UNIDO INTEGRATED PROGRAMME FOR JORDAN

XP/JOR/05/001

Report submitted by the Evaluation Mission

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This document has not been formally edited.
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**Glossary**

**Conclusions**
Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.

**Effectiveness**
The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance.

**Efficiency**
A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.

**Impacts**
Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

**Indicator**
Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

**Institutional Development Impact**
The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.

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

**Logframe**
Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management.

**Outcome**
The likely or achieved short-term and medium-term effects of an intervention’s outputs. Related terms: result, outputs, impacts, effect.

**Outputs**
The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

**Recommendations**
Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.

**Relevance**
The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities and partners’ and donors’ policies. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.

**Results**
The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention. Related terms: outcome, effect, impacts.

**Sustainability**
The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.
Map of Jordan
Abbreviations and acronyms used in the report

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACI</td>
<td>Amman Chamber of Industry</td>
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<tr>
<td>COMFAR</td>
<td>Computer Model for Feasibility Analysis and Reporting</td>
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<td>CSF</td>
<td>Country Service Framework</td>
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<tr>
<td>CTA</td>
<td>Chief Technical Advisor</td>
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<td>DG</td>
<td>Director General</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GTZ</td>
<td>Gesellschaft für Technische Zusammenarbeit (German Society for Technical Cooperation)</td>
</tr>
<tr>
<td>HACCP</td>
<td>Hazard Analysis of Critical Control Points</td>
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<td>HQ</td>
<td>Headquarters</td>
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<td>IOP</td>
<td>Integrated Oil Products</td>
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<td>IP</td>
<td>Integrated Programme</td>
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<tr>
<td>IPU</td>
<td>Investment Promotion Unit</td>
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<tr>
<td>IRMS</td>
<td>Information Resource Management System</td>
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<tr>
<td>ITPO</td>
<td>Investment and Technology Promotion Office</td>
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<tr>
<td>JIB</td>
<td>Jordan Investment Board</td>
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<td>JPO</td>
<td>Junior Professional Officer</td>
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<td>JUMP</td>
<td>Jordan Upgrading and Modernisation Programme</td>
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<tr>
<td>LAN</td>
<td>Local Area Network</td>
</tr>
<tr>
<td>MDG’s</td>
<td>Millenium Development Goals</td>
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<td>MoI</td>
<td>Ministry of Industry and Trade</td>
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<td>MoIT</td>
<td>Ministry of Planning</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>NPC</td>
<td>National Programme Coordinator</td>
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<td>PSC</td>
<td>Programme Steering Committee</td>
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<td>R&amp;D</td>
<td>Research and Development</td>
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<td>RBM</td>
<td>Results Based Management</td>
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<tr>
<td>RSS</td>
<td>Royal Scientific Society</td>
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<td>SAMC</td>
<td>Programme Supervision and Monitoring Committee</td>
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<td>SC</td>
<td>Steering Committee</td>
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<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<td>SPP</td>
<td>Social Productivity Programme</td>
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<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
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<tr>
<td>UDO</td>
<td>UNIDO Desk Officer</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>URR</td>
<td>UNIDO Regional Representative</td>
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<tr>
<td>US $</td>
<td>United States Dollar</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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Introduction

The Jordan Integrated Programme (IP), initiated in 1999, was among the first IP’s introduced by UNIDO in 1998 as part of an institutional effort to enhance the effectiveness and coherence of UNIDO programmes globally.

The Jordan IP was originally designed with eight subcomponents. However, only one of these has been implemented in full. One component received a very limited amount of funding after reorientation towards poverty alleviation. All other components did either not start at all or received only a limited amount of UNIDO ‘seed money’ without being able to attract donor funding for implementation. As such, the IP Jordan is an exceptional case and needed a specific evaluation approach.

Given the specificity of the case it was clear from the outset that the evaluation would not be justified with a view to analysing impact but in order to shed light on the drawbacks of the initial IP approach. As such it was decided to apply a ‘light evaluation approach’ with a focus on desk reviews and meetings in HQ and only five working days in the field, as opposed to the normal practice of 2 weeks in the field.

Document reviews were carried out at UNIDO HQ as well as at the SME Department of the Ministry of Industry and Trade in Amman. Meetings were held with current and previous (if still available) UNIDO and counterpart Jordanian staff and officials. Arrangements were made for a survey of private sector companies targeted by various components of the IP.

From the above it is clear that the findings of this report should be taken as indicative due to the light approach of the evaluation exercise and the relatively long time span between the approval of the programme and the evaluation.

Furthermore, it became clear from the analysis that the apparent failure of this IP has been the consequence of a combination of internal and external factors. Many of the internal weaknesses are known by now and have been tackled by improvements of the UNIDO approach to IP’s over the last years.
The section on ‘Lessons learned’ takes the above considerations into account and focuses on those issues that are still of relevance for the organisation.

The structure of the report is as follows:

- Chapter 1 includes an in-depth analysis of the programme document and the identification process;
- Chapter 2 looks into the funds mobilization efforts of the IP;
- Chapter 3 analyses the implementation attempts by sub-components, which remained unsuccessful with the exception of two sub-components;
- Chapter 4 presents general findings on the implementation of the programme as a whole;
- Chapter 5 provides an outlook on the continuation of the IP.

The evaluation did not cover the project on “export consortia” as this is not part of the IP and has been launched only recently.

The evaluation was carried out from 25 to 29 September 2005 by a team of three persons: Peter Loewe (UNIDO Evaluation Group); Massoud Hedeshi (International consultant), and Mohammed Alkhaldi (nominated by the Government of Jordan for field-based activities).

The evaluation team trusts that this report represents a valuable contribution to UNIDO’s institutional memory and would like to express its gratitude to the IP counterparts, to the UNIDO programme coordinator and all other UNIDO colleagues for the cooperation and excellent support provided throughout the evaluation exercise.
Executive summary

Formulation of the Jordan Integrated Programme (IP) was initiated early in 1999, and its implementation was launched during the last quarter of year 2000. The IP included four subcomponents targeting the food industry, and four subcomponents to improve the business environment and infrastructure. Overall, the document emphasized public sector institutions rather than partnerships with the private sector. Due to funding shortages, only two of the eight subcomponents (related to ‘investment promotion’ and ‘rural sector pilot enterprise development’) were implemented beyond the initial preparatory activities that took place mainly in the second quarter of 2001. The original thrust of the IP was however largely redirected toward poverty reduction in the rural sector in the first quarter of 2001 during a high level mission to Jordan.

Programme sub-components

Under sub-component 1.1 covering food safety a consultant prepared a report on national food safety mechanisms and standards. He also carried out site visits, and conducted awareness raising for a cross-section of counterparts. However, consultations with public sector institutions were inconclusive. No agreement on the way ahead was achieved and no external funding acquired for implementing this subcomponent. However, a EU funded initiative subsequently developed on the groundwork of the initial UNIDO study.

Subcomponent 1.2 was deeply modified into an initiative to generate income for poor households from three villages in Ajloun province. By the third quarter of 2003, 80 women from three cooperatives were trained in production of high quality, olive oil-based soaps using a new ‘cold production’ method. While production capacity was successfully developed, mixed results were experienced in terms of marketing, product diversification and business management skills. A positive partnership with the Government, the Cooperatives Union and UNDP helped to boost impact. However, sustainability of results is uneven across the three villages, and further support mainly with marketing is needed.
Under the quality and business performance subcomponent 1.3 an innovative integrated approach combining environmental, efficiency and waste management inputs was successfully tested in nine companies in the food sector. A group of four experts visited each company for over two days in mid-2001. The evaluation mission obtained positive feedback from the six companies that could still be reached on the advice and support provided by these experts. However, national capacity building and resource mobilization for implementation were unsuccessful.

The subcomponent 1.4 on support for business associations in the food sector was half-hearted and very low key. A detailed study and a project document were prepared but external funding could not be mobilized.

The second component of the IP targeted industrial policy, investment promotion, cleaner production and industrial information network development. The subcomponent 2.1 on industrial policy and coordination was abandoned due to donor overcrowding. Cleaner production was merged with subcomponent 1.3 on production quality, as described above. The information network subcomponent 2.4 was supply driven and did not attempt analysing the existing information resources and needs. A technical study was carried out and some ICT equipment purchased with UNIDO seed funding but no external funding could be acquired.

The Investment Promotion Unit (IPU) subcomponent was initiated with Italian funding prior to the formal launch of the IP, and has continued to operate in an independent manner, focusing on Italian investment interests throughout. The credit line for Jordanian companies to purchase Italian equipment had mixed results, and no results have been achieved yet in attracting foreign direct investment to Jordan. On the positive side, IPU has been instrumental in helping to promote the olive oil, dimension stones and Dead Sea products sectors. The IPU has been involved in a wide array of initiatives with varying degrees of success. The Entrepreneurship Development Programme has been among the most successful, but is poorly matched to the mandate of
JIB. Capacity development for the host organization (Jordan Investment Board - JIB) has been largely absent, and no consensual sustainability strategy exists yet for integrating the IPU into the JIB.

**Implementation of the programme**

At the time of the IP formulation Jordan was in the process of devising coherent policies and strategies, and the IP did not have a clear national framework to correspond to. However the IP shows reasonable alignment with predominant thinking at the time among Jordan’s partners. The UN framework was rudimentary at the time also as UNDAF’s were not mainstreamed, and the MDG’s were not introduced as yet.

Although the focus of the programme on the food industry appears to be strategic, it was not substantiated by adequate analysis, giving the impression of a supply driven approach.

The IP was formulated mainly at UNIDO HQ without in-depth field analysis. A high-level mission in May 2001 marked the formal launch of the IP with the Government, but added also entirely new themes to the IP, which in effect were never implemented into the programme document. Nevertheless, in the beginning the IP enjoyed high ownership by the counterparts, and the Government’s stated willingness to contribute US$1 million from its own resources was an indication of the IP’s relevance and national ownership even if this contribution never materialised. Ownership weakened when the programme was launched without a Steering Committee or a National Programme Coordinator, both mentioned as ‘prerequisites’ in the programme document. Ownership was also strained by a certain lack of collaboration between MoIT and MoP. The National Steering Committee, according to the available records, never met. The reasons for this failure are not fully clear, but it remains that the IP had no real local management structure.

External coordination was rather unsuccessful. The lack of a UNIDO office and an NPC no doubt affected this issue, and there is scant evidence of donor involvement in the formulation process, except in the IPU subcomponent.
Collaboration with the UN system was targeted by the URR who was successful in building good relations with the UN Resident Coordinator and Government counterparts.

Full-fledged implementation was rushed through in the second quarter of 2001, as UNIDO rules required for the “seed money” to be fully spent or committed by end June 2001. The MoIT was overwhelmed with well over 12 different consultants and UNIDO staff descending on its limited facilities. Agreement on the appointment of a National Project Coordinator was reached in August, but most IP funds and activities were by then already expended, and the NPC was left with little tangible work to do. It is not clear why UNIDO did not utilize the long-term field presence of the CTA of the IPU in a more systematic way for effective team leadership of the IP. Most probably the specific funding structure and shared responsibilities of UNIDO HQ and ITPO Italy in managing the IPU have played a major role here. This administrative limitation is an indication of the difficulties to make IP integration a reality.

The role of the UNIDO Regional Representative (URR) in Beirut was positive. Available correspondence indicates that the URR was in touch with realities on the ground, and regularly raised upcoming concerns early on. However, he was hampered by a lack of frequent access to Jordan and sometimes not in the communication loop between HQ and the government.

One of the most important weaknesses of this IP were the management arrangements in the UNIDO HQ, where relationships between the Regional Bureau, the Team Leader, staff of the various technical departments involved, and the Resource Mobilisation Unit were unclear. Responsibilities and accountabilities were not defined or shared, and caused tension. Moreover, the IP Team was unresponsive to senior management instructions on reformulation of the programme, and various efforts in 2001 and 2002 produced no results, particularly in redrafting of the IP document. By the end of 2003, the IP document was largely out of step with realities on the ground.
It is unfortunate that, in the Jordan case, UNIDO failed to capitalize on its unique position as a neutral multilateral institution to bring different stakeholders together in areas such as Food Safety.

Preparing the future
Jordan continues to be in a similarly precarious situation as in the past. With the regional situation having deteriorated further, security considerations will have to be taken into account. Given limitations for tourism development, Industrial development and poverty alleviation move even further up the table of priorities for the country.

The new UNIDO Desk Officer hosted by the UNDP-Jordan Country Office under a new UNIDO/UNDP Global Agreement is an important asset for the future. He should be used strategically and effectively, and kept fully in the loop with all UNIDO-related programme activities, including the IPU component.

UNIDO is now well poised to achieve a number of key objectives, including:

- Strengthening its network and partnership with stakeholders in Jordan
- Participate and raise UNIDO’s profile in various UN, inter-agency, donor and government-led coordination fora
- Ensure UNIDO’s participation in the development of major policy and strategy instruments such as: national poverty reduction strategies, Common Country Assessments, UN Development Assistance Framework, MDG reports etc.

UNIDO prepares currently two joint operations together with WTO and UNDP as well as a new IP. For the UNIDO/WTO initiative a joint project document has been prepared that reflects deliberations of a kick-off seminar in Amman in July 2005. This document should become the basis for a joint funds mobilization effort of UNIDO, WTO and the government of Jordan. The UNIDO/UNDP initiative on private sector development comes under the above-mentioned Global Arrangement between the two organisations. Good
opportunities for collaboration also exist with the EU funded Industrial Modernisation Programme JUMP.

The missing link for a successful way forward is an intensified collaboration and clear assignment of roles and tasks of all UNIDO departments involved. It will be of paramount importance for UNIDO to blend the two joint initiatives into its own plans for a continuation of the IP. UNIDO must avoid dealing with the three initiatives separately. At the moment an up-to-date country framework document does not exist that describes the industrial needs and policy priorities of the country and maps out ongoing donor activities. Without such a framework IP document there is major risk of a scattered approach, which would be particularly harmful for fundraising.
### Quality Matrix of the Integrated Programme in Jordan

<table>
<thead>
<tr>
<th>Quality Dimension</th>
<th>Identification</th>
<th>Formulation</th>
<th>Implementation</th>
<th>Programming of next phase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy relevance</strong></td>
<td>Reasonable alignment of the initial planning with predominant policy thinking at the time, (UNDAF’s were not mainstreamed and MDG’s not introduced as yet)</td>
<td>The reorientation of the IP towards poverty alleviation demonstrated policy response capacity</td>
<td>Joint initiatives of UNIDO with WTO and UNDP are policy relevant</td>
<td></td>
</tr>
<tr>
<td><strong>Counterpart ownership</strong></td>
<td>No significant involvement of counterparts in identification</td>
<td>Good ownership at the start of implementation phase</td>
<td>Counterpart ownership deteriorated due to rushed launching of IP; late appointment of national coordinator</td>
<td>Confidence of counterparts needs to be regained</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>No visible attempts to give sustainability adequate priority during identification and formulation</td>
<td>None of the sub-components including the ones effectively implemented is sustainable as yet</td>
<td>No programme document for next phase available yet</td>
<td></td>
</tr>
<tr>
<td><strong>Reaching target groups</strong></td>
<td>No significant analysis of target group needs during identification</td>
<td>The programme strategy relied to a very large extent on the public sector</td>
<td>Two sub-components (soap-making and quality) achieved target group benefits but on a very small scale</td>
<td>No programme document for next phase available yet</td>
</tr>
<tr>
<td><strong>External coordination</strong></td>
<td>Insufficient analysis of activities of other donors during identification and formulation</td>
<td>Steering committee has not been implemented; few attempts to cooperate with UNDP</td>
<td>Good opportunities through improved UNIDO field presence and joint UNDP/UNIDO initiative</td>
<td></td>
</tr>
<tr>
<td><strong>Integration</strong></td>
<td>Joint identification mission involving several technical branches</td>
<td>Weak arrangements for integration in the IP document</td>
<td>No significant integration besides the attempt in the quality / productivity / environment field</td>
<td>Preparation of next phase insufficiently integrated</td>
</tr>
<tr>
<td><strong>Results Based Management</strong></td>
<td>Poor application of logframe principles in the IP planning documents; confusion between impact and outputs; indicators lack specificity</td>
<td>Unclear leadership and management arrangements in UNIDO HQ.</td>
<td>No programme document for next phase available yet; unclear leadership seems to subsist</td>
<td></td>
</tr>
<tr>
<td><strong>Funds mobilisation</strong></td>
<td>No signs that funds mobilization has been an issue during identification</td>
<td>Early warnings by URR that funds mobilisation may turn out to be difficult but no follow-up</td>
<td>No systematic funds mobilisation strategy; idea of donor conference was floated too late</td>
<td>No common funds mobilisation strategy</td>
</tr>
<tr>
<td><strong>UNIDO Corporate Strategy</strong></td>
<td>UNIDO strengths in the food sector guided identification and formulation exercise. This rather supply driven approach was in line with UNIDO corporate strategy but did not sufficiently challenge UNIDO’s potential as an innovator</td>
<td>UNIDO’s specific strengths as a neutral multilateral institution not sufficiently promoted</td>
<td>Joint initiatives of UNIDO with WTO and UNDP pursue an innovative approach but need to be integrated with next IP</td>
<td></td>
</tr>
<tr>
<td><strong>Innovation and lessons learned</strong></td>
<td>UNIDO strengths in the food sector guided identification and formulation exercise. This rather supply driven approach was in line with UNIDO corporate strategy but did not sufficiently challenge UNIDO’s potential as an innovator</td>
<td>Some innovative elements developed during implementation (e.g. entrepreneurship programme)</td>
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Recommendations

UNIDO field representation

- The NPO must become the focal point for all UNIDO-related activities in Jordan. All correspondence related to UNIDO must be channelled through or copied to him. This applies equally to all UNIDO project offices, including the IPU.

- The relationship of the UNIDO Desk Officer with UNDP and other agencies within the UN system must be clarified. The current agreement with UNDP envisages the UDO as reporting to the UNDP Resident Representative. It may be more prudent to establish a more independent position, for example by requesting that the UNIDO Representative – if that is indeed the status of the NPO – be treated as a UNIDO Representative, and participate in UN Heads of Agencies and other inter-agency coordination meetings. His interaction may best be with the UN Resident Coordinator rather than the UNDP Resident Representative (often the same person).

- The NPO should focus on donor contacts and funds mobilisation; strengthening UNIDO network and partnership with stakeholders in Jordan; participate and raise UNIDO’s profile in various UN, inter-agency, donor and government-led coordination fora; ensure UNIDO’s participation in the development of major policy and strategy instruments such as: national poverty reduction strategies, Common Country Assessments, UN Development Assistance Framework, MDG reports etc.

Investment Promotion Unit

- Revise the IPU modality, and secure greater national ownership and leadership with concomitant capacity development plans and an exit strategy. Mending relations with new JIB management should be a priority.
• Most importantly, UNIDO needs to clarify the expectations of the JIB with regard to the reporting lines and the future role of the IPU and the CTA. The latter’s position should be ideally redefined as an ‘advisor to the JIB Director’. UNIDO should be fully engaged in advisory support to the JIB in all major policy and strategy work and dedicate top priority to the issues of capacity development and sustainability.

• The image of the IPU as an ‘Italian’ initiative should be overcome. Diversification efforts to encourage investments by a wider network of interested countries should be strengthened.

Export consortia

• The promotion of export consortia meets with the specific interest of the government and should be intensified. At the moment export promotion activities are foreseen under two different projects and with two different counterparts. These activities should be streamlined.

Ajloun soap making project

Short term follow-up

• The recently appointed UNDP/UNIDO JPO should support the soap making cooperatives with developing their marketing strategies. This should include the identification of ‘marketing managers’ from each cooperative; training them in cost benefit analysis techniques; helping with the identification of partners and channels for marketing; re-positioning of the product; etc. All activities should be closely coordinated with the SCC unit of the Ministry of Planning.

Medium term follow-up

• An extension of the soap making project could become one of the components of the joint UNDP/UNIDO private sector initiative (see below).
Joint UNDP/UNIDO private sector initiative

For the forthcoming identification of the joint UNDP/UNIDO private sector initiative the following guiding principles are recommended:

- Donor priorities and potential donor interest should be identified at an early stage of the identification process to enable the joint development of the initiative together with interested donors.
- The identification process should not be supply driven. Needs and demand should be clearly demonstrated.
- Identification should be designed as a participative process with sufficient involvement of all parties; appropriate consultation mechanisms and decision points and avoid excessive time pressure.
- Openness to select the most appropriate counterparts should be agreed as a basic principle. This includes the possibility to use private sector parties such as industry and business associations as well as services depending from all ministries (not only MoI).

The following themes could be explored as part of the joint initiative:

- An income generating initiative building upon the Ajloun soap project. UNIDO should focus on its core competencies in technology transfer and join forces with partners with a strong basis in community development and income generation. UNDP already supports Governorate Development Programmes and a host of other micro-credit and community development programmes supported also by the Global Environment Facility fund. The SCC unit of the Ministry of Planning is also involved in Community development. Therefore, a partnership between UNIDO, UNDP and the Ministry of Planning may be a possible solution.
- A food safety initiative similar to the ongoing UNIDO initiatives in Lebanon and Palestine. Such an initiative would be likely to involve not only MoI but also other ministries such as Health and Commerce. MoP could therefore be an appropriate coordinating counterpart. Duplication with EU funded activities in this area must be avoided.
- There may be demand for the integrated technical assistance package for companies in the areas of quality, cleaner production and
productivity, which has been successfully tested under subcomponent 1.3. Such a project would require capacity building at an appropriate counterpart organisation to which the know-how for this kind of assistance could be transferred. Private consultancies could be partners in this project.

**UNIDO involvement in JUMP**

- The EU funded JUMP programme implements Technical Assistance activities for SMEs that come under UNIDO’s core competence areas. UNIDO should explore the opportunities of the UNIDO Framework Agreement with the EU by which UNIDO could be involved in the execution of TA packages under JUMP.

**Coordination and Funds Mobilization**

- UNIDO should screen and analyze donor preferences in the country and develop an integrated UNIDO Funds Mobilization Strategy that encompasses also the joint UNIDO/WTO and UNIDO/UNDP initiatives.
- UNIDO should give highest priority to integrating its joint WTO and UNDP initiatives into the (still embryonic) plans for a new IP. The Arab Bureau in UNIDO should pro-actively coordinate all UNIDO activities in the country. It should also develop a country framework document, which must be in line with UNDAF, frame all expected UNIDO activities, specify their contributions of to the industrial policy of the country and define the linkages and synergies between these activities.
- UNIDO and the MoIT should recognise the central coordination function of the MoP. With UNIDO embarking on a number of cross-cutting themes (e.g. poverty; export promotion; food safety), the MoIT should not be UNIDO’s exclusive counterpart organisation in the country. This is of also of importance because MoP is UNDP’s prime institutional partner in the country.
<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendation</th>
<th>Responsibility for implementation</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>UNIDO Desk Officer:</strong> Finetune the role of the UNIDO Desk Officer and his working relationships with the UN system in the country</td>
<td>Arab Bureau; UNIDO Desk</td>
<td>02/2006</td>
</tr>
<tr>
<td>2</td>
<td><strong>IPU:</strong> Clarify JIB/IPU relationships; further diversify target countries of investment promotion activities; strengthen advisory role of IPU and agree with JIB upon medium-term exit strategy with milestones</td>
<td>PCF/FRM</td>
<td>03/2006</td>
</tr>
<tr>
<td>3</td>
<td><strong>Export consortia:</strong> Streamline promotion of export consortia under one single line of action</td>
<td>PTC/SME; PCF/FRM</td>
<td>03/2006</td>
</tr>
<tr>
<td>4</td>
<td><strong>Ajloun soap making project:</strong> Provide continuous support to the three cooperatives; develop marketing strategy together with them and train them in cost-benefit analysis; provide support for the identification of partners and marketing channels</td>
<td>PTC/SME UNDP/UNIDO JPO; UNIDO Desk</td>
<td>06/2006</td>
</tr>
<tr>
<td>5</td>
<td><strong>Cooperation with JUMP:</strong> Explore the opportunities to involve UNIDO in the execution of JUMP under the UNIDO Framework agreement with the EU</td>
<td>UNIDO Desk</td>
<td>03/2006</td>
</tr>
<tr>
<td>6</td>
<td><strong>Funds Mobilization Strategy:</strong> Screen and analyze donor preferences in the country and develop an integrated UNIDO Funds Mobilization Strategy that encompasses also the joint UNIDO/WTO and UNIDO/UNDP initiatives</td>
<td>Arab Bureau; UNIDO Desk; PCF/FRM</td>
<td>03/2006</td>
</tr>
<tr>
<td>7</td>
<td><strong>UNDP/UNIDO initiative</strong> Take into account recommendations from evaluation for the design of this initiative</td>
<td>PTC/SME</td>
<td>02/2006</td>
</tr>
<tr>
<td>8</td>
<td><strong>Coordination Framework:</strong> Develop a country framework or a new IP document in line with UNDAF that frames all UNIDO activities in the country, including the joint UNIDO/WTO and UNIDO/UNDP initiatives</td>
<td>Arab Bureau; UNIDO Desk</td>
<td>05/2006</td>
</tr>
</tbody>
</table>
Lessons learned

IP identification and formulation

IP identification and formulation are two different stages in the project life cycle that should be clearly distinguished and under different responsibilities. Identification must be needs driven and therefore not carried out by technical branch specialists who may tend to apply a ‘solutions looking for problems’ approach. Carry out proper needs analysis for every intervention planned. Do not copy and paste programmes and projects from other country contexts.

The IP document

IP documents must serve several functions. They should provide an analytical framework, define common coordination, updating and reporting mechanisms and guide the projects coming under the IP. The analytical part should be enrooted in UNDAF. Management arrangements must be specific and realistic. IP documents should be living documents that reflect realities on the ground. They should be kept relevant through jointly agreed and punctual updating. Different versions must be clearly distinguishable.

UNIDO senior management should be aware of the risks of introducing substantive changes to formulated programmes based on political reasons. In cases where such changes are introduced these should be properly implemented into the IP document through the agreed updating mechanisms.

Fundraising

To avoid funding gaps, disappointment and loss of morale on all sides UNIDO should not implement an IP with use of its own seed funding alone. In cases where adequate donor funding is not mobilised from the start, UNIDO should utilise the seed funding for preparatory assistance projects to help establish a niche for itself and attract donor funding.
Implementation

IP components should be implemented in a logical manner that is not solely determined by the availability of funds. Otherwise, well-designed integrated programmes can fall apart.

The usefulness of having the Regional Bureau involved together with a team leader from a technical branch turned out to be questionable. The case of the IP Jordan illustrates the difficulties and also tensions that can arise from unclear responsibilities and reporting lines. Oversight roles and reporting lines between the Regional Bureau the Team Leader and the project managers were not clearly described and thoroughly implemented at the time. Since 2005 the team leadership of IP’s is clearly allocated to the Regional Bureaux. Overcoming the remaining uncertainties of roles and competencies should be a priority of the organisation.

It is inadvisable to move ahead with programme implementation in the absence of project staff in the field and joint oversight mechanisms with the Government like a Steering Committee. It would be advisable to withhold implementation of future programmes until a joint Government-UNIDO PAC has approved the programme.

RBM and Monitoring

IP’s must be designed on the basis of logframe with a proper distinction between outputs, outcomes, objectives and indicators. All UNIDO programme staff, including at the field implementation level, should be provided and familiarised with tools that help to identify, measure and report on these different levels. IP reporting must rely on a proper data gathering and monitoring scheme, which requires resources (human, time and financial). IP’s should consider joint monitoring schemes for different projects.
UNIDO corporate strategy

UNIDO should compete more effectively in the development scene and define its roles and niches more carefully:

- UNIDO should capitalize on its unique position as a neutral multilateral institution to support policy coordination, policy dialogue and transparent governance by bringing stakeholders together. The difference between “Global Forum” and Technical Assistance is artificial and should be overcome.

- By definition the Ministry of Industry is UNIDO’s ‘natural’ counterpart. However, certain types of activities require alternative counterpart arrangements. One examples is poverty alleviation, which does often not come under the remit of the Ministry of Industry. Another example is acting as a moderator between different ministries in areas such as Food Safety, which requires an independent position of UNIDO, possibly with the Ministry of Planning or the Prime Minister. To fully develop the potential of its Corporate Strategy UNIDO must diversify its counterpart structure, wherever necessary.

- Supporting governments with industrial policy governance is a core competence of UNIDO. This involves coordinating industrial development, harmonisation, stakeholder dialogue and alignment of donor activities. However, the emphasis on ‘partnership’ as a modality in development cooperation requires participatory planning and a multi-stakeholder approach to policy development under national leadership and accountability. Thus, UNIDO should develop its niche in aid effectiveness and alignment for industrial policy development. To this end it should identify best practices in the approaches and mechanisms necessary for the development of industrial policy governance.
1. Country Situation

Jordan is a small kingdom with a population slightly above 5 million. Located at the heart of the Middle East between Saudi Arabia, Iraq, Syria and the Palestinian West Bank, with Lebanon and Egypt within easy reach. It is a highly vulnerable country particularly as it does not enjoy abundant natural resources, and fertility is limited to the areas to the north and west of the country. Most of the country has a harsh desert climate. Jordan’s main sources of foreign exchange earnings have traditionally come from the Jordanian workers in the Persian Gulf States, tourism and phosphate minerals. Jordan is therefore highly vulnerable to external shocks, whether of the market kind or conflict. The first Gulf War in 1990/91, for example, resulted in decreasingly labour engagement in the Gulf States. Jordan’s economy has been in need of diversification with increased international trade as much for security reasons as for economic gains. Structural adjustment programmes were launched in 1989, causing unemployment and stagnation, but at the same time, reducing inflation and enhancing stability. Deliberate moves were made to open up the economy, and in year 2000, Jordan became the first regional country to join the WTO. Similarly, Jordan entered into trade agreements with the EU, USA and the Arab States.

This strategic move, however, resulted in an urgent need to further modernise Jordan’s economy in order for the country’s producers to be able to compete in international markets. Donor support, increased considerably with further conflicts igniting in Iraq and Palestine, was used to help identify and support investment opportunities in human resource development and productive sectors. Jordan also targeted the IT sector, opting for a policy of reliance on high human resource capacity.

The manufacturing sector, however, constituted less than 15% of the GDP, and has consistently underperformed other sectors in Jordan, and also as compared to other middle income countries. Jordan’s economy is dominated by the service sector. About half of the working population is employed in
public services. Indeed, the sector identified by the IP employed only about 16% of the industrial work force in 1997, and came fifth in ranking by sector after pharmaceuticals, chemicals, furniture and garments. Food exports constituted only about 17% of exports in the same year. Jordan was a net importer of food, but produced surpluses in fruits, vegetables, eggs, poultry and olive oil.

Most donor support to industry was concentrated on other sectors (with exception of olive oil that had everyone’s attention), and the IP’s concentration on the food sector was strategic.
2. Programme identification and formulation

The Jordan IP was originally designed with the overarching objective to: “contribute to the development of the food industries in particular and the manufacturing sector in general, thus addressing one of the major challenges that the country is facing now. It will consequently enhance living standards, increase the country export revenue and set a path of sustained economic and social development”.

The original design included two main components, each with four related subcomponents as follows:

<table>
<thead>
<tr>
<th>Component 1: Making the Food Industry more Competitive, Safer and Cleaner</th>
<th>Initial Budget 1999 Doc</th>
<th>Component 2: Supporting a Conducive Business Environment</th>
<th>Initial Budget 1999 Doc</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improving Food Safety</td>
<td>$378,000</td>
<td>1. Industrial Policy</td>
<td>$346,500</td>
</tr>
<tr>
<td>2. Upgraded and Cleaner Food Processing Technology and Packaging</td>
<td>$468,000</td>
<td>2. Investment Promotion</td>
<td>$1,047,706</td>
</tr>
<tr>
<td>3. Quality and Business Performance</td>
<td>$611,000</td>
<td>3. Environmental Protection, Energy Efficiency &amp; Waste Management</td>
<td>$1,015,000</td>
</tr>
<tr>
<td>4. Development of Business Organisations in the Food Industry</td>
<td>$27,250</td>
<td>4. Industrial Information Network</td>
<td>$581,000</td>
</tr>
<tr>
<td><strong>Sub-Total Component 1:</strong></td>
<td><strong>$1,484,250</strong></td>
<td><strong>Sub-Total Component 2:</strong></td>
<td><strong>$2,990,206</strong></td>
</tr>
</tbody>
</table>

**TOTAL IP Budget foreseen: US$4,474,456**

The IP was designed through a process initiated in May 1999 when a common understanding was reached between UNIDO and the MoIT on the TOR for a UNIDO programming mission that took place over 17-24 September 1999. The Ministry had highlighted ‘the competitiveness improvement of the manufacturing sector as top priority’¹.

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The one-week mission to Jordan consisted of a six-member team from Vienna HQ together with the UNIDO Regional Representative in Lebanon. The IP document was subsequently prepared ‘in consultation with senior government and private sector officials including H.E. the Minister of Industry and Trade\(^2\).

The UNIDO Executive Board approved the IP Jordan in December 1999 with an increased budget of $5.4 million, and an Italian contribution of over US$1.0 million that had been ‘set aside’\(^3\) in October 1999 was included as subcomponent 2.2 (Investment Promotion) in the document. The Italian contribution remained the only donor funding for the IP throughout its implementation. UNIDO utilised $564,000 of its own funds as ‘seed funding’ for the programme that has continued to-date. Jordanian Government approval of the IP was obtained in 2001. UNIDO’s initial approval of the seed funding was based on condition of clarity regarding government funding expected, but this was reversed by end 2000.

Approval of the IP by Executive Board of UNIDO and initiation of implementation (particularly of the Investment Promotion subcomponent that started in October 2001) prior to the Jordanian Government approval of the programme in the context of limited prior collaboration with UNIDO in Jordan, did not signal clear ownership of the programme by the Government at the formulation stage. The practice of programme approval at UNIDO HQ senior management level, including the Director General of the organisation, without formal Government clearance is questionable because any cooperation framework should by nature be approved jointly by the main parties involved. A long time lapse in approval by the Government after implementation of one components had already been initiated leaves the impression of one partner getting dragged into the framework by the other. It would have been advisable to withhold implementation until a joint Government-UNIDO PAC had approved the programme.

Table 1 shows the main dates of the IP development since its inception in 1999.

\(^2\) Ibid.
\(^3\) 1999 IP Document, p. 10.
Table 1: Key dates and events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/99</td>
<td>Initial IP document (estimated budget 4,474,456 US $)</td>
</tr>
<tr>
<td>05/00</td>
<td>Funding for investment component secured from Italy (IPU)</td>
</tr>
<tr>
<td>08/00</td>
<td>UNIDO letter to Ministry of Industry (Jawaad Hadid) requesting support for mobilisation of funds for other components</td>
</tr>
<tr>
<td>09/00</td>
<td>Concretisation and streamlining of plans (‘fish-bone exercise’)</td>
</tr>
<tr>
<td>10/00</td>
<td>IPU becomes operational (subcomponent 2.2) with offices in JIB</td>
</tr>
<tr>
<td>12/00</td>
<td>Mol (Wasef Azar) informs UNIDO that MoP has expressed its readiness to contribute 1 million US $ for training from the SPP fund</td>
</tr>
<tr>
<td>01/01</td>
<td>UNIDO allocates ‘seed money’ (424,000 US $)</td>
</tr>
<tr>
<td>01/01</td>
<td>IP launching; UNIDO informs MoI about job descriptions for experts</td>
</tr>
<tr>
<td>02/01</td>
<td>UNIDO mission to Jordan</td>
</tr>
<tr>
<td>03/01</td>
<td>UNIDO DG visit to Jordan; Mol “states readiness to work closely with UNIDO to raise the remainder of funding required”; signature of MoU</td>
</tr>
<tr>
<td>05/01</td>
<td>Freezing of not yet committed funds (107,000 US $) and allocation of an additional budget of 140,000 US $ to rural development (Ajloun)</td>
</tr>
<tr>
<td>05/01 – 08/01</td>
<td>8 international UNIDO consultants undertake analytical field work</td>
</tr>
<tr>
<td>06/01</td>
<td>UNIDO mission to Jordan; establishment of steering committee;</td>
</tr>
<tr>
<td>08/01</td>
<td>Designation of Mr Qudah as UNIDO National Program Coordinator</td>
</tr>
<tr>
<td>08/01</td>
<td>Reallocation of all remaining funds to rural development (Ajloun)</td>
</tr>
<tr>
<td>10/01</td>
<td>Mol reiterates its readiness to allocate 1 m. US $ from SPP fund; MoP indicates readiness to allocate 100,000 US $ to Ajloun activities</td>
</tr>
<tr>
<td>12/02</td>
<td>Soap making trials with traditional boiling process</td>
</tr>
<tr>
<td>08/03 09/03</td>
<td>Training of Ajloun women in improved soap making process</td>
</tr>
<tr>
<td>11/04</td>
<td>Additional funding support for IPU and extension of the subcomponent</td>
</tr>
</tbody>
</table>

In March 2001, and following a visit by the UNIDO DG to Jordan to formally launch the IP, a number of new subcomponents (with little or no relationship to the original IP concentration on the food sector) were identified for the programme. In addition, UNIDO was requested to reorient the IP toward poverty alleviation in the rural sector. Hence, the IP was finally launched one and a half years after its formulation, but with a strong political jolt to its future.
direction. The situation could be compared to a race that is finally started after a long delay, with the running team being transported onto a different and unknown race course as soon as they finally managed to start the race at full speed, and going extra fast too to catch up on lost time. A number fell soon after the start, and the rest never truly found their way along the new unknown territory. Only those who had started the race before others (Investment promotion subcomponent) and those that joined the race later than the main team (Poverty reduction subcomponent) really had a chance. One went its own way never to be caught up with and with a different set of sponsors. The other carried on at a slow pace, but managed to reach further than most while at the same time exerting a pull factor and influence on the speed of others.

Component 1: Making the Food Industry more competitive, safer and cleaner

The overall objective of this Component was to assist in the establishment of a reliable food inspection and food safety assurance system meeting the international requirements. Critical problems identified included weaknesses in the organisation of food inspection and regulations as well as in the capacity of institutions involved were to be addressed. The document does not set any specific indicators to measure overall success under this Component. However, the IP Team Leader’s Progress Report of 30 Oct 01 has the following success indicator included for Component 1:

“At least 80% of the products produced by the targeted medium enterprises meet the safety and quality market requirement by Sept. 01 (rejections reduced to the minimum required and sales increased by at least 10%)”

Target beneficiaries:

- The public and private institutions providing support to the food industry in the field of food safety and quality: Inspection and food control services, R&D and training institutions, food laboratories, consulting firms, professional associations, etc.
- The food SMEs, which will benefit from improved food safety activities
- The micro scale and cottage food processing operators, which will increase their income and promote rural employment
- The whole country because of the impact on exports and employment.

In order to achieve its overall goal, the Component comprised of four subcomponents covering:
  - Food safety
  - Cleaner food processing technology and packaging
  - Improving quality and business performance in the sector
  - Development of business associations

**Subcomponent 1.1: Improving Food Safety**

This subcomponent had the ‘establishment of a reliable food inspection and food safety assurance system meeting the international requirements’ as its overall objective with an indicative budget of $474,000. The critical issues identified were ‘processing technologies not mastered and clean technology principles not applied’. The outputs foreseen and success indicators identified were clear, as given in the table below:

<table>
<thead>
<tr>
<th>Subcomponent 1.1: Improving food safety</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target Outputs</strong></td>
</tr>
<tr>
<td>1. The national coordination framework for food safety well organized</td>
</tr>
<tr>
<td>2. The food control regulations compiled, updated and simplified</td>
</tr>
<tr>
<td>3. The institutions in charge of food inspection and food safety assurance strengthened</td>
</tr>
<tr>
<td>4. The capacity of the actual food laboratories strengthened</td>
</tr>
<tr>
<td>5. A critical mass of high qualified national expertise created within the support institutions in food safety assurance through training</td>
</tr>
<tr>
<td>6. GMPs and HACCP applied by at least 20 food processing plants at the completion of the programme However, not</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
However, there is no overall indicator given for the overall objective. In addition, the baseline situation is not provided for the indicators identified, thus raising questions on the viability of measuring results.

Food safety is a political issue in most countries, and UNIDO’s efforts in several countries have faced political obstacles. Technical solutions are relatively clear, but implications of actual implementation of food safety regulations, the impact on production costs and practices, and the expected dilemmas and tension in bringing public sector ‘inspectors’ into close interaction with producers are difficult, and must be handled with care (see Success Indicators 2 & 3 above). The situation is often complicated by perceptions or actual predominance of corrupt practices. In general, where the Government (at the highest levels of authority) is strongly committed to improvements in the sector, results can be achieved. For this reason, it is important for UNIDO to concentrate more on such issues in the formulation and design of food safety related activities, otherwise ‘failure’ of the subcomponent to reach its stated goals is probable. Risks should be more clearly outlined, and a clear confidence-building strategy should be outlined. The influence of private sector ‘leaders’, for example, can be effectively mobilised. This should perhaps have been more prominent in the Jordan IP, as the country’s public sector is bloated and in need of rationalisation. Strengthening the voice of the sector’s associations and their advocacy role has been foreseen as part of the IP to boost to general awareness of and support for better food safety practices among the producers, regulators and inspectors alike. However, the respective subcomponent did not materialise due to lack of funding.

**Subcomponent 1.2: Upgraded and cleaner food processing technology and packaging**

This subcomponent was originally designed to concentrate on packaging technologies with a budget of $612,000. It enjoyed synergy and a shared ‘immediate objective’ with subcomponent 1.1, particularly through concentration on 20 companies identified for upgrading. The significance of concentration on packaging was in line with the needs of the market. Its
success indicators too are in general more realistic and targeted. However, as is the case with most IP activities outputs, their expected impact on sales, employment, exports etc. are not identified. This, again, points to a lack of results orientation in formulation, and reduces UNIDO’s chances of demonstrating real success in business development.

| Subcomponent 1.2: Upgraded and cleaner food processing technology and packaging |
|---|---|---|
| Outputs | Success indicator | Baseline Situation |
| 1. A critical mass of high national qualified expertise created within the support institutions in upgraded and clean food processing technology Waste minimization, by-products processing and effluent treatment. | 1. The support services required by the food industry is available in the country in terms of quantity and quality | Not specified |
| 2. Upgraded and clean food processing technologies introduced in the food industry sector | 2. At least 20 food enterprises use appropriately upgraded food processing and have introduced upgraded packaging and clean technology principles. |
| 3. The local capacity and capabilities in print and packaging strengthened | 3. A capacity created in the country in terms of packaging design, production, printing and quality control as well as training on the same; |
| 4. Appropriate micro and small-scale food processing/packaging technologies as well as food hygienic and safety practices introduced in at least 4 pilot operations to be established for demonstration and training purposes. | 4. 10 national experts trained in design, production, printing and quality control of food packaging; |
| | 5. One factory has introduced upgraded technology for packaging production; |
| | 6. 5 food factories have improved their packaging |
| | 7. 40 trainers and 100 entrepreneurs trained. |

The subcomponent was in the end reformulated – though its structure was not changed in the revised IP document in 2001 – to concentrate on poverty alleviation activities, supporting rural small-scale production of olive oil-based soap in Ajloun Province. This is elaborated on under the ‘Implementation’ section of this report.
Subcomponent 1.3 Quality and business performance improvement

The objective of this subcomponent was to ‘upgrade quality and support services institutions to assist Jordanian Industries to increase their competitiveness through the implementation of a programme for improving quality and business performance of a group of pilot enterprises in the food sector’ with a foreseen budget of $975,000. The problems identified were related to poor competitiveness of the sector due to poor performance (productivity, quality, costs); low economies of scale; inadequate access to consultancy, auditing and support services that deal with quality and business performance; weak management and technology level; underdeveloped supply chain; an over-emphasis on ISO 9000 versus improvements in business and quality performance; quality Control systems for food industries not widely implemented; no integration/harmonization of improvement in terms of competitiveness, quality, safety, waste minimization and energy saving. Its outputs and success indicators are given in the table below:

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Success indicator</th>
<th>Baseline Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Local Capacity built in standardization, quality and GMP through demonstration in pilot enterprises 2. JISM Strengthened in to foster international recognition</td>
<td>Skill upgraded of staff of key institutions to respond to the needs of users 1. Know-how transferred to a group of Jordanian experts: Methodology and tools. 2. Group of food enterprises with improved performance (demonstration to the whole sector. 3. At least two auditors accredited as internationally recognized lead auditors.</td>
<td>Not specified</td>
</tr>
</tbody>
</table>

The approach would be to help improve performance of selected food sector companies with a mix of inputs to enhance, productivity, management and product quality, waste minimisation, energy savings and cleaner production. Between 20 and 30 pilot-enterprises would be selected during the implementation phase utilising a ‘system approach’ developed by UNIDO in several countries. The methodology would allow, through a quality and management survey, self-assessments and diagnostic evaluations to devise 15-month plans for overcoming constraints. Project costs were to be shared
with the companies involved, and their contributions would be used as a revolving fund to benefit Jordanian food industry. The diagnostic skills and system theory approach would be transferred to trained national experts.

The subcomponent was rather well described, innovative and promising, particularly as it introduced a new approach together with sustainability considerations. Its central weakness was in the lack of an appropriate counterpart organisation that could have implemented the approach with good prospects for sustainability.

**Subcomponent 1.4: Development of business organizations in the food industry sector**

This subcomponent aimed to support business associations in the food sector with an initial budget of $27,250 for preparatory assistance. Weaknesses identified included: interests scattered over a number of business organizations; limited capacity of these organizations to (a) represent the interests of the sector (advocacy) and (b) provide services to their members; limited inter-enterprise co-operation to address common problems/jointly seize business opportunities; no linkages between export-focused medium size enterprises and micro- and small enterprises

<table>
<thead>
<tr>
<th>Subcomponent 1.4: Development of business organizations in the food industry sector</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Success indicator</th>
<th>Baseline Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action plan for strengthening of the business organizations in the food industry sub-sector prepared, discussed and agreed upon with the local stakeholders (preparatory phase), and proposal for UNIDO support (main phase) formulated</td>
<td>Preparatory phase: overview of the existing capacity of the business organizations in the sub-sector, of their needs and of gaps in external assistance, with a view to strengthening their capacity as representatives of and service providers for enterprises in the sub-sector The findings of the preparatory work will serve as input for formulation of main phase of UNIDO’s support to strengthening of the capacity of business associations in the food processing sub-sector</td>
<td>Not specified</td>
</tr>
</tbody>
</table>
There are two initial observations of relevance to this subcomponent. First, it is the only one that – in the face of funding limitations - is written realistically and in the form of a preparatory assistance initiative without predetermined outputs. The second observation is that the dynamics and potential lead role of the private sector in improving food safety and productivity are poorly considered. This likely reflects a lack of a history of cooperation with the Jordanian private sector associations by UNIDO coupled with what could be described as a top-down approach to such issues by the Jordanian Government.

Summary for Component 1:
The four subcomponents form a solid foundation for the intended outcomes. Moreover, each subcomponent is described in detail in the relevant sections in the document. However, synergies with ongoing and pipeline donor programmes is lacking except for subcomponent 1.3, and then only as a statement of intent rather than a concrete proposal. Moreover, the Component as a whole was perhaps written without due consideration for two central issues:

- The public sector in Jordan is in need of rationalisation. The size of the private sector, and the manufacturing sector in particular, is relatively small. As such, the approach of Component 1 to concentrate heavily on the public sector actors (7 separate governmental institutions listed for this Component alone) was perhaps misguided. Furthermore, a host of other institutions are listed also as counterpart institutions, and one gets a distinctly confused impression of who was to be involved especially as the national coordinating body. A more industry-oriented approach with greater reliance on a lead role for private sector associations with the MoIT as the coordinating body may have been more appropriate. Thus, subcomponents 1.1 to 1.3 could have been implemented through subcomponent 1.4 with the MoIT as the Government focal point.

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4 These include: Ministries of Industry and Trade, Health, and Agriculture; Jordan Institution for Standards & Metrology; Royal Scientific Society; Jordan Industrial Estate Corporation (semi-governmental); and Jordan Enterprise Development Corporation (semi-governmental)
The Component is over-prescriptive. Only one subcomponent (1.4) is presented as an intervention that would be based on an initial needs analysis and detailed consultations. The others each have between 2 to 6 predetermined outputs. This would only succeed in cases where a solid understanding has been reached with all the counterparts listed, but the IP document does not give such an impression.

Component 2: Supporting a Conducive Business Environment

The overall objective of this Component was to improve the business environment in general. The document does not set any specific indictors to measure overall success under this Component. However, the IP Team Leader’s Progress Report of 30 Oct 01 has the following overall success indicator for Component 2:

- Strengthen the capacity of the Ministry of Industry & Trade in a) industrial policy formulation, implementation and monitoring, and b) promoting industrial subcontracting and partnership

It is clear at this stage that this success indicator would be difficult to measure as the baseline situation – ‘capacity of the Ministry’ – would be difficult to ascertain in the absence of a functional analysis of the institution prior to the launch of interventions. Moreover, ‘promoting’, in itself, is a rather soft target, and not so useful as a goal unless the intended outcome of such promotional work is stated.

Component 2 likewise had four subcomponents covering:

- Industrial policy
- Investment
- Environmental Protection, Energy Efficiency & Waste Management
- Industrial Information Network

In general, these sector-wide subcomponents were also designed to support the food sector too, but in a less direct fashion. As such, the integrated approach of the IP is well maintained.
**Subcomponent 2.1: Industrial Policy**

This element was designed to support the capacity of the Ministry of Industry and Trade in (a) industrial policy formulation, implementation and monitoring, and (b) promoting industrial subcontracting and partnerships with a budget of $436,500. The critical issues identified covered the lack of a coherent industrial policy, due primarily to (1) a lack of coordination among the various ministries; (2) lack of coordination among the various private sector representatives, (3) no established tradition of industrial policy making, and (4) poor policy capacity in the MoIT. Among the numerous donors there is also poor coordination and no concerted effort to build up capacities in making industrial policies; rather, their focus is on specific sectors (electronics) and strategies (modernization).

The outputs and success indicators are described in the following table:

<table>
<thead>
<tr>
<th>Subcomponent 2.1: Industrial policy</th>
<th>Foreseen Budget: $436,500</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outputs</strong></td>
<td><strong>Success indicator</strong></td>
</tr>
<tr>
<td>1. New capacity in the MoIT to formulate, implement and monitor industrial policies.</td>
<td>1. Two to three MoIT staff fully trained in industrial policy making</td>
</tr>
<tr>
<td>2. Better coordination among ministries and donors in the area of industrial policies for Jordan</td>
<td>2. The continued functioning of an industrial policy entity (A Policy Unit) ensured through a specific line item in MoIT’s annual budget</td>
</tr>
<tr>
<td>3. Reactivation strategy and action plan for promotion of subcontracting and partnerships based on in-depth analysis of past efforts…</td>
<td>3. Regular, continued interaction with the private sector on policy issues.</td>
</tr>
<tr>
<td>4. Reactivation strategy and action plan for promotion of subcontracting and partnerships based on in-depth analysis of past efforts…</td>
<td>4. Regular, continued interaction among ministries and donors on policy issues</td>
</tr>
<tr>
<td><strong>Baseline Situation</strong></td>
<td>Not specified</td>
</tr>
</tbody>
</table>

The combination of policy and coordination of inputs for industrial policy development was highly pertinent, and anticipated major trends in development cooperation discourse on harmonisation and alignment in the new Millennium. However, detailed reviews of the related work plans reveal over-concentration on MoIT policy capacity by UNIDO, and weaker consideration of coordination systems and, in particular, specific mechanisms for inputs by donors and the private sector. Effective coordination requires specific capacities and tools, (beyond simple sharing of finished policy and strategy products by a Policy Unit), transparent governance, and a commitment to real engagement with all partners involved under Government
leadership. The IP document lacks a review of existing coordination mechanisms out of which a realistic set of recommendations could be devised for the way ahead. It is highly recommended that UNIDO develop its own capacities and instruments for support to industrial development coordination, harmonisation and alignment efforts of national governments. It is also recommended that the MoIT concentrate on its coordination role in the industrial sector in support of central coordination efforts by MoP.

Subcomponent 2.2: Investment Promotion

The immediate objective of this element of the IP was to realise a number of business-oriented industrial cooperation agreements between Jordanian investors and foreign partners, especially in the SME sector with an initial budget of $1,047,706. The critical issues to be addressed were insufficient capabilities and entrepreneurial vigour of the small and medium size enterprises in Jordan to promote and implement international partnership agreements. An Investment Promotion Unit was to be set up within the Investment Promotion Corporation of Jordan, affiliated to the MoIT.

### Subcomponent 2.2: Investment Promotion

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Success indicator</th>
<th>Baseline Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Industrial investment opportunities in Jordan identified and brought to the attention of potential foreign investors through UNIDO Investment and Technology Promotion network.</td>
<td>1. Number of projects promoted, number of projects identified, number of project profiles distributed, number of Jordanian companies registered in the data bank, number of training seminars, number of foreign companies visiting Jordan to discuss specific projects, number of Jordanian companies visiting potential investors abroad.</td>
<td>Not specified</td>
</tr>
<tr>
<td>2. Potential investors (both local and foreign) assisted in the promotion of investment projects (from the initial contact stage to the conclusion of contract/agreement)</td>
<td>2. Number of advisory services offered, number negotiations conducted, number of projects concluded</td>
<td></td>
</tr>
<tr>
<td>3. Upgraded skills and managerial capabilities of entrepreneurs, managers, administrators and government staff involved in implementing and supporting investment projects in Jordan</td>
<td>3. Number of advisory services offered, number negotiations conducted, number of projects concluded</td>
<td></td>
</tr>
</tbody>
</table>


This was the only component of the IP with pre-arranged funding by a donor (Italy). The IPU was to be a part of the UNIDO ITPO (Investment and Technology Promotion Offices) network, headquartered in Milan and funded by the Italian Government. The IPU would be primarily geared toward promoting cooperation between Jordanian and Italian businesses, despite a more neutral language used in the IP document. It would specifically provide opportunities for networking and investment promotion between the countries, and would also provide credit support services for Jordanian companies to acquire machinery and expertise from Italian companies. As such, it was as much aimed at promoting investments by Italian companies. This component also had a full office and staff support foreseen, and could also have been identified as a locus for the coordination of the IP. Its location within the Jordan Investment Board premises was also strategic as the latter is directly linked with the MoIT, yet had separate premises and links with the private sector.

Subcomponent 2.3: Environmental Protection, Energy Efficiency & Waste Minimization

This subcomponent was designed to support environmentally sustainable industrial development by overcoming ‘serious industrial pollution and insufficient waste management’ with an estimated budget of $1,240,000. Relevant outputs and success indicators are given below. The thrust of this initiative was to provide advice, training and equipment for cleaner production and energy efficient technologies, waste management and environmental monitoring. The IP’s strategy was to concentrate on up to 20 food manufacturers, and to use a core of trained persons to carry out further training and advocacy. Through lack of funds, this component was not implemented, and its core objective to address cleaner production needs were incorporated in the implementation of subcomponent 1.3 (quality and business performance improvement).
### Subcomponent 2.3: Environmental Protection, Energy Efficiency & Waste Minimization

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Success indicator</th>
<th>Baseline Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strengthening the enforcement of environmental legislation.</td>
<td>1. Percentage of complying industry; Number of enterprises introduced environment management systems; Increased level of enforcement</td>
<td>Not specified</td>
</tr>
<tr>
<td>2. Strengthened environmental monitoring system with the introduction of new chemical and biomonitoring methods</td>
<td>2. Number of new methods introduced in the monitoring system</td>
<td></td>
</tr>
<tr>
<td>3. CP in-plant assessments including integrated CP/EMS assessments and feasibility study for a National Cleaner Production Centre</td>
<td>3. 1 Sector specific integrated CP/EMS project conducted and through this integrated CP/EMS assessment carried out at 8 companies. The expected results of these in-plant assessments are a reduction in the pollution load of 20% and better economic performance of the companies, 6 national consultants trained to carry out integrated CP/EMS as 3. CP in-plant assessments including integrated CP/EMS assessments and feasibility study for a National Cleaner Production Centre</td>
<td></td>
</tr>
<tr>
<td>4. Pilot study for industrial waste management</td>
<td>4. Strategies and action approved by counterpart</td>
<td></td>
</tr>
<tr>
<td>5. Pilot study for introduction of Eco-labeling.</td>
<td>5. Pilot study for introduction of Eco-labeling.</td>
<td></td>
</tr>
</tbody>
</table>

**Subcomponent 2.4: National industrial information network**

The last element of the IP had the objective ‘to create a national industrial information network’ with emphasis on the food sector with an estimated budget of $611,000. This was aimed at overcoming challenges posed by ‘Weak organization and lack of available right type of industrial and technological information’.

This subcomponent was designed purely to provide information services to the industrial sector. Such information would revolve around: a) info needed by entrepreneurs and industrialists on technologies, processes, training etc needed to facilitate investment project decisions, and b) governance, statistical information, sector-wide information, environment etc needed for policy makers. While the need for good information is clear – in all development activities – the specifics needed by Jordan (e.g. through an
Subcomponent 2.4: National industrial information network

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Success indicator</th>
<th>Baseline Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. An information system is established among institutions providing governance-related information.</td>
<td>1. An information system is established among institutions providing governance-related information.</td>
<td>Not specified</td>
</tr>
<tr>
<td>2. An information system is established among institutions providing information related to environmental protection, energy efficiency and waste minimization.</td>
<td>2. Information system is established among related institutions based on the Internet LAN &amp; WAN technology.</td>
<td></td>
</tr>
<tr>
<td>3. A computerized national industrial information network established among public and private sectors institutions providing information and value-added support services to the Government planners and decision-makers as well as to the private sector.</td>
<td>3. A national industrial information network established.</td>
<td></td>
</tr>
</tbody>
</table>

Summary of Component 2

Component 2 is fairly integrated in its approach. However, the lack of a detailed analysis of the main institution targeted for capacity building in this Component (MoIT) would have implications for its viability, and undermines its credibility and coherence. This is even more important in the case of Jordan where, as the IP clearly indicates, there is a large number of overlapping and relevant donor-funded programmes. As in Component 1, the prescriptive approach of Component 2 (with the exception of output 2.1.2) was not backed up with hard research and participatory planning with partners involved.
The programme document

Preparations for the programme had started in May 1999, and the document was completed in November 1999 following a one-week formulation mission to Jordan in September. Despite the very short duration of the formulation mission, the IP document is very detailed on activities and outputs foreseen. The link between these activities and the analytical part of the document and the overall goals is not so clearly demonstrated, however. This gives a general impression of a blueprint approach by UNIDO. This approach is problematic, in particular in the case of Jordan for a number of reasons.

There was little or no previous history of similar collaboration with Jordan in areas specified. Thus, a one-week mission in September 1999 would not be adequate to justify such a detailed plan of activities in the absence of an overall country framework for cooperation that would help determine the specific role and additionality of UNIDO in Jordan in the context of a wide array of overlapping donor-funded programmes. In a sense, the Jordan IP was aiming to run before learning to walk.

A ‘Country Framework for Technical Cooperation’ was prepared subsequently in March 2001. However, this was no more than an even more elaborate set of detailed activities and outputs intended with timelines and work plans. This framework too was prepared by the UNIDO IP team (comprising of the various subcomponents’ technical focal points and the Team Leader) in Vienna, and was presented to the Jordanian counterparts in February 2000 during the mission of the Team Leader.

It is also apparent that despite its actual contents, a number of those responsible for the formulation and implementation of the Jordan IP in UNIDO saw a two-stage implementation phase (for the non-policy components). This is apparent from various implementation progress reports available. The first phase would be concerned with a selection of about 20 food sector pilot enterprises to be supported through both Components mainly through use of UNIDO’s own resources. The second phase would be a grander programme
with donor funding generated through the promotion of demonstrated successes after the first phase. This understanding is not founded in the programme document, however. Had the IP document been written in this fashion more clearly, it would have reduced chances of misunderstandings with UNIDO’s partners. The IP could have been written as a preparatory assistance document with a budget of around $0.45 million – excluding the Italian-funded Investment Promotion subcomponent, and reflecting available funds - with fewer components and simpler goals, and had a follow-up programme proposal attached as an annex, indicating the greater vision and possible way ahead contingent on actual results. As it was, the IP was a big plan with rather shaky foundations, despite its own stated claim to the contrary. The section entitled “Rationale for UNIDO Strategy” (p. 10) states:

“…UNIDO will likely have only comparatively small amounts of resources available for the implementation of its activities…

Thus, UNIDO’s program strategy is based on the need to be complementary to other external assistance, to focus rather narrowly on one manufacturing branch (food processing including packaging) in order to create a noticeable impact and to leverage the available funds for investment promotion.”

Despite this very sober statement, the same IP document had 2 Components, 8 subcomponents, and close to ten public sector counterpart institutions listed (excluding private sector ones) with an overall estimated budget of about $4.5 million to start with.

Specific claims on its character – for example by an evaluation exercise! - in some places can be refuted by concentration on some other parts. This could be a reflection of UNIDO having too many individuals involved in the formulation exercise. It could also be a reflection of an organisational decision to forego preparatory assistance documents in favour of more holistic programme documents.
The IP document, however, does not address this function adequately. It would be more effective for UNIDO to become party to in-country UN cooperation frameworks: to participate in Common Country Assessments and the UNDAF (not mainstreamed in 1999 as yet), and to develop Country Programmes that can be supplemented with specific projects within a specified timeframe.

The IP also lacks the following:

- Comprehensive mapping of related donor and government activities
- A partnership strategy
- Contingency plans in case of inadequate funding
- A signature page

Programme management arrangements

The ‘Country Framework for Technical Cooperation’ also elaborates further on the management arrangements for the programme, and assigns specific counterparts for the management arrangements foreseen. These included a Programme Steering Committee (PSC) composed of:

- Secretary General of the Ministry of Industry and Trade as the Chairperson
- Ministry of Planning representative
- Representatives from the main institutions involved
- UNIDO Team Leader

The PSC thus had a rational structure that included all key counterpart institutions, and, rather importantly, the Ministry of Planning. It would meet semi-annually with the following responsibilities:

- Overall supervision of the programme
- Setting and defining programme policies and criteria
- Revision of programme implementation and performance, inc. financial matters
- Definition of the responsibilities of the Programme Supervision and Monitoring Committee
In addition the ‘Country Framework for Technical Cooperation’ foresaw a Programme Supervision and Monitoring Committee (SAMC) to be formed by the MoIT IDD, and composed of:

- Assistant Secretary General of the Ministry of Industry and Trade as the Chairperson
- Representatives of main institutions at the technical level
- UNIDO National Programme Coordinator (NPC)

The SAMC would be responsible for:

- Direct supervision and monitoring of programme implementation
- Implementation of PSC instructions and directives

The IP document had a practical approach in several respects, and the most important of these were reflected in the ‘Prior obligations and prerequisites’ section (p. 18), which lists the following prerequisites:

- Validation of the IP by MoIT
- Designation of counterparts
- Establishment of the Steering Committee

It is important to stress that the programme execution never met these ‘prerequisites’. The programme was launched in January 2001 but validation of the IP by the counterpart was not obtained until March 2001. Designation of counterparts remained confused with some internal competition between the Ministries of Planning and Industry. Formation of the Steering Committee was formally communicated by the MOIT to UNIDO on 14 June 2001, but never met officially, according to available information.

**Significant changes of the planning basis**

The March 2001 mission of the UNIDO Director General would prove to be an important event in the overall approach of the IP. The DG met with the highest authorities in the land, and there were several discussions on the
programming needs of Jordan. The mission resulted in an agreement to introduce the following new areas of collaboration in the IP:

- Establishment of a Regional Centre for Certification and Accreditation in Jordan
- RSS to become an associate regional centre for UNIDO’s Global Forum activities
- Red Sea-Dead Sea Channel project
- Training of Jordanian delegates from the tourism industry at UNIDO’s ITPOs
- Upgrading informal sector production of up to 3 agro-based products in poor geographical areas of Jordan

In addition, there was agreement on the following IP-related issues:

- Regular updates on progress achieved in the implementation of the IP to be sent to the Deputy Prime Minister for Economic Affairs
- Preparation of a detailed proposal and revised breakdown of costs describing the intended use of the Jordanian contribution of $1 million from the SPP

It is interesting to note that a wide selection of new components were to be added to the IP at a time when efforts to finalise agreement on existing components had not yet matured into implementation. Of the above, only the poverty-oriented component was in fact introduced into the IP. This will be elaborated on further below in the implementation section. Suffice here to say that a new version of the document was to be prepared in 2001, while a single component – IPU – had already taken off with Italian funding. This was another indication of a disconnect between this subcomponent and other parts of the IP, probably resulting from the specificities of the funding arrangements of the IPU component.

The updated IP document in 2001, however, was surprisingly similar to the original in 1999. Not only were the new components not included in the 2001
version of the IP, there was no discernable difference between the two documents, other than the dates on the cover page. Other documents such as progress reports, however, tell a different story. In particular, subcomponent 1.2 was reformulated to include productive activities related to small-scale soap production in the rural sector with an additional input of $140,000 from UNIDO’s resources.

The reasons for this organisational failure to implement decisions made are unclear and complex. On the one hand, the Team Leader visited the country with a detailed proposal for the implementation of planned activities in February 2001. The relevant report indicates expectations on a signing ceremony regarding the IP by the UNIDO DG in March in Amman. The UNIDO DG’s high level mission to Jordan did include signing of a joint communiqué, but also resulted in a broad realignment of programme priorities that made the IP document almost obsolete. However, only minimal changes were implemented into the IP document. Almost five years later it is impossible to clarify all the reasons for this discrepancy. However, in the particular case of the Jordan IP, there were signs of a breakdown in communication between the senior management of the organisation and those responsible for programme implementation. This will be further elaborated on below.
3. Funds mobilization

The initial IP document with an estimated budget of $4.5 million was produced in November 1999 following a one-week mission to Jordan by a six-member team from Vienna HQ together with the UNIDO Regional Representative in Lebanon over 17-24 September 1999. The UNIDO Executive Board approved the IP Jordan in December 1999 with an increased budget of $5.4 million (for all dates see table 1 in chapter 2).

### Table 2: Funding overview

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Budget</th>
<th>Funds mobilised</th>
<th>Source</th>
<th>Total disbursed</th>
<th>% funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcomponent 1.1</td>
<td>$378,000</td>
<td>$96,433</td>
<td>UNIDO</td>
<td>$96,433</td>
<td></td>
</tr>
<tr>
<td>Subcomponent 1.2</td>
<td>$468,000</td>
<td>$164,702</td>
<td>UNIDO</td>
<td>$148,058</td>
<td></td>
</tr>
<tr>
<td>Subcomponent 1.3</td>
<td>$611,000</td>
<td>$62,667</td>
<td>UNIDO</td>
<td>$62,667</td>
<td></td>
</tr>
<tr>
<td>Subcomponent 1.4</td>
<td>$27,250</td>
<td>$22,254</td>
<td>UNIDO</td>
<td>$22,254</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Component 1</strong></td>
<td><strong>$1,484,250</strong></td>
<td><strong>$346,056</strong></td>
<td><strong>$346,056</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subcomponent 2.1</td>
<td>$346,500</td>
<td>$0.00</td>
<td>UNIDO</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Subcomponent 2.2</td>
<td>$1,047,706</td>
<td>$1,690,354</td>
<td>Italy</td>
<td>$1,188,625</td>
<td></td>
</tr>
<tr>
<td>Subcomponent 2.3</td>
<td>$1,015,000</td>
<td>$77,760</td>
<td>UNIDO</td>
<td>$77,760</td>
<td></td>
</tr>
<tr>
<td>Subcomponent 2.4</td>
<td>$581,000</td>
<td>$68,482</td>
<td>UNIDO</td>
<td>$68,482</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Component 2</strong></td>
<td><strong>$2,990,206</strong></td>
<td><strong>$1,836,596</strong></td>
<td><strong>$1,334,867</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>US$4,474,456</strong></td>
<td><strong>$2,182,652</strong></td>
<td></td>
<td><strong>$1,664,279</strong></td>
<td></td>
</tr>
</tbody>
</table>

An Italian contribution of over US$1 million was secured for component 2.2 (investment promotion) in two tranches in 2000 and 2005. However, this contribution remained the only donor funding for the IP throughout its implementation. UNIDO utilised almost $500,000 of its own funds for the programme without being able to attract external funding (see table above).

Sceptical views with regard to the funding prospects of the IP arose already at a very early stage. As early as January 2000, the UNIDO Regional Representative (URR) in Beirut was showing concern with possibilities for
resource mobilisation, and issues related to the government’s intended contribution that in fact never materialised.

Correspondence dating back to December 2000 inform of the Jordanian Government’s willingness to contribute $1 million to the IP from the Social Productivity Programme (SPP) for training and job creation purposes. During the UNIDO DG’s visit in March 2001 the Jordanian Ministers of Planning as well as Industry and Trade reaffirmed Jordan’s wish to use $1 million from the SPP for the UNIDO IP with certain conditions that included:

- A detailed proposal from UNIDO on how and where the resources would be applied within the IP
- Must be used to train unemployed persons and to create jobs
- Beneficiaries should be given a contract for at least one year

The Minister also stated Jordan’s readiness to help raise the remainder of funding required for the IP. The DG in return confirmed an additional $140,000 from UNIDO resources to be used for the IP. A series of fundraising initiatives were discussed such as visits to Vienna by Jordanian authorities to meet and discuss the IP with donor representatives; organisation of roundtables in Jordan with donor participants; and joint UNIDO/Jordan missions to the capitals of the main potential donors. There is little record on available files reflecting the follow-up to these decisions. A letter from the Minister of Industry to the UNIDO DG in May 2002 reaffirms Jordan’s commitment to the continuation of the IP and assures of the Jordanian Government’s willingness to help raise needed funds.

In practice, however, neither the SPP funds (except for a much more modest contribution of $50,000 to soap production under subcomponent 1.2 from the Planning Ministry) nor any additional donor funding were mobilised. The programme was thus implemented using UNIDO seed funding for all but one of the components.

An Executive Board decision on September 2002 on revisions to several IP’s including the Jordan one also included specific requests to the resource
mobilisation unit to develop a strategy on fundraising for the IP’s identified. The evaluation team did not come across any correspondence on follow-up action on this request, nor any signs of a team effort in UNIDO in relation to fundraising activities. The technical units, regional bureaux and the resource mobilisation unit did not appear to hold meetings for the purpose. Evidence of relevant activities such as group brainstorming on fundraising possibilities is missing.

This lack of joint fundraising efforts appears to explain much of the IP Jordan failure. More generally, in the case of the Jordan IP, intra-office emails and memoranda across departments were sometimes excessively formal and often also defensive in tone. While funding shortages have obviously placed a heavy burden on relations within UNIDO, the situation is not unique to UNIDO within the UN or the development industry. A more horizontal approach to management coupled with a deliberate effort to capitalise on the knowledge, versatility and leadership qualities of all professional staff is likely to lead to positive results in the alleviation of major constraints such as fundraising.

It is recommended that UNIDO should not implement a large integrated programme as in the Jordan case with use of its own seed funding alone. This is impractical and is bound to lead to disappointment and loss of morale on all sides. In cases where adequate donor funding is not mobilised, UNIDO should utilise the preparatory assistance project approach to help establish a niche for itself prior to the development of IP’s. This is particularly important in cases where no comparable prior assistance programme is in place.
4. Implementation of programme components

Except for the case of the IPU subcomponent already launched in 2000, the implementation of the IP began in January 2001 by contracting a number of consultants. During the period April to August 2001, a large number of consultancy missions were carried out under various components, as described below.

However, following the visit of the UNIDO DG to Jordan in March 2001, new priorities and components were decided upon. Focal points were assigned for the newly agreed priorities, and $200,000 from the seed funding not yet committed to consultants was reallocated together with the additional $140,000 made available on the occasion of the visit for three new areas of intervention, namely:

- Establishment of a Regional Centre for Certification and Accreditation in Jordan
- Red Sea-Dead Sea Channel project
- Rural areas community development in agro-industry and effective marketing of production\(^6\)

Thus the new priorities would be allocated the biggest share ($340K) of available UNIDO funds ($564K). The IP Team was to reduce all previous budgets by 50\% for a new ‘fishbone chart’ to be approved by the Executive Board of UNIDO.

In June 2001 the Team Leader returned to Jordan to discuss programme activities, establish a mechanism for coordinating and monitoring the Jordan IP, select an NPC, and discuss a work plan for the SPP funding for rural development. The mission report mentions actual establishment of a Steering Committee with relevant partners involved. However, there is no record of such a Committee ever becoming operational.

\(^6\) Message of Team Leader to Team Members, March 2001
The mission report also describes efforts to initiate plans for Phase II, based on achievements of Phase I of the IP. Further discussions on the use of SPP funds with the Ministry of Planning are included. According to the report, “It was decided that a mechanism for locating unemployed potential candidates to receive training would be identified by the Ministry of Planning in cooperation with the related Jordanian authorities.”

**Component 1: Making the Food Industry more competitive, safer and cleaner**

Under this Component, 4 subcomponents were foreseen, with the first being concerned with improvements in food safety, as described below.

**Subcomponent 1.1: Improving Food Safety**

<table>
<thead>
<tr>
<th>Subcomponent 1.1: Improving food safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related project codes: UBJOR00048 (Jan 01), &amp; XPJOR02014 (April 02)</td>
</tr>
<tr>
<td>Original indicative budget: $474,000</td>
</tr>
<tr>
<td>Actual expenditure: $96,433</td>
</tr>
<tr>
<td>UNIDO focal point: Mr. Ouaouich (PTC/AGR)</td>
</tr>
<tr>
<td>Counterpart organisation: Ministry of Industry</td>
</tr>
</tbody>
</table>

Implementation of this subcomponent was to be started in January 2001 with the initial allocation of over US$80,000 funding under budget code UBJOR00048.

A food safety consultant\(^7\) was fielded over April - June 2001 to:

- Assess the food assurance system in Jordan;
- Prepare recommendations for conformity with international requirements
- Organise a seminar to strengthen stakeholder awareness and obtain feedback on recommendations made
- Identify 10 pilot plants and prepare a GMP/HACCP programme adapted to their needs

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\(^7\) Mr. Willem Marsman
• Conduct a training workshop for selected staff from support institutions and pilot enterprises in food safety assurance.

The consultant’s report provided a comprehensive review of previously prepared technical reports on food safety and agricultural development (46 pages) as well as a review of food safety quality and standards mechanisms (12 pages) and briefly reports on 5 on-site visits. Based on this analysis the report produces wide-ranging recommendations in all areas reviewed, and paints a grim picture of food safety and inspection in Jordan with poor prospects for exports.

However, local consultations led to little agreement on the way ahead, and the consultant reports very negatively on the willingness of stakeholders - particularly among Jordanian public sector institutions - to participate in subsequent actions recommended. In general, the report is heavily concentrated on public sector obstacles, while it gives little attention to the potentially positive role that related private sector associations could play to help improve the situation. In the same vein, mechanisms for stronger lobbying by donors are not considered. This may be a design issue of the IP Component, in that it assumes the political will of counterparts in its structure and approach.

The consultant also carried out 9 days of training workshops (spread over 10 - 20 June) for three groups altogether comprising 111 persons, though details of participants, the training programme or impact of the exercise are not shown in the report. The project manager at UNIDO HQ reported\(^8\) that the mission would be followed up with the preparation of a proposal to streamline food safety inspection and support services for submission to the Government. This assertion does not match the consultant’s negative view of potential for collaboration and the evaluation team did not come across such a proposal.

As a result, the subcomponent did not produce any tangible results, reportedly due to lack of funding, though the tone of the report itself would put chances of future success in question. Rather interestingly, interviews revealed that food safety initiatives were implemented within 2 years with EU support in Jordan, using the same UNIDO consultant. It is therefore likely that the UNIDO initiative may have had a positive impact on public sector counterparts in the longer run. Although the evaluation team did not have adequate time in the field to verify this, it is clear that, in the Jordan case, UNIDO failed to capitalize on its unique position as a neutral multilateral institution to bring different stakeholders together in the areas of Food Safety. The potential of UNIDO to play such a role has been demonstrated through successes in Lebanon and Palestine, for example. It is recommended that coordination and support to transparent governance should be prioritised in similar UNIDO efforts in the future.

Under this subcomponent project budget, a second consultant – Ms. Elise Lapierre – was fielded concurrently in May 2001 to prepare a report on the development of agro-related activities with high potential for development in rural areas in Jordan. However, this study relates to Subcomponent 1.2, and will be described further below.

The achievements of this subcomponent were therefore limited to an assessment report and some training as part of the workshop organised during the consultant’s mission. It is also likely that the mission contributed to further inputs in the sector designed and implemented by other partners subsequently.
**Subcomponent 1.2: Upgraded and cleaner food processing technology and packaging (Ajloun soap project)**

This component, as described above, was reformulated in early 2001 to generate employment in rural areas.

| Subcomponent 1.2:  Upgraded and cleaner food processing technology and packaging |
|---------------------------------|---------------------------------------------------------------|
| Related project codes:          | UBJOR00063 (Jan 01), & US/JOR/01/181 (Sept 01)       |
| Original indicative budget:     | $612,000                                                |
| Actual expenditure:             | $158,254                                                |
| UNIDO focal point:              | Mr. S. Hisakawa (PTC/SME)                                |
| Counterpart organisation:       | Ministry of Planning                                    |

Under the budget of subcomponent 1.1, a consultant – Ms. Elise Lapierre – was fielded in May 2001 to prepare a report on the development of agro-related activities with high potential for development in rural areas in Jordan. The TOR of the consultant was a distinct mix of original and revised subcomponent objectives, resulting in a search for employment generation in the food sector in rural areas. The consultant’s report recommended concentration on development of:

- Extra-Virgin Olive Oil
- Fruit processing (quality jam production)
- Honey production through two cooperatives
- Exports of off-season fresh fruits

The report also emphasises the need to coordinate efforts with other donor-funded programmes in the olive oil sector, and refers to similar reports particularly in the development of the olives sector as carried out in a study previously commissioned by the IPU under subcomponent 2.2. The quality of the report came under strong criticism by some of the parties involved in HQ and in the field. It was not clear whether this was a reflection of the quality of the consultant’s work or a result of the futility of the exercise attempted in the context of conflicting IP aims. The recommendations of the report appear well
informed. The consultant too was well aware of a large number of relevant programmes ongoing, and made a point of highlighting the need for synergies in future implementation.

The picture is confused by the fact that the consultant was recruited and fielded under funding from another subcomponent (1.1), managed by the same focal point. However, with the change in priorities, the focal point for subcomponent (1.2) was changed while the consultant was in the field. It is instructive also to note that between the launch of the study in May and its finalisation at the end of June, the new manager of the subcomponent visited Jordan in mid-June on a programming mission with the aid of a UNIDO SME sector consultant$^9$. In the meantime, the Ministry of Industry and Trade formally requested for this subcomponent to be removed from the IP and implemented as a separate stand-alone project between UNIDO and the Ministry of Planning (Minster’s letter of 28 June 2001 to Mr. Papuli).

In any event, the report was largely ignored, as was the Minister’s request$^{10}$, and, for reasons (and a process) that were not clear to the Evaluation Team, the production of olive-based soap in the then poorest region of Jordan (Ajlun Province) was identified as the target sector for this subcomponent in September 2001$^{11}$ with the Ministry of Planning as the counterpart institution and the Jordan River Foundation as the Partner Institution. UNDP was also seen as a close partner, given the potential for local resource mobilisation from the SPP funds, which would be implemented through a National Execution modality with UNDP. However, this did not materialise, and by April 2002, the Regional Representative was in touch with the focal point in Vienna, expressing concern over delays in implementation especially due to the UNIDO DG’s personal interest in the project and its concomitant ‘sensitivity’.


$^{10}$ Some explanatory notes on the delays caused by such an approach (preparing a separate stand-alone project) was found on files, but no trace of communication with the Government on this issue was available.

Final agreement on the way ahead with the Ministry of Planning was reached in November 2002. Recruitment of an international SME consultant, a local expert in cosmetics products and local support staff started implementation of this subcomponent in Ajlun Province. Extensive discussions with the Governor, local Cooperatives Union, the Jordan River Foundation (as an implementing partner and an outlet for the products) and potential companies to help market the product had formed the background to this component that was supported by the MoP’s Social Productivity Program (SPP). The latter had been launched in January 2002 through a Cabinet Decree that set up an implementation unit in the Ministry of Planning. The MoP would provide material inputs into the project, while UNIDO would concentrate on technical issues and the provision of support staff. The MoP would also deal with issues related to the organisation of the producers and legal matters related as well as logistics. By the time activities were started in December 2001, the Jordan River Foundation had pulled out of the arrangements, and was replaced tentatively with a private sector company (Integrated Oil Products - IOP) that would help with distribution and sales, but also have sole rights over the products.

By October 2003, all soap production training activities had been completed. However, the IOP had withdrawn from the initiative, and production was carried out around the cooperatives structure in three different villages: Rajeb, Ballas and Anjara. 80 women had been trained in high quality olive-based soap production using a ‘cold process’. This method was new to the country, and was targeted at the high quality and ‘natural products’ soap market domestically and for export. However, the training had been confined to technical production issues alone. Moreover, there were no follow-up assessments by UNIDO to gauge the impact of training on those who were supposed to benefit from the exercise.

A description of the process and details of arrangements made would be too extensive for this evaluation exercise. However, some of the key findings from the Evaluation Team’s visit to Ajlun with UNDP Country Office and Ministry of Planning support can be given here.
The Team met with around 20 of the women trained, first in Anjara, where the women from Ballas also attended the meeting, and subsequently in Rajeb. The two meetings were held in groups but without the presence of local and international staff related to the project implementation, and resulted in the following impression:

Relevance and quality of training:
- In general, the product identified was found to be pertinent to the needs and abilities of the trainees. Home production of soap is common place in the region, and 9 of those identified for training were already involved in local soap production for commercial benefit.
- The use of the cold process was new and appreciated by the trainees. It was safer than traditional hot production methods, and produced a high quality product.
- The international consultant from the Philippines had made a good impression both in terms of technical skills and approach.
- There was no management or marketing training provided under the project. This was an important shortcoming.

Leadership and marketing strategies:
The leadership and marketing strategies of the cooperatives visited are distinctly different.
- The leader of the Rajeb cooperative is a very dynamic woman with a traditional type of leadership style while the leader of the Anjara and Ballas cooperatives is a man who seems to rely on a more political and administrative kind of leadership.
- The marketing strategies of both cooperatives seem to reflect these structural differences in leadership. Anjara and Ballas target a low-price mass market through a retail system of the Jordan military where they compete with industrial products while Rajeb target up-market segments and apply sales prices almost double of Anjara.
Impact:
- No discernable commercial impact (e.g. income generation) could be found as yet in Anjara and Ballas. Despite the lack of financial success reported to the team, the women would recommend the same training to others, and felt that the skills imparted were useful.
- The situation in Rajeb was different with successes noted in better packaging and reported marketing efforts including with the local high quality supermarkets as well as RJF. Despite the lack of success reported with RJF in several documents, the latter had in fact agreed to sell the product from Rajeb, and the oft quoted problem of a ‘legal entity’ needed did not appear to be an issue. This was at least partly due to the marketing skills of the Rajeb cooperative’s leader.

Shortcomings:
- Marketing, finance and management training were missing from the training. The women did not have the skills for example to do cost-benefit analysis in order to set an agreed market price for the product.
- Initial hesitations on the target market (mass market or high quality) was never resolved adequately. More specifically, access to the top end of the market needed strong and focused support. Competition at the lower end of the market is fierce and unlikely to yield results.
- Training for three days was too short. At least one week was felt to be needed.
- No mechanism was foreseen for follow-up support on technical issues beyond initial training.
- High quality raw materials used by the expert for the training could not easily be found by the producers subsequently as they were not aware of its source.
- In the Anjara case project subsidies (UNIDO and MoP) need to be continued due to lack of success in sales.

Future plans and pending issues:
- The Anjara and Ballas cooperatives were keen to sell their products to the military commercial outlets. The price agreed (0.550 Dinars)
applied to be at the production cost level with a tiny profit margin. The women’s estimation of this profit margin may be inaccurate. In any case, this could only yield a reasonable return due to the original subsidies used in the provision of raw materials. Thus, future sustainability remains a big question.

- Ballas cooperative does not yet dispose of a production facility.
- Marketing and design clearly need further inputs.
- Business management training is needed.
- Certification challenges and help with access to the flourishing ‘bio’ and ‘natural products’ market in rich countries in needed.

Lessons from Rajeb can be very important for the Anjara and Ballas producers. Unfortunately, relations between the groups were less than ideal, and third party support would be useful in this respect. Some of the relevant factors in the case of Rajeb include:

- Rajeb women seem to operate as an association rather than a cooperative. The significance of this issue in practical terms was not clear to the Evaluation Team. However, the Cooperatives Union with its production facilities in Anjara was an important resource for the producers who need a central place for shared equipment such as the cutting table. A similar shared facility (Rajeb Cooperative’s building) was used by the women in Rajeb. The important difference was in their physical separation from the Union’s Office (and direct management influence) located in Anjara. This may have allowed for more autonomy and ownership in planning and implementation, though there was no indication of related issues during the meeting in Anjara.
- MoP supported the Rajeb group with additional packaging inputs, and the product had a distinctly better look, including use of more sophisticated gift packs. Rajeb women developed their own ideas and commissioned sample package designs from local designers.
- Waste materials and returned products are recycled.
- Rajeb women personally visited hotels, upmarket supermarkets, JRF and other potential buyers.
**The product samples are shared with potential distributors on condition of successful sales, and are returned to Rajeb in case of failure.**

**A separate bank account has been established for the purpose, and being used as a revolving fund in a disciplined manner. Some savings have been accrued and sale orders are rising with requests for different products.**

**Planning to purchase and press own olives (rather than buy the pressed material) using the local mill that has been built for public use.**

Finally, some of the challenges mentioned in Rajeb include:

- Exhibitions and fairs are difficult to access in Amman
- Women cannot leave their home villages for long periods to market the product
- Product development training is needed in order to help diversify into shampoos and other soaps

More generally, a number of issues were identified by the Evaluation Team, regarding this subcomponent. While the move to include ‘poverty alleviation’ in the IP is to be supported, it is clear that UNIDO at the time had no specific approach to fall back on in the design of this subcomponent. The approach adopted is supply-driven in several respects:

- The decision made on the type of intervention was a ‘political’ one in that a high level mission resulted in a decision that was filtered down to implementers and beneficiaries alike.
- There is no trace of an attempt to include participatory planning techniques at any stage. Mechanisms for decision-making are unclear, and do not appear to involve the concerned women. There is no mention of any ‘empowerment’ measures in UNIDO’s documents.
- There is no evidence of special considerations being put into place for the needs of women.
- There is no indication of this component ever being an integrated part of the IP, particularly as it had its own project document prepared in September 2001, and this was never reflected in subsequent
amendments to the IP document through 2 separate revisions in 2001 and 2002.

Having said this, the subcomponent enjoyed some good results. The level of ownership from the concerned parties was high, including the producers and the Ministry of Planning. Moreover, UNDP took a keen interest in the initiative, and would like to expand on this experience in the future. A partnership between UNIDO, the Ministry of Planning and UNDP (and perhaps also GTZ especially in terms of synergies and lessons sharing) is highly recommended for any follow-up work. Relevant GTZ supported programmes include the Watershed Management programme and the Poverty Alleviation through Community Development Project. UNDP supports Governorate Development Programmes and a host of other micro-credit and community development programmes supported also by the Global Environment Facility fund.

Subcomponent 1.3: Quality and Business Performance Improvement

<table>
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<tr>
<th>Subcomponent 1.3: Quality and business performance improvement</th>
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<tbody>
<tr>
<td>Related project codes:</td>
</tr>
<tr>
<td>Original indicative budget: $975,000</td>
</tr>
<tr>
<td>Actual expenditure: $</td>
</tr>
<tr>
<td>UNIDO focal point: Mr. S. Kaeser (PTC/IPT)</td>
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<tr>
<td>Counterpart organisation: Chamber of Industry</td>
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In the face of funding shortages this component was merged with subcomponent 2.3, and implemented with an innovative approach designed to bring quality, cleaner production and productivity issues together. Quality and standards efforts at company level are often affected by difficulties related to ‘exposure’ to governmental bodies (such as inspectors and regulators). Companies are therefore keener to deal directly with disinterested parties, and UNIDO specialists have devised an interesting idea to integrate this range of services into one package. Thus, a team of 4 experts was fielded together to visit a set of 9 companies in the food sector over May-June 2001. Each expert carried a particular portfolio related to various aspects of quality,
productivity or cleaner production. As a group the consultants would visit each of the selected enterprises for two days. The company would thus receive thorough feedback directly from the consultants for the period of their 2-day assessment on all aspects of plant management and production.

Unfortunately, this interesting idea was not followed up with any feedback or assessments of impact on the companies involved. The Evaluation Team had a group meeting with six of the companies involved, arranged by the Chamber of Industry. The feedback obtained can be summarised as follows:

The advice provided to individual companies was highly appreciated and useful. Overall impression left ranged from ‘good’ to ‘excellent’.

- A number of companies involved reported direct productivity, waste reduction and overall performance improvements in the period following the 2001 mission
- Companies were promised several follow-up services, but none materialised
- General disappointment with lack of follow-up
- It took over a year for companies to receive consultants’ reports from UNIDO
- Would recommend similar services to other companies
- Would consider paying for such services especially as locally available consulting companies are considerably lower in quality and have little new information
- The ability of external experts to bring new information and unusual ways of doing business was much appreciated

From the brief survey carried out by the Evaluation Team, a number of key lessons were clear. In dealing directly with private sector companies, UNIDO should:

- Be responsive and transparent with partners particularly in follow-up plans and adhere to promises made
- Establish impact monitoring in any training for 6-12 months after completion of training. Impact monitored can include changes
experienced in: sales, waste production, profits, employment
generation etc.

- Include subsequent back-up services in job descriptions for consultants
  with additional cost elements taken into account

The biggest and most structural problem related to UNIDO’s knowledge
transfer approach. The Chamber of Industry was used as a host for this
subcomponent but no provisions were made to involve a counterpart structure
that would have been able to acquire the necessary company assistance
skills from the international consultants. Quite clearly no attempt has been
made to ensure sustainability and there appears to be a disconnection
between the high quality of knowledge offered by UNIDO and the poor quality
of its delivery and follow-up.

Subcomponent 1.4: Support to Industrial Association in the Food Sector

A UNIDO consultant\(^{12}\) was fielded with the support of a national consultant
over the month of June 2001 to review existing support services, identify their
upgrading needs, prepare an action plans, and investigate possible linkages
with rural development.

The consultant produced a report from which a project document was
prepared. The report is comprehensive and delves into details of ongoing
support programmes in the sector. It also establishes specific links to rural
development initiatives, and proposes that two sub-sectors (off-season fruits
and vegetables and olive oil) should be supported. The report was therefore
very much in tune with the predominant thinking at the time, and was similar
in its conclusions to the report on rural food production prepared under
subcomponent 1.1/1.2.

The report is a good example of how subcomponents can have an integrated
approach in mind. It makes several references to the IP and the work of
others involved, describes concrete synergies and value added of other

\(^{12}\) Mr. Patrick Hardy
components, and even makes recommendations for example on the follow-up work needed under subcomponent 1.3. The document also flags issues such as cultural hindrances to the success of associations, and there being no need for UNIDO involvement in industrial policy work due to an overcrowded donor situation in that area.

While the output of this subcomponent resulted in no tangible results with no follow-up activities, it could have served as good reference material for those responsible for the management of the IP, both in terms of the progress of the IP and in the richness of its information on the sector. Its strong vision, however, was not realised, and no external funding could be mobilised to the proposed project.

**Component 2: Supporting a Conducive Business Environment**

*Subcomponent 2.1: Industrial Policy*

As described already, there was no scope for the implementation of this component due to donor overcrowding in the sector. While UNIDO’s expertise is no doubt among the best in this area, the organisation’s lack of resources in the context of large donor inputs in this area necessitates a more strategic approach.

UNIDO needs to establish strong partnerships with those donors specifically interested in policy development and advice. Moreover, the emphasis on ‘partnership’ as a modality in development cooperation requires a different approach, particularly in policy development. Partners increasingly require participatory planning and a multi-stakeholder approach to policy development under national leadership and accountability. Thus, UNIDO should develop a niche in aid effectiveness and alignment for industrial policy development, and to identify best practices in the approach and mechanisms necessary for the process of industrial policy development, in addition to its contents. In this manner, it would have better success in promoting those policies that it knows are best in various contexts transparently and in partnership with all key stakeholders.
Subcomponent 2.2: Investment Promotion

This is the only subcomponent that succeeded in attracting external funding. Moreover, funding has been renewed recently. This success in funds mobilization reflects also the priority of the donor, Italy, which supports through UNIDO a whole network of similar IPU’s in a number of Mediterranean countries. Funding arrangements are rather complex, involving regional and other types of funds, and the Italian ITPO has been heavily involved in managing and supervising the IPU network. The IPU Jordan has been planned separately from the IP and began operations in October 2000, prior to the formal launch of the IP. An impression of the separateness of the IPU from the IP was evident during the evaluation team’s mission to the field. A number of Government, donor and UN partners shared this view.

The IPU is physically and administratively hosted at the JIB and staffed with an expatriate CTA and two other expatriates. The CTA of the project has been involved from the beginning, and enjoys high visibility and prestige in the Jordanian context. The core business of the IPU consists of two lines of action:

The IPU facilitates access of SMEs to the so-called “Italian Credit Line”. This credit line offers loans to SMEs that are tied to purchasing equipment from Italy, an instrument that, according to OECD criteria, should be classified as an export promotion scheme. This credit line exists in four Mediterranean countries. In comparison the situation of Jordan presents as follows.

<table>
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<tr>
<th></th>
<th>Egypt</th>
<th>Tunisia</th>
<th>Morocco</th>
<th>Jordan</th>
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<tbody>
<tr>
<td>Total Amount Credit Line (M€)</td>
<td>15,49</td>
<td>28,92</td>
<td>15,49</td>
<td>9,30</td>
</tr>
<tr>
<td>Start of operation</td>
<td>18/5/99</td>
<td>14/2/01</td>
<td>1/9/01</td>
<td>19/12/01</td>
</tr>
<tr>
<td>Amounts of approved applications (M€)</td>
<td>5,49</td>
<td>26,88</td>
<td>7,20</td>
<td>5,13</td>
</tr>
<tr>
<td>Number of approved projects</td>
<td>6</td>
<td>29</td>
<td>20</td>
<td>8</td>
</tr>
</tbody>
</table>

In Jordan the utilisation of the credit line is comparatively weak and a recent evaluation of the operation by the ITPO Italy in December 2004 identified the “lengthy procedure for loan approval on the Italian side” and heavy collateral
requirements as major obstacles. An ad-hoc survey carried out by the national consultant in the evaluation team confirmed that the processing of loan applications on average takes 8 months. However, industrial sector initiatives, particularly those related to main export market, namely olives, are seasonal in nature, and such a long processing time is unsuitable.

Attracting FDI is the second instrument of the IPU in the field of investment promotion. Here the IPU deployed major efforts such as studies and promotional activities and supported visits of investor delegations. A high number of potential investment opportunities has been identified and publicised but no joint investment has been concluded yet. However, the Kuwait Finance House has invested about 10 mio $ of equity in a pharmaceutical company as a result of a promotional campaign in 2004.

The IPU pursues a wide range of promotion activities with a focus on olive oil, dimension stones and Dead Sea products as lead sectors for export and investment promotion, matching Italy’s areas of technological strengths and comparative advantage. These activities included:

- 105 Jordanian companies attending fairs in Italy;
- 70 Italian companies exploring business opportunities in Jordan;
- Training seminar for olive oil testers;
- Training on “How to improve quality standards” in the stone industry;
- Strengthening the trade association JOSTONE;
- Assessments of priority needs of agro-industries in Jordan;
- Programme for the textile sector in cooperation with the Italian Trade Commission (with focus on Italian companies in the Lombardia region);
- Support programme for the Dead Sea cosmetics industry;
- Entrepreneurship Development Programme (EDP) including training and post training counselling.

The project design embeds Italian interests quite heavily. UNIDO is clearly aware that, in the long run, this may weaken the multilateral underpinnings
and credibility of UNIDO. Negotiations are underway to rebalance the Italian bias of the operations.

The Entrepreneurship Development Programme receives high government priority and has been quite successful with a total of 93 entrepreneurs trained, 55 supported in their implementation of project ideas and 23 businesses newly set up or diversified. The programme has been provisionally allocated at the JIB and at the latest meeting of the steering group in January 2005 the Jordanian side urged UNIDO to hand over the EDP to an appropriate local institution. Efforts to transfer it to the King Abdallah II Fund for Development are underway.

The IPU contributed to JIB capacity building with a number of training courses and three JIB staff members trained at the ITPO’s in Bahrein, Italy and Japan but, with the arrival of the new General Director at the JIB in May 2005, ownership and sustainability of the IPU have become major issues. The evaluation team recorded that the IPU had not been engaged in a major institutional strategy development effort launched by the new General Director. No plans were in place for gradual handover of the IPU to JIB and the evaluators found the CTA and the General Director in dissent whether the IPU being officially a part of the JIB. JIB management feels that it should have more input in IPU affairs and that the IPU is not in any real sense engaged in JIB work. Both operate separate databases and the IPU has its own separate staff and programmes, which it operates a different salary scale to JIB, causing structural tension between the staff of the JIB and IPU.

The General Director asked the evaluators to urgently convey his concerns in these matters to the responsible manager at HQ. This request was executed by a separate information note upon return of the evaluation mission.

Subcomponent 2.3: Environmental protection, energy efficiency & waster management

Please refer to subcomponent 1.3, as the implementation of this subcomponent was merged with the former.
It should be noted here that, in the case of Jordan, UNIDO did not manage to cooperate with the Swiss cooperation in the area of cleaner production. In Jordan Switzerland supports the National Cleaner Production Centre at the RSS without UNIDO involvement. This is untypical given the otherwise very close cooperation of UNIDO with Switzerland in this area, which is of strategic importance for UNIDO.

Subcomponent 2.4: Establishing an Industrial Information Network

Activities under this subcomponent were launched with the Amman Chamber of Industry (ACI) as the focal point for the network. The ACI helped in the selection of a number of nodes for the network and, over June - July 2001, UNIDO carried out sensitisation and awareness-raising among ACI counterparts.

From the outset UNIDO introduced its own networking tool (IRMS) for the purpose, and designed the network primarily for data collection to serve institutions in the following categories, with the Chamber of Industry as the focal point:

- Statistics
- Associations
- Science and technology
- Ministry of Industry
- Investment offices
- Consumers
- Universities.

The exercise was entirely supply driven with no analysis of needs or data bases available at the identified nodes. A consultant was fielded in 2002 to develop the full project implementation plan. Three technical reports were prepared, covering:

- Technical feasibility of the network
- Implementation
- Firewall for the network
This was followed by purchase of the required equipment for LAN (Local Area Network) and WAN (Wide Area Network) systems. The subcomponent, however, faced quite a few challenges, and collapsed after equipment has been delivered.

To start with, the lack of donor funding was anticipated early on in the process, but this did not deter UNIDO from going ahead with implementation, probably in anticipation of subsequent donor interest. In addition, moves to purchase equipment for the National Industrial Information Network in June 2001 were criticised by the MoIT, as the latter had not been consulted in the process. More specifically, UNIDO’s decision to purchase the equipment directly through a consultant in Jordan instead of the Ministry was received with incredulity and irritation, particularly as the IP Steering Committee just established had not been consulted in the process.

Finally, the actual implementation of the subcomponent never took place due to lack of funding. However, the counterparts were by this time fully on board with high expectations, and were left rather in the dark on the reasons for the sudden lack of interest from UNIDO. This was partly at least due to the internal decision to discontinue the technical unit dealing with information systems and to move the project manager to another department with different duties in 2003. It appeared that no other UNIDO manager was appointed to keep the initiative running.

The software in question (IRMS) is a UNIDO product. It was initially tested in African countries prior to the internet age. An internet-based version was also developed later, however, it has not been tested as yet. This background is perhaps adequate to highlight some of the problems UNIDO might have expected in selling the product to donors. While UNIDO is highly qualified in developing investment-related software (such as COMFAR), it would nevertheless find it difficult to sell itself as a strong software developer, particularly in case of software that is essentially a database with modifications to include industrial categories of information. Moreover, testing
such products with high start-up costs with use of scarce development resources is difficult to justify, especially as the success of the venture is not guaranteed.
5. Findings on programme implementation

Policy relevance

Jordan was in the process of devising coherent policies and strategies at the time of the IP formulation. With a new Head of State in 1999, and frequent changes in Government at the time, the IP did not have a clear national framework to correspond to. However, the donors in Jordan were highly active, and the IP shows reasonable alignment with predominant thinking at the time among Jordan’s partners. The UN framework was rudimentary at the time also as UNDAF’s were not mainstreamed, and the MDG’s were not introduced as yet.

The focus of the programme on the food industry appears to be plausible. However, for both UNIDO and the country this focus has been of a strategic dimension (or would have been if the IP had gone into implementation). Given its major importance the focus is not substantiated by adequate analysis and the IP document does not offer an assessment of alternative routes. In the absence of such analysis it may well be that the focus reflects more of a supply driven approach driven by UNIDO’s corporate strengths and priorities in the food sector.

Counterpart ownership

Counterpart ownership of the IP was problematic. During formulation there is no evidence of any significant involvement of the Jordan side. The IP was formulated by a one-week mission with comments at the final presentation of that mission being the only traceable counterpart involvement.

Nevertheless, in the beginning the IP enjoyed high ownership by the counterparts, and the Government’s stated willingness to contribute US$1 million from its own resources was an indication of the IP’s relevance and national ownership even if this contribution never materialised.
Ownership further weakened when the programme was launched without a steering committee and a national coordinator, both mentioned as preconditions in the programme document. Once the coordinator was appointed, several months after start, his interventions, for example with regard to component 2.4, were hardly followed.

Ownership was also strained by a certain lack of collaboration between MoIT and MoP. When the revised component 2.2 with a new focus on poverty alleviation was launched the MoP asked to disintegrate this project from the IP, which was run under the auspices of the MoIT.

External coordination

External coordination was rather unsuccessful. The lack of a UNIDO office and an NPC no doubt affected this issue. Closer collaboration with the donors could have generated the necessary resources for UNIDO’s IP. There were several relevant initiatives ongoing, as illustrated by the EU contracting a UNIDO consultant for its own food initiative or the support of the National Cleaner Production Centre by Switzerland without UNIDO involvement.

Collaboration with the UN system was targeted by the URR who was successful in building good relations with the UN Resident Coordinator and Government counterparts.

Internal integration of the IP

The programme was designed to be managed in country by a Steering Committee (SC) as described above. However, according to the available records, the SC apparently never met. The reasons for this failure are not fully clear, but it remains that the IP had no real local management structure.

In January full-fledged implementation was rushed simultaneously on all subcomponents, as UNIDO rules required for the “seed money” to be fully spent or committed by end June 2001. In a period of 4 months or so, well over 12 different consultants and UNIDO staff descended on the counterpart
institution, the MoIT. The latter was naturally overwhelmed with this international technical ‘flood’, and the additional burden felt was clearly communicated to the Evaluation Team by the counterparts in the field. Not only was there no management arrangement established in the field for the IP, there were no IP staff or premises either, and responsibility for all the logistical support had landed squarely on the shoulders of the MoIT focal point. The MoIT responded with a letter to UNIDO on 30 May 2001 asking for five computers, one printer, a fax machine and a photocopier to be purchased under the IP for the use of 5 international consultants at the ministry at the time, as well as for subsequent IP activities.

Agreement on the appointment of a National Project Coordinator was reached in August, and the national Focal Point was placed on leave without pay by MoIT and recruited by UNIDO. This practice in itself is questionable, as cooperation programmes should not directly result in capacity depletion at the counterpart institutions. However, one can also argue that this was a genuine attempt to secure compensation to the best-qualified person for time to be dedicated to support UNIDO. In any case, the new arrangement only lasted for a few months since all missions had already been completed by then, and the NPC was left with little tangible work to do, particularly in the context of a speedy depletion of funds and no further funding mobilised.

Another aspect of management arrangements worthy of note is the apparent inability of UNIDO to better utilize the presence of the IPU component for overall support to the IP. The IPU enjoys high visibility, and over time the CTA has developed considerable contacts, prestige and access to a wide range of locally available professional services. With such a large investment in people and resources, it is not clear why UNIDO did not utilize this long-term field presence in a more systematic way for effective team leadership of the IP. Most probably the specific funding structure and shared responsibilities of UNIDO HQ and ITPO Italy in managing the IPU have played a major role here. This administrative limitation is an indication of the difficulties to make the idea of IPO integration a reality.
Finally, the role of the UNIDO Regional Representative (URR) in Beirut must be considered also. Despite being located in Beirut, available correspondence from the URR indicate that he was the person perhaps most in touch with realities on the ground. As early as January 2000, the URR was showing concern with possibilities for resource mobilisation, and issues related to the GoJ’s intended contribution that in fact never materialised. He was also the first to flag concerns with delays in implementation, and played a positive role in pushing the programme forward. His regular contact with national authorities kept him close to their concerns, and his correspondence clearly indicate issues related to the inadequacy of coordination with MoIT counterparts. He also occasionally complained to HQ of being kept out of the loop, and for example made requests for copies of consultants’ reports to be shared with MoIT. This rather paints a poor picture of UNIDO’s assignment of roles and responsibilities.

The URR should always be in the loop with all correspondence between HQ and the national authorities. Ideally, all correspondence should be routed through him/her in both directions, particularly in the implementation phase. This format assumes a central decision-making and oversight role for the URR. The Jordan IP files do not give such an impression in practice. The URR, though keen to have a positive input, was not always recognised as a party to the information flow by some in UNIDO HQ. This brings into question the utility of having a designated Regional Representative. Matters related to coordination at HQ are considered below.

Management arrangements in UNIDO HQ

One of the most important weaknesses of this IP were the management arrangements in the UNIDO HQ, where relationships between the Regional Bureau, staff of the various technical departments involved, the Team Leader and the Resource Mobilisation Unit were unclear.

While the Team Leader was the focal point for coordination of personnel, the implications of this arrangement on accountability for implementation of the programme is less than clear. The team involved was in need of coordination,
but the Team Leader was also from a technical branch and not from the Arab Regional Bureau. The area manager in the Bureau would regularly follow up with the Team Leader on implementation issues, assuming an oversight role in the process. This assumption was not necessarily shared by the team leader and the usefulness of having the Bureau involved together with a team leader from a technical branch turned out to be questionable also in other IP’s. Since May 2005 a management decision has been implemented throughout UNIDO that allocates the team leadership to the Regional Bureaux, and more specifically to the UR’s, in countries where they exist. The Jordan case has been illustrative for the difficulties and also tensions that can arise from unclear responsibilities and reporting lines.

The Team involved, including the Leader, appear to have been stuck in a fixed implementation mode that was unresponsive to management decisions on changes needed to the Jordan IP in 2001 and 2002. At the end of the revision processes, there were no tangible changes introduced other than slight adjustments to the IP Budget. Several instructions on IP reorientation were simply ignored. This points to a number of possible causal factors:

- Poor communications
- Institutional confusion over the lines of reporting
- A lack of ownership of the programme in HQ by those involved in its implementation

**Results Based Management**

Results orientation of the IP structure and the reporting tools were limited and logframe methodology poorly applied. Integrated programmes should have a hierarchy of objectives from overarching goals down to the levels of outcomes, outputs, and activities. In the Jordan case outcomes were not included in the initial IP document or in the subsequently developed “Country Framework for Technical Cooperation”. The “fishbone chart” of March 2001 includes “outcomes” and “impact indicators” but in a confusing manner. The impact indicators are rather output indicators (e.g. “Establishment of Industrial Information Network”) while outcomes appear to be more high level but not sufficiently specific (“Safety/Quality/Cleaner Production in SMEs increased”).
High-level objectives in the “Country Framework” remain even more vague (e.g. “Greatly improved quality in making domestic industrial policy”).

Given this weak planning basis it does not come as a surprise that progress reports are limited to outputs and activities and no records exist on how the IP actually contributed to the development of local businesses.

**UNIDO Corporate Strategy**

UNIDO strengths in the food sector guided the identification and formulation of the IP. At the start of implementation attempts were made to correct this rather supply driven approach by re-orientating the planning towards poverty reduction, thus improving its alignment with a core element of the UNIDO Corporate Strategy. However, this attempt of a par-force reorientation of the planning turned out to be problematic.

It is unfortunate that, in the Jordan case, UNIDO failed to capitalize on its unique position as a neutral multilateral institution to bring different stakeholders together in areas such as Food Safety. The potential of UNIDO to play such a role has been demonstrated through successes in Lebanon and Palestine, for example.
6. Continuation of the programme

**Overall country situation**

In terms of changes in the country situation, Jordan is in a similar precarious situation as in the past. With the regional situation having deteriorated further with the Iraq war, security considerations will have to be taken into account. Moreover, Jordan’s dependence on the tourism sector makes the country further vulnerable at this stage. For the same reason, industrial development moves even further up the table of priorities for the country. Similarly, poverty alleviation will take a higher precedence, and donor funding is likely to increase. Key partners for the foreseeable future include: EU, UK, Japan, Italy and the Gulf States.

**UNIDO representation in the field**

Jordan is one of the countries that fall under a global Cooperation Agreement between UNIDO and UNDP signed in September 2004 to establish a number of UNIDO Desks in UNDP Offices. The desks would be headed by senior national or international Industrial Development Officers at the National Officer ‘D’ (NOD) or international P4 levels for an initial period of 5 years. The initiative would be piloted in 15 countries and extended to other countries should the pilot cases bear positive results in programme development and resource mobilisation. The initial target for programme officers is to mobilise $1 million in programme resources within 1 year. The success of this initiative is therefore important on several levels, and links directly to next phase the IP.

Since August 2005 UNIDO has set up an office in Amman within the UNDP premises. At the time of the evaluation mission, the NPO had only been in the job for 2 months, and it was rather early to gauge the salient issues. However, the position and role of the NPO were not clearly defined, and UNIDO must pay special attention to the following points in order to safeguard success of the initiative:

- The NPO must become the focal point for all UNIDO-related activities in Jordan. All correspondence related to UNIDO must be channelled
through or copied to the NPO’s office to ensure that he is in the loop. This applies equally to all UNIDO project offices, including the IPU.

- The relationship of the NPO at the NOD level with UNDP and other agencies within the UN system must be clarified. The current agreement with UNDP envisages the NPO as reporting to the UNDP Resident Representative. It may be more prudent to establish a more independent position, for example by requesting that the UNIDO Representative – if that is indeed the status of the NPO – be treated as a UNIDO Representative, and participate in UN Heads of Agencies and other inter-agency coordination meetings. His interaction may best be with the UN Resident Coordinator rather than the UNDP Resident Representative (often the same person).

- UNIDO Representatives should be encouraged and supported through official correspondence from HQ to network with all the key national and international actors in the sector.

- UNIDO missions to the field should be regularly and strictly communicated to the UN RC (per UN regulations), who should always be in the loop on UNIDO activities (The Jordan UN RC had virtually no prior information on the IP at the time of the evaluation mission in September).

*Ongoing identification and formulation activities by UNIDO*

At the moment of the evaluation UNIDO was busy with identifying and formulating a number of new projects and/or programmes. At least three major initiatives should be mentioned here, all executed by different branches and in need of more effective coordination.

**The UNIDO-WTO initiative**

At the 2003 WTO ministerial meeting in Cancún UNIDO and WTO signed a Memorandum of Understanding on a Technical Cooperation Programme responding to the Doha Development Agenda. In order to put this MoU in effect agreed to start implementing joint activities on a pilot basis covering an initial group of nine countries, including Jordan.
In each of these countries a country assessment was carried out. In the case of Jordan a team including an international and a national expert identified textile and garment; office furniture and Dead-Sea products as sectors of potential interest, analysed barriers along the value chain for each of these sectors and identified possible actions for improvement. The results were discussed at a kick-off seminar in Amman in July 2005. On this occasion priorities for action were defined, which could be addressed under the WTO-UNIDO partnership arrangement. A project document is under preparation that should become the basis for a joint funds mobilization effort of UNIDO, WTO and the government of Jordan.

The UNIDO-UNDP private sector initiative
The second major initiative that is currently underway concerns the joint development by UNIDO and UNDP of a new line of action in the area of private sector development. The initiative is part of the wider agreement between the two organisations that also involves the deployment of the new UNIDO desks mentioned above.

Similar to the UNIDO/WTO initiative a number of pilot countries has been identified in advance and Jordan is one these countries. At the moment of the evaluation an identification mission to Jordan was under preparation.

Continuation of the IP
The continuation of the IP is the third ongoing preparation of future UNIDO activities. A draft outline for a new Integrated Programme is under discussion at the Regional Bureau.

The way ahead
With the aid of the Desk Officer, UNIDO is well poised to achieve a number of key objectives, including:

- Strengthening its network and partnership with stakeholders in Jordan
- Participate and raise UNIDO’s profile in various UN, inter-agency, donor and government-led coordination fora
• Ensure UNIDO’s participation in the development of major policy and strategy instruments such as: national poverty reduction strategies, Common Country Assessments, UN Development Assistance Framework, MDG reports etc.

Good opportunities exist for collaboration with the EU’s Industrial Modernisation Programme. Developing this cooperation would be strategic for UNIDO. The EU’s national representative was the focal point for UNIDO at MoIT, and is keen to collaborate with the organisation as he is well aware of the quality services available.

The missing link for a successful way forward is an intensified collaboration and clear assignment of roles and tasks of all UNIDO departments involved. At the moment of the evaluation, the evaluator did not have the impression that such a collaboration mechanism was already operational. The selection of Jordan as a pilot country for both the UNIIID/WTO and the UNIDO/UNDP actions is a good sign in itself although the rationale for this selection does not seem to be entirely clear to those involved at UNIDO. Both UNIDO partner organisations seem to have strong interest in the country and give high priority to it.

It will be of paramount importance for UNIDO to blend the two initiatives into its own plans for a continuation of the IP. UNIDO should avoid dealing with the three initiatives separately. At the moment an up-to-date country framework document does not exist that describes the industrial needs and policy priorities of the country and maps out ongoing donor activities. Without such a framework IP document there is major risk of a scattered approach, which would be particularly harmful for fundraising.
Annex I: Terms of reference

DATE: 1 August 2005

Terms of Reference
INDEPENDENT EVALUATION of the UNIDO INTEGRATED PROGRAMME in JORDAN

The independent evaluation
Independent programme evaluation is an activity carried out during and/or at the end of the cycle, which attempts to determine as systematically and objectively as possible the relevance, efficiency, achievements (outputs, outcomes and impact) and sustainability of the programme. The evaluation assesses the achievements of the programme against its key objectives, as set in the Programme document, including re-examination of the relevance of the objectives and of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

Purpose
The purpose of the independent evaluation of the Jordan Integrated Programme (IP) is to enable the Government, UNIDO and donors:
- To assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.
- To assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact.
- To provide an analytical basis and recommendations for the focus and (re) design for the continuation of the programme under a Phase II.

The evaluation is conducted in compliance with UNIDO evaluation policy.

Method
The evaluation will be conducted at two levels: evaluation of selected integrated programme components and evaluation of the programme as a whole.

The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data, interviews with counterparts, beneficiaries, partner agencies, donor representatives, programme managers and through the cross-validation of data. While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties.

All components will be evaluated, making use of the results of previous evaluations, in particular those covering the investment promotion and the private sector development components.

Reproduced below is the financial picture of the programme components as of the day that the TOR was prepared:

<table>
<thead>
<tr>
<th>Components</th>
<th>Approved Amount</th>
<th>Total Allotment</th>
<th>Open for Funding</th>
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<tbody>
<tr>
<td></td>
<td>(in United States dollars - US$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Agro-Industry</td>
<td></td>
<td>96,433</td>
<td>-96,433</td>
</tr>
<tr>
<td>2. Environmental Management</td>
<td>859,750</td>
<td>77,759</td>
<td>781,991</td>
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<tr>
<td>3. Industrial competitiveness and trade</td>
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<td>4. Industrial Governance and Statistics</td>
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<td>68,482</td>
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<td>5. Investment and Technology Promotion</td>
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<td>6. Private Sector Development</td>
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<td><strong>TOTAL</strong></td>
<td><strong>2,931,750</strong></td>
<td><strong>1,689,438</strong></td>
<td><strong>1,242,312</strong></td>
</tr>
</tbody>
</table>
A. Programme-wide evaluation

The programme-wide (IP) evaluation will address the following issues:

1. Relevance and ownership
   The extent to which:
   - The IP was jointly identified and formulated with the central coordinating authority, as well as with the involvement of programme counterparts and their target beneficiary groups.
   - There is an agreement among the stakeholders that the objectives of the IP are still valid and that the programme supports the country industrial strategy.
   - The programme did and continues to met the MDGs and other international targets and is related to UNIDO’s corporate strategy.
   - The programme is complementary with relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

2. Funds mobilization
   The extent to which:
   - The central national management and counterparts were able and willing, to contribute (in kind and/or cash) to IP implementation and in taking an active part in funds mobilization.
   - UNIDO HQs and the Field representation paid adequate attention to and was effective in funds mobilization.
   - The IP team and its stakeholders were in a position to participate in the process of allocation of seed money.

3. Programme coordination management
   The extent to which:
   - The central national management and overall field coordination mechanisms of the Programme have been efficient and effective.
   - The UNIDO HQ based management, coordination, monitoring of its services have been efficient and effective.

4. Programme formulation
   The extent to which:
   - A participatory programme identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.
   - The IP has a clear thematically focused development objective, which will contribute to goals established by the country, the attainment of which can be determined by a set of verifiable indicators.
   - The project/programme was formulated based on the logical framework approach.

5. Synergy benefits derived from programme integration
   The extent to which:
   - Coordination amongst and within components led to benefits (such as cost saving in implementing UNIDO services; increased effectiveness resulting from providing different services to the same target group; increased effectiveness resulting from interventions aiming at strengthening linkages within a system; improved effectiveness due to services provided simultaneously at the level of policies, support institutions and enterprises).
   - The transaction costs of the IP (management and coordination of many stakeholders, complexity in funds mobilization, etc.) were commensurate to the benefits of integration.

6. Results at the programme-wide level (contribution to industrial objectives of the country)
   Assessment of:
   - The results achieved so far at the output, outcome and whenever possible impact level.
   - If the IP has or is likely to contribute indirectly to the achievement of the Millennium Development Goals/indicate which ones.
   - Result indicators were developed and facilitated the assessment of progress towards national and international development targets.
B. Evaluation of (sub-) components

Evaluation of each of the selected components will address the following issues:

1. Ownership and relevance:
The extent to which:
- The component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.
- The counterpart(s) has (have) been appropriately involved and were participating in the identification of their critical problem areas and in the development of technical cooperation strategies, and are actively supporting the implementation of the component.
- A logically valid means-end relationship has been established between the component objective(s) and the higher-level programme-wide objective.
- Changes of plan documents during implementation have been approved and documented.
- The outputs as formulated in the IP document are still necessary and sufficient to achieve the component objectives.
- Coordination envisaged with other components within the IP or with any other development cooperation programmes in the country has been realized and benefits achieved.

2. Efficiency of implementation
The extent to which:
- UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.
- The quality of UNIDO services (expertise, training, equipment, methodologies, etc.) were as planned and led to the production of outputs.

3. Effectiveness of the component
Assessment of:
- The relevance of the outputs produced and how outputs are used by the target beneficiaries.
- The outcomes, which have been or are likely to be realized through utilization of outputs.

4. Impact
- Identify what developmental changes (economic, environmental, social) at the target beneficiary level (industry) have occurred or are likely to occur.

Composition of the evaluation team

The evaluation team will be composed of the following three persons:
- UNIDO representative (mission leader)
- Government nominated representative, well acquainted with industry-relevant institutional framework of the country.
- International evaluation consultant.

Members of the evaluation team should not have been directly involved in the design and/or implementation of the programme/projects.

All members of the evaluation team who are not staff members of UNIDO will be contracted by UNIDO.
UNIDO Field Office will support the evaluation team.
Donor representatives from the bilateral donor Embassies will be briefed and debriefed; and will be offered to participate during the evaluation of the components and/or projects they have funded.
Annex II: List of persons met

**UN**

Ms. Christine Mcanab, UN Resident Coordinator
Mr. Essam Alqararah, UNIDO Desk Officer, UNDP
Mr. Firas F. Gharibeh, Programme and Resource Mobilisation Manager, UNDP
Ms. Amal Dabaseh, GEF Programme Officer, UNDP
Ms. Ruba Osta, Former Technical Assistant to UNIDO IP (Ajlun activities)

**Government**

Ministry of Industry & Trade:

H.E. Mr. Sharif Ali Zu’bi, Minister
Ms. Gina Farraj, Advisor to the Minister
Dr. Montaser Oklah, Secretary General
Mr. Bilal Hmoud, Director, Industrial Development Dept
Mr. Abeer Ramadana, Management Representative for Quality & HR Administrator, SME Section,
Ms. Maha Ali, Trade policy Dept.

Ministry of Planning and International Cooperation:

Mr. Maher Madadha, Secretary General
Dr. Ziad Al-Bakhit. Dir. International Org.
Ms. Jeihan Moh’d Abu-Tayeh, Head, United Nations Agencies Division
Mr. Omar Al-Rafie, Director, Social Productivity Program Unit
Mr. Omar Alhmoud, Programme Coordinator

Amman Chamber of Industry

Mr. Juma Abu-Hakmeh Director General
Mr. Yasin I. Shehzada, Deputy Director General
Mr. Yanal Abeda, Cleaner Production Programme Leader

Jordan Investment Board (including the Investment Promotion Unit)

Mr. Ma’an Al-Nsour Director General
Ms. Reem Badran, former Director (2000- mid-2005)
Mr. Jamil Al-Asfar, Director, Technical Cooperation Programs

Ms. Monica Carco, Head of IPU
Mr. Arup Baruah, Consultant, Entrepreneurship Development Programme
Ms. Amani Dababneh, Office Manager
Mr. Thaer Ghazal, Investment promotion Expert

Jordan Institute for Standards and Metrology

Mr. Nedal Zaiadeen, Director of Planning
Mr. Salem Quheiwi, Director General Assistant
List of persons met (cont.)

**International Organisations & Donors**

**Italian Embassy**
- Mr. Emanuele Manzitti, Second Secretary, Italian Embassy
- Mr. Giuliano Papi, Commercial Attaché

**GTZ:**
- Mr. Basem Shamon, Expert for Rural Development

**Private sector and non-Governmental Institutions**

**Jordan Upgrading and Modernization Programme**
- Mr. Yarub Qudah, Chief Executive Officer

**Jordan Cleaner Production Program**
- Mr. Yanal Abeds, Director

**Bloom Company**
- Ms. Elham Zeadat, General Manager, (Dead Sea Gift Enterprise)

**Ajlun soap producers:**
- The Evaluation Team had group meetings with about 20 producers. Their respective Cooperatives’ leaders were:
  - Ms. Isslah Mozeh, Rajeb Cooperative
  - Ms. Aisha, Anjera Cooperative
  - Ballas Cooperative

**Jordan Poultry Processing and Marketing Co Ltd**
- Mr. Khaled Mohamed Abdo, Production Manager

**Jordan Valley Food Ind Co.**
- Mohammad Z. Soudi, General Manager

**Nabil Company for Food Products:**
- Ms. Hiba Rassam, Head of Quality Management Dept.
Annex III: IP Factsheet

Overview

<table>
<thead>
<tr>
<th>Integrated Programme Monitoring</th>
<th>JORDAN</th>
<th>Component 1</th>
<th>Component 2</th>
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<td><strong>Title:</strong></td>
<td>Integrated Programme for Jordan &quot;Improving the Competitiveness of the Food Industry within a conducive business environment&quot;</td>
<td>Making food industry more competitive, safer and cleaner</td>
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<td><strong>planned / expected completion date:</strong></td>
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**Preparatory Assistance**

- **Approved Budget Excluding Support Cost:** 2,931,750
- **Approved Budget Including Support Cost:** 3,312,878
- **Total Allotment:** $1,689,438
- **Total Expenditures:** $1,624,219

**Self Evaluation Reports**

- 18-Sep-03

**Terminal Project Reports**

- 1-Jul-01
- 5-Apr-04
- 16-Oct-03
- 28-Feb-02

**Progress Reports**

- 30-Sep-04
- 30-Apr-04
- 31-Jul-03
- 31-Oct-02
- 30-Oct-01
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<th>Service Module</th>
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<th>Counterpart Organisation</th>
<th>Allotment</th>
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### Component I: Making food industry more competitive, safer and cleaner

#### Sub-component 1.1: Improving food safety
- **Output 1.1.1**: The national coordination framework for food safety well organized.
- **Output 1.1.2**: The food control regulations compiled, updated and simplified.
- **Output 1.1.3**: The institutions in charge of food inspection and food safety assurance strengthened.
- **Output 1.1.4**: The capacity of the actual food laboratories strengthened.
- **Output 1.1.5**: A critical mass of high qualified national expertise created within the support institutions in food safety assurance through training.
- **Output 1.1.6**: GMPs and HACCP applied by at least 20 food processing plants at the completion of the programme.

#### Sub-component 1.2: Upgraded and cleaner food processing technology and packaging.
- Information not given
- Information not given
- **Output 1.2.1 to 1.2.6**: mot exist in the Programme Document
- **Output 1.2.7**: A critical mass of high national qualified expertise created within the support institutions in upgraded and clean food processing technology Waste minimization.
- **Output 1.2.8**: Upgraded and clean food processing technologies introduced in the food industry sector.
- **Output 1.2.9**: The local capacity and capabilities in print and packaging strengthened.
- **Output 1.2.10**: Appropriate micro and small scale food processing/packaging technologies as well as food hygienic and safety practices introduced in at least 4 pilot operations to be established for demonstration and training purposes.

#### Sub-component 1.3: Quality and business performance improvement
- Information not given
- Information not given
- **Output 1.3.1**: Local Capacity built in standardization, quality and GMP through demonstration in pilot enterprises.
- **Output 1.3.2**: JISM Strengthened to foster international recognition.

#### Sub-component 1.4: Development of business organizations in the food industry
- Information not given
- Information not given
- **Output 1.4.1**: Action plan for strengthening of the business organizations in the food industry sub-sector prepared, discussed and agreed upon with the local stakeholders (preparatory phase), and proposal for UNIDO support (main phase).
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<td>Output 2.1.1 New capacity in the MoIT to formulate, implement and monitor industrial policies</td>
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<td>Output 2.1.2 Better coordination among ministries and donors in the area of industrial policies for Jordan</td>
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<td>Output 2.1.3 Re-activation strategy and action plan for the promotion of subcontracting and partnerships conceived and implemented, based on in-depth analysis of past efforts, opportunities and conditions for success</td>
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<td>Information not given</td>
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<td>Output 2.2.2 Potential investors (both local and foreign) assisted in the promotion of investment projects (from the initial contact stage to the conclusion of contract/agreement)</td>
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<td>Output 2.3.1 Strengthening the enforcement of environmental legislation.</td>
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<td>Output 2.3.2 Strengthened environmental monitoring system with the introduction of new chemical and bio-monitoring methods</td>
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<td>Output 2.3.3 CP in-plant assessments including integrated CP/EMS assessments and feasibility study for a National Cleaner Production Centre</td>
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<td>Output 2.3.4 Pilot study for industrial waste management</td>
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<td>Output 2.3.5 Pilot study for introduction of Eco-labelling.</td>
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<td>Sub-Component 2.4: Establishing a national industrial information network.</td>
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<td>Output 2.4.1 An information system is established among institutions providing governance-related information.</td>
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<td>Output 2.4.2 An information system is established among institutions providing information related to environmental protection, energy efficiency and waste minimization.</td>
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<td>Output 2.4.3 A computed national industrial information network established among public and private sectors institutions providing information and value-added support services to the Government plenary and decision-makers as well as to the private sector.</td>
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<td>Date</td>
<td>Milestone</td>
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<td>16-Dec-99</td>
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<td>As per the EXO decision, seed money should be requested separately and will be considered after the Government contributions are clear.</td>
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<td>$115,139</td>
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Expenditures by BLs

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<th>XPJOR02014</th>
<th>UBJOR00049</th>
<th>UBJOR00069</th>
<th>USJOR01181</th>
<th>TFJOR90001</th>
<th>TFJOR04001</th>
<th>UBJOR00052</th>
<th>XPJOR02013</th>
<th>UBJOR00053</th>
<th>Total Expenditures (only these projects)</th>
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<td>Light Blue</td>
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### I.P. JORDAN: EXPENDITURES BY BLs

**Status as of 05th September 2005**

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<th>Project number</th>
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<th>Int. Consult. - 11</th>
<th>Nat.Consult-17</th>
<th>Training - 39</th>
<th>Equipment - 49</th>
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<td>$2,032</td>
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<td>$7,508</td>
<td>$40,140</td>
</tr>
</tbody>
</table>

**Total item:** $1,232,466 $85,833 $127,065 $115,139 $238,042 $1,798,545

**Total Expenditures (only these projects):**

$1,122,866 $76,321 $121,331 $114,759 $222,841 $1,658,118

**Total Expenditures:** $1,798,545