

Independent UNIDO Country Evaluation REPUBLIC OF KENYA



UNIDO EVALUATION GROUP

**Independent
UNIDO Country Evaluation
Republic of Kenya**



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna, 2013

Distr. GENERAL
ODG/EVA/12/R.13

March 2013

Original: English

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Acronyms and Abbreviations

AH	Allotment Holder
AAP	African Adaptation Programme
CO	Country Office
CP	Country Program
EAC	East African Community
ESM	Environmental Sound Management
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GF	Global Forum
GOK	Government of Kenya
GEF	Global Environment Facility
GNI	Gross National Income
HDI	Human Development Index
HQ	Headquarters
ICT	Information and Communications Technology
IDPs	Internally Displaced Persons
ILO	International Labour Organization
JICA	Japan International Cooperation Agency
KEBs	Kenya Bureau of Standards
KIPI	Kenya Integrated Programme I (2002 – 2006)
KIPII	Kenya Integrated Programme II (2008 – 2012)
KIRDI	Kenyan Industrial Research Development Institute
KNPCPC	Kenya National Cleaner Production Centre
Kshs	Kenyan Shillings
MDG	Millennium Development Goal
MoE	Ministry of Energy
MoEMR	Ministry of Environment and Mineral Resources
MoI	Ministry of Industrialization
MP	Montreal Protocol
PSDS	Private Sector Development Strategy
RB	Regular Budget
SGP	Small Grants Programme (of the GEF)
SMEs	Small and Medium Sized Enterprises
SPX	Sub-Contracting Partnership Exchange
SVO	Straight Vegetable Oil Generators
TC	Technical Cooperation
UN	United Nations
UNCT	UN Country Team
UNDAF	UN Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Organization for Drugs and Crime
UR	UNIDO Representative
USD	United States Dollars

Glossary of Evaluation Terms

Term	Definition
Baseline	The situation prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention
Effectiveness	The extent to which the objectives of a development intervention were or are expected to be achieved.
Efficiency	A measure of how economically inputs (through activities) are converted into outputs
Impact	Positive or negative, intended or non-intended, directly and indirectly, long term effects produced by a development intervention
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention
Intervention	An external action to assist a national effort to achieve specific development goals
Lessons learned	Generalizations based on evaluation experiences that abstract from specific to broader circumstances
Logframe (logical framework approach)	Management tool used to guide the planning, implementation and evaluation of an intervention. System based on (Management by Objectives) also called Results-based Management principles.
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries requirements, country needs, global priorities and partners and donor's policies
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed.
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken



Executive Summary

This independent country evaluation presents an assessment of UNIDO activities in the Republic of Kenya since 2006. The evaluation pays particular attention to several clusters of projects – renewable energy and environment; agro-industry; and investment promotion, as well as Global Forum activities and cross-cutting issues. The evaluation also assesses the process related issues of design, implementation and monitoring, and also the role of the UNIDO Country Office.

The main objective of the evaluation has been to assess the relevance, effectiveness and results, efficiency, impact and sustainability of UNIDO's Technical Cooperation projects, in order to distil recommendations and lessons for the UNIDO HQ, the Country Office (CO) and national stakeholders. The results of the evaluation are expected to feed into the design of a future Country Programme with the Kenya Integrated Programme II (KIPII) due to close in 2013.

The evaluation was conducted between September 2012 and January 2013. The methodology used was primarily qualitative and was based on a combination of desk review, semi-structured interviews with stakeholders and field observations. The evaluation mission to Kenya was conducted between September 23rd and October 5th 2012. The evaluation team was composed of Mr. Lee Alexander Risby, international evaluation expert and team leader, Professor Peter Lewa, national evaluation expert, and Mr. Johannes Dobinger from UNIDO's independent evaluation group.

The evaluation found that UNIDO assistance to Kenya has in general been relevant to the Government of Kenya (GOK) priorities and problems, but the relevance was reduced because of lack of ownership of the KIPII and a period of poor communication between the CO and the GOK.

Effectiveness and results were mixed mainly because of inconsistencies in project design and implementation and in some projects such as the CPC's a lack of balance between hardware and capacity building for the user (beneficiaries). In more effective projects such as the Methyl Bromide phase-out success was characterised by capacity building with hardware, and clear economic and GOK policy incentives for stakeholders to participate and sustain project results after completion. This has led to the successful phase-out of Methyl Bromide in pre-harvest soil fumigation. A follow-up UNIDO project is continuing to build on the success by phasing out Methyl Bromide in post-harvest and pre-shipment treatment, which is a GOK environmental priority.

UNIDO has also contributed to strengthening of trade capacity building particularly in the agro-industrial sector within the East African Community. UNIDO is continuing work with the GOK through a follow-up trade capacity building project funded by the EU.

The efficiency of UNIDO projects was weak to moderate. The evaluation found that several of the national and regional projects had experienced delays in design and / or implementation. The implementation delays were due partly to project management issues within UNIDO such as procurement and centralized management of projects from the HQ, and also over optimistic project durations

caused by an incomplete understanding of complex political and institutional contexts within Kenya. However, some projects such as the Bamboo, African Adaptation Programme (AAP) and Soya interventions have been implemented within very short-timeframes, which has required intensive involvement of UNIDO staff and stakeholders. These projects have not suffered significant delays and therefore it is clear that UNIDO has the ability and capacity to implement projects quickly when needed.

Conclusions and Recommendations

Relevance

Conclusion	Relevance Recommendation
<p>The Integrated Programme II (KIPII) was relevant to Kenya’s development challenges and focused on the right solutions of supporting micro, small and medium sized enterprise development, trade capacity building and energy. However the programme lacked ownership from within UNIDO and the Government and this resulted in insufficient funding and support for implementation.</p>	<p>A country programme should be jointly developed by UNIDO, counterpart Ministries and other stakeholders. The focus should be firstly on ‘how’ stakeholders should work together: to develop and implement projects, supervise and conduct monitoring; and secondly, on ‘what’ the programme could address and expected results based on an appraisal of Government priorities and funding opportunities.</p>
Contributing Conclusion	Supporting Recommendation
<p>UNIDO has not consistently engaged with the private sector and other key partners such as the Kenya National Cleaner Production Centre</p>	<p>The forthcoming country programme consultations should seek to engage with a wide range of partners, including Government parastatals and the private sector to enhance relevance.</p>

Effectiveness

Conclusion	Effectiveness Recommendation
<p>The effectiveness of UNIDO projects was mixed. More than half of the projects assessed had weak or moderate effectiveness. The main reasons for weaknesses related to a mix of poor project design and ownership, inconsistent attention to building capacity of stakeholders, and delays in project implementation meaning the outputs / outcomes were not reached.</p> <p>Several initiatives, such as the trade capacity building project and the HP Life project were rated as highly effective. In these more successful projects the following conditions influenced effectiveness and potential impact: clear socio-economic incentives for stakeholders; involvement of private sector and / or civil society; and appropriate implementation timeframes to build capacity.</p>	<p>UNIDO needs to pay more attention to improving the quality of project design and implementation through: (a) involvement of stakeholders through design and implementation so that ownership can be established and sustained; and (b) to establish a balance between hardware installation and capacity development for stakeholders and beneficiaries.</p> <p>Lessons from successful projects should be incorporated in the design of new initiatives. The identification of national and local partners who can complement the UNIDO assistance and add continuity to the often short-term interventions of UNIDO should be actively pursued.</p>
Contributing Conclusion	Supporting Recommendation
<p>Many projects lacked an understanding of national and local contexts and as result their effectiveness was reduced.</p>	<p>For future interventions to be more effective they need to be: (a) based on appropriate in-country social-economic assessments, particularly where they plan to work at the community-level; (b) institutional data (much of which is already available) and (c) have stronger involvement of Government partners and the Country Office in design stage to ensure national and local context is integrated.</p> <p>For projects active at the community level, partnerships with local NGOs and longer-term development initiatives should be established wherever possible.</p>

Efficiency

Conclusion	Efficiency Recommendation
<p>The efficiency of projects was weak to moderate mainly due to delays encountered in implementation related to a combination of centralized decision-making, procurement, in-country institutional challenges and in several cases unrealistic time frames for implementation.</p>	<p>Several actions should be taken by UNIDO to improve the efficiency of future interventions in Kenya: (a) pay closer attention to setting realistic project implementation timeframes that reflect national and local realities; (b) consider national procurement and contracting in appropriate projects to speed up implementation and also build in-country capacities; and (c) involve the Country Office in implementation so that delays can be resolved more efficiently.</p>

Impact and Sustainability

Conclusion	Impact and Sustainability Recommendation
<p>In most projects UNIDO did not put in place conditions for impact and sustainability. The overarching focus of many projects has been on inputs and activities with little attention to managing for sustainability</p>	<p>UNIDO must move beyond focus on activities to design and manage for sustainable results in future projects. This could be approached by offering staff more internal incentives and where appropriate sanctions and / or 'red-flags', to sharpen the focus on results.</p>
Contributing Conclusion	Supporting Recommendation
<p>In the few successful projects the following conditions promoted impact: clear socio-economic incentives for stakeholders; involvement of private sector and / or civil society; and appropriate implementation timeframes to build capacity.</p> <p>Several projects (e.g., Bamboo and Soya) were constrained by short implementation times and humanitarian based-funding imposed by a donor which was ill-suited to achieving sustainable value-chain development.</p>	<p>The current projects and those in the pipeline need to place a great emphasis on learning from the successful and unsuccessful experiences in Kenya. The forthcoming country programme consultations need to provide a suitable platform to foster more substantive dialogue and exchange of experiences between Headquarters and Country Office.</p> <p>Sustainability and impact take time to nurture particularly in value-chain development – UNIDO should avoid short-term humanitarian and emergency relief-based funding which is outside of its core focus areas and competence. The emphasis needs to be on designing and implementing value-chain projects over three to five year periods.</p>

Cross-cutting Issues

Conclusion	Cross-cutting issues Recommendation
<p>Attention to cross-cutting issues such as developing synergies between UNIDO projects, and integrating gender was weak.</p> <p>Gender is likely to be an increasingly important cross-cutting issue in forthcoming energy as well as ongoing agro-industry projects.</p>	<p>UNIDO needs to develop incentives for project managers to cooperate on relevant in-country projects. Regular meetings of Kenya project managers should be held to foster project synergies.</p> <p>Gender expertise needs to be sourced through in-country consulting expertise to ensure an appropriate project focus.</p>
Contributing Conclusion	Supporting Recommendation
<p>UNIDO has recently developed several relevant external synergies with other UN agencies (energy) and other development partners (agro-industry). Such operational synergies have the potential to deliver more sustainable results.</p>	<p>Headquarters and the Country Office need to expand partnerships with local- and other international organisations promoting energy and agro-industry in Kenya as these areas of high Government and / or donor interest.</p>

Global forum

Conclusion	Global Forum Recommendation
<p>There is the potential for a more active dialogue with the GOK on the areas where Kenya is interested to benefit (e.g., Agro products and processing) from or contribute to international discussion in the field of industrial development. Nairobi, being also one of UN global headquarters and the headquarters of UN in Africa, hosting the UNEP and UN HABITAT headquarters, has a special potential regarding global and regional forum activities that could be used more strategically by UNIDO.</p>	<p>Enhancing UNIDO's GF role requires close cooperation between HQ and the CO as well as adequate resources in the CO. The next country programme should include a specific section on GF, establishing concrete goals and thematic priorities agreed upon between UNIDO and the Government.</p>
Contributing Conclusion	
<p>There are many links with UNEP regarding the UNIDO Green Industry initiatives and UNIDO energy and climate portfolio.</p> <p>There is at present no UNIDO representation in Nairobi similar to New York, Geneva or Brussels, focused on inter-agency relations.</p>	<p>The CO responsibilities should be expanded to include liaison with UNEP and the UN Nairobi Office.</p>

Country Office Management

Conclusion	Country Office Management Recommendation
<p>The resources and structures of the UNIDO CO in Kenya are currently insufficient for playing an active role in TC project identification, development and implementation. This is in contrast to a growing TC portfolio and expanded country coverage (Somalia, Eritrea, South Sudan).</p>	<p>UNIDO should review the strategy for decentralisation of technical cooperation to the field as a CO cannot be expected to fulfil all functions without adequate resources and structures in place.</p>
Contributing Conclusions	Supporting Recommendation
<p>Currently only the UNIDO Representative can be an Allotment Holder and this is likely to result in limitations in terms of number and volume of projects that can be managed (or jointly managed with HQ-based project managers). It also raises an issue with regard to adequate supervision of the UR's implementation role.</p> <p>The Country Office has no budget to support project development and implementation and thus relies on the availability of staff of ongoing projects</p> <p>Project staff based at the CO are perceived by stakeholders as part of the UNIDO team and competence. However, they usually have contracts of short duration, which creates considerable human resource uncertainty. The situation is not sustainable in the medium-to-long-term and will be detrimental to the functioning of the Country Office.</p> <p>There is limited oversight exercised with regard to the local implementation of projects, which has lead to irregularities and uncertainties with regard to compliance with fiduciary standards.</p>	<p>UNIDO should authorize national program officers to be Allotment Holders / co-project manager with appropriate oversight from the Representative and / or Headquarters-based staff.</p> <p>UNIDO CO needs to have adequate resources for project identification and development, including a budget for recruitment of local consultants with the necessary skills or training to support project design and implementation.</p> <p>UNIDO should wherever possible provide longer-term contracts to local consultants.</p> <p>UNIDO should consider foreseeing locally contracted annual audits of project and office accounts.</p>

Lessons Learned

The experiences provide some lessons for future UNIDO work in Kenya and more generally. Firstly, the experience of the KIPi and KIPii indicate that without country- and UNIDO ownership of the country programme it cannot be effectively funded or implemented. Secondly, the project experiences show that where an appropriate balance is struck between capacity building for stakeholders and provision of hardware, underpinned by understanding of local and national context, achieving results will be more likely. Simply installing hardware without attention to capacity and economic viability is not sufficient to achieve sustainable results, particularly in UNIDO's chosen areas of focus in Kenya – energy and agro-industry.

1.

Introduction and background

1.1 Introduction

1. This report presents the findings, conclusions and recommendations of the independent country evaluation of UNIDO's operations in the Republic of Kenya.¹ It assesses the relevance, effectiveness, efficiency and impact, and sustainability of UNIDO interventions, and in doing so it identifies and examines causal factors that explain the observed results. The evaluation insofar as possible examines the functioning of the UNIDO Country Office (CO) in Nairobi, and the strategic positioning of UNIDO in Kenya. The scope of the evaluation covered 2006 through 2012 (see TOR Annex C).

1.2 UNIDO in Kenya

2. Kenya became a UNIDO member in 1981. UNIDO's first technical cooperation (TC) project was initiated 1984. Since then, over 100 projects have been implemented in Kenya, with total planned funding of about USD 30 million. The national projects have addressed policy, institutional, and enterprise issues in various sectors such as agro- industry leather, textiles and garments, timber, trade capacity building and renewable energy. Kenya also participates in a number of important regional and global UNIDO projects in areas of generic drugs quality, subcontracting and partnership exchange, coastal tourism and in the Hewlett Packard-UNIDO partnership "HP Life". UNIDO's main Government of Kenya (GOK) counterpart is the Ministry of Industrialization (Mol) but it also partners with the Ministry of Environment and Mineral Resources (MoEMR) and the Ministry of Energy (MoE)
3. The CO in Nairobi, Kenya, covers Kenya, Eritrea and South Sudan. The CO is headed by a UNIDO Representative (UR). In addition, it has the following staff positions – one national programme officer, who was recently appointed, two secretaries (one of which was recently appointed) and one driver. With regard to project staff, there are about twelve full and part-time national / regional project coordinators and consultants who are based in the CO and are closely involved in managing the day-to-day implementation.
4. Nairobi is an important regional hub for the United Nations (UN) in Africa with the global headquarters of UN Environment Program (UNEP) and the UN-HABITAT, and it also hosts many regional offices of other UN organizations.
5. UNIDO is part of the UN Country Team (UNCT) and is contributing towards the third UN Development Assistance Framework (UNDAF) for Kenya

¹ Hereafter referred to as 'Kenya'

covering the period 2009-2013. The UNDAF aims to contribute to the realisation of national priorities, the advancement of human rights and the achievement of the principles and values embedded in the Millennium Declaration, and the MDGs. The UNDAF responds to GOK priorities (Vision 2030) and is based on three areas and three cross-cutting themes integrated across the following outcomes:

- Improving governance and the realization of human rights
 - Empowering people who are poor and reducing disparities and vulnerabilities
 - Promoting sustainable and equitable economic growth for poverty and hunger reduction with a focus on vulnerable groups
6. Cross-cutting themes include: Gender equality; HIV/AIDS; migration and displacement; and climate change. According to the UNCT, for the given time period of five years, around USD 635 million will be necessary for the above-mentioned outcomes UNIDO's portfolio aims to respond to Outcome 3 "Promoting sustainable and equitable economic growth for poverty and hunger reduction with a focus on vulnerable groups", with its focus on supporting environment and energy, enterprise development, industrialization and employment growth.

1.3 UNIDO Kenya Programme and Portfolio

KIPI

7. UNIDO's technical cooperation to Kenya has been strategically framed in two Integrated Programmes (KIPI and KIPII). The KIPI (2002 – 2006) objectives were to help increase Kenya's productivity and develop productive capacities in industrial sectors with high export potential and to promote private sector investment. The KIPI was focused mainly on the agro-industrial sector with planned assistance in leather, fisheries, dairy and honey. It also had a modest capacity building component aimed at strengthening standards and quality control laboratories. Many of the interventions were implemented as pilot / demonstration activities without attention to building a programmatic or long-term approach.
8. At the end of 2006 many of the components of KIPI had not been implemented, mainly because the planned projects failed to attract funding, for example the dairy interventions attracted only 34%, and the honey-related ones attracted 10% of their budgets. As a result implementation was significantly constrained. Resource mobilization for the KIPI was not made a priority by UNIDO CO nor at the Headquarter (HQ)
9. The KIPI evaluation² found that there was limited ownership of the programme both by the GOK and also at HQ, which resulted in an absence of

² UNIDO (2006) Independent Evaluation Kenya UNIDO Integrated Programme. UNIDO Evaluation Group. UNIDO Vienna.

leadership and coordination. For most of the duration of the KIPI there was no UNIDO office based in Kenya and this adversely impacted the strategic management of the programme and also associated resource mobilization activities. The evaluation noted that UNIDO did better when supporting GOK policy and strategy formulation and less well with implementation managed from UNIDO HQ of community level interventions: *“UNIDO was at its best when it is engaged in upstream activities to support national policy, strategy and program formulation and less so in the implementation of cottage [community] level interventions.”* (viii)

10. Lastly, the KIPI did not put in place a systematic approach to track and measure progress through monitoring and evaluation (M&E) at project level. The evaluation stated: *“UNIDO must make progress in this area if it is to address adequately the issue of the development effectiveness of its overall operations.”* (ix)

KIPII

11. The Kenya Integrated Programme II (KIPII) was prepared in 2008 and approved in June 2009. The programme was due to be completed by 2012 but has been extended to 2013. The objective of the KIPII was to build capacities for competitive industrial development in Kenya through enhanced access to information and technology; improve the provision of reliable [renewable] energy, strengthen the supply side of production through enhancing product design and quality, promote value addition for agribusinesses and create an improved business environment through monitoring of investment flows. The KIPII has two programme components, whose objectives are as follows:
 - Programme Component I: Institutional capacity building for the efficient provision of industrial development services.
 - Programme Component II: Improving productivity and competitiveness of industrial enterprises, particularly Micro, Small and Medium-Sized Enterprises (SMEs).
12. KIPII had five projects which had planned budgets of approximately USD 7.6 million, focused on trade capacity building (USD 0.67 million); leather sector (USD 0.87 million); improving the investment climate and FDI (USD 1.2 million); promotion of renewable energy (USD 3.55 million); and building the ladder for Micro and SMEs to transform their enterprises into globally competitive businesses. The components were synergized to support the UNDAF (2009 – 2012) Outcome 3.1.2 – “Business environment productivity and competitiveness of Micro, Small and Medium Enterprises (MSME) improved”. Most of the components of the KIPII were not implemented (see Section 3).
13. Actual UNIDO TC materialized through projects that were developed and implemented during the KIPII, but were not officially linked to support its implementation although some were broadly supportive of the aims of the KIPII. These projects included climate change adaptation (USD 1.132 million); Promotion of Bamboo for Souvenirs and Furniture Production (USD

1.32 million) and two Montreal Protocol (MP) projects to phase-out Methyl Bromide pre-harvest use on commercial farms and a second project (under implementation) to phase-out post-harvest use (USD 0.87 million) (see Table 1). The Methyl Bromide pre-harvest phase-out and bamboo projects are completed and the climate change adaptation project was nearing completion at the time of the evaluation mission.

14. Other projects include the development of soya-bean based industries and domestic value-chains (USD 1 million), which has just started implementation³ and community water treatment (USD 0.08 million) that was nearing completion and a coconut value-chain development project (USD 0.1), which is in the pipeline, and undergoing some further elaboration⁴. Renewable energy projects (e.g., Energy + initiative and a “waste to energy” project to be funded by the GEF) are also under development and have yet to enter the pipeline.

15. Overall UNIDO’s TC project portfolio⁵ in Kenya has a total implemented value of USD 6.4 million, with the majority (USD 5.4 million) of the budget being formally outside the KIP-II. The most significant area for UNIDO has been renewable energy and this looks set to continue for the immediate future, followed by a continued focus on agro-industry and the facilitation of investment through regional initiatives.

Table 1. UNIDO Kenya National Project Portfolio 2008 - 2012

Component/Project(s)	Originally planned budget \$	Allotment \$	Total Expenditure \$	% Total Expenditure
National Projects				
KIP-II				
Trade Capacity Building Component	670,241.29			-
Leather Component	871,313.67			-
Investment Promotion Component	1,219,839.14	123,033.32	122,927.49	13%
Energy Component (Energy Efficiency)	2,036,193.03	598,563.23	603,336.58 ⁶	63%
Energy Component (Cleaner Production)	1,526,809.65			
MSME Component (incl. Agribusiness)	1,273,458.45			
Others		222,252.94	216,799.01	24%
Total KIP-II	7,597,855.23	943,849.49	943,063.08	-

³ The soya bean project is likely to be implemented in two phases – the first focusing on emergency relief and the second on developing further value-chains with the private sector (interview data).

⁴ Interview data.

⁵ Full list of projects (including preparatory activities) is provided in Annex F

⁶ The expenditure was part of the energy component, but not linked formally to the KIP-II which actually foresaw intervention in energy efficiency rather than renewable energy. It includes expenditure on the various CPC demo / pilot projects; and biogas digesters (approximately 18 interventions). The financing came primarily from UNIDO regular funds (seed funds) and a bilateral donor (Australia / Austria)

Non-KIP-II Components/Projects				
Technology transfer leading to methyl-bromide phase-out in soil fumigation	510,659.00	508,974.74	510,658.74	11%
Technical assistance for the final elimination of methyl bromide in post-harvest sector in Kenya	327,700.00	327,573.32	39,874.32	0.08%
Crafting a green future - Bamboo in the curio and souvenir industry of Kenya	1,327,434.00	1,327,434.00	1,318,589.43	27%
Energy Projects (Renewable Energy / Climate Change Adaptation)	1,515,538.87	1,132,658.99	960,072.59 ⁷	20%
Hunger Relief in East Africa by Producing Processed Soya Bead Products	1,000,000.00	907,955.00	863,210	18%
Others ⁸	1,144,483.10	1,185,170.72	1,096,353.13	23%
Total Non-KIP-II Components/Projects	4,865,814.98	5,431,451.82	4,808,429.81	-
Total National Projects	13,463,670.20	6,375,301.29	5,751,492.89	-
<i>Not implemented</i>				
<i>Partially implemented</i>				
<i>Implemented (completed)</i>				
<i>Under implementation</i>				

16. Kenya also has interventions in several regional and global projects on the ground including UNIDO Hewlett-Packard Life Programme (HP Life), investment promotion through the sub-contracting exchange partnership (SPX) and investor survey projects, capacity building for the production of essential generic medicines, coastal tourism and trade capacity building, and the Eastern African Bamboo project.

Table 2. UNIDO Regional / Global Projects with Kenya Component

Regional / Global Projects	Allotments \$	Total Expenditure \$	Kenya Share of Expenditure %
Investment Promotion Component (Includes the sub-contracting partnership exchange and investor survey projects)	3,831,198	3,292,990	10.74%
UNIDO-Hewlett Packard cooperation for entrepreneurship and IT capacity-building in Africa, Asia, Latin America and the Middle East (HP Life)	776,076	518,069	9.22%
Strengthening the local production of essential medicines in developing	5,121,489	4,230,992	8.41%

⁷ The majority of the budget / allotment and total expenditure is associated with the Climate Change Adaptation by Using Renewable Energy Power Systems for Productive Uses project – part of the African Adaptation Programme (AAP).

⁸ Other projects include general management / regular funds and project seed money; technical assistance for phase-out of solvents (TCA and CTC); Demonstration and transfer of environmentally sound technology for water treatment; and smaller projects related to gender

countries through advisory and capacity-building support			
Demonstrating and Capturing Best Practice and Technologies for the Reduction of Land-sourced Impacts resulting from Coastal Tourism	2,765,671	2,680,664	10.66%
Eastern Africa Bamboo Project	1,479,899	1,479,900	39%
Trade Capacity Building Component ⁹	2,246,809	2,109,374	16%
Total	16,212,145	14,302,994	1,900,000
<i>Implemented (completed)</i>			
<i>Under implementation</i>			

17. Kenya's overall share of regional / global funding is approximately USD 1.9 million. The most significant share of funding and in-country activities was delivered through the Eastern African Bamboo project.¹⁰

18. The main funders of the UNIDO Kenya TC portfolio have been Japan with a contribution of approximately USD 2 million for the Bamboo project and a more recent commitment for the development of soya-bean based industries. UNDP contributed USD 1 million for the 'Climate Change Adaptation by Using Renewable Energy Power Systems for Productive Uses in the Republic of Kenya'. UNIDO, via its Regular Budget (RB) and Regular Programme of Technical Cooperation (RPTC) provided nearly USD 1 million to support over 10 projects, most being renewable energy projects (community power centres and pico-micro hydro demonstrations and biogas) as well as KIP II preparations. The next largest contribution was received from the MP for two Methyl Bromide projects, and also a smaller project addressing phase out of solvents. As none of the above mentioned externally funded projects were part of the KIP II, it can be concluded that the usefulness of the IP as a fund raising instrument was close to zero.

1.4 Rationale and objectives of the evaluation

19. The evaluation was undertaken as part of the Evaluation Group work plan for 2012 / 2013 and responded to a request from UNIDO management to conduct an evaluation of operations in Kenya.¹¹

20. The evaluation seeks to identify best practices, areas for improvement and lessons to enhance the relevance, effectiveness, efficiency, impact and

⁹ The trade capacity component includes – support to agro-industrial section in terms of establishing compliance with international requirements; food safety; and other minor projects such as the UNIDO / AOTS joint capacity building programme for African Trade Promotion.

¹⁰ The East African Bamboo project (completed in 2008/09) was the predecessor of the recently completed Bamboo project.

¹¹ The evaluation is one of several recently completed UNIDO country evaluations focusing on Sub-Saharan Africa, the others being Nigeria and South Africa.

sustainability of future UNIDO interventions in Kenya. The evaluation is specifically focused on OECD-DAC evaluation criteria:

- a) The **relevance** and alignment of interventions to national needs and priorities, such as Kenya Vision 2030¹², and to international development goals such as the Millennium Development Goals (MDGs);
- b) Assessment of **effectiveness / results** of the technical cooperation (TC) and the Global Forum (GF) interventions against planned objectives;
- c) **Impact and sustainability** of benefits from UNIDO interventions
- d) The **efficiency** of management and coordination processes at Headquarters (HQ) and the CO, and;
- e) Achievements in relation to **cross-cutting issues** such as delivering as 'one UNIDO' (coordination and synergies), contribution to gender equality, environmental sustainability and fostering South-South cooperation.

21. The key audience and users of the evaluation are UNIDO management at HQ, the CO and also the Government of Kenya (GOK) key partner – the Ministry of Industrialization (Moi) and other GOK partners and donors.

1.5 Scope and methodology

22. The scope of the evaluation was from the 2006 when the last country level study was undertaken to September 2012. The emphasis was placed on assessing recently completed projects as well as those under implementation. Regional projects, which had significant 'on-the-ground' components, were also included.
23. The evaluation was conducted between September 2012 and January 2013. The methodology applied included the review of documentation and other information about UNIDO activities in Kenya and the country economic, social and policy conditions, interviews with project managers at UNIDO HQ, CO staff and in-country stakeholders, including beneficiaries.
24. The documentation review was carried during September 2012 and included project related documents, available evaluations, monitoring reports of ongoing and completed projects, and also contextual documents on GOK policies and recent economic and social development in Kenya.
25. Initial interviews were conducted with UNIDO HQ project managers and other relevant staff members in August and September 2012, prior to the evaluation mission, and served to obtain more information on project design and implementation. The interviews were semi-structured and lasted between 40mins to two hours. They focused on origins of the project, inputs from GOK and other stakeholders, institutional arrangements for implementation, achieved and expected results, risk management and missed opportunities.

¹² <http://www.vision2030.go.ke/> (accessed October 2012)

26. Based on the desk review and the interviews an inception report was prepared that served to sharpen the focus for the evaluation mission on several emerging issues / areas:

- Stakeholder ownership and institutional arrangements for the design and implementation of UNIDO projects: Many projects were experiencing design and implementation delays, and most of the challenges were attributed to 'political and institutional issues'.
- Issues affecting the development of the UNIDO Kenya project portfolio: It was noted that much of the KIPII had failed to attract funding and thus was not implemented.
- Coordination and synergies between UNIDO projects and those of other agencies such as UNDP and UNODC was highlighted. However, shortcomings were also found for example, many other organizations are involved in promoting renewable energy in Kenya, but the Community Power Centres (CPCs) seemed to be implemented in isolation.
- Community involvement in the implementation of UNIDO projects was quite pronounced in the CPC and AAP. However, the extent of community ownership and involvement in projects was unclear, particularly with regard to sustaining project benefits in renewable energy interventions.

27. The evaluation mission to Kenya was conducted between September 22nd and October 5th 2012. Interviews were conducted with UNIDO CO staff and project consultants, GOK, private sector, government parastatal organizations, other stakeholders and beneficiaries in Nairobi and the following project site visits were also conducted:

Renewable Energy Cluster:

- Biogas project (Biogas): Nyongara Slaughter House, Dagoretti
- Community Power Centres (CPC)¹³ for productive applications project sites / Straight Vegetable Oil (SVO) energy kiosks: Kibeye, Ngong, Siaya
- Model Pico / Micro hydro (Hydro): Kericho, Mutunguru (Meru)

Adaptation / Renewable Energy

- Climate Change Adaptation by using Renewable Energy Power Systems for Productive Uses - Africa Adaptation Project (AAP) project sites: Kericho (hydro tea estates), Mombasa CPC (joint-intervention with UNODC) and Sagana CPC

Montreal Protocol (MP)

- Phase out of Methyl Bromide (MB): Naivasha (Longonot Flower / Horticulture Farm)

¹³ Community Power Centre (CPC) or "Energy Kiosk" is a common utility (community-managed), decentralized electrical energy service centre powered by renewable energy technologies. □The CPC can utilize a single source of Renewable Energy (RE) system (Stand-alone) or a combination of sources (Hybrid) to produce electricity from locally available RE resources like water, organic wastes, plant oil, solar and wind etc. This electricity is then used in productive activities.

Agro-business – value-chain Cluster

- Developing Soyabean based Industries in Kenya through improvements in the performance of the domestic soyabean value chain (Soya): Kisumu and Siaya
- Coconut Development Project (Coconut): Malindi and Mombasa

Water Technologies

- Demonstration and transfer of environmentally sound technology for water treatment project site (Community Water): Watamu-Mida

Regional Projects

- Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced impacts resulting from Coastal Tourism (COAST): Watamu
- Hewlett-Packard (HP) Life Project: Nairobi (Students in Free Enterprise (SIFE)) and Nakuru (Tears Group)

28. Interviews were semi-structured and qualitative, with sufficient flexibility to allow new lines of questioning to be followed where necessary, particularly with regard to reconstructing project histories and baseline situations (as recalled by beneficiaries). Most of the interviews were conducted with all three evaluators present so that notes could be taken and perspectives triangulated within the team and also with documentary evidence. While maintaining the independence of the evaluation the approach was participatory and open in order to facilitate cordial and constructive dialogue with all stakeholders.

29. The evaluation used a simple qualitative scale to rate project relevance, effectiveness, efficiency, sustainability and impact (see Table 3 below). The scale rating was based on evidence collected by the team. In order to improve the credibility and validity of findings on which ratings were based, the team triangulated data where possible and appropriate.

Table 3. Rating Scale

Rating	Definition
Strong	Evidence of achievement of outputs / outcomes or impacts Presence of conditions / actions that support progress towards impact and / or sustainability in which major threats or barriers have been mitigated
Moderate	Some evidence of achievement of outputs / outcomes or impacts Presence of conditions / action that support progress toward impact and / or sustainability but threats and barriers may not have been mitigated
Weak	Little evidence of achievement of outputs / outcomes or impacts No significant presence of conditions / actions that support progress toward impact and / or sustainability and threats or barriers remain in place

30. At the completion of the evaluation mission a presentation of the preliminary findings and conclusions was made to the CO team in Nairobi on 5th October 2012. The findings and conclusions were also presented to the Permanent

Secretary of the MoI and his team. A second presentation of the findings and conclusions was made in Vienna at the UNIDO HQ on 29th November 2012. The preparation of the report took place between November and December 2012, based on the information collected during the previous phases. A draft report was disseminated in January 2013 for comments and a final version was prepared in February 2013.

1.6 Limitations

31. The main limitation faced by the evaluation team was the lack of quality documentary evidence across all projects and activities. Many projects, such as CPC and Hydro projects had no monitoring or progress reports and no mid-term or terminal evaluations. Furthermore, some such as the Montreal Protocol projects had been completed several years ago and it was difficult to trace project beneficiaries. Information on the Global Forum (GF) activities was difficult to uncover due to lack of documentation and record keeping at the CO and HQ on attendees and results of such events.
32. In keeping with the limitations noted in prior UNIDO country evaluations, the overarching challenge to accurate assessment and reporting of results is the lack of consistent attention to monitoring at the project level. Whilst the evaluation team made significant efforts to meet stakeholders and visit many project sites to reconstruct baselines and document results and factors influencing results a more rigorous assessment against standard evaluation criteria was impeded.

2. Country Context

2.1 Overview of Economic and Industrial Development

33. Kenya has a population of over 41 million and along with Ethiopia and Tanzania is one of the most populous countries in Eastern Africa. It has the biggest and most advanced economy in East and Central Africa with significant industrial manufacturing, agro processing and services development when compared to neighbouring countries. However, the country is categorized as a poor low-income economy with a Gross Domestic Product (GDP) per capita of USD 850, approximately 45% of the population living on less than USD1.25 per day and a Human Development Index (HDI) of 0.509 in 2011 (UNDP, 2011), ranking Kenya 143 out of 187 countries (see Table 4).
34. Despite economic setbacks in the early 2000's, which coincided with western donor governments concerns regarding governance and corruption, the economy has seen much expansion, seen by strong performance in tourism, higher education and telecommunications, finance and also agriculture, especially the tea and horticulture sector. Kenya's economy grew by more than 6 – 7% per annum thru 2007. This changed immediately after the civil unrest of 2007 – 2008, which adversely impacted many sectors of the economy. GDP growth rate was between 4 – 5% from 2009 thru 2011, with recovery from the civil unrest, drought, energy shortages and the global financial crisis impeding the return to the growth rates achieved in 2007. The real GDP growth rate is expected to rise again to above 5% in 2012 - 2013. However, the threat of another recession in Europe and the United States, which pose downside risks to current growth estimates.

Table 4. Selected Indicators for Kenya¹⁴

Indicator	Unit	2000 – 2010
Population	Millions	43 (2010)
Population Growth	%	2.7% (2010) per year
Poverty (pop living < USD1.25 per day)	%	45% (2005)
GDP per capita	USD	850 (2010)
GDP Growth	%	5 – 6 (2011 est)
HDI	-	0.509 (2011) (ranking 143)
Agriculture (contribution to GDP)	%	20 - 22

¹⁴ The World Bank (accessed November 2012); IMF (accessed November 2012); UNDP Human Development Report 2011; Economist Intelligence Unit Kenya Country Report 2012; Wikipedia (access November 2012)

Industry (contribution to GDP)	%	14 - 16
Services (contribution to GDP)	%	62
Electricity production	Megawatts	1,142 (2003)
Electricity access	% of Population	16 (2009)

Industrial and Agro-Industrial Development

35. Kenya is the most industrially developed country in East Africa, although manufacturing accounts for only 14 percent of GDP, this represents only a slight increase since independence in 1963. Expansion of the sector after independence, initially rapid, has stagnated since the 1980s, hampered by shortages in energy, high-energy costs and degraded transport infrastructure. Due to urbanization, the industry and manufacturing sectors have become increasingly important to the Kenyan economy. Industrial activity is concentrated around the three largest urban centers, Nairobi, Mombasa, and Kisumu and is dominated by agro / food-processing industries such as grain milling, beer production, sugarcane crushing and foodstuff manufacturing. Manufacturing industry is still somewhat limited to a few areas such as the assembly of vehicles from imported kits. Kenya also processes imported crude petroleum into petroleum products, mainly for the domestic market. Furthermore, manufacturing of household goods, motor-vehicle parts, and farm implements also takes place.
36. Agriculture is the second largest contributor to Kenya's GDP, after the service sector. In 2005 agriculture, including forestry and fishing, accounted for about 22 percent of GDP, as well as for 18 percent of wage employment and approximately 40 percent of revenue from exports. The principal cash crops are tea, horticultural produce, and coffee; horticultural produce and tea are the main growth sectors and the two most valuable of all of Kenya's exports. In 2005 horticulture accounted for 23 percent and tea for 22 percent of total export earnings. The production of major food staples such as corn (maize) is subject to sharp weather-related fluctuations, and drought related downturns periodically necessitate food aid. However, the expansion of credit and banking services (in large part related to improvements in telecommunications) into the agricultural sector has enabled farmers to better deal with the large risk of agriculture based on rainfall and the dramatic fluctuations of the prices of agricultural products. Many farmers are still unable to access markets due to post-harvest losses caused in part by lack of suitable storage and processing facilities or opportunities, lack of energy for post-harvest processing and storage, poor road and rail infrastructure.
37. The service sector made up of tourism¹⁵, transport, educational, financial and business consulting, business process outsourcing and telecommunications *inter alia* contributes over 60% of GDP and has experienced considerable growth in the last decade, generating over 60% of new employment within the Kenyan economy.¹⁶ For example, Nairobi has emerged as the regional hub

¹⁵ Tourism is a major source of foreign exchange for Kenya. Kenya has a well developed tourism sector catering to low, medium and high-end tourists.

¹⁶ <http://www.thecommonwealth.org/news/34580/34581/186027/161208kenyabpo.htm>

for financial services and has the fourth largest stock exchange, by capitalization, in Africa.

38. Many challenges remain to be addressed to improve industrial development in Kenya. For example, the World Bank *doing business report 2013* ranked Kenya 121 (out of 185 countries surveyed) and down from 117 in 2012. Kenya's scores against ten indicators including time taken to open a business, dealing with construction permits, gaining access to electricity and enforcement of contracts *inter alia* deteriorated between 2012 – 2013. Notably Kenya ranked in the bottom 25 countries for enforcement of contracts reflecting a lack confidence in the judicial system.¹⁷ The Global Competitiveness Index (GCI) in 2011 showed the top three major constraints for industrial and business development in Kenya as corruption, lack of access to finance and poor road, rail and energy infrastructure.¹⁸
39. Energy shortages have been highlighted by the GOK as a major impediment to enhanced economic growth, particularly for industry. Peak demand (measured in 2009 – 2010) was just over 1000MW but with growth of 7% per annum Kenya is likely to face increasing energy shortages over the next decade unless investment is undertaken. Currently, biomass energy accounts for about 70% of all energy consumed while petroleum and electricity account for only 21% and 9%, respectively. Kenya has an overall national electrification rate of approximately 23%, with rural households and small businesses access to the grid being at about 5% and urban access at 50%.
40. The above challenges come with a backdrop of general development challenges facing Kenya or high unemployment, particularly among youth, rural and urban poverty, inequalities in income distribution at individual and regional scales, corruption and gender inequality. In 2010, it was estimated by the Ministry of Finance that corruption could cost about USD 4 billion per year in lost revenues and spending.¹⁹
41. Despite the significant challenges, Kenya does have many advantages for domestic and FDI in industry. Firstly, there is a large workforce and the availability of well trained and educated personnel; secondly, English is the main business language and this is important for conducting transactions in the region and internationally; and thirdly, Kenya's geographical location means it is major hub for the transport of goods and services to Ethiopia, Rwanda, Southern Sudan, Uganda and Eastern Congo.
42. The GOK has prioritized efforts to shift the underlying pattern of energy consumption towards more cleaner and modern forms of energy (e.g., renewable energy). In addition to providing a cleaner form of energy, the shift is also driven by the desire to reduce the negative impact to the economy from the unstable international oil prices, although recent discovery of crude

¹⁷ <http://www.doingbusiness.org/data/exploreeconomies/kenya/>

¹⁸ <http://siteresources.worldbank.org/EXTAFRISUMAFTPS/Resources/Kenya.pdf> and <http://reports.weforum.org/global-competitiveness-report-2012-2013/>

¹⁹ <http://blogs.worldbank.org/africacan/corruption-in-kenya/> see also <http://www.bbc.co.uk/news/world-africa-11913876>

oil and natural gas deposits in the Lake Turkana and coast regions could significantly change the energy and economic growth prospects for Kenya in the medium term.²⁰ The World Bank reported that the discoveries have improved business and investor confidence, but concerns about internal security, and corruption remain.²¹

43. At a regional level a free-trade area was launched by the EAC in 2005 and a common market in July 2010; however, owing to need for harmonization of the large amount of legislation to pave the way for the common market, the aim of allowing the free movement of people, goods and capital will take time to realise. The EAC would also like to achieve a full monetary union and eventually, a political federation. The realization of the full monetary union might be realized by 2015, the political federation however, may not take place at all. The emerging nation of South Sudan is a potential sixth member of the EAC and Kenya would be interested in building ties with it, as well as with its immediate neighbour Ethiopia, and other important economies such as China, India and South Africa.

International Cooperation

44. Official development assistance (ODA) was 4.5% of the Gross National Income (GNI) in 2008, rose to 6.1% in 2009 and was 5.2% in 2010. The United States is the largest bilateral donor and provides assistance through USAID in addition Kenya is also a 'threshold candidate country' for the Millennium Challenge Corporation (MCC) pending further implementation of measures to reduce corruption.²² The largest multilateral donor is the World Bank (IDA) then followed by bilaterals UK and Japan. Over 50% of donor funding is directed towards health, programme assistance (through budget support), economic infrastructure (e.g., transport and power) and humanitarian aid. In 2010 net development assistance was 5.2% of Gross National Income (see Figure 1 below).

²⁰ <http://www.tulloil.com/index.asp?pageid=137&filtertags=84>

²¹ <http://www.worldbank.org/en/country/kenya/overview>

²² <http://www.mcc.gov/pages/countries/overview/kenya>

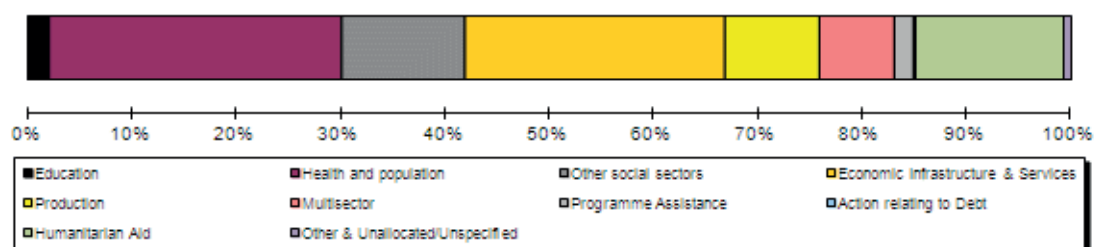
Figure 1: Official Development Assistance to Kenya²³

Receipts	2008	2009	2010
Net ODA (USD million)	1 366	1 776	1 631
Bilateral share (gross ODA)	69%	67%	69%
Net ODA / GNI	4.5%	6.1%	5.2%
Net Private flows (USD million)	- 26	595	- 12

For reference	2008	2009	2010
Population (million)	38.5	39.5	40.5
GNI per capita (Atlas USD)	740	770	790

Top Ten Donors of gross ODA (2009-10 average)		(USD m)
1	United States	579
2	IDA	193
3	United Kingdom	125
4	Japan	112
5	IMF (Concessional Trust Funds)	105
6	France	104
7	EU Institutions	93
8	Germany	92
9	AfDF	81
10	Denmark	64

Bilateral ODA by Sector (2009-10)



²³ Source: OECD website (accessed October 2012)

2.2 Relevant Government Policies and Strategies²⁴

45. The national long-term development blueprint is the Vision 2030²⁵, which aims at raising Kenya to a globally competitive and prosperous middle-income nation with high quality of life by the year 2030. The vision's three pillars are: Economic, Social and Political pillars.
46. The economic pillar aims to improve the prosperity of all Kenyans through an economic development programme, covering all the regions of Kenya. It aims to achieve an average GDP growth rate of 10% per annum beginning in 2012.²⁶ To achieve this target, Kenya is continuing with the tradition of macro-economic stability that has been established since 2002. It is also addressing other key constraints, notably, a low savings to GDP ratio, which are to be addressed by drawing in more remittances from Kenyans abroad, as well as increased foreign investment and overseas development assistance (ODA).
47. It was also found necessary to deal with the significant informal economy employing 75% of the country's workers. The informal sector is being supported in ways that will raise productivity and distribution and increase jobs, owner's incomes and public revenues. The country is continuing with the governance and institutional reforms necessary to accelerate economic growth. Other critical problems being addressed include poor infrastructure, high energy costs and limited access. The six key sectors that are given priority in Vision 2030 are: – i) tourism; ii) agriculture and agro-industries; iii) wholesale and retail trade; iv) manufacturing; v) IT-enabled services (previously known as business process off-shoring); and vi) financial services.
48. The social pillar seeks to build a just, cohesive and equitable social development in a clean and secure environment. The political pillar aims to realize issue-based, people centred, result-oriented and accountable democratic system that respects the rule of law, and protects the rights and freedoms of every individual in Kenyan society.
49. Other policies anchored into Vision 2030 include: the Private Sector Development Strategy (PSDS) (2006-2012), Industrial Master-plan (MAPSKID) and the National Industrialization Policy. The PSDS focused on the following five goals: (i) Improving Kenya's Business Environment; (ii) Accelerating Public Sector Institutional Transformation; (iii) Facilitating Growth through Greater Trade Expansion; (iv) Improving Productivity; and (v) Supporting Entrepreneurship and Indigenous Enterprise Development.
50. The National Industrialization Policy covers the period from 2011 thru 2015 and was passed by the Cabinet in October 2012.²⁷ The policy vision is to: *"To enable Kenya to become a regional leader in industrial growth and development contributing upwards of 15% of annual national GDP."*

²⁴ See the National Industrialization Policy for an overview of the historical legal and policy developments in Kenya relating to manufacturing and industry.

²⁵ <http://www.vision2030.go.ke/>

²⁶ This growth rate is unlikely to be achieved in 2012.

²⁷ http://www.statehousekenya.go.ke/cabinet_briefs/october2012/2012111001.htm

51. The policy provides a framework that aims to achieve the following in five years²⁸: (1) Strengthening local capacity to increase domestically manufactured good by focusing on improving the sector's productivity and value addition by 20 per cent; (2) Raising the share of Kenyan products in regional markets from seven to 15 per cent; (3) Developing niche products through which Kenya can achieve a global competitive advantage; (4) Increasing the share of Foreign Direct Investment in the industrial sector by 10 per cent; (5) Increasing by 25% per cent, the share of locally produced industrial components and spare parts; (6) Developing at least two Special Economic Zones and five Small and Medium Sized (SME) Industrial Parks; (7) Establishing an Industrial Development Fund with a minimum of Kshs. 10 billion for long-term financing; (8) Increasing by 20 per cent the share manufacturing in total SME output; (9) Increasing the local content of locally manufactured goods for export to at least 60 per cent and (10) Increasing the share of industries located outside major urban centres (Nairobi, Mombasa, Kisumu, Nakuru and Eldoret) to 50 per cent.
52. In order to support the Vision 2030 and associated policies the UN Country Team (UNCT) developed the currently ongoing UN Development Assistance Framework (UNDAF) (2009 – 2013). The UNDAF is based on three priority areas: (1) Improving Governance and realization of human rights; (2) Empowering people who are poor and reducing disparities and vulnerabilities; and (3) Promoting sustainable and equitable economic growth for poverty and hunger reduction with a focus on vulnerable groups. Additionally, the UNDAF focuses on four cross-cutting themes: gender equality; HIV/AIDS; migration and displacement and climate change, all recognized by the UNCT as themes to be addressed and relevant to each of the priority areas. UNIDO portfolio has aimed to respond to priority three of the UNDAF and also the cross-cutting issues of climate change and gender.

²⁸ Now assumed to be 2012 – 2017

3.

Assessment of UNIDO activities in Kenya

53. This Chapter evaluates UNIDO's TC and Global Forum (GF) activities in Kenya, assessing the relevance, effectiveness, efficiency, impact and sustainability of projects and of UNIDO cooperation as a whole. The first section comments on the overall performance of the KIPII; the second section presents an assessment of TC projects; and third section focuses on GF activities. A summary assessment of individual TC projects is presented in Annex A.

3.1 KIPII

54. The objective of the KIPII was to increase productivity of enterprises through enhanced access to information and technology, and energy (efficiency and renewables); and strengthen supply side of production through enhancements to product design and value addition for agro-business; and finally to improve the business environment through the monitoring of investment flows.

55. The design of the KPII took on board the lessons of KIP I in relation to the need for GOK involvement in the design of the programme, and also to foster broader in-country ownership. Hence, the preparation of the KIPII followed a series of consultations with the MoI in conjunction with other stakeholders. It drew on and was designed to support the Vision 2030 and the PSDS, and also the UNDAF (2009 – 2013). The programme document showed a significant understanding of the economic and industrial context of Kenya and GOK challenges and priorities, particularly for agro-industry and SME development to increase employment opportunities and reduce poverty. The KIPII built on some of the more successful TC interventions of KIP I such as those in the leather industry. It also placed emphasis on UNIDO's strengths in trade capacity building, SME's, investment climate and FDI mobilization, and energy. Therefore the programme was relevant for Kenya stakeholders and UNIDO.

56. KIPII had five projects which had planned funding requirements of approximately USD 7.6 million:

- Project 1: Trade Capacity Building for Agro-Industry Products for the establishment and proof of compliance with international market requirements (USD 0.67 million).²⁹ The trade and capacity building component (project 1) received some funding for interventions in the agro-industry sector on improving sanitary and phyto-sanitary (SPS) measures

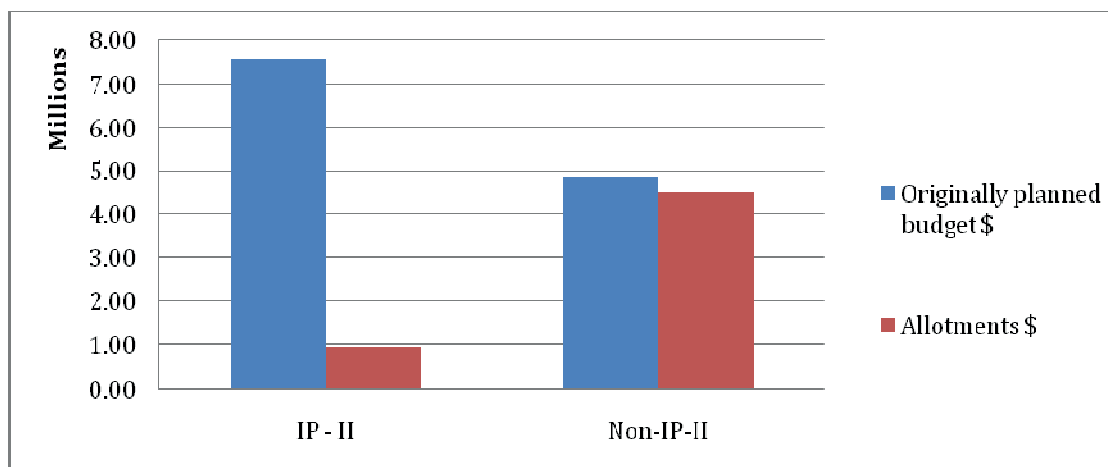
²⁹ A regional project aiming at 1) the enhancement of enterprises' capacity to produce according to international market requirements and 2) the strengthening of export-oriented services, mainly relating to conformity assessment.

to improve agro-trade access. The major outputs were: A draft national food safety policy; training conducted with the University of Nairobi to improve awareness and knowledge of basic food safety and quality; establishment of national SPS committee; and upgrading of the Kenya Bureau of Standards (KEBs) laboratories and the training of personnel for ISO 17025 accreditation. The project also worked with the private sector fruit and vegetable, and fish exports to implement appropriate SPS measures to achieve ISO 22000 standards. Lastly 65 food safety auditors were trained.

- Project 2: Promoting the growth and competitiveness of the Kenyan leather sector, by enhancing the competitiveness of manufacturers (USD 0.87 million). No funding or activities have been undertaken.
- Project 3: Improving the investment climate in Kenya with a view to mobilizing and increasing FDI flows into Kenya and enhancing their impact on the local economy (USD 1.2 million). With the exception of finalising the investor survey (USD 0.12 million), no funding or activities have been undertaken.
- Project 4: Reduce energy intensity per unit of production and also promote renewable energy resulting in improvement of the competitiveness of Kenyan industries. This included strengthening the capacities of 1) the Centre for Energy Efficiency and Conservation and 2) the Kenya National Cleaner Production Centre (USD 3.55 million). No funding or activities have been undertaken for either planned activity, but some of the community-based renewable energy for productive uses were subsequently placed under this project (USD 0.6 million)
- Project 5: Building the ladder for MSMEs to transform their enterprises into globally competitive businesses (USD 1.2 million). No funding or activities have been undertaken.

57. The original funding strategy for the KIP II indicated that several donors had expressed interest in supporting the projects. For example, the Italian Government funded the leather products component under KIP I and it was 'hoped' that further funding could be secured, but no funds were forthcoming. The EU and bilateral funding sources were sought for the other components, alongside UNIDO seed money to elaborate the project concepts. However, the fund raising strategy failed and by May 2011, the KIP II had received only around 5% of the planned funding (see Figure 1 and Table 1). However, if the funding used to support the renewable energy CPC projects is included in the KIP II the funding increases to approximately 12 – 15%.

Figure 1. KIP II and Non-KIP II Projects: Planned versus actual funding (allotments)



58. Most of the funding that was generated by projects during the KIP II implementation was outside of the programme. The main reasons for the failure to secure funding related to changes in personnel and new priorities within the CO and UNIDO HQ:

- Firstly, the KIP II was not owned by a well-established team of UNIDO CO and HQ staff members. Thus it did not manage to overcome the frequently observed (see other evaluations of UNIDO IPs) divide between CO and HQ and therefore it was difficult for the programme to serve as a guide for project development and for funding;
- Secondly, UNIDO CO did not actively support the KIP II implementation and fund raising, instead preferring to develop a series of pilot / demonstration interventions focused on renewable energy, based primarily on the CPC model; and
- Thirdly, there was insufficient attention placed on KIP II implementation and fundraising by the Mol. The general approach seems to have been to sit back and wait for UNIDO to mobilize the funding. Hence, the programme lacked implementation partnership to follow up on the good efforts made during the 2008 design consultations.

59. In September 2011, a retreat was conducted to review progress made towards envisioned annual results for KIP II in 2011 and jointly plan for the activities of 2012. It was agreed upon, amongst others, to review programme activities and revitalize KIP II strategy, as well as to request an extension of projects till end 2013. Key elements of the revitalized approach were: The establishment of joint UNIDO CO – Mol working committee to guide the final two years of KIP II implementation and to maintain focus and leadership; and to explore further projects in trade capacity building (with EU funding) and investment climate through the SPX, to assess viability of further work on developing leather value chains, and finally to develop renewable energy initiatives (e.g., Energy +). The retreat found much of the detailed plans of the KIP II outdated or no longer relevant, but the main priority areas were found

to be still largely relevant and above mentioned new or revised project concept were discussed.

3.2 Assessment of Technical Cooperation Projects

60. This section presents the assessment of TC projects in Kenya. The tables below provide an overview of the assessment of projects examined in-depth during the field mission, with regard to relevance, effectiveness, efficiency, impact, sustainability and cross-cutting issues such as gender. The main projects and / or clusters of projects examined during the field mission included: renewable energy cluster of projects; AAP; agro-business / value-chain projects; trade and investment projects including the SPX; the Montreal Protocol projects to phase-out Methyl Bromide; and also the four regional projects including the strengthening production quality of generic drugs and the HP Life programme (see Table 5). Annex A provides further analytical detail of each project.

Table 5: TC Projects – Key findings³⁰

National Project	Main findings
Renewable Energy Cluster, -Community Power Centres (completed)	<p>Relevance renewable energy projects were strong given the need for power in remote rural locations not covered by the grid for household and productive uses – this includes much of central and northern Kenya. Furthermore, Kenya is facing increasing energy shortages due to increased demand and supply-side constraints. Renewable energy potential within Kenya is significant and the GOK has supported development, but the character of the support has been rather fragmented, with no clear policy until recent development of the National Energy policy (2012 draft).³¹</p> <ul style="list-style-type: none"> • The projects did not focus significant activities to address policy issues and lack of coordination on renewable energy in Kenya • There was little evidence that the projects were designed with GOK involvement and ownership. • There was a lack of coordination between UNIDO and GOK on grid extension plans – in several locations CPC's were installed and soon after the grid reached the communities, which greatly reduced the relevance of renewable energy (except as a backup power source). • Limited analyses (socio-economic) of context and fittingness of the technologies to local community context and also a lack of assessment of opportunities for productive uses. • The projects designs and implementation did not contain enough emphasis on capacity building for maintenance of renewable energy technologies equipment. Instead the emphasis was on provision of hardware for installation the mostly community level for solar / wind and straight-vegetable oil (SVO) generators. <p>Therefore, despite renewable energy being of high relevance to GOK and Kenyan context, UNIDO's approach did not capitalize on this through a thorough understanding of the local and national context.</p> <p>The overall effectiveness of the CPCs was weak.</p> <ul style="list-style-type: none"> • Out of the 3 CPC's assessed by the evaluation none functioned correctly due to faults with the equipment. Hybrid Solar / Wind-SVO generators model did not work due to technical faults with the technology, moreover SVO generators were not used with vegetable oil due to a lack of feedstock and instead were run on diesel. • The productive use activities were mostly unsuccessful with only mobile phone charging the community television rooms being perceived as bring benefits. • The economic viability of the CPCs has been severely affected by grid connections of the communities soon after project start. <ul style="list-style-type: none"> ○ The recent JICA study of all UNIDO renewable energy CPC's highlighted similar challenges across most of the other sites, not visited by the evaluation team. • The evaluation also visited four pico and / or micro hydro sites and three were still working, although they provided limited power for the communities, who desire individual household connections. • For biogas only one of the sites (Dagoretti) is still functioning. The JICA study has highlighted that biogas technology selected by UNIDO needed sufficient local capacity for sustainable operations in most cases this was absent. <ul style="list-style-type: none"> ○ UNIDO did not conduct an assessment of the economic and financial viability for biogas use in industry. This would be an important input / driver for GOK – the opportunity was missed.

³⁰ Note that not all Kenya projects are detailed in the table, but those most recently completed (with evaluations) and under implementation

³¹ http://www.kplc.co.ke/fileadmin/user_upload/Documents/05-2012/Media/National_Energy_Policy_-_Third_Draft_-_May_11_2012.pdf

<p>The efficiency of the projects was weak.</p> <ul style="list-style-type: none"> • There is very limited reporting on the energy programme. A comparison of baseline situations at the project level with achieved results has not been done in any of the analysed cases. <ul style="list-style-type: none"> ◦ The absence of a proper M&E system severely affects the possibilities of the project to learn from lessons and to adjust strategies accordingly. • There was strong reliance on imported hardware from China and India which initially increased efficiency due to low procurement costs, however the lack of spare parts and technical manuals has reduced efficiency when the equipment broken down. • The projects did not attempt to systematically exploit synergies with other donor energy projects and also the GEF Small Grants Programme (SGP). Although in late 2012 the SGP approved a grant of USD50,000 to support the further development of the Mutunguru Micro-hydro • Lastly funds of USD 0.68 million were spread thinly across 17 pilot projects, this meant that the interventions were largely restricted to providing and installing hardware and there was inadequate funding for capacity development for communities. <p>Impact and sustainability of renewable energy projects has been weak, with a negligible impact on poverty reduction and the environment.</p> <ul style="list-style-type: none"> • Sustainability and impact was undermined by several factors: (1) lack of GOK involvement and ownership; (2) lack of community ownership; (3) poor attention to capacity development and (4) poor quality of the hardware and lack of opportunities for maintenance. 	<p>Relevance the project was limited / weak due to:</p> <ul style="list-style-type: none"> • The emphasis on mitigation and lack of a direct focus on adaptation interventions. • Community ownership of the Kericho tea estate hydro component was strong, however there was no business plan in place for sale / use of the power; community expectations were high <ul style="list-style-type: none"> ◦ Phase 2 expansion 500mw (from 200mw) is anticipated, but no planning has been initiated to secure financing ◦ Grid power is available in the area and may compete with the off-grid power unless the hydro power is expanded to 500mw and sold to the grid. • Mombasa (UNIDO – UNODC) CPC – relevant focus on coconut charcoal as a substitute for woodfuel that combines employment generation for former drug addicts. Ownership from the local NGO is strong <ul style="list-style-type: none"> ◦ No business is in place for sale / use of coconut charcoal • Sagana CPC – Less community involvement and ownership of the concept. The project is largely replicating the failed CPC approach <ul style="list-style-type: none"> ◦ The buildings have been poorly constructed ◦ SVO generator has been supplied despite failure of this approach in all other CPC's. <p>Effectiveness and efficiency are premature to judge as the components have yet to become operational</p> <ul style="list-style-type: none"> ◦ The effectiveness of the project is likely to be satisfactory by project termination in all three components as the foreseen outputs are being produced and can be considered likely to be used by the target groups. ◦ Some efficiency problems were reported by stakeholders in relation to delays caused by the centralised, HQ-based management of the project, including the need to go for international procurement at relatively low thresholds ◦ The project has not established a baseline to monitor impacts of the woodfuel substitution approach. <p>Sustainability & Impact cannot be judged, however:</p> <ul style="list-style-type: none"> • Overall, the project is at considerable risk to not achieve the expected impact. This is due to the absence of economic/financial feasibility analysis and resulting weak feasibility on one side and to the too narrow focus on technology solutions with little regard to business development.
<p>Climate Change Adaptation by using Renewable Energy Power Systems for Productive Uses.</p> <p>African Adaptation Programme (AAP) (under implementation)</p>	

	<ul style="list-style-type: none"> • Short time frame for project implementation (1 year) is a significant threat to sustainability as most of the emphasis is on installing hardware and not building capacity of communities to carry out ex-post maintenance
<p>Montreal Protocol</p> <p>Methyl-bromide phase-out in pre-harvest (completed)</p>	<p>Relevance of the project was strong:</p> <ul style="list-style-type: none"> • The project was aligned with the GOK environmental policies and commitments to the MP • UNIDO focus on providing substitutes for Methyl bromide was relevant to the commercial farmers who were receptive to finding alternatives <p>Effectiveness of the project was strong:</p> <ul style="list-style-type: none"> • Methyl bromide was successfully phased-out of use <ul style="list-style-type: none"> ◦ Alternative treatments of Metham sodium and steam were not long-term solutions for pest management, but the project catalyzed an intense period of innovation by flower / horticulture farmers to find environmentally friendly solutions such as coconut peat and pumice <p>Efficiency of the project was strong:</p> <ul style="list-style-type: none"> • Project encountered no significant delays during design and implementation. <p>Sustainability & Impact was strong:</p> <ul style="list-style-type: none"> • An unintended impact of the project was innovation undertaken by the commercial farmers to reduce their use of chemicals and adopt 'green' integrated pest management. <ul style="list-style-type: none"> ◦ Yields per acre are up > 100% since the phase-out of Methyl bromide • Sustainability has been achieved with no incentives to return to (illegal) use of Methyl bromide due its poor effectiveness vis-à-vis new methods for pest control.
<p>Crafting a green future – bamboo in the curio and souvenir industry of Kenya</p>	<p>Relevance of the project was moderate to strong</p> <ul style="list-style-type: none"> • The project was clearly in line with GOKs priorities towards environmental sustainability and socio economic development as expounded in Vision 2030. It was also in line with UNIDO's thematic priorities. • The project built on the strengths of Kenya's craft and woodcarving industry, which is one of the country's most important craft sectors in terms of both economic returns and self-employment opportunities. The Kenyan wood carving industry is estimated to directly employ over 60,000 people providing income for an estimated 300,000 dependents. • The 1 year implementation (conditionality imposed by the Japanese funding) for the project and focus on IDP / humanitarian relief was not aligned with building sustainable bamboo value-chains. The IDP had limited opportunities to build relevant and sustainable micro and small business in 1 year. <p>Effectiveness of the project moderate to strong</p> <ul style="list-style-type: none"> • The project achieved its intended objectives. It was able to meet the needs of IDPs, direct beneficiaries, GOK and KEFRI. IDPs and members of the host community at Olenguruone were trained successfully. <ul style="list-style-type: none"> ◦ It exceeded initial targets to train 300 beneficiaries by 58 per cent as 475 IDPs received training. The project also trained 20 participants from the host community as well as eight (8) KEFRI staff and eight (8) private sector trainers who have been the recipients of expert training. The project has distributed 450 toolkits to beneficiaries. • KEFRI staff was trained and KEFRI was able to acquire equipment to continue demonstration and small-scale production after closure of the project. However, most of the direct benefits of the project seemed to accrue directly to KEFRI and less so to the IDPs. • Some IDPs did establish small businesses, but many of the IDPs have been moved further away from the forest making it more difficult

<p>for them to access the bamboo. Products from bamboo are increasingly finding their way into market outlets such as Furniture shops in the main towns of Kenya especially those near the Mau Complex.</p> <p>Efficiency of the project was strong</p> <ul style="list-style-type: none"> • In spite of the limited timeframe for intervention, efficiency of the project is rated as strong. Efficiency was enhanced by reference to and building on, the previous experience of implementation of the East African Bamboo project. • There was wide scale agreement between the beneficiaries, the GOK, KEFRI and UNIDO that the project's approach represented the most efficient use of given resources within the 1 year implementation period. • The project provided an alternative means of livelihood and income generation through cost effective training. <p>Sustainability and Impact was weak to moderate</p> <ul style="list-style-type: none"> • The project was meant to be followed-up with a subsequent intervention to further develop bamboo value-chains however this was cancelled due to institutional challenges uncovered during the implementation. • The project did not create solid market linkages, and no permanent marketing outlets have been established; access to local markets remains difficult by foot, while main markets in Nairobi or Nakuru are too difficult for the IDPs to reach. Additionally, roads are not passable year round. <ul style="list-style-type: none"> ◦ GOK has now moved many of the IDPs further away from the forest, hence their access to the bamboo is limited. • KEFRI intend to continue to use the equipment provided by the project for demonstration and also small-scale production, however, the benefits will not accrue to the IDPs.(although the IDPs were empowered to engage in productive activities, which otherwise would have been denied to them without the project). 	
<p>Relevance of the projects are strong:</p> <ul style="list-style-type: none"> • Projects are well aligned with GOK vision 2030, PSDS and the recently approved National Industrialization Policy with the emphasis on developing agro-business, new value chains and employment creation <ul style="list-style-type: none"> ◦ Focus on soya and coconut provides multiple value-chains ◦ Soya relevance for food relief is unclear and synergies with relief agencies are still be finalized. The humanitarian focus has somewhat distracted the project from developing private sector value-chains ◦ GOK recently formed the KCDA – coconut bill received its 3rd reading in parliament ◦ GOK currently lacks a strategy for coconut development and guiding investments and value-chain selection – over 100 potential products could be developed, but as the moment the investment landscape is confusing. <p>Effectiveness for Soya bean project is to date moderate</p> <ul style="list-style-type: none"> • At the time of the evaluation mission the project was well underway to produce all four outputs according to plans. Whether these outputs will lead to the expected outcome "Improvement of the nutrition level of people and creation of productive activity and employment in selected project locations" is difficult to assess at this stage. • However, the cooperation with local NGOs to ensure outreach to local farmers seems to be an important driver for future effectiveness and impact. The issue of raw material supply (soya beans) for the processing facilities is an essential factor for effectiveness • The processing facilities provided by the project are very small scale and represent pilot investments. Without replication the project will not be effective in improving nutrition of a significant number of people. The replication is based on the assumption that KIRDI will copy the design of the pilot plants and develop local prototypes, which will then be bought by local entrepreneurs. This intervention logic is certainly jeopardized by the short duration of the project, which will not allow to follow-up on this process. 	<p>Agro-business / value chain cluster</p> <p>Soya (under implementation) & Coconut (under preparation)</p>

	<p>Efficiency is moderate for the Soya bean / and weak for the Coconut project design stage</p> <ul style="list-style-type: none"> The Soya bean project has been implemented with remarkable speed, and no procurement delays. However, the short duration of the soya project poses a risk to M&E and learning, as there has been a strong focus on implementation and spending the funds within the time allowed by the donor (Government of Japan). Coconut project delayed because of poor design quality: roles and responsibilities of the stakeholders are unclear; no mechanism in place for sharing information between many stakeholders interested in coconut development in Kenya; south-south element of the project is proving difficult to arrange (subsequently in early 2013 further project assistance of USD40,000 was provided to design a much larger coconut value-chain project).
<p>Water technologies</p> <p>Demonstration and transfer of environmentally sound technology for water treatment (under implementation)</p>	<p>Relevance of the project is strong</p> <ul style="list-style-type: none"> The project was in-line with vision 2030 and the Kenya Water Strategy / Water Act 2002. It was also locally relevant as the communities have no access to fresh water, as the local water is salty and is not potable <ul style="list-style-type: none"> The desalination technology based on renewable energy is particularly suited to coastal areas because of the combination of salt water intrusion, strong solar radiation and wind. The project has strong community ownership although expectations are currently high with regard to the volume of clean water the desalination technology will produce. However, there is little evidence that the project has involved the Ministry of Water or local authorities. <p>Effectiveness is currently weak to moderate:</p> <ul style="list-style-type: none"> The original objective to supply water to local hotels has been dropped due to insufficient capacity of the water treatment technology. Main challenges relate to balancing local demand and expectations for clean water (from a community of 8,000) and the capacity of the technology which is about 1000 litres per day – enough drinking water for approximately 500 people; developing the capacity of the local community in operation and maintenance of the plant; and putting in place a local management committee <p>Efficiency of the project is weak to moderate:</p> <ul style="list-style-type: none"> The project has experienced procurement delays (re-bidding) – delay of 6 months. <p>Sustainability and Impact is premature to judge:</p> <ul style="list-style-type: none"> Issue of financing for the recurrent costs after the expiry of the warrant / free servicing (after 2 years) is unclear. <ul style="list-style-type: none"> Sourcing spare parts for the technology locally may pose risks (the water treatment technology is sourced from Slovenia) Institutional and capacity issues have also yet to be clarified
<p>Trade Capacity</p> <p>Building in agro-industry products for the establishment and proof of compliance with international market requirements in East African Community (EAC) (Completed)</p>	<p>Relevance of the project was strong</p> <ul style="list-style-type: none"> The project objectives were consistent with the broad goals of the EAC to widen and deepen integration and cooperation between partner countries and also the establishment of the Customs Union in 2005 and Common Market in 2010. At the Kenya national level the project was fully consistent with Vision 2030 in terms of the emphasis on strengthening national standards and infrastructure for trade in agro-products The need for the project was acute in the agricultural sector where sanitary and phyto-sanitary (SPS) measures, food safety and standards are essential for international trade, and export markets are becoming more stringent Ownership of the project was initially weak, mainly due to project delays but improved as implementation progressed. The MoI was closely involved in the implementation of the project.

Effectiveness was strong

- The project achieved most of its regional EAC objectives, in Kenya the following results were achieved:
 - Developed the SPS protocol, the EAC project supported the formation of the National Food Safety Coordination Committee, preparation and review of a draft National Food Safety Policy and high level meetings to discuss policy and coordination issues.
 - The National Food Safety Coordination Committee is now an important intersectoral committee that performs food safety management functions in Kenya. Food standards were harmonized across the EAC for fruit and vegetables, and fish.
 - Food safety course was added to the University syllabus including M.Sc in Food Safety and Quality.
 - National food safety campaigns have been conducted annually during the food safety week in October/November each year beginning 2009. The campaigns are now fully owned by the GOK and will continue ex-post the project completion.
 - 65 internal auditors were trained in the horticultural and fisheries subsectors (50 for horticulture and 15 for fisheries)
 - Several fish and horticulture processing companies achieved ISO22000 certification allowing them to export food products to international markets
 - KEBS laboratory facilities were upgraded.

Efficiency was weak to moderate

- Difficulties in the initial management structure (confusion over the role of the EAC Secretariat) and then procurement caused delays
- Centralized management of the project from UNIDO HQ was not efficient, attempts to decentralize were unsuccessful
- There were procurement delays associated with upgrading the laboratories.
- After re-structuring of the project (after the MTR) implementation progress more quickly. However, the project lost approximately 18 months due to the various delays.

Sustainability and Impact could not be directly assessed (premature).

- Future potential impacts of the project within the EAC could be:
 - Increase in trade and in particular in intra EAC trade -quantifiable from trade statistics using date of ratification of the SPS Protocol by all partner states baseline date.
 - Increase in use of regional standards by the private sector in intra EAC trade - quantifiable from statistics of NSBs using the date for the harmonized food standards are gazetted as the baseline date;
 - Increase in productivity of exporters in the agri-business sector (arising from use of harmonized standards
- At the Kenya national-level potential impacts could be *inter alia*:
 - Increase in demand for food testing services from exporters
 - Increase in the number of companies exporting food products
 - Increase in investment in for export crops / food products
 - Increase in adoption of food safety standards by export food business enterprises;
 - Increase in compliance with SPS measures and food safety standards by food export business enterprises
 - Reduction in rejections of food products in export markets due to non-compliance
 - Increase in trade of food products within the EAC and export to other markets

	<ul style="list-style-type: none"> ○ Increase in consumer confidence in safety of food produced by national and EAC food business operators • Sustainability could be achieved through ratification of the SPS protocol; food safety week has now been institutionalized in Kenya and the other EAC countries; • KEBS microbiology laboratory is a sustainable output. The lab is ISO17025 accredited for water, fruit juices and fish <p>Relevance of the project is strong:</p> <ul style="list-style-type: none"> • Programme supports implementation of vision 2030, PSDS and the National Industrialization Policy <ul style="list-style-type: none"> ○ Based on discussions with private sector partners the SPX responds well to their needs for reliable supplier partnerships <p>Effectiveness is premature to judge as little implementation progress has been made:</p> <ul style="list-style-type: none"> • Project activities intend to target the manufacturing sector (approximately 125 companies). A database has yet to be established, but it is expected that work will be completed in 2013. • The SPX is housed within KenInvest, training and capacity building were completed but project delays mean benchmarking re-training will be required. <p>Efficiency of the project has been weak:</p> <ul style="list-style-type: none"> • The project was designed to run for 2 years, but has suffered from implementation delays of nearly 4 years due to institutional conflicts regarding roles and responsibilities within GOK <ul style="list-style-type: none"> ○ Despite the delay the project is still relevant to national and local policy context, and industrialization challenges outlined in recent policies
Supplier partnership exchange programme (SPX) (under implementation)	<p>Relevance of the project is strong:</p> <ul style="list-style-type: none"> • The project is aligned with vision 2030, health and social policies. A recent GOK summary of key investment opportunities³² highlighted the strength of the pharmaceutical sector nationally and regionally in terms of market penetration • Support and ownership from the GOK and private sector stakeholders has been built despite project delays <p>Effectiveness of the project is currently weak due to implementation delays:</p> <ul style="list-style-type: none"> • Delays have meant the project has only completed 'stocktaking exercise': Pharmaceutical sector profile (output 1) which informed strategy development. Strategy was developed and approved in August 2011. The project has acted as an 'honest broker' between the Poisons Board and the pharma-industry association. • 3 companies have been certified by the WHO, also there has been some moves by other companies to adopt improved production quality. <p>Efficiency of the project is currently weak:</p> <ul style="list-style-type: none"> • Implementation delays have been significant the project has only made progress against output 1. Main causes of the delays have been insufficient attention from the UNIDO HQ project management; disputes between consultants; conflict between the GOK regulators and the pharma-industry association • Project design was relevant but over-ambitious in terms of its scope: <ul style="list-style-type: none"> ○ 2-year implementation timeframe to achieve 'improved access to quality essential generic drugs...' was perceived by

³² GOK (2012) Summary of key Investment Opportunities in Kenya. Ministry of State for Planning, Development and Vision 2030.

	<p>stakeholders as unrealistic. Sufficient only to do preparatory work on stocktaking and strategy.</p> <p>Sustainability and impact are at risk:</p> <ul style="list-style-type: none"> • Project delays and lack of leadership from UNIDO HQ in dealing with a complex national pharmaceutical sector; capacity issues within the sector are not being addressed by the project. <p>Relevance of the project is strong:</p> <ul style="list-style-type: none"> • The HP life supports vision 2030, PSDS, and the National Industrialization Policy through the focus on fostering micro and small enterprise development • Training is perceived as relevant by participations for business start-ups: <ul style="list-style-type: none"> ◦ Fits into rural and urban context and across sectors • Selection of local HP life partners capitalized on pre-existing capacities and networks: <ul style="list-style-type: none"> ◦ SIFE – long history of working with student entrepreneurs ◦ Tears Group – founded in 2002 as a performance art NGO <p>Effectiveness of the project is strong:</p> <ul style="list-style-type: none"> • The project has assisted many youths to start their own businesses <p>Efficiency of the project is moderate to strong:</p> <ul style="list-style-type: none"> • M&E system has yet to be put in place to adequately and systematically track results of HP Life training. At the moment the project relies on anecdotal reporting of success stories which does not provide a systematic foundation for learning and improvement. <p>Impact is strong, but sustainability is uncertain for the programme in Kenya although individual examples of success were reported.</p> <ul style="list-style-type: none"> • Main sustainability challenge is turnover of trainers (HP perspective). However, this is not viewed a problem by local partners – ‘turnover has to be expected’. • Training is given for free by the HP Life centres – who must cover their own recurrent costs. In the long-term, if the programme was to lose support of key donors then the centres may cease to exist.
<p>Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced impacts resulting from Coastal Tourism (COAST) (under implementation)</p>	<p>Relevance of the project was weak:³³</p> <ul style="list-style-type: none"> • The project design was premised on pollution and contamination threats to biodiversity from tourism operations along the Kenya coast. But the main threats to coastal biodiversity tend to be over-fishing and clearance of coastal habitats for urban and industrial uses that are greater threats. <p>Effectiveness of the project in Kenya was weak to moderate:</p> <ul style="list-style-type: none"> • Community involvement in the eco-tourism demonstration site has been strong mainly because the project selected a community in Watamu that was already engaged in managing a mangrove boardwalk. The project extended the boardwalk and introduced crab farming (for sale to the local hotels). Both pilot projects are working well; • ESM / test demonstration with the hotels has yet to be begin, with little time left during project implementation: The project has missed opportunities to involve the Kenya National Cleaner Production Centre which has already worked with several hotels in Mombasa and Nairobi to reduce pollution and energy use through environmental audits • Kenya demonstration site has made some progress in involving private sector hotel operators in Watamu <p>Efficiency of the project was weak:</p> <ul style="list-style-type: none"> • The project encountered significant delays due to the poor design and unclear roles and responsibilities and execution arrangements. Although Kenya has made more progress than the other countries involved in the project.

³³ UNIDO (2011) Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced Impacts resulting from Coastal Tourism. (Coast). Mid-term Evaluation.

	<ul style="list-style-type: none"> • The project missed opportunities to exploit synergies with the GEF SGP, which could have improved the efficiency and effectiveness of the demonstration interventions with the communities. <p>Sustainability and impact is at risk: The project was restructured after the mid-term evaluation, the Watumu demonstration site has good local ownership from the community (eco-tourism / livelihood activities), but ESM component has yet to start with little time remaining to build conditions for replication.</p> <p>Relevance of the project was moderate to strong:</p> <ul style="list-style-type: none"> • The project was aligned with the investment promotion activities / requirements of KenInvest – the host institution within the GOK <ul style="list-style-type: none"> ◦ Well aligned with vision 2030, PSDS and the National Industrialization Policy that support investment promotion – also has synergies with the SPX. ◦ Survey questionnaire instrument was perceived as too long by many stakeholders and this reduced the relevance • The questionnaire also required some information that was potentially commercially confidential regarding revenues, investment values and profitability. As a consequence some companies insisted in provide such information only in hardcopy or some refused. The main reason cited by Kenyan businesses for refusal / reticence to provide financial information was tax or reprisal by the GOK tax office. <p>Effectiveness of the project was moderate:</p> <ul style="list-style-type: none"> • Training provided to enumerators was of high quality and facilitated the roll out of the instrument and data gathering • 615 companies surveyed – manufacturing sector • The project focused mainly on surveying manufacturing companies, however, stakeholders in Kenya stated that more quick wins for investment could be made if the survey was tailored (country specific) to particularly sectors such as tourism, agriculture or mining. • The effectiveness of the IMP is limited because not many companies know about the platform. • Based on the stakeholders the survey does provide a good prospect of increase investment flows into Kenya, through the provision of relevant information on domestic companies to potential investors <p>Efficiency of the project was moderate:</p> <ul style="list-style-type: none"> • The project was moved to Kenya Investment Authority (KenInvest) and at the same time new leadership in KenInvest needed to be brief and got 'on board'. This slowed implementation down. <ul style="list-style-type: none"> ◦ Moving the project to KenInvest was the correct decision as it works closely with Kenyatta University (the main sub-contractor for survey enumerators) ◦ However, the main delay related to complications in compiling a proper business directory for the Survey which is required for sampling • The project encounter some delays in implementation due to the replacement of country technical advisors • The project has not been linked with numerous other donor surveys of companies and investors (e.g., World Bank surveys, World Investor Report etc) • UNIDO tried to involve National Statistical Office in Kenya but this was found to be challenging because lack of forward planning during the design phase to build local ownership. <p>Sustainability and Impact was weak:</p> <ul style="list-style-type: none"> • A key factor in the success of the report is the dissemination and use of the data. Many launch events have been held and continue to be facilitated by the media. <ul style="list-style-type: none"> ◦ UNIDO has miss opportunities to profile the survey and report at key international investor events (e.g., African Investor Summit – held in London where there was no UNIDO representation). ◦ UNIDO did organize African Investment Promotion Agency Network conference held in China (in September 2011) and was represented at the China International Fair for Investment and Trade. ◦ Kenya stakeholders reported that the survey would not be sustainable if UNIDO pulled out – “it would stop”
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Relevance

61. The portfolio was designed to respond to the challenges faced by GOK to develop domestic industry and product value chains, micro and SMEs, encourage FDI and provide renewable energy opportunities to rural communities, all of which are geared towards improving employment opportunities and reducing poverty.
62. UNIDO projects have focused broadly on four areas related to strengthening industrial and micro, SME capacities and opportunities; and assisting GOK to meet environmental commitments to international treaties such as the Montreal Protocol: (i) energy alternatives in rural and peri-urban locations, specifically renewable technologies such as solar, wind, hydro and biogas to be used for productive uses; (ii) agro-processing and value-chain development of bamboo and soya-bean emphasizing micro and SME development; and (iii) development of domestic and foreign investment opportunities through sub-contracting and investor surveys; and (iv) environmental projects focused on climate change adaptation, although the UNIDO approach has promoted renewable energy, reducing coastal tourism environmental impacts and the phase-out of Methyl-Bromide from pre- and post-harvest use in the commercial agricultural sector.
63. The key findings for relevance are:
- The projects were aligned with UNIDO strategic priorities poverty reduction through productive uses; environment and energy and trade capacity building.
 - The GOK viewed UNIDO chosen areas of intervention as relevant and aligned with key policies and strategies such as Vision 2030 and the PSDS, as well as the new National Industrialisation Policy.
 - The relevance of UNIDO projects was undermined by insufficient attention to capacity building of GOK partners and other stakeholder (including the private sector) participation, ownership and coordination. Albeit more recent steps were taken by the CO to correct this shortcoming (see discussion below).
 - Design and implementation flaws (e.g., lack of understanding of socio-economic and institutional context) in some projects reduced relevance even when they were aligned with GOK policies and strategies. In others funder placed restrictions on the use and short implementation durations which were unsuited to value-chain approaches.
 - Relevance was strongest in projects that had clear incentives for stakeholders to participate.
64. For example, the relevance of renewable energy CPC projects was undermined by design and implementation flaws: Firstly, the project concepts and designs were not well coordinated with the Ministry of Energy (MoE) grid

extension plans and most project sites³⁴ were connected to the grid during or shortly after implementation, therefore greatly reducing the relevance of the CPC model.³⁵ Discussions with UNIDO staff and other stakeholders revealed that communities were selected based on incomplete knowledge and not on an understanding of the regions in Kenya (mainly the Northern districts), which were unlikely to be grid connected in the next 5 years.³⁶ Secondly, the designs were not based on a clear understanding of national³⁷ and local communities socio-economic contexts, existing energy sources, and needs, willingness to pay for power and opportunities and constraints for productive uses. This design oversight was partly attributed to the lack of social development and business expertise within CO team responsible for projects. Thirdly, the project designs did not attempt to assess community needs and abilities to manage and maintain the renewable energy equipment.³⁸ In conclusion, UNIDO missed several opportunities to test and enhance the relevance of the CPC model through careful selection of location(s) and conduct of necessary socio-economic and institutional due diligence.

65. The agro-industry focused on Bamboo and Soya bean projects were broadly supportive of GOK agricultural policy goals³⁹ however, the relevance of the projects was reduced by the conditionality imposed by the bilateral donor (Japan Government) to focus on short-term (1 year) humanitarian relief for Internally Displaced Persons (IDPs) in the case of Bamboo and refugees as opposed to adopting a longer-term approach for developing value chains with the private sector investors.⁴⁰ In essence the design logic and relevance of both projects was altered to fit the funding source.
66. The MP projects were focused on assisting Kenya to phase-out the use of Methyl Bromide in pre-harvest treatment, specifically soil fumigation and there were clear reasons for commercial farmers⁴¹ to participate, driven by their desire for a more cost-effective, less dangerous and sustainable method for soil treatment and control of nematodes.⁴²
67. Despite the projects individual relevance, the evaluation identified that the focus on micro and SMEs was uneven with some projects such as HP Life specifically targeting capacity building for micro and small enterprise development, whilst CPC projects provided little support for creating micro and small enterprises beyond statements of 'good intentions'. SPX and

³⁴ Interview data: Sites in Siaya and Mutunguru were visited by the evaluation team and observed to be already grid connected.

³⁵ See also JICA (2012) Survey to Establish the Status of UNIDO Energy Kiosks / Community Power Centres. Final Report. JICA Nairobi Office.

³⁶ Interview data.

³⁷ The generic drugs and SPX to varying degrees also exhibited naivety with regard to local political and institutional relations which has resulted in delays for both projects.

³⁸ JICA (2012) Survey to Establish the Status of UNIDO Energy Kiosks / Community Power Centres. Final Report. JICA Nairobi Office; and Interview data.

³⁹ http://www.dfid.gov.uk/r4d/PDF/Outputs/Futureagriculture/Ag_policy_Kenya.pdf

⁴⁰ Interview data.

⁴¹ Flower, fruit and vegetable farmers, most of whom export to European markets.

⁴² Interview data.

Investor Survey project has been angled towards established medium and larger sized businesses, as has the generic drugs project.

Ownership

68. Ownership of development projects and programmes is established through stakeholder involvement⁴³ in design and implementation. The evaluation found that the ownership by GOK stakeholders of UNIDO TC interventions has been weak in some projects and difficult to establish in others, because of internal institutional and political challenges within the GOK.
69. For example, GOK stakeholders reported that they were not sufficiently consulted on the project designs, site selection or productive activities to be developed in the CPCs.⁴⁴ The evaluation could find little evidence that other relevant stakeholders such as MoE and Rural Electrification Authority were consulted during project design or implementation. Furthermore, the CPC-model was designed as pilot or demonstration with the intent to scale-up the results and best practices⁴⁵, however without the involvement and support of the GOK such an outcome was unlikely.
70. The CPCs were developed based on requests from communities, UNDP⁴⁶ and UNEP and local municipalities. For example, the Ngong (Olosho Oibor) CPC was based on a request, which originated with the Principal of the Primary School. Others were largely externally driven – The Dagoretti Biogas project at the Nyongara Slaughter House was initiated after UNEP requested UNIDO to suggest appropriate technology options to address Nairobi River pollution and reduce slaughter house effluents. Therefore, overall community ownership and involvement in the CPC projects was mixed. Discussions with communities revealed that most ‘expected’ UNIDO to continue to provide support to maintain the CPC indicating that not enough emphasis was placed on building community ownership and technical abilities.⁴⁷
71. The regional SPX and Investor Survey projects have been negatively impacted by institutional changes within the GOK (which could not be mitigated despite many attempts by HQ and CO staff), which have effectively resulted in a change of ownership during implementation, which has slowed implementation (see Efficiency section). More positively, UNIDO has developed and maintained good working relations with the Kenya Industrial Research and Development Institute (KIRDI) through many projects, and it is an important partner in the Soya bean project and the forthcoming Coconut project and technological upgrading of KIRDI..

⁴³ Consultation and participation.

⁴⁴ Mol stakeholders largely perceived the renewable energy projects to be ‘UNIDO driven and owned’ and ‘responding to the interests of individuals’ (Interview data).

⁴⁵ Interview data.

⁴⁶ Several of the CPCs were associated with UNDP initiatives to deliver ‘business services’ for poverty reduction

⁴⁷ Interview data. There is no evidence that UNIDO undertook basic institutional and socio-economic assessments of the communities to assess who in the community would own / lead and sustain the CPCs after completion of installation.

72. UNIDO CO relations with the GOK significantly improved in early 2012 with the appointment of a new UR. Joint stocktaking and planning meetings were held with the Mol as well as meetings with the Ministries of Environment, Labour, Agriculture and Finance to re-build communication and trust. UNIDO also formalized its relations with GOK by officially registering with the Ministry of Finance.⁴⁸ Mol reported that their working relations and ownership of the UNIDO projects have now improved. Importantly, the relationship is based on regular communication that has built trust and forms a good basis for future Country Programming and project development.⁴⁹

Effectiveness

73. The assessment of individual projects showed that overall effectiveness has been mixed. More than half of the projects assessed had weak or moderate effectiveness. The main reasons for weaknesses in effectiveness related to a mix of poor project design⁵⁰, lack of understanding of contexts (both national and local)⁵¹, inconsistent attention to building capacity of beneficiaries and other project partners and delays in project implementation meaning the outputs / outcomes were not reached.

74. For example, the CPCs projects were designed to be catalysts for local economic development, but selected sites often did not have good pre-conditions for developing businesses. Such challenges were not understood during the project design phase. Instead, a technology-focused approach assumed that the availability of energy would automatically stimulate productive activities. Similar problems were observed in the water project, which underestimated the local demand for water and consequently the installed equipment will not be able to meet community needs.

75. In the stronger interventions – such as the Methyl Bromide phase-out, Bamboo, and trade capacity building projects effectiveness was underpinned through a balanced design and approach, which combined hardware with capacity building for beneficiaries. For example, Methyl Bromide built capacity of farmers through linkages with researchers and also training, which allowed for the exploration of various treatment regimes during the project implementation. Ultimately the metham-sodium and steam treatments proved to be unsustainable alternatives as nematodes quickly returned after few seasons of planting. The experience increased innovation among commercial farms to test other alternatives such as coco-peat and pumice which have been more effective Methyl Bromide alternatives for pest control.

⁴⁸ This action has important implications such as conferring tax exemptions / customs and exercise exemptions etc, and also meaning all UNIDO projects have to be registered with the Ministry of Finance.

⁴⁹ Interview data.

⁵⁰ Namely the absence of appropriate feasibility studies and business plans for envisaged enterprise support.

⁵¹ Also an issue of efficiency.

76. The HP Life, SPX⁵² and Soya bean projects⁵³ that are all currently under implementation are likely to lead to effective capacity development and also improve income generation for micro, small and / or medium sized enterprises. However, the short-duration of the Soya bean project and uncertainty with regard to follow-on financing means that there are risks to achieving results (i.e., sustainable value-chains and improved nutrition). The ICT⁵⁴ training provided by the HP Life project has already led to the establishment of several micro and small enterprises by trainees (see Impact and Sustainability below).⁵⁵

Efficiency

77. The assessment of efficiency was limited because of lack of information on costs of project outputs, and weak M&E systems. Therefore, the evaluation looked at time taken to develop and implement projects, quality of inputs used and overall expenditures across the portfolio (e.g., use of consultants; expenditure on hardware etc).

78. The evaluation found that several of the national⁵⁶ and regional⁵⁷ projects had experienced delays in design and / or implementation. The implementation delays were due partly to project management issues within UNIDO such as procurement and centralized management of projects from the HQ, and also over optimistic project durations caused by an incomplete understanding of complex political and institutional contexts within Kenya. For example, the Generic drugs project was designed with a two-year duration to achieve 'improved access to quality essential generic drugs', however during implementation it has become clear that relations between the GOK Poisons Board and the Pharmaceutical Association were complex and contentious.⁵⁸ As the project approaches its fourth year it has managed to deliver its initial outputs – a stocktaking profile of the pharmaceutical sector in Kenya and reached an agreement with all main stakeholders on a Kenya Pharmaceutical Sector Development Strategy – but it is significantly behind its envisioned implementation duration of two-years to complete all outputs.

79. Similar to situations documented in previous country evaluations, stakeholders and UNIDO CO provided the evaluation mission with various

⁵² The SPX Programme effectively started in August 2011 and UNIDO is currently finalizing the Memorandum of Understanding with the host institution KenInvest.

⁵³ N2Africa project is working in the same area – the following article illustrates the value-addition associated with soya milk production - <http://www.n2africa.org/content/kenyan-outreach-update-breakthroughs-many-areas>

⁵⁴ HP Life training consists of basic ICT skills such internet, word processing and spreadsheet use, the basic business training – marketing, operations, communication, growth and innovation.

⁵⁵ See the example of Tears Group participant from Nakuru who set up his own art and tattoo shop - <http://www.youtube.com/watch?v=aZ4EwqCLguk>

⁵⁶ Coconut project has been delayed in design; the community water treatment project was delayed during implementation.

⁵⁷ SPX; The Investor Survey and the Generic drugs projects all suffered implementation delays.

⁵⁸ The project also has received little attention from UNIDO HQ based managers as they have been focused on delivering other projects (Interview data). Several other stakeholders commented that the project design was deficient in that it was impossible to achieve substantive reform of the pharmaceutical sector in 2 years (Interview data).

project examples where implementation and / or contracting decisions were delayed due to the HQ manager being on mission or unavailable due to the pressure of other project work. One of the related issues is that fact that supervisions to Kenya projects are often infrequent particularly if the project is small, hence issues that are often quickly addressed through face-to-face meetings remain unresolved. Procurement related delays were also reported and mostly related to international bidding processes.

80. In terms of use of project funds across the portfolio between 2006 and 2012 the evaluation found that expenditure on international experts/consultants, national experts/consultants, subcontracts, equipment and study tours and training are the top-5 throughout, which was not unexpected. Since 2009 the largest annual expenditures have been on national consultants and hardware / equipment reflecting the implementation of the CPC and UNIDO component of the AAP. UNIDO CO has developed and retained a team of national consultants who have worked mainly on the CPC implementation but also other projects. This approach has built capacity and been cost-efficient, although it is not without trade-offs with performance and capacity (see Section 4).

Impact and Sustainability

81. The lack of adequate M&E systems (see also Section 4) made it difficult to accurately assess impact in completed projects or the likelihood in ongoing projects. Hence, the assessments were based on the qualitative data that was collected during the evaluation mission and the available reporting by the projects.
82. As expected impacts from the CPC renewable energy projects were grouped into two areas: Firstly, income generation through the development of sustainable productive uses and the reduction of poverty at the community level; secondly, the reduction of use of non-renewable energy such as kerosene for lighting or woodfuel at the community level and pollution (reduction in water pollution) in the case of the Nyongara Slaughter House in Dagoretti. The potential impact on climate change mitigation is negligible due to the pilot / demonstration type and thus limited outreach of the projects.
83. Positive environmental impacts were noted at Nyongara where the slaughterhouse no longer dumps animal wastes into the river, but instead uses a feedstock for the biogas digester. However, the other nearby slaughter house operators have not adopted the technology mainly because of the high initial capital costs, and also lack of enforcement (incentive) from the GOK. Critically the owner of the Nyongara slaughterhouse commented that no investment in biogas technology would have been made without UNIDO – UNEP project and financial assistance, as the standalone cost of the technology is too high.⁵⁹

⁵⁹ Interview data.

84. The overall sustainability of the CPC projects was rated weak mainly because of the lack of operational maintenance; unsatisfactory community ownership; the poor quality of the hardware that was supplied; lack of partnership with civil society and the private sector; and grid extension to many of the CPCs. In contrast, the sustainability of the Nyongara biogas was rated high for operational / technical sustainability because the slaughterhouse had several well trained technicians to run the system.⁶⁰ Furthermore, the biogas once in operation was reported to be low cost and mitigated any risk of fines or closure due to pollution incidents (as had occurred in the past) and therefore was financially beneficial to the slaughterhouse. However, question marks remained over institutional and environmental sustainability due to lack of incentive for replication. The evaluation noted that sustainability did not seem to feature as part of the implementation approach and management of the CPC-model.
85. The impact of the HP Life programme in Kenya was difficult to directly assess because of the lack of tracking or reporting systems for ‘graduates’. However, a recent USAID outcome evaluation was available which covered Kenya and also China, India and Nigeria HP Life programmes⁶¹ indicated that the ICT training improved incomes of micro and small enterprises (see Box 1).

HP Life: USAID Process and Outcome Evaluation – Key findings

1. **The HP LIFE program was found to improve participant outcomes through improved ICT skills.** The evaluation study found the HP LIFE program to be effective in improving participant outcomes in terms of income, employability, and the efficiency of business operations. The majority of both male and female business owners as well as employed trainers reported small to moderate increases in income as a result of their participation in the training, with some trainees reporting income increase of over 20% as a result of the training. Statistical analyses found strong relationships between reported income increases and improved ICT proficiency, controlling for prior knowledge of software and ICT tools. Entrepreneurs also reported decreased workload, improved accuracy of record-keeping and improved efficiency.
2. **The HP LIFE participants gained more than ICT skills from the training.** Bi-variate correlation analysis showed a statistically significant relationship between HP LIFE training participants’ reported increase in income and the key benefits they reported receiving from the training, including mentoring, interaction with other trainees, encouragement from trainers, and improvements in their own communication skills.
3. **Basic ICT skills were most helpful to employed youth and business owners; more advanced ICT skills were not considered essential to their job or business.** Evidence gathered by the study suggests that most HP LIFE trainees who are business owners or employed use telecommunication tools and computer software daily in their job or business. Most frequently used are telecommunication tools (such as e-mail and the Internet) and text-processing software (such as MS Word), followed by spreadsheet software and presentation software.
4. **Face-to-face instruction with computer-based support was found to be the most beneficial mode of instruction.** Qualitative data from interviews with trainers and program participants confirm that the curriculum content is engaging, informative, and easily adaptable to local contexts.
5. **Mentoring and encouragement were cited as important factors for female trainees in particular.** While both men and women said that they benefited from the encouragement, mentoring, and interactive aspects of the training, these were found to be especially important for women. 70 percent said that encouragement was an important benefit of the training for them. Moreover, there was a strong correlation between reported increased income among female trainees and the benefit of mentoring.

⁶⁰ Ibid.

⁶¹ USAID (2012) HP Life Program: Process and Outcome Evaluation. USAID. Washington DC

86. The MP project had a strong impact in that Methyl Bromide was successfully phased-out for pre-harvest use. The sustainability of the project was also good, mainly because of the lack of availability of Methyl Bromide on the open market, costs of using it vis-à-vis the alternative pest management regimes which are cheaper and more effective. Methyl Bromide is still used in Kenya for pre-shipment and post-harvest but in small quantities. The GOK have moved to phase-out post-harvest use of Methyl Bromide with a follow up UNIDO project, which is currently under implementation.
87. In the Bamboo project, the one-year duration reduced the extent to which the project could deliver impact and sustainability. Value-chains take several years or more to develop through partnership with government and the private sector and the project did not have sufficient flexibility to develop a sustainable market for bamboo products.
88. The sustainability of the HP Life programme is uncertain despite the fact that Kenya has a well-established group of centres and each is run by an NGO with pre-existing track records for training and service delivery. There are several threats to sustainability, firstly, the centres do not charge for the training and still have recurrent costs such as rent of premises, payments for electricity and telephone lines; and secondly, a threat mentioned by some stakeholders was turnover of trainers and the lack of qualified master trainers, however Kenyan HP Life centres visited by the evaluation did not see turnover as a challenge: *'turnover is a natural part of the business, people leave and new people are trained.'*⁶²
89. Lastly, the Investor Survey was recently evaluated and based on the evidence impact and sustainability are weak, but likely to improve with the next round of the survey. The impact of the survey depends very much on visibility and use developed through publicizing the survey results widely. UNIDO was found to have missed opportunities to promote the results at international investor events. Furthermore, Kenya stakeholders (KenInvest) reported that follow-up surveys would not be sustainable without UNIDO's continued involvement. Obviously, it may take several more years to build up capacity and ownership in-country to run the survey, but more importantly, the report needs to be well publicised and be useful for FDI decisions by the private sector along the same lines that the World Bank *'Doing Business Report'* or the World Economic Forum *Global Competitiveness Report'*.

Cross-cutting issues

90. The evaluation assessed the effectiveness of UNIDO portfolio (where relevant) in the following areas: delivering as 'one UNIDO' – coordination and synergies, contribution to gender equality, and women's empowerment, fostering South-South cooperation and environmental sustainability.
91. The evaluation found that coordination and synergies between UNIDO projects in Kenya was weak. Coordination and synergies did not work well in

⁶² Interview data.

some areas, mainly due to several factors: firstly, during most of KIPII the CO had an almost exclusive focus on implementation of renewable energy issues; secondly, the Government's role in ensuring coordination of different international support initiatives in a certain field was not actively played due to a not sufficiently close and regular consultations between UNIDO and the GOK; and thirdly, opportunities were missed to draw in expertise and link projects due to lack of time and incentives to cooperate within UNIDO. The main areas were the evaluation identified missed opportunities for synergies were: between the investment promotion and agro-industry projects; and the renewable energy CPC and the broader environment and energy programme.

92. Coordination between UNIDO and non-UNIDO projects and programmes was weak to moderate. The COAST pilot eco-tourism project initiated contact with the GEF SGP to securing follow-on funding to further develop community-based tourism, but an opportunity for synergies was missed in the COAST project to link with the Kenya National Cleaner Production Centre (KNCPC) to implement the Environmental Sound Management (ESM) component with Watamu-based hotels.⁶³
93. UNIDO through the AAP project has developed synergies with the UNDP, UNODC and ILO. The Mombasa CPC, which is being executed by an NGO focused on rehabilitating former drug users, is a joint UNIDO-UNODC programme.⁶⁴ Through a cooperation with the Green Jobs program of ILO a total of 105 youths received basic business training at the three AAP sites in Sagana, Likoni and Salabani. These synergies were developed in part out of the weaknesses observed by the CO with the previous 'stand-alone' CPCs and the need develop partnerships to strengthen implementation and sustainability.
94. Under exploited internal synergies were observed between the agro-industry⁶⁵ projects and SPX.⁶⁶ One of the reasons given for the lack of a systematic approach to internal synergies was lack of incentives and time for managers to meet and build cooperation during design and / or implementation.
95. Gender and women's empowerment has not featured prominently in the design and implementation of most UNIDO TC projects. The HP Life programme as already discussed (see Impact and Sustainability) has provided opportunities for men and women to start their own businesses and improve income generation. CPC projects also involved men and women, but the lack of M&E means that no tangible gender-disaggregate results were reported.

⁶³ The KNCPC informed the evaluation they had conducted a several environmental audits and ESM improvements with hotels based in Mombasa and Nairobi.

⁶⁴ The CPC model is different from those previously implemented by UNIDO as it intends to use coconut husk wastes to produce charcoal for sale to the local urban community, and thus is relevant to the local context.

⁶⁵ Although the Soya bean project has established a partnership with the Gates Foundation N2Africa project, which is working to promote Soya bean in same areas as the project.

⁶⁶ The SPX has been focused on the manufacturing sector and not included agro-industrial companies as yet.

96. Recently the UNIDO CO has implemented part of the UN Women / GOK programme to advance gender equality and women's empowerment. UNIDO is joint lead organization with the ILO (within the UNDAF) for the 'economic empowerment component', and delivered four trainings with the Kenya Bureau of Standards (KEBS) across Kenya⁶⁷ to train women entrepreneurs in minimum quality standards required to receive a barcode and standard certification, The sector targeted by the trainings has been the agro-micro and small enterprises producing biscuits, soaps, confectionary, flour and fruit juices who needed certification to sell their products beyond local markets. The activities were delivered successfully but due to the limited amount of funds available, no follow-up has been made to ascertain how many women-led enterprises went on to qualify for certification as a result of the training.⁶⁸
97. Opportunities to integrate gender meaningfully in other projects have currently been overlooked. For example the Soya bean projects underlying premise is to promote soya-based products (and value-chains) to Kenya households. Preparing food and cooking is primarily done by women, and it is also women who make the choices on purchasing food, yet the project design does not address gender or women's empowerment – and is completely gender blind despite the relevance of a gendered approach. A similar critique can also be levied at the Coconut project, although as it is still under preparation there is time to mainstream gender.
98. The evaluation found one initiative of South-south cooperation, namely the Coconut development project which proposes to link Kenya Coconut Development Authority (KCDA) with experts from India through the UNIDO Centre for South-South Industrial Cooperation, based in New Delhi. The experience with this project showed that cooperation through the UNIDO South South Centres tends to suffer from multiple approval procedures (in Kenya, at UNIDO HQ, at the South-South Centre). More importantly, it appears that the potential for mainstreaming South-South cooperation in project design has not yet taken place at UNIDO as most HQ managed projects do not foresee the involvement of developing country partners.
99. Lastly, with regard to environmental sustainability, the UNIDO portfolio achieved mixed results. For the MP – the phase-out of Methyl Bromide was successful and has contributed to assisting Kenya to meet its international commitments, however the renewable energy projects have made no impact on climate change mitigation. The model was environmentally flawed particularly with regard to supplying SVO generators that could be run on diesel – this completely undermined the environmental sustainability of the CPC. Furthermore, UNIDO at present does not foresee any environmental safeguards for TC projects. This is despite of the fact that in some cases UNIDO projects do support industrial activities with potentially harmful effects for the environment (e.g. leather tanning). However, negative environmental impacts were not observed during the evaluation.

⁶⁷ Coast, Central, Rift Valley and Nyanza.

⁶⁸ Interview data.

Conclusions

100. In summary, the performance of UNIDO TC projects has been strong in terms of relevance, notwithstanding the challenges faced with regard to ownership and coordination with the GOK. In 2012, increased attention by the CO has improved coordination and ownership of the UNIDO by the GOK.

101. The KIPII although relevant, did not produce significant results because of lack of funds mobilization. Effectiveness has been mixed, some projects achieving strong results or are likely to achieve results, others such as the CPC renewable energy projects did not achieve their expected outputs / outcomes. The reasons for success or failure often related to issues within UNIDO's control such as (i) project design quality, particularly understanding context; and (ii) ownership and partnership with GOK institutions in design and implementation.

Table 6. Summary Performance Assessment of TC Projects in Kenya

Project	Relevance	Ownership	Effectiveness	Efficiency	Impact	Sustainability
Renewable Energy (CPC) Cluster	Strong	Weak	Weak	Weak	Weak	Weak
AAP (UNIDO Renewable energy component)	Weak	Strong	Strong	Strong	Moderate	Moderate
MP Methyl-Bromide Phase-out in pre-harvest	Strong	Strong	Strong	Strong	Strong	Strong
Bamboo project	Strong	Strong	Strong	Strong	Weak	Weak
Soya Bean	Strong	Strong	Moderate	Moderate	Weak	Weak
Coconut Development	Strong	Strong	Weak	Weak	Weak	Weak
Community-water treatment	Strong	Strong	Moderate	Moderate	Weak	Weak
Trade Capacity (regional)	Strong	Strong	Strong	Moderate	Weak	Weak
SPX (regional)	Strong	Strong	Weak	Weak	Weak	Weak
Generic drugs (regional)	Strong	Strong	Weak	Weak	Weak	Weak
HP Life (regional)	Strong	Strong	Strong	Strong	Strong	Strong
COAST (regional)	Weak	Weak	Moderate	Weak	Weak	Weak
African Investor Survey (regional)	Strong	Strong	Moderate	Moderate	Weak	Weak

Key	Strong	Moderate	Weak	No assessment
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102. Efficiency was weak to moderate in many of the projects. Delays were common caused by procurement, centralized management and also institutional and political issues associated with GOK institutions. The institutional and political issues could have been avoided with a better understanding of local context during project design, however this is difficult to achieve when the project managers are based in HQ.

103. Impact and sustainability were difficult to accurately judge due to the absence of M&E data, and for some projects the short period of time since

completion. In some projects such as Bamboo the short implementation time effectively reduced the chances for the project to achieve a sustainable outcome. The Soya bean project may also face the same challenge due to conditions imposed by the Japanese Government.

3.3 Global Forum Activities

104. Global forum (GF) activities are those which are initiated by UNIDO to exchange and disseminate knowledge and information, as well as facilitate partnerships. They usually produce outputs, without a clearly pre-identified target group, aiming to increase the understanding of sustainable industrial development issues and solutions. Global forum activities can have informative, advocacy and/or normative functions.
105. In contrast to TC projects, UNIDO generally does not define explicit objectives for GF activities, neither at the project level⁶⁹ nor at the aggregate level of UNIDO (e.g. Programme and Budget). Moreover, the definition of what constitutes GF is not clear-cut. In some documents, GF is defined as a second line of action for UNIDO, i.e. TC and GF being separate lines of UNIDO activity. In other instances, GF is an integral aspect of technical cooperation and thus forms part of UNIDO projects. In practice both forms of GF can be observed. Examples of “non TC-linked GF” are the annual publication of industrial statistics by UNIDO or the UNIDO General Conferences. In the case of Kenya, the launch of UNIDO’s recent publication on Agro-industry is a relevant example. An example of GF linked to TC is the international workshop on metrology within the framework of the AFRIMET project.

Implementation of activities

106. A number of GF activities have taken place in Kenya. Generally there is no overall monitoring of such activities, hence the evaluation team does not have a full account of GF activities and can only refer to reported GF activities. Among them are:

a) The participation of Kenya in the Global UNIDO/UNEP Network on Resource Efficiency and Cleaner Production (RECPnet)

107. During KIP I UNIDO supported the establishment and capacity building of the KNCPC. Currently the KNCPC does not have an ongoing project with UNIDO. However, the Centre is a member of the Global UNIDO/UNEP Network on Resource Efficiency and Cleaner Production (RECPnet). In 2011 the KNCPC hosted the First Members’ Assembly of RECP net in Nairobi. The meeting produced the “Nairobi Declaration of the Global Network for Resource Efficient and Cleaner Production in developing and transition countries (RECP net)”, which urged for stronger regional and global cooperation in the area of RECP and included a commitment “to

⁶⁹ Exceptions are some larger events and conferences which use a project document with defined objectives.

support the wide-spread adaptation and adoption of RECP concepts methods, policies and techniques in particular among small and medium-sized enterprises and other organizations in our respective countries ". The declaration was signed by 32 Member organisations from all over the world.

b) TCB international workshop AFRIMETS

108. AFRIMETS is an intra-Africa metrology system similar to the regional metrology organisation (RMO) of the Americas, SIM (Sistema Interamericano de Metrologia). The main goal of AFRIMETS is to harmonise accurate measurement in Africa, establish new measurement facilities and gain international acceptance for all measurements critical to export, environmental monitoring and sanitary and phyto-sanitary issues⁷⁰. The first AFRIMETS workshop, held in March 2006, was attended by delegates from more than 25 African countries.

109. UNIDO supported AFRIMETS, among others, by organizing the "International Metrology School 2011: Providing Opportunities for Future Leaders of Metrology" in Nairobi, Kenya. For the very first time in Africa, UNIDO and The Kenya Bureau of Standards hosted a 10 day course in Metrology. The course was specially designed to introduce standards, quality, accreditation and metrology infrastructure to young African metrologists, and provided technical training in legal and scientific requirements in select fields. It was designed for participants from over 40 African developing countries to learn from best international practice and exchange experiences and results from their countries⁷¹.

110. This GF activity is complementary to the TC support provided by UNIDO to Kenya through the project "Trade Capacity Building in agro-industry products for the establishment and proof of compliance with international market requirements in EAC (TE/RAF/06/014).

c) Geothermal Mexico – Africa cooperation

111. In 2010 UNIDO approved the project "Africa – Mexico cooperation programme on the geothermal area for productive uses" (YA/INT/10/006). The immediate objective of this project was to facilitate the set-up of the basis of an UNIDO-Mexico-Africa triangular cooperation on geothermal energy exploitation, knowledge transfer and technology development, to allow the development of an inter-regional knowledge transfer on this renewable energy source, which ultimately promotes poverty reduction and development in the participating countries on a sustainable basis.

112. Representatives of the Kenya Generating Power Company participated together with representatives from other African countries in a study tour and workshop in Mexico to study the country's experience in Geothermal energy exploitation.

⁷⁰ <http://www.afrimets.org/Pages/Who-are-we.aspx>

⁷¹ <http://www.unido.org/index.php?id=1002062>

d) Regional SPX Benchmarking Training workshop

113. A Regional Training on Benchmarking for SME supplier development in East Africa within the framework of UNIDO's SPX Programme' was carried out from 26-29 September 2011, in Nairobi, Kenya. It provided more than 25 business advisers from Ethiopia, Kenya, Tanzania, Uganda and Zambia with an interactive training experience. The participants learnt about the UNIDO benchmarking tool that has been developed and is being delivered to the emerging SPX network in Africa. The training provided the delegates with the knowledge and competences needed to deliver all stages of benchmarking process effectively with businesses in their respective countries. The feedback scores provided by them, both in terms of the course itself and the movement in knowledge, was very encouraging with the vast majority expressing high satisfaction.

Conclusions on Global Forum activities

114. Whilst the GF activities briefly described above show that UNIDO has been active beyond the provision of technical assistance, none of these activities benefits from a systematic reporting and recording of the results achieved. This makes an assessment of the relevance and the actual results in terms of awareness raising, know-how transfer and normative effects impossible.
115. In principle Kenya, being a leading economy in the region, has a good potential to share its experience and attract decision makers from other countries such as Tanzania, Uganda and also Rwanda. This is a good basis for UNIDO to fulfill its GF function. Also, the GF activities described above demonstrate that UNIDO can play its convening function well, in particular in areas where related experience from technical cooperation exists in the country (cleaner production, renewable energy, trade capacity building). However, so far GF has not been part of planning or monitoring processes, which continues to be focused almost exclusively on TC projects.
116. There is the potential for a more active dialogue with the GOK on the areas where Kenya is interested to benefit (e.g., Agro products and processing) from or contribute to international discussion in the field of industrial development. Nairobi, being also one of UN global headquarters and the headquarters of UN in Africa, hosting the UNEP and UN HABITAT headquarters, has a special potential regarding global and regional forum activities that could be used more strategically by UNIDO. Especially there are many links with UNEP regarding the UNIDO Green Industry initiatives and UNIDO energy and climate portfolio. There is a potential for both following and participating more closely in activities organized by others in Nairobi and to take own initiatives from UNIDO. But this requires close cooperation between HQ and the CO as well as adequate resources in the CO. There is at present no UNIDO representation in Nairobi similar to New York, Geneva or Brussels, focused on inter- agency relations.

4. Management and relations at country level

117. This chapter focuses on the management processes at country-level, assessing the main issues associated with project management, including organizational and institutional arrangements for project implementation, M&E and supervision the relationship between UNIDO, GOK and other UN agencies.

4.1 Project and Country Office management

118. Kenya has not reflected the typical experience reported in previous country evaluations where the majority of project development and management was handled from HQ. The evaluation observed that three models of project management have been attempted in Kenya: centralized – or the traditional UNIDO approach of management from Vienna; decentralized and CO focused; and finally hybrid between the two where project manager and the UR are joint AH. Table 7 outlines the main characteristics of the three approaches in the Kenyan context

Table 7. Project Management Approaches in Kenya

Centralized	Decentralized (CO managed)	Hybrid (Joint HQ – CO management)
Design and management from Vienna	Design and management from CO	Management joint between HQ and CO
Funds mobilization managed from HQ (AH based at HQ)	Fund mobilization managed from CO (AH based at CO)	Joint AH (Project manager and UR)
Procurement conducted from HQ. No or limited local procurement	No involvement technical or procurement involvement from HQ	HQ and local procurement – local procurement used to improve implementation efficiency
Supervision (and M&E) conducted by the project manager and / or CTA	Local procurement	Joint technical input from HQ and CO (use of local consulting expertise)
Some projects have a national coordinator (but not all)	Supervision conducted by UR and / or local consultants	Supervision conducted by project manager and UR
No (or limited) technical involvement from CO	UR responsible for cooperation with stakeholders	Project manager and UR responsible for cooperation with stakeholders
CO involvement limited to arranging logistics at local level		
UR may be involved in liaising with stakeholders when necessary		
Projects		

Regional projects; Methyl Bromide; Bamboo; Soya bean; Coconut	Renewable energy CPC	AAP (Climate change adaptation / Renewable energy); Energy +; GEF proposal (in pipeline)
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119. Each of the approaches has some shortcomings. As has usually been the case with the centralized project management several projects suffered from design and / or implementation delays, or the lack of timely decision-making. Furthermore, project managers often lack a clear and detailed understanding of country context due to infrequent visits to the Kenya due to competing project priorities⁷². The shortcomings often impact project efficiency and effectiveness as already detailed (see Section 3).

120. The proposed antidote to these shortcomings is to champion decentralized project design and management, where CO and UR takes the lead. Decentralization is assumed to lead to close engagement with stakeholders, increased ownership and relevance. On the one hand this presents opportunities and flexibility to develop specific relationships with in-country donors and government institutions to design and implement projects largely independently of the HQ. But on the other hand, the lack of clarity and structure can present challenges and restrictions depending on individual UR approaches to management. The CPC experience indicates that the main draw back is that projects developed by the CO can be associated with an overly individualistic approach with little ownership by HQ or other stakeholders.⁷³

121. An informal hybrid approach has emerged for the AAP in which the project manager and UR are joint-AH and have joint responsibility for implementation. Joint-management of the AAP has leveraged the advantages of both centralized and decentralized approaches in allowing the UR and local consultants to play a more active role in implementation through procurement, technical oversight and communication with stakeholders, with the project manager providing technical guidance when necessary. There are indications that a similar approach may be used for forthcoming energy projects.

Country Office management and issues

122. The UNIDO Country Office in Kenya was established in the 1994. The UNIDO office is located within the UN Office in Nairobi (UNON) compound in Gigiri. It has a good office space and is well resourced with IT equipment, and two all-road vehicles. The annual office budget is approximately USD 70,000 (excluding costs of UNIDO staff), which is used for office rent, administrative expenses, local staff, local travel and maintenance of the vehicles.

123. The CO has had six URs since being established in 1994 and also several periods, such as during the implementation of KIPi (2002 – 2006/07)

⁷² Interview data.

⁷³ Ibid.

when there was no UR to guide implementation and manage relations with MoI or donors at country-level. The responsibilities of the CO and the UR include⁷⁴ (i) official representation of UNIDO vis-à-vis GOK counterparts including dialogue with the MoI; (ii) communication with the donors, UN agencies including participation in the UN Country Team (UNCT) and UNDAF processes; (iii) contributing towards identifying and developing TC interventions and fundraising; (iv) providing support for the implementation of TC projects and GF activities through liaison with GOK partners, donors (e.g, JICA and Embassy of Japan), local procurement and management of the imprest account; and (v) monitoring and supervising projects and the country programme (KIPII).⁷⁵

124. The CO consists of a UR, one national programme officer⁷⁶ (who was appointed in 2012), two administrative staff (one of which was also appointed in 2012) and one driver. The national programme officer is a management generalist and supports the UR function and project management, for instance with national procurement, however, the officer is not an AH for any of the projects at present. According to interviews UNIDO management has not yet decided whether national programme officers can be allowed to be allotment holders.⁷⁷ Concentrating the field- based AH function exclusively in the UR also raises the question whether adequate supervision of this function is exercised.
125. There are approximately twelve national consultants and a CTA (for the COAST) project based within the office. Many of the consultants work on short-term contracts and were previously working on the renewable energy CPC projects, and now provide assistance to the AAP and SPX as well as working on the development of projects such as Energy+ and the GEF.
126. Between 2008 – 2011 an international programme officer with a background in environmental management / chemicals was also stationed in the CO in order to support the UR with fund-raising and project formulation in the areas of environment and energy, however, this arrangement proved not be effective due to conflicts within the CO. The current approach is now geared towards working with and through national staff who understand the local development context as opposed to having further external international staff transferred from HQ, furthermore, such an approach is viewed as being more cost-effective.
127. The role of the CO and the UR in project identification is currently not well supported and there is no systematic annual budget allocation for TC project development by the CO. Of the total office budget (excluding cost of permanent staff) of USD 138,569 (allotment for 2012) 65% is allocated for administration and office maintenance, 30% for UN cooperation activities and

⁷⁴ The UNIDO operational manual for field offices provides broad definitions for the roles of CO and UR

⁷⁵ The UR started regular reporting on the KIPII and project activities and status in 2012. Until then no regular reporting was made by the CO.

⁷⁶ The national programme officer has worked on several UNIDO projects including HP Life.

⁷⁷ Interview data.

only 5% (local travel) could be used for project identification. More importantly, there is no budget allocation for the recruitment of local experts who could assist the UR in developing sound project concepts. This impedes the extent to which the CO can play an effective role in developing project and also structured country programme.

128. The core strategic function of the CO and the UR is to ensure UNIDO initiatives are not carried out in parallel with Government programmes, but rather form part of the GOK's own initiatives and hence have strong ownership and commitment. The often difficult task to align UNIDO's contributions with country-level processes requires the CO/UR to maintain a continuous dialogue and include the GOK in the adaptive management of projects and programmes. This has not worked well under KIP II and the GOK has expressed concern about the lack of involvement in UNIDO's planning and implementation (see ownership). This criticism seems reasonable given the fact that under KIP II mostly UNIDO's own funds (KIP II seed funds) were used for implementation (mostly for CPCs) and the UR was allotment holder for these funds. This resulted in limited incentives for coordination with HQ and GOK. The current situation has improved as coordination and dialogue has increased due to a more collaborative approach taken by the CO.

129. Based on interviews with the CO team and consultants, and review of available documentation the evaluation team identify a number of strengths and weaknesses:

Strengths

130. The evaluation noted that since the beginning of 2012 with the appointment of a new UR communication and relationship between the CO and HQ has improved. The CO has become more involved in the day-to-day management of some of the projects such as the AAP, Soya bean, HP Life, COAST and the generic drugs. In the case of the AAP the UR is joint Allotment Holder (AH) with the HQ project manager.

131. CO involvement in implementation and awareness of projects has improved through the introduction on regular CO team meetings, where national consultants for projects are required to attend and report on progress to the UR and on any implementation issues. This reporting system, which was not used by previous UR's is now institutionalized and has been much appreciated in terms of building a sense of a UNIDO Kenya 'team' and fostering internal cooperation.

132. Externally the UR has re-built relations with the GOK and MoI. A series of joint meetings and review of KIP II progress were held in 2011 / 12. The more cooperative approach to working with GOK stakeholders has been appreciated and has contributed to the development of the project pipeline. CO relations within the UN system are good with UR involvement in the UNCT and also various operational partnerships have developed at the project level.

133. Capacities within the CO team of staff and consultants are quite strong with regard to understanding of relevant GOK development challenges and networks, particularly in the area of environment and energy.

134. The creation of the imprest account has simplified payments and reduced delays for local travel, local procurement and other expenses.

Weaknesses

135. The number and capacities of permanent staff are quite narrow and limited and these are likely to come under increasing stress if the project pipeline is realized. The evaluation found that one of the major weaknesses within the CO and more generally with project management is the lack of expertise in social / community development and business development / private sector.

136. The CO / UR currently covers Kenya and Eritrea, and also in practice Somalia. It is probable that South Sudan will be added to the countries covered by the UR, and although a UNIDO desk will be set up within UNDP in Juba, the additional responsibilities will stretch CO resources.

137. Private sector relations are currently neglected. The evaluation observed that the direct contact of the UNIDO CO with the Kenyan private sector is minimal, although opportunities exist through the SPX to establish such contacts. Furthermore, there are no staff or consultants with significant experience of working in private companies / industry – which is important given the emphasis on value-chain projects.

138. The operation of the imprest account has created increased workload for the administrative staff. Staff have yet to achieve a full understanding (and use) of SAP (successor to Agresso IT system), therefore SAP and project approval processes are a challenge for the CO.

139. Many of the national consultants have worked for the CO for many years and possess considerable knowledge of UNIDO processes, contacts within GOK and institutional memory however, they are mainly on short-term contracts which creates a culture of uncertainty. Moreover, there is no budget for training to augment or improve the skill of the 'long-term' consultants.

140. Efforts to decentralize UNIDO management and / or create more teamwork between CO and HQ have not been fully realized. Progress has been made under the current UR, albeit it is dependent on the interests and goodwill of individuals to build trust. The current hybrid management approach used in the AAP does offer compromise between centralization and decentralization.

141. There is a lack of clarity on CO roles and responsibilities in supervision and monitoring, At present the CO does not have sufficient staff capacity to take on supervision and monitoring responsibilities at the project level. There is also no reporting of results at the country level. The CO did undertake a review of the KIPII progress in 2011 with the MoI and has also

initiated regular meetings with the MoI to brief them on project progress and to highlight issues for attention of the GOK. However, this has mostly focused on process-level reporting and not results.

142. Local procurement of goods and services is often done by HQ-based project managers in consultation with their project consultant staff in Kenya. In practice this means that quotations are not run through an independent person familiar with Kenyan price levels and business practices. This leaves UNIDO vulnerable to sub-optimal use of project resources. According to interviews this has led to several cases of doubtful purchases.⁷⁸ However, audits are only carried out once concrete accusations have been presented and no regular or preventive audit routines have been established.

143. In summary, despite the weaknesses within the country office, the current situation represents a marked improvement from previous years particularly with regard to relations with the GOK, and teamwork within the CO. In contrast, challenges regarding centralized and decentralized roles and responsibilities remain and are highly susceptible to individual approaches.

4.2 Monitoring⁷⁹

144. As already mentioned in the previous section project monitoring was lacking or of poor quality in the many of the UNIDO TC interventions⁸⁰, and this reduced to the extent to which the evaluation could accurately report on performance effectiveness and impacts. The renewable energy CPC projects were particularly weak with no monitoring data and self-evaluation conducted. The COAST project had an M&E plan but was hampered by a poor quality log-frame, which lacked SMART indicators, and 'did not relate well to the objective or outcomes'.⁸¹

145. There were some projects that did put in place monitoring systems to track outputs, such as the trade capacity building project in the agro-industry products. Furthermore, despite the bamboo projects short implementation period the monitoring system was thorough, the terminal evaluation reported: *"Regular monitoring was conducted on all training activities for both training of trainers and IDP training activities. Additionally, regular marketing development and training reports were produced together with some occasional ad hoc reports such as the Brief Report on Social Issues."*⁸² Furthermore, there were other instances where Mid-term Evaluations (MTEs) were important in catalyzing mid-course corrections in projects – for example,

⁷⁸ Interview data.

⁷⁹ Monitoring is defined as the collection of implementation information to report on progress towards outputs / outcomes to different stakeholder.

⁸⁰ The weakest projects for M&E were renewable energy cluster.

⁸¹ UNEP / UNIDO (2011) "Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced Impacts Resulting from Coastal Tourism (short title: COAST)" Mid-Term Evaluation Interim Report – key issues and recommendations

⁸² UNIDO (2011) "Crafting a green future – bamboo in the curio and souvenir industry in Kenya". Independent Evaluation. UNIDO Evaluation Group. Vienna.

the recent COAST MTE has been instrumental in providing inputs for the restructuring of the project.⁸³

146. The reasons for the weaknesses in monitoring are several: (i) In many of the projects project managers based at the HQ and Chief Technical Advisors (CTA)⁸⁴ primarily focus on project implementation and procurement⁸⁵ through reporting on activities and procurement / expenditure. Also the role of the CO in monitoring lacks clarity, although there are opportunities for significant involvement. This frequently means that projects (e.g., CPCs) did not have a full understanding of progress towards their objectives, or weaknesses in implementation, beyond activity and process level issues, and hence could not take corrections in a timely manner; and (ii) HQ project managers visits to projects were often infrequent and / or of short duration meaning other management issues supplanted emphasis on monitoring for results.

147. The lack of monitoring impedes the extent to which UNIDO can learn from project experiences, promote good practice and prevent poor performance in future projects. The previous KIPI evaluation highlighted very similar issues around poor quality of monitoring and the need to improve to provide effective TC to country partners – based on the current status of the UNIDO TC portfolio the KIPI finding is still valid.

4.3 UNDAF and UNIDO Participation in the UN Country Team

148. UNIDO has been part of the UNCT⁸⁶ since the first UNDAF (1999 – 2003). The UR is responsible for official representation of UNIDO on the UNCT. Besides being part of the UNCT, UNIDO also participates in UNDAF working groups: OWG5 - Equitable livelihood opportunities and food security with a focus on vulnerable groups enhanced and sustained and OWG6 - Enhance environmental management for economic growth with equitable access to energy services and response to climate change.

149. The intensity of UNIDO's involvement in the UNCT changed over time. Initially in the late 1990s and early 2000s the UR was closely involved, but during KIPI and until 2008 UNIDO involvement was sporadic due to the absence of a UR. In 2008, with strengthening of the CO with a new UR, UNIDO's membership of the UNCT was re-established. The CO played an active role in providing inputs for the current UNDAF, of which Outcome 3.1.2 (see Section 1) was largely aligned with the aims of the KIPII. The National Program Officer is currently the deputy chair of the Programme Coordination Group under the UNCT.

⁸³ Ibid and Interview data.

⁸⁴ Not every project has a CTA or international consultant to assist with management.

⁸⁵ Interview data.

⁸⁶ The UNCT currently comprises of 25 (including the World Bank and the IMF) member agencies operating in Kenya and also in the region – e.g., related to Nairobi's UN 'hub' for relief operations in Somalia and South Sudan.

150. The main contribution UNIDO has made to the UNDAF outcomes is through trade capacity building in the agro-industry⁸⁷ area and also through the Investor Survey. The contribution towards environmental sustainability through the renewable energy projects has been negligible, although the Energy+ and GEF projects in the pipeline are likely to contribute to the next UNDAF in 2014. UNIDO has also partnered with UN Women and ILO to contribute towards gender equity and women's empowerment – through the women's economic empowerment component. However, the results of the partnership are not clear due to the lack of M&E.
151. Other significant partnerships were formed with UNODC, ILO and UNDP as part of the AAP project and with UNEP on the Nyongara biogas project. These partnerships were viewed positively, particularly by UNODC, which would not have introduced the sustainable livelihood and micro-enterprise approach with former drug users without UNIDO's involvement and expertise. The successful cooperation with UNODC was facilitated mainly by the CO, which demonstrates the importance of proper representation on the ground for effective participation in one UN activities. At the same time, this example shows that cooperation in the field can lead to further cooperation at HQ level.⁸⁸
152. Despite the proximity of UNEP HQ and the existence of a National Cleaner Production Centre (which participates in the Global UNIDO/UNEP CP programme) UNIDO CO has not yet built a significant operational partnership with UNEP. This is despite the UNEP Kenya country programme⁸⁹ featuring a number of opportunities for such cooperation, e.g. work to reduce pollution in the Nairobi River Basin and support to the KNCP.
153. In summary, UNIDO has been involved in the UNDAF process and UNCT, albeit with some weakness until 2008. Since that time URs have been active members of the UNCT and opportunities to coordinate, particularly through the AAP have been developed. However, other partnerships especially with UNEP are still to be developed, beyond one off projects (e.g., Nyongara slaughterhouse).

⁸⁷ See <http://www.undg.org/docs/12610/2010-UNDAF-Annual-Review.pdf>

⁸⁸ There is a recent formal MoU between UNIDO and UNODC on HQ level to cooperate on alternative livelihoods for farmers depending on drug related crops

⁸⁹ <http://www.unep.org/roa/Programmes/KenyaCountryProgramme/tabid/51365/Default.aspx>

5.

Conclusions and recommendations

154. The final section presents the conclusions and recommendations of the country evaluation.
155. The evaluation found that UNIDO assistance to Kenya has in general been relevant to GOK priorities and problems, but that relevance was reduced because of lack of ownership of the KIPII and a period of poor communication between the CO and the GOK.
156. Effectiveness and results were mixed mainly because of inconsistencies in project design and implementation and in some projects such as the CPC's a lack of balance between hardware and capacity building for the user (beneficiaries). In more effective projects such as the Methyl Bromide phase-out success was characterised by capacity building with hardware, and clear reasoning for stakeholders to participate and sustain project results after completion. This has led to the successful phase-out of Methyl Bromide in pre-harvest soil fumigation. A follow-up UNIDO project is continuing to build on the success by phasing out Methyl Bromide in post-harvest and pre-shipment treatment.
157. UNIDO has also contributed to strengthening of trade capacity building particularly in the agro-industrial sector within the East African Community. UNIDO is continuing work with the GOK through a follow-on trade capacity building project funded by the EU.
158. The efficiency of UNIDO projects was weak to moderate. The evaluation found that several of the national and regional projects had experienced delays in design and / or implementation. The implementation delays were due partly to project management issues within UNIDO such as procurement and centralized management of projects from the HQ, and also over optimistic project durations caused by an incomplete understanding of complex political and institutional contexts within Kenya.
159. However, some projects such as the Bamboo, AAP and Soya interventions have been implemented within very short-timeframes, which has required intensive involvement of UNIDO staff and stakeholders. These project have not suffered significant delays and therefore it is clear that UNIDO has the ability and capacity to implement projects quickly when needed.

Conclusions and Recommendations⁹⁰

Relevance

Conclusion	Relevance Recommendation
The Integrated Programme II (KIPII) was relevant to Kenya's development challenges and focused on the right solutions of supporting micro, small and medium sized enterprise development, trade capacity building and energy. However the programme lacked ownership from within UNIDO and the Government and this resulted in insufficient funding and support for implementation.	A country programme should be jointly developed by UNIDO, counterpart Ministries and other stakeholders. The focus should be firstly on 'how' stakeholders should work together: to develop and implement projects, supervise and conduct monitoring; and secondly, on 'what' the programme could address and expected results based on an appraisal of Government priorities and funding opportunities.
Contributing Conclusion	Supporting Recommendation
UNIDO has not consistently engaged with the private sector and other key partners such as the Kenya National Cleaner Production Centre	The forthcoming country programme consultations should seek to engage with a wide range of partners, including Government parastatals and the private sector to enhance relevance.

⁹⁰ Conclusions and recommendations are structured by key evaluation criteria. Where necessary main conclusions and recommendations are supplemented by contributing and supporting recommendations which go into further detail.

Effectiveness

Conclusion	Effectiveness Recommendation
<p>The effectiveness of UNIDO projects was mixed. More than half of the projects assessed had weak or moderate effectiveness. The main reasons for weaknesses related to a mix of poor project design and ownership, inconsistent attention to building capacity of stakeholders, and delays in project implementation meaning the outputs / outcomes were not reached.</p> <p>Several initiatives, such as the trade capacity building project and the HP Life project were rated as highly effective. In these more successful projects the following conditions influenced effectiveness and potential impact: clear socio-economic incentives for stakeholders; involvement of private sector and / or civil society; and appropriate implementation timeframes to build capacity.</p>	<p>UNIDO needs to pay more attention to improving the quality of project design and implementation through: (a) involvement of stakeholders through design and implementation so that ownership can be established and sustained; and (b) to establish a balance between hardware installation and capacity development for stakeholders and beneficiaries.</p> <p>Lessons from successful projects should be incorporated in the design of new initiatives. The identification of local partners who can complement the UNIDO assistance and add continuity to the often short-term interventions of UNIDO should be actively pursued.</p>
Contributing Conclusion	Supporting Recommendation
<p>Many projects lacked an understanding of national and local contexts and as result their effectiveness was reduced.</p> <p>The Soya-bean project has, despite its short implementation period, applied a very promising approach of combining UNIDO support in hardware and training with more long-term cooperation with local NGOs and other international partners</p>	<p>For future interventions to be more effective they need to be: (a) based on appropriate in-country social-economic assessments, particularly where they plan to work at the community-level; (b) institutional data (much of which is already available) and (c) have stronger involvement of Government partners and the Country Office in design stage to ensure national and local context is integrated.</p> <p>For projects active at the community level, partnerships with local NGOs and longer-term development initiative should be established wherever possible.</p>

Efficiency

Conclusion	Efficiency Recommendation
<p>The efficiency of projects was weak to moderate mainly due delays encountered in implementation related to a combination of centralized decision-making, procurement, in-country institutional challenges and in several cases unrealistic time frames for implementation.</p>	<p>Several actions should be taken by UNIDO to improve the efficiency of future interventions in Kenya: (a) pay closer attention to setting realistic project implementation timeframes that reflect national and local realities; (b) consider national procurement and contracting in appropriate projects to speed up implementation and also build in-country capacities; and (c) involve the Country Office in implementation so that delays can be resolved more efficiently.</p>

Impact and Sustainability

Conclusion	Impact and Sustainability Recommendation
<p>In most projects UNIDO did not put in place conditions for impact and sustainability. The overarching focus in many projects has been on inputs and activities with little attention to managing for sustainable results.</p>	<p>UNIDO must move beyond focus on activities to design and manage for sustainable results in future projects. This could be approached by offering staff more internal incentives and where appropriate sanctions and / or 'red-flags', to sharpen the focus on results.</p>
Contributing Conclusion	Supporting Recommendation
<p>In the few successful projects the following conditions influenced impact: clear socio-economic incentives for stakeholders; involvement of private sector and / or civil society; and appropriate implementation timeframes to build capacity.</p> <p>Several projects (e.g., Bamboo and Soya) were constrained by short implementation times and humanitarian based-funding imposed by a donor which was ill-suited to achieving sustainable value-chain development.</p>	<p>The current projects and those in the pipeline need to place a great emphasis on learning from the successful and unsuccessful experiences in Kenya. The forthcoming country programme consultations need to provide a suitable platform to foster more substantive dialogue and exchange of experiences between Headquarters and Country Office.</p> <p>Sustainability and impact take time to nurture particularly in value-chain development – UNIDO should avoid short-term humanitarian and emergency relief-based funding which is outside of its core focus areas. The emphasis needs to be on designing and implementing value-chain projects over three to five year periods.</p>

Cross-cutting issues

Conclusion	Cross-cutting issues Recommendation
<p>Attention to cross-cutting issues such as developing synergies between UNIDO projects, and integrating gender was weak.</p> <p>Gender is likely to be an increasingly important cross-cutting issue in forthcoming energy as well as ongoing agro-industry projects.</p>	<p>UNIDO needs to develop incentives or opportunities for project managers to cooperate on relevant in-country projects where feasible. One possibility for fostering synergies could be achieved through annual or semi-annual meetings of Kenya project managers with a focus on project synergies.</p> <p>Gender expertise needs to be sourced through in-country consulting expertise to ensure an appropriate project focus.</p>
Contributing Conclusion	Supporting Recommendation
<p>UNIDO has recently developed several relevant external synergies with other UN agencies (energy) and other development partners (agro-industry). Such operational synergies have the potential to deliver more sustainable results.</p>	<p>Headquarters and the Country Office need to expand partnerships with local- and other international organisations for energy and agro-industry in Kenya as these areas of high Government and / or donor interest.</p>

Global forum

Global Forum	
Conclusion	Recommendation
<p>There is the potential for a more active dialogue with the GOK on the areas where Kenya is interested to benefit (e.g., Agro products and processing) from or contribute to international discussion in the field of industrial development. Nairobi, being also one of UN global headquarters and the headquarters of UN in Africa, hosting the UNEP and UN HABITAT headquarters, has a special potential regarding global and regional forum activities that could be used more strategically by UNIDO.</p>	<p>Enhancing UNIDO's GF role requires close cooperation between HQ and the CO as well as adequate resources in the CO. The next country programme should include a specific section on GF, establishing concrete goals and thematic priorities agreed upon between UNIDO and the Government.</p>
Contributing Conclusion	
<p>There are many links with UNEP regarding the UNIDO Green Industry initiatives and UNIDO energy and climate portfolio.</p> <p>There is at present no UNIDO representation in Nairobi similar to New York, Geneva or Brussels, focused on inter- agency relations.</p>	<p>The CO responsibilities should be expanded to include liaison with UNEP and the UN Nairobi Office.</p>

Country Office management

Conclusion	Country Office Management Recommendation
<p>The resources and structures of the UNIDO CO in Kenya are currently insufficient for playing an active role in TC project identification, development and implementation. This is in contrast to a growing TC portfolio and growing country coverage (Somalia, Eritrea, South Sudan).</p>	<p>UNIDO should review the strategy for decentralisation of technical cooperation to the field as a CO cannot be expected to fulfil all functions without adequate resources and structures in place.</p>
Contributing Conclusions	Supporting Recommendation
<p>Currently only the UNIDO Representative can be an Allotment Holder and this is likely to result in limitations in terms of number and volume of projects that can be managed (or jointly managed with HQ-based project managers). It also raises an issue with regard to adequate supervision of the UR's implementation role.</p> <p>The Country Office has no budget to support project development and implementation and thus relies on the availability of staff of ongoing projects</p> <p>Project staff based at the CO are perceived by stakeholders as part of the UNIDO team and competence. However, they usually have contracts of short duration, which creates considerable human resource uncertainty. The situation is not sustainable in the medium-to-long-term and will be detrimental to the functioning of the Country Office.</p> <p>There is limited oversight exercised with regard to the local implementation of projects, which has led to irregularities and uncertainties with regard to compliance with fiduciary standards.</p>	<p>UNIDO should authorize national program officers to be Allotment Holders / co-project manager with appropriate oversight from the Representative and / or Headquarters-based staff.</p> <p>UNIDO CO needs to have adequate resources for project identification and development, including a budget for recruitment of local consultants with the necessary skills or training to support project design and implementation.</p> <p>UNIDO should wherever possible provide longer-term contracts to local consultants.</p> <p>UNIDO should consider foreseeing locally contracted annual audits of project and office accounts.</p>

6. Lessons learned

The experiences provide some lessons for future UNIDO work in Kenya and more generally. Firstly, the experience of the KIPi and KIPii indicate that without country and UNIDO ownership of the country programme it cannot be effectively funded or implemented. Secondly, the project experiences show that where an appropriate balance is struck between capacity building for stakeholders and provision of hardware, underpinned by understanding of local and national context achieving results will be more likely. Simply installing hardware without attention to capacity is not sufficient to achieve sustainable results, particularly in UNIDO's chosen areas of focus in Kenya – energy and agro-industry.

The Methyl Bromide project was largely successful because of its strong relevance for the flower farmers. The strong interest of farmers to find alternatives to MB was a major impact driver for the project, because market (customers demanding more eco-friendly products) and Government pressure allowed overcoming the technical difficulties encountered.

UNIDO's projects are often focused on technological solutions. Limited community based work to ensure the sustainable uptake of technologies or new processes is often a weakness of such projects. The cooperation with local NGOs that engage in community work can be a very appropriate way of making UNIDO projects more effective and efficient.

The experience with the Community Power Centres (CPCs) showed, that unless you have a water tight and proven project approach (which was not the case here), UNIDO should not do too many CPCs; rather a few with higher power capacity with sufficient funds for participatory planning, support beyond the provision of equipment and follow up over a sufficient time period. The latter might best be done in cooperation with local NGOs.

Annex A: Project Reviews

This annex contains the project reviews conducted by the evaluation team. The reviews were based on existing project documentation, reports, evaluations and where possible and relevant discussions with UNIDO staff and stakeholders. Not all projects were assessed, but only those visited by the evaluation and / or with sufficient documentation. The reviews served as an input to the main evaluation report.

A. Investor Survey (IMP) / KenInvest Capacity Building

Background

The investor surveys and investment monitoring platform (IMP) were supported by UNIDO with the aim of promoting investments in Africa. The IMP was expected to provide one platform for the purpose. During project formulation, feedback from the third AfrIPANet meeting in Johannesburg in June 2006 and from the expert group meeting in Addis Ababa in March 2007 was useful in designing the survey instrument. Key stakeholders from both the private and public sectors and Regional Economic Blocks (RECs) - ECOWAS, SADC & COMESA, played a key role in designing the final programme, following which it was incorporated by CAMI and successfully endorsed at the AU Summit in 2008. Previous UNIDO work such as the 2005 UNIDO Africa FDI survey also provided important inputs.

Investor Survey in Kenya

In Kenya the investor Survey was originally based in the Kenya National Bureau of Statistics (KNBS) but was later moved to KenInvest because KNBS could not handle it at the time mainly because it was carrying out a National Census exercise. The survey was supposed to be done in 2009 but it was delayed until May 2010. The survey covered 615 companies mostly located in Nairobi. This was the second largest number surveyed in Africa. UNIDO took leadership and gave good support to the project from the very beginning. Initial delays in starting the project occurred because of KNBS inability to take on the project and conflicts in terms of which organization had the mandate for the survey between KNBS and other agencies of government. When the survey finally took off in May 2010 it went on smoothly up to March/April 2012. A key observation to make at this point is that UNIDO had communicated its rules and conditions on how the survey was to be carried out but KNBS did not agree with the conditions. This delayed discussions. Another problem at the beginning was that there was no database to work from. KNBS argued that according to the Act governing its operations; it was supposed to be the owner of the statistics. UNIDO avoided KNBS at the time and went ahead to do the survey. However, later the KNBS accepted the idea of the IMP (and the SPX). The Ministry of Planning in Kenya was keen to utilize the survey results for the promotion of investment. It has thus given and continues to give its support to the project.

Project identification and formulation

The formulation of the African Investor Survey 2011 was based on previous UNIDO experience and projects. Key among the projects were: AfriPANet, the SPXs, the 2005 UNIDO Africa FDI survey and the enterprise development and investment promotion programme (EDIP). The Investor Survey in Kenya benefitted from these previous UNIDO experiences and support from UNIDO CO. The evaluation team was informed that the national support given to the project was overall very good, with much positive feedback in relation to the objectives and quality of the survey, and numerous indications of collaboration with national stakeholders.

Objective

The Kenyan IMP project borrowed its objective from UNIDO's Africa wide investment survey initiative. The main objective of this project was to enhance regional investment promotion strategies and FDI policies for the greater goal of poverty reduction through the provision of adequate and quality information. The idea was to integrate SPX and EDIP into one focused investment promotion programme, delivered through the investor surveys and investment-monitoring platform (IMP). KenInvest, the Kenya Investment Promotion Agency, collaborated with UNIDO and provided feedback on the project approach, thus aligning the aims and objectives of the project with the promotion investment requirements that Kenya is pursuing through Vision 2030. Even though much work remains to be done to complete the requirements of the survey, it can be said that the project achieved one of its objectives, i.e. getting a good sample of companies to start working with. This sample has provided the basic starting point for the work ahead.

Relevance

The project is relevant with a strong link to objectives of vision 2030 (e.g., employment, domestic investment and FDI). It is linked to the national policies for the promotion of productivity, industrialization and also improvements in Public Procurement especially in regard to the involvement of SMEs in government contracts. Ownership of the project by GOK is thus high because it is relevant to national policies and is in agreement with Vision 2030. The government has mandated Treasury to take responsibility for the IMP in the capacity of the ministry harbouring Keninvest but for the new survey starting 2013 Ministry of Planning and Vision 2030 and its agency KNBS is the most active partner with UNIDO implementation, although the project is still reliant on UNIDO.

The IMP will be useful to KenInvest, potential investors, Government ministries, Universities and other stakeholders. A key benefit to KenInvest from this survey is that it is able to respond to enquiries from investors using the data even though the data is still not fully worked out and does not include all the firms

Capacity Building of KenInvest

Some training was carried out and this benefitted KenInvest. A COMFAR training expert trained 20 KenInvest in financial analysis software (COMFAR). The software is used in financial management in regard to such aspects as ROI, ROCE and SIMULATION. A computer model for analysis and reporting (COMFAR) was introduced in KenInvest. At the time UNIDO experts also gave SPX training to KenInvest. The COMFAR training was provided based on a request made by KenInvest. The others were driven from UNIDO to support the Investor survey and later the SPX. Coordination at the national levels was and is still needed in Kenya.

It suffices to note that the capacity development in this project appears to be bits and pieces. It is not coherent. KenInvest staff expressed the feeling to the evaluators that the training for capacity building should be better organized. That is, there is need for a programme that is well organized.

Key Challenges

The project faced several challenges. These include survey fatigue and sensitivities regarding submission of financial data; the survey length was considered too long (30 pages); a similar initiative/survey/s was taking place at the same time; there was conflict between UNIDO and the KNBS; there was no database to begin from; KenInvest was not seen in some quarters as the best agency to handle the project; a key association of industry opposed the project from the very beginning because it wanted to be in control; Key government agencies were not on board and there was no coordination with other agencies that had similar experience or were undertaking similar surveys at the time. For example, Kenya National Bureau of Statistics/KNBS, in conjunction with the Ministry of Industrialization, conducted the Census of Industrial Production (CIP) of establishments in Kenya in 2010. The census exercise commenced in November 2010 to December 2010 the same time the UNIDO survey was being conducted. The firms were wondering why the same information was being sought by different organizations including government agencies. The key challenges, however, remained survey fatigue amongst respondents and the sensitive nature of the data that was sought. As observed in another evaluation document, “the fear expressed by respondents that sensitive information as requested by the survey may not be kept confidential - and therefore their reluctance to participate in the survey - combined with the objective difficulty of answering to very detailed financial information requests - leading to the interview being completed over several sessions - indicate the necessity of considering a review of the survey questionnaires”.

Efficiency

The project implementation was good, in spite of the major challenge of many stakeholders who were involved, all with different agenda and interests. Politics was apparent and caused delays. The Kenya National Bureau of Statistics (KNBS) slowed down the process because they wanted to be far more involved in data capturing and data ownership. They were also involved in the national

census at the time. The KNBS had an issue with the fact that UNIDO would 'control' the data. It argued that it was within their mandate to control all information collected in Kenya irrespective of who collected it. The KNBS pulled out of the exercise because they wanted to control and manage the data.

A key stakeholder from industry, the Kenya Association of Manufacturers (KAM), wanted to run the survey and 'control' it without too much of UNIDO involvement. KAM declined collaboration. KAM, like many other stakeholders, did not take any active part in spite of several interventions by some key people such as Vimal Shah, the past chairman of the Association, and the UR. A key challenge remained the number of project stakeholders, each with a different agenda and interest. However, some stakeholders took some positive steps. For example, the Ministry of Industrialization provided full support to the survey; Kenya Investment Authority (KenInvest) provided office space, two desktop computers and three wireless telephone sets for the call centre activities. In addition KenInvest provided staff support to assist in screening companies and schedule appointments. These efforts resulted in surveying of 615 firms, a very large number going by experiences from other African countries.

Effectiveness

Many stakeholders participated in the surveys and in spite of delays some good results were obtained eventually. Many companies out side Nairobi did not participate in the survey. The majority of those that participated were mostly situated in Nairobi, thus leaving out many companies with operations out side Nairobi. Coordination of the exercise by both Nairobi and Vienna offices did not run smoothly according to some stakeholders.

The terms of engagement would need to be agreed upon. A smaller questionnaire would be more desirable and clarity on the terms in the project would need to be provided. Stakeholder's buy-in would need to come in at the beginning for better involvement and support by the firms to be surveyed. At the start of the project, it should be clear what expectations are there for each player. This is a challenge to KenInvest that has budgeted without an agreement in place. Under the circumstances spending allocated funds from government would be difficult. It would also be necessary to bring on board all the agencies handling a particular aspect of a project or a project for that matter.

B. Crafting a green future – bamboo in the curio and souvenir industry of Kenya (Bamboo Project)

Background

The project was formulated to respond to a difficult period in Kenya's history when the overall stability of the country became fragile in the aftermath of the post-election violence in 2008. Many people became internally displaced as a consequence. The Internally Displaced People (IDPs) suddenly lost their livelihoods. In a bid to seek survival they sought refuge in the Mau complex forest. The encroachment of this water shed by IDPs was an environmental disaster as the complex began to experience serious destruction, environmental

degradation, irregular and un-planned settlements, urban centres began to experience serious water shortages, and the Mau River began to be depleted of its waters. This affected the world famous annual migration into the Masai Mara and negatively affects tourism. Frequent droughts and food shortages hitting various regions in the country exacerbated the problem of food security and especially that of the IDPs, not only in Mau but also in other parts of the country.

On March 2011, in a bid to support the Government of Kenya's (GOKs) efforts in preserving the Mau forest, UNIDO and KEFRI, with the support of the Government of Japan (GOJ), embarked on a capacity-building programme for an identified group of IDPs in Mau forest to explore alternative sources of income using sustainable forest resources in the Mau complex and surrounding areas. A key forest resource that was targeted for exploitation was bamboo, commonly used in craft and wood carving industry. The craft and woodcarving industry is one of the most important craft sectors in Kenya both in terms of economic returns (its export value estimated at US \$20 million annually) and in generation of self-employment opportunities (60,000 carvers and estimated 350,000 dependants).

Project identification and design

The project was prepared based on experience gained during the Eastern Africa Bamboo Project; the approach tested during this project incorporated Kenya Forest Research Institute (KEFRI) as a national partner for implementation reaching out to local bamboo farmers and communities and involved them directly in the project planning and implementation by means of participatory workshops and meetings. The project fully considered previous interventions by UNIDO and KEFRI, and was largely based on the implementation experiences and the lessons learned from the 2006-2010 East Africa Bamboo Project (EABP) - the BamCraft project whose overall project approach was a continuation of an existing 5 year partnership between UNIDO and KEFRI.

The project was designed to provide not only immediate stabilizing income generation for IDPs and in creation of employment, but also provided opportunity for the local economy to recover. It was expected to lead to sustainable employment generation over the long run. The overall goal of the project was to assist the Government of Kenya in its efforts to preserve the forests and their environment and also endeavours to achieve sustainable social and economic development.

The project set up training and production centres within substations of the Kenya Forest Research Institute (KEFRI) in the Mau Forest Complex. It provided vocational skills to the youth within the IDP camps on bamboo crafts, furniture and bamboo based construction, building on the long-standing woodcarving history of the country.

The intended direct beneficiaries of the project were a minimum of 300 youth within the IDP camps and young people evicted from the Mau Forest Complex and living on the roadside and around the forest areas. KEFRI was targeted for capacity building especially in terms of ability to train after the project's one-year

duration. It was expected that KEFRI would continue such training activities, and that at least 50-70 young people would benefit from bamboo craft training per year in the future. Therefore, while the primary beneficiaries were IDPs, other beneficiaries would be artisans and KEFRI staff. Through the project training workshops were established with the requisite machinery installed at KEFRI (Karura and Londiani). These were aimed at supporting long-term initiatives by KEFRI in training people to generate additional value from bamboo.

The project was designed and implemented within a short period of time. This was internal project approach. Japan wanted the money spent quickly. The Evaluators did not see evidence indicating that UNIDO considered conflict sensitivity analyses including stakeholder and target group analysis or risk analysis in the project formulation.

Relevance

The Evaluation Team ranked the project's relevance as strong. The project was clearly in line with GOKs priorities towards environmental sustainability and socio economic development as expounded in Vision 2030. It was also in line with UNIDO's thematic priorities. The project was therefore particularly relevant to the priorities of the GOK, the thematic intervention priorities of UNIDO and was particularly relevant to the beneficiaries at both the institutional and individual level. Discussions with GOK staff, UNIDO staff and some beneficiaries such as KEFRI revealed that the various players perceived the project very favourably. Due to its industrial development mandate, UNIDO was well positioned to engage with governmental and private sector institutions, as well as crisis-affected communities, to ensure that humanitarian resources were used to help stimulate the local economy. The project builds on the strengths of Kenya's craft and woodcarving industry, which is one of the country's most important craft sectors in terms of both economic returns and self-employment opportunities. The Kenyan wood carving industry is estimated to directly employ over 60,000 people providing income for an estimated 300,000 dependents.

Effectiveness

The project achieved its intended objectives. It was able to meet the needs of IDPs, direct beneficiaries, GOK and KEFRI. IDPs and members of the host community at Olenguruone were trained successfully. KEFRI staff was trained and KEFRI was able to acquire equipment. The objective of providing equipment to KEFRI was twofold: creation of facilities for skills development aimed at immediate livelihood recovery, and the strengthening of institutional capacities that would contribute indirectly to social stabilization and economic development. The communities involved in the project learnt much about the commercial use of bamboo. They recognized that bamboo could be used for commercial purposes in an environmentally sustainable manner. The project addressed GOKs objectives under the economic blueprint called Vision 2030. The project achieved or surpassed the majority of its outputs. It exceeded initial targets to train 300 beneficiaries by 58 per cent as 475 IDPs received training. The project also trained 20 participants from the host community as well as eight (8) KEFRI staff and eight (8) private sector trainers who have been the recipients of expert

training. The project has distributed 450 toolkits to beneficiaries. Bamboo processing equipment has been distributed to KEFRI, which is now capable of operating as one of the principal research and training centres for bamboo in Eastern Africa. The Vocational Training Centres (VTCs) in Karura and Londiani are already involved in bamboo preparation and finishing on behalf of the IDPs. They are selling high quality finished products and it is said that some of the trainees are engaged in productive activities. Products from bamboo are increasingly finding their way into market outlets such as Furniture shops in the main towns of Kenya especially those near the Mau Complex

Efficiency

In spite of the limited timeframe for intervention, efficiency of the project is rated as strong. Efficiency was enhanced by reference to and building on, the previous experience of implementation of the EABP in the project identification and formulation stage. There was wide scale agreement between the beneficiaries, the GOK, KEFRI and UNIDO that the project's approach represented the most efficient use of given resources. The project provided an alternative means of livelihood and income generation through cost effective training. It focused on readily available raw materials and it led to the production of goods that were sold in the market, thus ensuring that the beneficiaries earned money. There were, however, occasional delays caused by inability to disburse funds from UNIDO in time. This affected the training schedules and also the quality of raw materials supplied. However, training of KEFRI staff and IDPs was relatively low cost and training of the latter involved the actual production of marketable goods, which added real value to their training as it had an immediate impact on income.

With respect to procurement, basic equipment for training was provided early in the project. In the first month of the project, professional toolkits for KEFRI trainers, as well as basic toolkits for graduates of IDP training courses were identified. Additional power tools were also selected for use during the ToT courses. In addition to these materials, the IDP camps and training sites in Olenguruone were supplied with diverse materials such as workbenches, weaving beaches, basic trough made of metal drums for treating bamboo, and racks for storing bamboo. There were a few minor delays of some activities caused by delays in receiving money from the Field office. This had a reported impact on the training schedule and the quality of raw materials supplied for training.

Although basic equipment for training IDPs was procured early in the project, more advanced machinery (required for the production of laminated bamboo panels used as a base for furniture production, and woven bamboo blinds used in the production of bamboo mats and blinds) did not arrive until near the end of the project. Machinery for the KEFRI Industrial Bamboo Processing & Training Centre did not arrive until the 16 of January 2012 when it could have been installed and tested by the project technical advisors. Installation was not finalized until the 28 of January 2012 when the workshop at Karura became operational. As a result, IDPs could not benefit from processed materials such as splits, slivers, boards or woven material, which could be transformed into higher value goods until late in the project.

Sustainability and Impact

Some products from bamboo have found their way to market outlets especially in Nairobi and Nakuru. The project has had an immediate short-term impact indicated by the verifiable increases in beneficiary incomes. In the short to medium term, the project has had a positive impact through the provision of a life skill for IDPs, the building of capacity in a key East African VTC, and reduced environmental impact through the substitution of wood for bamboo. Finally, the project had the broadest intention of illustrating how value can be added to a common forest product. However, sustainability is not yet evident. There are some issues affecting sustainability. It is not clear how the nascent supply chain for goods being produced by the IDPs will develop without project assistance by GOK or donors; the project did not create solid market linkages (indeed there was no time to do so – given the 1 year implementation period), and no permanent marketing outlets have been established; access to local markets remains difficult by foot, while main markets in Nairobi or Nakuru are too difficult for the IDPs to reach. Additionally, roads are not passable year round.

Project management and coordination

There were many layers of management relating to the management of the project. Who was to do what was not clear. This was an experimental project where the organization structuring was not clear. Vienna managed the project from far away. Consultants did things that were not in the TOR. This caused conflicts. Neither the partners in the form of the Government and KEFRI staff, or the UNIDO Field Office and staff, exhibited a clear and unanimous view with regard to who had overall management responsibility of the project. Despite some confusion regarding salary top ups there is little indication that issues regarding lines of management communication hampered the delivery of activities against work-plans.

C. Subcontracting Partnership Exchange

Project Description

The contracting and Partnership Exchange Programme (SPX) was started following UNIDO's efforts in the 1980s to help suppliers connect to local and international organizations in order to build their capacity and promote trade. The programme was formulated in 2007 with funding from Turkey to set up two SPXcentres, one in Tanzania and the other in Kenya. The key aim of the SPX centers was to strengthen the competitiveness of suppliers, including SMMEs, in Kenya by assisting them to enter into subcontracting relationships with local and international companies. Through this programme, suppliers' capacity would be enhanced through benchmarking their capacities and then supporting them to achieve the required levels to penetrate the supply chains of local and international contractors. The programme would also involve profiling of potential suppliers and matching them with contractors.

The programme was supposed to start in Kenya in 2008 but due to conflicts of interest, political problems and interference this did not happen. Several

stakeholders were approached initially to host the programme. These included private sector associations, KenInvest, KIRDI, Chamber of Commerce & Industry and Kenyan Association of Manufacturers (KAM) who would have been in a good position to host but many did not want to take responsibility. Only KIRDI accepted. Its senior management was dedicated and supported the idea of the programme. Training was conducted for KIRDI staff by UNIDO. However, the CEO of KIRDI who was quite supportive of the programme was replaced and as a consequence plans were put in place to shift the programme to KenInvest under Ministry of Finance. Since 2009 discussions with the Ministry of Industry have been going on in regard to the hosting of the programme in KenInvest. It took a long time to resolve the issue of hosting.

A Regional Training on Benchmarking for SME supplier development in East Africa within the framework of UNIDO's SPX Programme' was carried out from 26-29 September 2011, in Nairobi, Kenya. It provided more than 25 business advisers from Ethiopia, Kenya, Tanzania, Uganda and Zambia with an interactive training experience. The participants learnt about the UNIDO benchmarking tool that has been developed and is being delivered to the emerging SPX network in Africa. The training provided the delegates with the knowledge and competences needed to deliver all stages of benchmarking process effectively with businesses in their respective countries. The feedback scores provided by them, both in terms of the course itself and the movement in knowledge, was very encouraging with the vast majority expressing high satisfaction.

The Ministry's no objection letter for KenInvest to host the programme was received only in September 2011. No activities took place until June 2012 (a delay of 4 years) when KenInvest took serious steps to operationalize the programme. KenInvest has thus recently taken the lead in efforts to implement the programme.

Implementation

As noted above the SPX programme implementation was delayed due to political problems and the embryonic implementation efforts witnessed refer to the more recent start of formal SPX implementation. Consequently, there isn't adequate information to provide on implementation.

The programme has been managed by UNIDO. The focus on implementation is on four activities: supplier profiling, benchmarking, building of suppliers' capacity and matchmaking. Two (2) Engineers were engaged in July 2012 to run the programme in Kenya. Fourteen (14) institutions are involved as direct and indirect stakeholders to the objectives of the SPX Programme. These include KAM, KEBS, Ministry of Industrialization, and Kenyatta University. Each institution has specific roles to play.

Modalities for implementation have now been agreed upon. There is very strong support from the Ministry of Finance. Thus, the prospects for implementation look good provided the programme's action plans can be followed through.

Staff from KenInvest and from other institutional players has been trained. There are concerted efforts by KenInvest to bring key players together. KenInvest has started the profiling process using data from the Investor survey carried out in the past. The profiling effort is expected to be followed by benchmarking. The data arising from this is expected to be entered into a central SPX data base that is managed by KenInvest team with support from UNIDO.

The information from the profiling and bench marking exercise is expected to be utilized by a sub-set of the 615 companies that were surveyed, particularly domestic firms involved in chemical, plastics, metal, electronics and industrial services (the Manufacturing sector). The information is to be used to facilitate linkages between local suppliers, including SMMEs, and market opportunities identified through the SPX process. The information should allow the SPX Team to map the capacity of the local industrial sectors so as to advice buyers on the potential to source inputs locally and carry out other trading activities with local suppliers. It is important to note that even though the survey covered all the aspects of the economy, SPX has concentrated on the manufacturing sector only in line with the sector's propensity for subcontracting, backward linkages. Moreover, the interface/database system is empty and is therefore yet to be finalized. Nevertheless, by February 2013, profiling data from 53 companies will be uploaded on the database, with a considerable number of further profiles being finalised as a result of physical enterprise visits. SPX has been operationalized by KenInvest since July 2012. At the time of the field evaluation exercise in September/October 2012 SPX had been in existence in KenInvest for only three months. There is a plan to reach 120 companies in four months.

Relevance and Ownership

The SPX is highly relevant for Kenya as it addresses key concerns in Vision 2030. SPX is in fact a flagship project in KenInvest. It ties in well with Vision 2030. A Manager for the SPX programme has been deployed in KenInvest to work with the two engineers on SPX matters. Kshs. 6.7m has been budgeted for SPX. The budget is to run activities such as profiling, awareness creation forum, communication, transport, etc.

The ownership of the SPX by the Kenyan government is strong despite the significant delay. This is evident from the government's support in allowing for a budget for the programme. The government supports only projects that have been budgeted for. The programme is relevant to national industrialization policies and addresses key issues in Vision 2030, the government's strategy/economic blueprint whose aim is to transform the Country into a modern, globally competitive, middle income country, offering a high quality of life for its citizens by the year 2030. To achieve this goal, the Government intends to put in place measures to raise the national GDP growth rate; create more employment opportunities; and bring more equitable development in all regions of the Country. Manufacturing is one of the selected sectors expected to be supported by government, development partners and key stakeholders to bring about industrial transformation in Kenya.

There is skepticism among companies that after giving information on their operations during the investor survey that was done with support from UNIDO there appears to be no accruing benefits. There is the feeling that there is no proper project coordination. Many agencies are visiting the firms with different agendas. The firms seem to think that this is the usual thing that has always been done. Adequate communication to stakeholders about the modus operandi of the SPX has not been given. Many firms do not see themselves as critical owners of the SPX.

Effectiveness

As the programme is yet at a rather early stage since KenInvest started implementation in July 2012, not much can yet be said about actual effectiveness. Training has been done on profiling. A general introduction to benchmarking was done in 2011 in the context of the Regional Training organised with the presence of other regional SPX offices, mainly from Ethiopia, Tanzania, Uganda and Zambia. The engagement of buyer networks is a challenging, ongoing process. The requisite software has been developed and has commenced use with 20 profiles uploaded by late 2012 / early 2013. There is no evidence of the use of the database/website that was created for use by the firms in question. It is too early to see evidence of business transactions arising out of the SPX. Several factors are likely to drive effectiveness once the programme is up and running. These include:-

- Continued building of trust and ability to attract companies including SMMEs into the SPX programme
- Managing the politics and latent conflicts affecting the programme (e.g., between KenInvest and KAM)
- Completion of benchmarking (and training)
- Training of KenInvest staff (and retaining them) and those of key players/companies
- The contracts for the two (2) engineers will be expiring after a period of one year. The skills they brought on board will still be needed
- Engaging other sectors other than concentrating on manufacturing only will be key
- Capacity to bring SMMEs on board will be a key factor. The government has provided support to SMMEs in terms of public procurement projects

Benchmarking experience in Kenya

No benchmarking activities have been undertaken under the SPX programme yet but some local efforts at benchmarking provide a point of reference. General Motors (Kenya) has a local content development Engineer who helps local companies to develop parts. This has been successfully achieved. Thus, there is already this experience with GM. Toyota and Tata motors have plans to assemble vehicles in Kenya and are planning to help local companies to develop parts as GM has been doing.

Efficiency

The SPX programme has been delayed mainly because of institutional politics. There is weak capacity within KenInvest to run the programme. The contracts for the engineers engaged for SPX will come to an end at the end of March 2013 (since July 2012). There appears to be no plans for extending their contracts or for hiring other skilled engineers to run with the programme.

Impact

The programme has not yet had sufficient time to finalize profiling and benchmarking. It is difficult at this point to reflect impact in terms of increased supplier competitiveness; increased volume of business; large numbers of SMMEs actively engaged and increased capacity and activities leading to job creation. However, there are some noticeable though inadequate efforts to build the capacity of KenInvest.

Sustainability

Given the high relevance and the strong government support and ownership the SPX programme is likely to produce sustainable results in the long run. Government support, through budgeting, and the fact that the programme is a flagship project for KenInvest are likely to increase sustainability. Flagship projects linked to Vision 2030 are most likely to succeed. A key component of Vision 2030 is the First Medium Term Plan (MTP) of 2008 to 2012. It is a framework with key support of government. The MTP states: *“The purpose of this exercise is to align institutional mandates visions and missions, as well as priorities to Kenya Vision 2030, and to ensure tangible contributions to the dynamism and transformation of the economy towards a globally competitive and prosperous nation”*.

The linkage to Vision 2030 and the MTP and consequently to the Medium Term Expenditure Framework’s budget process; as well as to Human Resource Planning is likely to ensure both financial sustainability and human capacity to facilitate successful best practices in the SPX programme.

D. Technology transfer leading to methyl-bromide phase-out in soil fumigation

Remark: the evaluation team could only visit one flower farm and carry out one interview with the National Ozone Officer. Hence, the conclusions are largely based on data presented in the project completion report, using the insights gained from the above mentioned interviews as a source for validating the monitoring data. The evaluation team found the three information sources largely congruent.

Project description and background

Kenya is a signatory to the Montreal Protocol; it signed the Copenhagen amendment of the protocol in 1994, committing itself to phase out the use of Methyl Bromide (MB) by 2015 at the latest. The use of MB was widespread in several agricultural sectors, in particular the rapidly expanding flower growing

sector, vegetable and fruit plantations as well as for the storage of agricultural produce such as grains and coffee. The baseline consumption of MB at the start of the project in 2001 was estimated at about 111 tons per year.

The UNIDO project was part of a larger project for MB phase out involving UNIDO, UNDP, GIZ (formerly GTZ) and the Government of Kenya through the Ozone Office, which had started in 2003. In 2007 the Executive Committee of the MP decided to transfer the responsibility for the phase out of MB in the cut flower sector from UNDP to UNIDO. At that time it was estimated that 53 tons of ODP remained to be phased out in this sector.

Hence, the general objective of UNIDO's intervention was to phase out the 53 tons of annual MB consumption by training and assisting MB users in the horticultural industry to adopt effective and sustainable alternatives. The specific objectives were:

- To train growers and farm workers on how to use alternatives to MB
- Assist the flower growers in the adoption of suitable MB alternatives
- Establish a Training Centre for the farmers, MB users and other stakeholders
- Installation of alternative equipment, materials and practices on locally owned farms that use MB
- Pilot technology transfer trials where alternatives have not yet been identified
- Monitor the impact of the project on the reduction of MB in Kenya

Project outputs and current status

The project budget of USD 510,000 was spent to a large extent on local expertise (44%) and international short-term consultants (23%). 13% of funds were spent on equipment for demonstration purposes.

The project activities focused on practical, hands-on training, including technology demonstration on non-chemical MB alternatives, in particular steam. A demonstration project facility and training centre was established at the University of Nairobi, Kabete campus and several trainings were carried out in different locations at Nanyuki, Nakuru and Thika. According to the project reports 247 farms were visited and training was given to 654 farmers. Installations were put up in some farms for demonstration.

The project produced several educational publications, including technical manuals about MB alternatives, which were delivered to all trained farmers.

Relevance

Given the economic importance of the sectors using MB and the Government's commitment to phase out, the project is considered highly relevant for both, global environmental benefits (ozone layer) and for local benefits. The latter include the benefits deriving from a more integrated soil management as MB use in the long term damages the soil and requires ever increasing doses of fertilizer and pesticides. Finally, the phase out of MB is also part of Good Agricultural

Practices which are increasingly demanded by European buyers of flowers (e.g. Global GAP).

Effectiveness

The project was very effective in producing the expected phase out of MB, which – according to project records and Government information – was phased out completely by 2010. However, the alternatives offered by the project (steam and metham sodium) did not produce the expected results immediately. High cost and decreasing farm yields upon introduction of these alternatives lead to a rather slow uptake at the beginning. Nevertheless, this lead to further investigations of flower farmers on integrated soil and pest management, which contributed to a sustainable phase out of MB as well as to increased farming yields at reduced cost.

Efficiency

Project stakeholders in Kenya reported cumbersome procedures with regard to disbursements. For example, the UNIDO system does not allow for reimbursement if delayed payments are ‘bridged’ using other available (e.g. Government) funds. This lead to delays in some cases. However, overall the evaluation team has not encountered evidence of major efficiency issues.

Impact and sustainability

The sustainability of the project achievement in regard to MB is very good. Flower farms do not use MB in soil any more. There is a slight risk of farms returning to MB use as MB is still being used for shipment and quarantine purposes⁹¹ in Kenya (as in many other countries). However, according to stakeholder interviews this risk is considered rather limited.

MS and other alternatives to MB brought their own challenges that the MB project should have prepared farmers for. For example, technology for disinfecting water after use of MS was needed and the machines used for steam soil treatment were too expensive for immediate uptake by many farms. These challenges have limited the overall impact of the alternatives proposed by the project with regard to local benefits.

Core lesson learned

The MB project was largely successful because of its strong relevance for the flower farmers. The strong interest of farmers to find alternatives to MB was a major impact driver for the project, because market (customers demanding more eco-friendly products) and Government pressure allowed overcoming the technical difficulties encountered.

⁹¹ These applications are not covered by the phase-out obligations under the MP

E. Hunger Relief in East Africa by Producing Processed Soya Bean Products

Project description and background

UNIDO, with the financial support of the Government of Japan, implemented a project “SEPIA” from 1998 to 2002 – TF/RAF/00/C10 “UNIDO-Japan Silver Volunteers (JSV) Joint Programme for the Development of the Soya Bean Processing MSMEs in Malawi, Tanzania and Zimbabwe through the Senior Experts Programme in Africa”. The project transferred soya bean processing technologies from Japan to the concerned countries. Soya beans are considered to be a good source of protein similar to meats.

The present project has been developed to transfer the experience to East Africa, starting in Kenya. It is planned to be implemented as Phase I of “Soya bean for hunger relief and agro industrial development” and Phase II is planned to be “Developing soybean-based industries in Kenya through improvements in the performance of the domestic soybean value chain”.

The first phase of the project focuses on an immediate intervention to produce nutritious soybean based products that will be used by the Kenya Red Cross to feed famine- and drought-affected people and refugees from Somalia and South Sudan. The second phase would be implemented to stimulate soybean production, introduce better handling and storage after harvest, and to effectively link producer to end users. This assessment refers only to phase one.

The project planned to establish one processing plant in each of 3 selected regions, as pilot plants on which to build forward linkages to those people who are facing famine and backward linkages to smallholder producers. The premises are provided by the Ministry of Industrialization through the Constituency Industrial Centres or through KIRDI. In each site, processing equipment was to be procured and installed. In each plant, employment opportunities should be created for technical and support staff, all of which will require training both from an international expert on operation of the plant and local experts on process technologies and business skills.

The processing plants are planned to produce finished products which will be packaged, labeled and distributed through the Kenya Red Cross network. Once implemented, there will be a need for certification of the plant according to Kenya Bureau of Standards procedures.

Project outputs and current status

The project had a total budget of USD 907,955 (excluding agency support cost) as shown in the table below.

Project	Budget (USD)	Expenditures (USD)*
TF/RAF/12/009	608,077	559,189
TF/RAF/12/A09	276,878	125,375
YA/RAF/12/005	23,000	19,705
Total	907,955	704,269

* by 3 January 2013 (including amounts obligated but not yet disbursed)

These funds were used primarily for international experts (approx. USD 180,000) and for soy processing equipment (approx. 300,000).

The planned project outputs were:

Output 1

Capacities are developed at KIRDI/KIE and among SMEs involved in the UNIDO soya bean value chain project to produce processed soya bean products 10 KIRDI staff, 5 KIE staff, 20 SMEs and 5 MOA staff are trained

Output 2

Pilot plants are built in 3 cities in Kenya (Kisumu, Bungoma and Migori) for producing processed soya bean products and an aggregation centre established to supply each of pilot plants 3 pilot plants are in operation

Output 3

Processed soya bean products are produced at plants with implementation of relevant food quality and safety standards 3750 units (max.) of processed soya bean produced per day per plant

Output 4

Processed soybean products are distributed to famine- and drought-affected communities and to refugee camps in Northeast Kenya through the Kenya Red Cross

The project started operations in March 2012. At the time of the evaluation mission (September/October 2012) one of the three pilot processing centres had been set up at KIRDI in Kisumu. The equipment for the remaining two sites had been already procured but not yet fully installed. Training had been provided by Japanese experts on the handling of the equipment, which was also sourced in Japan on the basis of a waiver for international bidding. KIRDI staff had been taken to Japan to study the experience in Soya processing.

The pilot plant at KIRDI Kisumu had started producing some soya products, but there were some technical challenges remaining before production could be initiated at full scale. More importantly, there were yet some disagreements with the Red Cross regarding the distribution of the final product and the associated cost.

Soya beans are yet a rather new crop for small scale farmers in Kenya. Hence the project cooperates with community based organizations and the "N to Africa" project (funded by the Gates Foundation), which aims at increasing agricultural productivity in Africa. This cooperation allows the project to reach out to farmers in order to motivate them to plant soya beans and sell it for processing to the pilot centres.

Relevance

Due to its high nutritional value soya beans are a strongly relevant product for the improvement of nutritional deficiencies in parts of Kenya and other East African countries. Facilitating the local production of low-cost soya-based food products is thus highly relevant in principle and corresponding Government policies do exist.

Introducing soya beans as a crop is also likely to be relevant for many small-scale farmers due to the higher income potential as compared to traditional crops. According to information from local community organizations the income per hectare is approximately 50% higher for soya beans than for maize.

It remains, however, unclear whether the small scale processing of soya beans will be relevant to potential entrepreneurs in different regions of Kenya. A different route to enhance the use of soya beans in Kenya would be to cooperate with larger scale private sector entities and existing companies, which – at present – are largely dependent on imported soya beans.

An interesting aspect of this project is that it tries to stimulate agricultural development of the soya beans sector by introducing demand from many small scale processing plants.

Effectiveness

At the time of the evaluation mission the project was well underway to produce all four outputs according to plans. Whether these outputs will lead to the expected outcome “Improvement of the nutrition level of people and creation of productive activity and employment in selected project locations” is difficult to assess at this stage. However, the cooperation with local NGOs to ensure outreach to local farmers seems to be an important driver for future effectiveness and impact. The issue of raw material supply (soya beans) for the processing facilities is an essential factor for effectiveness.

The processing facilities provided by the project are very small scale and represent pilot investments. Without replication the project will not be effective in improving nutrition of a significant number of people. The replication is based on the assumption that KIRDI will copy the design of the pilot plants and develop local prototypes, which will then be bought by local entrepreneurs. This intervention logic is certainly jeopardized by the short duration of the project, which will not allow to follow-up on this process. Such a follow-up process is needed to equip potential processors with the necessary business development and management skills. Hence effectiveness will largely depend on whether the planned second phase will be funded and implemented.

Efficiency

The project has been implemented with remarkable speed. Funds have been spent even before the end of the already short implementation period of one

year. It is not entirely clear how this could be achieved, but the fact that no international bidding was done certainly helped to save time.

It can be assumed that the cooperation with local community organisations and the “N to Africa” project increased project efficiency as the project could focus on the processing component while the outreach to farmers was done by partners.

Impact and sustainability

The project was expected to contribute to poverty reduction and hunger relief in Kenya and East Africa. With regard to the impact at the East African regional level it is not evident that the project has made or will make a significant contribution as the project does not contain any activities beyond Kenya.

As far as impact within Kenya is concerned there are several factors that seem to limit the project’s potential impact. First, the short project duration compromises long term value-chain development. Second, the limited involvement of the private sector keeps the intervention at a rather small scale for the medium-term. It seems to be unrealistic to expect large numbers of soya-bean processing SMEs emerging around the established pilot centres.

However, it is recognized that these issues are planned to be addressed in the second phase. If that phase will materialise, the potential for impact is promising within the given framework conditions.

Core lesson learned

UNIDO’s projects are often focused on technological solutions. Limited community based work to ensure the sustainable uptake of technologies or new processes is often a weakness of such projects. The cooperation with local NGOs that engage in community work can be a very appropriate way of making UNIDO projects more effective and efficient.

F. Renewable Energy – Community Power Centres (Energy Kiosks)

Project description and background

The Community Power Centres (CPCs), also called “Energy Kiosks” or “energy centres” in Kenya are a group of smaller projects (see table below) implemented with a common approach, though with mainly three different technology approaches:

- a) Hybrid systems mostly including a vegetable oil/diesel generator combined with solar panels and sometimes also a small wind turbine (7 cases with approximately 5 to 12 KW capacity)
- b) Pico- or minihydro plants (3 cases of 1 or 2 KW capacity and one case with 30KW capacity)
- c) Biogas from biomass/waste digesters for electricity generation (5 cases with approximately 10KW capacity)

The projects were mostly implemented during the period of the UNIDO Kenya Integrated Programme phase II (KIP II) between 2008 and 2010. However, the KIP II did not contain a component for renewable energy projects. Stakeholders and staff confirm that the initiative for these projects was mainly a personal one from the UNIDO representative at the time, who had a renewable energy (RE) background. The total funds used for the projects were approximately USD 680,000, with 80% of the funds coming from the UNIDO budget and 20% from donors (Australia and Austria; see Table 1 below).

The projects were all implemented by the UNIDO Representative in Kenya acting as project manager with the support of a group of local consultants (“energy team”). Moreover all projects share the same overall objectives, namely to support rural electrification for productive purposes in Kenya. Hence, for the purpose of this evaluation these projects are considered different components of one larger project or programme.

Table 1. Overview of energy projects in Kenya (except AAP)

XP/KEN/07/001 YA/KEN/07/008	Implementation of 10 Model Pico Hydro systems in Kenya	04/13 /2007	06/30/ 2008	Regular Programme Of Technical Cooperation	Country Office in Kenya	124,914.52	127,128.46
TE/KEN/08/001	Recovery and Initiation of Local MSMEs through Installation of a Community Power Center (CPC) for Productive Applications	01/16 /2008	12/31/ 2010	Australia	Country Office in Kenya	97,262.75	97,250.80
TF/KEN/09/003	District level mapping of Kenya for implementing RESC-BPs for preparing pre-feasibility study for 100 potential sites within three selected regions of Kenya	09/04 /2009	12/31/ 2010	Austria Rural Energy	Country Office in Kenya	38,692.23	38,692.23
XP/KEN/07/003	3 Biomass Waste Digesters in Kenya (In Dagoretti, Bungoma and Homabay)	07/16 /2007	12/31/ 2008	Regular Programme Of Technical Cooperation	Country Office in Kenya	103,123.50	109,642.68

YA/KEN/07004	Implementation of biomass waste digesters (In Dagoretti, Bungoma and Homabay)	07/16 /2007	12/31/ 2007	Regular Budget	Africa Programme	101,139.25	101,893.08
XP/KEN/07005	Implementation of Energy Kiosks powered by straight vegetable oil generators in 9 selected Millennium Districts	12/03 /2007	06/30/ 2009	RPTC	Country Office in Kenya	213,213.77	208,500.17
					Total	678,346.02	683,107.42

Source: UNIDO InfoBase, September 2012

Renewable energy in Kenya

In 2008 ODG/EVA carried out an “Independent Thematic Review of UNIDO Projects for the Promotion of Small Hydro Power for Productive Use”. This review focused on the small hydro applications and did not look in detail at the other RE options included in the UNIDO programme (Solar, Wind, Biomass). However several of the conclusions on the general relevance of renewable energy solutions are important for the entire UNIDO RE programme in the country:

- The national grid has reached good coverage in the most densely populated areas of Kenya with a tendency of rapid expansion due to high Government priority on rural electrification. This makes renewable energy based power centres often a non-competitive solution as cost per Kwh are higher than those of grid electricity. But as for many the still high connection cost are prohibitive, grid-connected rural power centres might be an option.
- SHP developments should consider the potential of feeding energy into the grid instead of only looking at stand-alone solutions.

Project design

Relatively short project documents were prepared for the above listed projects. Project design was technology / solution focused, with a rather limited analysis of demand and productive potentials in the regions. While these documents provided relevant information on the context and the content of the planned renewable energy interventions, several shortcomings prevented them from becoming a useful guidance for project implementation:

- The documents included some rough calculations on the feasibility of renewable energy based productive activities. The calculations were of the “on the back of an envelope” type and did not sufficiently appreciate

aspects like willingness to pay, amortization periods of investments made, cost of maintenance of equipment, etc.

- The risk analysis included the possibility of a later grid connection of project target areas and argued that even then the connection cost might be prohibitive for allowing poor village people to benefit from the grid. While this aspect of prohibitive connection cost was confirmed during the evaluation visit in some cases, the alternative of establishing grid powered community centers was not taken into account. Another argument in the documents was the better quality and reliability of renewable energy as compared to the grid, which is frequently affected by power outages and voltage fluctuations. However, an analysis of whether the supposed better reliability of the renewable energy based centres would justify the investment was not done.
- The project documents were generic approach papers that did not include a description of the specific situation at the project sites, as these were to be selected only later on. There was also no clear list of criteria for project site selection. This left the actual selection of project sites to be affected by political interest and not directly demand related factors.
- The economic and social aspects of introducing new technologies were not analyzed in detail and no relevant lessons from similar initiatives (of which many exist in and outside of Kenya) were cited as a basis for the specific selection of the technology (e.g. pico hydro or biogas).

The project design does not appear to have been participatory. The project documents reflect a supply driven approach of project design, with limited or no evidence of Government involvement in the project design.

There are frequent references in the project documents on the intention to “jump start” the UNIDO energy programme in Kenya. However, there are no clear concepts presented on what needs to be done after the initial projects to continue replicating success cases and fully role out such a UNIDO energy programme. This seems important especially because there is no evidence of early involvement of possible future partners for the role out phase.

Project outputs and current status

The projects delivered the hardware in most cases as planned. Overall the evaluation team found that most of the 16 project sites were not operational anymore.

The CPC sites visited (Ngong (Olosho-Oibor), Siaya, Mutunguru, Kibeye) were partly or not operational. This was due to either technical problems or changes in the socio-economic project environment. The following examples illustrate the problems encountered.

The Olosho-Oibor CPC, installed in 2009, was considered one of the most successful cases by several stakeholders interviewed. Yet at the time of the evaluation team's visit the small 3 kW wind mill, procured from China, had stopped working after 3 years of operation. The Chinese Wind Mill was - according to local experts - of poor quality. Also the battery-pack had lost most of its storage capacity. The vegetable-oil generator was not operational at the time of the visit. As a result, the only element yet in service is the 2kW PV panel, insufficient for the originally intended usage for cooling of medicines or locally produced milk. Moreover, the early results of this CPC in providing lighting for night-studies and for computer operations at the nearby community school had been lost. The uses of the power generated are mainly a charging station and a TV room. There is also a barber shop and a small retail shop, which form part of the community centre. The fees collected are mainly from the charging station, but usually these fees have not covered the actual cost of running the diesel generator.

The project had also procured equipment for local soap manufacture. This equipment has never been used as the local women were not interested in this activity. According to beneficiaries the project was originally prepared without sufficient interaction with the community.

The Siaya CPC was established in 2009 including a 2 kW solar component and a 10kW SVO. Soon after the site had been officially inaugurated in 2011, the community was connected to the national grid. At the time of the evaluation visit there were several shops in the community offering the same services as the CPC (phone charging and TV rooms). The main source of income of the CPC was phone charging (approx. USD 150 per month) with a declining tendency. Several pieces of productive equipment had been delivered but never used (one circular saw and one chicken breeder).

The straight vegetable oil generators (SVO) visited by the evaluation team (Siaya, Olosho-Oibor) had never used vegetable oil while they were operational. Instead regular diesel was used. At the time the team visited both generators were not operational due to difficulties in replacing broken parts. There was no evidence that the feasibility of the use of vegetable oil had been analysed, thus there is no data on cost of production, milling capacities and possible alternative prices for vegetable oil as a food product.

The Mutunguru CPC was installed in 2009 with a 30kW micro hydro station built with significant community involvement and commitment. The project was implemented in cooperation with the Kenyan Rural Electrification Authority (REA), which helped to overcome technical problems when the first motor of the generator burnt due to improper handling of the equipment. During the visit the micro hydro equipment was operational but not generating electricity. Currently the CPC has no ongoing productive activity. Based on the expectation of a plant expansion that had been discussed with the community equipment for milk processing was purchased with a loan. It turned out that the power intake of that equipment exceeded the micro hydro capacity, thus the equipment was moved to a different place with grid connection. At the time of the evaluation visit the community had been connected to the grid. The main expectation of the community was to expand the capacity of the hydro plant so that electricity could be sold to the grid generating income for the community. No plans existed to further pursue the development of the CPC. Existing plans are to use the electricity to connect nearby households who cannot afford connection to the national grid due to prohibitive cost.

The Kibai Village CPC was established between 2007 and 2008. At the time of the evaluation visit the CPC was not working. The fully furnished workshop had been vandalized and all equipment was stolen. Even the wiring from the CPC to the hydro plant and the penstock had been stolen. The former chief of the CPC community committee explained that from the beginning the CPC suffered from lack of community support and the first committee had been accused to be corrupt. Also, the community had expressed their preference to have their houses connected to the power plant instead of running a CPC. The proposed CPC model also suffered several technical drawbacks and disruption of service due to too limited capacity of the SHP and problems in the plant layout/design (no desilting flush). After a new committee had taken over the vandalizing began, which left the CPC completely defunct.

The Dagoretti biogas plant was installed in 2009 in cooperation with UNEP and KIRDI aiming at a reduced environmental impact of slaughterhouses in the Dagoretti area. Building the plant was one of the possible options to prevent the companies to be closed by NEMA. The biogas plant is fed by approximately one third of the solid and liquid wastes generated by one of the resident companies. According to the company the remaining wastes are taken by truck to authorized dumping sites. At the time of the evaluation visit the biogas plant was fully operational with a filled biogas tank. The remaining three slaughterhouses that operate nearby do not have similar installations. According to the company owner the operation of the biogas plant does increase the operation cost of the slaughterhouse. Hence other companies do have a cost advantage if they are allowed to operate without environmental measures. One option is the establishment of a larger plant that can be used by all neighbouring companies and that is operated in the public domain, funded by a fee per head of animal slaughtered.

The major technical issue in Dagoretti are the insufficient size of the plant and temperature issues. The plant is not operating at optimum level, as outside temperatures are too low. The capacity of the plant is 20kW but currently they

can use only 10kW, which corresponds to 6 hours daily or 35% of energy needs of the plant. But if the temperature would be right more biogas would be produced and would be able to run the whole day. Excess energy could be sold to the grid thus reducing the cost of operating the plant.

The current plant is a pilot project, thus it has not yet contributed significantly to reducing the environmental impact of the companies in the area. However, the Dagoretti plant has been visited and studied by many relevant stakeholders in Kenya, including several representatives of slaughterhouses. The projects seems to have good potential for replication and upscaling, provided that policy issues (e.g. implementation of the polluter pays principle for all companies in the area)

Relevance

In most of the CPCs the UNIDO intervention provided assistance almost exclusively through the provision of hardware, i.e. focusing on the technology aspect of local development. Limited resources were available to also support the business development aspects properly. It might be possible to solve this by seeking partnerships with local or international NGOs like in the N2A case of the Soya project.

Overall project objectives relevant for Govt. and UNIDO; not always relevant for communities who prefer household connections (despite good ownership in some cases).

In several cases the installed equipment stopped working after some time. The response capacity of UNIDO to solve these problems during the project implementation period was insufficient. The same is true for the local capacities to fix these problems using own know-how and resources.

The projects do not contain enough elements of capacity building. Technology is not just an issue of putting the right hardware in place. Future projects need to include elements to improve capacity. This could also include the capacity to locally produce, assemble and install renewable energy solutions instead of importing equipment.

Generally the feasibility considerations of the CPCs and other RE projects do not take maintenance cost and depreciation of equipment into account. As a result, the business planning, if at all done, leads to erroneous results and unrealistic expectations with regard to the medium to long term viability of renewable energy solutions.

Effectiveness

Overall the effectiveness of the RE programme in improving energy access and stimulating productive activities has been very low.

Out of the three CPCs visited with hybrid solar/SVO generator systems none worked properly. Technical problems of the energy equipment, especially the SVOs constrained the operation in all cases. The proposed business activities of the CPCs were mostly unsuccessful, with the exception of mobile phone charging

and TV rooms. The economic viability of the CPCs has been severely affected by grid connections of the communities soon after project start.

Out of the five cases of biogas applications only one (the Dagoretti plant) was still operational at the time of the evaluation. According to site visits carried out for a JAICA study the other biogas plants had either technical problems (e.g. temperature) or capacity issues (e.g. at Bugoma only one technician was trained and he has left).

Out of the five micro/mini hydro systems installed two were visited. No reports are available for those not visited by the evaluation team.

Efficiency

There is very limited reporting on the energy programme. A comparison of baseline situations at the project level with achieved results has not been done in any of the analysed cases. This is true for the output, outcome and impact levels. The absence of a proper M&E system severely affects the possibilities of the project to learn from lessons and to adjust strategies accordingly.

The resources of the projects were mainly used for the recruitment of local and international consultants. The donation of Chinese hydro-power equipment increased project efficiency to some extent. However, the limited business planning for the envisaged productive activities lead to largely sub-utilized equipment in the established workshops. Similarly, the lack of maintenance capacities in the communities made a continuous operation of the energy equipment impossible, thus reducing the overall efficiency of the interventions (energy output/ resources invested).

The Kenya RE programme implemented a large number of RE projects (17) with very limited funding (USD 680,000). This spread the available resources very thinly across the country, which lead to an approach that concentrated on the mere provision of hardware and later on made a continuous follow up and support for each of the sites very difficult.

Impact and sustainability

The expected impacts of the projects can be grouped in two fields. First, the reduction of poverty at the community level through growth of productive activities. Second, the reduction of environmental impacts like de-forestation (substitution of firewood and kerosene) and pollution (reduction of water pollution in the case of Dagoretti). The potential impact of the project on climate change is negligible due to the small scale of the RE plants.

Based on the observations in the sites visited by the evaluation team, there are no realistic expectations of impact on productive activities through energy access. Experience seem to suggest that the stimulating effect of electricity is more successful when enhancing existing productive activities (e.g. making the Dagoretti slaughterhouse a more sustainable company; provision of electricity to the Kericho tea factory) than for driving the establishment of new productive activities.

Positive environmental impacts were observed in Dagoretti as the biogas plant consumed part of the solid waste of the factory, that had been dumped in nearby water bodies before. The expected impact of some biogas operations on reduced firewood consumption could not be confirmed as these plants are not operational.

Positive social impact was observed in Olosho-Oibor as the CPC provided lighting and computer use to the nearby school, which contributed to improved performance of students. These impacts are, however, currently at risk as the CPC is only partly working with rapidly decreasing capacity.

Overall, the sustainability of the projects within the RE programme must be considered very low. It has been compromised by lack of training & maintenance planning and community involvement as well as by a lack of resources for longer term cooperation and follow up through the local team of consultants. The sometimes poor quality of the equipment further reduced chances of sustainability.

Core lesson learned

Unless you have a water tight and proven project approach (which was not the case here), don't do too many CPCs, rather a few with higher power capacity with sufficient funds for participatory planning, support beyond the provision of equipment and follow up over a sufficient time period. The latter might best be done in cooperation with local NGOs.

G. Climate Change Adaptation by using Renewable Energy Power Systems for Productive Uses

Project description and background

The project is a component of the "African Adaptation Programme (AAP)", a regional project for Africa. The AAP was launched in 2008 by the United Nations Development Programme (UNDP) in partnership with the United Nations Industrial Development Organization (UNIDO), the United Nations Children's Fund (UNICEF), and the World Food Programme (WFP) and with US\$92.1 million support from the Government of Japan. The Kenya component of the AAP started in December 2009. It has a total budget of USD 5.5 million and aims at producing five outputs:

1. Dynamic, long-term planning mechanisms to manage the inherent uncertainties of climate change introduced
2. Leadership capacities and institutional frameworks to manage climate change risks and opportunities in an integrated manner at the local and national levels strengthened
3. Climate-resilient policies and measures in priority sectors implemented.
4. Financing options to meet national adaptation costs at the local, national, sub-regional and regional levels expanded.

5. Knowledge on adjusting national development processes to fully incorporate climate change risks and opportunities generated and shared across all levels

UNIDO participates in all five outputs; however, the core emphasis is on output 3, through the provision of concrete renewable energy solutions.

The UNIDO part of the Kenyan AAP intervention is described in a project document including the following components:

Component 1: Industrial Energy - Substitution of wood-fuel in tea factories with electricity from small hydro power (\$ 425,000). Replacement of wood fuel with hydro electricity for thermal applications such as withering and drying operations in tea factories, leads to reduced deforestation, prevention of soil erosion and retention of soil nutrients intact. To that end the project envisaged setting up a mini-hydro plant of 100-150 kW to provide power to one tea factory. The power shall serve the electrical and thermal needs of the factory and go towards replacement of firewood which is now the main fuel for the tea curing process. 20 kW from the project shall also be made available to the surrounding community at an energy centre where various productive activities shall take place. The project selected a project site in Kericho that had already received a microhydro station under the UNIDO RE programme.

Component 2: Public Utility Energy (\$ 260,000). By reducing sewage release into Lake Victoria cleaner water for domestic consumption and increasing fish catches should be achieved. Demonstration of the productive value (energy production) of the pilot will provide the incentive for water services boards to replicate the technology. This was to be achieved by setting up a medium to large scale methanogenic anaerobic fermentation of the contents of the sewerage tank, using a 250 m³ biogas system to clean up the discharge to a safe level and in turn produce biogas. The biogas would be used to produce 50 kW of electricity to be used for the water pumping and purification plant that will provide the residents of Homa Bay with potable water. These measures build on the previously established 40m³ biogas system in Homa Bay (under the UNIDO RE programme, see separate assessment).

Component 3: Household Energy (\$ 600,000): Replacement of wood fuel with renewable sources of energy (biomass briquettes from agricultural wastes) leads to reduced deforestation. This component planned to set up 3 community power centres (CPCs) in rural areas of Kenya. These CPCs would contribute to replacement of firewood with briquettes and replacement of kerosene lamps with rechargeable lamps.

Project design

A comprehensive project document exists for the Kenyan leg of the AAP programme. A separate project document was prepared to describe UNIDO's planned interventions in detail. Part of the document (component 1 and 2) benefits from the experiences made in UNIDO's RE programme as the project sites were selected where prior interventions had taken place (Biogas plant in Homa Bay and SHP for tea factory in Kericho). For the respective components

the description of the planned interventions is convincing as very concrete problems are being addressed. The third component targets CPCs. Here the proposed intervention logic is less convincing. The approach is somewhat similar to the CPC approach of the past UNIDO RE programme. A realistic business model is missing. For example, the proposed replacement of firewood with briquettes from agro-waste does not mention the problem that clients would have to buy the briquettes while they were collecting firewood for free.

The UNIDO project document does not establish a clear time line for project implementation. The AAP umbrella project had a planned duration from December 2009 to December 2011 and the UNIDO component was expected to adhere to this time plan. However, at the time of actual project inception only one year was left for implementation and an extension was requested and granted until end of 2012. Considering the complex development processes involved in introducing new technologies, especially in a rural context, the planned duration is considered far too short.

Outputs of the project and current status

Component 1: Industrial energy: Small Hydro Project for tea factories.

The evaluation team visited the project site in the Kericho area. Civil works were still ongoing at the time of the visit and had been delayed by heavy rains. According to reports the equipment had been shipped and was at the last stage of clearance at Mombasa. Interviews with project beneficiaries revealed that the exact planning for the use of the electricity had not been finalized. The question whether households could be connected and how the fees would be collected was still unclear. No provisions had been made for the distribution (wiring) and the measuring of consumption (meters). The community was actually planning to further expand the capacity of the plant in order to sell electricity to the national grid. But the planned expansion was not included in the project budget and remains to be funded.

Component 2: Public utility energy: Homabay Biogas/Solar Water Pumping Project.

The evaluation team has not visited this site. According to interviews and reports this project faced several technical issues after inception. The original proposal turned out not to be viable as the effluents were too diluted to be used for biogas production. The project team developed an alternative solution on the basis of a 50kW PV plant and there is also work towards using Water Hyacinths as an alternative fuel for a biodigester. There were no reports on the current state of the Homa Bay project.

Component 3: Household energy: Biomass processing Energy Centers.

Biomass processing energy centers in Kariti Ngando (Sagana), Salabani (Baringo) and Likoni (Kwale). The evaluation team visited two of the three centres (Kariti Ngando and the one near Mombasa). While reports mentioned that the civil works in all the sites had been completed, the CPC in Kariti Ngando showed several defects and probably needs to be reworked partly and the Rehab Centre near Mombasa had not been connected to 2 phase electricity, which will be required for running the equipment.

The CPC in Kariti Ngando does not appear to have learned much from previous work with CPCs. The business plan of the Centre has not been prepared and some of the assumptions for feasibility are weak: according to interviews with local beneficiaries the SVO generator is supposed to be run by vegetable oil produced locally from sunflower seeds, but the supply of sunflowers has not been planned properly and based on all previous CPCs' experience this is unlikely to happen; the idea to produce briquettes from farm waste to replace firewood has not taken into account the fact that firewood is currently collected for free and the willingness to pay for briquettes has not been established before buying the equipment. Furthermore, the national electricity grid is already very close to the location of the CPC and can be expected to be extended to the CPC area in the near future.

The second CPC visited by the evaluation team is the Half Way House Rehab Centre in the Mombasa area. Here a relevant RE solution has been installed at the compound of a centre that provides support to ex-drug users after the immediate rehab. A facility to produce charcoal from coconuts will be installed. At the time of project visit the equipment was partly delivered and an appropriate building has been prepared for the production process. However, the existing electricity connection does not match the requirements of the equipment and the cost of providing a connection have not been budgeted in the project. This might create a serious problem for the project to become effective. The project appears to have a consistent intervention logic and can be expected to produce employment for unemployed youth, contributing to solving an important problem of the community. However, the economic/financial feasibility has not been established and the CPC does not have a business plan. This represents a risk for both, effectiveness of the CPC and potential for replication of the model. In general, as the project is in a hurry to finalize works and close there is almost no time left to accompany the communities in establishing adequate business models and help fixing initial technical difficulties.

Relevance

Overall the project seems to have limited relevance for adaptation. However, the relevance for mitigation, in particular REDD (Reducing Emissions from Deforestation and Degradation), which is also high on the Government agenda, is high. The relevance for beneficiaries is given in the case of the Kericho mini hydro project and the Half Way House Rehab Centre, where actually employment opportunities for unemployed youth (ex drug-addicts) are created. The relevance of the CPC is rather limited due to the foreseeable grid connection.

Effectiveness and Efficiency

The project is well underway to produce the foreseen outputs in all three components, even if this happens with a delay of a few months, which is rather a reflection of the too short planned duration of the project than of unjustifiable delays. Nevertheless, some efficiency problems were reported by stakeholders in relation to delays caused by the centralised, HQ-based management of the project, including the need to go for international procurement at relatively low thresholds. The main project partner, UNDP, reports more efficient use of local

procurement within the national execution modality with same or better results in terms of quality.

The effectiveness of the project is likely to be satisfactory by project termination in all three components as the foreseen outputs are being produced and can be considered likely to be used by the target groups. Once the Kericho mini-hydro is installed, indications from interviews with target groups suggest that the produced energy will be used in the nearby tea factory and for private connections nearby the hydro site. The issue of cost of connections might represent a barrier for ultimate effectiveness here. Also the CPCs visited in Kariti Ngando and the Half Way House Rehab Centre are likely to be used by beneficiaries, although in the former case the poor quality of construction work and the lack of involvement of the community and of clear business planning might prevent effective usage of the CPC even in the short to medium term. In the case of the latter the main short term problem to be solved was the connection of the right electricity to run the equipment.

During site visits and interviews questions were raised about the quality of goods and services provided to the project, for example the poor quality of construction work in Kariti Ngando and doubts about the SVO being a new equipment. So far no audit of the accounts is foreseen as standard procedure though.

Impact and sustainability

Overall, the project is at considerable risk to not achieve the expected impact. This is due to two main factors. First, the economic and financial feasibility of the proposed solutions has not been properly established and seems to be weak in several cases. For example, the proposed use of sunflower oil to run a SVO is a case in point, where - considering the experience with former CPCs in Kenya - it is highly questionable that such CPCs can earn the expected income on a sustainable basis. This is especially true in areas where grid connection is soon to arrive. Also the factor of depreciation of the donated RE equipment has not been taken into account by the receiving communities.

Second, similar to the experience with the CPCs in the past, the interventions keep being very technology focused without involvement of partner organisations in the field to provide continuous support for business development and support for technical problems. The exception from the above assessment of impact and sustainability is the project in the Mombasa Rehab Centre, which is based on a cooperation with a local NGO that is supported with small grants from UNODC and thus can provide support and follow up to the project.

H. Coconut Development (value-chain) project (in pipeline)

This project is yet to be implemented. This report therefore is on the basis of what the evaluators gleaned from the situation analysis of the project they conducted on the basis of "As is".

Project description and background

The Government of Kenya formed the Kenya Coconut Development Authority (KCDA) in 2007 to take responsibility for coconut sector development in the country. In 2008 an MOU was signed between KIE and KCDA on the development of the coconut sector after the realization that the sector had been largely ignored in matters relating to the support and development of the agro processing industry.

Since 2008 not much progress has been made in regard to the development of the industry. The industry continues to produce products for the traditional use of coconut. The products include: thatching material, firewood, brooms and wine. These are indeed very limited uses given that it is now firmly established that it is possible to have as many as 126 product lines in the industry.

The Ministry of Industrialization (MOI), Government of Kenya, on April 12, 2012 submitted a request to UNIDO to help Kenya develop the Coconut industry in line with Government aspirations in Vision 2030 for agro industry development. This request followed missions of Kenyan officials to the coconut growing and processing areas in India in November 2008 organized by the UNIDO Centre for South-South Industrial Cooperation (UCSSIC-India) and assessments by Indian experts visiting important coconut growing areas in Kenya. The expected technical assistance has not yet been provided by UNIDO.

Meanwhile an embryonic partnership arrangement between KCDA, KIE, KIRDI, FKE, KIE, KenInvest, Moi University and JKUAT has been put in place to address key issues in the development of the sector. Key developments to date include:

- construction of the Centre of Excellence in Malindi funded by KIE at a cost of Kshs. 35 million, which will be used for training and product development
- capacity building initiative by Kenya Coconut Development Authority for common interest groups (CIGs)
- tissue culture development by Jomo Kenyatta University of Agriculture and Technology (JKUAT)
- technology transfer initiatives by Kenya Industrial Research and Development Institute (KIRDI)

However, the mechanisms for effective collaboration and sharing of knowledge have not been worked out. A Government bill on coconut has been drafted and presented to Parliament. It is in the 3rd reading stage. This may form the basis for an Act of Parliament to be enacted by the new Parliament after March 2013 national elections.

The development of the coconut industry is to be supported by UNIDO within its efforts to promote SME development by developing value-chains for innovative products such as coconut and bamboo. The project has strong government support and is relevant to Kenya's vision 2030 with a focus on developing agro-

industry. The UNIDO Centre for South-South CIndustrial Cooperation in India (UCSSIC) has planned to use approximately USD 150,000 or their funds for a project to provide equipment and expertise for coconut processing. It is further planned that KIRDI would do reverse engineering on the machines that will be imported. Reportedly the Kenya Agricultural Research Institute (KARI) had bought machines to do coconut value addition but they broke down and are no longer available.

Another key challenge remains capacity building of the institutions that support the coconut industry. A forthcoming conference at the end of October 2012 is expected to deliberate on the key issues affecting the development of the industry. Ken Invest and KCDA will host the conference whose funding is from the Government of Denmark. This follows a conference hosted by KIE in March 2012 on sensitization of coconut industry players.

Progress to date

Some notable progress in regard to the development of the coconut industry includes:

- Malindi centre of excellence is 90% complete and due for occupation in October 2012
- Over 30 SMEs have been identified for financial support; a few have already been assisted by KIE and financial institutions
- Coconut production has been increased through the supply of seedlings by KCDA
- Common interest groups have been formed to enhance coconut production
- The Coconut Bill has been presented in parliament to regulate and safeguard the sector
- A project proposal is already submitted for the Coconut Centre of Excellence
- KIE is developing a new coconut cluster in Kwale in the South Coast while more land is being sought in Lamu and other strategic locations for new clusters. Coconut is growing in Meru, Eldoret, Narok, Kisumu and Turkana but in very small quantities
- JKUAT is working on tissue culture development and has designed a tricycle for convenient transportation of coconut from the farms

Project design

The Government of Kenya (GOK) requested UNIDO to do a master plan to encourage value addition in coconut. This is after the realization of the potential of coconut and given that the private sector in Kenya was producing only a limited number of products. The GOK wanted a Centre of Excellence to support coconut development. A project proposal to develop such a Centre of Excellence has been submitted to UNIDO for technical assistance and support. The centre is

to be funded by GOK through KIE and the UNIDO support to the Center would be funded by the UCSSIC-India to provide fibre processing equipment and facilitate capacity building including technical training.

A UNIDO sponsored study tour to India in November 2008 exposed the participants to the huge potential coconut has. After the tour an official request for assistance was made to the Indian Government when KCDA and GOK officials had gone to India to attend the Asia Pacific coconut conference. The Coconut Development Authority of India then expressed their interest to provide technical assistance to KCDA..

The GOK, the KCDA and other stakeholders see a huge potential of coconut in economic development and in the provision of employment for the youth, especially in the Kenya coast region, where unemployment increasingly contributes to social tensions and criminal activities. This project would assist in addressing these challenges since the youth will be trained and provided with entrepreneurship skills to start their own enterprises related to coconut products. Further the coconut sector has a potential to contribute more to the country's GDP if the problem to too little value addition is addressed.

On 20th September 2012 MOI hosted a meeting where key stakeholders and a Team from UNIDO PTC/AGR/ABD discussed the way forward for the Coconut industry and agreed to develop a Master plan for the entire coconut value chain as well as pursuing the initiative of promoting coconut husk processing in parallel.

Products

About 126 products that could be produced from coconut for use by other industries/sectors have been identified but there is no clear focus on which products should be promoted as investment opportunities or for innovation in Kenya. For example, coconut peat for the commercial farming sector appears to be promising opportunity for substituting the mostly imported coconut peat but there is no market study available to clearly assess this potential and provide potential investors with concrete figures.

KCDA has undertaken a value chain analysis of the crop focusing on four main value chains, namely: the nut, husk (fibre), toddy (wine) and trunk. It was decided to pilot test the fibre value chain given that it is the least exploited line but has high economic potential with such products as coir ropes, mats, cocopeat, fibre mattresses, decorations etc, that are in high demand in countries like China and India.

Ownership

There is clear Government ownership of the project as evidenced by the increase in funding for the KCDA and inclusion of coconut in the MTEF. Also the preparatory work at KIE in Malindi has progressed well and the buildings for the planned equipment are ready.

Relevance

The project is particularly relevant to the priorities of the GOK, the thematic intervention priorities of UNIDO and is particularly relevant to the beneficiaries especially the producers of traditional coconut products and the large numbers of unemployed youth. Discussions with key stakeholders during the evaluation exercise revealed that the target beneficiaries, the GOK and the Development partners to be involved in the project perceive the project quite favourably.

Roles for UNIDO

Due to its industrial development mandate, UNIDO is well positioned to engage with governmental and private sector institutions, such as Cooperative societies and private companies, in developing the coconut industry in Kenya. Specific roles relating to UNIDO include:

- Support the development of the industry resulting in the creation of employment for Women and youth, and meaningful gains to the coconut framers
- Support productivity enhancement
- Support technology development
- Support Centre of Excellence
- Promote and facilitate culture of entrepreneurship
- Support capacity building and supply equipment for SMMEs

Sustainability Issues

One of the bottlenecks in the value chain will be inadequate supply of raw materials. There will be problems in ensuring a sustainable supply of raw materials/coconut. Keninvest wants to promote investment into plantations. They say so far there is one investor from India and another one who has expressed interest.

Efficiency & Effectiveness

Even though the building to host the Centre of Excellence in Malindi is ready, the equipment that was expected by KIE to come in June 2012 has not yet been delivered. The project document was to be given to KCDA but has not been finalized. This is due to delays in approving the document at UNIDO HQ and the UCSSIC India, which – in turn – was affected by lengthy negotiations about the core funding of the UCSSIC.

As a result, the UNIDO support project is yet to start. It is therefore too early to judge the efficiency and effectiveness of the project. However, efficiency and effectiveness are likely to be influenced by the apparent delays inherent in the project, lack of strong inter-sectoral synergies and coordination mechanisms, and the absence of a clear direction on the key issues that affect the industry.

Impact

The project is yet to kick off. In future a post-impact assessment would be required to evaluate the overall effect of the project. However, the evaluation team considers the project to have a good potential for impact due to its high relevance and strong ownership from key counterparts. The core risks to impact is the limited preparedness of the Government institutions with regard to attracting private sector investment.

What would be done differently if the project was to be redesigned?⁹²

- Since the equipment to be provided by the project is affordable (Kshs. 11 million) the Ministry of Industrialization would be requested to ask KIRDI to import and then to fabricate and distribute it. The delay occasioned by the promise of a fairly cheap machine that has not been delivered cannot be justified.
- The Minister of Industrialization would be requested to be more involved in the project especially in terms of critical interventions necessary for expediting the process.
- Local private firms would be encouraged to fabricate the machinery for processing coconuts.
- Some Cooperative Societies and private firms especially fabricators of machines would need encouragement.
- South-South Co-operation should really be between companies and not government to government. This arrangement would be less bureaucratic.
- A full industry study would be needed. It is not enough to do a feasibility study and then stop there.

I. HP Life (Hewlett-Packard – UNIDO Global Partnership)

Project description and design

Since May 2008, UNIDO has been partnering with Hewlett Packard (HP), one of the world's largest technology companies, to implement a global programme for entrepreneurship and IT education. Together, UNIDO and HP equip aspiring and existing entrepreneurs in developing countries with hands-on business and IT skills to start, run and grow their enterprises. Building on the successful deployment of the "Graduate Entrepreneurship Training through IT" (GET-IT) programme in Africa and the Middle East, in 2010 the UNIDO-HP partnership reached a global coverage including Asia and Latin America. Today at the core of the partnership lies the global Learning Initiative for Entrepreneurs (LIFE) training programme which is available in several languages and covers selected topics in the areas of marketing, operations, communication and finance for different stages of entrepreneurship, from imagining to innovating.

⁹² This is a collection of answers received during interviews when stakeholders were asked the question "with hindsight, what would you do differently if you could start this process again?"

The HP LIFE program had the following main objectives in 2011:

- Enable students, aspiring entrepreneurs, and small-business owners around the world to use ICT and business skills to create opportunities to transform their own lives and the lives of others in their community.
- Create a unique training program for millions of students, aspiring entrepreneurs, and business owners that enables them to harness the power of ICT to establish and grow successful businesses.
- Expand the program into new markets, and invest in new online and offline training tools to increase the program's effectiveness.

The LIFE trainings are provided by carefully selected partner organizations who receive a HP technology package, access to the LIFE curriculum and to various online tools and a cash grant. Selection of partner organizations is based on a scoring system, which, inter alia, includes gender equality factor. Also, designated LIFE trainers are enabled to take part in a training-of-trainers course to become certified and thus to pass on their knowledge to the students. The UNIDO-HP partnership programme is implemented in collaboration with MEA-I (Micro-Enterprise Acceleration Institute) and EDC (Education Development Center). □

In Kenya there are 6 HP Life centres, mostly run by education NGOs.

Relevance

The project is relevant to the priorities of the GOK Vision 2030 and National Industrialization Strategy as well as the PSDS. The emphasis on fostering the development of micro and small enterprises addresses one of the key development challenges facing Kenya of growing unemployment and particularly youth unemployment. The selection of Kenya centres has built on their existing services and links to local economies and students. This has enhanced relevance.

Role for UNIDO

The role of UNIDO is mainly to provide assistance in selecting HP Life centres, oversight at the CO level for HP Life program, and also to conduct periodic supervisions. HQ is also involved in supervision, but there are geographical challenges in supervising from Vienna. Monitoring and evaluation was found to be weak. The current national programme officer was formerly the HP Life in-country manager, a new manager was about to be appointed at the time of the evaluation mission.

Effectiveness

The evaluation was only able to visit one centre – the Tears Group (based in Nakuru - <http://www.tearsgroupkenya.org/>). The group began HP Life training in 2010 / 2011. Based on discussions with one beneficiary and also the USAID evaluation (see <http://www.preparing4work.org/sites/preparing4work.org/files/HP%20LIFE%20Evaluation%20Report%20FINAL%20June%202012%20with%20Ackn..pdf>) it is clear the programme is effective and training is useful to build the capacity, confidence and success of micro and small enterprises.

Efficiency

The efficiency of the programme is good. HP Life centres have been selected efficiently. The main issues that slow down the start up of the programme is delivery of the HP hardware and software. Tears Group reported challenges in related to exogenous factors such as electricity supply that is intermittent and sometimes disrupts the teaching. Also turnover of training staff can pose short-term problems.

Impact

The evaluation mission was only able to speak with one beneficiary who had opened up a an art and tattoo shop in Nakuru (the first such place in Nakuru), aimed at youth and younger clientele. The beneficiary reported that the HP Life training was beneficial in learning basic administration, business planning and market skills. The USAID evaluation (with a broader) sample generally confirmed the findings.

J. Demonstration and transfer of environmentally sound technology for water treatment

Project background and design

Kenya is considered to be a water scarce country. In the past decade it has suffered from several droughts, most recently in 2009. Although 2010 has seen improvement in rains, both drought and flooding are recurring problems, which makes it difficult to ensure the provision of reliable and safe drinking water.

The COAST project has ongoing activities in the Watamu region and is working with the emerging eco-tourism sector to incorporate environmentally sound practices in their operations. The use of a water filtration treatment process to deliver clean and safe water, in combination with the use of a renewable energy source, is in line with the project's goals to use technologies that do not put undue stress on the delicate ecosystem. The COAST project played a critical role in identifying the location for the water treatment project in Watamu based on existing activities and community needs. This community was identified given their limited access to a reliable source of clean water and limited access to electricity mains.

The objective of the project is to contribute to an increase in the proportion of the population of the Watamu-Mida community with a clean and reliable supply of drinking water. The transfer of technology will provide a direct benefit to the community by providing a clean source of drinking water. In addition, the increased access to drinking water will assist in strengthening the emerging eco-tourism industry by providing a secure source of drinking water which the local eco-tourism sector can also make use of. The main outcomes of the project are: (i) improved drinking water supply; (ii) the community will have increased capacity to provide itself, and the emerging eco-tourism sector, with a reliable source of water as a result of the application of an innovative technology consistent with BAT/BEP practices; (iii) increased technical capacity of the community to operate the treatment process, give maintenance to the equipment and handle the waste by products such as spent filters or non-potable water produced. A protocol, including standard operating procedures and waste management guidelines will be developed designed to meet the specific needs of the site and the community.

The project is funded by the Government of Slovenia.

Relevance

The relevance of the project was strong, it was addressed increasing need for fresh potable water in an area where salt water intrusion is becoming an increasing challenge to community boreholes, and for coastal hotels. It also responded well to national needs given the increasing climate variability and drought conditions which frequently impact water supply.

Effectiveness

The effectiveness of the project is likely to be weak and it will not be able to supply drinking water for the whole community or the local hotel. The main reason is the demand for water will far exceed the supply capacity (approximately 1000 – 1200 litres) from the desalinization technology. The estimated total daily demand from the community would be about 8000 – 10,000 litres per day from a community of about 6000 – 8000 people. The hotel would also need about 1000 litres per day.

At the time of the evaluation mission, the community leaders were aware of the limitations of the water technology and planned to only supply water to the nearby school – which will take the entire daily capacity (500 children needing 2 litres per child).

Efficiency and Sustainability

The efficiency of the project was weak mainly because of delays encountered for the procurement of the water treatment technology from Slovenia. The project was funded by the Government of Slovenia and there was an obligation to procure the equipment from Slovenia (tied assistance). This was inefficient as the evaluation team was informed desalinization technologies are available in Kenya and more broadly in the region, hence there could have been opportunity for local

procurement. Commissioning of the plant will include a 2 week handover training for the community and 2 years of replacement filters. At the time of the mission it was unclear how the water treatment equipment will be sustained in the long term. No charging structure of business plan was in place.

The main cost recovery mechanism for sustainability of the water treatment plant was intended to be the local hotelier however now that there will not be enough water to sell to the hotel long-term cost-recovery is in doubt.

Impact

Impact is currently uncertain. In the short to medium term if the water is supplied to meet the needs of the school children only it will have a beneficial impact, albeit much more limited than originally intended.

Annex B: Interview / Discussion guidelines for TC Assessment

A draft interview guideline was developed for the initial UNIDO HQ level discussions in August – September 2012, and based on previous UNIDO Country Evaluation interview guides. After the initial interviews the guideline was refined for use in the field. Note that not all the questions were asked to each stakeholder, for example community meetings followed a much more simplified structure tied to uncovering their context and understanding of UNIDO TC interventions.

Project design and implementation

- What was the origin of the project concept and approach?
- How was the consultation process during the project design? To what extent were Government or other stakeholders involved in the design?
- How would you rate the quality of project design and why? What do you see as strengths and weakness?
- What assessments (if any) / feasibility studies were conducted during the design phase? Were these inputs useful if so how?
- Why was government agency Or company ... selected to partner with UNIDO? What is the value-added of having your involvement?
- To what extent are the problems that originated the project still relevant today?
- As designed is the project the best response to the problem identified?
- Have there been changes in the context that affected the project significantly?

Effectiveness and results

- What are the main results of the project so far?
- Has the project been effective (in terms of delivery of the components)? Has it reached the intended beneficiaries? If not why not?
- Has the project promoted any innovative way of dealing with challenges that came up during implementation?
- What do you see as strengths of the project?
- What do you see as its weaknesses and challenges? Could have been possible to anticipate these problems at the design stage?
- How have the main stakeholders performed? Better or worse than expected? Why? (e.g. are they still interested in the project? Have they shown lack of appropriate technical resources?, etc)
- Are the main stakeholders taking effective leadership in the project implementation? Why or why not?
- What have been in your view the strengths and weaknesses of UNIDO with respect to this project?
- What plans have been made to ensure sustainability of project results / benefits?

Relevance

- What is your view of the relevance of the project to: (a) national needs and development challenges; (b) policies
- What is your view of the relevance of the project UNIDO strategic priorities?

Efficiency

- To what extent have projects (and components) been delivered in the timely manner and cost-efficient manner?
- How could the project be delivered more efficiently?
- To what extent has there been coordination between components / and / or projects?
- What are the national management mechanisms?
- To what extent has UNIDO built synergies between its project and those of other donors / organizations?

Impact

- What do you think have been the three main impacts of the UNIDO project / programme?
- To what extent has the project contributed towards MDGs / national policy (vision 2030)?

UNIDO Management and procedures:

- Has UNIDO brought resources (in the form of projects, backstopping, specialized consultants, lessons from the experience from other countries, etc.) that made a difference in addressing key development problems, such as poverty – energy nexus, unemployment, gender and lack of access of national SME to national and regional markets?
- To what extent has the management structure and procedures (structure, information flows, decision making, procurement) contribute to generate the planned outputs and outcomes?
- Conversely how have structures and procedures hindered delivery of the projects?
- Have administrative procedures worked according to the expectations to achieve a smooth implementation? What could be improved (if any) on UNIDO's model of intervention?
- What could be learned from the experiences of other UN and bilateral agencies?

The future

- What recommendations would you like to see in the report?
- If you could start the project again today, knowing what you know now – what would you do differently and why?

Annex C: Terms of Reference

Background

Development and international cooperation

Kenya's GDP⁹³ per capita (as per constant 2000 USD) is US\$ 467 (according to current USD, it is USD 775). According to the Economist Intelligence Unit, Real GDP growth fell from 5.6% in 2010 to 4.2% in 2011. Drought, high inflation, electricity shortages and deteriorating global conditions account for this fall in GDP growth. The real GDP growth rate is expected to rise again to above 5% in 2012 and remain above 5% in 2013. However, the threat of a double-dip recession in Europe and the US, together with the possibility of instability and disruption due to the forthcoming elections (expected to take place towards end of 2012, beginning of 2013), poses substantial downside risks to this forecast.

Manufacturing accounts for one-tenth of total GDP. Nairobi, Mombasa and Kisumu are the main centres for industrial activity, which encompasses food-processing industries such as grain milling, beer production and sugarcane crushing as well as consumer goods production, e.g., vehicles from kits. Kenya also processes imported crude petroleum into petroleum products, mainly for the domestic market. Further, scale manufacturing of household goods, motor-vehicle parts, and farm implements also takes place.

Tea constitutes Kenya's leading export product. In 2011, due to unfavourable weather conditions, tea production declined by 5% to 377,000 tonnes. However, this did not affect earnings due to stocks from previous year and higher earnings prices achieved, USD3/kg as compared to USD2.8/kg in 2010. Earnings rose by 11% to USD 1.16 bn. Despite this, the sentiment in the tea sector is not very optimistic, as the government has proposed to impose a 1% levy on tea exports; this would mean a dip in the profits. It remains to be seen if the proposal is adopted.

Kenya's second leading export is horticulture, which is also expected to grow steadily. Together, tea and horticulture constitute a major part of the agricultural exports. Other strong performing sectors are tourism, education and telecommunications.

With a Human Development Index (HDI) of 0.509 in 2011 (UNDP, 2011), Kenya is in the low-human-development category and ranks 143 out of 187 countries. Between 1990 and 2000, it experienced a downward trend in its HDI, with the HDI improving gradually after the year 2000, and at a higher pace since 2005.

Kenya's carbon dioxide emissions per capita in tonnes since 2006 fell from a value over 1 (CO₂ emissions per capita in tones) in 2006 to less than 0.5 in 2007. Further, Kenya is in the category of a "modest performer" with regard to the Environmental Performance Index⁹⁴ (EPI).

⁹³ World Bank data.

⁹⁴ The EPI ranks countries on performance indicators tracked across policy categories that cover both environmental public health and ecosystem vitality. These indicators provide a gauge at a

The national long-term development blueprint is the Vision 2030 which aims at raising Kenya to a globally competitive and a prosperous nation with high quality of life by the year 2030. The vision's three pillars are: Economic, Social and Political pillars. Other policies anchored into Vision 2030 include: the Private Sector Development Strategy (2006-2012), Industrial Masterplan (MAPSKID) and the National Industrial Policy being developed.

Within the Medium Term Plan 2008-2012, six priority sectors that make up the larger part of Kenya's GDP (57%) and provide for nearly half of the country's total formal employment are targeted; these are – i) tourism, ii) agriculture (and agro-industries), iii) wholesale and retail trade, iv) manufacturing, v) IT-enabled services (previously known as business process off-shoring) and vi) financial services.

To accomplish the above-mentioned objectives, the PSDS mentions the following five goals:

- 1) Improving Kenya's Business Environment
- 2) Accelerating Public Sector Institutional Transformation
- 3) Facilitating Growth through Greater Trade Expansion
- 4) Improving Productivity
- 5) Supporting Entrepreneurship and Indigenous Enterprise Development

Official development assistance (ODA) was 4.5% of the GNI in 2008, rose to 6.1% in 2009 and was 5.2% in 2010. The top-ten donors of gross ODA to Kenya as well as the bilateral ODA by sector are illustrated in the below figures.

The third UNDAF for Kenya for 2009-2013 aims to contribute to the realisation of national priorities, the advancement of human rights and the achievement of the principles and values embedded in the Millennium Declaration, and the MDGs. The UNDAF is in line with the Economic, Social and Political pillars of Kenya's Vision 2030, based on three priority areas and three cross-cutting themes integrated across the priority areas and outcomes. These are as follows:

1. ***Improving governance and the realization of human rights***
2. ***Empowering people who are poor and reducing disparities and vulnerabilities***
3. ***Promoting sustainable and equitable economic growth for poverty and hunger reduction with a focus on vulnerable groups***

Cross-cutting themes include: Gender equality; HIV/AIDS; migration and displacement; and climate change.

According to the UNCT, for the given time period of five years, around USD 635 million will be necessary for the above-mentioned outputs. UNIDO has contributed to the development of the UNDAF, in particular to the formulation of the UNDAF Priority 3 "Promoting sustainable and equitable economic growth for poverty and hunger reduction with a focus on vulnerable groups".

national government scale of how close countries are to established policy goals (<http://epi.yale.edu/>).

UNIDO and Kenya

Kenya became a UNIDO member in 1981. UNIDO's first technical cooperation project was initiated 1984. Since then, over 100 different projects and USD 30 million have been implemented in Kenya. The projects were aimed at policy, institutional, and enterprise levels and inculcated various agro-industries, such as leather and footwear, apiculture, fisheries as well as textiles and garments, timber products, salt production, dairy and food products. The UNIDO Country Office in Nairobi, Kenya, covers Kenya and Eritrea.

Nairobi is the headquarters of the United Nations in Africa, as well as one of four UN global headquarters being the home of UNEP and UN-HABITAT. It is also the place for many regional offices of other UN Organizations. This means both higher possibilities and expectations in cooperation and coordination. Nairobi is the place of a number of regional and global conferences and workshops which often involves the country office.

Moreover, UNIDO Kenya is the hub for regional activities like the COAST programme and also carries out the administration of UNIDO projects in Somalia. A process to connect the new nation South Sudan to the Kenya Field Office has been initiated.

UNIDO in Kenya – Technical cooperation

After the completion and evaluation of the UNIDO Integrated Programme (IP) in Kenya Phase I (2002-2006), future technical cooperation in Kenya was planned to be framed into a second phase IP. However, as has been shown in several UNIDO Country Evaluations, actual technical cooperation was more a result of project opportunities, regardless of whether such projects were planned for in the IP II. The following is a summary of the originally planned IP and the actual TC activities that took place in Kenya from 2006 to 2012.

a) Planned TC: the Integrated Programme Phase II

The document of the Kenya IP Phase II (IP II) was prepared in 2008 and signed in June 2009. The design of the IP II has been conducted in close consultation with the main counterpart, the Ministry of Industrialization in conjunction with other stakeholders. The objective of the IP II was to build capacities for competitive industrial development in Kenya through enhanced access to information and technology, to harness their economic potential through provision of reliable energy, strengthen the supply side of production through enhancing product design and quality, promote value addition for agro-business and create an improved business environment through monitoring of investment flows.

The IP II has a matrix structure with 2 programme components, whose objectives and projects are as follows:

Programme Component I: institutional capacity building for the efficient provision of industrial development services.

Programme Component II: improving productivity and competitiveness of industrial enterprises, particularly MSMEs.

The following five projects were designed to contribute to both of these components:

Project 1: Trade Capacity Building for Agro-Industry Products for the establishment and proof of compliance with international market requirements

A regional project aiming at 1) the enhancement of enterprises' capacity to produce according to international market requirements and 2) the strengthening of export-oriented services, mainly relating to conformity assessment.

Activities have been/are being undertaken for all the outputs of outcomes 1 and 2 [IP Review, May 2011].

Project 2: Promoting the growth and competitiveness of the Kenyan leather sector, by enhancing the competitiveness of manufacturers

The project aimed at an integrated approach targeting interventions at different levels of production and marketing chain.

According to the IP Review in May 2011, no activities were carried out for any of the outputs. New planning was required in view of the new Leather Development Council.

Project 3: Improving the investment climate in Kenya with a view to mobilizing and increasing FDI flows into Kenya and enhancing their impact on the local economy.

The project's objective was to provide effective and efficient aftercare services to existing investments in the country in major targeted sectors.

Though other projects were initiated, with the exception of finalising the investor survey (output 3.1), the IP Review, May 2011, makes no mention of any other activities which were carried out under the above-mentioned project.

Project 4: Reduce energy intensity per unit of production and also promote renewable energy resulting in improvement of the competitiveness of Kenyan industries

The main objectives of the project are to identify barriers to improving energy efficiency in Kenya and propose remedial measures, and build the capacity of selected clusters of MSMEs to enhance energy efficiency and deployment of sustainable energy whilst providing advice to government. This included strengthening the capacities of 1) the Centre for Energy Efficiency and Conservation and 2) the Kenya National Cleaner Production Centre.

No activities carried out [IP Review, May 2011].

Project 5: Building the ladder for MSMEs to transform their enterprises into globally competitive businesses

The project aimed at improving MSMEs' access global markets, empowerment of women and young entrepreneurs in order to instill competitive thinking and entrepreneurial attitudes through Business Support Organizations (BSOs).

The IP Review, May 2011, does not mention any activities which had been carried out.

Till May 2011, the KIP II had received only around 5% of the planned funding. However, some of the other initiated projects are along the lines of the KIP II, though not under the umbrella of the KIP II.

In September 2011, a retreat was conducted to review progress made towards envisioned annual results for KIP II in 2011, jointly plan for the activities of 2012, as well as teambuilding for the Programme Working Groups. Projects and their funding possibilities were discussed. It was agreed upon, amongst others, to review programme activities and revitalize KIP II strategy, as well as to request an extension of project till end 2013.

According to KIP II Brief on Projects, May 2012, some of the projects discussed during the retreat in 2011 received funding fully (KIRDI upgrading, Bamboo Project Phase III, Coconut Sector Upscaling, Upgrading of KenInvest, Capacity Building with KNCP and Soya Bean Processing). Other projects still require funding.

b) Actual TC – main projects

National Projects:

1. Investment Promotion Component of IP-II – Capacity building of KenInvest

The project would contribute to national development through increased investments and positive impact on poverty reduction through employment creation, technology transfer, foreign exchange earnings and use of local raw materials. To achieve this the project focused on three capacity building aspects – carrying out research, designing investment promotion strategies, and delivering services to investors, particularly aftercare services. This project has been fully implemented.

2. Energy Component (Energy Efficiency) of KIP-II

i. Implementation of 10 model Pico Hydro Systems in Kenya

For the energy needs of the rural population Kenya, small hydro power technology seems to be appropriate. The project aim is to implement 10 Pico hydro units in communities (in the Mt Kenya region) that are removed from the grid, provide training and build capacity of local people to install, maintain, repair and operate the system. The project is based on a donation of 10 Pico Hydro units from the International Centre for Small Hydro Power, Hangzhou, China, as requested by the Government of Kenya. The project implementation is complete.

ii. Implementation of 3 Biomass Waste Digesters

The project expects to install 3 biogas plants and 3 trading centres, powered by biogas based power, in selected rural areas of Millennium Districts. Moreover, it would build up capacity of public and private sector by training and advisory services in maintenance and management of biogas plant, business support centre, power generation and distribution.

The project objective is to provide an alternative to fossil fuel-based power generation for powering local (micro) industries, create models of sustainable biogas generation systems and stimulate and encourage the creation of small-scale industries through provision of affordable and clean energy, thus creating employment, generating income and reducing poverty. This project has been fully implemented.

iii. Implementation of Energy Kiosk powered by straight vegetable oil generators

In the absence of grid-based power, households use kerosene-based lamps for home lighting which are heavily polluting. The project would provide villages with a renewable and affordable method of producing electricity and replace kerosene-based home lighting by providing White Light Emitting Diode (WLED) lamps. The electricity generated through (nine) Straight Vegetable Oil generator set can be connected through a Power Control Centre to a small community through extension of lines and in typical other villages into a 'community meeting area'.

The project aims to create models of sustainable energy generation systems such as power from vegetable oils to run Energy Kiosks and to stimulate the creation of small-scale industries through provision of affordable and clean energy, create employment, and generate income for reducing poverty and poor living conditions. The project implementation has been completed.

3. Montreal Protocol Projects

The project will assist farms that use Methyl Bromide (MB) with equipment and materials and provide training and technical assistance in the installation and use of alternatives at farm level. In sectors, where suitable alternatives have not yet been identified, the project will work with selected farms to carry out a pilot technology transfer. Further, a training programme will be carried out to disseminate the most appropriate techniques.

The project will lead to the widespread adoption of viable MP alternatives in the horticultural sector, leading to the reduction and phase-out of 97 ODP-tonnes MB used in soil fumigation. The projects dealing with MB have been fully implemented.

Project pipeline

Currently several projects are under preparation. The pipeline projects encompass a budget planning of around USD22 million. A major part of the pipeline budget is presented by the (renewable) energy projects. Other projects in planning engage with the Agri-sector, women and youth entrepreneurship development and trade capacity building. Moreover, a further project dealing with bamboo micro-industries is in planning, besides a project dealing with the leather component of the KIP-II. The list of pipeline projects is contained in annex A.

Budget information

The estimated budget for IP II for the period 2008-2012 is USD 7.6 million. The breakdown for the different components is shown in the table below. The planned figures are shown against actual disbursements within and outside the IP II. The tentative budget allotment, total expenditure and initially planned budget information are presented in the following table. Details would be clarified and updated during the evaluation.

Component/Project(s)	Originally planned budget \$	Allotment \$	Total Expenditure \$
National Projects			
IP-II			
Trade Capacity Building Component ⁹⁵	670,241.29		
Leather Component	871,313.67		
Investment Promotion Component	1,219,839.14	123,033.32	122,927.49
Energy Component (Energy Efficiency)	2,036,193.03	598,563.23	603,336.58
Energy Component (Cleaner Production)	1,526,809.65		
MSME Component (incl. Agribusiness)	1,273,458.45		
Others		222,252.94	216,799.01
Total IP-II	7,597,855.23	943,849.49	943,063.08
Non-IP-II Components/Projects			
Montreal Protocol Projects	878,359.00	878,233.11	570,204.66
Energy Projects (Energy Efficiency)	1,515,538.87	1,132,658.99	960,072.59
Bamboo in the souvenir industry	1,327,434.00	1,327,434.00	1,318,589.43
Others	1,144,483.10	1,185,170.72	1,096,353.13
Total Non-IP-II Components/Projects	4,865,814.98	4,523,496.82	3,945,219.81
Total National Projects	12,463,670.20	5,467,346.31	4,888,282.89
Regional/Global/International Projects⁹⁶			
Investment Promotion Projects	3,984,492.36	3,831,198.45	3,292,990.67
UNIDO-HP Cooperation	795,795.00	776,076.63	518,069.87
Capacity Building for prod of essential medicines	5,151,976.21	5,121,489.54	4,230,992.63
Water Management Unit Projects	5,488,594.10	2,765,671.04	2,680,664.44
Eastern Africa Bamboo Project	1,697,072.39	1,470,899.82	1,470,900.11
Trade Capacity Building Component*	5,689,209.65	2,246,809.43	2,109,374.76
Energy Projects (Energy Efficiency)	386,351.47	430,277.42	435,510.98
Others	773,053.28	583,201.64	585,017.74
Total RAF/GLO/INT Projects	23,966,544.46	17,225,623.97	15,323,521.20
Grand Total KEN/RAF/GLO/INT in Kenya*	36,430,214.67	22,692,970.28	20,211,804.09

⁹⁵ According to the IP - II, the trade capacity building component encompasses the 5 EAC countries, i.e., the same mentioned again in the Regional/Global/International Projects category belongs to the KIP - II. The exact figures under this component allocated for Kenya will be clarified and updated during the evaluation.

⁹⁶ The amounts given for these projects refer to overall budgets, only a fraction of which has been dedicated to activities in Kenya. The evaluation will determine to what extent these projects developed significant activities in the country.

* According to the IP - II, the trade capacity building component encompasses the 5 EAC countries, i.e., the same mentioned again in the Regional/Global/International Projects category belongs to the KIP - II. The above-mentioned originally planned budget of the trade capacity building component is not only for Kenya. The exact figures under this component allocated for Kenya will be clarified and updated during the evaluation.

Rationale and purpose of the evaluation

This country evaluation is being undertaken as foreseen by the Work programme of the Evaluation Group for 2012/2013, following a request in 2011 from UNIDO Management to give priority to country evaluations in Kenya and Nigeria. The evaluation will be a forward-looking exercise as it will seek to identify best practices, areas for improvement and lessons to enhance the relevance, efficiency, effectiveness, impact and sustainability of future UNIDO interventions in Kenya.

The key users of this evaluation will be UNIDO management at Headquarters, the UNIDO Office in Kenya, the Government of Kenya and the various organizations in the country cooperating with UNIDO. For these stakeholders the evaluation should constitute a starting point and key input for the planning of future cooperation activities.

Scope and focus of the evaluation

The country evaluation will use DAC evaluation criteria (relevance, efficiency, effectiveness, impact and sustainability) and will go beyond a mere documentation of results by identifying factors that have facilitated or impeded the achievement of the objectives.

The evaluation will focus on the following aspects:

- The relevance and alignment of interventions to national needs and priorities and to international development goals (MDGs, Paris Declaration etc.)
- The achievements of technical cooperation (TC) and global forum (GF) interventions against the planned objectives set out in the Country Service Framework, different project/programme documents and against UNIDO's strategic objectives as a whole (Programme and Budget, Medium-Term Programme Framework)
- The efficiency of management and coordination processes including the performance of the UNIDO Office in Kenya and UNIDO HQ
- Achievements in relation to cross-cutting issues:
 - Integration and Delivering as One UNIDO (coordination, cooperation, exploitation of synergies)
 - Contribution to Gender equality
 - Contribution to environmental sustainability
 - Fostering of South-South cooperation

- UNIDO’s strategic positioning in the country, including the regional and global perspective.

The time period to be covered by the evaluation is the period since the evaluation of IP I in 2006 until 2012, with emphasis on the last 3 years. The exact scope of the country evaluation will be defined in the inception report.

Evaluation issues and key evaluation questions

A. Evaluation of technical cooperation (TC) activities

Technical cooperation is the most important part of UNIDO’s activities world-wide and also in Kenya. The evaluation should provide evidence-based findings and conclusions on the following questions that refer to the UNIDO activities in the country as a whole as well as to individual national and regional projects:

- Are UNIDO interventions aligned to national needs, development goals and priorities, including the MDGs?
- Are UNIDO interventions coherent?
- To what extent did national stakeholders (government, non-government, national and local) participate at the design and implementation stages?
- To what extent did the target population and participants take ownership of the projects? To what extent did they contribute with their own resources?
- What outputs have been produced by TC projects in Kenya and did they contribute to the expected outcomes and impact as specified in project and programme documents?
- What factors have been contributing to effectiveness or ineffectiveness?
- To what extent does UNIDO coordinate its interventions and is aligned with other development partners?
- Have potential synergies between different interventions been exploited?
- How does UNIDO add value to the different interventions and initiatives?

B. Evaluation of global forum (GF) activities

Global forum (GF) activities are those which are initiated by UNIDO to exchange and disseminate knowledge and information, as well as facilitate partnerships, producing an “output”, without a pre-identified client, which increases the understanding of sustainable industrial development issues and solutions. GF activities can be either “stand alone”, e.g. an international conference without linkage to the ongoing TC activities in the country or “embedded” in TC projects (e.g. the outcomes of a country project are presented in an international forum). GF activities have informative, advocating and normative functions. Global Forum activities will be assessed according to the Framework for assessment of global forum activities (http://www.unido.org/fileadmin/user_media/About_UNIDO/Evaluation/RefFrame_work-GF%20activities.pdf). The exact approach to assess global forum activities will be defined in the inception report.

C. Evaluation of UNIDO's participation in country-level coordination mechanisms

For UNIDO, the principle of harmonization set out in the Paris Declaration and the effective coordination within the UN System (Delivering as One - DaO) are increasingly important issues. The evaluation should provide evidence on the organisation's performance and identify causes and reasons for successes and failures.

- Does UNIDO contribute to the UNDAF, the UN Country Team and other system-wide coordination mechanisms?
- Did the CCA/UNDAF/DaO Support Programme facilitate UNIDO's participation in country-level coordination mechanisms?
- Were the resources provided by UNIDO for these purposes sufficient?
- How does the participation in UN activities affect UNIDO's performance?
- Does UNIDO participate in joint programmes?⁹⁷
- How are partnerships and coordination with national stakeholders and other development partners managed?

D. Evaluation of management at country level and performance of the Regional Office

- How did implementation arrangements affect ownership and capacity building?
- How did the implementation modalities affect the perspectives of sustainability of projects and programme interventions?
- How do UNIDO's field presence and HQ support planning, implementation and monitoring of TC and GF activities?
- Is the field presence adequately equipped to assume the assigned functions?
- Are the existing capacities being used in an efficient manner?
- To what extent are UNIDO activities coordinated and integrated? (One UNIDO)
- To what extent does UNIDO's Office in Kenya (UOK) coordinate with other relevant Field Offices, including Heads of UNIDO Operations and Partnership Centres?

The performance of the UOK in conducting their mandated functions and achieving stated objectives will be assessed against the results-based work programme of the office. The work plans usually include five outcomes:

- Outcome 1: UNIDO visibility enhanced at global, regional/sub-regional and country levels

⁹⁷ Currently the following UN joint programmes are implemented in Kenya: Kenya Joint Programme on Food Security and Nutrition; Kenya Joint Programme on Gender Equality and Women's Empowerment; Kenya Joint Programme on Youth; Kenya Joint UN Programme of Support on AIDS

- Outcome 2: Responsiveness of UNIDO to national/ regional priorities: TC programme and project development; Fund raising
- Outcome 3: Effective participation in UN initiatives at country level including UNDAF, PRSP, UNDG, One UN etc.
- Outcome 4: Promoting Global Forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide
- Outcome 5: Effective management of TC activities and UNIDO office

Further guidance is provided in the Framework for assessment of Field Office performance

(http://www.unido.org/fileadmin/user_media/About_UNIDO/Evaluation/RefFrameWork-FieldOffices.pdf).

Evaluation approach and methodology

In terms of **data collection** the evaluation team will use different methods ranging from desk review (an indicative reading list is given in Annex D) to individual interviews, focus groups, statistical analysis, literature research, surveys and direct observation. The concrete mix of methods will be described in the inception report.

The evaluation team should ensure that the findings are **evidence based**. This implies that perceptions, hypotheses and assertions obtained in interviews will be validated through cross checks and **triangulation** of sources.

While maintaining independence, the evaluation will be carried out based on a **participatory approach**, which seeks the views and assessments of all stakeholders. These include government counterparts, private sector representatives, other UN organizations, multilateral organizations, bilateral donors, beneficiaries as well as UNIDO regular and project staff.

Depending on formal requirements, the complexity and the strategic importance of each project/activity, different approaches will be used for the assessments:

a) *Project evaluations:*

Projects for which an independent evaluation report is available will be included in the country evaluation, based on the information contained in the evaluation report. In the case of Kenya this concerns the following projects:

TF/KEN/11/001	Crafting a green future - bamboo in the curio and souvenir industry of Kenya (evaluation currently ongoing)
GP/RAF/08/004	Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced Impacts resulting from Coastal Tourism (a mid-term evaluation was carried out in 2011)
TE/RAF/06/014	Trade Capacity-Building in Agro-Industry Products for the Establishment and Proof of Compliance with International Market Requirements

b) Project assessments:

For projects that do not formally require a fully fledged evaluation or that are not yet due for evaluation, but for which a comprehensive assessment is regarded important.

The following methodological components will be applied: an assessment of the project documentation including an assessment of project design and intervention logic; a validation of available progress information through interviews with key stakeholders and beneficiaries; a context analysis of the project to validate implicit and explicit project assumptions and risks, including interviews with government agencies and donors regarding the developments and tendencies in the project-specific environment.

c) Reviews:

For projects that are likely to start soon, that have started very recently or that are considered important for other reasons a review will be carried out. The following methodology will be applied: a review of the available documentation; a validation of the foreseen intervention logic/design with a special focus on the relevance to national priorities and to the country programme or UNIDO's strategic priorities. This will also include Montreal Protocol projects.

d) Non-TC evaluation issues

The evaluation issues described in chapter IV B, C and D will use several sources of information such as self assessments by the UNIDO Office, interviews with key UN partners of UNIDO and bilateral donors, interviews with national partner institutions, review of available evaluations and studies, interviews with UNIDO HQ staff and project managers. Additional methodological components can be defined in the inception report.

Deviations from this proposed methodology need to be explained and justified in the inception report.

Timing

The country evaluation is scheduled to take place between August and December 2012. A field mission for the evaluation is envisaged for second half of Sept. 2012.

Activity	Estimated date
Collection of documentation at HQ	May/June 2012
Desk Review by members of evaluation team	June/July 2012
Initial interviews at HQ to assess scope	August 2012
Inception report	August 2012
Mission to Kenya and presentation of preliminary findings to the government	September/October 2012
Presentation of preliminary findings at HQ	September/October 2012
Drafting of report	October 2012
Collection and incorporation of comments	October 2012
Issuance of final report	November/December 2012

Evaluation team

The evaluation team will include:

1. One senior international evaluation consultant who will act as team leader with responsibility for the evaluation report and who will cover assessments of the evaluation issues outlined in section V of the TOR.
2. One national evaluation consultant who will participate in all evaluation activities and contribute to the assessments under the direction of the team leader, in particular with a view to assessing the UNIDO activities in the light of national objectives, strategies and policies, cooperation priorities and institutional capacities.
3. One staff member of UNIDO Evaluation Group who will participate in all evaluation activities and contribute to the assessments under the direction of the team leader, in particular with a view to assessing UNIDO activities in the light of UNIDO's overall objectives, policies, competencies and capacities.
4. One evaluation consultant to carry out research, data collection and analysis and work with the Evaluation team while conducting the Kenya country evaluation according to the ToR.

The members of the evaluation team will be contracted by UNIDO. The tasks of the consultants are specified in their respective job descriptions, attached to this TOR in annex B.

All members of the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of any intervention to be assessed by the evaluation and/or have benefited from the programmes/projects under evaluation.

One member of UNIDO's Evaluation Group (ODG/EVA) will manage the evaluation and will act as a focal point for the evaluation consultants. Additionally, the UNIDO Office in Kenya and the respective project teams in Kenya will support the evaluation team and will help to coordinate the evaluation mission.

Evaluation process and reporting

The evaluation team will use a participatory approach and involve various stakeholders in the evaluation process. It will present its preliminary findings to the Government, to the UNIDO Office in Kenya, to programme and project staff in the field and to stakeholders at UNIDO Headquarters. A draft evaluation report will be circulated for comments. The reporting language will be English. The draft outline of the evaluation report is contained in annex C.

Review of the draft report: The draft report will be shared with UNIDO and the Government for initial review and consultation. They may provide feedback on any error of fact and may highlight the significance of such errors in conclusions. The evaluators will take comments into consideration when preparing the final version of the evaluation report.

The draft report will be submitted 6-8 weeks after the field mission, at the latest, to the Government of Kenya and to UNIDO for comments.

Deliverables

- Inception Report
- Presentation of preliminary findings to counterparts and HQ staff
- Draft Report
- Final Report

Quality assurance

All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. Quality control is exercised in different ways throughout the evaluation process (briefing of consultants on ODG/EVA methodology and process, review of inception report and evaluation report). The quality of the evaluation report will be assessed and rated against the criteria set forth in the UNEG guidance on evaluation report quality (http://www.unido.org/fileadmin/user_media/About_UNIDO/Evaluation/UNEG_G_2_010_2_Quality_Checklist_for_Evaluation_Reports%5B1%5D.pdf).

Annex D: List of stakeholders interviewed

Government of Kenya	
Karanja Kibicho	Permanent Secretary, Ministry of Industrialization
Erastus Kimuri	Director of Industries, Ministry of Industrialization
Julius Kirima	Assistant Director, Ministry of Industrialization
John Lonyangapuo	Former Permanent Secretary, Ministry of Industrialization
George Makateto	Assistant Director of Industries (UNIDO Desk Officer), Ministry of Industrialization
Charles Mahinda	Ag. Director of Medium & Large Industries, Ministry of Industrialization
Francis Maliti	Director Vision 2030 – Manufacturing Sector, Ministry of Industrialization
John Mosonik	Secretariat Ministry of Industrialization
Stephen Odua	Assistant Director of Industries, Ministry of Industrialization
Peter Odheng	Office of the Prime Minister
Government Institutions	
Evans Nangulu	Environmental Chemist, Kenya National Cleaner Production Centre
Jane Nyakang'o	Director, Kenya National Cleaner Production Centre
Steve Nyamori	Ag Deputy Director, Kenya National Cleaner Production Centre
Pius Rotich	Manager Investment Promotion, Kenya Investment Authority
David Seser	In-charge Investor Services, Kenya Investment Authority
Joseph Githiomi	Centre Director, Kenya Forestry Research Institute – Forestry Products Research Centre
Gordon Singu	Kenya Forestry Research Institute – Former National Project Coordinator for Bamcraft project
Jeremiah Alukwe	Manager, Kenya Coconut Development Authority
Francis Fondo	Managing Director, Kenya Coconut Development Authority
Raymond Kahindi	General Manager, Kenya Coconut Development Authority
UNIDO Kenya	
Ola Altera	UNIDO Representative for Kenya and Eritrea
Jacqueline Kegode	UNIDO National Programme Officer
Andrew Edewa	UNIDO National Project Coordinator – Agri-business development (Soya) and Trade Capacity Building
Paul Njuguna	UNIDO Consultant Renewable Energy
Achim Seiler	UNIDO Consultant Trade Capacity Building
Wilberforce Wanyanga	UNIDO Project Coordinator Pharmaceutical Drugs Project (Kenya)
UNIDO Headquarters	
Stefan Kratzsch	Industrial Development Officer
Ludovic Bernaudat	Industrial Development Officer
Kjell Sundin	Technical Advisor – Agri-business Branch (Soya)

Agencies & Partners	
Reychad Abdool	UNODC Senior Regional HIV and AIDS Adviser
Harun Warui	UNDP National Programme Manager, Africa Adaptation Programme
Kazuyo Kaneko	JICA Kazuyo Kaneko, Project Formulation Officer
Mari Kato	JICA Representative (Economic and Infrastructure)
Kiremu Magambo	JICA Consultant Community Energy Centres Study
Evanson Njenga	JICA Consultant Energy and Education
Mihoko Sakai	Researcher / Advisor – Economic Cooperation Division, Embassy of Japan
Project Beneficiaries and Stakeholders	
James Shikwati	HP Life (Kenya) Country Director Students for Free Enterprise
Ruth Morara	Technical Director, Rumorth Group of Companies
Community / Private Sector Beneficiaries	
Sagana Community	Energy Centre (Africa Adaptation Project)
Mutunguru Community	Pico-Hydro
Dagoretti Slaughter House (Private company)	Bio-gas Project
Longonot Flower Company, Naivasha	Methyl Bromide phase-out project`
Mombassa Community	Energy Centre for former drug addicts (joint project with UNODC)
Ngong Community	Energy Centre

Annex E: List of Documents Consulted

DFID (2006) Agricultural Policy in Kenya: Issues and Processes. Conference Paper: <http://www.dfid.gov.uk/r4d/Output/178533/Default.aspx> (accessed November 2012)

Economist Intelligence Unit (2012) Kenya Country Report. The Economist. London.

Government of Kenya (2012) Vision 2030. <http://www.vision2030.go.ke/index.php/vision> (accessed October - December 2012)

Government of Kenya (2012) National Industrialization Policy (Draft). Ministry of Industrialization. Nairobi.

Government of Kenya (2012) Summary of key Investment Opportunities in Kenya. Ministry of State for Planning, Development and Vision 2030.

JICA (2012) Survey to Establish the Status of UNIDO Energy Kiosks / Community Power Centres. Final Report. JICA Nairobi Office.

UNDP (2009) United Nations Development Assistance Framework – Kenya (2009 – 2013). <http://web.undp.org/africa/programmedocs/KENYA-CPD-2009-2013.pdf> (accessed October 2012)

UNDP (2011) Human Development Report – Sustainability and Equity. UNDP. New York.

UNIDO (2006) Independent Evaluation Kenya UNIDO Integrated Programme. UNIDO Evaluation Group. UNIDO Vienna.

UNIDO (2010) Final Evaluation Report of the Eastern Africa Bamboo Project – Kenya. UNIDO. Vienna. (self-evaluation)

UNIDO / UNEP (2011) Demonstrating and Capturing Best Practices and Technologies for the Reduction of Land-sourced Impacts resulting from Coastal Tourism. (Coast). Mid-term Evaluation. UNIDO Vienna and UNEP Nairobi.

UNIDO (2011) Independent Evaluation - East African Community. Trade Capacity Building in Agro-Industry Products for the Establishment and Proof of Compliance with International Market Requirements in EAC. UNIDO Evaluation Group. UNIDO Vienna.

UNIDO (2012) Independent Evaluation – Kenya. Crafting a green future – bamboo in the curio and souvenir industry in Kenya. UNIDO Evaluation Group. UNIDO Vienna.

USAID (2012) HP Life Program: Process and Outcome Evaluation. USAID. Washington DC

Annex F: List of Projects

(As of September 2012 – accessed from UNIDO agresso)

Project No.	Project No.(T)	Date To	Projstat	Project Manager	Donor	Orgunits(T)	Allotments \$	Total Exp \$
MPKEN07006	Technology transfer leading to methyle bromide phase-out in soil fumigation	12/30/2012	O	CASTELLA LORENZO, Guillermo Gonzalo	Montreal Protocol	Solvents, Toxic Waste and Fumigants Unit	510,658.79	508,974.74
MPKEN10002	Project preparation for the elimination of controlled uses of methyl bromide in post-harvest sector	12/31/2011	C	SAVIGLIANO, Riccardo	Montreal Protocol	Solvents, Toxic Waste and Fumigants Unit	39,874.32	39,874.32
MPKEN11002	Technical assistance for the final elimination of methyl bromide in post-harvest sector in Kenya	12/31/2013	O	SAVIGLIANO, Riccardo	Montreal Protocol	Solvents, Toxic Waste and Fumigants Unit	287,700.00	0.00
MPKEN09002	TECHNICAL ASSISTANCE FOR THE TOTAL PHASE OUT OF CTC AND TCA IN THE SOLVENT SECTOR	12/31/2012	O	KYSELA, Dalibor	Montreal Protocol	Refrigeration and Aerosols Unit	40,000.00	21,355.60

TEKEN08001	Recovery and Initiation of Local MSMEs through Installation of a Community Power Center (CPC) for Productive Applications	12/31/2010	O	ALTERAA, Lars Ola	Australia	Country Office in Kenya	97,262.75	97,250.80
TFKEN09003	District level mapping of Kenya for implementing RESC-BPs for preparing pre-feasibility study for 100 potential sites within three selected regions of Kenya	12/31/2010	C	VARGHESE, Alexander	Austria Rural Energy	Country Office in Kenya	38,692.23	38,692.23
USKEN08002	PROGRAMME TO REVITALIZE KIRDI - PREPARATORY ASSISTANCE PHASE I	12/31/2009	C	VARGHESE, Alexander	Govt for India South-South Industrial Cooperation	Country Office in Kenya	85,801.23	85,801.22
SEKEN04001	Integrated Industrial Development Programme	12/31/2008	G	VARGHESE, Alexander	Kenya, € a/c	Country Office in Kenya	92,484.35	92,330.04
XPKEN07003	IMPLEMENTATION OF 3 BIOMASS WASTE DIGESTERS IN SELECTED MILLENNIUM DISTRICTS (IN RURAL OFF-GRID AREAS) IN KENYA (PART OF ENERGY COMPONENT OF IP KENYA)	12/31/2008	O	VARGHESE, Alexander	RPTC	Country Office in Kenya	103,123.50	109,642.68
YAKEN07004		12/31/2007	G	VARGHESE, Alexander	Regular Budget	Africa Programme	101,139.25	101,893.08

XPKEN07005	IMPLEMENTATION OF ENERGY KIOSK POWERED BY STRAIGHT VEGETABLE OIL (SVO) GENERATORS IN 9 SELECTED MILLENNIUM DISTRICTS OF KENYA (Part of Energy Component of IP Kenya)	06/30/2009	C	VARGHESE, Alexander	RPTC	Country Office in Kenya	213,213.77	208,500.17
YAKEN07008	IMPLEMENTATION OF 10 MODEL PICO HYDRO SYSTEMS IN KENYA (PART OF THE ENERGY COMPONENT OF IP KENYA)	12/31/2007	G	VARGHESE, Alexander	Regular Budget	Africa Programme	56,172.19	56,172.19
XPKEN07001		06/30/2008	C	VARGHESE, Alexander	RPTC	Country Office in Kenya	124,914.52	127,128.46
YAKEN07002	Support for the Formulation of Kenya IP Phase II and Programme Implementation	12/31/2007	G	BENNANI-BAITI, Fatima Zohra	Regular Budget	Africa Programme	36,120.99	36,120.99
YAKEN09001	IP Kenya II - Seed Money	12/31/2009	C	VARGHESE, Alexander	Regular Budget	Country Office in Kenya	98,217.28	97,828.00
SEKEN09004	IP for Kenya Phase II - BUILDING CAPACITIES FOR COMPETITIVE INDUSTRIAL DEVELOPMENT IN KENYA	12/31/2012	O	ALTERAA, Lars Ola	Kenya, € a/c	Country Office in Kenya	24,216.26	19,187.48

YAKEN10004	Kenya Integrated Programme, Phase II - General management funds	12/31/2011	O	ALTERAA, Lars Ola	Regular Budget	Country Office in Kenya	63,698.41	63,662.54
XPKEN10007	Kenya Integrated Programme, Phase II - Capacity building of KenInvest	12/31/2011	O	KULUR, Feyyaz Mithat	RPTC	Investment and Technology Unit	13,370.48	13,370.48
YAKEN10006		12/31/2011	C	KRATZSCH, Stefan	Regular Budget	Investment and Technology Unit	107,640.89	107,535.06
YAKEN11007		12/31/2011	O	KULUR, Feyyaz Mithat	Regular Budget	Investment and Technology Unit	2,021.95	2,021.95
UEKEN10010	Demonstration and transfer of environmentally sound technology for water treatment	06/30/2012	O	GONZALEZ CASTRO, Carolina Elizabeth	Slovenia Euro a/c	Water Management Unit	118,079.14	30,213.09
DGKEN10009	Climate Change Adaptation by Using Renewable Energy Power Systems for Productive Uses in the Republic of Kenya.	12/31/2012	O	THOMAS, Jossy	UNDP	Renewable and Rural Energy Unit	996,704.01	824,129.56

DPKEN04104	Vocational and Industry Training Linkages	10/28/2008	C	GADAHELDAM, Nagwa	UNDP	Industrial Energy Efficiency Unit	117,567.10	117,567.11
TFKEN11001	Crafting a green future - bamboo in the curio and souvenir industry of Kenya	03/31/2012	O	HARTWICH, Frank	Japan Ministry of Finance - supplementary budget	Rural Entrepreneurship Development and Human Security Unit	1,327,434.00	1,318,589.43
UEKEN04078	ASSISTANCE FOR THE REVITALIZATION OF THE LEATHER AND LEATHER PRODUCTS INDUSTRY, PHASE I	12/31/2007	G	CALABRO IN BELLAMOLI, Aurelia Patrizia	Italy, Euro Account	Agro-Industries Technology Unit	646,855.59	646,197.83
YAKEN09005	Official visit of Mr. Akinwumi Adesina, Vice-President of AGRA (Alliance for a Green Revolution in Africa) for the 13th session of the General Conference of UNIDO, Vienna, 7-11 December 2009	12/31/2009	C	KORMAWA, Patrick Momoh-nuwah	Regular Budget	Agri-Business Development Unit	6,612.94	6,473.47
27 Projects	Subtotal KEN						5,349,575.94	4,770,512.52
EERAF11009	Capacity-building of investment promotion agencies (IPAs) in sub-Saharan Africa	1/31/12	C	KULUR, Feyyaz Mithat	European Union, € a/c	Investment and Technology Unit	1,992,322.96	1,962,542.17

UERAf11007	Capacity-building on investment promotion agencies (IPAs) in sub-Saharan Africa	5/31/13	O	KULUR, Feyyaz Mithat	Finland Euro a/c (could include balance of Euro tr	Investment and Technology Unit	808,880.45	476,852.87
USRAF07029	ASSISTANCE IN ESTABLISHING AN INDUSTRIAL SUBCONTRACTING AND PARTNERSHIP EXCHANGE (SPX) IN TANZANIA AND KENYA	3/31/13	O	KRATZSCH, Stefan	Turkey	Investment and Technology Unit	307,893.01	210,564.51
XPGLO07011	THE ESTABLISHMENT OF A GLOBAL NETWORK OF UNIDO UNIVERSITY CHAIRS ON INNOVATION - EXPERT GROUP MEETING AND PILOT IMPLEMENTATION BETWEEN EU & AFRICAN UNIVERSITIES	3/31/09	C	KULUR, Feyyaz Mithat	RPTC	Investment and Technology Unit	84,862.96	84,962.57
YARAF06006	UNIDO Africa Investment Promotion Agency Network	12/31/07	G	KULUR, Feyyaz Mithat	Regular Budget	Investment and Technology Unit	97,115.67	97,115.68
UERAf04143	Africa Investment Promotion Agency Network	2/28/07	C	KULUR, Feyyaz Mithat	Austria Euro a/c	Investment and Technology Unit	256,496.80	256,496.77
UERAf05015	Investment and Technology Promotion Proj	10/30/07	G	KULUR, Feyyaz Mithat	Austria Euro a/c	Investment and Technology Unit	103,003.18	103,140.46

USINT10007	Capacity-building of investment promotion agencies and business partnerships between the Republic of Korea and selected countries in sub-Saharan Africa	8/31/12	O	KRATZSCH,Stefan	Republic Of Korea	Investment and Technology Unit	265,486.38	186,278.21
TFINT11015	UNIDO-Hewlett Packard cooperation for entrepreneurship and IT capacity-building in Africa, Asia, Latin America and the Middle East	4/30/12	O	KREISSLER,Barbara	Hewlett-Packard Company	Competitiveness, Upgrading and Partnership Unit	324,544.91	67,843.45
TFINT10004	UNIDO-Hewlett Packard cooperation for entrepreneurship and IT education in Africa, Asia, Latin America and the Middle East	12/31/11	O	KREISSLER,Barbara	Hewlett-Packard Company	Competitiveness, Upgrading and Partnership Unit	200,965.08	200,754.09
YAIN09005	UNIDO/Hewlett-Packard Cooperation for Youth Entrepreneurship Development in Africa and the Middle East	12/31/09	C	KREISSLER,Barbara	Regular Budget	Competitiveness, Upgrading and Partnership Unit	49,868.99	48,774.68
XPINT09004	UNIDO/Hewlett-Packard Cooperation for Youth Entrepreneurship Development in Africa and the Middle East	6/30/10	C	KREISSLER,Barbara	RPTC	Competitiveness, Upgrading and Partnership Unit	8,349.54	8,349.54
TFINT09003	UNIDO - HEWLETT-PACKARD COOPERATION FOR YOUTH ENTREPRENEURSHIP DEVELOPMENT IN AFRICA AND THE MIDDLE EAST	6/30/10	C	KREISSLER,Barbara	Hewlett-Packard Company	Competitiveness, Upgrading and Partnership Unit	192,348.11	192,348.11

XPGLO11007	Strengthening the local production of essential medicines in developing countries through advisory and capacity-building support	12/31/12	O	REINHARDT, Juergen	RPTC	Competitiveness, Upgrading and Partnership Unit	271,836.19	110,408.82
TEGLO10023	Strengthening the local production of essential medicines in developing countries through advisory and capacity-building support	12/31/12	O	REINHARDT, Juergen	Germany, € a/c	Competitiveness, Upgrading and Partnership Unit	1,424,563.22	651,365.56
YARAF10003	DEMONSTRATING AND CAPTURING BEST PRACTICES AND TECHNOLOGIES FOR THE REDUCTION OF LAND-SOURCED IMPACTS RESULTING FROM COASTAL TOURISM - UNIDO CONTRIBUTION	12/31/11	C	BERNAUDAT, Ludovic Alain	Regular Budget	Water Management Unit	62,954.93	68,693.23
XPRAF09009	UNIDO contribution to GPRAF08004 - Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism	12/31/12	O	BERNAUDAT, Ludovic Alain	RPTC	Water Management Unit	26,800.97	19,599.61
YARAF09002	co financing with GPRAF08004	12/31/09	C	BERNAUDAT, Ludovic Alain	Regular Budget	Water Management Unit	36,535.14	36,508.74
GPRAF08004	DEMONSTRATING AND CAPTURING BEST PRACTICES AND TECHNOLOGIES FOR THE REDUCTION OF LAND-SOURCED IMPACTS RESULTING FROM COASTAL TOURISM	11/30/13	O	BERNAUDAT, Ludovic Alain	Regular Budget	Water Management Unit	2,639,380.00	2,555,862.86

YARAF08015	STRENGTHENING OF CAPACITIES OF PRIVATE SECTOR AGENCIES AND NGOS IN SELECTED AFRICAN COUNTRIES THROUGH REGIONAL NETWORKING AND ECDC/TCDC SUPPORTING WOMEN AND YOUTH ENTREPRENEURSHIP (WED/YED)	12/31/09	C	WIJNGAARDE,inez	Regular Budget	Rural Entrepreneurship Development and Human Security Unit	76,540.03	76,506.82
YARAF07034	EASTERN AFRICA BAMBOO PROJECT	12/31/07	G	HIEROLD,Juergen Martin	Regular Budget	Rural Entrepreneurship Development and Human Security Unit	12,598.58	12,598.58
XPRAF06003	EASTERN AFRICA BAMBOO PROJECT	6/30/08	C	HIEROLD,Juergen Martin	RPTC	Rural Entrepreneurship Development and Human Security Unit	36,544.54	36,544.54
FCRAF05010	EASTERN AFRICA BAMBOO PROJECT	3/5/12	G	HIEROLD,Juergen Martin	CFC - FC/RAF/05/010	Rural Entrepreneurship Development and Human Security Unit	1,421,756.70	1,421,756.99
YARAF07038	UNIDO/AOTS JOINT CAPACITY BUILDING PROGRAMME FOR AFRICAN TRADE PROMOTION	12/31/07	G	MIYAKE,Toshiyuki	Regular Budget	Compliance Infrastructure Unit	1,801.15	1,801.15
XPRAF07019	UNIDO/AOTS JOINT CAPACITY BUILDING PROGRAMME FOR AFRICAN TRADE PROMOTION	8/31/08	C	MIYAKE,Toshiyuki	RPTC	Compliance Infrastructure Unit	24,108.53	24,232.68

TEGLO07022	SUPPORT TO THE DEVELOPMENT OF AN INTERNATIONAL ENERGY MANAGEMENT STANDARD FOR INDUSTRY	12/31/09	G	WILLIAMS, Robert Owen	Ren. Energy Efficiency Partnership	Industrial Energy Efficiency Unit	63,719.56	63,500.24
XPGLO07021	SUPPORT TO THE DEVELOPMENT OF AN INTERNATIONAL ENERGY MANAGEMENT STANDARD FOR INDUSTRY	6/30/09	C	WILLIAMS, Robert Owen	RPTC	Industrial Energy Efficiency Unit	288,940.24	294,366.90
TFRAF06A14	TRADE CAPACITY BUILDING IN AGRO-INDUSTRY PRODUCTS FOR THE ESTABLISHMENT AND PROOF OF COMPLIANCE WITH INTERNATIONAL MARKET REQUIREMENTS	9/30/09	C	TEZERA, Dejene	Norwegian Agency For Dev. Coop. (NORAD)	Agri-Business Development Unit	52,723.77	52,723.76
TFRAF06014	TRADE CAPACITY BUILDING IN AGRO-INDUSTRY PRODUCTS FOR THE ESTABLISHMENT AND PROOF OF COMPLIANCE WITH INTERNATIONAL MARKET REQUIREMENTS	6/30/08	C	BAU, Bernard	Norwegian Agency For Dev. Coop. (NORAD)	Compliance Infrastructure Unit	10,639.68	10,639.68
TERAF06014	TRADE CAPACITY-BUILDING IN AGRO-INDUSTRY PRODUCTS FOR THE ESTABLISHMENT AND PROOF OF COMPLIANCE WITH INTERNATIONAL MARKET REQUIREMENTS	6/30/12	O	DOLUN BORA, Ulvinur Muge	Norwegian Agency For Dev. Coop. (NORAD)	Compliance Infrastructure Unit	2,011,990.01	1,874,348.48
TERAF05020	REPARATORY ASSISTANCE FOR THE IMPLEMENTATION OF THE NEW ISO STANDARD ON FOOD SAFETY MANAGEMENT SYSTEMS (ISO 22000) IN KENYA, TANZANIA, UGANDA	3/31/08	C	DOLUN BORA, Ulvinur Muge	Trust Fund Trade, € a/c	Compliance Infrastructure Unit	145,546.29	145,629.01

XPGL006009	THE ESTABLISHMENT OF SOUTH-SOUTH BIOSAFETY TRAINING CAPACITY BUILDING NETWORK	5/30/08	C	TZOTZOS, George Theodore	RPTC	Cleaner and Sustainable Production Unit	72,244.30	72,327.72
YAIN06004	THE ESTABLISHMENT OF SOUTH-SOUTH BIOSAFETY TRAINING CAPACITY BUILDING NETWORK	12/31/07	G	TZOTZOS, George Theodore	Regular Budget	Technology Promotion Unit	132,828.04	134,625.68
XPRAF06008	WORKSHOP/CAPACITY BUILDING IN SMALL HYDRO POWER FOR AFRICAN COUNTRIES AT HANGZHOU, CHINA (17-30 APRIL 2006)	12/31/07	G	MONGA, Pradeep Kumar	RPTC	Renewable and Rural Energy Unit	62,957.36	62,957.37
YARAF06007	WORKSHOP/CAPACITY BUILDING IN SMALL HYDRO POWER FOR AFRICAN COUNTRIES AT HANGZHOU, CHINA (17-30 APRIL 2006)	12/31/07	G	MONGA, Pradeep Kumar	Regular Budget	Renewable and Rural Energy Unit	14,660.26	14,686.47
UEGLO05002	PROMOTION OF COOPERATION FOR CLEANER PRODUCTION AND ENVIRONMENTALLY SOUND TECHNOLOGY TRANSFER IN THE AFRICAN AND ARAB REGIONS	3/31/11	C	LEUENBERGER, Heinz	Austria Cleaner Production Euro a/c	PTC/EMB/OD-Office of the Director	132,724.43	132,709.37
YAIN10006	AFRICA-MEXICO COOPERATION PROGRAMME ON THE GEOTHERMAL AREA FOR PRODUCTIVE USES	12/31/11	C	CHANDUVI SUAREZ, Carlos Ernesto	Regular Budget	Latin America and the Caribbean Programme	84,001.88	83,885.58

37 Projects	Subtotal RAF, GLO, INT								13,800,533.84	11,854,302.95
64 Projects	Total								19,150,109.78	16,624,815.47



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