

Independent evaluation
SIERRA LEONE

UNIDO Integrated Programme

Post-conflict *SME* support programme
for industrial development
and poverty alleviation



UNIDO EVALUATION GROUP

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Table of Contents

Acknowledgements	iv
Abbreviations	v
Glossary of terms	vi
Executive Summary	vii
1. Introduction and background	1
2. Evaluation purpose and scope	3
3. Methodology	4
4. The Sierra Leone economic and political context	5
5. Programme design and content	7
6. Relevance	12
7. Effectiveness	16
8. Efficiency	22
9. Programme budget and funds mobilization	26
10. Sustainability	27
11. Conclusions	29
Annexes	
Annex A: Terms of reference	33
Annex B: List of documents consulted	41
Annex C: List of persons met	42

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Abbreviations and acronyms

ACP	African Caribbean and Pacific
AfDB	African Development Bank
BADEA	Arab Bank for Economic Development in Africa
BDS	Business Development Services
BMZ	Bundseministerium für wirtschaftliche Zusammenarbeit
DACO	Development Assistance Coordination Office
DFID	UK Department for International Development
EDF	European Development Fund
EU	European Union
FIAS	Foreign Investment Advisory Service
GC	Growth Centre
GoSL	Government of Sierra Leone
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IP	Integrated Programme
ITC	International Trade Centre
KfW	Kreditanstalt für Wiederaufbau
MAFFS	Ministry of Agriculture Forestry and Food Security
MIGA	Multilateral Investment Guarantee Agency
MoTI	Ministry of Trade and Industry
MSME	Micro, Small and Medium Enterprise
NaCSA	National Commission for Social Action
NGO	Non-Governmental Organization
NU	Njala University
OSL/EVA	Bureau for Organizational Strategy and Learning/Evaluation Group
PCF	Programme Coordination and Field Operations Division
PEP-Africa	Public Enterprise Partnership - Africa
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
PTC	Programme Development and Technical Cooperation Division
SLBF	Sierra Leone Business Forum
SLCCIA	Sierra Leone Chamber of Commerce Industry and Agriculture
SLIBA	Sierra Leone Indigenous Business Association
SLIP	Sierra Leone Integrated Programme
SME	Small and Medium Enterprise
UNDAF	United Nations Development Assistance Framework
UNDP-SL	United Nations Development Programme (in Sierra Leone)
UNIDO	United Nations Industrial Development Organization
UR	UNIDO Representative
USAID	United States Agency for International Development
WB	World Bank

Glossary of terms¹

Term	Definition
Baseline	<i>The situation, prior to an intervention, against which progress can be assured</i>
Effect	<i>Intended or unintended change due directly or indirectly to an intervention</i>
Effectiveness	<i>The extent to which the development intervention's objectives were achieved, or are expected to be achieved.</i>
Efficiency	<i>A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results</i>
Impacts	<i>Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended</i>
Indicator	<i>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</i>
Intervention	<i>An external action to assist a national effort to achieve specific development goals</i>
Lessons learned	<i>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</i>
Logframe (logical framework)	<i>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</i>
Outcome	<i>The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect</i>
Outputs	<i>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</i>

¹ Based on a glossary prepared by OECD's DAC working party aid evaluation, May 2002.

Executive Summary

Background and introduction

The Sierra Leone Integrated Programme (SLIP) “Post Conflict SME Support Programme for Industrial Development and Poverty Alleviation” was approved in May 2004 and had duration of 48 months and a total budget of US\$ 5,146,700. It was designed as a post conflict SME support programme for industrial development and poverty alleviation, through entrepreneurial development, and the provision of employment and income opportunities for the poor in depressed rural communities and displaced people in Freetown.

The Programme has been working in a difficult environment and has been confronted with many challenges and not the least in mobilizing funds for the implementation of its various components. It was a relatively large programme in a country with relatively few donors. This resulted in delays and in a major part of the Programme not being funded. In fact, the total budget allotment of US\$ 738,479 stems from UNIDO’s own sources of funding.

The table below summarizes the objectives of the programme, the results it was supposed to achieve and the status of implementation.

Table 1
Main Programme Components

Component	Description of Objectives	Results	Outcome
1	Improve policy environment for the development of micro, small and medium scale industries led by entrepreneurial and investors' initiatives	Secretariats of Sierra Leone Chamber of Commerce, Industry and Agriculture (SLCCIA), Sierra Leone Indigenous Business Association (SLIBA), Petty Traders Orgs. strengthened. SME Unit of the MoTI established. Statistics on small and medium enterprises available.	Not funded Not implemented Component covered by Joint UNDP/UNIDO PSD Programme
2	Reduce the development gap between the economies of provinces and Freetown with human resource development for micro and small-scale entrepreneurship promotion in the provinces based on the self-reliant market-demand-led growth	Growth Centres in Bo, Makeni, Kenema, Binkolo and Pujehun will be rehabilitated. New Growth Centres will be established in Bauya, Rotifunk, Kabala and Kambia. Freetown Production Centre established. Staff of the Growth Centres and a Freetown Production Centre will be trained	Partially implemented. Growth centers in Binkolo, Kpandebu and Pujehun are being rehabilitated
3	To improve food security by reducing post-harvest losses of agricultural produce through the promotion of commercial post harvest activities:	Training in use and maintenance of appropriate technology to enhance agricultural production. Commercial pilot food processing centers in each agricultural zone. New product development, food safety and quality, training programmes.	Partially implemented in growth centers in Binkolo, Kpandebu and Pujehun
4	To improve market access and competitiveness of the food sector (Special focus on fisheries)	Strengthening of the Sierra Leone Standards Board, the fisheries Department, Food inspection services –Ministry of Health. Food safety and quality assurance and advisory services for trade facilitation and public health. Capacity building for regulations, inspection and enforcement of food safety laws.	Not funded Not implemented
5	Capacity Building in Food Science and Technology	Establishing of an internationally acceptable program in food science and technology at the Njala University.	Not funded Not implemented

An independent evaluation of the Integrated Programme (IP) was conducted in February/March 2008. Members of the evaluation team were Ms. Margareta de Goys, Director Evaluation Group, UNIDO, Vienna and Mr. Sanusi Deen, national evaluation consultant. The purpose of the evaluation was to assess the effectiveness in terms of achievement of outputs and outcomes, prospects for development impact and

sustainability, efficiency in implementation, provide recommendations for the future and identify lessons learned.

Evaluation findings

There was a very good level of collaboration between UNIDO and the Sierra Leone Government in the formulation and design of the Programme. In the implementation stage, there has been less involvement of the Government and no joint review or steering mechanism was put in place. The Government was not directly involved in the implementation of activities and the Government ownership of the programme diminished. UNIDO's ownership was also eroded due to many and changing players; 7 IP team Leaders and 5 PAD allotment holders and each with small budgets. As a result programme management, reporting and monitoring have been weak.

Despite the limited level of funding there was never any decision or attempt to review the Programme, although as early as in the beginning of 2006 it seemed obvious that funding prospects were bleak. Moreover, there was, from the start, an absence of an IP funding strategy and there had never been any prioritising or sequencing of components.

The Programme and many of its components **can**, nevertheless, **be regarded as relevant** in relation to Government policies and priorities as contained in the Sierra Leone Poverty Reduction Strategy Paper (PRSP) and the draft United Nations Development Assistance Framework (UNDAF). The IP was well aligned to these frameworks through components focusing on the promotion of the private sector through a Public-Private sector dialogue, the establishment of a SME unit at the Ministry of Trade and Industry (MoTI), rehabilitation and strengthening of growth centres for rural sector development, restoration of the supply of agricultural tools, and the promotion of agro processing for rural income generation and reduction of post-harvest losses.

Other components seem less relevant in a post-conflict situation, such as the development of a food-technology department at the Njala University. Furthermore, the fish sector was singled out under the "Improved Market Access" component. This can be regarded as relevant due to a high potential for export but the proposed intervention was somewhat ambitious and it would have been more realistic to start on a more limited scale, for instance by the upgrading of a laboratory for accreditation purposes, carrying out an in-depth sector study identifying main constraints for fish export or developing an action-plan for the promotion of fish exports.

The implemented components were relevant and in line with the Government's priority to focus on food security, post harvest agro-processing and the generation of rural income opportunities. Priority was rightly given to staple food commodities; rice, cassava and palm oil. In light of the limited funding that was made available, priority was given to the renovation and construction of the physical infrastructure and to the purchase of a Moss compliant vehicle, to enable efficient project implementation and monitoring. Furthermore, the Programme drew on the experience and competence of many UNIDO Branches and was well aligned to UNIDO's competence and thematic priorities.

Limited attention was, on the other hand, given to the policy framework and business environment or to the fact that Sierra Leone was in a post-conflict situation with loss of institutional memory, statistical data were outdated and there was an absence of a national industrial strategy to guide the development of the sector. Capacity building needs of the MoTI was, however, subsumed under a component aimed at the establishment of a SME unit at the MoTI. This component was not funded but is now covered under a planned Joint UNDP/UNIDO PSD programme. Nevertheless, the evaluation team found that capacity building needs of the MoTI could have been given more attention, for instance by carrying out a capacity needs assessment and keeping in mind that Sierra Leone had a new Government and that the function of Government had been eroded over many years. This kind of support could have been accommodated if the Programme would have targeted one growth centre instead of three.

The effectiveness of the programme has been limited and mainly because it never became operational. In addition, the implementation of the growth centre related activities encountered severe delays due to inadequate infrastructure and the weak capacities of the selected sub-contractors. Another detrimental factor was the cumbersome procurement procedures and a decision to re-launch the bidding process in order to comply with Government policy. This resulted in a several month delay in awarding the construction contracts. Delays are normal in post-conflict situations and especially for programmes implemented in remote rural areas but in the case of the Sierra Leone IP, the delays seem unnecessarily long.

There are, nevertheless, potential results in terms of imparted skills and increased production and value-added processing for the targeted beneficiaries. It is too early to say to what extent the supported growth centres will foster entrepreneurial development, employment and income generating opportunities for poor segments of the population and value-added production. The achievement of these results needs to be further monitored and assessed in the future.

The efficiency of the project has been low as there have been many delays and many causes for delays. To have three relatively small interventions, supporting the rehabilitation of three growth centres, managed by three different UNIDO staff members, from two different branches can only dilute responsibility and management. In addition to the problem associated with the procurement regulations for the selection of local contractors, logistics averred difficult and mainly due to the non-availability of the project vehicle for monitoring visits of national consultants, including the supervising engineer, who had to rely on public transportation on supervision visits to project sites. Generally, monitoring has been weak and reporting and monitoring requirements have, often, not been adhered and mandatory reports not been issued. Monitoring improved somewhat with the recruitment of a Head of UNIDO's Operation in Sierra Leone, in 2005. However, the same person was later on (in 2006) nominated as UNIDO Representative in Guinea, covering Sierra Leone and Liberia and there was no longer any UNIDO professional in Sierra Leone.

The inputs have mainly been construction materials and services of sub-contractors for the rehabilitation of the growth centres, equipment for these centres, a vehicle and the services of national consultants. The food-processing equipment arrived in Sierra Leone over two years ago and has been stored in a warehouse at the premises secured for the

Freetown Production Centre. Some items have been stolen despite UNIDO paying considerable amounts for security.

The growth centres are being heavily subsidized and this can be regarded as intervening in a Business Development Service (BDS) system or market. This approach might have been the only option available at the time the programme was designed but there is a need to decide on whether or not this level of subsidies should be allowed in the future as this can have negative effects on the BDS market and private sector development.

There has certainly been a need for a continuous joint UNIDO/Government review mechanism and joint implementation of the Programme. In fact, the proposed programme review committee was never established. This meant that opportunities for assessing the continuous relevance of the components, prospects and strategies for funding, the needs for re-design or the formulation of post-programme strategies were lost. A programme review committee would also have helped to clarify the different roles and responsibility of UNIDO, the Government and the management committees of the growth centres. The evaluation found that present and future roles were vague and that no Memorandums of Understanding had been drawn up and agreed upon by the partners concerned.

In general, when there is a need to rehabilitate the industrial sector in a post-conflict country, **research and policy level support needs to be included**. Such research activities can include a mapping of what actually exist in terms of institutions, policies, physical infrastructure, investment code, taxation regulation, technical capacities and, maybe, most importantly, private sector actors. This approach was not followed in the case of the Sierra Leone IP and there was also no attempt to prioritise between the components of the IP.

Consequently, we have a Programme that was never funded and never materialized but, at the same time, was never reviewed. There were high expectations, on the part of the Government but due to low delivery of the expected outcomes, these expectations became frustrations and disappointments. Nevertheless, in the process, UNIDO is developing relevant experience in Sierra Leone. Many interesting pilot interventions have been initiated and there is still a great deal of interest in UNIDO's competence and service modules.

Conclusion

Post-conflict situations are complex and challenging and there is often a need to provide both operational and advisory services. UNIDO is a technical cooperation agency with a sector-wide mandate and competence, able to work at up- and down-stream levels and is in a good position to provide relevant assistance. UNIDO's interventions, carried out under the SLIP, focused on rehabilitating rural growth centres to develop skills and generate employment and self-employment. In particular, the IP addressed shortages of agro processing skills and lack of access to relevant technology. Unfortunately, it was only possible to partially assess the results of the interventions under implementation because of severe delays. Moreover, the present and future roles of the MoTI, UNIDO and the growth centre management teams have not always been clear and issues of ownership and the legal status of the growth centres and the assets supplied under the IP need to be

resolved. The evaluation team also found that activities with the objective to strengthen the industry department of the MoTI and to develop capacities for Micro, Medium and Small Enterprise (MSME) promotion and sector and sub-sector analyses and market development would have been useful.

Although the interventions implemented can be regarded as relevant and useful and with potential for local impact, the evaluation found that the Programme has mainly focused on the supply side; increasing agricultural production and agro-processing productivity through Government-supported rural growth centres and that areas of markets and market development were more or less overlooked. Finally, the evaluation finds that, in line with UNIDO's competence, more could have been done to incorporate, in the programme design, activities aimed at stimulating the private sector to deliver business development services.

An over-ambitious and poorly implemented IP has led to frustrations and disappointments.

Recommendations to UNIDO

A. Sierra Leone IP specific

- The monitoring of the Sierra Leone IP should be reinforced and even in this closing stage, there is a need for close monitoring at project sites and accurate and timely reporting. A work plan should be prepared and implemented by the Team Leader for the remaining activities.

Recommendations to UNIDO and the Government of Sierra Leone

- A steering committee should be established in order to ensure that the IP is being appropriately closed and that a mechanism is in place for assessing results and lessons learned and formulating a new UNIDO programme.
- Memoranda of Understanding should be developed for all growth centres, outlining roles and responsibilities of MoTI, the growth centre management teams and UNIDO.
- Sustainability strategies should be developed for all implemented components.
- As the support to the growth centres can be regarded as a pilot activity, for possible national replication, there will be a need to monitor outcomes and possible impact, during a certain period and at regular intervals, in order to be able to feed information to the MoTI for possible decisions about up-scaling or replication. These assessments should include the extent to which the growth centres promote private sector development.
- There is need for capacity building of the MoTI industry division in order to enable it to assume Government functions in relation to industrial development

and, above all, ensuring a conducive business environment and efficient donor coordination.

- A new UNIDO programme in Sierra Leone should link up with the Mano River Regional Youth Programme as there are potential synergies.

B. Recommendations to UNIDO of a more general nature

- In post conflict situations UNIDO should start with a small programme with a distinct research and inventory approach, including capacity building needs assessment of counterpart organizations, an assessment of the business environment and the identification of areas where there is a need for technical assistance.
- In countries with a small donor community and without allocated development assistance funds, it is advisable to start with a small programme and include strategic interventions, including the formulation of strategies and policies.
- Priorities should be set in the IP - what is most urgent, what should come first?
- A needs-oriented Country Strategy Document can be a good start and be part of a more Step-by step approach to IP planning
- A IP fund mobilization strategy should always be developed and implemented
- IP implementation needs to be continuously monitored and there should be joint UNIDO/Government review mechanisms and monitoring.
- An in-depth review should be mandatory for all IP's, which have not reached a funding level of 30 per cent two years after approval and for the purpose of deciding on whether or not to continue, dismantle (implement the funded components as stand-alone projects), reformulate the programme or design and start a new programme.
- A main criterion for selecting IP Team Leaders should be the likelihood of the appointee remaining in the position for the duration of the programme and his/her capability to provide efficient leadership. UNIDO should revisit its rule that IP team leadership should always be with the Field Operations Division.
- Team Leaders need to assume more responsibility for internal and external coordination, monitoring and reporting and should be provided with adequate means to perform these tasks.
- IP team meetings should be held every six months and there should be minutes of these team meetings

- IP team management needs to be clearly defined, including the roles of team leaders, URs, UNIDO desks, team members and Government counterparts.
- The “common sense” rule of not being a UR or IP Team leader for your country of origin is valid and should always be applied as host country nationality weakens the international UN identity and can expose the staff member to double loyalties.
- A thorough risk analysis should be part of programme preparation and risk management should form part of implementation.
- UNIDO often needs to, and Sierra Leone was such a case, to consider alternatives to providing assistance through Government supported institutions for MSME development. Instead of having a supply driven approaches with, in the case of the Sierra Leone, IP rural growth centres as an instrument to promote MSMEs in rural areas, rather start with existing entrepreneurs and in addressing their constraints or, alternatively, adopt a cluster, sub-sector or value chain approach addressing failing links in the value chain or at the level of a sector or cluster. In fact, there is a whole spectrum of technical assistance modalities, including cluster development, BDS and market development, value chain analyses etc., that could be considered. Complementary to these approaches is the need to define how the Government can be supported to carry out its functions in enabling the private sector to play an important role.

Lessons learned of wider applicability

There are many challenges when working in post-conflict or post-emergency situations.

UNIDO needs to develop Policy Guidelines for supporting PSD in post-conflict or post-emergency situations. These Guidelines should assist in defining thematic priorities, institutional capacities and comparative advantages and on how to select and sequence services to be provided. The following interventions and activities are often needed in the first stages of a post-conflict programme;

- The identification of the main obstacles for industrial development and PSD
- A mapping and analysis of policies, strategies, regulations in place and of existing public and private business development service providers
- Formulation of a proposal on how to develop the functions of Government, encompassing 1) the provision of an enabling environment for the private sector; policies, regulatory framework and supportive infrastructure and 2) removing obstacles for PSD.
- Formulation of a proposal for BDS or market development, including sector and sub-sector analyses in order to identify sectors with short- and long-term growth potentials and strategies on how to promote the participation of subsistence producers in the market.

UNIDO can play an important role but needs to assess its interventions and achievements in post-conflict situations in order to improve learning and identify best practices

PTC, PCF and OSL/EVA need to work together to establish a “clearing house” on tools, competence, experience and results from working in post conflict situations or fragile economies. In these situations there is often a need to serve the Government in an advisory capacity and in relation to policy assessments and policy making, as well as on defining the role of Government and the type of services to be provided for industrial development and PSD and related capacity building needs.

1

Introduction and background

The Sierra Leone Integrated Programme (IP) “Post Conflict SME Support Programme for Industrial Development and Poverty Alleviation” was approved in May 2004 and had a duration of 48 months. The Programme was to contribute to the national recovery from almost 10 years of civil war by re-establishing entrepreneurial initiatives and providing jobs and income opportunities to help people in depressed provinces and displaced people in Freetown. A target area was food security with backward and forward linkages between micro and small-scale industrial activities and the agricultural sector.

Only a small portion of the approved budget of US\$ 5,146,700 has been funded. In all, a total of US\$ 738,479 has been allotted, by UNIDO, to the Programme. The table below shows the distribution of allotted funds and the unspent balance of the allotment at the time of the evaluation (March 2008).

Table 1
IP Allotments and Unspent Balances

Projects	Total allotment in US\$	Balance in US\$
Poverty eradication through enterprise development in Sierra Leone	106,195	92,142
Seed money for IP Sierra Leone – poverty reduction component	134,102	3,214
Advancing human security in post crisis situations	269,500	60,491
Seed money for IP Sierra Leone – human security in post crisis situations	33,763	-1,543
Rehabilitation of the KPANDEBU Growth Centre	61,609	15,933
Poverty eradication in the Mano River Union through investment and enterprise development – first phase (Sierra Leone)	15,000	15,000
Programming mission to Sierra Leone	28,915	0
Detailed study and design of a small hydro power plant on the Bankasoka River, Port Loko District, Sierra Leone (preparatory assistance)	89,395	18,286
Total	738,479	203,523

The Programme has mainly focused on the rehabilitation of three rural Growth Centres (GCs) and on strengthening the capacity for food processing and the production of agricultural tools and implements by the centres. One component, a study and design of a small hydro plant was added on at a later stage.

Previous UNIDO technical cooperation delivery in Sierra Leone, in the 1980s and 1990s had been relatively limited and totalling approximately US\$ 2 million. This assistance was directed towards the establishment of a National Industrial Development and Finance Organization, Private Sector Development as well as a survey of rehabilitation needs of the manufacturing industry, and encompassed the following projects;

- DP/SIL/87/003-“Establishment of the National Industrial Development and Finance Organization Limited”;
- SI/SIL/95/801 – “High Level Advisory Services for the Review of the Privatization Programme in Sierra Leone”;
- XA/SIL/95/614, XA/SIL/96/614 – “Support to the Government of Sierra Leone to Introduce a Consultative Mechanism for Private Sector Development”;
- NC/SIL/97/006 – “Diagnostic Survey of the Rehabilitation Needs of the Manufacturing Industry”

UNIDO has a long history of supporting the GCs. As an example, in the period 1985-87 UNIDO supported the Kpandebu Growth Centre and funded the construction of the existing buildings of the Centre.

The evaluation was carried out during February/March 2008, and encompassed field work in Sierra Leone. The Terms of Reference for the evaluation is found in Annex A. The evaluation team consisted of two persons; Ms. Margareta de Goys, Director of the UNIDO Evaluation Group and Mr. Sanusi Deen, national evaluation consultant and SME expert.

The evaluation team would like to thank all those who assisted it in carrying out its tasks.

2

Evaluation purpose and scope

The purpose of the evaluation was to assess the achievements of the IP and the challenges encountered, in order to provide information on results and lessons learned, to be fed into the formulation of a future Programme for Sierra Leone. More specifically the evaluation sought to;

- Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability.
- Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.
- Provide an analytical basis and recommendations for the focus and design for a possible continuation of the programme in a next phase.
- Draw lessons of wider application for the replication of the experience gained in this programme in other countries.

The evaluation was conducted as an Independent Terminal Evaluation, in compliance with UNIDO's Evaluation Policy and its Guidelines for the Technical Cooperation Programme. It was conducted at two levels: 1) evaluation of the Programme as a whole and 2) evaluation of individual IP components.

It was carried out during February/March 2008 and encompassed fieldwork in Sierra Leone. The evaluation covered a wide variety of issues and not the least the relevance, efficiency, effectiveness, sustainability and impact of the IP. These issues were reviewed in a holistic manner through document review, interviews with various stakeholders as well as with UNIDO staff and consultants and visits to the three Rural Growth Centres supported by the Programme.

3

Methodology

The evaluation was carried out in accordance with the ToR established for the evaluation and which can be found in Annex A. The methodology used included the collection and analysis of a large amount of written documentation related to the IP and to Sierra Leone. A list of the main documents consulted is provided in Annex B. In addition, the team interviewed a wide variety of stakeholders, including officials of the MoTI, UNIDO staff members at Headquarters and in the field, UNIDO consultants, representatives of development agencies in Sierra Leone, representatives of the private sector and beneficiaries of the Programme. A specific effort was made to consult with ultimate beneficiaries of the three supported rural Growth Centres.

A full list of people consulted is provided in Annex C. Semi structured interview techniques were used when interviewing key informants. Interview Guidelines were prepared and can be found in Annex D. While maintaining the independence of the evaluation, a participatory approach was used that sought the views and assessment of all parties.

At the end of the field mission a brief wrap-up meeting was organized at the Ministry of Trade and Industry (MoTI). Preliminary findings and recommendations were presented and discussed at a meeting, at UNIDO Headquarters, with concerned UNIDO staff members.

4

The Sierra Leone economic and political context

Following the eleven-year civil conflict 1991 to 2001, Sierra Leone found itself with a severely damaged physical infrastructure and serious socio-economic problems. In order to restore stability and recover the national productive capacity the Government launched various strategies and policies such as “the National Recovery Strategy” and the “Interim Poverty Reduction Strategy”. Both emphasized the need to restore the economy through SME development, the strengthening of the civil society and its role in economic recovery and the need to attain food self-sufficiency, tradable surpluses and rural employment. Youth and women were singled out as particularly vulnerable groups to be prioritized. Other priorities were to reestablish essential public services and political stability.

The economic recovery was to be led by the restoration of agricultural production to pre-war level and the resumption of mineral exports, thus taking advantage of the country’s rich natural resources. At the time of the IP formulation, Sierra Leone had a population of approximately six million. The agricultural sector contributed about 50% to the national Gross Development Product (GDP) and 14% of total exports. Approximately 75% of the population were employed by or derived their means of livelihood from the agricultural sector.

The country has now enjoyed six years of sustained economic recovery. Construction and reconstruction activities, increases in land under cultivation, increasing volumes of inward remittances and investments by Sierra Leoneans residing abroad, donor assistance and a remarkable growth in the mobile telecommunications sector have contributed to the recovery. Agricultural production has increased sharply, although export of cash crops remains low, and there has been some resumption of mineral exports. Sierra Leone has also made progress in re-establishing essential public services and in terms of political stability.

In spite of these positive economic trends, Sierra Leone remains one of the poorest countries in the world with a national GDP of US\$1.4 billion and a per capita GDP of only US\$ 240. About 82% of the population is estimated to live below the poverty line of one US\$ 1.00 per day and over 50 per cent of the population to live in absolute poverty. The situation is worse in the rural areas, where the corresponding figure is 65 per cent. A fundamental characteristic of poverty in Sierra Leone is food insecurity resulting from low agricultural productivity, low technology and high post harvest losses, estimated at 40 per cent of total production.

Sierra Leone’s Poverty Reduction Strategy Paper (PRSP) 2006-07, still being a reference, commits the Government to address the causes of conflict and poverty by focusing on three strategic objectives: (i) good governance, security and peace; (ii) pro-poor, sustainable economic growth for food security and jobs creation; and (iii) human resource development. Youth and women are singled out as particularly vulnerable groups. Other priorities were to reestablish essential public services and political stability. With a population of approximately six million people, which is growing at a rate of 2.3% per

annum, it is now critical for the country to implement the PRS and improve its economic performance.

Consequently the Government's has drawn up a Medium-Term Strategic Plan for agriculture, which aims at providing agricultural producers with attractive production opportunities. The strategy also aims at linking producers to markets and establishing a supportive policy and institutional environment for private sector development generally and private sector investment in agricultural production and especially in activities along the value chain such as agro-processing, in particular. An industrial strategy is still under development.

5

Programme design and content

As mentioned above, the Sierra Leone Integrated Programme (SLIP) was a four-year programme approved in 2004 as a post conflict SME support programme for industrial development and poverty alleviation through entrepreneurial development and the provision of employment and income opportunities for the poor in depressed rural communities and displaced people in Freetown. The table below summarizes the objectives of the programme, the results it was supposed to achieve and the status of implementation.

Table 2
Main Programme Components

Component	Description of Objectives	Results	Outcome
1	Improve policy environment for the development of micro, small and medium scale industries led by entrepreneurial and investors' initiatives	Secretariats of Sierra Leone Chamber of Commerce, Industry and Agriculture (SLCCIA), Sierra Leone Indigenous Business Association (SLIBA), Petty Traders Orgs. strengthened. SME Unit of the MoTI established. Statistics on small and medium enterprises available.	Not funded Not implemented Component covered by Joint UNDP/UNIDO PSD Programme
2	Reduce the development gap between the economies of provinces and Freetown with human resource development for micro and small-scale entrepreneurship promotion in the provinces based on the self-reliant market-demand-led growth	Growth Centres in Bo, Makeni, Kenema, Binkolo and Pujehun will be rehabilitated. New Growth Centres will be established in Bauya, Rotifunk, Kabala and Kambia. Freetown Production Centre established. Staff of the Growth Centres and a Freetown Production Centre will be trained	Partially implemented. Growth centers in Binkolo, Kpandebu and Pujehun are being rehabilitated
3	To improve food security by reducing post-harvest losses of agricultural produce through the promotion of commercial post harvest activities:	Training in use and maintenance of appropriate technology to enhance agricultural production. Commercial pilot food processing centers in each agricultural zone. New product development, food safety and quality, training programmes.	Partially implemented in growth centers in Binkolo, Kpandebu and Pujehun
4	To improve market access and competitiveness of the	Strengthening of the Sierra Leone Standards Board, the	Not funded Not implemented

	food sector (Special focus on fisheries)	fisheries Department, Food inspection services –Ministry of Health. Food safety and quality assurance and advisory services for trade facilitation and public health. Capacity building for regulations, inspection and enforcement of food safety laws.	
5	Capacity Building in Food Science and Technology	Establishing of an internationally acceptable program in food science and technology at the Njala University.	Not funded Not implemented

Component 1 aimed at developing the capacities of private sector business associations, such as the Sierra Leone Chamber of Commerce, Industry and Agriculture, the Sierra Leone Indigenous Business Association and the Petty Trader’s Association, to participate in the economic recovery process and in improving the national business environment. Furthermore, a SME Unit was to be established at the Ministry of Trade and Industry (MoTI) and a National Database on the Small and Medium Enterprise sector was to be developed. Component 1 was not implemented as no funding was secured for it. The component is, however, partially covered by a planned Joint UNDP/UNIDO Private Sector Development (PSD) Programme.

Component 2 received some direct funding (seed money) from UNIDO and has been partially implemented. More specifically, support to three (Binkolo, Kpandebu and Pujehun) of the four proposed Growth Centres (GCs) was provided. The Bo GC was dropped from the programme at an early stage due to problems relating to the ownership of the premises occupied by the Centre. For the remaining three, private building contractors are in the process of finalizing the constructing and/or rehabilitating of buildings. Machinery and equipment have been procured and are ready for installation. Premises have also been secured for the establishment of the Freetown Production Centre but no activities had commenced at the time of the evaluation. Neither had action been taken on the planned establishment of new Growth Centres in Bauya, Rotifunk, Kabala and Kambia.

Component 3 was partially implemented and food processing activities and related technologies have been selected for the three centers. A national consultant/trainer has been recruited and training for food processing instructors will be implemented.

Component 4 was not implemented as no funding became available. The Ministry of Marine Resources is understood to be developing a similar project in collaboration with the European Union (EU).

Component 5 was not implemented due to lack of funding. Beyond discussing the concept with the faculty of Njala University, no further planning or funding discussion were held with the university by either MoTI or UNIDO, during the implementation of the IP.

The seed money has enabled the implementation of some activities in a situation where no external resources became available. However, due to delays in implementations there have been no visible results thus there has been no secondary effects in terms of

mobilizing funds from donors. The reasons and consequences for the encountered delays will be discussed below under **effectiveness** and **efficiency**.

The formulated Programme can be seen as an integrated programme with reinforcing components, outputs and outcomes and potential synergy effects. Component 1 mainly addressed constraints at the policy level and was meant to promote an enabling environment to Sierra Leonean MSMEs and with a potential to promote and strengthen components 2 and 3.

For each component, an immediate objective, a number of outputs and activities have been defined and indicators established for the outputs. A general weakness noted, however, was that immediate objectives were often stated as activities, for example; “improve policy environment”, “reduce the development gap”, “to improve food security” but with little indication as to the aspired situation or changes/effects sought.

In addition, the causal linkages between the outputs and the immediate objectives were often weak; for instance for component 1; “...*improved capacity of business associations...*”, “*increases capacity of SME unit staff*” and “*statistical survey data on SME sector*” do not seem to be sufficient outputs to achieve the objective of “*improved policy environment for MSMEs*” and, moreover, the available budget seems far too small.

The evaluation team welcomes the effort made, in the programme document, to develop indicators for the outputs but finds that these could have been more specific, measurable and more directly related to the output. For example Output 1.1 “*Strengthened capacity of secretariats of SLCCIA, SLIBA, petty traders association and groups representing women entrepreneurs in participating in the national recovery programme, particularly in improving the administrative business environment for small-scale entrepreneurs*” and the indicator “*The Government of Sierra Leone and the private sector conduct effective dialogue in setting national policies for enabling regulatory environment for encouraging private sector business initiatives*” – preferably, the indicator should have provided a means to verify the extent to which capacities had been strengthened, as a result of the component.

The status of construction and rehabilitation of implemented component, supporting the three Growth Centers, was as follows;

The Binkolo GC

Two new buildings, one for metal works and one for food processing have been constructed and one existing carpentry workshop rehabilitated. Equipment for agro processing has been purchased but no new tools or equipment are foreseen for the carpentry and metal works shops. The toilet block has been completed and the water well dug. Civil works still to be completed include; concreting of the floor of the food processing building, putting in drainage and ventilation facilities, completion of a well-head and provision and installation of a pump and water storage tank. Electrical fittings were absent in the food-processing workshop and the need for fortified windows has been raised by the management committee but not provided for. The screeding of the floor of the Binkolo food processing plant was not included in original bills of quantities upon which the contractor won the construction contract. The food processing consultant has signalled weaknesses in the drainage and ventilation systems in the building and this is still to be rectified. No generator house was foreseen although a generator is being provided. The remaining civil works could be completed in one month. The installation and commissioning of the supplied machinery and equipment will take another month,

allowing for a two-week notice of readiness to suppliers and two week of installation work.

The Kpandebu GC

This component was developed to rehabilitate and strengthen the Kpandebu Growth Centre and to upgrade its metalworking workshop to produce agricultural tools and provide services to the farming community. Workshop equipment will be supplied for the fabrication, repair and maintenance of tools and equipment, thus introducing appropriate technologies. An agro-processing unit will also be installed in the centre. It is envisaged that with the enhanced capacities, the Kpandebu Growth Centre will be able to provide efficient services to the rural communities, resulting in increased agricultural productivity and production. The ownership of the land where the Kpandebu GC is located needs to be regularized.

Civil works are in progress in the construction of two new buildings at this centre, one for food processing (currently constructed up to wall height) and the other for both metal work and carpentry workshops, which is already roofed. The expanded weld mesh of the metal works building was being fitted at the time of the visit of the evaluation team. Work on the toilet block was nearing completion. A water well has been dug and lined but the water tower is still to be built. Additional contracts are expected, to cover variations in the bill of quantities. No generator house is foreseen although a generator is being provided. The remaining civil works could, under normal circumstances, be completed in two months. The installation and commissioning of machinery and equipment will take another month, allowing for a two-week notice of readiness to suppliers and two weeks of installation work.

The Pujehun GC

The civil works is in progress and encompasses the construction of one new building for food processing, a toilet block and a water well. The food processing building was being roofed. Materials and workmen were on site at the time of the visit of the evaluation mission. No generator house is foreseen although, also in this case, a generator is being provided. Additional works contracts are awaited to cover variations in the bill of quantities. The remaining civil works could be completed in one month. The installation and commissioning of machinery and equipment will take another month, allowing for a two-week notice of readiness and two weeks of installation work.

In accordance with the above analysis, the remaining construction work on the three sites could be completed within three months from the date the contracts for additional works are signed, full payment of all outstanding claims is made and assuming no further delays in payment and the that the installation of the processing machinery are carried out simultaneously, at the three centers. If the installation of the equipment is done one after the other, then there will be another two months extension in order to complete all the activities.

Various risks were identified at the design stage and included in the programme document. The risk that the total cost of the Programme might not be fully funded was mentioned first. This was supposed to be offset by a contingency plan to treat the components as individual projects that could be implemented in a phased manner. It was also expected that the design of the IP would be adjusted during programme implementation.

The risk that supported growth centres would put private, non-supported, enterprises in a disadvantaged position is, equally, mentioned in the programme document. This, it was argued, could be avoided by having growth centres charge user fees to operators using the centres. Another risk was that entrepreneurs would not be able to purchase the equipment, whose use would be demonstrated in the centres. This was to be dealt with through the development of mechanisms to assist entrepreneurs in accessing micro-finance loans. This is still a risk that needs to be monitored in new evaluations/reviews assessing the effectiveness and efficiency of the growth centre concept.

There was also a risk that the new technology was not affordable by people in poor rural communities who have no access to financial services to acquire them and technical support services to keep them in productive operation throughout their expected useful life. It was somewhat surprising that mechanised equipment was selected for communities without electricity supply.

6

Relevance

The programme was formulated in response to the needs and priorities of the Sierra Leone economy. The primary goal of the Programme was to support the Government's poverty reduction strategy and the economic recovery programme by promoting entrepreneurial initiatives, increased food security and backward and forward linkages of micro and small-scale industrial activities with the agricultural sector. Conducive framework conditions were to be created for MSMEs. The potential for the production of food crops and non-farm employment opportunities were to increase, post harvest losses reduced, fish handling practices improved, in order to increase exports and the national technical capacity for food processing technologies were to be strengthened. Furthermore, the business environment was to be improved through a policy dialogue between private sector representatives and representatives of the Government and an SME unit was to be created in the MoTI. Finally, Growth Centres were to be strengthened and developed in rural areas and new centres were to be established to contribute to increased supply of hand tools for agricultural production.

These were all relevant interventions in view of the fact that food production was deficient, poverty was wide spread, unemployment was wide- spread and especially in rural areas and among youth and there was a need to re-integrate ex-combatants thus entrepreneurial initiatives needed to be recreated and increased export earnings were needed to decrease the trade deficit. The emphasis on agro processing and food security was also warranted at the time the IP was formulated, due to the fact that agriculture was the main source of livelihood for about 65 per cent of the population and a substantial part of the population was dependent on food aid. Furthermore, post-harvest losses were intolerably high and at about 40 per cent of total production.

Moreover, the manufacturing sector was very weak; resulting in an unmet demand for tools (including agricultural hand tools), spare parts and various kinds of equipment. These were all well-known facts, but there seemed to have been little knowledge about the specificities of the needs of the manufacturing sector and the data on existing industrial enterprises were outdated and obsolete. In fact, the industry-related information referred to in the programme document stemmed from surveys undertaken in 1989 and as early as 1986.

The IP document points out the need for rehabilitation of the industrial sector and identifies inadequate infrastructure, lack of spare parts, poor maintenance, low capacity utilization, low productivity, limited market access, lack of skilled labour, national standards, metrology services and credit schemes as main constraints. It makes a case for the public sector becoming a facilitator instead of a competitor with the private sector and emphasizes that the creation of a conducive macro economic framework should be the priority of the Government. The IP also makes reference to national policy and strategy documents and the following objectives of the Government: raising productivity, create employment, support the development of MSMEs, reactivate training for youths at trade and skills centres, facilitate the development of valued added products for export and promote sustainable agricultural growth. Given these policy objectives, the support to the rehabilitation of rural growth centres and the development of the production centre, in Freetown, for the production of agricultural tools and equipment as a mean to increase

food production and food security, were rational and especially as these were, areas in which UNIDO had core competences.

The support to the growth centers, which became the back-bone of the IP, seems to have been advocated by various stakeholders, including UNIDO and can be seen as a continuation of previous UNIDO assistance in the country. It was expected that this component would yield quick and visible results, for the Government and for UNIDO. The blacksmithing component was especially relevant as the lack of agricultural tools and implements was a main constraint for rural and national economic development. The Freetown production workshop was to provide training in fields such as metalworking and serve as a coordinating hub to the Growth Centres. The blacksmithing component was especially relevant as the lack of agricultural tools and implements was a main constraint for rural and national economic development. Farming-related activities were more or less the only option for the rural population, many of whom were illiterate, lacked employable skills, had been displaced and needed to be provided with means for their livelihood. As much as 52 per cent of farmers were women and the Programme was successful in developing activities that specifically target women.

One component, which does not really seem to have been urgent in view of the many needs present during the post-conflict phase of the country, was the establishment of an internationally recognized programme in food science and technology at the Njala University. The component to improve Market Access and Competitiveness of the Food Sector with a special focus on fisheries also seemed misplaced under the prevailing circumstances, when a more generalized private sector development approach was probably more appropriate.

The inclusion of the fishery component was justified to secure access to the European market for marine products from Sierra Leone. However it is doubtful whether UNIDO was really in the best position to provide this support considering that the European Union (EU) had already carried out studies on technical assistance in this area and this area could rather have been left to the EU.

The establishment of a SME unit within the MoTI could have contributed to strengthening the technical capacity of the Ministry and in developing its human resources in areas such as SME policy, industry and sub-sector analysis and design of sector development strategies. The MoTI has presently only 5 staff members in the industry department. The option, for UNIDO, to provide assistance up-stream, at the policy level was discussed during the programming mission but was not felt to be a priority. Policy level activities have however been included in the design of the Joint UNIDO/UNDP Programme.

The Joint UNIDO/UNDP PSD Programme with a budget of about US\$ 700,000 was formulated, in 2005, by staff members of the PTC/PSD Branch. The Head of UNIDO Operations took an active role in funds mobilization and this resulted in Irish Aid coming forward as a donor. As Irish Aid had an established cooperation with UNDP, it was decided that the funds were to be channelled through the latter. Irish Aid transferred the funds to UNDP in the second half of 2006 but the funds have so far not reached UNIDO due to various problems such as the wrong forms being used in the preparation of an inter-agency agreement. Unfamiliarity with procedures on the part of Sierra Leone based staff has, likewise, contributed to this agreement being stuck. There is a need to advance and to resolve this issue with the UNDP.

There was active participation of the Government in the design of the IP and this resulted in a Programme with strong Government ownership and a Programme Document that

clearly reflected the Government's needs and priorities. As would be expected in a post conflict situation, the needs and priorities were many and the expectations on UNIDO, high. UNIDO was in a good position to assist and had comparative advantages vis a vis other UN agencies owing to its sector-wide mandate and competence. UNIDO also had the ability to work at both the policy and down-stream levels.

In a post-conflict situation there is often a new Government in place, loss of institutional memory, data is outdated and obsolete, statistics are lost, the role and rule of Government needs to be reinstated and there may be need to redefine the functions of ministries and departments and to develop comprehensive development strategies. In these situations one also finds dysfunctional markets giving rise to a need to support the development of markets in particular and a conducive environment for PSD in general. In the face of these wide and often complex technical assistance needs and considering the service modules of UNIDO, the evaluation team finds that UNIDO had relevant services and competences to offer and was a suitable partner.

Moreover, at the time the Programme was formulated there were relatively few donors in the country. This created a rather open playing field and a possibility to assume a leadership position in the development of a sector. However, at the same time, there was a need to collect information and map the institutional landscape, identify key constraints for the development of the sector and design a programme to deal with these constraints. The disadvantage was that there were few opportunities for fund-raising and a risk that many needs for assistance would not be satisfied.

In a situation with limited funding opportunities, as was the case for this IP, it is difficult to implement all planned activities. In such a situation, it is even, more important, to identify the key problems and the technical assistance needed to resolve them and prioritize based on available funding but also keeping in mind needs for capacity and institutional development. The Evaluation Team found that there seems to have been no identification of technical assistance needs in the design of the IP and that no attempt was made to prioritise between components, both consequences of rather limited problem analyses.

UNIDO's comparative advantage, relative to many bilateral and multilateral development agencies, is its long and wide experience in industrial development in Africa. UNIDO's wide competence is reflected in the range of its service modules, many of which are highly relevant to Sierra Leone and the MoTI. Even though the Government had requested all of the implemented interventions and that there was ownership of the IP, the direct involvement of the Government was deeper at the design and formulation stage than at the implementation stage. This lack of actual involvement of the MOTI in the implementation of the programme was evident at three levels;

- I. National counterparts did not participate in the majority of the supervision missions to the growth centres,
- II. UNIDO national experts and consultants had not been in contact with the MoTI, were thus not briefed by the MoTI nor did they brief the MoTI on the progress of the project,
- III. The Government did not play a role in supervising the equipment and machinery stored in the Freetown warehouse nor in supervising the construction activities of the GCs

The country has now moved from a post-conflict into a development phase. Nevertheless, the objectives of entrepreneurial development, job creation and income generation for people in depressed rural communities and displaced people in Freetown, are still valid. Targeting food security and micro and small-scale industries, including agro processing is equally of a continued relevance.

7

Effectiveness

Here, we will assess the effectiveness or achievements of objectives and the delivery of outputs of the financed components. To this category belong;

- Output 2.1 Renovation and upgrading of the Growth Centres in Pujehun, Kpandebu and Binkolo
- Output 3.1 Pilot centres for agro processing in Pujehun, Kpandebu and Binkolo
- Output 2.3 A Study of the Proposed Freetown Production Centre
- Added Output: Mini hydro project

Output 2.1 Renovation and upgrading of the Growth Centres in Pujehun, Kpandebu and Binkolo

Output 3.1 Pilot centres for agro processing in Pujehun, Kpandebu and Binkolo

The major components implemented under the IP have been the rehabilitation and upgrading of three Growth Centres (GCs), in Kpandebu, Binkolo and Pujehun. These Growth Centres are institutions managed by local authorities and supervised by the MoTI. Their purpose is to provide support for the development of small and medium scale enterprises (SMEs) in rural areas, through the provision of technology and training. Many of the GCs, including the ones supported by UNIDO suffered severe devastation during the war and needed to be rehabilitated in order to provide efficient services.

The centres are to cover their own costs and there is, at the present time, no Government subsidy and no formal staff salaries. The running costs are to be covered by producing and selling products stemming from the various training events and from clients renting the equipment. The staff of the centres consist of managers and trainers in carpentry, tailoring, tie and die and blacksmithing. Management committees, for the individual growth centres are in place and consist of representatives of local authorities, beneficiaries, teaching staff and community development organizations.

The growth centres do not have access to electricity but diesel generators are to be supplied by UNIDO. Presently, the centres are working at low capacity but performance is expected to increase considerably with the completion of the construction and commissioning of the new workshops. So far however, sustainability strategies or business plans have not been developed for the GCs. Moreover, the roles and mandate of the MoTI, UNIDO, the community and the GC management are not clearly defined and documented. There were however plans for the respective community to contribute to the running of the centres.

As mentioned earlier, there have been long delays in delivery of the planned outputs. The decision to employ a supervising engineer and a national agro-processing technologist, during the course of 2007 was however constructive and enabled continuous monitoring at the project sites and supervision of the contractors. The contract of the supervising

engineer started in March 2007 and that of the agro-processing technologist started in September 2007. Unfortunately, the contract of the supervising engineer had ended at the time of the evaluation mission, thus before the construction work had been completed.

A major constraint has been finding suitable private contractors, established in the region of the respective GC. In order to comply with Government Procurement rules, the bidding was re-launched after contractors had been selected through a first call for bids. This was a major source of delay (about 8 months) in the implementation of the components. New contracts were signed in October 2006 and at that time it was estimated that the renovation work would be completed within maximum two months. This averred to be unrealistic and optimistic.

Another problem was that the local contractors available in the regions, were small individual businesses with limited technical and financial capacities and had difficulties in adhering to established procurement standards and in timely delivery of their outputs.

Moreover, contract administration was difficult because not all contractors had bank accounts or Internet addresses. Furthermore, there was limited understanding of UNIDO procedures. A related problem was that the contractors didn't have own funds to pre-finance activities that should have started before the disbursement of the UNIDO funding or to arrive at the stage necessary for a second instalment. Generally, it was felt that the 10 percent advance was not enough to commence work. In addition, the delays coupled with inflation resulted in the escalation of prices causing the contractors to claim cost overruns.

Another factor detrimental to a smooth project implementation was the fact that the supervising engineer and the agro-processing consultant did not have access to the project vehicle but had to resort to public transport.

The agro processing equipment, to be provided by UNIDO, was purchased in 2006 and has been stored at the Government-owned Ferry Junction Building in Freetown. Security at the warehouse has been lax resulting in some items being stolen. This has happened despite the fact that six security guards were retained on 24 hour duty at a cost of (presently) \$ 600 per month. The theft had gone undiscovered until the visit of the evaluation team. The evaluation team was unable to find out whether or not the equipment had been insured. The incident has been reported to the police.

The growth centre interventions are responding to a need for skills training and employment generation for the rural population and for the big segment of unemployed youth. Many of the potential clients or trainees of the agro processing facilities, that are about to be established, are girl-mothers, mostly victims of the civil war. These centres are therefore expected to fulfil a social rehabilitation function including reducing youth employment.

Post-harvest processing, almost by definition, needs to be close to rural communities. An international agro processing consultant has prepared a report incorporating a feasibility study for agro-processing, containing an analysis of potential processed food items, to be produced at the growth centre facilities and the equipment needed.

Uncertainties remain as to whether credit facilities will be available for trained food processors to purchase the equipment and machines needed to start small food processing enterprises. The success of the projects will probably depend on the availability of credit. So far, no contact has been established with any financial institution. Another area of concern is the availability of transportation for reaching market outlets for the processed products.

The recruitment of managers for the agro-processing units will be another challenge. The training of these managers and agro-processing operators will take place once the construction work is completed and the machines have been installed and commissioned. A national and an international consultant have been retained for these activities. Funding for the payment of salaries of newly recruited staff during a bridging period is to be forthcoming from UNIDO. Finally, there is no Memorandum of Understanding outlining the duties and responsibilities of the partners, the legal status of the centres, responsibilities of and for personnel and ownership of land, buildings and equipment of the centres.

The main budgetary components have been sub-contracts for the construction and rehabilitation of buildings and other structures at the growth centres, procurement of machinery and equipment and national consultants. As the construction work is still to be completed and the equipment to be installed and commissioned, the outputs have not yet been produced but were, at the time expected to be finalized within the next three months. The evaluation team also found that many activities foreseen under the growth centre component had not yet been implemented. These include the development of business plans and the formalization of the legal status, of the centres.

It is thus too early to assess to what extent the local farming communities in the locations of the centres will benefit from the services that will be provided, the tools that will be produced or assimilate the new skills and technologies that will be disseminated.

Output 2.3 A Study of the Proposed Freetown Production Centre (FPC)

Whereas the programme document refers to the production of agricultural tools and equipment and maintenance, the study commissioned under this output, in accordance with a request from the Government in 2006, targets the establishment of an Agricultural Machinery Production Centre – the Freetown Production Centre (FPC). International and national consultants have completed the study, premises have been solicited in Freetown but no financing has been forthcoming for the establishment of the centre. The study indicated a low national capacity for the promotion of agricultural mechanisation and for the production of equipment and tools. It proposed that the FPC would be a self-sustaining centre, producing tools, machines and developing prototypes in order to provide the agricultural sector with means for increased productivity and competitiveness.

The resulting project has a budget of US\$ 2,8 million. So far no donor has committed itself to the project but initial discussions have been held with the African Development Bank.

Added Output: Mini hydro project

A component for a study and design of a small hydro power plant, with a budget of almost US\$ 90 000 was added to the IP. Activities started in December 2007 with a team of experts visiting Sierra Leone. An output in the form of a pre-feasibility report has materialized. Power would be generated mainly for household use and for agro processing.

A project document with a budget of US\$ 2.6 million has been developed for the establishment of the mini hydro plant. Out of this amount, US\$ 500,000 for equipment, will come from the Chinese Government under its – “Lighting up Africa” initiative. A

second mission, to check local conditions at the proposed sites was ongoing at the time of the evaluation. The presence of a growth centre was not a criterion when the first project site was selected but that variable is being considered for future site selections. Mini hydro power generation is an alternative to the relatively costly diesel thermal plants, which are often found in rural areas and which will cater for the electricity supply of the three supported growth centres.

Components that have not been funded

The PSD component was never funded. However some of the activities envisaged have been incorporated into a joint UNDP/UNIDO PSD project for which Irish funding has been secured and funds transferred to the UNDP but the interagency Agreement is yet to be signed between UNIDO and UNDP.

Components 4 and 5 aiming at developing human resource capacities, laboratory facilities and a university programme in food science and technology were regarded by some stakeholders as not very relevant in the post-conflict recovery stage as they were targeting longer term in export capacity building, and promotion of foreign investment.

Project outside the IP

In addition to the IP, UNIDO has a portfolio of national and regional projects that are being implemented in Sierra Leone. These projects are briefly presented below;

Agfund is supporting an **Investment and Enterprise Development Project**. The model behind this project is the "Enterprise Development and Investment Promotion (EDIP)" model of UNIDO that is being implemented by the ITPO Bahrain and using their model, for SME development and investment promotion and piloted as a technical assistance modality in Sierra Leone. The project, with a technical assistance component of US\$ 190,000, was approved in August 2007 and training activities were ongoing at the time of the evaluation mission. The interventions in Sierra Leone are, among others, expected to result in a functional Investment Promotion and Enterprise Development Unit and increased access, through the establishment of an APEX fund for SME finance. The Sierra Leone interventions are part of a three-year regional project covering Sierra Leone, Liberia and Guinea.

Facilitation of Early Action on the Implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs)

UNIDO has assisted Sierra Leone in developing a proposal for the Enabling Activities under the Stockholm Convention and with GEF funding of a total budget of US\$ 498,000. In September 2006, an agreement was signed by UNIDO and the Government of Sierra Leone to assist the Environment Protection Department of the Environment Protection Agency in implementing the Enabling Activities for the development of the National Implementation Plan. In December 2006, an Inception Workshop to launch the project and an Inventory Training Workshop to train national experts in methods of taking inventories of different POPs substances, were held. Inventories have been undertaken on the various POPs substances in the country and national priorities have been identified. A National Integrated Plan has equally been formulated and is ready for submission to the Government, for endorsement and onward submission to the Stockholm Convention.

Combating Living Resource Depletion and Coastal Area Degradation in Guinea Current Large Marine Ecosystem through Ecosystem-based Regional Actions (GCLME): This project is part of an ongoing regional project with the total budget of US\$ 20,800,000 and Sierra Leone is one of many beneficiaries.

The Regional West Africa Quality Programme covers all ECOWAS (including UEMOA) countries and Mauritania. The total budget of euro 14 million is financed by the European Union. The budget allocation per country is approximately euro 1 million (including programme coordination, regional activities, etc.). Main activities will include trade related analysis, standardization, product testing/laboratory upgrading, metrology, accreditation (regional) quality promotion, traceability and inspection. For Sierra Leone, the main counterpart is the Sierra Leone Bureau of Standards. The Programme formally started in September 2007.

Textile Training and Production Centre: The objective of this project is to strengthen national capacities in the SME textile sector, to manufacture innovative, quality products that are competitive in both local and export markets. The project has been integrated into the UNDP-funded Youth Employment Scheme (YES) and has an estimated budget of US\$150,000. In August 2007, UNDP agreed in principle to contribute US\$ 75,000 towards a pilot project, whilst the balance is expected to come from UNIDO. Depending on the results of the intervention and the availability of funding, the project activities would be expanded to other provincial district towns. UNIDO is now awaiting the release of UNDP funds and the government's agreement on local inputs in order to finalize the project document, for submission to the QAG and PAC and for the approval of the project document and the UNIDO contribution of US \$75,000.

The Multi-stakeholder Programme on Productive and decent Work for Youth in Mano River Countries and Cote d'Ivoire is a sub-regional programme aiming at improving employment prospects of marginalized poor youth through the promotion of youth entrepreneurship, empowerment of youth, the provision of financing for youth-led projects and the generation of labour market information. The Government of Japan has allocated US\$ 5 million to the Programme and it will be implemented by UNIDO, in partnership with ILO and UNDP. Programme implementation was to start during the second quarter of 2008.

Potential impact of the Integrated Programme

Generally, the IP has, so far, not had the chance to achieve any impact in terms of re-establishing entrepreneurial initiatives or providing job or income opportunities. There is potential impact, however, through the three supported growth centers even though the beneficiary population is rather limited. According to one GC management committee, only 20 persons would be trained in agro processing during one year and it is, in addition, uncertain if the GC model will be expanded. There are, nevertheless, potential multiplier effects in terms of trained trainers being able to train future trainees and these should encompass future entrepreneurs.

The reactivation of the Growth Centres is, in line with the above, regarded as one way to revitalize economic activities in rural communities as these Centres often possess the single most important income generating assets.

The GCs in Binkolo, Kpandebu and Pujehun had all been in operation prior to the civil unrest that led to their temporary closure but to what extent they impacted on economic

activities or employment is uncertain. The evaluation mission took note of the fact that community members were eager to participate in the new activities that the centers will offer.

Nevertheless, in order to re-establish entrepreneurial initiatives as an engine of recovery, a more comprehensive strategy was probably needed, in terms of addressing constraints at macro, meso as well as micro levels. Moreover, the Programme has mainly focused on the supply side; increasing agricultural production and agro processing activities through Government supported training cum production centres and more demand oriented interventions, to alleviate existing constraints to development of sectors or markets and to develop the private sector are absent.

8

Efficiency

IP implementation

In this chapter we will discuss how economically available funds and inputs have been converted to results. UNIDO provided the IP with seed money amounting to a total amount of US\$ 738,479 million. This financial input has mainly been used for the rehabilitation of 3 growth centres and the establishment and upgrading of food processing and metal working capacities.

The Programme was designed as an integrated programme and it was envisaged that an integrated set of interventions, combining MSME development, support to business associations, policy support and technology development would contribute to poverty reduction and economic recovery. In this sense the Programme was to address various constraints at both micro, meso and macro levels, with potential synergies and thus efficiency gains from an integrated approach in contrast to stand-alone projects. However, since only a small portion of the Programme was funded, these efficiency gains did not materialize. In addition, the programme had a relatively large number of components, in relation to its budget, and it would probably have been difficult to reach the critical mass needed for developmental impact.

In post-conflict situations, interventions often experience delays and costs- increases in relation to the budgets and this has also been the case for the Sierra Leone IP. The delays in implementation, have already been mentioned above but the following can serve as an additional illustration;

- seed money amounting to a total of US\$ 500,000 was approved in June and September 2004 but the first mission of the Implementation Team didn't take place until March 2005.
- the growth centres to be supported and the equipment to be provided were selected in 2005 but up to now construction work has not been finalized and procured equipment have been stored in Freetown for more than two years.

Postponements and delays, like the above, have been running like a red thread through the Programme. In January 2007 the GC component was estimated to be completed in May the same year, in July the supervising engineer estimated completion for the construction work, at the three sites, by mid-September 2007 and so on, and so on. The evaluation team recognizes that the Programme has worked in a difficult environment, in terms of infrastructure, and capacities of contractors but there have also been administrative reasons for the delays.

A Head of UNIDO Office was appointed during the first quarter of 2005 and initiated cooperation with, primarily, three backstopping officers in Vienna. Activities on the ground started with the recruitment of two national experts in April 2005. These experts were to carry out initial assignments related to the establishment of the agro-production centre and food processing pilot centres. It was subsequently decided to go ahead with the

establishment of production and demonstration centres in three rural areas. Properties were assigned to the projects by the Government of Sierra Leone and included the Ferry Junction site for the Freetown Production Centre and 3 Growth Centres; in Pujehun, Kpandebu and Binkolo were selected in August 2005. Due to the limited availability of funding and the relatively larger budgetary requirements for the Freetown Production Centre, it was decided to start with the rural Growth Centres and to put the assistance to the Freetown Production Centre on hold.

These growth centres were assessed for their potential to process local raw material, produce agricultural hand tools, repair and maintain agricultural machineries and the cost requirements for renovation and expansion of the infrastructure. Identification of contractors started almost immediately and the order of food processing equipment was placed in February 2006. In March 2006, UNIDO became aware of a new Government policy, to confine bidding to companies within the border of respective Local Council. The bidding process started all over again. UNIDO Headquarter based project managers asked for an exemption for the IP but the MoTI was unable to allow this.

New contractors were finally selected in May 2006. At the outset, the rehabilitation cost, for each centre, was expected to be below US\$ 20,000. However, the new bids yielded higher costs and called for a UNIDO Headquarters-based bidding process, including re-advertising and starting all over. During June and July various procurement issues were dealt with at the procurement office at UNIDO headquarters. New invitations for bidding were sent out in October and in November/December 2006 and proposals were accepted by February 2007. The first payment was released in April 2007 and work commenced shortly after this and the estimated completion date, at this time, was June/July 2007. However, activities more or less ceased during the election period; July to September 2007.

The new bids were higher than previous and not only did costs increase but there were additional delays of about one year. These delays have continued and, as an example, at the time of the evaluation mission, only 50 per cent of the construction work in Pujehun had been completed, while 75 per cent of the Kpandebu works had been completed and Binkolo was close to completion.

As mentioned earlier, the agro-processing consultant was hired in September 2007. In addition to supervising the finalisation of the construction work, the consultant has been handling food and safety compliance issues. She will assist in the start-up phase of the operations and in the training of operators and pilot training of potential entrepreneurs. Another outstanding task is to develop a marketing strategy and work on product promotion tools.

A general conclusion is that programme managers made significant efforts to comply with both Government and UNIDO procurement rules. This caused delays and complications since these rules did not really complement each other and didn't take due consideration to local conditions. However, since the procurement was fully funded by UNIDO and the procurement contracts were directly between UNIDO and the contractors, the procurement should normally have been executed in line with UNIDO's procurement rules only and especially since there was no mention in the project document that Government procurement rules should apply. In fact, the programme document rather specifies that "the project document shall be the guiding instrument on this project and standard UNIDO procedures will apply for project implementation".

In addition to a complicated procurement process there were other sources for delays; travel of the supervising engineer and the national agro processing consultant to project

sites has been difficult because the UNIDO project vehicle has not been available and the consultants have had to use public transportation. This in spite of the fact that the project vehicle was purchased with project funds under the XP/SIL/04/027 project/ IP component and the budget for the project vehicle specified project travel for monitoring/evaluation. Moreover, at the operational completion of this project, the ownership was transferred to project/IP component US/SIL/04/107. The driver and the maintenance of the vehicle have, furthermore, been paid by IP project funds. It seems reasonable that the vehicle should be at the disposal of the UNIDO Representative in Guinea and covering Sierra Leone, but more of an effort could have been made to also cover the travel needs of the national experts and consultants. The issue of the non-provision of transport has repeatedly been brought up in the reports of the national experts/consultants but led to no action.

Programme coordination and management

The IP leadership has been somewhat diluted with as many as 7 IP team leaders and the fact that there were three different project managers, from different branches and units, for three relatively small projects and each one assigned one growth centre. In addition, one finds a US\$ 750,000 Programme with 5 substantive allotment holders. Another finding is that it would have been more efficient to pilot the growth centre concept in just one geographical location.

A recent OSL/EVA review of 6 IPs indicates that a high turnover of team leaders is a common IP feature. On an average, for the IPs being reviewed, a team leader was in this position for less than one year. For the Sierra Leone IP, the attribution of Team Leaders (TLs) has been as follows;

Ms. Pokane - from the PAC approval in January 2004

Mr. S. Hisakawa - from the May 2004 (formal Programme approval)

Mr. A. Volodin - from April 2005 (transfer of Team Leadership from PTC to Regional Bureau)

Mr. F. Ugbor - from April 2006 (team leader of 5 other countries)

Ms. K. Pokane - from November 2006 (team leader of 3 other countries)

Vacant - although officially Ms. Pokane, but she retired in February 2007

Ms F. Benani-Baiti - from July 2007 (team leader of 3 countries)

Mr. J. Koroma - from December 2007

This almost constant change of team leaders has limited the internal UNIDO ownership of the IP and produced an erratic and sporadic leadership. Furthermore, the IP document calls for yearly Field Review Meetings, with the participation of team members, MoTI, donors of the Programme and national counterparts. So far, however, there was no such meeting or any other kind of review meeting or formation of a steering committee.

Reporting has been another weak area. It started rather well with IP progress reports prepared in September 2004 and in May and October 2005 but after this date no IP progress report has been prepared thus there has been no submission to Industrial Development Boards 31, 32, 33 or to the General Conference 12. In a similar manner, monitoring on behalf of team leaders and project managers have, generally, been weak. The IP was, moreover, according to the programme document to be subject to periodic self-evaluation/progress reports, in order to review the programme and validate its continuous relevance and assess the progress towards achieving its objectives. Despite inquiries, no self-evaluation report or updated progress report was made available to the evaluation team.

The compliance with requirements in relation to the preparation of progress reports and self-evaluation reports seems, generally for IPs, to be weak and is decreasing. As regards progress reports, from a 100 per cent general compliance rate in 2005, it went down to 78 per cent in 2006 and further down to 40 per cent in 2007.

Beyond any doubt the nomination of a Head of UNIDO Operations, in the beginning of 2005, had positive effects on Programme implementation and enabled a more efficient monitoring. Nevertheless, the efficiency of the Head of UNIDO Operations was reduced by limited initial briefings on the IP and on UNIDO. Since the nomination of the Head of UNIDO Operations as a UR in Guinea (also covering Liberia and Sierra Leone), in March 2006, the post of Head of UNIDO Operations has been vacant. This nomination of the former Head of UNIDO Operations has also resulted in the “common sense” rule of not assigning URs or Team Leaders in their countries of origin, being disregarded. Even though there is, so far, no indication of the international UN identity being compromised or that the staff member has been exposed to double loyalties, this is a potentially sensitive situation.

Moreover, the MoTI has, to a very limited extent, been involved in IP supervision and monitoring and is constrained by lack of staff and logistics. The Industry Division of the Ministry, with only 5 professional staff members and no means of transportation, in fact, lacks the capacity to undertake independent supervision missions. As mentioned above, the collaboration between UNIDO and the MoTI, which was strong during programme formulation, became weakened during the implementation of the IP.

UNIDO has had a good level of collaboration with other donors and has contributed to existing donor coordination mechanisms. It was noted, however, that in the IP document the involvement and interest of other donors in the field of industrial development were mentioned and that sometimes these areas corresponded to those targeted by UNIDO, but there was no information as to how UNIDO’s interventions would complement those of others donors.

In summing up the efficiency, the evaluation team would like to stress that there were good level of complementarities and potential synergies between different IP components and especially between the metal working/production of agricultural tools component and the food-processing component. Increased agricultural productivity was combined with processing to minimize post-harvest losses. This has a poverty reduction potential and creates value added to the agricultural produce. It is however noted, that out of the three growth centres, only the Kpandebu centre obtained funds to strengthen and provide blacksmithing equipment and tools for the metal workshop. Regarding the PSD component, no entrepreneurship development or entrepreneurial training activities were possible, due to lack of funding. Another issue is whether the Growth Centres will produce more trainees than 100 persons per year and whether growth centres will be efficient instruments for entrepreneurship development.

Finally, the question remains as to whether or not the growth centre concept is an efficient way to promote rural employment in a post conflict situation. More than three years after the approval of the Programme, no employment has actually been created despite various attempts made by UNIDO managers to speed up implementation and to resolve outstanding issues. But this can more be considered as fire brigade management than continuous management and monitoring. The fact that the functions of different UNIDO staff members (UNIDO Desk, team leaders and project managers) seem to have been vague have not facilitated implementation

9

Programme budget and funds mobilization

The Programme has been severely constrained by the limited availability of budgetary resources. No donor support was forthcoming despite a rather well attended donors' conference. Reasons provided were that few donors were around at the time the Programme was formulated and there were thus limited opportunities to consult with potential partners or to raise funds. Another reason given was overlap with interventions planned by other development agencies and another that the growth centre concept had limited attractiveness. The absence of a fund mobilization strategy, in the programme document, has undoubtedly been another contributing factor.

As mentioned above, the Sierra Leone IP had an approved budget of US\$ 6,447,046 and a total allotment of US\$ 750,275, which is equivalent to a funding rate of 13 per cent. The original budget was 5,815,771 (including support costs). This was increased twice; in March 2007, at the approval of the Joint UNDP/UNIDO Private Sector Development Programme and in October 2007 at the approval and funding of US\$ 88,000 of the project "Detail study and design of the small hydro power plant on the Bankasoka River, Port Loko".

Under funding of IPs is, unfortunately, a rather common feature. The recent OSL/EVA review of IPs, mentioned above, found that an average IP consists of 16 projects out of which only 9 are funded and an overview carried out by PCF/OMD in December 2007 shows that the average IP/CSF funding rate was 34 per cent on a global basis and 41 per cent for Africa. Still Sierra Leone is at an extreme end with a funding rate of 13 per cent. Sierra Leone is, however, in the same category as 6 other African IPs with funding rates below 20 per cent.

The secured IP financing originated from UNIDO's own funds and started with a US\$ 41,300 allocation, by the Director General (DG), from the Post-Crisis Umbrella project YA/RAF/04/404, followed by a PAC earmarking of US\$ 150,000 as seed funding, in May 2004. After a request for additional seed money, the PAC approved US\$ 350,000 in September 2007.

The largest allocation of the planned budget was for component 2 – *Reduce the development gap between the economies of provinces of Freetown with human resource development for micro, small and medium scale entrepreneurship promotion in the provinces based on self-reliant market-demand-led growth* and this is also the component that has received the largest actual allotment, US\$ 517,096. This seed funding, approved in 2004, had the purpose to support production centres in Freetown and one selected rural area. Ultimately, however, the funds were used for the rehabilitation of three rural GCs. The question remains, whether the "seed money" was used strategically, that is, to pilot activities and demonstrate results for future fund mobilization efforts. The answer will emerge from the results that will be realized, from the operations of the three funded GCs, after 2 to 3 years of operations.

10

Sustainability

In this chapter the probability of continued long-term benefits of the interventions are discussed. This is a relevant issue for this IP since the approach has primarily been to develop publicly supported and subsidized centres as opposed to promoting the appearance of private service providers. The sustainability, in technical and financial terms, of the supported growth centres and in particular of the food processing plants is uncertain. Positive factors are the fact that the growth centres already existed and that self-sustaining strategies and management structures have been in place over a long time. On the other hand, suitable managers and trainers for the food processing plants will need to be found and recruited. The plants and the workshops at the GCs are all to operate as self-sustaining and profitable units and not be dependent on outside funding. For instance, the agro-processing plants will use available excess agricultural raw materials and be able to market and sell their outputs.

There is however a risk that the commercial viability of the centres and of individual plants will be affected by an insufficient infrastructure and logistical difficulties in reaching market outlets.

Moreover, the legal status of the centres and the respective responsibilities of managers, planning/management committees, the MoTI and in the short term UNIDO needs to be clarified as well as ownership issues in relation to buildings and equipment.

There are thus many issues at hand, related to financial as well as technical sustainability, of the growth centres and the capacity of the MoTI to support the centres. The MoTI has only to a limited extent been involved in programme implementation and opportunities for capacity development seem to have been lost as the activities have focused more on rehabilitation of physical infrastructure than on building capacities to manage and monitor similar development interventions.

In order to be able to assess the sustainability, in the short and in the long term, of the centres, there will be a need to review these issues as well as the efficiency, effectiveness and continuous relevance of the centres. In this respect there will be a need for the development of baselines and this should preferably be done by UNIDO together with the MoTI. Furthermore, it was envisaged that business plans and sustainability strategies would be developed for the centres but this is yet to be done.

Once the growth centres have been completed and the equipment has arrived, a commissioning mission will be fielded to each one. The UNIDO project manager, the national food processing consultant and an international expert will form part of the mission and will stay at each centre for about one and a half weeks. 9-month salaries will be paid by UNIDO to the food-processing manager while the operators will receive a one-month salary. One and a half week per centre seem a bit short in view of the fact that new technologies are being introduced and that the centres will function as training, technology transfer and cum production centres and that necessary skills' levels need to go beyond knowledge on how to operate the machines. There will also be a need to ensure that production for sale will not take precedent over training and advisory activities.

For the sustainability of the GCs, good business management practices and training, involving both their boards and management teams, will have to be introduced. In addition, each unit should be formalized by being incorporated and each must operate on the basis of a business plan, which should be reviewed annually to allow for necessary adjustments.

11

Conclusions

The Integrated Programme was thematically relevant and supportive of Sierra Leone's PRSP, UNDAF and in line with priorities of the MoTI. The main emphasis of the Programme was on the promotion of pro-poor sustainable growth for food security and job creation with objectives to restore the economy through the development of private sector development and MSME promotion. Only a minor part of the Programme was funded and the activities implemented have mainly focused on the rehabilitation of three rural Growth Centers.

The implementation of the Growth Centre component was expected to contribute to a revitalization of economic activities in the concerned communities. These Centers represent the single most important income generating assets and economic activity of the communities and were seen as platforms for economic development and income generation. The Growth Centers were to become nucleus for entrepreneurship, promote agro-processing skills, produce agricultural tools and skills and enhance food security and rural income. However, as there have been severe delays in the rehabilitation of these Centers, due to a lack of effective on-site supervision, cumbersome procurement procedures and weak capacities of the selected construction companies, their actual contributions to economic development needs to be further monitored and assessed.

The provision of raw materials to the growth centers seems ensured, given the abundance of the needed raw materials in all three regions. However, there will still be a need to cover various costs and maintain buildings and equipment and the cost and revenue estimates of the centers are still to be developed. Moreover, the present and future roles of the MoTI, UNIDO and the growth centre management teams have not always been clear and issues of ownership and the legal status of the growth centres and the assets supplied under the IP needs to be resolved.

At the same time as the Programme has initiated worthwhile activities towards the strengthening of rural infrastructure and capacities for agro processing, little has been done to support the promotion of a conducive environment for industry and private sector development or to strengthen the "enabling" function of the Government.

Recommendations to UNIDO

A. Sierra Leone IP specific

- The monitoring of the Sierra Leone IP should be reinforced and even in this closing stage, there is a need for close monitoring at project sites and accurate and timely reporting. A work plan should be prepared and implemented by the Team Leader for the remaining activities.

Recommendations to UNIDO and the Government of Sierra Leone

- A steering committee should be established in order to ensure that the IP is being appropriately closed and that a mechanism is in place for assessing results and lessons learned and formulating a new UNIDO programme.
- Memoranda of Understanding should be developed for all growth centres, outlining roles and responsibilities of MoTI, the growth centre management teams and UNIDO.
- Sustainability strategies should be developed for all implemented components.
- As the support to the growth centres can be regarded as a pilot activity, for possible national replication, there will be a need to monitor outcomes and possible impact, during a certain period and at regular intervals, in order to be able to feed information to the MoTI for possible decisions about up-scaling or replication. These assessments should include the extent to which the growth centres promote private sector development.
- There is need for capacity building of the MoTI industry division in order to enable it to assume Government functions in relation to industrial development and, above all, ensuring a conducive business environment and efficient donor coordination.
- A new UNIDO programme in Sierra Leone should link up with the Mano River Regional Youth Programme as there are potential synergies.

B. Recommendations to UNIDO of a more general nature

- In post conflict situations UNIDO should start with a small programme with a distinct research and inventory approach, including capacity building needs assessment of counterpart organizations, an assessment of the business environment and the identification of areas where there is a need for technical assistance.
- In countries with a small donor community and without allocated development assistance funds, it is advisable to start with a small programme and include strategic interventions, including the formulation of strategies and policies.
- Priorities should be set in the IP - what is most urgent, what should come first?
- A needs-oriented Country Strategy Document can be a good start and be part of a more Step-by step approach to IP planning
- A IP fund mobilization strategy should always be developed and implemented
- IP implementation needs to be continuously monitored and there should be joint UNIDO/Government review mechanisms and monitoring.
- An in-depth review should be mandatory for all IP's, which have not reached a funding level of 30 per cent two years after approval and for the purpose of

deciding on whether or not to continue, dismantle (implement the funded components as stand-alone projects), reformulate the programme or design and start a new programme.

- A main criterion for selecting IP Team Leaders should be the likelihood of the appointee remaining in the position for the duration of the programme and his/her capability to provide efficient leadership. UNIDO should revisit its rule that IP team leadership should always be with the Field Operations Division.
- Team Leaders need to assume more responsibility for internal and external coordination, monitoring and reporting and should be provided with adequate means to perform these tasks.
- IP team meetings should be held every six months and there should be minutes of these team meetings
- IP team management needs to be clearly defined, including the roles of team leaders, URs, UNIDO desks, team members and Government counterparts.
- The “common sense” rule of not being a UR or IP Team leader for your country of origin is valid and should always be applied as host country nationality weakens the international UN identity and can expose the staff member to double loyalties.
- A thorough risk analysis should be part of programme preparation and risk management should form part of implementation.
- UNIDO often needs to, and Sierra Leone was such a case, to consider alternatives to providing assistance through Government supported institutions for MSME development. Instead of having a supply driven approaches with, in the case of the Sierra Leone, IP rural growth centres as an instrument to promote MSMEs in rural areas, rather start with existing entrepreneurs and in addressing their constraints or, alternatively, adopt a cluster, sub-sector or value chain approach addressing failing links in the value chain or at the level of a sector or cluster. In fact, there is a whole spectrum of technical assistance modalities, including cluster development, BDS and market development, value chain analyses etc., that could be considered. Complementary to these approaches is the need to define how the Government can be supported to carry out its functions in enabling the private sector to play an important role.

Lessons learned of wider applicability

There are many challenges when working in post-conflict or post-emergency situations.

UNIDO needs to develop Policy Guidelines for supporting PSD in post-conflict or post-emergency situations. These Guidelines should assist in defining thematic priorities, institutional capacities and comparative advantages and on how to select and sequence services to be provided. The following interventions and activities are often needed in the first stages of a post-conflict programme;

- The identification of the main obstacles for industrial development and PSD
- A mapping and analysis of policies, strategies, regulations in place and of existing public and private business development service providers

- Formulation of a proposal on how to develop the functions of Government, encompassing 1) the provision of an enabling environment for the private sector; policies, regulatory framework and supportive infrastructure and 2) removing obstacles for PSD.
- Formulation of a proposal for BDS or market development, including sector and sub-sector analyses in order to identify sectors with short- and long-term growth potentials and strategies on how to promote the participation of subsistence producers in the market.

UNIDO can play an important role but needs to assess its interventions and achievements in post-conflict situations in order to improve learning and identify best practices

PTC, PCF and OSL/EVA need to work together to establish a “clearing house” on tools, competence, experience and results from working in post conflict situations or fragile economies. In these situations there is often a need to serve the Government in an advisory capacity and in relation to policy assessments and policy making, as well as on defining the role of Government and the type of services to be provided for industrial development and PSD and related capacity building needs.

Annex A

Terms of Reference

30 January 2008



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

INDEPENDENT EVALUATION OF THE UNIDO INTEGRATED PROGRAMME IN SIERRA LEONE

I. BACKGROUND

The Integrated Programme (IP) “Post Conflict SME Support Programme for Industrial Development and Poverty Alleviation” was approved in May 2004 and had a duration of 48 months. The Programme was to contribute to the national recovery from almost 10 years of civil war by re-establishing the entrepreneurial initiatives and providing job and income opportunities to help people in depressed provinces and displaced people in Freetown. A target area was food security with backward and forward linkages of micro and small-scale industrial activities with the agricultural sector.

Only a small portion of the approved budget has been funded. The evaluation will assess the achievements of the IP and the challenges encountered, in order to provide information and lessons learned that can be fed into the formulation of a next phase.

II. BUDGET INFORMATION

Projects	Total allotment in US\$	Balance in US\$
Poverty eradication through enterprise development in Sierra Leone	106,195	92,142
Seed money for IP Sierra Leone – poverty reduction component	134,102	3,214
Advancing human security in post crisis situations	269,500	60,491
Seed money for IP Sierra Leone – human security in post crisis situations	33,763	-1,543
Rehabilitation of the KPANDEBU Growth Centre	61,609	15,933
Poverty eradication in the Mano River Union through investment and enterprise development – first phase (Sierra Leone)	15,000	15,000
Programming mission to Sierra Leone	28,915	0
Detailed study and design of small hydro power plant at Bankasoka River, Port Loko of Sierra Leone (preparatory assistance)	89,395	18,286
Total	738,479	203,523

III. PURPOSE

The purpose of the independent evaluation of the Integrated Programme in Sierra Leone is to;

- (a) Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability.
- (b) Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.
- (c) Provide an analytical basis and recommendations for the focus and design for the possible continuation of the program in a next phase.
- (d) Draw lessons of wider application for the replication of the experience gained in this programme in other countries.

The evaluation is conducted in compliance with UNIDO evaluation policy and the Guidelines for the Technical Cooperation Programme.

IV. EVALUATION METHOD AND REPORTING

The evaluation is conducted as an Independent Terminal Evaluation.

The independent evaluation will attempt to determine as systematically and objectively as possible the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the Programme. The evaluation assesses the achievements of the Program 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.

The evaluation will be conducted at two levels: evaluation of selected IP 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.

The evaluation report shall follow the structure given in annex 1.

A) Programme-wide evaluation

Relevance and ownership

The extent to which:

- (i) 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.
- (ii) 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.
- (iii) The programme did and continues to contribute to the MDGs and other international targets and is related to UNIDO's Corporate Strategy.
- (iv) The programme is complementary with relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

Funds mobilization

The extent to which:

- (i) 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.

- (ii) UNIDO HQs and the Field representation paid adequate attention to and was effective in funds mobilization.
- (iii) The IP team and its stakeholders were in a position to participate in the process of allocation of seed money.

Programme coordination management

The extent to which:

- (i) The central national management and overall field coordination mechanisms of the Programme have been efficient and effective.
- (ii) The UNIDO HQ based management, coordination and monitoring of its services have been efficient and effective.

Programme identification and formulation

The extent to which:

- (i) A participatory programme identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.
- (ii) 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.
- (iii) The project/programme was formulated based on the logical framework approach

Synergy benefits derived from programme integration

The extent to which:

- (i) Coordination amongst and within components led to benefits (such as cost savings 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 and improved effectiveness due to services provided simultaneously at the level of policy-making, support institutions and enterprises).
- (ii) The transaction costs of the IP (management and coordination of many stakeholders, complexity in funds mobilization, etc.) were commensurate to the benefits of integration.

Results at the programme-wide level (contribution to industrial objectives of the country)

Assessment of:

- (i) The results achieved so far at the output, outcome and wherever possible impact level.
- (ii) If the IP has contributed, or is likely to contribute to the achievement of the Millennium Development Goals.
- (iii) To what extent result indicators were developed and facilitated the assessment of progress towards national and international development targets.

B) Evaluation of (sub-) components

Ownership and relevance

The extent to which:

- (i) The component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.
- (ii) 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 were actively supporting the implementation of the component.

- (iii) A logically valid means-end relationship has been established between the component objective(s) and the higher-level programme-wide objective.
- (iv) Changes of plan documents during implementation have been approved and documented.
- (v) The outputs as formulated in the IP document are still necessary and sufficient to achieve the component objectives.
- (vi) Coordination envisaged with other components within the IP or with any other development cooperation programmes in the country has been realized and benefits achieved.

Efficiency of implementation

The extent to which:

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

Effectiveness of the component

Assessment of:

- (i) The achievement of planned outputs and how these are used by the target beneficiaries.
- (ii) The achievement of planned outcomes.

Impact

- (i) Identify what developmental changes (economic, environmental, social) have occurred or are likely to occur.

V. EVALUATION TEAM

The evaluation team will be composed of the Director of the UNIDO Evaluation Group, Ms. Margareta de Goys, and one national evaluation consultant (to be selected jointly by UNIDO and the Government). Ms. de Goys will act as the team leader of the evaluation.

The national consultant will be contracted by UNIDO. The tasks of the national consultant are specified in the job description attached to these Terms of Reference.

Members of the evaluation team must not have been directly involved in the design and/or implementation of the program.

The UNIDO Field Office in Guinea will support the evaluation team. Donor representatives from the bilateral donor representations will be briefed and debriefed.

VI. TIMING

The evaluation is scheduled to take place in January and February 2008. The field mission for the evaluation is planned to take place between 19 to 26 February 2008.

VII. REPORTING

The evaluation report shall follow the structure given in annex 1. The reporting language will be English.

Review of the Draft Report: The draft report will be shared with UNIDO and the Government for initial review and consultation. They may provide feedback on any errors or fact and may highlight the significance of such errors in conclusions. The evaluation team will also seek agreement on the findings and recommendations. The evaluators will take comments into consideration in preparing the final version of the report.

The Final Report will be submitted 6-8 weeks after the field mission, at the latest.

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (annex 3).

Template of in-depth evaluation reports of Integrated Programmes

Executive summary

- Must be self-explanatory
- Not more than three pages focusing on the most important findings and recommendations
- Overview matrix showing strengths and weaknesses of the IP (refer to Annex 2)
- Introduction
- Information on the evaluation: why, when, by whom, etc
- Information sources and availability of information
- Methodological remarks and validity of the findings

I. Programme summary

- Fact sheet (component/project structure, objectives, donors, counterparts, timing, cost, etc)
- Brief description including history and previous cooperation
- Situation of the country; major changes in framework conditions

II. Programme identification and formulation

- Individual components
- Programme
- Funds mobilization

III. Implementation of individual components/projects

- Relevance, ownership, reaching target groups, sustainability, management, outputs, outcome, impact (by component or project, as appropriate)
- Overview table showing performances by components

IV. Implementation of the programme

- Internal and external coordination, synergy effects
- Identity, degree of integration, visibility, CP recognition
- Policy relevance, ownership, reaching target groups, sustainability
- Overview matrix showing strengths and weaknesses of the IP

V. Issues with regard to phase II (if applicable)

VI. Recommendations

VII. Lessons learned

Annex 2 of the ToR: OSL/EVA Reference Framework – Matrix of Evaluation Criteria

	Identification	Formulation	Implementation	Follow-up
Policy relevance and interaction	Expected contribution to MDGs, PRSP and National Industrial Strategy	IP objectives are relevant to and aligned with MDGs, PRSP and NIS	Integration of IP into national policy framework; contribution to MDGs, PRSP and NIS	Better integration of IP into national policy framework; better leverage
Counterpart ownership	Partners are interested in integrated approach	Partners are committed to integrated approach	Consensus with counterpart that IP contributes effectively to country efforts	Optimized counterpart structure identified and agreed
Sustainability of the intervention	"After assistance scenarios" developed	Realistic vision of an "expected end of project situation" shared among partners	Progress towards sustainability	From institutional sustainability to systemic sustainability
Reaching target groups	Direct relevance of the IP to target groups	Needs of target groups assessed and reflected in the planning	Significant percentage of the target groups perceives improvements	Larger diffusion, refocused targeting
External coordination	Active dialogue under UNDAF and with other donors and relevant players	Planning includes mechanisms and budget for external coordination	Synergy with UNDAF and activities of other donors maintained	Integrated action across donors and within UNDAF further strengthened
IP integration	Convincing 'identity' of the IP envisaged	Planning foresees integrated contributions by UNIDO technical branches	Synergy benefits demonstrated and IP perceived as an entity	Further develop IP identity according to changing needs and conditions
Results Based Management	Proper 'logframe' including realistic assumptions about external factors and risks	Fully fledged intervention logic; realistic and flexible planning in appropriate detail	Timely, efficient, effective and flexible implementation	Improved logframe in the light of experience of previous phase
Funds mobilization	Donors interested in integrated approach and actively involved	Funding of key components secured	Continuous fund mobilization strengthens IP identity	Donors committed to funding next phase
UNIDO Corporate Strategy	IP encapsulates UNIDO corporate strategy and comparative advantage	IP planning makes comparative advantage of UNIDO visible	Stakeholders recognize specific value of UNIDO contributions	Next phase refocused on UNIDO core competences
Innovation and lessons learned	Innovative approach envisaged	Innovative services designed and planned	Innovative UNIDO services tested and implemented	Diffusion of innovative services across UNIDO

Annex 3 of the ToR

Checklist on evaluation report quality

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
a. Did the report present an assessment of relevant outcomes and achievement of programme objectives?		
b. Were the report consistent and the evidence complete and convincing?		
c. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
d. Did the evidence presented support the lessons and recommendations?		
e. Did the report include the actual programme costs (total and per activity)?		
f. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
g. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?		
h. Was the report well written? (Clear language and correct grammar)		
i. Were all evaluation aspects specified in the TOR adequately addressed?		
j. Was the report delivered in a timely manner?		

Rating system for quality of evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.

Annex B

List of documents consulted

1. Post-Conflict SME Support Programme for Industrial Development in Poverty Alleviation. UNIDO Draft version 15, March 2004.
2. Status and Plans for the Sierra Leone IP. UNIDO Internal Notes for the Record. Prepared by M. Pokane and S. Hisakawa
3. 2008-2010 United Nations Development Assistance Framework. Results Matrix-Version:2/1/2007
4. UNIDO Quarterly Report (May-July 2005) Prepared by Joseph M Koroma, Head of UNIDO Operations in Sierra Leone.
5. Final Report on Programme Activities Initiated/Undertaken within Contract Period 19 September-31 December 2007... Submitted by Evelyn Theresa Alpha
6. Final Report, Consultancy Services for the Supervision of the Construction/Renovation of the Growth Centres at Binkolo, Pujehun and Kpandebu. Prepared by Dura Turay
7. Official Website of the Development Assistance Coordinating Office <http://www.daco-sl.org/encyclopedia/>
8. Sierra Leone PRSP View at: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPRS/>
9. Sierra Leone Government Budget Speech. View at http://www.bankofsierraleone-centralbank.org/pdf/gov_budget.pdf

Annex C

List of persons met

Item No.	Name	Institution/Organization	Position
1	Hon. Alimamy P Koroma	Ministry of Trade and Industry	Minister
2	Mr. Bernard Javombo	Ministry of Trade and Industry	Permanent Secretary
3	Mrs. Beatrice Dove-Edwin	Ministry of Trade and Industry (Research and Policy Unit)	Director
4	Mr. Mikhail Turay	Ministry of Trade and Industry	Industrial Development Officer
6	Mr. Ishmail M Bangura	Binkolo Growth Centre	Manager
7	Mr. Albert T S Kanu	Binkolo Growth Centre	Chairman
8	Pa Momoh Tomba Koroma	Binkolo	Regent Chief
9	Miss Evelyn Alpha		Consultant
10	Mr. Dura Turay		Consultant
11	Dr Kadi Sesay	Leone Consulting and Advisory Services	Former Minister of Trade and Industry
12	Ms. Julia Rohe	MRU Youth Employment Project UNIDO T A.	Youth Employment Officer
13	Mr. Raymond Bola Williams	Sierra Leone Indigenous Business Association	Member National Executive and Past Vice President
14	Ms. Anita McKenna	Sierra Leone Indigenous Business Association	Technical Assistant VSO
15	Mr. Joseph Koroma	UNIDO	UR Republic of Guinea, Overseeing Sierra Leone and Liberia Team Leader SLIP
16	Dr Salua Nour	GTZ	Country Manager
17	Mr. Emmanuel K Allieu	Ministry of Agriculture Forestry and Food Security	Director General
18	Mr. Wilfred Sam King	Sam King Services	Managing Director
19	Mr. Graham Chipande	UNDP SL	Senior Economic Advisor
Item No.	Name	Institution/Organization	Position
20	Alhaji Mohamed M A Bawoh	Kpandebu GC	Ag. Manager

Item No.	Name	Institution/Organization	Position
21	Mr. Mohamed Fullah	Kpandebu GC	Building Contractor
22	P C Sandy Momoh Fowai	Kpandebu	Paramount Chief
23	Mr. Solomon Massaquoi	Pujehun GC	Manager of GC
24	PC S A S Gbonda	Pujehun GC	Deputy Chairman
25	Mr. Bockari F Jajua	Pujehun GC	Board Member
26	Prof. Aliyagin Alghali	Njala University	Vice Chancellor
27	Ms Lisa Curtis	DFID	Consultant
28	Franklin Bendu	Delegation of the European Commission	Programme Manager
29	Marc DE Bruycker	Delegation of the European Commission	Head of Operations
30	Mr. Adeniyi Robin-Coker	Sierra Leone Business Forum	Director
Item No.	Name	Institution/Organization	Position
31	Mr. Kandeh Yumkella	UNIDO	Director-General
32	Ms. Zeynep Taluy-Groosruck	UNIDO	Director
33	Ms. Fatima Bennani	UNIDO	Senior Field Operations Officer
34	Mr. Andrey Volodin	UNIDO	Programme Officer
35	Ms. Doris Hribernigg	UNIDO	Focal Point
36	Ms. Matilda Muweme	UNIDO	Field Operations Officer
37	Mr. Namal Samarakoon	UNIDO	Industrial Development Officer
38	Mr. Kay Lisengard	UNIDO	Programme Management Officer
39	Mr. Rana Pratap Singh	UNIDO	Industrial Development Officer
40	Mr. Joseph Moongananiyil	UNIDO	Industrial Development Officer
41	Mr. Seiichiro Hisakawa	UNIDO	Unit Chief
42	Ms. Kawira Bucyana	UNIDO	Industrial Development Officer

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