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UNIDO EVALUATION GROUP

Independent Evaluation

UCSSIC

UNIDO Centre for South-South Industrial Cooperation (UCSSIC)

New Delhi, India



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

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ABBREVIATIONS AND ACRONYMS

AG	Appraisal Group
AMC	Approval and Monitoring Committee
CBTC	Cane and Bamboo Technology Centre
CDA	Cluster Development Agent
DIPP	Department of Industrial Policy and Promotion
GoI	Government of India
ICAMT	International Centre for Advancement of Manufacturing Technology
IDB	Industrial Development Board
IDF	Industrial Development Fund
IISc	Indian Institute of Science
KEFRI	Kenya Forest Research Institute
KIRDI	Kenya Industrial Research and Development Institute
MCI	Ministry of Commerce and Industry
MSME	Micro Small and Medium Enterprises
NDA	Network Development Agent
NIFPHATT	National Institute of Fisheries Post Harvest Technology and Training
NORAD	Norwegian Agency for Development Cooperation
OVIC	One Village Industrial Cluster
PAD	Project Allotment Document
PCF	Programme Coordination and Field Operations Division
ProDoc	Project Document
PTC	Programme Development and Technical Cooperation Division
RENPAP	Regional Network for Pesticides in Asia and the Pacific
SAARC	South-Asian Association for Regional Cooperation
SPP	Special Programmes Group (Bureau for Regional Programmes)
SSS	Service Summary Sheet
STC	Steering and Technical Review Committee
TERI	Tata Energy Research Institute
UCSSIC	UNIDO Centre for South-South Industrial Cooperation
UNIDO	United Nations Industrial Development Organization
UR	UNIDO Representative

GLOSSARY OF EVALUATION RELATED TERMS

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change directly or indirectly due to an intervention.
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 inputs (through activities) are converted into outputs.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Intervention	An external action to assist a national effort to achieve specific development goals.
Lessons learned	Generalizations based on evaluation experiences that abstract from specific to broader circumstances.
Logframe (logical framework approach)	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes and 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 (RBM).
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention.
Relevance	The extent to which the objectives of an intervention are consistent with the requirements of the end-users, government and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed
Target group	The specific individuals or organizations for whose benefit an intervention is undertaken.

EXECUTIVE SUMMARY

Background

The UNIDO Centre for South-South Industrial Cooperation India (UCSSIC) was established in December 2006 as the first in a series of planned UNIDO South-South Centres. The Centre is financed by the Government of India (GoI) contributions to the Industrial Development Fund (IDF) of UNIDO. The Indian counterpart is the Department of Industrial Policy and Promotion (DIPP) of the Ministry of Commerce and Industry (MCI). Total UCSSIC budget is $ 4.5m, split into $ 2.76m for programmatic activities and $ 1.74m for administrative and operational expenses.

The **objective** of UCSSIC is to: "contribute to the industrial development and economic growth of developing countries by identifying and mobilizing the technical, financial, managerial and other resources required for projects and programmes within the framework of South-South cooperation." More specifically, the Project Document (ProDoc) lists four **expected results** to be achieved through the Centre's operations:

1. Enhanced productive capacities of developing countries, facilitating their integration into the global economy;
2. Networked institutional framework and mechanism to support a south-specific system of managing and sharing development knowledge and experience;
3. Increased intra-south trade and investment integration;
4. Greater scope for leveraging resources among developing countries for using manufacturing as a dynamic force in reducing poverty.

Independent evaluation

UNIDO and the GoI have jointly decided to carry out an independent evaluation of the Centre. The evaluation was conducted during September and October 2011 in parallel to the independent mid-term evaluation of the UNIDO International Centre for Advancement of Manufacturing Technology (ICAMT). The purpose of the evaluation was to provide up-to-date information on the performance of UCSSIC and to identify areas for improvement and draw lessons to enhance its relevance and effectiveness.

UCSSIC project portfolio

The current UCSSIC portfolio consists of 13 projects. A general categorization reveals four major thematic foci:

- 4 projects on **income generation** (for poverty reduction): (2A/B) Bamboo, (11) Fishery, (9) OVIC, (12) Youth entrepreneurs;
- 4 projects on **environment and energy**: (4) Energy efficient stoves, (8) Biomass gasifiers, (10) Solar energy, (5A/B) Neem pesticide;
- 2 projects in **organizational and capacity development**: (3A/B) KIRDI, (7) VIMTA Labs;

- 3 projects to generate **strategic information**: (1) SLM Africa conference, (6) Africa investors survey, (13) Technology compendium.

UCSSIC relevance

For UNIDO, the establishment of Centres for South-South Industrial Cooperation is part of a wider move to enhance South-South cooperation for industrial development. The UCSSIC, as first UNIDO South-South Centre, is well positioned in relation to an important trend in the global development agenda and well aligned with strategic priorities of both India and UNIDO.

The evaluation finds overall untapped potential in increasing the relevance of UCSSIC India as a whole. It is acknowledged that its budget has been comparatively small and that mainly pilot activities have been implemented, many of which are not yet finished at this stage. A future increase in overall relevance will require (i) developing – ideally as part of a wider UNIDO effort – a South-South cooperation strategy and approach that goes beyond replacing implementing partners from developed countries with Indian technical partners, as well as (ii) on a more focused and strategy-driven selection of individual projects.

The individual relevance of the 13 UCSSIC projects– either completed, under implementation or planned – varies. It is assessed as high where local partners have committed in-kind or cash contributions for pilot activities. However, the ultimate 'litmus test' for the relevance of any UCSSIC pilot project is and will be the readiness of partners to invest in up-scaling and mainstreaming of successful pilots. In this respect, the odds are best for the VIMTA labs project (where SAARC funds may finance a continuation with regional orientation) and the Fishery project in Timor Leste (where NORAD expressed interest in financing a first main phase).

Design and programmatic coherence

The 11-page ProDoc of July 2006 is not very solid compared to UNIDO ProDocs for projects of similar budget size. The project had to be designed from scratch, as it was the first South-South Centre to be set up. Formulations of objectives, results, outputs and activities are general and vague. In particular, it contains no Logical Framework (logframe) and consequently no measurable indicators and related targets.

If the operational budget of $ 2.76m (plus the $ 2.2m leveraged funds), spread over five years, is juxtaposed to the expected results, it is evident that UCSSIC has been given too tall an order to begin with.

Over the years, UCSSIC has developed 28 Concept Papers of which 13 successfully passed the approval process. Most are what can be termed 'one-off exercises', i.e. pilot interventions that are implemented on a usually tight schedule, after which the Indian technical partner withdraws and the local partners should take over. Most ProDocs lack solid details on exit and handing-over strategies, sustainability and financial viability considerations as well as future institutional anchoring and funding commitments. Notable exceptions where up-scaling may be achieved are VIMTA and the Fishery project in Timor Leste.

This is not to say that no pilots should be conducted; the point to be made is that chances for successful up-scaling (and thus long term sustainability and wide-spread impact of the technology transfer) are seriously reduced by not including post-pilot considerations already in the design of the pilot phases.

Coordination and management

The UCSSIC team is small and in charge of many projects. Cooperation and co-ordination among the stakeholders were found to be good, but also complex due to the usually four (distant) management locations: the project manager (or allot-ment holder) works out of Vienna headquarters, the UCSSIC and UR/UNIDO offices are in Delhi, the offices of the technical partners in different cities of India (from Guwahati in the Northeast to Kochi in the South) and the national UNIDO office, where these exist, in the capitals of the respective project countries. In addition, actual project locations are often at quite some distance to the capitals.

Sustainability

Sustainability is not a topic that is being addressed with strategic clarity, neither in the UCSSIC ProDoc nor in the ProDocs of the individual projects. Sustainability assumptions are confined to general statements on, for instance, government departments taking over or newly formed cooperatives continuing to thrive, etc.
Directly or indirectly, all projects have a pilot-orientation; however post-project visions, including realistic and feasible up-scaling strategies, are not usually dis-cussed in the ProDocs.

Impact

The mission is of the opinion that overall impact remains limited after four years of operation; however fact-based and consolidated impact evidence is not avail-able, also not on the four projects that have been completed so far. The absence of evidence-based information on impact relates directly to the fact that no log frame or key performance indicators exist that would allow quantifying outcomes and impact.
Anecdotal evidence points to what can be termed soft impact related in particular to the Indian technical partners, which received valuable exposure of working in different and difficult contexts. Finally, it can be assumed that the image of India but also of UNIDO has improved with the direct partners and that south-south relationships have been initiated and a certain amount of goodwill created.

Conclusions and lessons learnt

The present initial phase of UCSSIC has served as learning ground with trial and error elements and any future phase should take these learnings on board. The centre is currently operated by UNIDO like a temporary project and a medium term strategy neither exists for the UCSSIC India nor for UNIDO's other south-south centres.

A major achievement is the substantial additional funding of approximately $ 2.2m that could be roped in from partners. The real test for success of the pilot

projects, however, will be the amount of funding that partners will make available for upscaling of successful pilots.

Design and ProDocs of the individual projects could have been more specific and concrete, in particular in terms of economic analysis, financial viability, institutional anchoring, exit and post-project arrangements, as well as for up-scaling strategies, and should have contained clear and quantified key performance indicators (KPI). The portfolio is diverse and consists of projects with mostly small budgets for short durations. Consequently, space for mutual learning was limited and exchange of experiences not really possible.

Finally, several projects have only recently started or are still in their pilot phases (with the related implicit commitment to enter into a subsequent main phase) before the continuation of UCSSIC has been formally ensured beyond December 2011.

Main recommendations

The mission recommends that UCSSIC should not continue to operate in its current form. It is advised that UNIDO now should develop its own south-south cooperation strategy in order to place these ventures on a sounder footing. Specifically for UCSSIC India, it is furthermore proposed to further clarify the roles of GoI/DIPP and UNIDO.

The most important recommendation relates to the disparity between the mandate and what realistically is achievable by a single programme of this size. The current very ambitious mandate needs to be apportioned into achievable targets, based on more specific but also realistic objectives. The new UCSSIC ProDoc should clearly specify proposed outcomes along with 'hard' KPIs for the programme. Log frames of individual projects should directly connect with the overall log frame, again with clear and quantifiable outcome indicators.

UCSSIC should be mandated to concentrate on disseminating and mainstreaming carefully selected and promising ideas or concepts, rather than engaging in a wide range of pilot activities as in the past. It should therefore focus on fewer sectors and fewer countries (eventually concentrating solely on LDCs in Africa) and aim at parallel implementation of 'best bet' pilots in different countries in order to ensure efficient and effective utilisation of its resources.

Scenarios for the future

In terms of possible future tasks and functions of UCSSIC, two basic options have emerged. The final selection of the better-suited option (or, eventually, a mix of both options) will be a strategic decision that has to be taken by the GoI that funds this activity and UNIDO as being responsible for the Centre's operation.

The **first option** is specific to the Indian situation and proposes a merger of UCSSIC with ICAMT. In this scenario, UCSSIC would be in charge of international operations related to south-south cooperation and ICAMT would continue to focus on promoting technology advancement in selected industrial sectors in

India. This would carry the additional advantage that the Indian industry could play a core role in the south-south collaborations, as the ICAMT sector interventions to be disseminated to third countries focus on Indian private sector companies and industry clusters.

The **second option** sees a fundamental change in the role and modus operandi of the UCSSIC India (but may also be relevant for other UNIDO South-South Centres). The Centre would no longer act as designer and implementer of (pilot) projects but instead function solely as catalyst or matchmaker between interested development parties, including the Indian private sector. This implies to stop considering the UCSSIC projects as 'physical' development projects but rather as preparatory or seed funds.

The focus of interventions could then change from actually aiming at direct development results to “casting sustainable south-south development partnerships” through a) stakeholder and problem analysis, b) negotiation and formulation of projects and c) mobilising funding from third parties.

1. Introduction and background

The UNIDO Centre for South-South Industrial Cooperation India (UCSSIC[1]) was established in December 2006 as the first in a series of planned UNIDO South-South Centres. The Centre is financed by the Government of India (GoI) contributions to the Industrial Development Fund (IDF) of UNIDO. The Indian counterpart is the Department of Industrial Policy and Promotion (DIPP) of the Ministry of Commerce and Industry (MCI).

Within UNIDO, UCSSIC was part of the Special Programmes Group (SPP) in the Programme Coordination and Field Operations Division (PCF) up to December 2010, when it moved to the Bureau for Regional Programmes in the Programme Development and Technical Cooperation Division (PTC).

The Project Allotment Document (PAD) for UCSSIC was issued in August 2006. The UNIDO Director-General and the Indian Minister for Commerce & Industry formally launched the Centre in New Delhi in February 2007, endowed with a total budget of $ 4.5m. The UCSSIC Director had already been appointed in December 2006 and operations could thus start immediately. In order to partially compensate the delay since issuing the PAD, a no-cost extension has been granted up to December 2011.

2. Independent evaluation

As the current phase of UCSSIC will come to an end in December 2011, UNIDO and the GoI have jointly decided to carry out an independent evaluation of the Centre. The evaluation was conducted during September and October 2011 in parallel to the independent mid-term evaluation of the UNIDO International Centre for Advancement of Manufacturing Technology (ICAMT). The team for both evaluations consisted of Andreas Tarnutzer (international consultant and team leader) and Krishnamachari Rangarajan (national consultant).

Rationale and purpose

The purpose of the evaluation was to provide up-to-date information on the performance of UCSSIC and to identify areas for improvement and draw lessons to enhance its relevance and effectiveness. In line with the UNIDO Evaluation Policy (paragraph 8), the evaluation aimed at determining the relevance, impact, effectiveness, efficiency and sustainability of the Centre and its projects.

More specifically the evaluation was to

- assess past and continuous relevance of UCSSIC, of the activities promoted, outputs produced and outcomes achieved;

[1] US/GLO/06/015

- assess the efficiency of implementation: quantity, quality, cost and utilization of resources, timeliness of UNIDO/counterpart inputs and activities, and UCSSIC management and coordination, including the roles of the Steering Committee;
- assess the extent to which outputs have been produced and outcomes achieved, as compared to those planned (effectiveness);
- assess the impact and sustainability of results, effects and benefits.

For detailed questions related to the above specifications, please refer to the TOR provided as Annex 1.

Approach and methodology

The evaluation was conducted in compliance with UNIDO's Evaluation Policy and its Technical Cooperation Guidelines. It assessed the achievements of the Centre against its objectives, as established in the Project Document (ProDoc) and other relevant documents, including a re-examination of the relevance of the objectives and of the design. As far as possible, relevant factors were identified that have facilitated or impeded the achievement of the objectives.

In terms of data collection, the evaluation team made use of a range of different methods. An extensive desk review was undertaken, focusing foremost on the Centre and individual projects' ProDocs as well as available progress reports, both for the Centre and the individual projects (for core documents consulted, see Annex 3). In addition, a wide range of operational documents was accessed, from progress and back-to-office-mission reports to minutes of Steering Committee meetings, etc.

Ahead of the mission, the team leader conducted individual interviews with UNIDO headquarter staff in Vienna on 20 and 21 September 2011. Actual field-work in India was conducted from 30 September to 13 October 2011. Main locations visited were Delhi and surroundings and Bangalore.

During the mission, extensive discussions were held with DIPP representatives, UR and UNIDO staff in Delhi, as well as with UCSSIC office staff. Given the limitations in time and budget, only the following six technical partners were visited: TERI, RENPAP, NIFPHATT, ICAMT, IISc and MSME Foundation.

In addition, the team leader separately visited project partners as well as beneficiaries and clients in two target countries. The visit to Timor Leste to assess the Bamboo and Fishery projects took place between 27 and 29 September 2011; the two OVIC project sites in Uganda (Luwero and Kisoro) were visited on 2 and 7 November 2011, respectively.

In any case, many projects are at an early stage of field implementation so that visits to other project sites would not have been useful, as was also communicated by the UCSSIC team.

A presentation of preliminary findings was given to representatives of DIPP, UNIDO and UCSSIC in Delhi on 7 October 2011. A presentation at UNIDO headquarters in Vienna was arranged on 12 December 2011. Key stakeholders have reviewed the first draft version of this report. For the present final draft, some

factual inaccuracies have been corrected and statements amended where reviewers brought forward convincing and fact-based arguments for doing so.

The evaluation team would like to gratefully acknowledge the valuable contributions made in meetings and during visits to production and field sites by beneficiaries, clients, government officials, project managers as well as officials from DIPP and UNIDO, including the staff of the UCSSIC. Without their valuable inputs, the present report would not have been possible. Any errors or omissions are the sole responsibility of the authors of this report.

For a list of people met during the mission, please refer to Annex 2.

3. UCSSIC in brief

The establishment of UNIDO Centres for South-South Industrial Cooperation is part of a wider UNIDO plan to enhance South-South cooperation for industrial development, following corresponding recommendations from its Industrial Development Board (IDB) and the Group of 77 in 2006. The original plan foresaw the establishment of several such centres in selected countries, which eventually were to be linked together in a South-South cooperation Network. So far two centres (India and China) have been established.

The UCSSIC in India was the first of its kind when it started operating in December 2006 and had thus a certain pilot character. The second UCSSIC in China was approved in August 2007 and started operating in June 2008; further South-South Centres have been discussed for Indonesia, Iran, South Africa, Egypt and Morocco, etc., but the original assumption that a global network of UCSSICs would be established did not materialise so far.

The UCSSIC office is located in New Delhi and is managed by a lead team, consisting of a Director, a National Programme Officer and an Administrative Secretary.

Objectives, mandate and expected results

The UCSSIC India evaluation has been built around two basic reference documents. The first is the original Project Document (ProDoc); the second was the more recent "Backgrounder" (dated September 2011) drafted by UCSSIC. The latter takes into consideration the fine-tunings in approach and learnings made since the actual inception of the Centre in December 2006.

As per the ProDoc, the **objective** of UCSSIC is to: "contribute to the industrial development and economic growth of developing countries by identifying and mobilizing the technical, financial, managerial and other resources required for projects and programmes within the framework of South-South cooperation."

This objective was further concretised into the following **mandate** as per the Backgrounder:

- Provide a platform to encourage closer cooperation in policy formulation among developing countries

- Design practical and innovative projects to exploit new areas of technical competence and economic opportunity
- Act as a catalyst to leverage various on-going projects

More specifically, the ProDoc lists four **expected results** to be achieved through the Centre's operations:

1. Enhanced productive capacities of developing countries, facilitating their integration into the global economy;
2. Networked institutional framework and mechanism to support a south-specific system of managing and sharing development knowledge and experience;
3. Increased intra-south trade and investment integration;
4. Greater scope for leveraging resources among developing countries for using manufacturing as a dynamic force in reducing poverty.

UCSSIC Project Portfolio

The following table compiles the UCSSIC projects, separated in (A) completed projects, (B) projects under implementation, and (C) projects under preparation. For each project, the compilation lists the short project title, the UNIDO project number and responsible branch, the official project title, duration and overall budget, recipient countries and the (mostly Indian) technical partners. The table is based on a UCSSIC fact sheet prepared for the evaluation mission and presents the status of projects as per October 2011.

Table 1: UCSSIC Project Portfolio

UCSSIC Projects (status October 2011)
(A) Completed Projects
(1) SLM Africa Conference US/INT/07/005 (PCF/RSP/OD) SLM Conference on India-Africa Cooperation in Industry, Trade & Investment (Policy Familiarization Programme for African Civil Servants) Aug 07- Sept 07; $ 132,000 **Cameroon, Ethiopia, Ghana, Kenya, Madagascar, Mozambique, Nigeria, Senegal, South Africa, Sudan, Tanzania, Uganda, Zambia** Technical Partners • Federation of Indian Chambers of Commerce and Industry (FICCI) • Confederation of Indian Industry (CII)
(2A) Bamboo II XP/TMP /08/001 (PTC/AGR/AIS) Establishment of Bamboo Skills Development and Demonstration Centre in Timor Leste (Phase 2) Jul 08- Feb 10; $ 463,000 *Timor-Leste* Technical Partner Cane and Bamboo Technology Centre (CBTC), Guwahati, Assam
(3A) KIRDI I US/KEN/08/002(PCF/FLD/AFR/K) RSF/FLD/AFR/K

Modernization, Up gradation, & Revitalization of the Kenya Industrial Research and Development Institute KIRDI(Phase 1 - Study Tour) Oct 08- Nov 09; $ 105,400 **Kenya** Technical Partner Institute for Machine Tools Technology (IMTT), Batala, Punjab
(4) Energy efficient stoves US/RAS/08/004 (PCF/SPP/OD) PTC/SPL/OD India-China Technology & Investment Cooperation Initiative – Energy Efficient & Environment Friendly Stoves for sustainable rural development April 08- Oct 09; $ 30,000 **China, India** Technical Partners • Federation of Indian Chambers of Commerce and Industry (FICCI) • Uttarakhand Renewable Energy Development Agency (UREDA), Dehradun, Uttarakhand • South West China Investment Promotion Centre (SWCIPC), Yuan, China
(5A) Neem pesticide (preparatory phase) US/RAF/09/029 (PTC/ECB/SCU) PTC/EMB/SCU ***Development of Production Capacity and Promotion of Neem derived Bio Pesticides as a low cost and eco-friendly alternative to Chemical Pesticides in West Africa (Preparatory Phase)*** Nov 10- May 11; $ 33,250 *Ghana, Nigeria, Sierra Leone* Technical Partner Regional Network for Pesticides in Asia and the Pacific (RENPAP), New Delhi
(6) Africa investors' survey US/IND/09/009 (PTC/ITP/IPU) PTC/BIT/IPU ***Potential Investors in Africa Survey (India Component)*** April 10- Sept 11; $ 40,000 *Africa, India* Technical Partner Federation of Indian Chambers of Commerce and Industry (FICCI)
(7) VIMTA Labs US/GLO/10/007 (PTC/TCB/PQE) UNIDO-VIMTA South-South Training Facility for Testing Laboratories April 10- Sept 11; $ 473,000 **LDCs, India** Technical Partner VIMTA Labs, Hyderabad, Andhra Pradesh
(B) PROJECTS UNDER IMPLEMENTATION
(8) Biomass gasifiers US/RAF/09/015 (PTC/ECC/REE) Renewable Energy for Productive Uses and Rural Transformation in Africa Nov 09- Dec 11; $ 639,000 **Benin, Nigeria** Technical Partner Indian Institute of Science (IISc), Bangalore
(9) OVIC US/RAF/09/019 (PTC/ECB/SCU) PTC/BIT/CBL

Development and application of a new technical assistance product One Village Industrial Clusters – OVIC – (based on Japan's OVOP and UNIDO's Cluster BL), as a vehicle for economic growth and poverty alleviation
Feb 10- Dec 11; $ 585,000
Ethiopia, Uganda
Technical Partners
Main**:**
Foundation for MSME Clusters, New Delhi, India
Subsidiary:

- Cane and Bamboo Technology Centre (CBTC), Guwahati, Assam
- Kenya Forest Research Institute (KEFRI), Kenya

(2B) Bamboo III
US/TIM/10/001 (PTC/AGR/AIS)
Establishment of Bamboo Skills Development and Demonstration Centre in Timor Leste (Phase 3)
Jan 11- Mar 12; $ 560,000
Timor-Leste
Technical Partner
Cane and Bamboo Technology Centre (CBTC), Guwahati, Assam

(10) Solar energy
US/BGD/11/001 (PTC/ECC/OD)
Solar micro-utility enterprises for promoting rural energy and productive uses in Bangladesh
Oct 11- Dec 12; $ 375,000
Bangladesh
Technical Partner
The Energy and Resources Institute (TERI), New Delhi

(11) Fisheries
US/TIM/11/002 (PTC/TCB/PQE)
Development of Safety and Quality Infrastructure for the Seafood Sector in Timor-Leste (Pilot Phase)
May 11- Nov 12; $ 449,000
Timor Leste
Technical Partner
National Institute for Fisheries and Post-Harvest Technology & Training (NIFPHATT), Kochi, Kerala

(12) Youth entrepreneurs
US/RAF/11/004(PCF/SPP/HSC) PTC/SPL/HSC
Youth Entrepreneurship & Skills Development Initiative (YES-DI) to augment Youth Employment opportunities
July 11- Dec 12; $ 212,700
Cote d'Ivoire, Guinea, Liberia, Sierra Leone
Technical Partner
Vellore Institute of Technology (VIT), Vellore, Tamil Nadu

(C) PROJECTS UNDER PREPARATION

(5B)Neem pesticide (main phase)
Development of Production Capacity and Promotion of Neem derived Bio Pesticides as a low cost and eco-friendly alternative to Chemical Pesticides in West Africa

$ 610,750 *Ghana, Nigeria, Sierra Leone* PTC/EMB/SCU Technical Partner Regional Network for Pesticides in Asia and the Pacific (RENPAP), New Delhi
(3B)KIRDI II Modernization, Up-gradation & Revitalization of the Kenya Industrial Research and Development Institute KIRDI (Phase 2) $ 326,000 **Kenya** PTC/BIT/ITU Technical Partner Institute for Machine Tools Technology (IMTT), Batala, Punjab
(13)Technology compendium ***Compendium of Appropriate Indian Technologies & Best Practices in Agro-Industries, Renewable Energy and Manufacturing sectors*** $ 74,580 **India** PTC/BIT/ITU Technical Partner International Centre for the Advancement of Manufacturing Technology (ICAMT), Bangalore/New Delhi

It is important to note that three out of the total 13 projects (Nos. 2A/2B Bamboo; 3A/3B KIRDI and 5A/5B Neem pesticide) consist of two phases each. While the Bamboo project has two main phases (following up an earlier UNIDO intervention), the KIRDI and Neem projects had a first pilot or preparatory phase with a relatively modest budget and duration, followed by a main implementation phase.

A general **thematic** classification of the projects reveals four major foci among the 13 projects:

- 4 projects on **income generation** (for poverty reduction): (2A/B) Bamboo, (11) Fisheries, (9) OVIC, (12) Youth entrepreneurs;
- 4 projects on **environment and energy**: (4) Energy efficient stoves, (8) Biomass gasifiers, (10) Solar energy, (5A/B) Neem pesticide;
- 2 projects in **organizational and capacity development**: (3A/B) KIRDI, (7) VIMTA Labs;
- 3 projects to generate **strategic information**: (1) SLM Africa conference, (6) Investors survey, (13) Technology compendium.

4. Brief assessments of visited sample projects

The evaluation team leader visited two countries where UCSSIC projects are being implemented. In Timor Leste, both the Bamboo and the Fisheries projects were assessed; in Uganda, the two OVIC project sites in Luwero and Kisoro were visited. In the following, the main findings from these field visits are briefly summarised.

(2A/2B) Bamboo project in Timor Leste

The project "Establishment of Bamboo Skills Development and Demonstration Centre in Timor Leste" has a long and quite varied history. It was initially started by UNIDO in October 2004 and completed in May 2006 (Phase I). After a break caused by political upheavals in the country, Phase II (2A) started in July 2008 – this time part of UCSSIC activities – and lasted until February 2010. After a 10-month break, the third Phase (2B) was started in January 2011 and is to last up to March 2012. UNIDO provided co-financing in addition to the UCSSIC funds. In the UCSSIC portfolio it is the largest project with combined budget of above $ 1m.

The initial plans were quite ambitious: the 'bamboo industrial development model' (as per the ProDocs for Phases I and II) aimed at establishing bamboo as thriving industry sector in the country. Farmers were to produce the raw material and pre-process it; rural and urban SMEs would further process it into semi-finished and finished products; industrial companies would then produce higher-end finished products; finally, trading and marketing companies would sell on the domestic and export markets. To kick-start the industry development process, a Skills Development and Demonstration Centre was established in order to create awareness on the sector's potential as well as to train craftsmen on-the-job, to become multipliers for skill dissemination.

The ProDoc of the current third phase mentions as first objective "making sustainable the bamboo centre structures, established in earlier phases"; the second objective reads as "expanding the manufacturing capacity of the country by turning bamboo into a cash crop for wood substitution, creating value-addition to ultimately improve the economy of the country." Actual project activities, however, focus foremost on the first objective, i.e. the Centre itself as well as on 'upstream activities' with one bamboo nursery and three bamboo producing villages.

The well equipped Production and Demonstration Centre in Tibar is up and running, infrastructure has been rehabilitated as contribution of the Government of Timor Leste and most machinery, financed by UCSSIC and UNIDO, is installed and operational. According to the Centre, its current order book volume allows it to operate at around 50% of installed capacity.

Currently, the Centre employs, under leadership of a Director (seconded from the Ministry of Economy and Development), a total of 38 staff, of which 17 have government contracts and 21 work on daily wage labour contracts. According to the Director, core challenges are the often sub-standard professional competence of his staff, their commitment, but also the retention rate of trained staff.

Training programmes are conducted at the Centre, and sometimes in cooperation with the State Secretariat for Professional Training and Labour, Dom Bosco and AECID, the Spanish Cooperation. Consolidated figures on overall numbers of trainees are not readily available in reports.

An international expert, placed in the Ministry of Economy and Development by the German *Gesellschaft für Internationale Zusammenarbeit* (GIZ), is acting as nodal point for coordination between UCSSIC and the government and provides

at the same time essential day-to-day support to current project and Centre operations. The expert utilises around 40% of his time to support the two UCSSIC projects in Timor Leste (see next chapter on the Fisheries project).

Under the international expert's leadership, the Centre has recently drafted a comprehensive Management Report that analyses managerial and financial aspects of its operations. The report states the two core challenges that the Centre faces:

- Realised Earnings before Interest and Taxes (EBIT) currently oscillate around a monthly deficit of some $ 14,000 (which excludes depreciation of assets and is thus still larger in reality);
- Marketing of finished products is difficult due to the remote location of the Centre and plans exist to open a show room in a government building in Dili; so far no exports have been made.

More specifically for the Centre, the core challenges are its institutional anchoring and sustainability, the financial viability and access to markets:

The institutional future of the Centre beyond March 2012 is open; currently it is basically a project with strong government dependency. Equipment has been transferred and formally belongs to the GoTL. Pre-discussions were held to convert the Centre in a State-owned Enterprise (SOE), but so far no firm commitment from the government has been made to this end.

Given its current operational deficits, it is unlikely that the Centre will reach the break-even point during the project period. Considerable hope is pinned on blinds' production and sale but a realistic assessment of their actual domestic and export market potential is missing; the same holds true for the different furniture items produced.

Post-March 2012 predictions are difficult to make but will depend – to a large extent – on the continued willingness of the government to subsidize the Centre operations in one way or other.

(11) Fisheries project in Timor Leste

The objective of the fisheries project in Timor Leste is to establish seafood cooperatives to ensure compliance with food safety and quality standards. The current ProDoc is covering a pilot phase of 12 months, which is to last from April 2011 to March 2012. In concrete terms, two fishing cooperatives and one food-processing cooperative are to be set-up or strengthened. The pilot phase is seen as first step to test activities and provide limited equipment; the pilot results are to flow into a project document for up-scaling and submission to the Norwegian development agency NORAD.

Core activities envisaged are (i) mapping the seafood market chain by focusing on fish supply, processing and consumption opportunities for the sector; (ii) contributing to a baseline on actors (direct and indirect), including landing sites, fishery infrastructure and equipment as well as technologies and constraints faced.

The food-processing cooperative is to be established in Dili and its designated members are local businesswomen. The cooperative is to be made an independent 'spin-off' of COFETIL (Cooperativa Feto Timor Leste) and has still to be formally registered. Infrastructure is provided for free as no direct financial contributions are expected from the members.

The future cooperative members are already engaged in joint pastry production (without, however, having reached the breakeven point in that venture) and are rather new to the fish sector. First contacts with fishing cooperatives in two villages have also been established.

The above-mentioned international expert, placed in the Ministry for Development and Economy by GIZ, is also providing essential day-to-day support to the fishery project operations. The technical partner, the National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT) from Kochi, India, has recently completed a first identification mission for designing the processing facility and defining related training needs. The technical proposal is certainly sound; it aims at a full-fledged EU standard fish processing plant for a volume of 500 to 1000kg per day. Indian prices' based calculations propose an investment volume of around US $ 450,000 (including basic training).

Discussions with various project partners have shown that the current knowledge base is still rather weak and built on relatively optimistic assumptions. It seems therefore advisable that, before any investments are made beyond some very simple equipment from the pilot phase budget of $ 75,000 a solid knowledge base is established. This refers foremost to (i) volumes of readily available fish resources as well as realistic projections[2]; (ii) actual market potential, both for fresh fish and eventually for processed products; (iii) the present role played by private sector traders and, finally, (iv) current activities and future plans of other donors and projects active in the sector, among others fishery projects by FAO, Mercy Corps, Timor Aid, etc., in order to harmonise and not duplicate activities.

Additional essential aspects that should be addressed are:

- The preparation of solid financial viability calculations for the processing Cooperative that result in a business plan with details on operating costs, working capital, depreciation, as well as market share and income projections, etc.
- Asset ownership has to be clarified, in particular for the substantive capital investment goods. Currently, the lines between the processing Cooperative and the Government remain blurred[3]. Providing substantial investments for free to a small group of cooperative members can be seen as market distortion and may result in unfair competition to currently successful private market players.

[2] The NIFPHATT report states: "The FAO officials were of the opinion that since there is not much fish in Timor, there is no scope for developing processing methods in the present context." (p. 68)

[3] "Sufficient operating staff may be provided by the Government for running the proposed plant at Dili who will be trained by the expert team from NIFPHATT. The immediate requirements would be 1 plant operator and 1 service man." (*ibid.* p. 13)

After the Vienna debriefing, the evaluation team was informed that the on-going negotiations with NORAD have resulted in a positive signal to consider funding of the envisaged main phase of the fisheries project; further discussions will be be based on the detailed project document that is being worked out.

(9) OVIC project in Uganda

The OVIC (One Village Industrial Cluster) project is being implemented in Ethiopia and Uganda, under the guidance of the main technical partner, the Foundation of MSME Clusters, New Delhi, as well as two subsidiary partners: (1) Cane and Bamboo Technology Centre (CBTC), Guwahati, India, and (2) Kenya Forest Research Institute (KEFRI). The project started in February 2010 and will come to an end in December 2011. Total operational budget is $ 500,000 (excluding 13% UNIDO support cost), equally shared between the Japanese government and UCSSIC. For actual field level operations, $ 190,000 was allocated to each country, resulting in a rather modest annual budget for field operations of less than $ 50,000 for each of the two project sites. At the outset, it can be stated that the 'field' outcomes, as described below, are rather ambitious when compared to the volume of funding.

OVIC has been designed as an innovative approach that is to combine UNIDO's Cluster and Business Linkages (CBL[4]) methodology with that of Japan's 'One Village One Product' (OVOP[5]) for micro, small and medium enterprise development. The methodology is to be developed through specific action plans implemented within the four pilot clusters in the two countries.

The project was to produce three outcomes: (1) an integrated methodological package fusing the cluster development methodology with the Japanese OVOP approach (not funded by the operational field budgets); (2) action plans for implementation of technical services, which (3) are to result in upgraded products, new markets, as well as more capable local institutions to support private sector development.

The evaluation team leader held discussions with the main technical partner, the Foundation of MSME Clusters in New Delhi in October 2011. In the course of another assignment in Uganda, the OVIC project activities in the country were visited in November 2011. At both project sites (Luwero with natural fibres' handicrafts and Kisoro with bamboo handicrafts), discussions were held with the on-site project staff, i.e. the respective CDAs (Cluster Development Agents) and NDAs (Network Development Agents). In addition, two groups of producers were visited.

[4]The UNIDO Cluster and Business Linkages (CBL) approach focuses on clusters as spatial agglomerations of related firms and their support institutions. A cluster can correspond to one or a few neighbouring villages that are characterized by specialization in one or a few related production activities.

[5]OVOP is a community centred market-driven regional economic development initiative started in Japan in 1979. The underlying concept is that a village promotes a distinctive industry/product to attain national or even global market access.

In the following, main findings and observations of these field visits are summarised. Evidently, they only apply to the situation as observed in Uganda and not to the Ethiopian activities. Furthermore, no assessment can be made on progress with the methodological objective of the project. The related concept paper was only in a very initial stage during the evaluation and could not yet be shared with the mission.

Luwero natural fibre handicrafts

The project clients are ethnic Baganda and Nubian handicraft producers, which have been organised in four groups, each having around 20 currently active members. Jointly, the groups have registered as cooperative society. The only Nubian and one of the three Baganda groups have been in handicraft since long before the project, the other two Baganda groups were new to the business. According to the project staff, skill and performance differences between the old and new groups are quite pronounced.

The area is known for natural fibre handicrafts, especially for the high quality Nubian products. Producers live in about 20 villages, dispersed throughout six parishes in the Luwero district. Other projects (Integrated Community Based Initiatives/ICOBI, National Association of Women Organizations Uganda/NAWOU, etc.) are also active in promoting natural fibre-based handicrafts.

An established purchase order system existed before the project, whereby traders from Kampala visit producers to place orders for certain items that they sell in Kampala or also export. However, overall production and sales volumes and related trends are not known.

The project provided training to the producers on (i) production techniques and new products (bags, key holders, etc.), (ii) soft issues like group formation, but also (iii) financial management. A financial training course coincided with the visit of the evaluator, where a Kampala-based trainer introduced double-entry bookkeeping to a group of around 20 women coming from all four groups. It can be questioned, however, whether double-entry bookkeeping is indeed appropriate for these small producers or whether not a simple but efficient single-entry system would have considerably higher chances to be actually applied by them.

Recently, the groups have jointly rented a small sales outlet along the major road that passes through Luwero to the North. One month in operations, it has sold products worth Ush 300,000 so far (or roughly $ 120). Plans exist to receive funding for purchase of a container as a second sales outlet.

Kisoro bamboo handicrafts

In Kisoro, the first diagnostic survey was only made in September 2010 but had to be redone in November. In December 2010, the action plan was drafted but activities only started in earnest in March 2011 with an exposure trip to Kampala and then the training, first by KEFRI and later by CBTC in September 2011. Therefore, de facto operational time in Kisoro was around 10 months only.

According to the CDA, currently around 50 producers are really active in the three groups that were set up. Their skill levels and consequently the quality of their products are inferior to those of the Luwero producers. The Kanaba group visited, though supposedly the best of the three was a case in point. Consequently, many products do not find buyers. The shop in Kisoro is provided for free by the local government but is located at some distance from the main road and currently looks rather like a stock than a show or sales room.

On the other hand, the private sector representative in the project's local Steering Committee (who manages one of the best Kisoro hotels) confirmed that there would be a market for good quality bamboo furniture in the town but also complained about sub-standard quality and delays with orders placed.

Main conclusions on OVIC in Uganda

As mentioned, progress in developing the new OVIC methodology could not be assessed as the relevant document was still being drafted at the time of the evaluation. What follows below is therefore strictly limited to observations 'on the ground' resulting from the field visits in Uganda.

Actual project activities took considerable time to start, reducing on-site implementation time. In Luwero, this was complicated by the fact that the first CDA had to be dismissed due to non-performance and a successor had to be found. CDAs and NDAs were very satisfied with the support provided by the expert of the main technical partner MSME Foundation during their visits. Still, it became evident during the field discussions that stronger, i.e. more experienced on-site presence would have been beneficial to both ventures.

Numbers of active clients are modest (around 80 in Luwero and 50 in Kisoro), in particular when compared to the level of outside support from two Indian and one Kenyan institute as well as from UCSSIC/UNIDO.

Sustainability, i.e. post-December 2011 predictions are mixed. It can safely be assumed that the experienced Luwero producers will continue to find buyers for their good quality products, also for the new ones introduced by the project. In Kisoro, those few producers that have already left the groups and now work on their own may also find a market for their products. However, the majority of the Kisoro producers, including the Kanaba group visited, may find it very difficult, if not impossible, to continue finding buyers for their rather low quality products. At best, handicraft production may provide a modest side income for some, foremost for those that received more in-depth training as so-called master trainers.

Whether the cooperatives and in particular the shops in both locations will continue to exist once the NDAs will withdraw is uncertain. Continued financing is not ensured and the level of organizational cohesion in the cooperatives is low. On paper, the NDAs would continue to provide support to the groups, but discussions with both NDAs have shown that this is highly unlikely once the UCSSIC salary payments stop.

In general, it can be concluded that the planned technical and organizational inputs were provided, though only after a rather late start but mostly in good qual-

ity. However, insufficient considerations were given to essential elements of a successful project. These include (i) ensuring a planned exit, and (ii) related financial sustainability of what was set up, i.e. foremost the sale outlets and the cooperatives, as well as (iii) developing realistic strategies for up-scaling of the pilots, given the weak local governments and absence of any other driving party.

Finally, it will be challenging to achieve the expected outcome of an integrated methodological package along with a practitioners' guide solely based on the limited and only partially successful Uganda experiences. It is therefore assumed that the results of the Ethiopian OVIC activities will be more useful in the respect.

5. UCSSIC Relevance

In recent years, South-South cooperation has increasingly been promoted as part of the global development agenda. India has pursued South-South cooperation with initiatives like IBSA (India, Brazil, South Africa) Partnership, Partnership among BRIC countries, African Union – India Cooperation, Indian Ocean Rim Association for Regional Cooperation, Asia Cooperation Dialogue, G15, India – Morocco Joint Commission, etc. India clearly wants to strengthen its role as donor to other developing countries and is currently discussing to establish its own international development agency.

For UNIDO, the establishment of Centres for South-South Industrial Cooperation is part of a wider move to enhance South-South cooperation for industrial development, which is being pursued since 2006. Still, it has to be mentioned that the organization has so far not yet developed an explicit South-South cooperation strategy.

The UCSSIC as first UNIDO South-South Centre is thus well positioned in relation to an important trend in the global development agenda and, secondly, well aligned with strategic priorities of both India and UNIDO. Furthermore, it is clear that South-South cooperation will become even more relevant in the future; this was confirmed among others in the recent Fourth High Level Forum on Aid Effectiveness in Busan in November 2011. India is well placed as 'senior' partner in south-south collaborations and has at its command a wide range of useful technologies that could be disseminated to other countries.

Still, the evaluation finds overall untapped potential in increasing the relevance of UCSSIC India as a whole. It is acknowledged that its budget has been comparatively small and that mainly pilot activities have been implemented, many of which are not yet finished at this stage. A future increase in overall relevance will require (i) developing – ideally as part of a wider UNIDO effort – a South-South cooperation approach that goes beyond replacing implementing partners from developed countries with Indian technical partners, as well as (ii) on a more focused and strategy-driven selection of the individual projects.

The individual relevance of the 13 UCSSIC projects, either completed, under implementation or planned, varies. It is assessed as high where local partners have committed in-kind or cash contributions for the pilot activities. However, as said

above, the ultimate 'litmus test' for the relevance of any UCSSIC pilot project is the readiness of the partners to invest in upscaling and mainstreaming of successful pilots. In this respect, the odds are best for the VIMTA labs project (where SAARC funds may finance a continuation with regional orientation) and the fishery project in Timor Leste (with NORAD as interested financier of the man phase).

The relevance of projects like (the admittedly small) energy-efficient stoves is clearly low as shown by the fact that no serious follow-up of any kind has materialised. For projects like the Africa investors' survey, relevance cannot be assessed, as no data are available on its actual benefit in terms of increased FDI in the continent. However, as many projects are still in infant stages, their final relevance cannot be assessed yet.

With the exception of the VIMTA project, finally, the strong orientation towards government or semi-government partners and cooperatives mostly excludes direct private sector actors and 'hard-core' commercial industrial operations. It can thus be argued that stronger focus on the private sector would increase the projects' relevance for economic development and poverty alleviation (as well as their sustainability, as discussed below).

In both countries directly visited (Timor Leste and Uganda) no evidence was provided that close cooperation has been sought with other players in the sector (apart from the direct government partners), in particular with other donor projects or private sector companies.

6. Design and programmatic coherence

UCSSIC overall

When discussing the Centre's design, it first has to be stated that the 11-page ProDoc of July 2006 is not very solid compared to UNIDO ProDocs for projects of similar budget size. Formulations of results, objectives, outputs and activities are general and vague. In particular, it contains no Logical Framework (logframe) and consequently no measurable indicators and related targets; much was left open. Finally, no mention is made in the document of the Paris Agenda for harmonization and alignment.

However, it also has to be borne in mind that the project had to be designed from scratch, as it was the first South-South Centre to be set up, and time pressure to develop the project design did neither allow systematic pre-need assessments nor stakeholder consultations.

Another important deficit is that the ProDoc contains no sound strategic thinking on an essential issue, namely how UCSSIC is supposed to move from a one-phase project-mode with a limited budget towards becoming a full-fledged and institutionalised Centre, as is claimed by its name. Evidently, this would require some sort of corpus fund or at least guaranteed medium-term GoI or other donor funding for basic operations, but this agenda so far has not advanced in earnest.

A general remark is addressed to the overall aim of the project and the means at its disposition: if the operational budget of $ 2.76m (plus the $ 2.2m leveraged funds), spread over five years, is juxtaposed to the expected results – (i) enhance productive capacities of countries; (ii) facilitate global economic integration; (iii) support a south-specific system of managing knowledge and experience; (iv) increase intra-south trade and investment integration; (v) leverage resources for using manufacturing to reducing poverty – it is evident that UCSSIC has been given too tall an order to begin with.

The individual projects in the current portfolio are mainly too small to be able to leverage change towards the expected results cited above; this might be one reason that progress reports do not make direct and fact-based references to the expected results of UCSSIC as a whole.

Design and selection of individual projects

The selection and approval process for UCSSIC projects consists of a range of steps, which were detailed in an inter-office memorandum in January 2008. The process starts with a project idea or proposal that is, after initial discussions, outlined in a Concept Paper[6].

The Concept Paper is screened by the relevant PTC branch against the criteria whether (i) it is in line with UNIDO's thematic priorities and operational capacity; (ii) responds to needs and interests of the recipient countries; and (iii) offers relevant and technically sound responses to specific problems. After the in-principle approval is obtained from the GOI/DIPP, projects then undergo the standard UNIDO approval procedures whereby proposals have to pass through three bodies: The service summary sheet (SSS) or, in certain cases directly the ProDoc, is submitted for approval first to the Steering and Technical Review Committee (STC), then to the Appraisal Group (AG) and finally to the Approval and Monitoring Committee for Technical Cooperation Projects (AMC). On approval, final concurrence of DIPP/GoI is sought to release funds after which project implementation can start. According to UCSSIC, the process from start to end takes usually around one year.

Over the years, UCSSIC has developed 28 Concept Papers of which 13 successfully passed the approval process. Project budgets are relatively small (see chapter on Efficiency); project durations are relatively short and on-site implementation structures mostly weak.

In general, the designs of the individual projects have the following shortcomings:

- Most are what can be termed 'one-off type of exercises', i.e. interventions that are implemented as per (tight) schedule, after which the Indian technical partner withdraws and the local partners should take over.

[6]According to UNIDO headquarters, the described process was exacerbated by the lack of forward planning backed up by a UCSSIC strategy. AMC and SPP on a number of occasions pushed for an annual work plan that was to include project proposals for the coming year for AMC clearance (to avoid drafting individual concept notes and SSS) and also offered related training in 2009.

- Most ProDocs lack solid details on exit and handing-over strategies, sustainability and financial viability considerations as well as future institutional anchoring and funding commitments.

Apart from some rather general statements, realistic strategies for up scaling and mainstreaming are largely absent, even though most projects are explicitly declared pilots. Notable exceptions where upscaling may be achieved are VIMTA (where a continuation through SAARC funding may be realised) and the Fisheries project in Timor Leste (where NORAD has expressed interest in financing the main phase).

A brief summary of upscaling considerations in four technical cooperation projects shows similar issues emerging:

- Project (5A/B) Neem pesticides in Ghana, Nigeria and Sierra Leone: the Prodoc mentions "demonstration of appropriate production and promotion of neem-based pesticides at the village level", without providing any details as to who would do what, how and when to ensure dissemination of the new technology after the project.
- Project (8) Biomass gasifiers in Benin and Nigeria: the ProDoc mentions "study tours to show the pilot to local experts, entrepreneurs and decision makers from recipient and other West African countries; technical seminars on biomass gasification for national experts", but does not discuss what concrete next steps will have to be taken by the countries and how they could be supported in their plans.
- Project (9) Solar energy in Bangladesh: "6 locations that were identified, which would also serve as suitable demonstration nodes, which later can be scaled up", assumedly by the Government of Bangladesh.
- Project (12) Youth entrepreneurs in Cote d'Ivoire, Guinea, Liberia and Sierra Leone: it intends to train 16 entrepreneurs (4 from each country), as well as 8 government resource persons (2 per country) who should become experts and trainers. Apart from the small target of entrepreneurs, the exact nature of the dissemination process by the government resource persons is not detailed.

The point to be made is not that pilots should not be conducted; it is rather that the chances for successful upscaling (and thus long term sustainability and impact of the technology transfer) are seriously reduced by not including respective post-pilot strategies right from the start in the design of the pilot phases; including negotiations to obtain preliminary commitments for follow-up financing should the pilots be successful.

It is thus proposed to measure the success of UCSSIC pilots in future by whether or not the 'seed' activities lead to follow-up projects funded by different donors and/or local institutions.

7. Coordination and management

Management

The responsible technical officer in the concerned PTC branch (allotment holder) and the UCSSIC director jointly manage the projects. In the recipient country, the UNIDO field office is supervising implementation. The actual implementation is contracted to Indian institutions in their role as technical partners. The role of the regional UNIDO office in Delhi so far was restricted largely to provide administrative support.

The UCSSIC team is small and in charge of many projects. Discussion with UCSSIC staff, partners and clients have shown that cooperation and coordination among the stakeholders are good, but also complex due to the usually four (distant) management locations: the project manager (or allotment holder) works out of Vienna headquarters, the UCSSIC and UR/UNIDO offices are in Delhi, the offices of the technical partners in different cities of India (from Guwahati in the Northeast to Kochi in the South) and the national UNIDO office, where these exist, in the capitals of the respective project countries. Actual project locations are often at quite some distance to the capital.

The implementation arrangements have certain consequences. Regular on-site support and monitoring is often not possible due to the distance of UNIDO offices to project sites (and presumably also workloads). Without permanent on-location decision-taking power, management is necessarily rather by 'remote control'. The question arises whether in the future the travel budgets (in UCSSIC's administrative budget as well as in individual project budgets) could not partly be reallocated for employing qualified local project managers next to the external technical advisers.

Close coordination with the UCSSIC 'sister' organization, the International Centre for Advancement of Manufacturing Technology (ICAMT) in Bangalore, has so far not materialised, a fact which was also confirmed during the parallel mid-term ICAMT evaluation. ICAMT earlier proposed to collaborate with UCSSIC on promoting low cost housing technology but was told that the UCSSIC operational budget had already been committed. Recently, the centres have joined for the planned project (13) Technology compendium; however this project cannot be classified as standard technical South-South cooperation.

The UNIDO regional office in Delhi, finally, provides foremost financial administration services; professional discussions are directly held with the allotment holders of the respective Vienna technical branches. Also, the mission has found no evidence that Investment and Technology Promotion Offices (ITPOs) or International Technology Centres (ITCs) of UNIDO have directly been involved in implementing the UCSSIC projects.

Monitoring and Reporting

The 1st comprehensive UCSSIC progress report was submitted to the AMC more than three years after start of operations on 27 October 2010. The report was returned by AMC with requests to provide more information on (1) achievements and lessons learnt for the Centre itself, and (2) key results of individual projects. Improvements were made in the 2nd version, submitted on 29 November 2010, but the newly constituted Steering Committee that met for the first time in November 2010 requested a better and standard reporting system. Also, the fact that the Steering Committee was only constituted at this stage can in itself be seen as a symptom of a general lack of a strategic approach in UCSSIC.

Monitoring and reporting on the individual projects was timely executed since the start of activities. However, the reports are largely output and activity oriented and make no explicit connect with the overall outcomes and expected results of UCSSIC.

In general, the progress reports contain very limited analytical information or recommendations beyond progress in activity implementation. Neither is information provided on the financial performance of the newly created units or cooperatives, etc. In brief: the reports do not tell a 'story', which would provide more than physical progress related facts and inform the reader on essential issues like outcomes and probable sustainability, etc.
External evaluations of individual projects are not foreseen and as such not mandatory according to TC guidelines. A standard sentence in ProDocs states that, due to small size and budget constraints, a self-evaluation would be undertaken by the Project Manager along with the Director UCSSIC, at the end of the projects. In future, a separate budget line could be planed that would allow to externally evaluating at least a sample of projects.

8. Efficiency

Budget and financial position

The Government of India provided the total budget of $ 4.5m from its contributions to the Industrial Development Fund (IDF) for UNIDO activities. In the original ProDoc the budget was split into $ 1.5m for administrative and operational expenses and $ 3m for programmatic activities (including overall UNIDO support costs of 13% or $ 585,000).

This split was later changed to $ 2.76m for programmatic activities and $ 1.74m (or a rather high 39% of the direct UCSSIC budget) for administrative and operational expenses, justified with inflation-related salary and administrative cost adjustments.

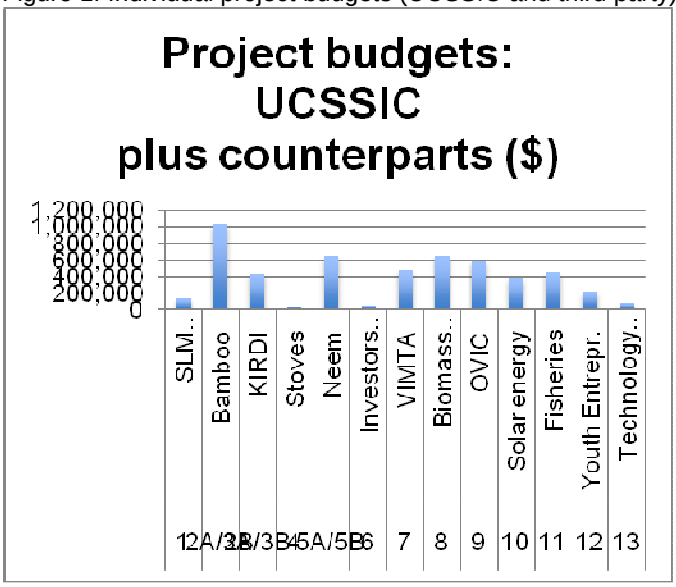
The current position on the programmatic activities' budget line is as follows:

Table 2: Operational budget position (status September 2011)

Programme funds allotted, of which	2,760,000
Spent or committed	(-) 2,173,485
Allocated (under process)	(-) 574,040
Balance available	12,475

The following diagram illustrates the individual project budgets.

Figure 1: Individual project budgets (UCSSIC and third party)



The two-phase Bamboo project in Timor Leste stands out with a combined budget of more than $ 1m. Seven projects belong to a middle-sized group with budgets between some $ 400,000 to slightly above $ 600,000. Five projects are small, ranging from $ 30,000 for the Stoves to $ 212,000 for the Youth Entrepreneurs.

As shown above, UCSSIC has largely spent or committed both its operational and programmatic budget. The approval process for projects is well established but rather complicated and time-consuming. The fact that both DIPP/GoI and UNIDO have to approve the individual projects does not exactly foster efficiency. As has been stated in footnote 6, unfortunately annual work plans were not produced by UCSSIC that could have been reviewed and approved by both parties at the Steering Committee level.

Actual numbers of beneficiaries are often not impressive – to cite as examples the Timor Leste and Uganda projects visited, but also the Youth Entrepreneurship project – leading to a certain imbalance of beneficiaries, on the one hand, and outside support (Indian technical partner(s), UCSSIC, UNIDO field office and headquarters) currently required to implement a project on the other hand. Positive externalities or multiplier effects may indeed exist beyond the direct beneficiaries but no attempt has been made to quantify them and consequently no assessment can be made in this regard.

Also, examples of tangible synergies could not be observed due to the wide range of different project topics. It can be argued that fewer topics and projects, but implemented in parallel with the same basic design in several countries, would increase efficiency as resources could be pooled and used more cost-effectively.

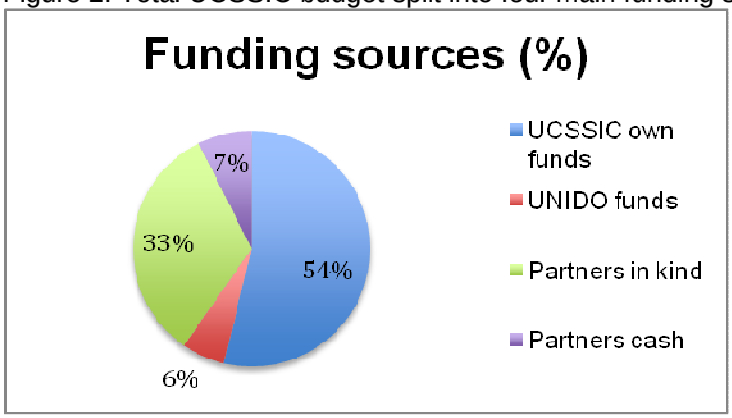
9. Effectiveness

A major achievement is certainly that UCSSIC very successfully roped in additional funding. The table below shows that the project budget was almost doubled through contributions by project partners.

Table 3: Project own funds and leveraged funds (US $)

UCSSIC programme component	2,747,525
Funds leveraged (in kind and cash)	2,417,560
Total project volumes	5,165,085

Figure 2: Total UCSSIC budget split into four main funding sources



UCSSIC and UNIDO have therefore jointly contributed 60%; 40% was mobilised from third parties, i.e. foremost government partners. The 7% in-cash contributions by partners derive largely from the JICA co-financed OVIC project and from ICAMT for co-financing the planned Technology Compendium. Partners' in-kind contributions are normally given in round figures but the calculation basics are not disclosed and their actual disbursement is not specifically reported upon.

Close to the end of the phase, it is still mostly too early to make fact-based statements on the effectiveness of UCSSI and its projects. So far, four projects were brought to their full completion, i.e. (1) SLM Conference, (4) Energy-efficient stoves, (6) Africa investors' survey, and (7) VIMTA Labs (not counting the Bamboo phase II or the KIRDI I as projects but as phases).

While the SLM Conference was certainly useful as start of the UCSSIC activities and led to the generation of project ideas, it cannot be classified as actual project. The energy-efficient stoves project was a very small intervention without any apparent follow-up. The Africa investor's survey is part of wider UNIDO project. The

collaboration with VIMTA Labs was therefore the only full-fledged technical cooperation project that could be completed until the time of the evaluation. OVIC is to end in December 2012 and the Biomass gasifier and Bamboo projects are scheduled for completion in March 2012.

Additional issues emerge when discussing the effectiveness of UCSSIC:

- Project planning was very optimistic in the sense that some projects are far from reaching their end and will require support after December 2011. It was mentioned that an informal agreement would exist for ICAMT to take over unfinished projects of UCSSIC if the latter project would not be extended. However, it would be very challenging for a new team to take over this responsibility.
- The diverse portfolio is not conducive to high levels of effectiveness as little horizontal cross-learning and exchange is possible between projects, and a wide range of technical experts is required that work independently in widely different contexts.
- The mission sees a certain danger of compartmentalisation of operations due to the sub-contracting arrangements for specific technical tasks. Even if more recent projects now usually work with designated technical lead partners (MSME Foundation for OVIC, TERI for the solar energy, RENPAP for Neem, etc.), the fact remains that the technical partners can make only few and usually short visits to the actual project sites.
- No fact-based statements are possible on actual changes induced in relation to the overall expected results of UCSSIC as project reports do not make links to the Centre's ProDoc; this is a clear consequence of the lack of a solid and detailed log frame with indicators and targets.

As said above, the expected results are in any case more than ambitious for a project of the size of UCSSIC. To substantively enhance productive capacities; to measurably facilitate global economic integration; to develop a south-specific system of managing knowledge and experience; to noticeably increase intra-south trade and investment integration; as well as to leverage substantial additional resources for using manufacturing to reducing poverty – such tall orders can obviously not be achieved through 13 rather small pilot projects.

10. Sustainability

More than forty years of international development cooperation have shown that sustainability is the core challenge for success and impact of projects. Negative examples of 'white elephants' abound. The crucial question facing any project design is therefore how to ensure that as much as possible remains up and thriving after a project intervention has come to an end and ideally continues to grow and spread on its own.

Unfortunately, sustainability is not a topic that is being addressed with strategic clarity, neither in the UCSSIC ProDoc nor in the ProDocs of the individual projects. This is not to say that no assumptions at all are made on the post-project periods; these however are confined to general statements of, for instance, gov-

ernment departments taking over or newly formed cooperatives continuing to thrive, etc. Directly or indirectly, all projects have a pilot-orientation; however post-project visions, including realistic and feasible up-scaling strategies, are not discussed. If the post-project period is discussed at all, it is generally assumed the host governments would take up from where the project left and expand activities to other areas (as is the case with the Bamboo, Fisheries, Solar-energy, OVIC, VIMTA, Biomass gasifiers projects).

Discussions on location (Timor Leste, Uganda) but also with technical partners and UCSSIC lead the evaluation team to conclude that the complexities of doing projects in remote locations were sometimes underestimated. The 'hard' technical parts (install a technology, design a processing facility, etc.) were usually found to be sound and the technical partners qualified. However, the 'soft' aspects, i.e. institutional, cultural, social, political components were hardly discussed and analysed in any depth. Experience shows that 'what can go wrong will go wrong' in difficult contexts. This leads to emphasising once more the need for strong on-site presence in the form of local project managers in order to be able to anticipate problems and immediately develop solutions.

A general observation is the prominence among partners of (semi-) government institutions as opposed to private sector actors with full commercial orientation. While it can be argued that directly supporting the private sector may lead to market distortion, substantive evidence exists that successful innovations spread out and produce a tangible impact through cooperation with private sector actors.

Finally, as of today, apart from probable expansions of the VIMTA labs project and the Fisheries project, few indications exist that host countries have firmly committed to continue providing support beyond the UCSSIC project periods or that additional international support may be roped in for mainstreaming pilot activities.

11. Impact

The mission is of the opinion that overall impact could be greater after four years of operation – but it has to state that no fact-based and consolidated impact evidence is available, also not on the four projects that have been completed so far.

Evidence exists (i) for the SLM Africa conference (where linkages between delegates were established), and (ii) for VIMTA Labs (89 lab technicians successfully trained from 23 developing countries and 45 labs); if the SAARC funding for follow-up activities does indeed materialise, this can be claimed as real impact achievement.

The final usefulness of (iii) the Africa investors' survey cannot be judged at this stage, as data analysis by the Columbia university is still on-going; (iv) the small energy efficient stove project has allowed the Chinese manufacturer to obtain a provisional patent and led to the conclusion of a MoU; however, there are no reports of adoption of the new technology by rural households in India.

The absence of evidence-based information on impact relates again directly to the fact that no log frame has been established for UCSSIC; therefore no 'measuring stick' exists in the form of key performance indicators (unlike with ICAMT) that would allow quantifying outcomes and impact. Consequently, no data are available on hard industrial indicators like, for instance, number of new jobs and new enterprises created, turnover increases in centres or cooperatives, export volume growth, etc.

On the other hand, anecdotal evidence also points to what can be termed soft (and unintended) impact: this relates in particular to the Indian technical partners that got valuable exposure of working in different and difficult contexts. Finally, it can safely be assumed that the image of India but also of UNIDO has improved with the direct partners and that south-south relationships have been initiated and a certain amount of goodwill created.

12. Overall conclusions and lessons learnt

UCSSIC was the first of the currently two UNIDO South-South Centres and is the first joint UNIDO and GoI venture for promoting South-South cooperation. The UCSSIC portfolio consists of a number of different and unrelated sector projects, implemented in various least developed countries with a regional concentration in West and East Africa.

Such a new and innovative concept can be expected to suffer initial hiccups and the phase has served as learning ground with certain trial and error elements; any future phase should take these learnings on board. A major achievement is certainly that substantial additional funding could be roped in from partners. The real test, however, will be the amount of partner funding made available beyond the pilot projects, i.e. for upscaling.

In terms of the organization as a whole, the same conclusion that was earlier drawn for the UCSSIC in China can also be applied: "the centre is supposed to be an institution but is operated by UNIDO as a temporary project."[7]This foremost reflects the facts that, first, no medium term strategy exists for the UCSSIC India but, secondly and more importantly, that UNIDO itself does not yet have an overall strategy for its south-south centres.

Design and ProDocs of the individual projects could also have been more specific and concrete in particular in terms of economic analysis, financial viability, institutional anchoring, exit and post-project arrangements, as well as for up-scaling strategies, and should have contained clear and quantified key performance indicators (KPI). Experienced allotment holders at headquarters could have been more proactive in ensuring inclusion of these essential aspects in ProDocs.

The need for permanent local on-the-spot management of projects in distant and complex locations under difficult conditions was clearly underestimated. This relates in particular to the soft aspects of development cooperation, i.e. institutional,

[7]Independent UNIDO Country Evaluation, 2011, annex 6, p. 79

cultural, social and political processes. Based on what might be termed a 'one-off' philosophy, hardware was delivered and trainings were provided – under the optimistic assumption that partners would take over and independently continue in the post-project period.

Real private sector actors are few and far between. Indian technical partners are largely qualified (semi-) government institutes or organizations; in the recipient countries, most projects are partnering with government departments or cooperative-type set-ups with little tangible institutional technology transfer visible.

The portfolio is diverse and consists of projects with mostly small budgets for short durations. Eight different sectors were addressed in some 13 countries (apart from the more generic projects). Consequently, space for mutual learning was limited and exchange of experiences not really possible.

Finally, several projects have only recently started or are still in their pilot phases (with the related implicit commitments made to partners to enter in a subsequent main phase) without that the continuation of UCSSIC had been formally ensured beyond December 2011.

13. Overall recommendations

The mission has ascertained views of all stakeholders and carefully analysed and assessed the way UCSSIC operates both as a Centre and as implementer and contractor of its projects. Based on its findings, the mission recommends that UCSSIC should not continue to operate in its current form.
In the following, specific recommendations are given for the most pressing changes to the overall modus operandi of UCSSIC, followed by two scenarios on its possible future roles and functions.

Specific recommendation for UNIDO and GoI/DIPP

In order to place its overall south-south cooperation on a sounder footing, it is advised that UNIDO now should develop its own south-south cooperation strategy that details (i) overall goal, (ii) expected results, (iii) specific approach, (iv) roles of different partners, as well as (v) specific implementation mechanisms (in as far as that they may have to differ from 'standard' UNIDO operations).

In relation to an eventual new phase of UCSSIC India, it is proposed that the specific characteristics of the south-south centre are further clarified. UCSSIC is financed by funds from GoI and implemented by the Centre in India and foremost by Indian technical partners. This differs from standard north-south cooperation where usually a developed country funds UNIDO for implementing projects in developing countries.

In order to duly accommodate this new and innovative approach, it is proposed to further clarify the roles foremost of GoI/DIPP and UNIDO, including UCSSIC itself, the UR India, and the allotment holders at headquarters.

Specific recommendations for UCSSIC

For future activities, a revamping of the UCSSIC operations is suggested:

- The most important recommendation relates to the disparity between the mandate and what realistically is achievable by a single programme of this size. The current very ambitious mandate needs to be apportioned into achievable targets, based on more specific but also realistic objectives. Such specific objectives should commensurate with the resources and commitment of GoI and UNIDO.
- The new UCSSIC ProDoc should clearly specify proposed outcomes along with 'hard' KPIs for the programme. Log frames of individual projects should directly connect with the overall log frame, again with clear and quantifiable outcome indicators.
- Presently, local on-site management resources are weak where they exist at all, and external backing brings experts into the country to provide planning support, train, install equipment, etc. In the future, individual project designs should provide for more qualified and permanent on-site resources for day-to-day-management of field operations (along with certain shifts in budgetary allocation to this task); the role of the Indian partner and the UNIDO technical branch would be to provide demand-based and technically sound backstopping to the local implementing team.
- UCSSIC should be mandated to concentrate on disseminating and mainstreaming carefully selected and promising ideas or concepts, rather than engaging in a wide range of pilot activities as in the past. It should therefore focus on fewer sectors and fewer countries (eventually concentrating solely on LDCs in Africa) and aim at parallel implementation of 'best bet' pilots in different countries in order to ensure efficient and effective utilisation of its resources.
- Project selection should be more systematic and strategy driven rather than ‘individual’ or ‘situational’ driven. Such a selection should also aim at deriving synergies across projects and, if possible, with other UNIDO projects in a country, so that resources can be productive in terms of outcomes and sustainability.
- The reporting system should be both periodical and project based and closely relate to the log frame and the KPIs; a sample of post-project external evaluations should be budgeted for.

Scenarios for the future of UCSSIC

In terms of possible future tasks and functions of UCSSIC, two basic options have emerged during the mission and in the discussions after the debriefings. The final selection of the option (or eventually the mix of options) will be a strategic decision that has to be taken by the GoI that funds this activity and UNIDO as being responsible for the Centre's operation..

Scenario 1: UCSSIC merger with ICAMT

The first option is specific to the Indian situation and proposes a merger of UCSSIC with ICAMT. It was preferred by the mission – based on a pragmatic

assessment of respective strengths and experiences of both organizations – but has not met with broad acceptance during the debriefing and was also refuted in some written comments.

In this scenario, UCSSIC would be in charge of international operations related to South-South cooperation and ICAMT would continue to focus on promoting technology advancement in selected industrial sectors in India. It is argued that by making UCSSIC the international arm of ICAMT, both organizations would profit and be able to concentrate on their different but mutually complementary mandates. UCSSIC's task would be to disseminate (simplified and adapted) technologies, best practices, models and approaches, developed by and tested through the north-south initiatives of ICAMT.

This would carry the additional advantage that Indian industry could play a core role in the south-south collaborations, as the ICAMT sector interventions to be disseminated to third countries focus on Indian private sector companies and industry clusters.

Currently, the sectors ready for international dissemination would be (i) low cost housing, and (ii) machine tool industries; soon (iii) plastics, (iv) foundry and (v) food processing sectors should follow.

Scenario 2: UCSSIC as south-south project catalyst

A second alternative option that has emerged, and which is equally supported by the evaluation team, sees a fundamental change in the role and modus operandi of UCSSIC India (but may also be relevant for other UNIDO South-South Centres). UCSSIC would no longer act as designer and implementer of (pilot) projects but instead function solely as catalyst or matchmaker between interested development parties, including the Indian private sector. This implies to stop considering the UCSSIC projects as 'physical' development projects but rather as preparatory or seed funds.

Focus of the interventions could then change from actually aiming at direct development results to “casting sustainable south-south development partnerships” through a) stakeholder and problem analysis, b) negotiation and formulation of projects and c) mobilising funding from third parties. Practically, this would mean that first demand assessments are to be made in the recipient countries, wherever possible assisted by local UNIDO offices, followed by scouting exercises among Indian industry associations, research organizations, etc., to identify suitable technologies and establish potential partnerships. Once the basic cornerstones are in place, detailed project designs have to be drafted and funding from third parties, also from private sector partners, sourced.

A distinction could then be made between KPIs for UCSSIC itself (partnerships established, numbers of projects developed and funded, quality ratings of project documents, etc.) and KPIs for the actual projects (funded by third parties hence not UCSSIC projects as such). The KPI for projects would be reflected in the criteria that UCSSIC could use for selecting project ideas. Such indicators would be actual development indicators (incl. technology transfer, job creation, productivity increases, income generation, environmental impact reduction, etc.). Once set in

motion, UCSSIC could continue to play a role in monitoring the projects and assist in further dissemination and mainstreaming of the success stories.

Annex 1: Terms of reference

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

Independent Evaluation of the UNIDO Project:

UNIDO Centre for South-South Industrial Cooperation
US/GLO/06/015

The essence of South-South cooperation is that the wealth of knowledge and capacity in the South, when systematically mobilized and shared, can facilitate the effective participation of the developing countries in the global economy through the creation and strengthening of technical and business capacity, and thereby complement North-South cooperation.

In this context, the UNIDO Centre for South-South Industrial Cooperation (UCSSIC) New Delhi, India, was launched in July 2006 for a period of five years. As the activities of the Centre only started at the appointment of the Director, in December 2006, the project has been extended until December 2011 at no additional costs. The staff of the UCSSIC is composed of the Director of the Centre, one National Programme Officer, one Administrative Assistant and a Driver; all Indian nationals.

According to the Project Document, the objective of the project is to contribute to the industrial development and economic growth of developing countries by identifying and mobilizing the technical, financial, managerial and other resources required for projects and programmes within the framework of South-South cooperation.

The UCSSIC was established to deliver the following outputs:

1. **projects/programmes in the following areas**:
   - o IT applications for industrial development and knowledge networking
   - o SME, entrepreneurship development and cluster development
   - o Micro enterprise and rural industry development
   - o technology transfer, management, and technology upgrading and required capacity building
   - o investment promotion in industries
   - o building trade capacities and market linkages
   - o grassroots innovations and renewable sources if energy for poverty reduction
   - o commercialization of research findings and skill development; and
   - o value chain participation

2. strengthened institutional networking and partnerships

The total budget of USD 4.5 million is financed by the Government of India. The programmatic budget (incl. 13 percent support costs) accounts for USD 2.8 million. The administrative budget (incl. 13 percent support costs) accounts for USD 1.7 million of which 86 percent has been spent (as of 3 March 2011).

The following projects have been/are implemented with funding from the programmatic budget for UCSSIC:

Project Number	Title	UNIDO Unit	Allot. (USD)	Exp. (USD)
US/RAF/11/004	Multi-stakeholder programme for productive and decent work for youth in MRU countries	Business, Investment & Technology Service Branch - Office of the Director	150,000	0
US/GLO/10/007	UNIDO-VIMTA South-South training facility for testing laboratories	Quality, Standards and Conformity Unit	241,593	218,597
US/TIM/10/001 XP/TIM/10/002	Timor-Leste Bamboo skills development and demonstration centre	Agro-Industries Technology Unit	176,991 43,200 (EUR)	15,755 43,200 (EUR)
US/TMP/08/003 XP/TMP/08/001	Establishment of a bamboo skills development and demonstration centre in Timor-Leste (Phase II)	Agro-Industries Technology Unit	100,000 64,200 (EUR)	98,042 62,071 (EUR)
US/RAF/09/029	Development of production capacity and promotion of neem derived bio pesticides as a low cost and eco-friendly alternative to chemical pesticides in West Africa – Prep. Assistance	Stockholm Convention Unit	25,000	21,725
TF/RAF/09/020 US/RAF/09/019	Development and application of a new technical assistance product: One village-industrial clusters" as a vehicle for economic growth and poverty reduction	Competitiveness, Upgrading and Partnership Unit	250,000 250,000 500,000 (total)	158,218 183,270 341,488
US/RAF/09/015	Renewable energy for productive uses and rural transformation in Africa	Energy and Climate Change Branch – Office of the Director	300,000	19,526
US/IND/09/009	UNIDO potential investor survey (India component)	Research and Policy Advice Unit	31,000	24,854
US/RAS/08/004	India-China cooperation for promotion of environmentally friendly, rural cooking stoves	UCSSIC	8,995	8,995
US/KEN/08/002	Programme to revitalize Kirdi – Preparatory Phase I	Country Office in Kenya	80,000	85,791
US/INT/07/005	Sanjaya Lall Memorial Workshop on India-Africa cooperation in industry, trade and investment	Strategic Research and Regional Analyses Unit	94,702	94,702
Total			**2,998,107**	**1,034,746**

Source: UNIDO Intranet, as of 2 March 2011.

II. RATIONALE AND PURPOSE

The purpose of the evaluation is to have up-to-date information on the performance of UCSSIC and to identify areas for improvement and draw lessons to enhance the relevance and effectiveness of the UCSSIC. In line with the UNIDO Evaluation Policy Paragraph 8, the evaluation aims at determining the relevance, impact, effectiveness, efficiency and sustainability of the project.

More specifically the evaluation will;

(a) assess the past and continuous relevance of UCSSIC, of the activities promoted, outputs produced and outcomes achieved;
(b) assess the efficiency of implementation: quantity, quality, cost and utilization of resources, timeliness of UNIDO/counterpart inputs and activities, and UCSSIC management and coordination, including the roles of the Steering Committee
(c) assess the extent to which outputs have been produced and outcomes achieved, as compared to those planned (effectiveness);
(d) assess the impact and sustainability of results, effects and benefits.

The evaluation will produce a set of recommendations to UNIDO, the Indian Government (particularly the Ministry of Commerce and Industry) and other stakeholders (if applicable) with a view to improve relevance, effectiveness and sustainability. It will identify lessons learned and good practices, applicable to other UNIDO interventions, in particular in relation to South-South cooperation.

III. EVALUATION ISSUES AND KEY EVALUATION QUESTIONS

The evaluation will assess to what extent:

Relevance

- the UCSSIC mandate, function and activities have been and are in line with the strategies and priorities of India and developing countries in general;
- the UCSSIC mandate, function and activities have been and are in line with the strategies and priorities of UNIDO;
- activities of UCSSIC are relevant for the promotion of South-South cooperation in the sphere of industrial development;
- UCSSIC projects have been relevant to the beneficiary countries
- the UCSSIC complements efforts of other national or international institutions, public as well as private
- UNIDO's support to UCSSIC has been and continuous to be relevant

Design and programmatic coherence

- the design was based on a comprehensive process of consultations involving all relevant stakeholders
- a clear intervention logic exists, including a causal chain from activities to outcomes, explicit assumptions and risks, measurable indicators and means of verification;

- the UCSSIC's organizational structure and administrative setup are appropriate with regard to its objectives;

Coordination and management

- coordination mechanisms have been established between UCSSIC, the International Centre for the Advancement of Manufacturing Technology (ICAMT) and the UNIDO Regional Office;
- There has been efficient cooperation and coordination with partner institutions in the targeted countries
- UNIDO's back-stopping support has been appropriate and is in line with UCSSIC's requirements;
- UNIDO's and the Ministry of Commerce and Industry's roles and functions are clearly defined and supportive;
- the UCSSIC uses a network of relevant partner institution in academia and industry
- systems for monitoring, reporting and self-evaluation are in place and produce useful information, based on suitable indicators for outputs, outcomes and impact

Efficiency

- UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements;
- synergies with the ICAMT and the UNIDO Regional Office have been exploited (as envisaged in the Project Document);
- UNIDO's global networks (Investment and Technology Promotion Offices (ITPOs), UNIDO International Technology Centres) have been utilized (as envisaged in the Project Document);
- cooperation of the former Field Operations Division/Special Programmes Group with the Technical Cooperation Division in terms of project/programme development was efficient
- there has been cooperation with UNIDO TC projects/programmes
- The UCSSIC has developed appropriate tools and modalities to promote South/South cooperation
- the least costly resources and processes were used in order to achieve the objectives.

Effectiveness

- objectives established in the project document were achieved.
- the UCSSIC's activities - such as dissemination of information, networking, promotion of partnerships within the South, promoting environment- and energy-related projects, etc.- are effective means to produce outcomes and contribute to impact
- the UCSSIC's activities are effective in fostering South-South cooperation in the sphere of industrial development
- the implemented projects have led to concrete results in the target countries

Sustainability

- the UCSSIC is likely to continue to receive host-country government support or gain international support
- the UCSSIC has the managerial and technical capacity to fulfill its mandate

Impact

- long term developmental changes or benefits (economic, environmental, social and developmental) have occurred or are likely to occur as a result of the UCSSIC's activities
- the UCSSIS contributed to the achievement of the Millennium Development Goals, particularly MDG 1 (Eradicate extreme poverty and hunger), MDG 3 (Promote gender equality and empower women) and MDG 7 (Ensure environmental sustainability)

Cross cutting issues

Attention will be given to whether the UCSSIC has mainstreamed the following issues:

- gender equality
- environmental sustainability

IV. EVALUATION APPROACH AND METHODOLOGY

The evaluation will be conducted in compliance with UNIDO's Evaluation Policy and its Technical Cooperation Guidelines. It will assess the achievements of the Centre against its objectives, as established in the project document and in annual Work Programmes and include an assessment of the relevance of the objectives and of the design. It will also try to identify factors that have facilitated or impeded the achievement of the objectives.

The analysis will cover the period from the start of the project (August 2006) until the evaluation.

In terms of **data collection** the evaluation team will use different methods ranging from a desk review (annual reports, progress reports, reports of sub-projects, work programmes, UCSSIC publications, self evaluation reports, survey data, minutes of meetings of the Steering Committee) to individual interviews with key informants, focus group discussions, statistical analysis and , literature research. An internet **survey** will be conducted, targeting with entities having been directly involved with the implemented projcts.

The evaluation team will also visit beneficiary enterprises and partner institutions of the UCSSIC in India and in other countries in order to assess actual or potential interactions, benefits and synergies with these institutions and to draw from the experience gained by them.

The evaluation team should ensure that the findings are **evidence based**. This will be ensured though **triangulation** of sources, methods and data.

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

V. TIME SCHEDULE AND DELIVERABLES

The evaluation is scheduled to take place between August and October 2011, in conjunction with the evaluation of the ICAMT. A two-week mission in India (for both Centres) is planned to take place in September and will include visits to New Delhi and Hyderabad. There will also be visits to Timor Leste and Ethiopia for the purpose of assessing UCSSIC projects

The evaluation will include the following steps and deliverables (bold):

Activity	**Estimated date**
Contracting of consultants	August 2011
Collection of documentation by evaluation consultant at HQ	August/September 2011
Desk Review by members of evaluation team	August/September 2011
Briefing by ODG/EVA and initial interviews at HQ	August 2011
Inception report	
Design and implementation of internet survey	September 2011
Mission to India (2 weeks, including the evaluation of ICAMT)	September2011
Presentation of preliminary findings in India	September 2011
Missions to Timor Leste and Ethiopia	September 2011
Presentation of preliminary findings at HQ	September 2011
Preparation of **draft report**	October 2011
Collection of comments	October 2011
Incorporation of comments	October 2011
Issuance of **final report** and **evaluation brief**	October 2011

VI. EVALUATION TEAM COMPOSITION

The evaluation team will be composed of

- an international evaluation consultant with extensive experience in evaluation and industrial development
- a national evaluation consultant, familiar with evaluation techniques and industrial development issues

An EVA staff member will act as evaluation manager.

The international and national consultant will be contracted and selected by UNIDO. This is in accordance with the UNIDO Evaluation Policy, Paragraph 57, which stipulates that; “EVA prepares and manages the evaluation budget, drafts the job descriptions for consultants and selects and recruits the evaluation team”. The Indian Counterpart Agency has the possibility to propose independent national

evaluation consultants. The tasks of the consultants are specified in the respective job descriptions, attached to this ToR (Annex A).

All members of the evaluation teammust not have been involved in the design and/or implementation, supervision and coordination of UCSSIC or any of its activities or outputs and/or have benefited from the project under evaluation.

The UNIDO Evaluation Group will be responsible for the quality control of the evaluation process and of the report.

VII. GOVERNANCE AND MANAGEMENT OF THE EVALUATION PROCESS

The evaluation of the UCSSIC will be carried out **in conjunction with the evaluation of the ICAMT** by the same evaluation team. It will be managed by the UNIDO Evaluation Group, responsible for the independent evaluation function at UNIDO.

The evaluation team will use a participatory approach and involve various stakeholders in the evaluation process. The UCSSIC, the Ministry of Commerce and Industry, the UNIDO Regional Office as well as the current project manager (Senior Focal Point for South-South cooperation and LDCs) and the former project manager (formerly Director of the Special Programmes Group) at HQ will provide support to the evaluation team.

The evaluation team will present its preliminary findings to the Government of India, to the UNIDO Representative, and UCSSIC staff and to staff at UNIDO Headquarters.

A draft evaluation report will be circulated for comments. The reporting language will be English.

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

The Final Report will be submitted 6 weeks after the field mission to the Government of India, the donors and to UNIDO.

VIII. QUALITY ASSURANCE

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by UNIDO Evaluation Group. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (Annex 2).

ANNEX 1 – Job Descriptions of consultants

Independent Evaluation

UNIDO Centre for South-South Industrial Cooperation
US/GLO/06/015

JOB DESCRIPTION

Post title International evaluation consultant
Post number
Duration 25 days (spread over 3 months)
Date required August 2011
Duty station Home base, UNIDO HQ and travel to India
Duties

The international evaluation consultant will conduct the independent evaluation of the UNIDO Centre for South-South Industrial Cooperation (UCSSIC), located in New Delhi, according to the respective Terms of Reference attached. He/she will be the team leader of the evaluation and responsible for the evaluation report. In particular, he/she will be expected to perform the following duties:

Duties	Duration	Location	Outputs
Preparatory Phase Desk study of project documents, progress reports, self-evaluation reports, annual reports, etc.	3 days	Home base	Desk evaluation report, programme for the evaluation mission and interview guidelines
Briefing with Evaluation Group Interviews with project managers and key stakeholders. Design of internet survey.	2 days	UNIDO HQ, Vienna	Key issues of evaluation identified; Scope of evaluation defined;
Field mission to India Carry out meetings, visits and interviews with stakeholders according to the evaluation programme Drafting the main conclusions and recommendations, and present them to stakeholders	8 days (incl. travel)	New Delhi and travel in India	Information on issues specified in ToR; draft findings, conclusions and recommendations
Missions to Timor Leste and Ethiopia	6 days (2 x 3 days)	Timor Leste/	Chapters for evaluation

Meetings with project stakeholders to assess UCSSIC projects		Ethiopia	report
Debriefing in Vienna Present preliminary findings and recommendations to UNIDO staff members and the permanent mission, Discuss finalization of the report	1 day	Vienna, UNIDO HQ	Feedback on preliminary findings
Report writing Preparation of report; integrate parts of the report written by the national consultant; Integrate comments received and prepare final version according to UNIDO standards	5 days	Home base	Evaluation report
Total	**25 days**		

Qualifications:

- Advanced university degree in management and/or economics or a development related field;
- Extensive experience in the implementation, monitoring and evaluation of technical cooperation projects;
- Extensive knowledge and experience in the field of South-South cooperation
- Experience from working in India desirable
- Preferably, knowledge of UNIDO or experience from working with the UN system.

Language: English

Background information:

- Terms of Reference
- UNIDO Evaluation Policy
- UNIDO template for evaluation reports
- UNIDO Country Evaluation India 2011

Impartiality:
According to UNIDO rules, the consultant must not have been involved in the preparation, implementation or supervision of the programme/project under evaluation.

Independent Evaluation
UNIDO Centre for South-South Industrial Cooperation
US/GLO/06/015

JOB DESCRIPTION

Post title National evaluation consultant
Post number
Duration 20 days (spread over 2 months)
Date required August 2011
Duty station Home base and travel in India
Duties
As a member of the evaluation team the consultant will participate in the independent evaluation of the UNIDO Centre for South-South Industrial Cooperation (UCSSIC), located in New Delhi, according to the Terms of Reference attached. In particular, he/she will be expected to:

Duties	Duration	Location	Outputs
Preparatory Phase Desk study of project documents, progress reports, self-evaluation reports, annual reports, etc. Contribution to survey instrument and launching of survey.	5 days	Home base	Desk evaluation report and programme for mission in India and interview guidelines
Field mission Carry out meetings, visits and interviews with stakeholders according to the evaluation programme together with the international consultant Participate in drafting the main conclusions and recommendations and present them to stakeholders	8 days (incl. travel)	New Delhi and travel around India	Information gathered on issues specified in ToR; draft findings, conclusions and recommendations
Analyse survey results and contribute to the evaluation report as agreed with the team leader	7 days	Home base	Evaluation report
Total	**20 days**		

Qualifications:

- Advanced university degree in management and/or economics or a development related field;
- Extensive experience in the implementation, monitoring and evaluation of technical cooperation projects;
- knowledge of industrial development issues, in particular in the field of South-South cooperation,
- In-depth knowledge of the policy and institutional framework for industrial development in India.

Language: English

Background information:

- Terms of Reference
- UNIDO Evaluation Policy
- UNIDO template for evaluation reports
- UNIDO Country Evaluation India 2011

Impartiality:
According to UNIDO rules, the consultant must not have been involved in the preparation, implementation or supervision of the programme/project under evaluation.

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project 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 project costs (total and per activity)?		
F. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
G. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?)'. Can they be implemented?		
H. Was the report well written? (Clear language and correct grammar)		
I. Were all evaluation aspects specified in the TOR adequately addressed?		
J. Was the report delivered in a timely manner?		
A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.		

Annex 2: Organizations visited and people met

Government of India	
Chaitanya Prasad	Joint Secretary DIPP, MCI
Raj Srivastava	Counsellor (Eco/HoC), Embassy of India
A. Lakshmanaswamy	Research Officer DIPP, MCI
UNIDO	
Adnan Seric	Industrial Development Officer, PTC/BIT/CBL
Anthony J.C. de Sa	Director UCSSIC
Antonios Levissianos	Deputy UR South Asia
Ayumi Fujino	UR India and Regional Director South Asia
Celia Verity Namyalo	Cluster Development Advisor, Kisoro, Uganda
Fatou Haidara	Director ODG/PMO
Julia Rohe	Industrial Development Expert, PTC/BIT/ITU
Krishna P. Lall	National Programme Officer UCSSIC
Margareta De Goys	Director Evaluation Group
Mateo Landi	Associate Expert, PTC/BIT/ITU
Mohamed Lamine Dhaoui	Director PTC/BIT/OD
Ouseph Padickakudi	Industrial Development Officer, PTC/TBC/PQE
Peter Loewe	Senior Evaluation Officer, Evaluation Group
Philippe R. Scholtes	Director Agribusiness Devt. Branch
Philippe R. Scholtes	Director PTC Agro
Suman Lederer	Evaluation Consultant
Susan Ssewagudde	Cluster Development Advisor, Luwero, Uganda
Tonilyn Lim	Industrial Development Officer, Delhi
Vinay Vij	National Programme Officer, Delhi
Partners and clients	
Akanksha Chaudery	TERI, Delhi
Celia Verity Namyalo	Cluster Development Agent, Kisoro, Uganda
Jayaram V.	Supervisor Civil, NIFPHTT
Joao Mendes Goncalves	Minister of Economy and Development, Timor Leste
Juergen W.E. Glembotzki	International Advisor to MED, Timor Leste
Kathleen Goncalves	Vice President CCI Timor Leste
M.K. Venu	Head Vizag Unit, NIFPHTT
Mukesh Gulati	MSME Foundation, Delhi
S. Dasappa	Programme Executive, ABETS, IISc, Bangalore
Sabino Rua	MD Bamboo Centre, Timor Leste
Susan SSewagudde	Cluster Development Agent, Luwero, Uganda
Yashpal Ramdev	RENPAP, Delhi

Annex 3: Main documents consulted

Please note that, in addition to the below listed main planning documents, the evaluation mission also perused a wide range of operational documents, in particular minutes of Steering Committee meetings, UCSSIC overall progress reports, as well as progress and back-to-office reports on individual projects.

NIFPHATT: Project report Design and layout of seafood processing facility and assessment of technical training needs of Personnel of COFETIL, Dili, October 2011
UCSSIC (India): Development of safety and quality infrastructure for the seafood sector in Timor-Leste – Pilot phase, April 2011
UCSSIC (India): Progress Report Development of Production Capacity and Promotion of Neem derived Bio Pesticides as a low cost and eco-friendly alternative to Chemical Pesticides in West Africa, January to November 2010
UCSSIC (India): Project Document Development and application of a new technical assistance product “One Village- Industrial Clusters” as a vehicle for economic growth and poverty reduction
UCSSIC (India): Project Document Establishment of a Bamboo Skills Development and Demonstration Centre in Timor Leste (Phase II), June 2008
UCSSIC (India): Project Document Establishment of a Bamboo/Rattan Skills Development and Demonstration Centre in Timor Leste, October 2004
UCSSIC (India): Project Document India-China Cooperation for promotion of environmentally friendly rural cooking stoves, n.d.
UCSSIC (India): Project Document Renewable Energy for Productive Uses and Rural transformation in Africa
UCSSIC (India): Project Document Timor Leste Bamboo Skills Development and Demonstration Centre, May 2010
UCSSIC (India): Project Document UNIDO Potential Investor Survey (India Component), January 2010
UCSSIC (India): Project Document UNIDO-VIMTA South-South Training Facility for Testing Laboratories, 2010
UCSSIC (India): Project Proposal Multi-stakeholder Programme for Productive and Decent Work for Youth in the MRU countries, November 2009
UCSSIC (India): Service Summary Sheet Programme to Revitalize KIRDI, September 2008
UCSSIC (India): Service Summary Sheet Solar micro-utility enterprises for promoting rural energy and productive uses in Bangladesh, November 2010
UCSSIC (India): Status of Projects as on 29 November 2010
UNIDO Evaluation Group: Independent Country Evaluation India, 2011
UNIDO Evaluation Group: Independent Evaluation India UNIDO Country Service Framework, 2007
UNIDO: Project Document Establishment of a UNIDO Centre for South-South Industrial Cooperation, 2006