At its meeting on 3 June, the Committee for Programme and Co-ordination decided to transmit its report on the subject matter to the Governing Council at its thirtieth session. The relevant section of the Committee's report is attached.
United Nations Development Programme-financed technical co-operation activities of the United Nations Industrial Development Organization in the field of manufactures

1. Introduction

1. The Committee considered under agenda item 5 the evaluation of UNDP-financed technical co-operation activities of UNIDO in the field of manufactures at its 13th, 14th and 21st meetings on 13, 16 and 19 May 1983, in accordance with its decisions at its twentieth and twenty-second sessions. It had before it the report of the Secretary-General (E/AC.51/1983/5) and the summary of the report of the evaluation team on the topic (E/AC.51/1983/5/Add.1).

2. In introducing the report, the Assistant Secretary-General for Programme Planning and Co-ordination recalled that the study had been undertaken in response to the Committee's concern at its twentieth session that there was a need for a deeper review of UNIDO's technical co-operation activities in the field of manufactures. He also noted that the study had followed faithfully the study design that the Committee had endorsed at its twenty-second session and that the methodology was rigorous and allowed for objectivity and independence.

3. He explained that the Secretary-General's report was in the form of a brief introduction in which it was stated that the actual study, an addendum to the report, contained a summary of the findings, conclusions and recommendations of the evaluation team. The report also indicated that the team had consisted of three evaluators, one from each of the organizational entities concerned, the office for Programme Planning and Co-ordination of the United Nations, the United Nations Industrial Development Organization (UNIDO) and the United Nations Development Programme (UNDP), working independently and in their personal capacity. Considering that the issues raised by the evaluators extended far beyond the specific sector of industrialization and taking into account the major concerns expressed by the Administrator of UNDP and the Executive Director of UNIDO with regard to the general approach of the evaluation team, the Secretary-General was of the view that the Governing Council of UNDP and the Industrial Development Board should have the opportunity to examine the findings before he could submit a comprehensive report. The Assistant Secretary-General also referred to the scope of the study by the evaluation team and emphasized that much information had been collected that was too voluminous to be included in the report. This information included data on project effectiveness and impact, the four stages of the project cycle, institutional problems within UNDP and UNIDO, the functioning of the tripartite system and communications between that system and the industrial sector. He pointed out that the recommendations had been formulated in a manner that was intended to provide UNDP and UNIDO with a certain amount of freedom in selecting the most appropriate means for considering and introducing recommended reforms.

4. As representatives of the other two organizational entities that had participated in the study, both the Deputy Administrator of UNDP and the Deputy Executive Director of UNIDO emphasized the independence with which the member of the evaluation team from their organization had worked. Nevertheless, both
organizational entities had reservations. The Deputy Administrator of UNDP said that while UNDP welcomed many of the suggestions in the report, it had serious reservations with regard to the way the agreed methodology had been applied, the evidence presented and the very broad and wide-ranging conclusions reached and recommendations made by the evaluation co-ordinators. He pointed out the importance of considering factors that lead to successes as well as to failures so as to draw well-founded conclusions on which to base future improvements. The Administrator had studied the report carefully and intended to report on it to the Governing Council at its thirtieth session in June 1983. He also intended to examine in detail the evidence on which the conclusions and recommendations were based and to consider the recommendations further in that light. The Deputy Executive Director of UNIDO indicated that UNIDO considered that the report gave an unbalanced picture with undue emphasis on shortcomings. He cited a number of recent measures that were being taken in UNIDO to improve evaluation methods and regretted that those measures had not been taken into account in the report. He also indicated that he thought that the points mentioned by the Deputy Administrator of UNDP touched on important issues. He informed the Committee that the Permanent Committee of the Industrial Development Board would be ready to examine the matter at its twentieth session in November 1983.

2. Discussion

5. The Committee's discussion on the item centred on the procedural issues ensuing from the manner in which the report had been presented, preliminary observations and clarifications on substantive aspects and on recommendations, and modalities for a detailed review of the study at the following session.

6. The Committee noted UNDP's reservations about the study design and methodology and reaffirmed its own support for the evaluation's approach, citing the fact that UNDP and UNIDO had actively participated in the formulation of the study design and that CPC had unanimously endorsed the study design and methodology at its twenty-second session in 1982 and that the recommendations of CPC in this respect were approved by the General Assembly at its thirty-seventh session. Many members of the Committee noted that the methodology was rigorous and appeared to have resulted in valid and useful findings that could bring about beneficial change in the project cycle, institutional arrangements and the planning of industrial programmes. With respect to UNDP's concern with the critical nature of the report, it was suggested that objective findings identifying deficiencies were valuable and that UNDP should regard these as an opportunity for making constructive improvements.

7. Regarding the manner of presentation of the report to CPC by the Secretary-General, it was felt that independent and objective evaluation studies would be more useful if they were supported by the Secretary-General. The Committee noting the view of the Secretary-General that while in this instance it might be more advisable to await the views of the Governing Council of UNDP and the Permanent Committee of the Industrial Development Board before receiving the final comprehensive report of the Secretary-General, decided that this procedure should be regarded as exceptional and not represent a precedent. The Committee also
decided that the preliminary substantive views of CPC should be made available, together with the report of the evaluation team, to those bodies at their next sessions in 1983, so as to ensure that they would have the benefit of the Committee's views. CPC would then take up the subject again at its twenty-fourth session in 1984, when it, in turn, would have the benefit of the views of those two bodies, together with the report of the Secretary-General.

8. In response to a number of requests for clarification of the nature of UNDP's reservations concerning the findings on the tripartite system, project design deficiencies, UNDP's capability to refuse approval of projects, and evaluation of impact, the Deputy Administrator of UNDP presented a more detailed exposition of the views of his organization. He described them as honest differences of opinion regarding how the technical assistance programme should be carried out. He emphasized the fact that UNDP welcomed the constructive criticism in this and other reports and cited the thematic evaluations that UNDP had itself conducted, which often resulted in critical findings that it took seriously into account in improving the work of the organization.

9. He also expressed doubt about the rating system and the approach used, particularly with regard to assessing the impact of technical co-operation projects, as it was often difficult to separate the impact of the technical assistance components of a project from the project itself. Also, the benefits that flowed from technical assistance were not fully apparent until well after completion of a project. He also did not accept the report's analysis that many of the shortcomings of the two organizational entities were caused by shortage or absence of qualified staff. In any case, recommendations based upon those findings could not be implemented in the present situation of financial stringency. The report also overlooked measures that UNDP and UNIDO had taken towards developing a more pragmatic approach for solving problems without additional funds.

10. He emphasized that the report's evaluation applied not only to the field of industry but also to the entire programme of technical assistance and operational activities, not just of UNDP but of all of the agencies of the United Nations system. It would indeed be very difficult to accept that the 27 agencies, donor countries and Governments of the developing countries could have allowed the state of affairs disclosed in the report to have continued undetected and uncorrected all this time. In fact, the implication in the report that recipient countries had little interest in whether or not projects achieved their objectives would, if true, make it perfectly justifiable for donors to have grave doubts about the worth of those programmes. He held that the perception of UNDP was that recipient Governments were concerned with ensuring that technical assistance inputs were effective. The reason was that no external technical assistance input was meaningful by itself. There was always a counterpart cost to the developing country, which would have been concerned about ensuring that its own resources were not wasted.

11. The Deputy Executive Director of UNIDO also clarified points arising from the text of paragraphs 12 and 14 of document E/AC.51/1983/5. He emphasized that the wording in paragraph 14 was misleading and that every effort was made within
existing resources to maintain a very high level of technical expertise with respect to relations with developing countries on industrial development.

12. Many delegations however felt that many conclusions and recommendations of the report were warranted.

13. In this connection, some members of the Committee expressed the wish to have copies of the evaluation staff report on which the summary report of the evaluation team was based in order to facilitate the Committee's review.

14. Some delegations expressed strong doubts about the position taken in the last part of the second sentence of the recommendation contained in paragraph 15.

3. Conclusions and recommendations

15. The Committee took note with great interest of the report of the evaluation team and of the comments put forward by UNDP and UNIDO in the report of the Secretary-General and in the course of the debate. It noted the extensive work done and the far-reaching conclusions of the evaluation study, which should provide the UNDP Governing Council and the UNIDO Board with a basis for reflection on the conditions under which technical co-operation can be carried out, in the field of manufactures in particular.

16. The Committee noted that future reports of this nature should be accompanied by a comprehensive report from the Secretary-General. However, in the circumstances, it decided to accept paragraph 7 of the Secretary-General's report and to transmit the report (E/AC.51/1983/5 and Add.1), together with the comments of the Committee at its present session, to the Governing Council of UNDP and the Permanent Committee of the Industrial Development Board of UNIDO for their careful consideration at their next sessions in June 1983 and November 1983, respectively. The Committee would review the comments of those bodies, together with the report of the Secretary-General, at its twenty-fourth session in 1984.

17. The Committee recommended that copies of the complete evaluation be made available to member States, on request.

Notes
