, the enabling and constraining factors to partnership strengthening and to generate strategic directions to maintain, develop and expand future partnerships. The evaluation engaged with 126 representatives of UNIDO's funding partners, conducted a donor survey and a staff survey (68 respondents) and analyzed key documentation and data on partnerships and UNIDO's performance and results.

Main evaluation findings

The evaluation findings demonstrate positive partnerships performance overall. Across most sources of evidence, UNIDO performs well in partnership management. There are no aspects of partnerships that were assessed as being not satisfactory.

UNIDO is favourably perceived as a relevant and good-value-for-money partner who can deliver results on the ground for its key funding partners. Further, with increasing voluntary contributions overall and UNIDO being perceived as a valuable and proficient partner, there is potential for UNIDO to seize greater opportunities, particularly with its new role in SDG 9 which relates to progress in industry, innovation and infrastructure and which connects to SDG 8 on decent work and economic growth, as well as other SDGs.

However, two key areas were assessed as partially satisfactory. Firstly, there are concerns regarding the extent to which UNIDO contributes to and demonstrates long term sustainable results in relation to corporate results and ISID objectives. Secondly, strategic relationships are facing challenges as partners shift priorities and UNIDO does not adequately address their needs or respond to new opportunities. Reductions in resources and staffing at UNIDO have constrained its capacity for strategic donor relations, and relationships are beginning to suffer as a result.

UNIDO lacks a coherent partnership strategy and system, so there are gaps and unevenness in resources and effort for partnership management, incomplete intelligence flows, and insufficient recognition of partners' contributions. These gaps present constraints to growth for UNIDO.

The Members States are highly engaged in UNIDO's mandate but are themselves facing resource limitations. UNIDO Member States that contribute to UNIDO's core funding and non-Member States pay the same project support costs for UNIDO technical cooperation activities so there is insufficient incentive for Members to remain as UNIDO members. This led to a decline in core funding for permanent staffing and work related to strategic planning, normative work and knowledge development. Yet, the contribution of Members, as well as non-Members, is highly valuable and valued within the organization. So, more can be done to acknowledge the relative contribution of funding partners, to recognise and respond to their specific, and often different requirements, and to improve cost structures and allocation of resources to align with the respective support of funding partners.

Summary of evaluation analysis by criteria and sources of evidence

CRITERIA	SOURCES OF EVIDENCE						EVALUATION ASSESSMENT
	Document review	Case studies	Previous evaluations	Donor survey	Staff survey	Staff interviews	
Relevance	●	●	●	●	●	●	●
Effectiveness (short-term results)	●	●	●	●	●	●	●
Sustainability (long term results contributing to ISID)	●	●	●	●	●	●	●
Efficiency	●	●	●	●	●	●	●
Relationships (strategic management)	●	●	na	●	●	●	●
Relationships (operational management)	●	●	●	●	●	●	●

● Satisfactory ● Partially satisfactory ● Unsatisfactory na = Not assessed

Source: Evaluation analyses across evidence sources (2017)

Recommendations

1. Develop a coherent organization-wide partnership strategy and systems.

UNIDO needs a comprehensive and appropriate partnership strategy and system that will clarify its approach to funding partners, provide best value for partners and UNIDO, and deliver best results. Responsibility for managing partnerships needs to be aligned across the organization in a more streamlined and effective way with an organization-wide system. A more consistent and cost-effective approach to partnership management should also include tailored arrangements for individual partners.

2. Review and reform the cost structure for managing funding partnerships.

UNIDO needs to provide greater incentives to strengthen long term partnerships with Member States and other funding partners. This will include realistic assessment of direct project costs; altering cost recovery structures and systems and minimizing cross-subsidization of non-members. It will be important to ensure adequate financial and human resources in partnerships management, funds mobilization and for the partnership strategy implementation.

3. Expand the scale and impact of programmes.

It will be appropriate for UNIDO to shift toward larger programmes in order to reduce transaction costs and increase the quality and extent of results. This shift needs to capitalize on UNIDO's strengths in developing strategic technical programmes and its ability to be responsive and flexible in programme delivery valued by partners.

4. Place stronger focus on the long term results and wider impact.

More can be done to capture and promote successful programmes, demonstrating how they are generating long term impact. In particular, project and programme-level results need to be linked to UNIDO corporate results and the relevant SDGs. This will require linked project, portfolio and corporate level monitoring.

5. Take a more proactive approach to raising UNIDO's and partner's visibility.

UNIDO's partnerships would benefit from increased promotion of UNIDO's products, capability and different opportunities for funding partnerships, including enhanced promotion of successful programmes and approaches and increased visibility of partners' contributions to achieving results. Finally, UNIDO should strengthen its communication and promotion through more proactive dialogue with partners.