

UNIDO EVALUATION GROUP

Meta Evaluation
**UNIDO Integrated
Programmes**

evaluated in the period 2007/2008/2009



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna, 2010

Distr. GENERAL

ODG/EVA/10/R.13
19 May 2010

Original: English

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This document has not been formally edited.

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Acronyms and abbreviations

CSF	Country Service Framework
GEF	Global Environment Facility
IP	Integrated Programme
MP	Montreal Protocol
OECD/DAC	Organization for Economic Cooperation and Development/ Development Assistance Committee
SSA	Sub-Saharan Africa
UNDAF	UN Development Assistance Framework
UNIDO	United Nations Industrial Development Organization
UR	UNIDO Representative
Currency	\$: US Dollars

Executive Summary

Purpose and coverage

This report is the result of a review of 11 evaluations of UNIDO Integrated Programmes/Country Service Frameworks conducted in the period 2007-2009, covering (in alphabetical order):

<i>Burkina Faso</i>	<i>Saudi Arabia</i>
<i>Cameroon</i>	<i>Senegal</i>
<i>Ethiopia</i>	<i>Sierra Leone</i>
<i>Ghana</i>	<i>Syria</i>
<i>India</i>	<i>Uganda</i>
<i>Indonesia</i>	

The purpose of this meta evaluation is to give an overview of the main issues and lessons derived from these 11 evaluations. This synthesis is aimed at fostering organizational learning, as emphasized in UNIDO's Evaluation Policy. It is the logical follow-up of the prior meta evaluation (2007) as well as of the review of IP self-assessments (2008). The exercise is considered complementary to past and ongoing *thematic* evaluations that zoom in on specific thematic areas, using *inter alia* in depth evaluations to assess UNIDO operations from a specific substantive perspective.

This report highlights commonly found features in the design and implementation of the programmes under review (strong and weak points), structured according to the standard evaluation criteria of relevance and ownership, effectiveness, efficiency, sustainability and impact. The review also addresses the issue of programme funding (mobilization and utilization) as well as synergy aspects (both internal and external).

Findings

Relevance and ownership

Overall, there was found to be adequate alignment to policies and priorities of the countries, target groups, donors and UNIDO itself. Particularly in the design stage, country commitment was good, but in many cases this was observed to be fading out during implementation. It was mentioned in several instances that there was a tendency for UNIDO to be rather supply driven and to follow a "one size fits all" approach. Active private sector involvement in the design and implementation was not always secured.

Effectiveness

In a number of countries policy advice translated into nationally validated industrial strategies and sector master plans. There were also several cases of useful south-south transfer of experiences. Introduction of improved process technologies implied a hands-on demonstration of local value addition opportunities. Overall, the programmes brought more visibility to UNIDO at the country level. However, results were often labelled as “fragile”, “anecdotal”, “limited” or “modest”. Monitoring of programme implementation was considered a weak point and several cases of unattended or abandoned projects were reported.

Efficiency

In general, there was found to be a balanced use of national and international expertise and field offices played an active role in implementation. Several points for improvement were however observed: programme objectives being overly ambitious, insufficient priority setting, and underestimation of resources required to implement the programme as designed. Moreover, the programme steering mechanism was often not operational, team leadership changed frequently, and reporting was found to be incomplete. In some cases reference was made to overly remote control by Headquarters. As regards pilot or demonstration projects it was observed that there is often no proper feasibility study prior to the intervention, as well as a tendency to focus more on hardware than on building of human capabilities to operate the pilot.

Sustainability

There were cases of programmes in which the country was in the driver seat and is carrying/likely to carry the results further. Nonetheless, in many programme interventions the discussion on sustainability tended to start towards the end. Also instances of rather independent implementation units were reported, operating from outside rather than inside the national institutional infrastructure. Demonstration projects often missed a built-in replication strategy and some instances of subsidization of services created unfair competition with private sector providers.

Impact

Most evaluations focused on result and outcome levels and as they were conducted at the end of the programmes, it was premature to make evidence based statements on impact. In one case impact analysis was

carried out; impact of demonstration projects was found to be disappointing due to design and implementation weaknesses, whereas impact of investment promotion activities was encouraging though mainly attributable to funding outside the IP.

Funding

There was quite a variance in the degree of funding of the programmes: some were very well funded but many were highly under-funded, particularly in least developed countries.

In terms of the utilization of funds, it was often reported that “seed money” is used as a substitute for donor funding, which is not in line with the intended purpose of these UNIDO resources. Many interventions had very lofty ambitions compared to the size of their budget and, as a result, led to incomplete implementation.

Integration

As regards internal integration, implementation was often found to be rather compartmentalized (branch specific). Moreover, IPs/CSFs and regional programmes were typically seen as separate support packages, resulting in lost opportunities to forge intra-UNIDO linkages and creating the image on the ground that there are “several UNIDO’s”. Concerning external integration, reference was made to UN wide cooperation (UNDAF) in the programme design stage, but there was little indication of real cooperation among agencies in terms of implementation. With respect to cooperation with other (non UN) donors, examples of cooperation were reported but there was found to remain ample room for strengthening external synergies.

Conclusions

To the extent that several lessons from previous meta assessments re-appear in the current one, there is scope for re-emphasizing the need to monitor how lessons from past programmes are ploughed back into ongoing and future operations and approaches. Learning points of prior stocktaking also came up in the current exercise, such as superficial needs assessments, insufficient rigour in demonstration projects, concern for sustainability mainly towards the end, opportunities for synergies underexploited, lack of funding strategy, and debatable use of seed money.

Recommendations

The recommendations following from the above include, in particular:

- To conduct more solid country assessments and ensure organization wide application of assessment tools/instruments once agreed upon; to review in this respect the experience with a industry-focused methodology developed in 2006 that has been applied in a number of cases but has not yet been institutionalized;
- To establish a concise partnership agreement with client countries (rather than developing front full-fledged programme documents); to encourage the local stakeholders in the client country to drive this process;
- To make sure that programme budget estimates are realistic and to follow a step-by-step approach based on priority setting (with a clear sectoral/thematic focus to programmes rather than spreading interventions thinly over different fields);
- To refine the procedures pertaining to seed money to ensure that these resources are used in line with their intended purpose and also enhance accountability of their use;
- To delegate administrative (including financial) and technical authorities to field offices where feasible, as this is expected to enhance the speed of operations;
- To ensure more rigour in the development and implementation of demonstration projects in order for such interventions to be based on solid preparation and with a built-in replication strategy, when the results justify to take the pilot to scale and expand the coverage;
- To forge more effective linkages between national and regional interventions to ensure complementarity, bring about collective efficiencies and also demonstrate at the country level that “UNIDO truly delivers as one”;
- To build into the design of interventions the envisaged exit strategy, ensuring that sustainability concerns are discussed at the start rather than towards the end of a programme/project;
- To seek proper institutional anchorage of support (thus avoiding the creation of programme implementation units outside national institutions);

- To put more emphasis on steering and monitoring of programmes, *inter alia* by considering the introduction of obligatory annual reviews;
- To fund thematic impact evaluations and develop case studies and stories.

Way forward

The main challenge is how to accelerate the process from learning lessons to the implementation of lessons learned. This is suggested to be stimulated by:

- (i) in-house discussions on problems and challenges;
- (ii) management decisions to improve practices; and
- (iii) monitoring of improved practices.

1

Introduction

1.1 Purpose of the evaluation

In line with UNIDO evaluation policy priorities pertaining to knowledge building and organizational learning¹, the UNIDO Evaluation Group has engaged in a series of subsequent comparative reviews of results of evaluations of UNIDO Integrated Programmes (IP) and Country Service Frameworks (CSF). The current review constitutes a meta evaluation to aggregate findings from evaluations carried out over the period 2007, 2008 and 2009. It is a successor exercise to a comparative review conducted in 2007 of lessons learned from evaluations of 20 UNIDO IPs² as well as of a review of self-evaluations of UNIDO IPs (2008).³ Moreover, reference is made to a review entitled “Continuous Improvement project” carried out in 2001 by a team of staff members.

Specifically, the purpose is (i) to analyse and synthesize the IP/CSF evaluations conducted in the above period, (ii) highlight key learning issues and challenges, with a view to (iii) coming up with recommendations as regards UNIDO’s country programme instruments and eventual improvements thereof, also taking into consideration (iv) lessons learned from previous comparative reviews.

¹ UNIDO/DGB (M).98, 22 May 2006, Evaluation Policy

² UNIDO Evaluation Group, Comparative review of lessons learned from 20 UNIDO Integrated Programmes, March 2007

³ UNIDO Evaluation Group, Review of 2007 self-evaluations of UNIDO Integrated Programmes, October 2008

This meta evaluation is based on the following 11 evaluations (in alphabetical order):

Table 1 Overview of IP/CSF covered

<i>Country</i>	<i>Programme/ Phase</i>	<i>Year of design</i>	<i>Year of actual launching</i>	<i>Year of evaluation report</i>
1. Burkina Faso	IP/Phase 2	2004	2005	2009
2. Cameroon	IP/Phase 1	2001	2009	2009
3. Ethiopia	IP/Phase 2	2004	2004	2009
4. Ghana	IP/Phase 2	2003	2004	2008
5. India	CSF/Phase 1	2001	2002	2007
6. Indonesia	CSF/Phase 2	2005	2005	2009
7. Saudi Arabia	IP/Phase 2	2004	2005	2008
8. Senegal	IP/Phase 2	2004	2004	2009
9. Sierra Leone	IP/Phase 1	2004	2004	2008
10. Syria	IP/Phase 1	2002	2002	2009
11. Uganda	IP/Phase 2	2003	2004	2009

1.2 Methodology

The evaluation is based on a desk review of the evaluation reports of the 11 IPs (including two CSF cases) and has looked at the following aspects:

- i. overall performance of the UNIDO programmes in terms of relevance and ownership, effectiveness, efficiency, sustainability and impact (cf. OECD/DAC evaluation criteria⁴);
- ii. funds mobilization and funds utilization;
- iii. programme integration (internal and external).

Comparable information from the 11 reports has been analyzed, in order to extract patterns, arrive at strategic and operational recommendations and lessons. To keep this overview document very concise (as requested by the Evaluation Group), reference to specific cases and examples has been kept to a minimum. This also avoids the risk that some of the 11 programmes could get more featured in this meta evaluation than others in terms of achievements or problems. It is not meant to point at specific branches or field offices of UNIDO for good or not-so-good work done in country X or

⁴ Organization for Economic Co-operation and Development/Development Assistance Committee

country Y. Instead, focus is on synthesizing the main learning points included in the programme evaluations conducted over the past three years.

This review was carried out in the period December 2009 – January 2010 by Leny van Oyen, consultant. The report reflects comments received on the draft report presented to the Evaluation Group on 16 February 2010.

The report is structured as follows: Section 2 presents the findings in accordance with the OECD/DAC criteria. Funding dimensions are discussed in Section 3 and Section 4 reviews the issue of programme integration. The final section (5) draws conclusions, lists recommendations and makes a suggestion for the way forward.

2

Overview of overall performance

2.1 Relevance and ownership

To what extent were the UNIDO interventions consistent with beneficiary needs, country priorities, global priorities and donor policies? To what extent and how were the local stakeholders (counterparts and beneficiaries) involved in programme design and implementation?

Review of the 11 evaluations indicates that, overall, the objectives of the components and subcomponents of the programmes were **relevant** in terms of

- *alignment to country policies and priorities*: this is illustrated by reference to sector strategies focused on local value addition, poverty reduction strategies etc. in the programme documents and choice of programme priorities; UNIDO policy advice has in several cases influenced existing policies (e.g. development of overall vision for the country's industrial sector, adoption of sector specific master plans);
- *significance to the selected target groups*: programme interventions typically covered different sets of target beneficiaries spread over many sectors (considering the diverse coverage of the programmes) and were found to be overall appropriate;
- *coherence with UNIDO's priorities and its comparative advantage*: programme coverage included the main service areas in line with the priority themes of the organization;
- *reference to donor coordination efforts*: there are efforts in several cases to position the UNIDO programme priorities with regard to cooperation principles such as reflected in the United Nations Development Assistance Framework (UNDAF).

Nonetheless, the following points for improvement were extracted from the evaluation reports as regards relevance issues:

- There were cases where the UNIDO approach tended to be supply-driven, offering a standard set of UNIDO services/approaches, with insufficient consideration to the country priorities (requiring refocusing to realign the assistance to the country's demands);
- In some instances the approach was considered not adequately adjusted to the needs of the clients, with support delivery methods being used in a "one size fits all" manner, not adequately taking into consideration variances in the target group (such as between enterprises of different sizes);

To the extent that lessons learned from previous experiences were not necessarily known when designing the IPs under review, it is not considered realistic to seriously question why such lessons (such as pertaining to demonstration projects) were not better reflected in the design of these IPs. The issue of reactivity to lessons and corresponding adaptation of approaches as regards similar new initiatives will however be relevant in subsequent IP evaluations.

As regards the question of **ownership**, the evaluations under review indicate that in many cases there was good cooperation with the country authorities and local partner organizations in designing the respective programmes. There were illustrations of truly participatory programme design including also a design workshop bringing together the different stakeholders. There was variance in the degree of private sector involvement in programme design, making the design often mainly public sector driven.

In several cases country commitment and involvement during the design stage was not the same in the implementation phase. A mix of factors is alleged to have contributed to a decrease in "owner involvement", such as high expectations resulting in disappointments due to low level of funding, unclear division of labour as regards roles and responsibilities of the different parties involved, and a tendency in some countries towards a quasi autonomous UNIDO programme, led and implemented by UNIDO staff and experts located in project implementation structures outside the national institutional set-up.

Also the issue of UNIDO ownership was raised, in that in most cases there has been a series of subsequent Team Leaders from the design stage onwards. This situation does not foster a true sense of ownership on the side of programme managers who end up being rather interim caretakers and, on top, were expected to concurrently lead different programmes (cf. Section 2.3).

2.2 Effectiveness

To what extent were the programmes' objectives achieved and are the programmes' results used? What differences did the programmes' results make in practice to clients and beneficiaries?

Evidently, the scope of objectives and corresponding interventions is wide and results vary across (sub-)components as well as across programmes. The level of funding clearly affected the depth of the support and the ability to generate results to be used by clients and beneficiaries. Overall, the picture is therefore somewhat blurred.

On the one hand, there is indeed evidence of interesting results, such as:

- policy level advice resulting in validated strategy documents, such as first ever industrial strategies and sector master plans;
- capacities built on tools and instruments that continue to be used by the clients/beneficiaries (e.g. statistical analysis); transfer and application of know-how and experiences in a south-south cooperation modality, such as in the fields of cluster and network development and enterprise upgrading;
- business partnerships forged (north-south) through investment promotion-cum-partnership support;
- awareness created on important issues, such as cleaner production and explicit consideration for cross-cutting issues by focusing on specific groups such as youth and women entrepreneurs;
- hands-on demonstrations of opportunities to increase value addition and improve and promote process technologies through the well intended pilot centres with multiple purposes: demonstration, training and production.

Also, although not a result as such, it is to be noted that in several countries UNIDO gained in terms of visibility, particularly in cases where the funding rate was high.

On the other hand, results have been assessed in the evaluation reports using adjectives such as “fragile”, “anecdotal”, “limited”, “modest” and “overly supply focused”. Missing baseline information was said to affect “evaluability” and reporting on progress was considered incomplete or missing. The same applied to periodic self-evaluations, found to be often lacking or not containing useful information to assess progress and results. The fact that monitoring and evaluation was reported as a weak point in all programmes obviously complicates measurement of intervention effectiveness.

There are no indications of negative effects, apart from disappointments and frustrations resulting from weak funding levels and inadequacies at different levels (intervention approach, monitoring) of some sub-projects under the IP or CSF umbrella. The latter led to some abandoned or unattended projects in the sense that tail-end activities needed to properly close the interventions were not undertaken and target beneficiaries lost in terms of foregone income from invested human and financial efforts.

To the extent that pilot/demonstration centres were seen as successful approaches, thereafter repeated or propagated in other countries without thorough analysis of the actual results and chances for sustainability, a statement made by Easterly comes to mind and would unfortunately be quite applicable: “the aid community over-promises ex ante and then exaggerates the success ex post”.⁵

Opportunities to link enterprises of different size (small-large) from a perspective of value chain development were not often/not explicitly pursued, though considered important for different reasons, including as source of demand creation and supply upgrading for small enterprises.

2.3 Efficiency

How well were the resources/inputs (funds, expertise, time etc.) transformed into the intended results in terms of quantity, quality and timeliness?

The evaluation reports under review contain a number of positive observations on programme implementation efficiency, in particular:

- the quite balanced use of national and international expertise (where possible focus on national expertise, guided through periodic interventions of international expertise that is progressively phased out);
- the overall active role of field office staff (UNIDO Field Representatives, UNIDO Country Desk Officers) in steering and facilitating programme implementation.

However, a sizeable number of issues have been raised, indicating that efficiency was sub-optimal and opportunities for organizational learning were missed. Attention is drawn in particular to the following:

- Baseline studies were typically missing, affecting also evaluability; capacity assessments were not systematically part of the design phase; the feasibility of demonstration projects was often not properly studied, explaining in part problems often faced in

⁵ Easterly, W., The cartel of good intentions – bureaucracy versus markets in foreign aid, Center for Global Development/Institute for International Economics, 2002

implementation; there was said to be a tendency to focus on hardware (buying equipment) and less on human capacities to use and manage the facilities; also the demand dimension was felt to be addressed rather weakly;

- Objectives were at times assessed as being lofty and overly ambitious, spread over a too large range of thematic areas and sectors; this resulted in the assessment that the programmes were often not focused enough, with no clear priority setting and related sequencing;
- Similarly, lack of realism was mentioned, such as in the sense of underestimating the resources (including also time) needed for policy advice to move from design and validation to implementation, as well as for demonstration projects to be fully implemented and be ready for upscaling based on pilot experiences;
- The Programme Steering Committee mechanism did not work in many cases (no meetings convened or very sporadically); and yet such committees are expected to play a crucial role in overseeing progress and discussing/deciding on changes in the focus/approach where needed. The fact that many programmes were never subject to rigorous review was surprising;
- Frequent changes in team leaders were reported, as well as poor hand-over/debriefing which limited the sharing of knowledge between outgoing and incoming staff; also, there was found to be a tendency towards compartmentalized sub-component/project management within the framework of a programme claimed to be integrated;
- Countries without a UNIDO Representative (UR) considered the missing field presence a gap; the lack of an adequate travel budget for URs covering a range of countries clearly affects their ability to truly steer and monitor the UNIDO programmes in all the countries covered. In one case the choice of the countries covered by a UR was questioned due to linguistic barriers (English/French). Country level UNIDO Desks played an important role but were often found to be under-resourced to carry out their duties;
- Programme monitoring seemed more focused on administrative control (budget expenditures) than on results; reporting was found to be irregular, using heterogeneous formats, as well as not always accurate, often repetitive and not critical/rigorous enough on progress; self-evaluations were often missing and the cost of monitoring and evaluation (M&E) is often forgotten in budgetary planning;
- As regards the speed of implementation, reference was frequently made to “delays” (which, among other things, was related to the

phased allocation of donor funding and, in the case of UNIDO funding, to the non predictability of funding);

- Procedures were often considered to be cumbersome and created administrative obstacles in case of project operations far removed from the country's capital city; where administrative and financial authority was given to the field, operations were said to run more smoothly; sometimes reference was made to overly 'remote control' from headquarters, resulting in relatively high transaction costs compared to the, on average, quite small size of the projects;
- The occurrence of time overruns of the overall programme duration can be linked to initial unrealistic estimates as well as delays in the release of funds; in the absence of firm end-of-programme decisions, some programmes remained "operational" around more or less ad hoc activities to the extent funding was available; in several cases asset transfer procedures had not started/completed even several years after the last project activity.

Issues pertaining to the utilization of seed money and synergies are further discussed under respectively Sections 3 and 4.

2.4 Sustainability

Will the outcomes of the programmes likely continue after the end of external funding? What is the probability of continued longer-term benefits? (intended or unintended) and in how far are they sustainable?

The evaluation reports include cases where UNIDO's support has helped to generate effects that are expected to last. Illustrations are policy advice leading to a strategy that becomes a reference policy document of the country (such as Industry 2020 Vision, Saudi Arabia; leather sector master plan in Ethiopia), a series of related UNIDO projects culminating in a national programme driven by the country (such as the cluster and network development in India), consultative fora for public and private sector dialogue (fostered in several countries) or cleaner production centres that are likely to last beyond programme assistance, both technically and financially (if supported by the Government).

The main feature in these examples concerns the fact that the owners (the country/clients) have taken over the driver seat and use the experience and capacity built through the projects to carry their end results further, such as in terms of continuation and expansion of the outreach of services. This sense of country leadership in the programmes was not found in all countries.

A recurrent weakness found in many programmes is the lack of an explicit exit and replication strategy to be foreseen at the design stage of the interventions to promote both ownership and sustainability. It is not towards

the end of a programme that sustainability should be addressed, but at the start, as integral part of the formulation. Also when projects are run by more or less independently operating implementation units the sustainability of national capacity building activities is undermined.

A typical problem in pilot/demonstration projects is repeatedly mentioned: both the design and the implementation stages tended to miss a built-in replication strategy aimed at generating lasting benefits and widening outreach based on pilot experiences if appropriate. Instead, readiness for replication was somewhat hastily promoted, without proper analysis of the result of a demonstration project and if suffering from technical imperfections or subject to financial viability questions.

Another sustainability issue raised in several programme evaluations concerns the matter of subsidization of services. An extreme case involved support to the creation of centres that offered primarily basic ICT training. To the extent that such service delivery concerns sectors with many private businesses already present or likely to enter, subsidization of these services has a distorting effect and in fact goes fully against the very objective of a programme aimed at supporting private sector development. Subsidization thus can translate into creating unfair competition.

Overall, as in many cases sustainability of support was found to be questionable or difficult to attain, one is reminded of the fact that there is need for learning from and finetuning approaches that have not generated the long-lasting desired benefits.

2.5 Impact

Which longer term effects (economic, social, environmental) at the target beneficiary level have occurred or are likely to occur (directly or indirectly; intended or unintended)?

In most cases the programme evaluations focused on measurement of outputs and to some extent outcome. It was often too early to make evidence based statements on “impact”. In one case a programme evaluation (Cameroon) explicitly focused on impact measurement for interventions that had been concluded a few years earlier. The impact of the pilot centres – one sub-component – was unfortunately found to be absent or even negative for different reasons related to weaknesses in both the design and implementation of the support. Limited success or even failure of the pilot initiative resulted in real problems for self-help group members. Investment promotion activities were found to have some positive effects, although the latter was more attributable to a regional programme – outside the IP – than the result of the IP funding allocated to this sub-component.

In conclusion, notwithstanding the importance of impact measurement, this meta evaluation is not in the position to highlight impact dimensions of the evaluations under review, to the extent that result measurement has been

focused more at the result and outcome levels. An explanation for this lies in the fact that IP evaluations tend to be conducted towards the end of an IP. At this moment of assessment, it is often (too) early to assess if an intervention has brought about impact – whether planned or unintended.

3

Funds mobilization and funds utilization

3.1 Mobilization of funds

Funds mobilization has been reported in many of the programme evaluations as a weak point. There was said to be an absence of a funding strategy for many programmes. In countries where UNIDO funding was relatively small *prior to* the IP, the size of the IP was probably ambitious compared to the likelihood to mobilize funding for UNIDO activities in the country (e.g., post conflict situation; country not being on the priority list for many donors). There was at times inadequate understanding of the fact that funds mobilization is a joint UNIDO - host country effort (and not just the role of UNIDO). There was no real pattern in terms of years of experience with the IP approach: there were Phase II countries with good level of funding, as in the case of their Phase I, yet also countries with low Phase II funding compared to good Phase I funding. Still, in several countries funding levels were encouraging and even successfully attained. Variance in the degree of funding is shown in Table 2 below.

Table 2 Overview of IP/CSF funding

Country	Budget as per IP/CSF document	Funding mobilized (USD million)	Funding rate (%)
1. Burkina Faso	4,019,900	826,466	20.6
2. Cameroon	5,845,500	634,740	10.9
3. Ethiopia	9,816,694	4,059,156	41.4
4. Ghana	4,295,770	4,963,435	115.5
5. India ⁶	Not specified/ "open target"	15,816,216	Not applicable
6. Indonesia	10,510,000	3,200,000	30.5
7. Saudi Arabia	1,928,000	1,928,100	100.0
8. Senegal	9,900,000	6,059,099	61.2
9. Sierra Leone	5,146,700	738,479	14.4
10. Syrian Arab Republic	3,480,250	3,545,512	101.9
11. Uganda	7,923,800	7,512,237	94.8

This table illustrates that funding rate varies substantially, with

⁶ The total figure for India refers to total project allotments, as specified in the evaluation report (excluding MP and GEF projects as these are typically not counted in other IP/CSF documents; the India CSF evaluation covered a subset of these projects – totaling \$ 12.4 – excluding in particular GEF and MP projects as (constituting almost 50% of the total budget) and smaller projects (below \$ 500,000).

- Some fully funded programmes: self-financing through a Trust Fund agreement in the case of Saudi Arabia and multiple donor funding for the programmes in Ghana, Syria, and Uganda. The total funding figure for India is the highest; when deducting the Montreal Protocol (MP) and Global Environment Facility (GEF) funding, also the India programme is largely self-funded (about 68%);
- Several under-funded programmes: of the 11 cases, four countries had a funding rate below 35% and of the 7 countries in Sub-Saharan Africa (SSA) covered by the evaluations, 3 countries had a funding rate below 20%.

It is evident that the variable “funding rate” has greatly influenced UNIDO’s ability to achieve results. Lack and unpredictability of funding (including the problem of delays in release of funds by some donors) affected the implementation of activities or resulted in not properly finishing a started project. Limited funding in several least developed and low income countries is particularly problematic to the extent that these are countries where UNIDO is expected to substantially contribute to poverty reduction goals.

3.2 Utilization of funds

Whereas, overall, there were no major problems reported as regards the way in which funds were utilized, there is one issue raised in many programmes, namely the use of UNIDO seed money, i.e., funding stemming from internal UNIDO resources. In some countries seed funding constituted a major source of overall funding or even virtually the only source of funding.

These funds were very often used as substitute for donor funding, whereas meant to prepare proposals/projects for donor funding. Also, a detailed description of the planned use of seed money –against which to measure performance- was often found to be missing, which affected accountability within UNIDO and to the clients/beneficiaries.

“Prioritization” often meant sharing the limited funding over several sub-components/team members, resulting in mini-projects often having, somewhat paradoxically, lofty ambitions. In some cases the Government counterparts felt as if they were outsiders to the process of decision making on the allocation of UNIDO seed money.

Also pressure to spend seed money funds before the end of the year, especially in cases where the funds were made available relatively late in the year, was unfortunate, as it implied a risk in terms of proper utilization.

4

Programme integration

4.1 Internal integration

Notwithstanding some programmes in which an encouraging degree of “synergies” was reported, a recurring problem in the programmes was the rather isolated manner in which interventions were carried out, despite opportunities for complementarity between different sub-components/projects. This is in contradiction with the qualification ‘integrated’ in the very name of the programmes.

Moreover, there were very few linkages between IPs and often large scale UNIDO regional programmes with activities in these same countries. It resulted in somewhat paradoxical situations with a small-size IP trying to do its best to create intra-programme synergies among the managers of “mini-projects”, whereas the managers of large scale regional programmes were found to ignore what the IP was about let alone seek complementarities and cooperation with the IP interventions.

“Stand alone” modes of operation obviously stand in the way of joining of forces. It also does not much good to UNIDO’s image, as clients/beneficiaries who observe this situation get the impression there are “several UNIDO’s” and not necessarily talking to one another.

4.2 External integration

In terms of cooperation/coordination with related programmes and projects of other development partners active in the countries, for some programmes a fair amount of integration has been reported (e.g., Uganda; Ethiopia). However, in many cases the IP appears to have been implemented in relative isolation. This shows that for both the client country and UNIDO it is a challenge to ensure synergies among development partners, from the programme design stage and onwards.

It certainly is not necessarily easy for development partners to work together. Especially larger donors/agencies tend to operate in a more “confined” manner. Where the client countries themselves put great emphasis on donor coordination and where donor coordination groups are operational and active, the environment for external integration is more conducive.

With respect to UN wide cooperation, whereas UNIDO's interventions were in most cases reflected in UNDAF priority matrices, there was the impression that, in actual implementation, the different agencies did little together, with some exceptions. None of the countries reviewed were among the "Delivering as One" (One UN) pilot countries.

5

Conclusions, recommendations and way forward

5.1 Conclusions

To the extent that many of the issues highlighted above are not really “new” in that they have already been identified in one way or the other in prior stock taking exercises (cf. Section 1.1), it can be concluded that the implementation of lessons learned is a slow process. It proves to be difficult to transpose lessons learned to actual improvements. UNIDO’s contribution in its different focus areas is generally appreciated at the country level, but opportunities for improved operations are not fully seized.

Learning points raised before are thus raised again, such as: tendency towards superficial needs assessment and supply orientation or blueprint thinking, missing baselines, insufficient rigour in the preparation of micro-level pilot interventions and weaknesses in their upscaling and replication, search for sustainability at the end of an intervention rather than building it into the very design, weak steering and monitoring, opportunities for intra-programme/intra-UNIDO synergies underexploited, lack of a funding strategy, weak funding affecting integration, use of seed money not fully in line with the purpose of such resources.

Based on this review, there is no indication that IPs and CSFs are significantly different. In both cases the focus areas are detailed in a programme document which serves as an umbrella framework for ultimately funded UNIDO projects and the difference between the two approaches is not evident.

Overall, the introduction of IPs and CSFs brought about positive changes, such as in terms of strengthening UNIDO visibility in the client countries and fostering in-house cooperation. Compared to a “stand-alone projects” approach, the programme approach is certainly to be pursued, providing a framework or umbrella for UNIDO support to client countries. Yet there are gaps affecting programme performance and thus also image and it will be important to address the main challenges.

It is important to cite in this regard the 2007 report: “.....the Organization needs to focus on the implementation of lessons learned and to take action and ensure that improvement indeed takes place”.⁷ This conclusion

⁷ Comparative review of lessons learned from 20 UNIDO Integrated Programmes, March 2007, p. 3.

remains valid at this point in time. Indeed, continuous improvement based on lessons learned and “innovation” in operations are prerequisites for relevance, demand for services and also funding.

The recognition of weaknesses in programme/project formulation and implementation already resulted in in-house initiatives, particularly aimed at deepening the analysis underlying UNIDO field operations. More rigorous analysis of macro- and micro level parameters determining the prospects for sustainable industrial growth is expected to improve the design and ultimate results of UNIDO interventions. A methodology developed and refined since 2006 (entitled “industry-focused country assessment”) has been applied in several countries.⁸ However, the mechanism to institutionalize the use of a standard and comprehensive instrument informing UNIDO programming at the country level has not been put in place so far. Thus, variations in the quality and depth of the programme design process will tend to persist.

5.2 Recommendations

This review results in a number of recommendations that are particularly *process* focused. Emphasis is put on points requiring attention and action, in line with the aim of continuous improvement of the organization’s technical cooperation operations. The recommendations, structured in accordance with the programme life cycle and complemented by the issues of funding and synergy, are as follows:

Identification and Design

- Put more resources in conducting solid country assessments to understand the specific country context, including industrial sector performance, challenges, country needs and priorities, as well as related assistance; this will guide the identification of where UNIDO’s contribution would fit best and provide baseline data needed to assess ultimate results; review in this respect the experience as regards the application of the country needs assessment tool developed in-house since 2006 and reach agreement on the methodology to be applied organization wide when designing country level programmes (*in response to the frequently made assessment that the preparatory phase of IP/CSFs is often rather superficial and overly driven by UNIDO’s service modules*);
- Rather than developing detailed IP/CSF documents, focus on a detailed country assessment (see above) as the basis on which to establish a concise Partnership Agreement or Memorandum of Understanding with the partner country (involving both public and

⁸ UNIDO PCF/RST Branch, An industry-focused country assessment – UNIDO methodology for assessment of the prospects for sustainable industrial growth, August 2006.

private sector representatives) that specifies, in broad terms, the envisaged areas of cooperation in line with country priorities, the strategy for joint funds mobilization, and the steering/monitoring system; draft detailed project documents in case of likelihood of funding (*in response to the observation that the design process was often lengthy, difficult to justify against the ultimate size of actual operations, and also ambitious in scope, resulting in disappointments at the level of clients and beneficiaries*);

- Seek a clear sector/geographic/thematic focus of the interventions, in line with client priorities and considering related assistance to the country (*in response to the assessment that the spread of relatively small size projects across a wide range of fields limit the ultimate effects, often labelled as anecdotal, modest or fragile*);
- Reflect sustainability concerns in the very design of interventions by including an exit and replication strategy and ensure proper institutional anchorage (*in response to the observation that the issue of sustainability of operations is typically addressed too late, i.e. at the end of the support, and that at times project implementation units operate from outside the national institutional infrastructure*);

Implementation

- Bring more rigour into pilot/demonstration activities in terms of preparation, implementation and monitoring, with sustainability and replication assessment built into the project itself (*in response to the problems faced with pilot centres, such as ownership not clearly defined, more focus on providing equipment than on building capacity to use and manage the facilities, weak market study affecting viability beyond the project life time, assistance ended prior to proper completion of the pilot and hasty replication in other countries without proper analysis of results/lessons*);
- Put more effort into effective results-oriented monitoring and steering, such as by introducing obligatory annual reviews at the country level (*in response to the frequently reported problem of inadequate reporting, irregular and non operational steering mechanism, implying that programmes were not subject to periodic rigorous review and, therefore, lacking decision making to reorient activities, where needed*);
- Further strengthen the role and capacity of UNIDO field operations (country offices; regional offices; UNIDO desks) in terms of delegation of administrative (including financial) and, where feasible, technical authority (*in response to the assessment that procedures are alleged to be cumbersome and the impression of clients that decision making is overly concentrated at HQ*);

- Assess to what extent subsidization of service delivery is justifiable and sustainable and in which cases it will create unfair competition with private service delivery (*in response to the finding that the approach adopted in some cases followed a non sustainable track, ultimately affecting the likelihood for longer-term benefits of interventions*);

Evaluation

- Introduce and dedicate funding to more thematic impact evaluations, conducted a few years after the end of the support, to be able to assess longer term effects (*in response to the fact that most evaluations are carried out towards the end of programmes and focus on measurement of results at output and outcome levels, as occurrence of impact can only be assessed after some time*);
- Use such impact assessments as an opportunity to develop evidence based case studies and stories (*in response to the need to move from often quite anecdotal evidence to solid cases highlighting lessons and further enhancing UNIDO's visibility, both in client countries and in the landscape of development partners*);

Funding

- Start with a realistic budget estimate and follow a step-by-step approach based on priority setting driven by the client country and funding opportunities, involving not only the Ministry in charge of Industry, but also the Ministry in charge of donor aid/coordination (typically Finance or Economic Affairs) and take an active role in local donor groups (*in response to a frequent major gap between the planned budget and actual funding mobilized, as well as often lacking funds mobilization strategy and insufficient recognition that funds mobilization is a joint effort*);
- Refine the procedures (including approval and monitoring) as regards UNIDO seed money resources to ensure alignment to their intended purpose as well as accountability of their use (*in response to the recurring observation that these funds are very often used as substitute for technical assistance funding and end up financing mini-projects that are left at times uncompleted and with limited impact*);

Synergies

- Seek more effective linkages among UNIDO interventions at the country level, as well as between UNIDO national and regional programmes (*in response to the problem that, contrary to attempts to integrate services at the country level - to be pursued - , regional programmes tend to operate in relative isolation*);

- Make effective external cooperation into an explicit feature of the country cooperation strategy, to ensure alignment (intra-UN and with other development partners) and contribute to greater impact through joint/coordinated efforts, in addition to possibly enhancing funds mobilization efforts (*in response to the observation that effective external linkages are quite rare or that it proves to be difficult to move from good intentions to active cooperation with other development partners at the operational level*).

5.3 The way forward

This report constitutes a synthesis of issues and lessons learned from programmes, as reflected in the evaluations of these programmes. If there is one overall *final message* of this meta evaluation, it is the need for pursuing the implementation of lessons learned and documented, also in similar prior reviews. This is fully in line with UNIDO's ongoing "change management initiative". The priorities would therefore seem to be:

- *to present and discuss* recurrent challenges in programme design and implementation; the periodic retreats organized by the organization and evaluation briefings to PTC and RSF staff would be excellent opportunities for such in-house discussion;
- *to decide* how to accelerate the actual step from organizational learning to continuous improvement, using the ongoing change management initiative and its committees as a platform for action; and
- *to rigorously monitor*, particularly at the programme and project approval stage and during periodic implementation reviews to what extent and at what rhythm lessons learned feed back into improved practices.

Annex I References

<i>1. Programme Evaluation Reports</i>		
Country	Title	Date of report
Burkina Faso	Appui à l'initiative privée et renforcement des capacités des entreprises agro-industrielles	16 March 2009
Cameroon	Programme Intégré d'Appui au Développement Industriel	31 October 2009
Ethiopia	UNIDO Integrated Programme	22 July 2009
Ghana	UNIDO Integrated Programme for Poverty Reduction and Competitiveness	24 April 2008
India	UNIDO Country Service Framework	4 May 2007
Indonesia	UNIDO Country Service Framework Phase II, 2005-2007	7 April 2009
Kingdom of Saudi Arabia	Integrated Programme	26 March 2008
Senegal	Compétitivité et densification du tissu productif fondé sur un partenariat efficace Etat-Secteur Privé	31 October 2008
Sierra Leone	Post-conflict SME Support Programme for Industrial Development and Poverty Alleviation	7 October 2008
Syria	Made in Syria	17 November 2009
Uganda	Agro-processing and private sector development – Phase II	16 March 2009
<i>2. Other documents</i>		
UNIDO Evaluation Group	Comparative review of lessons learned from 20 UNIDO Integrated Programmes	14 March 2007
UNIDO Evaluation Group	Review of 2007 self-evaluations of UNIDO Integrated Programmes	30 October 2008
UNIDO	Guidelines on technical cooperation programmes and projects	August 2006
UNIDO PCF/RST Branch	An industry-focused country assessment – UNIDO methodology for assessment of the prospects for sustainable industrial growth	August 2006
UNIDO	Evaluation Policy	22 May 2006