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POLICY

OTHER FUNDS AND PROGRAMMES

Focal point for short-term advisory services

Note by the Administrator

SUMMARY

The present note is submitted pursuant to Governing Council decision 89/51 of 30 June 1989, in which the Council requested the Administrator to report fully on the details of the evaluation carried out on the short-term advisory services (STAS) programme with a recommendation on the establishment of a focal point for short-term advisory services as an operational part of the United Nations Development Programme.

The note recommends that the focal point for short-term advisory services be made an operational part of the United Nations Development Programme commencing 1 July 1990.

I. INTRODUCTION

1. In its decision 89/51 of 30 June 1989, the Governing Council requested the Administrator to report fully to the Council at its thirty-seventh session on the details of the evaluation carried out on the short-term advisory services (STAS) programme in December 1988, with a recommendation on the establishment of a STAS focal point as an operational part of the United Nations Development Programme (UNDP). After a brief statement on the background and current status of the programme, the note presents the methodology and findings of the evaluation and recommends that STAS be made an operational part of UNDP from 1 July 1990.

II. BACKGROUND

2. The STAS programme was created in 1985 by Governing Council decision 85/13 of 13 June 1985. The Council established the programme to meet the increasing demand for short-term, highly specialized advisory services in the production, commercial and service sectors of developing countries. STAS serves as a clearing-house, matching requests for specialized skills received from private firms and parastatal organizations in developing countries with expert volunteers from the private and parastatal sectors of both developed and developing countries. Its primary purpose is to assist enterprises to diagnose and overcome technical and management-related problems. Details on the administration and operational modalities of the programme are provided in document DP/1989/47.

3. The STAS programme has grown steadily since 1985, spurred on by an improving climate for business in most developing countries. Over the course of the past four and a half years, STAS has achieved broad geographic recognition. It has received a total of 416 requests from firms and organizations in 79 developing countries. To date, approximately 200 advisers from 23 countries have undertaken missions to 51 developing countries in a broad range of commercial disciplines. The results have been positive and the prospects are promising for the continued growth of the programme. Promotional efforts by the focal point and the field offices have only begun to scratch the surface of demand which continues to expand steadily.

III. THE EVALUATION

4. An evaluation of the STAS programme was undertaken by a two-member evaluation team in December 1988. The evaluation was conducted pursuant to paragraph 5 of decision 85/13 and covers the period June 1985 to June 1988. The terms of reference for the evaluation team are provided in annex I. The evaluation team adopted five criteria in evaluating the programme's performance. Briefly these were:

(a) The extent to which the objectives set for the STAS programme were met during the experimental phase;

(b) The extent to which private sector and parastatal firms in developing countries had been made aware of STAS;

(c) The satisfaction level among beneficiaries;

(d) The extent to which the STAS focal point had succeeded in persuading co-operating organizations to participate in the programme and contribute their expertise;

(e) The extent to which the programme had been cost-effective.

5. In reaching their conclusions, the team analysed the files of 118 completed assignments, conducted in-depth interviews with several STAS beneficiaries, and visited two UNDP field offices which had made extensive use of the programme, Barbados and Jamaica.

6. The evaluation team concluded that the focal point had fulfilled the objectives laid down for it by the Council. The quality of the individual performances of STAS advisers was rated high, and the programme impact on beneficiary enterprises and organizations positive. This was based on the evaluation forms submitted by beneficiary enterprises as well as interviews the team conducted with beneficiary enterprises and government officials both by telephone and in person. The team took particular note of the enthusiastic support of both Governments and private sector organizations for the programme. Specific reference was made to the extremely high qualifications of the advisers for their work and their extensive hands-on experience, which differentiated them from traditional consultants. The team found the STAS delivery system adequate to handle the current level of assignments but determined that this would need to be modified and strengthened to accommodate the increased level of activity anticipated in coming years.

7. The evaluators identified several problem areas and suggested actions to address them: in particular, activating demand; reducing response time to requests; bringing about a sustained awareness of STAS among potential beneficiaries; and reducing the high rate of cancellation or withdrawal of requests. The team suggested several actions to address these problems. With respect to activating demand and creating a sustained awareness of the programme, the team recommended expanded promotional efforts, including missions by industry specialists to identify latent demand, use of audio-visual materials, and the convening of national and regional STAS seminars organized in conjunction with national chambers of commerce and industry. The seminars would feature presentations by STAS beneficiaries. With respect to reducing the response time to requests, the team recommended the creation of a computerized data base to accelerate the matching of needs with the supply of available expertise. The team found the high rate of cancellations and withdrawals the result in large part of a combination of premature (i.e., improperly screened) requests and changed business circumstances. The team recommended greater emphasis on screening requests at the field level and increased use of volunteer specialists from the business community to assist potential beneficiaries in preparing their requests. This approach was considered particularly appropriate in the case of least developed countries (LDCs). Little can be done in the case of cancellations and withdrawals caused by changed business circumstances.

8. The team urged closer working relationships with the specialized agencies and improved networking with similar United Nations technical assistance programmes. It further recommended that the STAS focal point be included in forums such as the Project Appraisal Committee (PAC) meetings convened by the Regional Bureaux and the Action Committee in order that the potential for STAS inputs be fully considered at the project formulation stage. The team felt that STAS had succeeded in establishing a special niche for itself in the United Nations system and recommended maintaining STAS as a distinct and identifiable entity within UNDP.

9. The team concluded that STAS had not been in operation long enough to evolve cost-effectiveness criteria. The team analysed the cost figures for the January 1986 to September 1988 period and calculated the average administrative cost per project completed at \$3,600. The team also analysed the cost figures for the first nine months of 1988 (January-September) and determined the average estimated cost per project for this period at \$2,750. This they considered a desirable trend in reducing operational costs. The team concluded that further cost reductions would be achieved as STAS grew and achieved greater economies of scale.

10. The team also recommended that a detailed plan and strategy for the STAS programme be prepared to provide UNDP management with an operational blueprint for growth over the next five years. In this context, the team presented three possible scenarios for consideration. The first maintained the status quo, the second advocated moderate growth, while the third advocated a significant expansion of programme activities.

11. It was the overall assessment of the team that STAS had fulfilled its contributory role in terms of the objectives laid down for it by the Council and that the problems encountered during the experimental phase could be overcome during the operational phase. It further recommended that STAS be made an operational programme of UNDP as early as possible and that UNDP allocate sufficient human and financial resources to enable it to grow at a steady and sustainable rate.

IV. IMPLEMENTATION

12. The Administrator reviewed the findings of the evaluation team and has implemented many of its recommendations. Specifically, the focal point has computerized its data base and is working to make it accessible to all UNDP headquarters units. The programme has made specific use of volunteer industry specialists in its programming missions to developing countries. This has resulted in improved relations with the business community, in more precisely formulated requests and, most importantly, in an increased volume of requests. The focal point has also utilized the services of several volunteers from industry on an expenses only basis to assist it in identifying advisers.

13. Pursuant to the evaluation team's recommendation that STAS increase its use of volunteers from the business community in developing countries to assist with promotion, STAS recruited its first local volunteer representative on a pilot basis

in Jakarta in December 1989. This individual is working on a part-time, expenses-only basis in co-ordination with the Resident Representative to develop and promote the programme in Indonesia. The local business community has responded favorably to this initiative and the relationship has already begun to bear fruit. This local presence should increase programme visibility in the local business community and facilitate entrepreneurs' access to STAS advisory services. STAS plans to add local representatives in several more developing countries over the coming months.

14. Finally, the focal point is a participant at Regional Bureaux PAC meetings, where new project consultancy needs are often discussed. Further, several discussions have been held with the United Nations specialized agencies for greater collaboration in the use of STAS advisers in their projects and programmes. The reception has been favorable, particularly at the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO), the United Nations Conference on Trade and Development (UNCTAD), the International Labour Organisation (ILO), the World Tourism Organization (WTO), and the International Civil Aviation Organization (ICAO). Many of these specialized agencies have already made use of STAS advisers on an ad hoc basis. Discussions are under way with these agencies to further develop relationships with STAS.

V. THE FUTURE

15. The Administrator conducted an internal review of the STAS programme in the fall of 1989. Based on the results of this review, he is recommending that the STAS focal point be made an operational part of UNDP from 1 July 1990, and funding and staffing for this programme be provided at current levels. To meet the expected increase in demand for STAS, UNDP proposes to cover these additional costs from programme resources.

16. Key elements of the plan call for increasing the STAS presence in developing countries through the recruitment of volunteers from the local business community on an expenses only basis to develop and promote the programme in co-ordination with the resident representatives. Similar approaches are envisaged on the supply side to assist the focal point with recruitment efforts. The latter is considered essential, as a greater STAS presence in developing countries is expected to result in a sharp increase in requests beyond that which the current network of STAS co-operating organizations will be able to handle. These relationships will enable STAS to extend beyond the geographic reach of its existing network; enhance the programme's visibility and credibility with businesses in developing countries; and facilitate the access of companies in developing countries to the advisory services they require. In summary, the expansion will enable UNDP better to meet the recognized and growing needs of firms in the production, commercial and service sectors of developing countries for short-term, highly specialized technical and management-related expertise.

VI. FINANCIAL MATTERS

17. Paragraph 7 of Governing Council decision 89/51 called on the Administrator to continue operation of the focal point through 1991 under present organizational arrangements, subject to the Council's decision in June 1990. An amount of \$125,000 from the Special Programme Resources (SPR) was allocated to the programme in January 1990 to cover the six-month period ending 30 June 1990. Expenditures for the period 1985-1989 are presented in annex IV.

18. As noted in paragraph 15, the Administrator is recommending that STAS be made an operational part of UNDP from 1 July 1990 and funding and staffing for STAS be provided at current levels.

VII. CONCLUSION AND RECOMMENDATIONS

19. STAS has proved to be an effective pilot scheme. Properly structured, managed and supported, an operational STAS programme will be of significant benefit to the private and parastatal sectors of developing countries in the coming years. Accordingly the Administrator recommends that STAS be made an operational part of UNDP commencing 1 July 1990.

Annex I

EVALUATION OF THE FOCAL POINT FOR SHORT-TERM
ADVISORY SERVICES

TERMS OF REFERENCE

I. BACKGROUND

1. STAS, established by UNDP Governing Council decision 85/13 in June 1985, serves as a clearing-house matching requests for specialized skills received from the productive, commercial and service sectors of developing countries with expertise from the private and parastatal sectors of the developed and developing countries at minimal cost.
2. STAS is an experimental programme which has received funding from SPR through 31 December 1989. Under the STAS enabling legislation, the Governing Council is to take a decision on the future of STAS at its June 1988 session based on the recommendation of the Administrator. This evaluation exercise is designed to assist the Administrator in formulating his recommendation to the Council.

II. PURPOSE

3. This exercise should evaluate the design and implementation of the STAS programme and assess its long-term perspective as a part of UNDP. Accordingly, the evaluation should:
 - (a) Assess the results of the experimental phase June 1985-June 1988;
 - (b) Examine the programme's operational modalities and delivery system; and,
 - (c) Assess the impact of the STAS advisory missions on the end-users.

III. SCOPE

4. The evaluation will cover the following matters:
 - (a) The effectiveness of STAS co-operating organizations in identifying qualified experts for assignments;
 - (b) Government and end-user satisfaction with STAS advisory services;
 - (c) Analysis of selected individual assignment case studies; and,
 - (d) Managerial, marketing and budgetary implications of expanding the delivery of consultancy missions from current annual levels to 200-300 per annum.

5. The evaluation will take place in New York and include visits to one or more developing countries where STAS has an active programme. Estimated duration: one month (mid-November to mid-December 1988).

Annex II

LIST OF STAS CO-OPERATING ORGANIZATIONS

(as of 31 January 1990)

1. Association générale des Intervenants Retraités pour des Actions Benevoles de Coopération et de Développement (France)
2. American Chemical Society (USA)
3. Austrian Industrialists, Federation of (Austria)
4. British Executive Service Overseas (United Kingdom)
5. Canadian Executive Service Organization (Canada)
6. Echanges et consultations techniques internationaux (France)
7. Electronics Industry Foundation (USA)
8. European Federation of National Maintenance Societies (Italy)
9. Federation of Danish Industries (Denmark)
10. Federation of Indian Export Organizations (India) (umbrella group of five organizations)
11. Federation of Norwegian Industries (Norway)
12. Florida State University (USA)
13. German Catholic Enterprises (Federal Republic of Germany)
14. German Senior Expert Service (Federal Republic of Germany)
15. Industry Council for Development (USA) (covering a number of international corporations)
16. Institute of International Education (USA)
17. International Association of Crafts, Small and Medium Enterprises (Switzerland)
18. International Chamber of Commerce (France)
19. International Design Assistance Commission (USA)
20. International Union for Public Transport (Belgium)
21. Istituto per la Ricostruzione Industriale (Italy)

22. Japan Silver Volunteers (Japan)
23. Keidanren (Japan Federation of Economic Organizations) (Japan)
24. National Association of Manufacturers (USA)
25. Netherlands Management Consultancy Programme for Developing Countries (Netherlands)
26. Paperboard Packaging Council (USA)
27. Senior Expert Foundation (Sweden)
28. Senior Service (Sweden)
29. Servizio di Progettazione Economica per lo Sviluppo (Italy)
30. Swedish Federation of Trades, Industries & Family Enterprises (Sweden)
31. TCR Services (USA)
32. Volontari Seniors per il Progresso (Italy)
33. World Assembly of Small and Medium Enterprises (India)

Annex III

STAS ADVISERS BY COUNTRIES OF PLACEMENT (COMPLETED ASSIGNMENTS)
 FOR THE PERIOD OF DECEMBER 1985-DECEMBER 1989

	<u>Dec.</u> <u>1985-1987</u>	<u>Jan.-Dec.</u> <u>1988</u>	<u>Jan.-Dec.</u> <u>1989</u>	<u>Total</u>
I. AFRICA				
Central African Republic	1			1
Gabon		1		1
Gambia	1			1
Lesotho	1		7	8
Mauritania		2	2	4
Nigeria		1		1
Senegal	1			1
Togo	1			1
Zimbabwe	1	1		2
Total	6	5	9	20
II. ARAB STATES AND EUROPE				
Algeria	5	1	6	12
Bahrain		1	2	3
Cyprus	1			1
Egypt	3		1	4
Oman			1	1
Poland			1	1
Qatar		5	4	9
Saudi Arabia	1			1
Tunisia		2		2
United Arab Emirates		1	4	5
Yugoslavia		1		1
Total	10	11	19	40

Annex IV

ACTUAL STAS EXPENDITURES, 1 JULY 1985 TO 31 DECEMBER 1989

	Actual expenditures				
	1985	1986	1987	1988	1989
	(in United States dollars)				
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10 Personnel					
1101 Professional		53 991	54 177	59 898	71 029
1112 Consultants	40 725	7 335	13 602	37 097	29 257
1300 Administrative support	6 425	28 515	36 123	40 746	54 201
1500 Travel (consultants)		7 704	142		28 124
1600 Travel (professional)		13 378	18 507	20 861	
1700 Travel (other)				885	667
19 Component total	47 150	110 923	122 551	129 487	183 278
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40 Equipment					
41 Expendable		362		889	3 323
4200 Non-expendable	5 233	10 751		1 324	13 732
4300 Premises	3 590	10 892	10 000	10 000	28 668
49 Component total	8 823	22 005	10 000	12 213	45 723
<hr/>					
50 Miscellaneous					
5100 Operations and maintenance					
5200 Report		1 870	125	18 830	
5300 Sundry		4 662	2 640	7 520	44 000
59 Component total		6 532	2 765	26 350	44 000
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99 Grand total	<u>55 973</u>	<u>139 460</u>	<u>135 316</u>	<u>198 050</u>	<u>273 001</u>
