

## Independent Evaluation

### **UNIDO Integrated Programme in Sudan**

An Industrial Agenda for Poverty Relief and  
Transition to Sustainable Development



UNIDO EVALUATION GROUP

Independent Evaluation

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Transition to Sustainable Development



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This document has not been formally edited.

# Contents

<b>Acknowledgements</b> .....	iv
<b>Abbreviations</b> .....	v
<b>Glossary of terms</b> .....	vii
<b>Executive summary</b> .....	ix
<b>I. Introduction</b> .....	1
A. Background .....	1
B. Purpose and methodology of this evaluation.....	1
<b>II. The context of the integrated programme in Sudan</b> .....	5
A. The socio-economic country context .....	5
B. The special post-crisis and human security dimensions .....	9
C. Government policies, strategies and initiatives .....	12
D. Initiatives of other international cooperation partners.....	16
E. The IP Sudan in the UNIDO context .....	20
F. Overview of the IP Sudan .....	21
<b>III. Assessment of individual components</b> .....	25
A. Component 1 – Social stabilization.....	25
B. Component 2 – Sustainable agro-business.....	48
C. Component 3 – Environment and rural energy .....	50
D. Component 4 – Industrial governance system .....	64
E. Recently started initiatives & pipeline .....	76
F. Use of seed funds and preparatory activities .....	77
<b>IV. Assessment of the programme</b> .....	81
A. Programme preparation and design .....	81
B. Programme implementation arrangements .....	82
C. Funds mobilization and donor cooperation.....	85
D. Adherence to the IP principles .....	87
E. Overall Performance .....	88
<b>V. Recommendations and lessons learned</b> .....	93
<b>VI. Annexes</b> .....	103
Annex 1: List of persons and organizations met .....	103
Annex 2: Reference Documents .....	106
Annex 3: Terms of Reference .....	108

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We hope that the presented conclusions and recommendations will contribute to the continuous improvement of the project and to the achievement of the expected results.

## Abbreviations and acronyms

BDS	Business development services
BN	Billion
CBO	Community based organizations
CBT	Competency based training
CBTF	Capacity Building Trust Fund
CHF	Common Humanitarian Fund
CPA	Comprehensive Peace Agreement (for Sudan)
CTA	Chief technical advisor
DDR	Disarmament, demobilization and reintegration
EDP	Entrepreneurship development programme
EDIP	Enterprise Development & Investment Promotion Programme
FAO	Food an Agricultural Organization
GMP	Good Manufacturing Practices
GONU	Government of National Unity
GoS	Government of Sudan
GoSS	Government of South Sudan
GRAS	Geological Research Authority of the Sudan
GTZ	Gesellschaft für Technische Zusammenarbeit (Germany)
HACCP	Standards of hygiene applied in manufacturing
HR	Human Resources
IDP	Internally displaced persons
ILO	International Labour Organization
IP	Integrated Programme
JDT	Joint Donor Team

LRRD	Linking Relief, Rehabilitation and Development
MDC	Management Development Centre
MDTF	Multi donor trust fund
MDTF-S	Multi donor trust fund for South Sudan
MEMI	Ministry of Energy, Mining and Industry (Government of South Sudan)
MN	Million
MoA	Ministry of Agriculture
MoI	Ministry of Industry
MoL	Ministry of Labour, Public Service and Human Resource Development
MP	Montreal Protocol
NGO	Non governmental organization
ODA	Official Development Assistance
ODS	Ozone Depleting Substances
SAICM	Strategic Approach to International Chemicals Management
SCVT	Supreme Council for Vocational Training
UN	United Nations
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNIDO	United Nations Industrial Development Organization
USD	United States Dollars
VTC	Vocational training centre
YED	Youth entrepreneurship development

## Glossary of evaluation related terms

Term	Definition
Conclusions	Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.
Institutional development impact	The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.
Lessons learned	Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.



Logframe	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect.
Outputs	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Recommendations	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.  Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Results	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention. Related terms: outcome, effect, impacts.
Sustainability	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

# Executive summary

## Introduction

The initial Integrated Programme (IP) Sudan was designed in 1998 under the title of 'Capacity Building to Enhance Industrial Competitiveness and Sustainability' with a planned budget of US Dollars 5.8 million for three years. UNIDO dedicated programmable funds ("seed money") of around US Dollars 560,000 to the IP but, by 2002, only around US Dollars 730,000 of external funds had been mobilized. The IP was redesigned in 2003 into 'An Industrial Agenda for Poverty Relief and Transition to Sustainable Development'. The new IP design comprised four components with a budget of US Dollars 5.74 million covering a five-year planning period from 2003 to 2008. In 2009 a total of US DOLLARS 18.5 million had been allotted to the IP, mainly for the social stabilization component. This redesigned IP is subject to the present independent evaluation.

## Methodology and evaluation team

Prior to field visits a self-assessment of main components (YED, CLARIS) was carried out followed by a document review and interviews of project managers at UNIDO HQ. A multi-disciplinary team carried out the evaluation; an international and a national expert on vocational training, an international expert on livelihood projects in post-conflict environments and a UNIDO evaluation officer. Preliminary findings of the individual evaluations were shared and discussed with project managers, local counterparts and project staff.

## Main findings and conclusions

### How the country context has evolved

In 2005 the Comprehensive Peace Agreement (CPA) was concluded, bringing the conflict between North and South Sudan to a halt, thereby improving the conditions for technical cooperation. Since then two Governments exist in Sudan: the Government of National Unity (GONU) and the Government of South Sudan (GOSS).

In recent years, oil has been the main driver of a remarkably high economic growth in Sudan. The recent slump in oil prices, however, has halved the GDP growth rate from 10 per cent in 2007 to an expected 5 per cent in 2010. These developments have severely affected Government income, leading to a serious budget crisis of the Government of South Sudan (GOSS) in 2009.

The differences in income and access to resources across the country remain a major challenge to the peace process. Both Governments place high priority

on the diversification of the economy with view to reducing the high dependence on oil revenues (59 per cent and 98 per cent of the income of GONU and GOSS respectively). The main sector of interest is export oriented agriculture and agro-industry.

The industrial strategy aims at transforming the agricultural economy into a strong industrial economy that maximizes the added value of the agricultural and animal products (e.g. sesame, live stock, gum Arabic, cotton, sorghum) of the country.

Sudan is a signatory to 16 multilateral environmental agreements and faces many challenges to meet its international obligations.

International aid represents approximately three percent of Sudan's economy, and the humanitarian aid programme in the country is the largest worldwide.

The United Nations Development Assistance Framework for Sudan 2009 – 2012 (UNDAF) specifies "Livelihoods and Productive Sector" as a main outcome aiming at improvements in livelihoods, decent employment opportunities, food security, sustainable natural resource management and self reliance. UNIDO and FAO are the lead agencies for this UNDAF outcome.

The Multi Donor Trust Funds (MDTF) for North and South Sudan form part of the wealth sharing protocol of the Comprehensive Peace Agreement (CPA). They aim at delivering peace dividends while strengthening or building government capacity to implement sustainable development in the post-conflict setting of Sudan. However, the MDTFs have faced serious difficulties in delivering the planned assistance in accordance with plans. As a result, donors have been moving away from replenishments.

#### Performance at component and project level

##### Component 1 – Social Stabilization

Component 1 is clearly relevant to UNIDO post-crisis programme under the 2010-2011 Programme and Budget. Its two core approaches - support to rural livelihoods through improved farming technologies (CLARIS) and stimulation of income generation through youth entrepreneurship (YED) – are highly relevant to achieve the expected "peace dividends" envisaged in the CPA. Also target group relevance is good for CLARIS (with some exceptions) and for YED, which aims at making VTCs more accessible and useful for unemployed youth and potential entrepreneurs.

Government ownership was exceptionally high in the case of YED Khartoum, where the Government provided large parts of the overall VTC budgets and

adopted changes in VT policies in line with the CBT/YED approach promoted by UNIDO. This situation is very different in the case of CLARIS, where the originally envisaged “development phase” of the project did not materialize and organizational structures at the community level (CBOs) are yet in an incipient stage.

Approaches under YED and CLARIS using short-term, informal training have largely proven effective, yet at a rather limited scale and without a clear long-term perspective for sustainability and wider impact. In the YED Khartoum project the short-term training approach has proven to be more effective than the formal VTC approach. This is not to say that YED projects should not include VTC components. But if the goal is to generate immediate peace dividends, the short-term, community based training is definitely more promising.

The effectiveness of the larger VTC interventions depends on a number of critical assumptions. First, the effective change from the current VTC curricula to CBT/YED curricula requires a sustained, long-term Government effort in training and supervising VTC staff and management. Second, the capacities of VTC management need to be upgraded, including the capacities to maintain the equipment provided. Mobilization of additional funding is therefore essential for the sustainability and impact of component 1 interventions.

Activities related to physical rehabilitation of VTCs faced numerous problems. In South Sudan this relates mainly to poor infrastructure and incipient institutional and economic development (e.g. it is difficult to find qualified subcontractors in the region). Some of the professionals involved in the implementation raised the question whether UNIDO should be at all involved in such activities. A centralized agency like UNIDO is not particularly well positioned to supervise local procurement and construction works. Cooperation with other partners (e.g. UNOPS) might be a more efficient solution.

#### Component 2 – Sustainable Agribusiness

Component 2 aimed to strengthen the formal industrial sector but was not implemented due to lack of funding. Interviews with UNIDO staff involved in funds mobilization for Sudan revealed that the envisaged activities did clearly not fall within donor priorities at that time because the link between industrial modernisation and poverty reduction is not clearly established in the documents. Also, staff resources to actively promote projects under component 2 were limited.

#### Component 3 - Environment and Rural Energy

While industry is not the major cause of environmental degradation in Sudan, the industrial areas near Khartoum are affected by uncontrolled discharge of

industrial effluents from industrial sectors such as tanning, food processing and textiles. Therefore, the overall objective of component 3 - an improved environmental performance of local industries - is relevant. At the same time, most international cooperation initiatives focus on the main environmental problems: land-degradation, deforestation and desertification.

So far, the contribution of component 3 to the overall objective was not achieved to a significant extent. Largely this is due to a lack of funding for planned initiatives such as the planned Cleaner Production Centre, which has not yet been established. But also the implemented projects were not always effective. Efforts to reduce mercury pollution remained largely ineffective as alternative technologies were not taken up by target groups.

The introduction of renewable energy for productive use has also not been effective. The introduction of solar cookers has been the only energy activity so far but this activity is only minor and not geared towards productive use.

#### Component 4 – Industrial Governance

Overall, the component objective to strengthen industrial governance is relevant in the context of Sudan's efforts to reduce its dependence on the oil sector by stimulating industrial diversification and investment. However, the component was only partially implemented. Most of the planned support of the private sector and public-private partnerships did not materialise. This resulted in a limited relevance of the component for the private sector counterparts.

Activities in investment promotion and industrial statistics produced the expected outputs (capacity of Ministry of Investment, industrial survey) and contributed to improved industrial governance capacity of the GOS. However, the effectiveness of the projects in contributing to improved industrial governance is difficult to determine because monitoring occurred at the activity and output levels only. Whether the characteristics of industrial governance have actually changed (e.g. more informed decision making, implementation of pending reforms) was not monitored and reported on.

UNIDO support to industrial governance in Southern Sudan was less relevant, due to the post-conflict environment in the area, the priorities of counterparts on basic infrastructural support (office equipment, etc) and unresolved disputes in the business community. For achieving lasting effects on governance in Southern Sudan a longer-term perspective would be required.

#### Performance at programme level

The IP Sudan is the fourth biggest IP worldwide and the biggest in Africa but the human resources of the UNIDO field office in Khartoum are more limited

than those in countries with much smaller UNIDO programmes. The weak field presence of UNIDO in Sudan (especially after the retirement of the UR in December 2009) represents an important bottleneck for programme implementation and development.

The IP Steering Committee (SC) at the federal level, including several ministries, private sector associations and other stakeholders as foreseen in the programme document was not established. As a result, there was no involvement of the private sector at the programme level, limiting the possibility to adjust the IP in accordance with private sector needs. However, steering committees for the different projects of the IP do exist and are effective. Attempts to establish a sub-office of UNIDO in Juba did not succeed.

The high level of funding affected only component 1 of the IP. Two projects are mainly responsible for this: the Youth Entrepreneurship Development programme (YED) and the Community Livelihood and Rural Industry Support Program (CLARIS). On the other hand, the potential for funds mobilization in South Sudan and Darfur has not been fully exploited.

In general, the donor environment in Sudan is favorable for UNIDO as donors are moving from humanitarian to development assistance and there is a lack of partners with capacities to implement TC projects. However, donor interviews and the problems with project implementation in South Sudan indicate that a strengthened and more continuous presence in the country, including South Sudan, would be necessary to maintain good relationships with donors.

Except for providing a common reporting structure the usefulness of the IP document as a management tool was very limited. The use of UNIDO seed funds was not very successful in terms of funds mobilization. There is also no evidence that the IP document significantly contributed to the impressive funds mobilization performance, as funds were mobilized mostly based on individual project documents. The larger programmes (YED, CLARIS) were funded based on preceding initiatives that were already ongoing at the time when the IP was formulated.

Most UNIDO interventions in Sudan focus on long-term capacity building (VTCs, Solar Cookers, Mercury, Investment promotion, South Sudan). In this respect, the implementation period of most projects was too short.

The IP benefited from strong ownership of the GOS, in particular the main counterpart – the Ministry of Industry. Other counterparts, like the Ministry of Investment, the State of Khartoum and the Ministry of Labour of the GOSS showed also strong ownership and commitment to the objectives of the various projects. In many cases, however, the lack of resources on the side of Government counterparts (for example CLARIS) represents a barrier for ownership and sustainability. The short-term horizon of most interventions

does not ensure continued funding for second or third project phases (e.g. CLARIS, YED).

With regard to impact, the short-term trainings under YED Khartoum and the promotion of the “Nuba hoe” under CLARIS produced direct effects such as the establishment of small businesses and increased agricultural productivity and income of target groups.

Other projects might also have impact, but failed to demonstrate their contribution. The VTC projects, for example, did not include tracer studies to demonstrate the effects of training on graduates. Similarly, for Montreal Protocol projects, while frequently claimed to be associated with a significant reduction in ODS consumption in Sudan, the linkage of the reduction to the UNIDO activities is not clearly established through reliable monitoring and reporting.

### **Main recommendations<sup>1</sup>**

- The potential for future UNIDO technical cooperation in Sudan is high. UNIDO has a proven track record in areas that are relevant and in high demand, such as vocational training and rural livelihoods. At the same time, the funding potential for non-humanitarian (i.e. development-) assistance in Sudan is increasing. Donors are actively looking for implementing partners. It is therefore recommended to start planning the next phase of a comprehensive technical cooperation programme, adapted to the current needs and priorities in Sudan and integrated with the ongoing and future international initiatives (especially of the UN system) and with due attention to the specific context in South Sudan.
- Given the wide spectrum of UNIDO activities in Sudan and the limited potential for full integration, the next UNIDO programme in Sudan should take the form of a Country Programme (CP) instead of an IP. This CP could include an integrated “cluster” of projects for vocational training, entrepreneurship and self employment.
- Instead of detailed activity planning the CP document should explain the architecture of the future programme, demonstrate needs orientation, align UNIDO activities with Government initiatives and policies and ensure coherence with the activities of other UN Organizations and donors. The CP document should be developed in close cooperation with potential donors and demonstrate UNIDO value added and how synergy between the different

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<sup>1</sup> For a full list of recommendations, including those at project level, refer to chapter V

thematic areas of UNIDO interventions and external contributions would be achieved.

- The private sector should be more proactively involved in the preparation and steering of the future CP. During the preparatory phase of the CP UNIDO should establish an advisory group including representatives of main counterparts and the private sector. During implementation, this advisory group would develop into a fully-fledged Steering Committee (SC).
- UNIDO should strengthen its field presence in Sudan:
  - The position of the UNIDO Representative in Sudan should be filled immediately. Due consideration should be given to posting an additional professional in the office.
  - Future activities in South Sudan would require a stronger UNIDO presence in this part of Sudan. A sub-office under the direct supervision of the main office in Khartoum could be an option. Pooling the resources of projects in South Sudan to recruit a joint Chief Technical Adviser (CTA) could be another one.
- The CP should establish, from the beginning, a specific reporting format for the use of seed funds. The SC should receive reports on the use of seed funds on a regular basis.
- A procedure to regularly adjust the CP to changing framework conditions should be developed in order to ensure coherence between planning and implementation. Minimum conditions for new projects should be defined to avoid veering too far away from the planning framework.
- UNIDO should apply existing concepts and tools for design and implementation of projects in post-conflict environments. Especially in conflict prone / risk areas, the “do no harm concept” should be fully applied (selection of areas, beneficiaries, activities, partners). In this context, it is recommended that UNIDO staff managing projects in Sudan attend the UNSSC course on Conflict Analysis for Prevention and Peace Building in September 2010.
- UNIDO should consider defining priority intervention areas in the country, e.g. two to three states and concentrate in these areas to improve the integration of the CP and avoid efficiency losses through increased travelling.



### **Main lessons learned**

- Sequencing of relief, rehabilitation and development activities: The prodigious expansion of UNIDO technical assistance in Sudan between 2004 and 2008 has been a consequence of the strategic shift from industrial development to post-crisis interventions. Moreover, UNIDO managed the difficult task of building bridges between rehabilitation and development activities, as demonstrated by the YED Khartoum project. However, for some of the IP activities the difficulties of sequencing and integrating rehabilitation and development activities became apparent. Continuous efforts will be necessary to further develop and tune UNIDO post-crisis interventions to ensure harmonization and follow-up by medium- and long-term development interventions.
- Sustainability: Well implemented and technically sound projects, like the industrial statistics project in Sudan, can fail in the long-term if counterparts do not have sufficient resources to use their strengthened capacities continuously. The necessary long-term commitment from the Government, mostly through budgetary allocations, needs to be clarified during project identification and formulation.
- Programme management: The establishment of a project management unit (PMU), while not fully in line with the principles of the Paris Declaration, can be an adequate means for implementation in post-crisis environments, as long as a close cooperation with local counterparts is ensured. This can be achieved by placing project and counterpart staff together in one unit and by early planning of the hand-over of responsibilities from project to counterpart staff.

# I

## Introduction

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### A. Background

The initial IP: In the late nineties UNIDO made a strategic decision to move away from “stand-alone projects” and to formulate ambitious country specific “Integrated Programmes” (IP). As part of this initiative, the initial IP Sudan was designed in 1998 under the title of ‘Capacity Building to Enhance Industrial Competitiveness and Sustainability’ with a planned budget of USD 5.8 million for three years. UNIDO dedicated programmable funds (“seed money”) of around US Dollars 560,000 to the IP but, by 2002, only around US Dollars 730,000 of external funds had been mobilized.

Reformulation of the IP: Taking into account the changing country context, the IP was redesigned in 2003 into ‘An Industrial Agenda for Poverty Relief and Transition to Sustainable Development’. The new IP design comprised four components with a budget of US Dollars 5.74 million covering a five-year period from 2003 to 2008. This redesigned IP is subject to the present independent evaluation.

### B. Purpose and methodology of this evaluation

This independent evaluation was conducted by the UNIDO Evaluation Group (OSL/EVA) in accordance with the UNIDO Evaluation Policy and the UNIDO Guidelines for Technical Cooperation Programmes and Projects. The main purposes of the evaluation were to:

- Assess the design and performance of the IP in terms of relevance, effectiveness, efficiency, sustainability and impact;

- Identify reasons for limited funds mobilization under the initial IP and the underfunded components 2 and 3 of the current IP (see table 1);
- Draw conclusions and make recommendations for enhancing the implementation of the ongoing IP and for identifying opportunities and potentials for possible future projects that might attract donor interest;
- Feed conclusions and recommendations into a Multi-donor evaluation of support to conflict prevention and peace-building in Southern Sudan that is planned to take place in 2010;
- Develop lessons learned of wider applicability and feed these lessons into a “Thematic Evaluation” of UNIDO post-crisis intervention projects that will be conducted towards the end of 2009.

Since the IP reached its completion in 2008, the independent evaluation is expected to feed recommendations and lessons learnt into the development of the next UNIDO country programme for Sudan.

#### Methodology and scope

The evaluation included the following elements:

- A document review of all available documents at programme and project levels (in particular project documents, progress reports from project managers, reports from consultants and financial records of the projects).
- A self assessment (using a standard format completed by project managers and field staff) and following external evaluations of the principal projects of the IP (YED and CLARIS). These external evaluations were carried out by dedicated evaluation teams (see below) with 3 weeks field missions to the target regions (Khartoum, Wau, Malakal, Juba). The findings of these evaluations are a direct input into the IP evaluation.
- For all other projects and for the overall programme assessment the following methodology was applied:

- Interviews with UNIDO and projects staff.
- Field missions to validate information contained in self assessments and to validate information from interviews; field missions including direct observation at project sites and collection of primary information from beneficiaries and stakeholders (in particular Government counterparts).
- The different sources of information were used to triangulate the information received by the evaluation team.
- The final step is an assessment of project and programme performance against the reference basis, which is contained in the original planning documents (IP document, project documents, revisions if any).

#### Evaluation team and timing

Mr. Peter Loewe, UNIDO Evaluation Group, Evaluation Manager

Mr. Johannes Dobinger, UNIDO Evaluation Group, Team Leader IP evaluation

Ms. Birgit Kundermann, External Expert, Leader CLARIS evaluation

Mr. Mohamed Nusa, External Expert, national evaluator CLARIS and IP

Mr. Jeffrey Tines, External expert, Leader YED Evaluation

Mr. Ahmed Kheir, External expert, National evaluator YED

Ms. Elisabeth Baer, External expert, participated in the self-assessment exercise but had to step back from YED evaluation due to health reasons

The evaluation team carried out three separate evaluation missions to Sudan. One in November 2009 (IP and smaller components), one in November 2009 (CLARIS) and one in January/February 2010 (YED and IP).

Limitations of this evaluation were the following:

- Not all of the activities carried out under the IP were properly documented and reported on. This is especially true (as in many other IPs) for the so called “seed funds”.
- The YED South (Wau and Malakal) evaluation mission faced difficulties in obtaining relevant project documentation in the field due to the recent departure of the CTA of the project in the South.
- The CLARIS evaluation mission could not visit all project sites due to time constraints and security concerns.



## The context of the integrated programme in Sudan

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### A. The socio-economic country context

The interventions of UNIDO in Sudan span a very wide thematic and geographic spectrum from the support of rural livelihoods in conflict-affected areas to investment promotion and vocational training in the State of Khartoum. As a result, the socio-economic context of these initiatives varies quite significantly.

In many regards the most dominating aspect of Sudanese political reality is the “one country – two systems” formula prescribed in the Comprehensive Peace Agreement (CPA) between the North and the South. Since then two Governments exist in Sudan: the Government of National Unity (GONU) and the Government of South Sudan (GOSS). The GONU is based in Khartoum, composed of 30 Federal Ministries, among which some important Ministries are headed by Southerners. North Sudan (including Darfur and Eastern Sudan) has 15 states with their respective state governments. The GOSS is located in Juba, composed of 24 Ministries. Southern Sudan has 10 states, each of them having its own State Government.

#### The economy in general

In recent years, in particular after the CPA was signed in 2005, oil has been the main driver of a remarkably high (by regional standards) economic growth in Sudan. Agriculture still accounts for more than one-third of GDP and the contribution of services to the economy is expanding, particularly in the large informal economy that is not fully captured by the official GDP statistics<sup>2</sup>.

During the period of IP implementation (2003 to 2009) however, the slump in oil prices has halved the GDP growth rate from 10 per cent in 2007 to an

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<sup>2</sup> EIU Country Report Sudan 2009

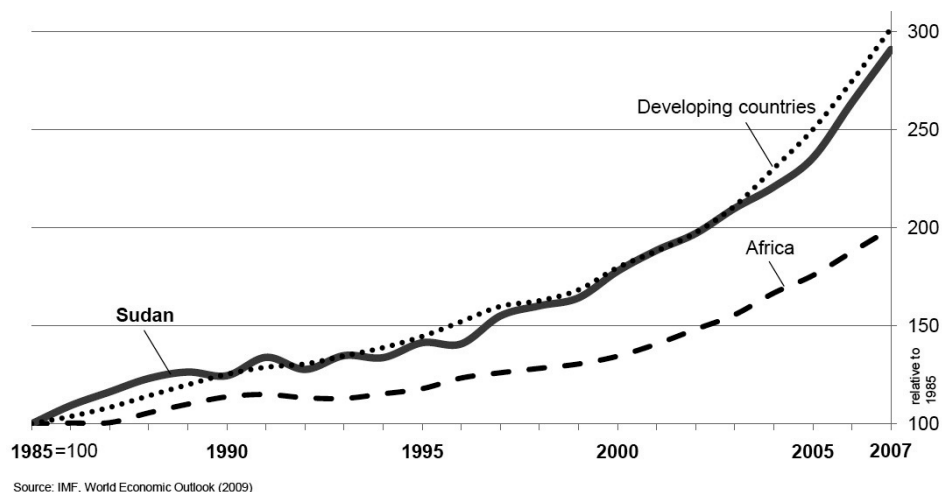
expected 5 per cent in 2010. Government income is severely affected by these developments, which led, among others, to a serious budget crisis of the Government of South Sudan (GOSS) in 2009.

In spite of these developments, Sudan is a relatively rich country that has outperformed other African countries in terms of per capita income (estimates range from US Dollars 1100 to US Dollars 2,300 (at purchasing power parity) in 2009<sup>3</sup>; see also figure 1 below).

Foreign investment has risen substantially, from an average of US Dollars 1.2 billion in 2002-04 to US Dollars 2.8 billion in 2005-07. Although much of the investment has been in the oil industry - largely by China, Malaysia and India - these countries have also expanded their presence into other sectors. Gulf Arab firms have also shown a growing interest in Sudan, especially in the financial sector and the telecommunications industry, and in 2008 there were a number of agreements signed for substantial investments in agricultural land by Gulf firms and states, in response to concerns about high global food prices and the security of supplies<sup>4</sup>.

**Figure 1 – Economic growth in Sudan**

**Nominally, per capita incomes (PPP) doubled in Africa since 1985, but tripled in Sudan**



<sup>3</sup> The World Bank 2010 and CIA, World Fact Book, 2010

<sup>4</sup> Quoted from EIU Country Profile Sudan 2009

## Manufacturing

The manufacturing sector accounted for only 6.3 per cent of real GDP in 2007, but has been growing gradually since 2000<sup>5</sup>. Larger scale industrial activities are mainly in food processing, notably the sugar refining industry, the arms manufacturing industry, as well as automotive manufacturing in the Giad Industrial City.

Medium to small-scale manufacturing sectors include pharmaceuticals, electrical goods, cement, textiles and paints. The textile industry, originally started in the southern province of Equatoria in 1945 and following Government initiatives to develop the sector after independence, is nowadays concentrated in the North. In 2002 there was an estimated number of 15 spinning and 17 textile factories. But at that time about a third of the factories was not working<sup>6</sup>. Problems of low capacity utilization persist until today, but the Government keeps the sector on the priority list of the Ministry of Industry.

Overall, industry employed some 200,000 people in 2001 in approximately 40,000 enterprises<sup>7</sup>. The Ministry of Labour estimated in 2007 that some 25 to 30 thousand foreign workers were in the country, which supposedly represents a potential labour market for skilled Sudanese workers. However, given the lack of reliable data it is not clear in how far the availability of skilled workers represents a bottleneck for the growth of industry in Sudan. With regard to highly-qualified professionals it has been argued recently that the local market cannot absorb the graduates produced by Sudanese Universities<sup>8</sup>.

## Regional imbalances

The differences in income and access to resources within the country remain a major challenge to the peace process and to overall recovery and development. The UNIDO IP has developed initiatives mainly in the north and the south, including the “Three Areas” or “Transitional Areas” (TA) of Abyei, Southern Kordofan and Blue Nile. Per capita income in South Sudan was estimated to be about half of the national average<sup>9</sup> before the civil war and can be assumed to be at even lower levels today, despite the high level of oil revenue based resource transfers from the GONU to the GOSS during recent years. Manufacturing activities in the South are yet very limited, with the single biggest investment being the Southern Sudan Beverages Ltd.

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<sup>5</sup> *ibid*

<sup>6</sup> Ministry of Investment, Textile Industry in Sudan, 2003

<sup>7</sup> UNIDO Statistical Yearbook 2006

<sup>8</sup> Assal, Munzoul, Highly-skilled Sudanese migrants: gain or drain?, 2010

<sup>9</sup> Benaiah Yongo-Bure, Economic development of southern Sudan, 2007



Sudanese society has been characterized by conflict-induced large scale migration and its long lasting effects. When conflict between the north and the south ended in 2005 the country held the largest internally displaced person (IDP) population in the world, with around four million IDPs<sup>10</sup>. In Khartoum state alone, an estimated two million IDPs make up almost 40 per cent of the Khartoum state population, living in four official IDP camps and unauthorized squatter areas, which have been established since 1991<sup>11</sup>. Similarly larger IDP populations have settled near most of the larger cities in Sudan, with a significant part being expected to stay. As a result, Sudan has to face an unusually rapid jump in urbanization and the resulting pressures on infrastructure and institutions.

### Environmental issues

In 2007, UNEP carried out a comprehensive assessment of the state of the environment in Sudan<sup>12</sup>. Highlighting the mutually reinforcing dynamics between conflict and environmental degradation, the assessment identifies the following key issues:

- Land de-gradation and desertification remains one of the main environmental issues in Sudan; This is forecasted to lead to a significant drop (approximately 20 percent) in food production. The extremely high numbers of IDPs have led to severely degraded environments in the surroundings of IDP camps. Large mechanized agriculture schemes have also contributed to land degradation.
- Inadequate rural land tenure, is an underlying cause of many environmental problems and a major obstacle to sustainable land use, as farmers have little incentive to invest in and protect natural resources.
- At the regional level, two-thirds of the forests in north, central and eastern Sudan disappeared between 1972 and 2001. In areas under extreme pressure, UNEP estimates that total loss could occur within the next 10 years.
- UNEP considers the principal and most important environmental issue in the water resource sector in Sudan to be the ongoing or planned construction of over twenty large dams.
- Environmental governance of industry was virtually non-existent until 2000, and the effects of this are clearly visible today. While the situation

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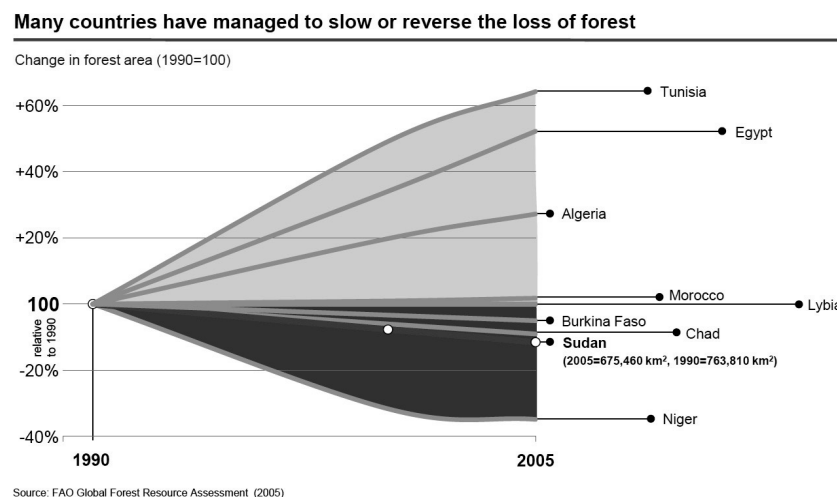
<sup>10</sup> International Organization for Migration, 2007 (taken from website)

<sup>11</sup> UNDP Sudan, 2010

<sup>12</sup> UNEP, Sudan – post conflict environmental assessment, 2007

has improved over the last few years, UNEP has found that major challenges remain in the areas of project development and impact assessment, improving the operation of older and government-managed facilities, and influencing the policies and management approach at the higher levels of government. Due to the relatively limited industrial development in Sudan to date, environmental damage has so far been moderate, but the situation could worsen rapidly as the country embarks on an oil-financed development boom. The release of effluent from factories and the disposal of produced water associated with crude oil extraction are issues of particular concern, as industrial wastewater treatment facilities are lacking even in Khartoum. Industrial effluent is typically released into the domestic sewage systems where these exist.

**Figure 2 – Forest Trends in North Africa**



## B. The special post-crisis and human security dimensions

There are several internationally adopted concepts with high relevance for the post-conflict context. Among them are the “Human Security” concept, the concept of “Linking Relief, Rehabilitation and Development” (LRRD), the “Do no Harm” – concept and the Conflict Prevention and Peace Building (CPPB)<sup>13</sup> concept.

The concept of “Human Security” was articulated by UNDP in 1994. It provides a holistic basis for identifying threats to people’s security, including

<sup>13</sup> Guidance on evaluating conflict prevention and peace building activities, Working draft for application period, OECD DAC, 2008

natural disasters, poverty, disease, inequality, and violence, and for searching for responses to these threats. While human development is aiming at expanding individual capacities and opportunities, human security focuses on enabling people to contain or avert threats to their lives and livelihoods.

The LRRD concept was formulated by the European Commission in the 1990ties and summarizes the process of assistance that refers to the situation after conflicts and disasters. Its principal idea is that the assistance to be provided to people suffering from conflict and disaster should be structured in a way that reduces the need for humanitarian aid and enables the affected population to follow its development objectives as early as possible. The distinction between relief, rehabilitation and development follows this idea as a continuum with simultaneous interaction of the different phases.

The Do No Harm concept was developed in the 1990ties identify ways in which international humanitarian and/or development assistance in conflict settings may be provided so that it helps local people disengage from fighting and develop systems for settling the problems which prompt conflict within their societies rather than exacerbating and worsening the conflict. The “do no harm” – framework serves as a planning tool and allows peace and conflict impact analysis of external assistance. It is widely known, accepted and increasingly applied.

The Conflict Prevention and Peace Building concept is being applied by the UN and the OECD DAC<sup>14</sup> and aims at mainstreaming a set of basic principles into the international cooperation directed towards conflict prevention and peace building. It recommends a holistic view to CPPB, combining work in four main areas: socio-economic development, good governance, reform of justice and security institutions and culture of justice, truth and reconciliation.

A common denominator of all these concepts is the requirement of thorough conflict analysis at the planning stage of cooperation initiatives in countries or regions in a post-conflict situation. Such analysis should focus on the issues of conflict relevance (how cooperation is focused and shaped taking into account the post-conflict context) and conflict sensitivity (how cooperation is applied in the post conflict-context).

#### Southern Sudan and the transitional areas

The long lasting conflict between the north and the south of Sudan came to a halt following the conclusion of the Comprehensive Peace Agreement (CPA) in 2005. The CPA establishes a transition period of six years before a referendum shall decide on the future of institutional relations of the two parts of the country, with special concern given to the so called “transitional areas

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<sup>14</sup> OECD DAC Guidance on evaluating conflict prevention and peacebuilding activities, OECD 2008

(TAs)". By 2009 there was widespread consensus that the CPA has not achieved to create the envisaged peace dividends<sup>15</sup>.

The TAs (South Kordofan, Abyei and Blue Nile) are located between North and South Sudan along the former frontline with a particular status according to the CPA. A referendum on self-determination in which the population shall decide on their future affiliation between North and South Sudan is planned for 2011. All transitional areas were particularly affected through long years of conflict with a high level of long-term displacement, reintegration of returnees and ex-combatants, destruction of infrastructure, and a continued threat of land mines. Most of the displaced people and refugees were assumed having returned until 2007. The returnees faced tremendous reintegration problems after long years of absence in the rehabilitation of their livelihoods, including lack of agricultural inputs, livestock and conflicts on land ownership. Abyei and some areas in South Kordofan are partly threatened by new conflict for various interwoven reasons such as the ongoing borders disputes, the sharing of oil, land and water resources, as well as a potential spill-over of the Darfur conflict through alliances of armed tribal groups and geographic proximity. All TAs suffer from extremely bad road conditions, making large areas virtually inaccessible during the rainy season, low market integration, poorly developed subsistence agriculture mainly on small land holdings, almost no industrialization and food processing only at a very small scale.

Community organizations were largely disrupted. In all TAs and government services are very limited. The status of recovery differs largely between the areas: the security situation in Abyei remains very fragile, and the unresolved conflicts do not allow people to think about investments in the future. People here are rather struggling with their day-to-day basic needs. In other areas, security has considerably improved in the past years and the recovery process is ongoing. The recovery progress here largely depends on accessibility of the areas.

### Western Sudan

In 2003, a conflict broke out in the Darfur area of western Sudan. The fighting has claimed hundreds of thousands of lives and about two million people were forced to flee their homes.

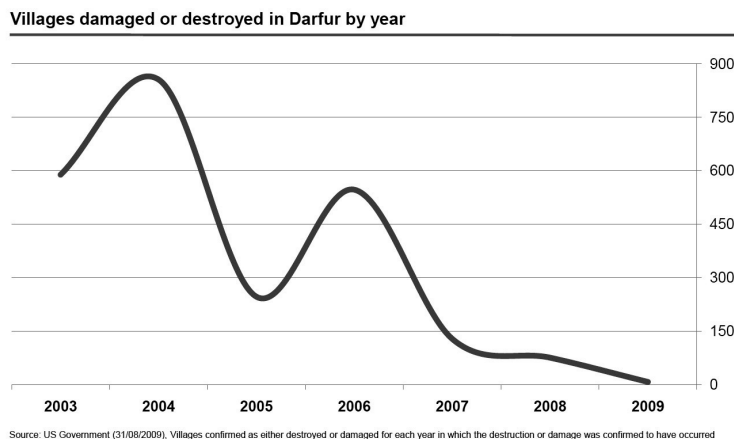
According to many reports the fighting in Darfur was caused by hostility between rival groups related to land- and resources disputes between farmers and pastoralists. The latter was aggravated by ethnic and cultural differences and by an ecological crisis, partly caused by climate change, leading to droughts and consequently less land to cultivate and to rear cattle.

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<sup>15</sup> International Crisis Group, Policy Briefing, Africa Briefing No 68, December 2009;

Currently several reports claim that the intensity of the conflict has declined to a point where more involvement of the international community in recovery and development work seems possible (see figure 3 below).

**Figure 3 – Villages affected by conflict**



### Eastern Sudan

The Eastern Sudan Peace Agreement (ESPA), signed in October 2006, put end to another long lasting but less intense conflict in the country. The ESPA lays down a framework for rehabilitation and development of this marginalized region, focusing on capacity building, strengthening of infrastructure, poverty eradication and a return of refugees and IDPs. Given the region's access to the Red Sea (Red Sea State) it is considered to have a good potential for economic diversification.

## **C. Government policies, strategies and initiatives**

### Industrial development

The Government of Sudan places high priority on the diversification of the economy with view to reducing the high dependence on oil revenues (59 per cent and 98 per cent of the income of GONU and GOSS respectively<sup>16</sup>). The main sector of interest is export oriented agriculture and agro-industry.

In this context, the program of the Ministry of Industry (MoI) gives emphasis to the manufacturing sector, in particular the addition of value to agricultural raw

<sup>16</sup> EIU, Country Report Sudan, February 2010

materials. The strategy aims at transforming the agricultural economy into a strong industrial economy that maximizes the added value of the agricultural and animal products (e.g. sesame, live stock, gum Arabic, cotton, sorghum) of the country. One of the targets is defined as self-sufficiency in consumption and food industries through exploiting domestic resources and efficient linkages with the agricultural sector. The Mol's strategy also foresees the introduction of environmentally friendly technologies, the establishment of industrial zones and human resource development.

The latter priority is especially relevant for the IP with its strong emphasis on vocational training. The main partners for UNIDO for these programmes are the Ministry of Labour and to some extent the Ministry of Education.

The Ministry of Agriculture (MoA) developed a "25 Year Agricultural Development Strategy" for the period between 2004 and 2027. Its objectives are increasing agricultural incomes and employment, promoting food security, poverty reduction, increasing agricultural exports and strengthening linkages with other sectors. The Medium Term Economic Program (2004 – 2009) paid special attention to the traditional rain fed agricultural sector after many years of investment mainly in the irrigation sector, which is dominated by large mechanised farms, and promoted the integration of measures related to all sectors (crops, livestock, fisheries, forestry), but also rural industries and the environment.

#### Vocational training

Different actors, provide vocational training in Sudan with the Ministry of Labour being the most important one, followed by the private sector. In Khartoum State alone 27 VTCs are operational, producing approximately 5000 graduates per year<sup>17</sup>. 18 VTCs are operated by the private sector in Sudan, six of which belong to the above mentioned VTCs in Khartoum state. General problems in the sector, prevalent more prominently in the public VTCs, include poor management capacities of the VTCs, lack of maintenance for buildings and equipments, rigid curricular system with three-year courses and relatively high entry requirements (8 grade school level), underpaid and under-motivated staff. Not surprisingly, these problems have led to a relatively poor linkage between public VTCs and the private sector. There are no figures on employability of VTC graduates.

The Ministry of Labour, Public Service & Human Resources Development (MOL) aims at transforming vocational training from a system that mainly "prepares school graduates to work as skilled wage earners" into one that "builds capacities and upgrades skills needed to strengthen their capabilities

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<sup>17</sup> UNIDO Report, Kenneth Abeywickrama, July 2007

to work for their own accounts especially in rural areas”. That is to “put special emphasis on the urban informal economic sector and on a participation in reduction of unemployment and poverty levels”.<sup>18</sup>

### The environment

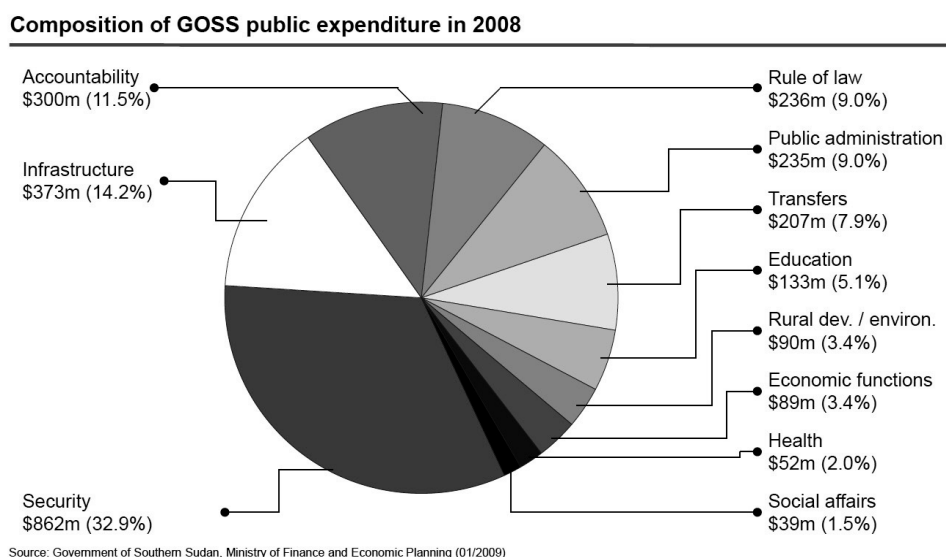
Sudan is a signatory to 16 multilateral environmental agreements, among them the Montreal Protocol, the Stockholm Convention, the United Nations Framework Convention on Climate Change, the Cartagena Protocol on Bio-safety and the Basel and Rotterdam Conventions on hazardous waste and chemicals.

At the national level, the country faces many challenges to meet its international obligations, as set out in the above mentioned treaties and conventions. Although the technical skills and level of knowledge in the environmental sector are high and some legislation is already in place, regulatory authorities have critical structural problems, and are under-resourced.

### Southern Sudan: specific issues

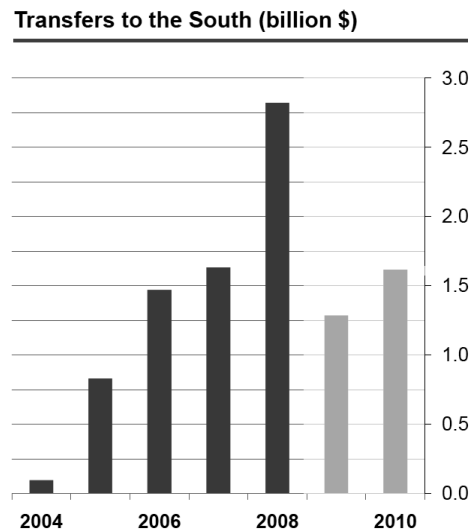
The GOSS has developed its own initiatives in the different areas of the UNIDO IP. In general, however, there are comparatively little resources available for Government initiatives in the field of education and training (see figure 4). This situation has been aggravated in 2009 and 2010 due to a drop in oil prices, which affected the main source of GOSS income (see figure 5).

**Figure 4 – Social services receive insufficient public funds**



<sup>18</sup> Ministry of Labour, website, 2010

**Figure 5 – South Sudan Government income**



Source: Sudan Ministry of Finance, IMF Staff-monitored programme, International Financial Statistics

The expectations for economic development in South Sudan were high when the CPA was signed in 2005. Private sector development is a constitutional objective for the GOSS<sup>19</sup> and since the signing of the CPA efforts have been made to improve the environment for enterprises to develop.

In 2009 the GOSS enacted the Investment Promotion Act. This new law establishes a legal base for investors in South Sudan and defines sectoral priorities for investment in modern agriculture, agro-industries such as leather, textiles and food processing, medium to heavy industries such as cement and construction materials, among others.

Southern Sudan has a very wide range of potential resources on which industrial sectors may be built, including mining, hydropower, tourism, oilseeds, cotton, leather, livestock, logistics, and food processing. Developing any of these sectors would entail a significant investment in institution building, strategic choice and public-private partnerships. But there has been no analysis of the competitiveness of these potential sectors in domestic and regional markets as a basis for prioritizing capacity building efforts<sup>20</sup>. Furthermore, the development of local markets, of technical and entrepreneurship skills and of micro-finance schemes are among Government initiatives that rely strongly on donor support.

<sup>19</sup> Interim Constitution of Southern Sudan, 2005

<sup>20</sup> Southern Sudan Private Sector Development Project, project document, 2007



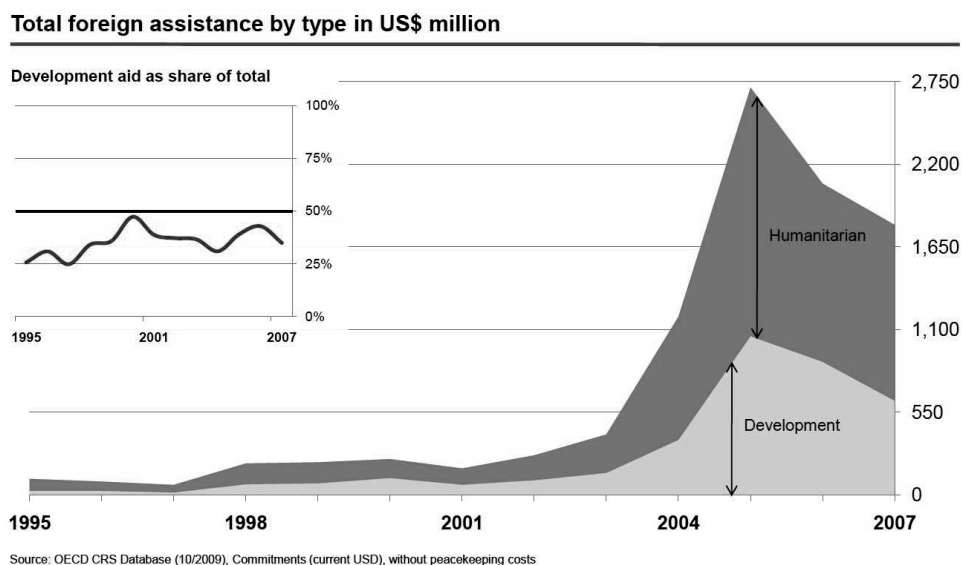
## D. Initiatives of international cooperation partners

### General trends in international cooperation with Sudan

International aid represents approximately three percent of Sudan's economy, and the humanitarian aid programme in the country is the largest of its kind worldwide. Some 15 percent of the population is completely or largely dependent on international food aid for survival, and the number is rising due to the Darfur crisis.

The environment for international cooperation in the non-humanitarian field is markedly different in different regions of Sudan. In the South, the main emphasis of cooperation is on building infrastructure and institutions of the young GOSS. In the North the differences between donors and the Government of National Unity (GONU) make cooperation more difficult as illustrated by the expulsion of several international NGOs from Sudan in 2009.

**Figure 6 – Aid flows to Sudan**

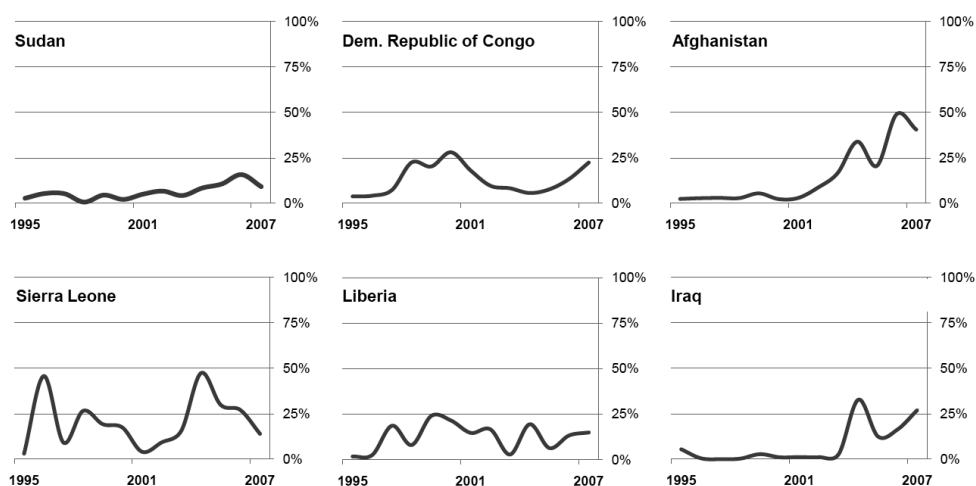


The most important donors in Sudan in 2008 were USA (US Dollars 975 million (mn) followed by the multilaterals (USD 340 mn). Other important donors were Norway and the Netherlands (USD 214 mn each), Japan (USD 100 mn), Canada and the UK (approximately USD 90 mn each). Within the

multilateral cooperation EU institutions have played the most important role (US Dollars 230 mn)<sup>21</sup>.

**Figure 7 – Comparatively little support to institutional capacity building**

**Institutional capacity building as a share of total foreign assistance is low in Sudan**



Source: OECD CRS (10/2009), Commitments (curr. USD), Aid for purposes of institutional and government capacity building, training, research (DAC codes ending 10, 81, 82, ...)

International cooperation for industrial development

The United Nations Development Assistance Framework (UNDAF) for Sudan 2009 – 2012 specifies “Livelihoods and Productive Sector” as a main outcome envisaging that by 2012, poverty, especially among vulnerable groups, is reduced and equitable economic growth is increased. This objective shall be met through improvements in livelihoods, decent employment opportunities, food security, sustainable natural resource management and self reliance. UNIDO and FAO are the lead agencies for this UNDAF outcome.

The Multi Donor Trust Funds (MDTF) for North and South Sudan form part of the wealth sharing protocol of the Comprehensive Peace Agreement (CPA). They aim at delivering peace dividends while strengthening or building government capacity to implement sustainable development in the post-conflict setting of Sudan. The MDTF for the National Government in North Sudan has a total budget of approximately US Dollars 260; it has suffered from slow implementation and bilateral donors have started channeling funds

<sup>21</sup> OECD, 2010, ODA statistics, <http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW>

through traditional mechanism. The MDTF prioritizes the transitional areas where 43 per cent of the fund is spent. It is a multi-sectoral funding instrument including transport infrastructure social services, judiciary infrastructure, livestock services and markets, as well as “start – up emergency projects” for South Kordofan and Blue Nile.

The UNIDO CLARIS II projects are part of these start-up emergency projects. Regarding the agriculture-related development interventions in the transitional areas, the European Commission (EC) recently started and the International Fund for Agricultural Development (IFAD) just concluded implementing rural development programs with a high emphasis on agriculture in South Kordofan and Blue Nile States. Besides these two larger projects, there are various other ongoing humanitarian and development activities in the transitional areas. Many of these activities focus on the distribution of agricultural inputs (seeds and tools) and have an emergency-like character.

#### International cooperation in vocational training

Several international partners are active in the field of vocational training. In the past, the German development agency GTZ had provided support to the vocational training across the country; this support was stopped during the twenty years of civil war and currently GTZ is active only in Southern Sudan. At present, the Japanese International Cooperation Agency (JICA) supports the Supreme Council for Vocational Training (SCVTA) in the preparation of a master plan and strengthening the organizational capacity of the SCVTA. JICA also operates projects in support of vocational training in Darfur and South Sudan. The International Labour Organization (ILO) also supports the GOS in developing adequate policies for vocational training.

#### International cooperation for the environment

The general focus on humanitarian aid is also reflected in a relatively limited volume of international programmes for the environment. The United Nations Development Assistance Framework (UNDAF), for example, does not contain a separate outcome for the environment, which is stated as one of the cross-cutting aspects of the UNDAF. The OECD ODA statistics show a total of only US Dollars 10 mn for the environment in 2008. However, these figures seem to exclude some important GEF funded national and regional initiatives with significant activities in Sudan. For example, the GEF lists 14 country projects in the focal areas of biodiversity and climate change mainly. Sudan also participates in regional environmental initiatives, such as the UNDP/GEF supported Nile basin initiative, which aims at protecting the important functions of the river for the surrounding eco-systems; the UNIDO implemented global project on mercury abatement in small-scale gold mining

and a regional project on the phase out of persistent organic pollutants (POPs) in pesticides for termite control.

#### International cooperation in South Sudan

The GOSS lists the following international development partners<sup>22</sup>:

- United Nations (UN)
- Multi-Donor Trust Fund (MDTF)
- Swedish International Development Agency (SIDA)
- Canadian International Development Agency (CIDA)
- Norwegian Agency for Development Cooperation (NORAD)
- Danish International Development Agency (DANIDA)
- Department for International Development (DFID)
- The European Union (EU)
- United States Agency for International Development (USAID)
- Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)
- German Development Service (DED)
- German Ministry for Economic Cooperation and Development (BMZ)
- Japan International Cooperation Agency (JICA)

Many efforts were made to ensure a high level of donor cooperation in South Sudan. A large part of aid funds is channeled through multi donor trust funds (MDTFs). In the South the following MDTFs are operating:

- MDTF – South; Eleven donors pledged a total of US DOLLARS 611.3mn to the two MDTFs, US DOLLARS 342.8mn of which was for MDTF-S. The World Bank-managed MDTF was expected to be used as a single aid instrument, allowing for strong donor coordination and alignment. But by 2007, almost half of the partners' development assistance was taking place outside the Fund, either on bilateral programmes (26 per cent) or through other UN pooled funds (19 per cent).
- Capacity building trust fund (CBTF), UK biggest donor, other donors
- Sudan Recovery Fund – South Sudan, UK, Netherlands, UN, several donors
- Basic Services Fund; UK, Netherlands, Norway
- Common Humanitarian Fund (CHF)

The Governments of Netherlands, Norway, Sweden, United Kingdom, Denmark and Canada established the Joint Donor Team (JDT) for South Sudan. A 2009 evaluation of this coordination instrument concludes that only a

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<sup>22</sup> Government of South Sudan, webpage, 2010

very small part of the cooperation in South Sudan was managed by the JDT and that its contribution to harmonization among members and vis-à-vis other donors was moderate<sup>23</sup>.

The UN system is represented in South Sudan by a Deputy Resident Coordinator based in Juba; most of the UN agencies active in Sudan have established offices there with permanent representation at different UN levels from D2 (Deputy RC), D1 (UNDP, WFP, UNHCR, WHO, UNOPS), P5 (UNFPA, UNOCHA, UNESCO, FAO), P4 (ILO, UNIFEM, UNAIDS). UNIDO is the only agency with an active programme in South Sudan but no active representation<sup>24</sup>.

UNIDO participated in two projects funded by special Grant Agreements (GA) of the MDTF-S, namely the Capacity building, institutional land human resource development project (CABHIRD) and the Private Sector Development project (PSDP).

The experience of the MDTF was characterized by difficulties with keeping implementation on track. Government-led implementation suffered from insufficiently staffed and trained departments. However, even the agency-led implementation components (similar to those of UNIDO) could not be implemented as planned. As a result, donors withdrew from further funding to the MDTF-S in some cases.

## **E. The IP Sudan in the UNIDO context**

UNIDO has mainly two implementation modalities for its technical cooperation activities: stand alone projects (at country, regional or global level) and integrated programmes (IPs). IPs are not only supposed to deliver integrated and synergetic packages of different UNIDO services; they usually are also country programmes of UNIDO, including most of UNIDO activities in a particular country. The guiding principles of IPs are the following:

- IPs are to be used as a planning and management tools,
- IPs are to be internally integrated - interrelated services at policy, institutional and enterprise levels, preventing fragmented and parallel implementation of stand alone projects, and
- IPs are to be externally integrated - seek cooperation and synergy with other related initiatives of local and international agencies.

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<sup>23</sup> NORAD: Mid-Term Evaluation of the Joint Donor Team in Juba, Sudan; Evaluation Report 2/2009

<sup>24</sup> Internal report from the UNIDO representative, provided to the evaluation team, 12/2009

UNIDO technical cooperation portfolio covers three broad themes:

Poverty reduction through productive activities: this includes the module “rural and women entrepreneurship development”, one of the main components of the IP Sudan as reflected in Component 1.

Trade capacity building: activities under this theme are geared towards improving export performance, compliance with international standards and the corresponding institutional capacity building. IP Sudan had no interventions under this UNIDO service area.

Energy and Environment: this includes mainly the introduction of environmental management, renewable and efficient energy systems and compliance with multilateral environmental agreements. The IP Sudan had activities in several of these areas, including ODS phase out under the Montreal Protocol, mercury abatement in artisanal gold mining and solar energy for rural applications.

## **F. Overview of the IP Sudan**

IP objective and components: Against the background of 20 years of civil war, the new design focused on creating economically viable and peaceful communities through community-based income-generation interventions with the objective to enhance the productive capacities of local industries and rural communities and to support sustainable livelihoods. The IP covers a 5 year period from 2003 to 2008 and comprises four components:

- Social Stabilization: to revive production capacities of rural communities in post-conflict areas;
- Sustainable Agro-Business: to enhance long-term growth of the Sudanese agro-processing industries;
- Environment and Rural Energy: to improve environmental performance of local industries and promote the role of rural energy for productive use;
- Industrial Governance System: to improve governance capacities and support services for sustainable agro-industry development.

Table 1 shows the IP structure and budget by outputs, as initially planned. However, as will be explained below, many of the planned outputs did not materialize. Significant implementation activities took place in only 8 out of the 24 planned outputs (shaded in table 1).

**Table 1: Initially planned IP structure and budget**

IP Objective: Enhancing productive capacities of agro-related industries and capabilities of rural communities is support of sustainable livelihoods and MDGs							
Component 1		Component 2		Component 3		Component 4	
Component objective: To revive production capacities of rural communities in post-conflict areas	USD k 90	Component objective: To enhance long-term growth of the Sudanese Agro-processing Industries	USD k 125	Component objectives: - To improve environmental performance of local industries; - To promote the role of rural energy for productive use	USD k 112	Component objective: To improve governance capacities and support services for sustainable agro-industry development	USD k 225
output		output		output		output	
Participation in the Consolidated Inter-Agency Appeal Program (CAP) and Quick Impact Peace Support Program		Revival of local production of edible oils (pilot project)		Introduction of environmental management systems in two SME clusters (textiles, leather and food)		Institutional capacities for industrial policy formulation, implementation, monitoring, and auditing including industrial policy management	
Increased local food production and consumption in the Nuba Mountains area	235	Linking the textile industries with local markets and humanitarian supplies	98	National Cleaner Production Centre	165	Public-private sector partnership platform	56
Improved village capacity for repair and maintenance of agricultural implements in the Nuba Mountains area	235	Improved competitive position of selected leather industries at the domestic and export markets	198	Introduction of cleaner artisanal gold mining and extraction technologies (GEF)	640	Strengthening of national capabilities in investment and technology promotion	190
Establishment of effective village women's cooperatives in the Nuba Mountains area	550	Upgrading technical services for leather and leather products producers	243	National Refrigerant Management Plan (MP)	600	Industrial development competencies and skills	72
Setting up low-cost building materials production units for local housing in selected post-conflict and rural areas	260	Promotion and diversification of community-based, micro and home-based manufacturing in a pilot location focusing on women and displaced persons (UNDP, UNIDO and FAO)	470	Energy-efficient brick kilns (demonstration project)	155	Improving the industrial statistics system	147
Youth entrepreneurship development in selected locations, with special emphasis on mobility aids for war victims and promotion of informal manufacturing activities	219	Promotion of business alliances for agro-industrial development	194	Renewable energy for rural development	206	Information networking of domestic producers with humanitarian procurement	260
Sub-total Component 1	1,589	Sub-total Component 2	1,328	Sub-total Component 3	1,878	Sub-total Component 4	950

Source: IP document (April 2003)

Geographical areas of intervention

The IP Sudan includes activities in the following States of Sudan: Khartoum State; Southern Kordofan; Blue Nile; Upper Nile; Western Bahr el Ghazal and Central Equatoria.



Map No. 3707 Rev. 10 UNITED NATIONS  
April 2007

Department of Peacekeeping Operations  
Cartographic Section







## Assessment of individual components

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### A. Component 1 – Social stabilization

A.1 Assessment of main projects implemented under component 1<sup>25</sup>

A.1.1 Enhancing the capacity of Khartoum State in the delivery of pro-poor vocational training services - UNIDO project EE/SUD/07/004 (“YED Khartoum”)

#### Project context

Due to rural-urban migration originated by wars and natural crises, the population of Khartoum State has more than quadrupled over the last decades. Employment creation, income generation and re-integration of Internally Displaced Persons (IDP) are among the top priorities of the Khartoum State Government.

The UNIDO approach applied under the YED Khartoum project is consistent with the UN policy and principles for post-crisis interventions stipulating three different “tracks”: (1) stabilizing income generation and emergency employment; (2) promoting employment at the local level in order to facilitate local economic recovery; and (3) supporting policy development and institutional capacity building in order to sustain employment creation and decent work.

In line with these principles, the YED Khartoum combines short-term vocational skills training and income generation for IDPs together with medium- and long-term capacity building of vocational training centres (VTCs) and of the vocational training system in Sudan.

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<sup>25</sup> Evaluation reports for these projects are available at [www.unido.org](http://www.unido.org)

### Project planning and implementation

In 2007, UNIDO responded to a request from the Governor's office of Khartoum State by developing a project proposal that aimed to: (a) provide informal vocational and entrepreneurship training in IDP areas in Khartoum State through community based organizations and non-governmental organizations (CBOs/NGOs) and (b) develop human and institutional capacity of five VTCs in Khartoum State. EU funding was secured in June 2007 and implementation started in July with an inception mission. In 2008 the initial project budget of 10 million euro was increased to 11 million euro and the initial time frame was extended from 21 to 39 months (March 2007 to June 2010). The main counterpart of the project has been the Khartoum State Vocational Training Administrative Unit (KSVTAU).

The project design focuses on five sectors for which the greatest demand for skilled labour was identified (food processing, building construction, automobile repair/maintenance, electrical work, and welding and carpentry). The project was structured under two separate components including short-term interventions on one hand (supporting CBOs/NGOs to provide vocational and entrepreneurship training to IDPs) and medium- to long-term interventions on the other hand (equipping VTCs; shifting the VTC philosophy from the traditional three-year apprenticeship approach towards a much more flexible and needs oriented Competence Based Training (CBT) approach; developing curricula for CBT; capacity building of technical and managerial VTC staff).

#### **Overview of project budget EE/SUD/07/004**

<b>Sub-components</b>	<b>Extended Budget (Euros in 2008)</b>
Component 1 – Vocational Training Centres	9,587,865
Component 2 – CBOs/NGOs training	1,389,031
TOTAL (including contingency and support costs)	10,999,904

#### **Main budget categories of EE/SUD/07/004**

<b>Budget Line</b>	<b>Total Allotment <sup>26</sup></b>	<b>Percentage</b>
Equipment	US Dollars 10,101,633	68.1
Experts	US Dollars 2,075,162	13.9
Training <sup>27</sup>	US Dollars 1,145,331	7.7

<sup>26</sup> Budget Total is US\$14,834,033

<sup>27</sup> Study Tours and In-Service Training

The synergies between these two project components were not obvious but became gradually apparent over time. For example, the CBOs/NGOs started offering pre-vocational training, a measure which is expected to help marginalized IDP populations gain easier access to the formal vocational training system. These linkages between the informal and formal vocational training systems are an achievement in itself but additional measures will be necessary to further reinforce and sustain such linkages.

The project is being implemented by a Project Management Unit (PMU) that has been in charge of implementing a wide range of activities. Some of these activities go beyond the limited time frame of the project, such as convincing and enabling the various stakeholders to change the philosophy of the VTC system and adopting the CBT approach in practice. Identifying, negotiating, purchasing and implementing the quite heavy VTC equipment has been another challenge. Government counterparts and stakeholders recognized that the PMU was very efficiently managed but there are still a number of challenges:

- 1) The equipping of the four VTCs has taken longer than had been expected and thus delayed the initiation of training courses;
- 2) VTC staffing proved more difficult than expected because of difficulties to find qualified staff, in particular for management and administration;
- 3) Draft technical curricula are not yet completed, which delayed the review, field-testing and adoption by the government counterparts;
- 4) Technical and managerial capacity of the newly created Khartoum State Vocational Training Administrative Unit must be further strengthened;
- 5) Linkages between the Khartoum State VTCs and the CBOs/NGOs in IDP populated areas need to be further developed;

Due to these challenges, the project was not able to implement all planned interventions and, as a result, it is not yet clear whether the anticipated outcome of better access to the formal vocational training system for marginalized groups will eventually materialize. All in all, it became apparent that UNIDO does not yet have a full understanding of the intricacies of such an ambitious and multi-faceted VTC approach and the necessary time frame for implementing this approach under post-crisis conditions.

## Relevance

The two-pronged approach of the YED Khartoum project has been adequate and appropriate to the post-conflict context in Khartoum State. Both sides of the approach are relevant: (1) short-term delivery of informal training to IDPs and other marginalized groups and capacity building of CBOs/NGOs to continue with the provision of such training on the one hand, as well as (2) modernizing the formal VTC system by shifting its approach towards CBT; training VTC managers and technical instructors and equipping VTCs.

However, the project found it difficult to raise sufficient awareness amongst the implementing partners with regard to the inter-relationships of the two components of the approach and the ultimate need to come up with an integrated vocational training system for marginalized populations.

Ensuring a balanced relevance of the project for both components (marginalized groups and the mainstream vocational training system) proved to be challenging. The project worked under the assumption that by developing “state-of-the-art” VTCs that focus on the demand for skilled labour for the formal economy it could also simultaneously accommodate the needs of poor, marginalized youth and women from IDP communities. However, when selecting the VTC equipment and designing the formal VTC courses, the project gave priority to serving the training needs of the “modern” economy, while complementing these efforts with the provision of basic vocational and entrepreneurship training for selected marginalized groups in order to facilitate their transition towards gainful self-employment or informal, income generation.

## Efficiency

Efficient project implementation was ensured by a PMU that was well managed by the same Chief Technical Advisor throughout the entire duration of the project. While the vocational and entrepreneurship trainings of IDPs through CBOs/NGOs under component 1 were implemented in a timely manner, the middle- and long-term VTC capacity building under component 2 encountered numerous delays. The latter was mostly due to overambitious planning.

## Effectiveness

The informal vocational and entrepreneurship training courses provided by CBOs/NGOs in marginalized communities were relatively effective. More than 1,500 male and female participants from these communities benefited

from the informal short-term technical and entrepreneurship development training courses and subsequently initiated income-generating activities in their local communities. At the same time, the project developed the capacity of the CBOs/NGOs that participated in this initiative, so that they are better prepared to continue providing training courses related to income-generation after the end of the project.

The effectiveness of the project in meeting its targets with regard to the formal training system is less obvious. The above mentioned delays in operationalizing the VTCs and in human and institutional capacity building weakened the project's ability to deliver. The project draws to a close soon and the capacity of the VTCs to produce the expected results remains unknown. It remains also unclear whether the project will be ultimately effective in facilitating the transition of marginalized youth from the IDP populated areas into the newly established formal vocational training system which is primarily designed to prepare skilled workers for the formal sector labour market.

In conclusion, the project has been very active in ensuring a solid foundation for the VTCs to become operational in the near future. Many interventions were initiated but the overall objective of creating an integrated vocational training system that serves both marginalized persons and the mainstream labour market will not be achieved by the end of the project.

#### Sustainability and ownership

The Presidency, the Federal Ministry of Labour and the Khartoum State Government have demonstrated a keen interest in and ownership of the project during its implementation as demonstrated by the significant investment into the construction of four VTCs and the recruitment of more than a hundred new staff members. The VTCs have also demonstrated a strong ownership of the project by: (a) strong commitment to the CBT and YED approaches; and (b) enthusiastic participation by VTC management and technical staff in the various training and upgrading courses that the project has implemented.

The commitment of the Khartoum State government to the YED/CBT approach is undeniable but the successful implementation of this approach will depend upon the degree to which the VTC managers and technical staff adopt a more pro-active, business-oriented approach to vocational training. It remains to be seen whether it will be possible to create a pool of

committed, qualified and dedicated personnel who will be able to operate the cultural shift towards the YED/CBT approach in the long run.

### Impact

At this point in time, it is too early to assess the extent to which the UNIDO strategic approach has impacted on the lives of marginalized populations throughout Khartoum State. Vocational training has not yet begun; the curricula are not yet implemented; management and technical staff have not applied the newly acquired knowledge, skills and attitudes; and the combined approach of vocational and entrepreneurship training is not yet implemented.

### Recommendations

- A. The project should use the remaining duration to help establishing formal links between the CBOs/NGOs in the IDP populated areas, the VTCs and the Khartoum State Vocational Training Administrative Unit to sustainably attain the project objective that participants in the informal vocational and entrepreneurship training courses from marginalized communities can transition into formal vocational training programmes of the public VTCs.
- B. The project should implement as soon as possible the CBT preparatory course across all VTCs in order to ascertain the appropriateness of course content and the capacity of VTC instructors to implement a CBT curriculum.
- C. It is recommended to UNIDO and to the EU to pursue the capacity building of the Khartoum State Vocational Training Administrative Unit (KSVTAU) beyond the end of the project. This will be necessary to enable the KSVTAU to sustain the achievements of the project; to drive the further implementation of the CBT based approach to vocational training; to foster the emergence of a private sector culture in the vocational training system; to establish and sustain a firm mechanism for trainees to move from the informal to the formal vocational training system; and to establish stronger relationships with the private sector, micro-finance institutions, local community and other key stakeholders.
- D. Every VTC that was supported under the project should establish a specific business plan that defines the short-, medium- and long-term objectives of the VTC; identifies its main stakeholders and clients; describes its role vis-à-vis the local communities; identifies the main strengths, weaknesses, opportunities and threats of the VTC and

establishes a development plan for the years to come. Establishing such plans will require support from the Khartoum State Government and the KSVTAU.

- E. During the remaining duration of the project it is recommended to establish a monitoring and evaluation system that will allow the KSVTAU to assess results of the project through follow-up and tracer studies after the project. There is a vital need for all parties (UNIDO, Khartoum State and donor) to monitor and assess whether the objectives of the project will be met in the medium and longer term.
- F. With a view to the strategic importance of the approach and the considerable budget of the project, it is recommended to UNIDO and to the EU to conduct an impact evaluation of the project in 2012.

#### Lessons learned

1. The two-pronged approach of the project to serve both marginalized groups and the mainstream vocational training system is attractive. However, the basic working hypothesis remains to be verified whether developing “state-of-the-art” VTCs focusing on the demand for skilled labor by the formal economy can simultaneously accommodate the training and income creation needs of the poor, marginalized youth and women from IDP communities.
2. The time period of the project was insufficient to adequately transition trainees from informal vocational and entrepreneurship training courses provided by the CBOs/NGOs into a formal vocational training system that trains skilled labourers for market demands and/or self-employment. For similar projects a more realistic time planning and/or a phased approach is required.
3. An in-country Project Management Unit (PMU) under the direction of one CTA that cooperates very closely with responsible Government authorities throughout the duration of the project is critical to the successful implementation of a complex YED project under post-crisis conditions.
4. The project experience suggests that the likelihood of sustainability is enhanced when (a) public-private partnerships are created; (b) the VTC is supported by a strong Steering/Advisory Committee comprised of key stakeholders from the local community; and (c) there is ownership on the part of the community which views the VTC as a resource for its benefit.
5. The introduction of informal pre-vocational training courses by CBOs/NGOs is a first step to provide persons from marginalized communities with a better access to the formal vocational training



system. However, more explicit, continuous and mutually agreed linkages between the CBOs/NGOs and the formal vocational training system are necessary to sustain these initial successes and to bridge the gap between the informal and formal training systems.

## A. 1.2 YED South<sup>28</sup>: Wau and Malakal

### Introduction

UNIDO experience with vocational training in Sudan began with the first project to modernize the public VTC in Malakal. Later on, this project was extended and another, very similar project was established for the public VTC in Wau. Also, the experience gained in these projects in the south led to UNIDO being identified as a partner to modernize 4 public VTCs in the State of Khartoum.

### **Overview of project budgets (US Dollars, excluding agency support cost)**

Youth Entrepreneurial Development (YED)	Project number	Original budget (as per prodoc)	Total allotment	% spent	donor	inception	Planned duration	Completion
YED in WAU, Southern Sudan	FBSUD08002	884,869	884,869	100%	MDTF	Apr-08	36 months	Ongoing
YED in Malakal, phase I	TESUD05002	680,000 <sup>29</sup>	820,080 <sup>30</sup>	100%	Netherlands	Nov-05	24 months	Completed (10/2009)
YED in Malakal, phase II	FBSUD08006	597,345	597,278	100%	MDTF	Dec-08	20 months	Ongoing

Source: UNIDO infobase, May 2010

### Project context

UNIDO YED projects in Southern Sudan are consistent with the United Nations' Policy approach and principles. UNIDO approach to employment promotion for post-conflict environments consists of a combination of short, medium and long-term interventions. The short-term intervention in

<sup>28</sup> The correct project titles and numbers are: Project FBSUD08002 - Rehabilitation of the May Vocational and Technical Training Centre, Wau, Southern Sudan, for Youth Entrepreneurship Development and Job Creation; Project FBSUD08006 - Youth Entrepreneurship Development (YED) through Capacity Building and Upgrading of the Malakal Vocational and Technical Training Centre (MVTTC); Project TE/SUD/05/002, TF/SUD/05/002 - Vocational Technical Training for Youth Entrepreneurship Development in Malakal, Sudan

<sup>29</sup> Based on an EURO 565,000 budget and average EURO Dollar exchange rate of 0.83 in 2005

<sup>30</sup> The original budget was increased in 2006 following a request to the donor to cover unexpected expenses.

Southern Sudan focuses on the renovation/rehabilitation of the vocational training centres so that the facilities are functional and equipped to provide demand-driven vocational and entrepreneurship training to marginalized populations. In the case of the Khartoum State YED project (see previous chapter), another short-term intervention – non-formal vocational and entrepreneurship training provided by CBOs and NGOs to enhance income generation and job creation for marginalized groups – was implemented. No such intervention was employed in the Wau and Malakal projects.

The medium-term intervention included: (a) training of VTC instructors and managers; (b) introducing the Youth Entrepreneurship Development (YED) programmes into the vocational training curriculum; and (c) developing and introducing competency-based training (CBT) curricula into vocational skills training programmes. In the long-term, the development of a national vocational training policy was planned to support the (i) creation of vocational training “centres of excellence”; (ii) establishment of private-public partnerships that meet the workforce needs of the private sector; and (iii) adoption of a private sector culture. The overall goal of UNIDO approach is to enhance industrial development as well as create sustainable gainful employment opportunities for marginalized populations in Southern Sudan.

#### Project planning and implementation

Given UNIDO experience in post-conflict environments, the Ministry of Labour, Public Services and Human Resource Development (MoLPS & HRD) requested support in its efforts to rehabilitate and revitalize the Wau and Malakal VTCs. In response, UNIDO developed project proposals for both Wau and Malakal VTCs that focused on producing sustainable livelihoods and generating productive employment opportunities for returned refugees, ex-combatants, and youth, including women.

Wau VTC: The basic structure of the Wau project vis-à-vis objectives, outputs and outcomes was well conceived but the initial implementation plan and time frame were unrealistic. The implementation plan of using trainees to renovate/rehabilitate the VTC while receiving training could not be implemented as planned since unexploded ordinances were found on the VTC premises and UNIDO was unable to use trainees to renovate the centre. Consequently, UNIDO sub-contracted the VTC renovation /rehabilitation processes which resulted in significant delays in the tendering and procurement processes as well as in completion of the renovation/rehabilitation works.

The original planned duration of 36 months<sup>31</sup> was shortened to 21 months<sup>32</sup> due to a request by the donor<sup>33</sup>. An abbreviated time frame, in combination with the abovementioned implementation obstacles, resulted in the proposed activities and outputs being too ambitious for the time frame of the project. The rehabilitation/revitalization of the vocational training centre in itself was a major activity that required a significant period of time. However, additionally the project was expected to implement capacity building activities, develop and introduce training curricula, introduce business development services (BDS), provide demand-driven skills training, and generate a significant number of graduates who were to become gainfully employed. Implementation of all of the project activities within a limited time frame proved even more difficult without the presence of a full-time on-site CTA and due to poor infrastructure and logistical problems.

Malakal VTC: The second phase of the Malakal project experienced many of the same problems as those experienced by the Wau project. However, the time frame of the second phase YED Malakal project was less (15 months) than that of the Wau project. The Malakal project was managed by the same hybrid approach used in Wau project. This management approach proved less than ideal for the implementation of the project's activities.

The capacity building and curriculum revision activities were critical components of the project as one examines the project objectives and outputs. Yet given the limited time frame of the second phase of the project important progress was made vis-à-vis curricula development and capacity building of MVTC management and technical staff. Further capacity building activities are required in order to ensure that the MVTC staff acquires the knowledge, skills and attitudes needed to effectively implement this new approach to vocational skills training.

Both projects, Wau and Malakal, were managed by a team comprised of a part-time CTA, a HQ-based Project Manager and several short-term junior consultants. This management approach impeded the effective implementation of project activities and also proved inefficient in the timely achievement of results. The fact that the CTA changed several times during the tenure of the project further affected the continuity, efficiency and effectiveness of the implementation of project activities.

Due to the fact that UNIDO does not yet have a fully "tested" employment promotion approach there is not yet a good understanding of the amount of time required to implement projects in post-conflict environments (all of which have their own unique characteristics). The planned time frame for

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<sup>31</sup> Project Proposal for Southern Sudan, Wau, Wet Bahr, El Ghazal entitled "Rehabilitation of the May Vocational and Technical Training Centre, Wau, Southern Sudan, for Youth Entrepreneurship Development and Job Creation".

<sup>32</sup> Progress Implementation Report (April 2009 – June 2009) for Project Number FB/SUD/08/002 entitled "Rehabilitation of the May Vocational and Technical Training Centre, Wau, Southern Sudan, for Youth Entrepreneurship Development and Job Creation".

<sup>33</sup> According to the Project Manager, Ms. Inez Winjgaarde, the time frame was reduced from the initial 36 months by the donor.

the YED projects in Wau and Malakal proved inadequate for the successful implementation of the approach. As a result, the organization still does not know if its approach is able to produce the anticipated results. As UNIDO gains more experience in the implementation of employment promotion projects, it will better define a coherent employment promotion approach that is applicable in diverse post-conflict situations.

### Relevance

First, the YED projects in Southern Sudan and their objectives are relevant to the post-conflict context in Sudan and to the Government of Southern Sudan's priority of creating employment and building human capacity for productive activities. Second, the YED projects are part of the United Nations Development Assistance Framework - UNDAF (2009-2012) by contributing to its outcome 3 "livelihoods and productive sectors". Third, the projects are consistent with the Host Country Strategy in which GoSS identified as one of its priorities in 2006 to be "the assessment and review of the investment climate and privatization programme and the development of a national competitive programme which emphasizes the regeneration of social capital, the expansion of MSEs, and capacity building of teachers and students"<sup>34</sup>. Fourth, since the project has been intended to improve the overall socio-economic standards of living of young persons, particularly those who were displaced by war, it is in line with both the UN Millennium Development Goals Numbers 1, 3, 8 with a focus on targets Number 16 (Productive Work for Youth) and Number 18 (Private Sector Development), as well as with the Sudan Integrated Programme Development Strategy and its Contingency Plan.

The projects' approach has focused on three principle interventions: (a) renovation/rehabilitation of the VTCs; (b) human and technical resource capacity building inclusive of YED programme and the CBT approach; and (c) establishment of public-private partnerships so that training is demand-driven, provides marketable knowledge and skills to the target population, and enhances their transition into gainful employment. The challenge for the two projects has been to demonstrate that they could produce the type of results that would impact positively on the lives of the target population by helping trainees to transition successfully into gainful employment.

Unfortunately, neither one of the projects was able to meet this challenge. At the moment, the relevance of the approach employed by the two projects remains conceptual and not practical because neither one of the two vocational training centres have acquired the capacity to provide vocational training services according to the UNIDO approach inclusive of the CBT and YED programmes nor have they been able to produce the outcomes that had been envisioned, e.g., VTC graduates, small- and/or medium-size enterprises. As a result, until the VTCs acquire the capacity, and begin, to

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<sup>34</sup> Project proposal for Southern Sudan, Wau, Wet Bahr El Ghazal entitled "Rehabilitation of the May Vocational and Technical Training Centre, Wau, Southern Sudan, for Youth Entrepreneurship Development and Job Creation".

provide the services that were envisioned by the projects' approach, the practical and/or applied relevance of UNIDO employment promotion approach will not be known.

In the future, it is anticipated that as (a) the VTC managerial and technical skills are enhanced; (b) the CBT training curricula finalized; (c) the YED training integrated into the vocational training programme; (d) a Steering/Advisory Committee established; and (e) enhanced links and cooperation between the public-private sectors are developed, the benefits of UNIDO' employment promotion approach will be demonstrated and the vocational training centres in Wau and Malakal will become important assets to their local communities.

Ownership of the project's approach was stronger in Wau where the VTC senior management provided more support to the project. The Wau VTC senior management's commitment towards the approach and its related interventions and activities, e.g., establishment of a Steering Committee, private-public partnerships<sup>35</sup>, facilitated the integration of the CBT curricula and YED programme into the VTC's activities in the last few months of the project. Even though the vocational skills training did not start until the last few months of the Wau project, the principle reason for the delay was the amount of time required in rehabilitating the vocational training centre.

In contrast, the Malakal VTC was in much better condition physically and the VTC was operational (unlike the Wau VTC) when the second phase of the project began. However, significantly much less progress was made vis-à-vis the implementation of the project interventions and activities, e.g., development of a Steering Committee, introduction of the CBT curricula and the YED programme, during the tenure of the second phase of the project. This was a direct result of the limited commitment on the part of the Malakal VTC senior management towards the project's objectives.

### Efficiency and effectiveness

The short-term intervention of rehabilitation, renovating and/or upgrading the vocational training centres across both projects was confronted with challenges and delays, but was completed. In contrast, the medium- and long-term interventions across both projects proceeded but were not completed. In Malakal, the overall objective, through the second phase, of creating a "centre of excellence" with a private sector culture that produces graduates for the labour market was not achieved and will, unfortunately, require a longer period of time, more capacity building and a stronger commitment on the part of senior management. The institutional and human capacity needed for such a type of centre could not be developed in the time frame that was allotted. In Wau, which became operational during the

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<sup>35</sup> Graduates of the short-term food processing training courses were involved in income-generating activities through the sale of meals; the National Project Coordinator had initiated contacts with members of the local business community as potential employers of VTC graduates.

project after many years of closure, still requires further capacity building in order to improve the effectiveness and efficiency of the services provided.

Delays in the rehabilitation, renovation and/or upgrading of the VTCs have had a negative impact on the initiation of vocational training programmes for the target population. However, there are several other factors that have also prevented the VTCs from becoming fully operational. First, the amount of time allotted for implementation of UNIDO employment promotion approach was grossly underestimated. As a result, a limited amount of capacity was built amongst the VTC managerial and technical staff with regard to the sustainable introduction of CBT curricula and the YED programme.

Second, the project management capacities on the ground were not sufficient to ensure a continuous coordination of the different parties involved in the implementation (e.g., subcontractors, experts, counterparts, Government).

At the end of the two projects both VTCs are ready to enter into the next phase of capacity building so that they become better prepared to provide quality vocational training services. Additionally, private-public partnerships and Steering Committee participation need to be reinforced so that the VTCs are truly part of integrated vocational training service delivery systems for marginalized populations in Wau and Malakal. Despite the numerous challenges with which the projects were confronted, within a short period of time frame UNIDO was able to establish a good foundation at both the Wau and Malakal VTCs for the future.

#### Sustainability and ownership

Sustainability refers to the likelihood that the results and achievements of projects will be sustained over time by both the Government of Southern Sudan as well as the individual VTCs in Wau and Malakal. One important indicator of sustainability is the degree to which ownership and commitment is felt by the implementing agency and/or counterpart. In this case, the Government of Southern Sudan (GoSS) has expressed a strong sense of ownership of the Wau and Malakal VTCs and has manifested a keen interest in sustaining the CBT and YED initiatives as integral components of its vocational training service delivery system. However, now that UNIDO contractual obligations have ended GoSS will have to become more proactive and supportive of the VTCs in order to ensure that they can successfully implement the new approach to training. Also, even though GoSS's commitment towards UNIDO employment promotion approach is undeniable, another important factor to the successful implementation UNIDO approach will be the degree to which the Wau and Malakal vocational training centre management and technical personnel also commit themselves to it. Further capacity building and support to both VTCs will be an important pre-condition for sustainable results.

## Impact

At this point in time, it is too early in the process of establishing a vocational training system to assess the extent to which UNIDO approach has impacted significantly on the lives of marginalized populations throughout Southern Sudan. Vocational training employing the CBT curricula and YED programme has started on a limited basis; management and technical staff has developed limited capacity to implement the new approach to vocational training; entrepreneurship has been introduced only on a limited basis; and the VTCs have not begun to produce graduates who potentially can provide information on the effectiveness of the employment promotion approach used by the VTCs to prepare marginalized populations for gainful employment..

## Conclusions

- A. The time period of the project was insufficient to cover both, the physical rehabilitation and upgrading of the VTCs, and to develop the institutional and human capacity of the vocational training centres in Wau and Malakal so that they can provide CBT-based vocational skills training and YED-based entrepreneurship training.
- B. The UNIDO management of the Wau and Malakal projects faced many challenges in the successful implementation of its YED and CBT approach. The commitment and professionalism of project management (UNIDO HQ and part-time CTA on the ground) towards the two projects helped the projects achieve important outputs, but a more continuous presence on the ground would have been desirable.
- C. Even though the conceptual framework of the two projects was sound and well conceived, the implementation approach proved inadequate for the post-conflict environment. As a result, the projects were unable to achieve the results and outcomes for both projects.
- D. The ownership and commitment of the Government of Southern Sudan towards the UNIDO YED and CBT approach applied by both projects is an important but not a sufficient condition for sustainability of the interventions. The capacity of the Wau and Malakal vocational training centres to manage and implement demand-driven CBT-based training, YED programmes, and private-public partnerships needs further development.
- E. The projects are now at a critical stage, where it will be important to establish monitoring mechanisms that provide VTC management, the GoSS and cooperation partners with information on the impact of the YED and CBT approach on vocational training trainees and their livelihoods.

- F. The YED projects in Southern Sudan (as well as the project in Khartoum) can be regarded as pilot projects for what could be an integrated and flexible UNIDO YED and CBT approach for post-conflict situations. This would help to position UNIDO as an advisor and cooperation partner rather than a “service provider”. Additionally, by better articulating its YED and CBT approach, UNIDO will be able to better coordinate the efforts of all key stakeholders and better ensure the achievement of specific results.

### Recommendations

- A. UNIDO should remain engaged with GoSS and the Wau and Malakal VTCs in order to monitor the continued implementation and the results at outcome and impact levels. This will allow the organization to learn important lessons for the formulation of an integrated YED and CBT approach for post-conflict environments and provide it with critical information on how to better implement it in future initiatives.
- B. UNIDO, GoSS and the VTC management should work together to establish an appropriate monitoring system, including the regular implementation of tracer studies of graduates. The corresponding capacity building should be part of a possible next phase of support to the VTCs.
- C. UNIDO and GoSS should identify funding for a second phase support to the Wau VTC and a third phase support to Malakal VTC to provide further capacity building in order to successfully manage and implement demand-driven CBT-based training, YED programmes and private-public partnerships.
- E. The Government of Southern Sudan should become more engaged in the implementation of UNIDO YED and CBT approach by holding the management of the Wau and Malakal vocational training centres accountable for the implementation of the approach and the training of youth for gainful employment in their respective communities.
- F. UNIDO should use the lessons learned in the YED projects in Sudan to elaborate an integrated and flexible YED and CBT approach for post-conflict environments. Such an approach should provide guidance to those involved in implementation. It should clearly explain the rationale for applying YED and CBT concepts and it should contain appropriate monitoring mechanisms and indicators for project outcomes and impact. The approach should consider a phased modality of implementation.

### Lessons learned

- A. Projects implemented in post-conflict environments with difficult communication and infrastructure should preferably employ a full-time CTA in the field in order to ensure continuous communication with counterparts.



- B. Projects that combine physical rehabilitation with capacity building and training should use prior experience to arrive at a realistic estimate of time needed for implementation.

#### A.1.3 Community Livelihood and Rural Industry Support Programme (CLARIS)

CLARIS I project was implemented between 2004 and 2007 in 40 villages of South Kordofan State after the conclusion of the CPA which initiated the returning of displaced people and refugees. The project supported the establishment of Community Development Committees (CDCs), the dissemination of oxen driven cultivation technology (nuba hoes) which had already proved to be a viable technology in the 1990ties, the provision of hand tools to vulnerable households, the Introduction of small scale hand powered food processing machines to women, and the promotion of blacksmiths. The overall convincing results of the project, especially for the nuba hoes, and a positive evaluation by the World Bank ended up in the drawing of a CLARIS II successor project.

##### Project context

The project's target areas have suffered severely from recent conflict (mostly before the CPA in 2005 but also afterwards). Hence internationally adopted concepts for cooperation in a post-conflict context (Human Security concept, LRRD concept, Do No Harm Concept, see chapter 2) are particularly relevant for CLARIS. The same is true for the Government strategies of the MoI and the Ministry of Agriculture (MoA). CLARIS fits well into the current UNDAF and the MDTF North and South, which form part of the wealth sharing protocol of the CPA.

##### Project planning and implementation

CLARIS includes four completed and one ongoing projects of a total value of 3,331,494 US Dollars which were implemented between 2004 and 2009 in South Kordofan (CLARIS I, 2004 – 2007) and the transitional areas (South Kordofan, Abyei and Blue Nile, 2008 – 2009, Italian Contribution to CLARIS between 2007 and 2012).

The overall CLARIS II planning framework started with a longer term umbrella project for a duration of six years with a total amount of 9,408,324 US Dollars and builds up on the achievements of CLARIS I with a consistent strategy (except for the VTC component). The project planning refers to three of seven threats mentioned in the Human Security Concept such as the vulnerability of the target groups (a), high unemployment and persisting poverty (b), and hunger, malnutrition and food insecurity (c).

However, funding was only available for a “start-up emergency” phase and not for the “recovery & development” phase. UNIDO prepared three small short-term (“emergency”) project documents. The original project concept for South Kordofan was handled as a blue print and transferred to Abyei and Blue Nile area despite the diversity of livelihoods, soils and cultural conditions without carrying out detailed feasibility studies in the new areas. An important lesson learned from CLARIS I - the size of the scarcely focussed project area compared to the need to follow up activities for satisfying effectiveness – was not taken into account. The short-term projects also show a lack of well defined outcomes without indicators beyond outputs. In sum, many compromises had been accepted by UNIDO in order to carry out the redesigned projects, however, expecting a smooth continuation of the development phase as foreseen at the time of the planning.

With regard to “do no harm” - framework, the project area and the project’s embedment in the respective organizational structures interact positively with overall peace building needs. Especially the establishment or building-up of Community Development Committees (CDCs) which are composed of different ethnic groups represents a considerable peace capacity. In contrast, the concentration on farmer’s needs and the non-consideration of pastoralist needs is a fortiori critical, since there is no other meaningful support to pastoralist communities, while the two diverging livelihood systems struggle on land use, and, and represent at the same time proxy-allies of the former warring parties. Women are also insufficiently included in the project.

The VTC involves a potential for peace capacities, since different groups might join for training purposes. The selection of villages was well performed (except for accessibility), but the services were not really adapted to the specific needs of the selected villages, which largely differed in size. Soils in the villages of Blue Nile area were less suitable for the nuba hoes. The concept of vulnerable groups eligible for hand tools had neither been defined in detail by the project (all areas show a different vulnerability tissue), nor planned according to do no harm principles. However, this approach allows a certain balance of benefits between poor and better-off farms. The local production of implements supported the re-emerging local economy as a peace factor.

The approach to implement the livelihood projects through NGOs is estimated as very good in principle, but the efficiency of the implementation process varies among NGOs.

### Relevance

Regarding the overall development objectives of the Sudanese Government of food security and poverty reduction, the projects are very relevant.

The objective of the livelihood projects to restore agricultural production and self-sustainability of rural communities, in particular regarding farm implements, is very relevant to the needs of the target groups and also corresponds to the recovery situation. It is less relevant to pastoral communities. The objective of the vocational training reflects the general development needs. Not all professional trades are estimated as highly relevant, and other sections could have been assessed for their feasibility. Female students currently only have the option of tailoring courses in case those teachers will be deployed for this section.

The current livelihood projects (especially CLARIS II) are less relevant to UNIDO mandate – since they focus on “community work” at farm level, while the “industrial” aspects of development of tool production at the beginning as well as agro-processing at the end of the agricultural value chains were not integrated for feasibility reasons in the short-term projects. A high demand of support to agro-processing was expressed by all stakeholders met (Government, NGOs, target groups).

### Efficiency

Since the project managed to achieve the planned outputs within the foreseen limits, the efficiency of resource use is good and in accordance with the planning. The involvement of local NGOs as well as the “training of trainer” – approach were very positive with good results while the selection of remote and dispersed areas and villages and conflict areas rather reduced project efficiency.

Delays in the disbursement of the MDTF funds and consecutive delays in the implementation of the programme (also at the level of UNIDO) resulted in the loss of the 2008 agricultural season. There is no obvious reason why tailoring activities were not yet implemented. Regarding project monitoring, very comprehensive and well documented monitoring missions had been carried out by the technical advisors, but the recommendations were not always translated into practice. A general lack of monitoring at the level of outcome and impact of the livelihood projects was observed.

Some of UNIDO management modalities appear too heavy and represent a hindrance for efficient project implementation for a number of reasons: the centralisation of decision making in Vienna with only “consultants” but not official “representatives” at the country level, which favoured an understanding of “contract fulfilment” by staff at the country level instead of flexible “development management”. UNIDO administration and procurement procedures also show considerable inefficiencies such as the organization of tendering procedures and procurements for local suppliers and their contracting and administration by the head office in Vienna, the complicated bidding and administration procedures compared to the local understanding and competence of administration, and the

very late disbursement of funds to one local NGO. The establishment of the imprest account in Khartoum has improved efficiency of financial management at UNIDO country office.

### Effectiveness

The implementation of the projects achieved the foreseen outputs in 30 villages of the three areas as planned.

All CDCs were functioning in support of the project. Some CDCs show initiatives for other community related activities and seem to have adopted democratic principles. The communication between different tribes is also enhanced through the CDCs. Hand tools have temporarily helped carrying out farm works for a high number of households, who might not have had well performing tools before.

The utilization of the nuba hoe reduced the working time for soil preparation as well as the physical efforts significantly when compared to manual work with hand tools (5 x reduction in average). This reduction of working time translates partly into an impressive increase of cultivated area (50 per cent - 400 per cent), but also in a more favourable sowing time at the beginning of the rainy season, which usually results in increased yield. The yield increase related to nuba hoes compared to manual works is reported to be of 50 – 60 per cent for sorghum and of 100 per cent for groundnuts.

However, the utilisation of the distributed nuba hoes during the current agricultural season was limited because of the restricted availability of qualified oxen, differences in local soil conditions and competing technologies (such as tractors). The benefits will mainly be realised by a limited number nuba hoe farms, which often belong to the better off farms and which most likely will only offer limited renting services of the equipment to other farms. The utilisation of the distributed seeders was very limited.

The trained blacksmiths now provide useful services throughout the year at affordable prices without transport costs for the customer which is estimated as highly beneficial to the entire communities. It is expected that women in each village will use the sewing machines, but only few women might create substantial income from tailoring activities since tailoring services already exist and competition with imported products is high. The effectiveness of the VTC could not yet be measured since training had started only recently.

### Sustainability and ownership

The sustainability and ownership of short-term interventions are generally limited, especially in the LRRD context, since organizational structures cannot be fully developed and are often volatile. The hastiness of short-term implementation

often results in externally driven interventions with little embedment into the local context. The disruption of funding will not allow implementing the planned “recovery and development” phase, and therefore, the sustainability of many achievements is endangered. It will largely depend on the presence of other organizations and their future support.

### Impact

The food production can theoretically be largely increased through the nuba hoe. This will increase food availability at the local level, but not necessarily the access to food for vulnerable households who neither can afford renting the equipment, nor to buy food for their day to day needs. Therefore, a significant reduction of chronically food insecure households is rather unlikely (indicator of original umbrella project).

### Recommendations in the context of CLARIS

- It is recommended to complete the CLARIS interventions in Blue Nile and Abyei and assist the local NGOs which are still operating in the project areas as far as possible to increase the sustainability of the achievements.
- Funding of another phase of CLARIS interventions in South Kordofan should be mobilized according to the recently drawn project documents and consider in addition increased monitoring of effectiveness and impact, donkey driven cultivation devices, a farmer driven dissemination concept, organizational development of blacksmith societies to ensure the production of tools without any external assistance, improve the seeder model, improve access to the implements by poor farms through community based schemes and fostering revolving schemes for sustainability.
- Actors at community level should be involved and a consistent “do no harm” – assessment should be prepared at the beginning and monitored during implementation.
- The MoE should be supported to make maximum use of the rehabilitated and equipped workshops in cooperation with all involved parties (MoE, MoL, Mol, VTC specialists). As soon as any new activity in support of the VTC is foreseen, the training of the teachers who use the workshops should be deepened.
- The restoration of productive capacities of the target groups represents a very important requirement in the LRRD context. The role of UNIDO within the LRRD context should be restricted to rehabilitation (recovery) and development, since the requirements of emergency situations do not correspond with UNIDO mandate and management mechanisms.

## A.2 Overall assessment of component 1

### Overview

<p>Component objective: To revive production capacities of rural communities in post-conflict areas</p>	<p>Contributions to objective mainly from CLARIS and component 2 of YED Khartoum; So far limited contributions from component 1 of YED Khartoum and from YED South (Wau, Malakal)</p>
<b>Name of output</b>	<b>Implementation</b>
Participation in the Consolidated Inter-Agency Appeal Program (CAP) and Quick Impact Peace Support Program	Not implemented
Increased local food production and consumption in the Nuba Mountains area	Significant contributions from CLARIS; additional areas covered (Abyei and Blue Nile)
Improved village capacity for repair and maintenance of agricultural implements in the Nuba Mountains area	Contributions from CLARIS; additional areas covered (Abyei and Blue Nile)
Establishment of effective village women's cooperatives in the Nuba Mountains area	Not implemented
Setting up low-cost building materials production units for local housing in selected post-conflict and rural areas	Not implemented
Youth entrepreneurship development in selected locations, with special emphasis on mobility aids for war victims and promotion of informal manufacturing activities	Contributions from YED, but no special emphasis on mobility aids for war victims

### Relevance and ownership

The two core approaches of component 1- support to rural livelihoods through improved farming technologies and stimulation of income generation through youth entrepreneurship – are highly relevant to achieve the expected “peace dividends” as foreseen in the CPA. Also target group relevance is good for

CLARIS (with some exceptions) and for YED, which aims at making VTCs more accessible and useful for unemployed youth and potential entrepreneurs.

The fact that some outputs foreseen under component 1 were not produced did not reduce the relevance of this component as the different outputs were not inter-dependent.

Target groups relevance is good for CLARIS (with some exceptions) and also for YED, where it is assumed that VTCs will become more accessible and relevant for unemployed youth and potential entrepreneurs.

Component one is clearly relevant to UNIDO post-crisis programme under the 2010-2011 Programme and Budget.

The Government's ownership was exceptionally high in the case of YED Khartoum, where large parts of the overall VTC budgets were provided by the Government and concrete changes in VT policies reflect the CBT/YED approach promoted by UNIDO. This situation is very different in the case of livelihood projects in the transitional areas (CLARIS), where the originally envisaged "development phase" of the project did not materialize and organizational structures at the community level (CBOs) are yet in an incipient stage.

Ownership for projects in South Sudan (in particular YED Wau and Malakal) was good as far as the rehabilitation of VTCs is concerned. There is less buy-in with regard to the CBT/YED approaches, which is partly due to the limited capacities for policy changes in an environment characterised by re-construction efforts and continuing political tensions.

### Effectiveness

Effectiveness of most of the interventions in component 1 remains dependent on continued support from the Government and/or international partners. Maybe the most critical assumption in this context is that the peace process will be maintained, otherwise the UNIDO interventions will not proceed from output to the outcome and income stages. The momentum built by motivating and training staff in YED/CBT approaches or the build up of local communities' peace-building capacities through CDCs will most likely vanish once the process is disrupted for a longer period.

Approaches using short-term, informal training in YED (project component 2) and CLARIS have largely proven effective, yet at a rather limited scale and without a clear long-term perspective for sustainability and wider impact.

In the short-term, the training approach applied in YED component 2 (short-term, informal training) has clearly proven to be more effective than the formal VTC approach. This is not to say that all VTC support should be delivered by component 2 type of projects. But if the goal is to generate peace immediate

peace dividends, the short-term, community based training is definitely more promising.

The effectiveness of the larger VTC interventions depends on a number of critical assumptions. First, the effective change from existing VTC curricula to the application of CBT/YED curricula requires a sustained, long-term Government effort in training and supervising VTC staff and management. Second, the still very limited capacities of VTC management (partly due to the limited resources available for adequate staffing) need to be continuously upgraded, including the capacities to maintain the equipment provided to the VTCs.

Component 1 was not effective with regard to the provision of housing through the local production of low-cost construction materials. While a small budget was made available (US Dollars 110,000) by Slovakia, the project faced difficulties in identifying project sites and motivated counterparts. Due to the small size of the project it received little attention from project partners including UNIDO HQ.

#### Efficiency

The YED Khartoum project was implemented efficiently in a relatively short period of time. Efficiency problems existed in all projects carried out in the South (VTC Wau and Malakal). This is partly related to poor infrastructure and incipient institutional and economic development (e.g. it is difficult to find qualified subcontractors in the region). Another particular problem in the South is attracting and retaining qualified and experienced project staff. For example, the CTA for the YED South projects had to be replaced several times and it was not possible to recruit a full time staff for the position. This, in turn, resulted in sometimes difficult communication with Government counterparts and delays in project progress. This problem, however, is shared with other donors and agencies operating in South Sudan<sup>36</sup>. Reportedly, project efficiency benefited from the establishment of an imprest account at the UNIDO field office in 2009.

#### Sustainability and impact orientation

UNIDO interventions under Component 1 could generally benefit from a longer-term perspective. With the exception of the YED Khartoum project, which benefited from a strong PMU and intensive cooperation with and strong ownership of the Government counterparts, projects are rather unlikely to lead to sustainable results unless they are continued.

Mobilization of additional funding is thus essential for the sustainability and impact of component 1 interventions. The weak field presence of UNIDO in Sudan (especially after the retirement of the UR in December 2009) represents an important bottleneck in this regard. Donors have expressed concerns that

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<sup>36</sup> See: Multi-Donor Evaluation of Support to CPPB Activities in South Sudan (Draft), 2010



UNIDO would be an interesting partner for technical cooperation in principle but an adequate and continuous field presence is a prerequisite for lasting partnerships with donors.

## **B. Component 2 – Sustainable agro-business**

The general thrust of component 2 was to strengthen the formal industrial sector in Sudan, as opposed to the emphasis of component 1 on rural development and post-conflict social stabilization through basic productive activities.

Component two was not implemented for lack of funding. However, there was one serious effort to formulate, fund and implement the project on micro- and home based manufacturing that merits a brief analysis (see below).

### Overview

Component objective: To enhance long-term growth of the Sudanese Agro-processing Industries	
<b>Name of output</b>	<b>Implementation</b>
Revival of local production of edible oils (pilot project)	Not implemented
Linking the textile industries with local markets and humanitarian supplies	Not implemented
Improved competitive position of selected leather industries at the domestic and export markets	Not implemented
Upgrading technical services for leather and leather products producers	Not implemented
Promotion and diversification of community-based, micro and home-based manufacturing in a pilot location focusing on women and displaced persons (UNDP, UNIDO and FAO)	Not implemented, but comprehensive preparatory assistance carried out together with UNDP and FAO. Not clear why ultimately the project was not funded and implemented.
Promotion of business alliances for agro-industrial development	Not implemented

DU/SUD/03/007 – Promotion of community-based agro-related micro and home-based manufacturing activities in Sudan

**The project budget** (US Dollars, excluding support cost)

Project number	Source of funds	Planned budget (US Dollars)	Current allotment (US Dollars)	Expenditures (US Dollars)
DU/SUD/03/007	FAO/UNDP	35,000	128,250	128,500
XX/SUD/...	UNDP	2,284,600	0	0
<b>TOTAL</b>		<b>2,319,600</b>	<b>128,250</b>	<b>128,500</b>

Source: UNIDO Infobase, April 2010

The project aimed at stimulating local productive activities with emphasis on women and IDPs in order to foster re-integration of displaced people. 12 target areas across the country were identified and an in-depth diagnostic study was undertaken by a team of consultants travelling to the target regions and involving beneficiaries and counterparts in the project formulation. Based on the diagnostic studies a comprehensive project document was prepared. Funding for these preparatory activities came from UNDP and FAO; the full project was expected to be funded from UNDP. However, the project was ultimately not funded. The reasons for this were not entirely clear. The considerable investment in developing the project document was lost.

Conclusions on component 2

Interviews with UNIDO staff involved in funds mobilization for Sudan revealed that at the time when the IP was launched donor priorities were clearly on post-conflict interventions, similar to those included in component 1. Actually that was one of the main reasons why the IP was re-designed and component 1 was included.

With a major programme building up in Sudan in component 1 and some activities in components 3 and 4, there was limited staff resources available to actively promote projects in component 2.

## C. Component 3 – Environment and rural energy

C.1. Assessment of main projects implemented under component 3

C.1.1. Solar cooking in Sudan – Promotion, dissemination and local production

### Project context

Solar cooking has been a known technology for decades. It offers the potential for savings and environmental benefits in certain environments. The environmental and social conditions in Sudan seem to justify renewed efforts to solve the problems associated with unsustainable use of firewood.

There are other technologies being tested in the field to address the firewood problem, most importantly fuel-efficient stoves. Several donors and NGOs are active in solar cooking, among them Practical Action, Jewish World Watch, the Darfur Peace and Development Organization and Solar Cookers International.

### **The project budget** (US Dollars, excluding support cost)

Project number	Source of funds	Planned budget	Current allotment	Expenditures
TE/SUD/09/001	Italy	35,000	35,000	28,433
XX/SUD/08/X04	Italy	393,072	0	0
TOTAL		428,072	35,000	28,433

Source: UNIDO Infobase, April 2010

### Project planning and implementation

The project idea was developed in 2007/early 2008 in the field by the UNIDO Khartoum office in consultation with the Italian Donors and following a visit of the UNIDO representative to a local workshop that had previously done work on design of solar cookers. A request was sent to UNIDO HQ for support in developing a full fledged project document. The original proposal was to establish a cooperation between UNIDO, the United Nations High Commissioner for Refugees (UNHCR), United Nations Children Fund (UNICEF) and the International Migration Organization (IOM).

The original objectives of the proposal (as developed in the field) were:

To enhance safety and health of people in Darfur and to diminish pressure on natural wood resources.

- a) To positively enhance the living conditions of people in Darfur and to diminish the enormous pressure on the natural wood resource;
- b) To reduce the risks and vulnerability of girls and women to sexual violence when going outside the camps to gather firewood;
- c) To enhance the empowerment of women and girls and to reduce economic hardship;
- d) To increase the health and nutrition of women and men in IDP camps.

The Service Summary Sheet (SSS) developed in mid 2008 by UNIDO quoted narrower, technical project objectives:

- Demonstrate the techno-economic viability and socio-cultural acceptability of locally produced solar- and fuel efficient cooking devices in rural areas of Sudan
- Strengthening of local manufacturing and maintenance capacities for solar- and fuel efficient cooking devices

The Solar cooking project, at the time of the evaluation mission, was at the end of its preparatory phase (TE/SUD/09/001). During this phase the following had been achieved:

- Proto-types of different cookers had been designed and built locally
- The prototypes were tested in IDP camps near Khartoum, i.e. in conditions similar to those of the final target group, Darfurian IDP camps.
- In response to the field testing minor adjustments to the cooker design were implemented.
- A project document for a full project phase was under preparation.

#### Relevance

The high number of IDP has a significant impact on the environment. Specific measures are needed to stop degradation of the areas surrounding IDP camps. The suffering of women is also a real problem. As a consequence, the original project objectives are highly relevant to the problems faced by target populations in Darfur. Also the more narrow specific objectives to test the usefulness and the potential for wide-spread use of solar cooking devices to alleviate some of the problems is a relevant endeavour. The abundance of sunlight and the fact that so far no local capacities for the manufacture of such devices exist justify the development of a pilot project.

During the preparatory phase a first field test has been organized with 4 women living in IDP camps near Khartoum. The feedback generated provided important information on the relevance of solar cooking devices for IDP in camps. While there was an overall positive assessment of the cookers, the test revealed that solar cookers are not suitable for preparing the local staple food Aseeda. The test did not demonstrate the magnitude of the savings and other benefits for the women and hence did not yet provide a clear picture on the “techno-economic viability and socio-cultural acceptability of locally produced solar- and fuel efficient cooking devices”.

In summary, the project is relevant in terms of overall objectives, but there is not yet clear evidence on relevance of the technical solutions proposed, especially at the level of target groups.

#### Efficiency

The preparatory project had been approved by UNIDO in July 2008. The first project allotment document (PAD) was issued only in January 2009. After that implementation was smooth and a full report was prepared by September 2009.

#### Effectiveness and impact

At the technical level locally designed solar cookers have demonstrated to be effective in terms of reducing the consumption of fuel wood. Beyond this, i.e. in how far the devices can contribute to the overall objectives like enhanced living conditions and reducing the vulnerability of women, the effectiveness has yet to be demonstrated.

#### Sustainability and ownership

The project approach differs from other efforts as it aims at creating local capacities for the production of solar cookers. It also envisages the dissemination of solar cookers through commercial channels, by reducing the prices to a level that makes the devices affordable to poor families, communities and institutions like schools and hospitals.

So far the project has not created a significant degree of ownership from the side of target groups and/or potential local producers. Stronger involvement of businesses and local workshop as well as more detailed testing of the commercial viability will be essential for sustained results of the project.

#### Recommendations

- The next phase of the project (full project phase) should not be the final phase of the project. Instead it should aim at a larger scale field test of the solar cookers, including the clear establishment of cost-benefit comparisons for potential users, calculations of savings in terms of time and money, etc.

- The next phase should also be used to build the capacities of local workshops in producing and selling solar cookers.
- Based on the results of field testing and capacity building for local production, an final phase of the project should be aimed at providing support to the dissemination of the cookers, to the documentation of lessons learned and to the transfer of the experience to other regions.
- A monitoring system needs to be designed and resourced to produce hard evidence on cost/time savings; local production capacities, etc.. The full project phase should therefore include a baseline exercise.
- Consideration should be given to arranging the training of local producers through local vocational training centres. Potential synergies with the YED component should be explored.

#### C.1.2. Mercury abatement

##### Project context

UNIDO water management unit executed the project EG/GLO/01/G34 “Removal of Barriers to Introduction of Cleaner Artisanal Gold Mining and Extraction Technologies” (also referred to a Global Mercury Project or GMP) between 2002 and 2008. The project was implemented in six developing countries in Asia, Latin America and Africa. The main project objectives of the GMP were to assist the six pilot countries in the

- (i) assessment of Artisanal and Small-scale Miners(ASM) and the extent of pollution from current Artisanal and Small scale Miners activities;
- (ii) establishment of cleaner gold mining and extraction technologies to minimize or eliminate mercury releases;
- (iii) development of capacity and regulatory mechanisms that will enable the sector to minimize negative environmental impacts;
- (iv) introduction of environmental and health monitoring programmes, and
- (v) building capacity of local laboratories to assess the extent and impact of mercury pollution. This specific objective was included in order to ensure sustainability of the monitoring programs. The project worked to build capacity of local institutions (e.g., local laboratories) through training and material support, enabling them to carry out continuous monitoring beyond the initial project’s term.
- (vi) development of Country-specific policies and legislation for governing the ASM sector;
- (vii) dissemination of project results and searching for opportunities for increased self-financing of the Project.

The project budget for Sudan cannot be clearly determined. Project management estimated that approximately US Dollars 1 million was used for the activities in Sudan. The total budget for the global project is stated below.

### Project budget

Budget line	GLO/01/G34	Budget
19-99	SUB-TOTAL PERSONNEL COMPONENT	2,998,800
21-99	SUB-TOTAL SUB-CONTRACTS COMPONENT	1,880,000
32-99	SUB-TOTAL MEETINGS COMPONENT	354,200
45-99	SUB-TOTAL EQUIPMENT COMPONENT	1,255,000
99-99	GRAND TOTAL	6,806,800

Source: independent evaluation report

In 2008 UNDP – the implementing agency of the GMP - commissioned an independent terminal evaluation<sup>37</sup>. The following assessment is based on that project evaluation and on a number of interviews carried out one year later (November 2009) by the IP evaluation team in Khartoum and Damazin.

#### Project planning and implementation

The selection of countries participating in this project was done based on the intensity of mercury based artisanal gold extraction activities and their impacts on water bodies of global significance, the Nile River system in the case of Sudan.

The project document includes a description of the situation of small scale mining in Sudan, and a clear identification of the target area and target population of the project in different villages in the Blue Nile province. The document does not contain an assessment of counterpart capacities and needs nor is there a detailed planning of the activities in Sudan. In the case of Sudan the national counterpart organization was the Geological Research Authority of the Sudan (GRAS).

Counterpart contributions from Sudan were foreseen to the tune of US Dollars 200,000 (in-kind), covering office space and the a focal point assigned to the project. Except Lao PDR all other countries had committed to significantly higher contributions.

As the Sudan component of the project was primarily carried out in the Damazin area, it is striking that no mention is made of the post-conflict specific aspects of the interventions. The social impact as well as possible negative effects or barriers to results are thus largely unclear. As the evaluation report states, the diagnostic study done on the target region was obsolete at the time of

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<sup>37</sup> Removal of Barriers to Introduction of Cleaner Artisanal Gold Mining and Extraction Technologies - GMP – Final Evaluation, UNDP, UNIDO, GEF, 2008

implementation, as the miners had migrated to other regions. Also the evaluation report reveals that “the demobilization of thousands of former combatants and the resulting transient nature of many people presents a potentially volatile situation as claims to land, water and natural resources are challenged”.

### Relevance

The project document identified mainly the practice of open roasting of gold-mercury amalgams in Sudan as a critical problem. The effects are twofold: the mercury enters the food chain in international waters, leading to a problem of regional and global concern. On the other hand, the mercury affects directly the public health of those involved in mining and processing of contaminated ores.

The evaluation report concludes that the objective to reduce contamination of international waters “was unsatisfactorily addressed, especially because the in Sudan there is not significant mercury pollution of international waters due to ASM activity”.

However, since project inception the price of gold has risen drastically and it keeps rising at the moment. While there are no reliable figures on the size of the ASM community, it is safe to assume, and authorities confirmed, that the number of miners has multiplied over the past few years.

This leads to the conclusion that, while the global dimension of gold mining in Sudan is not evident, interventions to reduce health problems caused by gold mining are relevant in principle in Sudan.

However, the offered technological solutions for miners are not of immediate relevance. Only very few miners, if any, keep using the offered retorts to avoid open burning of mercury.

Also, the capacity building offered to Sudanese institutions seems to be of limited relevance as long as the unclear legal situation of miners and the migratory nature of the mining communities persist. At the time of the evaluation mission initiatives to register miners were ongoing. This might make adoption of cleaner technologies more feasible in the future.

### Efficiency

Project management was centralised through a project management unit in Vancouver, Canada. The project manager and the country focal points resided there. Implementation was supported through Assistant Country Focal Points (ACFP) in the respective countries. But they were not empowered to take decisions regarding project implementation nor did they have direct access to project funds.



Besides the limitation of a too centralized project approach, the evaluation report considers the activities in Sudan as largely cost-effective, however, no concrete figures are provided. Core activities were:

- Diagnostic Analyses of health and environment in target areas were carried out.
- Appropriate gold mining equipment was designed and produced locally in Khartoum (for demonstration purposes).
- Training on improved gold extraction practices: According to the final report the GMP trainers delivered technical training to more than 300 miners, representing over 90 per cent of those actively mining at the time.
- Capacity building for GRAS: counterpart staff was trained and analytical equipment as well as demonstration equipment were provided.
- Awareness raising activities: brochures and posters were distributed to chiefs. Radio and television broadcasts reached the whole state and one news programme was broadcasted nationally. One educational film was completed. Local nurses were trained in health aspects of gold mining. Owners of gold shops (processing) have been sensitized through short workshops on the negative effects of mercury fumes.
- Networking: The project did develop collaboration with Khartoum Office of Practical Action and with the UN Disarmament, Demobilization and Reintegration Programme (DDR) at both the National and State level in order to encourage the exchange of information and training equipment.

The equipment used for the project was left with GRAS when project activities ended in 2008. However the legal transfer of the equipment to GRAS has never been finalized.

#### Effectiveness and impact

- The overall objective of reducing mercury pollution of international waters was “unsatisfactorily addressed, especially because in Sudan there is not a significant mercury pollution due to ASM activity” (quote from evaluation report).
- The adoption of new technologies (e.g. retorts) and even of easy-to-implement behavioural changes (such as shifting the burning of mercury from inside to outside houses) has been very low at best.
- Good results were achieved in terms of awareness raising at different levels (government, local communities, miners, families, hospitals)

- A new mining act was introduced in 2007 that reportedly address the issue of artisanal miners. However, the project effect on this new legal framework is not clear, nor does a detailed assessment of the new framework on the mining community exist.
- The capacity of the project counterpart – GRAS - was significantly increased, however the new capacity has not been used to repeat the training of miners or to develop monitoring programmes as originally planned.

#### Sustainability and ownership

Sustainability of the project results is minimal. Training in the field is unlikely to have had lasting effects due to a complete absence of follow up. According to GRAS there are insufficient budget resources to continue the efforts using own resources and there are also no signs of future external funding.

The only exception is that analytical equipment (LUMEX) provided to GRAS for detection mercury is reportedly used for analysing mercury contamination in Gold shops.

#### Recommendations

- The basis created through the GMP project in terms of capacity and awareness should be utilized to address the problems caused by a growing ASM activity in Sudan. It is thus recommended to seek funding for a follow up phase of the GMP project.
- There should be a much stronger emphasis on the necessary social and legal preconditions for the sustainable introduction of improved technologies. In this context an assessment of the possible effects of the new legislation on mining activities should be carried out.
- Project implementation should make best use of local expertise and be coordinated in the country
- The aspects of post-conflict context should be given due attention when formulating a next project phase.
- The low uptake of the technology solutions proposed should be analysed carefully and alternative strategies formulated.
- Mercury use in Sudan does not significantly contribute to global environmental problems (contamination of international waters). Thus, the main emphasis of the project should be to address the local environmental and health effects of mercury use. Special attention should be given to the health effects of mercury in gold shops.
- The project equipment should be legally transferred to the GRAS.

### C.1.3. Activities related to the Montreal Protocol

#### Project Context

Sudan is a signatory state of and has ratified the Vienna Convention for the protection of the ozone layer and the Montreal Protocol (MP). A corresponding regulation has been issued under the Environment Protection Act.

A country programme has been approved by the Executive Committee (ExCom) of the MP in 1994 including the following projects and components:

- Institutional strengthening (National Ozone Unit)
- Substitute for ozone friendly substance in the manufacturing sector
- Phase-out of Chlorofluorocarbons (CFCs) in the foam sector
- Phase-out of CFCs in the aerosol sector
- A refrigeration management plan has been approved in 1998 (training of trainers on good practices in refrigeration and air-conditioning; training of technicians on recycling and recovery of CFCs; training of customs officers on Ozone Depleting Substances – ODS - control)

#### Project planning and implementation

The MP related cooperation with UNIDO started long before the IP in 1993/1994. According to Government sources UNIDO is the most important implementation partner, covering some 95 per cent of all MP projects. Over time a number of projects was implemented, among them a refrigerants management plan, the establishment of recycling centres, training of 800 technicians and 200 trainers, investment support to small workshops to convert to ODS free technology.

#### Relevance

With a significant amount of ODS baseline consumption in Sudan UNIDO cooperation is considered highly relevant.

#### Efficiency

Efficiency was not dealt with by the evaluation.

#### Effectiveness

Based on reports and interviews with Government counterparts the cooperation with UNIDO has been effective. The ODS consumption in Sudan has been

reduced from about 600 ODP tons in 1993 (baseline) to about 460 ODP tons in 1997 (freeze level), to about 216 ODP tons in 2003. Government reported a full phase out in 2009. There is a high level of satisfaction with UNIDO cooperation from Government counterparts.

However, from project reports it is unclear how much of the phase out results is related to the UNIDO support. According to some interviews most of the phase-out is achieved by curbing in-country supply of ODS, i.e. through effective control by customs authorities (in non-producing countries such as Sudan).

In particular the effectiveness of training and support to small refrigeration and air-condition servicing enterprises is not known since no monitoring of the effects has been carried out.

At the time of the evaluation mission the ozone unit in the MOI was not fully operational since the person in charge had retired from the Ministry.

A number of issues remain to be addressed:

- The exact amount of ODS stockpiles in the country is not known. They represent a potential risk to human health and the environment.
- There is a limited volume of HCFC consumption in Sudan (7.6 tons p.a. in 2007). HCFCs phase-out support to Sudan is currently being prepared by UNIDO.
- Illegal trade of CFCs is still an issue in Sudan. The verification report 2007 mentions that 70 per cent of refrigerators that are sold in the market are still using CFCs.

#### Sustainability and ownership

The sustainability of results is directly linked to the global availability of ODS as well as the continued effective controls of imports and prevention of illegal trade.

#### Impact

In general the expected project impact is very well reported on (reduction in ODS release to the environment).

There is no information as to potential additional benefits to companies through investment support (better technology) and awareness about environmental management. Possible unintended effects are also not reported on.

#### Recommendations

The reporting requirements for MP projects in Sudan should be clarified and implemented more strictly. Monitoring of potential unintended project effects and

non-ODS effects should be included in reports to the extent possible. To that end it is recommended to include monitoring components in the MP projects and secure adequate funding for monitoring at the beginning (either MLF or Government funds). In the case of Sudan the association of refrigeration and air-condition technicians could be tasked with the monitoring.

### C.1.3. Other activities related to Component 3

Project FB/SUD/09/003 – “Development of a sustainable integrated national programme for sound management of chemicals”

This project is one of the first projects implemented by UNIDO under the international “Strategic Approach to International Chemicals Management (SAICM)” initiative.

The project objective is to develop a sustainable integrated programme for sound chemicals management that will minimize adverse effects on human health and the environment. The budget is US Dollars 144,000 for two years.

It was initiated mid 2009 and at the time of the evaluation mission no information was yet available on activities and results.

#### Cleaner Production Centre

The IP document also foresaw the establishment of a Cleaner Production Centre and the introduction of environmental management systems in SME clusters. Two UNIDO funded preparatory projects were implemented in 2002/2003): YASUD02405 - Strategic environmental management systems (US Dollars 13,739) and XASUD01614 – Integrated programme: environment component (US Dollars 44,767).

No reports are available with regard to these activities. According to the project manager the Cleaner Production Centre could not be established for lack of funding.

## C.2. Overall assessment of component 3

### Overview of implementation

Component objectives: - To improve environmental performance of local industries; - To promote the role of rural energy for productive use	
<b>Name of output</b>	<b>Implementation</b>
Introduction of environmental management systems in two SME clusters (textiles, leather and food)	Not implemented, seed funds used unsuccessfully
National Cleaner Production Centre	Not implemented, seed funds used unsuccessfully
Introduction of cleaner artisanal gold mining and extraction technologies (GEF)	Implemented as part of a global project for artisanal gold mining. Capacity of Sudan Geological Survey upgraded; no lasting effects at level of miners observed. Some effects on gold processing enterprises (jewelers) likely.
National Refrigerant Management Plan (MP)	Implemented
Energy-efficient brick kilns (demonstration project)	Not implemented
Renewable energy for rural development	Solar cooking project: preparatory phase implemented. Funds for full project secured.

### Relevance and ownership

The environmental assessment of Sudan (see chapter II) has clearly demonstrated that industrial pollution, including the one caused by the rapidly expanding oil sector, is an important concern in Sudan. While industry is not the major cause of environmental degradation in Sudan, the negative effects concentrate in the few industrial areas in and near Khartoum. Industrial effluents are usually discharged without treatment directly into the environment or in the sewage systems. A couple of industrial sectors such as leather tanning, food processing and textiles are of particular concern and remain in need of technical assistance and effective government regulations.

In conclusion, the overall component objective keeps being relevant for Sudan. At the same time, the majority of international cooperation initiatives focus on the

main environmental problems: land-degradation, deforestation and desertification. UNIDO technical expertise in the field of industry & environment is thus of high relevance for local governmental and non-governmental partners.

A pre-requisite for effective cooperation, however, is a strong Government and private sector commitment to improved environmental performance. Currently regulatory authorities have critical structural problems, and are under-resourced. This makes technical assistance in general less likely to be effective. However, private sector oriented cleaner production approaches, that combine environmental improvements with business benefits can still be relevant for target groups.

The second component objective - the promotion of renewable energy - is also highly relevant. However, so far only minor activities have been carried out by UNIDO and only in the field of rural applications (solar cooking). The expertise of UNIDO in the promotion of solar energy systems should be of relevance for several applications in Sudan, e.g. the use of thermal solar systems in factories and manufacturing enterprises. This is also an area of increasing UNIDO competence.

#### Effectiveness

The contribution of component 3 to the core overall objective, an improved environmental performance of local industries, was not achieved to a significant extent. While MP projects can be regarded as successful, they exclusively aim at global environmental benefits and usually do not have an important impact on local environmental issues such as air and water pollution, resource depletion or negative health-effects on workers. Efforts to reduce mercury pollution remained largely ineffective and the planned cleaner production centre was not established.

The introduction of renewable energy for productive use has also not been effective. Only one minor activity has been implemented so far - the introduction of solar cookers – and this is not really geared towards productive activities. More importantly, the project has not yet progressed to produce tangible effects on energy use in the target regions, let alone in the country as a whole. The originally planned Community Development Centres (CDCs) that were to be powered by renewable energy systems, were not established as no funding was mobilised for such a project.

#### Sustainability and impact orientation

For the non-MP projects in component 3 continued benefits are rather unlikely to occur, unless there is additional funding for follow-up phases. Also the capacity building effects in public sector counterpart organizations are likely to disappear

as soon as staff moves on to other organizations or to retirement as typically no budgetary provisions were made for any of the initiatives (Solar, Mercury, MP, CP).

Impact orientation is clearly evident in the case of MP projects, where impact is measured by reduction of ODS consumption. While this is not a direct measure of actual ODS release into the atmosphere, it is a good-enough proxy indicator for impact. In all other initiatives the focus on impact has been rather limited. Despite clear efforts to measure effects on target groups, the solar cooker project focused mainly on the technical issues of building solar cookers. As a result it is not really clear what the impact of a solar cooker on a typical IDP family would be. The mercury project ignored the fact that no significant impact on international waters could be achieved in Sudan. The UNIDO approach for mercury abatement seems to lack a clear linkage between local benefits for the target group and global benefits. Only if the population sees the benefits of alternative technologies, an application on a wider scale (including the resulting global benefits) would be possible.

The first and essential step towards impact orientation is a clear understanding of the “baseline situation”. The programme document does not provide a clear picture of the main environmental effects of industry, the nature and severity of effects in different target areas, possible target pollution levels, etc. This lack of a clear understanding of the problems to be solved reduces the possibility to make technical cooperation impact-oriented.



## D. Component 4 – Industrial governance system

### D.1 Assessment of main projects implemented under component 4

#### D.1.1 Industrial capacity in South Sudan

The project document was developed under project number TF/SUD/07/002, financed by DFID. The project is part of a larger private sector development (PSD) programme funded by the Multi Donor Trust Fund for Southern Sudan (MDTF-S). That programme was planned to be implemented in two phases. The overall budget for the UNIDO component was US Dollars 2,6 million (including agency support cost of 13 per cent), with US Dollars 1 million for the first phase (2007-2008) and US Dollars 1,6 million for the second phase (2009-2011). As many other projects under the MDTF-S, implementation of the first phase of the UNIDO project faced delays. The second phase has thus not been initiated.

#### **The project budget** (US Dollars, excluding support cost)

Project number	Source of funds	Planned budget	Current allotment US Dollars	Expenditures US Dollars
TF/SUD/07/002	DFID	177,000	186,306	139,963
FB/SUD/08/003	Multi Donor Trust Fund for Southern Sudan	884,955	877,156	699.226
<b>TOTAL</b>		<b>1061,955</b>	<b>1063,462</b>	<b>839,189</b>

Source: UNIDO Infobase, April 2010

#### Project context

The MDTF Private Sector Development Programme (PSD) was formally approved in April 2007 with the objective to enable the private sector to maximize its contribution sustained peace and poverty reduction in Sudan.

The Programme has 2 broad development objectives: (a) to establish the enabling environment for private sector development; and (b) to support formal private sector growth. These objectives are to be achieved through 4 sub-components:

Component 1: Trade and Investment Policy Framework

Component 2: Establishing commercially-viable microfinance institutions

Component 3: Building industrial capacity

Component 4: Marketing System Development

Donors and GoSS selected UNIDO as the main 'service provider' of Component 3 in cooperation with the Ministry of Energy, Mining and Industry (MEMI). Component 3 of the MDTF PSD Programme includes the following Sub-Components and budgets for phase 1: a) Building the Capacity of the Ministry of Energy, Mining and Industry (\$1,000,000); b) Analysis of Competitiveness (\$600,000); c) Assessment of Mineral Potential (\$400,000); d) Development of private sector support institutions (\$400,000) and e) Developing the market for business development services (\$1,200,000). Of the above MDTF PSD Programme subcomponents, UNIDO is the main partner (service provider) in all except subcomponents 3.1.2. (Analysis of Competitiveness) and 3.1.3. (Assessment of Mineral Potential)

#### Project planning and implementation

The overall goals of the PSD programme include:

- 25 per cent per year increase in the number of businesses registered in Southern Sudan; 10 per cent annual increases in number of registered private sector firms;
- Development of policy formulation capacity within MEMI and private sector development strategy endorsed by Cabinet or Parliament.

The more specific UNIDO objectives were:

1. Industrial strategy capacity development
2. Support private sector representative institutions to participate in policy making and provide services to members
3. Direct provision of business upgrading services to selected companies as a pilot approach to develop the business development services (BDS) market.

The main counterparts of the project were the Ministry of Energy, Mining and Industry (MEMI) and the chamber of commerce and industry.

Overall, the project document is of good quality, providing a sound analysis of the problems at hand and a clear description of the objectives, outcomes and activities. The project document contained a detailed analysis of capacity building needs of the MEMI and to some degree also of the Chamber of Commerce. The analysis of the needs for BDS was far less detailed.

The logical framework matrix in the document is sketchy, lacks good indicators and thus is not very useful as a management tool. The document does not contain a conflict analysis (conflict relevance, conflict sensitivity).

A number of activities had been implemented at the time of the evaluation mission: for the MEMI English language training; IT Equipment Installation and IT

training had been carried out. General management training and a study tour to Rwanda for officials from MEMI had been planned. An Executive Director for the SSCCIA had been identified. Furthermore the first business directory for South Sudan (Juba, Wau, Malakal) had been produced and distribution initiated.

The cooperation with the chamber of industry came to a halt due to legal disputes regarding the chamber of industry. A GOSS decree had suspended its operations and at the time of the evaluation mission a court case between the existing chamber and the GOSS was ongoing. At the same time preparations were underway to set up a new chamber, based on fresh elections within the business community and with different business leaders involved.

### Relevance

From a design perspective the UNIDO project is well embedded in the GOSS and other international activities to foster public economic management. Donor contributions represented approximately 10 per cent of the Government's expenditures in the economic sector<sup>38</sup> and all planned UNIDO interventions are aligned with the priorities of the Government.

UNIDO role in implementation, however, has not been clearly defined in the beginning and the expectations from different sides diverged to some degree. While UNIDO usually sees itself as an advisor to Governments, the GOSS expected UNIDO to act as a "service provider", implementing a number of tasks that were defined in the MDTF documents, such as establishing an internet connection in the Ministry, equipping the Ministry with computers, organise training, etc.

This suggests that the project was not designed to be implemented by a specialized agency, but rather by a typical service provider. The latter would also have better capacities on the ground to ensure continuous communication with counterparts.

Not all of the components were relevant to the same degree. This concerns especially the BDS component. The expectation to create a BDS market in absence of an established business sector seems over-ambitious. For example, the proposed application of the COMFAR methodology does not seem to be relevant for the proposed focus on micro- and small enterprises.

The environment in South Sudan is still characterised by a post-conflict situation. The private sector is still organizing itself and different groups are in rivalry with regard to the leadership. This has made the capacity building support to the chamber premature and not entirely relevant (for the time being).

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<sup>38</sup> Draft budget sector plan - economic functions sector, GOSS, 2007

### Efficiency

Project implementation faced a number of important problems. First, project coordination on the ground did not work efficiently due to the “disappointing performance” (see project progress reports) of the first Chief Technical Advisors (CTA). The second CTA, who improved the communication with the counterparts, was not based full-time in South Sudan resulting in delays and difficult communication with the Ministry. This led to significant delays in project implementation.

In general, project implementation in South Sudan faces a number of challenges. For example, sending MEMI staff to training events outside the country required a project staff to bring the required money in cash from Khartoum.

Some of the project resources were used to bring UNIDO staff to South Sudan, in order to discuss possible activities in the field of business information centres and small hydro power. These staff missions did not produce the expected results and counterparts criticised the use of project resources for UNIDO staff missions not in direct relation to the planned project activities.

Monitoring and reporting of the project has been limited. The reports from the CTA are at activity level only. No steering committee exists for the project.

### Effectiveness

At the time of the evaluation mission both main outcomes, the establishment of a sound industrial strategy and the strengthening of business associations had not been achieved. While for the first outcome a certain contribution of the project could be identified through the basic capacity building support provided to the MEMI, the efforts made under the second outcome were rendered unsuccessful after the existing Chamber of Commerce was suspended by means of a Government decree.

One output, the first business directory of South Sudan, has been widely recognized as important and successful. Since no outcome-monitoring has been carried out it remains unclear in how far the directory has been used and nothing can be said about contributions to outcomes and actual effectiveness.

### Sustainability and ownership

GOSS budgets depend almost entirely on income from oil revenues. The priorities of Government spending are in the areas of infrastructure and security (see chapter II) and recent years have seen a significant reduction in income due to the slump in oil prices

At the same time, the project has been planned to be implemented in two phases. According to information provided to the evaluation team in Juba, the funding of the second phase through the MDTF is highly unlikely.

As a result the continuation of the work initiated by the UNIDO project seems to be at a significant risk.

### Impact

While it is too early to assess impact of the project, the issues raised above under “effectiveness” and “sustainability” lead to the conclusion that a significant contribution of the project to the expected impact is rather unlikely.

### Recommendations (provided that the project continues into a second phase)

- If continued into a second phase the project should employ a full-time CTA in Juba. Such a CTA might be shared with other projects implemented in South Sudan if possible.
- A monitoring system should be established that goes beyond reporting on activities. To that end the logical framework matrix should be refined, clear indicators established and explicit assumptions formulated.
- Consideration should be given to establishing a steering committee with participation of GOSS and private sector representatives. The Steering Committee should receive progress reports based on the improved logframe.
- UNIDO should continue support to the chamber of industry only once the legal situation of the chamber has been clarified.
- Consideration should be given to support the GOSS and the business community in promoting sustainable and responsible direct investment (domestic and foreign) through established UNIDO services (e.g. feasibility studies, socio-economic analysis of investment projects, investment fora).

#### D.1.2 Investment promotion

The project "Investment Promotion and Technical Assistance Programme (ITAP)" aims at assisting the Ministry of Investment in the promotion of FDI and domestic investments and associated technology transfer in order to create employment opportunities, generate income and alleviate poverty and to facilitate increased trade participation. This project also fulfills the country level activities of the Regional Investment Programme for Africa articulated by African Stakeholders including AU, UNECA, NEPAD and other public and private sector institutions at the high level expert group meeting in Addis Ababa on 12-14 March 2007.

**The ITAP project budget (US Dollars, excluding support cost)**

Project number	Source of funds	Planned budget	Current allotment	Expenditures
TF/SUD/07/009	Islamic Development Bank	438,500	193,894	152,420
SF/SUD/07/007	Government of Sudan	180,000	166,769	77,440
YA/SUD/01/443	UNIDO	-	30,379	30,379
XA/SUD/01/641	UNIDO	-	11,807	11,807
<b>TOTAL</b>		<b>618,500</b>	<b>402,849</b>	<b>272,046</b>

Source: UNIDO Infobase, April 2010

Project context

The promotion of foreign and domestic investment is a high priority of the GOS. This is reflected in the decision to convert the Investment Authority of Sudan into the Ministry of Investment (MoInv) in 2002. The Ministry of Investment, is entrusted with the responsibility of setting the strategies, policies, objectives and programmes of developing domestic and foreign investment, in Sudan. More recently a High Council for Investment was established under the auspices of the Presidency and with State Governors participating. The latter is deemed to make the investment policies in the country more homogenous and to improve the overall investment climate.

Project planning and implementation

The project follows several UNIDO preparatory assistance activities (see UNIDO projects in table above) and an earlier activity under the global project US/GLO/04/076 that aimed at enterprise creation and upgrading. The outcome of that assistance was regarded as successful by UNIDO and the GOS, reportedly leading to the establishment of some 25 small enterprises. The counterpart for this project was the Management Development Centre (MDC) in Khartoum.

The present project was designed to provide technical assistance for institutional capacity building to the MoInv including, support to the investment promotion office, implementation of sector-specific investment promotion programmes, channelling investment projects to financial institutions as well as providing

project implementation support, thereby facilitating the inflow of foreign and domestic investments.

The project document does not contain a logical framework matrix and has been developed mainly by project partners. There is no evidence of involvement of final beneficiaries or other stakeholder groups (e.g. private sector associations) in project design. The problem analysis focuses on the output level, i.e. the institutional constraints of the MoInv.

The main outputs produced by the project are:

- Revision of the investment act
- Revision of organizational structure of Ministry
- Creation of a domestic investment unit
- Training of Ministry staff on project profiling (theory and COMFAR, training in Enterprise Development & Investment Promotion Programme - EDIP in Bahrain)

### Relevance

Overall, the project is relevant with regard to the GOS policy to promote foreign and domestic investment. There are clear indications that the outputs produced by the project were used by the MoInv as planned (investment act, organizational structure). Given the strong dependence of the Sudanese economy on the oil industry, the promotion of investment in other sectors can contribute to the important goal of economic diversification.

However, as many other UNIDO investment promotion activities, the project followed an “investment climate” approach, i.e. an approach that does not explicitly focus on investment for sustainable development and poverty reduction<sup>39</sup> Case studies have shown that foreign direct investment (FDI) requires complementary Government policies and strategies to ensure positive socio-economic effects<sup>40</sup>. This raises the question whether such projects could be made more relevant with regard to UNIDO focus on sustainable industrial development and poverty reduction. For example, the project document did not include a discussion of current investment policies with regard to local content, employment of local labour force, environmental impact assessment in sensitive areas, etc.

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<sup>39</sup> Eurodad; Bottom Lines, Better lives: Rethinking multilateral financing to the private sector in developing countries, March 2010 (<http://www.eurodad.org/whatsnew/reports.aspx> )

<sup>40</sup> See, for example: Lynn Mytelka and Lou Anne Barclay, Using Foreign Investment Strategically for Innovation, 2004

The relevance of creating a domestic investment promotion unit was not entirely clear, since the focus of the unit was not so much on linking up foreign investors with local partners, but on a continuation of small- and micro enterprise creation, an activity that others might be better placed to carry out.

### Efficiency

There is no evidence of major efficiency issues in this project. However, the efficiency of implementation is constrained by the absence of an appropriate M&E system. There are no clear indicators to measure progress from outputs to outcomes and impact and progress reports usually report on activity and output levels only.

The project has no apparent linkages with other projects or components of the UNIDO IP. This is despite of the emphasis on enterprise creation, a focus that several other initiatives of the IP have.

### Effectiveness

The main expected outcomes described in the project document are strengthened capacities of the Molnv and increased investment flows. The project has not generated concrete evidence on effects in this regard. But even if there was a monitoring system in place to observe progress towards outcome, it would probably be too early to assess effectiveness.

There is, however, some evidence on the use of outputs that suggests a good degree of progress towards outcomes:

- At the time of the evaluation the revision of investment act was before the cabinet for endorsement,
- the revision of the organizational structure of the Ministry approved by Minister, the approval of Ministry of Labour (civil service commission) was yet pending,
- the domestic investment unit had been officially inaugurated and training on project profiling (theory and COMFAR) had been used to assist local entrepreneurs and to generate investment proposals

### Sustainability and ownership

The project enjoys a high level of ownership from the Ministry. The local contribution from the GOS indicates this and points towards a good chance for sustainable project results.



## Impact

The impact orientation of the project is rather low. There is no linkage to the private sector. The project document identifies the “skilled and unskilled workers who will find employment in the enterprises” as final target group. However, no monitoring mechanisms are put in place that would allow observing the effects of investment projects on net employment generation (new investment can crowd out existing firms, especially when the supply of qualified labour is insufficient).

## Recommendations

- The project should establish an appropriate monitoring mechanism to ensure outcome and impact orientation.
- UNIDO should include a more explicit focus on sustainable industrial development and poverty reduction. This could be done by identifying a set of criteria for “pro-poor investment” projects and by promoting environmental and social safeguards for investments.
- Investment promotion activities should be more linked to other activities of the IP. This includes especially the vocational training and other enterprise creation activities (YED programme) and the recently started fisheries programme in East Sudan.

### D.1.3. Industrial statistics

#### Project context

This project is one of the few initiatives carried out as planned in the revised IP document. The budget was provided by UNDP and UNIDO (see table below). The majority of resources, however, was contributed by the MoI, the Ministry of Finance and the State of Khartoum to fund the field work of the survey.

#### Project planning and implementation

##### **The Industrial Statistics Project Budget** (US Dollars, excluding support cost)

Project number	Source of funds	Planned budget	Current allotment	Expenditures
NC/SUD/99/012	UNDP	120,000	120,000	110,283
XA/SUD/99/611	UNIDO	102,400	15,200	15,200
YA/SUD/99/416	UNIDO		20,000	20,000
YA/SUD/00/430	UNIDO	3,762	2,464	2,464
TOTAL		226,162	157,664	147,947

Source: UNIDO Infobase, April 2010

### Relevance

Since the previous survey had been carried out in 1981, there was a need to update the available information on the industrial base of Sudan. The project counterparts confirmed the relevance of the industrial survey and of the UNIDO contribution to the methodology of the survey. UNIDO contribution consisted mainly in developing a sound survey approach (enumeration of companies, development of questionnaires) and in training of counterpart staff. UNIDO was not involved in the field work of the survey, focusing its contribution on the transfer of substantive know-how.

### Efficiency

A report with 3 volumes was released (summary, analytical report with data, tables) in 2005 in the form of hard copies. 1000 copies of the survey were distributed to a large number of stakeholders in the country (universities, Government offices, public libraries, private sector associations, etc.). While it has been claimed that versions of the survey had been made available online, the evaluation team could not find evidence of this.

The reporting on this project was minimal. The evaluation team did not receive a single report on project activities, outputs or outcomes. While such reports might be available, responsible staff had retired and there is no central repository of relevant information.

### Effectiveness and Impact

The ultimate effects of the survey on a potentially better informed policy making and, as a result of this, industrial diversification and growth (impact), are difficult to verify. However, the first important step towards effectiveness of an industrial survey is the ample use of the data by the intended clients. Furthermore, a lasting capacity building effect on counterpart organizations is an important pre-condition for effectiveness. In both aspects the project has produced the intended results.

Based on the survey data several sectoral studies (SWOT analysis) were prepared and used as input for policy work. According to the MoI, before the survey nothing was known about the small scale sector; one surprising result was that South Darfur came second in terms of small and large establishments. Furthermore the number of employees and the capital formation of the industrial sector was practically unknown. As a result of the survey the estimation of manufacturing contribution to GDP changed from 7 to 9.5 per cent.

52 professional were trained in the survey methodology and according to the counterpart most of these people is still serving in the respective national institutions. The training was appreciated by those trained. However, so far the

know how gained has not been applied for an update of the survey as originally planned.

#### Sustainability and ownership

The MoI has requested the Ministry of Finance to provide the necessary budgetary resources to update the industrial survey, but so far no such budget provisions have been made. Thus, the sustainability of the capacity building aspects of the project are uncertain. The ownership of the direct counterpart, the Ministry of Industry is high.

#### Recommendations

- When similar projects to build capacity for industrial surveys are implemented provisions should be made by the project manager to ensure regular updating, including the necessary counterpart commitment to provide budgetary resources.
- UNIDO should cooperate with the MoI to obtain funding for an update of the industrial survey.

## D.2 Overall assessment of component 4

### Overview of implementation

<p>Component objective: To improve governance capacities and support services for sustainable agro-industry development</p>	<p>Contributions from Industrial Statistics, SS industrial capacity project and ITAP project; Industrial capacity project in SS, not at national level as originally planned; Contribution to improved support services not evident.</p>
Name of output	Implementation
Institutional capacities for industrial policy formulation, implementation, monitoring, and auditing including industrial policy management	Not implemented as planned (no reports available), instead project in South Sudan implemented with similar objectives
Public-private sector partnership platform	Not implemented
Strengthening of national capabilities in investment and technology promotion	Implemented as planned, revision of investment act, support to institutional upgrading of Ministry of Investment
Industrial development competencies and skills	Not implemented
Improving the industrial statistics system	Implemented as planned, good quality of outputs, sustainability weak, update of survey needed
Information networking of domestic producers with humanitarian procurement	Not implemented

### Conclusions on component 4

Overall, the component objective to strengthen industrial governance is relevant in the context of Sudanese efforts to reduce the economy's dependence on the oil sector by stimulating industrial diversification and investment in small, medium and large enterprises. It is also relevant to the immediate target groups, the beneficiary institutions who are generally in need of capacity support.

The component was implemented only partially. Most of the planned interventions in support of the private sector and public-private partnerships did not materialise. This resulted in a limited relevance of the component for the private sector counterparts. It also reduces effectiveness and sustainability as a lack of involvement of the private sector in industrial governance reforms is likely to reduce the ownership of new government policies and initiatives in the business community.

UNIDO support to industrial governance in Southern Sudan was less relevant, due to the specific post-conflict environment in the area, the resulting priorities of counterparts on basic infrastructural support (office equipment, etc) and

unresolved disputes in the business community. For achieving lasting effects on governance a longer-term perspective would be required in Southern Sudan.

Activities in the field of investment promotion and industrial statistics produced the expected outputs and have contributed to improved industrial governance capacity of the GOS.

However, the effectiveness of the individual projects in contributing to improved industrial governance has not been monitored and is difficult to determine. Monitoring has been at the activity and output level only. Changed characteristics of industrial governance itself (e.g. more informed decision making, implementation of pending reforms) was not monitored and reported on.

The individual projects under this component were largely implemented in isolation, i.e. the possible synergies from an integrated package on industrial governance could not materialize. Each of the implemented projects had a different counterpart and employed different experts.

#### **E. Recently started initiatives & pipeline**

In the context of the CLARIS intervention, four new projects have recently been developed, two of them closely following the original CLARIS concept in South Kordofan and Southern Sudan, one project focussing on the reintegration of ex-combatants through vocational training (FM/SUD/08/007, CREATING OPPORTUNITIES FOR YOUTH EMPLOYMENT IN SUDAN), and one project on fishery livelihoods in the coastal areas of Eastern Sudan (TF/SUD/09/002, RECOVERY OF COASTAL LIVELIHOODS IN THE RED SEA STATE OF SUDAN THROUGH THE MODERNIZATION OF ARTISANAL FISHERIES AND CREATION OF NEW MARKET OPPORTUNITIES). The livelihood projects are clearly relevant with regard to UNIDO mandate. In some aspects improved relevance (as compared to CLARIS) can be observed: the cooperation with FAO having its mandate in agricultural production, and UNIDO focussing on the production of tools as well as agro-processing (food and non-food sector) at the beginning and at the end of the respective value chains. The products of pastoralists (milk and leather) are also considered for processing, while adequate support to pastoralist livelihoods is still not obvious.

The vocational training project is funded by the Spanish MDG MDTF and prepared according to a countrywide fixed approach and schedule agreed between the Sudanese Government and UNDP in the context of Disarmament, Demobilization and Reintegration (DDR). The role of UNIDO will be of a service provider for sequenced vocational training courses during one year without obvious added value of UNIDO. The recovery project for coastal livelihoods is funded by CIDA and started June 2009 for a duration of three years. It is based on a comprehensive strategy focussing the entire fishery value chain, including

the restructuring of fishermen's cooperatives and the creation of micro-and small-enterprises. The project is very relevant, opening new livelihood opportunities for drought prone areas in Eastern Sudan and its implementation well prepared. The socio-cultural constraints might not be sufficiently considered in the rather technical project strategy.

The Industrial modernisation programme is currently in its preparatory assistance stage (XP/SUD/08/005), funded by UNIDO with a budget of US Dollars 47,873. It targets key industrial sectors and their competitiveness. The target region covers three states in Northern Sudan (River Nile, Al Gazira and Khartoum). The full fledged project, which is the main output of the preparatory assistance, is planned to consist of a strategy component and pilot projects. At the time of the evaluation mission an expert was elaborating a first report.

The project concept as such is vague. It does not provide background information on possible industrial sectors to be targeted, nor does it describe the possible development effects of a modernisation of such sectors. There is a risk that the project document to be produced in the preparatory phase will be similarly vague.

The funding possibilities for this project seem to be rather limited, as it does not fall within the priorities of most of the donors. The SSS mentions a possible interest of the Islamic Development Bank to fund the project, but no concrete evidence or expression of interest is available. The experience of low funding for component 2, which envisaged similar activities, indicates that there is a high risk that the project will not find donors unless specific funds mobilization efforts are undertaken by the GOS and UNIDO.

#### **F. IP Management, use of seed funds and preparatory activities:**

##### Use of UNIDO seed funding

UNIDO own funds are preferably used for preparatory activities, such as programming, fund raising and project formulation. Reporting on the use of seed funds was scarce, which is why an assessment based on standard evaluation criteria is beyond this evaluation.

From a rough analysis of the figures it appears that seed funds have been used with mixed results in the IP Sudan. Out of a total of US Dollars 673,000 (excluding the ongoing preparatory assistance on industrial modernisation) US Dollars 543,904 or 80 per cent have been used without a project being formulated and funded as a result of the activity (see next table).

UNIDO funded project allotments without project documents	Allotment (US Dollars)	Expenditures (US Dollars)
YASUD07001- SUPPORT TO PROJECT IDENTIFICATION AND FORMULATION ON ENVIRONMENT AND RENEWABLE ENERGY	\$31,393	\$31,393
YASUD06006 - PROGRAM ASSESSMENT MISSION FOR SOUTHERN SUDAN	\$29,805	\$29,805
YASUD02405 - STRATEGIC ENVIRONMENTAL MANAGEMENT SYSTEMS	\$13,739	\$13,739
YASUD02401 - SUDAN INTEGRATED PROGRAMME: INDUSTRIAL POLICY COMPONENT II	\$94,212	\$94,212
XASUD01614 - SUDAN INTEGRATED PROGRAMME: ENVIRONMENT COMPONENT	\$44,767	\$44,767
YASUD01411 - SUDAN INTEGRATED PROGRAMME: SME COMPONENT	\$33,480	\$33,480
YASUD01410 - INTEGRATED PROGRAMME FOR SUDAN: INDUSTRIAL POLICY COMPONENT	\$125,085	\$125,085
YASUD00430 - INTEGRATED PROGRAMME FOR SUDAN: STATISTICS AND INFORMATION COMPONENT	\$2,464	\$2,464
XASUD99612 - INTEGRATED PROGRAMME FOR SUDAN (INDUSTRIAL POLICY)	\$30,410	\$30,410
YASUD99423 - INTEGRATED PROGRAMME FOR SUDAN (SME POLICY)	\$36,110	\$36,110
YASUD99417 - INTEGRATED PROGRAMME FOR SUDAN (INDUSTRIAL POLICY)	\$102,439	\$102,439
Total	\$543,904	\$543,904

A closer look at these “unsuccessful” seed funds shows that some 75 per cent was used for activities under the heading of “industrial policy” or “SME policy”. The IP reporting does not contain information on how these funds were spent nor on the results achieved using these funds.

### Use of Government seed funding

The Government of Sudan also provided seed funds to the Integrated Programme under the project SE/SUD/03/001 - AN INDUSTRIAL AGENDA FOR POVERTY RELIEF AND TRANSITION TO SUSTAINABLE DEVELOPMENT. Similar to the UNIDO seed funds, there are no specific reports available on how these funds were used and in how far the activities contributed to the IP objectives. However, as for all UNIDO activities, financial records are available that document the use of funds for different budget lines. The table below provides an overview of the expenditures.

#### **Overview of expenditures**

Budget Line		Original Budget	Actual expenditures as of 4 March 2010
19-99	Personnel		
	Administrative support	23,858	14,237
	National experts	79,369	74,957
	Local travel	7,307	4,254
	Total Personnel	110,534	93,448
29-99	Contracts	11,082	0
39-99	Training	30,674	3,855
49-99	Equipment	11,903	3,621
59-99	Miscellaneous Cost	1,503	3,058
TOTAL		165,696	103,982

Source: UNIDO Infobase, May 2010



### Use of donor seed funding

In two cases donors provided funds for project formulation: Italy in the case of the solar cooking project (see chapter III C) and UNDP/FAO in the case of the micro-manufacturing project (see chapter III B). In both the cases; a) funds were used in a focused manner, leading to the formulation of a full fledged project document, b) reports on how the money was used and documentary outputs of good quality exist.

# IV

## Assessment of the programme

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### A. Programme preparation and design

The initial IP was designed in 1998 under the title of 'Capacity Building to Enhance Industrial Competitiveness and Sustainability' with a planned budget of US Dollars 5.8 million for three years. UNIDO dedicated programmable funds ("seed money") of around US Dollars 560,000 to the IP but, by 2002, only around US Dollars 730,000 of external funds had been mobilized.

The IP was redesigned in 2003 into 'An Industrial Agenda for Poverty Relief and Transition to Sustainable Development'. The new IP design comprised four components with a budget of US Dollars 5.74 million. The programme document does not clearly specify the foreseen period of implementation. While the IP is supposed to cover a five-year period (stated on cover page), the attached budget sheets establish budgets only for the years 2003 and 2004 and includes the budgets of the previous IP phase from 1999 to 2002.

While consultations were held with several institutions in Sudan on the different components of the new IP, there is no evidence of a concerted approach to problem analysis and programme formulation. The design of the new IP was basically accorded with the main counterpart, the MoI, and based on donor priorities and UNIDO supply capacities. Stakeholders like private sector associations, state and local Governments or final target groups (e.g. Community based organizations) did not participate in the design of the IP.

The main differences between the original and the reformulated IP is the new component 1 "social stabilization", which brought the UNIDO IP closer to the actual post-crisis situation of the country and made it more compatible with donor priorities on aid for recovery. However, it should be noted that from a review of the IP document it appears that the inclusion of this component was more the result of the funding opportunities in this area than that of a programmatic conflict analysis as recommended by the international donor community (see chapter II).

Overall the new IP design was sketchy, especially with regard to the problem analysis and stock taking of ongoing Government and donor activities in the country. A thorough conflict analysis is not included in the IP document and no mention is made of the guiding principles (do no harm, conflict sensitivity, etc.) usually applied by the donor community when working in a post conflict setting

(see chapter II). However, it is noted that a UN policy paper<sup>41</sup> illustrating what is considered good practice when planning interventions in support of productive activities in a post-conflict environment, was only published in 2009.

It is also noted that in the strategy of component 1 reference is made to some of the most important elements of CPPB initiatives, defining objectives like “to restore the capacity of internally displaced populations and returnees, small-scale farmers and in particular female headed households, for subsistence farming in those areas which are now safe”. On the other hand, given the IP’s emphasis on agro-related productive activities, it is surprising that no attention is given to one of the major sources of conflict, namely the tensions between subsistence farmers and pastoralists, the underlying competition for land and the still weak systems for land tenure<sup>42</sup>.

Overall, the design of the IP does not show major issues of coherence. The individual components and projects do not have objectives that are in conflict with other important development objectives in the country. However, the causal linkages between component outputs and the overall programme objective are generally weak.

The IP did not benefit from a logical framework approach. Neither was the process of the logical framework followed (from problem analysis to stakeholder analysis to definition of goals and strategies) nor have the different activities and outcomes been linked to the corresponding assumptions and possible outcome-indicators.

The different components of the IP are not designed as a synergetic system of interventions that contribute to a clearly defined goal. While component 1 mainly aims at reviving the agro-based productive activities of poor rural communities, components 2, 3 and 4 are more geared towards the more modern industrial sector (with some exceptions, such as mercury abatement in artisanal gold mining).

## **B. Programme implementation arrangements**

### Field office

UNIDO maintains a country office in Khartoum. The office is staffed with a UNIDO Representative (UR, D1/L6), one Administrative Officer (G4) and one Driver. The office also hosts project staff.

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<sup>41</sup> United Nations Policy for Post-Conflict Employment Creation, Income Generation and Reintegration, June 2009

<sup>42</sup> For a comprehensive conflict analysis see: Multi-Donor Evaluation of Support to CPPB Activities in South Sudan (Draft), 2010

The UR is the IP Team Leader. This function mainly entails coordinating progress reports, liaising with the counterparts and the Mol, oversee implementation of the different projects (including authorization of local administrative processes like local procurement and consultant contracts) and funds mobilization through implementation of seed activities.

The IP Sudan is the fourth biggest UNIDO IP world-wide and the biggest in Africa (see table below). However, the office human resources are equivalent to or less than those of offices in countries with far smaller UNIDO programmes.

#### Ranking of UNIDO IPs by total allotment (US Dollars)

Rank	Country	Total Allotment (USD)	Human Resources <sup>43</sup>
2	INDIA	58,644,268	UR (D1), 3 Industrial dev. Officers (P5, L2, L2), 2 Assistants (G6, G5), Driver
4	SUDAN	23,269,340	UR (D1), 1 Assistant (G4), Driver
8	ETHIOPIA	14,790,271	UR (D1), 1 Industrial dev. Officer (P5), 1 Assistant (G5), Driver
34	MADAGASCAR	2,521,606	UR (P4), 1 Assistant (G5), Driver
41	SOUTH AFRICA	1,954,188	UR (D1), 1 Industrial dev. Officer (P5), 1 Assistant (G5), Driver

Source: UNIDO Infobase, April 2010

Three different UNIDO representatives served in the Khartoum office providing a continuous representation of UNIDO in the country throughout the period of IP implementation<sup>44</sup>.

Attempts were made to establish a sub-office in Juba. Several reasons were stated to justify a second UNIDO office in Sudan: the high concentration of international cooperation in South Sudan; the need for having a continuous and authorized representative vis-à-vis the GOSS counterparts and donors (MDTF); the potential to develop a larger UNIDO programme in the South. In 2007 a person was assigned by UNIDO HQ to serve in a UNIDO office in Juba, but for unknown reasons the person was not deployed.

In February 2009 an imprest account was established at the UNIDO office. This has helped to reduce the dependence on often slow and bureaucratic UNDP administration but it has also increased the workload in the UNIDO office to

<sup>43</sup> The human resources here do not include temporary assignments like Junior Professional Officers or Associate Experts

<sup>44</sup> Mr. J. Vinanchiarachi: September 2002 to April 2006; Mr. R. Fornacaldo: May 2006 to February 2008; Mr. C. Sako: March 2008 to December 2009

ensure accountability and professional management of the account. However, all project and office staff maintained that the imprest account was an improvement.

Overall, the weak field presence of UNIDO in Sudan (especially after the retirement of the UR in December 2009) represents an important bottleneck for programme development. Donors have expressed concerns that UNIDO would be an interesting partner for technical cooperation in principle but that an adequate and continuous field presence would be a prerequisite for lasting partnerships with donors.

#### Project implementation units & local project staff

UNIDO projects used different modes of implementation. Some established permanent project implementation units (e.g. YED, CLARIS), while others were implemented directly from UNIDO headquarters with international experts visiting the country on split missions receiving support from national consultants.

Several projects did not have a continuous presence on the ground (YED Malakal and Wau, South Sudan Industrial Capacity) which reduced their ability to adapt to the often rapidly changing conditions and to respond to emerging problems. The latter is all the more important as communication via Internet and email often proved difficult in Sudan.

The CLARIS project was implemented in cooperation with local NGOs. This worked well and represents a good practice to be considered for similar projects in the future.

#### Counterpart cooperation & programme steering mechanism

UNIDO counterpart in Sudan is the Ministry of Industry (MOI). Throughout the programme UNIDO maintained a direct and close working relationship with the Ministry and a focal point was assigned from the Ministry as a liaison officer to UNIDO. Monthly meetings were held at the level of the UR and the State Minister of Industry and the respective teams.

The programme document foresaw the establishment of a comprehensive Steering Committee (SC) at the federal level, including several ministries, private sector associations and other stakeholders. No such SC was established and as a result, there was no involvement of the private sector at the programme level, limiting the possibility to adjust the IP in accordance with private sector needs. However steering committees exist for the different projects of the IP.

#### Monitoring & evaluation

At the programme level six-monthly progress reports were prepared by the IP Team Leader. These reports contained information on activities carried out and

outputs produced during the reporting period, a report on pipeline-development and funds mobilization and on problems encountered.

With regard to outcome and impact-related information no reporting was done at the programme level.

### C. Funds mobilization and donor cooperation

The original budget of the re-formulated IP was US Dollars 5.745 mn (excluding 13 per cent UNIDO support cost). The actual amount of funding mobilized and allotted to the different components at the time of the evaluation exceeded the budget by a factor of three (see table below). While this is certainly an impressive achievement, it warrants closer analysis with regard to a) in how far the mobilized funding was in line with the original programme and b) the factors that contributed to the higher-than-expected funding volume.

#### Overview of funds mobilization

#	Component title	Planned budget (2003)	Current allotment (2009)	Status
1	Social Stabilization	1,589,000	17,050,377	Greatly expanded
2	Sustainable Agro business	1,328,000	128,622	Marginally realized
3	Environment and Rural Energy	1,878,000	65,467	Marginally realized
4	Industrial Governance System	950,000	893,133	Partly realized
	IP management	0	317,106	
	TOTAL	5,745,000	18,454,704	

Source: UNIDO project and programme management system AGRESSO/InfoBase as of May 2009 and IP document

The main reason for re-formulating the IP in 2003 was the poor funds-mobilization performance of the IP to that date. Given the emphasis of the original IP on the modern industrial sector it was hardly surprising that there was no match with donor priorities at that time. The analysis of aid flows to Sudan in chapter II shows that it was only after 2003/2004 that some funding for non-humanitarian projects became available in the country.

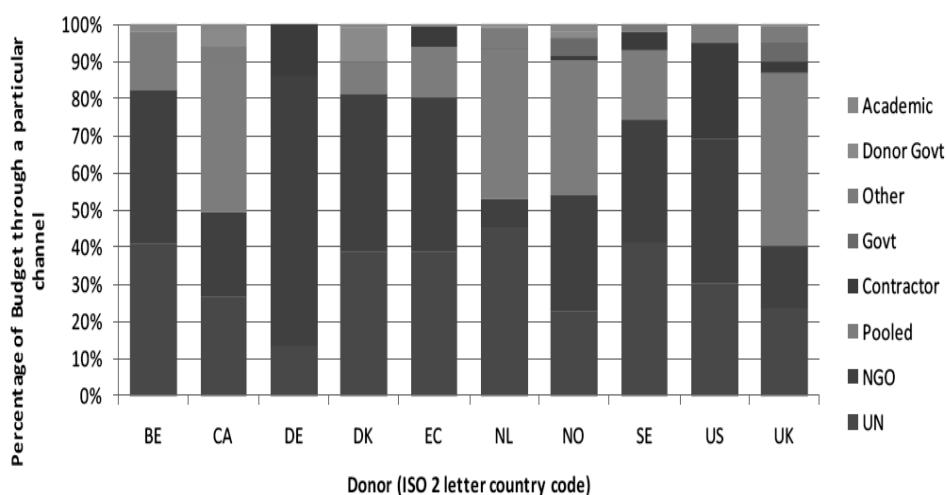
UNIDO staff on mission to Sudan and the new UNIDO Representative (UR) who started his term in September 2002 had realized that donors had focused mainly on humanitarian and post-conflict stabilization issues. As can be seen from the

above overview table the high level of funding affected only component 1 of the IP. Two projects are mainly responsible for this: the Youth Entrepreneurship Development programme (YED) and the Community Livelihood and Rural Industry Support Program (CLARIS). These projects are fully in line with the strategy of the re-designed IP. It remains to be seen, however, in how far the VTCs in Khartoum State will benefit the original target population (urban poor, IDPs, victims of war). There is a certain risk that the accessibility of the VTCs for these groups will not improve as planned in the project documents.

Both projects were also in line with donor priorities at the time. The CPA had been signed in 2005 and donors had committed to supporting the peace-building and recovery process to create the expected “peace dividend”. The biggest funding item is the YED programme in Khartoum state with a budget of US Dollars 14.8 mn. This project would probably not have been funded, had the CPA not been concluded. Currently changes in the political environment have made it again unlikely that projects in the State of Khartoum would find similar funding.

On the other hand, the potential for funding in South Sudan and Darfur has not been fully exploited. Most of the official development assistance (ODA) in Sudan (approx. US Dollars 2 bn) is being allocated to the South (approx. US Dollars 700 mn) or to Darfur (approx. 1bn)<sup>45</sup> and donors generally do involve UN agencies for project implementation, given the relatively low Government implementation capacities in these two regions (see figure 8). Several interviews with bilateral donors and multilateral agencies confirmed these general trends.

**Figure 8 – Distribution of funding by channel for different donors**



Source: Multi-Donor Evaluation of Support to CPPB Activities in South Sudan (Draft), 2010

<sup>45</sup> UN Sudan; Darfur, Note on relief, recovery, and development; January 2010

In general the donor environment in Sudan is favourable for UNIDO as donors are moving from humanitarian to development assistance and there is a lack of partners with capacities to implement TC projects. However, several interviews with donors and the experience from project implementation in South Sudan shows that a strengthened and more continuous presence in the country, including South Sudan, will be needed to maintain good relationships with donors.

#### **D. Adherence to the IP principles**

IPs have been introduced as the main UNIDO delivery modality in 1999/2000. They were supposed to replace the parallel implementation of stand-alone projects with a more coordinated approach of “mutually reinforcing” projects and synergies. To that end IPs were expected:

- to be internally integrated - interrelated services at policy, institutional and enterprise levels,
- to be externally integrated – aligned with Government priorities and coordinated with other international partners’ initiatives, and
- to be used as a planning and management tool.

In 2006, following a review of evaluations of 20 integrated programmes, the UNIDO Chief of Cabinet issued instructions with regard to improved IP management. These instructions emphasized that IPs should be more focused and streamlined, that IP management should be done through a Steering Committee (SC) involving local counterparts and a rolling programming whereby IPs are revised on a biennial basis. Furthermore, seed-money was to be used primarily for the development of project documents and corresponding funds mobilization activities.

Based on these principles of IPs, the following can be said about the Sudan integrated programme:

- With few exceptions, the IP did not have a good potential for integration and synergies among the different components and projects. This is due to the fact that the programme addressed very different regions, counterpart organizations and target groups. Furthermore the funding for the programme was largely fragmented and coordination with and reporting to donors was more important than ensuring internal cooperation.
- The usefulness of the IP document as a management tool, i.e. as an instrument to monitor and steer the UNIDO programme in the country was



very limited. The only element actually used is the overall component structure of the IP as this was reflected in the progress reports. To illustrate this: the document included budget figures only up to the year 2004, while most of the implementation happened after that year.

- The use of UNIDO seed funds was largely unsuccessful in terms of funds mobilization. There is also no evidence that the IP document significantly contributed to the impressive funds mobilization performance, as funds were mobilized mostly based on individual project documents. The larger programmes (YED, CLARIS) were funded based on preceding initiatives that were already ongoing at the time the IP was formulated.

## **E. Overall performance**

### Relevance

Most evaluations and assessments of individual projects confirmed their general relevance. However, the Government capacities to continue activities started through TC projects is an important ingredient of relevance and needs careful checking at the outset. This has not been done in many cases. As a result projects that were relevant in principle are not relevant to the local counterparts at present, given shortages of public funding. For example, the industrial survey was relevant in principle but the Government authorities cannot carry out an urgently needed update of the survey as there are no budgetary resources allocated.

The IP Sudan contains several initiatives in regions affected by recent conflicts. The overall scenario has changed significantly over the implementation period of the IP: the CPA concluded in 2005 brought the ongoing conflicts between North and South to a halt (with some important exceptions), improving the environment for interventions for peace building and conflict prevention. This development has ensured a continuous high relevance of the IP's priority areas, in particular component 1 and the corresponding objective of social stabilization.

The design of the IP does not include any references to pro-poor growth. While specific components and projects are addressing poverty reduction directly (component 1), the components targeting the modern industrial sector (mainly component 2 and component 4) seem to be based on the assumption that any increase in industrial capacity (or increase in utilization of existing capacity) leads automatically to favourable development impact (see for example component 4 strategy in the IP document). The fact that the link between industrialization and

poverty reduction is not clearly established reduces the relevance of the IP for potential target groups (e.g. unemployed youth).

UNIDO experience with vocational training in Sudan began with the first project to modernize the public VTC in Malakal. Later on, this project was extended and another, very similar project was established for the public VTC in Wau. Also, the experience gained in these southern projects led to UNIDO being identified as a partner to modernize 4 public VTCs in the State of Khartoum. The approaches used in these projects included a number of very strategic considerations such as formal vs. informal training, short-term vs. longer term courses, introduction of competency-based training instead of traditional curricula. However, so far, UNIDO does not dispose of a strategy or programmatic approach to the implementation of entrepreneurship training programmes. Several UNIDO departments implement training programmes without knowing much about the experience of their colleagues in other countries. This limits to possibility to ensure context-specific relevance of this type of interventions.

No major issues of relevance were found with regard to the recently started initiatives such as the fisheries project in East Sudan and the youth employment programme. However, the ongoing preparatory assistance for industrial modernization needs careful follow up and might warrant a revision due to limited funding prospects.

The IP document as well as the individual project documents did not contain an analysis of conflict relevance and conflict sensitivity. Other donors and agencies carry out such analysis as a standard part of project identification and formulation. As most of the implemented projects are very directly influenced by conflict-related issues, the relevance of UNIDO as a partner in generating “peace dividend” could benefit from basing interventions on the findings of such analysis.

### Efficiency

Most of the projects were implemented without significant delays. Resources were usually used as planned and with a view to producing the expected outputs. The creation of an imprest account was rated as a positive step by UNIDO staff and project personnel.

In some cases the implementation of the IP has suffered from insufficient resources for implementation. This is true for the UNIDO field office in Khartoum as well as for some of the project implementation structures. The relatively large size of the UNIDO Programme and a strong need for donor/agency coordination results in an above-average workload in the field office. However, resource

endowment of the office is lower than in comparable UNIDO offices. Project implementation was especially difficult in South Sudan. This is mainly due to two reasons: first, the poor infrastructure and incipient institutional development presents a challenge not only for UNIDO projects; second, since UNIDO did not establish a permanent representation in Juba and the project staff assigned to projects in the South was not on a full time basis, there were serious communication disruptions between UNIDO, the local representatives of donors (mainly MDTF/World Bank) and the Government counterparts (mainly MoL).

Activities related to physical rehabilitation of VTCs faced numerous problems throughout implementation. Some of the professionals involved in the implementation raised the question whether UNIDO should be at all involved in such activities. The fact that procurement is local and construction work needs a lot of supervision suggests that a centralized agency like UNIDO is not well positioned for such tasks. Cooperation with other partners (e.g. UNOPS) might be a more efficient solution.

### Effectiveness

At the output level, component 1 has produced good results within a relatively short-term. The rehabilitation of VTCs in Khartoum State are a remarkable achievement. Also the CLARIS project achieved the foreseen outputs in 30 villages of the three areas as planned. Of the funded activities it is only the provision of housing through the local production of low-cost construction materials that did not produce any of the expected outputs and most of the funds remain unspent.

The projects in components 3 and 4 produced most of the planned outputs (with some exception in the Southern Sudan capacity building project).

At the outcome level, positive effects were observed with regard to contributions to an improved industrial governance. The technical assistance in the areas of investment promotion and industrial surveys and statistics led to improved Government capacities.

In general UNIDO interventions in Sudan are focused on capacity building (VTCs, Solar Cookers, Mercury, Investment promotion, South Sudan). Such interventions usually produce effects in the long-term. In this context, most of the projects within IP Sudan had a too short implementation period. YED projects had to focus on the sometimes challenging tasks of physical rehabilitation of VTCs and funding prospects for continuation are not good. CLARIS had envisaged originally two phases: an emergency phase and a “development” phase. Funds were made

available only for the first phase and currently no follow up funding for the next phase is in sight. Similar problems exist for other projects. As a result, the effectiveness of UNIDO interventions at the outcome level, with few exceptions, is yet unclear. This calls for more long-term partnerships with donors.

Despite the overall high level of funding, large parts of the original IP were not implemented due to lack of funding. This is especially true for component 2, which remained without funding and implementation in its entirety. But also the most important parts of component 3 were not funded and implemented. As a result, some of the original objectives were not achieved or contributed to. For example, there was no contribution to the goal of improving the environmental performance of Sudanese industry and to the goal of enhancing the long-term growth of Agro-industries.

#### Sustainability and ownership

The IP benefited from strong ownership of the GOS, in particular the main counterpart – the Ministry of Industry. Also other counterparts, like the Ministry of Investment, the State of Khartoum and the Ministry of Labour of the GOSS showed strong ownership and commitment to the objectives of the different projects.

In many cases, however, the lack of resources on the side of Government counterparts (see for example evaluation of CLARIS) represents a barrier for ownership to lead to sustainability. This is especially true for the many short-term interventions of the UNIDO IP, which did not ensure continued funding for second or third phases of projects (e.g. CLARIS, YED).

#### Impact-orientation

At the impact level, the short-term trainings of the YED Khartoum project as well as the CLARIS activities to promote the “Nuba hoe”, have demonstrated that the respective approaches work and direct effects, such as establishment of small businesses, increased income and increased agricultural productivity, can be observed at target group level.

Other projects might have impact, but failed to demonstrate their contribution. For example, projects in support of VTCs have not included tracer studies to demonstrate the effects of training on graduates. Similarly, Montreal Protocol projects, while frequently claimed to be associated with a significant reduction in ODS consumption in Sudan, the linkage of the reduction to the UNIDO activities is not clearly established through reliable monitoring and reporting.

Finally, some projects have simply not produced the expected impacts. For example, the activities in the field of Mercury abatement in small scale gold mining, while implemented as planned, the project is very unlikely to lead to any of the envisaged effects at impact level (environmental and health effects).

# V

## Recommendations and lessons learned

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### A. Recommendations at the programme level

- The potential for future UNIDO technical cooperation in Sudan is high. UNIDO has a proven track record in areas that are relevant and in high demand, such as vocational training and rural livelihoods. At the same time, the funding potential for non-humanitarian (i.e. development-) assistance in Sudan is increasing. Donors are actively looking for implementing partners. It is therefore recommended to start planning the next phase of a comprehensive technical cooperation programme, adapted to the current needs and priorities in Sudan and integrated with the ongoing and future international initiatives (especially of the UN system) and with due attention to the specific context in South Sudan.
- Given the wide spectrum of UNIDO activities in Sudan and the limited potential for full integration, the next UNIDO programme in Sudan should take the form of a Country Programme (CP) instead of an IP. This CP could include an integrated “cluster” of projects for vocational training, entrepreneurship and self employment.
- Instead of detailed activity planning the CP document should explain the architecture of the future programme, demonstrate needs orientation, align UNIDO activities with Government initiatives and policies and ensure coherence with the activities of other UN Organizations and donors. The CP document should be developed in close cooperation with potential donors and demonstrate UNIDO value added and how synergy between the different thematic areas of UNIDO interventions and external contributions would be achieved.
- The private sector should be more proactively involved in the preparation and steering of the future CP. During the preparatory phase of the CP UNIDO should establish an advisory group including representatives of main counterparts and the private sector. During implementation, this advisory group would develop into a fully-fledged Steering Committee (SC).
- UNIDO should strengthen its field presence in Sudan:

- The position of the UNIDO Representative in Sudan should be filled immediately. Due consideration should be given to posting an additional professional in the office.
- Future activities in South Sudan would require a stronger UNIDO presence in this part of Sudan. A sub-office under the direct supervision of the main office in Khartoum could be an option. Pooling the resources of projects in South Sudan to recruit a joint Chief Technical Adviser (CTA) could be another one.
- UNIDO should apply existing concepts and tools for design and implementation of projects in post-conflict environments. Especially in conflict prone / risk areas, the “do no harm concept” should be fully applied (selection of areas, beneficiaries, activities, partners). In this context, it is recommended that UNIDO staff managing projects in Sudan attend the UNSSC course on Conflict Analysis for Prevention and Peace Building in September 2010.
- The field office should not limit its reporting on activities and outputs. Instead, it should be more involved in the substantive monitoring of project outcomes and impact.
- As far as possible UNIDO should avoid including components of projects that cannot be handled by UNIDO efficiently (e.g. construction work in areas with poor infrastructure and insufficient supervisory capacities).
- The CP should establish, from the beginning, a specific reporting format for the use of seed funds. The SC should receive reports on the use of seed funds on a regular basis.
- A procedure to adjust the CP at regular intervals to changing framework conditions, should be developed in order to ensure coherence between planning and implementation. Minimum conditions for new projects should be defined to avoid veering too far away from the planning framework.
- UNIDO should apply existing concepts and tools (LRRD, CPPB, etc.) for design and implementation of projects in post-conflict environments. Especially in conflict prone / risk areas, the “do no harm concept” should be fully applied (selection of areas, beneficiaries, activities, partners). In this context, it is recommended that UNIDO staff managing projects in Sudan attend the UNSSC course on Conflict Analysis for Prevention and Peace Building in September 2010.
- UNIDO should consider defining priority intervention areas in the country, e.g. two to three states and concentrate in these areas to

improve the integration of the CP and avoid efficiency losses through increased travelling.

- The experience gained in supporting vocational training should be used as an input to formulate a UNIDO strategy or “programmatic approach” to vocational training with special emphasis on post-crisis environments.

## **B. Component 1: Recommendations**

### YED Khartoum State

- The project should use the remaining duration to help establishing formal links between the CBOs/NGOs in the IDP populated areas, the VTCs and the Khartoum State Vocational Training Administrative Unit to sustainably attain the project objective that participants in the informal vocational and entrepreneurship training courses from marginalized communities can transition into formal vocational training programmes of the public VTCs.
- The project should implement as soon as possible the CBT preparatory course across all VTCs in order to ascertain the appropriateness of course content and the capacity of VTC instructors to implement a CBT curriculum.
- It is recommended to UNIDO and to the EU to pursue the capacity building of the Khartoum State Vocational Training Administrative Unit (KSVTAU) beyond the end of the project. This will be necessary to enable the KSVTAU to sustain the achievements of the project; to drive the further implementation of the CBT based approach to vocational training; to foster the emergence of a private sector culture in the vocational training system; to establish and sustain a firm mechanism for trainees to move from the informal to the formal vocational training system; and to establish stronger relationships with the private sector, micro-finance institutions, local community and other key stakeholders.
- Every VTC that was supported under the project should establish a specific business plan that defines the short-, medium- and long-term objectives of the VTC; identifies its main stakeholders and clients; describes its role vis-à-vis the local communities; identifies the main strengths, weaknesses, opportunities and threats of the VTC and establishes a development plan for the years to come. Establishing such plans will require support from the Khartoum State Government and the KSVTAU.



- During the remaining duration of the project it is recommended to establish a monitoring and evaluation system that will allow the KSVTAU to assess results of the project through follow-up and tracer studies after the project. There is a vital need for all parties (UNIDO, Khartoum State and donor) to monitor and assess whether the objectives of the project will be met in the medium and longer term.
- With a view to the strategic importance of the approach and the considerable budget of the project, it is recommended to UNIDO and to the EU to conduct an impact evaluation of the project in 2012.

#### YED South

- UNIDO should remain engaged with GoSS and the Wau and Malakal VTCs in order to monitor the continued implementation and the results at outcome and impact levels. This will allow the organization to learn important lessons for the formulation of an integrated YED and CBT approach for post-conflict environments and provide it with critical information on how to better implement it in future initiatives.
- UNIDO, GoSS and the VTC management should work together to establish an appropriate monitoring system, including the regular implementation of tracer studies of graduates. The corresponding capacity building should be part of a possible next phase of support to the VTCs.
- UNIDO and GoSS should identify funding for a second phase support to the Wau VTC and a third phase support to Malakal VTC to provide further capacity building in order to successfully manage and implement demand-driven CBT-based training, YED programmes and private-public partnerships.
- The Government of Southern Sudan should become more engaged in the implementation of UNIDO YED and CBT approach by holding the management of the Wau and Malakal vocational training centres accountable for the implementation of the approach and the training of youth for gainful employment in their respective communities.
- UNIDO should use the lessons learned in the YED projects in Sudan to elaborate an integrated and flexible YED and CBT approach for post-conflict environments. Such an approach should provide guidance to those involved in implementation. It should clearly explain the rationale for applying YED and CBT concepts and it should contain appropriate monitoring mechanisms and indicators for project outcomes and impact. The approach should consider a phased modality of implementation.

### CLARIS

- It is recommended to complete the CLARIS interventions in Blue Nile and Abyei and assist the local NGOs which are still operating in the project areas as far as possible to increase the sustainability of the achievements.
- Funding of another phase of CLARIS interventions in South Kordofan should be mobilized according to the recently drawn project documents and consider in addition increased monitoring of effectiveness and impact, donkey driven cultivation devices, a farmer driven dissemination concept, organizational development of blacksmith societies to ensure the production of tools without any external assistance, improve the seeder model, improve access to the implements by poor farms through community based schemes and fostering revolving schemes for sustainability.
- Actors at community level should be involved and a consistent “do no harm” – assessment should be prepared at the beginning and monitored during implementation.
- The MoE should be supported to make maximum use of the rehabilitated and equipped workshops in cooperation with all involved parties (MoE, MoL, Mol, VTC specialists). As soon as any new activity in support of the VTC is foreseen, the training of the teachers who use the workshops should be deepened.
- The restoration of productive capacities of the target groups represents a very important requirement in the LRRD context. The role of UNIDO within the LRRD context should be restricted to rehabilitation (recovery) and development, since the requirements of emergency situations do not correspond with UNIDO mandate and management mechanisms.

### Others

- The remaining budget of project US/SUD/06/004 for the local production of low-cost construction materials should be used to establish a partnership between the Institute of Technological Research of the Ministry of Science and Technology and the private sector, aiming at the local production of tested low cost materials.

### **C. Component 2: Recommendations**

- The “Industrial Modernization Programme for Sudan” should analyze carefully the reasons why component 2 of the IP, which had similar

objectives, was not funded and implemented. Emphasis should be given to the analysis of potential developmental effects of projects in support of modern industrial sectors (job creation, linkages to agricultural communities, from war to peace industries, etc.).

#### **D. Component 3: Recommendations**

##### Solar cookers

- The next phase of the project (full project phase) should not be the final phase of the project. Instead it should aim at a larger scale field test of the solar cookers, including the establishment of cost-benefit comparisons for potential users, calculations of savings in terms of time and money, etc.
- The next phase should also be used to build the capacities of local workshops in producing and selling solar cookers.
- Based on the results of field testing and capacity building for local production, an final phase of the project should be aimed at providing support to the dissemination of the cookers, to the documentation of lessons learned, to the transfer of the experience to other regions, etc.
- A monitoring system needs to be designed and resourced to produce hard evidence on cost/time savings; local production capacities, etc. The full project phase should therefore include a baseline exercise.
- Consideration should be given to arranging the training of local producers through local vocational training centres. Potential synergies with the YED component should be explored.

##### Mercury abatement in small-scale mining

- The basis created through the GMP project in terms of capacity and awareness should be utilized to address the problems caused by a growing ASM activity in Sudan. It is thus recommended to seek funding for a follow up phase of the GMP project.
- There should be a much stronger emphasis on the necessary social and legal preconditions for the sustainable introduction of improved technologies. In this context an assessment of the possible effects of the new legislation on mining activities should be carried out.
- Project implementation should make best use of local expertise and be coordinated in the country
- The aspects of post-conflict situations should be given due attention when formulating a next project phase.

- The low uptake of the technology solutions proposed should be analysed carefully and alternative strategies formulated.
- Mercury use in Sudan does not significantly contribute to global environmental problems (contamination of international waters). Thus, the main emphasis of the project should be to address the local environmental and health effects of mercury use. Special attention should be given to the health effects of mercury in gold shops.
- The project equipment should be legally transferred to the GRAS.

#### Montreal protocol

- The reporting requirements for MP projects in Sudan should be clarified and implemented more strictly. Monitoring of potential unintended project effects and non-ODS effects should be included in reports to the extent possible. To that end it is recommended to include monitoring components in MP projects and secure adequate funding for monitoring at the beginning (either MLF or Government funds). In the case of Sudan the association of refrigeration and air-condition technicians could be tasked with the monitoring.

### **E. Component 4: Recommendations**

#### Industrial capacity in south Sudan

- If continued into a second phase the project should employ a full-time CTA in Juba. Such a CTA might be shared with other projects implemented in South Sudan if possible.
- A monitoring system should be established that goes beyond reporting on activities. To that end the logical framework matrix should be refined, clear indicators established and explicit assumptions formulated.
- Consideration should be given to establishing a steering committee with participation of GOSS and private sector representatives. The Steering Committee should receive progress reports based on the improved logframe.
- UNIDO should continue support to the chamber of industry only once the legal situation of the chamber has been clarified.
- Consideration should be given to support the GOSS and the business community in promoting sustainable and responsible direct investment (domestic and foreign) through established UNIDO services (e.g. feasibility studies, socio-economic analysis of investment projects, investment fora).

### Investment promotion

- The project should establish an appropriate monitoring mechanism to ensure outcome and impact orientation.
- UNIDO should include a more explicit focus on sustainable industrial development and poverty reduction. This could be done by identifying a set of criteria for “pro-poor investment” projects and by promoting environmental and social safeguards for investments.
- Investment promotion activities should be more linked to other activities of the IP. This includes especially the vocational training and other enterprise creation activities (YED programme) and the recently started fisheries programme in East Sudan.

### Industrial statistics

- When similar projects to build capacity for industrial surveys are implemented provisions should be made by the project manager to ensure regular updating, including the necessary counterpart commitment to provide budgetary resources.
- UNIDO should cooperate with the MoI to obtain funding for an update of the industrial survey.

## **F. Lessons learned**

### Lessons in project and IP design and formulation

- Sustainability. Well implemented and technically sound projects, like the industrial statistics project in Sudan, can fail in the long-term if counterparts do not have sufficient resources to use their strengthened capacities continuously. The necessary long-term commitment from the Government, mostly through budgetary allocations, needs to be clarified during project identification and formulation.
- An programme that consists of individual projects that have different objectives, different target beneficiaries, different counterparts and different donors has little or no potential for integration into an “integrated programme”. This is especially true in a country like Sudan with significant regional disparities and very specific project environments in conflict-affected areas. However, some projects might be bundled together to thematic or regional “clusters” with a potential for integration.

#### Lessons in implementation

- Programme management: The establishment of a project management unit (PMU), while not fully in line with the principles of the Paris Declaration, can be an adequate means for implementation in post crisis environments, as long as a close cooperation with local counterparts is ensured. This can be achieved by placing project and counterpart staff together in one unit and by early planning of the hand-over of responsibilities from project to counterpart staff.
- Unless a programme is truly integrated (e.g. project managers closely working together in implementation) only a small part from a very detailed IP document, namely the overall component structure, is useful for programme management and monitoring. The detailed plans of activities, outputs, indicators, component strategies, etc. are usually not utilised at all or replaced by those contained in project documents.

#### Lessons in dealing with post-conflict and human security situation

- Sequencing of relief, rehabilitation and development activities: The prodigious expansion of UNIDO technical assistance in Sudan between 2004 and 2008 has been a consequence of the strategic shift from industrial development to post-crisis interventions. Moreover, UNIDO managed the difficult task of building bridges between rehabilitation and development activities, as demonstrated by the YED Khartoum project. However, for some of the IP activities the difficulties of sequencing and integrating rehabilitation and development activities became apparent. Continuous efforts will be necessary to further develop and tune UNIDO post-crisis interventions to ensure harmonization and follow-up by medium- and long-term development interventions.
- UNIDO dependence on external funding for TC projects makes long-term planning difficult. This is especially important in the context of cooperation initiatives that aim at linking relief, rehabilitation and development, which usually requires a long-term planning horizon to ensure outcomes and impact. An extra-effort is required to ensure follow up on “first-phase” projects, either by Government authorities endowed with adequate budgetary resources or by other international cooperation partners.
- The introduction of new technologies requires a certain stability of the socio-political environment and security for the involved partners and target groups as well as sufficient access to the intervention area. If technology is to be provided in unstable situations, only proved and locally adapted and already known technologies should be promoted.

Technologies requiring major changes of agricultural practices or cultural barriers should only be promoted if sufficient time is available and target groups enjoy a minimum level of physical security and perspective of investment. Whenever projects go beyond the short-term character with an appropriate time frame to change and improve technologies, extension and dissemination strategies at community level should involve farmer's research & participatory assessment to select between different options according to felt needs.

# VI

## Annexes

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### Annex 1: List of persons and organizations met

#### UNIDO HQ

Name	In relation to project
Mr. Milan Demko	Montreal Protocol
Ms. Azza Morssy	Cleaner Production
Mr. Tidiane Boye	Investment Promotion
Ms. Lamis Kabalan	IP
Mr. Tom Kenyon	South Sudan capacity building
Mr. Yuri Akhvlediani	IP
Mr. Jebamalai Vinanchiarachi	IP
Ms. Fatin Alimohamed	Solar cookers
Mr. Chakib Jenane	CLARIS
Mr. Masoud Hedeshi	South Sudan capacity building
Ms. Inez Wijngaarde	YED North & South
Mr. Juergen Hierold	CLARIS

#### **First field mission**

<b>29 October (Thursday)</b>
Briefing with Mr. Cheikh Sakho, UR (together with National Consultants) at UNIDO Office
Administration: Discussion on logistics, UNMIS ID, police registration, security briefing
briefing with national consultant
Technical meeting/discussion on the IP on issues related to programme context, fund mobilization, lessons learned, way forward; evaluation schedule and other issues: with Ms. Limyaa Elnur, Acting Director for International Cooperation, Ministry of Industry and Mr. Sakho; Proposed venue: UNIDO Office
Courtesy call: State Minister of Industry, H.E. Ali Ahmed Osman
<b>30 October (Friday)</b>



Work with National consultant at UNIDO Office
Meeting with Mr. Abdel Ghani Hassan (Ozone Unit)
<b>31 October (Saturday)</b>
Solar Cooker: Meeting discussion with Mr. Salih Abdel Hamadto, Nat. Expert Technical Design and Ms. Mawahib Ahmed Eltayeb venue: Mr. Hamadto Workshop
<b>01 November (Sunday)</b>
Meeting with Mr. Abbas Yousif Mohamed, former Director of Statistics and Information Unit, Min of Industry and Mr, Imad Khatmio the same Unit. Venue: Min. of Industry
Meeting with Mr. Hassan Ibrahim, and Mr. El-Tag Awad Abu-Ras of the Central Bureau of Statistics (CBS), Ministry of Finance
Meeting with Ms. Amal Rabah, Director of Information Center in IRCC, Ministry of Science and Technology
ITAP: Meeting with Ministry of Investments: Undersecretat of Min. of Investments and Mr. Abdallah Elhag Mohamed, Sr. Advisor, IDP UNIDO Management Unit; Venue: Ministry of Investments
<b>02 November (Monday)</b>
Khartoum - Juba
Security Briefing (with JUBA UNMIS)
Meeting with Mr. Amitava Chaudhuri, CTA Building Industrial Capacity Project
Joint meeting with Ministry of Industry and Chamber of Commerce
<b>03 November (Tuesday) Juba</b>
Meeting with World Bank - Mr. Sanjeev Ahluwalia
Meeting with Undersecretary of Labour (GOSS) Dr. Mark Zangabeyo
Meeting with DG Helen Attora, DG/Ministry of Labour
Meeting with CABIRHD: Mr. James Tipu, Director and Mr. Francis M. Stephen
<b>04 November (Wednesday)</b>
Wrap-up meeting with Mr. Amitava and follow through other meetings required i.e. visits to BDS providers, entrepreneurs, etc
Juba - Khartoum
Debriefing meeting (Johannes, Birgit and Mr. Sakho)
<b>05 November (Thursday)</b>
Meeting with the Ms. Corinna Van Der Laan, Deputy Head of Mission, Dutch Embassy
Meeting with the Italian International Coopertion (with Birgit)

Meeting with Dr. Abderazif Obeid Mohamed and Mr. Mohamed S. Ibrahim, Geological Research Authority of Sudan, Ministry of Energy and Mining
Debriefing with the Ministry of Industry

### **Second field mission**

<b>09 February (Tuesday)</b>
Arrival in Khartoum: to be met by Mr. Ali Protocol Officer. Turkish Airlines TK1148 Proceed to Hotel Kannon
Meeting at UNIDO office
Meeting with Ministry of Industry - in-charge of the industrial modernization programme
Meeting with National Centre for Research (building materials project)
<b>10 February (Wednesday)</b>
Meeting with Jeffrey Tines and Ahmed Kheir; work on conclusions and presentations
Meeting with ILO
Meeting with FAO
<b>11 February (Thursday)</b>
Debriefing with EU (findings of the evaluation mission)
Presentation of findings and recommendations of IP evaluation; to be attended by; Khartoum State, donors, project staff and counterparts
In-depth presentation of YED findings, conclusions and recommendations
<b>14 February (Sunday)</b>
Meeting with the RCO Office (UNDAF)
Meeting with the Japanese Embassy/JICA
Prepare de-briefing for State Minister
<b>15 February (Monday)</b>
De-briefing with the State Minister of Industry
Meeting with the Canadian Embassy
Meeting with Montreal Protocol expert
Wrap-up

## Annex 2: Reference Documents

- EIU Country Report Sudan 2009
- CIA, World Fact Book, 2010
- Quoted from EIU Country Profile Sudan 2009
- Ministry of Investment, Textile Industry in Sudan, 2003
- UNIDO Statistical Yearbook 2006
- Assal, Munzoul, Highly-skilled Sudanese migrants: gain or drain?, 2010
- Benaiah Yongo-Bure, Economic development of southern Sudan, 2007
- International Organization for Migration, 2007 (taken from website)
- UNEP, Sudan – post conflict environmental assessment, 2007
- Guidance on evaluating conflict prevention and peace building activities, Working draft for application period, OECD DAC, 2008
- OECD DAC Guidance on evaluating conflict prevention and peacebuilding activities, OECD 2008
- International Crisis Group, Policy Briefing, Africa Briefing No 68, December 2009;
- EIU, Country Report Sudan, February 2010
- Ministry of Labour, website, 2010
- Interim Constitution of Southern Sudan, 2005
- Southern Sudan Private Sector Development Project, project document, 2007
- OECD, 2010, ODA statistics,  
<http://stats.oecd.org/Index.aspx?DatasetCode=CRSNEW>
- Government of South Sudan, webpage, 2010
- NORAD: Mid-Term Evaluation of the Joint Donor Team in Juba, Sudan; Evaluation Report 2/2009
- Internal report from the UNIDO representative, provided to the evaluation team, 12/2009
- Multi-Donor Evaluation of Support to CPPB Activities in South Sudan (Draft), 2010
- Draft budget sector plan - economic functions sector, GOSS, 2007
- Eurodad; Bottom Lines, Better lives: Rethinking multilateral financing to the private sector in developing countries, March 2010  
(<http://www.eurodad.org/whatsnew/reports.aspx> )
- Lynn Mytelka and Lou Anne Barclay, Using Foreign Investment Strategically for Innovation, 2004
- United Nations Policy for Post-Conflict Employment Creation, Income Generation and Reintegration, June 2009

For a comprehensive conflict analysis see: Multi-Donor Evaluation of Support to CPPB Activities in South Sudan (Draft), 2010

UN Sudan; Darfur, Note on relief, recovery, and development; January 2010

IP Programme document

IP Progress reports

Project documents and reports

UNIDO Report, Kenneth Abeywickrama, July 2007 (YED)

Draft evaluation report YED Kharotum

Draft evaluation report YED Wau & Malakal

Evaluation report CLARIS

## Annex 3: Terms of Reference

November 2009



### Independent Evaluation of the UNIDO Integrated Programme in Sudan

#### 'An Industrial Agenda for Poverty Relief and Transition to Sustainable Development'

#### TERMS OF REFERENCE

*This Independent Evaluation will produce a comprehensive evaluation report covering the Integrated Programme of UNIDO in Sudan in its entirety. The evaluation will give particular emphasis to the project "Youth Entrepreneurial Development in Khartoum State", taking into account the particular importance and considerable financial volume of this project. The evaluation team will produce a separate evaluation report for the said project taking into account the contractual arrangements with the donor (EU) and the mutually agreed evaluation procedures.*

### History and Background

**The initial IP.** In the late nineties UNIDO made a strategic decision to move away from "stand-alone projects" and to formulate ambitious country specific "Integrated Programmes" (IP). As part of this initiative, the initial IP Sudan was designed in 1998 under the title of 'Capacity Building to Enhance Industrial Competitiveness and Sustainability' with a planned budget of US Dollars 5.8 million for three years. UNIDO dedicated programmable funds ("seed money") of around US Dollars 560,000 to the IP but, by 2002, only around US Dollars 730,000 of external funds had been mobilized.

**Reformulation of the IP.** Taking into account the changing country context, the IP was redesigned in 2003 into 'An Industrial Agenda for Poverty Relief and Transition to Sustainable Development'. The new IP design comprised four components with a budget of US Dollars 5.74 million covering a five-year planning period from 2003 to 2008. This redesigned IP is subject to the present independent evaluation.

**IP objective and components.** Against the background of 20 years of civil war, the new design focused on creating economically viable and peaceful communities through community-based income-generation interventions

with the objective to enhance the productive capacities of local industries and rural communities and to support sustainable livelihoods. The IP comprises four components:

- Social Stabilization: to revive production capacities of rural communities in post-conflict areas;
- Sustainable Agro-Business: to enhance long-term growth of the Sudanese agro-processing industries;
- Environment and Rural Energy: to improve environmental performance of local industries and promote the role of rural energy for productive use;
- Industrial Governance System: to improve governance capacities and support services for sustainable agro-industry development.

Table 1 shows the IP structure and budget by outputs, as initially planned. However, as will be explained below, this planning did not materialize. Significant implementation activities took place in only 8 out of the 24 planned outputs (shaded in table 1).

**Table 1: Initially planned IP structure and budget**

Component 1		Component 2		Component 3		Component 4	
Name of output	USD	Name of output	USD	Name of output	USD	Name of output	USD
Participation in the Consolidated Inter-Agency Appeal Program (CAP) and Quick Impact Peace Support Program	90	Revival of local production of edible oils (pilot project)	125	Introduction of environmental management systems in two SME clusters (textiles, leather and food)	112	Institutional capacities for industrial policy formulation, implementation, monitoring, and auditing including industrial policy management	225
Increased local food production and consumption in the Nuba Mountains area	235	Linking the textile industries with local markets and humanitarian supplies	98	National Cleaner Production Centre	165	Public-private sector partnership platform	56
Improved village capacity for repair and maintenance of agricultural implements in the Nuba Mountains area	235	Improved competitive position of selected leather industries at the domestic and export markets	198	Introduction of cleaner artisanal gold mining and extraction technologies (GEF)	640	Strengthening of national capabilities in investment and technology promotion	190

Establishment of effective village women's cooperatives in the Nuba Mountains area	550	Upgrading technical services for leather and leather products producers	243	National Refrigerant Management Plan (MP)	600	Industrial development competencies and skills	72
Setting up low-cost building materials production units for local housing in selected post-conflict and rural areas	260	Promotion and diversification of community-based, micro and home-based manufacturing in a pilot location focusing on women and displaced persons (UNDP, UNIDO and FAO)	470	Energy-efficient brick kilns (demonstration project)	155	Improving the industrial statistics system	147
Youth entrepreneurship development in selected locations, with special emphasis on mobility aids for war victims and promotion of informal manufacturing activities	219	Promotion of business alliances for agro-industrial development	194	Renewable energy for rural development	206	Information networking of domestic producers with humanitarian procurement	260
<b>Sub-total Component 1</b>	<b>1,589</b>	<b>Sub-total Component 2</b>	<b>1,328</b>	<b>Sub-total Component 3</b>	<b>1,878</b>	<b>Sub-total Component 4</b>	<b>950</b>

Source: IP document (April 2003)

## Geographical areas of intervention

The IP Sudan intervenes in the following west States of Sudan: Khartoum State; Southern Kordofan; Blue Nile; Upper Nile; Western Bahr el Ghazal and Central Equatoria.



Map No. 3707 Rev. 10 UNITED NATIONS  
April 2007

Department of Peacekeeping Operations  
Cartographic Section



## Funding and implementation status of the IP

**Funding and major donors.** The redesigned programme was more successful than the initial IP in attracting donor interest. Donors allocated funds of about USD 18.45 million, almost three times more than planned. Nearly 63 per cent of the funds came from the European Union, 15 per cent from two Multi-Donor Trust Funds (the MDTF-North and the MDTF for Southern Sudan) and 13 per cent from bilateral and other international development donors. The Government of Sudan contributed more than USD 300,000 and UNIDO contributed about USD 170,000 from its programmable funds.

However, due to the reality on the ground and to the dynamics of funds mobilization, the IP Sudan drifted away from the initial planning. Component 2 remained below 10 per cent of the envisaged funding and component 3 remained at about 3 per cent. Almost 92 per cent of the funding went into the “social stabilization” component 1, which was initially designed to account for only about 30 per cent of the budget. Table 2 shows the actual funding of the IP as compared to the planned budget.

**Table 2: Actual funding of the IP (\$US)**

#	Component title	Planned budget (2003)	Current allotment (2009)	Status
1	Social Stabilization	1,589,000	17,050,377	Greatly expanded
2	Sustainable Agro business	1,328,000	128,622	Marginally realized
3	Environment and Rural Energy	1,878,000	65,467	Marginally realized
4	Industrial Governance System	950,000	893,133	Partly realized
	IP management	0	317,106	
	<b>TOTAL</b>	<b>5,745,000</b>	<b>18,454,704</b>	

Source: UNIDO project and programme management system AGRESSO/InfoBase as of May 2009 and IP document

In total, the IP includes 25 projects of very different size, in different stages of advancement and in different regions of the country. Annex 1 provides a full overview of all projects counted under the IP.

However, many of these projects are in actual fact preparatory assistance or formulation missions or projects of very limited size that did not lead to significant implementation activities. Table 3 shows the list of the major

projects covered by this independent evaluation broken down by project clusters and regions.

**Table 3: Break down of the IP Sudan by major project clusters and regions**

	Project Title	Project Number	Total Allotment	Expenditure rate (%)	Donor	Started	Completed	Status
	<b>Component 1: Social Stabilization</b>		<b>17,050,377</b>	<b>88</b>				
1	Establishment of a Technology Demonstration & Production Centre in Port Sudan for the Production of Local Resource- Based Low-Cost Building Materials	USSUD06004	110,619	17	Slovakia	Jan-07		Ongoing
	<b>CLARIS I</b>		<b>1,319,770</b>	<b>100</b>				
2	Community Livelihood and Rural Industry Support Programme in Sudan, phase I (CLARIS I)	TFSUD03001	1,141,690	100	UNJTF	Nov-03	Jun-07	Closed
	<b>CLARIS II</b>		<b>2,216,136</b>	<b>75</b>				
3	Community Livelihood and Rural Industry Support Programme CLARIS II: Italian Contribution	TESUD07005	733,948	47	Italy	Sep-07	Apr-09	Ongoing
4	Rehabilitation of Kadugli Vocational Training Centre: Emergency Stage (Component 4 of the Multi Donor Trust Fund Start-up /Emergency Project for South Kordofan State)	FBSUD07006	475,926	98	MDTF	Dec-07	Apr-09	Ongoing
5	Rural Livelihood Support - Emergency State - Promoting Community Building and Participation for Food Security and Poverty Alleviation in South Kordofan and Abyei area (Component 6 of the Multi Donor Trust Fund Start-up /Emergency Project	FBSUD07008	552,755	99	MDTF	Dec-07		Ongoing

	Project Title	Project Number	Total Allotment	Expenditure rate (%)	Donor	Started	Completed	Status
	for South Kordofa							
6	Blue Nile Start-Up Emergency project in Sudan	FBSUD08001	369,391	64	MDTF	May-08		Ongoing
	<b>Youth Entrepreneurial Development (YED)</b>		<b>13,403,852</b>	<b>89</b>				
7	YED in Malakal, phase I	TESUD05002	822,482	98	Netherlands	Nov-05		Ongoing
8	YED in Malakal, phase II	FBSUD08006	328,506	34	MDTF	Dec-08		Ongoing
9	YED in Khartoum State	EESUD07004	11,641,864	90	EU	Jun-07		Ongoing
10	YED in WAU, Southern Sudan	FBSUD08002	611,000	94	MDTF	Apr-08		Ongoing
	<b>Component 2: Sustainable Agro-business</b>		<b>128,622</b>	<b>100</b>				
No projects implemented under this component during the period under evaluation								
	<b>Component 3: Environment and Rural Energy</b>		<b>65,467</b>	<b>72</b>				
11	Solar Cooking in Sudan - Promotion, Dissemination and Local Production Preparatory Assistance	TESUD09001	33,069	47	Italy	Jan-09		Ongoing
12	Removal of Barriers to Introduction of Cleaner Artisanal Gold Mining and Extraction Technologies (this project is the a component of a global project covering Brazil; Indonesia; Lao PDR; Sudan; Tanzania; Zimbabwe)	EGGLO01G34	6,806,800 (for the entire global Project)	100	GEF	Jul-02		Closed

	Project Title	Project Number	Total Allotment	Expenditure rate (%)	Donor	Started	Completed	Status
	<b>Component 4: Industrial System</b>	<b>Governance</b>	<b>893,133</b>	<b>65</b>				
13	Provision of Technical Assistance to the Ministry of Industry	TFSUD07002	186,306	75	UK	May-07	Dec-07	Closed
14	Investment Promotion and Technical Assistance Programme (ITAP) for Sudan	TFSUD07009	193,894	57	Islamic Dev. Bank	Dec-07		Ongoing
4		SESUD07007	158,950	28	Sudan	Sep-08		Ongoing
15	Building industrial capacity in Southern Sudan	FBSUD08003	353,982	80	MDTF	Sep-08		Ongoing
16	Comprehensive Industrial Survey Project	YA/SUD/99/416			UNIDO & UNDP	2001	2005	closed

The state of advancement and of evaluation of the major project clusters under the IP Sudan can be described as follows:

### **Component 1: Social Stabilization**

There are two major project clusters coming under this component: CLARIS and YED.

#### **Youth Entrepreneurial Development (YED)**

This is by far the largest cluster of projects under the IP Sudan.

- In November 2005 YED started in the Malakal region with a first project funded by Netherlands, followed by a second phase financed by the MTFD in December 2008. Monitoring reports prepared by a group of World Bank and Government experts are available.
- The second YED project covers Khartoum State. It started in June 2007 and is funded by the EU. In November 2008 the EU carried out an internal audit of this project (report not available). Section III provides more information on this project.
- The third YED project was started in April 2008 in the Western Bahr el Ghazal region (capital Wau). This project is funded by the MTFD and monitored by a group of WB and Government experts similar to the YED project in Malakal.

A separate chapter of these TORs has been dedicated to YED projects, given their size and importance and also the fact that a separate evaluation report will be produced for YED Khartoum State, which is the biggest project under the IP (see below).

### CLARIS 1

This project was the first to be launched under the “social stabilization” component. It was implemented in the Nuba Mountains<sup>46</sup> between February 2004 and June 2007 with funding from UNTFHS. The project distributed simple agricultural tools to the rural population and supported local blacksmiths with the production of such tools. CLARIS 1 was subject to a UNIDO self-evaluation and was included in an external review by the World Bank in September 2005. Ample information on CLARIS 1 is available from the UNIDO website.<sup>47</sup>

### CLARIS 2

This project was designed as a five year umbrella project allowing for contributions from various funding sources while replicating and extending the CLARIS 1 approach towards other parts of Southern Kordofan (Abyei province) and to the Blue Nile region.

- Projects in South Kordofan started in September 2007 (project funded by Italy) and in December 2007 (project funded by MTPF). The rehabilitation of the Kadugli vocational training centre that started in December 2007 comes also under this project cluster.
- The project in the Blue Nile region started in May 2008 with funding from the MTPF.

Table 4: CLARIS II Funding per Area and Funding Source (US DOLLARS)

Geographical area	Source of funding	
	Italian Government	MDTF
South Kordofan	138.058	552,755
Abyei		
Rehabilitation of VTC Kadugli	69.608	475,926
Blue Nile	0	369,391
Total	207.666	1,398,072
<b>Grand Total</b>	<b>1,605,738</b>	

The budgets of the individual CLARIS 2 projects are below the threshold for mandatory independent evaluations. A self-evaluation of all CLARIS 2 projects prepared by the CTA in May 2009 is available.

### **Component 3: Environment and Rural Energy**

The project “Solar Cooking in Sudan - Promotion, Dissemination and Local Production Preparatory Assistance” is the only project coming under this

<sup>46</sup>Nuba Mountains belong to the Southern Kordofan region; capital of Nuba Mountains is Kadugli.

<sup>47</sup><http://www.unido.org/index.php?id=o41092>

component. The project conducted tests of solar cookers together with a number of NGOs in different parts of the country. The project has also looked into opportunities for local production of solar cookers. On the basis of this ground work, a larger follow-up project is currently being formulated.

Although officially not part of the IP, the Sudanese sub-project of the UNIDO/GEF Global Project “*Removal of Barriers to Introduction of Cleaner Artisanal Gold Mining and Extraction Technologies*” has been considered part of the IP. This project has come to an end and has been subject to an evaluation by the GEF in 2008 together with the activities in other countries. The present IP evaluation would follow-up on the findings and recommendations of the GEF evaluation.

#### **Component 4: Industrial Governance**

There are three relatively small independent projects under this cluster dealing with capacity building at Ministries and governmental agencies. The first project with the Federal Government was quite short and came to an end in 2007. An investment promotion activity with the Ministry of Investment and financed by the Islamic Bank is going on since December 2007. A project on Building industrial capacity (Chamber of Commerce in Southern Sudan) in Southern Sudan started in October 2008 and supports, inter alia, the Chamber of Commerce.

### **The YED project in Khartoum State**

The IP evaluation will give particular emphasis to the Youth Employment Development (YED) project in Khartoum State (EESUD07004) because of its financial volume and because this project is due for an independent evaluation according to the UNIDO Evaluation Policy. A separate evaluation report will be produced for this project (see below).

The project was developed in 2007, based on the experience of UNIDO YED project in Malakal. The project document includes a logical framework matrix defining the overall objective, the specific objectives, the outputs, the objectively verifiable indicators (OVIs), the sources of verification and the risks and assumptions of the project and fixed the initial budget as of about Euro 10 million.<sup>48</sup>

The overall objective of the project was to *‘significantly contribute to improving the livelihood of the urban poor (unemployed youth and internally displaced persons - IDPs) in Khartoum State, through building vocational training capacity for Youth Entrepreneurship Development, building public-*

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<sup>48</sup> UNIDO prodoc EE/SUD/007/004, dated 16 March 2007. The UNIDO project relates to another EU funded project that is implemented by UN-HABITAT and aims at strengthening urban planning capacities of Khartoum State. The budget of the UN-HABITAT project is Euro 2 million. UNIDO and UN-HABITAT agreed to cooperate intensively during project implementation to maximize synergy among these complementary projects.

*private sector linkages for job creation and enhancing their access to employment and sustainable income’.*

The logframe structured the project into two components and 14 expected outputs:

1. Capacity Building in seven Vocational Training centres (VTCs) in Khartoum State;
  - 1.1. VTC staff, management and local authorities are fully aware and able to use resources and strategies required to meet labour market demands and the training needs of beneficiaries.
  - 1.2. Public-private sector partnerships developed with VTCs for programme demand orientation.
  - 1.3. All supported VTCs are rehabilitated, properly equipped, managed, and operate at full capacity.
  - 1.4. Instructors, trainers and managers are fully trained through Training of Trainers programmes (ToTs) and innovative management development approaches.
  - 1.5. Entry and enrolment facilities at VTCs reviewed and adjusted to enable access of urban poor (unemployed young men and women, including IDPs).
  - 1.6. Technical and entrepreneurship development training and business support services (BDS) provided by the selected VTCs.
  - 1.7. YED modules are fully integrated into technical skills courses to increase employability of trainees.
  - 1.8. Experience of the selected VTCs reviewed by the private sector and agencies at the national and state level to develop a YED strategy and policy.
2. Vocational training in IDP areas to promote entrepreneurial and business development activities;
  - 2.1. Information on labour market demands and skills needs among young urban poor in IDP areas regularly updated.
  - 2.2. Training programmes and courses are accessible for IDPs with potential and enrolment effectively established.
  - 2.3. CBOs and NGOs are assisted to organise and set up demand oriented training courses for YED, provide business support for job creation.
  - 2.4. New private sector BDS providers supported and strengthened to develop the BDS market targeting young/women entrepreneurs.
  - 2.5. Linkages set up between businesses, employers and trainees (i.e. through apprenticeships).
  - 2.6. Young/women entrepreneurs have access to commercially based micro finance facilities and credit schemes.

Based on the findings of the inception mission in July 2007, the Government of Khartoum State, the Delegation of the European Commission to the Sudan and UNIDO agreed to amend the target of component 1 follows: *“the*

project will support a total of five VTCs, i.e. four new ones constructed by the Khartoum State and one existing one, VTC Khartoum 1.<sup>49</sup>

In September 2008, the project budget was further increased by Euro 1 million and the duration of the project was extended by one year until the end of 2010, extending the implementation period from 21 to 39 months.

**Table 5: Extended budget of YED Khartoum State project (EESUD07004)**

Component title	Extended budget ( euro in 2008)
Component 1	8,817,708
Component 2	2,182,195
<b>TOTAL (excluding contingency &amp; support costs)</b>	<b>10,999,904</b>

Under the Addendum to the Description of the Action (August 2008) it was also agreed to streamline the project structure by consolidating the 14 expected outputs into four “results” (see table 6). The agreed objectives and results are laid down in a revised results framework.<sup>50</sup> This framework provides also for 20 performance indicators as agreed between the donor and UNIDO (see Annex 2).

**Table 6: Streamlined Results Framework of the YED Khartoum project**

Component 1	Component 2
<u>Result 1.1</u> Four new VTCs are operational, one existing VTC given new equipment, are providing the urban poor access to technical and entrepreneurial training in line with market demands, taking a gender mainstreaming approach.	<u>Result 2.1</u> NGOs/CBOs (operating in the IDP areas) have enhanced capacities to organize, set-up demand oriented training courses (entrepreneurship and technical) and to provide business support for job creation.
<u>Result 1.2</u> VTC curricula updated/developed and offered in line with market demands and integrating YED modules to increase employability of trainees and potential for self-employment along the lines of gender mainstreaming.	<u>Result 2.2</u> Increased access of the urban poor, especially the youth and women, to demand oriented vocational skills and entrepreneurship training to widen the human resource base in support of self-employment opportunities

<sup>49</sup> Consolidated progress report (4 April – 30 September 2007); p. 2

<sup>50</sup> Updated log frame for project: Ref. N. 9 ACP SU -12 (EU document dated 8 August 2008)



The project is managed from a Project Management Unit (PMU) based in Khartoum. The Government Coordinating Agency of the project is the Governor's Office of Khartoum State. Under component 2 the project collaborates with three international and 14 national NGOs.

## Purpose of the evaluation

This independent evaluation will be conducted by the UNIDO Evaluation Group (OSL/EVA) in accordance with the UNIDO Evaluation Policy and the UNIDO Guidelines for Technical Cooperation Programmes and Projects.

**The main purposes of the evaluation** are to:

- Assess the design and performance of the IP in terms of relevance, effectiveness, efficiency, sustainability and impact;
- Identify reasons for limited funds mobilization under the initial IP and the underfunded components 2 and 3 of the current IP (see table 1);
- Draw conclusions and make recommendations for enhancing the implementation of the ongoing IP and for identifying opportunities and potentials for possible future projects that might attract donor interest;
- Feed conclusions and recommendations into a Multi-donor evaluation of support to conflict prevention and peace-building in Southern Sudan that is planned to take place in 2010;
- Develop lessons learned of wider applicability and feed these lessons into a "Thematic Evaluation" of UNIDO post-crisis intervention projects that will be conducted towards the end of 2009.

Since the IP reached its completion in 2008, the independent evaluation comes in timely for feeding lessons learnt into the development of the next UNIDO country programme for Sudan.

## Evaluation scope and approach

**Scope of the evaluation.** The independent evaluation of the UNIDO IP in Sudan will cover the projects listed in Table 3.

The project on Youth Entrepreneurship Development in Khartoum State financed by the EU (project No 9 in table 3) is the only individual project for which an independent evaluation is mandatory in accordance with the UNIDO Evaluation Policy and with the requirements of the donor (EU). The evaluation of this project will be carried out as part of the independent evaluation of the IP but a separate and stand-alone evaluation report will be produced.

**Evaluation approach.** The evaluation will be conducted as an Independent Terminal Evaluation that will apply the standard evaluation approach of the OECD/DAC. The evaluation will also take into account the methodological guidance provided in the OECD/DAC document *Guidance on evaluating*

*conflict prevention and peace-building activities – Working draft for application period.*<sup>51</sup>

The DAC criteria (relevance, effectiveness, efficiency, impact and sustainability) will be applied both to the IP as a whole and to the individual projects. Under relevance, the evaluation will assess whether the design has been responsive to the needs of the target groups, to the country's development priorities, to donor policies and to UNIDO comparative advantages and strategic objectives, taking into account the changing environment and policy priorities in Sudan. Under effectiveness the evaluation will examine to what extent the projects have achieved their intended results. Under efficiency the evaluation will determine how economically the resources/inputs (in terms of funding, expertise, time...) have been converted into outputs. It will also look into the timeliness of the projects in producing outputs and delivering inputs. Wherever possible, the evaluation will attempt to provide data on impact (or potential impact). It will also look into the sustainability of the achieved results.

The evaluation will be carried out in line with the UNIDO Evaluation Policy. While underscoring the need for independence, this policy states that: *“Transparency and consultation with the major stakeholders are essential at all stages of the evaluation process. Involvement of and consultation with stakeholders facilitates consensus building and ownership of the findings, conclusions and recommendations; it also heightens the credibility and quality of the evaluation”.*<sup>52</sup>

This independent cooperative approach will be applied for all stages of the evaluation. The main evaluation users will be invited to review and comment on the proposed evaluation methodology and process as set out in these terms of reference; to participate in key discussions of the preliminary findings; and to review and comment on the draft evaluation report. The main evaluation users are: Government representatives; Permanent Mission of Sudan; representatives of counterpart organizations; representatives from key donors; UNIDO staff at HQ and in the field; Chief Technical Advisors and heads of project management/coordination units (national project coordinators).

**The reference basis** for the independent evaluation will be

- the IP document;
- the individual project documents;
- any planning revisions as far as these have been officially and mutually agreed.

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<sup>51</sup> [www.oecd.org/.../0,2834,en\\_21571361\\_34047972\\_39774574\\_1\\_1\\_1\\_1,00.pdf](http://www.oecd.org/.../0,2834,en_21571361_34047972_39774574_1_1_1_1,00.pdf)

<sup>52</sup> See <http://www.unido.org/index.php?id=5700>

## Evaluation team

The evaluation team will include the following members:

- A member of the UNIDO Evaluation Group who will be the team leader and take care of evaluating projects (1); and (11) to (16) of table 3 as well as of UNIDO specific issues such as funds mobilization; IP integration; inter-branch cooperation; procurement; etc.
- An international evaluation expert with extensive experience in the evaluation of rural development and livelihood development projects in post-conflict environments.
- An international evaluation expert with extensive experience in the evaluation of vocational training, skills development and entrepreneurship projects in post-conflict environments.
- An national evaluation consultant with experience in vocational training, entrepreneurship and SME development.
- An national evaluation consultant with experience in rural development and rural entrepreneurship development.

For each national evaluator post, the Government will nominate three appropriate candidates (consultants with professional experience in evaluation) among whom Government and UNIDO will jointly select the most suitable candidate.

All evaluation experts will be contracted by UNIDO.

None of the members of the evaluation team must have been involved in the design and/or implementation and coordination of the IP and its components/projects. This principle is underlined in the UNIDO Evaluation Policy: *“For independent evaluations, the members of an evaluation team must not have been directly responsible for the policy-setting, design or overall management of the subject of evaluation (nor expect to be so in the near future)”*.

## Evaluation tasks, timing and deliverables

The evaluation will be structured into the following four work packages and tasks:

1. Preparatory work (September and October 2009)
  - Information of Government, Permanent Mission of Sudan in Vienna and of the EU Delegation in Khartoum;
  - Endorsement of international evaluators and nomination of national evaluators by Government;
  - Collection of comments on draft TORs and, if applicable, revision of TORs;
  - Desk review of project documents and reports by the evaluation team;

- Interviews with project managers at UNIDO HQ;
  - Preparation of individual preliminary assessment papers for the CLARIS and YED projects, including assessments of the (explicit and implicit) theories of change, the planning process, the planning documents and the progress made;
  - Project managers in HQ and on the ground comment of on the preliminary assessment papers;
  - Preparation of a synthesis self-evaluation report based on the individual preliminary assessment papers and comments received.
2. Initial evaluation mission (November and December 2009)
- Initial evaluation mission conducted by the team leader and the international evaluation expert for rural development to collect information and interview key actors such as Government counterparts at national and regional levels; management and staff of counterpart institutions and other entities directly benefiting from the IP; representatives of the targeted rural communities; donor representatives;
  - Evaluation of projects (1); and (11) to (16) of table 3 as well as of UNIDO specific issues such as funds mobilization; IP integration; inter-branch cooperation; procurement by the evaluation team leader;
  - Evaluation of CLARIS projects by the international and the national evaluation expert for rural development to Khartoum, South Kordofan and Blue Nile to;
  - Debriefing of stakeholders in Khartoum and Juba;
  - Preparation of a draft evaluation report on CLARIS;
  - Contributions by the national and international evaluation experts to finalizing the comprehensive IP evaluation report
3. Evaluation mission for YED projects (December 2009 to February 2010)
- Desk work of the international evaluation expert for vocational training and briefing at UNIDO HQ (December 2009)
  - Evaluation mission of the international and the national evaluation expert for vocational training and youth and women entrepreneurship to Khartoum, South Kordofan and Blue Nile to collect information and interview key actors such as Government counterparts at national and regional levels; management and staff of counterpart institutions and other entities directly benefiting from the IP; representatives of the targeted rural communities; donor representatives (January 2010);
  - Debriefing of stakeholders in Khartoum and Juba;
  - Preparation of a self-standing draft evaluation report on YED Khartoum (February 2010);

- Preparation of three evaluation reports on YED projects in Khartoum; Wau and Malakal for integration into the comprehensive IP evaluation report (February 2010);
  - Contributions by the national and international evaluation experts to finalizing the comprehensive IP evaluation report (February 2010);
4. Integration of evaluation results into a comprehensive IP evaluation report (February and March 2010)
- Drafting of comprehensive IP evaluation report by the team leader with contributions from all team members;
  - Presentation of preliminary evaluation results to stakeholders at UNIDO HQ;
  - Evaluation mission of the team leader to Khartoum for additional collection of information and presentation of the draft evaluation report to the Government and to donors;
  - Finalization of comprehensive IP evaluation report by the team leader with contributions from all team members;

**Logistical support.** The UNIDO Field Office in Khartoum and the coordination units of the projects will provide logistical support the evaluation field mission.

The evaluation will be structured into five major packages of work:

**The evaluation deliverables.** The main deliverables of the evaluation are

- The three preliminary assessment papers;
- The evaluation report covering the YED Khartoum State project;
- The evaluation report covering the IP.

The evaluation team will provide draft evaluation reports to the UNIDO Evaluation Group at the latest six weeks after the end of the respective evaluation field missions.

The reporting language will be English.

**Validation of evaluation report.** The UNIDO Evaluation Group will share the draft report with UNIDO staff and the Government counterparts and donors for initial review and consultation. They may provide feedback on any error or fact and may highlight the significance of such errors in conclusions. The process will also seek agreement on the findings and recommendations. The evaluators will take comments into consideration when preparing the final version of the report. In the event of differing views being expressed, these are reflected in the analysis and in the report.<sup>53</sup>

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<sup>53</sup> UNIDO Evaluation Policy; page 11

**Quality assessment of the evaluation report.** All UNIDO evaluation reports are subject to quality assurance by the UNIDO Evaluation Group. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality in Annex 4. The Final Evaluation Report will be submitted to the Government of Sudan and the donors and UNIDO Executive Board. The evaluation reports will be posted on the UNIDO Internet website.<sup>54</sup>

**Follow-up of recommendations.** The UNIDO Evaluation Group will follow up on the implementation of recommendations. The Group will prepare an Evaluation Management Response Sheet with the evaluation recommendations. The IP Team Leader and the concerned project managers will be responsible to provide comments (of acceptance or non-acceptance of the evaluation recommendations), actions for follow-up and deadlines in the document. This document, which will be posted on the UNIDO intranet, allows tracking of the follow-up of each recommendation and is a tool to ensure learning across UNIDO.

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<sup>54</sup> <http://www.unido.org/evaluation>

## Annex 1: Individual projects by IP components

	Project Title	Project Number	Total Allotment	Expenditure rate (%)	Donor	Started	Completed	Status
	<b>Component 1: Social Stabilization</b>		<b>17,050,377</b>	<b>88</b>				
1	Establishment of a Technology Demonstration & Production Centre in Port Sudan for the Production of Local Resource-Based Low-Cost Building Materials	USSUD06004	110,619	17	Slovakia	Jan-07		Ongoing
	<b>CLARIS I</b>		<b>1,319,770</b>	<b>100</b>				
2	Community Livelihood and Rural Industry Support Programme in Sudan, phase I (CLARIS I)	TFSUD02001	41,672	100	Japan	Oct-02	Jan-05	Closed
3	Community Livelihood and Rural Industry Support Programme in Sudan, phase I (CLARIS I)	TFSUD03001	1,141,690	100	UNJTF	Nov-03	Jun-07	Closed
4	Community Livelihood and Rural Industry Support Programme in Sudan, phase I (CLARIS I)	FBSUD05001	136,408	98	UNJTF	Feb-05		Closed
	<b>CLARIS II</b>		<b>2,216,136</b>	<b>75</b>				
5	Preparatory Assistance to Develop the Expansion of the Community Livelihood and Rural Industry Support Programme in Sudan (CLARIS)	YASUD06003	52,363	97	UNIDO	Nov-06	May-08	Closed
6	Community Livelihood and Rural Industry Support Programme (CLARIS), bridging the gap between Phase I and Phase II	TESUD07003	31,754	90	Netherlands	Jun-07	Oct-08	Closed
7	Community Livelihood and Rural Industry Support Programme CLARIS II: Italian	TESUD07005	733,948	47	Italy	Sep-07	Apr-09	Ongoing

	Project Title	Project Number	Total Allotment	Expenditure rate (%)	Donor	Started	Completed	Status
	Contribution							
8	Rehabilitation of Kadugli Vocational Training Centre: Emergency Stage (Component 4 of the Multi Donor Trust Fund Start-up /Emergency Project for South Kordofan State)	FBSUD07006	475,926	98	MDTF	Dec-07	Apr-09	Ongoing
9	Rural Livelihood Support - Emergency State - Promoting Community Building and Participation for Food Security and Poverty Alleviation in South Kordofan and Abyei area (Component 6 of the Multi Donor Trust Fund Start-up /Emergency Project for South Kordofa	FBSUD07008	552,755	99	MDTF	Dec-07		Ongoing
10	Blue Nile Start-Up Emergency project in Sudan	FBSUD08001	369,391	64	MDTF	May-08		Ongoing
	<b>Youth Entrepreneurial Development (YED)</b>		<b>13,403,852</b>	<b>89</b>				
11	YED in Malakal, phase I	TESUD05002	822,482	98	Netherlands	Nov-05		Ongoing
12	YED in Malakal, phase II	FBSUD08006	328,506	34	MDTF	Dec-08		Ongoing
13	YED in Khartoum State	EESUD07004	11,641,864	90	EU	Jun-07		Ongoing
14	YED in WAU, Southern Sudan	FBSUD08002	611,000	94	MDTF	Apr-08		Ongoing
	<b>Component 2: Sustainable Agro-business</b>		<b>128,622</b>	<b>100</b>				
15	Promotion of Community-Based Agro-Related Micro and Home-Based manufacturing Activities	DUSUD03007	128,622	100	FAO	Aug-03	Feb-05	Closed
	<b>Component 3: Environment and Rural Energy</b>		<b>65,467</b>	<b>72</b>				
16	Support to project identification and formulation on environment	YASUD07001	32,398	97	UNIDO	Feb-07	May-08	Closed



	Project Title	Project Number	Total Allotment	Expenditure rate (%)	Donor	Started	Completed	Status
	and renewable energy issues							
17	Solar Cooking in Sudan - Promotion, Dissemination and Local Production Preparatory Assistance	TESUD09001	33,069	47	Italy	Jan-09		Ongoing
<b>Component 4: Industrial Governance System</b>			<b>893,133</b>	<b>65</b>				
18	Provision of Technical Assistance to the Ministry of Industry	TFSUD07002	186,306	75	UK	May-07	Dec-07	Closed
19	Building industrial capacity in Southern Sudan	FBSUD08003	353,982	80	MDTF	Sep-08		Ongoing
20	Investment Promotion and Technical Assistance Programme (ITAP) for Sudan	TFSUD07009	193,894	57	Islamic Dev. Bank	Dec-07		Ongoing
21	Investment Promotion and Technical Assistance Programme	SESUD07007	158,950	28	Sudan	Sep-08		Ongoing
<b>IP Management</b>			<b>317,106</b>	<b>63</b>				
22	An Industrial Agenda for Poverty Relief and Transition to Sustainable Development	SESUD03001	164,896	62	Sudan	Oct-05	Sep-09	Ongoing
23	JPO/Associate Expert Mr. Sebastiano Bagnasco	TFSUD06002	68,929	84	Italy	Oct-06	Nov-08	Closed
24	PROGRAM ASSESSMENT MISSION FOR SOUTHERN SUDAN	YASUD06006	34,640	86	UNIDO	Dec-06		Closed
25	Industrial Modernization Programme (Strategy and Priority Projects) in Sudan - Preparatory Assistance	XPSUD08005	48,641	21	UNIDO	Oct-08		Ongoing
<b>TOTAL</b>			<b>18,454,704</b>	<b>86</b>				

Source: UNIDO project and programme management system AGRESSO/InfoBase as of May 2009

## Annex 2: Agreed results framework of YED Khartoum project<sup>55</sup>

### Component 1

#### Result 1.1

Four new VTCs are operational, one existing VTC given new equipment, are providing the urban poor access to technical and entrepreneurial training in line with market demands, taking a gender mainstreaming approach.

#### Indicators:

- Four VTCs equipped with appropriate machinery, tools and equipment for courses offered, and one existing VTC provided with new equipment
- The human resources development base of VTCs (management, staff and trainers) recruited by the Khartoum State are trained and working in partnership with the private sector following a private sector culture with a business management focus and financial self-sustainability
- VTCs administrative, operational and financial systems are in place and offering training programmes with equal access and opportunities for urban poor, men and women
- A management information system for monitoring students, services provided and established at the VTCs

#### Result 1.2

VTC curricula updated/developed and offered in line with market demands and integrating YED modules to increase employability of trainees and potential for self-employment along the lines of gender mainstreaming.

#### Indicators:

- Number of VTC competency-based curricula with YED modules, offered by the VTCs and certified by the competent authorities
- Number of special skills upgrading courses developed for industry offered by the VTCs and certified by the competent authorities
- National vocational qualifications and system of certification for courses offered in the VTCs established by the National Council for

### Component 2

#### Result 2.1

NGOs/CBOs (operating in the IDP areas) have enhanced capacities to organize, set-up demand oriented training courses (entrepreneurship and technical) and to provide business support for job creation.

#### Indicators:

- Number of partner organizations (minimum of 20) that are cooperating with the project
- Number of NGO/CBO staff and entrepreneur advisers trained (minimum 100) in conducting and/or organizing technical/vocational training and entrepreneurship development courses through Training of Trainers (TOTs) with a private sector focus as well as organizational and management skills, including Results-Based Management and environmental awareness
- Workable linkages for micro finance established with CBOs/NGOs and/or other micro finance providers
- At least 90 tailor-made short courses in technical/vocational skills, which are complementary to the VTC programmes organized by CBOs/NGOs
- At least 45 entrepreneurship-training courses offered by partner organizations
- Four partner organizations establish a pool of entrepreneurs to provide basic business support services to trainees/start-ups who have undergone EDP and/or technical training
- Institutional sustainability of partner CBOs/NGOs to continue providing training services established

#### Result 2.2

Increased access of the urban poor, especially the youth and women, to demand oriented vocational skills and entrepreneurship training to widen the human resource base in support of self-employment opportunities.

#### Indicators:

- Number of beneficiaries from the IDP areas (at least 1,000-disaggregated by gender) endorsed by NGOs/CBOs trained by the VTCs
- Number of beneficiaries (at least 1,800 in technical areas and 900 in EDP – disaggregated by gender) from the IDP communities trained by partner CBOs/NGOs
- One-third of the beneficiaries have found employment and 15 per cent have established

<sup>55</sup> Source: Updated log frame for project: Ref. N. 9 ACP SU -12 (EU document dated 8 August 2008)

- Technical Education and Technology with the Supreme Council for Vocational Training
- Number of trainers/instructors (disaggregated by gender) trained for new curricula and operations of new training equipment
- Number of trainees (at least 6,000- disaggregated by gender) provide UNIT certificates for CBT courses completed
- or improved their business after completion of training
- Increased sales and net worth because of the improvement in the product and business operations of existing micro entrepreneurs trained

Result 1.3

Policy framework in partnership with the private and public sector for the promotion of Vocational Training in Khartoum State presented for approval

Indicator:

- Khartoum State established an institutional base for developing and implementing Vocational Training Policies for the State based on public-private partnerships, to instil a private sector culture

## **Annex 3: Generic subjects to be covered by the evaluation**

### **A) Programme-wide evaluation**

#### **Relevance and ownership**

The extent to which:

- (i) The IP was jointly identified and formulated with the Government counterparts, 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 were and are still valid and that the programme has supported the country industrial strategy.
- (iii) The programme did and continues to contribute to UNIDO Corporate Strategy and the MDGs and other international targets.
- (iv) The programme is complementary with other relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

#### **Country context**

- (i) Environmental conditions: transport and logistical constraints, working conditions for project staff at project sites, initial conditions of the VTC infrastructure.
- (ii) Assessment of the capacities of the national counterparts: extent to which Government or State counterparts can provide assistance to project implementation;

#### **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 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 and reporting 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 efficiency resulting from providing different services to the same target group; increased efficiency resulting from interventions aiming at strengthening linkages within a system and improved

- efficiency 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.

## **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) The component/project objective(s) are aligned to the higher-level programme-wide objective.

### **Efficiency of implementation**

- i. Timeliness, adequacy (quantity and quality) and cost of UNIDO and the Government inputs (expertise, training, equipment, methodologies, etc.) and activities.
- ii. Timeliness of production of outputs.
- iii. Assessment of the chain of UNIDO services, including UNIDO support services, such as procurement and finance and of the service orientation of the Organization as a whole.
- iv. Is the programme cost-effective compared to similar interventions? Could the programme have produced more with the same resources, or the same with less money, with least delays?
- v. Was UNIDO seed money invested in the programme? Ratio between seed money and IP budget and allotment. Ratio between design and intervention costs, if available.
- vi. To what extent has there been coordination between components? If yes, has this led to cost savings in implementation? Are different services provided to the same target groups?
- vii. Were inputs provided by the Government and by UNIDO adequate to meet requirements?

### **Effectiveness of the component**

Assessment of:

- i. Achievement of outputs and outcomes against the original/revised objectives?
- ii. Quality of the outputs and outcomes and the view of stakeholders of the results.
- iii. Were the target groups reached?

### **Impact**

Assessment of:

- i. The actual or potential effects in terms of re-establishing entrepreneurial initiatives, provision of job and income opportunities;
- ii. The actual or potential economic, environmental and social oriented developmental changes;
- iii. The actual or potential impact on human security and stability.

#### Annex 4: 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 component or project)?		
(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.



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