



**Interoffice Memorandum**

To: Mr. Wilfried Luetkenhorst  
Chief of Cabinet and Director  
Bureau for Organizational Strategy and Learning  
UNIDO

From: Bruce Jenks  
Assistant Administrator and Director, Partnerships Bureau  
UNDP New York

Date: 09 March 2010

Extension: 6005

Subject: Knowledge Management Proposal Final Approval

File: ----

**I. Approval Status**

On behalf of the MDG-F Steering Committee I am pleased to inform you that your knowledge management proposal for the thematic window on Development and Private Sector in the amount of US\$ 750,000 is now ready for signature and release of funds. In order to proceed to the transfer of funds, please submit the following:

- the signed project document and annual work plan required by your organization to apply for funding;
- designated programme manager/responsible person for this initiative; and
- bank account details.

Upon receipt of the requested information and signed project document and AWP, we will proceed to the disbursement of the funds.

**II. Design comments**

- Further to our discussion during the review process of this KM proposal, the MDG-F Secretariat would like to reiterate the importance of ensuring interagency coordination and collaboration in this process, and close consultation with the MDGF Secretariat with the view to strengthen synergies between knowledge management initiatives and minimize duplication of requests and burden for the joint programme teams in the field.
- In relation to the proposed workshops, and based on the detailed provided for the envisaged workshops, the Secretariat would like to recommend the following:
  - o considering that out of the twelve PSD joint programmes, seven are in Latin America, two in Europe, two in Africa and one in Vietnam, and
  - o considering that the MDG-F Secretariat encourages participation from both a joint programme manager or coordinator and a government counterpart, and hopes the proposal is accounting for the travel and DSA costs of participants,
  - o the Secretariat recommends that only four of the six proposed workshops take place, namely:
    - The global workshop with all joint programmes and selected experts in June/ July 2010
    - Workshop with selected JP managers and technical staff during the DCED in September/ October 2010 in Vienna
    - One local workshop in Latin America
    - The last global workshop in spring 2012.

.../



III. Management arrangements and delegation of authority

On receipt of a copy of the signed document, the Fund Secretariat will transfer the full allocation to your organization as indicated in instructions provided by you.

With best wishes.

cc.

H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations  
Mr. Juan Lopez Doriga, Director-General for Planning & Evaluation, MFA Madrid  
MDG-F Secretariat



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Global

Project number: XX/GLO/09/X13

Project title: Global knowledge management system for PSD

Thematic area code: Cross-cutting (PRP / TCB / EAE)

Starting date: June 2010

Duration: 2.5 years

Project site: Global (with interventions in countries with PSD projects funded by MDG-F)

Executing agency/  
cooperating agency: UNIDO / UNDP

Project Inputs: US\$ 701,000

- UNIDO inputs: -

- Support costs (7%): US\$ 49,000

- Counterpart inputs: --

- Grand Total: US\$ 750,000

Proposal Summary:

The global knowledge management system for private sector development (PSD) aims at enhancing the United Nations system's knowledge capabilities in the field of PSD by improving its institutional readiness for delivering policy advice, institutional capacity-building and pilot projects, particularly at the country level (outcome 1). It should further support developing countries in acquiring and adapting PSD-relevant knowledge to their specific contexts and development needs (outcome 2).

In order to achieve the envisioned outcomes the project focuses on the development of a global knowledge management system (KMS) for PSD that will facilitate (i) the creation of practical knowledge, based on PSD programme experiences, (ii) the organization of explicit, existing data and the formalization of tacit knowledge, particularly at the country level, and (iii) accessibility to and dissemination of knowledge related to PSD programmes and policies at all levels. The project will therefore produce the following outputs (1-3).

*Output 1: Strengthened capacity, effectiveness and readiness of the joint programme teams* through a set of country-level analyses of projects and activities in MDG-F programme countries, the development of lessons learned as well as expert group meetings and learning events;

*Output 2: Global, multi-stakeholder PSD community of practice* through a web-based, open source learning platform with PSD-relevant resources, based on country-level analyses and global resources from the United Nations system and respective partners; and

*Outputs 3: Establishment of a global PSD learning and knowledge sharing partnership* with relevant public and private partners as the basis and a means for a wider spectrum of knowledge transfer, to support developing countries in acquiring and adapting PSD-relevant knowledge to their specific contexts and development needs.

Approved:

	Signature:	Date:	Name and title:
On behalf of UNIDO		24 June 2010	Wilfried Luetkenhorst Managing Director RSF
On behalf of MDG-F	 OIC	29 June/10	Sophie de Caen Director

## **A. BACKGROUND AND RATIONALE**

With the eighth thematic funding window of the MDG Achievement Fund (MDG-F) “Development and the Private Sector”, the United Nations addressed the urgent need for supporting the development of a vibrant and responsible private sector in order to achieve the Millennium Development Goals (MDGs). Twelve out of fifty proposals were approved, namely the joint concept notes from Bolivia, Cost Rica, Cuba, Dominican Republic, Egypt, El Salvador, Ethiopia, Panama, Peru, Turkey, Serbia and Viet Nam, addressing local needs for improving the policy and institutional framework for more inclusive markets and pro-poor economic development. These country-level projects, alongside with other private sector development (PSD) programmes of UNIDO, UNDP as well as other agencies and their partners, are a fertile ground for generating ideas, innovations and knowledge that should further inform pro-MDG economic development policy across countries and regions.

In addition, country-level practitioners often lack practical policy advice, based on latest findings in the global and regional policy dialogues and discourse on PSD. These platforms are traditionally rooted in the United Nations’ and other international organizations’ headquarters, as well as in the established global systems of expert dialogue<sup>1</sup> with limited access by developing country partners especially at the regional and local level. A more dynamic, inclusive and accessible mechanism, such as the envisioned knowledge management system (KMS) for PSD, to facilitate the exchange of knowledge, concepts and ideas among local practitioners, particularly also from the MDG-F project countries, and global strategists in PSD policy could not only generate tested knowledge and mobilize action research findings but also make existing explicit and tacit knowledge, standards and methodologies, lessons learned more readily available, and better applied and adapted where they are meant to make a difference towards the achievements of the MDGs.

Lastly, knowledge systems have long been recognized as central to development effectiveness. In the field of PSD, integration into the world economy has become an increasing challenge for developing country producers, and particularly small and medium-sized enterprises (SMEs), with new and demanding standards and requirements that arise as a consequence of concerns in industrialized countries regarding food safety, sustainability, climate change mitigation, or other industrial risks and corporate social responsibilities. Globally sourced knowledge on all these issues, complementing local business environment reforms, are today one of the most important factors determining productivity, economic linkages, market access and investment – and thus advancing economic growth, human well-being and the achievement of the MDGs.

Taking this rationale into account, and in order to improve local practices and policymaking in the field of PSD for the achievement of the MDGs, UNIDO was requested to submit a proposal to the MDG-F for the establishment of a KMS<sup>2</sup> that would enhance the United Nations system’s knowledge capabilities in the field of PSD policy and improve its institutional readiness and intellectual capital for delivering policy advice, particularly at the country level for achieving the MDGs. In response to this request, an initial concept note was formulated for the MDG-F (in the MDG-F format) jointly with the UNDP Private Sector Division and in close consultations with the Managing Director, RSF, and the Director of the UNDP Partnership Bureau as well as the Director and staff of PTC/BIT and staff from other relevant PTC branches, which was approved by the Programme Approval Committee in October 2009.

## **B. THE PROJECT**

### **B.1. Proposal Design and Approach**

The global knowledge management system for private sector development (PSD) aims at enhancing the United Nations system’s knowledge capabilities in the field of PSD by improving its institutional readiness for delivering policy advice, institutional capacity-building and pilot projects, particularly at the country level (outcome 1). It should further support developing countries in acquiring and adapting PSD-relevant knowledge to their specific contexts and development needs (outcome 2). Overall, it is expected that greater programmatic coherence and intellectual capital among United Nations agencies, coupled with a

---

<sup>1</sup> In UNIDO, the headquarter-based BIT branch is the primary internal pool of expertise. In UNDP, it is the Bureau for Development Policy.

<sup>2</sup> Within the overall MDG-F programme “Convenor Agency Knowledge Management (KM)” (terms of reference attached)

stronger institutional setting for PSD programmes at the local and international levels, will lead to an enhanced impact of PSD endeavours of the United Nations and its partners on economic development and therefore the achievement of the MDGs (impact).

In order to achieve the envisioned outcomes the project focuses on the development of a global knowledge management system (KMS) for PSD that will facilitate (i) the creation of practical knowledge, based on PSD programme experiences, (ii) the organization of explicit, existing data and the formalization of tacit knowledge, particularly at the country level, and (iii) accessibility to and dissemination of knowledge related to PSD programmes and policies at all levels.

Reaching the overall objective of achieving the MDGs by enhancing the United Nations system's knowledge capabilities in the field of PSD for delivering policy advice and capacity-building, the programme is therefore built around three interlinked and mutually reinforcing outputs and its associated activities:

*Output 1: Strengthened capacity, effectiveness and readiness of the joint programme teams* responsible for implementing MDG-F 'Development and the Private Sector' funded programmes. It will be achieved through a range of activities such as expert group meetings, learning events with project and programme managers, national counterparts and other stakeholders from related countries and agency headquarters. In addition, through these activities valuable lessons learned (explicit and tacit) will be generated and formalized further contributing to the strengthened capacity.

Specifically, a mapping and assessment of experiences and learning during the formulation and implementation phases of participating MDG-F PSD programmes at the country level is undertaken<sup>3</sup>. These PSD programmes exhibit a range of common elements, including SME competitiveness, value chain development, capacity development and policy reform. A particular focus will be to find commonalities and learning opportunities around these issues. The analysis will also provide crucial baseline figures and monitoring data, taking advantage of the MDG-F Secretariat's activities on monitoring and evaluation (M&E) and on-going attempts to develop a robust multi donor agency 'standard' for PSD M&E.<sup>4</sup> This task will be facilitated by UNDP's field network and gathered jointly with the implementing partner agencies, including UNIDO's local PSD experts. The results will be shared and discussed through face to face meetings and workshops with concerned stakeholders at the country level, including country teams, national counterparts, policymakers and donor groups, as well as among United Nations headquarters of relevant agencies and inter-agency mechanisms, including the MDG-F Secretariat.

*Output 2: Creation of a global PSD community of practice* through the establishment of a web-based, open source learning platform with PSD-relevant resources, based on country-level analyses and global resources from the United Nations system and respective partners.

This platform will facilitate establishing an ongoing exchange of upstream and downstream knowledge and the capturing and formalization of tacit knowledge accrued throughout the implementation of projects at the country level. It will consist of improved substantive knowledge on issues related to PSD programme design and implementation at the country level, based on findings and resources from existing sources, including PSD technical material and policy findings at relevant United Nations institutions, international financial institutions and other global and regional networks related to PSD policy and programme development. A diagnostic study, conducted by UNIDO in collaboration with all relevant agencies and networks, will identify the overall demand and scope for PSD-related learning and prepare an initial set of materials and resources as a basis for the establishment of targeted training modules, learning platforms and other methods of knowledge dissemination. Where appropriate, this will identify and take advantage of existing sources of high quality training within the United Nations system, for example ILO's International Training Centre based in Turin.<sup>5</sup> The MDG-F Secretariat's activities in the field of M&E, and in particular the mid-term evaluations, will be an important source of additional data to meet the specific information needs. Based on this data and information, a web-based, open-source PSD community and learning platform will be established for all United Nations agencies, local institutions and development partners involved, using the MDG-F Secretariat's electronic platform *Teamworks* wherever possible and appropriate.

<sup>3</sup> Of which seven are UNIDO-led or supported and eleven have UNDP participation.

<sup>4</sup> See <http://www.enterprise-development.org/page/measuring-and-reporting-results>

<sup>5</sup> See <http://www.itcilo.org/en>

*Outputs 3: Establishment of a global PSD learning and knowledge sharing partnership with relevant public and private partners, including United Nations agencies, developing country institutions, donor groups, relevant business associations and the MDG-F Secretariat as appropriate as the basis and a means for a wider spectrum of knowledge transfer, to support developing countries in acquiring and adapting PSD-relevant knowledge to their specific contexts and development needs.*

Activities undertaken will therefore institutionalize knowledge creation, formalization and exchange among all relevant stakeholders as well as PSD-related policy advice and PSD programme formulation of the United Nations system at the global, regional and country level. The experiences in the MDG-F supported PSD joint programme countries will thereby be instrumental as a core source for extensive learning on PSD programme design and implementation beyond the twelve programme countries. During the initial, MDG-F-supported period of 30 months, the partnership will initially be set up with all core United Nations agencies and other partners and concentrate on three interrelated activities, namely: (i) two global and two local/regional workshops in selected joint programme countries and expert meetings on sound PSD programme policy in the context of targets related to the MDGs; (ii) background studies and strategy papers, based on outcomes 1 and 2, to support the workshops; and (iii) communicating the results of the workshops to relevant policymakers, practitioners and other relevant stakeholders at the global, regional and country level, *inter alia* through training activities and briefings at appropriate programme policy platforms, including inter-agency coordination mechanisms and inter-governmental bodies. Particular attention is hereby given to national ownership with national counterparts participating in all workshops and trainings whenever appropriate and/or possible.

The workshops mark a cornerstone in the course of the entire project. Four workshops and one expert meeting differing in their scope from global to local and thematic centre of gravity will be conducted in order to share knowledge management practices and experiences of PSD, covering technical aspects as well as reviewing and monitoring progress. The first workshop is of global nature and encompasses all programme managers of the MDG-F PSD projects from Bolivia, Cost Rica, Cuba, Dominican Republic, Egypt, El Salvador, Ethiopia, Panama, Peru, Turkey, Serbia and Viet Nam. The workshop is expected to take place in a Latin American programme country in September/October 2010. Approximately at the same time, a strategic expert meeting will be linked to the annual session of the Donor Committee on Enterprise Development (DCEd) in Vienna and consist of selected programme managers and technical staff. The second workshop is local in scope and will focus on intensified knowledge sharing on PSD issues, with special reference to Latin American programmes, to be held in spring 2011. A third workshop will take place in summer 2011 for intensified knowledge sharing, covering technical aspects in all programme countries and establishing a joint concept and sustainability plan for the global PSD partnership. The fourth, global workshop in spring 2012 will focus on reviewing improvements made in knowledge management for PSD in MDG-F programme countries and discussing the way forward.

Overall, it is expected that establishing the above-mentioned mechanisms of communication at the institutional level will further enable streamlining of information and knowledge, and reducing possible overlaps and duplications among agencies, thus augmenting performance capacity of, and in, the institutional system of the United Nations. It is expected that by overcoming such underlying constraints and by building a knowledge bridge between global and regional expertise in PSD policies and practical knowledge at the country-level, the programme will directly address the objective indicated in the MDG-F's terms of reference for the Convener Agency Knowledge Management system, namely:

*To enable exploration and exploitation of tacit and explicit knowledge generated through the design and implementation of joint programmes to enhance all participants' organizations' intellectual capital as well as their performance. The intention of this knowledge management system is to foster the capacity to provide innovative and coordinated actions and share practice and skills among participants. The system [...] will allow colleagues from UN agencies, Country Teams, joint programmes and national counterparts to share the data; information and knowledge accrued through MDG-F formulation and implementation processes.*

The programme has been designed and will be implemented by UNIDO in close collaboration with UNDP. Cooperation will also be sought with other relevant United Nations institutions and existing inter-agency platforms, drawing on their comparative advantages in terms of mandate and expertise. During the course of its implementation, international financial institutions, global and regional consultation bodies active in the field of PSD, including in the OECD-DAC and the DCEd, and other relevant public and private institutions, will also be invited to contribute to the outcomes of the programme. The sustainability of the partnership will be

guaranteed through its institutional anchorage in UNIDO. The terms of reference of the partnership and membership conditions as well as the individual contributions of new members will be elaborated during a first preparatory meeting of parties, possibly at the expert meeting or the first workshop. The programme will also build on existing projects and initiatives in the field of PSD and will particularly collaborate with the country teams in MDG-F PSD programme countries.

In order to leverage the achievements of the different convenor knowledge management projects under the MDG-F, an active communication and coordination with all other project managers and their organizations will be sought, particularly in the fields of

- Democratic and Economic Governance (UNDP)
- Children, Foods Security and Nutrition (UNICEF)
- Youth, Employment and Migration (ILO)
- Gender and Women's Empowerment (UNIFEM)
- Environment and Climate Change (UNEP)
- Gender cross-cutting project (UNIFEM)

The sustainability of the project's outputs and envisioned outcomes is ensured through the utilization of already existing web-based mechanisms such as the online platform and online community *teamworks* at UNDP. In addition, UNDP disposes of the know-how and manpower to run such a web-based, open source knowledge platform with specialized personnel. Moreover, the partnership component of the project is sustained through the immense presence of UNDP in many PSD activities prominently mirrored in the 12 selected country projects. At UNIDO, sustainability will be ensured through the newly established institutional setup, including the Bureau of Project Design and Knowledge Management as well as contents-based inputs by branches such as the Special Programmes and LDC Group (SPL) and the Business and Investment Technology (BIT) branch. It is expected that UNIDO, with its large number of activities in the field of PSD, will further build on the outputs of this programme, also in view of its role within the United Nations system at the forefront of delivering progressive and innovative PSD solutions to its clients.

## **B.2. RBM code and thematic area code**

DF.3 - Cross-cutting (PRP / TCB / EAE)

## **B.3. Outputs and activities**

*Described in the Results Matrix and Workplan (section H).*

## **B.4. Risks**

Risks exist at each of the three output levels:

- Country-level analyses and workshops depend on a high level of proactive participation of related UN Country Teams. UNIDO and UNDP will therefore actively seek country-level ownership from the outset.
- The PSD learning platform will use *Teamworks*, a UNDP-based electronic knowledge management tool. The functioning of the platform will not only depend on an adequate IT support by UNDP headquarters, but also on the active participation of a growing number of PSD practitioners. UNIDO and UNDP will therefore ensure adequate IT support from the outset and build active promotion of the tool into all their activities, both at the country-level and in headquarters.
- The institutionalization of the KMS for PSD will depend on an active participation of other UN agencies and other institutions and entities related with PSD. UNIDO and UNDP will therefore build an advocacy element into all their activities with other organizations and partners and will actively promote the scheme with strategic partners, particularly at the Donor Committee for Enterprise Development and other relevant multi-agency entities.

- The proposal is strongly linked to the twelve MDG-F funded PSD projects at the country level and thus depends on their implementation speed and demonstrated results. Delays due to internal, external or project-related events hampering the twelve projects and/or the KM project itself may bear the risk that the various activities get out of sync. UNIDO and UNDP will therefore closely collaborate with the MDG-F Secretariat and the respective monitoring and evaluation managers in order to get early warning on any delays and to prepare adequate mitigation measures.

### **B.5. Institutional Management Arrangements**

The programme will be implemented by UNIDO (RSF/OMD, supported by PTC/OMD, SPL and BIT), in close collaboration with UNDP (Bureau for Development Policy). Overall programme and budget coordination will be organized by UNIDO as the convener agency for the MDG-F window on Development and the Private Sector. An initial kick-off meeting between the two organizations and the MDG-F Secretariat will be followed by monthly conversations, including face-to-face meetings and teleconferences, to ensure the necessary oversight of the programme by reviewing progress, assessing its continued relevance and proposing modifications if and when required. In particular, the calendar of events will be discussed with the MDG-F Secretariat to ensure coordination and minimize the burden on the joint programme teams in MDG-F programme countries. In addition, ad-hoc meetings will be organized between the two organizations and the MDG-F Secretariat at the margins of planned learning events, workshops and expert group meetings to align ongoing and planned work.

Once the global PSD partnership is established, governance structures of the partnership will be jointly discussed with all partners and a structured public-private dialogue mechanism will be provided for regular interaction and programme continuation beyond the scope of this initial programme. UNIDO will offer to host the partnership in order to guarantee sustainability and the necessary secretariat services. While the online platform will be hosted by UNIDO for facilitating modifications and additions by the coordinating agency without unnecessary delays, frequent communication with the MDG-F Secretariat will facilitate the establishment of a permanent link to the MDG-F knowledge management system.

The organization of events, expert meetings and workshops will be conducted on a shared responsibility basis between UNIDO and UNDP, with each organization leading the logistical coordination of an equal number of events throughout the period of the programme while jointly elaborating content and desired outcome.

### **C. INPUTS**

#### **International consultancies<sup>6</sup>:**

- Expert in knowledge management
- Short-term experts in private sector development
- Short-term e-learning experts
- Short-term evaluation consultant

#### **National consultancies<sup>7</sup>:**

- PSD technical experts in MDG-F project countries for analysis
- Short-term consultants for workshop and training coordination

#### **Subcontracts<sup>8</sup>**

- The e-platform will be linked to UNDP's *Teamworks* system as far as possible and appropriate. Its establishment will be subcontracted to ensure consistency and to reduce cost.

<sup>6</sup> Job descriptions to be finalized in collaboration with UNDP and the MDG-F Secretariat once the programme is approved

<sup>7</sup> Job descriptions to be finalized in collaboration with UNDP and the MDG-F Secretariat once the programme is approved

<sup>8</sup> Terms of reference to be finalized in collaboration with UNDP and the MDG-F Secretariat once the programme is approved



### Training<sup>9</sup>

- Workshops and trainings as outlined in the Results Matrix (section H)
- Expert meetings with best solutions promoters to develop a scheme for the uptake and upscaling of the partnership beyond the scope of the project

### D. BUDGET

UNIDO Budget Lines	CATEGORY	ITEM	TOTAL COST (IN US\$)
	<b>Consultancies</b>		
11-00		International consultancies	96,000
17-00		National consultancies	95,000
	<i>Sub-total Consultancies</i>		<b>191,000</b>
	<b>Admin Support Personnel</b>		
13-00		Admin support for event admin	20,000
	<b>Training</b>		
35-00		Workshops, expert meetings, trainings*	305,000
	<b>Transportation</b>		
51-00		Local travel	10,000
	<b>Travel</b>		
15-00		Project travel	45,000
16-00		Staff travel**	65,000
	<i>Sub-total Travel</i>		<b>110,000</b>
	<b>Subcontracts</b>		
21-00		E-platforms, including training	40,000
	<b>Miscellaneous</b>		
51-00		Miscellaneous expenses	10,000
	<b>Evaluation</b>		
81-00		Evaluation	15,000
99-00	<b>Sub-total</b>		<b>701,000</b>
	<b>Management</b>		
		Support cost	49,000
	<b>GRANT TOTAL</b>		<b>750,000</b>

**Note:** The lead agency for the management of the funds will be UNIDO as the convener agency for the MDG-F window on Development and the Private Sector. UNDP will execute selected activities under subcontracting arrangements where appropriate. UNDP will also organize specific events and act as host for meetings where suitable.

\* As described in section B and the results matrix

\*\* Staff travel includes participation of field staff and technical officers in workshops and trainings organized by the project as outlined in section H.

<sup>9</sup> Terms of reference to be finalized in collaboration with UNDP and the MDG-F Secretariat once the programme is approved

## **E. MONITORING, REPORTING AND EVALUATION**

Baseline and end-of-programme analysis of the state of the target groups, also taking into account the monitoring and evaluation outcomes in the MDG-F programme countries and other programmatic evaluation documents, and studies on the understanding and needs for PSD programme development and policy advice will be the primary inputs for monitoring and evaluation of the programme. All data collected will be disaggregated as far as possible to yield information on specific sub-issues, such as gender equality, minorities and youth. Data will be collected as follows, also to create a source for verification of indicators:

*Output 1: Strengthened capacity, effectiveness and readiness of the joint programme teams* through a set of country-level analyses of projects and activities in MDG-F programme countries, the development of lessons learned as well as expert group meetings and learning events

- Baselines and targets established with a view on the ability to capture and use explicit and tacit knowledge at the beginning of the programme
- Results achieved documented with a view on the ability to capture and use explicit and tacit knowledge at the end of the programme
- Evaluations and assessments of learning events and expert group meetings

*Output 2: Global, multi-stakeholder PSD community of practice* through a web-based, open source learning platform with PSD-relevant resources, based on country-level analyses and global resources from the United Nations system and respective partners

- Diagnostic study with recommendations available, disseminated and followed by all partners in the system
- Resources available and accessible
- Monitoring counters in the electronic platforms on number of participants, clicks, etc.

*Outputs 3: Establishment of a global PSD learning and knowledge sharing partnership* with relevant public and private partners as the basis and a means for a wider spectrum of knowledge transfer, to support developing countries in acquiring and adapting PSD-relevant knowledge to their specific contexts and development needs.

- Partnership documents agreed with all relevant stakeholders (terms of reference, action plan, individual agency contributions etc.)
- Availability of background studies and evaluations and assessments of six workshops
- Evaluations and assessments of communication efforts

Regular reports will be prepared during the project lifetime to brief on the implementation of the project. In view of the size of the project and of its global nature, the project will be monitored through a Board of Stakeholders, comprising technical staff from UNIDO, UNDP and the MDG-F Secretariat. The project is subject to self-evaluation to be carried out at the end of the project.

## **F. PRIOR OBLIGATIONS AND PREREQUISITES**

No relevant prior obligations or prerequisites are identified as trained staff, facilities and best practices are available.

## **G. LEGAL CONTEXT**

The present project is governed by the provisions of the standard funding arrangements between UNIDO and UNDP (Spain MDG Achievement Fund).

**H. RESULTS FRAMEWORK AND WORKPLAN**

Intervention logic	
<b>Impact</b>	
	Enhanced impact of PSD endeavours of the United Nations and its partners on economic development and therefore the achievement of the MDGs
<b>Outcomes</b>	
Outcome 1	Enhanced knowledge capabilities of the UN system in the field of PSD and related improved institutional readiness for delivering policy advice, institutional capacity-building and pilot projects, particularly at the country level
Outcome 2	Developing countries are enabled to acquire and adapt PSD-relevant knowledge to their specific contexts and development needs
<b>Outputs</b>	
Output 1	Strengthened capacity, effectiveness and readiness of the joint programme teams responsible for implementing MDG-F 'Development and the Private Sector' funded programmes
Output 2	Creation of a global PSD community of practice through the establishment of a web-based, open source learning platform with PSD-relevant resources, based on country-level analyses and global resources from the United Nations system and respective partners
Output 3	Establishment of a global PSD learning and knowledge sharing partnership with relevant public and private partners as the basis and a means for a wider spectrum of knowledge transfer, to support developing countries in acquiring and adapting PSD-relevant knowledge

Output	Q1/1	Q2/1	Q3/1	Q4/1	Q1/2	Q2/2	Q3/2	Q4/2	Q1/3	Q2/3	Q3/3	Q4/3
1	X	X	X	X			X				X	
2		X	X	X	X	X	X	X	X	X	X	X
3				X	X	X	X	X	X	X	X	X

Development goal/impact	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
	Enhanced impact of PSD endeavors of the United Nations and its partners on economic development and therefore the achievement of the MDGs	MDG indicators Economic/industrial growth indicators	MDG reports World Bank, UN-DESA and UNIDO statistics	X
<b>Outcome(s)/immediate objective(s)</b>	<p>1. Enhanced knowledge capabilities of the UN system in the field of PSD and related improved institutional readiness for delivering policy advice, institutional capacity-building and pilot projects, particularly at the country level</p> <p>2. Developing countries are enabled to acquire and adapt PSD-relevant knowledge to their specific contexts and development needs</p>	<p>umber of developing countries that make use of the KMS for PSD for tapping knowledge assets</p> <p>Number of new PSD programmes in line with identified best practices</p>	<p>New MDG-F Project/Programme documents</p> <p>Final evaluation report</p> <p>Teamwork KM platform</p>	<p>The institutionalization of the KMS for PSD will depend on an active participation of other UN agencies and other institutions and entities related with PSD.</p> <p>The speed for developing an increased ability to use PSD knowledge in policymaking will depend on the commitment and willingness of the respective country.</p>
<b>Outputs (results)</b>  Output 1. Capacity building	<p>1. Strengthened capacity, effectiveness and readiness of the joint programme teams responsible for implementing MDG-F 'Development and the Private Sector' funded programmes</p>	<p>Feedback from events' participants</p> <p>Number of best practices identified</p>	<p>Baselines and targets established with a view on the ability to capture and use explicit and tacit knowledge at the beginning of the programme</p> <p>Results achieved documented with a view on the ability to capture and use explicit and tacit knowledge at the end of the programme</p> <p>Learning events and expert group meetings reports</p> <p>Publication on best practices</p>	<p>Country-level analyses and workshops depend on a high level of proactive participation of related UN Country Teams. UNIDO and UNDP will therefore actively seek country-level ownership from the outset.</p>

	<b>Intervention logic</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<b>Output 2. KM platform</b>	<p>2. Global PSD community of practice created through the establishment of a web-based, open source learning platform with PSD-relevant resources, based on country-level analyses and global resources from the United Nations system and respective partners</p>	<p>Functioning on-line platform with available and accessible resources on PSD matters</p> <p>Number of users actively engage on the platform</p> <p>Feedback from users through on-line survey</p>	<p>KM on-line platform (monitoring counters in the electronic platforms on number of participants, clicks, etc.)</p> <p>Diagnostic study with recommendations available, disseminated and followed by all partners in the system</p> <p>On-line survey</p>	<p>The PSD learning platform will use Teamworks. The functioning will not only depend on an adequate IT support by UNDP, but also on the active participation of a growing number of PSD practitioners. UNIDO and UNDP will therefore ensure adequate IT support from the outset and build active promotion into all activities</p>
<b>Output 3. Partnership</b>	<p>3. Established global PSD learning and knowledge sharing partnership agreements and other mechanisms with relevant public and private partners as the basis and a means for a wider spectrum of knowledge transfer, to support developing countries in acquiring and adapting PSD-relevant knowledge</p>	<p>Number of partnership agreements established and effectively functioning</p> <p>Feedback from event participants (both global, national and regional)</p>	<p>Workshop/event reports</p> <p>Partnership agreements with all relevant stakeholders (terms of reference, action plan, individual agency contributions etc.)</p>	<p>The institutionalization of the KMS for PSD will depend on an active participation of other UN agencies and other institutions and entities related with PSD. UNIDO and UNDP will therefore build an advocacy element into all their activities with other organizations and partners and will actively promote the scheme with strategic partners, particularly at the Donor Committee for Enterprise Development and other relevant multi-agency entities.</p>

	<b>Intervention logic</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<p><b>Activities</b></p> <p><b>1. Activities related to Output 1</b></p>	<p>1.1. Organizing PSD expert meetings and learning events in selected MDG-F countries and invite other countries with PSD programmes</p> <p>1.2. Monitoring, evaluating and reporting on events outputs</p> <p>1.3. Conducting appraisal of methods adopted, initial successes and failures and assess knowledge gaps</p> <p>1.4. Collecting baseline data in MDG-F programme countries and selected other PSD programme countries ( A diagnostic study)</p> <p>1.5. Disseminating of findings in MDG-F programme countries.</p> <p>1.6. Preparing report on country-level findings regarding PSD policy practice and lessons learned</p> <p>1.7. Coordinating dissemination of knowledge in collaboration with MDG-F Knowledge Management system</p> <p>1.8. Facilitating the production of joint publications on studies and best practice examples</p> <p>1.9. Appraisal and monitoring studies in MDG-F programme countries</p> <p>1.10. Status reports prepared during the project lifetime</p>	<p>N.A.</p>	<p>N.A.</p>	<p>N.A.</p>
<p><b>2. Activities related to Output 2</b></p>	<p>2.1. Undertaking country studies and needs analysis regarding applied PSD policy, demand and scope for PSD-related learning with an emphasis on MDG-F countries and findings of Output 1</p> <p>2.2. Establishing online platform and easy to find logic for PSD practitioners, development partners and policymakers</p> <p>2.3. Organizing a workshop with all partners to discuss the online platform and for discussing preparations towards Outcome 3</p> <p>2.4. Developing an action plan with all</p>	<p>N.A.</p>	<p>N.A.</p>	<p>N.A.</p>

	<b>Intervention logic</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
	platform partners for the promotion of the platform and dissemination of information			
3. Activities related to Output 3	<p>3.1. Preparation of background studies and strategy papers on PSD policies from a global, regional and country perspective, taking into account findings in MDG-F countries</p> <p>3.2. Organization of one global workshop on sound PSD programme policy towards achieving the MDGs; and two workshops on PSD programming and trainings in selected joint programme countries</p> <p>3.3. Organization of briefings at appropriate policy platforms, including inter-agency coordination mechanisms and inter-governmental bodies</p> <p>3.4. Establishment of a multi-sector advisory group for supporting the creation of the global PSD partnership</p> <p>3.5. Organization of a global workshop to take stock of lessons and to develop sustainable strategies for continuing global partnerships</p>	N.A.	N.A.	N.A.

**Indicative annual workplan**

	Indicative timeframe			Budget in '000
	2010	2011	2012	
<b>Output 1: Strengthened capacity, effectiveness and readiness of the joint programme teams responsible for implementing MDG-F 'Development and the Private Sector' funded programmes</b>				<b>185</b>
Organizing PSD expert meetings and learning events in selected MDG-F countries and invite other countries with PSD programmes				
Monitoring, evaluating and reporting on events outputs				
Conducting appraisal of methods adopted, initial successes and failures and assess knowledge gaps				
Collecting baseline data in MDG-F programme countries and selected other PSD programme countries ( A diagnostic study)				
Disseminating of findings in MDG-F programme countries.				
Preparing report on country-level findings regarding PSD policy practice and lessons learned				
Coordinating dissemination of knowledge in collaboration with MDG-F Knowledge Management system				
Facilitating the production of joint publications on studies and best practice examples				
Appraisal and monitoring studies in MDG-F programme countries				
Status reports prepared during the project lifetime				
<b>Output 2: Creation of a global PSD community of practice through the establishment of a web-based, open source learning platform with PSD-relevant resources, based on country-level analyses and global resources from the United Nations system and respecty</b>				<b>246</b>
Undertaking country studies and needs analysis regarding applied PSD policy, with an emphasis on MDG-F countries and findings of Output 1				
Establishing online platform and easy to find logic for PSD practitioners, development partners and policymakers				
Organizing a workshop with all partners to discuss the online platform and for discussing preparations towards Outcome 3				
Developing an action plan with all platform partners for the promotion of the platform and dissemination of information				
Conducting diagnostic study on demand and scope for PSD-related learning				
<b>Output 3: Establishment of a global PSD learning and knowledge sharing partnership with relevant public and private partners as the basis and a means for a wider spectrum of knowledge transfer, to support developing countries in acquiring and adapting PSD</b>				<b>370</b>
Preparation of background studies on PSD policies from a global, regional and country perspective, taking into account findings in MDG-F countries				
Preparation of strategy papers as basis documents for the global partnership				
Organization of two global workshops on sound PSD programme policy towards achieving the MDGs; and two workshops on PSD programming and trainings in selected joint programme countries; all joint programmes to be included in one of these workshops				
Preparation of outcome documents from workshops				
Organization of briefings at appropriate policy platforms, including inter-agency coordination mechanisms and inter-governmental bodies				
Establishing global partnership during a global workshop				





**ANNEX I:**

MDG-F Terms of Reference – Convenor Agency Knowledge Management (KM) Proposals

**ANNEX II:**

MDG-F Approval of UNIDO Knowledge Management Proposal

**Terms of Reference**  
**Convenor Agency Knowledge Management (KM) Proposals**

***Background and Rationale***

The MDG-F is inducing an improved way of working among development partners in general (country level, headquarters level, etc) and United Nations agencies in particular. Dialogue among stakeholders and coordination are the basic premises for joint programme design and implementation.

In this regard the MDG-F is envisaged to be an important producer of innovations and knowledge both at the organizational level as well as in the field of development policy. The Secretariat expects to finalize the formulation process with a total number of 129 joint programmes with the participation of over 25 UN organizations operating in 50 countries with an allocation of 700 million \$USD in 8 thematic areas linked to the MDGs. These facts definitely call for an investment in a knowledge management system for managing the wealth of experiences and knowledge that the implementation of the MDG-F is generating.

The MDG-F knowledge management system aims to enable exploration and exploitation of the tacit and explicit knowledge generated through the design and implementation of joint programmes to enhance all participants' organizations' intellectual capital as well as their performance.

The intention of this knowledge management system is to foster the capacity to provide innovative and coordinated actions and share practice and skills among participants. The system under design will allow colleagues from UN Agencies, Country Teams, joint programmes and national counterparts to share the data; information and knowledge accrued through the MDG-F formulation and implementation processes.

The implementation of a knowledge management system requires carrying out several activities and processes that often involve the storage and retrieval of information and data. It also entails knowledge transfer and knowledge application through interaction among individuals and organizations on a day by day basis.

While the knowledge management system should look at a number of issues, it should also develop lessons/knowledge on how the MDG-F model contributes to achieving the MDGs.

The knowledge management strategy proposes a two pillar system that consists of a) an electronic platform and b) a UN Agency led system. This last option should not detract from the priority of creating and sharing knowledge at the country level which in turns feeds into the electronic platform and is further disseminated through UN Agencies. This strategy is closely linked to two other MDG-F strategies including: (1) monitoring and evaluation; and (2) communication and advocacy. All three strategies were presented to UN Agency Convenors in a meeting on 2 April 2009.

***Key Challenges and Opportunities***

Some of the key challenges for UN Agencies will be to base their initiatives on the MDG-F joint programmes while bringing to bear their vast experience in the thematic area and

feeding back the knowledge gained into the countries and joint programmes. At the same time there is an opportunity for the Headquarters of those Convenor agencies to establish a better synergy between international policies and strategies with their application and implementation at the local level.

Convenor agencies will be able to gather data and information not only within regions but across them. At the same time joint programme partners will be able to benefit from agency expertise and distilled lessons that could be applicable to their own specific situations.

Another opportunity which is also a challenge is that Convenor agencies should try to submit a proposal that will have been prepared in coordination with the other key relevant UN Agencies involved in the thematic window.

***Illustrative interventions***

- Regional/global KM workshops bringing together joint programme partners with UN and external experts
- Studies
- Research Papers

***Available funding***

Convenor agencies should limit their proposals to no more than US\$750,000

***Proposal format***

The proposal format is very similar to that of the joint Concept Notes and should not exceed 10 pages.

1. Proposal Summary
2. Background and Rationale
3. Proposal Design and Implementation Plan
4. Monitoring and Reporting
5. Institutional Management Arrangements
6. Results Framework
7. Budget

Limited funding should be used for the purchase of equipment. The Fund does allow for the recruitment of staff to manage the KM initiatives but once again this should be limited.

***Important elements in the proposal:***

- Links to the thematic window and to the MDGs
- How the Agency will use the joint programme work as a basis for its proposal
- Consultation with other UN Agencies
- How the Agency will ensure that results get shared not only with joint programme partners but with the Secretariat
- Clear and concise results with targeted indicators

***Deadline***

Proposals should be submitted to the MDG-F Secretariat ([mdgf.secretariat@undp.org](mailto:mdgf.secretariat@undp.org)) no later than 31 July 2009.



**Interoffice Memorandum**

To: Mr. Wilfried Luetkenhorst  
Chief of Cabinet and Director  
Bureau for Organizational Strategy and Learning  
UNIDO

Date: 09 March 2010

From: Bruce Jenks  
Assistant Administrator and Director, Partnerships Bureau  
UNDP New York

Extension: 6005

Subject: Knowledge Management Proposal Final Approval

File: ---

**I. Approval Status**

On behalf of the MDG-F Steering Committee I am pleased to inform you that your knowledge management proposal for the thematic window on Development and Private Sector in the amount of US\$ 750,000 is now ready for signature and release of funds. In order to proceed to the transfer of funds, please submit the following:

- the signed project document and annual work plan required by your organization to apply for funding;
- designated programme manager/responsible person for this initiative; and
- bank account details.

Upon receipt of the requested information and signed project document and AWP, we will proceed to the disbursement of the funds.

**II. Design comments**

- Further to our discussion during the review process of this KM proposal, the MDG-F Secretariat would like to reiterate the importance of ensuring interagency coordination and collaboration in this process, and close consultation with the MDGF Secretariat with the view to strengthen synergies between knowledge management initiatives and minimize duplication of requests and burden for the joint programme teams. in the field.
- In relation to the proposed workshops, and based on the detailed provided for the envisaged workshops, the Secretariat would like to recommend the following:
  - o considering that out of the twelve PSD joint programmes, seven are in Latin America, two in Europe, two in Africa and one in Vietnam, and
  - o considering that the MDG-F Secretariat encourages participation from both a joint programme manager or coordinator and a government counterpart, and hopes the proposal is accounting for the travel and DSA costs of participants,
  - o the Secretariat recommends that only four of the six proposed workshops take place, namely:
    - The global workshop with all joint programmes and selected experts in June/ July 2010
    - Workshop with selected JP managers and technical staff during the DCED in September/ October 2010 in Vienna
    - One local workshop in Latin America
    - The last global workshop in spring 2012.

.../



**iii. Management arrangements and delegation of authority**

On receipt of a copy of the signed document, the Fund Secretariat will transfer the full allocation to your organization as indicated in instructions provided by you.

With best wishes.

cc.

H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations  
Mr. Juan Lopez Doriga, Director-General for Planning & Evaluation, MFA Madrid  
MDG-F Secretariat