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

May 2024

OBJECTIVES
- EVALUATE effectiveness of UNIDO’s PSPs
- ASSESS the current portfolio of PSPs in UNIDO
- IDENTIFY gaps, challenges, and opportunities
- FIND Good practices and success stories
- PROVIDE strategic, actionable recommendations

SCOPE
This evaluation assessed UNIDO’s overall approach to private-sector partnerships (PSPs) and their contribution to UNIDO’s goals.

METHODOLOGY
- DESK REVIEW
- 22 INTERVIEWS AND 2 FOCUS GROUPS: with individuals with knowledge about the initiation and/or management of PSPs
- PORTFOLIO ANALYSIS
- SURVEY among UNIDO staff with direct or indirect experience in initiating and managing partnerships: 51 respondents

PARTNERSHIP STATUS
- Active 45 (44.55%)
- Prospect 13 (12.87%)
- Finished 17 (16.83%)
- Dormant 26 (25.74%)

TYPES OF PARTNERSHIPS
- Project Partner 54 (52.94%)
- Knowledge Partner 8 (7.84%)
- Strategic Partner 24 (23.53%)
- Multi-stakeholder Partnership 6 (5.88%)
- Prospect 5 (4.9%)
- Funding Partner 3 (2.94%)
- Sponsor 2 (1.96%)

PARTNER SECTOR
- Food 12 (11.88%)
- Clothing 12 (11.88%)
- ICT 13 (12.87%)
- Industrial Technology 18 (17.82%)
- Energy 3 (2.97%)
- Chemicals 2 (1.98%)
- Sports 1 (0.99%)
- Possils 10 (9.9%)

NUMBER OF PARTNER TYPES
- Multinational enterprise 66 (65.35%)
- Small - Medium enterprise 11 (10.89%)
- State Owned 4 (3.96%)
- Association 6 (5.94%)

PROVIDE strategic, actionable recommendations
1. UNIDO's private sector partnerships align with beneficiaries' needs, global priorities, and partners' policies.
2. A coherent strategy linking partnership objectives to UNIDO's priorities is absent.
3. Existing policy frameworks do not fully capture the diverse nature of UNIDO's private sector engagements.
4. Risks associated with private sector engagement are acknowledged but not formalized in a strategy.
5. Initiation processes for partnerships combine bottom-up and top-down approaches, leading to inefficiencies.
6. While completed projects have long-term benefits, UNIDO lacks systematic monitoring of sustained partnership results, partner transformations, upscaling/replication, and fails to formally account for gender equality, human rights, and environmental and social safeguards in private-sector partnerships.

**Relevance:**
- UNIDO’s private sector partnerships and their objectives are consistent with beneficiaries’ requirements, country needs, global priorities, and partners’ and donors’ policies

**Coherence:**
- Lack of a coherent strategy to link partnership objectives with UNIDO's priorities.
- Existing policy frameworks do not fully capture the diverse nature of UNIDO’s private sector engagements.

**Efficiency:**
- Tools and processes exist for private-sector partnerships but lack organizational clarity, alignment and optimization.
- Initiation processes blend bottom-up and top-down approaches, possibly leading to inefficiencies.

**Sustainability:**
- Some partnership results have been sustained through continued private sector engagement or replication/upscaling.
- However, there is no systematic monitoring of sustainability of the results of partnerships.

**KEY CONCLUSIONS**

**KEY FINDINGS**

1. Develop a UNIDO private sector partnership strategy or framework. Outline the value the proposition for transformational partnerships.
2. Update UNIDO's policy framework. Define risk appetite, develop partnership models, tools for risk management, prescreening, and monitoring.
3. Build a partnership culture via communication, training, and knowledge sharing. Provide clear guidance on UNIDO’s priorities.
4. Revise initiation of partnerships to minimize the silos and focus on goal-driven partnering. account for gender equality and empowerment of women, human rights, and environmental and social safeguards.
5. Implement relationship management system, monitor outcomes, impact and sustainability of partnerships.