

Mid-Term Review Report

of the

UNIDO-Government of the Islamic Republic of Iran project

***“Business Development and Sustainable Job Creation in Iran
With Special Emphasis on High Impact Sectors Development”***

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The Evaluator hopes that the findings, conclusions, and recommendations will contribute to the successful completion of the Project and to the continuous improvement of similar projects in Iran and other countries.

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List of Acronyms

AIDAF	Apiculture Industry Development and Advocacy Fund
COMFAR	Computer Model for Feasibility Analysis and Reporting
CSO	Civil Society Organisation (includes all non-state organisations in our definition)
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
GOI	Government of Iran
IFAD	International Fund for Agricultural Development
IT	Information Technology
LMIA	Labour Market Information Analysis
LMIS	Labour Market Information Analysis System
MAJ	Ministry of Agricultural Jihad
M&E	Monitoring and Evaluation
MCLS	Ministry of Cooperatives Labour and Social Welfare
MSMEs	Micro, Small and Medium Enterprises
MTR	Mid-Term Review
NFTD	National Foundation for Technology Development
NGO	Non-Governmental Organisation
OEF	Omid Entrepreneurship Fund
PMT	Project Management Team
PMU	Project Management Unit
PSC	Project Steering Committee
SNFP	Senior National Focal Point
TDMO	Tourism Destination Management Office
TOT	Training of Trainers
TVTO	Technical and Vocational Training Organization
UN	United Nations
UNIDO	United Nations Industrial Development Organization

Glossary of Mid-Term Review Terms

Term	Definition
Results-Based Management (RBM)	A management strategy focusing on performance and achievement of outputs, outcomes and impacts.
Monitoring	A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.
Review	An assessment of the performance of an intervention, periodically or on an ad hoc basis. Note: Frequently “evaluation” is used for a more comprehensive and/or more in-depth assessment than “review”. Reviews tend to emphasize operational aspects. Sometimes the terms “review” and “evaluation” are used as synonyms.
External evaluation/review	The evaluation/review of a development intervention conducted by entities and/or individuals outside the donor and implementing organizations.
Formative evaluation/review	Evaluation/review intended to improve performance, most often conducted during the implementation phase of projects or programs.
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities, and partners’ and donors’ policies. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Effectiveness	The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Sustainability	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.
Institutional development impact	The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.
Logframe	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution, monitoring and evaluation of a development intervention.

Term	Definition
Results	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs.
Outputs	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor. Means by which a change will be measured. Example: Total wastewater in t/yr.
Target	Definite ends to be achieved. Specifies a particular value that an indicator should reach by a specific date in the future. Example: Reduce by 50% the amount of wastewater in t/yr, between 2015 and 2020.
Milestones	Interim targets; points in the lifetime of a project by which certain progress should have been made. They provide an early warning system and are the basis for monitoring the trajectory of change during the lifetime of the project.
Baseline	The situation prior to a development intervention against which progress can be assessed or comparisons made.
Assumptions	Hypotheses about factors or risks which could affect the progress or success of a development intervention. Necessary conditions for the achievement of results at different levels. These are conditions that must exist if the project is to succeed but which are outside the direct control of the project management. This is called the external logic of the project because these conditions lie outside the project's accountability and can be related to laws, political commitments, political situation, financing, etc.
Risk analysis	An analysis or an assessment of factors (called assumptions in the logframe) that affect or are likely to affect the successful achievement of an intervention's objectives. A detailed examination of the potential unwanted and negative consequences to human life, health, property, or the environment posed by development interventions; a systematic process to provide information regarding such undesirable consequences; the process of quantification of the probabilities and expected impacts for identified risks.
Theory of change	Theory of change or programme theory is similar to a logic model, but includes key assumptions behind the causal relationships and sometimes the major factors (internal and external to the intervention) likely to influence the outcomes.
Conclusions	Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.

Term	Definition
Lessons learned	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.
Recommendations	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.
Gender mainstreaming	The process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality

1. Executive summary

Introduction and Project Background

This report provides a Mid-Term Review (MTR) of the UNIDO-Government of Iran “Business Development and Sustainable Job Creation in Iran with Special Emphasis on High Impact Sectors Development” project - hereafter referred to as “the Project”. Formalised on 12 November 2014 through the signing of an Administrative Agreement between the Ministry of Cooperatives, Labour and Social Welfare (MCLS) and UNIDO, the Project was conceptualised as a pilot for rolling out the national *Takapu* programme with UNIDO as its Executing Agency supporting the national *Takapu* programme, which has MCLS as its Executing Agency hosting its Secretariat. Preliminary agreement on a further extension of the Project until December 2023 has been reached between UNIDO and MCLS and is expected to be formalised during a Project Steering Committee Meeting scheduled to take place in the second quarter of 2021.

In the context of a heavily sanctioned, deindustrialising economy and rising unemployment, the Project was designed around three standard UNIDO capacity building pillars tailor-made to suit Iran’s priorities to focus on:

- a) **Policy/Strategy support**
- b) **Institution building/strengthening**
- c) **MSME support**

An in-depth Inception Report identified six priority sub-sectors (tourism, handicrafts, agribusiness, garments, information technology, and footwear/leather) in 2015 as having high potential for employment generation for formal and informal MSMEs in six provinces targeting the youth, women and people with disabilities as main project beneficiaries. A fundamental premise of the Project approach was to augment the pre-existing national focus on the provision of credit to the private sector with targeted support to labour and businesses in sectoral value chains with potential for sustainable employment generation and growth. Growing in tandem with and in support for the national *Takapu* plan, the Project constituted a collection of pilot sub-projects and activities in various sectors and regions with a total budget that was originally estimated at \$12 million, only \$3.1 million of which has been disbursed by Gol to UNIDO for the period November 2014 to December 2020 and with 90% of the funds expended over the period. Project counterparts and cooperating partners include the Ministry of Industry, Mines and Trade; Ministry of Cultural Heritage, Tourism and Handicraft Organization; Ministry of Agriculture Jihad; Ministry of Information and Communications Technology, Omid Entrepreneurship Fund; Chamber of Commerce; Chamber of Cooperatives; the Central Bank; Provincial ministries, agencies and authorities as well as investment funds, banks, labour unions, education institutions and private sector entities involved in target sectors.

From the start, the Project was exacerbated by the unexpected continuation and intensification of sanctions on Iran’s economy, which reduced Government revenue and its ability to provide the agreed funding. Further delays were caused by the suspension of many activities due to the COVID-19 pandemic in 2020. As a result, project activities have been hindered with related delays, and activities related to footwear and leather have lagged behind other sectors.

UNIDO 18th General Conference Declaration,
Abu Dhabi, 3-7 November 2019:

In line with our reaffirmed commitment to United Nations General Assembly resolution 70/1 of 25 September 2015, States are strongly urged to refrain from promulgating and applying any economic, financial or trade measures not in accordance with international law and the Charter of the United Nations that impede the full achievement of economic and social development, particularly in developing countries. We encourage all States to work for inclusive and sustainable industrial development.”

Source: Paragraph 26 of the Abu Dhabi Declaration, Adopted on 5 Nov 19

MTR Objectives & Methodology

The purpose of MTR is to provide the Project management team with evidence-based, credible, reliable and useful feedback on the Project's performance to date, and to identify early risks to project sustainability, effectiveness, efficiency and progress towards results, including gender mainstreaming. The focus of the MTR has been on the design relevance and effectiveness of the Project so far. It assesses whether the Project is already generating the desired changes based on outputs delivered, and whether the sub-projects are likely to continue performing as planned and whether a change in strategy would lead to even better achievement of outcomes and thus stronger sustainability.

Due to the large number of trainees and limited time, MTR's sampling size was reduced to a minimum of 3%, ranging from 3 to 7% for various sectors. Survey questionnaires were distributed to 350 trainees randomly selected out of a total of 8,427 for the Project, followed by 267 telephone interviews and completed questionnaires from this group representing a 76% survey response rate and a sample size of 3.1% for the Project as a whole. Similarly, a perception survey of 121 private and public sector stakeholders resulted in the completion of video or phone call interviews with 89 individuals representing 59 different entities (including UNIDO, the donor, counterpart agencies, financial institutions, research institutes, MSMEs, civil society unions and business associations, the Parliament, Tehran Municipality, Project implementing partners and local authorities, Imam Khomeini International Airport & the media,) and a 74% response rate.

Project assessment

In terms of their original formulations, there is little distinction between the national *Takapu* programme implemented by MCLS and the Project, both of which were launched in 2014. Initial conceptualisation of the Project emanated from the current Project Senior National Focal Point (SNFP) and Vice Minister of MCLS, Dr. Issa Mansoori. Due in part to a professional relationship between the UNIDO project coordinator and national counterparts in the Ministry of Industry and MCLS, and following initial consultations with both Ministries, the latter approved and fully funded the Project. Originating in the UNIDO Field Office in Tehran in 2014, the roll-out of the national *Takapu* programme and the Project occurred simultaneously, and *Takapu* has since grown into the largest national employment generation plan designed in large part by UNIDO national staff with a national annual budget of \$2 billion over the period 2018-2020. The Project formulation process therefore constitutes a "success story" that was needs-based, transparent and coordinated with the national counterparts, and is among a very few fully nationally-funded UNIDO projects globally that has been extensively upscaled to the national level with strong local ownership and leadership throughout the process.

The Project was designed to establish a framework for developing the requisite baseline data and targets in the course of its implementation, much in line with a standard UNIDO "preparatory project". Consequently, its initial Results Matrix was generic until more detailed data were collated and analysed in its Inception Report followed by Sectoral Feasibility Studies in IT, Beekeeping, Garments, Tourism and Handicrafts conducted over 2015-2016. A Labour Market Information and Analysis (LMIA) study and the introduction of an LMIA system in the MCLS in 2017 also helped further strengthen project design. However, the original project document has not been updated as yet to reflect its expanded scope or specific targets and baseline information in its sectoral sub-components or the latest Project budget information, which has been tripled. According to feedback provided to the MTR team by the full spectrum of senior national counterparts, implementing partners and other stakeholders interviewed and/or surveyed, the national *Takapu* programme led by MCLS is an upscaled, nationally-led version of the GOI-UNIDO Project by design, and the upscaling process has been achieved in large measure through direct UNIDO project personnel and experts' technical inputs.

Over the course of Project implementation, four sector-level sub-projects have been defined as presented in the 2020 Project Progress Report for Information Technology, Beekeeping, Garments and Tourism/Handicrafts. These generally follow a uniform results-oriented reporting structure, but have not been completely incorporated in the Project Document as yet. Furthermore, their design does not adequately yield aggregate results at the Outcome level largely due to weaknesses in Outcome level LogFrame design. Chief among these is the omission of policy and sectoral strategy support components of the Project from the LogFrame despite several successes reported in this area in the same report.

The Project's approach is in line with Pillar 1 (Resistant Economy) of Iran's sixth 5-Year National Development Plan (2016-2021), the UN Development Assistance Framework and the 2017-2021 UNIDO Country Programme in Iran. Project relevance has been further enhanced as a result of continuing and intensified sanctions by countries of the global North in violation of UN Security Council Resolution 2231 since 2016, effectively giving centre stage and greater urgency to employment generation and the national *Takapu* programme in particular.

Key informants and survey respondents have confirmed that the Project has had significant impact on the design and adoption of several employment generating policies, strategies and regulations at both the macro and sectoral levels in an integrated fashion.

The Project has resulted in the adoption and implementation of a detailed Garment Sector Value Chain Development Strategy by MCLS in October 2016 with UNIDO technical inputs.

Similarly, Project interventions in the Beekeeping sector have resulted in the formulation and implementation of a clear national Beekeeping Strategy by the Ministry of Agriculture Jihad since 2017 and reoriented its sectoral focus toward the production and marketing of value added herbal and medicinal products such as royal jelly, pollen, propolis and bee venom production as well as the promotion of pollination for biodiversity.

Tourism sector plans were developed by MCLS in 2017 in close cooperation with Omid Entrepreneurship Fund as part of the *Takapu* programme with UNIDO technical support identifying 17 tourism corridors, 2 of which (Deilaman and West Mazandaran) were selected as pilots. With regard to Handicrafts, the Project has introduced the concept of Creative Hubs in Iran based on international best practices coupled with local characteristics and housed in cultural heritage sites.

The Project has in addition helped mainstream the IT sector in MCLS' approach to employment generation, and encouraged a new focus on the exigencies and implications of the 4th Industrial Revolution for Iran's labour-related policies with a new strategy that includes the development of regulatory, institutional, technical and financial support infrastructure needed.

UNIDO's perceived role as an honest broker has been a factor of success in mobilising private sector funding and participation in these transformative initiatives.

A common finding that resulted from MTR team's surveys and interviews with Project stakeholders and beneficiaries pertains to a lower level of behaviour change among provincial level authorities and implementing partners. This 'next level' goal common to all sectors requires further concentration in the remaining period of the Project and/or its future phase on enhancing advocacy and project management arrangements at the provincial level.

At the macro level, an important institution building success of the Project has been in the establishment of an online national LMIA System based on international standards and best practices, which was officially launched by MCLS on a national level in October 2020, enabling MCLS and its Provincial

Departments to share and promote standards and best practices, and to help design tailor-made training packages and knowledge products on demand and in partnership with the private sector through the national *Takapu* programme.

In the IT sector, the Project has focussed on developing new digital infrastructure needed for supporting innovative startups and exports such as the Digital Content Entrepreneurship Foundation, and new National Foundation for Technology Development that focuses on Artificial Intelligence, Internet of Things and Blockchain launched in 2019.

In the Beekeeping Sector, the Project has helped establish a dedicated Task Force in the Ministry of Agriculture Jihad with a clearly sequenced value chain development masterplan for financing, developing and marketing new value-added MSME products, exports and jobs in the sector with tangible success in selected regions and corridors. In February 2020, a new National Beekeeping Foundation for Productivity and Skills Improvement was established.

Institution building in the Garments and Textiles sector has included capacity building support for MCLS and the *Takapu* programme, the establishment of a vocational training centre in Lorestan Province, and capacity building and training support for the Iran Garment Association. Also underway is the establishment of a large vocational training, technology acquisition and marketing centre in Tehran.

The institution building focus of the Project in Tourism and Handicrafts has been at the provincial and village levels in the two target corridors covering the four Provinces of Gilan, Mazandaran, Kurdistan and Kermanshah with integrated and mutually reinforcing support from Beekeeping and IT components of the Project. Two Secretariats (one for each corridor), five Tourism Destination Management Offices (TDMOs) and a National Sustainable Development Foundation have been established.

The MTR team has through surveys, interviews and independent research determined that the Project has been effective in its support for MSMEs. Although the team was unable to quantify and verify the full range of jobs created and changes to the income of entities involved, it was able to verify that Beekeeping job creation was in the range of 500+ new jobs in new value-added products, a large portion of which involved women particularly in higher added value production, and resulted in a significant increase in volume, market value and income for the sector as a whole. Similarly, the MTR team was able to verify around \$10 million in new foreign direct investment by the private sector in Garments and Textiles in Iran through the Project with significant impact on new exports, job creation and job security for thousands in the sector. From the perspective of project stakeholders, these two components were the most impactful in job creation among the 4 sectors while the Tourism and Handicrafts sector interventions were less successful, hampered by both financial and pandemic-induced obstacles. However, the MTR team also found evidence for notable success in the IT component of the Project with significant growth and job creation in the sector.

The MTR team is satisfied that the Project was to varying degrees effective in enhancing employment; revenues; business management; productivity; competitiveness; technology acquisition; technical skills; new product, brand and value chain development; new investments; innovation; marketing; exports; E-commerce; E-governance; and regional, national and international networking and matchmaking for hundreds of micro, small and medium enterprises in its target sectors across the country.

One of the most common challenges reported by MSME beneficiaries as well as some stakeholders of the Project surveyed by the MTR team was related to their perception of inadequate UNIDO support in international procurement of raw materials, goods and services. On the other hand, UNIDO's technical inputs have been highly effective and the organisation's perceived role as an "honest broker" was also identified as a key success factor.

In terms of the training efficiency of the Project, trainees were highly satisfied with the quality of the trainers and the contents of trainings as well as their management arrangements across all sectors with a satisfaction rating of over 80%. The effectiveness of UNIDO's international experts cannot be overstated. In every sector, UNIDO experts' inputs received highly satisfactory ratings from both the trainees and a strong majority of Project stakeholders surveyed by the MTR team with the exception of Tourism sector stakeholders that gave a "satisfactory" rating. Two issues were raised by a majority of trainee respondents: a) their desire for more business-oriented rather than basic theoretical training in the future; and b) they would like UNIDO to be more proactively involved in helping MSMEs access goods and services in the international market.

The Project compensated for its \$8 million dollar shortfall by mobilising \$10.5 in co-financing grants and investments from public and private sector institutions for support to MSMEs and institution building purposes, and was further augmented by \$7.2 million in soft loans by MCLS and the Omid Entrepreneurship Fund for rural MSMEs. The Garments component of the Project was particularly successful in raising foreign direct investment in the sector with minimal local costs to the Project or local entities.

The bulk of UNIDO's resources were allocated to the recruitment of experts who had a major impact on Project effectiveness. UNIDO's technical inputs in the Project are assessed as highly efficient by the MTR team. However, UNIDO's efficiency in support to international marketing and the procurement of goods and services by counterparts and MSMEs was lower.

The Project's reports in some cases show hesitation in highlighting their close alignment with the national *Takapu* programme and its implementing partners, which would normally be the "pride" of a project from development cooperation effectiveness and Partnership Approach points of view. UNIDO's role as a technical facilitator of the national *Takapu* programme is the *raison d'être* of the Project and its reports should also be designed and promoted accordingly.

The MTR Team has noted a high degree of personal dedication and commitment by past and present UNIDO HQ staff involved with the formulation and management of the Project, the previous UNIDO Representative in Tehran, and the GOI-UNIDO Project Team working with the Project in Iran.

An unusual feature of the Project implementation arrangement was in the placement of the SNFP in the Ministry of Labour and his concurrent appointment as a Vice Minister there as of 2016 when project implementation started. This ensured national ownership and close alignment of the Project with the Ministry's priorities, and helped the Project deal more efficiently with the rules and regulations of a complex national bureaucratic structure. This arrangement played a project management capacity building role in MCLS while UNIDO's capacity in cooperation with the Ministry was also enhanced.

The MTR survey of stakeholders revealed that project management has been effective at the UNIDO HQ level by the Project Team as well as MCLS in Iran with positive working relations reported by most counterparts and stakeholders at the central level, but the coordination and facilitation role of the Project at the provincial level has been less effective with several of the stakeholders and Project staff surveyed encouraging UNIDO to take a more proactive role - by enhancing its physical presence there - in gaining greater buy-in for the Project's goals from local authorities and entities in rural and provincial areas in the remainder and/or next phase of the Project. The facilitation and coordination role of the UNIDO Country Office in Tehran has been less than optimal with little positive feedback reported by various parties surveyed/interviewed by the MTR Team. A further project management issue that requires attention is in the relative dearth of Project Steering Committee Meetings.

Recommendations

Project formulation and design recommendations:

- For UNIDO PMT & MCLS:
 - The Project Document should be updated with a dynamic M&E reporting system in order to incorporate changes to its scope, theory of change and budget since the end Inception Phase five years ago.
 - At both the Outcome and Output levels, the Results Matrix should be reformulated to reflect three drivers in the Project: i) Policy/Strategy support, ii) Institutional Support, and iii) MSME Support leading to the overall Objective to increase sustainable employment and new businesses among target groups and regions.
 - The Project is in need of an extension or a new phase in order to achieve its goals especially at the provincial levels. The minimum period needed is assessed by the MTR Team to be 2 years. In addition, the counterpart has shown its tendency to found further the project for the years to come.
- For UNIDO Senior Management:
 - Geopolitical risks and assumptions (such as in relation to sanctions imposed growingly by countries of the global North on several countries of the global South) should be more realistically analysed and mitigated for at the design stage of UNIDO projects in chronic crisis contexts such as Iran's with greater emphasis on the potential role of South-South Cooperation in economic recovery efforts.

Project Management & Efficiency Recommendations:

- For UNIDO PMT & MCLS:
 - The Project should expand its administrative presence at the provincial level (within provincial Takapu Secretariats, ideally).
 - So far as possible, all Project staff should operate on UNIDO contracts in order to enhance UNIDO's visibility and Project effectiveness.
 - Project Steering Committee Meetings should be held once a year in order to enhance transparency, effectiveness and management.
- For UNIDO Representative in Tehran:
 - The role of the UNIDO Country Office in Project facilitation should be improved.
- For UNIDO Senior Management/Director of Evaluation:
 - UNIDO should enhance its procurement capacity in countries of the global South facing sanctions.

- UNIDO should conduct a thematic evaluation of operational and procurement challenges and solutions for UNIDO projects implemented in countries facing sanctions in order to identify lessons and to produce "Special Operational Guidelines" for UNIDO HQ, Project and Field Office Staff Working in or with countries in this category. This initiative could be conducted as a joint exercise with other relevant UN technical agencies such as FAO and IFAD.

Effectiveness Recommendations for UNIDO PMT:

The development, adoption and implementation of policies, standards and the requisite legal and institutional framework coupled with the establishment of coordination mechanisms for sectoral stakeholders at the provincial level should be prioritised in future Project activities.

In the IT sector, the Project should aim to design a new legal framework for coordination in the sector with emphasis on role of provincial authorities and executive bodies.

In the Beekeeping sector, Project extension is needed to further develop value added products and to promote biodiversity/ecosystem cultural awareness among farmers at the provincial level.

In the Garment sector, future activities should focus on enhancing coordination and collaboration among sector stakeholders including at the provincial level, and improving local and international marketing and financing for the sector.

In Tourism and Handicrafts, future activities should include expansion of pilots to other provinces, expanding and staffing Creative Hubs, clarifying perceived inconsistencies between arts and job creation, promoting regional and international marketing and sales, improving provincial level coordination and implementation with local authorities, and improving ease-of-business regulations for MSMEs in the sector.

Lessons

In the context of the economic rise of the global South and destabilising impact of sanctions imposed by the countries of the global North on a growing number of countries of the global South, UNIDO's economic recovery programmes in chronic crisis country contexts in the global South would benefit from a special emphasis on South-South cooperation at the Project design stage.

Establishing project offices and/or placing senior national project personnel in national counterpart institutions enhances efficiency, effectiveness and national ownership of UNIDO projects in crisis-affected contexts, in line with UNIDO's Post-Conflict/Crisis Situation Strategy (IDB.48/16/Rev.1, 30 Oct 2020), and supports its principles related to the "promotion of participatory processes" and "integration and scale-up."

Table 1: Summary of Findings and Results

Rating	Highly unsatisfactory (HUS)	Unsatisfactory (US)	Moderately unsatisfactory (MUS)	Moderately satisfactory (MS)	Satisfactory (S)	Highly satisfactory (HS)
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Criteria		MTR's rating (Average scores on a scale of 1-6)		Details & explanatory notes		
A	Project Formulation	6	Highly satisfactory	Transparent, coordinated and nationally-led		
	Project Design	4	Moderately satisfactory	Appropriate "preparatory project" initial design with a generic LogFrame & intricate diagnostic sectoral plan, but currently outdated and does not reflect project scope, LFM or budget. Needs a revision to its scope and theory of change.		
B	Project Relevance	5.1	Satisfactory	High Policy Coherence & Relevance to UN, UNIDO and Government mandates and priorities.	6	
				for relevance given by respondents to an MTR survey (Average 4.8)	IT	4.6
					Beekeeping	5.1
					Garment	4.8
					Tourism & Handicrafts	5
	Effectiveness at Outcome Level	5.1	Satisfactory	Outcome 1 - Policy/Strategy Support: Highly effective in introducing new sectoral value chain policies. Further work needed at provincial level	5.5	
				Outcome 2 - Institution Building/Strengthening: Several successes in all sectors. Further work needed on fledgling institutions esp. at provincial level	5	
				Outcome 3: MSME Support: Several successes in technology and skills transfer, employment generation/security and new products, exports, earnings etc.	4.8	
	Effectiveness at Output Level	5.5	Highly satisfactory	Achievement ratings for Sectoral Output Targets average at 109%. However, underestimation of the project scope at the design stage was partly responsible for such "over-achievement" at outputs level. Also, provincial level targets were in some cases unclear in LogFrames. Half a point deducted due to several provincial level shortcomings highlighted by survey respondents.	IT	128%
					Beekeeping	120%
Garment					115%	
Tourism & Handicrafts					74%	
Project Efficiency	5.2	Satisfactory	Satisfactory and highly satisfactory ratings given by overwhelming majority of project trainees and stakeholders alike in MTR surveys	Quality of training content & materials	5.3	
				Quality of Trainer	5.3	
				Management & Logistics	5	
C	Project Management	5	Satisfactory	The MTR survey of stakeholders revealed that project management has been effective at the UNIDO HQ level by the Project Team as well as MCLS in Iran with positive working relations reported by most counterparts and stakeholders at the central level.		
	Results-based work planning, monitoring & evaluation systems, reporting	4	Moderately Satisfactory	Hindered by LogFrame shortcomings and inadequate reporting of the national Takapu programme, but with noticeable incremental improvements through the life of the project. Beneficiaries and stakeholders urged greater UNIDO openness to their inputs.		
	Financial management and co-finance	5	Satisfactory	Satisfactory due to strong local co-financing and some FDI successes despite a large project budget shortfall and in the face of sanctions.		
	Stakeholder engagement and communication	4.5	Moderately Satisfactory	Project engagement and communication was criticised by few stakeholders as being irregular. This related often to inadequate coordination at the provincial level as well as a dearth of Steering Committee Meetings		

Criteria		MTR's rating (Average scores on a scale of 1-6)		Details & explanatory notes
D	<i>Scale-up, sustainability and resilience</i>	5	<i>Satisfactory</i>	Scale-up performance is highly satisfactory and constitutes a "Success Story" in UNIDO/UN. Sustainability for/by MSMEs was rated as highly satisfactory or satisfactory by survey respondents. Need for further growth/resilience at provincial level.
E	<i>Gender mainstreaming</i>	4	<i>Moderately Satisfactory</i>	Mainstreaming successes noted in Handicrafts, Garments, Beekeeping and Tourism. 33% of all project trainees were women. A number of CSO supported & focussing on training for women heads of households. Project gender reporting is below par.
F	<i>Environmental and Social Safeguards (ESS)</i>	5	<i>Satisfactory</i>	Positive impact on pollination-induced biodiversity likely from Beekeeping Sector initiatives. Tourism sector activities entail strong environmental, eco-tourism and awareness raising elements. IT inputs support E-commerce & E-governance. Garment sector included cleaner production. Positive impact on income generation for women, youth and the disabled.
G	<i>Remaining barriers to achieving the programme/project expected results</i>	4.5	<i>Satisfactory</i>	Pandemic and Gov budget shortfalls pose challenges to Project extension/implementation, but these are likely to/can be overcome due to positive Project performance.

Overall MTR's Rating	5	<i>Satisfactory (S)</i>
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2. Country and project background and context

Country context

Iran is a resource-rich, large, upper middle-income country with a high human development index¹ (HDI) of 0.783 (2019), a life expectancy of 76.7 (2019) and a population of 85 million (2021). Compared to the global average, the country enjoyed relatively high rates of economic growth over the period 1990-2010 with a strong performance in poverty reduction and above-average improvements in human development indices. As Figure 1 shows, Iran's economy took a nosedive in 2010 and then again in 2016, both events being directly linked to sanctions (mainly by the countries of the global North) that succeeded in drastically reducing Iran's exports, plunging her overall GDP growth rate into negative territory for the entire decade, and impoverishing the country², as reflected in the country's HDI trends demonstrated in Table 1 below. Although Iran's HDI value over the period 1990-2019 has kept pace with global trends and even outperformed most regions, her HDI growth rate during the 2010s was half of its value in the 2000s and 40% of its average for the 1990s.

"The primary role of UN development agencies in Iran is not to deliver services directly, but rather to support GOI initiatives to deliver development services and benefits more effectively for the Iranian people. The main measure of the UN system's success is therefore the extent to which UN support and advice has been accepted and used by partner GOI agencies."

Source: 2017-2021 UNIDO Country Programme for Iran

Compared to her regional neighbours, the country has enjoyed a relatively long period of stability and security since Iraq's invasion of Iran in 1980 and the ensuing war that ended in 1988. Iran's economy is relatively diversified and resilient with diminishing dependence on its heavily sanctioned petroleum sector³. The country has well developed industries largely reliant on indigenous technologies in sectors such as mining, steel, automotive, agriculture, garments, construction, home appliances, pharmaceuticals, electronic goods etc. Iran also has a highly educated

population and is a regional leader in nanotechnology, steel, nuclear energy, IT, satellite technology as well as the defence industry. Prior to 2010, Iran's car exports surpassed \$1 billion in value and reached around 30 countries⁴. Furthermore, Iran enjoys an exceptionally diverse and rich culture with a long

Figure 1: Annual % GDP growth 2000-2019. Iran & World



Source: World Bank data

¹ A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living.

² See: <https://www.ft.com/content/d0e17cac-94dc-11e8-b747-fb1e803ee64e>

³ In 2019, Iran's total exports value amounted to \$69.3 billion, 23% of which was petroleum related. Source: OPEC https://opec.org/opec_web/en/about_us/163.htm

⁴ See for example: <http://www.payvand.com/news/08/oct/1227.html>

history that is renowned for its contributions to science, architecture, medicine and arts, and thus has enormous potential for innovation and growth in manufacturing and tourism. At the time of (UNIDO-Iran) project formulation in 2014, expectations were high regarding the lifting of sanctions following the election of a new government led by President Rouhani in Iran in August 2013 and intensive negotiations with a U.S. Administration headed by President Obama. Negotiations quickly led to the signing of an interim Joint Plan of Action between Iran and 6 other countries in November 2013 later finalised as the Joint Comprehensive Plan of Action (JCPOA) on 14 July 2015. The JCPOA was swiftly and unanimously adopted on 20 July 2015 through UN Security Council Resolution 2231, which obliged all UN Member States to accept and carry out its stipulations under Article 25 of the UN Charter. However, international sanctions were not lifted and were in fact intensified as of 2018, leading to a period of severe economic downturn and rising unemployment for the country. With a global pandemic added to the mix in 2020, *“the Iranian economy entered a third consecutive year of recession following the triple-shock of sanctions, oil market collapse and Coronavirus”*⁵.

Table 2: Comparative Table of Iran’s HDI Value with Selected World Regions 1990-2019

Period	HDI Value		Average annual HDI growth			
	1990	2019	1990–2000	2000–2010	2010–2019	1990–2019
Iran	0.565	0.783	1.54	1.21	0.60	1.13
East Asia and the Pacific	0.517	0.747	1.42	1.46	0.92	1.28
Europe and Central Asia	0.662	0.791	0.19	0.91	0.76	0.62
World	0.601	0.737	0.69	0.82	0.59	0.71

Source: UN Human Development Report 2020

Relevant facts & figures describing Iran’s economy are outlined in Table 2 and the charts below, sourced from the World Bank’s Iran Economic Monitor of October 2020. Over the periods 2018-2019 and 2019-2020, Iran’s exports fell by 12.5% and 29.9% while her imports fell by 29.5 and 38.1% respectively. Over the same periods, Real GDP shrank by 6% and 6.8% with Industry being the hardest hit sector of the economy, contracting by 11% and 15.9% at constant factor prices.

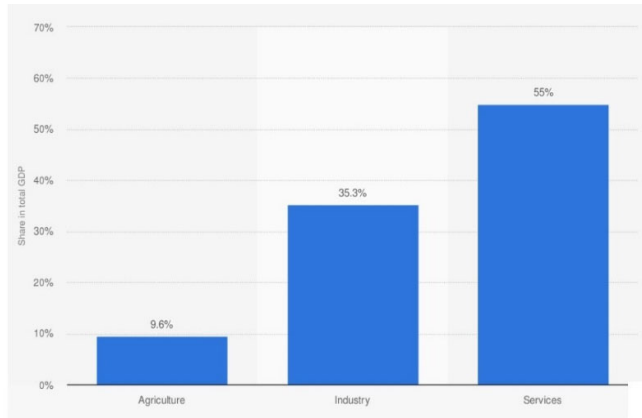
Table 3: Macro Data on Iran’s Deteriorating Economy 2017-2021 (annual % change)

	2017/18	2018/19	2019/20	2020/21 e
Real GDP growth, at constant market prices	3.8	-6.0	-6.8	-4.5
Private Consumption	2.5	-2.6	-7.7	-4.0
Government Consumption	3.9	-2.9	-6.0	1.2
Gross Fixed Capital Investment	1.4	-12.3	-5.9	-13.8
Exports, Goods and Services	1.8	-12.5	-29.9	-10.9
Imports, Goods and Services	13.4	-29.5	-38.1	-30.8
Real GDP growth, at constant factor prices	3.7	-5.4	-6.5	-4.5
Agriculture	3.2	-0.9	8.8	0.5
Industry	3.0	-11.0	-15.9	-5.5
Services	4.5	-0.7	-0.5	-4.6
Inflation (Consumer Price Index)	9.7	31.2	41.2	34.1
Current Account Balance (% of GDP)	3.5	5.9	0.9	-0.6
Fiscal Balance (% of GDP)	-1.8	-1.6	-3.7	-6.6
Gross Public Debt (% of GDP)	36.1	41.8	42.9	45.6
Primary Balance (% of GDP)	-1.6	-1.3	-3.0	-5.5

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices.
Notes: e = estimate. f = forecast.

⁵ World Bank: Iran Economic Monitor, Fall 2020: Weathering the Triple-Shock, <https://www.worldbank.org/en/country/iran/publication/iran-economic-monitor-fall-2020>

Figure 2: Iran; Share of economic sectors in gross product (GDP) in 2017



Before the onset of the latest rounds of sanctions in 2018, Iran's economy was highly diversified with industry having a 35.2% share of the GDP in 2017.

Oil revenues have plummeted to historic lows while tax revenues have remained steady.

Figure 3: Share of total revenues, percent

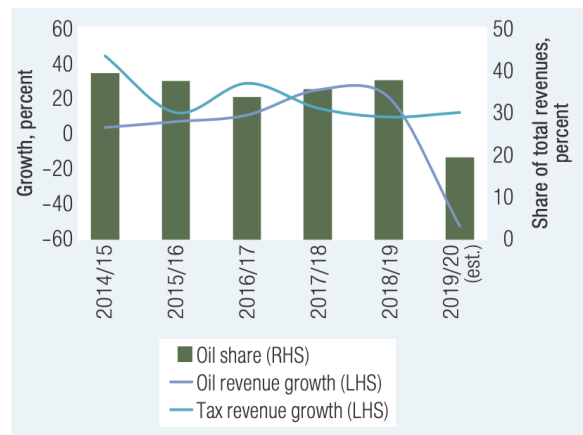
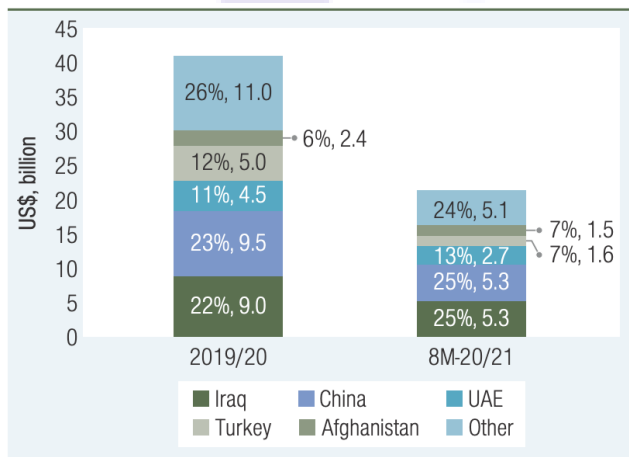


Figure 4: Non-oil exports

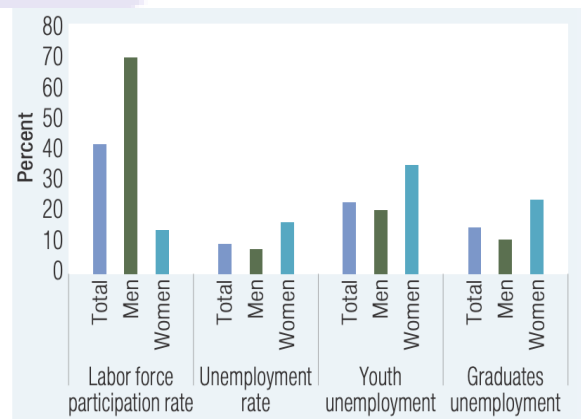


Non-oil exports have plummeted and concentrated on Iran's closer neighbours.

Sanctions have worsened the gender gap in labour participation:

“Female labor force participation in Q2- 20/21 is now 5 times smaller than males compared to a ratio of 1 to 4 in Q2-18/19. In 2019/20, only 14 percent of working age women were working which was down 0.6 pp compared to the previous year.”

Figure 5: Labor force participation rate



Project background

The ongoing, nationally-funded UNIDO-Government of Iran “Business Development and Sustainable Job Creation in Iran with Special Emphasis on High Impact Sectors Development” project - hereafter referred to as “the Project” - was initiated in September 2014 and formalised on 12 November 2014 through the signing of an Administrative Agreement between the Ministry of Cooperatives, Labour and Social Welfare (MCLS) and UNIDO followed by an initial allocation of USD 1 million by the former to the UNIDO Industrial Development Fund. Project formulation was finalised in February 2015 as a 5-year, multi-sectoral programme to support the Government of Iran’s (GoI) “*Takapu*” programme, whose Farsi name is an acronym for Business Development and Sustainable Job Creation (i.e., with the same name as the UNIDO-GoI Project) also conceptualised in the same year⁶ and led by MCLS.

In effect, the Project was conceptualised as a pilot for rolling out the national *Takapu* programme with UNIDO as the Executing Agency for the period February 2015 to December 2021 (extended by 1 year through exchange of letters) supporting the national *Takapu* programme, which has MCLS as its Executing Agency hosting its Secretariat. Preliminary agreement on a further extension of the Project until December 2023 has been reached between UNIDO and MCLS, and is expected to be formalised during a Project Steering Committee Meeting scheduled to take place in the second quarter of 2021.

In the context of a heavily sanctioned, deindustrialising economy and rising unemployment, the Project was designed around three standard UNIDO capacity building pillars tailor-made to suit Iran’s priorities to focus on:

- a) Policy/Strategy support
(to MCLS and other ministries and local authorities with emphasis on sectoral and area-based employment-generating policies and sectoral strategies at central and provincial levels),
- b) Institution building/strengthening
(new/upgraded labour market intelligence systems, IT/E-commerce infrastructure, sector-specific foundations, cooperatives and producer networks, vocational training, investment feasibility study systems, Creative Hubs etc.), and
- c) MSME support
(direct training for beneficiaries in international best practices and new technologies, developing new products and production methods in targeted sectors, enhancing productivity and competitiveness,

Despite the expansion of US sanctions to other key industries, non-oil GDP grew by 1.1 percent in 2019/20 driven by agriculture and manufacturing sectors. Price competitiveness of products in these sectors increased following the currency depreciation. On the demand side, GDP contraction was broad-based as all sectors contracted. GDP shrank at a slower annual rate (2.8 percent) in the first quarter of 2020/21 (Apr-Jun 2020) as COVID-19 health measures were limited and were relaxed in mid-April. The recent weak growth performance adds to a decade-long stagnation. During 2010/11–2019/20 GDP grew at an annualized rate of –0.1 percent and Iran’s per capita GDP fell below regional and income group averages.

Source: World Bank, “Iran Economic Monitor” October 2020

“Coercive measures imposed and extraterritorially implemented by the U.S are among the external barriers in industrial development of target countries.”

Statement by H.E. Mr. Barat Ghobadian, Deputy Minister of Industry, Mines and Trade to the 18th session of the UNIDO General Conference, 3-7 Nov 2019

⁶ The first MCLS *Takapu* document found on its website is dated November 2014. Source: <https://karafarini.mcls.gov.ir/fa/filepool/download/04029d5990b748d7a1354614e0675051>

investment promotion, business development and technology acquisition services in both the formal and informal economy, links with regional/global value chains, marketing, participating in product fairs, festivals and competitions).

An in-depth Inception Report identified six priority sub-sectors (tourism, handicrafts, agribusiness, garments, information technology, and footwear/leather) in 2015 as having high potential for employment generation for formal and informal MSMEs in six provinces (Semnan, Kurdistan, Kermanshah, Khorassan Razavi, Kerman and Khuzestan) targeting the youth, women and people with disabilities as main project beneficiaries.

Other target beneficiaries include public and private institutions, education and vocational training centres, IT support services, central and local policymakers etc. Attention was paid to gender mainstreaming in the inception period of the Project with the incorporation of the requisite indicators in subsequent sectoral studies.

A fundamental premise of the Project approach was to augment the pre-existing national focus on the provision of credit to the private sector with targeted support to labour and businesses in sectoral value chains with potential for sustainable employment generation and growth. This included emphases on institutional and individual capacity and skills development at the provincial and village levels and the establishment of sectoral foundations and training centres. Furthermore, the Project was from the start designed to serve as a platform for connecting and leveraging government, private sector and financial institutions' capacities in an integrated fashion. Growing in tandem with and in support for the national *Takapu* plan, the Project constituted a collection of pilot sub-projects and activities in various sectors and regions with a total budget that was originally estimated at \$12 million, only \$3.1 million of which has been disbursed by Gol to UNIDO for the period November 2014 to December 2020 and with 90% of the funds expended over the period (see "Project disbursements" table below for details).

Project counterparts and cooperating partners include the Ministry of Industry, Mines and Trade; Ministry of Cultural Heritage, Tourism and Handicraft Organization; Ministry of Agricultural Jihad; Imam Khomeini Relief Foundation; State Welfare Organization; Omid Entrepreneurship Fund; Chamber of Commerce; Chamber of Cooperatives; the Central Bank; Provincial ministries, agencies and authorities as well as investment funds, banks, labour unions, education institutions and private sector entities involved in target sectors.

Overall management of the Project rests with the UNIDO HQ project team comprising of a project manager, an output manager and an international consultant. At the country level, the Project is coordinated by a senior National Focal Point (SNFP), four national sector development coordinators, an IT expert and a driver. A monitoring and evaluation associate was also recruited for only 3 years, leaving much of the M&E implementation and capacity building work with the SNFP national sector coordinators and the HQ team. UNIDO's Computer model for Feasibility Analysis and Reporting (COMFAR) has been an additional M&E capacity building tool for MCLA during project implementation.

A Project Steering Committee (PSC) chaired by the MCLS monitors project work plans and progress reports, and advises on strategy, implementation challenges, and budgetary issues arising. Originally planned to meet every six months, the PSC has met twice since the Project's launch with a third meeting scheduled in 2021. The PSC includes various Ministries such as Industry Mines and Trade, Interior, and Foreign Affairs as well as the Omid Entrepreneurship Fund and representatives from other beneficiary sectors.

From the start, the Project was exacerbated by the unexpected continuation and intensification of sanctions on Iran's economy, which reduced Government revenue and its ability to provide the agreed funding. Further delays were caused by the suspension of many activities due to the COVID-19 pandemic in 2020. As a result, project activities have been hindered with related delays, and activities related to footwear and leather have lagged behind other sectors.

On the other hand, intensified sanctions also resulted in the enhancement of the Project's employment generation goals as a national priority. As such, the Project has succeeded in national-level upscaling with strong local commitment and funding including by the private sector, and has delivered demonstrable progress in a number of sectors resulting in policy development, institution building, innovation, local and international value chain development, new exports, increased productivity and competitiveness, and training and job creation for thousands of beneficiaries particularly at the rural and provincial levels. Furthermore, it has led to the development of new (albeit, parallel) UNIDO projects in the IT⁷ and handicrafts sectors. A new UNIDO project in the Fisheries sector in Iran has also resulted from the national *Takapu* programme with Japanese funding.

Table 4: Project disbursements by year

\$3,114,605 **\$2,624,662**
Total budget Total expenditures



[View financial information by year ↗](#)

Year	Budget	Expenditures
2015	\$440,414	\$440,414
2016	\$407,004	\$407,004
2017	\$512,915	\$512,915
2018	\$401,596	\$401,596
2019	\$445,324	\$445,324
2020	\$262,519	\$262,519
2021	\$644,835	\$154,891
Total	\$3,114,605	\$2,624,662

Source:
<https://open.unido.org/projects/IR/projects/140137>

⁷ See (2019): <https://www.unido.org/news/unido-and-iran-develop-ict-value-chain>

3. Mid-term review objectives, limitations, methodology and process

MTR Objectives

The purpose of MTR is to provide the Project management team with evidence-based, credible, reliable and useful feedback on the Project's performance to date, and to identify early risks to project sustainability, effectiveness, efficiency and progress towards results, including gender mainstreaming.

The MTR's objectives are to:

1. Enhance transparency and dialogue between the Project's stakeholders to promote learning for the further development of the respective projects as well as for its replicability and scaling-up of results
2. Gain insights on the functioning of the Project's structures and processes
3. Check to what extent project milestones are being achieved, and if targets are likely to be met and results achieved as planned based on an assessment of each sub-project's relevance, acceptance, potential risks.
4. Assess project effectiveness, efficiency, as well as potential impact and sustainability.
5. Assess the design of project's M&E framework to ensure efficient monitoring during project implementation and evaluability.

The intended direct users of the MTR findings (conclusions, lessons learned, and practical recommendations) are the Project manager, project team and project stakeholders. In addition, lessons learnt will be shared within UNIDO to further develop the Project approach and to feed into project design and formulation of similar projects, thus enhancing learning within the Organization.

In line with its TOR, the MTR covers the first 77 months of the Project (September 2014 to February 2021) and include all 6 substantive/technical areas and regions involved. The review process looked mainly into implementation and processes and includes standard UNIDO project assessment criteria such as relevance, effectiveness, efficiency, management and gender as well as potential impact and sustainability.

The focus of the MTR has been on the design relevance and effectiveness of the Project so far. It assesses whether the Project is already generating the desired changes based on outputs delivered, and whether the sub-projects are likely to continue performing as planned and whether a change in strategy would lead to even better achievement of outcomes and thus stronger sustainability.

The MTR also focuses on management processes and structures to identify and mitigate problems in implementation, including acceptance of the Project amongst stakeholders, conflicts due to differing interests, sufficiency of qualified personnel, adequacy of communication and coordination amongst implementing partners and with target groups, and adequacy of project duration and funding.

Given the detrimental geopolitical context and unforeseen continuation of the sanctions regime affecting project performance as described in the MTR TOR, attention is paid to assessing the efficacy of mitigation measures applied by UNIDO and GoI in project implementation as well as the extent to which project efficiency was impacted by external factors, and identifying best practices, recommendations and lessons learned in this regard.

Limitations

The strongest limitations faced by the MTR have been in the poor evaluability of the Project’s Results Matrix and Indicators in the Project document (see below under “Indicators”), and the limited time available for such a large, multi-sectoral and nationwide project that has gone far beyond its originally identified number of provinces and stakeholders, and further exacerbated by limitations imposed due to the COVID-19 pandemic and the impracticality of site visits. Sectoral interventions such as in Beekeeping, IT and Garments have collaborated with hundreds of national counterparts and stakeholders combined and targeted several thousand beneficiaries. This has been mitigated by the use of smaller samples (averaging at 3%) on the one hand, and the employment of a greater number of researchers than originally planned for the performance of surveys by Rasa Company as well as higher costs in implementation for the latter. Furthermore, agreement was reached with the UNIDO project management team in the Inception Phase of the MTR to exclude assessment of the performance of counterparts and stakeholders in project implementation in the MTR due to the large number of this cohort, and the impracticality of performing such an assessment in the short time available.

Methodology and process

MTR questions

Given the large number of counterparts, beneficiaries and cohorts involved in the sub-projects as well as a tight deadline for completion of the MTR, the evaluation questions were rationalised into a suitably manageable size and drafted in a clear, logically coherent and transparent manner for the targeted individuals and groups (see the MTR Matrix under Annexes below) to provide clear, short answers for both qualitative and quantitative data with use of rating systems where possible.

Data collection and sampling methods

With the purpose, focus and direction provided in its TOR, the MTR has adopted a pertinent, mixed methods approach for data collection, triangulation and analysis. This included the collection and triangulation of evidence-based, quantitative and qualitative data through desk reviews of project and national documents as well as relevant research and media publications, interviews, surveys of institutional and individual beneficiaries, as well as project counterparts and stakeholders both in the public and private spheres.

Due to the large number of trainees and limited time, MTR’s sampling size was reduced to a minimum of 3%, ranging from 3 to 7% for various sectors. Survey questionnaires were distributed to 350 trainees randomly selected out of a total of 8,427 for the Project, followed by 267 telephone interviews and completed questionnaires from this group representing a 76% survey response rate and a sample size of 3.1% for the Project as a whole. Sectoral and gender distribution of this cohort was as follows:

Table 5: Project Trainee Survey Samples Disaggregated by Sector and Gender

Sector	IT	Beekeeping	Garments	Tourism & Handicrafts	Total
# of project trainees	2,700	4,050	1,300	377	8,427
# of survey respondents	80	122	39	26	267
Response rate as a share of the group (%)	3%	3%	3%	7%	3%
Number of female respondents	30	12	31	16	89
Females share of respondents (%)	38%	10%	79%	62%	33%

Similarly, a perception survey of 121 private and public sector stakeholders resulted in the completion of video or phone call interviews with 89 individuals representing 59 different entities (including UNIDO, the donor, counterpart agencies, financial institutions, research institutes, MSMEs, civil society unions and business associations, the Parliament, Tehran Municipality, Project implementing partners and local authorities, Imam Khomeini International Airport & the media,) and a 74% response rate. The details and sectoral distribution of this cohort are outlined in the table of interviewees under Annex II below.

In order to preserve the confidentiality of responses, survey response documents were codified and aggregate results alone were collated for use in the MTR report, details of which are provided under Annex V below.

Data analysis methods

The MTR adopted an impartial, principled, factual and pragmatic approach for data triangulation and analysis in line with the UNIDO Evaluation Policy. Qualitative and quantitative data have been distilled into brief summaries, and as far as possible, rating systems were encouraged in the design of questionnaires and interviews in order to satisfy the ratings system outlined in the MTR TOR. Data analysis has been contextualised for each subject matter in order to avoid confusion and to aid the final report's audience (see Annex V).

Data sources

Data was collected from diverse sources including key informants, project trainees and stakeholders at central and provincial levels, UNIDO website, project staff and documentation, literature review, national and international statistical data, Government (including *Takapu*) and UNIDO macro and sectoral policy documents, media reports.

Indicators

The MTR Team has found the Project's LogFrame indicators and evaluability to be more problematic than initially thought at the MTR inception phase, particularly in relation to Outcomes. Furthermore, the Team has faced difficulties in the verification of some results in large part due a) a lack of clarity in some of UNIDO's project indicators and progress reports referring to achievements in vague terms that do not fully answer the questions "who, what, when and where" and b) the large volume of Outputs and the short time available for the review to be completed.

Analysis of the Outcomes, their indicators and recommendations on design improvements are included in the Project Assessment section below under "Project Design and Theory of Change". In line with the said project design assessment, the MTR will use the three drivers identified for its assessment of results at the Outcome level in order to enhance Project evaluability. It should be added, however, that the 2020 Project Progress Report attempts to adopt a similar approach to this issue by providing good information on Policy, Institutions and Business Support results in its narrative part on Project Outcomes, but does not go as far as updating its Outcomes level LogFrame.

As far as possible, the indicators used for the MTR at the Output level broadly match those of the Project LogFrames used in the 2020 project Progress Report as outlined for each project sub-component therein.

4. Project assessment

A. Project Formulation & Design

A.1 Project Formulation:

In terms of their original formulations, there is little distinction between the national *Takapu* programme implemented by MCLS and the Project, both of which were launched in 2014. Initial conceptualisation of the Project emanated from the current Project SNFP and Vice Minister of MCLS, Dr. Issa Mansoori. The Project's area-based and multisectoral capacity building concept was present - perhaps by default - in the context within which he worked prior to 2015 as UNIDO's national coordinator for a set of MSME support projects in a number of sectors such as Shoemaking (in cooperation with UN High Commission for Refugees), Beekeeping and Saffron implemented in Mashhad and the southern part of Iran's Khorassan Razavi Province. Launch of the Project formulation process was strongly supported by the UNIDO Representative at the time, Mr. Alessandro Amadio and backstopped by UNIDO Project Managers at HQ, Ms. Monica Carco and Ms. Aurelia Calabro who was the HQ Project Manager during its first three years of implementation.

Due in part to a professional relationship between the UNIDO project coordinator and national counterparts in the Ministry of Industry and MCLS, and following initial consultations with both Ministries, the latter approved and fully funded the Project concept (with UNIDO as its executing agency). MCLS subsequently also became the national focal point and Secretariat for *Takapu*. During the course of project implementation, the SNFP for the Project, Dr. Mansoori, was seconded to the Ministry as its acting Vice Minister following a Gol request to this effect in 2016 and UNIDO's concurrence.

Originating in the UNIDO Field Office in Tehran in 2014, the roll-out of the national *Takapu* programme and the Project occurred simultaneously, and *Takapu* has since grown into the largest national employment generation plan designed in large part by UNIDO national staff and involving all line ministries with a national annual budget of \$2 billion over the period 2018-2020⁸. Based on the Project's pilots in identified sectors, MCLS has since April 2017 published detailed *Takapu* plans for every Province on its website⁹, providing in-depth analyses of their labour markets, economic sectors, comparative advantages and geographical characteristics.

The Project formulation process therefore constitutes a "success story" that was needs-based, transparent and coordinated with the national counterparts, and is among a very few fully nationally-funded UNIDO projects globally that has been extensively upscaled to the national level with strong local ownership and leadership throughout the process.

Overall project formulation rating: 6 out of 6

⁸ Source: Takapu Secretariat, MCLS

⁹ See for example: https://karafarini.mcls.gov.ir/icm_content/media/image/2019/03/265614_orig.pdf

A.2 Project Design and Theory of Change:

The initial approach of the Project document was broadly in line with a tried and tested UNIDO methodology for sectoral value chain development composed of three key components, as described in Section 2 above, namely: Policy, Institutional and MSME support. The aforementioned three components, however, were not reflected in the design of Project Outcomes or its LogFrame.

To this formula, the SNFP added analyses of labour market and employment generation potentials of various sectors in the Iranian economy with a multisectoral, area-based approach, starting at the macro level and narrowing down to specific, high-potential MSME sub-sectors in 6 Provinces involving both formal and informal enterprises. However, the criteria for the final selection of sectors and provinces chosen for pilot UNIDO inputs were not fully clarified in the Project document or the 2015 Inception Report. The latter focussed on analysing the labour market context and its potentials in some considerable detail, and included only 2 mentions of UNIDO throughout its 100+ pages, attesting to the Project's high level of national ownership.

Furthermore, the geographic scope of the Project has far exceeded the 6 Provinces identified in the Project document, reaching several other areas of the country in sectors such as Beekeeping, IT Tourism, Handicrafts and Garments¹⁰. UNIDO's December 2020 Project Progress Report identifies 20 provinces where project activities have been carried out, as shown in the map below.

Figure 6: Geographic scope of the Project



Source: UNIDO Project Progress Report, Dec 2020

¹⁰ See for example the following news report (in Farsi) dated 18 January 2017, referring to UNIDO's technical inputs as part of the launch of a garments (targeting women who head households) and beekeeping training centre and programme in the Lorestan province, which was not included in the original project design.

<https://www.tasnimnews.com/fa/news/1395/10/29/1300330> شـد-آغاز-لـرستان-استان-در-تکایو-طرح-آموزشی-های-دوره/1395/10/29/1300330

The Project was designed to establish a framework for developing the requisite baseline data and targets in the course of its implementation, much in line with a standard UNIDO "preparatory project". Consequently, its initial Results Matrix was generic until more detailed data were collated and analysed in its Inception Report followed by Sectoral Feasibility Studies in IT, Beekeeping, Garments and Handicrafts and Tourism conducted over 2015-2016.

A Labour Market Information and Analysis (LMIA) study and the introduction of an LMIA system in the MCLS in 2017 also helped further strengthen project design, the baselines and targets of which were developed from 2016 onwards, as outlined in Project Progress Reports for various sectors and fully presented in the Progress Reports. However, the original project document has not been updated as yet to reflect its expanded scope or specific targets and baseline information in its sectoral sub-components or the latest Project budget information, which has been tripled (rising from \$1 million to \$3.1 million) augmented by around \$2 billion¹¹ in parallel government and private sector funding for job creation under the *Takapu programme* since inception.

Other project design weaknesses include an over-optimistic initial risk assessment due to its assumption that foreign sanctions would be lifted, and an associated North-South project orientation that ignored a) the role and tendency of the countries of the global North in imposing increasingly heavy sanctions on Iran (and several other countries of the global South) over the past four decades, and b) the importance of South-South investment, cooperation and trade for Iran's economic recovery in a fast-changing global economic order.

Regardless, the design of the Project was flexible and pragmatic with a logical link in the broad steps foreseen in its implementation, allowing for responsiveness to the unpredictable geopolitical context in which it operates despite its weak sanctions-related risk assessment.

Furthermore, the detailed and time-consuming analytical approach initially adopted in the design of the Project's inception phase coupled with the placement of two of its coordinators (the SNFP and the Garment sector coordinator) in the Ministry and its *Takapu* Secretariat respectively since 2016 have created favourable conditions for policy coherence and project upscaling, local ownership and leadership, and subsequent allocation/mobilisation of national resources in implementation. At the same time, this management arrangement has enabled UNIDO to gain efficiency benefits from direct access to many of the Ministry's logistical resources (e.g., transport/conference/training/communications facilities) and the Omid Entrepreneurship Fund's (parallel) funding support for project personnel at little or no cost to the Project budget. The design of the Project's management arrangement, therefore, constitutes a Best Practice in efficient use of scarce resources.

According to feedback provided to the MTR team by the full spectrum of senior national counterparts, implementing partners and other stakeholders¹² interviewed and/or surveyed, the national *Takapu* programme led by MCLS is an upscaled, nationally-led version of the GOI-UNIDO Project by design, and the upscaling process has been achieved in large measure through direct UNIDO project personnel and experts' technical inputs.

¹¹ This is a rough estimate based on document reviews and interviews. However, the MTR team is satisfied that a good deal of the Government's *Takapu* plans, and budget allocations have linkages with the Project with direct involvement of UNIDO project staff in their design and implementation.

¹² With the sole exception of one UNIDO Key Informant

Feedback from Survey Respondents on Project Design at the Sector Level:

Over the course of Project implementation, four sector-level sub-projects have been defined as presented in the Project Progress Reports for Information Technology, Beekeeping, Garments and Tourism/Handicrafts. These generally follow a uniform results-oriented reporting structure, but have not been incorporated in the Project Document literally as yet. Furthermore, their design does not adequately yield aggregate results at the Outcome level largely due to weaknesses in Outcome level LogFrame design. From the viewpoint of Project Stakeholders from both public and private entities in the four economic sectors, project design is largely perceived to be “Satisfactory” or “Highly Satisfactory” with some variation across sectors. Common private and public sector stakeholder perceptions regarding project design and relevance for each economic sector together with challenges identified during implementation and stakeholders recommendations are given in the table below, which was sourced through an MTR survey of all key stakeholders (see Annex V for full details):

Table 6: Results of the MTR surveys of Project Stakeholders on the Design, Challenges and Recommendations for Sectoral Sub-Projects

Criteria	Project Design and Relevance Stakeholders	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
Sector			
IT Public Sector Stakeholder feedback	Project design and relevance is highly satisfactory	Need for stronger sectoral collaboration at provincial levels supported by a legal framework. Lack of effective interaction with the Project by the UR in Iran causing duplication and hampering effectiveness.	Next phase of project should design a new legal framework for coordination in the sector with emphasis on role of provincial authorities and executive bodies. Improvements needed in UNIDO FO role as well as more coordination at provincial level.
IT Private Sector Stakeholder feedback	Project design is highly satisfactory but needs involvement at provincial level.	Job creation has had a lower priority as compared with infrastructure development and institutional building. Inadequate project attention to access to finance for start-ups and MSMEs.	Amend approach to reflect focus on infrastructure and institutional building rather than jobs. Extend the Project. Extend the Project. Identify the new IT value chain financing mechanism and provide training on access to finance. UNIDO should improve its international procurement and technology acquisition role, and more promotion about road map and achievements at provincial level.

Criteria	Project Design and Relevance Stakeholders	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
Sector			
Beekeeping Public Sector Stakeholder feedback	Highly satisfactory	Further work is needed for more cooperation and support of provincial level managers for active and effective participation in value addition and biodiversity aims of the Project.	Project extension needed to further develop value added products in the sector and to promote biodiversity/ecosystem cultural awareness among farmers at the provincial level. Greater UNIDO involvement at provincial level is recommended.
Beekeeping Private Sector Stakeholder feedback	Highly satisfactory	UNIDO involvement in project coordination at provincial levels, technology transfer and procurement (especially for the import of raw materials as inputs for production) did not meet expectations. Further improvements needed to simplify and streamline the legal and regulatory framework in the sector.	UNIDO should take a more proactive role in leveraging its access to international markets for the procurement of raw materials and inputs needed for the sector. UNIDO should be more involved in project coordination at the provincial level and not just focus on training inputs alone.
Garment Public Sector Stakeholder feedback	Good design, but some expectations not met	Slow pace of project implementation, and inadequate prioritisation of the sector by the line ministry and its coordination with main stakeholders by the line ministry. [MTR obtained evidence of improved advocacy since 2019 supplied by the sector coordinator]. The financing expectations have not been fully met.	Next phase of project should help enhance coordination and collaboration among sector stakeholders, and improve marketing and financing for the sector.
Garment Private Sector Stakeholder feedback	Satisfactory, but needs revision and greater interaction	Access to foreign currency and procurement of raw materials in international markets remains a challenge.	UNIDO should take a more proactive role in helping local producers raise FDI and in the procurement of raw materials and inputs needed for the sector. UNIDO should be more involved in project coordination at the provincial level and not just focus on training inputs alone. National authorities should simplify international procurement regulations in order to help local producers access raw materials and international clients.

Criteria	Project Design and Relevance Stakeholders	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
Sector			
Tourism Public Sector Stakeholder feedback	Satisfactory, with clearly defined tourism corridors and targets	Pandemic has hit the sector hard. Creative Hubs based on global models rather than Iranian culture. UNIDO reporting on the sector not meeting expectations by some. Some contradiction perceived between artistic and production/job creation aspects of the Project. Inadequate coordination with local authorities in project implementation	Project extension needed to expand the sector to the national level beyond pilots. Expand the number of Creative Hubs and add strong local cultural elements. UNIDO should help clarify perceived inconsistency between art and job creation. UNIDO should help improve provincial level coordination and implementation with local authorities.
Tourism Private Sector Stakeholder feedback	Satisfactory	Delays caused by pandemic. The role and place of handicrafts in tourism inadequately developed. Regulatory framework for tourism MSMEs remains weak	Project extension needed. UNIDO should promote and help connect Iranian handicrafts to the international market. Promote Iranian tourism more strongly in future phase of project. Address regulatory issues to help ease of doing business for tourism MSMEs.

LogFrame design findings and suggestions on the Project Outcome Level:

The most recent iteration of the Project’s Results Matrix and indicators as outlined in the Project’s 2020 Progress Report exhibit a few results-orientation shortcomings and require further refinements in order to enhance project monitoring and evaluability, as summarised in the table of findings and suggestions below. Chief among these is the fact that the policy and sectoral strategy support components of the Project are not reflected in its Outcomes LogFrame despite several successes reported in this area in the same report.

Table 7: Analysis of the Results Matrix (per the 2020 Progress Report) at the Outcome level

#	Outcome	Stated indicators	Findings	Recommendations
1	Youth, women and people with disabilities engage in decent and productive job in high potential sectors.	# of sectors with approved development workplan # of firms which could absorb the proper skilled and qualified staff member	The first indicator describes Outputs that would be related to a separate (and missing) Policy outcome The second indicator describes a possibility The stated Outcome would be better viewed as the overall Project Objective rather than one of its Outcomes	Replace first indicator with actual number of people engaged in work as a result of the Project. Replace second indicator with actual number of firms whose capacities have been enhanced and/or increased their workforce as a result of the Project Add a new policy Outcome with the adoption of various central and provincial employment generating policies and strategies as its 'behaviour change' indicators.
2	Business support structures (public & private), technical centres in the selected sectors and financial institutions provide better quality services to youth, women and people with disabilities.	Types and number of technical and financial services provided by institutions	Indicators (types and number) are apt, but refer to quantity alone rather than service quality	Augment existing indicator with qualitative feedback from clients on quality of services received Change the description of this Outcome to "Institution building/strengthening"
3	Improve the matching of labour supply and demand in selected sectors, particularly for youth, women and people with disabilities.	# of people who could find proper job related to their qualification and skill	This Outcome is a technical sub-component of the second Outcome, and would better be regarded as an Output for the latter	Remove this Outcome and include it as an Output under Outcome 2
4	Sustainable enterprises in the high- impact sectors, including led by youth, women and people with disabilities, create increased number of productive and decent jobs in selected value chains and growth sectors, for the target groups.	# of new created enterprises in the target sectors # of new sustainable jobs in the target sector	By definition, "new enterprises" cannot be used as a measure for sustainability. This outcome would require an impact evaluation to verify.	Remove this Outcome and include a refined version of it as a part of the overall project objectives.
5	Increase investment and technology transfer (local and FDIs) for MSMEs particularly for enterprises led by the target groups.	# of FDI/local investment projects value of FDI /local investment projects (USD)	Stated indicators are apt, but do not include a 'technology transfer' element Investment Promotion and Technology transfer elements would better be described as subsets of both Institution Building and MSME Support outcomes.	Delete this Outcome and replace with "MSME Support"

In light of the above analysis, a complete revamp of the Outcomes Results Matrix is recommended to reflect the 3 key drivers of the Project, namely, Policy/Strategy support, Institution Building/strengthening and MSME Support, leading to the overall Objective to increase sustainable employment and new businesses among target groups and regions. In order to enhance the evaluability of the Project at the Outcome level, the MTR will utilise this recommended reformulation (partly also present in narrative part of UNIDO's 2020 Progress Report) disaggregated by sector in its assessment of Project Outcomes.

Overall project design rating: 4 out of 6 (Somewhat satisfactory)

Suggested reformulation of the Project Results Matrix:

The MTR team has prepared a suggested reformulation of the Project Results Matrix for all result levels. The reformulation provides a uniform structure for all sectors, and can be used as a model for aggregating project data from Outputs to Outcomes and Impact.

Table 8: Project Results Matrix

Alternative Results Matrix - Impact level

Planned Results	Indicators	Sources of verification
Impact: Creation of decent and productive work for young women and men, women and people with disabilities through the development of sectors with high potential for job creation.	# of sustainable (lasting more than 2 years) jobs created, disaggregated by sector, age, gender and disability	Central and provincial counterpart Ministries & CSOs; NSO; Central Bank; Surveys of beneficiaries & stakeholders
	# of working people whose employment was made more secure disaggregated by sector, age, gender and disability	
	# of sustainable MSMEs (lasting more than 2 years) created or strengthened, disaggregated by sector and region	

Policy Component 1
Outcome 1.1 / Output 1.1.1, 1.1.2, 1.1.3 & 1.1.4

Planned Results	Indicators (disaggregated by sector and/or region)
<p>Outcome 1.1: New multi-sectoral and sectoral employment generating policies and regulations/standards adopted for implementation by national institutions</p> <p>Output 1.1.1: Multi-sectoral and sectoral diagnostic studies completed</p> <p>Output 1.1.2: Multi-sectoral and sectoral policy proposals prepared</p> <p>Output 1.1.3: Sectoral Value Chain Development/Action Plans completed</p> <p>Output 1.1.4: Sectoral Regulations/Standards drafted</p>	#of multi-sectoral policies & action plans adopted at central & provincial levels
	#of sectoral policies adopted at central and provincial levels
	#of sectoral value chain development/action plans adopted at the central and provincial levels by the public sector
	#of sectoral value chain development/action plans adopted or endorsed by CSOs (associations , unions etc)
	#of multi-sectoral/sectoral regulations/standards adopted at the central and provincial levels
	#of multi-sectoral/sectoral regulations/standards adopted or endorsed by private sector CSOs at the central and provincial levels (2 indicators)
	# of new concepts and technologies mainstreamed in the national policy discourse
	# of adopted policies, value chain dev plans and regulations/standards appraised positively by UNIDO experts
	# of perception surveys of stakeholders showing positive feedback regarding the quality of adopted policies, value chain dev plans and regulations/standards
# of adopted policies, strategies and regulations/standards with specific focus on a) women, b) youth and c) the disabled (3 different indicators)	
<p>Output level indicators are the same as above disaggregated by project sectors, and limited to the <u>production</u> of each policy/regulatory output rather than its <u>adoption</u>.</p>	
<p>Sources of verification: Relevant central and provincial government development plans, media releases and annual progress reports; NSO; Media reports; Private sector CSOs and workers unions annual reports and media statements; Academic & research institutions in related fields; Parliament Research Institute; Surveys (qualitative & quantitative) of government and private sector stakeholders</p>	
<p>Note: While ‘adoption’ of a <u>policy</u> or action plan can be described within the remit of a project’s Outcome, its ‘implementation’ falls outside the project’s/UNIDO’s mandate, and should not be included in the list of indicators at the <u>policy</u> Output or Outcome levels. Technical support to policy implementation is a regular feature of projects, but the project cannot assume the role of implementor (i.e. <i>Takapu</i>) in its reporting. Hence, UNIDO Project progress reports should describe the rates of <u>policy</u> implementation and <i>Takapu’s</i> job creation successes at the <u>impact</u> level of reporting, which would help clarify UNIDO’s supporting role.</p>	

Institutional Component 2
Outcome 2.1 / Output 2.1.1

Component 2: Relevant national and provincial institutions provide quality value chain development services	
Planned Results	Indicators (disaggregated by sector and region in all cases, and by gender where relevant)
Outcome 2.1: Relevant public sector institutions utilise new tools and technologies for value chain development	# of new or upgraded tools, concepts and technologies (e.g. new value chain concepts/technologies/best practices ,LMIS, COMFAR, Project Management Manuals, IT/e-governance platforms etc (transferred to and adopted by public sector institutions
	# of new administrative units (Task Forces, Secretariats, PMUs etc) established & operationalised for sector-specific value chain development in public sector institutions
	# of new staff engaged in sector-specific value chain development in public sector institutions
	# of trained trainers conducting training in public sector stakeholder institutions
	# of trainings conducted by trained trainers for public sector stakeholders
	# of trained public sector staff utilising new concepts, technologies, project management & value chain development skills etc
	# of sector-specific annual M & E plans and progress reports published by stakeholder institutions
	#of public sector institutions delivering on their mandates more effectively and efficiently with new skills and administrative units, and new or upgraded technologies and tools
Output 2.1.1: Relevant public sector institutions enabled with new tools and technologies for value chain development	# of new or upgraded tools, concepts and technologies (e.g. new value chain concepts/technologies/best practices ,LMIS, COMFAR, Project Management Manuals, IT/e-governance platforms etc (introduced to public sector institutions
	# of new administrative units (Task Forces, Secretariats, PMUs etc) established for sector-specific value chain development in public sector institutions
	# of new staff assigned to sector-specific value chain development in public sector institutions
	# of trained trainers in public sector stakeholder institutions
	# of trainings planned by trained trainers for public sector stakeholders
	# of public sector staff trained in new concepts, technologies, project management & value chain development skills etc
	# of sector-specific annual M & E plans and progress reports produced by stakeholder institutions
	# of public sector institutions enabled to deliver on their mandates more effectively and efficiently with new skills and administrative units, and new or upgraded technologies and tools
Sources of verification: Relevant central and provincial government departments, VTCs and standards institutes' reports, media releases and annual progress reports; NSO; Media reports; Private sector, CSOs and workers unions' annual reports and media statements; Academic & research institutions in related fields; Surveys (qualitative & quantitative) of government, CSO & private sector beneficiaries & stakeholders	

Institutional component 2
Outcome 2.2 / Output 2.2.1

Planned Results	Indicators (disaggregated by sector and/or region)
Outcome 2.2: Enhanced/established institutional coordination bodies and partnerships operationalised and mobilise resources for value chain development by MSMEs	# of new or strengthened inter-ministerial task forces and public-private partnership coordination mechanisms operationalised by stakeholders
	# of new inter-ministerial and public-private partnership and co-financing agreements and projects signed by various stakeholders
	# of annual M & E plans and progress reports published by stakeholder coordination bodies
	# of co-financing and soft loan agreements signed/approved through new coordination mechanisms and partnership agreements
Output 2.2.1: Institutional coordination mechanisms and partnerships strengthened/ established to support value chain development by MSMEs	# of new or strengthened inter-ministerial task forces and public-private partnership coordination mechanisms established by stakeholders
	# of new inter-ministerial and public-private partnership and co-financing agreements and projects prepared by various stakeholders
	# of co-financing and soft loan agreements prepared through new coordination mechanisms and partnership agreements
Sources of verification: As above for Component 2.1	

Institutional component 2
Outcome 2.3 / Output 2.3.1

Planned Results	Indicators (disaggregated by sector and region, and also by gender where relevant)
Outcome 2.3: New/strengthened CSOs support MSMEs	# of new CSOs (including public/private sector foundations, creative/innovation hubs, technology centres, research institutes, producer associations, cooperatives, labour, financial & business support institutions) operationalised
	# of trained trainers conducting training for CSOs
	# of trainings conducted by trained trainers for CSOs
	# of trained CSO staff utilising new tools, technologies, project management & value chain development skills etc
	# of services (e.g. training in business management, marketing, IT/e-commerce, local/international matchmaking, festivals, fairs, finance, packaging, branding, new technologies/concepts, best practices etc.) provided by new CSOs for MSMEs
	# of CSOs enabled and delivering services more effectively with new or upgraded tools (e.g. LMIS ,COMFAR, Project Management Manuals, IT/e-governance/e-commerce platforms ,(technologies (mainstreaming of new concepts, value chain development approaches, products, technologies and international best practices ,(Secretariats, PMUs and direct training of staff
Output 2.3.1: CSOs established/ strengthened for support to MSMEs	# of new CSOs (including public/private sector foundations, creative/innovation hubs, technology centres, research institutes, producer associations, cooperatives, labour, financial & business support institutions) established
	# of trainers trained for training CSOs
	# of CSO staff trained in the use of new tools, technologies, project management & value chain development skills etc
	# of CSOs supplied with new or upgraded tools (e.g. LMIS, COMFAR, Project Management Manuals ,IT/e-governance/e-commerce platforms), technologies (mainstreaming of new concepts, value chain development approaches, products, technologies and international best practices), financial support or infrastructure (Secretariats, offices, PMUs) etc
Sources of verification: As above for Component 2.1	

Institutional component 2
Outcome 2.4 / Output 2.4.1

Planned Results	Indicators (disaggregated by sector and region, and also by gender where relevant)
Outcome 2.4: Enhanced quality assurance systems deliver MSME product certification	# of quality assurance/standards institutions and laboratories providing improved services
	# of new quality assurance/standards institutions and laboratories operationalised
	# of clients using project-assisted quality assurance/standards institutions
	# of new MSME products that received quality certification for local and export markets
	# of new MSME products that were exported as a result of QA certification
Output 2.4.1: Enhanced quality assurance systems	#of quality assurance/standards institutions and laboratories established or upgraded
	#of new quality assurance/standards institutions or laboratories established & equipped
	# of new MSME products submitted for quality certification for local and export markets
	# of new MSME products that were given export quality certification as a result of upgraded QA systems
Sources of verification: As above for Component 2.1	

Institutional component 2
Outcomes 2.5 & 2.6 /Outputs 2.5.1 & 2.6.1

Planned Results	Indicators (disaggregated by sector and region, and also by gender where relevant)
Outcome 2.5: Enhanced VTC services provide new training courses	# of vocational training centres newly operationalised or providing new courses
	# of new vocational training courses conducted by VTCs
	# of newly trained VT trainers providing training in VTCs
Output 2.5.1: Vocational Training Centre services enhanced to provide new training courses	# of vocational training centres newly established or strengthened
	# of new vocational training courses offered by VTCs
	# of newly trained VT trainers
	# of new trainees who successfully completed new courses
Outcome 2.6: Enhanced e-infrastructure services supporting value chain development	# of new or upgraded e-governance/e-commerce/e-infrastructure platforms & foundations operationalised
	# of online users of new e-governance and e-commerce platforms/e-infrastructure
Output 2.6.1: Enhanced e-infrastructure for value chain development	# of new e-governance/e-commerce/e-infrastructure platforms & foundations established
	# of upgraded e-governance/e-commerce/e-infrastructure platforms
Sources of verification: As above for Component 2.1	

Support to MSMEs and Jobs Component 3
Outcomes 3.1 /Outputs 3.1.1 & 3.1.2

Component 3: MSME, employment and value chain growth supported in various sectors	
Planned Results	Indicators (to be disaggregated by sector and region in all cases, and also by gender, age and disability where relevant)
Outcome 3.1: MSMEs in target sectors grow in revenues and employee numbers	# of new MSME jobs/recruitments
	# of sustained/secured MSME jobs
	% average change in number of MSME employees
	% average change in beneficiary workers' income
	# of new MSMEs/start-ups
	# of beneficiary MSMEs with increased revenue
	% average change in beneficiary MSME sales revenues
	% average change in beneficiary MSME export revenues
	% average change in beneficiary MSME production volumes
	# of new products marketed by beneficiary MSMEs
	\$ amount market value of new/upgraded value chains
	% average change in the market value of new/upgraded value chains
Output 3.1.1: MSMEs' productivity enhanced with new technology, know-how and standards	# of MSME trainers trained
	# of trainings conducted
	# of MSME employees trained in new skills/technologies, standards, regulations, marketing, e-commerce, business management, & international and local best practices
	# of MSMEs trained in new skills/technologies, standards, regulations, marketing, e-commerce, business management & international and local best practices
	# of MSMEs that recruited local and/or international experts
	# of MSMEs trained in new product and/or brand development
	# of MSMEs that developed new products and/or brands
	# of MSMEs that obtained new production licences
	# of MSMEs that obtained new export licences
	# of beneficiary MSME products that obtained local and/or international quality standards certification
	# of MSMEs with upgraded production lines/practices
	# of MSMEs with increased and/or new production volumes
% average change in MSME production volumes	
Output 3.2.1: MSMEs enabled to generate new orders and investment through coordination, networking, finance and matchmaking support	# of MSMEs that succeeded in gaining new clients/orders/contracts
	# of MSMEs that succeeded in gaining new international clients/orders/contracts
	\$ amount of new orders and contracts for MSMEs
	# of MSMEs that succeeded in gaining local direct investment
	\$ amount of local direct investment for MSMEs
	# of MSMEs that succeeded in gaining foreign direct investment
	\$ amount of FDI for MSMEs
	# of new public-private partnership coordination mechanisms established
	# of MSMEs that benefited from new financing (grants and loans) mechanisms
	\$ of new co-financing (grants & loans) raised by/for MSMEs
	# of MSMEs that established new e-commerce platforms
	# of MSMEs that gained new business orders through new e-commerce platforms
	# of MSMEs that joined or formed local business associations/unions/networks
	# of new local business associations/unions/networks
	# of MSMEs that joined international business associations/unions/networks
	# of local associations/unions that joined international business associations/union/networks
	# of festivals/fairs/competitions organised with Project support
	# of MSMEs that attended festivals/fairs/competitions organised with Project support
# of MSMEs/CSOs that participated in international fairs/conventions/competitions	
# of MSMEs that won prizes in local and/or international events	
Sources of verification: Surveys of MSME beneficiaries, CSOs & stakeholders; NSO; Central Bank; MCLS; Local media reports	

B. Project performance and progress towards results

B.1 Project relevance:

The Project's approach is in line with Pillar 1 (Resistant Economy) of Iran's sixth 5-Year National Development Plan (2016-2021) reflected in Component 3 of the 2017-2021 UN Development Assistance Framework (Building a Resilient Economy), and also complies with 4 out of the 5 Components of the 2017-2021 UNIDO Country Programme in Iran (Policy, Market, Partnership and Job Creation).

The relevance and alignment of the Project with Iran's national policy priorities is difficult to overstate. Project relevance has been further enhanced as a result of continuing and intensified sanctions by countries of the global North in violation of UN Security Council Resolution 2231 since 2016, effectively giving centre stage and greater urgency to employment generation and the national *Takapu* programme in particular.

MTR's rating for project relevance to UN, UNIDO and Government mandates and priorities: 6

The average rating for relevance given by respondents to an MTR survey of 89 stakeholders and 267 trainees (out of a total of 8,427 trainees) of the Project are given below, disaggregated by sector¹³:

Table 9: The average rating for relevance given by respondents to an MTR survey of 89 stakeholders and 267 trainees (out of a total of 8,427 trainees)

Survey group	Criteria	IT (1-6)	Beekeeping (1-6)	Garments (1-6)	Tourism & Handicrafts (1-6)	Overall rating (1-6)	Satisfaction rating (%)
Trainees	Relevance to trainees' needs	4.4	5.0	5.5	5.0	5.0	83%
	Relevance to sector needs	4.4	5.2	5.6	5.1	5.1	85%
Public sector stakeholders	Relevance to sector needs	5.0	5.0	4.0	5.0	4.8	79%
Private sector stakeholders	Relevance to sector needs	4.0	5.0	4.0	5.0	4.5	75%
MTR's assessment	Policy Relevance & Coherence	6.0	6.0	6.0	6.0	6.0	100%
Overall average relevance score		4.8	5.2	5.0	5.2	5.1	85%

MTR's overall assessment of Project Relevance: 5.1 out of 6

¹³ See Annex V for details of collated averages from self-assessments collected through surveys of stakeholders and trainees

B.2 Effectiveness and progress towards results

Outcome 1: Policy/Strategy support

Key informants and survey respondents have confirmed that the Project has had significant impact on the design and adoption of several employment generating policies, strategies and regulations at both the macro and sectoral levels in an integrated fashion.

At the macro level, the Project's technical inputs have had a direct and strong impact on the development and subsequent adoption of MCLS' employment generation policies and the Omid Entrepreneurship Fund's (OEF) investments at the rural and provincial levels, resulting in specific *Takapu* plans for every Province in the country since 2017, and including all sectors of the economy well beyond those identified originally by the Project. The Project helped orient *Takapu* toward addressing the needs of the labour force based on detailed analyses of the labour market and comparative advantages of value chains in key sectors at the provincial level, and introduced mechanisms for linking MSMEs, innovative startups and producers to support funds and local and international markets. This new policy approach represented a departure from the Ministry's earlier neoliberal practice of disbursing funds to businesses in the formal sector and leaving the rest to 'the market'.

The Project has also resulted in the adoption and implementation of a detailed Garment Sector Value Chain Development Strategy by MCLS in October 2016¹⁴ with UNIDO technical inputs covering several central and provincial stakeholders from small, medium and large producers to vocational training centres, marketing/e-commerce, standards/quality assurance, research centres, various financial institutions as well as the Central Bank.

Similarly, Project interventions in the Beekeeping sector have resulted in the formulation and implementation of a clear national Beekeeping Strategy by the Agricultural Jihad Ministry since 2017 effectively prioritising the sector with a new approach, and reoriented its sectoral focus toward the production and marketing of value added herbal and medicinal products such as royal jelly, pollen, propolis and bee venom production in addition to boosting raw honey production. A significant behaviour change impact of the Project on the farming sector as a whole in Iran pertains to the promotion and acceptance of apiculture as a significant contributor to pollination and biodiversity (as many Iranian farmers have traditionally viewed bees as pests) with potential for strong longterm environmental impact.

Tourism sector plans were developed by MCLS in 2017 in close cooperation with OEF as part of the *Takapu* programme with UNIDO technical support identifying 17 tourism corridors, 2 of which (Deilaman¹⁵ and West Mazandaran) were selected as pilots. Tourism corridor development plans included public and private sector financing for infrastructure development and E-commerce, and the establishment of business development, advocacy, marketing and vocational training centres and services. At the national policy level, the Government Cabinet approved¹⁶ a new tourism sector national strategy in July 2019 (together with the establishment of a new Tourism Ministry), identifying MCLS as a main implementing partner, and tasking it to enhance the content and delivery of tourism sector vocational training by TVTO.

With regard to Handicrafts, the Project has introduced the concept of Creative Hubs¹⁷ in Iran based on international best practices coupled with local characteristics and housed in cultural heritage sites. This

¹⁴ See: <https://www.eghtesadonline.com/اشتغال-عالی-شورای-در-پوشاک-بخش-توسعه-سند-تصویب-3/150565-کلان-اقتصاد-بخش/>

¹⁵ See: www.darsiahkal.ir/104936/۳-ثبت-آستانه-در-دیلمان-گردشگری-مسیر-طرح/104936

¹⁶ See: <https://dotic.ir/news/7490/گردشگری-توسعه-راهبردی-سند-در-خصوص-تصویرنامه>

¹⁷ See: <https://irancreativehubs.com/>

approach constituted a new and unique innovation centre model that combines startups and MSME development support with culture, arts, technology and tourism with added emphasis on E-commerce and marketing for producers. MCLS plans for Tourism & Handicrafts includes the upscaling of the two fledgling pilot Hubs in Kermanshah and Kurdistan to all other Provinces, each with its own local characteristics. Given the growing and central importance of creative industries in the global economy today, Iran’s adoption of the Creative Hub concept has the potential to make a major impact on the country’s economy in the medium to longterm.

The Project has in addition helped mainstream the IT sector in MCLS’ approach to employment generation, and encouraged a new focus on the exigencies and implications of the 4th Industrial Revolution for Iran’s labour-related policies. The resultant MCLS IT sector strategy includes the development of regulatory, institutional, technical and financial support infrastructure needed for technology acquisition and the growth of innovative startups and E-commerce, particularly by young people and graduates.

UNIDO’s perceived role as an honest broker has been a factor of success in mobilising private sector funding and participation in these transformative initiatives. From the above discussion on sector-specific strategies, it is also clear that IT has been an integral part of new policies related to Garments, Beekeeping, Tourism and Handicrafts.

A common finding that resulted from MTR team’s surveys and interviews with Project stakeholders and beneficiaries pertains to a lower level of behaviour change among provincial level authorities and implementing partners. This ‘next level’ goal common to all sectors requires further concentration in the remaining period of the Project and/or its future phase on enhancing advocacy and project management arrangements at the provincial level (more on this below under “Management”).

Table 10: Results of the MTR surveys of Project Stakeholders re. Policy/Strategy

Sector	Project Effectiveness in Policy/Legal framework
IT Public Sector	Highly satisfactory
IT Private Sector	Highly satisfactory
Beekeeping Public Sector	Highly satisfactory
Beekeeping Private Sector	Highly satisfactory
Garment Public Sector	Satisfactory
Garment Private Sector1	Satisfactory
Tourism Public Sector	Satisfactory
Tourism Private Sector	Satisfactory

Overall MTR Effectiveness rating for Outcome 1, Policy/Strategy support: 5.5 out of 6
(0.5 point deducted for lower effectiveness in policy adoption at the provincial level)

Outcome 2: Institution Building/Strengthening

At the macro level, an important institution building success of the Project has been in the establishment of an online national LMIA System based on international standards and best practices, which was officially launched by MCLS on a national level in October 2020¹⁸, following its initial introduction to the Ministry by the Project in 2017. The LMIA System enables the Ministry to design and implement pertinent national and provincial employment generating programmes based on detailed data on the characteristics (supply) and needs (demand) of the labour market and businesses in formal and informal sectors of the economy. Furthermore, it has utility in the design of vocational training and education policy and curricula. By virtue of its availability online, the LMIA System has strengthened e-governance capacity in the Ministry with positive impact on workflow efficiency and social distancing in the context of the pandemic. Furthermore, these institutional advancements have enabled MCLS and its Provincial Departments to share and promote standards and best practices, and to help design tailor-made training packages and knowledge products on demand and in partnership with the private sector through the national *Takapu* programme¹⁹.

The Project has in addition contributed to enhancing MCLS' project management capacity through direct training for 16 female and 14 male members of the Ministry staff (engaged in the national *Takapu* programme) on the Project Management Institute's Project Management Body of Knowledge (PMBOK) courses, conducted in 2020.

With regard to the Omid Entrepreneurship Fund (OEF - a major financial contributor to MSMEs under the umbrella of *Takapu*), the Project has enhanced its institutional capacity in the field of investment project analysis and assessment through the provision of UNIDO's Computer Model for Feasibility Analysis and Reporting (COMFAR) software with associated training and certification for 4 female and 4 male staff of OEF in 2017.

By virtue of project management rearrangements put in place on the donor's (MCLS) initiative in 2016, the GOI-UNIDO Project has better familiarised the MCLS, OEF and UNIDO with each other's respective rules and procedures, demonstrated and clarified the technical role and added value of UNIDO to the Ministry and OEF, and created a favourable institutional framework for expanded and more efficient development cooperation for support to Iranian MSMEs in the future. Poor relations with the UNIDO Country Office in Tehran aside (more on this under "Management" below), MCLS and UNIDO have proven to enjoy a mutually reinforcing and beneficial institutional relationship and partnership that has raised the profile and image of UNIDO in the country. Rather unusual for a UN agency in Iran, UNIDO's logo can be found on several publicly available national *Takapu* documents and various public and private sector websites of the country. This has the potential to help alleviate Iran's grievances with the UN system due to its past role in the imposition of sanctions on the country. An important element in this potential for strengthening the UN's institutional presence in Iran is in the area of international procurement of goods and technologies, an area in which UNIDO has been only partially successful under the Project so far (more on this under "Efficiency" below).

In the IT sector, the Project has focused on developing new digital infrastructure needed for supporting innovative startups and exports. This has included the establishment of national digital Foundations such as the Digital Content Entrepreneurship Foundation established in October 2019, and intended as an umbrella foundation to support digital startups with an initial focus on online public information and

¹⁸ Announced by MCLS on 28 October 2020. See: <https://karyabi.mcls.gov.ir/fa/news/225306/اطلاعیه-هدایت-دفتر-اطلاعیه>
وکار-نبروی-هدایت-دفتر-اطلاعیه

¹⁹ See for example: <https://khabarban.com/a/31110139>

entertainment content largely aimed at promoting tourism, handicrafts and related MSMEs)²⁰. Furthermore, a new National Foundation for Technology Development²¹ that focuses on Artificial Intelligence, Internet of Things and Blockchain was also launched in 2019 with an ambitious plan to establish the national ecosystem for these new technologies, develop regulations, standards, strategies and education curricula, and to conduct market research and training for entrepreneurs etc. The NFTD is a public-private partnership NGO funded or otherwise supported by OEF, the Vice-Presidency's Office for Science and Technology, the National Centre for Cyberspace, MCLS, the Ministry of Culture and UNIDO. A third Foundation (Cultural Technology Foundation²², established also in 2019) established by the Project focuses on technology acquisition, innovation and employment generation in cultural and arts industries such as radio, film, theatre, music, design and architecture, advertising etc. The Foundation has its headquarters in Tehran as well as regional offices in seven other provinces, and is sponsored by Iran's Arts Academy, MCLS, the Parliament, the Judiciary, the Ministry of Culture and UNIDO. Furthermore, the Project has conducted hundreds of training courses on new technologies and E-commerce for IT institutions across 7 provinces.

In the Beekeeping Sector, the Project has helped establish a dedicated Task Force in the Agricultural Jihad Ministry with a clearly sequenced value chain development masterplan for financing, developing and marketing new value-added MSME products, exports and jobs in the sector with tangible success in selected regions and corridors. In addition, compliance with international standards have been improved through new regulatory mandates as of March 2020 in collaboration with the Institute of Standards and Industrial Research of Iran²³, though related support for its testing laboratories remains pending due to Project budget constraints. Furthermore, the technology acquisition and skills transfer capacities and roles of the Project's Beekeeping sector implementing partners²⁴ such the Iran Zamin National Union of Beekeepers, the Apiculture Industry Development and Advocacy Fund²⁵ (AIDAF) and the OEF have been strengthened in the sector. In February 2020, a new National Beekeeping Foundation for Productivity and Skills Improvement was established sponsored by the aforementioned national partners plus UNIDO.

Institution building in the Garments and Textiles sector has included capacity building support for MCLS and the *Takapu* programme, the establishment of a vocational training centre in Lorestan Province in January 2017²⁶ for women who head households, and capacity building and training support for the Iran Garment Association and several provincial associations involved in garments and textiles as well as mechanisms for enhancing matchmaking between Iranian producers and foreign brands and investors. Also underway is the establishment of a large vocational training, technology acquisition and marketing centre in Tehran (reportedly due to be inaugurated in 2021) in collaboration with the Amir Kabir Technical University.

Launched in 2017, the institution building focus of the Project in Tourism and Handicrafts has been at the provincial and village levels in the two target corridors covering the four Provinces of Gilan, Mazandaran, Kurdistan and Kermanshah with integrated and mutually reinforcing support from Beekeeping and IT components of the Project. Two Secretariats (one for each corridor), five Tourism Destination Management Offices (TDMOs) and a National Sustainable Development Foundation established together with two websites and two provincial Creative Hubs (innovation centres in Kurdistan and Kermanshah)

²⁰ See: www.modirinfo.com/content/4/58017/دبچیتال-محتوای-کارآفرینی-ملی-بنیاد-افتتاح

²¹ See: <https://nftd.ir/en/home-page-english/>

²² See: <https://www.iranctech.ir/en>

²³ See: <https://financialtribune.com/articles/domestic-economy/103598/mandatory-standards-for-honey-in-the-making>

²⁴ For the partnership agreement (signed in May 2016) among various stakeholders in the Beekeeping sector see: <http://hbeefund.ir/wp-content/uploads/2018/08/UNIDO-Agreement.pdf>

²⁵ See: <https://hbeefund.ir/en/our-vision/>

²⁶ See: Link: <https://www.tasnimnews.com/fa/news/1395/10/29/1300330/شد-آغاز-لستان-استان-در-تکاپو-طرح-آموزشی-های-دوره>

coupled with a central Secretariat for the Hubs are among its fledgeling institutional successes so far. Given the impact of the COVID-19 pandemic on the tourism sector globally and a relatively late start in project activities in the sector, institutional development in this sector remains in its early stages. However, in the context of the priority given to this sector by GOI (see above under “policy”) and the considerable potential of tourism development in Iran evidenced by the fact that Iran was ranked 2nd in the world for tourism growth by the World Tourism Organisation²⁷ in 2018 with a 50% rise in visitors as compared to the previous year, the outlook for institutional and jobs growth in the sector remains positive.

Stakeholder’s perception of Project performance in Institution Building showed greater variation across various value chains as compared to other criteria surveyed by the MTR with a lower overall score. This is unsurprising given the fact that institution building (as compared to policy development or training in new technologies or business management) takes more time to bear fruit and requires greater funding due to infrastructure costs, a challenge that has been exacerbated by significant budgetary shortfalls in the Project²⁸. The survey results are summarised in the table below.

Table 11: Results of the MTR Survey of Project Stakeholders re. Institution Building

Stakeholders by Sector	Project Effectiveness in Institutional Building
IT Public Sector	Highly satisfactory
IT Private Sector	Satisfactory
Beekeeping Public Sector	Satisfactory
Beekeeping Private Sector	Highly satisfactory
Garment Public Sector 1	Satisfactory but needs improvement
Garment Private Sector	Satisfactory but needs improvement
Tourism Public Sector	Satisfactory
Tourism Private Sector	Satisfactory but needs improvement

Overall MTR Effectiveness rating for Outcome 2, Institution Building: 5.1 out of 6

(One point deducted for further work needed for the full operationalisation of several fledgeling institutions, particularly at the provincial level)

²⁷ See: <https://irangov.ir/detail/328709>

²⁸ See for example the case of funding challenges reported for Kurdistan’s Creative Hub: <http://kurdtoday.ir/news/32947/>

Outcome 3: MSME Support

The MTR team has through surveys, interviews and independent research determined that the Project has been effective in its support for MSMEs. The breakdown of the MTR Survey results by sector is summarised in the tables below and outlined in greater detail under Annex V below for both direct training beneficiaries and project stakeholders:

Table 12: Results of MTR Survey of Project Trainees re. Effectiveness (average scores on a scale of 1-6)

Criteria	Effectiveness
Sector	Skills/Technology enhancement
Information Technology	4.4
Beekeeping	4.7
Garment Trainees	5.4
Tourism & Handicrafts	14.6
Average rating	4.8
Satisfaction rating	80%

Table 13: Results of the MTR surveys of Project Stakeholders re. Project Effectiveness

Criteria	Effectiveness	Overall Score
Sector	Skills/Technology enhancement	4.8
IT Public Sector	High impact on skills enhancement & E-commerce online platforms. Low impact on international procurement of technology.	5.5
IT Private Sector	Highly satisfactory	4.5
Beekeeping Public Sector	Successful transfer of skills and technology for new products such as royal jelly, propolis, bee venom etc. as well as biodiversity elements	5
Beekeeping Private Sector	Highly satisfactory	5.5
Garment Public Sector	Somewhat satisfactory. Higher end technologies not fully achieved.	4.5
Garment Private Sector	Effective training and technology transfer	5
Tourism & Handicrafts Public Sector	Satisfactory but can improve training content and delivery	4
Tourism & Handicrafts Private Sector	Satisfactory but room for improvement given pandemic conditions; more training should be done for TOT	4

Given the complexity of the task, the large number of MSMEs and beneficiaries involved and the limited time and resources available for this mid-term review, the MTR team was unable to quantify and verify the full range of jobs created and changes to the income of entities involved and reported in the Project Progress Reports. However, the team was able to verify that Beekeeping job creation was in the range of 500+ new jobs in new value-added products, a large portion of which involved women particularly in higher added value production, and resulted in a significant increase in volume, market value and income for the sector as a whole. Similarly, the MTR team was able to verify around \$10 million in new foreign direct investment by the private sector in Garments and Textiles in Iran through the Project with significant impact on new exports, job creation and job security for thousands in the sector. From the perspective of project stakeholders, these two components were the most impactful in job creation among the 4 sectors while the Tourism and Handicrafts sector interventions were less successful, hampered by both financial and pandemic-induced obstacles. However, the MTR team also found evidence²⁹ for notable success in the IT component of the Project with significant growth³⁰.

The Project also benefitted from mutually reinforcing coordination and pooling of logistical and technical resources for support to MSMEs across Project sectors, with the IT sector in particular playing a facilitatory crosscutting role in online matchmaking, marketing and advocacy for MSMEs, Creative Hubs and new products.

The MTR team is satisfied that the Project was to varying degrees effective in enhancing employment; revenues; business management; productivity; competitiveness; technology acquisition; technical skills; new product, brand and value chain development; new investments; innovation; marketing; exports; E-commerce; E-governance; and regional, national and international networking and matchmaking for hundreds of micro, small and medium enterprises in its target sectors across the country. In a few cases, and despite sanctions, the Project has resulted in the export of new Iranian value-added products and brands (Garments and Beekeeping) to regional countries (Turkey and Georgia). In the IT sector, Kurdistan's computer games startups have managed to export games to tens of countries around the world.

Project initiatives have also helped some enterprises directly access and recruit international expertise and participate in product fairs, festivals and competitions, at least one of which resulted in 2 gold medal prizes in London for an Iranian honey producer³¹. In addition, the Project has helped various Iranian associations in the Garments, IT and Beekeeping Sectors establish links with and to join regional and global associations in their trade.

Furthermore, the Project has benefitted informal sector micro-producers including women (in Beekeeping, Tourism and Handicrafts), and the disabled (in Garments and Handicrafts), and has laid the groundwork for future incorporation of the country's large number of informal sector workers into the formal economy through operationalisation of MCLS' LMIA System nationwide.

One of the most common challenges reported by MSME beneficiaries as well as some stakeholders of the Project surveyed by the MTR team was related to their perception of inadequate UNIDO support in international procurement of raw materials, goods and services. In effect, UNIDO was seen as being somewhat ineffective in helping Iranian enterprises overcome sanctions imposed by the global North. In cases where the Project did succeed in international trade in goods, arrangements were made through and by national institutions rather than UNIDO, whose international procurement role in the Project has been generally limited to the recruitment of foreign experts and some project personnel. This

²⁹ See for example: <https://www.ict.gov.ir/fa/news/67331/> گیم-تولید-مرکز-انیمیشن-و-محتوای-دیجیتال-شهرستان-دیجیتال-محتوای-و-انیمیشن-گیم-تولید-مرکز

³⁰ See: <https://www.irna.ir/news/84023960/۲۵-میلیارد-ریال-تسهیلات-کسب-به-تسهیلات-ریال-میلیارد-۲۵> شد-پرداخت-کردستان-ICT-کارهای-و-کسب-به-تسهیلات-ریال-میلیارد-۲۵

³¹ See: <https://hub.unido.org/news/iranian-beekeeper-wins-gold-medals-quality>

shortcoming in UNIDO’s operational capacity is one of the reasons for the shortfall in the donor’s funding for the Project (\$3.1 million raised against \$12 million planned).

On the other hand, UNIDO’s technical inputs have been highly effective and the organisation’s perceived role as an “honest broker” was also identified as a key success factor in establishing partnerships and cooperation between private sector companies and national public sector counterparts.

The effectiveness of the Project and the national *Takapu* programme in enhancing the performance of MSMEs in the target sectors with some success in FDI and value-added exports to Iran’s regional neighbours and beyond bodes well for the Iranian economy’s ability to achieve import substitution and export promotion to regional markets.

Overall MTR Effectiveness rating for Outcome 3, MSME support: 4.8 out of 6

Table 14: Results of the Mid-Term Achievement Rating in each sector

Pillar	Sectors/Achievement rating (until the end of 2020)				Average Achievement rating (until the end of 2020)
	IT	Beekeeping	Garment	Tourism & handicrafts	
1. Policy/Strategy support	119%	115%	88%	96%	104%
2. Institution Building/ Strengthening	144%	115%	86%	89%	108%
3. MSME Support	118%	131%	141%	46%	109%
Average Rating:	128%	120%	115%	74%	
Overall Average Rating:					109%

Overall MTR Effectiveness rating at Output level: 5.5 out of 6

Table 15: IT Sector Mid-Term Achievement Rating

Pillar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
1. Policy/ Strategy support (119%)	1.1 Sectoral diagnostics, Action Plans & work plans adopted and implemented	# of IT diagnostic studies in pilot province (Kurdistan)	0	1	1	1	100%
		# of national IT diagnostic studies completed	0	1	1	1	100%
		# of IT Strategies/Action Plans adopted	0	4	3	5	167%
		# of IT Action Plans implemented	0	4	3	3	100%
		% Rate of completion of adopted Action Plans	0	100%	60%	90%	150%
		# of Annual workplans submitted per year at national & pilot province level	0	8	7	7	100%
2. Institution Building/ Strengthening (144%)	2.1 National IT business support institutions', and financial institutions' services for business ecosystem development established for young graduates and women	# of established national IT business ecosystem development institutions	0	4	3	3	100%
		# of organisations involved in project implementation at national, and provincial level	26	10	10	12	120%
		# of technical skills training workshops/courses provided based on market needs	0	60	30	51	170%
	2.2 Platforms implemented for the facilitation of digital transformation of business in priority sectors of Iran	# of platforms created/co-created by the institutions	0	10	5	6	120%
		# of new digital technologies adapted	0	5	3	3	100%
	2.3 IT business support institutions', and financial institutions' services for business ecosystem development provided to graduated youth and women in various provinces	# of established provincial IT business ecosystem development institutions	0	7	5	14	280%
		# of MSMEs receiving new investments/loans	0	30	20	32	160%
	2.4 M & E of the IT sector development done at national level and the pilot province	# of Annual M & E reports submitted per year at national & pilot province level	0	6	5	5	100%

Table 15: IT Sector Mid-Term Achievement Rating

Pilar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
3. MSME Support (118%)	3.1 Partnership created for the linkage of Iranian IT leading companies with international brands	# of signed international matchmaking contracts/MOU	0	10	10	0	0%
		# of MSMEs with increased exports	10	15	5	0	0%
	3.2 Technical assistance and mentoring provided for the empowerment of the local IT companies at national level and the pilot province	# of toolkits/guidelines/ good practices/ analytical publications produced	5	20	10	18	180%
		# of people including youth/women trained based on market needs	40	2,500	1,500	2,752	183%
		# of jobs created/sustained	4,500	3,000	1,900	1,443	76%
		# of new formal/ informal intra-country collaborations between IT leading companies and the pilot provincial entities	0	20	20	20	100%
		# of start-ups/MSMEs established by the IT institutions /using the institutions services	560	50	25	72	288%
		Overall Average Rating:					

Table 16: Beekeeping Sector Mid-Term Achievement Rating

Pillar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
1. Policy/ Strategy support (115%)	Output 1.1: National beekeeping sector strategy and regulatory framework developed & approved	Ministry's approval of a new national beekeeping sector strategy	0	1	1	1	100%
		# of national diagnostic study provided	0	1	1	1	100%
		# of provincial workplans developed	0	3	3	3	100%
		# of annual workplans submitted per year at national level	0	5	4	4	100%
		# of internal national standards for quality control	Partially complete	2	1	1	100%
	Output 1.2: Increased awareness and mutual cooperation between national beekeeping sector stakeholders in Iran	# of joint implemented project/plan	2	5	2	2	100%
		% of workplan activities implemented by absorbed public/private fund	0	70%	50%	90%	180%
	Output 1.3: Mutual agreements implemented for participation in beekeeping sector development.	# of organizations involved in the Project implementation at national, and provincial level	0	10	8	9	113%
# of signed multilateral working arrangements/ MOU		0	6	5	7	140%	
2. Institution Building/ Strengthening (115%)	Output 2.1: M&E of the beekeeping sector development done for a national level and the pilot provinces.	# # of annual progress reports submitted at national & pilot provinces level	0	5	4	4	100%
	Output 2.2: National business support institution established for improvement of productivity and Skill in beekeeping industry.	# of established beekeeping business support institutions	0	2	1	1	100%
		# of training programs for Senior Beekeeping Trainers	10	6	4	5	125%
		# of beekeepers trained in new techniques for enhancing production of beekeeping by-products	1000 per year	3400	2720	4035	148%
		# of technical and financial services provided by beekeeping business support institutions	2	5	2	2	100%
	Output 2.3: Upgraded quality assurance system	# of equipment mounted in the Honey Quality Control Laboratory	Partially equipped	3	0	0	

Table 16: Beekeeping Sector Mid-Term Achievement Rating

Pillar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
3. MSME Support (131%)	Output 3.1: Honey and by-product value chain enhanced.	# of new products developed	0	4	2	2	100%
		# of technical enterprises (Beeswax foundation /other auxiliary industry) developed	50	14	11	12	109%
		# of enterprises absorbed investment/ loan through improved process	50	5	3	9	300%
		# of additional jobs created/retained in Beekeeping sector within the Project	3,000	1,000	500	503	101%
	Output 3.2: The linkage between local market to international value chain as well as branded companies built.	# of enterprises with an increase in exports	5	3	2	2	100%
		# of signed international matchmaking contracts/ MOU	2	5	4	3	75%
Overall Achievement Rating:							120%

Table 17: Garment Sector Mid-Term Achievement Rating

Pilar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
1. Policy/ Strategy support (overall rating: 88%)	1.1: National and provincial strategies developed and adopted	National diagnostic study completed	0	1	1	1	100%
		National strategy adopted	0	1	1	1	100%
		Provincial value chains studies conducted	0	7	7	8	114%
		% of implementation of policy proposals	0	80%	20%	20%	100%
		% of implementation of financing proposals	0	70%	30%	30%	100%
		# of Annual Workplans submitted at central and pilot province levels	0	5	4	4	100%
	1.2: Revised and upgraded rules and regulations	Parliament's adoption of new regulations	0	1	1	0	0%
2. Institution Building/ Strengthening (Overall rating 86%)	2.1 M&E systems developed at central a provincial level	# of annual M&E reports submitted at national & pilot provinces level	0	5	4	4	100%
	2.2 National Laboratory for Textiles and Garments established to upgrade quality assurance systems	Feasibility study completed	0	1	1	1	100%
		Premises allocated	0	1	1	1	100%
		Laboratory operationalised	0	1	1	0	0%
	2.3 Upgraded Vocational Training services in the sector	# of new vocational training courses based on demand	0	200	170	130	76%
		# of TVTO and university teachers trained in modern techniques in the garment sector	0	25	15	15	100%
	2.4 National Garment Technology Center established	Technology Centre infrastructure in place	0	1	1	1	100%
		% Progress in operationalisation of the Centre	0%	100%	60%	60%	100%
	2.5 Established contract-farming modality in the cotton sector	Agreement with Iranian Textile Association completed	0	1	1	1	100%

Table 17: Garment Sector Mid-Term Achievement Rating

Pillar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)	
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)		
3. MSME Support (overall rating: 142%)	3.1: Garments and Textiles value chain enhanced	# of new local collaboration contracts	0	25	15	15	100%	
		# of new international collaboration contracts	0	20	17	35	206%	
		Value of new collaboration contracts (Million EUR)	0	12	10	22	220%	
		# of international brand companies conducted direct investment in Iran	0	1	1	4	400%	
		# of international brand companies conducted joint ventures in Iran	0	2	2	4	200%	
		# of international experts introduced to and employed by local enterprises	0	3	3	5	167%	
	3.2 New employment generated	# of new direct and indirect job creation caused by connecting garment units to the market	0	8,000	7,000	6,000	86%	
		# of disabled people trained and newly employed	0	250	200	200	100%	
	3.3 Labour skills enhanced for textile and garment enterprises in Iran.	# of international experts conducting training	0	10	9	9	100%	
		# of new workers in the sector trained	0	700	500	500	100%	
		# of training courses	0	225	205	145	71%	
		# of textile and garment MSMEs with improved production quality	3	30	27	38	141%	
		# of provincial women heads of households trained	0	120	110	120	109%	
	3.4 Enhanced marketing and advocacy	# of press release organised; awareness workshops conducted	0	12	10	10	100%	
		# of training workshops, webinars, and seminars	1	5	5	5	100%	
		# of TV broadcasts	0	10	10	10	100%	
		# of print media news & interviews	0	20	20	20	100%	
	Overall Achievement Rating:							115%

Table 18: Tourism & Handicrafts Sector Mid-Term Achievement Rating

Pilar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
1. Policy/ Strategy support (96%)	1.1 Sectoral development plans developed and adopted	# Diagnostic studies in pilot provinces completed	0	6	6	6	100%
		# National Tourism Corridors Plan completed	0	2	2	2	100%
		# Local Tourism Studies completed	0	120	120	120	100%
		# National Tourism Corridors Action Plan adopted by MCLS & OEF	0	1	1	1	100%
		# of Annual workplans submitted per year at national & pilot province level	0	6	5	4	80%
2. Institution Building/ Strengthening (88%)	2.1 Established the National Sustainable Development Foundation as a key tourism business support institution	# NSDF established and operational	0	1	1	1	100%
		# of organisations involved in partnership and/or funding support to NSDF	0	12	12	12	100%
		# of ongoing/completed projects implemented by NSDF	0	31	31	31	100%
		# of entities established under the NSDF	0	38	20	0	0%
	2.2 Established Tourism Destination Management Offices	# of TDMOs set up	0	8	5	5	100%
	2.3 Established Creative Hubs	# of creative hubs administrative units (1 central + 2 provincial)	0	3	3	3	100%
		# of creative hubs with completed premises at provincial level	0	2	2	2	100%
		# creative hubs operational with staff and some funding support	0	2	2	2	100%
	2.4 Improved tourism infrastructure	# of tourist accommodations improved or established	0	250	88	88	100%
	M&E System established	# of Annual M&E reports submitted per year national & pilot province level	0	6	5	4	80%

Table 18: Tourism & Handicrafts Sector Mid-Term Achievement Rating

Pilar	Results (Outcomes/Outputs)	Indicator	Baseline	Mid-term			Achievement rating (until the end of 2020)
				Target (until the end of 2021)	Target (until the end of 2020)	Actual (until the end of 2020)	
3. MSME Support (46%)	3.1 Business models and guides developed	# of business models and studies	0	460	275	260	95%
		# of marketing plans	10	100	50	40	80%
	3.2 Skills & technology enhanced	# of youth/women trained based on market needs	0	3,000	2,300	377	16%
		# of youth/women trained in creative hubs	0	1,500	900	0	0%
	3.3 Jobs & startups created/sustained	# of technical and financial services provided	5	8	5	5	100%
		# of jobs created	6,000	3,000	1,500	620	41%
		# of start-ups established	0	50	40	0	0%
		# of brands created	0	50	10	4	40%
		# of tourists attracted	1,000	60,000	10,000	4080	41%
	Overall Average Rating:						

B.3 Project efficiency

B.3.1 Training efficiency

The results of the MTR Survey of trainees as well as the size of the survey sample together with their main issues and recommendations are summarised in the table below:

Table 19: Trainees' Rating of Project Training Efficiency (scores on a scale of 1-6)

Sector	Trainees' Scoring of Efficiency			# of Project trainees	Survey sample size	Main challenges/findings	Recommendations by trainees
	Quality of training content & materials	Quality of Trainer	Management & Logistics				
IT	5.0	5.2	4.6	2,700	80	1. Overemphasis on theory at the expense of practical business management content in training. 2. Inadequate emphasis on resolving international procurement and marketing challenges.	1. Enhance the practical business management content of training and reduce the theoretical content in the next phase of the Project. 2. UNIDO should better support international procurement by MSMEs.
Beekeeping	5.1	5.3	5.0	4,050	122		
Garment Trainees	5.6	5.6	5.5	1,300	39		
Tourism & Handicrafts	5.3	5.2	4.9	377	26		
Average rating	5.3	5.3	5.0				
Satisfaction rating	88%	89%	83%	8,427	267		

As the table shows, project trainees were highly satisfied with the quality of the trainers and the contents of trainings as well as their management arrangements across all sectors with a satisfaction rating of over 80%. The effectiveness of UNIDO's international experts cannot be overstated. In every sector, UNIDO experts' inputs received highly satisfactory ratings from both the trainees and a strong majority of Project stakeholders surveyed by the MTR team with the exception of Tourism sector stakeholders that gave a "satisfactory" rating to UNIDO training. Two issues were raised by a majority of trainee respondents: a) their desire for more business-oriented rather than basic theoretical training in the future; and b) they would like UNIDO to be more proactively involved in helping MSMEs access goods and services in the international market.

B.3.2 Timeliness in delivery of results

Delays of around 2 years in budget allocations and Project implementation were overwhelmingly caused by external geopolitical factors outside of the control of the donor and UNIDO. On the other hand, and given the sustainable employment generation goal of the Project in 4 different economic sectors with significant policy and institution building elements within a chronic crisis context, the initial 5-year framework for the Project would best be described as "a good start".

Budget shortfalls affected the scope of the Project with the most notable being a management decision to drop leather sector activities from the Project early on in the process of implementation. However, the rate of project implementation in other target sectors has largely kept pace with work plans through accelerated implementation over 2017-2019, and has in many cases exceeded output targets within agreed deadlines, as demonstrated in the effectiveness tables above. This has in large part been due to clarification of sector-specific activities and results over 2015-2016 coupled with effective local resource mobilisation that compensated for budget shortfalls (see below under financial management).

While Garments, Beekeeping and IT sectors have exceeded or are close to fully achieving their implementation target rates in policy, institutional and MSME support components of the Project, the impact of the pandemic on the Tourism sector has resulted in a mere 44% implementation rate within the planned timeframe of its MSME support component so far. The sector's institutional and policy components, on the other hand, have been delivered in a timely fashion, standing at 88% and 96% rates of implementation.

Other delay factors reported by stakeholders included regular changes to staffing and management in UNIDO and MCLS, which are typical in projects with a lifecycle of more than one year, and cannot be easily mitigated. However, the relative stability of contracts for national Project staff and their steady involvement in Iran coupled with continual backstopping support by a staff member in UNIDO HQ with the requisite institutional memory throughout the Project cycle have been helpful in enhancing efficiency in implementation. Project efficiency in implementation was also significantly helped by the placement of two national coordinators in MCLS and the central Takapu Secretariat, resulting in the cutting of red tape and pooling of resources.

Overall MTR Efficiency rating for the Project: 5.2 out of 6 (Satisfactory)

C. Project implementation management

C.1 Project management

The MTR Team has noted a high degree of personal dedication and commitment by past and present UNIDO HQ staff involved with the formulation and management of the Project, the previous UNIDO Representative in Tehran, and the GOI-UNIDO Project Team working with the Project in Iran. Project staff demonstrate a value-driven, enthusiastic and ethical approach to their work, and clearly take pride in the achievements and potential of the Project across all project sectors. This positive atmosphere among project staff has been of benefit in enhancing coordination and cooperation across sectors.

An unusual feature of the Project implementation arrangement was in the placement of the SNFP in the Ministry of Labour and his concurrent appointment as a Vice Minister there as of 2016 when project implementation started. On the plus side this ensured national ownership and close alignment of the Project with the Ministry's priorities, and helped the Project deal more efficiently with the rules and regulations of a complex national bureaucratic structure. By placing an experienced UNIDO project coordinator in a national hosting agency, the Project played a project management capacity building role there while UNIDO's capacity in cooperation with the Ministry was also enhanced.

The MTR survey of stakeholders revealed that project management has been effective at the UNIDO HQ level by the Project Team as well as MCLS in Iran with positive working relations reported by most counterparts and stakeholders at the central level, but the coordination and facilitation role of the Project at the provincial level has been less effective with several of the stakeholders and Project staff surveyed encouraging UNIDO to take a more proactive - as a perceived honest broker - in gaining greater buy-in for the Project's goals from local authorities and entities in rural and provincial areas in the remainder and/or next phase of the Project. Such an effort would require a larger and resident UNIDO project staff presence in these areas. UNIDO staffing of the Creative hubs was also requested for the same reasons, and is supported by the MTR Team.

The facilitation role of the UNIDO Country Office in Tehran has been less than optimal with little positive feedback reported by various parties surveyed/interviewed by the MTR Team. The lack of effective coordination between the Country Office and the Project has for example resulted in the formulation in 2019 of a new and parallel \$2 million project of support to Iran's IT-SMEs with a content that largely duplicates ongoing activities and goals of the GOI-UNIDO Project's IT sector, but has no institutional or coordination links with it, and, rather perplexingly, makes no mention of this pre-existing and ongoing UNIDO project in the sector in its project document³². Also, another parallel project regarding handicrafts has been formulated in 2021.³³

The Project's international procurement issues caused by sanctions imposed on several UNIDO Member States, and alluded to more than once above, relate to management practices and organisational procedures that require Senior Management level attention in UNIDO, as they cannot be overcome by individual Project Managers. UNIDO has many country programmes and projects implemented in countries of the global South facing such sanctions. It is the view of the MTR Team that the body of knowledge already present in the experience gained in such projects (as for example in the procurement practices of the long-standing Montreal Protocol Projects in Iran) could be compiled as part of a thematic evaluation and lesson learning exercise to develop appropriate operational procedures and mechanisms

³² https://open.unido.org/api/documents/17221942/download/190115_ProDoc_PromotingUpscalingInnovativeSMEs12052020.PDF

³³ <https://www.unido.org/news/japan-supports-ten-unido-projects-us729-million>
<https://open.unido.org/projects/IR/projects/200224>

that can help UNIDO better implement its Mandate in such countries. Such a thematic evaluation need not be confined to UNIDO alone, and could be in partnership with other agencies that do need to conduct related (sanctions-beating) procurement activities such as FAO or IFAD.

A further project management issue that requires attention is in the relative dearth of Project Steering Committee Meetings, which have only occurred twice since the launch of the Project with a third meeting planned in the second quarter of 2021. Project transparency, coordination, reporting, fundraising and future planning would benefit from more regular meetings. As with the case with project reports, and in line with the MTR's interview findings, PSC meetings too would benefit from improved translation/interpretation services.

Management issues highlighted by the MTR survey of stakeholders are summarised in the table below.

Table 20: Results of the MTR Survey of Stakeholders on Management

Sector	Management & Logistics	Main challenges/findings	Recommendations by Stakeholders
IT Public Sector Stakeholder feedback	Satisfactory, but UR support is less than ideal	Lack of effective interaction with the Project by the UR in Iran causing duplication and inefficiencies.	Next phase of project should design a new legal framework for coordination in the sector with emphasis on role of provincial authorities and executive bodies. Improvements needed in UNIDO FO role as well as more coordination at provincial level.
IT Private Sector Stakeholder feedback	satisfactory	UNIDO inadequately engaged in technology transfer and international procurement.	Extend the Project. UNIDO should improve its international procurement and technology acquisition role and more promotion and institutional building.
Beekeeping Public Sector Stakeholder feedback	Satisfactory	Further work is needed for more cooperation and support of provincial level managers for active and effective participation in value addition and biodiversity aims of the Project.	Project extension needed to further develop value added products in the sector and to promote biodiversity/ecosystem cultural awareness among farmers at the provincial level. Greater UNIDO involvement at provincial level is recommended.
Beekeeping Private Sector Stakeholder feedback	Satisfactory	UNIDO involvement in project coordination at provincial levels, technology transfer and procurement (especially for the import of raw materials as inputs for production) did not meet expectations.	UNIDO should take a more proactive role in leveraging its access to international markets for the procurement of raw materials and inputs needed for the sector. UNIDO should be more involved in project coordination at the provincial level and not just focus on training inputs alone.

Sector	Management & Logistics	Main challenges/findings	Recommendations by Stakeholders
Garment Public Sector Stakeholder feedback	Satisfactory, but needs faster implementation	Slow pace of project implementation, and inadequate coordination with main stakeholders by the line ministry. [MTR obtained evidence of improved advocacy since 2019 supplied by the sector coordinator].	Next phase of project should help enhance coordination and collaboration among sector stakeholders, and improve marketing and financing for the sector.
Garment Private Sector Stakeholder feedback	Satisfactory	Access to foreign currency and procurement of raw materials in international markets remains a challenge.	UNIDO should take a more proactive role in helping local producers raise FDI and in the procurement of raw materials and inputs needed for the sector. UNIDO should be more involved in project coordination at the provincial level and not just focus on training inputs alone. National authorities should simplify international procurement regulations in order to help local producers access raw materials and international clients.
Tourism Public Sector Stakeholder feedback	Satisfactory	Inadequate coordination with local authorities in project implementation	Project extension needed to expand the sector to the national level beyond pilots. Expand the number of Creative Hubs and add strong local cultural elements. UNIDO reporting on the sector should be improved. UNIDO should help clarify perceived inconsistency between art and job creation. UNIDO should help improve provincial level coordination and implementation with local authorities.
Tourism Private Sector Stakeholder feedback	Satisfactory	Delays caused by pandemic. Progress reporting irregular.	Project extension needed. Improve regular reporting to help stakeholders remain engaged with project progress. UNIDO should promote and help connect Iranian handicrafts to the international market. Promote Iranian tourism more strongly in future phase of project. Address regulatory issues to help ease-of-doing business for tourism MSMEs.

Overall MTR Management rating for the Project: 5 out of 6 (Satisfactory)

C.2 Results-based work planning, monitoring and evaluation systems, reporting

Weaknesses in the Project LogFrame and Theory of Change have been highlighted already above with suggested remedies. During the first and the second year of the implementation, the quality of the progress reports was not ideal. However, they have been getting much better since then. A commonly encountered issue was the need for establishing a feedback mechanism for stakeholder inputs into Project progress reports.

In addition to LogFrame improvements alluded to above, the financial reporting aspect of the latest Progress Report can be improved with regard to details of co-financing partners. The Project's reports in some cases show hesitation in highlighting their close alignment with the national *Takapu* programme and its implementing partners, which would normally be the "pride" of a project from development cooperation effectiveness and Partnership Approach points of view. UNIDO's role as a technical facilitator of the national *Takapu* programme is the *raison d'être* of the Project and Takapu's reports should be designed and promoted accordingly.

Put differently: UNIDO does not have the mandate to run "its own" projects in Member States separately from government programmes. The notion that Project reports and activities should be demonstrably distinct³⁴ from *Takapu* would reflect a project management approach that would be a recipe for capacity displacement and replacement of national entities and policy. The close alignment of the GOI-UNIDO Project with the national *Takapu* programme is fully in line with the current UNIDO Country Programme for Iran that states:

"The primary role of UN development agencies in Iran is not to deliver services directly, but rather to support GOI initiatives to deliver development services and benefits more effectively for the Iranian people. The main measure of the UN system's success is therefore the extent to which UN support and advice has been accepted and used by partner GOI agencies."

Overall MTR rating for results-based planning, monitoring & evaluation: 4 (Moderately Satisfactory)

³⁴ As promulgated by one key informant

C.3 Financial management and co-finance

The Project budget showed low efficiency in resource mobilisation with only a quarter of the planned donor funds reaching UNIDO (\$3.1 million received in three instalments in 2015, 2016 & 2018 out of \$12 million planned). In large part, this was due to the impact of intensified sanctions on Iran's economy resulting in lower revenues for the Government. Consequently, UNIDO disbursements to various sectors were well below the expectations of counterparts and project staff alike, and caused delays in implementation. However, the Project budget was impressively augmented by parallel co-financing from public and private sector sources, as described in the tables below.

MCLS allocations and logistics for the national *Takapu* programme were readily available for Project activities in the identified sectors, and Project personnel were closely involved in planning and allocation decisions in *Takapu*. The role of the GOI-UNIDO Project as a technical enabler of the national *Takapu* programme is clearly evident in the frequent availability and use of MCLS and OEF resources for Project activities and some personnel costs, and the involvement of Project personnel in *Takapu* decision making and implementation in and beyond the Project's pilot provinces.

Table 21: Project budget receipts and disbursements by Output (2015-2020)

Outputs	Total Budget (a)	Released Budget (b)	Obligations (c)	Disbursements (d)	Expenditures (e=c+d)	Funds Available* (f=b-e)	Support Cost (g)	Total Expenditures (h=e+g)
	USD	USD	USD	USD	USD	USD	USD	USD
0 Inception Phase	277,790	277,790	0	277,627	277,627	163	36,091	313,718
2 Better Services Provided (LMIA & COMFAR)	197,153	197,153	1,022	172,290	173,312	23,841	22,531	195,842
3 Labour Demand and Supply (LMIA & COMFAR)	77,750	77,750	0	53,100	53,100	24,650	6,903	60,003
4 Sustainable Jobs	278,604	278,604	56,479	100,086	156,565	122,039	20,353	176,918
5. Sectoral policies formulated	452,399	452,399	0	255,307	255,307	197,092	33,190	288,497
6 Project Operations (rent, staff salaries, travel)	1,711,129	1,711,129	31,939	1,449,644	1,481,584	229,545	194,945	1,676,528
7 Scaling-up and Dissemination	42,381	42,381	2,039	26,591	28,630	13,751	3,722	32,352
8 Monitoring & Evaluation	77,399	77,399	2,039	39,219	41,259	36,140	5,364	46,623
Total	3,114,605	3,114,605	93,518	2,373,866	2,467,384	647,221	323,099	2,790,483
USD Total	3,114,605	3,114,605	93,518	2,373,866	2,467,384	647,221	323,099	2,790,483

As the above table shows, the bulk of UNIDO expenditures were spent on soft, technical inputs. A list of international experts recruited by UNIDO is given in the table below.

Table 20: Project's international experts

Sector	Name	Mission dates	Report/Purpose
IT	Ratnesh Mathur		
Beekeeping	Fernando Eteban	July 2015	Diagnostic Study of Iranian Beekeeping Report
Beekeeping	Santiago Lucas Herrero	Aug 2016	Identifying opportunities for implementation of PARODI Group project proposal
Beekeeping	Parodi Group	Aug 2016	Negotiations with the Ministry of Agriculture Jihad
Handicrafts and creative industries	Giulio Vinaccia	Dec 2015, July 2016	Mission Report; Identified buildings to locate the creative craft centres
Tourism	Florian Sengschmit	Feb, June 2016	1 st Analysis and practical project implementation approach from a tourism value-chain perspective; Validation of the project implementation approach and review of work plans
Health tourism	Walter klimscha	July 2016, Nov 2017 & April 2017	Health Care Tourism and Air Transport in the Kermanshah Region
Garment	Razvan Laurentiu lonele	Dec 2015 & Oct 2016	Garment Sector Technical Reports
Leather products	Massimo Cipolloni	July 2015	Footwear sector Training Assessment Expert Report
Labour Market Impact Assessment (LMIA)	Ina Pietschmann	Oct 2016, Feb 2017 & May 2017	Labour Market Information and Analysis (LMIA) Assessment Report; UNIDO Business development and sustainable job creation in Iran; Progress report
Monitoring and Evaluation (M&E)	Alessia Rodriguez y Baena	July 2017	Holding a Workshop on Reporting System
Women's employment and gender	Roksana Bahramitash	Nov 2015	Gender Analysis: Business Development and Sustainable Job Creation
Financial services mapping	Mehrdad Rahmanifar	Jan 2016	Mapping of Financial Mechanisms for Youth and Women in Iran

For direct support to MSMEs, Project co-financing mobilisation efforts were successful, composed of grants and soft loans:

Table 22: Project Parallel Public & Private Sector Co-financing Disbursements

	IT (USD)	Beekeeping (USD)	Garments (USD)	Tourism & handicrats (USD)	Subtotal (USD)
MCLS	235,000	192,714	403,000	65,000	895,714
Ministry of Information and Communications Technology	121,000				121,000
Kurdistan Public Sector	45,000				45,000
Apiculture Industry Development and Advocacy Fund		126,643			126,643
Ministry of Agriculture Jihad		10,000			10,000
Palham Jan Villagers				15,000	15,000
Gilan Villagers				15,000	15,000
Shaneh Trash Villagers				25,000	25,000
Private sector	300,000	865,476	9,081,000	213,000	10,359,476
Total co-financing grants/investments	701,000	1,194,833	9,484,000	333,000	11,612,833
Soft loans by MCLS and OEF to local MSMEs	3,300,000	650,000		3,250,000	7,200,000
Total co-financing	4,001,000	1,844,833	9,488,000	3,583,000	18,812,833

The Project compensated for its \$8 million dollar shortfall by mobilising \$11.5 in co-financing grants and investments from public and private sector institutions for support to MSMEs and institution building purposes, and was further augmented by \$7.2 million in soft loans by MCLS and the MCLS and the OEF for startups and rural MSMEs. The Garments component of the Project was particularly successful in raising foreign direct investment in the sector with minimal local costs to the Project or local entities.

The bulk of UNIDO's resources were allocated to the recruitment of experts who had a major impact on institution building, policy and strategy development, new skills and technology acquisition, new product development and enhanced quality, standards, competitiveness and productivity in all sectors, as attested to by Project stakeholders in the MTR Team's surveys. As such, and given the delays in donor disbursements and low level of funding available, UNIDO's technical inputs in the Project are assessed as highly efficient by the MTR team. However, UNIDO's efficiency in support to international marketing and the procurement of goods and services by counterparts and MSMEs was lower, with several stakeholders identifying a need for improvements in this area.

C.4 Stakeholder engagement and communication

By virtue of its engagement in 4 different sectors, the Project has engaged and communicated with a large number of stakeholders, and has managed to coordinate with a complex network of stakeholders, CSOs and MSMEs in each sector with effective results at the output and outcome levels (see above). Furthermore, a large number of inter-ministerial and public-private partnership cooperation and co-financing agreements have been successfully signed and implemented, attesting to strong engagement and communications at several levels.

Nevertheless, 1.5 point deducted by the MTR team due to the following reasons:

- Project Steering Committee Meeting have fallen significantly short of plans and expectations, leading to poor communications and engagement at the highest project management level.
- Stakeholder concerns have been particularly (but not exclusively) the case for provincial level activities where Project personnel have been less present in the main due to a lack of resource allocation toward administrative deconcentration.
- Furthermore, the MTR team found evidence of a lack of cohesion among UNIDO staff in terms of UNIDO's support for the Project with mixed messages being conveyed to national Project counterparts from within the organisation. This has affected Project staff morale and detracts from UNIDO's reputation in Iran.

Overall MTR rating for stakeholder engagement and communication: 4.5 (Moderately Satisfactory)

D. Scale-up, sustainability and resilience

As described above, Project scale-up performance constitutes a “Success Story” in UNIDO/UN, and has exceeded expectations with activities and results in 20 provinces together with its technical support to the development and upscaling of MCLS’ nationwide Takapu (sustainable job creation) programme, which resulted in the creation of 87,300 new jobs³⁵ over 2018-2020 following the approval of its budget of around \$2 billion for the period. Given the harsh geopolitical context within which the Project and Takapu operate with powerful forces mobilised by several countries of the global North to curtail Iran’s production capacity and trade with the world, the MTR team’s assessment of the Project’s scale-up, sustainability and resilience so far is ‘Highly Satisfactory’ (score: 6), though further work is needed to strengthen regulations, institutions and MSME support at the provincial level in all sectors in the remaining period and/or future phase of the project.

The perception of stakeholders and trainees regarding potential impact by the Project was largely positive. In response to questions on the sustainability of results and potential impact on various sectors and related MSMEs, MTR survey respondents’ ratings ranged from ‘somewhat satisfactory’ to ‘highly satisfactory’, as shown in the table below, disaggregated by public and private sector stakeholders and trainee beneficiaries.

In the IT sector, public sector stakeholder respondents described a change in attitude among stakeholders, lawmakers and decision-makers together with strengthened legal and institutional frameworks and several successes in the development of e-infrastructure that will have impact well beyond the lifecycle of the project and enhance resilience in its further growth. Private sector stakeholders and Project trainees too confirmed positive impact on the mindset of MSMEs involved in the sector and the streamlining of IT discourse as a result of the Project. Actual Project impact on MSMEs growth was rated lower by respondents who recommended that UNIDO should clarify its greater emphasis on policy and institutional goals in the project document, though the potential for stronger jobs growth in the future was rated positively. Given the global imperatives of the 4th Industrial Revolution for all emerging economies, it is clear that the IT sector in Iran will continue to experience further scaling-up in a sustainable and resilient fashion, and further UNIDO support is highly recommended with emphasis on provincial level interventions.

With an average score of 5.1, Beekeeping sector survey respondents gave the highest ratings (ranging from satisfactory to highly satisfactory) to Project sustainability and impact as compared with other sectors, closely followed by Garment sector respondents with an average score of 5. Both sectors experienced the development of new value added products, brands, exports, partnership with international brands etc. with notable growth in employment, production volumes, value addition and market shares in both domestic and international markets. Given these scaled-up productivity, marketing and export successes in the context of sanctions, the resilience and sustainability of these sectoral value chains are highly likely and strongly underpinned by a long tradition of well-developed Iranian production capacities in both sectors.

In the context of a global pandemic coupled with the longer-term debilitating effects of sanctions and regional wars on a) local and international demand for Iranian tourism/handicrafts services, and b) the logistics of international travel to Iran, it is noteworthy that survey respondents nevertheless gave a ‘moderately satisfactory’ (averaging at 4.2) rating for the potential impact of this sector’s interventions on MSME and jobs growth, attesting to the sector’s resilience and sustainability. The strongest impact on jobs growth was perceived at the village level in the two tourism corridors piloted by the project with

³⁵ MCLS report: “Government Achievements and Employment Generation Programmes for Women”, Dec. 2020

multiplier effect linked to IT, Beekeeping and business management and marketing training provided by the Project. Further strengthening and scale-up of regional regulations, new institutions (destination management offices, Sustainable Development Foundation) and soft (e-commerce, advocacy/marketing materials) and hard infrastructure (tourist accommodations, Creative Hubs) established in the sector would help ensure future Project sustainability and impact in the sector.

Table 23: Longer-term sustainability of results (potential impact)

Sector	(Potential) Impact on MSME/Sector Growth (overall score: 5)	Score
IT Public Sector	Change in attitude among stakeholders, lawmakers and decision-makers. Enhanced legal and institutional framework. Created several key online platforms for various sectors. E-commerce enhanced. High impact on infrastructure development and institutional building Lower impact on practical job creation.	5.5
IT Private Sector	Project has impacted the mindset of MSMEs involved in the sector and helped to enhance and streamline the IT discourse among stakeholders. High potential for growth.	4.5
IT Trainees	Average rating given by Project trainees on potential impact on MSME/Sector growth	4.1
Beekeeping Public Sector	Highly satisfactory. New value added products; increased productivity and competitiveness. Several new startups by graduates.	5
Beekeeping Private Sector	Significant improvements reported in income generation and some success also in jobs growth in the sector.	5.5
Beekeeping Trainees	Average rating given by Project trainees on potential impact on MSME/Sector growth	4.7
Garment Public Sector	Significant impact in garment and textile sectors. Noteworthy successes in concluding international contracts.	4.5
Garment Private Sector	Achieved international contracts with famous brands for some producers. Training led to improved product quality, jobs, exports and earnings.	5
Garment Trainees	Average rating given by Project trainees on potential impact on MSME/Sector growth	5.5
Tourism & Handicrafts Public Sector	Good potential perceived, but remains to bear fruit in the face of the pandemic and delays. Improved hard and soft infrastructure being developed for future growth including 2 Creative Hubs with several more identified. Travel Guides and new accommodation. Strong impact perceived at village level with multiplier effect on job creation linked to IT & business management training provided by the Project.	4
Tourism & Handicrafts Private Sector	Limited impact so far, but good potential perceived by stakeholders	4
Tourism & Handicrafts Trainees	Average rating given by Project trainees on potential impact on MSME/Sector growth	4.7
MTR team's rating	Outstanding success in Project upscaling with clear sustainability and resilience characteristics in a harsh geopolitical context	6

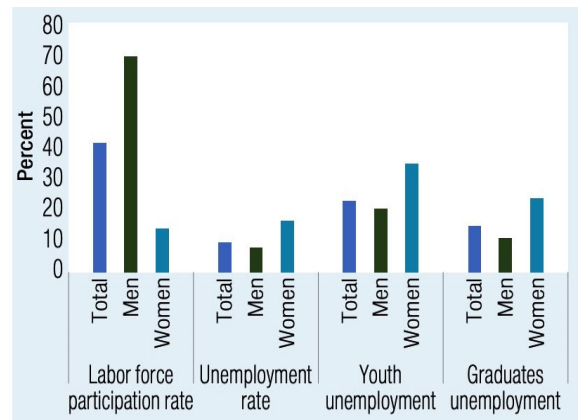
Overall MTR rating for Scale-up, Sustainability and Resilience: 5 (Satisfactory)

E. Gender mainstreaming

Context

In the face of a decade-long period of negative GDP growth and rising unemployment and poverty, sustaining and creating new employment has become the top priority of the Government of Iran for both men and women. The combined impact of intensified sanctions in 2018 and the COVID-19 pandemic in 2020 has been more detrimental to women’s job security, reversing positive trends over 2014-2017³⁶, and exacerbating a pre-existing and large gender gap in the labour market (see World Bank charts here). Female labour force participation over July-September 2020 was 5 times smaller than that for males while the ratio for the same period a year earlier had been 1 to 4, according to the World Bank.³⁷

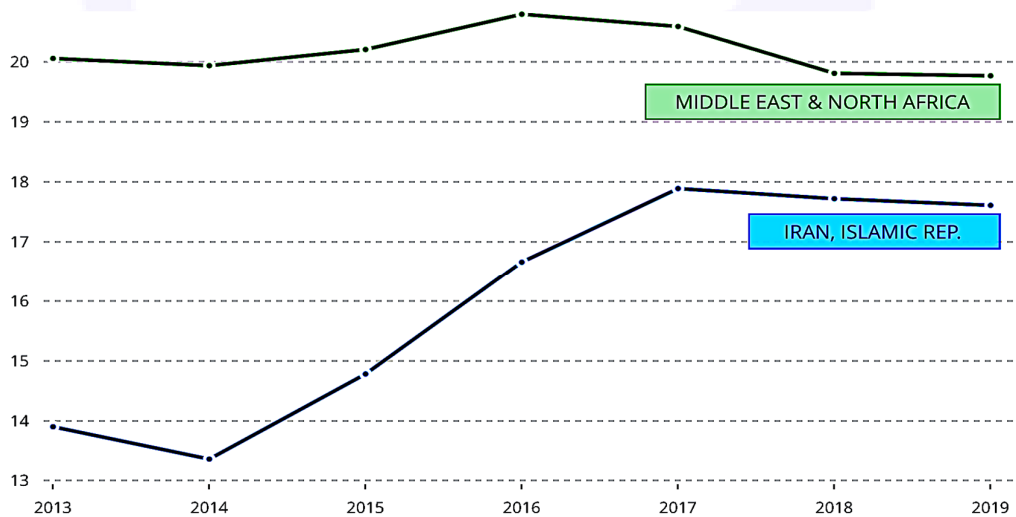
Figure 7: Labour force participation rate (July-Sept 2020)



Source: World Bank Iran Economic Monitor, Nov 2020#

However, Iran’s relative labour market gender gap ranking as compared to the rest of the region has been improving in recent years, as the chart above shows.

Figure 8: Iran and the Middle East region’s female labour participation rate (% of females aged 15+) 2013-2019



Source: World Bank Data based on ILO estimates#

³⁶ Source: MCLS Report: “Government Achievements and Employment Generation Programmes for Women”, Dec. 2020. The report estimates pandemic-related job losses for women over April-Sept 2020 at around 869,000.

³⁷ Source: World Bank Iran Economic Monitor, Nov 2020

Moreover, the performance deficit pertains to services and agriculture sectors, and longer-term trends in annual female participation rates in the labour market since 1990 have been positive. Measured as a ratio of female to male labour force participation, women have experience a net 12% increase in their share since 1990.

Available data point to a ten-year period of labour market restructuring over 2005-2015 that saw a 6% fall in women’s overall share of employment representing a 10% and a 4% fall in agriculture and industry respectively, while their share of employment in services rose by over 15%. Since 2015, women’s share of employment in agriculture has continued to fall (by ~ 3%) while their employment share has risen in both industry (by ~ 2%) and services (by ~ 3%).

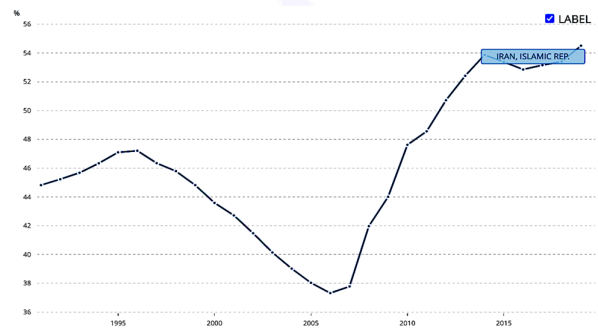
For the entire period 1990-2020, an inverse relation is evident for women’s labour labour force participation rates in agriculture and services with opposing rises and falls in their shares in roughly similar timeframes attesting to a rural-urban migration trend since 2005.

Figure 9: Ratio of female to male labour force participation rate in Iran (%) (modelled ILO estimate; 1990 - 2020)



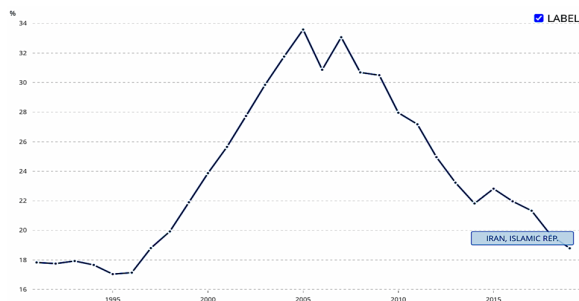
Source: World Bank data#

Figure 10: Employment in services in Iran, female (% of female employment) (modelled ILO estimate for 1991 - 2019)



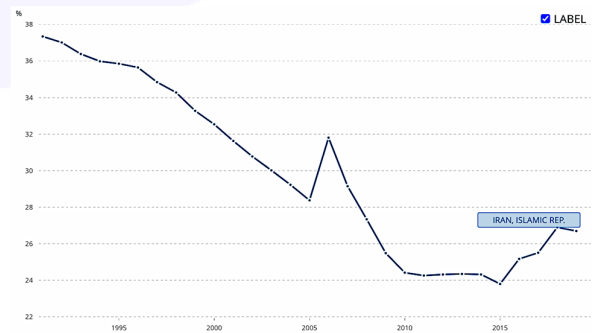
Source: World Bank data#

Figure 12: Employment in agriculture in Iran, female (% of female employment) (modelled ILO estimate for 1991-2019)



Source: World Bank data#

Figure 11: Employment in industry in Iran, female (% of female employment) (modelled ILO estimate for 1991-2019)

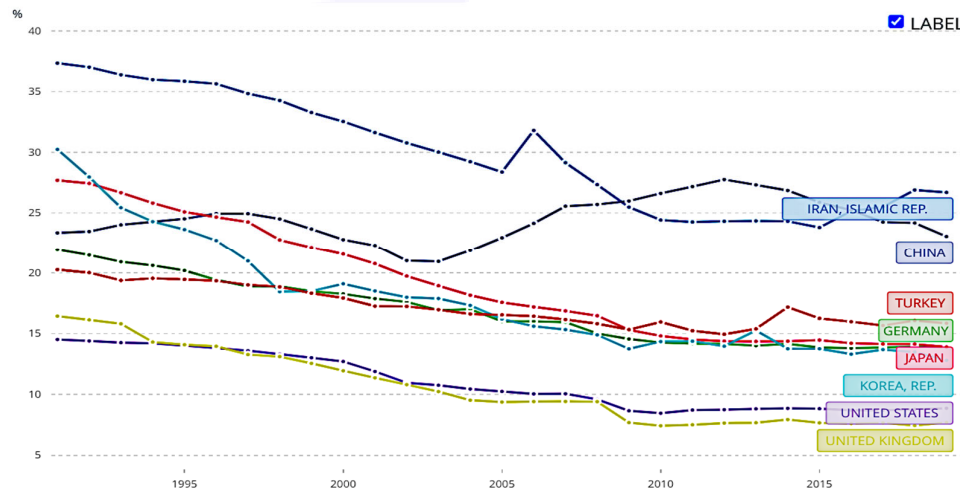


Source: World Bank data#

In the industrial sector, Iran's female participation rates show positive gender balance characteristics, as compared to the region and globally. Despite a 10% overall fall for the period, and with a 27% female employment rate today, Iran has a higher share of female employees in industry than most industrialised countries in the world, and this has been the case for the past 3 decades since 1990 (see Figure X below).

A positive contributor to this characteristic is the fact that Iran produces the third highest number of engineers in the world³⁸, and tops the world in the number of female science, technology, engineering and mathematics graduates with around 70% of all Iranian graduates in these subjects being women.³⁹

Figure 13: Comparative data for female employment in industry for Iran, Germany, China, Japan, South Korea, United States, United Kingdom & Turkey (% of female employment; 1991 - 2019)



Source: World Bank data#

Figure 14: Female share of employment in senior and middle management (%) - Iran, United Arab Emirates, Turkey & India (2016-2018, where available)



Source: World Bank data#

³⁸ See: <https://www.forbes.com/sites/niallmccarthy/2015/06/09/the-countries-with-the-most-engineering-graduates-infographic/?sh=6ce1b976667d>

³⁹ See for example: <https://www.forbes.com/sites/amyguttman/2015/12/09/set-to-take-over-tech-70-of-irans-science-and-engineering-students-are-women/> & <https://financialtribune.com/articles/people/34895/iranian-women-in-science-tech>

Data on women's employment in senior and middle management positions in Iran are rather scant, as is the case with several countries. However, the World Bank has published data for the period 2016-2018 for Iran. In order to provide a comparative perspective, we have included figures available for a number of other countries in the region, namely United Arab Emirates, Turkey (data available only for 2017-18) and India (data available only for 2018) outlined in the chart below. As can be seen, for the given period, Iran has become a regional leader in women's employment in senior and middle management positions, and has made significant improvements in this area with a rise of 10% in the space of 2 years.

While unemployment has been on the rise, particularly for university graduates, some reports indicate that the rate of unemployment for female natural science and technical university graduates has been less than half of that for female social science graduates⁴⁰. Similarly, and by virtue of a large increase in the country's pool of higher education graduates, the rate of unemployment among young graduates is higher than the rate for all other groupings.

MTR Findings

In the above context exacerbated by the impact of the pandemic, the Project's approach to help close existing gender gaps in various economic sectors by providing policy, institutional and MSMEs (skills training, technology transfer etc.) support with a focus on young graduates and women who head households is in line with national priorities as well as the needs of the labour market, and has helped steer the national Takapu programme in this direction.

In December 2020⁴¹, MCLS reported that its job creation programmes over the period April 2017 to September 2020 had resulted in 1.6 million new job opportunities, 615,000 of which, or 38%, were for women. This included 87,200 jobs for the youth and university graduates under the Takapu programme. Referring to the disproportionate impact of the pandemic on women's employment, the same report states:

"It is worth mentioning that in the first six months of this year [April-September 2020], which coincides with the outbreak of the COVID-19 pandemic, about 171 thousand new job opportunities have been created, of which about 62 thousand jobs have been allocated to women. Due to the sharp decline in female employment, the creation of 62,000 job opportunities for women is insignificant, and to compensate for this, special employment programs are needed for women, especially female-headed households and women from low-income households."

Establishing a LMIA System in MCLS has enabled the Ministry to devise more targeted policies and interventions in support of gender parity in the future, and has provided the National Statistical Office with the requisite tool for providing more accurate gender disaggregated data on the labour market in Iran. The LMIA system has laid the groundwork for future incorporation of the country's large number of informal sector workers into the formal economy.

Similarly, training provided for MCLS and OEF staff have raised awareness on gender parity issues in planning and project management, with 33% of trainees being women. Contract-farming trainings conducted over 2018 and 2019 involved 72 women out of a total of 175 trainees, and benefited several financial institutions such as the Cooperative Bank, OEF and the Agricultural Bank.

⁴⁰ See for example the *Takapu* report: "Workforce Skills Analysis Based on Employment Dynamics for Yazd Province", January 2019, p. 15. Link: https://karafarini.mcls.gov.ir/icm_content/media/image/2019/03/266746_orig.pdf

⁴¹ MCLS: "Government Achievements and Employment Generation Programmes for Women", Dec. 2020

Overall, the Project reports indicate that its activities have resulted in the creation of 11,566 full time jobs, 69% of which have been for women, and 2% for individuals with disabilities. This includes women who work as informal sector micro-producers (in Beekeeping, Tourism and Handicrafts), and the disabled (in Garments and Handicrafts). In terms of training, 370 skills training courses were held for more than 8,600 people, around 33% of whom were women.

Stakeholder feedback on the need for greater focus on provincial level results is strongly supported by the labour market analysis reports published by MCLS showing a wide variety in women's labour participation rates and sectoral characteristics across Iran's provinces. At the same time, a review of these same *Takapu* diagnostic reports⁴² and plans reveals a disparity in the quality of these reports' gender analysis and remedial plans, some of which make little mention of women⁴³, and many of which do not delve into analyses of new entrepreneurial and creative industries' potential to help women apply their educational knowledge and skills and move beyond traditional, labour-intensive or low value added activities.

At the sectoral level, honey production has traditionally been a seasonal male occupation, and Project studies show 10 percent of an estimated total of 50,000 Beekeeping sector workers are women, and at least 50 percent of business activists are in the informal sector. In part, this gender disparity is due to the off-site nature of beekeeping that often requires extended periods of stay away from home. Gender parity efforts in this sector included greater inclusion of women in value-addition activities associated with the production of new products such as royal jelly, propolis, pollen and bee venom in addition to gender-awareness training included in the trainings provided by the Project for the line Ministry. Furthermore, linkages were established with rural women in the Tourism and Handicrafts component of the project engaged in the marketing of new products and associated 'Beekeeping tours' for eco-tourism.

The Project's support to women's employment in the Garment sector shows the greatest impact among all components due to large production contracts achieved through Project support by foreign and local investors, leading to the creation of around 9,000 jobs, 80% of which were for women (the total figure also includes 200 jobs for people with disabilities engaged in Yazd province). Other gender-specific successes of the Project include:

- Establishment of a vocational training centre in Lorestan Province in January 2017⁴⁴ and 3 months of training for 120 women who head households in cooperation with the regional TVTO
- Establishment of the Razavi Women Garment Production Network in 2016 and the provision of 5 sewing techniques trainings, 4 of which were for 80 women who head households, and 2 Marketing Design workshops for 100 women in Khorasan Razavi province
- Establishing and providing training for a) the Razavieh Women's Clothing Production Centre, b) the Women Basij Clothing Production Center and c) the Toos Unmarried Women's Centre in Mashhad in collaboration with the Welfare Organisation of Iran, the Mashhad Imam Reza Corps, and the Association of Women's Clothing Manufacturers in order to enhance disadvantaged women's employment with a focus on supporting home-based micro-businesses
- Close collaboration with the Women's empowerment Centre in Tehran, various Vocational Training Centres and Garments Association in holding various training seminars and upgrading TVTO services in the sector

⁴² See: <https://karafarini.mcls.gov.ir/fa/dabirkhanehtarehtakapoo>

⁴³ See for example the labour diagnostic study for Zanjan. Link:

https://karafarini.mcls.gov.ir/icm_content/media/image/2019/03/265846_orig.pdf

⁴⁴ See: Link: <https://www.tasnimnews.com/fa/news/1395/10/29/1300330/شد-آغاز-لرستان-استان-در-تکاپو-طرز-آموزشی-های-دوره-1300330>

Tourism and Handicrafts trainings were provided by TDMOs and involved 377 individuals, 217 (58%) of whom were women. In terms of job creation, the Project reports 620 jobs created, of which 272 were for women and 15 for people with disabilities. The majority of Project beneficiaries have been based in rural areas, and received Project support in access to finance, consultations, training courses, technology transfer, marketing services, stakeholder engagement and forming startups, including a new packaging factory for agricultural products in Siahkal Industrial Town resulting in 20 direct jobs for women. Overall targets reached in this component were heavily impacted by the pandemic, but prospects for growth in the sector remain strong, as the country has enormous potential in Tourism and Handicrafts market growth.

The IT sector's focus on the establishment of business ecosystem support institutions and lesser impact on MSME Development have shown few gender empowerment elements. However, a strong majority of women in related higher education subjects in Iran bodes well for the prospects of closing the gender gap in employment in this sector. Project reports indicate trainings provided for 4,600 people, 30-40% of whom were women.

Overall, and with the exception of the Garment sector, Project progress reports show few gender or disability disaggregated data despite the requisite M&E tools at the disposal of Project personnel since 2016.

Suggestions on improvements to M&E indicators and a focus on gender disaggregated data have been included in "Project Design" section of Project Assessment above.

Overall MTR rating for Gender Mainstreaming: 4 (somewhat satisfactory)

Overall risk identification and assessment

Table 24: Risk identification and assessment

Categories	Criteria	At Risk (Rating 1-3)	Not at Risk/ (Rating 4-6)	Description
A. Project design, incl. theory of change and results/ logical framework	1. Project Formulation		6	Moderately satisfactory. Had appropriate “preparatory project” initial design with a generic LogFrame. Was improved through intricate diagnostic sectoral studies and plans, but prodoc remains outdated and does not reflect project scope, budget or the timeframe needed for its goals. Needs a comprehensive revision including its LFM.
	2. Project Design		4	Project extension needed and is already agreed to by partners, hence its original under-estimation of timeframe needed no longer poses a ‘risk’.
B. Project performance and progress towards results	1. Relevance		5.1	Highly Satisfactory Policy Coherence & Relevance to UN, UNIDO and Government mandates and priorities. Satisfactory relevance to trainees’ & sectoral needs (Average rating of 4.8 given by trainee and stakeholder respondents to an MTR survey)
	2. Effectiveness and progress towards results		5.3	Highly Satisfactory in policy support and Satisfactory in institution building at central level and MSME support. Somewhat satisfactory progress at provincial level, which requires greater future concentration.
	3. Efficiency		5.2	Satisfactory quality, content and delivery of training. Highly satisfactory financial efficiency and quality of technical inputs/experts. Positive/very positive feedback from survey respondents.
C. Project implementation management	1. Project management		5	Highly satisfactory at the central levels in UNIDO HQ and in Iran. Placement of 2 UNIDO Coordinators in national institutions proved effective and constitutes a Best Practice. Lower results at the provincial level due to a dearth of UNIDO presence there. Unsatisfactory coordination and facilitation role by the UNIDO Country Office.
	2. Results-based work planning, monitoring & evaluation systems, reporting		4	Moderately satisfactory & hindered by LogFrame shortcomings and inadequate reporting of links with the national <i>Takapu</i> programme, but with noticeable incremental improvements through the life of the project. Beneficiaries and stakeholders urged greater UNIDO openness to their inputs.
	3. Financial management and co-finance		5	Satisfactory due to strong local co-financing and some FDI successes despite a large project budget shortfall and in the face of sanctions.

Categories	Criteria	At Risk (Rating 1-3)	Not at Risk/ (Rating 4-6)	Description
	4. Stakeholder engagement and communication		4.5	Moderately satisfactory. Project engagement and communication was criticised by few stakeholders as being irregular. This related often to inadequate coordination at the provincial level as well as a dearth of Steering Committee Meetings. Mixed messages to counterparts from within UNIDO undermining Project staff morale.
D. Scale-up, sustainability and resilience			5	Satisfactory. Scale-up performance is highly satisfactory and constitutes a “Success Story” in UNIDO/UN. Sustainability for/by MSMEs was rated as highly satisfactory or satisfactory by survey respondents. Need for further growth/resilience at provincial level.
E. Gender mainstreaming			4	Moderately satisfactory. Mainstreaming successes noted in Handicrafts, Garments, Beekeeping and Tourism. 33% of all project trainees were women. A number of CSO supported & focussing on training for women heads of households. Project gender reporting is below par.
F. Environmental and Social Safeguards (ESS)			5	Satisfactory. Positive impact on pollination-induced biodiversity likely from Beekeeping Sector initiatives. Tourism sector activities entail strong environmental, eco-tourism and awareness raising elements. IT inputs support E-commerce & E-governance. Garment sector included cleaner production. Positive impact on income generation for women, youth and the disabled.
G. Remaining barriers to achieving the programme/project expected results			4.5	Moderately satisfactory. Pandemic and Gov budget shortfalls pose challenges to Project extension/implementation, but these are likely to/can be overcome due to positive Project performance.
Overall Programme/Project Risk Rating: 1				<p>Overall Programme/Project Risk Rating at mid-term based on the number of identified project risks</p> <p>0-1 Low 2-3 Medium >3 High</p>
<p>Summary: The project has performed well for 5 years overcoming externally imposed geopolitical risks and adapting to deliver effectively in most areas through the pandemic. However, continuation of the pandemic and the election of a new President in June 2021 may lead to further delays, particularly in the short-term.</p>				

5. Conclusions, recommendations and follow-up plan

5.1 Project Formulation and Design:

Conclusions:

The Project formulation process was transparent and nationally led, and represents a Best Practice as a coherent GOI-UNIDO partnership initiative.

Project design was highly relevant, flexible and apt for the context in 2014-15, but is in need of a comprehensive revision for several reasons including: a) Its risk assessment in relation to international sanctions (reflecting a distinct North-South orientation in the Project designers' approach) coupled with its 5-year planned timeframe have been proven over-optimistic (further exacerbated by the COVID-19 pandemic); b) The Project has exceeded its original scope and expectations in IT, Beekeeping and Garment sectors to the extent that the Project document is a poor reflection of actual project activities; and similarly, although the national *Takapu* plan is comprehensively formulated and shared, its progress reporting quality lags behind. As such, *Takapu* would benefit from establishing an upgraded M&E reporting system in the next phase of the Project in order to help highlight their accomplishments, and to allow both UNIDO and MCLS better report on their cooperation, respective roles and achievements.

5.1.1 Project formulation and design recommendations:

For UNIDO PMT & MCLS:

- The Project Document should be updated with a dynamic M&E reporting system in order to incorporate changes to its scope, theory of change and budget since the end Inception Phase 5 years ago.
- At both the Outcome and Output levels, the Results Matrix should be reformulated to reflect three drivers in the Project: i) Policy/Strategy support, ii) Institutional Support, and iii) MSME Support leading to the overall Objective to increase sustainable employment and new businesses among target groups and regions.
- The Project is in need of an extension or a new phase in order to achieve its goals especially at the provincial levels. The minimum period needed is assessed by the MTR Team to be 2 years. In addition, the counterpart has shown its tendency to found further the project for the years to come.

For UNIDO Senior Management:

- Geopolitical risks and assumptions (such as in relation to sanctions imposed growingly by countries of the global North on several countries of the global South) should be more realistically analysed and mitigated for at the design stage of UNIDO projects in chronic crisis contexts such as Iran's with greater emphasis on the potential role of South-South Cooperation in economic recovery efforts.

5.2 Project Management & Efficiency

Conclusions:

The Project has been managed effectively with an enthusiastic and value-driven team at the central level by UNIDO HQ and the Project Team in Tehran, but its impact has been compromised by a lack of UNIDO presence at the provincial and rural levels. Project PSC meetings have been less frequent than original plans.

UNIDO's comparative advantage in bringing public and private sector stakeholders together for effective cooperation rests with the local perception of its role as an honest broker. The lack of UNIDO presence and visibility at the provincial level has compromised the Project's (and *Takapu's*) ability to safeguard the adoption of its strategies and goals by local authorities and stakeholders. Similarly, the Project's tendency to use local entities and the OEF in particular for the issuance of contracts to a number of Project staff is unhelpful in leveraging its comparative advantage at the central and provincial levels.

The Project's placement of two Project Staff in MCLS and the *Takapu* Secretariat as of 2016 has had positive implications for policy coherence, project upscaling, resource mobilisation, efficiency and project management capacity building for both MCLS and UNIDO.

UNIDO project managers face considerable operational difficulties in addressing challenges related to sanctions that hamper international procurement of goods and services for and by local entities and UNIDO alike. This has negative implications for UNIDO's ability to mobilise resources and deliver on its Mandate to a growing number of its Member States facing sanctions.

5.2.1 Project Management & Efficiency Recommendations:

For UNIDO PMT & MCLS:

- The Project should expand its administrative presence at the provincial level (within provincial *Takapu* Secretariats, ideally).
- So far as possible, all Project staff should operate on UNIDO contracts in order to enhance UNIDO's visibility and Project effectiveness.
- Project Steering Committee Meetings should be held once a year in order to enhance transparency, effectiveness and management.

For UNIDO Representative in Tehran:

- The Country Office in Tehran should improve its supportive role vis-a-vis the Project.

For UNIDO Senior Management/Director of Evaluation:

- UNIDO should enhance its procurement capacity in countries of the global South facing sanctions.
- UNIDO should conduct a thematic evaluation of operational and procurement challenges and solutions for UNIDO projects implemented in countries facing sanctions in order to identify lessons and to produce "Special Operational Guidelines" for UNIDO HQ, Project and Field Office Staff Working in or with countries in this category. This initiative could be conducted as a joint exercise with other relevant UN technical agencies such as FAO and IFAD.

5.3 Effectiveness

Conclusions:

Despite noticeable progress on Policy, Institution Building and MSME support, the Project is in need of an extension or a new phase in order to achieve its goals, especially at the provincial and rural levels. The minimum period needed is assessed by the MTR Team to be 2 years, but a 5-year extension/new phase would be a more realistic assessment. This applies to all four sectors implemented so far. With a new Project Manager in UNIDO HQ specialised in the leather sector, there are good prospects for relaunching and implementing this component of the Project in the future too.

5.3.1 Effectiveness Recommendations for UNIDO PMT:

The development, adoption and implementation of policies, standards and the requisite legal and institutional framework coupled with the establishment of coordination mechanisms for sectoral stakeholders at the provincial level should be prioritised in future Project activities.

In the IT sector, the Project should aim to design a new legal framework for coordination in the sector with emphasis on role of provincial authorities and executive bodies.

In the Beekeeping sector, Project extension is needed to further develop value added products and to promote biodiversity/ecosystem cultural awareness among farmers at the provincial level.

In the Garment sector, future activities should focus on enhancing coordination and collaboration among sector stakeholders including at the provincial level, and improving local and international marketing and financing for the sector.

In Tourism and Handicrafts, future activities should include expansion of pilots to other provinces, expanding and staffing Creative Hubs, clarifying perceived inconsistencies between arts and job creation, promoting regional and international marketing and sales, improving provincial level coordination and implementation with local authorities, and improving ease-of-business regulations for MSMEs in the sector.

5.4 Lessons:

In the context of the economic rise of the global South and destabilising impact of sanctions imposed by the countries of the global North on a growing number of countries of the global South, UNIDO's economic recovery programmes in chronic crisis country contexts in the global South would benefit from a special emphasis on South-South cooperation at the Project design stage.

Establishing project offices and/or placing senior national project personnel in national counterpart institutions enhances efficiency, effectiveness and national ownership of UNIDO projects in crisis-affected contexts, in line with UNIDO's Post-Conflict/Crisis Situation Strategy (IDB.48/16/Rev.1, 30 Oct 2020), and supports its principles related to the "promotion of participatory processes" and "integration and scale-up".

6. Annexes

Annex I: The Mid-Term Review terms of reference

1. Project fact sheet
2. Project results framework/logframe
3. Project budget information
4. Gender guidance
5. Checklist for mid-term review report quality
6. Detailed questions to assess evaluation criteria
7. Glossary of mid-term review related terms

More related terms and definitions

8. UNIDO Quality Assurance Framework (QAF), [DGB/2019/11](#)
9. IRPF Guide, [AI/2020/02](#)
10. [OECD-DAC Glossary of Key Terms in Evaluation and Results Based Management \(2010\)](#)
11. [UNDG Results-based management handbook](#)
12. UNIDO e-learning course on: [Results-based Management and the Logical Framework Approach](#)

Annex II: List of Interviewees

Table 25: List of MTR Interviewees for UNIDO Project ID: 140137				
#	Sector	Name	Organization	Category
1	All sectors	Dr. Issa Mansoori	UNIDO/MCLS	Senior National Focal Point
2		Ms. Aurelia Calabro	UNIDO	UNIDO HQ Project Management Team
3		Mr. Marlen Bakalli		
4		Mr. Erfaun Norooz		
5		Mr. Alessandro Amadio		
6		Ms. Maryam Shahraki		UNIDO CO Representative (current)
7		Dr. Hossein Mahmoudi		Ministry of Cooperatives Labour and Social Welfare
8		Dr. Mohammad Eskandari		
9		Mr. Hasani	First Counselor in Vienna	
10		Dr. Asghar Noorolahzadeh	Omid Entrepreneurship Fund (OEF)	Implementing Partner
11		Mr. Mehdi Mirsalehi	Ministry of Industry, Mines and Trade	UNIDO Counterpart Ministry
12		Mr. Babak Mohammadi		
13	IT	Mr. Mohammad Abdeh Abtahi	UNIDO	National Project Coordinator (IT)
14		Ms. Neda shishavi		IT expert
15		Mr. Asadi	Sanandaj Chamber of Commerce (SCC)	Community
16		Mr. Farahi	Post Bank (PK)	Government
17		Mr. Firoozi	Kurdistan Provincial Government	Government
18		Mr. Ardalan	Local Cooperatives Labour and Social Welfare Org	Implementation Partners
19		Ms. Fatemeh Rostamkhani	Ministry of Cooperatives Labour and Social Welfare	Implementation Partners
20		Mr. Morteza Barari	Ministry of Information and Communications Technology of (MICT)	Implementation Partners
21		Mr. Sarem Shiri		Implementation Partners
22		Mr. Haidari	Joorimang Co.	Private Sector
23		Mr. Ghavami	Ahoora Co.	Private Sector
24		Mr. Keshavarzi	Kahroba Co.	Private Sector
25		Mr. Hosainzadeh	Internet Media Development Institute	Private Sector
26		Mr. Ghahremani	West Ecommerce Co.	Private Sector
27		Mr. Babaee	Chalakh start-up	Private Sector
28		Mr. Karimi	Private company	Private Sector
29		Mr. Sobhani	Private company	Private Sector
30		Mr. Vatandoost	Oxin Co.	Private Sector
31		Mr. Sheikholeslami	NAS Co.	Private Sector
32		Mr. Madani	Rahkar Sarzamin Hooshmand	Private Sector
33		Mr. Golbaghi	Provincial Development center	Private Sector
34		Mr. Kashi	Provincial Development center	Private Sector
35		Ms. Abasabadi	National Technology Development Foundation	Private Sector
36		Mr. Hosein Sheikholeslami	National Foundation of content-based digital entrepreneurship	Private Sector
37		Ms. Simaei	National Cultural Technology Development Foundation	Private Sector

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#	Sector	Name	Organization	Category
38	Beekeeping	Ms. Farzaneh Naderi	UNIDO	National Project Coordinator (Beekeeping)
39		Mr. Rajablo	Provincial Union of Beekeepers	Community
40		Mr. Haidari	Provincial Union of Beekeepers	Community
41		Mr. Jamshidi	Apicultural Society of Iran	Community
42		Mr. Jamshidi	Technical and Vocational Training Organization	Government
43		Dr. Morteza Rezaei	Ministry of Agriculture Jihad	Implementation Partners
44		Mr. Tooraj Saremi		Implementation Partners
45		Mr. Behzad Bankipour	Apiculture Industry Development and Advocacy Fund	Implementation Partners
46		Mr. Ghorbani	Iran Zamin National Union of Beekeepers	Implementation Partners
47		Dr.Mojtaba Moharrami	Razi Vaccine and Serum Research Institute	Institutional
48		Mr. Hamidreza Ahrari	Hengam Co.	Private Sector
49		Dr. Soma Rahmani	National Beekeeping Foundation for Productivity & Skills Improvement	Private Sector
50		Dr. Aghaei	Tavan Holding	Private Sector
51		Garment	Mr. Reza Taziki	UNIDO
52	Mr. Porramezan		Iranian Textile Association	Community
53	Mr. Ghadamgahi		Mashhad Garment Union	Community
54	Mr. Farahani		Municipality of Theran	Government
55	Mrs. Ataei		Islamic Consultative Assembly of Iran	Government
56	Dr. Nikkhah		Agricultural Bank	Government
57	Mr. Taefi		Iranian Garment Association	Implementation Partners
58	Mr. Hosseini		Private Sector Units	Private Sector
59	Mr. Araghi		Private Sector Units	Private Sector
60	Mr. Mardfard		Private Sector Units	Private Sector
61	One by One		Private Sector Units	Private Sector
62	Tourism & handicrafts	Mr. Alireza Kazemi Doulabi	UNIDO	National Project Coordinator (Tourism & Handicrafts)
63		Mr. Giulio Vinaccia		UNIDO Creative Industries Expert
64		Dr. Talemasoole	Ministry of Cultural Heritage, Handicrafts and Tourism	Government
65		Dr. Asadi	Tourism Development And Excellence National Foundation	Implementation Partners
66		Hoseinijoo	Mazandaran Province Government	Implementation Partners
67		Soltani		Implementation Partners
68		Bahadori		Implementation Partners
69		Hatamian	Kermanshah Province Government	Implementation Partners
70		Hedayat Hatami		Implementation Partners
71		Mr. Amin Kabodi		Implementation Partners
72		Mrs.Khadije Jashn		Implementation Partners
73		Mr.Shahab Khoshkhooi		Implementation Partners
74		Mr.Mehdi Talaei		Implementation Partners
75		Mr.Yaghob Gooylian	Kurdistan Province Government	Implementation Partners
76		Mr. Saedpanah		Implementation Partners
77		Mr. Makari		Implementation Partners
78		Mr. Ghodrati	Imam Khomeini International Airport C.I.P General Manager	Private Sector

Table 25: List of MTR Interviewees for UNIDO Project ID: 140137

#	Sector	Name	Organization	Category
79		Mr. Tale	Under Glass Painting Museum	Private Sector
80		Dr. Delbar Nirooshak	Coaching Institute for Tourism and Creative industries	Private Sector
81		Dr. Mahboubeh Kazemi	Taraneh Baran Art Gallery	Private Sector
82		Mr. Tavvakoli	Sakkou Company	Private Sector
83		Dr. Siavosh Rafeie	Sigma Company	Private Sector
84		Dr. M Hossein Jebelameli	Mabna Holding	Private Sector
85		Mr. Habibi	National Travel Agencies Cooperative	Private Sector
86		Mr. Kouchak Nia	Deylaman Tourism Corridor	Private Sector
87		Mr. Shiralipour		Private Sector
88		Mrs. Shima Balayee		Private Sector
89		Mr. Mahdi Khoorsand		Private Sector
90		Dr. Moghaddam		Private Sector
91		Mr. Mortajayee	West Mazandaran Province Tourism Corridors	Private Sector
92		Dr. Moradi		Private Sector
93		Dr. Bahrami		Private Sector
94		Dr. Goleij		Private Sector
95		Mr. Keivanfard	Dehkadeh Mehr Development Monthly Magazine	Private Sector

Annex III: Documents Reviewed

- ✓ United Nations Development Assistance Framework of Iran (2017-2021)
- ✓ Project Document
- ✓ Project Inception Report in English & Farsi
- ✓ Project Progress reports in English & Farsi
- ✓ Project financial data
- ✓ Several Project Sectoral/Feasibility/Diagnostic/Baseline Studies in IT, Beekeeping, Garments and Tourism & handicrafts in English & Farsi
- ✓ LMIA Progress Report from 22nd of June until 31st of December 2017
- ✓ Iran's LMIA system 2017 – 2019, Objectives and framework
- ✓ Sectoral Logical Framework Matrix (LFM) in IT, Beekeeping, Garments and Tourism & handicrafts in English & Farsi
- ✓ Steering Committee Meeting reports
- ✓ Several multilateral agreements among main stakeholders in IT and Beekeeping
- ✓ Back to Office Mission Reports by international experts
- ✓ M&E Annual Reports
- ✓ Beneficiary lists in IT, Beekeeping, Garments, Tourism & handicrafts
- ✓ Reports on trainings in IT, Beekeeping, Garments, Tourism & handicrafts
- ✓ Updated data on key stakeholders on various sectors
- ✓ TAKAPU and various national/provincial development plans for Iran concerned with business development and employment generation
- ✓ TAKAPU Progress reports
- ✓ "Inclusive Employment Program in 2017", Approved at the 36th meeting of the Resistance Economy Headquarters on 02/18/2017
- ✓ Executive Regulations of the Law on Supporting the Creation of Sustainable Employment in Rural and Nomadic Areas Using the Resources of the National Development Fund, approved by the Islamic Consultative Assembly (The Parliament of Iran) on 6/14/2017, in the Council of Ministers and its notification through a letter (103898) dated 8/21/2017 to the relevant agencies
- ✓ Law on Supporting Sustainable Employment in Rural and Nomadic Areas, Approved by the Islamic Consultative Assembly (The Parliament of Iran) on 06/14/2017
- ✓ Clause A of Note 18 of the Budget Law from 2017 onwards to Create New Job Opportunities
- ✓ National Decent Work Document, approved by the Cabinet on 5/18/2019

Annex IV: Summary of Project identification and financial data

UNIDO project disbursement breakdown as of 13.12.2020

Reporting Period:	05.01.2015 - 12.12.2020
Prepared on:	13.12.2020

		Total Budget (a)	Released Budget (b)	Obligations (c)	Disbursements (d)	Expenditures (e=c+d)	Funds Available * (f=b-e)	Support Cost (g)	Total Expenditures (h=e+g)
2000003007		USD	USD	USD	USD	USD	USD	USD	USD
140137-1-01-01	0 Inception Phase	277,790.04	277,790.04	0.00	277,627.00	277,627.00	163.04	36,091.49	313,718.49
140137-1-01-03	2 Better Services Provided	197,152.79	197,152.79	1,021.69	172,290.26	173,311.95	23,840.84	22,530.53	195,842.48
140137-1-01-04	3 Labour Demand and Supply	77,750.04	77,750.04	0.00	53,100.04	53,100.04	24,650.00	6,902.97	60,003.01
140137-1-01-05	4 Sustainable Jobs	278,603.97	278,603.97	56,478.65	100,086.25	156,564.90	122,039.07	20,353.44	176,918.34
140137-1-01-06	Sectoral policies formulated	452,399.07	452,399.07	0.00	255,307.27	255,307.27	197,091.80	33,189.96	288,497.23
140137-1-01-07	6 Project Operations	1,711,128.97	1,711,128.97	31,939.13	1,449,644.42	1,481,583.55	229,545.42	194,944.65	1,676,528.20
140137-1-01-08	7 Scaling-up and Dissemination	42,381.40	42,381.40	2,039.49	26,590.90	28,630.39	13,751.01	3,721.94	32,352.33
140137-1-01-09	8 Monitoring & Evaluation	77,399.14	77,399.14	2,039.49	39,219.43	41,258.92	36,140.22	5,363.66	46,622.58
2000003007	Total	3,114,605.42	3,114,605.42	93,518.45	2,373,865.57	2,467,384.02	647,221.40	323,098.64	2,790,482.66
140137	USD Total	3,114,605.42	3,114,605.42	93,518.45	2,373,865.57	2,467,384.02	647,221.40	323,098.64	2,790,482.66

Annex V: Other detailed quantitative information

I. Results of the survey of Project Trainees

Table 26: Results of MTR perception surveys of project trainees (average scores on a scale of 1-6 by standard criteria; findings & recommendations)

Criteria	Project Design and Relevance to		Efficiency			Effectiveness	Impact (potential)	Overall satisfaction rating		Main challenges/ findings	Recommendations by trainees	# of Project trainees	Survey sample size
	Sector	Trainee s' needs	Sector needs	Quality of training content & materials	Quality of Trainer			Management & Logistics	Skills/ Technology enhancement				
IT	4.4	4.4	5	5.2	4.6	4.4	4.1	4.6	77%	Overemphasis on theory at the expense of practical business management content in training.	Enhance the practical business management content of training and reduce the theoretical content in the next phase of the Project.	2700	80
Beekeeping	5	5.2	5.1	5.3	5	4.7	4.7	5.0	83%	Trainees expected an increase in the practical hours of the courses.	Enhance the practical content of training programs.	4,050	122
Garment	5.5	5.6	5.6	5.6	5.5	5.4	5.5	5.5	92%	The level of satisfaction of trainees varies from MSME/Sectoral growth.	Enhance the practical business management content of training .	1,300	39
Tourism& Handicrafts	5	5.1	5.3	5.2	4.9	4.6	4.7	5.0	83%	Overemphasis on theory at the expense of practical business management content in training.	Enhance the practical business management content of training and reduce the theoretical content in the next phase of the Project.	377	26
Average rating	5.0	5.1	5.3	5.3	5.0	4.8	4.8	5.0	84%			8427	267
Satisfaction rating	83%	85%	88%	89%	83%	80%	79%	84%					

II. Results of the survey of Project Stakeholders

Table 27: Results of MTR perception surveys of project Stakeholders

Criteria	Project Design and Relevance	Efficiency	Effectiveness			(Potential) Impact	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
Sector	Stakeholders	Management & Logistics	Policy/Legal framework	Institutional framework	Skills/Technology enhancement	MSME/Sectoral growth		
IT Public Sector Stakeholder feedback	Project design and relevance is highly satisfactory	Satisfactory, but UR support is poor	High impact on both policy and legal frameworks	High impact on value-chain support institutions, online platforms, and new IT start-ups esp among young graduates. Low impact on financing.	High impact on skills enhancement & E-commerce online platforms. Low impact on international procurement of technology.	Change in attitude among stakeholders, lawmakers and decision-makers. Enhanced legal and institutional framework. Created several key online platforms for various sectors. E-commerce enhanced. High impact on infrastructure development and institutional building. Lower impact on practical job creation.	Need for stronger sectoral collaboration at provincial levels supported by a legal framework. Lack of effective interaction with the Project by the UR in Iran causing duplication and hampering effectiveness.	Next phase of project should design a new legal framework for coordination in the sector with emphasis on role of provincial authorities and executive bodies. Improvements needed in UNIDO FO role as well more coordination at provincial level.
IT Private Sector Stakeholder feedback	Project design is highly satisfactory but needs at more involvement at provincial level	satisfactory	Highly satisfactory	Satisfactory	Highly satisfactory	Project has impacted the mindset of MSMEs involved in the sector and helped enhance and streamline the IT discourse among stakeholders. High potential for growth.	Job creation has had a lower priority as compared with infrastructure development and institutional building. Inadequate project attention to access to finance for start-ups and MSMEs. UNIDO inadequately engaged in technology transfer and international procurement.	Amend approach to reflect focus on infrastructure and institutional building rather than jobs. Extend the Project. Identify the new IT value chain financing mechanism and provide training on access to finance. UNIDO should improve its international procurement and technology acquisition role, and more promotion and institutional building.

Criteria	Project Design and Relevance	Efficiency	Effectiveness			(Potential) Impact	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
	Sector	Stakeholders	Management & Logistics	Policy/Legal framework	Institutional framework	Skills/Technology enhancement		
Beekeeping Public Sector Stakeholder feedback	Highly satisfactory	Satisfactory	Highly satisfactory. New sector strategy, legal framework and approach/attitude toward the sector, especially for value added products and pollination strategies for biodiversity.	Satisfactory. Most respondents report enhance institutions and management in the sector.	Successful transfer of skills and technology for new products such as royal jelly, propolis, bee venom etc. as well as biodiversity elements.	Highly satisfactory. New value added products; increased productivity and competitiveness. Several new startups by graduates.	Further work is needed for more cooperation and support of provincial level managers for active and effective participation in value addition and biodiversity aims of the Project.	Project extension needed to further develop value added products in the sector and to promote biodiversity/ecosystem cultural awareness among farmers at the provincial level. Greater UNIDO involvement at provincial level is recommended.
Beekeeping Private Sector Stakeholder feedback	Highly satisfactory	Satisfactory	Highly satisfactory.	Highly satisfactory	Highly satisfactory	Significant improvements reported in income generation and success also in jobs growth in the sector. Not enough attention given to jobs growth and marketing.	UNIDO involvement in project coordination at provincial levels, technology transfer and procurement (especially for the import of raw materials as inputs for production) did not meet expectations. Further improvements needed to simplify and streamline the legal and regulatory framework in the sector	UNIDO should take a more proactive role in leveraging its access to international markets for the procurement of raw materials and inputs needed for the sector. UNIDO should be more involved in project coordination at the provincial level and not just focus on training inputs alone.

Criteria	Project Design and Relevance	Efficiency	Effectiveness			(Potential) Impact	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
Sector	Stakeholders	Management & Logistics	Policy/Legal framework	Institutional framework	Skills/Technology enhancement	MSME/Sectoral growth		
Garment Public Sector Stakeholder feedback	Good design, but some expectations not met	Satisfactory, but needs faster implementation	Satisfactory	Satisfactory but needs to improvement, Established vocational training centre and strengthened business associations.	Somewhat satisfactory. Higher end technologies not fully achieved.	Significant impact in garment and textile sectors. Noteworthy success in concluding international contracts. Leather sector not implemented.	Slow pace of project implementation, and inadequate prioritisation of the sector by the line ministry and its coordination with main stakeholders by the line ministry. [MTR obtained evidence of improved advocacy since 2019 supplied by the sector coordinator]. Financing expectations have not been fully met.	Next phase of project should help enhance coordination and collaboration among sector stakeholders, and improve marketing and financing for the sector.
Garment Private Sector Stakeholder feedback	Satisfactory, but needs revision and greater interaction	Satisfactory	Satisfactory	Satisfactory but needs to improvement	Effective training and technology transfer	Achieved international contracts with famous brands for some producers. Training led to improved product quality, jobs, exports and earnings.	Access to foreign currency and procurement of raw materials in international markets remains a challenge.	UNIDO should take a more proactive role in helping local producers raise FDI and in the procurement of raw materials and inputs needed for the sector. UNIDO should be more involved in project coordination at the provincial level and not just focus on training inputs alone. National authorities should simplify international procurement regulations in order to help local producers access raw materials and international clients.

Criteria	Project Design and Relevance	Efficiency	Effectiveness			(Potential) Impact	Main challenges/findings	Recommendations by Stakeholders & Beneficiaries
Sector	Stakeholders	Management & Logistics	Policy/Legal framework	Institutional framework	Skills/Technology enhancement	MSME/Sectoral growth		
Tourism Public Sector Stakeholder feedback	Satisfactory, with clearly defined tourism corridors and targets	Satisfactory	Satisfactory	Satisfactory	Satisfactory but can improve training content and delivery	Good potential perceived, but remains to bear fruit in the face of the pandemic and delays. Good infrastructure in place for future growth including 2 Creative Hubs, Travel Guides and new accommodation. Strong impact perceived at village level with multiplier effect on job creation linked to business management training provided by the Project.	Pandemic has hit the sector hard. Creative Hubs based on global models rather than Iranian culture. UNIDO reporting on the sector not meeting expectations by some. Some contradiction perceived between artistic and production/job creation aspects of the Project. Inadequate coordination with local authorities in project implementation.	Project extension needed to expand the sector to the national level beyond pilots. Expand the number of Creative Hubs and add strong local cultural elements. UNIDO reporting on the sector should be improved. UNIDO should help clarify perceived inconsistency between art and job creation. UNIDO should help improve provincial level coordination and implementation with local authorities.
Tourism Private Sector Stakeholder feedback	Satisfactory	Satisfactory	Satisfactory	Satisfactory but needs to improvement	Satisfactory but room for improvement esp given pandemic conditions, more training should be done with TOT	Limited impact so far, but good potential perceived by stakeholders.	Delays caused by pandemic. Progress reporting irregular. The role and place of handicrafts in tourism inadequately developed. Regulatory framework for tourism MSMEs remains weak.	Project extension needed. Improve regular reporting to help stakeholders remain engaged with project progress. UNIDO should promote and help connect Iranian handicrafts to the international market. Promote Iranian tourism more strongly in future phase of project. Address regulatory issues to help ease of doing business for tourism MSMEs.

III. Takapu as a part of the Annual MCLS Executive Plan in 2018

جدول (۲): هدف گذاری فرصت شغلی جدید به تفکیک بخش ها در سال ۱۳۹۷

دستگاه / دستگاه های مسئول	هدف گذاری		بخش	ردیف
	سهم هر بخش (درصد)	تعداد به هزار نفر		
جهاد کشاورزی	۸,۶	۸۴	کشاورزی	۱
نفت + صنعت، معدن و تجارت	۱,۲	۱۲	نفت و گاز و سایر معادن	۲
صنعت، معدن و تجارت	۲۲,۴	۲۲۰	صنعت (ساخت)	۳
نیرو + نفت	۰,۷	۷	تامین برق، گاز و آب	۴
راه و شهرسازی	۸,۵	۸۳	ساختمان	۵
صنعت، معدن و تجارت و سازمان میراث فرهنگی، صنایع دستی و گردشگری	۱۴,۹	۱۴۶	عمده فروشی خرده فروشی هتل و رستوران	۶
راه و شهرسازی + فناوری اطلاعات و ارتباطات	۱۲,۹	۱۲۶	حمل و نقل، انبارداری و ارتباطات	۷
امور اقتصادی و دارایی + بانک مرکزی ایران	۰,۸	۸	واسطه گری های مالی	۸
صنعت، معدن و تجارت	۶,۶	۶۵	مستغلات، اجاره و فعالیتهای کاروکسب	۹
علوم، تحقیقات و فناوری + آموزش و پرورش + بهداشت، درمان و آموزش پزشکی	۱۱,۹	۱۱۷	خدمات عمومی خدمات اجتماعی، شخصی و خانگی	۱۰
تعاون، کار و رفاه اجتماعی + کمیته امداد امام (ره) + بهزیستی + بنیاد شهید و ایثارگران + سایر نهادهای حمایتی	۱۱,۴	۱۱۲	اشتغال حمایتی و خرد*	۱۱
کلیه دستگاه های اجرایی و حمایتی	۱۰۰,۰	۹۸۰	کل	-

* بخشی از اشتغال های جدید حمایتی و خرد در کسب و کارهای ذیل سه بخش اقتصادی (کشاورزی، صنعت و خدمات) نیز پیش بینی شده است.

برای تحقق اهداف و اقدامات پیش بینی شده جدول یاد شده، طرح ها و برنامه هایی با محوریت ذیل در بخش ها و حوزه های مختلف برای سال ۱۳۹۷ پیش بینی شده است که توسط دستگاه های اجرایی ملی و استانی مدیریت و راهبری خواهد شد.

الف- توسعه کسب و کار و اشتغال پایدار (رسته های منتخب)

- ب- انجام مداخلات سیاستی فعال
- ج- ایجاد اشتغال حمایتی و خرد
- د- توسعه اشتغال از طریق نوسازی بافت فرسوده و توسعه حمل و نقل شهری

۴- طرح‌ها و اقدامات

الف- توسعه کسب و کار و اشتغال پایدار (تکاپو)

۵-۱- توسعه رسته منتخب اولویت دار استان ها

هدف

ایجاد ۶۵۱ هزار فرصت شغلی

ابزارها

- الف- مداخلات توسعه ای و نهادی در رسته های کسب و کار
- ب- اعطای منابع تسهیلاتی (بانکی) برای سرمایه گذاری رسته های کسب و کار
- ج- اعطای یارانه تسهیلات بانکی برای طرح های به بهره برداری رسیده

راهبرد کلی و سیاست های اجرایی

راهبرد کلی

✚ ایجاد اشتغال فراگیر از طریق تقویت رشد اقتصادی اشتغالزا و تحرک بخشی به بازار کار کشور

رسته‌ها، طرح‌ها و اقدامات اساسی

رسته‌های منتخب به تفکیک بخش‌ها

رسته‌های منتخب (از طریق مطالعه و تفاهم بعمل آمده با دستگاه‌های اجرایی) در بخش‌های عمده اقتصادی به شرح

زیر می باشند.

جدول (۱۹): منابع عمومی مورد نیاز برای طرح ها و اقدامات پیش بینی شده در برنامه اشتغال فراگیر در سال ۱۳۹۷

ردیف	اقدام و یا طرح ها	تعداد اشتغال جدید(هزار نفر)	منابع عمومی مورد نیاز(میلیارد ریال)
1	توسعه کسب و کار و اشتغال پایدار(رسته‌های منتخب)	651	11045
2	طرح کارورزی	70	1800
3	طرح مشوق بیمه کارفرمایی	130	*6000
4	طرح یارانه دستمزد	10	390
5	طرح نوآورانه و شتاب دهنده ها	1	32.8
6	طرح اعزام نیروی کار به خارج	8	--
7	طرح توسعه اشتغال عمومی	20	1080
8	طرح ایجاد و توسعه مشاغل خانگی	7.8	156
9	طرح توسعه تامین مالی خرد با رویکرد بانکداری پیوندی	4	176
10	طرح های اشتغال نهادهای حمایتی	80	--
11	ادامه اجرای قانون اشتغال پایدار اشتغال روستایی و عشایری	380	--
--	جمع	982	20680
12	طرح بافت های فرسوده**	28.5	45000
13	طرح حمل و نقل شهری**	5.9	69260
14	طرح زیرساختی حمل و نقل و بافت فرسوده**	13.2	---
15	طرح مسکن روستایی، حمایتی و اجتماعی**	40	22900
--	جمع کل	982	۱۶۴۸۴۰

*منابع مالی برای دوره بعد از کارورزی که نیازمند سهم بیمه کارفرمایی (۲۳ درصد) می باشند نیز لحاظ شده است.

** فرصت های شغلی جدید در این حوزه ها بر اساس توسعه رسته های اولویت دار محاسبه شده است.