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INDUSTRIAL DEVELOPMENT ORGANIZATION



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Independent Strategic Evaluation of UNIDO's Engagement with the Private Sector

Office of Evaluation and Internal Oversight

**OFFICE OF EVALUATION AND INTERNAL OVERSIGHT
INDEPENDENT EVALUATION UNIT**

**Independent Strategic Evaluation of
UNIDO's Engagement with the Private Sector**



**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION**

Vienna, May 2024

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Abstract

This evaluation assessed UNIDO's overall approach to private-sector partnerships and their contribution to UNIDO's overall goals. The evaluation is based on desk research and on the analyses of primary data, which was collected through interviews with private partner representatives and through interviews, and a survey among UNIDO staff with direct or indirect experience in initiating and managing partnerships. The target audience for this report is UNIDO management and personnel as well as external stakeholders of UNIDO, and potential partners. The evaluation found the absence of a clear and coherent partnership strategy that guides both the initiation and management of UNIDO's private sector engagement. Current practice is the existence of both bottom-up and top-down processes to initiate partnerships, which contributes to increased complexity and potential fragmentation. The evaluation also found scope for improvement in the management and development of UNIDO's portfolio of partnerships in line with a coherent strategy and the creation of an integrated system of managing and sharing experiences and best practices across UNIDO. The development of a coherent partnership strategy, its implementation in the initiation and management of individual partnerships and UNIDO's portfolio of partnerships as a whole, as well as the development of a knowledge management system with regard to private partnerships, are recommended.

Report reading time: 15 minutes (excluding annexes)

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Evaluation team:

Alexander Mohr, Professor, International Consultant

Jakub Kiedrowski, Chief, EIO/IEU

Ramani Davare, Research Assistant, EIO/IEU

Beatrice De Mare, Research Assistant, EIO/IEU

Abbreviations and acronyms

Abbreviation	Meaning
CP	Country Programme
COP	Conference of the Parties to the UNFCCC
CRM	Customer Relationship Management
EU	European Union
EIO	Office of Evaluation and Internal Oversight (UNIDO)
ERM	Enterprise Risk Management
FGD	Focus Group Discussion
FOs	Field Offices
GEF	Global Environment Facility
HQ	Headquarters
HR	Human Resources
ICO	International Coffee Organization
ICT	Information and Communication Technology
IDR	Industrial Development Report
IFIs	International Financial Institutions
IGO	Intergovernmental Organization
IRPF	Integrated results and performance framework
ISID	Inclusive and Sustainable Industrial Development
ITC	International Trade Center
JIU	Joint Inspection Unit
KII	Key Informant Interview
KM	Knowledge Management
L&D	Learning and Development
LoI	Letter of Interest
MD	Managing Director
MNE	Multinational enterprise
MOU	Memorandum of Understanding
MTPF	Medium-term Programme Framework
MSPs	Multistakeholder partnerships
NGO	Non-governmental Organization
PM	Project Manager
PCP	Programme for Country Partnership
PRODOC	Project /Programme Document
RBM	Results based management
SOP	Standard Operating Procedure

TC	Technical Cooperation
TOC	Theory of Change
TOR	Terms of Reference
UN	United Nations
UNIDO	United Nations Industrial Development Organization
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Group
UCR	UNIDO Country Representative
UR	UNIDO Representative

Executive summary

This evaluation assessed UNIDO's overall approach to private-sector partnerships and their contribution to UNIDO's overall goals. The evaluation is based on desk research and on the analyses of primary data, which was collected through interviews with private partner representatives and through interviews, and a survey among UNIDO staff with direct or indirect experience in initiating and managing partnerships. The target audience for this report is UNIDO management and personnel as well as external stakeholders of UNIDO, and potential partners.

Key Findings and Conclusions

- UNIDO's private sector partnerships and their objectives are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies
- UNIDO's private sector partnerships are supportive of the Organization's priorities, but a strategy for coherently linking partnership objectives to these priorities is missing.
- UNIDO's private sector partnerships are in line with the wider policy framework of the UNIDO, but existing policy frameworks do not always capture the varied nature of UNIDO's private sector partnerships. UNIDO's terminology for its engagement with the private sector is inconsistent.
- Although the risks for UNIDO associated with engaging with the private sector are acknowledged, they are not formalized as part of a partnership strategy and are linked to the UNIDO Enterprise Risk Management system.
- UNIDO has tools, mechanisms, and processes in place to implement private-sector partnerships, but no state-of-the-art solutions, therefore there is room for enhancing their alignment with an overall strategy and thus efficiency.
- The initiation of UNIDO's private sector partnerships has traditionally occurred in a combination of bottom-up and top-down processes, which has advantages but has led to inefficiencies and fragmentation.
- The prescreening of partnership proposals is in place but requires the review of additional partnership criteria to reduce the risks and enhance the benefits associated with private-sector partnerships.
- An appropriate process for the due diligence of proposed private sector partners is in place.
- There are tools, mechanisms, and processes to manage partnerships, but these remain fragmented and would benefit from further integration based on a clarification of the roles of different units, divisions, etc. of UNIDO.
- IET/PPP plays a central role in the initiation and management of UNIDO's portfolio of private-sector partnerships, but its tasks and responsibilities were not clearly defined until recently. The internal strategy document is yet to be operationalized.
- Completed partnership projects have had positive long-term effects, but there is no clear system or framework to systematically monitor the mid and long-term effects of private-sector partnerships.
- UNIDO is aware of the potential negative effects of partnering with the private sector.
- The results of UNIDO's private sector partnerships have been sustained: - Some private partners have continued with a particular activity or transformed their business operations.
 - Some partnership projects have been replicated or upscaled after the termination of a partnership (project).
 - Some partnerships contributed to the ISID of Member States.
- There is no systematic monitoring of the sustainability of the results of partnerships.
- UNIDO does not systematically and formally account for cross-cutting issues in the design and implementation of private-sector partnerships.

Key Recommendations

Recommendation 1: Develop a UNIDO private sector partnership strategy or framework that coherently links partnership objectives to UNIDO's priorities. This strategy should outline UNIDO's value proposition, help identify the sectors and partners of interest, guide how UNIDO's resources can be combined with the resources of private partners to contribute to ISID, and establish transformational partnerships built around shared values.

Recommendation 2: Integrate and update UNIDO's policy framework to reflect the key roles and responsibilities and the strategic shift.

Recommendation 3: Secure the support of senior management and build a partnership culture through communication, training, and knowledge sharing. Provide clear guidance on UNIDO's priorities regarding types of partnerships to ensure the bottom-up initiation of partnerships is aligned with UNIDO's strategy. Create greater awareness of the risks and benefits of private-sector partnerships among UNIDO staff commensurate with UNIDO's private-sector strategy. Facilitate the sharing of knowledge and expertise on the initiation and management of private sector partnerships. Form a community of practice.

Recommendation 4: UNIDO needs to revisit the process of initiation of new private partnerships and reflect on the combination of bottom-up and top-down approaches to minimize the silos and focus on goal-driven partnering. The decision on partnering should start with defining the desired outcome and impact. A more proactive approach to identifying and initiating partnerships is recommended. Emphasis should be put on the development of UNIDO personnel social capital and further delegation of authority while ensuring awareness of UNIDO's strategy and priorities for private-sector partnerships.

Recommendation 5: Strengthen the monitoring of UNIDO's portfolio of private sector partnerships, and improve the reporting.

Management Action Plans (MAPs)

The Directorate of SDG Innovation and Economic Transformation (IET) has agreed to the following Management Action Plans (MAPs) to address the issues and implement the recommendations of this evaluation:

Rec. #	MAP	Responsibility	Target Date
1.	IET/PPP to develop a framework for engagement with the business sector that coherently links partnership objectives to UNIDO's priorities. (That task will build on the internal IET/PPP strategy). The framework proposal is to be submitted to the DG for approval.	IET/PPP through a fully inclusive and transparent process	Q4 2025
2.	a) IET/PPP to finalize the proposal for a UNIDO-specific narrative on the engagement with different sectors (fossil fuels, mining, chemicals, etc.), including risk appetite and applicable risk mitigation measures to be discussed and finalized in a UNIDO working group, and submit it for Senior management clearance/approval. The risk narrative will incorporate outcomes of the UNSDG fossil fuels project led by UNGC.	IET/PPP supported by relevant divisions (TC, strategy, communication, etc.)	Q4/2024
	b) Update the Business Partnership Policy in line with organizational strategic priorities, incorporating the risk narrative, different partnership models, tools, mechanisms, and processes to manage, monitor, and report on partnerships, including	IET/PPP following consultations with relevant	Q3/2025

Rec. #	MAP	Responsibility	Target Date
	partnerships approval and due-diligence processes; and submit it for senior management clearance/approval.	internal stakeholders	
3.	a) IET/PPP will develop and issue guidelines, tools, training materials, and instruments to increase the scale, effectiveness, transparency, and accountability of UNIDO's engagement with partners. IET/PPP will also continue providing advice on engagement with partners including on partnership's instruments and models.	IET/PPP	Q4/2025
	b) IET/PPP will set up a partnership focal point network.		Q4/2025
	c) To communicate better internally and externally on UNIDO's engagements with partners, IET/PPP will align communication efforts and produce meaningful, cohesive messages to internal and external audiences with the help of communication experts.	IET/PPP in coordination with ODG/CSI	Q4/2024
4.	New partnership engagement approach (new partnership model): applying the lessons learned IET/PPP is designing and pioneering a streamlined and replicable approach to key strategic and flagship partnerships that can be adapted throughout UNIDO. The proposal will be submitted for senior management clearance/approval.	IET/PPP	Q4/2024
5.	Develop a partner relationship management IT system / CRM tool to manage UNIDO's growing portfolio of private-sector partnerships.	IET/PPP with COR/DIG	Q4/2024

Lessons Learned

1. The success of a partnership depends on the contributions of both parties.
2. Successful partnerships are time and resource-intensive.
3. Developing a broad and adaptable value proposition based on the organization's comparative advantages is essential.
4. The most successful partnerships begin with addressing specific needs.
5. It is possible and desirable to start with one form of partnership and transform it into other forms.
6. Having a dedicated team with professional skills focused on operational partnerships with the private sector is advantageous.
7. Having a single-entry point and a main manager to ensure coordination within the organization is helpful for partners.
8. Visible involvement of senior management is crucial for effectively communicating the significance of private sector engagement.
9. Aside from guidelines, training, and good examples are valuable means of supporting staff who engage with the private sector.
10. Although most partnerships are formalized through agreements, it is possible to have a successful partnership without it.
11. While measuring the outcomes of partnerships poses challenges as they are not always directly attributable to the partnership itself, a thorough Theory of Change including preconditions and assumptions could facilitate monitoring partnerships' contribution.
12. UNIDO operates at a slower pace than private sector partners expect. The private sector has in most cases strong pressure to deliver profit in a short time as an outcome of the partnership. Return on investments on the private sector side remains one of their driving force.
13. The value of contributions from the private sector is beyond monetary contributions.

1. Introduction

1. This evaluation is part of the approved EIO Evaluation Work Plan 2022-2023¹ and is expected to contribute to the achievement of UNIDO’s strategic priorities and objectives, strengthen evidence-based planning and programming, and inform decision-making processes. This is a strategic, forward-looking evaluation to inform UNIDO’s management of the status of its private sector strategy development and to identify areas for improvement in partnership governance.
2. UNIDO has a long-standing history of cooperating with various actors across all three dimensions of Inclusive and Sustainable Industrial Development (ISID): creating shared prosperity, advancing economic competitiveness, and safeguarding the environment.²
3. The 2019 UNIDO Abu Dhabi Declaration³ calls for collective actions, multi-stakeholder partnerships, and strengthened international cooperation. It further emphasizes the importance of mobilizing the private sector to support the achievement of Goal 9, and the promotion of inclusive and sustainable industrial development, and underlines the crucial role of UNIDO in providing a platform to coordinate and catalyse initiatives led by, and in partnership with, private sector entities, while encouraging private-sector manufacturers to work together to accelerate the achievement of the SDGs. Member States call upon UNIDO to spearhead these collaborative efforts by private-sector manufacturers through coordination, knowledge-sharing, and targeted support. UNIDO encourages the establishment of a global alliance of private-sector manufacturers for ISID.
4. As per the 2022-2025 Medium-Term Programme Framework:⁴ *“Transformative, impact-oriented partnerships are vital to drive inclusive and sustainable industrialization at the scale and pace needed to realize the 2030 Agenda. Convening multisectoral partners for industrial cooperation, investments, knowledge exchange, and transformative leadership will remain a central element of UNIDO’s value proposition. Reinforced by Member States’ guidance in the Abu Dhabi Declaration, UNIDO will continue promoting stronger partnerships among governments, the private sector, civil society, the international community, the United Nations, and all stakeholders, to catalyse action and scale up impact towards ISID and the SDGs. Drawing on its long-standing experience and thought leadership, UNIDO is uniquely positioned to partner with the private sector as a key agent of change for inclusive and sustainable industrial development.”*
5. In addition, Goal 17 highlights the necessity of working in partnerships to mobilize knowledge, expertise, technology, and financial resources to fulfill the SDGs. It calls on the international community to *“Strengthen the means of implementation and revitalize the global partnership for sustainable development.”*
6. Furthermore, the idea of the United Nations (UN) collaborating with the business sector to address the grand societal challenges has continuously been gaining momentum.⁵

The subject of the Evaluation

7. Within the context of UN (United Nations) documents and initiatives, the terms “private sector” and “business sector” are often used interchangeably.

¹ [UNIDO \(2021\). EIO Evaluation Work Plan 2022-2023](#)

² [DGB/2019/08: UNIDO Policy on Partnerships for Industrial Development](#)

³ [UNIDO Abu Dhabi Declaration](#)

⁴ [Medium-term programme framework 2022-2025](#)

⁵ Utting and Zammit 2009; Sachs, 2012; George, et al 2016; Kolk, 2016.

8. The UN Sustainable Development Group (UNSDG) concept note on Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships⁶ proposes the following definitions:

‘The private Sector’ is the part of the economy that is run by individuals and companies and is not state-controlled. Therefore, it encompasses all for-profit businesses that are not owned or operated by the government, and in some definitions, it may also include privately-owned organizations (e.g. family foundations or associations) or include influential individuals such as high net worth individuals.

‘The business sector’

- For-profit and commercial enterprises of any size, whether privately owned, public, or fully governed by governments;
- Corporate foundations and foundations that are directly funded and/or governed by business;
- Business associations, coalitions, and alliances, including for example chambers of commerce, employers’ associations, cooperatives, and industry and cross-industry initiatives where the participants are for-profit enterprises.

9. The 2017 UNIDO Policy on Business Sector Partnerships (DGB/2017/07) defines the “business sector” as:
- (i) Individual, for-profit, commercial businesses or companies, including small and medium-sized enterprises (SMEs) and cooperatives, whether national or multinational;
 - (ii) State-owned enterprises to the extent that they behave or operate as commercial businesses or companies;
 - (iii) Corporate foundations, directly funded and/or governed by business; and
 - (iv) Business associations, trade, and/or industry representations.
- United Nations system organizations, international organizations, or intergovernmental institutions solely comprised of member states are not considered even if one or several of the above characteristics apply.
10. “Business sector partnership” is defined as a non-commercial collaboration between UNIDO and the business sector that intends to achieve common goals and objectives in the field of inclusive and sustainable industrial development. Business sector partnerships can also involve additional parties, for example, academia, governments and local authorities, NGOs, and intergovernmental organizations.⁷
11. In contrast, the following instruments are not considered business sector partnerships and are thus not subject to the current evaluation: co-funding arrangements in the framework of the Global Environment Facility’s and similar funding partners’ funding requirements, business sector sponsorship of UNIDO events, and procurement.

Purpose, Scope, and Objectives of the Evaluation

12. The main purpose of this strategic evaluation is to assess UNIDO’s overall approach to private-sector partnerships and to assess their contribution to UNIDO’s overall goals. It covered UNIDO’s partnerships with the private sector at the global, regional, country, and project levels and a sample of ongoing individual and multi-stakeholder partnerships. The evaluation also synthesized findings from previously conducted evaluations that have covered the performance of individual partnerships. The evaluation focused on the period from July 2017, i.e., from the promulgation of DGB/2017/07⁸ to December 2023.
13. The evaluation has the following main objectives:

⁶ [UNSDG Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships](#)

⁷ [UNIDO \(2017\). UNIDO Policy on Business Sector Partnerships \(DGB/2017/07\)](#)

⁸ [UNIDO \(2017\). UNIDO Policy on Business Sector Partnerships \(DGB/2017/07\)](#)

- Evaluate the effectiveness of UNIDO's partnerships with the private sector in supporting the organization's goals and objectives.
- Assess the current partnerships with the private sector in UNIDO, including the types of partnerships, the processes for establishing and managing partnerships, and the benefits and challenges of the partnerships.
- Identify gaps, challenges, and opportunities in UNIDO's partnerships with the private sector and recommend ways to address these issues.
- Identify good practices and success stories in partnerships with the private sector (in UNIDO and UN System) and recommend ways to replicate and scale up these practices.
- Provide strategic, actionable recommendations to improve UNIDO's partnerships with the private sector, including specific actions to be taken, timelines, and responsible parties.

Methodology of Evaluation

1.1 Evaluation approach

14. This evaluation has been conducted under the provisions of the Charter of the Office of Evaluation and Internal Oversight⁹ the UNIDO Evaluation Policy¹⁰, the UNIDO [Evaluation Manual](#), UNEG Ethical Standards for Evaluations, and UN SWAP standards.
15. The evaluation has been carried out as an independent in-depth exercise using a participatory approach whereby all key parties associated with the partnerships were informed and consulted throughout the process.
16. Members of the evaluation have not been involved in the design and/or implementation, supervision, and coordination of any intervention assessed by the evaluation and/or have not benefited from the programmes/projects under evaluation.
17. The evaluation has used a theory of change approach¹¹ and different methods to collect data and information from a range of sources and informants. Based on the desk review of documents listed in Annex II, the evaluation team developed a preliminary Theory of Change that informed the selection of thematic areas and concepts that were evaluated by the evaluation team. The Theory of Change was then adjusted based on the data gathered through (1) desk review, particularly the evaluation reports of individual UNIDO partnerships; (2) 22 interviews and two focus groups with individuals with knowledge about the initiation and/or management of private sector partnerships on either the side of UNIDO or a private partner (Annex VI); and (3) based on the results of a questionnaire survey carried out among UNIDO staff with knowledge of the initiation/management of UNIDO's private sector engagement. The triangulation of data from these three data sources has led to the removal, addition, separation, or combination of specific elements and/or interrelationships among the included elements in the initially developed Theory of Change. The evaluation has thus paid attention to triangulating the data and information collected before forming its assessment. This was essential to ensure an evidence-based and credible evaluation, with robust analytical underpinning. The Theory of Change highlights activities, outputs, outcomes, and impact that are associated with UNIDO's private sector partnerships and how these elements are inter-related in achieving UNIDO's ISID agenda and mandate.
18. This analysis has generated lessons learned, which can feed into the design of future private sector approaches. The evaluation has used the standard UNIDO Evaluation criteria and the weight of individual evaluation criteria was driven by (1) the particular nature of UNIDO's private sector partnership that makes some criteria more pertinent than others; (2) the results of previous evaluations of UNIDO's

⁹ [UNIDO \(2020\). Charter of the Office of Evaluation and Internal Oversight \(DGB/2020/11\).](#)

¹⁰ [UNIDO. \(2021\). Director General's Bulletin: Evaluation Policy \(DGB/2021/11\)](#)

¹¹ For more information on Theory of Change, please see UNIDO [Evaluation Manual](#).

engagement with the private sector, which has highlighted the need to focus on particular criteria; and (3) the theoretical model underlying the evaluation, which identified particular themes to be of particular importance to UNIDO's engagement with the private sector.

19. The evaluation has been conducted from October 2023 to February 2024. The evaluation has been implemented in five phases (see Annex III for details), which were not strictly sequential, but in many cases iterative, conducted in parallel, and partly overlapping:
- Desk review and data analyses.
 - Inception phase: The evaluation team has prepared an inception report providing details on the evaluation methodology and including an evaluation matrix with specific issues for the evaluation to address, taking into consideration the findings and recommendations of previous evaluations.
 - Data collection (interviews and surveys).
 - Data analysis, report writing, and debriefing to UNIDO staff at the Headquarters.
 - Final report issuance, including Management Action Plans, and publication of the final evaluation report on the UNIDO website.

1.2 Evaluation Questions and Criteria

20. The evaluation has used the standard criteria suggested by the OECD DAC Network on Development Evaluation (effectiveness, efficiency, relevance, impact, sustainability, and coherence). The evaluation also included gender equality, human rights, social standards, and environmental safeguards to evaluate and assess UNIDO's engagement with the private sector.

The evaluation questions were related to both the level of *individual partnerships* and UNIDO's *portfolio of partnerships*:

Table 1. Evaluation questions

Relevance, and Coherence
1. Are UNIDO's private sector partnerships and their objectives consistent with the beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies?
2. To what extent are UNIDO's private sector partnerships supportive of the Organization's priorities and wider policy framework of UNIDO?
Efficiency
3. Have (a) UNIDO's engagement with the private sector, and (b) individual partnerships converted economic resources/inputs, such as funds, expertise, and time into results?
4. Does UNIDO have the appropriate tools, mechanisms, and processes to implement private-sector partnerships? How and to what extent were previously identified recommendations on private-sector partnerships addressed in UNIDO reforms and changing policies?
Effectiveness and Progress to Impact
5. Have the objectives of (a) UNIDO's engagement with the private sector in general; and (b) individual partnerships, been achieved or are they expected to be achieved taking into account their relative importance?
6. What are the positive and negative, primary and secondary long-term effects (progress to impact) produced by UNIDO's private sector partnerships, directly or indirectly, intended or unintended?
Sustainability

7. How sustainable are the results achieved through UNIDO's private-sector partnerships? To what extent are the achieved benefits likely to continue after the termination of the partnership?

Gender/Human Rights/Social and Environmental Safeguards

8. Are the (a) gender equality and mainstreaming, (b) Human Rights and Social Safeguards, and (c) environmental impacts adequately addressed in the designing, implementing, and reporting of private sector partnerships?

Lessons learned and best practices

9. To what extent have the lessons and recommendations of previous relevant evaluations been implemented? What best practices have been identified and scaled up?

The detailed evaluation questions are listed in the evaluation matrix (See Annex I).

21. The terminal draft evaluation report was circulated to UNIDO staff and key stakeholders for factual validation and comments and a presentation of preliminary findings took place at UNIDO HQ in April 2024. Any comments, responses, or feedback on any errors of fact in the draft report were analyzed. Based on this feedback and the comments received, the evaluation team prepared the final version of the evaluation as the principal output of the evaluation process.

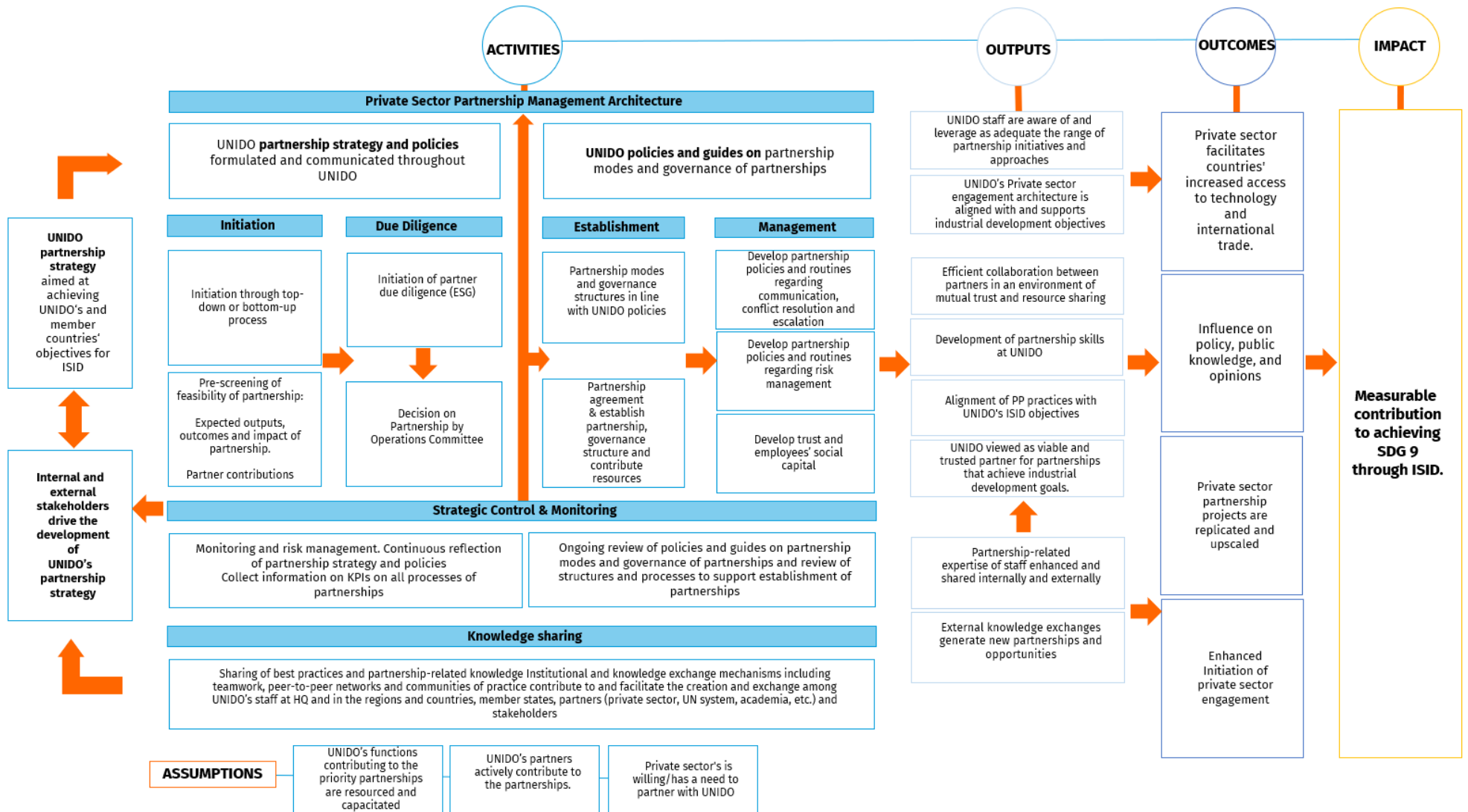
1.3 Theory of Change

22. Despite the requirements of DGB/2019/11: UNIDO Quality Assurance Framework (QAF)¹², which applies to all UNIDO products, services, and processes, UNIDO has not developed a Theory of Change for engagement with the private sector that would depict the causal pathways set to achieve specific outcomes and contribute to industrial development impact, with the support of a range of activities and outputs. Accordingly, the evaluation leveraged secondary resources and consultations with staff to reconstruct a simplified (draft) TOC which supported the design of the evaluation's data collection instruments and analysis of findings.
23. The reconstructed pathways for transformation from activities to outcomes and longer-term impacts as well as the underlying assumptions were analysed during the evaluation. The following assumptions were formulated by the evaluation and are discussed in the report:
 - A1: UNIDO's functions contributing to the priority partnerships are resourced and capacitated.
 - A2: UNIDO's partners actively contribute to the partnerships.
 - A3: The private sector is willing to/needs to partner with UNIDO.

The proposed reconstructed TOC (Figure 1) is one outcome of the evaluation.

¹² [DGB/2019/11: UNIDO Quality Assurance Framework \(QAF\)](#)

Figure 1 - Reconstructed Theory of Change of Private Sector Engagement



1.4 Limitations

24. The evaluation faced the following constraints and limitations:

- Availability and quality of data: Not all approached partners and members of personnel agreed to be interviewed. There was no single database or list of partnerships. The evaluation team had to compile the list from various sources. The data on in-kind contributions could not be found.
- Lack of clear definitions and categories: The evaluation team had to come up with working definitions and categorize the partnerships accordingly to enable further analysis.
- Tight schedule: The timing was limited for an evaluation of this magnitude and complexity. For example, the survey could be open for two weeks only, which may have limited the number of responses collected.

To overcome these limitations, the evaluation constructed a Theory of Change and carried out intensive consultations with stakeholders as secondary data, which was the basis for the assessment conducted.

Background and context of UNIDO's Private sector engagement

1.5 UNIDO's Policy

25. The partnerships between UNIDO and the business sector entities are regulated by the UNIDO policy on Business Sector Partnerships.¹³ According to the policy, private sector partnerships are anchored in the principles of ownership, additionality, neutrality, transparency, integrity, compliance with environmental, social, and governance standards, as well as equity and respect. The policy provides general and operational guidelines on the partnership cycle.
26. As per the UNIDO Policy on the Programme for Country Partnership (PCP)¹⁴, the PCP facilitates the mobilization and coordination of three streams of financial resources – development assistance, public finance, and business sector investment – under the leadership of the host government. All three streams are essential to trigger long-term development processes in the prioritized industrial sectors/value chains. The PCP is rooted in a long-term multi-stakeholder partnership. The PCP links the inclusive and sustainable industrial development efforts of the respective national government, United Nations entities, development partners, financial institutions, the business sector, academia, and civil society.

1.6 Organizational Structure to Support Partnering

27. As per the UNIDO Secretariat Structure, under the supervision of the Managing Director, Directorate of SDG Innovation and Economic Transformation (IET), and in close coordination with other organizational entities within UNIDO, the Division of Public Private Partnerships (IET/PPP)¹⁵ is mandated to promote strategic partnerships to increase the impact potential of UNIDO projects, PCPs and CPs, and regional and global cooperation programmes. Such partners would include private sector associations, individual firms, think tanks, development agencies, and financing partners, the latter to be attended in coordination with the Division of Innovative Finance and International Financial Institutions (IET/IFI). It designs, negotiates, and coordinates partnerships with global initiatives, fora, and development

¹³ [UNIDO \(2017\). UNIDO Policy on Business Sector Partnerships \(DGB/2017/07\)](#)

¹⁴ [UNIDO \(2018\). UNIDO Policy on the Programme for Country Partnership \(DGB/2018/04\)](#)

¹⁵ [UNIDO \(2022\). UNIDO Secretariat Structure \(DGB/2022/19\)](#)

partners engaged in sustainable industrial development. Based on related good practice, the Division also articulates the corporate strategy for partnerships, identifies potential strategic partners, and facilitates the negotiations as a service to the Organization's Divisions, acting as a one-stop shop.

28. In addition to IET/PPP, several other organizational units of UNIDO have been tasked with building high-level alliances with key UNIDO partners including the private sector:
- Office of the Chief of Cabinet (ODG/COC)
 - Innovation Lab (ODG/CSI/LAB)
 - The Office of Strategic Planning and UN Engagement (ODG/SPU)
 - Office of South-South and Triangular Cooperation (ODG/OSC)
 - Division of Field and Liaison Strategy (GLO/FLS)
 - Division of ITPOs and Institutional Partnerships (GLO/ITP)
 - Member States and Funding Relations (GLO/MSR)
 - Division of Innovative Finance and International Financial Institutions (IET/IFI)
 - Other technical divisions in the directorates of Technical Cooperation and Sustainable Industrial Development (TCS) and SDG Innovation and Economic Transformation (IET).

1.7 Partnership Strategy and management

29. UNIDO has not developed an explicit strategy for partnerships with the private sector outlining:
- A clear vision for the role of PSPs, highlighting their fundamental purpose to achieve UNIDO's objectives
 - A clear explanation of the types and portfolio of partnerships that are sought over a period of time (including types of partner, industry, objective, region, etc.)
 - A clear value proposition of what UNIDO can bring to the table based on a systematic analysis of the environment (incl. Funders, competitors, etc.) and of UNIDO's strengths and weaknesses.
 - Clarification of the organizational arrangements (structure, processes, policies, people, etc) committed to implementing the strategy.

1.8 Previous Evaluations

30. The evaluation team has reviewed all previous evaluation reports on private-sector partnerships and assessed whether the recommendations of these reports have been implemented. Please see Annex IX for details.

1.9 PSPs in the UN System

31. The evaluation team has benchmarked other organizations of the UN system:
- United Nations Global Compact (UNGC)
 - Food and Agriculture Organization (FAO)
 - International Labour Organization (ILO)
 - United Nations Environment Programme (UNEP)
 - United Nations Development Programme (UNDP)
 - United Nations High Commissioner for Refugees (UNHCR)

All these organizations partner with the private sector (See annex for details). All of them except one have a formal strategic document guiding the cooperation with the private sector. All organizations have a dedicated entity coordinating partnerships with the private sector. Although all receive cash contributions from the private sector, it is not the main purpose of partnering.

32. Table 1 summarizes the key facts from the five UN agencies.

Table 1 - Key Features of PSP Across the Selected Organisations of the UN System

Organis ation	Latest Formal Strategy	Dedicated Entity Coordinating Partnerships	Unique Value Proposition	Cash Contributions from PSP	Decision on engagement by a committee	Approx. No. of PS Partners
FAO	2021	Yes	No	Yes	Yes	50
ILO	2014	Yes	Yes	Yes	Yes	100
UNEP	2019	Yes	Yes	Yes	Yes	40
UNDP	2023	Yes	Yes	Yes	Yes	50
UNHCR	n/a	Yes	Yes	Yes	Yes	250

2. Evaluation Findings

In the following sections, the structure of the six OECD criteria will be used to present the findings on these elements and their interrelations to UNIDO’s private-sector partnerships.

Relevance of UNIDO’s Private Sector Partnerships (PSPs)

- The objectives of UNIDO’s private-sector partnerships need to be clarified, formalized, and linked to UNIDO’s overall objectives in a communicated private-sector strategy.
- UNIDO needs to enhance the monitoring of its portfolio of private sector partnerships to ensure continuing consistency with the beneficiaries’ requirements, country needs, global priorities, and partners’ and donors’ policies.

33. The Abu Dhabi Declaration reaffirmed the mandate of UNIDO and gave guidance for the Decade of Action. Poverty eradication and climate change remain the greatest global challenges. The role of UNIDO as a platform for private sector cooperation, specifically on the topic of the fourth industrial revolution and in the context of the Third Industrial Development Decade for Africa (2016–2025), was accentuated in the declaration.
34. According to the Medium-term programme framework 2022–2025¹⁶:
- UNIDO addresses its mandate by enhancing the capacities of developing countries to participate in a global development landscape as equal partners. To ensure that industrialization benefits all and enables access to manufacturing products and industrial dividends the concerted efforts of public and private actors are required.
 - To effectively deliver on its mandate, UNIDO will expand its relationship with the private sector, as reinforced by the Abu Dhabi Declaration. UNIDO will deploy its global network, thought leadership, and coordination role to fulfill the expectations of its stakeholders and beneficiaries, boosting cooperation and fruitful partnerships. The Organization will leverage its impartiality, well-established trusted relationships, reputation, and results-based management approach while collaborating with the private sector.
 - UNIDO will tighten its partnership arrangements with various stakeholders, including prominently the private sector, to catalyze systemic transformation towards ISID. Typical outputs of this function are the organization of global fora and other events, networks, and platforms convened by UNIDO, as well as joint interventions in partnerships with the United Nations and public and private non-United Nations entities.

¹⁶ [PBC.37 8 Medium-term programme framework \(MTPF\) 2022-2025](#)

- Drawing on its long-standing experience and thought leadership, UNIDO is uniquely positioned to partner with the private sector as a key agent of change for inclusive and sustainable industrial development.
35. Therefore, according to the existing policy documents the overall objective of UNIDO’s engagement with the private sector is to assist UNIDO Member States in achieving their inclusive and sustainable industrial development goals on time.
 36. Overall, this evaluation finds that UNIDO’s engagement with the private sector is relevant and aligned with the national priorities of host countries and the involved partners and that partnerships can contribute to the industrial development of member countries in terms of capacity building, policy reforms, significant industrial projects, and investments.
 37. Information from the UNIDO personnel interviewed also suggests a growing importance of the various contributions that the private sector can make towards achieving the SDGs and thus private partnerships can make towards UNIDO’s ability to achieve its aims. Interviewees provided various reasons for the growing importance of private-sector partnerships. The results of the survey carried out for this evaluation also show that on the whole, the respondents agree that private-sector partnerships contribute to achieving UNIDO’s goals (Q24.1).
 - *Agenda 2030*: SDG9 directly relates to the use of partnerships for sustainability. Increasing institutional pressures on the private sector to contribute to ISID. SDG 17 highlights the necessity of working in partnerships to mobilize knowledge, expertise, technology, and financial resources to fulfill the SDGs. It calls on the international community to “strengthen the means of implementation and revitalize the global partnership for sustainable development.”
 - *UNIDO’s mandate*: the use of private sector partnerships directly or indirectly results from UNIDO’s mandate. In a narrow sense, UNIDO’s mandate stipulates collaboration with the private sector, which includes private partnerships. In a broader sense, UNIDO’s mandate relates to industrial development, which – combined with the fact that a large part of the industry is privately owned – also implies closer engagement with the private sector
 - Growing dependence on the private sector to achieve ISID: there has been a growing realization that achieving ISID requires the involvement of the private sector and access to its technological know-how, innovation, global reach, and market power.
 - The private sector has increasingly embraced corporate social responsibility and thus become more interested in contributing to ISID.
 - Donor countries as well as beneficiary countries have increasingly tied (explicitly or implicitly) development funds to the involvement of the (donor or beneficiary country’s) private sector, driven by their national economic development strategies.
 - Initiatives by senior UNIDO management to encourage the establishment of private sector partnerships, including, an increased resource investment into the partnership management function (IET/PPP).

Illustrative Quote 1: Survey respondent’s comment:

“In collaboration with UNIDO, private sector engagement can go beyond traditional support mechanisms and bring a spirit of entrepreneurial innovation to development projects. By harnessing their agility and willingness to take risks, private enterprises can test novel business models and strategies that may be outside UNIDO’s traditional scope, potentially leading to breakthrough solutions in industrial development. Their proactive stance on corporate social responsibility can also advance agendas on social inclusion, gender equality, and environmental sustainability, in line with UNIDO’s Sustainable Development Goals. In addition, the private sector can provide insights into consumer trends and market demands, facilitating the creation of value chains that are not only

efficient but also responsive to market dynamics. This collaborative influence extends to advocating for policy changes that favor sustainable development and investment in innovation, creating a ripple effect that fosters broader systemic change. Ultimately, the private sector's contribution to partnerships with UNIDO is a blend of innovation, capital, and market-oriented perspectives that, when integrated with UNIDO's objectives, can have a transformative impact on global industrial development.” (Q15)

Illustrative Quote 2: One of the survey respondents provided the following comment:
“Without the involvement of the local private sector, especially at a country level, I fail to see how UNIDO can effectively and efficiently support the "Industrial Policy" agenda in any member state.”

38. At the same time, various interviewees take a more critical view and stress UNIDO’s nature as a public sector organization, as well as the various risks associated with engaging in partnerships with the private

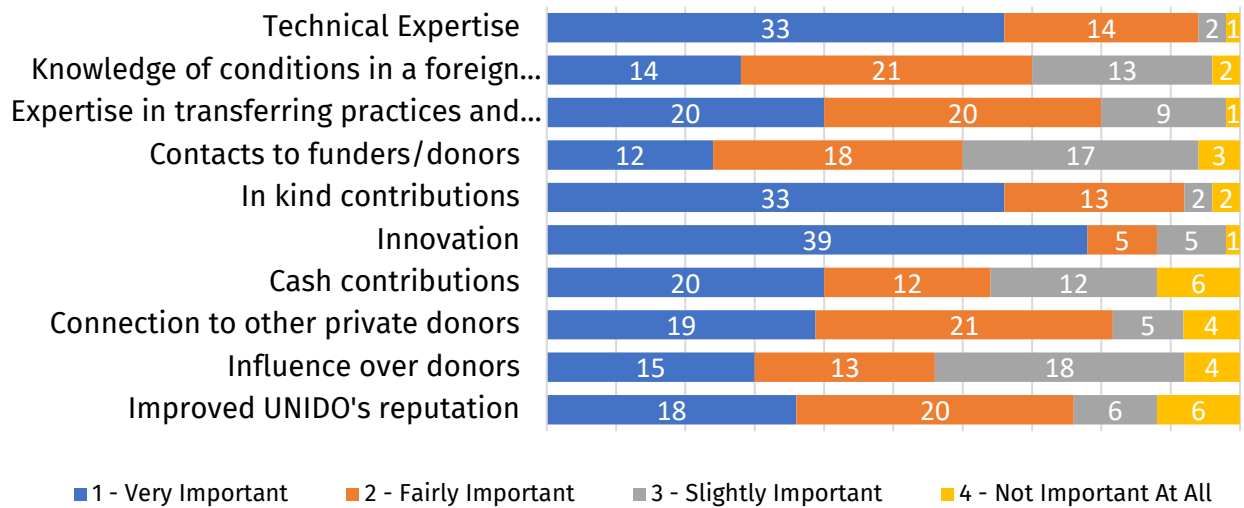
Illustrative Quote 3: Survey respondent:

“UNIDO is a public institution which must serve the public interest. It is crucial that this role not be affected by commitments or partnerships that put the organization in a conflict of interest. Cooperation with the private sector must follow clear rules, allow for transparency and impartiality, and establish clear accountability mechanisms, instead of serving the interest of the private sector.” (Q15)

sector, specifically those related to the reputation of UNIDO. These interviewees noted that if partnerships with the private sector are established, these need to be guided by clear rules.

39. The survey of UNIDO personnel involved with UNIDO’s private-sector engagement provided the perception of the importance of private-sector partnerships for UNIDO. The survey responses suggest that the private partners are very important for UNIDO in particular by bringing technical expertise, in-kind contributions, innovations, and connection to funding partners but also improving UNIDO’s reputation (Figure 2).

Figure 2 - Importance of the PSP Contributions

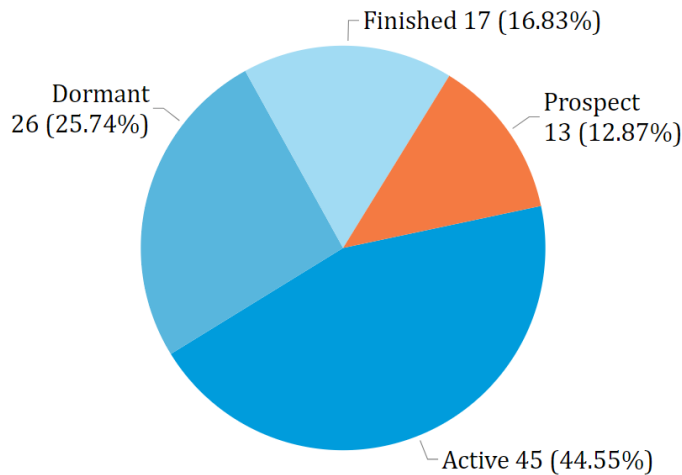


40. The total amount of cash contributions from the private sector partners in the years 2013 – 2023 has not exceeded 13 million Euro, which in relation to voluntary contributions from other sources is not a

significant amount. For example, the net voluntary contribution in 2022 alone amounted to 200 million Euro.¹⁷

41. The evaluation team reviewed all available repositories of past and existing partnerships (UNIDO Website, Intranet, UNIDO Legal, UNIDO OpenData Platform, IET/PPP's list of due diligence conducted – see Annex 2 for details) and identified relations with 101 partners. These have been categorized further based on the status of the partnership and the results are presented in figure 3.

Figure 3 - Partnerships by Partnership Status



Coherence of the PSPs

- UNIDO's private sector partnerships are supportive of the Organization's priorities, but an updated institutional strategy for coherently linking partnership objectives to these priorities is missing. This strategy should outline UNIDO's value proposition and how UNIDO's resources can be combined with the resources of private partners to enhance the achievement of UNIDO's mandate of ISID.
- UNIDO's private sector partnerships are in line with the wider policy framework of the UNIDO, but there is a need to develop and adjust this framework to capture the varied nature of UNIDO's private sector partnerships.
- Although the risks for UNIDO associated with engaging with the private sector are acknowledged, UNIDO needs to clarify its priorities concerning acceptable levels of risk and further develop its risk management function.

2.1 Definition and boundaries of PSPs

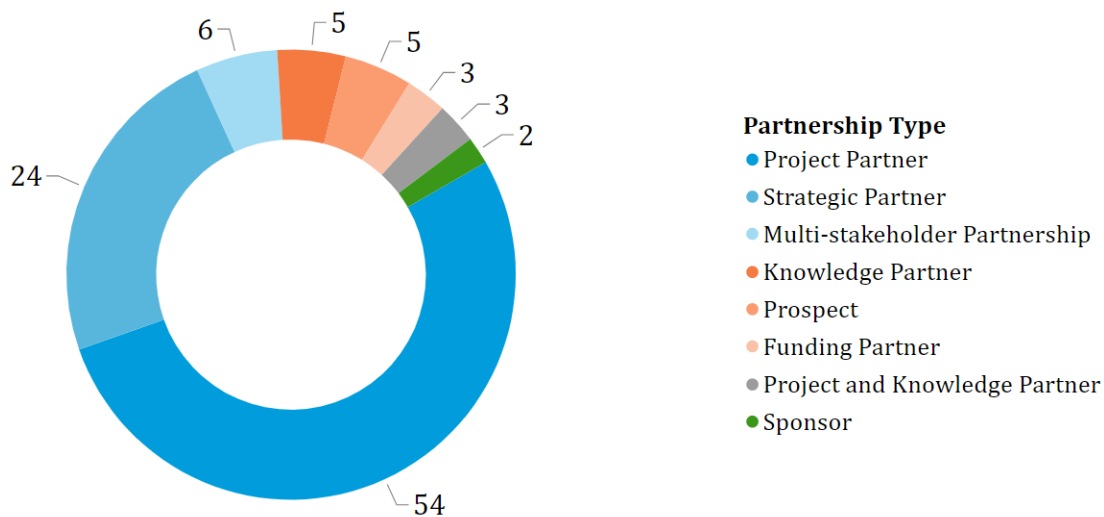
42. The evaluation identified definitional issues given the sometimes unclear difference between a private sector partnership and a procurement arrangement with a private sector supplier or service provider. In particular, those interviewees who are involved in the appraisal and due diligence process expressed concern about blurred lines between private sector partners and vendors in projects, whereas this was less of a concern to interviewees in the field and/or in technical divisions who were initiating and managing partnerships. The former group is concerned that some PSPs may entail little beyond a procurement contract and that partnerships should not include any form of procurement arrangements.

¹⁷ [UNIDO Annual Report 2022](#)

This concern was predominantly raised when a partnership was seen to have led to a procurement arrangement without going through the commonly required open bidding process (waiver rule). There were concerns that partnership agreements might be used as a means to circumvent the need for an open bidding process, breaching UNIDO rules, and causing reputational risk. At the same time, interviewees highlighted the need for a “hybrid model” and appropriate policies that combine a partnership with a procurement arrangement, to increase UNIDO’s attractiveness to private sector partners.

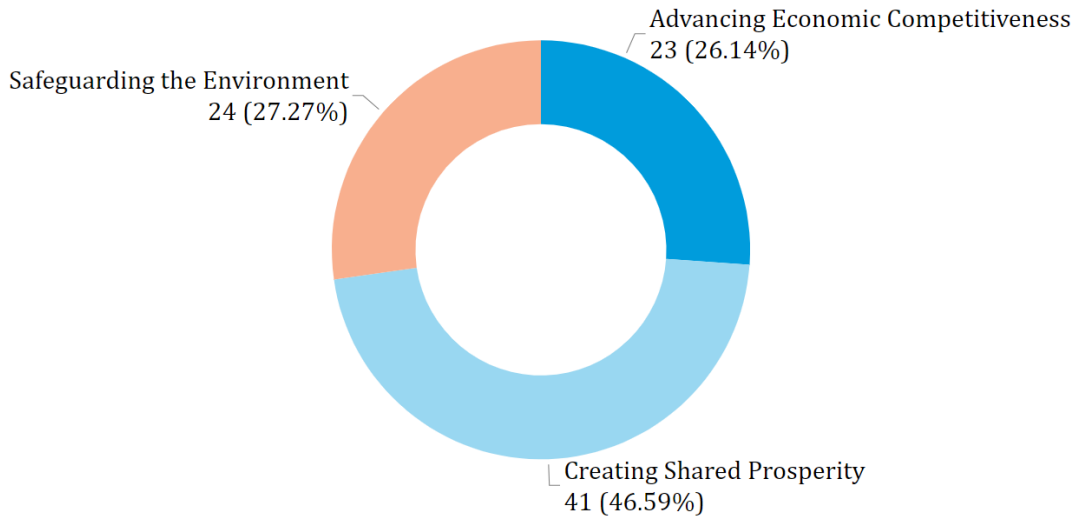
43. A clear differentiation should also be made between *projects and partnerships*. The analyses show that partnerships may involve none, one, or multiple projects that are carried out jointly between UNIDO and one or more private partners. Some projects are not viewed as a partnership. Private sector partnerships thus appear to relate to a longer-term relationship between UNIDO and one or more private sector partners that may or may not involve the implementation of one or multiple projects. A clearer definition and characterization of private sector partnerships that include, but are not limited to project-based partnerships combined with a clear explication of the contributions of the private sector partner to achieving UNIDO’s mission seems central to address the at times critical view of such partnerships and increase the needed organizational buy-in for private sector partnerships. A clearer definition of UNIDO’s private-sector partnerships should also be accompanied by templates and policies that can guide partnership proposers and champions in establishing and managing these relationships. A clear definition of (different types of) PSP also forms an essential part of a possible private sector engagement strategy.
44. The data shows that the vast majority of partnerships (53%) are still (single) project-based, followed by strategic partnerships (with or without projects – 24%) and multi-stakeholder partnerships 6%. (Figure 4)

Figure 4 - Partnerships by type



45. In terms of project partnerships, 54 partners supported a total of 84 UNIDO projects. Figure 5 below shows the thematic priorities of the UNIDO projects with the involvement of private-sector partnerships.

Figure 5 - Project Partnerships by Thematic Priority



46. Assuming that some partnerships are initiated to develop one or multiple projects in the longer term, UNIDO should monitor the balance between (short-term) project-centred partnerships and (long-term) partnerships that lead to multiple projects, or transform into strategic partnerships in the future.

Survey respondents tended to agree that UNIDO has a clear organizational framework for establishing and managing partnerships with the private sector (Q9.1.), that UNIDO's partnerships are aligned with UNIDO's mandate of achieving ISID (Q9.1), and that UNIDO's partnerships are aligned with the Country Program Frameworks (CPs, PCPs, UNSDFs) (Q.9.5).

The survey also highlighted that UNIDO should attribute importance to the following types of partnerships (in declining order of importance) (Q16): Multistakeholder partnerships involving the private sector, government agencies, NGOs, and others; Individual projects with multiple private sector partners; Multiple projects with multiple partners; Multiple projects with individual private sector partner; Individual projects with individual private sector partner; partnership with multiple private sector partnership without specific projects. The respondents suggested that partnerships with individual private sector partners without specific projects should become less important.

By focusing on long-term partnerships, UNIDO can better align its efforts with the SDGs. Long-term partnerships allow for sustained engagement and investment in specific areas of development. Rather than pursuing fragmented, short-term projects, partners can work together to design comprehensive, integrated programs that address root causes and create lasting impact. Long-term partnerships can lead to streamlined processes and reduced transaction costs for both the partners and UNIDO. As they develop a deeper understanding of each other's operations and objectives, they can establish more efficient coordination mechanisms, shared reporting frameworks, and streamlined decision-making processes. This enables them to focus on the implementation of initiatives rather than spending time and resources on repetitive negotiations and administrative tasks.

The risks of private sector engagement: attitudes and management

47. The 2014 evaluation of UNIDO's Engagement with the private sector noted concerns about the risk that partnerships with the business sector entail for the legitimacy, reputation, and values of UNIDO. This evaluation analysed the various risks for UNIDO that are associated with private-sector partnerships. Although UNIDO has some policies and systems in place to deal with various risks, including, for example, a due diligence process, the evaluation provided very little evidence on the level to which these risks

are accepted, and the various means that can be employed to mitigate risks when engaging with the private sector.

48. As a first step, the evaluation thus attempted to capture the nature and types of risks associated with private-sector partnerships based on primary data from the interviews and the questionnaire survey among key UNIDO staff. These analyses revealed various risks resulting from UNIDO's engagement with the private sector.

Reputational risk

49. One of the key risks associated with private sector partnerships is the reputational risk for UNIDO when partnering with companies that have a questionable reputation. This may include entire sectors (e.g., defense, oil & gas, mining) or individual companies with a history of irresponsible practices, such as, for instance, child labour, that would damage UNIDO's reputation. Our interviews suggest, however, that given UNIDO's mandate, cooperation with the oil, gas, and mining sectors may be necessary because often these sectors can make the greatest contribution to ISID, and such partners are thus needed for industrial development.

Illustrative Quote 4: Survey Q13:

"... there is a risk in case there is one partnership with the wrong organization - it will bring more harm than 100 successful partnerships. Therefore, [...] there is a high risk [if the partner] organization is corrupted or some other wrongdoing is revealed."

50. At the same time, some interviewees pointed out that for some private sector partners cooperation with the UN may also pose a reputational risk.

UNIDO's reputation and credibility can be influenced not only by its actions but also by the actions and controversies surrounding various agencies, programs, and peacekeeping operations of the UN System. Organizations working with UNIDO may face reputational risks if they are associated with any misconduct or controversies that arise within the UN system. Additionally, accountability mechanisms within the UN may not always be perceived as robust, potentially raising concerns about transparency and oversight.

Strategic alignment challenges

51. UNIDO's proactive approach involves shifting from a marketing-centric view to understanding private sector motives, emphasizing mutual benefits.

- *Blue washing.* Interviews have highlighted the risk that private partners use partnerships with UNIDO predominantly to benefit from a spill-over of credibility and legitimacy and thus for the sake of green- or blue-washing, where companies engage with the UNIDO primarily for image enhancement and public relations, rather than to make an actual contribution to sustainability and UNIDO's objective of ISID.
- *Lobbying.* Various interviewees highlighted the possibility that through private-sector partnerships, private firms might use UNIDO to lobby for regulatory changes on the national or supranational level, e.g., to improve market access or establish specific standards that may act as barriers to entry for competitors. One interview stressed the importance of preventing UNIDO from being used as a "Trojan horse" for private sector interests.
- *Procurement.* Some interviewees raised concerns that partnerships may provide a means to circumvent the open bidding process by applying the waiver rule allowing the partner to (also) become a supplier to UNIDO. In such cases, interviewees suggest that UNIDO might be accused of favoritism, negatively affecting its reputation.

Illustrative Quote 5 and 6: Survey Response:

"Most partners use UNIDO only as a vehicle to sell. And it is called "partnership". No contribution neither cash nor in kind. There are many such projects and partners. And UNIDO is promoting them and making advertisements with their logos - and we have to pay for all."

"There are many organization and projects called "partnerships" however companies are rather contracted and paid for services and there is no real contribution from companies - neither cash nor in-kind."

Programmatic risk

Operational and market risks.

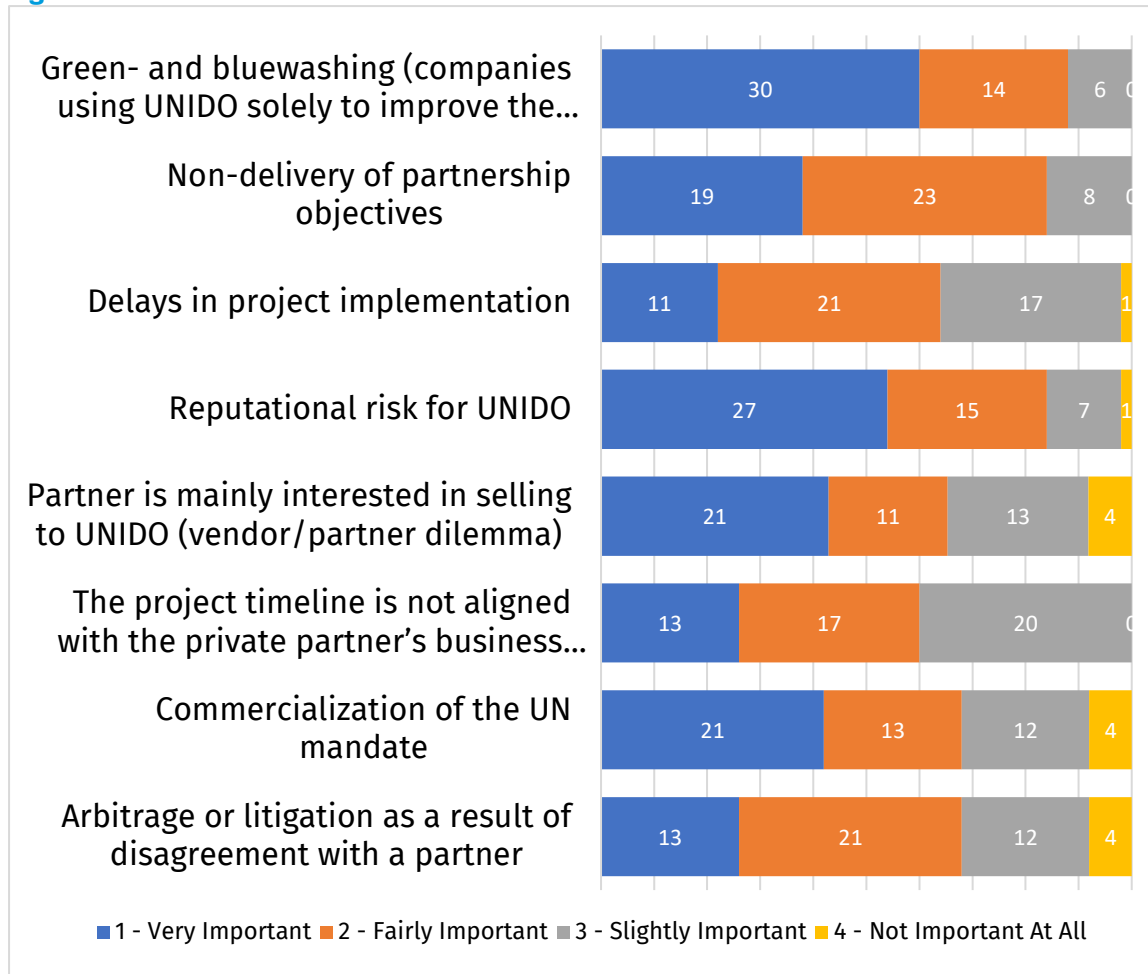
- Partners may pull out of a partnership or might not be able or willing to make the financial or in-kind contributions that they committed to make to a partnership.
- There may be *unintended consequences* of a specific partnership project as a result of the involvement of a private partner. This may include potential market disruption, e.g. by crowding out alternative investment from other private firms in a specific sector.

Illustrative Quote 7: Survey response:

"The risk of commercialization of UNIDO's mandate is very real - this is also a compliance matter (see Art. 16 of the UNIDO Constitution, Art. 6 of the Financial Regulations. [...]) To quote LEG: 'The relation between UNIDO and the recipient of technical assistance, or between UNIDO and a donor who desires to contribute to the respect of a project, is not one between an owner and a contractor, or between a buyer and a seller. In the broadest sense, the parties are involved in a development assistance activity that is political rather than contractual; that concerns international relations and the UN system; and that is both governed and guided by international law and practice. Roles and responsibilities, as well as commitments and obligations, certainly exist, but the context is far removed from the marketplace or exchange for goods and services [...]. Also note: the risks that are currently not addressed and not captured in UNIDO's internal review and approval processes or even in sufficiently explicit terms in this questionnaire (....) are market distortion risks."

52. The importance of the mentioned risks associated with UNIDO's private sector engagement was also assessed in the questionnaire survey and the results are shown below.

Figure 6 - The main risks of PSPs



The survey results indicate that Green/Blue-washing, Non-delivery of partnership objectives, and the reputational risk for UNIDO are seen as the three most important risks associated with UNIDO’s private sector engagement.

53. Clarifying UNIDO’s willingness to accept particular risks associated with private-sector partnerships would provide an important signal for UNIDO’s commitment to the use of private-sector partnerships to achieve its objectives. Various interviewees explained their critical position towards UNIDO’s engagement with the private sector with the various risks that these engagements pose for UNIDO. The majority of interviewees, however, suggested that because of UNIDO’s specific mandate on industrial development, its activities will necessarily be associated with risk. Some interviews, for example, highlighted the continued need to engage with mining companies because this would be necessary to “solve the problem”.
54. In addition, most interviews highlight that the various risks associated with private-sector partnerships would need to be viewed against explicitly stated benefits of engaging with the private sector. Our survey respondents strongly disagreed with the statement (Q24.5) that partnerships with the private sector have more risks than benefits. Interviewees also stressed that appropriate risk management tools should be employed to mitigate the risks associated with private-sector partnerships.
55. UNIDO has policies and systems in place to reduce or mitigate this reputational risk, although the policies seem largely focused on the due diligence process, whereas other means of risk management

are not always specifically formalized. This is also reflected in the results of our survey, which showed that strengthening the regulatory framework around PSPs was given a high priority by survey respondents (Q27.3).

Our analyses show that UNIDO employs a number of tools to mitigate the risk associated with private-sector partnerships:

Partnership proposal appraisal

56. The initiation of a partnership with a private sector partner requires the development of a partnership proposal. Appraisal and approval of requests for engagement in partnerships with the business sector is within the mandate of the Operations Committee,¹⁸ which will be reviewed. Our interviewees highlighted the importance of such an appraisal taking place. Various interviewees suggested additional information to be included in a partnership proposal, including, for example, information on possible unintended consequence of the partnership in terms of market distortions. Clear guidance on developing and reviewing partnership proposals with explicit criteria that are derived from an overall strategy for UNIDO's engagement with the private sector should be provided. These criteria should also include exclusion criteria specifying types of partnerships that should not be sought. In contrast to the due diligence process (mentioned below), the review of the partnership proposal does not yet appear to be formalized, and doing so is recommended. Some of the interviews also suggest the inclusion of a wider set of internal stakeholders in the appraisal process (e.g., legal and procurement experts) and/or the involvement of external "assessors" to evaluate the feasibility and likely contribution to ISID of a proposed partnership to prevent partnership proponents from assessing their proposed partnerships themselves.

Screening against exclusionary criteria

57. As per the Policy¹⁹, UNIDO will not engage in or will disengage from the business partnership if there is evidence of the business sector entity's involvement in any of the following activities:
- Violation of United Nations sanctions, Security Council resolutions, and international conventions and treaties;
 - Sale or manufacture of anti-personnel landmines, cluster bombs, and other weapons and ammunitions;
 - Tolerating forced or compulsory labour or the use of child labour;
 - Complicity in human rights abuses;
 - Production or sales of tobacco.

Due Diligence of the proposed partner

58. Proposed private sector partners are subject to a due diligence process to ensure they are aligned with UNIDO's values, and to reduce reputational risk for UNIDO associated with irresponsible partners. The due diligence process involves evaluating potential partners based on environmental, social, and governance criteria, and submitting a report to the Operations Committee for approval. There may be room to broaden the set of partner characteristics that are assessed during due diligence in line with any strategic preferences for particular types of private partners. For example, the desk review found that 28 of UNIDO's current partners were not registered on the UNGC, which is endorsed by the UNSDG Common Approach.²⁰ The current process of due diligence is generally seen as very thorough, while some interviewees highlighted the rather long duration of the process, which might put private partners off from partnering with UNIDO. However, even in these cases, the importance of thorough due diligence to mitigate the various risks associated with private-sector partnerships was acknowledged. It may be possible to speed up the due diligence by providing and widely communicating a clear and transparent

¹⁸ [ToR of UNIDO Operations Committee](#)

¹⁹ [UNIDO \(2017\). UNIDO Policy on Business Sector Partnerships \(DGB/2017/07\)](#)

²⁰ [UNSDG | UNSDG Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships](#)

set of criteria and specific templates for different types of partnerships as suggested by some of the interviewees.

Multistakeholder partnerships and associations

59. Some of the interviews suggest that the risk associated with partnerships might be mitigated by involving further, specific not-for-profit organizations in partnerships with the private sector. Such multistakeholder partnerships (MSPs) might mitigate the various risks associated with engaging with the private sector. For example, various interviews have stressed the importance of partnering with associations as a means to disperse risk and mitigate potential issues with high-risk partners.

Communication guidelines

60. Interviews highlighted a lack of communication guidelines, to limit reputational risks and recommend much clearer guidelines, such as non-disclosure agreements and guidelines over the use of UN privileges, to communicate about partnerships sector to the outside world, especially in cases where partnerships involve complex issues or potential controversies. Legal experts review all agreements and negotiate reciprocal non-disclosure agreements on behalf of UNIDO. Such clear communication guidelines are important to protect UNIDO's reputation and reduce the likelihood of blue washing.

Formalized partnership agreement

61. Interviewees highlighted the need to formalize partnerships using agreements, MOUs, or other legal instruments. The Policy on Business Sector Partnerships (DGB/2017/07) outlines legal instruments for engagement, and ODG/LEG advises on proposed agreements and reviews model contracts and templates. Although UNIDO has uniform templates for cooperation agreements to save time and ensure consistency, interviewees highlighted that the potential variation in the nature of partnerships and the contribution of partners would not always be captured in the existing partnership agreements and called for the development of additional templates for partnership agreements. For instance, UNIDO's policies and procedures may not cover scenarios where it deals with entities that aggregate contributions from the private sector

Pilot Projects

62. The desk research and interviews provided evidence for the gradual development of some partnerships, where the cooperation first involves relatively small projects before increasing the partners' contribution to larger projects. Such pilot projects were mentioned by UNIDO staff and also private sector representatives as a means to test the respective partner's commitment and ability to make the promised contribution and to gauge and improve the collaboration between the organizations to facilitate the organic growth of private sector partnerships. UNIDO has implemented successful pilot projects in partnership with private sector entities to promote public-private partnerships. One of these pilot projects is the partnership with DHL that aims at improving the livelihoods of farmers and SMEs by providing local farmers and SMEs with expertise on international market regulations and logistics. Depending on the success of this pilot project, the partners plan further joint projects in Africa and the Middle East. Similarly, in the partnership with HP, the trust built over time has led to continuous collaboration and the creation of new opportunities beyond the initial project phase.
63. IET/IFI is currently working on a "UNIDO Investment Fund" intending to reap synergies between TC work and financial instruments, pave the way for new partners for the Fund and UNIDO's other work, mobilize private capital for the SDGs and increase impact by scaling-up investments.²¹ Setting up an investment fund generally comes with certain risks. It is important that in the design phase, the coherence of such activity with UNIDO's mandate and Member States' priorities is assured.
 - Investment funds are subject to complex regulatory frameworks and legal requirements in different jurisdictions. Compliance with local laws, regulations, and reporting standards can be challenging and may vary significantly from country to country. Failure to meet these obligations can result in penalties, fines, or even legal actions.

²¹ UNIDO Leadership Retreat 2024, Managing Director, Directorate of SDG Innovation and Economic Transformation

- Investment funds are exposed to market volatility and fluctuations, in particular in developing countries and emerging markets. Economic conditions, geopolitical events, and changes in interest rates can impact the performance of investments. Market risks can lead to losses and affect the returns generated by the fund.
- Investment funds involve various operational aspects, such as fund administration, custody of assets, accounting, and investor relations. Inefficient operational processes, errors, or fraud can potentially harm its reputation and lead to financial losses. These risks would therefore need to be considered in the design phase.
- If a fund invests in illiquid assets, it may face challenges in meeting investor redemption requests, particularly during periods of market stress or economic downturns.
- Fluctuations in exchange rates can impact the fund's returns when converting foreign currency investments back to the fund's base currency. An alignment of the currency between the asset and the liability side is therefore advisable.
- Investment funds engage with various counterparties, such as brokers, custodians, and financial institutions. Counterparty risks arise when these entities fail to meet their contractual obligations or face financial distress. Such events can lead to financial losses or disruptions in the fund's operations. An adequate due diligence process would be important for the selection of partners.

Relationship management

64. To mitigate the risk of a deteriorating (or disappearing) relationship between UNIDO and its private sector partner, our findings underline the importance of having a dedicated set of individuals who own and maintain this partnership. Various interviewees highlighted the organizational instability and changes in UNIDO personnel as a reason for the partnership not developing as expected. Interviews also reported cases where the private partner was in discussions with various divisions and officers of UNIDO who were not aware of these additional discussions. Clarification of roles and long-term allocation of responsibilities for particular partnerships – in addition to the responsibilities for specific projects – is recommended. Similarly, a place or tool, where all incidents of potential partnership discussions are reported should be developed.

Monitoring, Evaluation, and Metrics

65. Our analysis suggests that continuous monitoring of partner activities and the use of metrics to track progress and ensure commitments are met are seen as important instruments for mitigating the various risks associated with partnerships with the private sector. Some of the interviews also highlighted the need for a clarification of strategies and tactics to deal with any issues that may arise. Such strategies and tactics may be particularly important for UNIDO's engagement in high-risk sectors. The results of our survey also highlight the need to strengthen the monitoring of UNIDO's private-sector partnerships (Q27.11).

PSP strategy and strategy development

66. UNIDO does not yet have a clear partnership strategy that could guide the development of UNIDO's portfolio of private-sector partnerships. The 2014 evaluation of UNIDO's engagement with the private sector noted a lack of strategic clarity and vision for UNIDO's engagement with the private sector. The results of our survey highlight a review of UNIDO's current portfolio of PSPs as a priority (Q27.10).
67. A strategy for the *Public-Private Partnerships Division (IET/PPP)* was made available to the evaluation team. Although this strategy addresses some aspects of a general partnership strategy, this strategy is meant as a strategy for the *Public-Private Partnerships Division (IET/PPP)*, rather than an overall partnership strategy for UNIDO. The strategy for IET/PPP reflects the greater role of engagement with the private sector as a means to achieve UNIDO's goals. It provides a basis for a more strategic and proactive approach to UNIDO's engagement with the private sector. The document highlights several aspects, in particular, the need for the strategy to be aligned with UNIDO's goals as captured by three

pillars. However, the review indicates that some areas/themes are still left open and should be addressed e.g.:

- The structure of UNIDO's partnership portfolio and the envisaged development of this portfolio in terms of various dimensions, such as number, type of partnerships, type of partners, regions, sectors, thematic areas
- A match between the goals of individual partnerships and the overall goals of UNIDO as per MTPF (rather than by the goals of individual UNIDO entities, member countries, stakeholders, etc.)
- Clarification of which UNIDO entities are expected to seek partnerships with which purpose and how.
- A clear and explicit commitment by Senior level managers to desired (types of) partnerships as well as desired partners.

2.2 Formal PSP strategy

68. In line with the previous evaluation of UNIDO's partnerships with the private sector, most interviewees and respondents to our survey highlighted the need for a formalized strategy for UNIDO's engagement with the private sector. Various advantages of having such an overall partnership strategy in addition to an IET/PPP strategy were mentioned as follows:

Clarity and Commitment

69. A formalized strategy provides clarity on objectives, vision, and the role of the private sector in achieving UNIDO's mission. Such a strategy would also facilitate discussions and consensus-building between UNIDO and other stakeholders to ensure the relevance of UNIDO's PSP strategy. A formalized PSP also provides some degree of continuity in UNIDO's strategy and was highlighted by private sector interviewees as an important driver in the private sector's interest in partnering with UNIDO. The interviewees recommended adopting a longer-term outlook and suggested a two-year cycle for strategic planning to align with major global events and organizational goals. Finally, the interviewees highlighted the need for a formalized strategy as a means to communicate UNIDO's value proposition to potential private sector partners.

Illustrative Quote 8: Survey Respondent:

"There is an urgent need to review the current way of engaging with the private sector which is - in my opinion - not based on any overall strategy and follows ad-hoc and individual approach. Teams are asked to engage in time-consuming partnerships with no clarity on the strategic contribution of these partnerships."

Guidance

70. A formalized strategy would clarify UNIDO's commitment to, and expected benefit of private sector partnerships, thus enhancing the awareness of, and support for such partnerships among internal stakeholders. The interviews highlighted a wide range of attitudes towards private sector partnerships from full support to outright rejection of UNIDO's engagement in partnerships with the private sector. A formalized strategy also guides the number, type, objective, and priority areas of partnerships that are sought by UNIDO in line with existing policies, improving the coherence of UNIDO's private sector engagement, preventing fragmentation, and enhancing coordination within the organization.

Illustrative Quote 9: Survey Respondent:

"The organization would benefit from a more strategic approach to PSPs and needs to be clear about the engagement modalities - what do we expect from the private partner and what are different modalities for the private sector to contribute - these need to be clarified and expanded beyond TC cooperation."

Efficient Resource Utilization

71. Although all of UNIDO's partnerships may make an immediate or later contribution to ISID, partnerships are likely to vary in (a) the level of contribution they can make to ISID, and (b) the resources that are required to make the respective contribution. Efficient resource utilization thus requires a preference for those partnerships that provide a given contribution with the lowest resources or provide the largest contribution with the given resources. This is in line with the information from some of the interviewees according to whom UNIDO faces challenges in supporting the work on actual projects on the ground with sufficient resources and funding. The lack of resources would also hinder UNIDO's ability to develop and structure partnerships and initiatives systematically. Given these resource constraints, there is a clear need to assess the partnerships' contributions relative to their resource needs and a formal partnership strategy should clarify thresholds for each to guide the initiation and approval of proposed partnerships.
72. The respondents of our survey also highlight the importance of updating the PSP policy (Q27.5) and developing an overall PSP engagement strategy (Q27.8), as exemplified by the following excerpts:

Illustrative Quote 10:

"On the issue of reputation, it all depends on how the UNIDO strategy is about partnership. For way too long we have seen triggering requests for partnerships that ended up in an empty box once the MoU or a Lol was signed. A strategy and a focused objective should be developed and adopted by the entire organization."

2.3 UNIDO's vision, mission, and goals for PSPs

73. While the (draft) strategy for IET/PPP outlines the vision and mission for its activities, the desk research shows that UNIDO has not yet formulated a vision and a mission for its engagement with the private sector. The evaluation team recommends the formulation of a vision and a mission as part of the development of a strategy for private-sector engagement.
74. Within the recommended formal strategy, UNIDO's vision and mission for PSPs should be complemented with the identification of the specific goals that UNIDO's partnerships with the private sector are expected to achieve. The identification of these specific goals should be part of the above-mentioned strategy development process. The analysis of the data collected through interviews and the questionnaire survey, suggests the need for objectives that are aligned with UNIDO's overall goal to achieve ISID and the Sustainable Development Goals and also lead to concrete activities that have tangible and measurable impact on industrial development. Numerous interviewees raised concerns about private sector partnerships being a mere 'publicity stunt' without any real contribution to UNIDO's mandate.

Illustrative Quote 11: Response to Q13 in the survey

"Although there is a lot of talk regarding partnership, there is no clear policy and mainly strategy where UNIDO wants to go (which field, sectors to work with). As there is no clear direction (not counting political statements - ending hunger or fair supply chain). There is neither a clear vision nor resources/funding for it. Most projects are ad-hoc and no part of larger programmes. As there is no clear direction it is also linked with partnership - in most cases, it is either personal interest (which is high risk for the organization) or ad-hoc and not strategic partnership"

2.4 Clarification of the opportunities and threats for PSPs

75. The recommended formal strategy should be based on a thorough analysis of the development of environmental opportunities and threats for UNIDO's engagement with the private sector. The identification of these opportunities and threats will take place as part of the strategy development process. Some of the changes in the environment that have direct effects on UNIDO's engagement with the private sector were raised during our interviews.

- *Changes in the perception of the private sector among IGOs and NGOs.* While the private sector has traditionally been seen as taboo, over the past two decades there has been a growing

realization that the private sector has to play a fundamental role in industrial development and achieving the SDGs. The increasing importance of partnerships was explicitly highlighted in SDG 17. This has led to an increased interest among IGOs and NGOs in partnering with the private sector.

- *Changes in the role of the private sector among donors.* Potentially as a consequence of increasingly nationalist agendas, donors have become more interested in aligning their development goals to the involvement of (their) private sector. Accessing these funds thus increasingly requires UNIDO to partner with the private sector.
- *Changes in the role of the private sector among beneficiary countries.* Many beneficiaries have become more open towards private firms' contribution to the development of their industrial base.
- *Changes in the CSR orientation of the private sector.* The private sector has increasingly realised its responsibility to contribute to achieving the SDGs.

2.5 Internal resources for partnerships and UNIDO's value proposition

76. Although the potential benefits of private sector partnerships over other instruments and mechanisms are mentioned across various UNIDO documents and policies, our desk research did not identify an explicit explanation of UNIDO's resources for partnerships and a value proposition that highlights (1) what UNIDO can offer prospective partners over and above what other UN agencies or INGOs might be able to offer; and (2) the enhanced impact on ISID possible through combining UNIDO's capabilities with those of the private sector. Such a clarification of UNIDO's value proposition for private-sector partnerships would provide UNIDO with greater bargaining power in negotiating with possible private-sector partners and would also increase the support for private partnerships among UNIDO's internal and external stakeholders.
77. As a basis for a strong value proposition that should be part of a formalized strategy for private partnerships, UNIDO should build and clarify the specific competences and resources that it can contribute to partnerships with the private sector and develop value propositions and model business proposals that it can pitch to prospective partners together outlining its goals, the mutual benefits, and the modalities of a potential partnership. This requires, however, the collection of information from all the UNIDO units that are engaged in partnerships with the private sector to identify the value-added that UNIDO can bring to partnerships with the private sector.
78. The interviews carried out for this evaluation have highlighted several areas in which UNIDO seemed to be able to make a significant contribution to private-sector partnerships. This value proposition should form an essential part of a formal strategy for UNIDO's private-sector engagement.

Box 1. UNIDO's Partnership with the Lavazza Foundation

UNIDO established a partnership with the Lavazza Foundation to establish the Center for Circular Economy in Coffee. This center is expected to provide a platform for collecting and sharing practices, solutions, and studies related to circular economy in the coffee value chain, with the ultimate objective of making the coffee sector circular, addressing environmental impacts, and fostering long-term economic sustainability. The project involves stakeholders from local growers to roasters, associations, institutions, and research centers and benefits from UNIDO's sustainable development expertise and network and Lavazza foundation's technical expertise. The joint project, announced at the World Coffee Conference in Bangalore, also includes the Polytechnic University of Turin, the University of Gastronomic Sciences, ICO, and ITC as further partners.

Capacity Building and Skill Development

79. In contrast to other UN agencies, UNIDO has very strong technical knowledge and practical expertise to develop local capacity and skills of the local workforce to enhance industrial development. Private sector companies work with UNIDO to develop skills programs and embed them in the national education system. UNIDO also works with governments and private sector companies to upgrade local companies

to meet quality standards for export requirements. Because of its technological know-how, UNIDO can support private firms in transferring and translating their technology to the local environment to enhance the impact of private companies in host countries. UNIDO has been working in a large number of private partnerships on projects, such as a training center for coffee producers in Ethiopia and a water technology education program in Morocco.

Local knowledge, Policy Advocacy, and Regulatory Environment Improvement

80. Interviewees highlighted UNIDO's in-depth knowledge of developing countries and how partnering with UNIDO would allow private firms to mitigate the risks associated with projects in developing countries. Through its global network, UNIDO is seen as able to contribute to the improvement of policy frameworks in developing countries. This improvement of the regulatory environment in developing countries, in turn, reduces the risk for private firms and thus attracts private investments and stimulates responsible industrial development in developing countries. UNIDO also collaborates with business associations to set standards and develop policies in sectors such as steel, cement, or textiles. One key example is UNIDO's partnership with the African Mini-grids Developers Association (AMDA). This partnership was geared towards identifying and developing host country policies and regulations that need to be adopted to foster the local development of rural electrification in African countries and led to the development of "The Clean Energy Mini-Grid Policy Development Guide".

Illustrative Quote 12: From Survey Q13:

"As a UN organization, we are the trusted partner of the government so we can develop a neutral environment and bring in different stakeholders including the private sector to advocate for common interest and to advance SDGs. The private sector might not have full access to all government counterparts and their trust."

Guardian of Sustainability and Contribution to the SDGs

81. UNIDO can help private companies align their business operations with the SDGs and increase the impact of their investments on the SDGs. Through thorough due diligence processes, UNIDO acts as a guardian of the SDGs and acts as a 'guarantor' of the firm's responsibility. Because of its neutrality and impartiality, partnering with UNIDO provides private companies with credibility and reputation, ensures sustainability, and enhances the likelihood of long-term impacts.

Extensive experience with PSPs

It was repeatedly pointed out that UNIDO is the only UN agency with private sector engagement in its mandate and with the greatest level of experience in partnerships with the private sector.

Illustrative Quote 13:

"Cooperation with the private sector is written in our mandate. It is our mandate, so we actually have to do it."

UNIDO could thus position itself as an agency that can and wants to work with the private sector to contribute to ISID. Many interviewees believe that the private sector is a natural partner for UNIDO and that UNIDO has not yet fully exploited this advantage over other development agencies. UNIDO officers in the field and its technical divisions have vast experience working with the private sector in various types of collaboration. UNIDO staff are thus familiar with the specific needs and timelines of the private sector and experienced in navigating the differences between private and public organizations. Many of the staff have previously worked in the private sector. UNIDO has developed several specific partnership models, e.g., Public Private Development Partnerships (PPDP), and currently develops additional models to account for novel types of partnerships, including, for example, hybrid models that combine partnerships with procurement agreements. The interviews also suggest a relatively high level of commitment and buy-in of UNIDO staff to UNIDO's engagement with the private sector.

Commitment to partnerships

82. UNIDO has established a dedicated team, i.e., IET/PPP to oversee and manage UNIDO's portfolio of partnerships with the private sector. IET/PPP supports the initiation and management of UNIDO's private

sector partnerships in various ways, including, for example, carrying out partnership proposal appraisal and the due diligence of proposed partners. IET/PPP aims to be the key contact for new and on-going partnerships and broker contacts between private partners and different UNIDO divisions and units. IET/PPP is understood to be developing a repository of best practices in partnership management and also a CRM system to allow for better management of private sector partners. IET/PPP is expected to become the focal point for initiating, supporting, and managing UNIDO's private-sector partnerships. Whereas some interviewees seemed satisfied with the level of resources that UNIDO invests in this function, other interviewees were concerned about a shortage of resources, staff, and consultants committed by UNIDO to its private sector engagement. Interviewees mentioned the need for more long-term support and monitoring of project partners but also suggested better equipping MD offices and empowering them to make informed decisions. The evaluation team understood that there is no separate budget for IET/PPP and the division has to draw on resources from the Regular Programme for Technical Cooperation (RPTC). IET/PPP suggested having a dedicated budget for partnership management

83. Our survey results also showed that respondents perceived a high level of commitment to private sector partnership by UNIDO's senior management (Q11.1) and UNIDO staff (Q11.2) and viewed UNIDO management as actively promoting new partnerships (Q11.4). However, at the same time, respondents felt that UNIDO does not dedicate sufficient resources (Q11.3) or institutional, financial, and human resources (Q11.5) to the establishment and management of partnerships with the private sector.

Global Network and Partnership Facilitation and Coordination

84. UNIDO has a vast network of field- and ITPO offices that can play an active role in identifying private-sector entities interested in private-sector partnerships. Interviewees stressed the important role of UNIDO as the thought leader on sustainable industrial development, specifically SDG9. As such, UNIDO acts as a key initiator and convenor of global debates and relationships between private actors, IGOs/NGOs, funding partners, governments, financial actors, and beneficiaries. UNIDO can offer the private sector a global stage through the organization of high-profile events and initiatives that bring private companies together with Member States, fostering conversations and exploring collaboration opportunities. Private firm representatives specifically highlighted that their partnership with UNIDO allowed them to contribute to academic and technical discussions and become part of the debate on sustainable industrial development.

Organizational Adaptability

85. Interviewees highlighted the relatively small size of UNIDO when compared to other UN agencies and the resulting ability to adapt faster to dynamic situations. This greater agility and responsiveness of UNIDO when compared to other UN agencies was seen as attractive to private partners. At the same time, however, more frequent organizational changes were seen as creating instability in the relationships with existing private sector partners.

Innovativeness and Learning

86. UNIDO has established the UNIDO Innovation Lab to drive progress through innovation. It offers support to internal teams that seek engagement with the private sector and also directly engages with the private sector. The lab also mobilizes its funding to create a platform for public-private partnerships through programs, such as the UNIDO Venture Labs. Although the evaluation found cases where the Innovation Lab worked closely with IET/PPP, some interviewees suggested a more explicit division of labour between these two functions and better coordination between them.
87. UNIDO has also established the Learning and Knowledge Development Facility (LKDF), which supports UNIDO's private sector partnerships specifically in the area of learning and knowledge sharing. LKDF is a platform that promotes industrial skills development among young people in developing economies. Working with the private sector through Public Private Development Partnerships (PPDP), the LKDF supports the establishment and upgrading of local industrial training academies to help meet the labor

market's increasing demand for skilled employees, ultimately contributing to inclusive and sustainable industrial development.

The long-term success of local industrial academies that partner with the LKDF is ensured through constant monitoring of economic, environmental, and social impact. UNIDO manages the facility, on behalf of the LKDF partners.²²

Box 2. PPDP

A PPDP (Public Private Development Partnership) is a way of delivering and funding public services with a wider development impact. The investment, risks, responsibilities, and rewards are shared between the public sector, the private sector, and a development partner. The Public Private Partnership (PPP) approach, which is based on the assumption that certain public goods can be delivered more efficiently and effectively by the private sector, is not new as such. However, adding the "D" (Development), thereby turning PPP into PPDP, is a relatively new and innovative method. It stems partly from the Sustainable Development Goals which can only be realized with a strong commitment to global partnership and cooperation.

PPDPs are used in areas where poverty reduction cannot be achieved by separating private actors, the public sector, and development agencies, and where all these actors share a common goal. To make a PPDP successful, it has to create benefits for all parties.

88. Our survey asked about the importance of different types of contributions that UNIDO can make to private partnerships and respondents highlighted (in descending order of importance) (Q.12) Knowledge of conditions in a foreign environment, reputation of a system organization (legitimacy), influence on policymakers in host countries, expertise in transferring practices and technology across borders, technical expertise, contacts to funding partners, influence on other civil society actors.

Illustrative Quote 14: Survey responses to Q13

"Partnership for a private sector entity with UNIDO is also driven by a pure business objective. As a result of the partnership, we have seen some examples in Iraq, Ethiopia, Uganda, and Somalia, partnership also is an investment de-risking exercise. In fact, PSP Might [sic] consider partnering with UNIDO with the intention to learn about a new market they are entering and position the first few investments"

"UNIDO's engagement in Private Sector Partnerships (PSPs) goes beyond tangible contributions of expertise and influence to embody a strategic facilitator role that catalyzes industrial development. It acts as a convener, bringing together diverse stakeholders and fostering an ecosystem where private and public interests align for mutual benefit. This involves initiating dialogue and sustaining momentum through ongoing support and adaptive strategies that respond to evolving industry trends and global challenges. UNIDO's contribution also lies in its ability to benchmark industry standards, promote corporate responsibility, and encourage the adoption of circular economy principles."

"The UN should function as a regulatory body ensuring industry's abusive practices do not run counter to the organization's mandate, rather than serving as a "matchmaking hub" for industry interests."

2.6 Clarification of the types of partnerships sought by UNIDO and partnership portfolio

89. The desk research indicates the absence of explicit information and guidance on the *structure of UNIDO's partnership portfolio and the envisaged development of this portfolio* in terms of dimensions, such as, for example, number, type of partnerships, type of partners, regions, sectors, and thematic areas. Such information and guidance should be part of a formal partnership strategy to ensure that UNIDO's portfolio of partnerships and the development of this portfolio are in line with UNIDO's overall vision, mission, and goals for private-sector partnerships. However, the evaluation team recommends a more

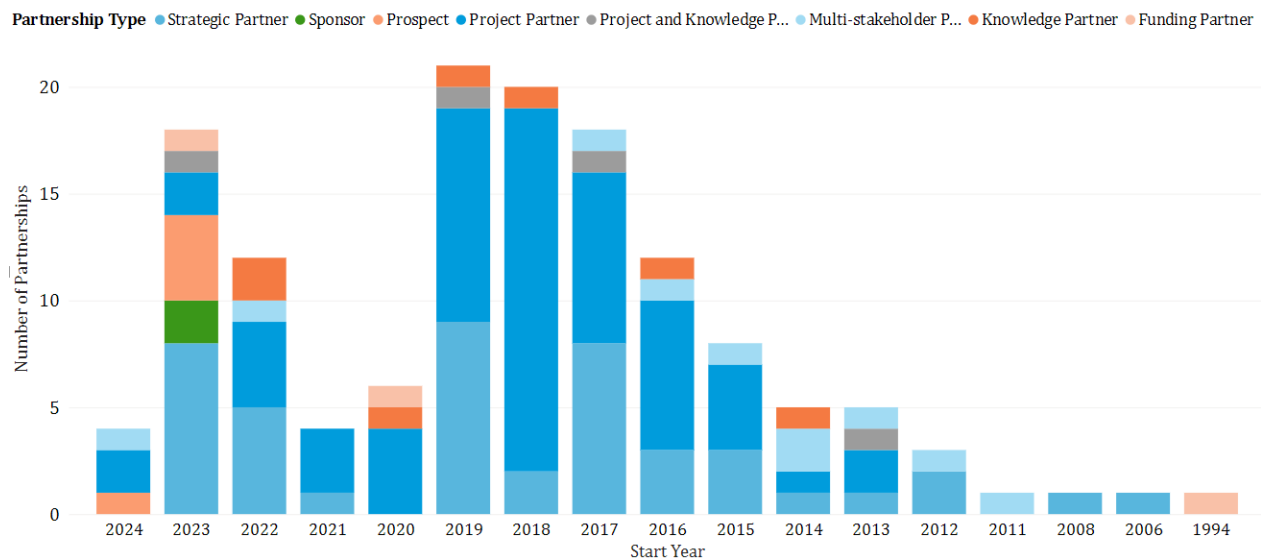
²² <https://lkdfacility.org/>

in-depth analysis of UNIDO's portfolio of partnerships as a basis for strategic decisions to prioritize thematic and strategic areas and/or specific types of partnerships in UNIDO's engagement with the private sector, taking into account UNIDO's vision, mission and goals for partnerships, changing environments, as well as its unique value proposition. The decision on, and explicit communication of UNIDO's priorities for specific types of partnerships communicates the organization's commitment to specific types of private partnerships and drives the allocation of resources and organizational support to UNIDO's private sector engagement both at the portfolio of partnerships as well as individual partnerships. Interviewees stressed the possibility of UNIDO providing incentives and rewards to personnel and entities to seek and initiate specific types of partnerships with particular types of partners.

90. Since the desk research has not identified a repository or dataset of all UNIDO partnerships with the private sector, the evaluation team compiled information available on the UNIDO on previous and currently existing private sector partnerships from all available sources, and created a database capturing these partnerships and their characteristics. Further desk research and interviews were used to complement and verify this information on the current state of UNIDO's partnership portfolio.

91. The following chart shows the development of different types of partnerships with the private sector.

Figure 7 - Partnership Type by Start Year



Sectors and partnership goal

92. The following chart shows the sector of the private companies with whom UNIDO has partnerships (see Figure 8). The chart indicates that the bulk of partnerships exists with companies from the Services (e.g., Deloitte, CGI, Google), Industrial Technology (e.g. Epiroc) IT (e.g., HP), Food Industry (illycaffè, Lavazza), Clothing (e.g. Benetton), and Fossils (e.g., ENI) sectors.

93. With partners from these sectors, UNIDO's private sector partnerships focus on various aspects of ISID, including:

- Traceability and interoperability of standards in the food (coffee and cocoa) value chains and circular economy (e.g., illycaffè, Lavazza, Deloitte, Norman Foundation, Nestle);

- Sustainable value chains in the textile sector/cotton processing (e.g. the German Manufacturing Association);
- Energy access and decarbonization (e.g., ENI, African Mini-Grids Developers Association);
- Improving food security (e.g., DHL);
- Capacity building and training (e.g., Volvo, Komatsu, Festo Didactic).

Illustrative Quotes 15: From Survey Q15:

“In assessing the strategic importance of UNIDO's partnership models with the private sector, multi-partner collaborations on individual projects and across multiple projects appear to be very significant, given their potential to drive comprehensive and scalable solutions by pooling diverse resources and expertise. While focused partnerships with individual entities on specific projects are quite important because of their targeted impact, open-ended partnerships without immediate project directions are somewhat less important because they may contribute more to long-term visioning than to immediate results. Multi-stakeholder partnerships involving a wide range of actors, including the private sector, government, and NGOs, seem to be particularly important for their holistic approach to complex industrial challenges. Overall, the collaborative, multi-partner models are prioritized for their broader scope of innovation and impact.”

“I don't see the necessity of having partnership without projects unless it leads to project funds from any donor.”

“[...] multistakeholder partnership (e.g. global forums etc.) is the best way to harness advantages of a partnership and [access the] expertise from [the] private sector etc. [At the] same time it reduces risks of fraud etc., as [...] it provides more transparency. Also, it increases the acceptance of possible results.”

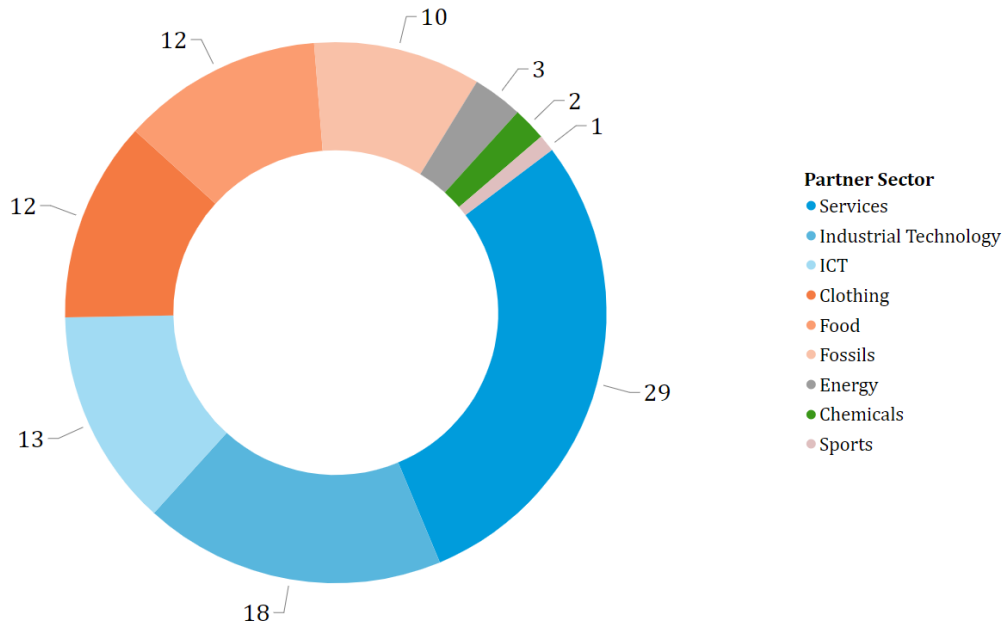
“...partnership[s] without projects or fund[s] would be just [a] waste of time and resources”

Box 3. UNIDO's partnership with illycaffè

illycaffè, in collaboration with the Fondazione Ernesto Illy and UNIDO, entered into a partnership supported by the Italian Ministry of Foreign Affairs and Development Cooperation on May 4, 2015, during the Milan Universal Exposition EXPO 2015. The focus of the collaboration is to promote a sustainable coffee value chain, enhancing inclusivity and sustainability in production for the benefit of both farmers and consumers. This successful private partnership led to the development and implementation of three projects in Ethiopia and Mozambique, totaling 10 million EUR. Notably, the partnership led to the establishment of the first Coffee Training Center in Ethiopia and facilitated a Joint Declaration between UNIDO and the International Coffee Organization (ICO).

94. It is not clear that this distribution by partner sector and partnership goal may reflect a deliberate strategic decision to focus on these sectors, and this decision and its alignment with UNIDO's vision, mission, and overall goals for its partnerships should be made explicit in a formal strategy for partnerships. The composition of UNIDO's partnership portfolio by partner's sector is shown in Figure 8.

Figure 8 - Partnerships by Partner Sector



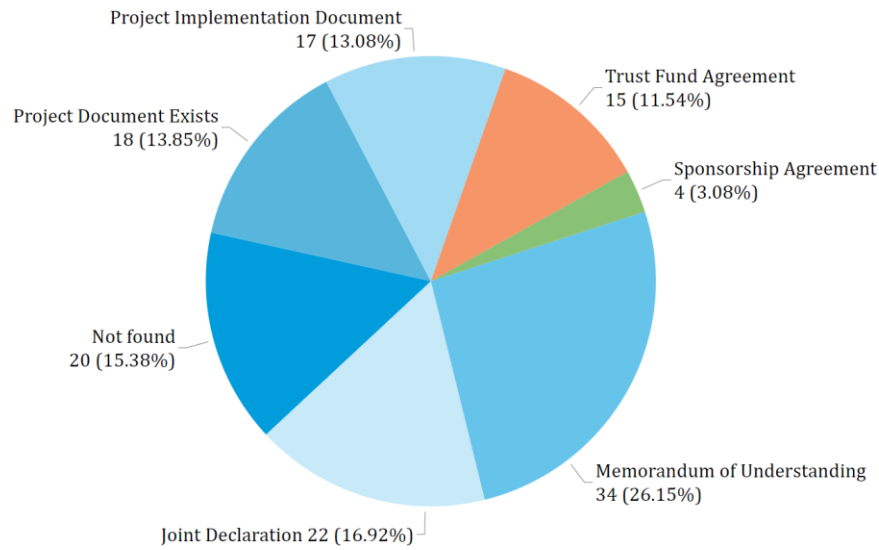
95. Interviewees highlighted the current debate within the UN system on whether to engage with specific types of sectors, such as, for instance, oil and gas. Interviewees also highlighted “alcoholic beverages” as a sector that UNIDO might not want to deal with. Based on these interviews, UNIDO’s partnership strategy would ideally clarify the sectors that are excluded from partnerships or in which only specific types of partnerships may be used.

Types of partnerships

96. Interviewees highlighted an increasing preference for multi-stakeholder relationships, which were seen as less risky and allowing for greater impact. UNIDO may thus explicitly state a preference for particular types of partnerships that are more in line with the overall vision, mission, and goals for UNIDO’s private sector engagement. Interviewees also raised concerns about particular types of partnerships, in particular those partnerships that were seen to exclusively or substantially constitute a procurement relationship with the suggested partner company. A formal strategy should also include a statement of what type of partnerships are generally not desired.

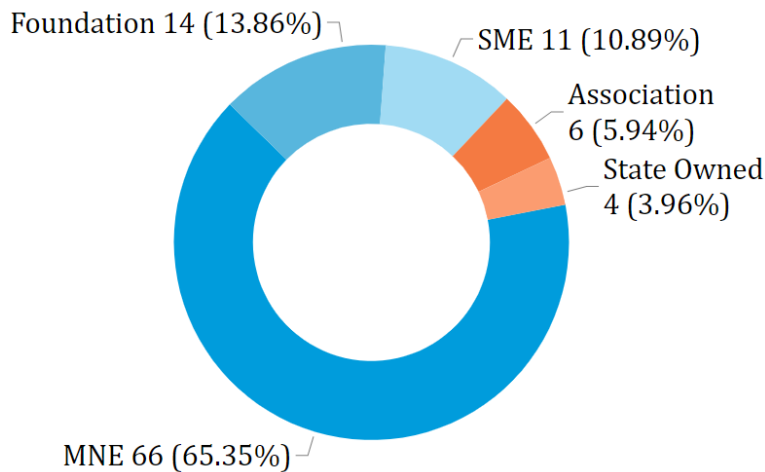
97. The data on UNIDO’s partnerships also indicates a wide range of legal instruments being used for private-sector partnerships. The following chart shows which legal instruments are currently used for UNIDO’s private-sector partnerships. In most cases, partnerships with the private sector are based on Memoranda of Understanding and project documents, however, for 26 partnerships no formal document exists.

Figure 9 - Partners by Type of Legal Instrument



98. IET/PPP may develop lists of (pre-approved) private sector partners. Several interviewees highlighted the transaction costs associated with initiating and setting up partnerships with new partners. UNIDO may thus encourage the extension and intensification of existing partnerships, rather than the creation of new partnerships. The interviews also suggested an increasing focus on partnering with (business) associations as opposed to companies. The following Figure 10 shows that MNEs currently dominate UNIDO's portfolio of private sector partnerships, while associations are UNIDO's partners in very few of the partnerships. UNIDO may also compile a list of partners with whom no partnership should be sought. Potential partners may be excluded because of particular characteristics, having failed due diligence in the past, or because of negative experiences with specific partners in the past.

Figure 10 - Partnerships by Partner Type



99. The data on UNIDO's current portfolio of partnerships also shows that UNIDO predominantly partners with private actors based in Western Europe (see Figure 11). This may be the result of a deliberate choice to approach European companies for partnerships, but such a choice should be justified and made explicit in the formal partnership strategy.

Figure 11 - Partner Country by Type and Project

Partner Type ● Association ● Foundation ● MNE ● SME ● State Owned



Efficiency of strategy implementation

- UNIDO has tools, mechanisms, and processes in place to implement private-sector partnerships, but needs to revisit the existing and develop novel tools, mechanisms, and processes in line with an overall partnership strategy.
- The initiation of UNIDO's private-sector partnerships has traditionally occurred in a combination of bottom-up and top-down processes. These processes should be examined and brought in line with UNIDO's strategic priorities. A more proactive approach to identifying and initiating partnerships is recommended.
- The prescreening of partnership proposals needs additional consideration with additional information to be included in partnership proposals to reduce the risks and enhance the benefits associated with private sector partnerships.
- An appropriate process for the due diligence of proposed private sector partners is in place, although this could include additional criteria.
- There are tools, mechanisms, and processes to manage partnerships, but these remain fragmented and would benefit from further integration based on a clarification of the roles of different entities and management levels of UNIDO. The development of a partner relationship management system to manage UNIDO's growing portfolio of private-sector partnerships is recommended.
- IET/PPP plays a central role in the initiation and management of UNIDO's portfolio of private sector partnerships, but its task and resourcing need to be revisited in line with an overall partnership strategy.

Initiation of partnerships

100. The desk review suggests that UNIDO's portfolio of partnerships has grown organically proactively through both bottom-up as well top-down processes by individuals and teams within UNIDO, but also

through reactive processes driven by member states or private firms. The concurrent use of proactive and reactive as well as bottom-up and top-down processes in the initiation of UNIDO's private sector partnerships was also reported by interviewees. In the following, we present the main processes in which private partnerships were initiated.

2.7 Proactive initiation by UNIDO

101. Interviews highlighted the central role of the personal network of UNIDO personnel that allows for approaching private partners and discussing cooperation. According to the interviewees, it is often informal conversations within personal networks about collaboration opportunities that can lead to partnerships.

Illustrative Quotes 16: Survey response:

“Developing partnerships is something which is seen to be a part of daily-routine work, if possible and if pursued by well-qualified professionals and project managers. A focused approach (like the department of Finance or HR) perhaps may not be useful and hinder such developments of partnerships across the organization.”

“...the process is not clear and usually left to project managers to find a partner and figure out a modality to operate, private sector partners often have their own interest resulting in high reputational risks for UNIDO which are often disregarded due to the funding opportunity.”

102. Although interviewees stressed that these conversations within their network are always aligned with UNIDO's overall mandate for ISID, interviewees usually did not have any specific guidance on the type of partnership, type of partner, sector, etc. that would be desired. The only exception to this was some evidence that UNIDO personnel were encouraged to intensify collaboration with (business) associations. Many interviewees would have preferred more guidance, such as a formal strategy outlining the types of partnerships desired by UNIDO.
103. There was also evidence that the initiation of new and the development of existing partnerships was driven by engagement teams that were actively approaching private companies for partnerships with UNIDO. This was the case for UNIDO's Innovation Lab, the Learning and Knowledge Development Facility (LKDF), and IET/PPP, which have initiated partnerships with the private sector. The Innovation Lab has, for example, created the Venture Labs as a platform that is being used, with the support of IET/PPP to initiate partnerships with private organizations such as DHL to run joint innovation challenges. LKDF, which was created as a joint initiative between UNIDO and the Swedish International Development Agency (SIDA), provides a platform for promoting public-private development partnerships with a particular focus on skills development. The number of private partnerships has grown from three in 2012 to 15 in 2023 and the number of projects has grown from three to 17 over the same period. Partnerships exist with firms, such as Volvo, Komatsu, and Epiroc to create vocational training centers for commercial vehicle drivers, road construction equipment operators, and heavy-industry equipment operators in countries, such as Uganda, the DRC, Ethiopia, and Zimbabwe. Finally, interviewees reported about UNIDO staff located on the premises of the private partner. Such an approach was highlighted by both representatives of private companies and representatives of UNIDO as a particularly useful way to deepen an extend partnerships.

2.8 Reactive initiation by the private partner

104. According to the interviewees, several partnerships were initiated by the private sector partner actively reaching out to UNIDO personnel to express an interest in a partnership. There is anecdotal evidence that companies actively looking for partnerships with IGO/NGOs and after assessing all relevant organizations and their respective mandates and likely contributions approached UNIDO with a partnership proposal. Private partners may thus actively seek a strategic partnership by extending invitations and engaging in a dialogue with UNIDO Personnel.

2.9 Joint Initiation by both UNIDO and private partner

105. Interviewees reported various cases of partnerships that were initiated when UNIDO staff met private sector representatives on missions, events, trade shows, and summits, such as the COP, or similar. During these encounters, initial ideas for cooperation are explored. Interviewees also mentioned that partnerships might be initiated through “opportunistic encounters” between UNIDO representatives and company representatives in the field. The partnership between UNIDO and CGI was initiated during COP27 when UNIDO representatives attended the CGI Inc. technology exhibit and discussed the use of technology in industrial development with CGI representatives.
106. The desk review and the interviews suggest that UNIDO’s portfolio of partnerships has grown organically and predominantly in a bottom-up process driven either (pro-actively) by UNIDO personnel at field offices and/or technical divisions, rather than through a pro-active, top-down process driven by a central (strategic) function inside UNIDO, such as, for example, the PPP division. This decentralized approach underscores the importance that UNIDO attributes to adaptability and local responsiveness in partnership initiation and to the role of networking, personal relationships, and proactive engagement in establishing and nurturing successful collaborations. Various interviews stressed the importance of maintaining such a bottom-up approach to the initiation of partnerships and suggested even greater degrees of decentralization of the process combined with increased funding of field offices and technical divisions.
107. The results of our survey (Q10) show that respondents felt that partnerships should predominantly be initiated by technical divisions, and to a lesser extent by field offices, senior management, ITPOs, or private companies. On average, respondents also felt that private-sector partnerships should not be initiated by donors/member countries.

Illustrative Quote 17: From survey:

“Lack of clear strategy and lack of core technical staff leads to only ad-hoc partnerships and these are based on personal initiatives. A systematic approach may not be possible as it may do more harm than good for the open misinterpretation of the created environment for so-called facilitation, is not focused to address this rapidly advancing (also technically) world.”

Among other risks is a selection of private partners. Why do we support one brand/manufacturer? How is selected? We are creating unfair advantages for some companies as through projects we subsidize some companies. If competitors use it for publicity it will have a much more negative impact on UN(IDO) and it can be associated with corruption due to the non-transparent process of selection of partners.

108. While this bottom-up process to partnership initiation was the approach preferred by several interviewees, a group of interviewees suggested that the bottom-up process of partnership initiation may be associated with lost opportunities, inefficiencies, fragmentation, and an insufficient alignment of private sector partnerships with UNIDO’s strategic priorities. Interviews suggested, for example, that partnerships may be initiated as a result of personal ties between UNIDO staff and company representatives or representatives of particular governments. While such partnerships might still contribute to UNIDO’s specific mandate, some interviewees had concerns that the associated resources could potentially be spent on alternative partnerships that may make a greater contribution to UNIDO’s mandate and/or may be closer aligned with UNIDO’s specific priorities for private sector partnerships. These interviews suggested a greater use of a top-down approach to the initiation of private partnerships.

109. Overall, the evaluation would suggest that UNIDO should revisit the process of partnership initiation and decide on the process(es) that manage to balance the responsiveness to entity-level requirements of the bottom-up approach with the greater coherence and efficiency of the top-down approach to partnership initiation. The survey respondents also tended to disagree with the statement that the identification and selection of private partners are driven by a clear strategy (Q9.3). Potential trade-offs between these two different approaches might be minimized through ongoing initiatives of organizational learning and knowledge management, that might ensure that bottom-up initiatives match strategic priorities, and strategic priorities account for, and exploit the specific capacities and resources available in UNIDO field offices and technical divisions. IET/PPP is likely to play a central role in creating and managing these processes.
110. Our survey asked about further facets of the initiation and establishment of private partnerships (Q18). Although respondents tended to agree that the process of establishing partnerships with the private sector was clear (Q18.1), they felt that information on new and existing partnerships is not shared widely across the UNIDO (18.2), that they did not have access to sufficient information on how to establish private-sector partnerships (Q18.3), that information on new and existing partnerships at other UN organizations is shared widely across the UNIDO (Q18.4), or that they have access to sufficient information on how to manage private sector partnerships (Q18.5). When asked about the most likely used source for information on establishing partnerships with the private sector, respondents stated that most respondents would contact IET/PPP and to a lesser degree the UNIDO website, field offices, or other colleagues.

Prescreening and proposal appraisal

111. The desk review shows that processes of prescreening and proposal review and assessment as well as due diligence are taking place. During interviews and in the survey various criteria were identified that are or were expected to be used during the review and assessment of a proposed partnership. Various interviewees highlighted the need for partnership proposals to explicitly state the *contributions and value added by the partners*. According to the interviewees, existing partnership proposals have been somewhat short on information about the actual contributions and value proposition of the private sector partners. Various interviewees have highlighted the need to specify the type of contributions that a private partner will make towards a partnership. As there currently appears to be no mechanism to directly fund UNIDO with cash, private partners may make contributions to partnerships and the

Illustrative Quote 18: From survey:

“A significant aspect which has been omitted is the role of the DG as a ‘door opener’ {initiator}. Too often technical departments are instructed to engage with partners that are not suitable, vs. receiving the support needed to further engage with private sector partners. This leads regularly to significant tensions, inefficiencies, and reputational risks.”

associated projects in the form of cash donations or through *in-kind contributions*. Private partners, such as Volvo, for instance, have provided in-kind contributions in the form of trucks that can be used to train local drivers in the beneficiary country. Another example would be illycaffè, which contributes expertise and training to coffee producers in Ethiopia, for example, by sending engineers and subject matter experts into the country. In some cases, private sector partners may contribute to ISID by supporting beneficiaries with getting access to the global market, although it might not be possible to guarantee this access.

112. The survey carried out for this evaluation also asked about the importance of different contributions that private firms can bring to partnerships with UNIDO (Q14). Respondents highlighted the importance of the following, in declining order of importance: Innovation, Technical Expertise, In-Kind Contributions, Expertise in transferring practices and technology across borders, Connection to other private donors,

Improved UNIDO reputation, Knowledge of conditions in a foreign environment, Cash contributions, Contacts to, and Influence over funders/donors. All these contributions were seen as important.

Illustrative Quote 19: One of the respondents, for example, highlighted the following contributions:

“From the private sector, we would expect: (1) cutting edge technology; (2) introduction of business mindset and practices into UNIDO projects; and, (3) they should be a part of UNIDO initiatives to ensure that the TC (Technical Cooperation) we deliver is what market demands and needs.”

Box 4. Partner contributions in UNIDO’s partnership with ENI

UNIDO and ENI entered a partnership in June 2022 focused on energy and agribusiness. ENI's business model is centered on carbon neutrality, operational excellence, and local development alliances, aligning with UNIDO's key priorities. The collaboration resulted in several projects in Mozambique, Congo, Kenya, and Cabo Verde, covering sustainable energy, business acceleration, renewable energy, and the development of inclusive agriculture value chains. ENI is actively contributing to UNIDO's objective of developing green hydrogen industrial clusters, offering expertise, access to its business networks, project promotion, and funding for technical studies. UNIDO's contributions involve project design, coordination, government and donor relations, and monitoring of the projects.

113. According to the interviews, partnership proposals should also contain more detailed information about the *expected outcomes of the proposed partnership* and how they are directly expected to contribute to UNIDO’s mandate. In addition, partnership proposals should not only clearly describe the expected outcomes of a partnership, but also the likely costs, including transaction and opportunity costs, resource needs, and risks associated with a partnership. Several interviewees highlighted the importance of carefully considering the *fit and synergies between UNIDO and a private sector partner* when assessing partnership proposals, which was seen as an important driver of partnership success. Various facets of such a fit were raised. One private sector representative mentioned her work experience for the government, which she felt had helped in her work with UNIDO. Representatives of state-owned enterprises that partnered with UNIDO highlighted similarities with UNIDO in terms of working with rules and regulations, while private company representatives mentioned that UNIDO was less flexible in terms of project timelines and budgets than the private sector. The interviews also show that UNIDO was not perceived to be more or less risk-averse when compared to the private sector. There may be additional facets of “fit” between UNIDO and a private partner depending on the particular type of partnership that might be taken into account when reviewing proposals for private sector partnerships.
114. Interviewees also stressed the importance of the *compatibility of the goals* of UNIDO and the private sector partner and called for paying particular attention to the private firm’s profit-seeking objective, which may not always be explicit. Some interviews highlighted that the private partner’s objective to (quickly) obtain a return on investment may prevent private firms from agreeing to a partnership or may lead to difficulties and conflicts once a partnership has been established. In other cases, private partners are interested in improving and diversifying the supply base or influencing governments to allow or improve market access. In the case of UNIDO’s partnership with DHL, for instance, DHL representatives stressed their commitment to sustainability and to improving people's lives through the partnership with UNIDO. DHL’s objective was to connect farmers and SMEs to global trade while improving farmers’ livelihoods. For DHL the partnership with UNIDO is part of a cooperation model that integrates developing projects in different sectors to achieve sustainable development goals, for example, to accelerate innovation for sustainability through research, technology, and innovation, or to reduce carbon emissions by contributing to the conversion of fossil fuel vehicles to electric vehicles. Interviewees recommended clarifying any commercial objectives and ensuring that achieving these objectives does not prevent the partnership from achieving its goal of ISID. Interviewees also stressed

some private partners' goal to obtain access to the global dialogue on different issues within the UN system. Such goals may still be related to commercial interests, but may not be incompatible with UNIDO's goals.

115. In some cases, private partner representatives reported that they have no commercial objectives at all with a partnership. For example, illycaffè highlights the importance of its partnership with UNIDO to address problems that are outside of illycaffè's scope, such as climate change and social impact in the coffee industry. Interviewees also highlighted that private partners expect to use their partnership with UNIDO to allow for using UNIDO's expertise for aligning their operations with the SDGs, for reporting against the SDGs, and for developing sustainable activities.
116. The fit between partners in terms of firm characteristics, such as values or goals, develops over time and can only be experienced during the *actual collaboration*, highlighting the need for pilot projects that allow the partners to get to know one another and assess the level of fit between the partners. For example, the partnership between DHL and UNIDO began with initial discussions and follow-up conversations to explore the fit between the two organizations. Once the common goal of helping farmers and SMEs in Africa and the Middle East had been identified, the partners started with a pilot project in Kenya and now exploring how to scale up the project to other countries.
117. The desk review shows that IET/PPP provides partnership initiators and managers of partnerships with useful advice and guidance on the initiation of partnerships, but does not seem to get too involved in the preparation of proposals for partnerships.

Due diligence

118. While the proposal appraisal reviews the proposal for the partnership, a subsequent due diligence focusses on assessing the proposed partner. Due diligence is carried out by IET/PPP which submits a due diligence report to the Operations Committee for a decision. The Operations Committee comprises the following members as per its TOR (DGB/2023/07):
 - Chair: Managing Director of COR
 - Alternate Chair: Chief, ODG/SPU
 - Managing Director representatives: One representative, and one alternate representative, of the Managing Directors of GLO, TCS, and IET, nominated by the respective Managing Directors
 - Directorate representatives: Two representatives of each Directorate, who will serve on a rotational basis, also nominated by the respective Managing Directors
 - Secretary: Chief of IET/QUA (no voting rights).
119. The due diligence carried out by IET/PPP examines a prospective partner's general profile, any controversies surrounding the prospective partner according to the RepRisk and Sustainalytics databases, the partner's membership in the Global Compact, and the application of the following exclusion criteria:
 - Violation of UN sanctions, Security Council resolutions, and international conventions and treaties
 - Complicity in human rights abuses
 - Sale or manufacture of anti-personnel landmines, cluster bombs, and other weapons and ammunitions
 - Production or sales of tobacco
 - Tolerating forced or compulsory labour or the use of child labour.
120. In 2023, an extensive management consultation took place (including ODG, EIO, and LEG) and it was concluded that the DD function is best to be located in IET/PPP, provided that the DD officer is not involved in strategic partnership engagement. Placing the DD function in the partnership division has always been the case in UNIDO, and is common in the UN system. The concern of a potential Col has been addressed by establishing a solid firewall within IET/PPP between the DD function and the areas

of engagement and enabling. The DD officer is not involved in strategic partnership engagement. From the safeguarding side, the DD officer can step in at an early stage to advise partnership requestors on the appropriate legal requirements and procedural steps to be taken. Placing the DD function in IET/PPP ensures the close contact of the DD officer with the rest of the partnerships team, and his/her awareness of strategic alignment with organizational priorities, which would not be possible to the same extent if the DD function was located somewhere else. Furthermore, the incumbent of the DD function is not solely working on DDs but also assisting IET/PPP on legal, policy, and risk management issues, thereby covering the whole safeguarding scope. The Chief, IET/PPP is not involved in the DD assessment, which is done independently by the DD officer. The DD is subsequently approved by another entity outside of IET/PPP (i.e. by the OC or MD/IET, respectively).

121. During the next update of the PSP Policy, due consideration should be given to assess the effectiveness of these safeguards.
122. This examination of a prospective partner leads to a recommendation of reject, approved without conditions, or approved with risk mitigation measures, and is communicated to the operations committee for decision-making. Various interviewees suggested that due diligence based on these criteria is necessary, more attention could be given to criteria that are more directly linked to and/or aligned with UNIDO's overall partnership strategy. The results of the survey carried out for this evaluation suggest that the due diligence process as well as the entire approval process should be sped up. (Q27.1, Q27.2).

Management and monitoring of individual partnerships and UNIDO's partnership portfolio

123. The reviewed documents and interviews suggest that UNIDO's existing private-sector partnerships are often managed by the individuals/divisions that have established them. One interviewee saw himself as a broker who establishes links between private companies and UNIDO entities, but not as the manager of a potentially resulting partnership.
Most of UNIDO's existing individual partnerships are managed by *partnership focal points*. Managing a particular partnership does, however, usually seem to be just one task besides their regular tasks. The manager is responsible for the day-to-day management of the partnership and communicates relatively frequently with the private sector counterpart as a core point of contact. The interviews suggest that private companies often have one or more individuals who are responsible for the management of one or more partnerships. The interviews underline the importance of coordination and cooperation in partnerships, particularly in terms of day-to-day management. The need for clear communication and a designated focal point is emphasized, as this would allow for the development of trust in the relationships between UNIDO and its private partner. The selection of an adequate partnership should thus take into account the expertise, authority, and networks of the chosen UNIDO manager(s). Private sector representatives reported difficulties in managing a partnership with UNIDO in cases where the UNIDO partnership manager did not have a sufficient level of authority and/or lacked personal contacts within UNIDO. Personal relationships characterized by trust are seen as central to the success of partnerships and a prerequisite for a relationship that is characterized by institutional trust.
124. Partnerships usually have a *steering committee* that takes the important decisions regarding the partnership. This committee usually consists of representatives from all the partners involved in the partnership. The recently created IET/PPP division either supports the partnership manager or is itself acting as partnership manager, interacting with one or more representatives of the private company.
125. Interviewees highlighted the importance of having a clear framework for *monitoring and reporting the risks and performance* of partnerships on an ongoing basis. The current monitoring system includes regular evaluations of individual partnerships. A system that informs both partnership management and at regular intervals, IET/PPP of the specific risks identified at the establishment of the partnership, but

also potential emerging risks is recommended. The results of our survey also highlight the need to strengthen the monitoring of UNIDO's private-sector partnerships (Q27.11).

126. In a similar vein, there is a need for a clear framework for monitoring and measuring the performance and outcomes of UNIDO partnerships. The current Integrated Results and Performance Framework²³ is seen by interviewees as being biased towards accountability for the money received from funding partners with relatively little emphasis on capturing the outcomes along clearly defined KPIs and the longer-term impact of partnerships. Interviewees also suggested a greater emphasis on differentiating between the outputs and activities provided by UNIDO and the partner when monitoring partnerships. Formal reporting and monitoring systems including clear templates were also recommended to capture various cross-cutting issues, in particular gender mainstreaming in partnerships.
127. The current indicator "Convening and partnerships CPO.5"²⁴ measures the delivery of UNIDO's interventions in partnership with other non-UN institutions, in particular with business sector entities and international financing institutions. The indicator is project-specific and measured and reported at the project level. It includes all interventions where UNIDO establishes execution partnerships with an institution outside of the UN system (business sector, public sector, IFIs, NGOs). This approach is too broad to meaningfully capture the performance of private-sector partnerships. In addition, the data has not been collected systematically. The main data source intended for this indicator, the "Non-UN Partnership monitoring matrix" has not been maintained. Similarly, the "Non-UN Partnership" marker was not applied despite UNIDO requirements.
128. The desk research and interview analysis suggest that the management, development, and monitoring of UNIDO's *portfolio of partnerships* is not yet formalized. Since its establishment, the IET/PPP has started to engage with UNIDO's portfolio of partnerships and has taken the initiative to develop a formal partner relationships management system along the lines of a customer relationship management (CRM) system as the basis for managing UNIDO's private sector partnerships on the individual and aggregate level. This has yet to be fully developed and implemented but was stressed as important by various interviewees not only as a means to improve knowledge management, information sharing, and decision-making but also as an instrument to monitor the risks, outcomes, and longer-term impact of UNIDO's portfolio of partnerships. The introduction of a customer relationship management system was also raised by survey respondents as a priority (Q27.7).

Roles and responsibilities of the Partnership Coordination Function

129. Besides the individual partnership managers, the recently established IET/PPP entity (that replaced the Partnership Coordination Division (PCD)) is likely to be responsible for the development of private-sector partnerships at UNIDO.
130. The name of the function 'Division of Public Private Partnerships' may be confusing. Outside UNIDO, the 'Public-Private Partnerships' (PPPs) are contractual arrangements between public authorities and private entities contributing to the private financing of public infrastructure²⁵
131. The desk review and interviews suggest that IET/PPP has so far mainly taken on operational activities, mainly supporting the initiators of partnerships in the process of establishing a partnership. The interviews have identified various tasks that IET/PPP has been carrying out and that IET/PPP is expected to continue carrying out.

²³ UNIDO Integrated Results and Performance Framework ([GC.18/CRP.4](#))

²⁴ [AI/2020/02 IRPF Guide](#)

²⁵ [UNCITRAL Legislative Guide on Public-Private Partnerships \(2019\) | United Nations Commission On International Trade Law](#)

132. While these tasks for IET/PPP were regarded as important by interviewees, there were calls among the interviews for IET/PPP to take on additional tasks related to the management and development of UNIDO's overall portfolio of private sector partnerships. At the same time, however, interviewees stressed the importance of providing IET/PPP with the resources needed to carry out its current and any additional tasks.

133. Partnership Coordination Function

The desk research and interviews have allowed us to identify various tasks that the partnership coordination functions have been carrying out since its establishment. These activities are broadly in line with the tasks described in the IET/PPP strategy that is currently being developed. IET/PPP is not directly involved in the implementation of projects resulting from partnerships. Implementation is typically carried out by technical divisions and project teams. However, IET/PPP is involved in supporting the initiation and management of partnerships, and may also be involved in initiating partnerships. The main operational activities expected from a partnership coordination function mentioned by the interviewees are listed below:

- Initiating partnerships. Interviewees suggested that IET/PPP should take the lead in identifying and initiating partnerships with private sector entities. This involves proactively building networks and relationships.
- Support in the partnership initiation and identification of potential partners.
- Support in the development of the proposal (e.g., benefit-risk-analyses).
- Partnership proposal appraisal. The interviews suggest that IET/PPP is not directly involved in the appraisal of partnership proposals, but is part of the due diligence process and provides clearances from the partnership perspective. Some of the interviewees highlighted the importance of reviewing the partnership proposal, not only to mitigate risk but also to increase the UNIDO staff buy-in to private sector partnerships. As such, the results of our analyses would suggest a direct involvement of IET/PPP in this review.
- Due diligence. IET/PPP is involved in the due diligence process and examines the proposed partner's ESG rating.
- Support in the establishment (e.g., choice of partnership model).
- Support in the management of individual partnerships.
- Monitoring. The interviews show that while IET/PPP is involved in setting up monitoring frameworks and KPIs, detailed monitoring within projects is generally the responsibility of partnership managers/focal points. Some interviewees suggest that IET/PPP plays a more significant role in monitoring the outcomes and performance of partnerships, including setting up key performance indicators (KPIs), but also ensuring that partnership managers follow through on cross-cutting criteria such as gender, ESG, and human rights.

134. The desk research and interviews also highlight some additional operational and strategic activities for IET/PPP. It should be noted, however, that additional resources may be required for IET/PPP to implement these activities:

- Develop UNIDO's partnership strategy. According to various interviewees, IET/PPP should develop a strategic approach to partnerships and support the implementation of this approach in UNIDO. IET/PPP should cooperate with other UNIDO entities to develop the policies, guidelines, etc., or carry out further studies that are needed for implementing the selected strategic approach. Interviewees suggested that IET/PPP establish a Strategic Partnerships Committee, specifically focused on private sector partnerships, consisting of key internal and external stakeholders. This was seen as an effective way to drive strategy development, implementation, and evaluation.
- Building and maintaining a global network. IET/PPP should be tasked with engaging with strategic offices and personnel in key countries, including those with major players in the private sector, to discuss collaboration opportunities, understand their goals, to ensure both, the

identification of potential partners and the relevance of UNIDO's partnership strategy to all relevant stakeholders.

- Support operational activities in line with the overall partnership strategy. The desk review suggests that there is little information on the levels of support and resources provided to individual partnerships with the private sector, while the interviews suggest variation in the level of support provided to individual partnerships. The evaluation would thus suggest an initial mapping of the resources and operational support provided to individual partnerships across UNIDO's portfolio of private sector partnerships and aligning them with the strategic priorities for partnerships identified in UNIDO's overall partnerships strategy.
- Manage the development of UNIDO's partnership portfolio in line with UNIDO's overall partnership strategy. Coordinate and orchestrate the initiatives and efforts of several organizational units of UNIDO to avoid duplication of efforts, share expertise, and ensure a cohesive approach to private sector partnerships with UNIDO units that in the past have been tasked with building high-level alliances with key UNIDO partners and other technical divisions in TCS, IET, COR/PRO, and COR/FIN.
- Monitor UNIDO's partnership portfolio. Although the monitoring of individual partnerships is the responsibility of partnership managers, IET/PPP should be tasked with aggregating and analyzing the information on the KPIs across all of UNIDO's partnerships.
- Knowledge Management. Identify best practices as well as negative experiences of collaborating with the private sector and share these across UNIDO. The desk research and the interviews suggest that UNIDO staff has a wealth of expertise in partnering with the private sector. At the same time, however, the desk research and interviews found little evidence that this wealth of experience is exploited in the context of initiating new and managing ongoing partnerships. The evaluation found no evidence of institutional mechanisms for organizational learning and knowledge management focused on private-sector partnerships.
- Training on Partnering Competences. The desk research and the interviews provide little evidence for the (structured) development of employees' abilities and competencies required for partnering with the private sector. In a similar vein, survey respondents gave a high priority to the provision of training on PSPs (Q27.6). IET/PPP might be best placed to provide or orchestrate the required training, coaching, and guidance on the establishment and management of private-sector partnerships for different UNIDO entities. This may happen through the organization of internal or external information sessions and workshops.
- Contribute to creating a partnership culture and championing private partnerships in UNIDO. Interviews suggest that IET/PPP should contribute towards increasing awareness among UNIDO staff about the role of private sector partnerships, the specific requirements for partnerships, and the potential risks and benefits associated with private sector partnerships.

135. Our survey also captured the perceived importance of support from IET/PPP in several areas (Q.20). Respondents felt that support from IET/PPP was particularly important in the following areas (in declining order of importance): Screening and due diligence of potential private sector partners; Connecting and coordinating with UNIDO divisions; Providing support when managing a private sector partnership; Establishment of private sector partnerships; Monitoring private sector partnerships; Identification of potential private sector partners; Establishing projects with private partners; Support on Environmental and Social Safeguards. The provision of support on matters related to Gender Equality and the Empowerment of Women was seen as less important. The survey also indicated that priority should be given to strengthening the IET/PPP (27.4) and clarifying the roles and responsibilities of IET/PPP (27.9)

IET/PPP Resources

136. The desk research and the interviews highlighted a significant number of tasks that should be the responsibility of IET/PPP. IET/PPP currently consists of one P5, two P4s, one P3 one L2 (50%, and on limited duration), one G6, and two ISA holders.

Effectiveness and Progress to Impact

- UNIDO's engagement with the private sector has achieved its objectives at the output level, however, no systematic evidence-based monitoring and reporting is in place for outcome or impact levels.
- Completed partnership projects have had positive long-term effects, but UNIDO needs to establish systems and frameworks and systematically monitor the mid- and long-term effects of private-sector partnerships.
- UNIDO is aware of the potential negative effects of partnering with the private sector.

Current goal achievement/effectiveness

The evaluation's theory of change highlights several *outputs* that UNIDO's engagement with the private sector aims have been partly achieved.

137. The analyses suggest that *awareness of UNIDO's private sector engagement* among UNIDO staff has increased over the past years, in particular, given the increased commitment to the use of such partnerships by the previous and the current DG. However, the interviews suggest that private-sector partnerships are not unequivocally viewed as beneficial to UNIDO by all UNIDO staff. Some interviewees highlighted the high reputational risks and organizational complexity associated with private-sector partnerships and recommended that UNIDO abstain from any such partnerships. Other interviews saw the high value of these partnerships and stressed that partnerships with the private sector are derived from UNIDO's mandate of industrial development. The analyses thus suggest that the risks and benefits of private sector partnerships and the role that such partnerships should play in achieving UNIDO's goals should be discussed and communicated clearly through a formal partnership strategy.
138. There has been only moderate progress in *aligning UNIDO's architecture* to the needs of UNIDO's private sector engagement. The establishment and funding of IET/PPP seem a step in the right direction, but concerns remain regarding a match between the actual tasks and responsibilities of IET/PPP, the associated resourcing of IET/PPP, and both the positioning and authority within UNIDO's organizational structure. The existing draft strategy for IET/PPP contributes to resolving some of these issues. In addition, a clarification of UNIDO's architecture in support of the initiation and management of UNIDO's private sector partnerships in line with a newly developed partnership strategy is needed.

Efficient private sector collaborations

139. The interviews showed that there is room for improvement concerning the efficiency of initiating and managing UNIDO's private sector partnership. UNIDO's private sector partnerships are currently initiated in multiple different ways, by multiple different entities, using only a few standardized partnership models, which leads to high levels of complexity, coordination requirements, and slow decision-making. Further streamlining of UNIDO's private sector engagement in line with an overall partnership strategy orchestrated by IET/PPP is recommended.
140. Partners have also pointed out the need for a long-term outlook for the partnership. In particular, for partnerships without the underlying projects a strategic dialog on a at least two-year agenda and vision would be welcomed.

Illustrative quote 20: From an interview:

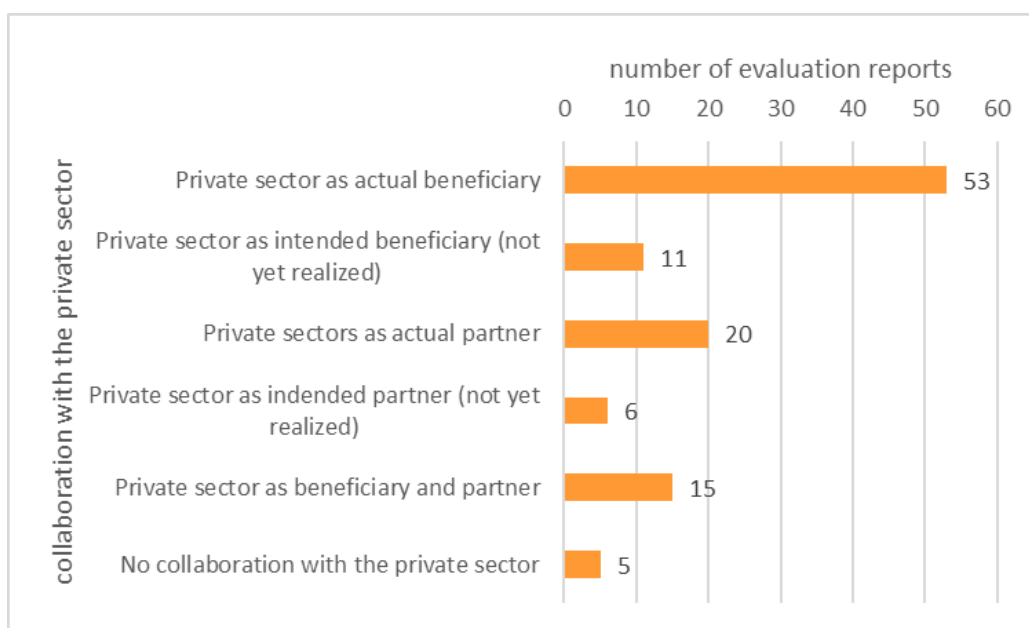
"These summits, these agendas, take a lot of consensuses building and a lot of stakeholder engagement. Planning cannot begin planning for a partnership with a three-month window. If you (UNIDO) reach out within 45 days and call for papers or partner, come to a conference, how meaningful is that?"

141. The analysis shows that UNIDO staff has vast experience and expertise in partnering with the private sector. This experience and expertise are currently not exploited fully to enhance UNIDO’s engagement with the private sector. Various means of *knowledge management* identified by a recent evaluation of knowledge management at UNIDO were highlighted as a means to redress this situation, for instance, through increasing sharing of experience, expertise, and best practices on private sector partnerships through the establishment of a repository or organization of partnership forums.

Progress to impact

142. The desk review indicates that UNIDO’s private sector engagement has led to desired outcomes and has had an impact in line with ISID. To assess the outcomes of UNIDO’s private-sector partnerships, the evaluation team relied predominantly on previous evaluations of individual partnerships. These evaluations are useful and should continue. However, the evaluations are unlikely to be of particular use for strategic control over individual partnerships as they take place too infrequently and provide information only with a considerable delay.

Figure 12 - Collaboration with the private sector in evaluated UNIDO projects



Source: Analysis based on 80 project evaluation reports (multiple counting).

143. The progress to impact possible through UNIDO’s engagement with the private sector was also explored through our interviews with relevant representatives of UNIDO and private sector partners. During these interviews, various examples of partnerships with direct and indirect impacts were given. Partnerships that included projects demonstrate a direct impact on ISID. Examples of such projects include partnerships between UNIDO and:

- illycaffè to establish a training center in Ethiopia and Mozambique to train local coffee growers and institutions²⁶
- Festo Didactic to increase capacity, vocational training (with FESTO), and skill development in host economies²⁷

²⁶ <https://www.unido.org/unido-and-illy>

²⁷ [UNIDO, Festo Didactic renew their partnership | UNIDO](#)

- Heineken to tackle water scarcity in Indonesia²⁸
- the African Mini-Grid Developers Association to create a policy guide for the development and establishment of mini-grids²⁹
- and DHL to improve the livelihoods of farmers and SMEs by providing capacity-building programs, and logistic and business training³⁰
- Lavazza promoted and supported The Center for Circular Economy in Coffee³¹
- Another successful outcome of the partnership is the development of a chapter in the coffee exporter guide, which has been translated into multiple languages and distributed globally
- business associations (e.g., German Manufacturers' Association) and host governments to introduce environmental governance and social standards in the textile sector.

144. In addition, partnerships that have not (yet) involved any projects have had less tangible and direct impact. Examples of these types of partnerships include partnerships between:

- UNIDO and Deloitte, although this partnership is still in its early stages and expected to lead to projects with more tangible impact. This partnership has so far had an impact mainly through the stimulation of debate, etc., which may be viewed as important, though the less tangible and *indirect impact on ISID*.
- UNIDO's partnership with Google Cloud and CGI is to deliver the Sustainability Planet Platform, a data-driven source for countries to identify sustainability challenges such as air pollution, rising temperatures, and flooding. The platform is designed to support UNIDO's unique mandate to promote, dynamize, and accelerate inclusive and sustainable industrial development.³²

145. While some of these impact stories are published and communicated, the interviews suggest that partnerships with the private sector have had impacts that are not widely published and had to be collected from various internal sources. It is recommended that such information on the positive impact of private-sector partnerships be more widely shared with both internal and external stakeholders.

146. The progress to impact possible through UNIDO's private-sector partnership was also explored in the survey carried out for the evaluation. The respondents to the survey carried out for this evaluation agreed that UNIDO's private-sector partnerships generally have a positive long-term impact on the local economy (Q24.3).

Sustainability

- The results of UNIDO's private-sector partnerships are supposed to be sustained through private partners continuing with a particular activity after the termination of a partnership (project), but there is no systematic monitoring of such results.
- There is some evidence of a (lasting) transformation of private partners as a result of the partnership with UNIDO, although there is no systematic monitoring of such transformation.
- There is also some anecdotal evidence of upscaling and replication of (partnership) projects, where specific partnership projects were upscaled or replicated. UNIDO needs to systematically monitor such upscaling and replication.

147. While there is evidence that UNIDO's private sector partnerships achieve their goals and have a positive impact on ISID, the existing evaluations of individual partnerships do not capture the sustainability of the partnership projects' impact beyond the duration of the partnership. According to the interviewees,

²⁸ <https://www.unido.org/news/heineken-unido-partnership-supports-sustainability-developing-markets>

²⁹ [What's so important about mini-grids? | UNIDO](#)

³⁰ [UNIDO and DHL join forces to tackle food waste and climate impact | UNIDO](#)

³¹ [Launch of the Center for Circular Economy in Coffee announced at the World Coffee Conference 2023 | UNIDO](#)

³² [CGI and Google Cloud launch the United Nations Industrial Development Organization Sustainability Planet Platform | CGI.com](#)

there are no resources for a project after the completion of a (partnership) project, so although there exists information on the continued benefits of a partnership project beyond the termination of a project, such information is not sought and collected systematically. The analysis suggests that collecting evidence on the longer-term impact of projects is important and needs to be an integral part of the management of UNIDO's portfolio of partnerships. Such monitoring should be institutionalized for all types of private sector partnerships, i.e., partnerships that involve one or more (subsequent) projects, but also partnerships that have not (yet) involved any projects. The *interviews* show that UNIDO's private sector partnerships have led to sustainable impact and that the benefits of these partnerships have continued after the termination of individual (partnership) projects.

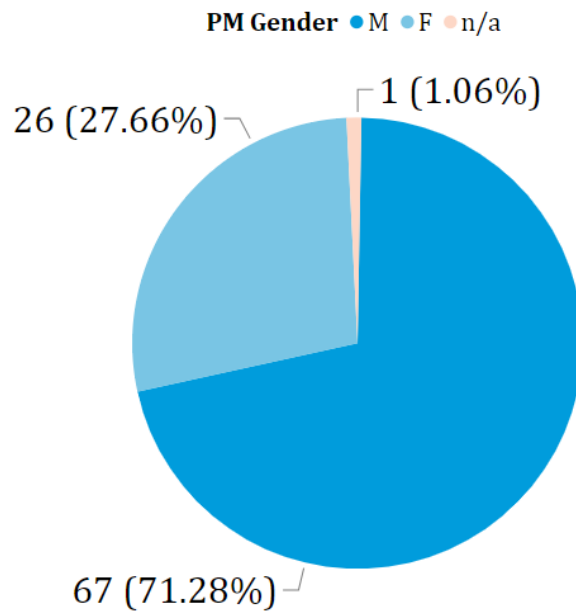
148. There is evidence that in some (partnership) projects, the *private partner has continued* with a particular activity contributing to ISID after the termination of a (partnership) project. Survey respondents agreed with the statement that UNIDO's partnerships with the private sector are more likely to lead to follow-on projects as compared to projects that have no private involvement (Q24.2)
149. The interviews also indicate that there has been a (*lasting*) transformation of private partners as a result of the partnership with UNIDO and survey respondents agreed with the statement that private sector partnerships have contributed to building sustainable capacities (Q24.10).
150. There is also some evidence of *upscaling and replication of (partnership) projects*, where specific projects were upscaled or replicated. For example, the partnership between UNIDO and illycaffè started with a project in Ethiopia, and additional projects are currently planned for Mozambique. Similarly, the partnership between UNIDO and DHL is considering various follow-up projects after the successful completion of an initial project. There appears, however, to be significant potential for upscaling/replication of projects. Private sector partners highlight the need for UNIDO to showcase successful projects to a much greater extent and spend more resources on presenting and marketing such projects to other countries, funders, donors, etc. This limited replication and upscaling of (successful) projects is likely because (1) the resourcing for, and monitoring of projects terminates with the completion of the project; and (2) projects (and project ideas) are often tied to field offices in specific countries/regions and might not be shared with other UNIDO field offices/units, where they may be successfully replicated. This underlines the greater role of IET/PPP in managing UNIDO's portfolio of private-sector partnerships.
151. In a similar vein, the respondents to our survey agree that UNIDO's private-sector partnerships have contributed to informing industry policy-making in host countries (Q24.4), usually leading to projects that can be scaled up and replicated in other countries (Q24.8). However, although UNIDO's private sector partnerships are seen as contributing to making UNIDO more collaborative, innovative, and agile (Q24.7), as well as contributing to increasing UNIDO's connections/collaborations, internally and externally with domestic and international partners (Q24.9), respondents felt that UNIDO's partnerships with the private sector have not contributed towards enhancing UNIDO's internal processes or made UNIDO operationally more rigorous and efficient (Q24.6).

Gender and Human Rights and Environmental and Social Safeguards

- UNIDO does not systematically and formally account for GEEW, Human Rights (HR), and ESS in the design and implementation of private-sector partnerships.
- UNIDO needs to clarify the responsibility for cross-cutting issues in the design and implementation of private-sector partnerships.
- Cross-cutting issues are not systematically monitored in private-sector partnerships.

152. Our desk review suggests that three project partnerships had gender equality and women's empowerment as their main focus. The desk review shows that 30% of the reviewed, currently existing projects are managed by a female project/partnership manager. (Figure 13).

Figure 13 - Gender distribution of Project Manager

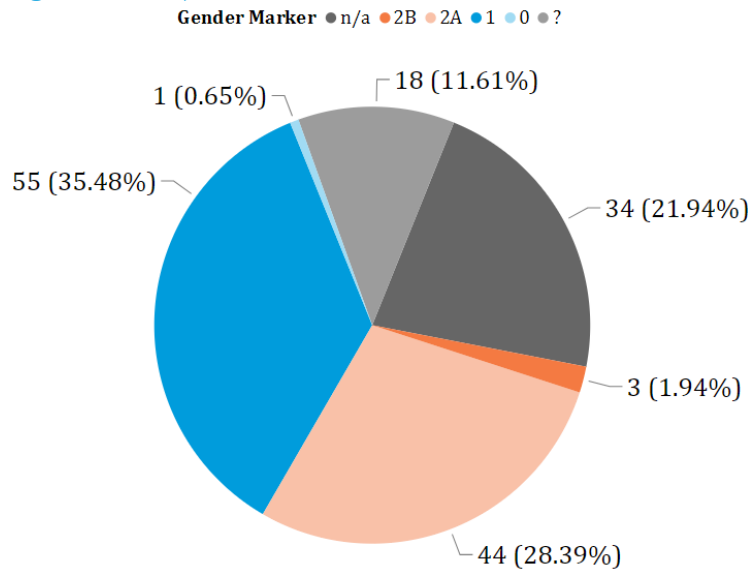


153. Our desk review suggests that there are so far few projects that explicitly focus on increasing female participation in the local labour markets. One such example is the partnership between UNIDO's LKDF, Volvo, and the Swedish and Zambian governments that led to the creation of the Zambian Industrial Training Academy (ZAMITA) aimed at developing the skills and increasing the employability of female and disadvantaged students.

154. Although illycaffè focused on increasing the female participation rate in the host country, UNIDO's private partnerships pay comparatively little attention to mainstreaming gender and human rights.

155. Out of 88 projects with private sector partners, 37 were categorized as having some contribution to GEEW as a result of its outputs, but not as a primary objective. 36 projects declared significant contributions to GEEW and gender mainstreaming and had gender equality integrated as a major component. At least 50% of the activities under these outputs promoted GEEW. Three projects had the GEEW as the primary focus, and one project had no contribution to GEEW. 17 projects did not have the gender marker assigned. (Figure 14).

Figure 14 - Project Gender Marker



156. The analysis of the interviews suggests that there is room for improvement in terms of accounting for cross-cutting issues in the initiation, management, and monitoring of UNIDO's private-sector partnerships. While the due diligence check of the ESG profile of proposed partners, captures these cross-cutting issues, there was little evidence that cross-cutting issues are accounted for during the other stages of a partnership.
157. Interviews suggested that it was not clear who was responsible for checking these cross-cutting issues with some interviewees allocating the responsibility to the partnership manager and other interviewees placing the responsibility with IET/PPP.
158. A similar picture emerges from the analysis of the survey results (Q25), which shows that respondents view environmental and social safeguards explicitly accounted for in private partnerships and agree that the project manager takes care of cross-cutting issues in these partnerships. However, respondents did not agree with the statement that gender mainstreaming is explicitly accounted for in private-sector partnerships.
159. The findings of both the interviews and the survey thus suggest a strong need for clarification and formalization of processes to ensure that cross-cutting issues are accounted for from initiation through to the termination of partnerships.

3. Conclusions and recommendations

Conclusions

The following table provides an overview to summarize the results of the evaluation of UNIDO’s private sector engagement against the evaluation criteria.

Criteria	Conclusions
Relevance	UNIDO’s private sector partnerships and their objectives are consistent with beneficiaries’ requirements, country needs, global priorities, and partners’ and donors’ policies
Cohherence	<p>UNIDO’s private sector partnerships are supportive of the Organization’s priorities, but a strategy for coherently linking partnership objectives to these priorities is missing.</p> <p>UNIDO’s private sector partnerships are in line with the wider policy framework of the UNIDO, but the existing policy framework does not always capture the varied nature of UNIDO’s private sector partnerships. UNIDO’s terminology for its engagement with the private sector is inconsistent.</p> <p>Although the risks for UNIDO associated with engaging with the private sector are acknowledged, they are not formalized as part of a partnership strategy and are linked to the UNIDO Enterprise Risk Management system.</p>
Efficiency	<p>UNIDO has tools, mechanisms, and processes in place to implement private-sector partnerships, but no state-of-the-art solutions, therefore there is room for enhancing their alignment with an overall strategy and thus efficiency.</p> <p>The initiation of UNIDO’s private sector partnerships has traditionally occurred in a combination of bottom-up and top-down processes, which has advantages but may lead to inefficiencies and fragmentation.</p> <p>The prescreening of partnership proposals is in place but requires the review of additional partnership criteria to reduce the risks and enhance the benefits associated with private-sector partnerships.</p> <p>An appropriate process for the due diligence of proposed private sector partners is in place.</p> <p>There are tools, mechanisms, and processes to manage partnerships, but these remain fragmented and would benefit from further integration based on a clarification of the roles of different units, divisions, etc. of UNIDO.</p> <p>IET/PPP plays a central role in the initiation and management of UNIDO’s portfolio of private-sector partnerships, but its tasks and responsibilities were not clearly defined until recently. The internal strategy document is yet to be operationalized.</p>
Effectiveness and progress to impact	Completed partnership projects have had positive long-term effects, but there is no clear system or framework to systematically monitor the mid- and long-term effects of private sector partnerships.

UNIDO is aware of the potential negative effects of partnering with the private sector.

Sustainability

The results of UNIDO's private sector partnerships have been sustained: - Some private partners have continued with a particular activity or transformed their business operations.

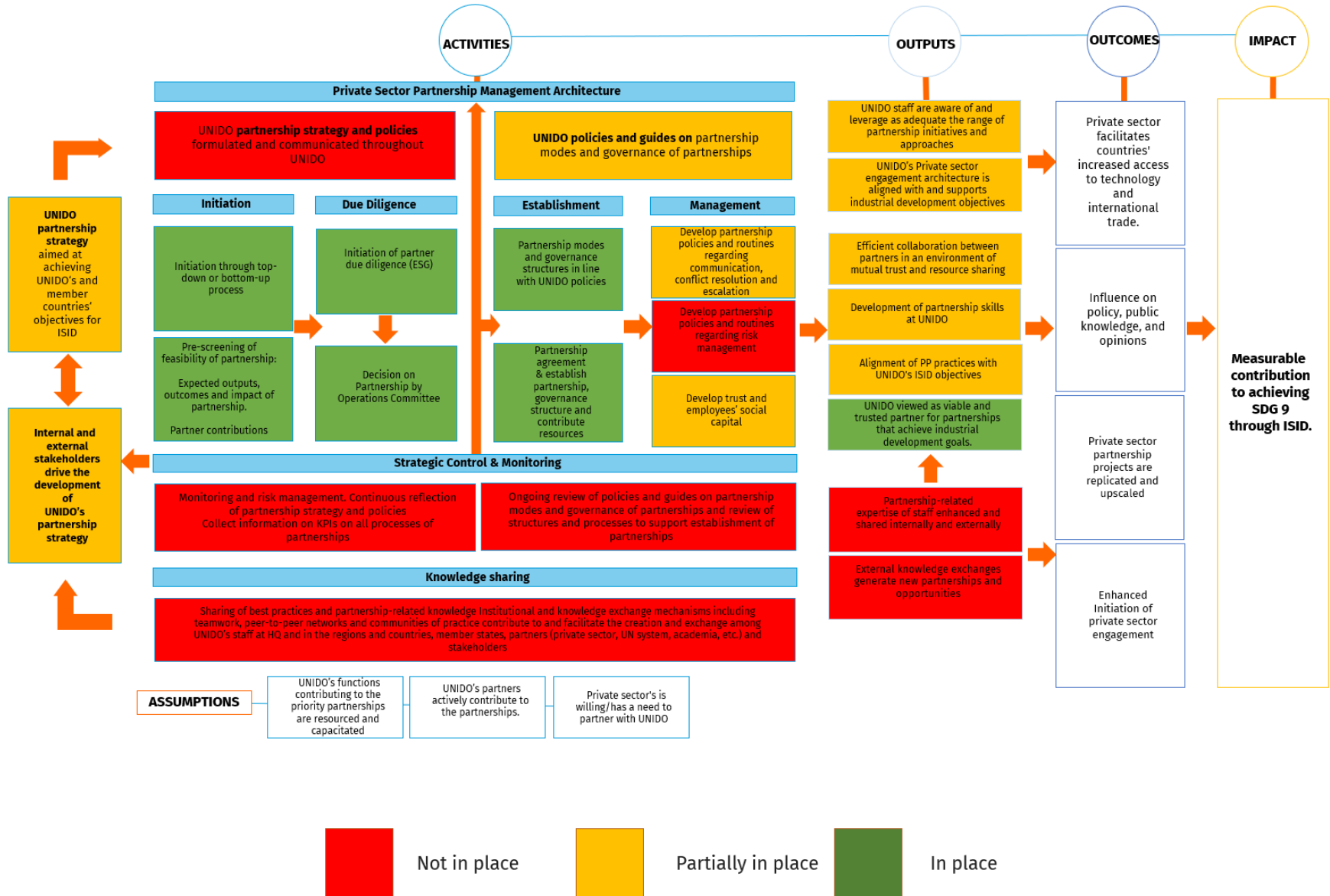
- Some partnership projects have been replicated or upscaled after the termination of a partnership (project).
- Some partnerships contributed to the ISID of Member States.

There is no systematic monitoring of the sustainability of the results of partnerships.

Cross-cutting issues

UNIDO does not systematically and formally account for cross-cutting issues in the design and implementation of private-sector partnerships.

Figure 15 – Theory of Change



Recommendations

Recommendation 1: Develop a UNIDO private sector partnership strategy or framework that coherently links partnership objectives to UNIDO's priorities. This strategy should outline UNIDO's value proposition, help identify the sectors and partners of interest, guide how UNIDO's resources can be combined with the resources of private partners to contribute to ISID, and establish transformational partnerships built around shared values. This strategy should consider:

- Wide consultation among internal and external stakeholders. Cross-functional teams with members representing different entities of UNIDO need to be involved, including, for example, representatives from technical divisions, field offices, IET/IFI, the innovation lab, procurement, donor relations, as well as inclusion of legal perspectives to ensure the comprehensive coverage of relevant areas.
- The strategy development process may also benefit from collaborating with other UN agencies that have recently developed formal strategies for their private sector engagement, such as UNDP. External stakeholders such as governments, funding partners, industry experts, and private sector representatives are also likely to provide useful input and best practices to the strategy development alongside other external experts with experience in private sector partnerships, strategy development, and/or industrial development.

Recommendation 2: Integrate and update UNIDO's policy framework to reflect the key roles and responsibilities and the strategic shift:

- Identify partnership models and approaches and capture the varied nature of UNIDO's private-sector partnerships.
- Reinforce the lines between partnerships and procurement to manage the reputational risk.
- Reflect on the benefits versus risk analysis and define risk appetite.
- Link to UNIDO ERM system, apply comprehensive procedures for risk management, and consolidate and expand the risk management tools, such as the appraisal of partnership proposals, or the project proposal to ensure the value added to proposed private sector partnerships.
- The prescreening of partnership proposals should include additional analysis of expected contributions and value added to reduce the risks and enhance the benefits associated with private-sector partnerships.
- Develop tools, mechanisms, and processes to manage, monitor, and report on partnerships supported through the provision of required resources.

Recommendation 3: Secure the support of senior management and build a partnership culture through communication, training, and knowledge sharing. Provide clear guidance on UNIDO's priorities regarding types of partnerships to ensure the bottom-up initiation of partnerships is aligned with UNIDO's strategy. Create greater awareness of the risks and benefits of private-sector partnerships among UNIDO staff commensurate with UNIDO's private-sector strategy. Facilitate the sharing of knowledge and expertise on the initiation and management of private sector partnerships. Form a community of practice.

Recommendation 4: UNIDO needs to revisit the process of initiation of new private partnerships and reflect on the combination of bottom-up and top-down approaches to minimize the silos and focus on goal-driven partnering. The decision on partnering should start with defining the desired outcome and impact. A more proactive approach to identifying and initiating partnerships is recommended. Emphasis should be put on the development of UNIDO personnel social capital and further delegation of authority while ensuring awareness of UNIDO's strategy and priorities for private-sector partnerships. In particular:

- Standardized private-sector partnership business models, with due regard to scale-up options through the inclusion of relevant financial instruments, should be developed.

- The role and resourcing needs of IET/PPP in the initiation, management, and monitoring need to be revisited in line with an overall partnership strategy.
- Integrate partnership development activities in UNIDO development cooperation intervention and organizational programmes of work, work plans, and results-based management.
- Systematically and formally account for gender equality and empowerment of women, human rights, and environmental and social safeguards in the design and implementation of private-sector partnerships.

Recommendation 5: Strengthen the monitoring of UNIDO’s portfolio of private sector partnerships and improve the reporting:

- The development of a partner relationship management system to manage UNIDO’s growing portfolio of private-sector partnerships could be the first step.
- In particular, enhances the planning and measurement of partnership outcomes and impacts.
- Systematically monitor the sustainability of the results of partnership projects in the form of (1) private partners continuing with a particular activity after the termination of a partnership (project); (2) the (lasting) transformation of private partners as a result of the partnership with UNIDO (3) up-scaling and replication of (partnership) projects.

Management Action Plans (MAPs)

The Directorate of SDG Innovation and Economic Transformation (IET) has agreed to the following Management Action Plans (MAPs) to address the issues and implement the recommendations of this evaluation:

Rec. #	MAP(*)	Responsibility	Target Date
1.	IET/PPP to develop a framework for engagement with the business sector that coherently links partnership objectives to UNIDO’s priorities. (That task will build on the internal IET/PPP strategy). The framework proposal is to be submitted to the DG for approval.	IET/PPP through a fully inclusive and transparent process	Q4 2025
2.	a) IET/PPP to finalize the proposal for a UNIDO-specific narrative on the engagement with different sectors (fossil fuels, mining, chemicals, etc.), including risk appetite and applicable risk mitigation measures to be discussed and finalized in a UNIDO working group, and submit it for Senior management clearance/approval. The risk narrative will incorporate outcomes of the UNSDG fossil fuels project led by UNGC. b) Update the Business Partnership Policy in line with organizational strategic priorities, incorporating the risk narrative, different partnership models, tools, mechanisms, and processes to manage, monitor, and report on partnerships, including partnerships approval and due-diligence processes; and submit it for senior management clearance/approval.	IET/PPP supported by relevant divisions (TC, strategy, communication, etc.) IET/PPP following consultations with relevant internal stakeholders	Q4/2024 Q3/2025
3.	a) IET/PPP will develop and issue guidelines, tools, training materials, and instruments to increase the scale, effectiveness, transparency, and accountability of UNIDO's	IET/PPP	Q4/2025

Rec. #	MAP(*)	Responsibility	Target Date
	engagement with partners. IET/PPP will also continue providing advice on engagement with partners including on partnership's instruments and models.		
	b) UNIDO will set up a partnership focal point network	UNIDO management	
	c) To communicate better internally and externally on UNIDO's engagements with partners, IET/PPP will align communication efforts and produce meaningful, cohesive messages to internal and external audiences with the help of communication experts.	IET/PPP in coordination with ODG/CSI	Q4/2025 Q4/2024
4.	New partnership engagement approach (new partnership model): applying the lessons learned IET/PPP is designing and pioneering a streamlined and replicable approach to key strategic and flagship partnerships that can be adapted throughout UNIDO. The proposal will be submitted for senior management clearance/approval.	IET/PPP	Q4/2024
5.	Develop a partner relationship management IT system / CRM tool to manage UNIDO's growing portfolio of private-sector partnerships.	IET/PPP with and COR/DIG	Q4/2024

** The completion of several of these tasks depends on the approved budget transfer to IET/PPP, as well as on the timely receipt of required input from relevant internal stakeholders/technical teams. The involvement of IET/PPP in strategic flagship initiatives for targeted partnership engagement is also required.*

Lessons Learned

1. The success of a partnership depends on the contributions of both parties.
2. Successful partnerships are time and resource-intensive.
3. Developing a broad and adaptable value proposition based on the organization's comparative advantages is essential.
4. The most successful partnerships begin with addressing specific needs.
5. It is possible and desirable to start with one form of partnership and transform it into other forms.
6. Having a dedicated team with professional skills focused on operational partnerships with the private sector is advantageous.
7. Having a single-entry point and a main manager to ensure coordination within the organization is helpful for partners.
8. Visible involvement of senior management is crucial for effectively communicating the significance of private sector engagement.
9. Aside from guidelines, training, and good examples are valuable means of supporting staff who engage with the private sector.
10. Although most partnerships are formalized through agreements, it is possible to have a successful partnership without it.
11. While measuring the outcomes of partnerships poses challenges as they are not always directly attributable to the partnership itself, a thorough Theory of Change including preconditions and assumptions could facilitate monitoring partnerships' contribution.

12. UNIDO operates at a slower pace than private sector partners expect. The expected timeline for reaching the objectives of the partnerships is not always aligned. The private sector has in most cases strong pressure to deliver profit in a short time as an outcome of the partnership. Return on investments on the private sector side remains one of their driving force.
13. The value of contributions from the private sector is beyond monetary contributions.

Annexes

Annex I. Evaluation Matrix

	Phases in the Lifecycle			Data Sources
Evaluation Criteria	Partnership strategy	Implementation	Achieved Results	
Effectiveness <i>(the extent to which the objectives of (a) UNIDO's engagement with the private sector in general; and (b) individual partnerships, are achieved or are expected to be achieved taking into account their relative importance)</i>	<p>What are the objectives of UNIDO's engagement with the private sector? What is the relative importance of these goals?</p> <p>What are the objectives of individual partnerships? What is the relative importance of these goals?</p> <p>How are the interests of UNIDO potential partners, and other stakeholders accounted for in UNIDO's partnership strategy?</p> <p>Is preference given to particular types of partnerships, e.g., multi-stakeholder platforms?</p> <p>To what extent has the experience of other UN partnerships informed UNIDO's current partnership strategy?</p> <p>What has been UNIDO's strategy to identify and promote new business partners?</p> <p>How and what should UNIDO do to better position its engagement with the private sector?</p>	<p>How does the current portfolio of partnerships reflect the partnership typology used by UNIDO?</p> <p>How has the portfolio of partnerships evolved since 2013 in terms of number, diversity, and funding?</p> <p>How does the current portfolio of partnerships ensure the achievement of the objectives of UNIDO's engagement with the private sector?</p> <p>Is there a logical framework for the partnership model? Are the underlying objectives clear and consistent? How are the objectives for UNIDO's engagement with the private sector reflected in the management of individual partnerships?</p> <p>Who ensures that the implementation and management of individual partnerships are in line with the objectives of UNIDO's engagement with the private sector?</p> <p>Does the current approach provide a coherent framework to promote private-sector partnerships?</p>	<p>Is the UNIDO approach to engagement with the private sector achieving its objectives?</p> <p>Does UNIDO's partnership strategy contribute to UNIDO's mandates, goals, and priorities as well as the UN's 2030 SDG agenda?</p> <p>Which types of partnerships have proven most/least successful in achieving the objectives of UNIDO's engagement with the private sector?</p> <p>What factors influence the achievement of partnerships' objectives?</p> <p>Is there a system in place to monitor the effectiveness of private-sector partnerships?</p>	Documents Interviews Survey

	To what extent have the lessons and recommendations of previous evaluations and policies (e.g., Strategic Framework, 2011) been taken into account in UNIDO's current partnership strategy?	<p>How was the partnership initiated and by whom and why? Was there consultation with the beneficiaries? What were the main objectives?</p> <p>How was the partner identified? How were target countries, sectors, and intervention approaches decided on?</p> <p>Are there examples of good practices that can be shared?</p>		
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Thematic areas				Data Sources
Evaluation Criteria	Partnership strategy	Implementation	Results	
Efficiency <i>(to the extent to which (a) UNIDO's engagement with the private sector, and (b) individual partnerships convert economic resources/inputs, such as funds, expertise, and time into results)</i>	<p>To what extent has UNIDO considered the efficiency of resources in its engagement with private sector actors?</p> <p>Are partnerships more efficient than alternative modalities to convert resources into outputs?</p> <p>How were the partnerships managed over time? What is the mandate, structure, and staffing of the IET/PPP?</p> <p>To what extent were lessons learned from previous partnerships taken on board in the design of the partnership and related project(s)?</p>	<p>Is the institutional organizational setup, i.e., organizational structure, roles, responsibilities, UNIDO procedures, and availability of human and financial resources, adequate for implementing the partnership?</p> <p>Was the partnership set up in line with the partnership model?</p> <p>Has UNIDO senior management support been adequate in terms of strategic guidance to staff involved in business partnerships and resource allocation?</p> <p>To what extent did the IET/PPP or its predecessors guide the design and implementation of the partnership?</p>	<p>Is the partnership model an efficient means to reach the objectives of UNIDO's engagement with the private sector?</p> <p>What are the key factors that make private partnerships work efficiently?</p> <p>Is there a system in place to monitor the efficiency of private-sector partnerships?</p> <p>Does UNIDO profit from its experience in collaborating with the private sector and develop an experienced-based strategy (or guidelines) to promote a coherent approach to collaboration with the</p>	Documents Interviews Survey

	<p>What have been the main planned contributions of UNIDO and the business partners to the partnerships? Have these contributions been made?</p> <p>How effective and efficiency-inducing is the UNIDO Policy on Business Partnerships?</p> <p>To what extent is the collaboration with business partners reflected in the work plans and are required resources allocated?</p> <p>Is there variation in the type and nature of resources contributed by UNIDO and its partners to partnerships and how is this reflected in UNIDO's approach?</p>	<p>How was the coordination between the partners (at their respective HQs and the field level) adequate and was it adequate?</p> <p>To what extent did the project involve different branches within UNIDO, in terms of advice or coordination?</p> <p>Are there tools pertaining to business partnerships (UNIDO, UN-wide, or others that were/are used)?</p> <p>What are the key risks and how are they managed in partnerships?</p> <p>Are there examples of good practices that could be shared? Is there a community of practice concerning the implementation and management of partnerships?</p>	<p>private sector in particular at the project level?</p>	
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	Thematic areas			Data Sources
Evaluation Criteria	Partnership strategy	Implementation	Results	
<p>Relevance (the extent to which the objectives of UNIDO's private sector partnerships are consistent with the beneficiaries' requirements, country needs, global priorities,</p>	<p>Are the objectives of UNIDO's engagement with the private sector consistent with the objectives and strategic priorities of UNIDO, its partner countries, and private sector counterparts?</p> <p>In what way are the partnerships relevant for the stakeholders?</p>	<p>To what extent and how have national and local stakeholders been involved and participated in the needs assessment, design, and implementation of the partnership (programme)?</p> <p>To what extent was there cooperation with relevant UNIDO projects and those of others? Which have the benefits of such in-house or external synergies?</p>	<p>Was a steering mechanism in place? Were there periodic reviews of the partnership's relevance and were decisions adequately documented?</p> <p>To what extent was the reporting, monitoring, and evaluation system for relevance adequate?</p> <p>Were baseline data collected before the start of interventions?</p>	<p>Documents Interviews Survey</p>

<p><i>and partners' and donors' policies; retrospectively, the question of relevance often becomes a question as to whether the objectives of partnerships given changed circumstances).</i></p>	<p>What were the reasons for the private partners and beneficiaries to participate?</p> <p>To what extent is there an ongoing dialogue with beneficiaries, country governments, and donors?</p> <p>Have the circumstances affected the relevance of the partnership's objectives over the lifetime of the partnership and, if so, how is this accounted for in the partnership strategy?</p>	<p>To what extent do the design and the management of the partnership account for beneficiaries' requirements?</p> <p>To what extent is the design and the management subject to changes given changing circumstances?</p>	<p>To what extent does the IET/PPP monitor individual partnerships?</p> <p>How was the achievement of beneficiaries' benefits affected by changing circumstances?</p>	
<p>Progress to Impact (positive and negative, primary and secondary long-term produced by a UNIDO's private sector partnerships, directly or indirectly, intended or unintended)</p>	<p>Which (intended) positive long-term impacts are explicitly desired in UNIDO's partnership strategy?</p> <p>Which (unintended) negative long-term impacts are explicitly to be avoided in UNIDO's partnership strategy?</p> <p>Are these (positive or negative) impacts ranked in importance?</p>	<p>How did the design and management of the partnership(s) ensure the achievement of positive and avoidance of (unintended) negative long-term impacts?</p>	<p>To what extent have UNIDO's partnerships generated significant positive or negative, long-term effects?</p> <p>Were there any unintended positive or negative impacts?</p> <p>Which long-term development changes (economic, environmental, social) are likely to occur because of UNIDO's partnerships?</p>	<p>Documents Interviews Survey</p>

Thematic areas				Data Sources
Evaluation Criteria	Partnership strategy	Implementation	Results	
<p>Sustainability (The resilience to risk of the net benefit of partnership over time AND the</p>	<p>To what extent has UNIDO undertaken measures to ensure the sustainability of its partnerships with private sector actors?</p>	<p>Is the institutional organizational setup, i.e., organizational structure, roles, responsibilities, and availability of human and financial resources, adequate for further developing and implementing the partnership?</p>	<p>How sustainable are the results achieved through the partnership? How sustainable are partnerships? Will the benefits last? To what extent will the net benefits of the</p>	<p>Documents Interviews Survey</p>

<p><i>continuation of benefits from UNIDO's partnerships after the termination of a partnership).</i></p>	<p>What is UNIDO's partnership strategy concerning the termination of partnerships?</p> <p>Does the individual partnership strategy include a sustainability strategy both for (a) and (b) (e.g. how does the individual partnership account for the evolution of the partnership?)</p> <p>To what extent is the partnership strategy sustainable and scalable across the organization?</p>	<p>How is the need for sustainability reflected in UNIDO's design and management of partnerships?</p> <p>Has the business partnership model (or the specific partnership project) been replicated by other UNIDO or UN organisations or other actors?</p> <p>Has UNIDO improved project design, in particular, the logical framework and indicators, national project ownership, realistic project duration, monitoring, and reporting, as well as replication or upscaling strategies?</p>	<p>project/programme continue, or are likely to continue?</p> <p>Does/did the partnership have any multiplier effects?</p> <p>How is the long-term impact of UNIDO partnerships monitored and evaluated?</p> <p>What is the level of technical, organizational, and financial sustainability of the results achieved by the interventions? What are the sustainability prospects?</p>	
<p>Coherence <i>(The alignment with the wider policy frameworks of the UN and UNIDO)</i></p>	<p>How does UNIDO's strategy towards PSP align with the UN-wide approach?</p> <p>How does UNIDO assess the risk of "blue washing"?</p>	<p>To what extent is the strategy and policy being adhered to by internal stakeholders?</p> <p>How is the risk of "blue washing" managed?</p>	<p>How effectively does the UNIDO's engagement with the private sector align with its overall mission, values, and strategic priorities?</p> <p>How effective is UNIDO in the prevention of "blue washing"?</p>	<p>Documents Interviews Survey</p>
<p>Cross-cutting issues <i>(the extent to which cross-cutting issues, such as gender, environment, youth, and vulnerable populations are accounted for in UNIDO's engagement with the private sector)</i></p>	<p>Does the UNIDO Partnership strategy adequately address (a) gender equality and mainstreaming, (b) Human Rights and Social Safeguards, and (c) environmental impacts in the designing, implementing, and reporting of partnerships?</p>	<p>To what extent were cross-cutting issues, such as gender, environment, youth, and vulnerable populations considered in the design and implementation of the partnerships?</p>	<p>To what extent have CSR, gender, and environmental sustainability been addressed in individual partnerships?</p>	<p>Documents Interviews Survey</p>

Annex II. List of reference documents/websites

- UNIDO (2023). Annual Report 2022.
- UNIDO (2022). Annual Report 2021.
- UNIDO (2021). Annual Report 2020.
- UNIDO (2020). Annual Report 2019.
- UNIDO (2019). Annual Report 2018.
- UNIDO (2019). Abu Dhabi Declaration. UNIDO 18th General Conference, 3-7 November 2019, Abu Dhabi, United Arab Emirates.
- UNIDO (2017). Medium-term programme framework, 2018-2021 (IDB.45/8/Add.2, 12 May 2017).
- UNIDO (2023). Terms of Reference of the Operations Committee (DGB/2023/07).
- UNIDO (2023). Terms of Reference of the Leadership Board (DGB/2023/06).
- UNIDO (2022). The UNIDO Secretariat Structure 2022 (DGB/2022/19).
- UNIDO (2022). Interim arrangements for the programme and project formulation and approval function and technical cooperation programme/project revisions, budget revisions, and extensions including funds availability controls (DGB/2022/20).
- UNIDO (2019). UNIDO Policy on Partnerships for Industrial Development (DGB/2019/08).
- UNIDO (2018). The UNIDO Policy on the Programme for Country Partnership (DGB/2018/04).
- UNIDO (2017). The Policy on Business Sector Partnerships (DGB/2017/07).
- UNIDO (2017). The Environmental and Social Safeguards Policy and Procedures (AI/2017/04);
- United Nations development system reform. IDB.50/11-PBC.38/11

Evaluation guidance documents

- UNIDO (2019). Director General's Bulletin: Charter of the Office of Evaluation and Internal Oversight (DGB/2019/07, 26 March 2019)
- UNIDO. (2021). Director General's Bulletin: Evaluation Policy (DGB/2021/11, 21 September 2021)
- UNIDO (2023). UNIDO Evaluation Manual.
- UNIDO (2018). UNIDO Evaluation tools. Guidance for integrating gender in evaluations of UNIDO projects and programmes (prepared by the UNIDO Independent Evaluation Division, August 2018, Rev.1).
- UNIDO (2023). UNIDO Evaluation tools. Guidance for preparation of an evaluation inception report (prepared by the UNIDO Independent Evaluation Division, August 2018).
- OECD/DAC Network on Development Evaluation (2019): Better Criteria for Better Evaluation. Revised Evaluation Criteria Definitions and Principles for Use. Adopted 10 December 2019.

Past UNIDO evaluations

- UNIDO (2023). Evaluation Report on Synthesis of UNIDO Independent Evaluations 2018-2022.
- UNIDO (2023). Evaluation of the UNIDO Programme for Country Partnership (PCP) framework.
- UNIDO (2017). Evaluation report on UNIDO's Partnerships with Donors.
- UNIDO (2014). Evaluation report on UNIDO's Public-private partnerships.

UN System Evaluations

- FAO (2019). Evaluation of the FAO Strategy for Partnerships with the Private Sector.
- UNHCR (2019). Evaluation of UNHCR's Engagement with the Private Sector.

Joint Inspection Unit

- JIU (2017). The United Nations system – Private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development (JIU/REP/2017/8).

UNIDO Intranet

https://intranet.unido.org/intra/Business_Partnerships

https://intranet.unido.org/intra/Legal_and_Compliance_Resources

<https://intranet.unido.org/intra/Legal Documents/Agreements/Arrangements concluded by UNIDO>
<https://intranet.unido.org/intra/Legal Documents/Agreements with commercial entities>

Websites

<https://www.unido.org/business-sector>

<https://www.unido.org/programme-country-partnership>

<https://sdgs.un.org/2030agenda>

<https://unsdg.un.org/resources/united-nations-sustainable-development-cooperation-framework-guidance>

Annex III. Phases of the Evaluation

Research and Literature Review

The evaluation has considered the findings of relevant previous evaluations and assessments (ref. Annex II List of reference documents/websites) and has reviewed the evidence of follow-up to previous recommendations (Annex VII) and the use of previous lessons learned at the organizational level. Internal documentation and reviews of policies, strategic documents, relevant UNIDO reports to the policy-making organs, including Annual Reports, and the Programme and Budget documents have been reviewed. The evaluation team has sought relevant archival data from UNIDO. If any pertinent secondary data were not available from UNIDO, they were requested to be shared with the evaluation team. In addition to the key documents listed in Annex II, the evaluation team has identified and requested supplementary documents as needed. The overall aim of the desk reviews was to provide concrete documented evidence to help answer the evaluation questions.

Inception phase

The inception phase, undertaken in October, culminated in an inception report. This phase involved a preliminary desk review as well as initial discussions with key informants. Based on a review of the relevant documentation and initial interviews, the inception report operationalised the ToR relating to the evaluation questions and provided information on what type and how the evidence would be collected (methodology). It presented the evaluation approach and methodology, including the evaluation matrix, evaluation questions, and data collection tools. It also provided a preliminary theory model of change that guided the subsequent phases of the evaluation. The inception report was discussed with and approved by the EIO.

Data collection phase

The second phase of the evaluation — data collection — started once the inception report was finalized. Using the tools outlined in the inception report, data collection from various sources and methods was undertaken. The data collection phase involved collecting further documentary evidence, virtual and in-person consultations by way of key informant interviews (KIIs) and focus group discussions (FGDs), archival data sources, and any other data as needed and available. This section lays out the approach adopted for each of these data collection approaches. The evaluation team has ensured that the findings are evidence-based. This implies that all perceptions, hypotheses, and assertions obtained were validated through secondary filtering and cross-checks by triangulation of sources (a broad range of stakeholders), methods, and data.

Stakeholder interviews and consultations were conducted through semi-structured interviews and focus group discussions. These interviews allowed for the collection of primary data on the key evaluation questions but also allowed for the emergence of thematic areas and concerns that may not have been included in the preliminary theory of change underlying the data collection phase of the evaluation.

The evaluation team conducted a stakeholder mapping exercise (see Annex III) to identify the key stakeholders to be interviewed. These included:

- UNIDO Management and staff involved in the partnerships.
- Representatives of partners

Given resource limitations, some interviews were carried out as group interviews to reach a wider number of subjects. Out of 15 KIIs with UNIDO staff, nine were conducted in person and six on-line. Two FGDs and seven KIIs with UNIDO's partners were conducted remotely (see Annex IV for details).

The interviews were based on the protocols shown in Annex VI. All interviews were recorded and transcribed after obtaining interviewees' explicit consent.

An electronic survey was carried out to collect perspectives and information from UNIDO staff. The particular themes that were investigated were identified based on insights gained from both the continuous desk and literature review, and the interviews with key stakeholders in UNIDO's private-sector partnerships. Given the nature of data collected through the questionnaire survey, the evaluation used mainly descriptive statistical methods and comparisons of mean values to extend and triangulate the findings of the desk research and the interviews with stakeholders.

The questionnaires were sent to 270 UNIDO personnel potentially involved in cooperation with the private sector: Directors and Chiefs (50), ITPO Heads (10), Project Managers (130), and Field and Country Representatives (80).

The link to the MS Forms survey was sent on 09.02.2024, with the follow-up message on 16.02.2024 and 20.02.2024. A total of 50 responses were received.

Data analysis and the report writing phase

The fourth phase involved data analyses and reporting writing. This fourth phase started with the document review, paralleled the collection of data through KIIs and surveys, and terminated with the production of a draft evaluation report.

For the analyses of qualitative data gathered through interviews, the evaluation employed qualitative data analysis software (MaxQDA). All interview transcripts were coded by two members of the evaluation team. The evaluation used deductive coding that was driven by the preliminary theory of change, but also inductive/open coding to allow for the emergence of additional aspects and/or interrelationships between different aspects. Qualitative analysis also provides illustrative examples to extract lessons and good practices. Annex II provides further details of this process.

For the analysis of the quantitative data gathered through the questionnaire survey among UNIDO staff various (descriptive) quantitative analytical techniques, including bivariate pivot tables across various methods and simple t-tests for differences across various organizational units, partners, etc.).

Annex IV. Qualitative Data Analysis in MaxQDA

The 2215 text segments were coded into three main categories focusing on the perspective and subject: UNIDO, Private partner, and Partnership. Subsequently, two additional levels of subcodes were added amounting to 156 code categories. The figures below show the grouping and distribution of codes.

Figure 16 - Code System

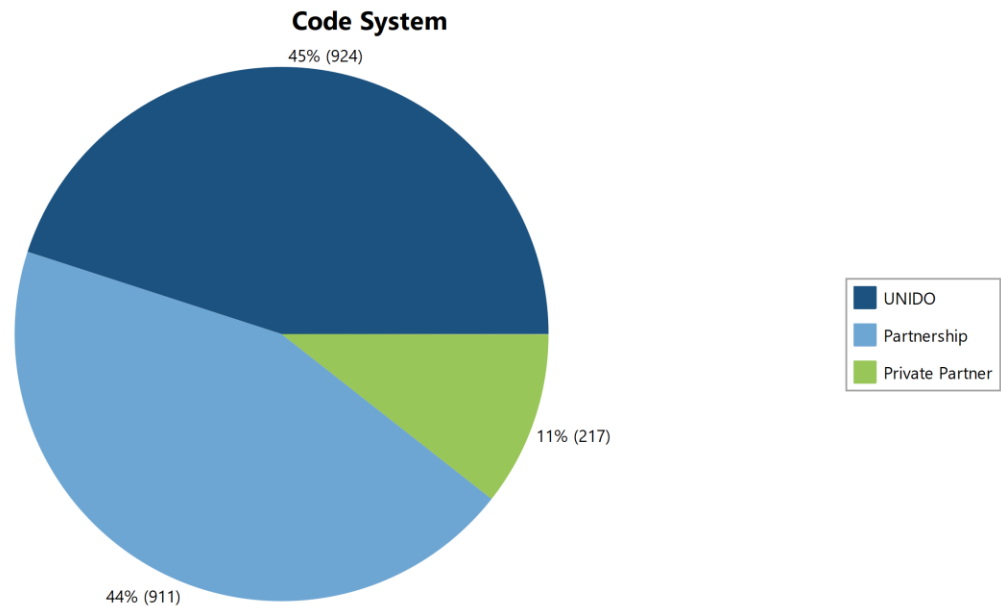


Figure 18 - UNIDO Subcode Statistics

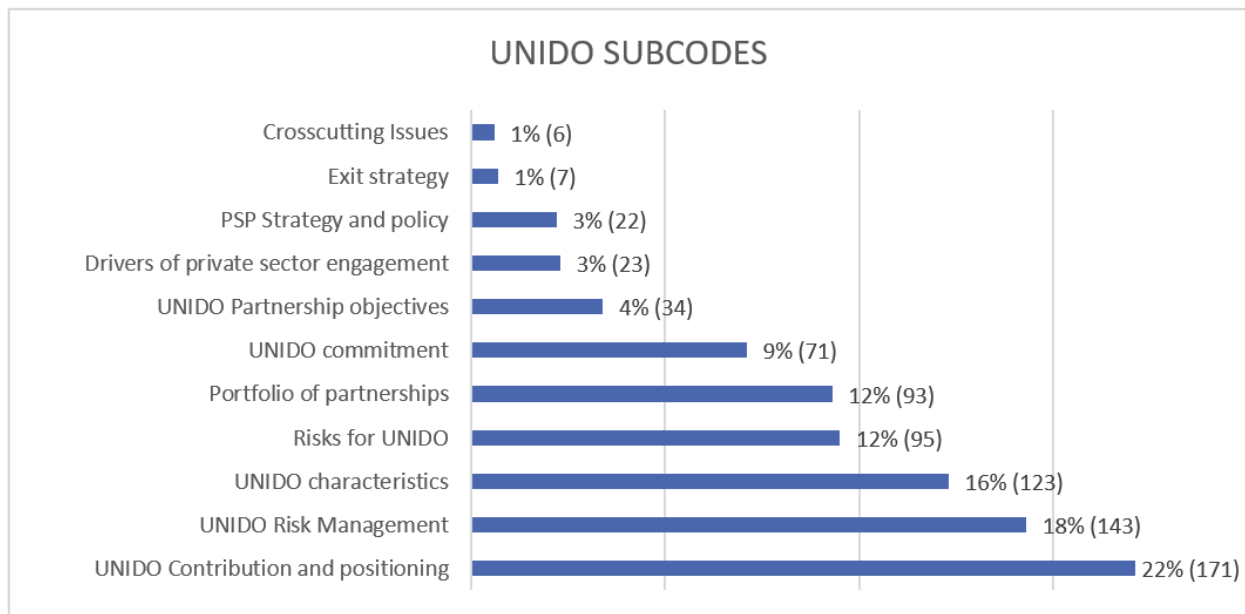


Figure 17 - Partnership Subcode Statistics

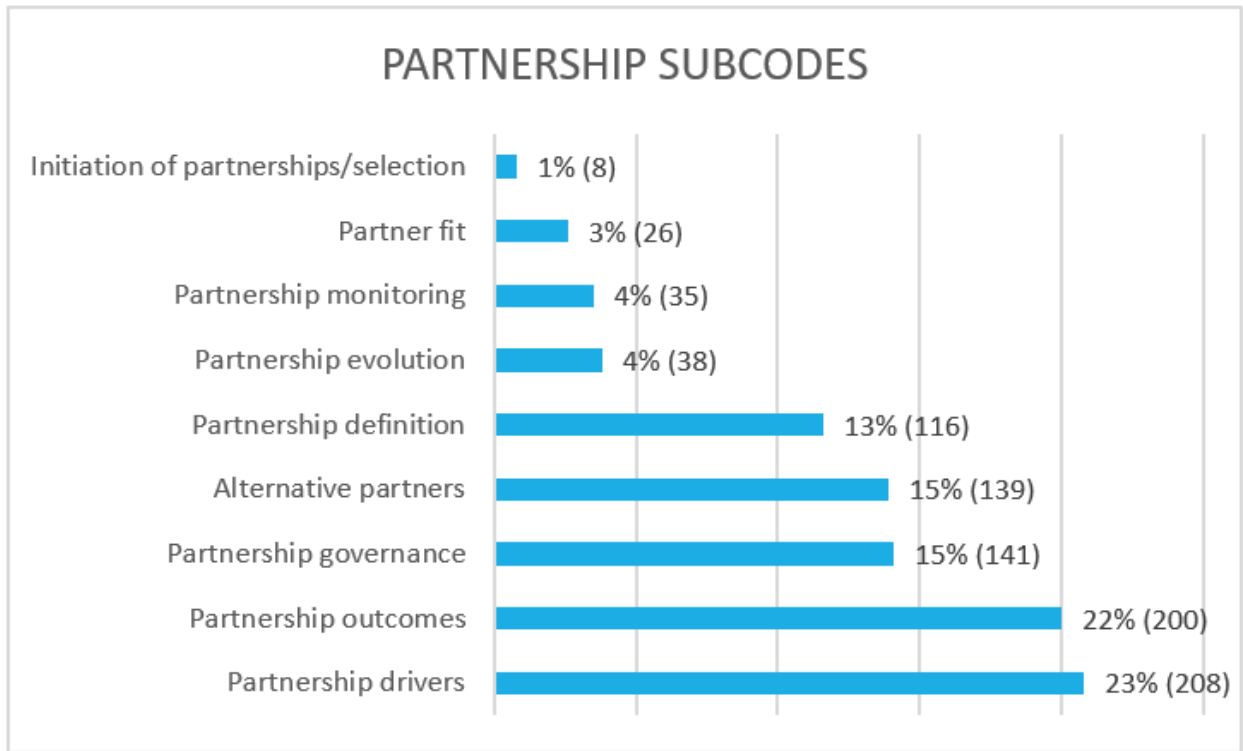


Figure 18 - Private Partner Subcode Statistics



Figure 19 - Code cloud



Annex V. List of Stakeholders

- UNIDO Public-Private Partnerships (IET/PPP) and other organizational units of UNIDO
- UNIDO project managers
- UNIDO experts and consultants
- Representatives of key business partners
- National partners and UNIDO counterparts
- Donors
- Member States
- Beneficiaries
- UN Global Compact

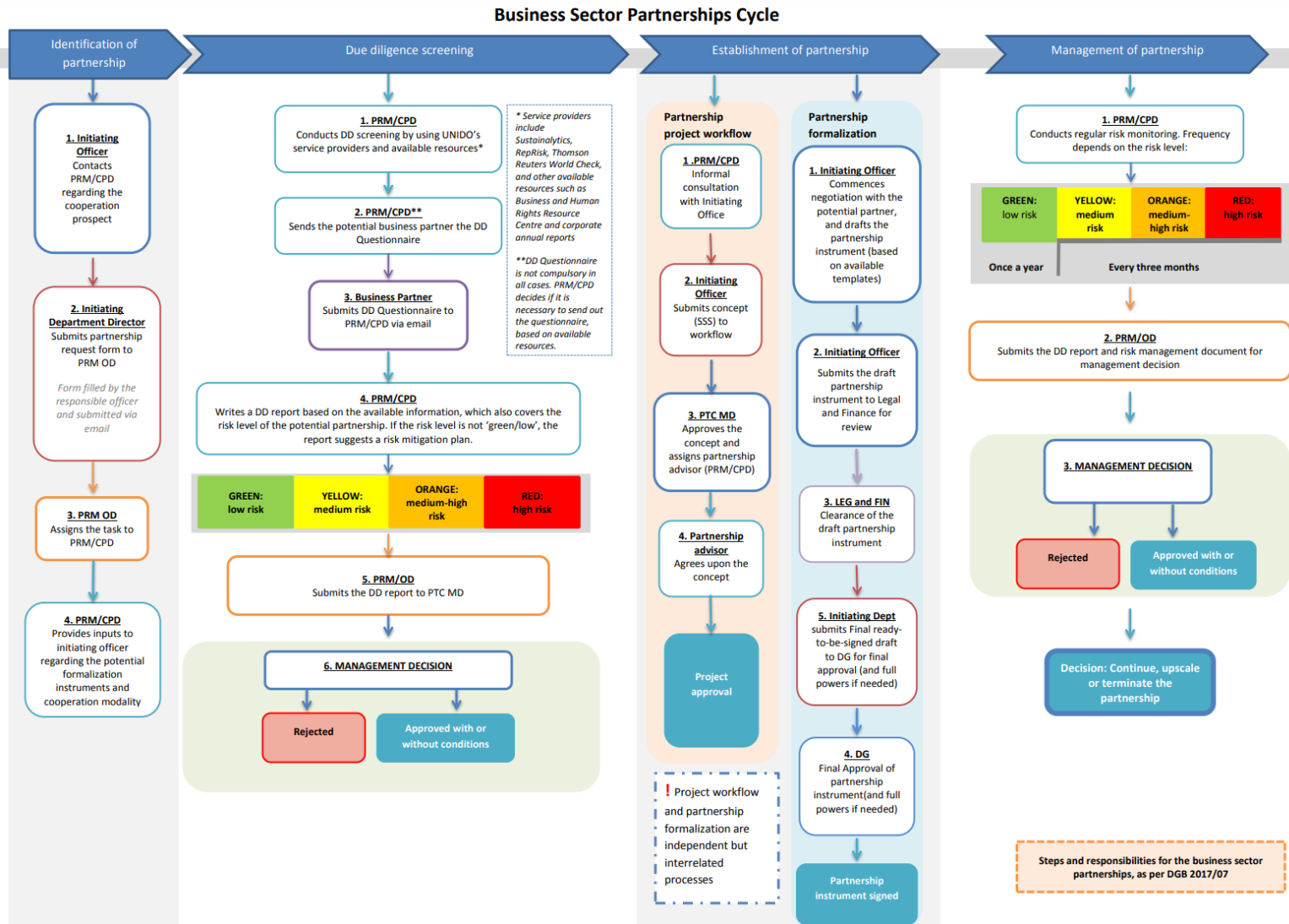
Annex VI. Interviews and focus groups

No.	Entity	Position	In-person/online
1	IET	Managing Director	In-person
2	ODG/CSI/LAB	Innovation Lab Manager	Online
3	TCS/CCM/CER	Industrial Development Officer	Online
4	GLO/MSR	Chief - Division of Funding Partner Relations	In-person
5	IET/PPP	Chief - Division of Public-Private Partnerships	In-person
6	IET/PPP	Chief - Division of Public-Private Partnerships	In-person
7	COR/PRO	Chief - Procurement Services	In-person
8	COR/DIG	Chief - IT and Digitalization Services	Online
9	GLO/FLS/NYO	Director & UNIDO Representative	Online
10	TCS/DSE/ESD	Chief - Energy Systems and Decarbonization Unit	In-person
11	IET/QUA	Chief - Division of Quality, Impact and Accountability	In-person
12	IET/IFI	Chief - Division of Innovative Finance & International Financial Institutions	In-person
13	IET/AGR/RAP	Industrial Development Expert	Online
14	IET/PST/OD	Chief - Div. of Fair Pr., Sustainability Stand.& Trade	In-person
15	ODG/LEG	Legal Advisor and Director	In-person
16	GLO/RFO/FLD/AFR/ETH	UNIDO Representative	Online
17	CGI	Chief Sustainability Officer	Online
18	Deloitte	Client Relationship Executive Global Lead Client Service Partner Managing Director, International Development Practice	Online
19	illycaffè	Chief Agronomist	Online
20	Eni	Head of Sustainability	Online
21	DHL	Business Development Director	Online
22	Festo Didactic	Head of Partnership Development Global Education Executive Vice President Global Education	Online
23	HP	Director, Global Policy and Strategy, International Organizations	Online
24	Lavazza	Chief Institutional Relations and Sustainability Officer	Online
25	Volvo	Director of Corporate Responsibility	Online

Annex VII. Evaluation work plan

Activity	Responsibility	Estimated month
Preparation of evaluation terms of reference	EIO	September 2023
Identification and recruitment of evaluation team (ET) members	EIO	September 2023
Literature review and preparation of evaluation methodology	ET	October 2023
Inception report	ET	October 2023
Interviews with UNIDO staff and stakeholders; Presentation of preliminary findings to Field stakeholders	ET, supported by EIO	November 2023
Preparation of draft report	ET	December 2023
Presentation of preliminary findings at UNIDO HQ	ET	January 2024
Review of the draft evaluation report, based on stakeholder feedback and submission of final report	ET	January 2024
Finalization and Issuance of the final report	EIO	February 2024

Annex VIII. Business Sector Partnership Cycle



Annex IX. Previous Evaluations and the Status of Recommendations

2023 Synthesis of UNIDO Independent Evaluations 2018-2022³³

160. Almost all analyzed project evaluation reports showed collaboration with the private sector. In most cases, the private sector is recognized as a beneficiary of UNIDO projects. In several projects, the private sector is not only a beneficiary but also a partner contributing to project objectives through financial or in-kind means. The evaluation reports acknowledge UNIDO's experience in collaborating with the private sector. A standardized approach to collaborating with the private sector, however, cannot be recognized. Mobilizing financial resources from the private sector is both an opportunity and a challenge.

The evaluators recommend that UNIDO should profit from its experience in collaborating with the private sector and develop an experienced-based strategy to promote a coherent approach to collaboration with the private sector in particular at the project level. Such a strategy could include objectives for collaboration with the private sector, types of partnerships, modalities of collaboration, fundraising instruments, partnership management principles, harmonized terminologies, etc.

2023 Evaluation of the UNIDO Programme for Country Partnership (PCP) framework³⁴

161. The evaluation concludes that the PCP approach had made some contributions towards increased private sector engagement, but the level of contribution was not clear. The evaluation noted examples of private-sector investment commitments targeting ISID. The evaluation found a moderate increase in private sector engagement in some PCP countries, with annual reports indicating substantial attendance of private sector stakeholders at PCP-related events and some indications of investment commitments towards PCP priorities. For example, it was reported that private enterprises invested over \$60 million in various industrial sectors based on a \$40 million government investment in Senegal, leading to the creation of more than 1,000 jobs. In Zambia, 113 companies participated in surveys assessing the impact of COVID-19, with four firms in the priority sector involved in clean energy initiatives and 21 firms engaged in value chain activities. However, the evaluation also noted that more needs to be done in this regard, as private sector involvement varied by the specific landscape and policy framework in each country. Some interviewees expressed concern that the involvement of the private sector had not been effective so far due to a lack of a suitable platform for private sector engagement and a lack of adequate understanding and awareness of PCPs among private sector stakeholders.

162. The evaluators recommended reviewing and formulating an approach for better leveraging the private sector and other partnerships under the unique rebranded approach for country programming. This includes:

- Revisiting its value proposition for engaging the private sector. Given the level of private sector engagement that is far below expectations, UNIDO needs to review the value it offers to the private sector and determine how that value can be further enhanced. An appropriate level of customization to each national context is fundamental to the success of such programmes. Further, appropriate time lags in securing private sector engagement should be properly taken into consideration as large-scale private sector commitments can take a long-time span.
- Strengthening partnerships across the UN system, development banks, and international financial institutions can be one such priority area to enhance the impacts UNIDO can make and the value position it can offer the private sector.

2017 Evaluation of UNIDO's Partnerships with Donors (2017)³⁵

163. UNIDO is seen as proficient and capable of seizing new and relevant opportunities, particularly concerning connecting with both country governments and the private sector as a neutral broker of

³³ [Evaluation Report on Synthesis of UNIDO Independent Evaluations 2018-2022 \(2023\).pdf](#)

³⁴ [Evaluation report on the UNIDO Programme for Country Partnership \(PCP\) framework \(2023\).pdf](#)

³⁵ [Evaluation report on UNIDO's Partnerships with Donors \(2017\).pdf](#)

development initiatives in line with the objectives of ISID. However, the previous absence of a coherent partnership strategy that covers the whole organization and is linked to operational systems to standardize interactions between funding partners and UNIDO has caused gaps and unevenness in managing funding partnerships. This has constrained the ability of UNIDO to respond to funding partner requirements, and thus in the long term risks donors' favourable perceptions of UNIDO that motivate them to make contributions.

UNIDO's ability to interact with the private sector is a main asset in achieving results. UNIDO is considered to be a leading development organization that has the capacity to connect with the private sector. Many organizations by their mandate are not able or encouraged to collaborate directly with the private sector. The ability of UNIDO to act as a neutral broker in relationships and projects involving both the public and private sectors is a key feature in many projects and programmes. Activities such as the ITPOs are seen as filling a niche that other UN agencies are less able to achieve. Similarly, few UN agencies work within donor countries in a way that benefits both the country and recipient countries of development cooperation. In this regard, UNIDO is not only effective at the project level but is also effective as a development partner in terms of the ability of the organization to bring benefits to the partnership.

164. The technical expertise of UNIDO and its ability to work with private sector actors, in strengthening the competitiveness of specific manufacturing sectors and ultimately its contribution to job creation and sustainable and inclusive industrial development is consistently valued by funding partners. Recognized practical competitive advantages of UNIDO for funding partners are its responsiveness, flexibility, and positive track record in project execution, as well as ease of transactions in procuring UNIDO's services compared to other more regulated institutions.

2014 Evaluation of UNIDO's public-private partnerships³⁶

165. In 2013, the UNIDO Evaluation Office evaluated the overall UNIDO public-private partnership programme. The primary focus of the evaluation was on selected ongoing partnerships. In addition to the ongoing and new partnerships, the evaluation also assessed the institutional arrangements in support of business partnerships, in particular the Business Partnership Group and key guiding documents, such as the Business Partnership Policy.

166. It concluded that overall, UNIDO lacked a coherent and comprehensive strategy towards the business sector, and the results achieved by the business partnership portfolio at the outcome (and impact) level were modest. Contributions from the private sector were often small. The financial and in-kind contributions from private partners amounted to only about 1% of UNIDO's overall technical assistance budget.

167. The evaluation issued 11 recommendations:

1. Define a comprehensive business partnership strategy.
2. Identify business partners of the current portfolio that match the strategy.
3. Give priority to multi-stakeholder platforms
4. Reflect the collaboration with business partners in the work plans and allocate the required resources.
5. Strengthen the dialogue with programme country governments and donors.
6. Strengthen the in-house advisory services, coordination, and interaction.
7. Review the current definition of business partnerships
8. Develop supplementary guidelines addressing issues missing in the UNIDO Policy on Business Partnerships
9. Strengthen monitoring and evaluation of business partnerships.
10. Establish a community of practice for business partnerships for UNIDO staff

³⁶ [Evaluation report on UNIDO's Public private partnerships \(2014\).pdf](#)

11. Establish a committee to look at the applicability of trust fund agreements.

Primary and secondary data were gathered to verify the extent to which these recommendations have been implemented (see the table below).

Recommendations from the Independent Thematic Evaluation of Partnerships 2014	Status as of March 2024
Define a comprehensive business partnership strategy.	There is no comprehensive business partnership strategy yet.
Identify business partners of the current portfolio that match the strategy.	There is no comprehensive business partnership strategy so a match cannot be assessed.
Give priority to multi-stakeholder platforms	There has been a trend towards greater use of multi-stakeholder partnerships.
Reflect the collaboration with business partners in the work plans and allocate the required resources.	There has been increased resource investment into IET/PPP.
Strengthen the dialogue with programme country governments and donors.	These dialogues have been intensified.
Strengthen the in-house advisory services, coordination, and interaction.	With the increased investment into IET/PPP, the in-house advisory services, coordination, and interaction have been strengthened.
Review the current definition of business partnerships	The definitions used in DGB/2017/07: UNIDO Policy on Business Sector Partnerships are in line with the UN practice.
Develop supplementary guidelines addressing issues missing in the UNIDO Policy on Business Partnerships	Supplementary guidelines have been developed and a draft strategy for IET/PPP is under development, but further supplementary guidelines are needed.
Strengthen monitoring and evaluation of business partnerships.	The monitoring and evaluation of business partnerships still have to be strengthened.
Establish a community of practice for business partnerships for UNIDO staff	There is no community of practice for business partnerships for UNIDO staff and this is a recommended task for the newly formed IET/PPP.
Establish a committee to look at the applicability of trust fund agreements.	Implemented
Recommendation from the Independent Thematic Evaluation of Partnerships 2014	Status of the implementation as of 2023/24
Under the framework of the rebranded country programming approach (MAP-1), GLO prepares the guidance (e.g. in the form of an Administrative Instruction) to elaborate on mechanisms to enhance engagement with the private sector under the country programming.	Ongoing

Annex X. Private Sector Partnerships in the UN System

United Nations Global Compact (UNGC)

168. The UNGC is a voluntary initiative launched by the United Nations in 2000. It is the world's largest corporate sustainability initiative, aimed at encouraging businesses and organizations to adopt sustainable and socially responsible policies and practices.

The UNGC is based on ten principles that cover four key areas: human rights, labor, environment, and anti-corruption. The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.³⁷

By joining the UNGC, companies commit to integrating these principles into their strategies, operations, and culture. They also have to provide annual reports on their progress in implementing the principles. The UNGC provides a platform for businesses to network, share best practices, and collaborate on sustainability issues.

Food and Agriculture Organization (FAO)

169. The responsibility for the Strategy implementation rests with the Private Sector Partnerships Team (PSPS). Its mandate includes initiating proposals in coordination with technical divisions and Regional and Country Offices; vetting proposed partners through a due diligence process; and then submitting proposals to the Sub-Committee for approval. PSPS's database included 52 partnerships with the private sector since the adoption of the strategy. Of these, 28 were active, 8 were inactive and 16 were in the talks for a possible renewal.

International Labour Organization (ILO)

170. The ILO works with businesses through the Global Business Network on Forced Labour, Alliance 8.7, which aims to eradicate child labor, forced labor, modern slavery, and human trafficking. The ILO collaborates with the private sector to mobilize resources and implement strategies to eliminate these forms of labor exploitation.

Through tripartite cooperation, the ILO encourages dialogue and negotiation between stakeholders to address labor-related challenges, improve workplace conditions, and ensure respect for workers' rights. The ILO engages with the private sector to promote responsible business conduct, job creation, and entrepreneurship.

United Nations Environment Programme (UNEP)

171. UNEP collaborates with private sector partners to advance the SDGs. This includes engaging with companies to integrate sustainability into their strategies, operations, and reporting. UNEP also encourages private sector investment in sustainable development projects.

UNEP's Green Economy Initiative promotes the transition to a green economy. UNEP works with companies to develop green business models, technologies, and investment opportunities that support sustainable economic growth.

UNEP forms partnerships and coalitions with private sector entities to address specific environmental challenges. These collaborations range from initiatives focused on climate change mitigation and adaptation to efforts aimed at reducing plastic pollution, promoting renewable energy, and conserving biodiversity.

United Nations Development Programme (UNDP)

172. UNDP works with the private sector to align business strategies and operations with the SDGs. This includes promoting responsible business practices, integrating sustainability into corporate strategies, fostering partnerships for sustainable development, engaging with companies to ensure they uphold labor rights, respecting the rights of marginalized groups, harnessing innovation and technology for

³⁷ [The Ten Principles | UN Global Compact](#)

sustainable development, mobilizing resources, and attracting investment for sustainable development projects.

United Nations High Commissioner for Refugees (UNHCR)

173. Private sector engagement for operational purposes is undertaken across UNHCR. UNHCR Country Offices as well as Regional Bureaux and various divisions at Headquarters engage with almost 250 private sector actors in over 60 countries for improving the protection and well-being of Persons of Concern (PoC). A Private Sector Partnerships Service (PSP) dedicated team exists in the Division of External Relations (DER).

Annex XI. Overview of UNIDO Partnerships Existing in March 2024

Partner Name	Partner Type	Partner Sector	Partnership Type	Partnership Status	No. of Projects
A Plus Consulting	MNE	Services	Project Partner	Active	1
AeMoney	SME	ICT	Project Partner	Prospect	0
ALTEN Delivery Center Maroc	MNE	Industrial Technology	Project Partner	Active	2
AMFORI	MNE	Services	Knowledge Partner	Active	0
AQUAFIL S.p.A. Italy	MNE	Fossils	Project Partner	Active	1
Acquedotto Pugliese	SME	Fossils	Project Partner	Active	1
Alibaba Group Holding Limited	MNE	Services	Project Partner	Dormant	1
Alliance for Rural Electrification (ARE)	Foundation	Energy	Strategic Partner	Finished	1
Alpin Limited	MNE	ICT	Funding Partner	Dormant	1
ArcelorMittal Liberia Ltd.	MNE	Fossils	Project Partner	Active	3
Argor-Heraeus S.A.	MNE	Fossils	Project Partner	Finished	1
Automotive Component Manufacturers Association of India (ACMA)	SME	Industrial Technology	Project and Knowledge Partner	Finished	2
Bank of Khartoum	MNE	Services	Project Partner	Finished	1
Benetton Group S.R.L.	MNE	Clothing	Project Partner	Active	1
Bridge for Billions, PBC.	Foundation	Services	Project Partner	Dormant	1
CGI UK Ltd.	MNE	ICT	Strategic Partner	Active	0
COIN Spa	SME	Clothing	Strategic Partner	Active	1
COOP	MNE	Services	Project Partner	Finished	1
Camco Management Limited	MNE	Energy	Project Partner	Active	0
Chemical Leasing	Association	Chemicals	Project Partner	Dormant	2
China Industrial Design Association (CIDA)	SME	Industrial Technology	Strategic Partner	Active	1
Chocolate Halba	MNE	Food	Project Partner	Finished	1
Cisco Systems Inc.	MNE	ICT	Strategic Partner	Active	1
Cotonificio Olcese Ferrari Spa (OLCESE)	SME	Clothing	Project Partner	Active	1
Climate-KIC Holding B.V.	Association	Industrial Technology	Strategic Partner	Prospect	0
Deloitte LP	MNE	Services	Strategic Partner	Prospect	0
Deutsche Messe AG	MNE	Services	Knowledge Partner	Finished	3
DHL International	MNE	Services	Strategic Partner	Active	0
Dongdao Creative Branding Group	MNE	Services	Sponsor	Finished	0
E4Impact Foundation	Foundation	Services	Project and Knowledge Partner	Active	1
EON Reality	MNE	Services	Multi-stakeholder Partnership	Dormant	2
Earth Wind and Power	MNE	Energy	Strategic Partner	Active	0
Eni S.p.A	MNE	Energy	Strategic Partner	Active	2
Epec E-commerce Co.Ltd	MNE	Services	Project Partner	Active	2
Epiroc AB	MNE	Industrial Technology	Multi-stakeholder Partnership	Active	1

Ethiopian Textile Industry Development Institute	Association	Chemicals	Project Partner	Dormant	1
European Brand Institute GmbH	MNE	Services	Knowledge Partner	Active	1
Federation of Indian Chambers of Commerce and Industry (FICCI)	Foundation	Services	Strategic Partner	Finished	1
Felder Group	MNE	Industrial Technology	Project Partner	Dormant	2
Festo Didactic	MNE	Industrial Technology	Strategic Partner	Finished	3
FIFA	Association	Sports	Prospect	Active	1
Foundation FSSC	Foundation	Food	Project Partner	Active	1
Global Cement and Concrete Association GCCA	Association	Industrial Technology	Multi-stakeholder Partnership	Prospect	0
Global Food Safety Initiative (GFSI)	Foundation	Services	Strategic Partner	Finished	4
Global Manufacturing Organisation Ltd (GMOL)	SME	Services	Strategic Partner	Dormant	3
Google	MNE	ICT	Strategic Partner	Active	0
Hanns R. Neumann Foundation	Foundation	Services	Funding Partner	Dormant	0
HP Foundation	Foundation	Services	Strategic Partner	Active	1
HP Inc.	MNE	ICT	Strategic Partner	Active	4
Hallotex S L	MNE	Clothing	Project Partner	Active	1
Heineken N.V.	MNE	Food	Project Partner	Dormant	3
Hennes & Mauritz AB	MNE	Clothing	Project Partner	Active	1
Hitachi Construction Machinery Co., Ltd.	MNE	ICT	Project Partner	Active	0
Huawei Technologies Co., Ltd.	MNE	ICT	Strategic Partner	Active	3
Hugo Boss AG	MNE	Clothing	Project Partner	Active	1
illycaffècaffè S.p.a.	MNE	Food	Strategic Partner	Active	4
Inditex, S.A.	MNE	Clothing	Project Partner	Active	1
Informa Markets	MNE	ICT	Project Partner	Active	0
Istanbul Chamber of Commerce (ICOC)	Association	Services	Project Partner	Dormant	1
JDE	MNE	Food	Project Partner	Prospect	0
John Lewis Foundation	MNE	Services	Project and Knowledge Partner	Dormant	1
Komatsu Construction Equipment Sales and Service Japan Ltd	MNE	Industrial Technology	Multi-stakeholder Partnership	Dormant	2
Lavazza Foundation	MNE	Food	Prospect	Prospect	0
Leather Working Group	MNE	Clothing	Knowledge Partner	Active	1
Lenzing Aktiengesellschaft	MNE	Clothing	Project Partner	Active	1
Life Science Industry Development (LIDCO)	MNE	Services	Project Partner	Prospect	1
Lloyd's Register Group Services Limited	MNE	Services	Project Partner	Active	1
Microsoft Corporation	MNE	ICT	Strategic Partner	Dormant	1
Mitsui & Co.	MNE	Fossils	Project Partner	Dormant	1
Nigeria Breweries Plc	SME	Food	Project Partner	Dormant	1

Nomura Kohsan Co.Ltd.	SME	Fossils	Project Partner	Active	1
Nudie Jeans Co.	MNE	Clothing	Project Partner	Active	1
Numaligarh Refinery Limited	State Owned	Fossils	Project Partner	Finished	1
NTT DATA Corporation	MNE	ICT	Prospect	Prospect	0
OCP Foundation	State Owned	Fossils	Multi-stakeholder Partnership	Active	1
osapiens Service GmbH	MNE	ICT	Knowledge Partner	Prospect	0
PRAN-RFL Group	MNE	Food	Project Partner	Dormant	1
PVH Corp.	MNE	Clothing	Project Partner	Active	1
Rio Tinto	MNE	Industrial Technology	Prospect	Prospect	0
Reed Expositions France	MNE	Services	Project Partner	Finished	1
Ritter Sport Nicaragua SA	MNE	Food	Project Partner	Active	1
SANParks	State Owned	Services	Project Partner	Dormant	1
SATAKE CORPORATION	MNE	Industrial Technology	Project Partner	Active	1
SMT Group	MNE	Industrial Technology	Project Partner	Dormant	1
Scania	MNE	Industrial Technology	Multi-stakeholder Partnership	Dormant	2
Shandong Zhiyan Group	MNE	Services	Project Partner	Dormant	1
Sierra Leona Brewery Limited	SME	Food	Project Partner	Dormant	1
Sociedad Nacional de Industrias	Foundation	Industrial Technology	Strategic Partner	Finished	2
South Pacific Brewery Limited	SME	Food	Project Partner	Dormant	1
Supply Chain Information Management (SIM)	MNE	ICT	Project Partner	Dormant	1
State Power Investment Corporation Limited Overseas (SPIC)	State Owned	Fossils	Prospect	Prospect	0
Tetra Pak	MNE	Industrial Technology	Project Partner	Dormant	1
The Partnering Initiative (TPI)	Foundation	Services	Strategic Partner	Prospect	0
The Roscongress Foundation	Foundation	Services	Project Partner	Finished	3
Tohatsu Corporation	MNE	Industrial Technology	Project Partner	Dormant	5
UN Foundation	Foundation		Funding Partner	Prospect	0
Vollgas - Sino German Creative Center - Wodeshi	MNE	Services	Sponsor	Finished	0
Volvo AB	MNE	Industrial Technology	Strategic Partner	Active	6
World Packaging Organization	Foundation	Industrial Technology	Project Partner	Finished	1
Yamasa Wakiguchi Tuna MNE	MNE	Food	Project Partner	Active	3
ZDHC Foundation	Foundation	Clothing	Project Partner	Active	1

Source: Compiled by the Evaluation Team based on UNIDO Open Data Platform, SAP, UNIDO Intranet Legal Page, and UN Global Compact. See [UNIDO Partnership Matrix.xlsx](#) for further details.

Annex XII. IET/PPP Strategy

UNIDO Directorate of SDG Innovation and Economic Transformation
Internal Strategy for
Public Private Partnerships Division (IET/PPP)

Section I. GLOBAL CONTEXT

The triple crisis of climate change, pollution and biodiversity loss requires an urgent reassessment of our economic models. The health of our economies and societies is directly linked to the sustainability of our planet. At the same time, hunger and poverty, augmented by a rapid population growth (70-80 million people a year) remain key challenges.

The Sustainable Development Goals (SDGs) call for annual investments of USD 5-7 trillion³⁸, yet developing countries face an investment gap of nearly USD 4.2 trillion per year³⁹. The global economy is threatened by the triple planetary crisis, which, if left neglected, could reduce the global economy by USD 23 trillion by 2050. The need to address these issues is paramount to global economic resilience, stability, social and environmental wellbeing.

SDG 17 advocates for a "global partnership for development," emphasizing multi-stakeholder collaboration. However, operationalizing this collaboration across all sectors for all SDGs remains a challenge. Only 15% of the Sustainable Development Goals (SDGs) are on track for 2030. Despite the private sector's strong, positive contributions to economic growth and job creation, these impacts are countered by the global challenges.

The UN Secretary-General has made a strong call for accelerated, accountable and credible business action in line with the SDGs. Innovative methods of collaboration and mainstreaming partnerships, in particular with the private sector, (the 'new normal') are essential. We cannot address these challenges alone.

Section II. SOLUTION TO THE PROBLEM

As we navigate the complex and ever-changing global landscape, it is clear that the challenges facing the world today are multifaceted and deeply interconnected. Under SDG 17, "Partnerships for the Goals," industry plays a dual role. It contributes to these challenges, but it is also well-positioned to provide impactful solutions. By forging and fostering partnerships that effectively leverage the strengths of research, academia, the private sector, and finance, industry has the potential to develop innovative solutions to pressing global issues.

The key challenge is to revolutionize our approach to value propositions and fully embrace innovative partnerships. These partnerships under the principles of SDG 17 require a shared vision and common goals, with each stakeholder bringing unique strengths to the table. Collaboration and co-creation of solutions are critical, as is a commitment to transparency, trust, and accountability. New technologies and data-driven approaches can also help improve the efficiency and effectiveness of partnerships, allowing for real-time monitoring, evaluation, and feedback.

To achieve its vision and mission, UNIDO concentrates in three focus areas for which partnerships are essential:

³⁸ United Nations (2022)

³⁹ OECD (2023), Bottlenecks to Access Sustainable Development Goals Finance for Developing Countries, OECD, Paris, www.oecd.org/g20/oecd-g20-bottlenecks-sdg-finance-developing-countries.pdf

Climate change: One of our most urgent challenges is climate breakdown. To mitigate it, we need an industry-led transition to renewable energy and energy efficiency to reduce industrial greenhouse gas emissions. Industry should work closely with governments, academia and financial institutions to develop policies and financing mechanisms that support sustainability and pave the way to the solutions. By adopting circular economy principles and sustainable design practices, we can reduce waste, carbon footprints, pollution and biodiversity loss. A landmark Business & Sustainable Development Commission (BSDC) report shows how sustainable and inclusive business models could unlock at least USD 12 trillion in annual economic opportunities by 2030 and create up to 380 million jobs, mostly in developing countries. UNIDO's strategy in response to climate breakdown is maximizing synergies with other priority areas such as energy, agribusiness development and food security, circular economy and biodiversity.

Sustainable supply chains: Economic growth should not come at the expense of environmental and social resources. Building sustainable supply chains is therefore essential. Industries must take responsibility for their entire value chain, ensuring fair trade for producers in developing countries and conserving scarce resources. Innovative technologies such as blockchain and other digital technologies such as Internet of Things and Artificial Intelligence, when deemed suitable, can increase transparency and accountability in supply chains, providing real-time feedback and encouraging sustainable practices.

Food security: Improving food security is critical to ending hunger. This includes reducing post-harvest losses and developing sustainable food value chains, thereby significantly contributing to climate action. The food sector needs to adopt innovative solutions such as sustainable agricultural practices and digital technologies. Collaboration among multiple stakeholders, including governments, industry, academia and civil society, can provide guidance, knowledge transfer programs and financing mechanisms to support the transformation of the sector.

Partnerships that embody the spirit of SDG 17 can promote responsible business practices, thereby making a significant contribution to achieving the Sustainable Development Goals.

Section III. UNIDO's role

UNIDO's vision is a world without poverty and hunger, where industry drives low-emission economies, improves living standards, and preserves a livable environment for present and future generations, leaving no one behind.

UNIDO is the multilateral player and a global leader in promoting sustainable industrial development for poverty reduction, economic transformation, and environmental protection. UNIDO drives the articulation of industrial policies and promotes technology transfer and investment for industrial development in an effective and efficient way. UNIDO works with developing and transition economies with a variety of development partners on sustainable industrial development, laying the foundation for these countries to create prosperity, achieve the 2030 Agenda and meet the target of the Paris Agreement.

UNIDO's resources and access to development funds alone are not sufficient to achieve the SDG targets and ensure inclusive and sustainable industrial development and economic transformation. For this reason, UNIDO needs to establish and foster partnerships with relevant stakeholders, including the private and the financial sector who are critical in achieving impact and unlocking additional resources for rapid transformative actions.

How can UNIDO work together with its partners to deliver the 2030 Agenda?

The 2030 Agenda and the Sustainable Development Goals represent a fundamental shift in thinking about international development, recognizing the interconnection of a prosperous economy, a thriving

society, and a healthy environment and calling for new collaborative ways of working between civil society, business, government, NGOs, foundations, academia, and others to achieve them. The types of innovative, systemic, and transformative collaboration required go well beyond the typical approaches with which organizations are most familiar. Scaling up partnership requires UNIDO to build and expand upon its institutional competence and readiness to be able to effectively deliver these new forms of collaboration. As the lead UN agency for industry, UNIDO is an honest broker and impartial convener, and through its mandate on SDG9, is well positioned to foster multi-stakeholder public-private-partnerships. To achieve these ambitions, UNIDO has embraced a central strategy: Progress through Innovative Partnerships.

Vision for Partnerships

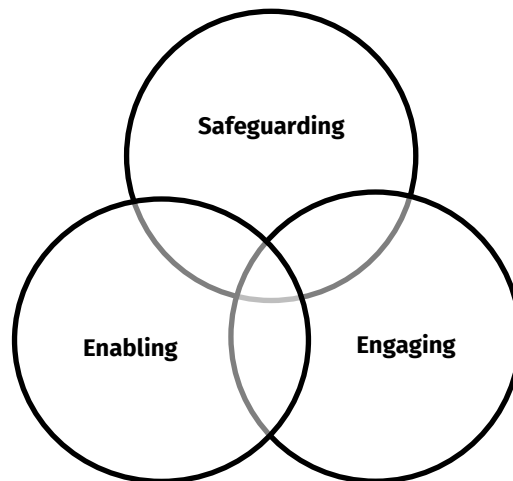
IET/PPP brokers partnerships across UNIDO and beyond, catalyzing transformative change within UNIDO to drive inclusive and sustainable industrial development and economic transformation through strategic partnerships. We envision an ecosystem where we work seamlessly with the public and private sectors, sharing resources, knowledge, and innovative solutions to address global development challenges.

Mission

We strive to foster a culture of collaboration, stimulate engagement, mobilize resources, and support risk and reputation management. By providing innovative tools, fostering skills through training, and providing thought leadership, we enable all UNIDO divisions to engage with partners in ways that align with UNIDO's strategic vision and significantly advance our broader organizational goals.

Approach

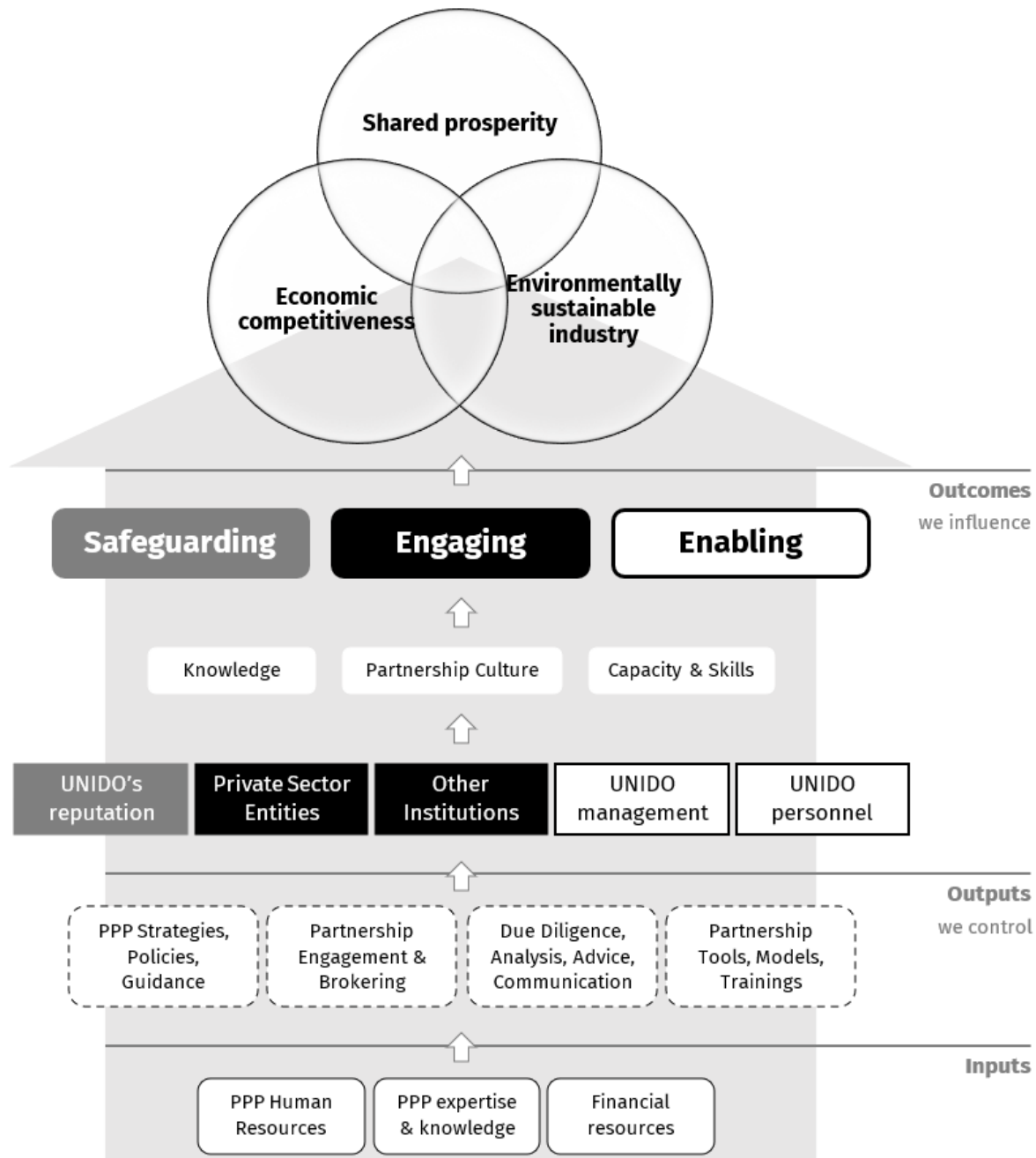
We are pursuing a dynamic operating approach in which strategic partnerships drive sustainable industrial development and economic transformation. These partnerships, guided by the strategic direction from both top-level UNIDO leadership and bottom-up initiatives, evolve through co-development with our partners and beneficiaries. Our approach is built on three pillars:



1. **SAFEGUARDING** - Risk and Reputational Management: We manage potential risks associated with partnerships by *safeguarding* UNIDO's reputation. Our due diligence processes and risk assessments are designed to identify and mitigate potential risks and reputational damage, ensuring the viability and sustainability of potential partnerships. We are leading the development of the risk narrative for UNIDO for engagement with high risk sectors.
2. **ENGAGING** - Partnership Engagement & Mobilization: We act as brokers, engaging with UNIDO divisions, units and programmes, external public and private entities, identifying potential strategic and institutional collaborations, facilitating negotiations to establish, develop and

maintain partnerships. Through comprehensive mapping and profiling of existing and potential strategic partnerships, we formulate targeted engagement strategies to ensure mutually beneficial relationships.

- 3. ENABLING - Cultural Change in Partnering:** We strive to transform UNIDO's partnership culture by *enabling* divisions with innovative tools such as Private Sector Engagement Strategy, Partnership and Customer Relationship Management (CRM) and Partnership Impact tools. These tools support strategic engagements, decision making and evaluation of partnership performance. We actively promote a culture of collaboration and knowledge sharing across all UNIDO divisions and act as the knowledge center for partnerships at UNIDO.



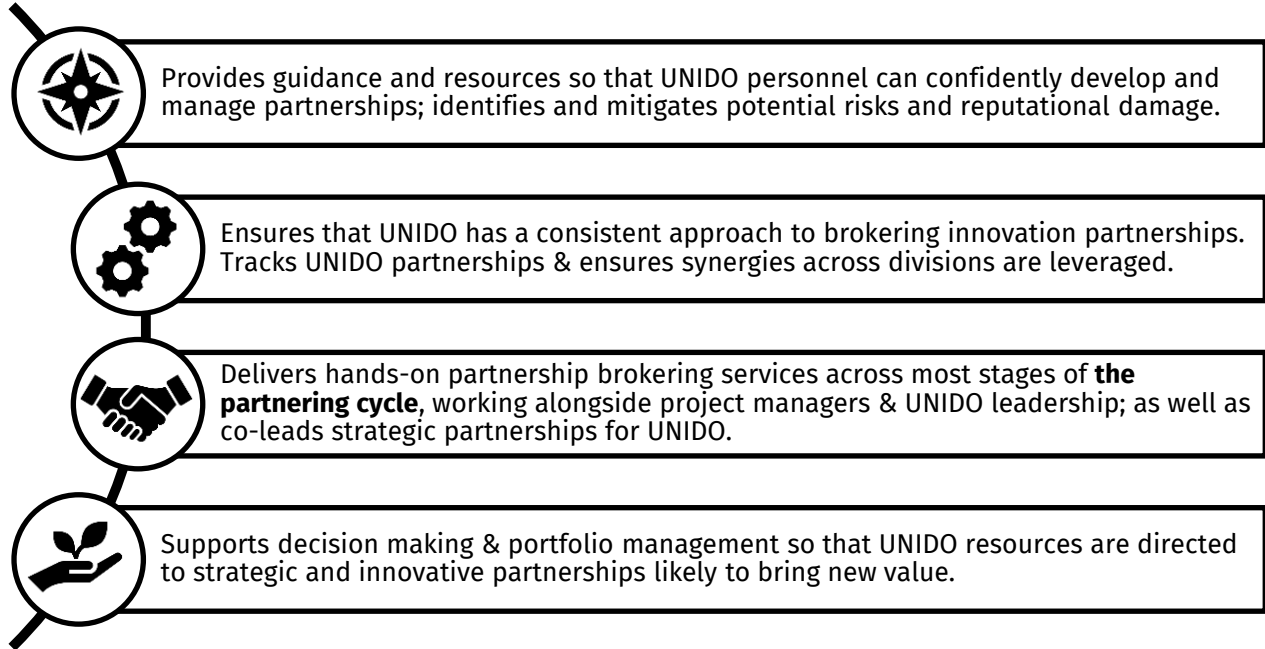
IF
 we create an internal culture of collaboration based on innovative partnership methodologies and state-of-the-art tools,

AND
 we carefully mitigate potential risks and protect our reputation,

AND
 we effectively engage with partners to advance UNIDO's initiatives,

THEN
we will be delivering on our mission and live up to our vision.

How does IET/PPP service UNIDO?



(Based on UNGP partnership approach)

Defining partners and partnerships

The United Nations General Assembly defines partnerships as “voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits”. For UNIDO partnerships are non-commercial collaborative relationships established between UNIDO and external entities, individuals, or organizations with the common goal of promoting inclusive and sustainable industrial development and economic transformation.

Business sector partnerships⁴⁰ are a specific type of partnership involving one or more entities from the business sector to achieve mutual objectives and resource sharing between UNIDO and business partners⁴¹, which require mandatory due diligence. All UNIDO partnerships promote active engagement and accountability throughout joint activities or projects. It is important to distinguish partnerships from standard procurement practices.

Partner relationships are managed by partnership focal points, a role that can be filled by anyone within UNIDO, including the IET/PPP Partnerships Division. Major strategic UNIDO engagements are often led by the Heads of Offices, Divisions or Services and/or the Partnerships Division, with technical support

⁴⁰ As referenced in UNIDO’s Policies on business sector partnerships.

⁴¹ A UNIDO Partner that comes from the business sector, incl. for-profit enterprises, state-owned enterprises that function commercially, corporate foundations directly funded and/or governed by business, business associations and trade and/or industry representations. These partners provide industry-specific knowledge, technical expertise, & potentially resources or funding.

and delegation to other teams as needed. We are committed to creating real value with all parties we engage with to achieve the SDGs and the Paris Agreement targets fostering diverse collaborations and value-based partnerships in support of UNIDO's mandate, and driving UNIDO's partnership transformation.

The Approach and Services of IET/PPP Division in Detail

Our three-pillar approach reflects the three core services of IET/PPP - risk and reputation management, partnership engagement and mobilization, and partnership culture promotion - and is tailored to address specific challenges and deliver tangible benefits to UNIDO management, partnership focal points, project managers and the overall partnership culture.

The following sections provide guidance on how and when to use IET/PPP to maximize the effectiveness of partnership initiatives.

1. Risk and Reputational Management

The IET/PPP Division is a key enabler in ensuring robust risk management and compliance at the outset of any partnership engagement. The Division takes the lead in reviewing and amending UNIDO's Business Partnership Policy, aligning it with UNIDO's broader strategy and tools. The Division streamlines mandatory due diligence processes and workflows, and also instills a culture that prioritizes transparency, strategic alignment, and comprehensive risk awareness.

The Division conducts thorough Due Diligence (DD) reports that assess the credibility, reputation, and alignment of potential partners with UNIDO's values and objectives. This process includes a comprehensive review of environmental, social and governance (ESG) issues, allowing for early identification of potential risks and reputational issues. Recognizing the importance of role clarity, the Division is strengthening the segregation of duties between its strategic engagement and due diligence functions. This is being achieved through the appointment of a dedicated, full-time DD Officer and the implementation of streamlined, accountable business processes.

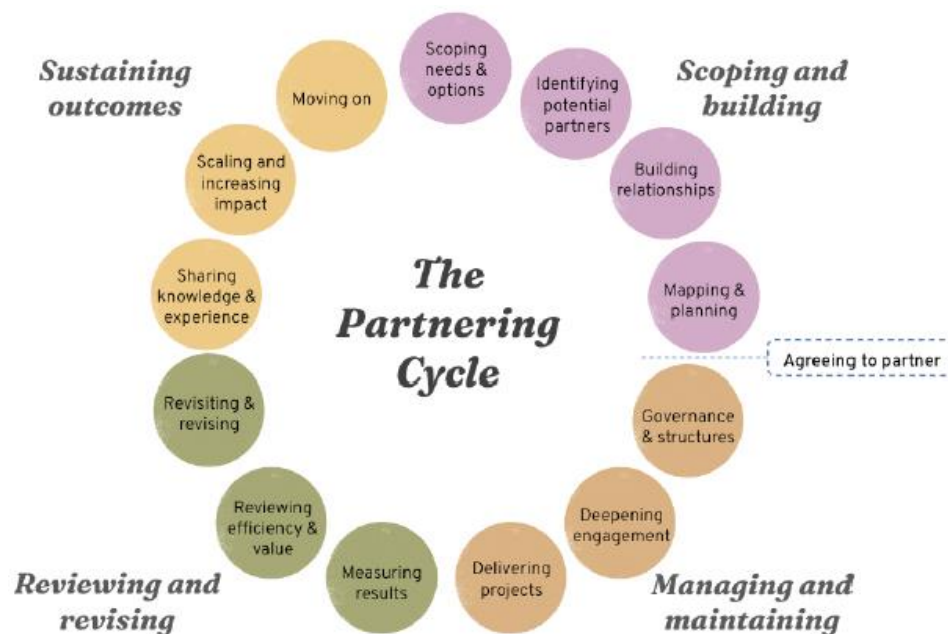
The Division is also guiding internal discussions on UNIDO's partnership risk appetite, identifying high-risk sectors, shaping UNIDO's risk narrative and developing risk mitigation strategies. It also helps shape the narrative around UNIDO's partnership policy and strategy.

Engaging with the IET/PPP at this early stage lays a solid foundation for partnership development, while ensuring robust risk management and compliance. This process offers tangible benefits to various UNIDO stakeholders:

- UNIDO management and project managers can enter into partnerships with greater confidence, knowing that risks have been thoroughly assessed and risk mitigation measures have been recommended.
- Partnership focal points are equipped with the tools to communicate more effectively with potential partners.

2. Partnership Engagement & Mobilization

The Division's services in the partnering cycle are described in more detail below.



(Based on the Partnership Broker Association)

2.1 Business Co-development and Initial Engagement:

The IET/PPP division's role is most critical during the business co-development and initial engagement phases of partnerships, especially for UNIDO's flagship initiatives. Its early involvement supports the objective of consistent messaging, alignment with strategic objectives, effective partnership management, and overall partnership success. This aligns with its core service of fostering a partnership culture, ensuring that the partnerships formed contribute positively to broader organizational goals and are in line with UNIDO's strategic vision.

The initial engagement is an iterative process, often involving several stages of refinement to ensure alignment between all parties involved. Working closely with UNIDO's technical divisions, IET/PPP, in direct liaison with IET/IFI and the Innovation Lab, ensures that the partnerships formed are in line with UNIDO's strategic vision and contribute positively to broader organizational goals.

As a partnership broker, IET/PPP may assist on a demand basis in identifying potential partners and establishing preliminary roles and responsibilities by being fully informed and involved in strategic partnership initiatives of the Organization irrespectively from where the partnerships are initiated. The Division provides support in designing partnerships that result in innovative products, services, processes, and business models. This process aims to create value for all stakeholders and contributes to sustainable practices, industry transformation and broader global impact.

Potential activities for some of UNIDO's major strategic partnerships in which IET/PPP may be involved, some in collaboration with the Innovation Lab, particularly in the scoping phase are:

- I. **Needs Assessment:** IET/PPP assists in conducting a comprehensive needs analysis to understand the requirements of both UNIDO and the potential partner. This analysis helps to identify areas of alignment and potential challenges that need to be addressed.
- II. **Partner Identification and Assessment:** Based on the needs analysis, the Division helps to identify potential partners, including an evaluation of the potential partner's capabilities, alignment with UNIDO's strategic vision, and the potential benefits of the partnership.

- III. Partnership Design: Following partner identification and assessment, IET/PPP assists by co-designing the partnership structure, aligning it with the strategic objectives of all stakeholders, considering the resources, capabilities and commitments of each partner.
- IV. Negotiation and Agreement: Once the partnership structure is agreed upon, IET/PPP can provide guidance in the negotiation process to ensure that all parties are on the same page and may facilitate the signing of partnership agreements.
- V. Partnership Communication: In coordination with Office of Communication , the Division also contributes to the dissemination of partnership updates, which includes communicating the partnership to relevant stakeholders, both internal and external. This communication ensures transparency and fosters a sense of shared ownership among all stakeholders.
- VI. Partnership Impact: The Division will support Technical Divisions in measuring partnership relevance, efficiency, effectiveness, and additionality by developing and piloting a Partnership Impact Tool.

The IET/PPP division's involvement in the early stages of partnership formation ensures that strategic alignment is established from the start. This process offers tangible benefits to various UNIDO stakeholders:

- UNIDO management benefiting from this approach, as it ensures that all partnerships align with the organization's strategic objectives, maximizing impact and enhancing the overall efficiency of operations.
- Partnership focal points benefiting from clear vision and objectives for potential collaborations.
- Project managers by eliminating ambiguities and allowing more effective project planning and execution.

Examples of recent partnership initiatives co-led by IET/PPP:

Box 1: Strategic alliances leveraging private sector, expertise and convening power
 IET/PPP has been actively pursuing partnerships with Deloitte (in close cooperation with IET/AGR, GLO/FLS/NYO and ODG/SPU) to join forces in high-level events. By bringing together key stakeholders from the private sector and UNIDO, these forums aim to explore collaborative opportunities, share knowledge, and collectively address industrial challenges.
 We are also cooperating with the Bridge for Billions, a social enterprise with whom UNIDO is implementing customized incubation programs for inclusive entrepreneurship empowering early-stage entrepreneurs under the framework of the Opportunities for Youth in Africa (OYA) programme, with a view to scale-up these initiatives and have a stronger focus on access to finance by the entrepreneurs.

Box 2: Technology Partnerships
 In close cooperation with the IT and Digitalization Services Division (COR/DIG), IET/PPP has progressed significantly engagements with major technology companies such as Google and Microsoft. These engagements explore collaborative opportunities to leverage technology for sustainable industrial development. By partnering with technology leaders, IET/PPP aims to harness digital innovation and co-create impactful projects that drive industrial transformation.

Box 3: Partnerships with Intergovernmental Organizations
 IET/PPP has signed a Joint Declaration with the Global Green Growth Institute (GGGI) and has strengthened its relationship with the Union for the Mediterranean (UfM) that brings together all 27 countries of the European Union and 16 countries from the Southern and Eastern Mediterranean in the context of the UNIDO project "Promoting Women's Empowerment (PWE) for Inclusive and Sustainable Industrial Development in the MENA Region".

2.2 Partnership Engagement and Mobilization:

Partnerships are pursued with the aim of leveraging complementary resources, which may include technology, know-how, technical expertise, networks, market knowledge and financial resources. This involves a comprehensive mapping process of potential partners, including the business sector,

foundations, family offices and high net worth individuals (HNWIs). This mapping is critical to identifying opportunities for collaboration and plays a critical role in formulating a targeted engagement strategies that maximize value creation in developing country Member States and ensure benefits for all partners involved in UNIDO's PPPs.

The value of partnering with the private sector derives primarily from a range of non-monetary benefits, including specialized expertise, innovative technologies, capacity-building tools and extensive networks. This collaboration is a key catalyst for inclusive and sustainable industrial development by fostering innovation, increasing productivity and facilitating market access. Using DHL as an example, a partnership would provide UNIDO with access to the Go Trade Initiative, which focuses on reducing barriers to global trade, particularly for the benefit of SMEs. DHL's local presence, coupled with its specialized trade facilitation tools and knowledge-sharing networks, becomes an invaluable asset. Through such alliances, UNIDO can leverage the complementary strengths of the private sector to strengthen its programs and make a significant contribution to sustainable development and economic empowerment.

Once potential partners have been identified, UNIDO divisions can rely on IET/PPP to initiate contact and lay the groundwork for robust, long-term relationships. The Division strengthens this foundation by developing a clear and strategic roadmap for engagement. This roadmap outlines step-by-step actions for building successful partnerships, from initial contact through sustained collaboration. Strategies included in this roadmap include participating in networking events and global forums; analyzing the requirements, risks and benefits related to the establishment of (a) dedicated non-profit organization(s) to facilitate collaborative opportunities for mobilizing funds for innovative business models. One such ongoing initiative is on the possibility and feasibility of establishing a non-profit organization (501(c) (3) in the U.S.) to facilitate the receipt of contributions from the US-based business sector and foundations. Any decisions on such initiatives will be based on a cost-benefit analysis and will require management and UNIDO's General Conference approval. Until then, IET/PPP will explore working with and through UN Foundation, among others.

Throughout the partnering and fundraising phase, departments are encouraged to maintain consistent communication with the IET/PPP regarding their progress and challenges. This information is integrated into the Partnership/Customer Relationship Management (CRM) tool. This systematic approach adopted by the Division allows for a structured navigation of the partnership cycle, thereby maximizing the benefits of these partnerships in line with UNIDO's mission.

The partnership with the Hans R. Neumann Foundation aims to achieve a transformative effect by utilizing the combined resources (both financial and non-financial) of both parties. This partnership aims to amplify the impact and foster synergies in the implementation of its programs. A pilot initiative is under development in Uganda

Engaging non-traditional partners in PPPs

IET/PPP, in collaboration with IET/IFI, is scoping an engagement with the Giving to Amplify Earth Action (GAEA) initiative from the World Economic Forum, which aims to catalyze people-focused climate & nature solutions through new, diverse, public-private-philanthropic partnerships. The purpose is to explore jointly and identify the UNIDO selected climate action initiatives where philanthropy can play a strategic and catalytic role, and ultimately to pilot partnerships and scale up successful approaches.

Identifying and engaging potential partners can be a complex and time-consuming task. The IET/PPP division simplifies this process by conducting comprehensive mapping of potential partners and developing targeted engagement strategies. This service provides tangible benefits:

- For UNIDO management, this service ensures that the organization can establish strategic partnerships necessary for achieving impact at scale.
- For partnership focal points by saving time and effort in partner identification and engagement.

- For project managers, resource mobilization efforts by the IET/PPP division can provide essential financial and non-financial resources for project execution.

3. Fostering a Partnership Culture

The IET/PPP Division seeks to transform UNIDO's partnership culture by facilitating collaboration and knowledge sharing across divisions. The Division focuses on aligning UNIDO's Business Partnership Policy with its broader strategy and tools, streamlining processes and promoting a culture of transparency and full risk awareness.

3.1 Utilizing the Partnership Relationship Management Tool

Embracing technological advancements is key to the IET/PPP's approach. The Partnership and Customer Relationship Management (CRM) tool is expected to be a state-of-the-art, innovative centralized database that will collect, organize and analyze partner-related information to enable strategic decision-making. IET/PPP, in collaboration with COR/DIG, is contributing to the development, launch and maintenance of this innovative tool. The division is also taking the lead in populating the database with relevant partner information and defining a long-term data collection plan. This data serves as a rich resource that can help identify trends, partnership gaps, and areas of potential collaboration. Possibilities of incorporating the *Partnership Impact Tool* into the CRM tool will be explored. It is important to note that the quality, accuracy and usefulness of the CRM tool depends largely on the input and cooperation of all UNIDO divisions to provide relevant, accurate and timely data.

This tool provides benefits to:

- UNIDO management and the tool aids strategic decision-making and helps identify trends and opportunities for future collaborations.
- Project managers with valuable insights into partner capabilities and contributions, aiding in project planning and implementation.
- Partnership focal points by simplifying the task of maintaining up-to-date information on partners.

3.2 Development of UNIDO's Private Sector Engagement Strategy

This is a critical phase in the partnership life cycle. IET/PPP is leading the design and implementation of a private sector engagement strategy, which is currently under development to ensure that all collaborations fully support UNIDO's strategic vision and are in line with international best practices. The Division is conducting a comprehensive mapping and profiling of UNIDO's past and ongoing partnerships. This includes identifying best practices and lessons learned from past experiences, as well as assessing the gender dimensions of these collaborations. It will also take into account Member States' needs for private sector engagement, as well as donor priorities and trends.

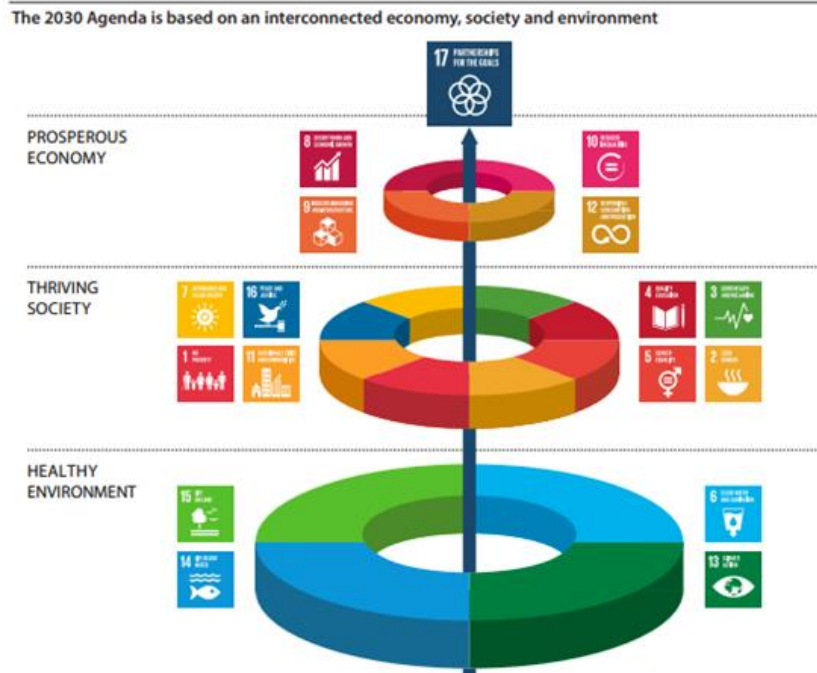
This initial research provides a basis for developing an engagement strategy that is responsive to the dynamic landscape of international partnerships and the specific needs of UNIDO. The development process involves a series of steps, starting with initial consultations with various UNIDO divisions to identify unique needs, strengths and challenges.

The creation of a comprehensive and dynamic Partnership Engagement Strategy helps UNIDO navigate the complex landscape of international partnerships:

- UNIDO management benefits from this approach, as it ensures that all collaborations support UNIDO's strategic vision and are in line with international best practices.
- For partnership focal points: the strategy provides a clear roadmap for partner engagement. For project managers: it offers a reliable framework to guide project implementation in line with partnership objectives.

Section IV. COLLABORATION

Partnering as an essential approach to SDG impact



(Based on The SDG Partnership Guidebook from the 2030 Agenda Partnership Accelerator initiative)

The IET/PPP Division has adopted the wedding cake model as a powerful visual representation of importance of SDG 17 to our approach - Partnerships for the Goals. Through collaborative efforts, we seek to achieve a harmonious balance that ensures the well-being of both humanity and the planet. SDG17 serves as a catalyst, facilitating cooperation and coordination among various stakeholders to address global challenges and achieve sustainable development. It emphasizes the need for multi-stakeholder partnerships at all levels - global, regional, national, and local.

External partners:

IET/PPP is promoting strategic partnerships to increase the impact potential of UNIDO projects and programmes, including Country Programmes (CP), Programmes for Country Partnerships (PCPs) and regional and global cooperation programmes. Potential partners include, but are not be limited to: private sector associations, chambers of commerce, individual firms, public actors, foundations and high net worth individuals, civil society organizations (CSO), think tanks, as well as development agencies and financing partners, whereby the latter are to be engaged in coordination with IET/IFI. Within the UN system, IET/PPP is actively engaging in cross-organizational programmes and strengthening UNIDO's partnership with UNGC. Additionally, IET/PPP is envisioning increased collaboration with the UN Office for Partnerships, United Nations Global Pulse, as well as with other specialized entities like the UN Innovation Network, The Partnership Brokers Association, and The Partnering Initiative.

Joining forces with UNIDO should enable different partners to drive innovation, expand market reach and create sustainable impact at scale. Potential roles and benefits for various partners:

Private sector	CSO	Foundations	Academia and think tanks	UN
<ul style="list-style-type: none"> • Access to UNIDO's expertise in sustainable industrial development for innovative solutions • Technology transfer facilitated by UNIDO's knowledge and resources • Market-based/business model guidance for sustainable and efficient management • Direct access to UNIDO's networks, value chains, and consumer markets • Opportunity for financial and in-kind contributions to impactful projects • Potential for investments in ISID initiatives • Data sharing and collab. for evidence-based decision making 	<ul style="list-style-type: none"> • Leverage UNIDO's global platform for organizing and engaging citizens • Access to UNIDO's resources and expertise to influence decision makers, politicians, and businesses • Opportunity to access UNIDO's knowledge base for informed action 	<ul style="list-style-type: none"> • Funding and in-kind support for aligned projects and programmes • Brand association and influence in the field of sustainable development • Access to UNIDO's extensive networks • Potential collaboration between parent company and UNIDO • Opportunities for connecting and convening 	<ul style="list-style-type: none"> • Collaboration on research and analysis projects with UNIDO's expertise and resources • Knowledge transfer facilitated by UNIDO's knowledge base • Capacity building and learning development initiatives supported by UNIDO • Evidence-based advice for informed decision making • Opportunities for innovation and research partnerships 	<ul style="list-style-type: none"> • Partnership with a trusted UN agency known for legitimacy and independence • Convening power to bring stakeholders together for collective action • Access to UNIDO's extensive technical expertise, knowledge, and capacity • Collaboration with UNIDO and its relationship with member states for global impact • Global network and access to knowledge and solutions from around the world through UNIDO's connections • Participation in norm and standards-setting processes guided by UNIDO's expertise

Internal partners:

IET/PPP is closely collaborating with UNIDO's technical departments (TCS and IET), operations (GLO), field offices, and regional divisions. In particular, IET/PPP has a strategic collaboration with IET/IFI (International Financial Institution) and the Innovation Lab on partners engagement and for scaling up UNIDO's interventions. As part of an integrated approach, IET/PPP is also actively engaged with Investment and Technology Promotion Offices (ITPOs) and is in the process of building synergies with the Funding Partner Relations Division for devising strategies to connect with existing and potential new Member States through the private sector.

IET/PPP recognizes the importance of leveraging technological advancements to enhance partnership management. The Division embraces technologies such as generative AI and other innovative tools to navigate the partnership cycle effectively. In this endeavor, IET/PPP works closely with the COR/DIG,

UNIDO's IT and Digitalization Services, to harness the potential of these technologies for optimizing partnership strategies and activities.

Annex XII. Relevant literature

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Annex XIII. Terms of Reference

[ToR for TE of UNIDO Engagement with the Private Sector.pdf](#)