TERMS OF REFERENCE

INDEPENDENT TERMINAL EVALUATION

UNIDO project "Improving Competitiveness of Export-Oriented Industries in Armenia through Modernization and Market Access: Phase II"

UNIDO Project ID: 160113

Time period: 2016-2019

July 2019
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I. PROJECT BACKGROUND AND OVERVIEW

1. PROJECT FACTSHEET

<table>
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<th>Project Title</th>
<th>Improving Competitiveness of Export-Oriented Industries in Armenia through Modernization and Market Access: Phase II</th>
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<td>UNIDO Project ID</td>
<td>160113</td>
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<td>Region</td>
<td>Europe and Central Asia</td>
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<td>Executing partner(s)</td>
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<tr>
<td>Donor(s):</td>
<td>Russian Federation</td>
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<td>Actual implementation end date</td>
<td>June 2019</td>
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<td>Project Budget</td>
<td>USD 1,977,500</td>
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| Total co-financing at design (cash and in-kind) | Cash: USD 1,977,500 (including support costs of 13%)  
In-kind: project office |
| Materialized co-financing at project completion (cash and in-kind) |                                                                                                                     |
| Planned terminal evaluation date | May-August 2019                                                                                                     |

(Source: Project document)

1. BACKGROUND

Since 1991, Armenia has developed a market-oriented economy that fosters innovation and growth. This transformation was based on a combination of reforms, FDI and remittances from the Armenian diaspora. GDP annual growth rate in Armenia averaged 7.72 percent from 1998 until 2015, reaching an all-time high of 19.10 percent in the second quarter of 2006 and a record low of -19.70 percent in the third quarter of 2009. In 2014 GDP comprised $10.88 billion in Armenia, with 3.4 percent annual growth. The industrial sector accounts for 30.4 percent of GDP (2014 est.), where the metals are the country's largest export. The agricultural sector, accounting for around 21.9 percent of total GDP, employs 44.2 percent of the population and services 47.7 percent.

According to the Armenian Statistical Service, the industrial sector of Armenia accounted for 37 per cent of GDP in 2012. The main industrial sectors are food processing, mining and metallurgy, chemicals and pharmaceuticals, biotechnology, engineering and electrical, jewellery, and construction materials1. The service sector

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remains a major contributor to GDP growth. The service sector value added as a percentage of GDP increased from 25.8 per cent in 1995 to 43 per cent in 2012. In 2012, agriculture contributed 20 per cent to GDP and employed 44.2 per cent of the working population. However, agriculture is unlikely to be a main contributor to economic growth since Armenia is a net importer of food and there are structural limitations to agricultural development. According to World Bank data (2013), manufacturing value added as a percentage of GDP decreased from 23.1 per cent in 1999 to 10.6 per cent in 2011.

Armenia has undergone extensive business environment reforms over the past years and has achieved a remarkable turnaround in its investment climate. In 2014-15, Armenia improved its ranking by four to 45th position out of 189 economies in the Doing Business ranking; the country’s the World Economic Forum’s Global Competitiveness ranking improved from 98th place in 2010-11 (out of 139) to 85th in 2014-15 (out of 144). However, this has not yet translated into substantial increases in FDI or business activity. Fostering entrepreneurship and stimulating the growth of MSMEs continue to be among the major development challenges.

Despite being a WTO member since 2003, Armenia’s external trade remains low and its trade imbalance has been offset somewhat by international aid, remittances from Armenians working abroad, and foreign direct investment. Armenia’s geographic isolation and a narrow export base (only three products: metals, alcoholic beverages, and diamonds account for more than 70 percent of total exports) have made the country’s economy particularly vulnerable to the sharp deterioration in the global economy.

On 1 January 2015, Armenia became a member of the Eurasian Economic Union (EEU). The EAEU provides free movement of goods, services, capital and labour and pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union. During the EAEU-Armenia industrial conference in July 2015, the Minister of Industry and Agricultural Industry of the Eurasian Economic Commission, specified textile and shoe-making production among promising industries of Armenia, which need developing for products to be supplied to the EAEU markets.

The Government of Armenia has prioritized the goals of increasing the economy’s resilience to external shocks and creating new development opportunities. In particular, in 2013 it adopted the National Strategy of Export-Led Industrial Policy, which aims at forming new “export driver” sectors by expanding not only current export industries but also those with major export potential. The guiding vision for industrial policy is to position Armenia as a country producing high-value and knowledge-intensive goods and services with creative human capital at its core. The Policy identified 11 sectors: wine and brandy-making, diamond-processing, light industry sector (including clothing and shoe manufacturing), biotechnologies, pharmaceuticals, canneries, mineral water and juice bottling industries, as well as precision engineering (including clock-ware industries). For each sector, a strategy and an action plan have been developed. Initial discussions of UNIDO with the Ministry of Economy and the Development Foundation of Armenia (DFA) revealed a pressing need in supporting Armenian light industry sector to increase its competitiveness and to assist in penetrating export markets.

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2 World Trade Organization Data, 2013.
PROJECT TARGET INDUSTRIAL SECTORS: TEXTILE & GARMENT AND SHOE MANUFACTURING

The textile and clothing sector is one of the most established in Armenia's economy, accounting for over one quarter of the total workforce during the Soviet era. Armenia was one of major suppliers of garments and textiles for the entire Soviet economy. The industry was built around large enterprises producing a wide range of textiles from imported raw materials renowned in the Soviet Union in terms of design and quality.

After 1991, the textile and garment sector of Armenia experienced downturn associated with an overall economic decline, as well as several sector specific issues, including the loss of former channels of distribution; economic blockade; energy crisis; high transportation costs; lack of resources for fabrics and staff; dominance of large companies in the sector that were unable to adapt to market requirement changes; lack of qualified designers and pattern makers; lack of financial resources; and lack of national expertise in marketing. The sector registered an upward trend in mid-2000s, inter alia, due to growth of SMEs, thus, allowing increase in garment production, which however, still constitutes less than 1 per cent of the manufacturing industry.

The textile and clothing industry is currently represented by more than 105 Armenian companies operating in clothing and textile sector, of which 87 companies are in the clothing sub-sector. More than 3000 people are currently employed by the sector. Garment and Textiles is a one of the most labour intensive industries in Armenia with a workforce that is approximately 90 per cent female. However, management and key decision making positions, both in manufacturing sector and in the textile and clothing sector, are mainly occupied by men. Overall, the number of people employed in the textile and clothing industry comprised 3613 persons in 2005, and after a period of decline the employment in this sector decreased to 2630 persons in 2012. In 2015 the textile and clothing industry's number of employees reached 3215 persons.

The Armenian garment sector has great potential for rapid development. Companies operating in this field export up to 100 per cent of their production to CIS countries, Europe, Canada and the USA.

Currently, the Armenian textile sector operates far below its real installed capacity (25-30%) and its products are mostly uncompetitive on local, regional and international markets. This is mainly due to the following challenges and problems facing the Armenian textile sector:

- Inefficient internal technical, technology and managerial capacities of local producers that affect their competitiveness on regional and international markets;
- Insufficiently developed business partnerships between local textile and clothing producers and technical support institutions, hindering the formation of well-functioning productive and marketing supply chains;
- Low levels of national technical expertise in the development of competitive products and the need for strengthened networking between textile sector producers and designers and fashion centres;
- Difficulty in accessing technology and information to enable local producers to comply with applicable international standards, social accountability and environmental restrictions in regional and international markets;
- Insufficient internal capacity and limited business and technical support in marketing and accessing/expanding local and export sales markets; and
Limited access to credit and affordable finance for the manufacturing sector. Financing possibilities are mainly focused on imports rather than productive investment.

Besides, the textile and garment sector, since Soviet times Armenia was one of the centers of shoe production. 19 million pairs of shoes were produced in Armenia in 1990, 70 per cent of which were made from genuine leather. Nowadays the situation has changed. At present 600,000-700,000 pairs of leather shoes are made in Armenia, which is about 20 times less than the Soviet time indicator. During the last decades the number of manufacturers of footwear has not grown: there are around 30 companies operating in the sector, though the production volume has tripled from 2007 to 2015. In 2015 the production volume was about AMD 1 billion (USD 2.2 million). Volume of industrial production of leather and related products has increased from AMD 1007.9 million to AMD 1227.0 million from 2010 to 2015 respectively.

The footwear enterprises are not operating to their full potential with only 30 percent of their capacities being in force. Armenia is lacking the access to new markets where the sector will be able to operate to its full potential thus boosting job creation and employment. The strategic potential of Armenia’s exports lies in large volumes of leather products produced and marketed at competitive cost to the traditional as well as to the newly explored markets.

Nevertheless, market experts and business analysts put forward that the footwear and other leather products of manufacturing sector are being faced with problems related to low quality designs, lack of technical standards, and use of inefficient and/or out-dated machineries, thus resulting in the country’s leather sector to remain not at competitive, internationally recognized level.

Main challenges and problems of Armenia’s light industries, including shoe and clothing sectors, consist of:

- The technology and management gaps mainly characterized by a lack of know-how on technical procedures, best business practices and absence of sound marketing techniques;
- Dependence on subcontracting orders and shortage in reliable and mutually supportive industrial links and business partnerships between producers up and down the national and, especially, regional productive and marketing supply chains;
- Local producers’ poor product development capacities, inter alia, due to the weak linkages between manufacturers and designers;
- Lack of knowledge and resources necessary to comply with international standards to meet technical, social and environmental concerns of high-end markets;
- Insufficient business and technical support to the establishment/expansion of productive SMEs;
- Lack of credits for manufacturing sector: financing oriented to import business rather than productive investment;
- Absence of a professional school/institution to prepare specialists for footwear industry;
- Low productivity in footwear subsector;
- Need for expanding to new markets for both subsectors.

In particular, the Armenian leather/shoes manufacturers show their main weaknesses in the fields of:
• Design of the products is being outsourced, while the patterns are based on a basic online research, which results in the final designs being similar to the ones already available in the market. Local experts have sufficient skills and capabilities but have limited capacities to create new products/designs. Although the basic purpose of shoes remains that of protection, footwear has become an important component of fashion accessories, which in turn, requires creative approach and unique marketing strategy.

• Quality of components and finished products: Almost all the companies produce the top-part of their shoe products, while the components of the bottom part, such as sole, shank, and insole, are mainly imported. Some of the companies indicate the need to improve its quality to be competitive on the external markets. The first samples examined during the UNIDO expert visits to manufacturers showed relatively medium to good quality, however compared to its selling price, the final product is classifiable as of low/medium quality also due to its stiff and heavy sole.

• Market access: The industry requires support in terms of identification of the suppliers at the international level, transfer of new technologies and know-how to improve the quality of the local produce.

Hence, the shoe/leather goods industry in Armenia requires strengthening of their human capacities to facilitate creation of new market-targeted goods, which are in line with international standards.

2. PROJECT CONTEXT AND OBJECTIVE

The request for UNIDO’s technical assistance in the implementation of the National Export-Oriented Industrial Policy was expressed by H.E. Mr. A. Kirakossian, Ambassador of Armenia in Austria and Permanent Representative to UNIDO, at a meeting with UNIDO Director General on 7 March 2012, and was supported by a letter from H.E. Mr. T. Davtyan, Minister of Economy of the Republic of Armenia to the Director General dated 27 March 2012.

Since September 2014, UNIDO has been supporting Armenia to revitalize its clothing industry through the Pilot Phase of the project Industrial Upgrading and Modernization Programme in Armenia (Armenia IUMP). The goal of the Phase I was to develop a full fashion production cycle reflecting both modern trends and traditions of Armenian and the world fashion industry, as well as to promote exports of the ready-made collections. Through this project, initiated in September 2014 and due to the completion in August 2016, UNIDO has worked together with national counterparts in order to strengthen their operational and institutional framework and provide technical assistance supporting the implementation of the national strategies for development of the light industry. Specifically the Project’s Pilot Phase (Phase I) has built local technical capacity to support SME development and modernization to position Armenian garment and textile products as high-end design goods. This was achieved by upgrading technical capacities in innovative fashion design and modelling, promoting business networking and institutional partnerships between textile/garment producers, designers of ready-made clothing and export promotion, through upgrading and competitiveness building, benefiting and capitalizing on UNIDO’s experience.

The project’s relevance was further increased by the accession of the Armenia to the Customs Union composed of the Russian Federation, Belarus, Kazakhstan, and Kyrgyzstan. On January 1, 2015 Armenia became a member of the Eurasian Economic Union (EaEU). The EaEU provides free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the
Treaty and international agreements within the Union. During the EAEU-Armenia industrial conference in July 2015 H.E. Mr. Sidorski, Minister of Industry and Agricultural Industry of the Eurasian Economic Commission, specified textile and shoe-making production among promising industries of Armenia, which need developing for products to be supplied to the EAEU markets.

Based on the results achieved during the Project’s Phase I, the Ministry of Economy of Armenia (in a letter from Mr. Garegin Melkonyan, First Deputy Minister, dated 9 December 2015) requested UNIDO to extend the project to other associated sectors of the light industry with the support of the project Donor – the Russian Federation.

In the context of the above, the extension of the UNIDO project on Improving Competitiveness of Export-Oriented Industries in Armenia through Modernization and Market Access on to its Phase II’s objective is to revive industrial linkages of the Armenian shoe and garment producers within the regional value chains (especially within the EAEU) by enhancing productivity and competitiveness of the sectors, promoting business networking and institutional partnerships between local shoe and garment producers, developers (design, modelling), exporters and marketing agencies and their associations.

In particular, the project global objective is to contribute to the implementation of the National Export-Led Industrial Development Strategy of Armenia through strengthening productivity, competitiveness and collective export capacities of Armenian manufacturing companies operating in the priority light industries. The immediate objective is to maintain and improve the market share of local textile and clothing industry operators in domestic markets and to take advantage of opportunities afforded by the regional economic integration processes. The project’s Phase II also aims at maintaining and improving market share of local shoe and clothing industry operators in domestic markets and to take advantage of opportunities afforded by prospects of integration within Eurasian Economic Union’s trade arrangements.

Project implementation started in July 2016 and the expected project end date is in June 2019.

The project document foresees regular monitoring, an independent mid-term review (MTR) and a terminal evaluation (TE).

An independent MTR was carried out in July - August 2018 (MTE report, August 2018), and included a field mission to Armenia between 15 – 21 July 2018.

**PROJECT OUTPUTS**

1. **Enterprise diagnosis, industrial modernization and market positioning for the selected pilot SMEs in the textile and clothing industry in Armenia using innovative marketing approaches with possible development of export consortia among the participating manufacturers.**

   1.1 Identify and select a pilot group of minimum 5-7 and maximum 10 enterprises in the textile and clothing industry willing to participate in the programme and responding to the approved eligibility criteria

   1.2 Conduct full-diagnosis study of each beneficiary enterprise including technical assessment of present technical/production situation and operated technologies to collect, analyse and evaluate marketing data, gender disaggregated employment data, position and wage levels, and develop modernization plans

   1.3 Conduct competitive market positioning studies for selected enterprises including
baseline of enterprises (domestic and export sales, employment, current markets and distribution channels, products range, etc.), analysis of supply-side constraints, main direct competitors, benchmarking of main competitiveness factors at the international level, market survey on at least 3 reference markets

1.4 Formulate market positioning vision for identified products (collections) of high potential, and build appropriate marketing implementation strategy

1.5 Coach selected enterprises in implementing respective modernization plans and marketing implementation strategies based on networking approach and findings of the competitive market positioning studies

1.6 Provide technical assistance to selected enterprises to design and merchandize pilot ready-made collections with the support from the reinforced fashion centre (based on results of activities 2.3 and 2.4)

1.7 Support collective marketing and export activities with potential establishment of export consortia and facilitate communication of project results.

2. Human and technical capacities of national counterpart institutions and of national expertise (experts, trainers, engineers and technicians) strengthened in providing enterprise diagnosis and modernization, competitiveness building and marketing, garment design, patterning and grading, inter-institutional networking and business partnerships and other related services to the national textile and garment industries.

2.1 Review the policy framework, identify and assess capacities of the national expertise and existing industry support institutions, industry-related testing and design centres and/or vocational training institutions in supporting national textile and garment operators

2.2 Provide training sessions to the identified national expertise on strategic diagnosis and modernization techniques, evaluation of modernization plans, marketing techniques, project monitoring and evaluation etc., and provide related methodological tools adapted to the Armenian context for continuous use

2.3 Strengthen the existing unit for fashion design and modelling to serve as a sectorial centre/point providing services related to design, patterns, grading, etc., to local garment manufacturers through supply of equipment and software, appropriate training to centre operators, and creation of a “fashion library” and licensed subscription to international electronic databases on graphic design, fashion and clothing

2.4 Conduct expert meetings/technical workshops for selected beneficiary centre staff and trainers in a reference international fashion centre on market- and industry-driven fashion design processes and methodologies, modelling and styling, creation and validation of ready-made collections; and good merchandizing techniques

2.5 Facilitate regional and international industry support network and business linkages for export promotion of Armenian textile products on regional EurAsEC.

2.6 Explore scope for upscaling the pilot initiatives inter alia within the national support framework.

3. Enterprise diagnosis, industrial modernization and market positioning for the selected pilot SMEs in the shoe/leather goods and garment industries in Armenia using innovative marketing approaches with possible development of export consortia among the participating manufacturers.
3.1 Identify and select a pilot group of minimum 5-7 and maximum 10 enterprises in the shoe/leather goods industry and additional 5-6 enterprises in the garment industry willing to participate in the programme and responding to the approved eligibility criteria

3.2 Conduct full-diagnosis study of each beneficiary enterprise in the shoe/leather goods industry and supplementary (to the pilot phase) beneficiary enterprises in the garment sector, including technical assessment of present technical/production situation and operated technologies to collect, analyse and evaluate marketing data, gender disaggregated employment data, position and wage levels, and develop modernization plans

3.3 Conduct competitive market positioning studies for selected enterprises including baseline of enterprises (domestic and export sales, employment, current markets and distribution channels, products range, etc.), analysis of supply-side constraints, main direct competitors, benchmarking of main competitiveness factors at the international level, market survey on reference markets

3.4 Formulate market positioning vision for identified products (collections) of high potential, and build appropriate marketing implementation strategy for individual companies inter alia within the established group logo

3.5 Coach selected enterprises in shoe/leather goods industry and supplementary (to the pilot phase) beneficiary enterprises in the garment sector in implementing respective modernization plans and marketing implementation strategies based on networking approach and findings of the competitive market positioning studies

3.6 Provide technical assistance to selected enterprises in shoe/leather goods industry and supplementary (to the pilot phase) number of beneficiary enterprises in the garment sector to design and merchandize pilot ready-made collections with the support from the reinforced fashion centre (based on results of activities 4.4 and 4.5)

3.7 Support collective marketing and export activities through the export consortia

3.8 Support group efforts of beneficiary enterprises for identification/participation in sectorial international exhibitions

3.9 Elaborate a communication and visibility plan for the project highlighting the importance of the intervention, including development of promotional materials, conferences/workshops, and delivery of reports.

4. Human and technical capacities of national counterpart institutions and of national expertise (experts, trainers, engineers and technicians) strengthened in providing enterprise diagnosis and modernization, competitiveness building and marketing, shoe and garment design, patterning and grading, inter-institutional networking and business partnerships and other related services to the national shoe and garment industries.

4.1 Conduct a broad overview of the suppliers of the shoe/leather goods and garment products at the international level

4.2 Review the existing shoe/leather goods industry’s human and technical capabilities, identify and assess capacities of the national expertise and existing industry support institutions, industry-related testing and design centres and/or vocational training institutions in supporting national shoe/leather goods operators

4.3 Provide training sessions to the identified national expertise on strategic diagnosis and upgrading techniques, evaluation of upgrading plans, marketing techniques, project monitoring and evaluation, international standards and test methods in shoe/leather goods, as well as garment products, etc., and provide related methodological tools
adapted to the Armenian context to ensure sustainability

4.4 Establish/upgrade an existing training centre for footwear sector in close cooperation with institutions, universities and enterprises

4.5 Extend support to the existing unit for fashion design and modelling to serve as a sectorial centre/point providing services related to fashion trends, design, patterns, grading, prototypes manufacture, etc., to local garment manufacturers through supply of equipment and software, know-how and new available technologies, appropriate training to centre operators, and creation of a “fashion library” and licensed subscription to international electronic databases on graphic design, fashion and clothing

4.6 Conduct expert meetings/technical workshops for selected beneficiary centre staff and trainers in a reference international fashion centre on market- and industry-driven fashion design processes and methodologies, modelling and styling, creation and validation of ready-made collections; and good merchandizing techniques

4.7 Train and facilitate development of skills for the youth to support, preserve and trigger further development of the shoe/leather goods and garment/textile industries for the economy of the country, including technical skills, support on conceiving new products, an introduction to new technology, and quality

4.8 Facilitate regional and international industry support network and business linkages for export promotion of Armenian textile products on regional Eurasian Economic Union and international markets

4.9 Explore scope for upscaling the project activities inter alia within the national support framework.

The following are, in brief, some of the expected outcomes/results of the project:

- Beneficiary SMEs form networks, modernize their businesses to expand production, improve quality and gain access to markets with the support of reinforced national technical expertise.

- The UNIDO project is expected to contribute to the revival of the textile/clothing and the shoe/leather products sectors and to improve Armenia’s international position in manufacturing value addition, manufactured exports and global competitiveness. This will be achieved through the identification of export opportunities for Armenian textile/clothing and the shoe/leather products and producers, modernization of industrial enterprises and improving their competitiveness, and scaling up achieved results by building national technical capacities. As a result, SMEs operating in the textile/clothing and the shoe/leather sectors will modernize their businesses, expand production, raise quality and gain access to markets with the support of reinforced national technical expertise.

- The project will also contribute to increased job creation and development of sector specific skills, while also will seek to decrease the gender wage gap and enhance the position of women in the beneficiary enterprises. It is expected that the practices established as a result of the project implementation in the beneficiary enterprises will also stimulate adoption of similar activities in other enterprises in the manufacturing sector.
3. PROJECT IMPLEMENTATION ARRANGEMENTS

The main coordinating agency for the project is the Ministry of Economy of the Republic of Armenia. The Ministry of Economy of the Republic of Armenia is the main government body responsible for the development of economic policy directed towards sustainable economic growth. The Ministry of Economy has developed export-oriented industrial policy, focused on the development of sectors, creating favourable business conditions to improve competitiveness and raise export volumes. The textile, garment and shoe production sectors are among the priority sectors, involved in the above mentioned strategy.

The main counterpart for the project is Development Foundation of Armenia. Development Foundation of Armenia (DFA) was established as a result of a merge of Industrial Development Foundation, National Competitiveness Foundation and Armenian Development Agency in 2015. DFA is the main implementer of the National Export-Oriented Industrial Policy that seeks to stimulate industrial development in Armenia, promote investments, and boost exports and tourism in Armenia. The main counterpart of the UNIDO project, DFA hosts the national project team by providing office space, office equipment and other main utilities necessary for the efficient project implementation in close coordination and cooperation with the key national counterpart organizations.

A Project Advisory Board was formed during the project implementation to advise the project implementation team, and the Intentional Expert on Textile and Garment/Team Leader on the overall coordination and management of the project implementation. Advisory Board, inter alia, provides overall monitoring and ensure the follow-up of the project implementation activities, endorse enterprise and institution selection criteria, facilitate and promote synergies with national programmes and those of international development partners, and carry out respective project promotion and resource mobilization activities. The Advisory Board also serves as an effective platform for ensuring the incorporation of ISID into national policies and development goals. During the Project Preparatory Mission, the national counterparts (Ministry of Economy, Development Foundation of Armenia) recommended to base the Advisory Board within the capacity of the existing Sub-Sectorial Council on the Implementation of the National Strategy for Development of the Textile Industry. Subject to the approval by the Sub-Sectorial Council, the Advisory Board is composed of 6 representatives from the national administration (Ministry of Economy), agencies and funds in charge of industrial development, support institutions, professional and private sector associations (Light Industry Association, fashion centres, etc.). The Advisory Board also serves as a public-private dialogue platform enabling enhanced cooperation and contributing to increased role and involvement of private sector in the country’s endeavors towards inclusive and sustainable industrial development.

The overall technical management and coordination of the project implementation was ensured by a team of project experts composed of the International Expert/Team Leader, National Project Coordinator, international and national experts under the technical guidance and supervision from the UNIDO Project Manager, Business Environment, Cluster and Innovation Division, Department of Trade, Investment and Innovation (PTC/TII/BCI, Headquarters). International expert was the team leader of project experts, working in close collaboration with key national stakeholders, reporting to UNIDO and to the project Advisory Board.
4. MAIN FINDINGS ON PROJECT PROGRESS

The UNIDO Project was selected as one of the success stories among UNIDO's initiatives worldwide and has been highlighted in the United Nations Industrial Development Report Annual Report 2017.

In accordance with the UNIDO project Output 1 “Enterprise diagnosis, industrial modernization and market positioning for the selected pilot SMEs in the shoe/leather goods and garment industries in Armenia using innovative marketing approaches with possible development of export consortia among the participating manufacturers”, the following activities were accomplished in the reporting period:

- The 7th and 8th joint garment collections under the brand "5900BC" were developed and produced by the pilot project beneficiary enterprises with the UNIDO technical assistance. The product catalogues were designed and published.

- Coaching and training sessions were delivered by UNIDO for the pilot project beneficiary footwear manufacturers that resulted in development and production (with new materials and technologies procured as part of the UNIDO project) of the 2nd footwear collection under the joint brand “5900BC”; the product catalogue was published.

- As a result of the UNIDO Project's technical assistance, the following exports contracts have been generated:
  - Project pilot beneficiary enterprise, footwear manufacturer “Elma shoes”, launched exports to the Russian Federation (based on the business contracts signed with “Winnie” and “Trade Modus”).
  - Two of the project beneficiaries, “Kanaker Garment Factory” and “T-Industry”, exported their produce to the Russian Federation (based on the contracts signed with “Smena”).
  - The pilot beneficiary enterprise, “Lentex”, signed contracts with the companies “Incity”, “Finn Flare”, “Sela” and others for exports of their produce to the Russian Federation.
  - Among others, the representative of large-scale buyer from the Russian Federation, “Sky Lake”, visited Armenia and confirmed their interest to place orders for the school uniforms to be produced by the three of the project pilot beneficiary companies (”T-Industry”, “Alex Textile” and “Kanaker”).

In accordance with the UNIDO project Activity 1.7: “Support collective marketing and export activities through the export consortium”, the following activities were accomplished:

- With the UNIDO assistance, on 14 August 2018, export consortium was officially established by ten garment and footwear manufacturing enterprises to join efforts for more efficient export activities.
- UNIDO pilot project beneficiaries participated the following major fairs and exhibitions as part of the joint brand “5900BC”:
  - International Forum “Increasing the contribution of women to economic growth and prosperity: Creating an enabling environment”, 23-24 May 2018, St. Petersburg, Russian Federation:
This event was co-organized by UNIDO with the OPORA RUSSIA Committee on the Development of Women’s Entrepreneurship and Roscongress in the framework of the St. Petersburg International Economic Forum (SPIEF). UNIDO project representatives and the head of one of the project pilot beneficiary enterprise, "Melante", presented their success stories, highlighting the impact of UNIDO in increasing women’s contribution to economic growth in Armenia, thereby noting the important role of cooperation and support provided by the Donor of the project, the Russian Federation.

- "5th Bee-Together International Business Platform for outsourcing in light industry", 4-9 June 2018, Moscow, Russian Federation: New garment and footwear collections under the joint brand 5900BC were presented at the event and series of meetings were conducted with the potential buyers leading to new partnerships and contracts.
- International fashion trade fair "Collection Premiere Moscow", 4-7 September 2018, Moscow, Russian Federation: UNIDO joined hands with the project partner, “Business Armenia” in facilitating the participation of UNIDO project pilot beneficiaries and other Armenian garment manufacturing companies at this major fair. UNIDO organized meetings of garment manufacturers with about 10 large and small retail chains in the Russian Federation aiming to establish potential supply contracts.
- "6th Bee Together International Platform for outsourcing in light industry", Moscow, Russian Federation, 13-17 November 2018: New garment collection was presented at the event and meetings were conducted with 25 leading brands and retail chains in garment sector.
- Lineapelle and Simac Tanning Tech, 20-22 February 2018, Milan, Italy: UNIDO pilot project beneficiary footwear manufacturers participated at the two major international fairs of footwear industry in Milan: (i) Lineapelle, which is the most important international exhibition dedicated to leather, accessories, components, synthetics and models for footwear, leather goods, garments and furniture; (ii) Simac Tanning Tech, which is the international event with the leading offer of machinery and technologies for the footwear, leather goods and tanning industries. The objective was to learn about the new technologies in footwear industry, facilitating meetings with leading suppliers of components, leather, fabrics and novelties in finishing equipment.

- Investment promotion activities were facilitated by UNIDO through organization of meetings with the potential investors, including representatives of garment industry from the Russian Federation and the Managing Director of the Bulgarian Association of Apparel and Textile Producers and Exporters.
- Close partnerships were established and cooperation opportunities considered with international partners, including Armenian General Benevolent Union (AGBU), and Asian Development Bank (ADB).

In accordance with the Output 2 “Human and technical capacities of national counterpart institutions and of national expertise strengthened…”, the following activities were accomplished in the reporting period:
• UNIDO delivered trainings for each pilot beneficiaries (incl. Satenkar, Zenni, Lentex, KKF, Nanman, “Hello” LLC, “Alex textile” LLC, “Zenni” LLC, “Satenkar” LLC, Lentex) focusing on national legal framework and trade facilitation, including the regulations on the tax exemption on the import of equipment and raw materials. The investment in their working capital enables the companies to create about 450 new jobs within the upcoming 1-2 years and increase their export volumes.

• On 2 October 2018, a seminar on brand certification and brand management was organized for project beneficiaries and other partners institutions in Yerevan, Armenia. The seminar was conducted by the international expert of the European Brand Institute, Mr. Gerhard Hrebicek.

• UNIDO project partner and beneficiary, “Atex-Burgo Fashion School” awarded diplomas to its second generation of graduates with majors in pattern-making and fashion illustration.

Overall, since its launch in 2016, the UNIDO Project supported the development of local garment industry through upgrading of garment manufacturers, improved skills of local expert and strengthened the technical support institutions in Armenia. So far, as a result of implementation of Phase I and Phase II of this project, the pilot beneficiary garment and footwear manufacturers increased their exports (+196%), increased employment by 91%, and generated +92% growth in turnover.

The table below provides the evolution of beneficiary enterprises major Key Performance Indicators (KPIs) as a result of the UNIDO Project’s activities within one year and two years:

<table>
<thead>
<tr>
<th>GARMENT</th>
<th>Change in number of employees for 2017-2018</th>
<th>Change in annual turnover for 2017-2018 in USD</th>
<th>Change in export volume for 2017-2018 in USD</th>
<th>Change in local sales for 2017-2018 in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAMAN</td>
<td>4%</td>
<td>10%</td>
<td></td>
<td>43%</td>
</tr>
<tr>
<td>ARS-FINE</td>
<td>12%</td>
<td>4%</td>
<td>32%</td>
<td>0%</td>
</tr>
<tr>
<td>SATENKAR</td>
<td>16%</td>
<td>15%</td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>KKF</td>
<td>3%</td>
<td>4%</td>
<td>110%</td>
<td>2%</td>
</tr>
<tr>
<td>FIRMA LIDA</td>
<td>0%</td>
<td>18%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>LENTEX</td>
<td>0%</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alex Textile</td>
<td>71%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Armtex group</td>
<td>16%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bazum</td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>HELLO</td>
<td>34%</td>
<td>15%</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>LOOM</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>T-Industry</td>
<td></td>
<td>0%</td>
<td></td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SHOE</th>
<th>Change in number of employees for 2017-2018</th>
<th>Change in annual turnover for 2017-2018 in USD</th>
<th>Change in export volume for 2017-2018 in USD</th>
<th>Change in local sales for 2017-2018 in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP</td>
<td>ArmoGroup</td>
<td>12%</td>
<td>38%</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>Avashoes</td>
<td>13%</td>
<td>60%</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>Bebeta</td>
<td>67%</td>
<td>14%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>ELMA shoes</td>
<td>17%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>Arsen Badikyan</td>
<td>24%</td>
<td>113%</td>
<td>24%</td>
</tr>
<tr>
<td>UNIDO Project Beneficiary enterprises</td>
<td>Change in number of employees for 2017-2018</td>
<td>Change in annual turnover for 2017-2018 in USD</td>
<td>Change in export volume for 2017-2018 in USD</td>
<td>Change in local sales for 2017-2018 in USD</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Luna</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxe</td>
<td></td>
<td>11%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Maxole</td>
<td>13%</td>
<td>74%</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>Zenni (Sali)</td>
<td>8%</td>
<td>2%</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>Simar</td>
<td>18%</td>
<td>9%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Yeghvard Sportshoes factory</td>
<td>0%</td>
<td></td>
<td></td>
<td>3%</td>
</tr>
</tbody>
</table>

*Table: Overview of the project pilot beneficiary enterprises performance via comparison of the major indicators in 2016-2018)*

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Employees</th>
<th>Annual Turnover</th>
<th>Export volume</th>
<th>Local sales market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 vs 2016</td>
<td>91%</td>
<td>92%</td>
<td>196%</td>
<td>35%</td>
</tr>
<tr>
<td>2018 vs 2017</td>
<td>17%</td>
<td>19%</td>
<td>48%</td>
<td>-3%</td>
</tr>
<tr>
<td>2017 vs 2016</td>
<td>62%</td>
<td>61%</td>
<td>100%</td>
<td>40%</td>
</tr>
</tbody>
</table>

*Figure: Growth in Key Performance Indicators as a results of the UNIDO Project's technical assistance*
In accordance with the **Mid-term review (MTR)** of the project, as an overall, is appropriate and timely response to enhance productivity, competitiveness, and export capacity of Armenian enterprises operating in the garment/textile and shoe/leather sectors. All the interviewed enterprises emphasized the high relevance of the project for their needs. Within the framework of the project, in depth adiagnosis of each pilot beneficiary enterprise was conducted and modernization plans developed, based on which with the support of International and National Experts, UNIDO facilitated implementation of these modernization plans. The technical support included series of on-the-job trainings at the enterprises, including regular National experts (NEs) visits to the pilot enterprises, technical support for the production process and consultations and guidance for improvement, in inter alia, efficient production process, supplier connections, quality, design, pattern, and sewing. The beneficiaries created and produced new products of higher quality that were presented at various exhibitions and orders for production of garments were received by these beneficiaries.

A training-cum-service centre is planned to be established. This was highlighted by all interviewed enterprises as expected to be very useful for them. Their current employees can be sent, as required, for training; they would have the possibility to receive new trained people to recruited, as required; and moreover, they can receive services from the centre, for example, pattern making, designing, etc. on an ad-hoc basis, as required.

Project facilitated technology transfer to the beneficiary partner technical support institution, the Atex-Burgo Fashion Center, through the procurement of specialized equipment for design and production of garment collections. Representatives of the supplier trained the Atex-Burgo Fashion Center specialists in Armenia on the operation and application of the new equipment – plotter and digitizer.

As a result of several export-oriented activities (starting in Project Phase I, and...
continuing in the current Project Phase II), the Project has established contacts and cooperation with different store chains and fashion groups in the Russian Federation and the EAEU region, which has resulted in the conclusion of contracts with the Armenian enterprises and the realization of orders in the garment/textile sector.

According to the MTE, Project was providing its support at the meso and micro level, supporting the partner enterprises, as well as their employees. Private sector development (PSD) has been promoted through the project. Project partner enterprises received training by International Experts and National Experts, in various areas, such as colour combinations, trends, material combinations, product development, production, quality, grading, sewing, legal, marketing, cost calculation, tax returns, and finance. With the help of the UNIDO project, the partnering enterprises have been able to establish contacts with new buyers, received orders and delivered products, thus enhancing their production, sales, turnover, exports and human resources. Enterprises are looking at new markets and still planning to improve and expand their production and sales. Some of the enterprises are planning to or are in the process of renovating/upgrade their production centre, in order to accommodate the enhancement of production, in which they receive advice and support from the National Experts on production. The selected modality and support systems, in addition to the above-mentioned trainings, also the establishment of the Training-cum-Service Center, as well as the establishment of the export consortia, fits the project purpose and objectives. The approach adopted in this project is considered to have the potential to address the problems identified and achieve the project objective. The project addresses production and market issues in a satisfactory manner. Further details can be obtained from the MTR report (August 2018).

5. BUDGET INFORMATION

Table. Budget status as of March 2019

<table>
<thead>
<tr>
<th>Grant</th>
<th>Total allotment</th>
<th>Total expenditure</th>
<th>% Implementation</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000003445</td>
<td>US$ 1,977,500</td>
<td>US$ 1,524,984.55</td>
<td>87.14</td>
<td>Russian Federation</td>
</tr>
</tbody>
</table>


Table. Breakdown by budget lines

<table>
<thead>
<tr>
<th>Budget Line</th>
<th>Description</th>
<th>Total, USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-00</td>
<td>International experts</td>
<td>510,000</td>
</tr>
<tr>
<td>15-00</td>
<td>Local travel</td>
<td>50,000</td>
</tr>
<tr>
<td>16-00</td>
<td>Mission costs of UNIDO staff</td>
<td>30,000</td>
</tr>
<tr>
<td>17-00</td>
<td>National experts</td>
<td>460,000</td>
</tr>
<tr>
<td>21-00</td>
<td>Subcontracts</td>
<td>90,000</td>
</tr>
<tr>
<td>30-00</td>
<td>Trainings</td>
<td>210,000</td>
</tr>
<tr>
<td>45-00</td>
<td>Equipment</td>
<td>300,000</td>
</tr>
<tr>
<td>51-00</td>
<td>Sundries</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td>Independent Mid-term Evaluation</td>
<td>30,000</td>
</tr>
</tbody>
</table>
## Table: UNIDO Project breakdown by output

<table>
<thead>
<tr>
<th>Programme Outputs</th>
<th>Amount, USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enterprise diagnosis, industrial modernization and market positioning for the</td>
<td>955,000</td>
</tr>
<tr>
<td>selected pilot SMEs in the textile and clothing industry in Armenia using</td>
<td></td>
</tr>
<tr>
<td>innovative marketing approaches with possible development of export consortia</td>
<td></td>
</tr>
<tr>
<td>among the participating manufacturers.</td>
<td></td>
</tr>
<tr>
<td>2. Human and technical capacities of national counterpart institutions and of</td>
<td>795,000</td>
</tr>
<tr>
<td>national expertise (experts, trainers, engineers and technicians) strengthened</td>
<td></td>
</tr>
<tr>
<td>in providing enterprise diagnosis and modernization, competitiveness building and</td>
<td></td>
</tr>
<tr>
<td>marketing, garment design, patterning and grading, inter-institutional networking</td>
<td></td>
</tr>
<tr>
<td>and business partnerships and other related services to the national textile and</td>
<td></td>
</tr>
<tr>
<td>garment industries.</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,750,000</td>
</tr>
<tr>
<td>UNIDO Support Costs (13%)</td>
<td>227,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,977,500</td>
</tr>
</tbody>
</table>

Source: UNIDO Project Document

## Table. UNIDO budget execution (Grant 2000003445)

<table>
<thead>
<tr>
<th>Budget Line</th>
<th>Program</th>
<th>Released Budget</th>
<th>Expenditure</th>
<th>Funds Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>Staff &amp; Intern Consultants</td>
<td>551,882.03</td>
<td>547,406.21</td>
<td>4,475.82</td>
</tr>
<tr>
<td>1500</td>
<td>Local travel</td>
<td>116,276.06</td>
<td>98,331.39</td>
<td>17,944.67</td>
</tr>
<tr>
<td>1600</td>
<td>Staff Travel</td>
<td>9,700.80</td>
<td>6,952.77</td>
<td>2,748.03</td>
</tr>
<tr>
<td>1700</td>
<td>National Consultants/Staff</td>
<td>490,153.95</td>
<td>485,982.45</td>
<td>4,171.50</td>
</tr>
<tr>
<td>2100</td>
<td>Contractual Services</td>
<td>87,164.66</td>
<td>80,760.10</td>
<td>1,285.10</td>
</tr>
<tr>
<td>3000</td>
<td>Train/Fellowship/Study</td>
<td>188,608.26</td>
<td>176,944.16</td>
<td>11,664.10</td>
</tr>
<tr>
<td>4500</td>
<td>Equipment</td>
<td>245,090.42</td>
<td>73,074.43</td>
<td>119,932.99</td>
</tr>
<tr>
<td>5100</td>
<td>Other Direct Costs</td>
<td>61,123.82</td>
<td>55,533.04</td>
<td>5,411.83</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>1,750,000.00</strong></td>
<td><strong>1,524,984.55</strong></td>
<td><strong>167,634.04</strong></td>
</tr>
</tbody>
</table>

II. SCOPE AND PURPOSE OF THE EVALUATION

The purpose of the evaluation is to independently assess the project to help UNIDO improve performance and results of ongoing and future programmes and projects. The terminal evaluation (TE) will cover the whole duration of the project from its starting date in 2019 to the estimated completion date in 6/30/2018.

The TE should provide an analysis of the attainment of the project objective and the corresponding outputs and outcomes. Through its assessments, the Evaluation Team (ET) should enable the Government, counterparts, UNIDO and other stakeholders and donors to verify prospects for development impact and sustainability, providing an analysis of the attainment of global environmental objectives, project objectives, delivery and completion of project outputs/activities, and outcomes/impacts based on indicators. The assessment shall include re-examination of the relevance of the objectives and other elements of project design according to the project evaluation parameters defined in chapter III below.

The overall purpose of the TE is to assess whether the project has achieved or is likely to achieve its main objective, i.e to maintain and improve the market share of local textile and garment, shoe industry operators in domestic markets and to take advantage of opportunities afforded by the regional economic integration processes, and to what extent the project has also considered sustainability and scaling-up factors for increasing contribution to sustainable results and further impact.

The evaluation has three specific objectives:

(i) Assess the project performance in terms of relevance, effectiveness, efficiency, sustainability and progress to impact;
(ii) Identify key learning to feed into the design and implementation of the forthcoming projects; and
(iii) Develop a series of findings, lessons and recommendations for enhancing the design of new and implementation of ongoing projects by UNIDO.

III. EVALUATION APPROACH AND METHODOLOGY

The TE will be conducted in accordance with the UNIDO Evaluation Policy\(^4\) UNEG Norms and Standards for evaluation and the UNIDO Guidelines for the Technical Cooperation Project and Project Cycle\(^5\).

The evaluation will be carried out as an independent in-depth evaluation using a participatory approach whereby all key parties associated with the project will be informed and consulted throughout the evaluation. The evaluation team leader will liaise with the UNIDO Independent Evaluation Division on the conduct of the evaluation and methodological issues.

The evaluation will use a theory of change approach and mixed methods to collect data and information from a range of sources and informants. It will pay attention to triangulating the data and information collected before forming its assessment. This is

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essential to ensure an evidence-based and credible evaluation, with robust analytical underpinning.

The theory of change will identify causal and transformational pathways from the project outputs to outcomes and longer-term impacts, and drivers as well as barriers to achieve them. The learning from this analysis will be useful to feed into the design of the future projects so that the management team can effectively manage them based on results.

1. Data collection methods

The ET will be required to use different methods to ensure that data gathering and analysis deliver evidence-based qualitative and quantitative information, based on diverse sources, as necessary: desk studies and literature review, statistical analysis, individual interviews, focus group meetings/discussions, surveys and direct observation. This approach will not only enable the evaluation to assess causality through quantitative means but also to provide reasons for why certain results were achieved or not and to triangulate information for higher reliability of findings. The specific mixed methodological approach will be described in the inception report.

Following are the main instruments for data collection:

(a) **Desk and literature review** of documents related to the project, including but not limited to:
   - The original project document, monitoring reports (such as progress and financial reports), mid-term review report, output reports, back-to-office mission report(s), end-of-contract report(s) and relevant correspondence
   - Notes from meetings of committees involved in the project

(b) **Stakeholder consultations** will be conducted through structured and semi-structured interviews and focus group discussion. Key stakeholders to be interviewed include:
   - UNIDO Management and staff involved in the project; and
   - Representatives of donors and counterparts

(c) **Field visit to Armenia**
   - On-site observation of results achieved by the project, including interviews of actual and potential beneficiaries of improved technologies
   - Interviews with the relevant UNIDO Country Office(s) representative to the extent that he/she was involved in the project, and the project’s management members and the various national [and sub-regional] authorities dealing with project activities as necessary

(d) Other interviews, surveys or document reviews as deemed necessary by the evaluation team and/or by the Independent Evaluation Division for triangulation purposes

2. Evaluation key questions and criteria

The evaluation team will develop interview guidelines. Field interviews can take place either in the form of focus-group discussions or one-to-one consultations.

The key evaluation questions are the following:
(a) What are the key drivers and barriers to achieve the long term objectives? To what extent has the project helped put in place the conditions likely to address the drivers, overcome barriers and contribute to the long term objectives?

(b) How well has the project performed? Has the project done the right things? Has the project done things right, with good value for money?

(c) What have been the project’s key results (outputs, outcome and impact)? To what extent have the expected results been achieved or are likely to be achieved? To what extent the achieved results will sustain after the completion of the project?

(d) What lessons can be drawn from the successful and unsuccessful practices in designing, implementing and managing the project?

The evaluation will assess the likelihood of sustainability of the project results after the project completion. The assessment will identify key risks (e.g. in terms of financial, socio-political, institutional and environmental risks) and explain how these risks may affect the continuation of results after the project ends. Table 5 below provides the key evaluation criteria to be assessed by the evaluation. The detailed questions to assess each evaluation criterion are in annex 2 UNIDO Evaluation Manual.

Table 5. Summary of Project evaluation criteria

<table>
<thead>
<tr>
<th>Index</th>
<th>Evaluation criteria</th>
<th>Mandatory rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Progress to Impact</td>
<td>Yes</td>
</tr>
<tr>
<td>B</td>
<td>Project design</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Overall design</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Logframe</td>
<td>Yes</td>
</tr>
<tr>
<td>C</td>
<td>Project performance</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Relevance</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Effectiveness</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Efficiency</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Sustainability of benefits</td>
<td>Yes</td>
</tr>
<tr>
<td>D</td>
<td>Cross-cutting performance criteria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gender mainstreaming</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Environment and socio-economic aspects</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>M&amp;E: (focus on Monitoring)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>M&amp;E design</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>M&amp;E implementation</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Results-based Management (RBM)</td>
<td>Yes</td>
</tr>
<tr>
<td>E</td>
<td>Performance of partners</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNIDO</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>National counterparts</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Donor</td>
<td>Yes</td>
</tr>
<tr>
<td>F</td>
<td>Overall assessment</td>
<td>Yes</td>
</tr>
</tbody>
</table>

---

6
3. Rating system

In line with the practice adopted by many development agencies, the UNIDO Independent Evaluation Division uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 is the lowest (highly unsatisfactory) as per Table 6.

<table>
<thead>
<tr>
<th>Score</th>
<th>Definition</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Highly satisfactory Level of achievement presents no shortcomings (90% - 100% achievement rate of planned expectations and targets).</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Satisfactory Level of achievement presents minor shortcomings (70% - 89% achievement rate of planned expectations and targets).</td>
<td>SATISFACTORY</td>
</tr>
<tr>
<td>4</td>
<td>Moderately satisfactory Level of achievement presents moderate shortcomings (50% - 69% achievement rate of planned expectations and targets).</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Moderately unsatisfactory Level of achievement presents some significant shortcomings (30% - 49% achievement rate of planned expectations and targets).</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Unsatisfactory Level of achievement presents major shortcomings (10% - 29% achievement rate of planned expectations and targets).</td>
<td>UNSATISFACTORY</td>
</tr>
<tr>
<td>1</td>
<td>Highly unsatisfactory Level of achievement presents severe shortcomings (0% - 9% achievement rate of planned expectations and targets).</td>
<td></td>
</tr>
</tbody>
</table>

IV. EVALUATION PROCESS

The evaluation will be implemented in phases which are not strictly sequential, but in many cases iterative, conducted in parallel and partly overlapping:

- UNIDO Independent Evaluation Division (IED) identifies and selects the Evaluation Team members, in consultation with project manager
- Inception phase
  - Desk review and data analysis: The evaluation team will review project-related documentation and literature and carry out a data analysis
  - Briefing of consultant(s) at UNIDO Headquarters (HQ)
  - Preparation of inception report: The evaluation team will prepare the inception report providing details on the methodology for the evaluation and include an evaluation matrix with specific issues for the evaluation; the specific site visits will be determined during the inception phase, taking into consideration the findings and recommendations of project progress reports or mid-term reviews.
  - Interviews, survey
- Field phase
  - Country field visit(s)
✓ ET Debriefing in the field to project stakeholders

- Reporting phase
  ✓ After field mission, HQ debriefing with preliminary findings, conclusions and recommendations by the ET leader
  ✓ Data analysis and draft report writing
  ✓ Draft report submission
  ✓ Sharing and factual validation of draft report with stakeholders
  ✓ Final evaluation report Submission and QA/clearance by IED, and
  ✓ Two pages summary take-away message

- IED Final report issuance and distribution with the respective management response sheet and further follow-up, and publication of evaluation report in UNIDO intra/internet sites

I. Evaluation team composition

A staff from the UNIDO Independent Evaluation Division will be assigned as Evaluation Manager and will coordinate and provide evaluation backstopping to the evaluation team and ensure the quality of the evaluation. The UNIDO Project Manager and national project teams will act as resourced persons and provide support to the evaluation team and the IED evaluation manager.

The evaluation team will be composed of at least one international evaluation consultant acting as the team leader and one national consultant. The evaluation team members will possess relevant strong experience and skills on evaluation and evaluation management, including social safeguards and gender. Expertise and experience in the related technical subject of the project is desirable. The evaluation consultants will be contracted by UNIDO.

In some specific cases (e.g. complex projects, regional projects, projects at risk), an IED evaluation officer could be also assigned to be part of the evaluation team and hence participate in the whole conduct as such.

The tasks of each team member are specified in the job descriptions in annex 3 to these terms of reference.

According to UNIDO Evaluation Policy, members of the evaluation team must not have been directly involved in the design and/or implementation of the project under evaluation.

V. TIME SCHEDULE

The evaluation is scheduled to take place from July to October 2019. At the end of the field mission, there will be a presentation of the preliminary findings for all stakeholders involved in this project in India. The tentative timelines are provided in Table 7.

After the evaluation field mission, the evaluation team leader and the international waste management expert will visit UNIDO HQ for briefing and presentation of the preliminary findings of the terminal evaluation. The draft TE report will be submitted 4 weeks after the end of the mission. The draft TE report is to be shared with the UNIDO PM, UNIDO Independent Evaluation Division, the UNIDO GEF Coordinator and GEF OFP and other stakeholders for receipt of comments. The ET leader is expected to revise the
draft TE report based on the comments received, edit the language and form and submit the final version of the TE report in accordance with UNIDO ODG/EIO/EID standards.

Table 2. Tentative timelines

<table>
<thead>
<tr>
<th>Timelines</th>
<th>Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 July 2019</td>
<td>Finalization of TOR and recruitment of the evaluation team</td>
</tr>
<tr>
<td>July 2019</td>
<td>Desk review and writing of inception report</td>
</tr>
<tr>
<td><strong>August 2019</strong></td>
<td><strong>Briefing with UNIDO project manager and UNIDO Independent Evaluation Division in Vienna</strong></td>
</tr>
<tr>
<td><strong>9-14 Sep 2019</strong></td>
<td><strong>Field visit to Armenia</strong></td>
</tr>
<tr>
<td><strong>23 September 2019</strong></td>
<td><strong>Debriefing in Vienna</strong></td>
</tr>
<tr>
<td><strong>Preparation of first draft evaluation report</strong></td>
<td></td>
</tr>
<tr>
<td>October 2019</td>
<td>Internal peer review of the report by UNIDO's Independent Evaluation Division and other stakeholder comments to draft evaluation report</td>
</tr>
<tr>
<td>November 2019</td>
<td>Final evaluation report</td>
</tr>
</tbody>
</table>

VI. EVALUATION DELIVERABLES

Inception report

This Terms of Reference (ToR) provides some information on the evaluation methodology, but this should not be regarded as exhaustive. After reviewing the project documentation and initial interviews with the project manager, the International Evaluation Consultant will prepare, in collaboration with the national consultant, a short inception report that will operationalize the ToR relating to the evaluation questions and provide information on what type of and how the evidence will be collected (methodology). It will be discussed with and approved by the responsible UNIDO Evaluation Manager.

The Inception Report will focus on the following elements: preliminary project theory model(s); elaboration of evaluation methodology including quantitative and qualitative approaches through an evaluation framework (“evaluation matrix”); division of work between the International Evaluation Consultant and the national consultant; mission plan, including places to be visited, people to be interviewed and possible surveys to be conducted and a debriefing and reporting timetable.

Evaluation report and review procedures

The draft report will be delivered to UNIDO Independent Evaluation Division (the suggested report outline is in annex 4) and circulated to UNIDO staff and national stakeholders associated with the project for factual validation and comments. Any comments or responses, or feedback on any errors of fact to the draft report provided by the stakeholders will be sent to UNIDO Independent Evaluation Division for collation.

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7 The evaluator will be provided with a Guide on how to prepare an evaluation inception report and a Guide on how to formulate lessons learned (including quality checklist) prepared by the UNIDO Independent Evaluation Division.
and onward transmission to the project evaluation team who will be advised of any necessary revisions. On the basis of this feedback, and taking into consideration the comments received, the evaluation team will prepare the final version of the terminal evaluation report.

The ET will present its preliminary findings to the local stakeholders at the end of the field visit and take into account their feedback in preparing the evaluation report. A presentation of preliminary findings will take place at UNIDO HQ after the field mission.

The TE report should be brief, to the point and easy to understand. It must explain the purpose of the evaluation, exactly what was evaluated, and the methods used. The report must highlight any methodological limitations, identify key concerns and present evidence-based findings, consequent conclusions, recommendations and lessons. The report should provide information on when the evaluation took place, the places visited, who was involved and be presented in a way that makes the information accessible and comprehensible. The report should include an executive summary that encapsulates the essence of the information contained in the report to facilitate dissemination and distillation of lessons.

Findings, conclusions and recommendations should be presented in a complete, logical and balanced manner. The evaluation report shall be written in English and follow the outline given in annex 4. The ET should submit the final version of the TE report in accordance with UNIDO Independent Evaluation Division standards.

VII. QUALITY ASSURANCE

All UNIDO evaluations are subject to quality assessments by UNIDO Independent Evaluation Division. Quality assurance and control is exercised in different ways throughout the evaluation process (briefing of consultants on methodology and process of UNIDO Independent Evaluation Division, providing inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations, review of inception report and evaluation report).

The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality, attached as annex 5. UNIDO’s Independent Evaluation Division should ensure that the evaluation report is useful for UNIDO in terms of organizational learning (recommendations and lessons learned) and is compliant with UNIDO’s evaluation policy and these terms of reference. The draft and final evaluation report are reviewed by UNIDO Independent Evaluation Division, which will issue and circulate it within UNIDO together with a management response sheet, as well as submit to relevant stakeholders as required.

ANNEXES

Annex 1: Project results framework
Annex 2: Job descriptions
Annex 3: Outline of an in-depth project evaluation report
Annex 4: Checklist on evaluation report quality
Annex 6. Guidance and checklist on lessons learned quality criteria
# ANNEX 1: PROJECT RESULTS FRAMEWORK

<table>
<thead>
<tr>
<th>INTERVENTION LOGIC</th>
<th>OBJECTIVELY VERIFIABLE INDICATORS</th>
<th>SOURCES OF VERIFICATION</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development goal/impact</strong></td>
<td>Domestic and regional market share of Armenian clothing, shoe and leather products increased</td>
<td>Project Reports National statistical reports and UN reports Programme reports Other publications</td>
<td></td>
</tr>
<tr>
<td><strong>Outcomes/Immediate objectives</strong></td>
<td>Improved economic performance of industrial beneficiary SMEs using locally available services</td>
<td>Project reports Market statistics Publications</td>
<td>Political situation in the country is stable. Project funding is timely and sufficient</td>
</tr>
<tr>
<td><strong>OUTPUTS/RESULTS</strong></td>
<td>Enterprise performance indicators e.g. reduced factor costs, turnover, value added, % exported, etc. Number of SMEs enter into networks/consortia Number and quality of export activities facilitated Number of enterprise employees trained (female and male) Increase in turnover by beneficiary enterprises Increase in quality and quantity of goods and services produced by the selected beneficiary enterprises Post-upgrading performance and satisfaction degree of the beneficiary companies</td>
<td>Enterprise annual reports Project reports Training reports International and national expert reports</td>
<td>Information on local textile/shoe/leather industries and regional textile &amp; garment, shoe and leather goods markets available SMEs are willing to cooperate and enter into networks</td>
</tr>
</tbody>
</table>

- **Beneficiary SMEs form networks, modernize their businesses to expand production, improve quality and gain access to markets with the support of reinforced national technical expertise**
- **To maintain and improve the market share of local textile and clothing industry operators, shoe and leather goods industry operators in domestic markets and to take advantage of opportunities afforded by the regional economic integration processes.**

**Development goal/impact**

To maintain and improve the market share of local textile and clothing industry operators, shoe and leather goods industry operators in domestic markets and to take advantage of opportunities afforded by the regional economic integration processes.

**Beneficiary SMEs form networks, modernize their businesses to expand production, improve quality and gain access to markets with the support of reinforced national technical expertise**

Beneficiary SMEs form networks, modernize their businesses to expand production, improve quality and gain access to markets with the support of reinforced national technical expertise.

**Outcomes/Immediate objectives**

Outcomes/Immediate Objectives

Beneficiary SMEs form networks, modernize their businesses to expand production, improve quality and gain access to markets with the support of reinforced national technical expertise.

**OUTPUTS/RESULTS**

Output/Results

1. Enterprise diagnosis, industrial modernization and networking of selected pilot SMEs in the textile and clothing industry in Armenia using innovative marketing approaches with possible development of export consortia among the participating manufacturers.

**OUTPUTS/RESULTS**

1. Enterprise diagnosis, industrial modernization and networking of selected pilot SMEs in the textile and clothing industry in Armenia using innovative marketing approaches with possible development of export consortia among the participating manufacturers.
**INTERVENTION LOGIC** | **OBJECTIVELY VERIFIABLE INDICATORS** | **SOURCES OF VERIFICATION** | **ASSUMPTIONS**
---|---|---|---
1.1 Identify and select a pilot group of minimum 5-7 and maximum 10 enterprises in the textile and clothing industry willing to participate in the programme and responding to the approved eligibility criteria. | Market positioning vision for identified products (collections) of high potential and marketing implementation strategy developed | To be determined according to background information gathered on the industry support market in Armenia.
1.2 Conduct full-diagnosis study of each beneficiary enterprise including technical assessment of present technical/production situation and operated technologies to collect, analyse and evaluate marketing data, gender disaggregated employment data, position and wage levels, and develop modernization plans. | | |
1.3 Conduct competitive market positioning studies for selected enterprises including baseline of enterprises (domestic and export sales, employment, current markets and distribution channels, products range, etc.), analysis of supply-side constraints, main direct competitors, benchmarking of main competitiveness factors at the international level, market survey on at least 3 reference markets. | | |
1.4 Formulate market positioning vision for identified products (collections) of high potential, and build appropriate marketing implementation strategy. | | |
1.5 Coach selected enterprises in implementing respective modernization plans and marketing implementation strategies based on networking approach and findings of the competitive market positioning studies. | | |
1.6 Provide technical assistance to selected enterprises to design and merchandise pilot ready-made collections with the support from the reinforced fashion centre (based on results of activities 2.3 and 2.4). | | |
1.7 Support collective marketing and export activities with potential establishment of export consortia and facilitate communication of project results. | | |
2. Human and technical capacities of national counterpart institutions and of national expertise (experts, trainers, engineers and technicians) strengthened in providing enterprise diagnosis and modernization, competitiveness building and marketing, garment design, patterning and grading, inter-institutional networking and business partnerships and other related services to the national textile and garment industries. | Service offers from strengthened/established services portfolios of industry support providers Number of trained experts/trainers (female and male) Number of new demand-driven services provided to the national textile and garment industries Number of partnerships established facilitating network and business linkages for export promotion of Armenian textile products on regional and international markets. | Project reports Business literature on services offered Service reports Training reports International and national expert reports | |
2.1 Review of the policy framework, identify and assess capacities of the national expertise and existing industry support institutions, industry-related testing and design centres and/or vocational training institutions in supporting national textile and garment operators. | | |
2.2 Provide training sessions to the identified national expertise on strategic diagnosis and upgrading techniques, evaluation of upgrading plans, marketing techniques, project monitoring and evaluation etc., and provide related methodological tools adapted to the Armenian context for continuous use. | | |
2.3 Strengthen the existing unit for fashion design and modelling to serve as a sectorial centre/point providing services related to design, patterns, grading, etc., to local garment manufacturers through supply of equipment and software, appropriate training to centre operators, and creation of a “fashion library” and licensed subscription to international electronic databases on graphic design, fashion and clothing. | | |
2.4 Conduct expert meetings/technical workshops for selected beneficiary centre staff and trainers in a reference international fashion centre on market- and industry-driven fashion design processes and methodologies, modelling and styling, creation and validation of ready-made collections; and good merchandizing techniques. | | |
2.5 Facilitate regional and international industry support network and business linkages for export promotion of Armenian textile products on regional EurAsEC and international markets. | | |
<table>
<thead>
<tr>
<th>INTERVENTION LOGIC</th>
<th>OBJECTIVELY VERIFIABLE INDICATORS</th>
<th>SOURCES OF VERIFICATION</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.6 Explore scope for upscaling the pilot initiatives inter alia within the national support framework.</td>
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</tbody>
</table>

| Enterprise diagnosis, industrial modernization and market positioning for the selected pilot SMEs in the shoe/leather goods and garment industries in Armenia using innovative marketing approaches with possible development of export consortia among the participating manufacturers. | Enterprise performance indicators e.g. reduced factor costs, turnover, value added, % exported, etc.  
Number of SMEs enter into networks/consortia  
Number and quality of export activities facilitated  
Number of enterprise employees trained (female and male)  
Increase in turnover by beneficiary enterprises  
Increase in quality and quantity of goods and services produced by the selected beneficiary enterprises  
Post-upgrading performance and satisfaction degree of the beneficiary companies  
Market positioning vision for identified products (collections) of high potential and marketing implementation strategy developed | Enterprise annual reports  
Project reports  
Training reports  
International and national expert reports | To be determined according to background information gathered on the industry support market in Armenia |

3.  
3.1 Identify and select a pilot group of minimum 5-7 and maximum 10 enterprises in the shoe/leather goods industry and additional 5-6 enterprises in the garment industry willing to participate in the programme and responding to the approved eligibility criteria.  
3.2 Conduct full-diagnosis study of each beneficiary enterprise in the shoe/leather goods industry and supplementary (to the pilot phase) beneficiary enterprises in the garment sector, including technical assessment of present technical/production situation and operated technologies to collect, analyse and evaluate marketing data, gender disaggregated employment data, position and wage levels, and develop modernization plans.  
3.3 Conduct competitive market positioning studies for selected enterprises including baseline of enterprises (domestic and export sales, employment, current markets and distribution channels, products range, etc.), analysis of supply-side constraints, main direct competitors, benchmarking of main competitiveness factors at the international level, market survey on reference markets  
3.4 Formulate market positioning vision for identified products (collections) of high potential, and build appropriate marketing implementation strategy for individual companies inter alia within the established group logo  
3.5 Coach selected enterprises in shoe/leather goods industry and supplementary (to the pilot phase) beneficiary enterprises in the garment sector in implementing respective modernization plans and marketing implementation strategies based on networking approach and findings of the competitive market positioning studies.  
3.6 Provide technical assistance to selected enterprises in shoe/leather goods industry and supplementary (to the pilot phase) number of beneficiary enterprises in the garment sector to design and merchandise pilot ready-made collections with the support from the reinforced fashion centre (based on results of activities 4.4 and 4.5)  
3.7 Support collective marketing and export activities through the export consortia |
<table>
<thead>
<tr>
<th>INTERVENTION LOGIC</th>
<th>OBJECTIVELY VERIFIABLE INDICATORS</th>
<th>SOURCES OF VERIFICATION</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8 Support group efforts of beneficiary enterprises for identification/participation in sectorial international exhibitions</td>
<td>Service offers from strengthened/established services portfolios of industry support providers</td>
<td>Project reports</td>
<td>To be determined according to background information gathered on the industry support market in Armenia</td>
</tr>
<tr>
<td>3.9 Elaborate a communication and visibility plan for the project highlighting the importance of the intervention, including development of promotional materials, conferences/workshops, and delivery of reports.</td>
<td>Number of trained experts/trainers (female and male)</td>
<td>Business literature on services offered</td>
<td></td>
</tr>
<tr>
<td>3.9 Elaborate a communication and visibility plan for the project highlighting the importance of the intervention, including development of promotional materials, conferences/workshops, and delivery of reports.</td>
<td>Number of new demand-driven services provided to the national textile/garment &amp; shoe/leather goods industries</td>
<td>Service reports</td>
<td></td>
</tr>
<tr>
<td>3.9 Elaborate a communication and visibility plan for the project highlighting the importance of the intervention, including development of promotional materials, conferences/workshops, and delivery of reports.</td>
<td>Number of partnerships established facilitating network and business linkages for export promotion of Armenian national textile/garment &amp; shoe/leather products on regional and international markets</td>
<td>Training reports</td>
<td></td>
</tr>
<tr>
<td>4. Human and technical capacities of national counterpart institutions and of national expertise (experts, trainers, engineers and technicians) strengthened in providing enterprise diagnosis and modernization, competitiveness building and marketing, shoe and garment design, patterning and grading, inter-institutional networking and business partnerships and other related services to the national shoe and garment industries.</td>
<td>Service offers from strengthened/established services portfolios of industry support providers</td>
<td>International and national expert reports</td>
<td></td>
</tr>
<tr>
<td>4.1 Conduct a broad overview of the suppliers of the shoe/leather goods and garment products at the international level</td>
<td>Number of partnerships established facilitating network and business linkages for export promotion of Armenian national textile/garment &amp; shoe/leather products on regional and international markets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2 Review the existing shoe/leather goods industry’s human and technical capabilities, identify and assess capacities of the national expertise and existing industry support institutions, industry-related testing and design centres and/or vocational training institutions in supporting national shoe/leather goods operators</td>
<td></td>
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<td></td>
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<tr>
<td>4.3 Provide training sessions to the identified national expertise on strategic diagnosis and upgrading techniques, evaluation of upgrading plans, marketing techniques, project monitoring and evaluation, international standards and test methods in shoe/leather goods, as well as garment products, etc., and provide related methodological tools adapted to the Armenian context to ensure sustainability</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>4.4 Establish/upgrade an existing training centre for footwear sector in close cooperation with institutions, universities and enterprises</td>
<td></td>
<td></td>
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<tr>
<td>4.5 Extend support to the existing unit for fashion design and modelling to serve as a sectorial centre/point providing services related to fashion trends, design, patterns, grading, prototypes manufacture, etc., to local garment manufacturers through supply of equipment and software, know-how and new available technologies, appropriate training to centre operators, and creation of a “fashion library” and licensed subscription to international electronic databases on graphic design, fashion and clothing.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.6 Conduct expert meetings/technical workshops for selected beneficiary centre staff and trainers in a reference international fashion centre on market- and industry-driven fashion design processes and methodologies, modelling and styling, creation and validation of ready-made collections; and good merchandizing techniques</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.7 Train and facilitate development of skills for the youth to support, preserve and trigger further development of the shoe/leather goods and garment/textile industries for the economy of the country, including technical skills, support on conceiving new products, an introduction to new technology, and quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.8 Facilitate regional and international industry support network and business linkages for export promotion of Armenian textile products on regional Eurasian Economic Union and international markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.9 Explore scope for upscaling the project activities inter alia within the national support framework.</td>
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</tbody>
</table>
Annex 2. JOB DESCRIPTIONS

UNIDO

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE FOR PERSONNEL UNDER INDIVIDUAL SERVICE AGREEMENT (ISA)

Title: International evaluation consultant / Team leader
Main Duty Station and Location: Home-based
Mission/s to: Missions to Armenia and Vienna, Austria (UNIDO HQ)
Start of Contract (EOD): May 2019
End of Contract (COB): June 2019
Number of Working Days: 27 working days spread over 2 months

ORGANIZATIONAL CONTEXT

The UNIDO Independent Evaluation Division (ODG/EIO/IED) is responsible for the independent evaluation function of UNIDO. It supports learning, continuous improvement and accountability, and provides factual information about result and practices that feed into the programmatic and strategic decision-making processes. Evaluation is an assessment, as systematic and impartial as possible, of a programme, a project or a theme. Independent evaluations provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons learned into the decision-making processes at organization-wide, programme and project level. ODG/EIO/IED is guided by the UNIDO Evaluation Policy, which is aligned to the norms and standards for evaluation in the UN system.

PROJECT CONTEXT

Detailed background information of the project can be found in the terms of reference (TOR) for the terminal evaluation.

The international evaluation consultant/team leader will evaluate the project in accordance with the evaluation-related terms of reference (TOR). He/she will perform, inter alia, the following main tasks:

<table>
<thead>
<tr>
<th>MAIN DUTIES</th>
<th>Concrete/ Measurable Outputs to be achieved</th>
<th>Working Days</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undertake a desk review of project documentation and relevant country background information (national policies and strategies, UN strategies and general economic data); determine key data to collect in the field and adjust the key data</td>
<td>• Division of evaluation tasks with the National Consultant • An adjusted table of evaluation questions, depending on country specific context • A draft list of stakeholders to</td>
<td>5 days</td>
<td>Home-based</td>
</tr>
<tr>
<td>MAIN DUTIES</td>
<td>Concrete/ Measurable Outputs to be achieved</td>
<td>Working Days</td>
<td>Location</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>----------------</td>
</tr>
</tbody>
</table>
| collection instruments accordingly (if needed); Assess the adequacy of legislative and regulatory framework relevant to the project's activities and analyze other background info. | be interviewed during the evaluation field mission  
• A brief assessment of the adequacy of the country's legislative and regulatory framework |              |                |
| Prepare an inception report which streamlines the specific questions to address the key issues in the TOR, specific methods that will be used and data to collect in the field visits, detailed evaluation methodology confirmed, draft theory of change, and tentative agenda for field work | Inception report submitted to the evaluation manager | 3            | Home-based     |
| Briefing with the UNIDO Independent Evaluation Division, project managers and other key stakeholders at UNIDO HQ. | • Detailed evaluation schedule with tentative mission agenda (incl. list of stakeholders to be interviewed and planned site visits) submitted to evaluation and project manager | 2 days       | Vienna, Austria |
| 3. Undertake evaluation field mission⁸ to consult field project stakeholders, partners and beneficiaries to verify and complete preliminary evaluation findings from desk review and assess the institutional capacities of the recipient country | • Field mission conducted  
• Evaluation/debriefing presentation of the evaluation's preliminary findings prepared, draft conclusions, recommendations and lessons learnt to stakeholders in the country, at the end of the mission  
• Agreement with the National Consultant on the structure and content of the evaluation report and the distribution of writing tasks | 6 days       | Armenia        |
| 4. Debriefing mission: Present preliminary findings, recommendations and lessons learnt to project stakeholders at UNIDO HQ for factual validation and comments  
Hold additional meetings with and obtain additional data from evaluation/project manager and other stakeholders as required | • Power point presentation  
• Feedback from stakeholders obtained and discussed  
• Additional meetings held as required | 2 days       | Vienna, Austria |

⁸ The exact mission dates will be decided in agreement with the Consultant, UNIDO HQ, and the country counterparts.
<table>
<thead>
<tr>
<th>MAIN DUTIES</th>
<th>Concrete/Measurable Outputs to be achieved</th>
<th>Working Days</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Prepare the draft evaluation report, with inputs from the National Consultant, and in accordance with the evaluation TOR</td>
<td>• Draft evaluation report submitted to evaluation manager for review and comments</td>
<td>6 days</td>
<td>Home-based</td>
</tr>
<tr>
<td>Submit draft evaluation report to the evaluation manager for feedback and comments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Revise the draft evaluation report based on comments and suggestions received through the evaluation manager and edit the language and finalize the evaluation report according to UNIDO Independent Evaluation Division standards</td>
<td>Final evaluation report submitted to evaluation manager</td>
<td>3 days</td>
<td>Home-based</td>
</tr>
<tr>
<td>Prepare a two pages summary of a take-away message from the evaluation</td>
<td>Two pages summary take-away message from the evaluation submitted to the evaluation manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>27 days</td>
<td></td>
</tr>
</tbody>
</table>

**MINIMUM ORGANIZATIONAL REQUIREMENTS**

**Education:** Advanced degree in environment, energy, engineering, development studies or related areas

**Technical and functional experience:**

- Minimum of 10 years’ experience in project management and/or evaluation (of development projects)
- Experience in the evaluation of technical cooperation projects and knowledge of UNIDO activities an asset
- Knowledge about multilateral technical cooperation and the UN, international development priorities and frameworks
- Working experience in developing countries

**Languages:** Fluency in written and spoken English is required.

**Reporting and deliverables**

1) At the beginning of the assignment the Consultant will submit a concise Inception Report that will outline the general methodology and presents a concept Table of Contents

2) The country assignment will have the following deliverables:

- Presentation of initial findings of the mission to key national stakeholders
- Draft report
- Final report, comprising of executive summary, findings regarding design, implementation and results, conclusions and recommendations
3) Debriefing at UNIDO HQ:

- Presentation and discussion of findings
- Concise summary and comparative analysis of the main results of the evaluation report

All reports and related documents must be in English and presented in electronic format.

Absence of conflict of interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project (or theme) under evaluation. The consultant will be requested to sign a declaration that none of the above situations exists and that the consultants will not seek assignments with the manager/s in charge of the project before the completion of her/his contract with the UNIDO Independent Evaluation Division.
Title: National evaluation consultant
Main Duty Station and Location: Home-based
Mission/s to: Travel to potential sites within Armenia
Start of Contract (EOD): May 2019
End of Contract (COB): June 2019
Number of Working Days: 25 days (spread over the above period)

ORGANIZATIONAL CONTEXT

The UNIDO Independent Evaluation Division (ODG/EIO/IED) is responsible for the independent evaluation function of UNIDO. It supports learning, continuous improvement and accountability, and provides factual information about result and practices that feed into the programmatic and strategic decision-making processes. Evaluation is an assessment, as systematic and impartial as possible, of a programme, a project or a theme. Independent evaluations provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons learned into the decision-making processes at organization-wide, programme and project level. The UNIDO Independent Evaluation Division is guided by the UNIDO Evaluation Policy, which is aligned to the norms and standards for evaluation in the UN system.

PROJECT CONTEXT

Detailed background information of the project can be found the terms of reference (TOR) for the terminal evaluation.

As evaluation team member, the national evaluation consultant will evaluate the project according to the terms of reference (TOR) under the leadership of the team leader (international evaluation consultant). S/he will perform, inter alia, the following main tasks:

<table>
<thead>
<tr>
<th>MAIN DUTIES</th>
<th>Concrete/measurable outputs to be achieved</th>
<th>Expected duration</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk review</td>
<td>• A list of evaluation questions; questionnaires /interview guide; logic models adjusted to ensure understanding in the national context</td>
<td>7 days</td>
<td>Home-based</td>
</tr>
<tr>
<td><strong>MAIN DUTIES</strong></td>
<td>Concrete/measurable outputs to be achieved</td>
<td>Expected duration</td>
<td>Location</td>
</tr>
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| Russian (questionnaires, logic models) as required                             | • A list of key data available; and to be collected  
• A brief assessment of the adequacy of the country's legislative and regulatory framework in the context of the project  
• Input to inception report                                                                                                                                   |                   |                                                                           |
| If need be, recommend adjustments to the tools in order to ensure their understanding in the local context                                                |                                                                                                               |                   |                                                                           |
| Coordinate and lead interviews in local language and assist the team leader with translation where necessary                                                                                           |                                                                                                               |                   |                                                                           |
| Analyze and assess the adequacy of legislative and regulatory framework, specifically in the context of the project's objectives and targets   |                                                                                                               |                   |                                                                           |
| **Coordination of evaluation field mission** agenda, ensuring and setting up the required meetings with project partners and government counterparts, and organize and lead site visits, in close cooperation with project staff in the field   | • Detailed evaluation schedule  
• List of stakeholders to be interviewed during the field mission                                                                                                                 | **6 days**        | Home-based (telephone interviews)                                       |
| Assist and provide detailed analysis and inputs to the team leader in the preparation of the inception report                                                                                         |                                                                                                               |                   |                                                                           |
| **Participation in interviews during evaluation field missions**                | • Interview notes  
• Input to presentations of the evaluation's initial findings, draft conclusions and recommendations to stakeholders in the country at the end of the mission                                                                 | **6 days**        | Home-based, including in-country project sites                           |
|                                                                                   |                                                                                                               |                   |                                                                           |
| **Draft evaluation report**                                                     | Inputs to the draft evaluation report submitted to evaluation team leader                                                                                                                     | **4 days**        | Home-based                                                               |
| Prepare inputs and analysis to the evaluation report according to TOR and as agreed with the team leader                                                                                               |                                                                                                               |                   |                                                                           |
| **Final evaluation report and summary take-away message**                      | Inputs to the Final evaluation report submitted to evaluation team leader                                                                                                             | **2 days**        | Home-based                                                               |
| Contribute to the finalization of the evaluation report on basis of comments and suggestions received through the evaluation team leader                                                                 |                                                                                                               |                   |                                                                           |
| Contribute to the preparation of a two pages summary of a take-away message from the evaluation                                                                                                           |                                                                                                               |                   |                                                                           |
| **TOTAL**                                                                       |                                                                                                               | **25 days**       |                                                                           |
Core values:
1. Integrity
2. Professionalism
3. Respect for diversity

Core competencies:
1. Results orientation and accountability
2. Planning and organizing
3. Communication and trust
4. Team orientation
5. Client orientation
6. Organizational development and innovation

Managerial competencies (as applicable):
1. Strategy and direction
2. Managing people and performance
3. Judgement and decision making
4. Conflict resolution

MINIMUM ORGANIZATIONAL REQUIREMENTS

Education: Advanced university degree in business administration, economics or other relevant discipline.

Technical and functional experience:
- Exposure to the needs, conditions and problems in developing countries.
- Familiarity with the institutional context of the project is desirable.
- Experience in the field of environment and energy, including evaluation of development cooperation in developing countries is an asset.

Languages: Fluency in written and spoken English is required. Knowledge of Armenian and Russian is considered an asset.

Absence of conflict of interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project (or theme) under evaluation. The consultant will be requested to sign a declaration that none of the above situations exists and that the consultants will not seek assignments with the manager/s in charge of the project before the completion of her/his contract with the UNIDO Independent Evaluation Division.
Annex 3: Outline of an in-depth project evaluation report

Executive summary (maximum 5 pages)
- Evaluation purpose and methodology
- Key findings
- Conclusions and recommendations
- Project ratings
- Tabular overview of key findings – conclusions – recommendations

1. Introduction
   1.1. Evaluation objectives and scope
   1.2. Overview of the Project Context
   1.3. Overview of the Project
   1.4. Theory of Change
   1.5. Evaluation Methodology
   1.6. Limitations of the Evaluation

2. Project’s contribution to Development Results - Effectiveness and Impact
   2.1. Project’s achieved results and overall effectiveness
   2.2. Progress towards impact
      2.2.1. Behavioral change
         2.2.1.1. Economically competitive - Advancing economic competitiveness
         2.2.1.2. Environmentally sound – Safeguarding environment
         2.2.1.3. Socially inclusive – Creating shared prosperity
      2.2.2. Broader adoption
         2.2.2.1. Mainstreaming
         2.2.2.2. Replication
         2.2.2.3. Scaling-up

3. Project’s quality and performance
   3.1. Design
   3.2. Relevance
   3.3. Efficiency
   3.4. Sustainability
   3.5. Gender mainstreaming

4. Performance of Partners
   4.1. UNIDO
   4.2. National counterparts
   4.3. Donor

5. Factors facilitating or limiting the achievement of results
   5.1. Monitoring & evaluation
   5.2. Results-Based Management
   5.3. Other factors
   5.4. Overall assessment and rating table

6. Conclusions, recommendations and lessons learned
   6.1. Conclusions
   6.2. Recommendations
   6.3. Lessons learned
   6.4. Good practices

Annexes (to be put online separately later)
- Evaluation Terms of Reference
- Evaluation framework
- List of documentation reviewed
- List of stakeholders consulted
- Project logframe/Theory of Change
- Primary data collection instruments: evaluation survey/questionnaire
- Statistical data from evaluation survey/questionnaire analysis
# ANNEX 5: CHECKLIST ON EVALUATION REPORT QUALITY

Project title:  
UNIDO Project ID:  

**Evaluation team**  
Evaluation team leader:  
National evaluation consultant:  
Evaluation manager (IED):  

Quality review done by:  
Date:  

<table>
<thead>
<tr>
<th>Report quality criteria</th>
<th>UNIDO Independent Evaluation Division assessment notes</th>
<th>Rating</th>
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<tbody>
<tr>
<td><strong>A.</strong> Was the report well-structured and properly written? (Clear language, correct grammar, clear and logical structure)</td>
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<td><strong>B.</strong> Was the evaluation objective clearly stated and the methodology appropriately defined?</td>
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<td><strong>C.</strong> Did the report present an assessment of relevant outcomes and achievement of project objectives?</td>
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<td><strong>D.</strong> Was the report consistent with the ToR and was the evidence complete and convincing?</td>
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<td><strong>E.</strong> Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible? (Including assessment of assumptions, risks and impact drivers)</td>
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<td><strong>F.</strong> Did the evidence presented support the lessons and recommendations? Are these directly based on findings?</td>
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<td><strong>G.</strong> Did the report include the actual project costs (total, per activity, per source)?</td>
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<td><strong>H.</strong> Did the report include an assessment of the quality of both the M&amp;E plan at entry and the system used during the implementation? Was the M&amp;E sufficiently budgeted for during preparation and properly funded during implementation?</td>
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<td><strong>I.</strong> Quality of the lessons: were lessons readily applicable in other contexts? Did they suggest prescriptive action?</td>
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<td><strong>J.</strong> Quality of the recommendations: did recommendations specify the actions necessary to correct existing conditions or improve operations (‘who?’ ‘what?’ ‘where?’ ‘when?’). Can these be immediately implemented with current resources?</td>
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<tr>
<td>Report quality criteria</td>
<td>UNIDO Independent Evaluation Division assessment notes</td>
<td>Rating</td>
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<td><strong>K.</strong> Are the main cross-cutting issues, such as gender, human rights and environment, appropriately covered?</td>
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<td><strong>L.</strong> Was the report delivered in a timely manner? (Observance of deadlines)</td>
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**Rating system for quality of evaluation reports**
A rating scale of 1-6 is used for each criterion: Highly satisfactory = 6, Satisfactory = 5, Moderately satisfactory = 4, Moderately unsatisfactory = 3, Unsatisfactory = 2, Highly unsatisfactory = 1, and unable to assess = 0.
UNIDO evaluation lessons learned

Definition

The Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) (2002) defines lessons learned related to the evaluation of development assistance as follows: 

*Generalizations based on evaluation experiences* with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.*9

The International Labour Organisation (ILO) provides one of the most comprehensive definitions of lessons learned with relevance for evaluations in the UN system (2014) "*A lesson learned is an observation from project or programme experience which can be translated into relevant, beneficial knowledge by establishing clear causal factors and effects.* It focuses on a specific design, activity, process or decision and may provide either positive or negative insights on operational effectiveness and efficiency, impact on the achievement of outcomes, or influence on sustainability. *The lesson should indicate, where possible, how it contributes to 1) reducing or eliminating deficiencies; or 2) building successful and sustainable practice and performance*"10.

UNIDO evaluation lessons learned contain information about the context, challenges, causal factors, target users and success/failure, as also shown in below Lessons learned quality criteria checklist.

What is not a lesson learned?

<table>
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<tr>
<th>Lessons learned are not:</th>
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<tr>
<td>• Simply restating or paraphrasing existing doctrine, policy, process, etc. This does not qualify as an appropriate and bona fide lessons learned11.</td>
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<tr>
<td>• Just applicable to a specific situation but applicable to a generic situation12</td>
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<tr>
<td>• The same as recommendations. Recommendations usually refer to very specific situations including who should take action on what by when</td>
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10 ILO Evaluation Unit, 2014: Guidance Note 3: Evaluation lessons learned and emerging good practices
12 [www.globalhivmeinfo.org/Pages/Glossary.aspx](http://www.globalhivmeinfo.org/Pages/Glossary.aspx)
Examples of lessons learned

<table>
<thead>
<tr>
<th>Source</th>
<th>Well-identified lessons learned in UNIDO evaluations</th>
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<tbody>
<tr>
<td>UNIDO, 2016: Independent UNIDO country evaluation: Thailand</td>
<td>• A more effective collaboration between the government of Thailand and UNIDO (context; target users) will be more beneficial in developing a “country programme” that identifies the priority areas in which they should work together and then seek funding from potential sources (success) than the choice of the projects being driven by UNIDO on the basis of the financial support the latter is able to mobilize (causal factor; challenge).</td>
</tr>
<tr>
<td>UNIDO, 2017: Evaluación final independiente del proyecto: Centro de Automatización Industrial y Meca-trónica (Uruguay)</td>
<td>• It is important that UNIDO projects get adequate technical in-house support (context). When this capacity is limited to persons that at a later stage get detached from the project the risk emerges (challenge) that UNIDO can’t adequately met the expectations raised (causal factor; failure). UNIDO (target user) risks to loose its reputation as a strategic partner in such situations.</td>
</tr>
<tr>
<td>UNIDO, 2016: Independent Terminal Evaluation: Demonstration of BAT/BEP in fossil fuel-fired utilities and industrial boilers in response to the Stockholm Convention on POPs</td>
<td>• To UNIDO programme managers (target users): The implementation of this regional project involving six countries (context) was very challenging and required more time and better planning to meet deadlines (challenge). One important lesson that emerged is that the design should be kept simple. For the same set of objectives, the design should consider to have smaller number of components meaning less administrative burden and more flexibility (success) resulting in a better and more successful implementation process (causal factor). Lesson learned was amended for this guideline.</td>
</tr>
<tr>
<td>UNIDO, 2016: Independent terminal evaluation. Industrial Energy Efficiency in Ecuador</td>
<td>• To UNIDO country director (target user): Lack of synergies (challenge) between energy efficiency projects and Clean Production activities developed by UNIDO at local level (context) drives to lose opportunities (failure) for a more efficient achievement of shared goals (causal factor). Lesson learned was amended for this guideline.</td>
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</table>

Examples of statements that do not qualify as lessons learned

<table>
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<th>Statements identified in UNIDO evaluation reports in the lessons learned sections that are in fact no lessons learned</th>
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</table>
| • “Focus on product development innovation methods and tools”.  
  *The context, challenge, causal factors, success/failure and target users are omitted. This statement resembles more to a recommendation with suboptimal formulation.* |
| • “UNIDO, as the International executing Agency, was instrumental in: a) introducing new technologies such as the Vallerani System, the use of Zander in tree planting; b) linking environmental preservation to economic development; c) providing support to the HCEFLCD for upgrading its nursery network”.  
  *The context, challenge, causal factors, success/failure and target users are omitted. This statement is a finding.* |
| • “Include in the peer review process also other agencies, such as UNEP and UNDP, |
Lessons learned quality criteria checklist

The evaluator should cite and explain the points below.

- **Context** – Explain the context from which the lesson has been derived (e.g. economic, social, political). If possible, point to any relevance to the broader UNIDO mandates or broader technical or regional activities.

- **Challenges** – Cite any difficulties, problems or obstacles encountered / solutions found - Positive and negative aspects should be described.

- **Causal factors** – Present evidence for “how” or “why” something did or did not work?

- **Target users affected by the lessons learned should be cited** (e.g. Management, programme managers, donors or beneficiaries)

- **Success or failure** – The lessons learned should cite any decisions, tasks, or processes that constitute reduced or eliminated deficiencies or built successful and sustainable practice and performance; or have the potential of success. Avoid repetition of failure

- **The lesson learned is not mistaken for a recommendation or conclusion**

(Source: ILO Evaluation Unit, 2014: Guidance Note 3: Evaluation lessons learned and emerging good practices, amended with UNIDO IEV)

For assessing the quality of evaluation lessons leaner UNIDO uses a 6-point (with one point for each criterion) rating scheme:

- **Ratings 4-6** are satisfactory and meet quality criteria.
- **Ratings 1-3** are unsatisfactory and fail to meet quality criteria.

The criterion “The lesson learned is not mistaken for a recommendation or conclusion” is an exclusion criterion, i.e. when this criterion is met the lesson learned automatically fails the quality check regardless the quality in other criteria.