



UNIDOScope

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UNIDO in China - evaluation of the programme



Improving the efficiency of motor systems raises productivity and lowers pollution

The evaluation of programmes and projects has always been an important (and complex) part of development assistance and has a central role in the UNIDO project cycle. The development agenda based on the Millennium Development Goals has made results orientation an absolute imperative for donors and recipients alike. Setting clear result targets, monitoring indicators and assessing results has become all the more central to the policies and programmes of all development assistance organizations.

The UNIDO Evaluation Group provides analytical and objective feedback to the organization and its stakeholders on the efficiency, effectiveness, relevance and sustainability of UNIDO projects and

programmes for improving the quality of current and future UNIDO services as well as for accountability and organizational learning purposes. The UNIDO Evaluation Group services cover two distinct areas: evaluation of technical cooperation (self-evaluations and independent evaluations) and thematic or programme level evaluations and assessments; and the provision of strategic and proactive internal consultancy services and training on evaluation issues.

The UNIDO Evaluation Group management plan incorporates the annual evaluation work programme and UNIDO Evaluation Group performance indicators. The plan is monitored on an ongoing basis and results are reported in [UNIDO's Annual Report](#). It is UNIDO's policy to make all non-restricted evaluation reports and terms of reference for ongoing reviews publicly available via [UNIDO's Evaluation web page](#).

The overriding context for the evaluation of UNIDO activities the UNIDO corporate strategy *Productivity Enhancement for Social Advance*. The latter is achieved through the two complementary and mutually supportive core functions of: global forum activities and technical cooperation. In its role as a global forum, UNIDO generates and disseminates knowledge relating to industrial matters and provides a platform for the various actors in the public and private sectors, civil society organizations and the policy-making community

in general to enhance cooperation, establish dialogue and develop partnerships. As a technical cooperation agency, UNIDO designs and implements programmes to enhance the productivity of industry in developing and transition economies. UNIDO's activities are focused geographically on least developed countries, particularly in Africa; sectorally on agro-based industries; and thematically on micro-, small- and medium-sized enterprises (SMEs).

The immediate context for the evaluation of UNIDO ongoing activities is one or another of the following UNIDO implementation mechanisms: [Integrated programmes \(IPs\)](#) and Country Service Frameworks - for the larger developing countries (such as Brazil, China, India, Russia and Nigeria), based on combinations of its eight service modules; or stand-alone projects involving only one or two service modules. UNIDO's eight Service Modules are: 1. [Industrial Governance and Statistics](#); 2. [Investment and Technology Promotion](#); 3. [Industrial Competitiveness and Trade](#); 4. [Private Sector Development](#); 5. [Agro-Industry](#); 6. [Sustainable Energy and Climate Change](#) (Kyoto Protocol); 7. [Montreal Protocol](#) (substances that deplete the ozone layer); and 8. [Environmental Management](#).

In February 2005, the report of the evaluation of the UNIDO Country Service Framework in China ([view or download report](#)) was presented. It is the first full-fledged evaluation of a Country Service Framework (CSF) and the largest programme ever evaluated by UNIDO. As at July 2004, the CSF consisted of 93 projects (out of which 52 Montreal Protocol projects) with total expenditures of almost US\$60 million (out of which almost US\$42 million were spent on the Montreal Protocol projects). Environmental Management and Energy Efficiency projects represent the thrust of the non-MP part of CSF and this thrust is highly relevant ([see UNIDOScope 15 - 21 December 2002](#)). The evaluation deals primarily with the non-Montreal Protocol projects. The CSF evaluation departed from the standard evaluation procedure by involving the Regional Bureau for Asia and the Pacific in the evaluation, in addition to the international and national consultants.

The CSF for China, signed in December 2001, was formulated jointly by UNIDO and the Government of China to provide a guide for UNIDO operations in China and as an instrument for the Government to monitor the progress of cooperation with UNIDO during the five-year period (2001-2005). The development objectives of the CSF are: increasing the competitiveness and sustainability of the industry, especially in the Eastern region; accelerating industrial development of the Western provinces in order to become more competitive & environmentally sustainable. The UNIDO counterpart for the CSF is the China International Centre for Economic and Technical Exchanges (CICETE).

To facilitate a systemic approach to the technical assistance provided under the CSF, the UNIDO Beijing office elaborated the ***Cycle of UNIDO Assistance to the Government of China***. The evaluation report gives high marks to the UNIDO Beijing office and says that this approach, together with research activities carried out by the office resulted in UNIDO becoming one of the two most important multilateral advisors to the Government on sustainable development with impact on Government policy formulation in energy policy, cleaner production, municipal solid waste treatment and restructuring of resource-based industrial cities. In policy and strategy discussions on sustainable industrial development UNIDO Beijing office also became a key partner in the UN Country Team in China and a well established and recognized source of information sought for by bilateral donors and the diplomatic community in general. The upgraded role of the UNIDO office in policy dialogue contributed to increased identity of the UNIDO programme in China and increased its visibility. To quote from the report: "The large CSF programme is managed in the field by a team of the UNIDO Beijing Office which is much smaller than teams managing similar or smaller programmes of other international organizations. In this respect the field management of the CSF is very efficient."

On the funding front, in general, the CSF went according to plan, with the exception of the components South-South cooperation and projects for the Western region. The most important sources of funds for the CSF were: [Multilateral Environmental Agreements \(MEAs\)](#); the special purpose donor contributions of The Netherlands and Switzerland; [The United Nations Foundation \(UNF\)](#) and the Chinese Government as special purpose donor to the Industrial Development Fund. Direct funding from national counterpart agencies was significant and particularly dynamic when the projects met strong local demand and/or were business driven.

The most significant results were achieved in environmental management and energy conservation. In this problem area, significant results were achieved both at the policy level through the establishment or strengthening of institutions, human resource development, as well as at industry level in pilot plants. Demonstration projects have high probability of countrywide replication. Very good results of the Montreal Protocol programme could be included in this thematic group as well (17.3% of Ozone Depleting Potential (ODP) phased out in China). The evaluation also says that "the UNIDO Subcontracting and Partnership Exchange Programme (SPX) with its emphasis on local demand and business orientation is one of the model projects for replication, possibly later, in the context of a national SPX network." In summary, the main conclusions and recommendations of the report are as follows:

Main Conclusions:

1. The application of the CSF concept contributed to upgrading UNIDO programme in China both in terms of scope and visibility. The Beijing office approach to the CSF together with research activities carried out by the UNIDO Beijing Office (UBO) made it possible for UNIDO to become one of the most important multilateral advisors to the government on sustainable development and a recognized source of information for bilateral donors. Average annual delivery increased from USD 11.5 million in the foregoing cycle (96-00) to 16 million under the CSF.
2. Funds mobilization has been generally successful with the exception of the Western region and the International Technology Centres (ITCs). Limited funding for the Western region is a reason for concern considering the priority of the region in terms of poverty alleviation. Most of the ITCs had too optimistic funding expectations, which did neither take into account donor priorities nor the financial potential of most institutions. Direct funding from national counterpart agencies was significant, in particular for strongly demand and business driven projects.
3. In most cases implementation has been very dynamic, also due to strong ownership and counterpart support. Counterparts expressed in most cases great satisfaction with UNIDO inputs and services. Use of national expertise was significant and reflected professional capabilities of the country. In several projects the subcontracting of national expertise constituted the major or one of the main input categories. Field management is very efficient.
4. In terms of results, over 30 institutions were strengthened or established and in most cases the institutional capacity building was successful. Almost 3000 people were trained. Demonstrations in energy conservation expect annual savings of USD 3.8 mill. Approx. 4,300 jobs were created through investment promotion. Most capacity building projects have good prospects of sustainability. Demonstrations of technologies in energy conservation are likely to be replicated.
5. There is a need for improving coordination between field and Headquarters, particularly in cases of uncoordinated development and implementation of projects by HQs staff. Coordination of expertise at HQS level should also be enhanced, particularly between (ITCs) and other substantive branches. There is also limited cooperation among CSF projects at country level and a good potential for improving synergies.

Main recommendations:

1. The current programme should be continued without a change in design. More efforts should be devoted to promote projects addressing regional disparities.
2. The new phase should continue to cover: a) reduction of regional disparities with focus on competitiveness and ultimately poverty alleviation; b) environment and energy management addressing global environmental threats.
3. In view of the size of the CSF and the need to improve coordination between Headquarters and the UNIDO China Office, an alternate team leader should be assigned at HQs and the possibility of having a deputy UR to the UBO explored. The research group at UBO should be maintained and any future UR should have the capability to manage the group.
4. Coordination within HQs, particularly ITCs and technical branches, should be improved.
5. Field level monitoring by UBO and CICETE should be strengthened and meetings of counterparts of all CSF projects or at least of thematic clusters should be organized on regular basis to increase field level synergies.

The authors of the China CSF Evaluation point to further "essential recommendations" in the Executive Summary ([view or download Executive Summary](#)).

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