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Independent UNIDO Country Evaluation PAKISTAN



UNIDO EVALUATION GROUP

Independent Country Evaluation

Pakistan



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Acronyms and abbreviations

| | |
|-------|--|
| AGR | Agri-Business |
| BIT | Business, Investment and Technology Services |
| CBS | Competitiveness Benchmarking System |
| CDM | Clean Development Mechanism |
| CE | Conformity European |
| CFC | Chlorofluorocarbons |
| COP | Codes of Practices |
| CP | Country Programme |
| CRI | Citrus Research Institute |
| CSR | Corporate Social Responsibility |
| CTA | Chief Technical Advisor |
| DaO | Delivering as One |
| DPR | Detailed Project Reports |
| EC | European Commission |
| ECC | Energy and Climate Change |
| EMB | Environmental Management Branch |
| EU | European Union |
| FCS | Fishermen Cooperative Society |
| FFS | Farmer Field School |
| FVO | Food Veterinary Office |
| FAO | Food and Agriculture Organization |
| FO | Field Office |
| GoP | Government of Pakistan |
| GDP | Gross Domestic Product |
| GEF | Global Environment Facility |
| GF | Global Forum |
| GIZ | Deutsche Gesellschaft fuer Internationale Zusammenarbeit (German International Cooperation) |
| GoP | Government of Pakistan |
| HACCP | Hazard Analysis Critical Control Point |
| HCFC | Hydro chlorofluorocarbons |
| ICT | Information and Communication Technology |
| ILO | International Labour Organization |
| IP | Integrated Programme |
| IPAS | Industrial Property Automation System |
| IPO | Intellectual Property Organization of Pakistan |
| IPR | Intellectual Property Rights |
| ISO | International Organization for Standardization |
| ITC | International Trade Centre |
| JICA | Japan International Cooperation Agency |
| JP | Joint Programme |
| KFHA | Karachi Fish Harbour Authority |

| | |
|---------|---|
| MDGs | Millennium Development Goals |
| MFD | Marine Fisheries Department |
| MoC | Ministry of Commerce |
| MoIP | Ministry of Industries and Production |
| MoST | Ministry of Science and Technology |
| MP | Montreal Protocol |
| MRA | Mutual Recognition Agreement |
| MRS | Mango Research Station |
| MTDF | Medium Term Development Framework |
| MTR | Mid-term Review |
| NAPHIS | National Animal and Plant Health Inspection Service |
| NEP | National Enquiry Point |
| NORAD | Norwegian Agency for Development Cooperation |
| NPO | National Productivity Organization |
| NPSL | National Physical and Standards Laboratory |
| ODA | Official Development Assistance |
| ODG/EVA | UNIDO Evaluation Group |
| ODS | Ozone-depleting Substances |
| PAD | Project Allotment Document |
| PCSIR | Pakistan Council for Scientific and Industrial Research |
| PFA | Punjab Food Authority |
| PHDEC | Pakistan Horticulture Development & Export Company |
| PITAD | Pakistan Institute of Trade and Development |
| PMO | Programme Management Office |
| PNAC | Pakistan National Accreditation Council |
| PRSP | Poverty Reduction Strategy Paper |
| PSD | Private Sector Development |
| psc | Project support cost |
| PSC | Programme Steering Committee |
| PSQCA | Pakistan Standards and Quality Control Authority |
| R&D | Research and Development |
| SME | Small and Medium Enterprises |
| SMEDA | Small and Medium Enterprise Development Authority |
| SPS | Sanitary and Phytosanitary |
| SPX | Subcontracting Exchange Partnership |
| TBT | Technical Barriers to Trade |
| TC | Technical Cooperation |
| TCB | Trade Capacity Building |
| TDAP | Trade Development Authority of Pakistan |
| TEVTA | Technical Education & Vocational Training Authority |
| ToR | Terms of Reference |
| TRTA | Trade Related Technical Assistance Programme |
| UNCT | UN Country Team |
| UNDAF | United Nations Development Assistance Framework |
| UNIDO | United Nations Industrial Development Organization |

| | |
|-------|--|
| USAID | United States Agency for International Development |
| UR | UNIDO Representative |
| WB | World Bank |
| WED | Women's Entrepreneurship Development |
| WIPO | World Intellectual Property Organization |
| WTO | World Trade Organization |

Glossary of evaluation terms

| Term | Definition |
|--|---|
| Baseline | The situation, prior to an intervention, against which progress can be assessed. |
| Effect | Intended or unintended change due directly or indirectly to an intervention. |
| Effectiveness | The extent to which the objectives of a development intervention were or are expected to be achieved. |
| Efficiency | A measure of how economically inputs (through activities) are converted into outputs. |
| Impact | Positive 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 guide the planning, implementation and evaluation of an intervention. System based on MBO (management by objectives) also called RBM (results based management) principles. |
| Outcome | The achieved or likely effects of an intervention's outputs. |
| Outputs | The products in terms of physical and human capacities that result from an intervention. |
| Relevance | The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donor's policies. |
| Risks | Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives. |
| Sustainability | The continuation of benefits from an intervention, after the development assistance has been completed |
| Target group | The specific individuals or organizations for whose benefit an intervention is undertaken. |

Executive summary

Introduction

This evaluation is one of four country evaluations conducted by UNIDO Evaluation Group (ODG/EVA) under its 2012/2013 Work Programme and covers UNIDO's interventions in Pakistan for the period of 2006 to 2013, including the Integrated Programme (IP) implemented from 2000 to 2010 as well as the function and performance of the UNIDO Field Office (FO) and UNIDO's participation in the Delivering as One (DaO) Programme.

The purpose of the country evaluation was to assess in a systematic and objective manner the relevance, efficiency, effectiveness, impact and sustainability of UNIDO's interventions. It was conducted in line with the ToR of the evaluation, attached as Annex A.

The evaluation took place between September and December 2013. It encompassed a desk review of relevant documents, interviews at UNIDO headquarters and in Pakistan, including visits to stakeholders and project sites in Islamabad, Karachi, Lahore, Sialkot, Kasur and Gujrat.

The evaluation was undertaken as a forward-looking exercise to identify good practices, areas for improvement and lessons to be incorporated in future UNIDO interventions in Pakistan and in other UNIDO programmes and projects, as applicable.

The evaluation was carried out by a team of evaluators; Ms. Margareta de Goys, Director of UNIDO Evaluation Group, Mr. Javier Guarnizo, UNIDO Senior Evaluation Officer, Mr. Andreas Tarnutzer, independent international evaluation consultant, and, Mr. Nisar Khan, independent national evaluation consultant.

Key findings and conclusions

UNIDO is an appreciated partner in Pakistan and the services are highly valued and contributing to sustainable industrial development.

UNIDO's interventions in Pakistan, implemented during the period covered by this evaluation have focused on the development of a national quality infrastructure, promotion of renewable energy and cleaner production/green industry, agro-industry development, small and medium enterprises development

and the development of women's entrepreneurship, which are all areas of relevance to Pakistan and UNIDO.

Very positive results were, in particular, noticed when there was a strong alliance between the Government, the Private Sector and UNIDO, working together towards common and clear objectives. Private sector and beneficiary' ownership and commitment were in particular evident in projects working with the leather sector in Sialkot and Kasur. Strong private sector involvement and ownership was equally noticed in the Women Entrepreneurship Development (WED) project. The Trade Related Technical Assistance (TRTA) programme also showed a strong level of national commitment and ownership that led to establishing the foundations for a national quality infrastructure.

Under a Global Environment Facility (GEF) funded project, the first demonstrative bio-mass plant of 3MW based on rice husk is being implemented in Kamoke, Gujramwala. Two new GEF funded projects for promoting energy efficiency and renewable energies have been recently approved.

The capabilities of the Clean Development Mechanism (CDM) cell was enhanced and is now active in designing new projects and mobilizing partners and funds in cooperation with UNIDO.

UNIDO projects have many partners, belonging to both the public and the private sector. There is now a challenging context to intensify the collaboration with provincial authorities, in line with the 18th Constitutional Amendment. The Planning and Development Department is the office responsible for donor coordination at the provincial level and could become an important entry point for UNIDO as well as a source of information on ongoing national and donor projects and on the main constraints facing in a province.

There is no UNIDO specific cooperation agreement with Pakistan. The framework being used is the UN cooperation agreement from 1956.

The IP started implementation in 2000 and was closed in 2010. In 2007 Pakistan became one of the pilot countries for the DaO programme. From 2009 to 2012, UNIDO participated in the DaO for Pakistan (OP-I) with some projects, and is also participating in the DaO phase II (OP-II) which started in 2013. UNIDO has become a lead agency under OP-II in Strategic Priority 2; "Inclusive Economic Growth through the development of sustainable livelihood".

Relevance

Generally, the UNIDO programme fits well into the Pakistan's Framework for Economic Growth, launched in 2011. The majority of the projects are relevant to Pakistan needs and priorities and address existing problems or constraints. Industrialization is a key objective of the Government and there is a need to both increase the share of manufacturing in Gross Domestic Product (GDP) and promote value addition and employment.

The attention to addressing existing gender inequalities is, moreover, in line with the priorities of the stakeholders, including the Government and UNIDO but could be done more systematically.

A number of "funding opportunity driven projects" was, however, noticed, sometimes falling beyond UNIDO's core mandate or not clearly aligned to UNIDO strategic priorities and core mandates; e.g. interventions in education.

Efficiency

UNIDO is implementing a relatively large and wide programme in Pakistan, and efficiency gains were noticed when there was a strong alliance between the Government, the Private Sector and UNIDO, working together towards common and clear objectives.

Projects often work in isolation, overall country level coordination has been lacking and potentials for synergies are not tapped but seem to exist between them, e.g. the TRTA project and the investment promotion project and between the investment promotion project and the WED and agro-industry projects.

In terms of UNIDO inputs, there have generally been good quality experts and consultants both at national and international levels, as well as adequate equipment provided. However, there have been recurrent delays in procurement-related activities and delivery of equipment and for this and other reasons many projects are behind in implementation.

Strong synergies or efficiency gains cannot be attributable neither to the IP nor to DaO programme. Despite some coordination efforts (e.g. with the Food and Agriculture Organization (FAO), the International Labour Organization (ILO)) fostered by DaO processes, agencies still implemented their own projects in their own way.

The absence of a UNIDO Representative (UR) for a relatively long period has negatively affected implementation and coordination, and has prevented a systematic UNIDO presence in the UN Country Team (UNCT), and a continuous dialogue with the Government. However, technical and professional capabilities and commitment are evident among UNIDO staff, experts and consultants.

Effectiveness

Both the IP and DaO Programme were overambitious and heavily underfunded and this has affected overall results. Moreover, many post-IP projects had recently started and it was too early to assess results.

The biggest UNIDO project in Pakistan in the period covered by this country evaluation has been the TRTA programme (50% of the UNIDO's country portfolio). The emerging picture shows that TRTA and its many Government of Pakistan (GoP) partner organizations have come a long way since 2004 when almost no quality-related structures and processes existed. At the time of the evaluation a Quality Regime for Pakistani exports was, to a large extent, in place. However, the core institutions need further strengthening in order to become truly professional and independent. Nevertheless, the pre-conditions are now in place and TRTA can rightly claim to have made an essential contribution to this success.

Montreal Protocol (MP) projects are overall producing planned outputs. The WED project has been ground breaking in fostering women's entrepreneurship and in demonstrating that skills development can lead to self-employment and from there to enterprise creation. In the same way, the interventions in the leather sector clusters in Kasur (fat extraction plant) and Sialkot (tanneries relocation, leather sector development and quality infrastructure) have demonstrated concrete results.

Sustainability and impact

Training cum production centres are avenues towards cost recovery and sustainability (i.e. leather, tannery). Commitment and ownership by the private sector (tannery and leather training centre) also represent a success factor for sustainability and there are examples of the private sector supporting maintenance and upgrading of equipment and taking a clear ownership of established centres. There is also indication of clear ownership for the fat extraction plant in Kasur, with the tannery association willing to cover initial costs but there are outstanding issues that need to be solved in terms of adoption of a business plan that is now being developed with UNIDO assistance. The

interventions and development in Kasur is a good example of a public private partnership, with UNIDO adding value.

For the TRTA-II programme, there are some sustainability issues and uncertainties as regards the availability of funding for the core beneficiary institutions, in particular at the federal level, and need for the GoP to demonstrate its commitment to provide future support.

Cross-cutting issues

There are little gender mainstreaming and gender analyses. Gender disaggregated information is generally missing in project and programme related documents and reports, with the exception of the WED project.

UNIDO projects are addressing key environmental issues for Pakistan through projects in Montreal Protocol, Environmental Management and Energy and Climate Change areas.

Key recommendations

- UNIDO should develop and establish a cooperation agreement and/or a new framework for collaboration with Pakistan, building on previous results but also taking into account national developments and new contexts, such as the 18th Amendment and devolution process, as well as the experiences from the IP and DaO processes. UNIDO should minimize “funding opportunity driven projects”, and align to national development priorities and OP-II.
- UNIDO should consolidate and build on previous positive experience of working with the marble, leather and fisheries sectors, in order to consolidate and further scale-up achievements.
- UNIDO should develop a strategy on how to scale up WED and take the Business Growth Centre and creative industry sector forward, for impact on women’s empowerment and youth employment. It should continue to work with private partners but also look for opportunities to link up with and support publicly managed technical vocational training centres.
- UNIDO projects aiming to develop and test pilot or demonstration infrastructure (e.g. bio-mass energy, fat extraction plant) should integrate assessment of the pilots and, if positive, the development of scaling-up strategies.

- As TRTA II has been granted a final extension, it should move into an exit mode. The remaining period should focus on finishing the job and hand over to Pakistani stakeholders. This warrants robust and evidence-based strategic decisions to focus on these areas where the programme has the best potential to generate wide and sustainable impact and – consequently – to also decide on exit actions. TRTA II should concentrate on the Quality Regime during the extension period with a clear vision that this regime should function independently within two years. Priorities will have to be set in terms of needs but also impact and sustainability potentials.

Lessons learned

Working with both the private and public sectors towards common objectives and with complementary resources fosters the achievement of outcomes and sustainability.

Mainstreaming environmental sustainability in projects supporting industries can be a way to promote export and growth.

1. Introduction and background

1.1 Introduction

This report presents the findings of the evaluation of UNIDO's interventions in Pakistan. It assesses the implementation and results of key technical cooperation projects from 2006 to date, including the Integrated Programme (IP) implemented from 2000 to 2010, in the areas of Agri-Business (AGR), Business, Investment and Technology Services (BIT), Trade Capacity Building (TCB), Energy and Climate Change (ECC), Environmental Management (EMB), and Montreal Protocol (MP).

It also covers the function and performance of the UNIDO Field Office (FO) and UNIDO's participation in the Delivering as ONE (DaO) mechanism.

The independent Country Evaluation of Pakistan was included in the UNIDO Evaluation Group (ODG/EVA) 2012/13 Work Programme, approved by the Executive Board. The purpose of the country evaluation was to assess in a systematic and objective manner the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the interventions under its scope.

The evaluation was carried out by a team of internal and external evaluators composed of Ms. Margareta de Goys (Director of UNIDO Evaluation Group), Mr. Javier Guarnizo (UNIDO Senior Evaluation Officer) who functioned as the team leader, Mr. Andreas Tarnutzer, international evaluation consultant, and, Mr. Nisar Khan, national evaluation consultant.

It was carried out between September and December 2013. The evaluation team undertook a field mission to Pakistan from 11 to 22 November 2013. On the last day of the field mission, a briefing to main stakeholders, to present preliminary findings was made. On 18 December 2013, a similar debriefing for UNIDO staff members was held at the UNIDO headquarters in Vienna. The evaluation team would like to thank all of those who provided assistance during the field mission, and especially the staff of the FO in Islamabad and UNIDO experts and consultants who provided valuable support and facilitated coordination, logistics and due security for the conduct of the evaluation.

1.2 Background

UNIDO has been involved in Pakistan since 1965. By end of 2012, UNIDO had implemented more than 100 projects with a total expenditure of about USD 33 million. The current portfolio contains 19 projects with a budget of approximately USD 20 million.

From 2000 to 2010 an Integrated Programme (IP), to support capacity building for sustainable industrial development in Pakistan, was implemented covering four components: Cleaner production and environment (CDM), Small and medium enterprises (SME) development Cluster, Trade related technical assistance (TRTA) and Investment promotion and technology transfer. The IP had a planned budget of USD 21.4 million - excluding project support costs (psc).¹

After the closure of the IP, in 2010, no further country-level programme was formulated and UNIDO's technical cooperation has since then been planned and implemented based on individual projects. As of 2009, some of the IP projects formed part of the Delivery as One (DaO) programme for Pakistan.

UNIDO maintains a Country Office in Islamabad. This office was established in 1968, and has interacted with the public and private sectors by coordinating and/or implementing over 50 projects covering diverse industrial areas, such as building (human and/or institutional) capacity to enhance the industrialization process of Pakistan.

1.2.1 UNIDO Portfolio in Pakistan

As mentioned above, the overall UNIDO portfolio in Pakistan has amounted to over USD 35 Million since 1965, and around USD 20 Million from 2006 to date. Annex B presents the list of main UNIDO projects and programmes implemented or being implemented in Pakistan since 2006, grouped by thematic area.

As it is showed in Annex B, the portfolio of UNIDO in Pakistan from 2006 to date includes projects in almost all UNIDO thematic areas, such as Agri-Business (i.e. Support to wool and leather industry, Women Entrepreneurship Development (WED), Pro-Poor Agriculture & Rural Development), Business, Investment and Technology (i.e. SME cluster development, Private Sector Development and Investment Promotion), Trade Capacity Building (i.e. Facilitating capacity to

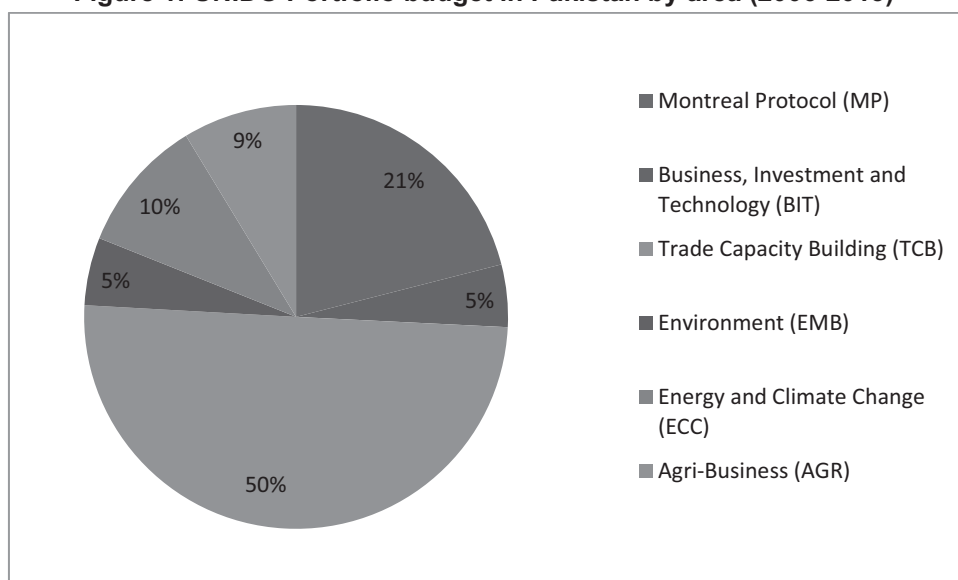
¹ UNIDO Infobase financial data

integrate global trade, Strengthening national quality infrastructure), Environmental Management (i.e. Waste management, Cleaner Production and Strengthening institutional capacity for clean development mechanisms), Energy and Climate Change (i.e. Promoting sustainable energy production and use of bio-mass) and Montreal Protocol (i.e. Phase-out of ozone-depleting substances).

Figure 1 and Figure 2 below present the overall budget and expenditures aggregated per main UNIDO area for the period of 2006 to 2013.

Trade Capacity Building related projects represent 50% of the portfolio in terms of financial resources, followed by Montreal Protocol (MP) with 21%. Energy and Climate Change as well as Agri-business related projects account for around 10% each.

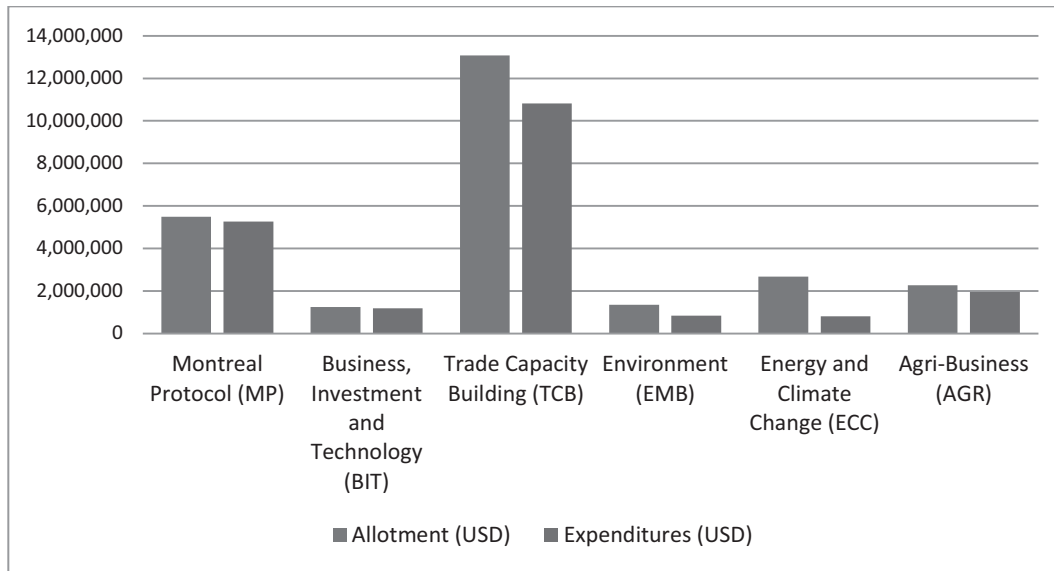
Figure 1: UNIDO Portfolio budget in Pakistan by area (2006-2013)²



As presented in Figure 2 below, for the period 2006-2013, TCB projects expenditure was of about USD 11 million, MP projects implemented around USD 5.5 Million and Agri-business projects reached USD 2 Million. The other areas (Business, Investment and Technology; Environment; and Energy and Climate Change) amounted around USD 4.5 Million in total.

² UNIDO Infobase financial data as of end of 2013.

Figure 2: UNIDO portfolio budget allotment and expenditure (2006-2013)³



1.2.2 Integrated Programme for Pakistan

From 2000 to 2010 an IP to support capacity building for sustainable industrial development in Pakistan was designed and implemented and aimed to cover five components:

- Component 1: Cleaner Production and Environmental Management;
- Component 2: Institutional Capacity-Building for Small and Medium Enterprises (SME) Development;
- Component 3: Metrology, Standardization, Testing, Quality Assurance and Continuous Improvement;
- Component 4: Regional Development; and
- Component 5: Industrial Investment Promotion and Technology Transfer.

The IP Logical Framework (called Programme Summary Matrix) established the overall and component's objectives, as presented in Table 1 below. The specific UNIDO IP objective was stated as: *"To provide the Pakistani authorities and private sector institutions with technical assistance to support their efforts to build national capacities for sustainable industrial development and enable them to meet their industrial objectives"*.

³ UNIDO Infobase financial data as of end of 2013

Table 1: IP Programme Summary Matrix

| | | |
|--|--|---|
| DEVELOPMENT GOAL(S) to which the country's industrial objective(s) is (are) expected to contribute | Sustainable and equitable economic growth | |
| COUNTRY'S INDUSTRIAL OBJECTIVE(S) to be supported by UNIDO | To develop the manufacturing sector as a key vehicle for sustainable and equitable economic growth through the promotion of environmentally-friendly production methods, the promotion of SMEs, the dissemination of quality standards, the restructuring of sick enterprises, the wider diffusion of industry throughout the country, and the attraction of foreign investment. | |
| OBJECTIVE OF THE UNIDO PROGRAMME | To provide the Pakistani authorities and private sector institutions with technical assistance to support their efforts to build national capacities for sustainable industrial development and enable them to meet their industrial objectives | |
| | Immediate objective | Critical problem addressed |
| Component 1 | Establishment of a network of cleaner production centers and promotion of environmental management capabilities | Threat of severe ecological damage and economic losses resulting from the use of environmentally inefficient production processes. |
| Component 2 | To support the sustainable development of industrial SMEs and enhance their international competitiveness. | Inability of Pakistani SMEs to realize their full economic potential due to inadequate institutional support facilities |
| Component 3 | Strengthen the metrology, standardization, testing and quality assurance capabilities of Pakistan and provide restructuring support to selected enterprises | Inadequate institutional, human and laboratory capacities related to metrology, standardization, testing and quality assurance leading to structural weaknesses and lack of competitiveness in specific enterprises |
| Component 4 | To build local capacity in the formulation of regional development strategies | Uneven distribution of natural and other economic resources at national level resulting in regional disparities and socioeconomic problems |
| Component 5 | To strengthen Pakistan's institutional support capacities in investment and technology promotion, with a focus on the advertising of promising investment opportunities in selected priority subsectors (agro-industries, leather, textiles, marble, and engineering). | Need to constantly upgrade investment/technology promotion support capacity to improve the basis for increasing FDI inflows in progressively globalizing markets |

Source: IP Pakistan project document

1.2.3 The ONE UN Programme

Historically, the UN in Pakistan has had a strong presence through different UN agencies, representing a total of 19 UN agencies as of July 2013.

Delivering as One UN was expected to enable UN partners to work together more closely in order to increase effectiveness (improved results), relevance, alignment with national priorities, efficiency and reduce duplication and

transactions costs. It was part of the package of UN reforms started in early 2000's. In 2006, the Government of Pakistan (GoP) volunteered to become a Delivering as One pilot country. The first One Programme for Pakistan (2009-2012) was signed on 4th February 2009 in the presence of the UN Secretary General and the Prime Minister of Pakistan.

The One Programme for Pakistan (OP-I) encompassed five Joint Programmes (JPs), reflecting the major areas of expected UN support to the developmental processes in Pakistan. These Joint Programmes included, 1) Agriculture, Rural Development and Poverty Reduction (ARP), 2) Education, 3) Health and Population, 4) Environment and 5) Disaster Risk Management. In addition four cross cutting issues were addressed in all of the five Joint Programmes i.e. civil society engagement, human rights, gender equality and refugees. Table 2 shows the total planning budgets for the five Joint Programmes under the OP-I;

Table 2: Total planning budgets – One-UN Programme for Pakistan

| Joint Programme | Planning Budget (USD) |
|--|------------------------------|
| JP 1: Agriculture, Rural Development & Poverty Reduction (ARP) | 260 000 000 |
| JP 2: Health & Population | 225 000 000 |
| JP 3: Education | 260 800 000 |
| JP 4: Environment | 74 500 000 |
| JP 5: Disaster Risk Management | 70 000 000 |
| Total | 890 300 000 |

Source: Project Document for the ONE-UN Programme for Pakistan

1.2.4 UNIDO field representation

The Country Office employs a UNIDO Field Representative (position vacant at the time of the evaluation), one National Programme Officer, one Administrative Assistant, and one Driver. In addition, the Field Office (FO) hosts a number of project related experts and consultants as part of project management units (PMUs).

The FO is located in Islamabad, currently in the Serena Business Complex, same premises where 10 other United Nations (UN) agencies and the UN Resident Coordinator are residing. There is no additional UNIDO provincial/regional Offices within the country, and the FO covers only UNIDO activities in Pakistan.

As there is currently no UNIDO Representative (UR) in place, the Officer in Charge function is shared by two persons: Mr. Timo Pakkala, UN Resident

Coordinator (for Institutional matters) and Mr. Bruno Valanzuolo, Chief Technical Advisor (CTA) for TRTA project (for operational matters).

The number of national project staff/consultants is 26, out of which 14 project staff are for the TRTA Programme

1.3 Evaluation purpose, scope and methodology

1.3.1 Purpose

As outlined in the Terms of Reference (ToR), included as Annex A, the evaluation was undertaken as a forward-looking exercise to identify best practices, areas for improvement and lessons to be incorporated in future UNIDO interventions in Pakistan and in other UNIDO programmes and projects as applicable.

The purpose of the country evaluation was to assess in a systematic and objective manner the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of UNIDO interventions from 2006 up to date. The evaluation assessed the achievements of the interventions against their key objectives, including re-examination of the relevance of the objectives and the appropriateness of the design, in addition to considering cross-cutting issues related to gender equality and empowerment of women. It equally identified factors that have facilitated or impeded the achievement of the respective objectives.

The main purpose of this evaluation is summarized as follows:

- To assess the progress of Technical Cooperation (TC) interventions towards the expected outcomes outlined in UNIDO project and programme documents;
- To review and evaluate the efficiency and effectiveness of UNIDO's contribution to the Delivering as One (DaO);
- To assess the relevance, sustainability and impact of UNIDO's interventions in relation to national needs and national and international development priorities;
- To assess the performance of the UNIDO FO in Pakistan in carrying out its functions;
- To assess UNIDO's strategic positioning in the country;
- To generate key findings, draw lessons and provide a set of clear and forward-looking recommendations.

The key users of this evaluation are UNIDO management and staff at Headquarters and the UNIDO Country Office in Pakistan, UNIDO experts, the Government of Pakistan, counterpart agencies and other organizations in the country cooperating with UNIDO, donors, members of the UN Country Team (UNCT) and project beneficiaries. The evaluation findings and recommendations are expected to provide key inputs for the planning and continual improvement of future cooperation activities.

1.3.2 Scope and focus

The evaluation based on the full range of UNIDO's interventions in Pakistan. It assessed results as possible, and tried to analyse why projects/programmes have succeeded or failed, as well as identifying how these successes and failures can be used to improve future UNIDO projects in the country. The evaluation focused on UNIDO's activities in Pakistan between 2006 and 2013.

The evaluation assessed the performance and impact of individual projects in relation to the contribution of UNIDO to the development goals of Pakistan. It did not review all projects implemented as of 2006, but covered a number of projects considered strategically important in relation to the purpose of the evaluation or that had a certain size (budget). Due to security and time constraint reasons during the evaluation field mission, it was not possible to visit all project sites.

The specific projects that this evaluation covered are presented in Table 3. The sample covered all the main projects, representing more than 90% of the financial value of the portfolio of UNIDO in Pakistan, implemented between 2006 and 2013.

Table 3: UNIDO portfolio assessed in this evaluation

| Project No(s). | Unit | Allotment (USD) | Expenditures (USD) |
|--|-------------|------------------|--------------------|
| Montreal Protocol (MP) | | 5,085,602 | 4,879,188 |
| MP/PAK/10/002 - PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT UNITED REFRIGERATION, HNR (HAIER), VARIOLINE INTERCOO AND SHADMAN ELECTRONICS COMPANIES | PTC/MPB/SFU | 3,559,359 | 3,348,369 |
| MP/PAK/10/001 - PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT DAWLANCE | PTC/MPB/SFU | 1,281,490 | 1,286,066 |
| MP/PAK/08/003 - SECTOR PHASE-OUT PLAN OF CTC (THIRD TRANCHE) | PTC/MPB/SFU | 244,753 | 244,753 |
| Business, Investment and Technology (BIT) | | 460,979 | 395,622 |
| Project No(s). | Unit | Allotment (USD) | Expenditures (USD) |

| | | | |
|---|-------------|-------------|------------|
| TF/PAK/06/001 - JOINT UNIDO-SMEDA-ITALIAN PROGRAMME TO ESTABLISH AN INVESTMENT PROMOTION UNIT (IPU) IN LAHORE, WITH EMPHASIS ON ITALIAN INVESTMENT IN PAKISTAN | PTC/BIT/ITU | 460,979 | 395,622 |
| Trade Capacity Building (TCB) | | 12,490,055 | 10,240,055 |
| EE/PAK/09/008 - TRADE RELATED TECHNICAL ASSISTANCE - TRTA II | PTC/TCB/QSC | 12,250,000 | 10,000,000 |
| XP/PAK/07/002 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | PTC/TCB/QSC | 240,055 | 240,055 |
| Environment (EMB) | | 573,018 | 541,480 |
| FB/PAK/09/013 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.5 "ENVIRONMENT" - SUPPORT FOR GREEN INDUSTRIES, WASTE MANAGEMENT, ENERGY AND JOBS | PTC/EMB/CPU | 573,018 (*) | 541,480 |
| Energy and Climate Change (ECC) | | 2,468,719 | 662,712 |
| GF/PAK/12/003 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN | PTC/ECC/RRE | 1,820,000 | 52,330 |
| TF/PAK/07/003 - INSTITUTIONAL CAPACITY ENHANCEMENT FOR CDM IN PAKISTAN | PTC/EMB/CPU | 648,719 | 610,382 |
| Agri-Business (AGR) | | 2,268,188 | 1,956,241 |
| FB/PAK/09/012 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.4 "EDUCATION" - SECONDARY EDUCATION WITH A FOCUS ON TVE AND LIFE SKILLS | PTC/AGR/RES | 313,084 | 271,613 |
| FB/PAK/09/011 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - DECENT EMPLOYMENT AND POVERTY ALLEVIATION | PTC/AGR/RES | 373,831 | 316,593 |
| FB/PAK/10/004 - ONE UN PROGRAMME FOR PAKISTAN - SUPPORT FOR THE WOOL INDUSTRY IN BALOCHISTAN PROVINCE, PAKISTAN | PTC/AGR/AIT | 231,308 | 229,889 |
| FB/PAK/09/010 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - ASSISTANCE TO THE LEATHER INDUSTRY - UPGRADING OF TRAINING INSTITUTIONS | PTC/AGR/AIT | 265,354 | 159,238 |
| FB/PAK/09/002 - JOINT UN PROGRAMME: TOWARDS GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT | PTC/AGR/RES | 1,037,882 | 945,650 |
| FB/PAK/10/003 - PREPARATORY ASSISTANCE IN RELOCATION OF TANNERIES TO NEW LEATHER INDUSTRIAL ZONE - SIALKOT TANNERY ZONE | PTC/AGR/AIT | 46,729 | 33,258 |

Source: UNIDO Infobase financial data as of 30-07-2013

(*)Additional funds of USD 270,000 were received by January 2013 which were not reflected in Infobase due to the change to SAP) which represent a total of USD 824,000.

As a consequence, the evaluation assessed a portfolio that is representative of UNIDO's activities in Pakistan, and that was large enough to enable the evaluation team to understand UNIDO's role and activities in the country and to answer the evaluation questions identified in the ToR. In addition, given the importance and current budget allocated to Trade Capacity Building related projects, the evaluation put a significant focus on this area.

The evaluation also assessed the performance of UNIDO's Field Office with regards to its contribution to development results and through performing convening, normative and technical cooperation functions as well as the efficiency and effectiveness of the office in managing, coordinating and implementing projects and programmes.

UNIDO's interventions are implemented within different regions in Pakistan. Main Project sites are located in or close to the cities of Islamabad, Karachi, Lahore, Sialkot, Kasur, Gujrat and Quetta. For security reasons certain regions were excluded for field visits, such as Quetta. Annex C presents a map of Pakistan with the main project sites/regions, as well as the project sites that the evaluation team visited.

1.3.3 Evaluation approach and methodology

The country evaluation was implemented between September and December 2013. In terms of data collection the evaluation applied a variety of methods using primary and secondary sources. The evaluation began with a desk review of relevant data sources and documents such as project and programme documents, project revisions, progress reports, mission reports, Infobase/SAP search, Agresso search, evaluation reports and information on the political, economic and social environment in the country. A list of key documents reviewed is provided in Annex D.

In order to ensure a participatory approach and to triangulate information, the evaluation team also obtained the views and feedback of various internal and external stakeholders through individual interviews. These included government counterparts, representatives of the private sector, UN organizations, multilateral organizations, donors and beneficiaries as well as UNIDO project managers and UNIDO project staff and consultants. A set of interview guidelines were developed and used to guide the interviews. A list of persons met is included in Annex E and the evaluation matrix and interview guidelines are included as Annex F.

The evaluation also reviewed the Field Office Performance, using the ODG/EVA Field Office Assessment framework (provided as an annex in the ToR).

As already mentioned, an evaluation field mission to Pakistan was undertaken from 05 to 22 November 2013, and included visits to Islamabad, Karachi, Lahore, Sialkot, Kasur and Gujrat. During the field mission, the evaluation team held meetings, and conducted interviews and visited project sites (observations). Interviews were conducted to a mix of the different types of stakeholders,

including experts, consultants, counterparts and beneficiaries. In order to make the best use of resources the team divided into smaller teams based on the thematic clusters and issues to be covered by the evaluation.

Preliminary findings were presented to stakeholders in Islamabad at the end of the field mission (22 November 2013) and at UNIDO headquarters in Vienna (18 December 2013). A draft report was circulated for factual validation and comments.

1.3.4 Limitations of the evaluation

The evaluation encountered main limitations related to the lack of systematic and updated project documentation, including progress reports and monitoring data. The documents were also of varying quality and did not always provide all the needed information.

The country security situation limited visits to some project sites, and some planned project visits, such as the visit to the mango farmers supported by TRTA project in Sargodha had to be cancelled.

Nevertheless, this evaluation managed to cover all the main projects, representing more than 90% of the financial value of the portfolio of UNIDO in Pakistan from 2006 up to now.

1.4 Country context

1.4.1 Overall situation and trends

Pakistan⁴ has a population exceeding 180 million people, which makes it the sixth most populous country in the world. Located at the crossroads of the strategically important regions of South Asia, Central Asia and Western Asia, Pakistan has a 1,046-kilometre (650 mi) coastline along the Arabian Sea and the Gulf of Oman in the South and borders India to the East, Afghanistan to the West and North, Iran to the South-West and China in the far North-East. It is separated from Tajikistan by Afghanistan's narrow Wakhan Corridor in the North, and also shares a marine border with Oman.

⁴ Information has been compiled mainly from the World Bank, Economist Intelligence Unit, World Factbook, UNIDO, UNDP in May 2013 (specific sources are referenced as appropriate).

Pakistan is the 36th largest country by total area, although this ranking varies depending on how the disputed territory of Jammu and Kashmir is counted. The natural resources include extensive natural gas reserves, limited petroleum, poor quality coal, iron ore, copper, salt, limestone.

Pakistan achieved high rates of economic growth over the past decade, with the poverty headcount falling from 34% in 2001 to 24% in 2005.⁵ Since then, various factors, including the 2008 global financial crisis and the vast 2010 floods (affecting an area four times the size of Britain), are likely to have worsened poverty. As many as 62 million Pakistanis (36% of the population) are estimated to live below the national poverty line.⁶

The Millennium Development Goals (MDGs) have been at the centrepiece of the development efforts, in recent years, of the Government of Pakistan. The 18 global targets and 48 indicators, adopted in 2000, have been translated into 16 national targets and 37 indicators keeping in mind Pakistan's specific conditions, priorities, data availability and institutional capacity.

Specifically, the MDGs have been incorporated into the Government's two important macroeconomic frameworks including the New Growth Framework of 2011 which focuses on inclusive growth and increasing total factor productivity. The other is the Poverty Reduction Strategy Paper (PRSP-II, 2008-2012) which is a framework for social and economic policies. The earlier government's key planning document on development, the Medium Term Development Framework (MTDF) 2005-2010 also endorsed the MDGs. To date, however, sufficient progress has only been made on about half of the targeted indicators while others lag behind.⁷

Pakistan has a Gross Domestic Product (GDP) of USD 231 billion (2012 est.) - which is among the top-30 GDP's in the world - and a GDP per capita of USD 2,900 (2012 est.). The rate of real growth of GDP was estimated at 4.4% for 2012. Inflation has climb from 7.7% in 2007 to almost 12% for 2011, before declining to 10% in 2012.⁸ Official overall unemployment is under 6%, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high.

⁵ Pakistan Economic Survey 2007-08 for Pakistan 1998-99 – 2005-06, Government of Pakistan, 2008. The Pakistan national poverty line is based on a dietary intake of 2,350 calories per person per day or 673 rupees (£8.28) per month at 1998-99 prices.

⁶ Estimates following the 2010 floods: *DFID-Pakistan Core Briefing: Programme Overview*, DFID, January 2012.

⁷ See: <http://undp.org.pk/mdgs-in-pakistan.html>

⁸ The World Fact Book (May. 2013)

The international comparison of GDP for Pakistan is presented in Table 4.

Table 4: Pakistan – International Comparisons of Industrial Performance

| Indicator | Year/Period | Pakistan | Asia & Pacific (excl. China) | World |
|--|---------------------|----------|------------------------------|-------|
| GDP average annual real growth rate (in %) | 2005-2010 | 4.23 | 5.64 | 1.39 |
| | 2010-2012 <i>a/</i> | 4.57 | 5.48 | 2.61 |
| | 2012 <i>a/</i> | | 3.29 | 0.30 |

a/ UNIDO Estimate

Source: UNIDO Statistical country brief for Pakistan, UNIDO Infobase, accessed on 7 May 2013

As of 2012, more than 60 million people belong to the work force. Table 5 provides the labour force by sector.

Table 5: GDP and labour force composition by sector

| Sector | GDP | Labour force |
|--------------|-------------------|-------------------|
| Agriculture: | 20.1% | 45.1% |
| Industry: | 25.5% | 20.7% |
| Services: | 54.4% (2012 est.) | 34.2% (2010 est.) |

Source: *The World Fact Book*, May 2013

Agriculture and Industry sectors represent 45% of the GDP. Industries are mainly in the sectors of textiles, leather, food processing, pharmaceuticals, construction materials, paper products, fertilizers and shrimp. The industrial production growth rate was 3% (2011 est.). Textiles account for most of Pakistan's export earnings. Pakistan's failure to expand a viable export base for other manufactures has left the country vulnerable to shifts in world demand.

Environmental sustainability in Pakistan is threatened due to a complex context given by the need for economic development. Issues relating to the environment are being flagged for a number of factors including high population growth rate, lack of public awareness and education, mismanagement of water and other natural resources as well as unplanned urban and industrial expansion. Pakistan, being one of the highly vulnerable countries to the climate change impacts, has to bear the brunt of the effects.

Current environmental issues are water pollution from raw sewage, industrial wastes, and agricultural runoffs; limited natural freshwater resources (most of the population does not have access to potable water); deforestation; soil erosion, and desertification.

The net Official Development Assistance (ODA) rose from USD 3,013 million in 2010 to USD 3,509 million in 2011.⁹ ODA was to rise to 0.7 percent of GDP globally but the developed economies are only providing 0.25 percent of GDP.¹⁰ The most recent DAC Survey on Donors' Forward Spending Plans suggests a shift in aid towards middle-income countries in the Far East and South and Central Asia and it is most likely that aid to these countries will be in the form of soft loans. Pakistan is one of the countries likely to benefit from this shift in aid.¹¹

According to the World Economic Forum (2011) and the Global Gender Gap Report 2011, Pakistan is ranked in 133rd place in the 2011 Global Gender Gap index (out of a total of 135 countries with data), with a score of 0.56 (where 1 represents equality).

Exports represented USD 26.3 billion in 2011 (est.) and USD 24.66 billion in 2012 (est.). Main export items are textiles (garments, bed linen, cotton cloth, yarn), rice, leather goods, sports goods, chemicals, manufactures, carpets and rugs. The top six export partners are the United States (15%), the United Arab Emirates (9.7%), Afghanistan (9.5%), China (9.2%), the United Kingdom (5%), and Germany (4.5%), (2012 est.).

Imports rose from USD 38.93 billion in 2011 (est.) to USD 40.82 billion in 2012 (est.). Main import items were petroleum, petroleum products, machinery, plastics, transportation equipment, edible oils, paper and paperboard, iron and steel, tea. Main import partners are the United Arab Emirates (17.2%), China (15%), Saudi Arabia (11.2%), Kuwait (8.9%), Malaysia (5.4%) and Japan (4.3%), (2012 est.).

With regard to electricity production Pakistan ranks 35 in the world, after the Netherlands and as regards electricity consumption, the country ranks 39, after the United Arab Emirates. Of the total installed capacity, electricity production comes from the following sources (2009 est.):

- Fossil fuels – 65.2%
- Nuclear fuels – 2.3%
- Hydroelectric plants – 32.5%
- Other renewable sources – 0%

In recent years Pakistan has faced severe energy crises, due to huge gaps in demand and supply especially for electricity and natural gas, and energy is a true bottleneck to industrial development.

⁹ OECD database, accessed on 7 May 2013

¹⁰ See: <http://undp.org.pk/mdgs-in-pakistan.html>

¹¹ OECD database, accessed on 7 May 2013

1.4.2 Industrial development situation

Pakistan's economy can be characterized as semi-industrialized. The country's industrial sector constitutes 24.3% of the country's GDP. The largest industries in the country belong to the textile, cement, agriculture, fertilizer, steel, tobacco, edible oil, pharmaceuticals, construction materials, shrimp, sugar, food processing, chemicals and machinery sectors.

Sustaining a strong growth momentum in the manufacturing sector has been the prime objective of the New Growth Strategy. Pakistan is producing a wide range of products but the manufacturing sector is dominated by traditional goods instead of market responsive goods; hence it is unable to capture both national and international markets to the desired extent. The manufacturing sector is facing a number of issues including acute shortage of energy, low skills of workers, obsolete technology, rise in the cost of raw material, rise in the cost due to oil prices and electricity, inadequate taxation and tariff systems, low Foreign Direct Investment (FDI) and competitiveness issues due to sub-optimal product quality.

The main industrial development policies and objectives include 1) Enhancing effectiveness and role of Competition Commission of Pakistan to end monopoly and cartels, 2) Elimination of administrative and regulatory hurdles and undue interferences 3) Elimination of undue protectionism through tariff and non-tariff measures, 4) Decreasing governmental support for industrialization and encouraging private sector to play their role, 5) Promotion of industrial diversification 6) Promotion of information technology, 7) Reducing taxes and cost of doing business, 8) Up-gradation of workers skills and provision of quality infrastructure, 9) Securing energy needs, 10) Enhancing capacities of the Small and Medium Enterprises Development Authority (SMEDA) and National Productivity Organization (NPO) to support the private sector through SME development and 11) Enhancing foreign direct investment in manufacturing sector.

1.4.3 Government strategies and policies

As a follow up of the Poverty Reduction Strategy Paper (PRSP) prepared by the Government of Pakistan and the World Bank in 2003 and the Medium Term Development Framework (MTDF) 2005-2010, Pakistan adopted a New Growth Framework and Strategy (2011-2017) which focuses on inclusive growth and increasing total factor productivity, on the basis of concepts such as Market Reforms, Creative Cities, Connectivity and Youth Engagement. Most recently the

new government, coming into office in May 2013, has announced its Vision 2025, as the country's long-term development blueprint, with the aim to create a globally competitive and prosperous country providing a high quality of life for all its citizens. It aspires to transform Pakistan into an industrialized and knowledge based middle income country by 2025.

The previous government started a process that culminated with the passage of the 18th Amendment to the constitution in April 2010. Among other important legislative changes the hallmark of the constitutional amendment was devolution of powers to the provinces involving transfer of a number of federal level ministries and functions to the provinces. Once passed, the 18th amendment represented a radical departure from old federally controlled administration and funding practices to more independent provincial level priorities setting and control over local resources. However, the transition process is still very complex, unclear and slow. The new government has also shown its commitment to further pursue the devolution of desired powers and resources to the provinces.

The 18th amendment seeks to curtail the centralized powers at the Federal level and empower the country's provinces by transferring desired resources and responsibilities to provincial governments. This indeed is meant to enhance localized governance and to bring services closer to the people. Overall around 17 Federal level ministries were targeted for devolution and have been transferred to the provinces.

As mentioned the devolution process on one hand called for radical changes at the governmental level and on the other hand it has also impacted the work of international development institutions and aid-agencies like the United Nations. As most of these bi-lateral and multilateral agencies, in the past, use to deal with the federal level ministries/institutions as their national partners/counterparts. However with devolution of many of these ministries/functions to the provinces, the planning and implementation practices of international agencies became further complicated and cumbersome, as now they will need to deal with various departments of six provincial administrations separately to work in the respective provinces.

Following is the summary description of some of the policies and strategies of Govt. of Pakistan relevant to UNIDO's mandate in Pakistan;

a) Science and technology

The first "National Science and Technology (S&T) Policy" was approved in 1984 and was followed by the "National Technology Policy and Technology

Development Plan - 1993". In 2000 a de facto national S&T Policy was formulated. However, despite the realization of the role of science and technology in the national development and a large number of Research and Development (R&D) organizations and higher education institutions, contribution of science and technology to national socio-economic development remained insignificant. This led to the preparation of the "National Science, Technology and Innovation" (ST&I) Policy 2012.

The ST&I Policy also highlights that international cooperation plays an important role to upgrade the S&T system. The policy recommends that intensive efforts should be made to have fruitful cooperation both with developed and developing countries. In this regard suggestions have been made to materialize benefits from both bilateral and multilateral cooperation agreements.

b) Trade and commerce

Pakistan used to announce Annual Trade Policies till 2008. However in recent years the government has adopted a three year policy cycle and formulated its first Strategic Trade Policy Framework (STPF) 2009-12 in September 2009.

Simultaneously the second Strategic Trade Policy Framework 2012-15 was adopted, which seeks to identify those aspects of Pakistan's export competitiveness, which have been relatively less attended to.

The STPF 2012-15 has three major parts. The first part consists of the interventions aimed at strengthening existing trade related institutions and to establish the 'missing' institutions. The second part consists of the export development initiatives to overcome the competitiveness deficit. The third part of STPF consists of regulatory amendments to the Import Policy Order and the Export Policy Order with a view to enhance the ease of doing business and streamlining of procedures and strengthen the regulations related to public safety and security.

The other salient features of the STPF 2012-15 includes; 1) Domestic Commerce Reform and Development, 2) Rationalizing Tariff Protection Policy (TPP), 3) Establishment of Pakistan Land Port Authority (PLPA) to strengthen regional trade, 4) Setting up of Export Import Bank 5) Promotion of services sector exports, 6) Creating regulatory efficiencies, 7) Strengthening of training and product development institutes, and 8) Revamping export promotion agencies and the trade monitoring committee.

c) Energy

To ease the growing demand for energy the Government is pursuing policies to attract private sector investment/involvement in the energy sector with greater reliance on indigenous resources. Government has recently introduced a new Petroleum Policy, a Liquid Petroleum Gas (LPG) Policy a Liquid Natural Gas (LNG) Policy and Tight Gas Policy. The Petroleum policy highlights that development of indigenous energy resources such as coal, hydro and alternative/renewable sources are at the core of country's economic growth.

Most recently Pakistan has formulated a National Power Policy 2013, which aims to achieve the following goals:

- Build a power generation capacity that can meet Pakistan's energy needs in a sustainable manner.
- Create a culture of energy conservation and responsibility
- Ensure the generation of inexpensive and affordable electricity for domestic, commercial, and industrial use by using indigenous resources such as coal and hydro.
- Minimize pilferage and adulteration in fuel supply
- Promote world class efficiency in power generation
- Create a cutting edge transmission network
- Minimize inefficiencies in the distribution system
- Minimize financial losses across the system
- Align the ministries involved in the energy sector and improve the governance of all related federal and provincial departments as well as regulators

Overall a sound strategy has been worked out and tangible targets have been fixed to achieve desired results. Furthermore the process of policy and strategy formulation is informed by the organizing principles of efficiency, competition and sustainability.

d) Environment

Over the years, the Government of Pakistan devised and adopted a number of policies to deal with issues related to environmental degradation.

The Federal Environment Ministry was established in Pakistan in 1975 as follow up of a Stockholm Declaration of 1972. The Ministry was responsible for promulgation of the Environmental Protection Ordinance of Pakistan in 1983. It was the first comprehensive legislation prepared in the country. The main objective of the Ordinance 1983 was to establish institutions i.e to establish

Federal and Provincial Environmental Protection Agencies and Pakistan Environmental Protection Council (PEPC).

In 1992 Pakistan attended the Earth Summit in a state of Brazil (Rio-De Janeiro) and thereafter became party to various international conventions and protocols. This political commitment augmented the environmental process in the country. Same year, Pakistan prepared National Conservation Strategy (NCS), provides a broad framework for addressing environmental concerns in the country. In 1993 National Environmental Quality Standards (NEQS) were designed.

The Pakistan Environmental Protection Act was enacted on 6th December 1997, repealing the Pakistan Environmental Protection Ordinance, 1983. The PEPA 1997 provides the framework for implementation of NCS, establishment of Provincial EPAs.

With the advent of devolution of powers to provinces under 18th Amendment (2010), like many other subjects, the environment related mandate was transferred to provincial governments and subsequently the Ministry of Environment at the Federal level was ceased. However in the wake of recent climate change disasters, especially devastating floods in 2010, and the need for coordination at the Federal level of various international protocol and treaties related to environment, As of 2013, a Climate Change Division (CCD) was established under the Prime Minister Secretariat, who is now the GEF Operational and Political Focal Point.

A first ever Climate Change Policy was launched in 2012, to take care of overarching environmental concerns at the country level. The policy includes measures to address issues in various sectors such as water, agriculture, forestry, coastal areas, biodiversity and other vulnerable ecosystems.

The new policy also outlines appropriate measures relating to disaster preparedness, capacity building, institutional strengthening; technology transfer; introduction of the climate change issue in higher education curricula; ensuring environmental compliance in the development process; addressing the issue of deforestation and illegal trade in timber; promoting Clean Development Mechanisms (CDM); and raising Pakistan's stance regarding climate change at various international forums, have also been incorporated as important components of the policy.

1.4.4 National Counterpart Institutions

In view of its programmatic mandate, UNIDO has been partnering, since long, with a number of public and private sector institutions in the country. In recent years UNIDO has been collaborating with a number of public sector institutions to implement various programmes and projects. UNIDO has mostly implemented its programmes in partnerships with Federal level institutions through various national Ministries. These mainly include Ministry of Commerce (MoC), Ministry of Science and Technology (MoST), Ministry of Industries and Production (MoIP), Climate Change Division (CCD) (formerly Ministry of Environment), Economic Affairs Division, Ministry of Food Security, Ministry of Ports and Shipping etc.

Overall Pakistan has a complex public sector institutional structures consisting, on one hand, of various Federal Ministries, Divisions, Authorities, Commissions, Bodies etc, and on the other hand the same level of complexity is found at the provincial level consisting of various tiers of provincial departments, authorities, bodies etc. As earlier mentioned with the devolution of powers to provinces, the provincial institutions are gradually gaining more financial and implementation powers and strengths, requiring UNIDO and other international institutions to foster further partnerships at the provincial level, as previously most of these agencies partnered with Federal level Ministries.

UNIDO has also been recently collaborating with various arms and subsidiaries of line ministers, a few to mention, like National Accreditation Council, National Animal and Plant Health Inspection Service (NAPHIS), Council for Scientific and Industrial Research, Physical standard Laboratories, Institute of Trade and Development, Intellectual Property Organization, Marine Fisheries Department (MFD) and SMEDA etc.

UNIDO has also partnered with provincial departments and authorities related to Industries, Environment, Agriculture, Food, Energy etc. In addition to public sector institutions UNIDO has been collaborating with a number private sector organizations and industries in fisheries, fan, leather, sports, energy, refrigeration sectors etc. Nevertheless from time to time UNIDO has also partnered with technical education and vocational training institutions and various community and business organizations to implement various interventions.

1.4.5 Official Development Assistance

A number of other international and bilateral agencies are active, since long, in Pakistan in areas related to UNIDO mandate of industrial development. In this

regard it is important to mention that the Government of Pakistan has initiated an Industry Support Programme (ISP) since 2004 with the objective to transfer technical expertise and knowledge to local industry through involvement of International and Local Experts.

The Industry Support Programme (ISP) operates in collaboration with different international organizations like Norwegian Agency for Development Cooperation (NORAD), Japan International Cooperation Agency (JICA), German International Cooperation (GIZ), Training & Development Centres of the Bavarian Employers' Association (bfz- Germany), Asian Productivity Organization (APO- Japan), Senior Experten Service (SES-Germany) and World Bank (WB)

Through international organization, ISP is offering different services to member mills of its local partners like Pakistan Hosiery Manufacturers Association (PHMA), Pakistan Readymade Garments Manufactures & Exporters Association (PRGMEA), All Pakistan Textile Mills Association (APTMA), All Pakistan Textile Processing Mills Association (APTPMA), Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) and Pakistan Foundry Association (PFA) and others.

ISP is providing technical guidance and consultancy to industrial sectors in the areas of Productivity Improvement, Quality Assurance, Cost Reduction and Energy Efficiency. This Programme has been facilitating different industrial sectors including Textiles, Auto Parts, Foundry, Fan, Furniture, Jute, Leather Footwear, Food Processing etc.

In addition to ISP collaboration international organisations like WB, ADB, JICA and GIZ etc. are also active in promotion of industrial sector and commerce through various programs like WB's Project for Competitive Industries Project for Khyber Pakhtunkhwa 2013, ADB's series of SME Development Programs, GIZ's Project on Promotion of intra-regional trade potentials in the SAARC region (2012-14) etc.

Most recently the United States Agency for International Development (USAID) and the European Commission (EC) are becoming important bilateral players/donors in promotion of international trade and increasing the profitability of small and medium size enterprises. Through targeted technical assistance it tends to enhance the capacity, procedures and systems of Pakistan's institutions to increase regional trade. In SME sector USAID programmes focuses on profitability of agricultural products, fisheries, garments, marble, tourism and weaving etc. Nevertheless USAID is also one the biggest contributor in relieving

Pakistan's energy crisis, especially for industrial sector, through large-scale energy projects.

2. Assessment

2.1 Integrated Programme 2000-2010

UNIDO's Integrated Programme (IP) for Pakistan started, in 2000, with a planning budget of USD 8.4 million and ended in 2010 with a total reviewed budget of USD 21.4 million – excluding project support costs (psc)¹²; During the IP lifecycle, budgets were reviewed and adjusted on the basis of funding prospects and the formulation of related projects.

Table 6 presents the list and status of IP related projects as of end of 2012, where the largest 3 IP related projects were still under implementation at the moment of this evaluation, although the IP Pakistan was officially closed in 2010.

Table 6: Status of main IP related projects as of July 2013

| Project No(s). | Allotment (USD) | Expenditures (USD) | Status |
|---|-----------------|--------------------|--|
| TF/PAK/06/001 - JOINT UNIDO-SMEDA-ITALIAN PROGRAMME TO ESTABLISH AN INVESTMENT PROMOTION UNIT (IPU) IN LAHORE, WITH EMPHASIS ON ITALIAN INVESTMENT IN PAKISTAN | 460,979 | 395,622 | On-going |
| EE/PAK/09/008 - TRADE RELATED TECHNICAL ASSISTANCE - TRTA II | 12,200,000 | 10,000,000 | On-going |
| FB/PAK/09/002 - JOINT UN PROGRAMME: TOWARDS GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT | 1,037,882 | 945,650 | On-going, and also <i>DaO UN programme related</i> |
| TE/PAK/09/001 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | 92,286 | 92,286 | <i>Closed</i> |
| TE/PAK/08/002 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | 392,866 | 392,866 | <i>Closed</i> |
| XP/PAK/07/002 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | 240,055 | 240,055 | <i>Closed</i> |
| TF/PAK/07/003 - INSTITUTIONAL CAPACITY ENHANCEMENT FOR CDM IN PAKISTAN | 648,719 | 610,382 | <i>Closed</i> |
| GF/PAK/09/004 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN - PREPARATORY ASSISTANCE | 70,000 | 55,117 | <i>Closed</i> |

¹² UNIDO Infobase - Programme overview – Pakistan - as of 31-July 2013

| Project No(s). | Allotment (USD) | Expenditures (USD) | Status |
|---|-----------------|--------------------|--------|
| UE/PAK/09/003 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN - PREPARATORY ASSISTANCE | 53,130 | 42,799 | Closed |

Source: UNIDO Infobase financial data as of 30-07-2013

For Component 1, the project “Institutional Capacity Enhancement for CDM in Pakistan” was implemented from 2007 to 2009 with around USD 610 000 of expenditures. For Component 3, projects “Trade Related Technical Assistance (TRTA)” phase I (2004-2008) and phase II (2010- ongoing) have been implemented with a total disbursement of about Euros 13.4 million. Component 5 was addressed through the project “Joint UNIDO-SMEDA-ITALIAN Programme to establish an Investment Promotion Unit in Lahore with emphasis on Italian investment in Pakistan” (2006-Ongoing) with a total expenditure of about USD 450 000.

Component 2 was addressed with project “Joint UN-Programme: Towards Gender Parity in Pakistan- UNIDO's Assistance towards Economic Empowerment through Developing Women Entrepreneurship and Fostering an Enabling Environment” (2009-Ongoing) with a disbursement of around USD 1 million. This project was also started as part of the ONE-UN programme for Pakistan.

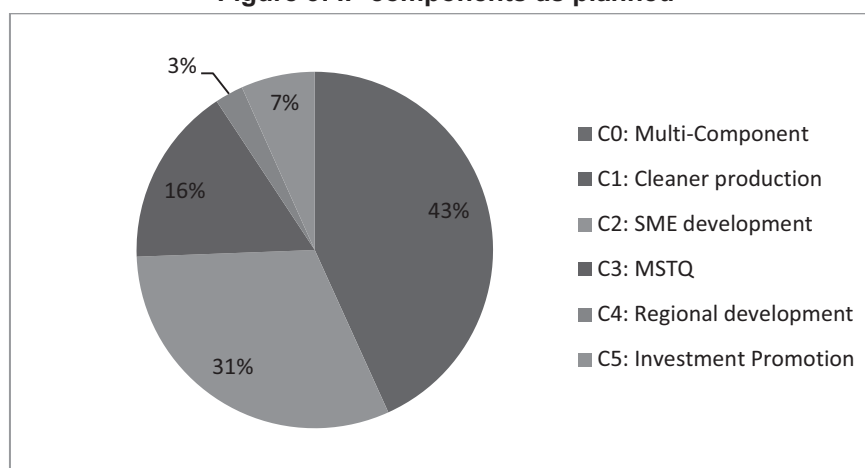
The original IP budget was USD 9.4 million, with main areas established under components C1: Cleaner production (USD 3.6 Million), C2: SME development (USD 2.6 Million) and C3: Metrology, standards, testing and quality- MSTQ (USD 1.3 Million). Table 7 and Figure 3 provide the original planning budget figures and the mix of IP components.

Table 7: IP Budget (US\$) as of original design

| Component | Planning figure |
|--------------------------|------------------|
| C0: Multi-Component | - |
| C1: Cleaner production | 3,619,000 |
| C2: SME development | 2,610,000 |
| C3: MSTQ | 1,366,000 |
| C4: Regional development | 216,000 |
| C5: Investment Promotion | 561,200 |
| Support Costs (13%) | 1,088,386 |
| Grand Total | 9,460,586 |

Source: IP Pakistan Document – April 2000

Figure 3: IP components as planned



Overall the IP for Pakistan was not implemented as planned. The original planning and budget were very different from what actually materialized, and the components also changed during the implementation.

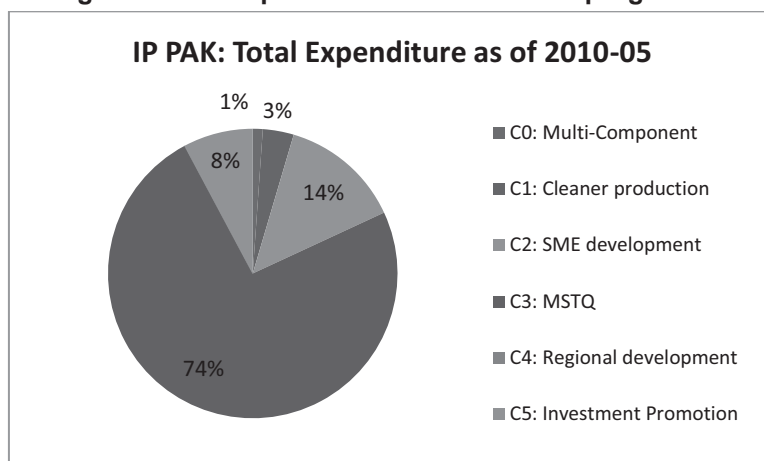
After 10 years of implementation, the IP resulted in the budget, allotments and expenditures as presented in Table 8, Figure 4 and Figure 5 below. The actual funding level was 29 per cent, thus the IP document can be described as highly unrealistic and overambitious.

Table 8: IP Budget (US\$) as of 2010-05

| Component | Planning figure | Total allotment | Total Expenditure |
|--------------------------|-------------------|------------------|-------------------|
| C0: Multi-Component | - | 50,000 | 49,153 |
| C1: Cleaner production | 674,610 | 827,713 | 153,103 |
| C2: SME development | 1,639,630 | 742,888 | 598,381 |
| C3: MSTQ | 15,096,590 | 3,411,805 | 3,280,297 |
| C4: Regional development | - | - | - |
| C5: Investment Promotion | 1,301,101 | 460,979 | 345,439 |
| Total | 18,711,931 | 5,493,385 | 4,426,373 |

Source: IP Pakistan Progress Report – May 2010

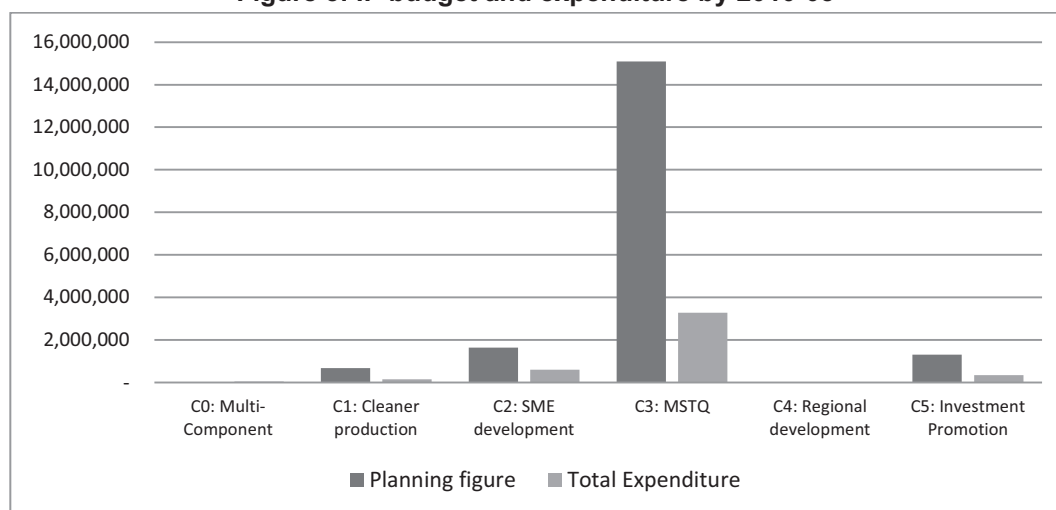
Figure 4: IP components at the end of the programme



The component C3: MSTQ got the highest budget and allotment (USD 15 and 3.4 Million respectively) followed by C2: SME development, with an allotment of USD 742 000, C1: Cleaner production, with USD 827 000, and C5: Investment promotion with USD 460 000 of allotment.

The evolution of the planning budgets, allotments and total expenditures from the IP and from each component shows a big difference from the originally planned budget in 2000 as well as the mix of the IP components.

Figure 5: IP budget and expenditure by 2010-05



2.1.1 IP Design and Relevance

Overall, IP Pakistan seemed to have been relevant, at its inception (year 2000), to the government and to UNIDO, but the funding gaps and the contextual

changes in the country made it difficult to implement it and follow an integrated approach.

The IP document was weak in terms of results orientation and focus. No baseline of the situation in 2000 was established, no indicators were identified and no performance monitoring or reporting took place, hence there are no elements for assessing effectiveness, results and/or impact attributable to the IP as a programme.

As presented in Table 1, the main objective of the UNIDO IP stated as *“To provide the Pakistani authorities and private sector institutions with technical assistance to support their efforts to build national capacities for sustainable industrial development and enable them to meet their industrial objectives”* was rather generic and did not establish relevant indicators or baselines for measurement. This objective was formulated more as an activity statement (*“... to provide technical assistance to...”*).

2.1.2 IP Effectiveness and impact

At component level, the immediate objectives established for each one were also a mix of activities or outputs (i.e. C1: “Establishment of a network...” C2: “To support the sustainable development...”, C4: “To build local capacity...”), without proper indicators nor concrete targets.

As a consequence, in terms of effectiveness not much can be said of the IP as the expected results were not established to be measurable. However, at the level of the individual projects formulated under the IP framework, there were more concrete results. (Details on results on these projects are presented in the next section of this report).

The UNIDO projects and preparatory assistance that were generated under the IP for Pakistan are presented in Table 6. Only 2 projects were actually implemented and closed during the IP period 2000-2010. (e.g. Institutional Capacity Enhancement for CDM in Pakistan” implemented from 2007 to 2009; and “Trade Related Technical Assistance (TRTA)” phase I, implemented from 2004-2008).

Two additional projects were also started under the IP and are still now on-going despite the fact that the IP has been formally closed. (e.g. “Trade Related Technical Assistance (TRTA)” phase II, started in 2010, “Joint UNIDO-SMEDA-ITALIAN Programme to establish an Investment Promotion Unit in Lahore with

emphasis on Italian investment in Pakistan”, started in 2006, and “Joint UN-Programme: Towards Gender Parity in Pakistan- UNIDO's Assistance towards Economic Empowerment through Developing Women Entrepreneurship and Fostering an Enabling Environment” started in 2009.

There seems to be a tacit contribution to the IP components and its objectives, however, the extent to which these projects contribute to the IP component's immediate objectives cannot be systematically measured due to the mentioned lack of clarity on the expected results from the IP.

Overall, IP Pakistan doesn't seem to add value in terms of more synergies, strategic focus and/or better results (effectiveness).

After the closure of the IP in 2010 no further country level programme was formulated and technical cooperation has been planned and implemented based on individual projects. The closure of the IP in 2010 was mainly an administrative action of UNIDO. No review or self-evaluation of the IP Pakistan was conducted.

In 2007, Pakistan volunteered to be one of the 7 pilot countries for the UN Delivery as One (DaO) initiative. The DaO Programme for Pakistan (OP-I) was launched in 2009. As a consequence, the last years of the IP were implemented together with the OP-I.

2.2 Performance of individual Technical Cooperation (TC) projects

2.2.1 Montreal Protocol (MP)

Pakistan is not an ozone-depleting substances (ODS) producing or exporting country but imports some of these substances such as Chlorofluorocarbons (CFC), Carbon Tetra Chloride (CTC), Trichloroethane (TCA), Halons, Methyl Bromide (MeBr) and hydrochlorofluorocarbons (HCFC).

The primary objective of the MP projects is to protect ozone layer through phasing-out the use of ozone-depleting substances (ODS). The objectives of UNIDO MP activities in Pakistan is to help the country to comply with Montreal Protocol ODS reduction schedules. This includes, inter alia, currently implemented HCFC Phase out Management Plan (HPMP), where predominant share of HCFC phase out activities is the conversion of HCFC consuming industries into ozone and environment friendly technology

By 2010, total phase out of CFCs, CTCs; TCAs and Halons have been completed. Moreover, in the case of Halons, this has been accomplished 5 years ahead schedule.

MeBr and HCFCs are currently under phasing out programme for its domestic needs in the foam, refrigeration, solvent, fumigation, firefighting and other industries and service sectors.

A national Refrigerant Management Plan (RMP) has been established with the assistance of UNIDO multiyear RMP Project. RMP also contributes to combat illegal trade of ODS. Training is provided to custom officers; and to servicing refrigeration technicians; the later to enhance their capacity for the conversion of ODP-based air-conditioners and refrigerators into zero ODP technology.

Pakistan ratified the Montreal Protocol in 1992. Keeping in view Pakistan's commitments, the Ozone Cell, for "Institutional Strengthening for the Implementation of the Montreal Protocol for the phase-out of Ozone Depleting Substances (ODS)" was established in 1995. The Cell became operational in 1996 and is funded by Multilateral Fund for Montreal Protocol (MLF). UNIDO MP interventions in Pakistan are planned, organized, implemented and coordinated in close consultation with the Government National Ozone Cell.

The Ministry of Environment, (MoE) led the development and implementation of the national programme to comply with Pakistan's obligations under the MP. MoE defined three programme components, namely:

- (i) The development of a phase out strategy;
- (ii) Setting up of institutional arrangements to implement the strategy, and
- (iii) An investment component comprising technical and financial assistance to enterprises for the adoption of non-ODS technologies.

Taking advantage of Pakistan's eligibility to receive MLF assistance, the Ministry of Environment (MoE) sought support for the development and implementation of activities for the phase-out of the use of ODS, from the four MLF implementing agencies: the World Bank (WB); United Nations Environment Programme (UNEP); United Nations Development Programme (UNDP); and the United Nations Industrial Development Organization (UNIDO).

Since 2006 UNIDO has supported Pakistan in this area through the projects:

- MP/PAK/08/003- Sector phase-out plan of CTC-Third Tranche
- MP/PAK/10/001- Phase-out of HCFC-141B from the manufacturing of insulation PU rigid foam at DAWLANCE
- MP/PAK/10/002- Phase-out of HCFC-141B from the manufacturing of insulation PU rigid foam at UNITED REFRIGERATION, HNR (HAIER), VARIOLINE INTERCOO and SHADMAN electronics companies

The MP/PAK/08/003 project was implemented from 2009 to 2011 with a total expenditure of USD 244 000. It was a third phase of similar projects started in 2003.

Projects MP/PAK/10/001&2 started implementation in 2011 and were being finalized by end of 2013. The budgets of these projects are USD 1.3 Million and USD 3.5 Million respectively with a financial implementation rate over 96% at the end of 2013.

UNIDO support has been provided through training and capacity building as well as new Ozone friendly technology and equipment.

Design and management

UNIDO's MP interventions in Pakistan is based on the HCFC Phase-out Management Plan, prepared by the Ozone Cell (formerly under, Ministry of Environment), with the assistance of UNIDO and UNEP.

On the basis of available documentation, the MP projects' design were found to lack a logical framework, but rather have a very detailed action or work plan for their implementation, focused on activities and output level mainly (sometimes wrongly called as logical framework). No explicit reference to developmental results (as expected in UNIDO projects) was found. However, Montreal Protocol programme by its nature is not a typical developmental intervention but rather compliance driven programme to ensure compliance of the Country with the multilateral environmental agreement.

Management of MP related interventions was found to be generally good and the Ozone Cell Office is coordinating the implementation of the work plan together with the Project Manager at UNIDO HQ, however there seems to be only ad-hoc coordination with the UNIDO field office.

Relevance

MP projects are indeed highly relevant to the Government of Pakistan and to UNIDO. Pakistan ratified the Montreal Protocol, Vienna Convention and the

London amendment in 1992. Pakistan also ratified the subsequent amendments including Copenhagen amendment in 1995, Montreal amendment in 2005 and Beijing amendment in 2005.

Efficiency

The inputs provided by UNIDO in terms of equipment, experts and training were found to be adequate and of high quality.

However, it was found that timeliness for delivery of equipment is a recurrent issue, with shared responsibilities of the government (on custom clearances procedures), the beneficiary companies (less attention to MP activities during production peak times) and UNIDO (lengthy/complicated procurement process from end-user perspective) but often justified by UNIDO.

Overall, beneficiary companies and Government stakeholders are highly satisfied with the support provided by UNIDO.

Effectiveness

Project MP/PAK/08/003 was completed in 2011, and projects MP/PAK/10/001&2 were being completed by 2013.

In terms of results of these projects, so far 21 companies for the Conversion of ODS Based processes into Ozone Friendly Technology have been assisted to date: In addition the conversion of CTC based processes into an Ozone Friendly Technology Metal industry Cleaning (surgical/cutlery), has been completed as planned in 29 companies with the support of Project MP/PAK/08/003.

Under MP/PAK/10/001&2 (and related preparatory assistance projects), A HCFC) Data Collection Survey for the Preparation of Hydro chlorofluorocarbons Phase out Management Plan (HPMP) for Pakistan has been implemented for the foam and refrigeration sector.

A total of 350 Custom officials were trained through the Directorate General of Training and Research (Customs) to enhance their capacity to curb illegal trade of ODS. Additionally, 3000 refrigeration servicing technicians were trained through three renowned institutions namely National Institute of Scientific and Technical Education (NISTE) Islamabad, Technical and Vocational Training Authority (TEVTA) Lahore and Sindh Board of Technical Education (SBTE) Karachi.

Overall effectiveness of MP projects is good, as project objectives (designed mainly at output level) were achieved. Strong commitment of MP Beneficiary companies is evident in terms of cost-sharing of the conversion to Ozone friendly technologies.

From a result-developmental perspective, this evaluation cannot assess impact level as there are no explicit targets at this level, and it is understood that aggregated impact of interventions will be measured and reported by the Ozone Secretariat (UNEP) accordingly. However, all phase out targets for Pakistan are being met and the country stays in compliance with Montreal Protocol.

However, one issue found in 2 of the 3 visited companies was the lack of proper disposal of the old equipment. In one of the cases, after more than 4 years, the old big pieces of equipment were still laying in the backyard. On this regards the Ozone Cell office, informed that there is a government programme for proper disposal or recycling of old equipment and materials and that this issues would be addressed during the next couple of years.

A positive side-effect noticed in 2 of the 3 companies visited, is the fact that the phase-out of the Ozone-unfriendly technologies has enabled an increase in their competitiveness and market share, for internal and external markets, as they get recognition for manufacturing more environmental friendly products.

Sustainability and ownership

A very high level of counterpart ownership and good sustainability prospects were found in the companies visited. The investment being made by the companies represent a good indication of strong commitment for sustaining and scaling-up the changes being implemented.

Moreover, the companies have realized that these changes are providing them with more competitiveness in the internal and external markets, where for instance, Haier Electronics products were branded as “green products” after UNIDO MP intervention, and furthermore, they have already invested in 2 more new production lines of refrigerators and air conditioning systems using the Ozone friendly technology transferred by the project.

2.2.2 Business, Investment and Technology and Agro-Industry Development

Often the dividing line on what is defined as Private Sector Development (PSD) versus Agro-industry and development of Trade Capacity Building is vague and

the latter 2 also incorporate elements of private sector development. However, for the purpose of this report we will stick to the UNIDO structure of distinguishing between the three.

Institutional capacity for SME Development

As mentioned above, one of the components of the IP – Component 2 - was devoted to Institutional Capacity-Building for SME Development. Foreseen sub-components were; a clusters and networks development programme for SMES, a sustainable Industrial Information Network providing information and value added support to SMEs and Policy Advice to the Government on developing the local leather-related trade, Establishment and operationalization of a footwear design center (FDC) and Performance review of textile and garment industry and recommendations for enhanced competitiveness.

Projects that actually materialized were **TF/PAK /06/001 Joint UNIDO-SMEDA-Italian Programme to establish an Investment Promotion Unit (IPU) in Lahore, DZ/PAK/07/001 Community Bases Livelihood Recovery Programme for Earthquake Affected Areas, XP/PAK/06/003 Assistance to Support, Promote and Expand the National Programme for Industrial, SME Cluster and Network Development and SF/PAK/04/002 Implementation of sub-projects in 5 industrial clusters**. The evaluation team reviewed progress in relation to the Investment promotion and Cluster development projects but were not able to access information in relation to the Livelihood Recovery project.

The IP document equally foresaw interventions in the field of Local Economic Development (LED), but the LED component never received any financing whereas the SME development and Investment Promotion components received less funding than foreseen. In fact one of the few projects in the PSD area that was implemented was the Italian financed investment promotion project, with a budget allocation of USD 461,000 and SMEDA as national counterpart. Another project with SMEDA as counterpart agency was Cluster Development, where funding amounting to USD 742 000 was raised from national counterparts and UNIDO's own programmable resources.

Moreover, UNIDO seed funding and Government funding were used to establish the web-based International Information Network. The Industrial Information Network was developed, officially inaugurated in 2005 and transferred to SMEDA but the network is no longer active and has been replaced by other information systems. Presently SMEDA is developing an E-Business Portal.

The UNIDO **cluster development** projects (XP/PAK/06/003 Assistance to Support, Promote and Expand the National Programme for Industrial, SME

Cluster and Network Development and SF/PAK/04/002 Implementation of sub-projects in 5 industrial clusters) had a total budget of about USD 500,000.

XP/PAK/06/003 - Assistance to Support, Promote and Expand the National Programme for Industrial, SME Cluster and Network Development

UNIDO support to cluster development in Pakistan goes back to 2001 with the support to five clusters; Leather, Gems and jewelry, Garments, Electric Fans and Cutlery. Cluster development was officially adopted as a component of national policy in 2001. Under project XP/PAK/06/003, with a limited funding from UNIDO and a budget of USD 265,416 but with substantial in kind support from national counterparts, diagnostic studies and action plans for SME Cluster development were completed. The training of 5 cluster development agents took place in India, cluster profiles and diagnostic studies were conducted and clusters were developed in sectors, such as textile and leather and even though the support was not very exhaustive, clusters were being supported in a meaningful way and some clusters, like the leather cluster in Sialkot, are still active.

Investment promotion

IP Component 5 – Industrial Investment Promotion and Technology Transfer encompassed; preparatory assistance to verify investment and technology promotion bottlenecks, the installation of a fully operational Investment Promotion Unit in Lahore, expanded capacity of counterpart staff in investment and technology promotion policies and management, promotion towards foreign investors and technology suppliers and provision for project completion facilities to Pakistan companies entering into business agreements with foreign enterprises.

The Italian funded investment promotion project - **TF/PAK/06/001 Joint UNIDO-SMEDA-Italian Programme to establish an Investment Promotion Unit (IPU)** - had SMEDA as a national counterpart and close collaboration with the ITPO Rome. A key activity was the establishment of an investment promotion unit, hosted at SMEDA in Lahore, with emphasis on Italian investment. The Project Document was signed in 2005 and had a budget of USD 1.4 million but only USD 461 000 were allotted during the first phase.

The IPU was launched in 2008, with the release of the first part of the Italian funding and an international expert was recruited. The expert stayed until June 2010 but was never able to integrate the IPU office in Lahore due to security issues and operated out of Islamabad. A market study was done, there were some facilitation of participation in international fairs and exhibitions but the industry sector support never really took off.

As the progress in implementing the project was slow (affected by 2009/10 security issues) the IPU and the project closed down in 2010. During the 2011 and 2012 the project was reformulated to provide solutions to the encountered limitations of the original project design and implementation. The main revisions were: 1) Finding alternative financing solutions for SMEs as the export credit line was withdrawn by Italy 2) A greater focus on supporting domestic supplier capacities for sourcing of foreign and domestic investors 3) Replacing international CTA with a national one 4) Opening the project to other technology providers through collaboration with ITPOs other than ITPO 5) Collaboration with other UNIDO projects in Pakistan , such as the TRTA project and the Women Entrepreneurship Programme working with the First Women's Bank of Pakistan. Based on the above, a series of bilateral meetings were held in 2012 and early 2013, leading to the re-opening of the project and, the approval of the use of available funds in 2012 as well as the approval of remaining funds (from which USD 436,000 of the remaining installment was received in February 2013).

A new work plan and budget has been developed and international and national experts have been recruited. A steering committee meeting was held in October 2013. The new work plan encompasses the establishment of a Subcontracting Exchange Partnership (SPX). Priority is given to the food processing and light engineering sectors, design of a SME financing scheme and investment promotion, mainly in Italy. In fact the work plan has a large focus on collaboration with Italy. Close collaboration is, like in the previous phase, envisaged with ITPO Italy and some activities are delegated to this project/entity and one of the international experts have been based at the ITPO.

In Pakistan, the project is housed at SMEDA and there is a good level of engagement with SMEDA staff. The Small Enterprise Development Agency (SMEDA) has been a long term partner of UNIDO and involved in cluster development and investment promotion projects. There is a Head office in Lahore, 4 provincial offices and Regional Business Centers (1 person offices) in 21 places, being hosted by the CIC. Moreover, SMEDA hosts Business Incubators for women in Lahore.

SMEDA's activities and agenda have evolved from, sector development, to cluster development and onto value chain development. The tendency is also moving from assuming the role of a service provider to that of a service facilitator.

There is an increasing direct collaboration with private sector. A SME Development Plan 2013-2018, prepared by SMEDA, has been adopted but not published. This should feed into the overall Vision 20-25 and aims at increasing

the number, scale and competitiveness of SMEs. SMEDA has identified 13 sectors with growth potential, including jewelry, light engineering, textile, fisheries and horticulture. 70 concept papers with concrete interventions have been developed. As designed SMEDA should be able to derive direct benefits from the project.

The involvement of the Ministry of Industries and Production (MoIP), the Ministry of Commerce (MoC) or provincial authorities is, on the other hand, limited. A certification of a laboratory run by the Gems and Jewelry Association is planned.

An Agreement between the Italian Government and the Government of Pakistan from 2005 included a provision of Euro 7, 5 million for a credit facility under a debt swap agreement between the two Governments. Between 2008 and 2010 unsuccessful attempts were made by the project to put a foreseen loan scheme/credit guarantee modality in place. Discussions have now been reopened.

Outputs of the project include a report on equity finance organizations, training on SME finance, capacity building of the counterpart agency, a delegate programme, the elaboration of ToRs for a Guarantee Scheme, SPX, COMFAR training and an awareness raising seminar on SPX, with the participation of industry associations

Project management has been challenged by the absence of a budget line 16, for staff travel but the project has been well endowed with international experts taking on project coordination functions. The two national experts on board are former SMEDA staff members with the senior one having had past responsibility for donor coordination. This is the cause of some concern as one of the main objectives of the project is institutional capacity building. Moreover, capacity building needs have not been identified. However, support from international consultants is included and has already been forthcoming. During the fall of 2013, training in SME financing was organized with the assistance of international resource persons.

Manufacturing sectors for investment promotion and for the SPX component are still to be identified. Marble, gems and jewelry, agro-industry and light engineering have been mentioned. There seems to be an untapped potential to collaborate with TRTA and WED projects. The limited involvement of the Field Office was also noticed. It will also be important to situate the SPX vis a vis the E-business portal developed by SMEDA and to assess to what extent the SPX is still needed.

As the project was only re launched in 2013, it is too early to assess results. **Relevance** is considered as high and many stakeholders stress the need for foreign investments and technology transfer. To what extent technology and investment needs can be catered for by Italian companies is uncertain but there seem to be a high level of compatibility between Pakistani sectors being mentioned (leather, textile, marble, agro-industry) and Italy. Another outstanding issue is how the sustainability of an established IPU (and SPX) will be ensured.

It will be important to monitor and assess results beyond outputs. Outcomes on investments actually mobilized, industrial cooperation agreements entered or subcontracting contracts closed and effects thereof are missing. Expected effects mentioned in the project document are technology upgrading, and employment generation. In fact, in light of actual development, changing contexts and the new work programme, the old log frame was outdated and has been revised but so far there is no monitoring system in place. On a positive note, the project should be able to benefit from UNIDO's support to the leather sector and the TRTA and to build synergies with the Italian Cooperation Programme in Pakistan.

FB/PAK/09/002 - Economic Empowerment through Developing Women Entrepreneurship Development and Fostering an Enabling Environment

UNIDO has contributed to the Joint UN Programme component on gender parity through the project **FB/PAK/09/002**. The project has a budget of USD 1 037,882 and is financed through the One UN Fund (funds were received in year 2009 from the One UN Spanish MDG funds). It was coming to an end by December 2013.

UNIDO is responsible for three outputs of the Gender Parity Component, falling under the pillar 1: Legal and Political Empowerment and the Pillar 2: Economic Empowerment. Under Pillar 1 UNIDO was to support the Government in implementing gender equitable industrial and small business development policies and programmes and strengthen capacities of private and public institutions as well as of SMEs.

Under the second pillar UNIDO was to contribute to enhancing women's capacities for gainfully developing and managing their own competitive industries and especially in creative industries, aligned to the culture of Pakistani women. UNIDO was to provide support for improved Business Development Services (BDS) for women in two provinces (Sindh and the North West Frontier Province). Sectors identified were textiles, leather goods, food processing and marble. Collaboration between various branches of UNIDO was foreseen (PSD, Agro and TCB), with the project coordinated by PSD but is not visible.

Targets established were; improved product quality, increased production, improved market linkages, (including export markets), development of a demand-oriented Business Development Service (BDS) system and building of effective clusters between women artisan groups. There was to be a Training of Trainers (TOT) approach and 15 counterpart agencies and 1000 women entrepreneurs were to be reached. Implementation arrangements envisaged included a multi-sectorial team, training needs assessments and market analyses.

Design and management

The results frameworks, provided in the project document, is weak in terms of not identifying which institutions should be strengthened under pillar 1 and which business development services should be developed under pillar 2. Moreover the indicators are not quantified.

UNIDO had some difficulties in aligning to the ONE UN framework and to access needed resources but, at the end of the day ended up with a funded and coherent WED project.

Relevance

The project is highly relevant in that it has provided a model for developing women entrepreneurship, fostered employment generation and contributed to economic growth and value addition for Pakistani raw materials, such as marble, gems and home textile. It has, moreover, contributed to the development of the creative industry sector, been catering to the need for skills development and promoting the access of women to business development services, which are all deemed relevant. Furthermore, the project assists the Government of Pakistani in achieving its MDG targets and is in line with United Nation's policy of supporting gender mainstreaming and gender equality. It is, moreover, in line with National Policy on Development and Empowerment of Women (NPDEW) of 2002. The high level of buy-in from private partners, such as the Gems and Jewelry Association and PASDEC is also a proof of the relevance of the project to industry.

Efficiency

The project has achieved a high level of efficiency and not the least through linking up with committed partners, principally the First Women's Bank and private sector association. For instance support has been channeled through the Technical Training and Business Development Center established by the First Women's Bank (FWBL), a public banking institution. The center became an extended arm of the project and was developed into a Business Growth Centre

(BCG), targeting women entrepreneurs. Curricula was developed that can be used in future training programmes and the center has grown into a major and highly professional facility for training and coaching future and actual women entrepreneurs. Overheads of the BCG are presently covered by the FWBL but there is progress towards sustainability through the collection of fees.

Constructive collaboration also materialized with the marble association – PASDEC – and with the Gems and Jewelry Association, which have devoted their own resources to complement those of the project and enabled up-scaling of some activities. One finding was that there was no central association or institution coordinating the support to the home textiles sectors (as opposed to the Gems and Jewelry and Marble sectors and for textile/weaving) and this seemed to have slowed down progress.

The project has been able to build up a training capacity, through the training of Master Trainers and many of these trainers are actively and continuously training women, thus there are important multiplier effects. Training events often take place at premises belonging to the national implementation partners which has reduced costs.

Value chain analyses have been undertaken for the home textiles, marbles and gems and jewelry sector. The value chain approach was a good entry point for the project but could have been more useful if the analyses had been at a deeper level. The consultants and experts provided by the project have been of very high quality. International experts have been used only when there was a need to complement national capacities.

A good practice was to link up with Universities in order to complement the capacities of national implementing partners in areas of relevance (such as design) and to mobilize inherent expertise for economic development.

Effectiveness

The project is considered as effective and has demonstrated concrete results in terms of developing a model for fostering women's entrepreneurship and developing trainer capacities and skills of previously unemployed women, who have been able to generate income. The project has been able to develop women entrepreneurs working in three sectors; home textiles, gems and jewelry and marble. The focus on food processing and leather was dropped. Many of the trained women have been able to sell their products and the project has been active in connecting the women entrepreneurs to sales outlets. The women entrepreneurs have also ventured into e-marketing. Management training has also been provided.

Moreover the capacities of the implementing partners have been enhanced. In fact many of the partners can be seen as being both at the giving and receiving end. For instance, IQRA University has contributed staff and premises to training in design but has also directly contributed to this training. IQRA is equally hosting an image bank, established through the project but also benefitting from this bank. Furthermore, a joint intervention between the project and IQRA University led to the establishment of a Creative Industry Centre.

In **Home textiles** a needs assessment was carried out and revealed a lack of range and diversity of products, coupled with low quality and marketability. An international consultant was fielded and provided valuable assistance. Local women were trained as master trainers (2). Regular training has since been conducted at the BGC, in all 5 batches of 20-30 women. The training consists of technical, design, digital marketing and enterprise development training. Many women have successfully started their own businesses. The BGC has played an important facilitating role and there is collaboration with the Business Development Departments of the Fatima Jinnah University and the Quaid-e-Azam University. Moreover, there was collaboration with the Fashion and Design Department of the IQRA University, where the design training took place. An innovative practice was to link up women entrepreneurs with Design Faculty students.

In **Gems and Jewelry** the counterpart organization is Pakistan Gems and Jewelry Development Company (PGJDC). UNIDO conducted a value chain analysis on the gems and jewelry sector. Training programmes have been implemented in three locations; Karachi, Gilgit and Islamabad. Training (three months) has been conducted in collaboration with the Gems and Jewelry Training and Manufacturing Centre in Karachi and focused on jewelry making. This was complemented with enterprise development training. There was also gems and jewelry training in Gilgit focusing on gemstones. The training encompassed jewelry design and making and gemstone carving and faceting (4 months). The PGJDC center in Gilgit hosted the training and provided equipment and material. No enterprise development training was delivered because the women were connected to foundations handling these aspects. In all 40 Master trainers were trained. There was also gems and jewelry training conducted at the Business Growth Centre in collaboration with the Gems and Jewelry Training Centre Peshawar. The training focused on wire-wrapping jewelry. An international consultant was conducting the training. Moreover a design expert conducted two design trainings in 2013 to build capacities of women already trained in jewelry. A focus was on contemporizing cultural designs for export and results were very positive.

The sector/entrepreneurs are benefiting from the Creative Industries Center that has been established at the IQRA University in Islamabad as well as the establishment of an Image Bank. One-month training in Gemstone carving is planned for students and faculty. The aim is to develop master trainers and a jewelry curriculum for the university.

Trainees have been connected with the Trade Development Association of Pakistan (TDAP).

In **Marble** UNIDO's main counterpart is the Pakistan Stone Development Association (PASDEC). PASDEC is a strong institution, working with an enabled private sector of marble/stone companies. Business awareness and gender training has been provided to women entrepreneurs and to PASDEC managers but principal training activities have focused on technical areas. Women are trained on making mosaic out of marble residues. The training of trainers approach has been successfully applied. Some basic equipment (stonecutting and polishing) has been provided to PASDEC. A GIZ project with PASDEC is coming up (Funds for Innovative Training - FIT). It is possible that UNIDO will provide complementary technical assistance.

Generally, the success of the project seems to be based on using qualified international and national experts and consultants and successfully linking up with committed and value-adding partners. To these categories belong the Women's Bank of Pakistan, the Design Department at IQRA University, the Gems and Jewelry Association and PASDEC. The training has been supported by the private sector and some income has been generated through the collection of fees or selling of products.

The extent to which women generate income and start businesses are not known but there is ample anecdotal evidence of positive results in terms of successful businesses. However, most women seem to work informally. There is no established Monitoring and Evaluation system to capture results beyond number of training programmes or number of women trained. The project has been successful in demonstrating that women can produce high quality products and generate income but the scale is not known.

Undoubtedly, a good model to foster women's participation in the productive and creative sectors has been developed combining technical training with coaching and management and marketing support. There has also been integration of value chain analysis, emphasis on value addition to raw materials (marble and gems) and strengthening of Business Development Services. There has been a strong attention to the promotion of gender equality and the programme was

ground-breaking in introducing women to the marble sector and to get them involved in jewelry production. So far there has been a major emphasis on urban areas with some outreach to rural areas and indications are that this is a more challenging environment.

According to the WED National Programme Coordinator the project has trained about 700 trainers and 6000 women but the evaluation team was not in a position to validate these figures. It is, however, evident that the target of 1000 women entrepreneurs supported by the project has been surpassed. As no tracer studies have been carried out there is no information on sales volumes, employment or export.

The conclusion is that the project has been successful in developing women's entrepreneurship and related business development services and in fostering value addition and income generation. Capacities of collaborating institutions have been enhanced and market linkages have been developed. The project has been ground-breaking in many ways. There has been less progress on developing gender equitable industrial and small business development policies and on providing access to finance.

Sustainability and ownership

Sustainability prospects seem good. Collaborating institutions have been strengthened as BDS providers, a pool of trainers has been trained and trainers have demonstrated their ability to train women entrepreneurs. UNIDO has been covering the costs of training of women entrepreneurs but has been paying less and less and partners have been able to charge training fees. An exit strategy was under development at the time of the evaluation.

This is a rather small project that so far can be regarded as having piloted various modalities for developing women's entrepreneurship and the impact in terms of numbers and volumes is naturally limited. There is, however, a potential to do more and to use the value chain modality more thoroughly and to upscale initiated interventions, service provisions and skills development schemes. For this to happen there needs to be policies and strategies and linking up with national actors for up-scaling and dissemination.

The WED project has principally been working with a bank and private sector actors but the model used for skills training could probably also be used by public skills-imparting institutions. In Pakistan alone there are 400 national vocational training centers, endowed with buildings and trainers. There is now a move, on behalf of these institutions, towards increasing the collaboration with the private sector and to foster results at the outcome level (employment rather than number

of people trained). An important partner in this endeavor is the GIZ and its upcoming CREW project. Many of the vocational training centers are in need of skills upgrading of the teaching staff and upgraded technology and could benefit from being involved in future WED-type project and these kind of projects could equally benefit from accessing their capacities, for higher impact.

Education/vocational skills training

UNIDO was implementing two relatively small education projects, both ending in 2013. The projects **FB/PAK/09/011** and **FB/PAK/09/012 - Demand-driven Vocational Training for Life Skills, Entrepreneurship and Job Creation** fall under the Joint Programme (JP) Agriculture and Reduction of Poverty and JP Education. The projects were funded by the One UN Expanded Funding Window and the Dutch Government under One UN Funds and had a budget of USD 690,000.

The projects focused on building capacities of vocational training institutes and developing industry relevant curricula development. Support has been provided for developing a plan establishing a Labour Market Information System and a National Skills Strategy and, in 2010, developed the Industrial Information Network, hosted at SMEDA. Research done on Life Skills Curricula and was followed by the development of Life Skills curricula for vocational training institutions. UNIDO equally supported the establishment of Centre of Excellence in Electronics at Multan Polytechnic, through the provision of IT equipment and training and provided Information and Communication Technology (ICT) labs to six girls' schools.

The present phase of the assistance, for which an amount of USD 100,000 was allotted from the One UN Fund, focuses on facilitating the economic rehabilitation of polio affected persons through skills training. Curricula for polio affected people were to be developed in 9 areas and in addition the project developed life skills curricula. National experts have been recruited to develop the curricula and act as reviewers. There is close collaboration with GIZ and the National Vocational and Technical Training Commission (NAVTTTC). The curricula are demand driven and competency based. Among the sectors targeted we find jewelry and home textiles and there are certain synergies with the WED project.

Emphasis is put on the economic empowerment of working-age polio victims, through technical training for employable skills and establishing linkages with industry/employers through internships. The project was to come to an end at the end of 2013. Moreover, UNIDO has provided training in Enterprise Resource Planning (ERP).

The assessment of the evaluation team is that although the projects and related interventions were relevant they are somewhat at the periphery of UNIDO's mandate and programme in Pakistan and seem to be driven by funding opportunities.

Agro-Industry Development

UNIDO has been supporting the agro-industry sector in Pakistan over a long period of time. A major project, implemented between the mid-1990s and the early 2000 was the Kasur Tannery Pollution Control Project, which was referred as the ever first Effluent treatment Plant established in Pakistan with close collaboration of UNIDO, UNDP, Government and Private Sector. The visit to the project site revealed that the established systems were sustainable and still in operation. The Kasur Tannery training cum facility, established in 2005 with the support of UNIDO, was showing good sustainability. It is training cum production center with clear ownership of the tannery association. One of the purposes of the center was to introduce new technologies and cater to the development of tannery-related skills. Positive signs are cost-recovery, equipment being modernized and replaced by the tannery association, training programmes are ongoing and smaller companies use the center for various production-related processes.

In recent years, the support to the agro-industry sector has been limited. It has been difficult to attract donor funding and One UN funding for agro-industry development has been piece-meal and coupled with uncertainties. Funding has been below budgets and it has not been possible to produce all the foreseen outputs.

For **FB/PAK/10/003 - Preparatory assistance to tannery relocation, in Sialkot**, only USD 50,000, for preparatory assistance (out of USD 400,000) was secured. An environmental protection study was conducted and a Master Plan for the Sialkot Tannery Zone has been developed. There has been a good level of cooperation between the provincial government of Punjab and the Sialkot Tannery Association and both parties demonstrate a high level of ownership. The advisory services of the UNIDO project manager are highly appreciated and in line with the needs and priorities of the stakeholders. Also the technical assistance provided by UNIDO experts has been of high quality.

The project has been closed and the project manager was developing a proposal for GEF funding on tannery relocation. The high commitment of the local stakeholders to environmental sustainability and the willingness to invest in the environment is a promising factor for the future. The private stakeholders clearly

see gains in terms of market access and Conformity European (CE) marking but also to the community and the environment.

FB/PAK/09/010 - Assistance to the leather industry – Upgrading of training institutions

This project, with a budget of USD 231,308, from the One UN Fund, encompassed support to Leather Products Development Institute (LPDI) in Sialkot. This is training cum production institute which, in addition, is providing services to the leather industry, including tanneries. There has been some upgrading of equipment and training of trainers in recent years. The center is financed by the Government with some income from service delivery

The LPDI was created in 1985 with assistance of UNIDO and has trained about 5000 people. It is the only shoe and leather garment training institute in the country. It plays a key role in the Sialkot area in providing skills to young people in order for them to access jobs in the leather sector. The center has recently (through the One UN financed project) been equipped with some new machines and notably for shoe upper stitching. An international expert provided advisory services to 9 companies. Moreover, technical training was provided by the international expert, with the participation of representatives from 40 private companies. Anecdotal evidence indicates that new production techniques have been adopted and led to productivity enhancements. According to the beneficiaries the export orientation of their businesses makes them excel and fosters a commitment to greening industry, a carrot being the ability to access CE markings.

Some laboratory equipment (for testing leather and textile) was equally provided and the CP laboratory was going through an accreditation process under TRTA II project. This has contributed to an expansion of needed income generation for sustainability of the laboratory.

Finally there was a study tour, organized by UNIDO, to Turkey which enabled the introduction to high tech machines and productivity improvements and introducing high fashion garments. Some business partnerships developed which led to a rise in export. It also sensitized the industry to the importance of having products comply with international quality standards and environmental requirements.

The project document mentions specific efforts to include female students in the training of leather goods manufacturing, such as free transport facility and scholarships but this was not implemented.

The training institute is a good example of industry taking ownership of an institute established with the assistance of UNIDO and over a period of 25 years. More than 1600 students are estimated to have been trained by the center. In the latest training organized by UNIDO, on Production Process and Merchandizing, 40 companies participated and participants met by the evaluation mission assessed the training as highly relevant and useful and leading to enhanced productivity and cost reductions.

FB/PAK/10/004 - Support for the Wool Industry in Balochistan province

The project is part of the One UN Programme and has a budget of USD 247,000, coming from One UN funds. It contributes to Joint Programme 1, and the outcome of increased competitiveness of agriculture, industrial and service sectors and the output to be produced is rural infrastructure developed for increased market access. The UNIDO project, with the aim to establish a wool collection unit, has a poverty reduction focus and the livestock sector is the main source of income in the Balochistan province. The Food and Agriculture Organization (FAO) is also working in this area but not with the same center. The UNIDO project goes beyond wool collection and also supports grading of wool and the upgrading of processing technologies thus aiming at increasing the value added of wool products. Support provided focuses on the strengthening of an existing centre through training, technology upgrading and the creation of market linkages. Assessments conducted of the wool collection center in 2013 indicated that the center is not yet fully functioning and that additional technical inputs were needed.

The project can be regarded as pilot project. It has been going on for three year in difficult circumstances, which has caused delays in implementation and it is still not possible to make any assessment on whether or not the project can foster increased competitiveness of the wool sector and the future sustainability of the center is uncertain. The intention is to cover the costs of running the center with income from graded wool. Another issue is whether UNIDO/the project can foster a movement up the value chain to a production phase, where UNIDO could add value. There is no collaboration with FAO at the present time and there are untapped synergies with related projects.

2.2.3 Trade Capacity Building

Project EE/PAK/09/008 - Trade-related Technical Assistance – TRTA II

Background and history

The European Union (EU) is funding a Cooperation Programme with the Government of Pakistan on Trade Related Technical Assistance (TRTA) to provide support to Pakistan in building the necessary capacities to address trade-related issues, promote integration into the world economy, as well as contribute to poverty alleviation. The predecessor programme TRTA I (2004-2007) focused on building awareness of and capacity for the World Trade Organization's (WTO) participation, building capacity in certification, metrology and accreditation of testing laboratories, and establishing the Intellectual Property Organization of Pakistan (IPO).

More precisely, the TRTA I component 2 implemented by UNIDO aimed at strengthening metrology, standardization, testing and quality (MSTQ) infrastructure in Pakistan through capacity development of MSTQ institutions and supporting the national conformity assessment and accreditation service providers to reach international peer recognition.

Followed by three short Bridging Phases, and building on the lessons learned from TRTA I¹³, the TRTA II programme started in 2009 with the global objective to support sustainable development and poverty reduction in Pakistan. The total Phase II budget is € 10.045m, to which the EC provided € 9.545m and UNIDO € 500,000.

The overall programme purpose of TRTA II is to support the economic integration of Pakistan into the global and regional economy and to stimulate decent work and employment creation by increasing exports and improving the enabling climate for international trade.

The main objectives of TRTA II are as follows:

- Building capacity within the Ministry of Commerce (MoC) to formulate trade policies and to proactively participate in trade negotiations, as well as promoting active engagement of the private sector in these processes;

¹³ A mid-term evaluation was conducted of TRTA I and an identification mission reviewed the experience with the implementation of TRTA I.

- Strengthen the quality and conformity assessment infrastructure with focus on selected export sectors (fisheries, horticulture and industrial products) to meet international standards and compliance requirements;
- Strengthen the Intellectual Property Rights (IPR) regime in Pakistan and improve the protection of IPRs in enhancing the business and investment climate in the country.

From TRTA I to TRTA II

Table 9 summarizes basic information on TRTA since its start in 2004. TRTA I, the three Bridging Phases and TRTA II will have a total duration of 9.25 years and an overall budget of € 13.4m. The EC provided the bulk of the funding with a total contribution of € 12.045m. UNIDO financed the first and third Bridging Phase and contributed to TRTA II; the total amount came to € 892,000. NORAD, finally, financed the second Bridging Phase with € 456,000.

Table 9: TRTA phases, duration, budget and donors

| Phase | Year | Duration | Budget (€) | Donor |
|------------------|------------------|-------------------|--------------|----------|
| TRTA I | 2004-2007 | 36 months | 2.5m | EC |
| Bridging Phase 1 | 2007-2008 | 6 months | 0.335m | UNIDO |
| Bridging Phase 2 | 2008-2009 | 12 months | 0.456m | NORAD |
| Bridging Phase 3 | 2009 | 3 months | 0.057m | UNIDO |
| TRTA II | 2010-2014 | 54 months | 10.045m | EC/UNIDO |
| Total (*) | 2004-2014 | 9.25 years | 13.4m | |

(*) in addition to € 2.5 Mio provided to ITC in TRTA I (2004-2007)

Design and budgets of TRTA II

The following chart (Figure 6) illustrates the overall design of TRTA II. Component 1 is implemented by the International Trade Centre (ITC) and aims at developing Pakistan's trade policy and related regulatory reforms. Component 2 is implemented by UNIDO. This largest Component is further divided into three Sub-components, viz. 2.1 on sanitary and phytosanitary (SPS) management system; 2.2 on export quality and compliance in three sectors; as well as 2.3 on quality infrastructure and services. The World Intellectual Property Organization (WIPO) implements Component 3 on the intellectual property rights system.

Figure 6: Overall design for TRTA II

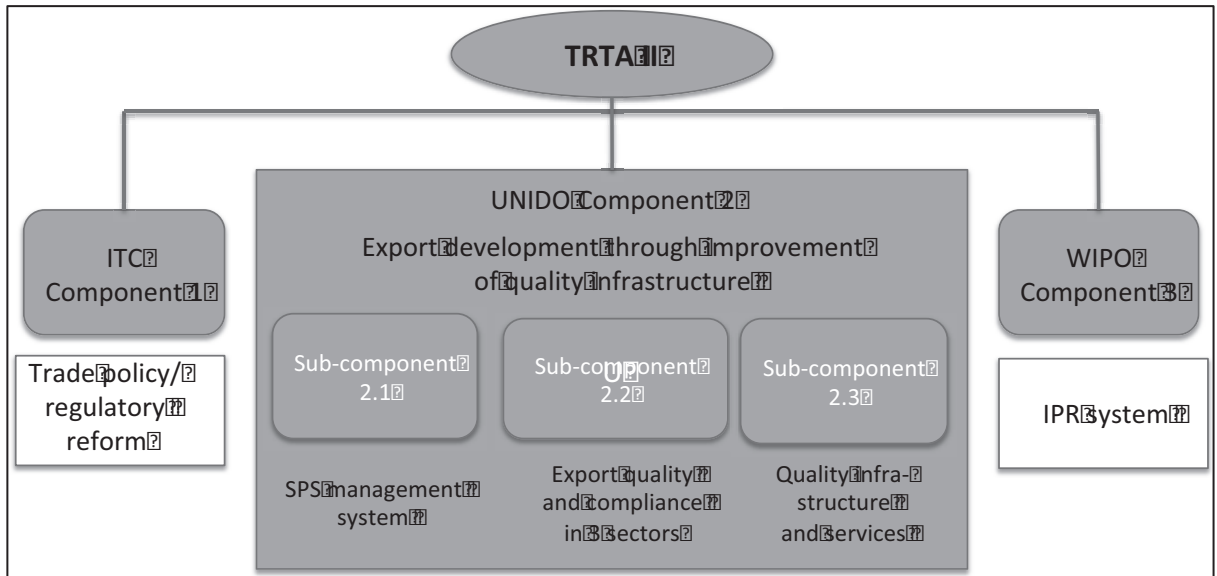
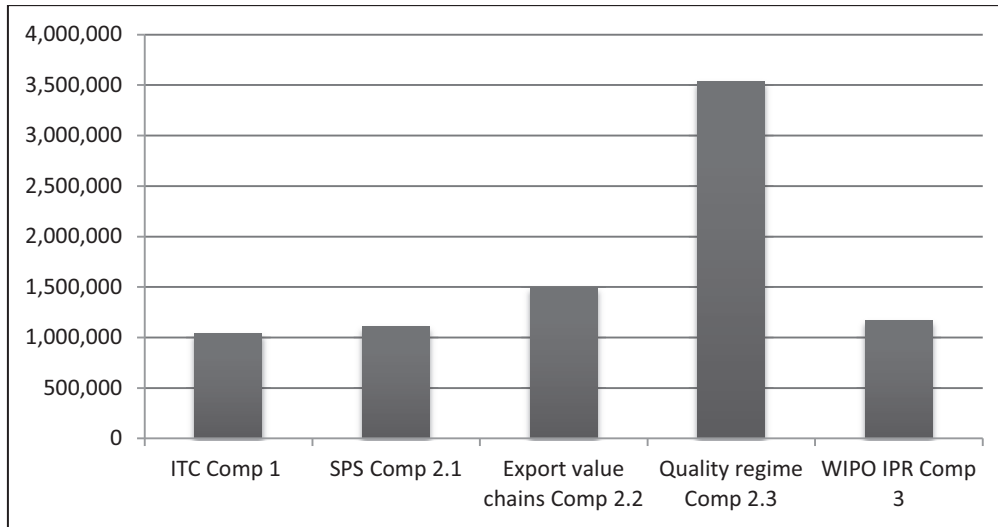


Table 10 and Figure 7 show the respective budget allocations to the three Components and the Sub-components:

Table 10: TRTA II Budgets per Component and Sub-Component

| TRTA II budget (54 months) | Figures in € | Annual budget |
|---|------------------|------------------|
| ITC Component 1: Trade policy/regulatory reform/PPD | 1,040,000 | 231,111 |
| UNIDO overall | 7,108,400 | 1,579,644 |
| <i>UNIDO coordination function</i> | -974,630 | -216,584 |
| UNIDO Component 2: Compliance of export products | 6,133,770 | 1,363,060 |
| Sub-component 2.1: SPS management system | 1,107,460 | 246,102 |
| Sub-component 2.2: Three export sectors | 1,495,820 | 332,404 |
| Sub-component 2.3: Quality infrastructure/services | 3,530,490 | 784,553 |
| WIPO Component 3: IPR system | 1,163,000 | 258,444 |
| Contingency | 83,600 | 18,578 |
| Total | 9,395,000 | 2,087,778 |

Figure 7: Graph of TRTA II budgets (Euros) - 54 months



As per date of the signature of the Contribution Agreement, the closing date for TRTA II will be 6 May 2014. UNIDO's expenditure up to October 2013 was € 7,608,546, or 81% of the budget. For ITC and WIPO, the Cumulative Financial Report of 31 March 2013 provides the last official expenditure figures: the ITC Component 1 had spent € 609,206 and the WIPO Component 3 had spent € 877,333 up to then.

Component-wise progress assessment of TRTA II

For reasons of clarity, consistency and ease of understanding, the following assessment is structured as follows: First, the largest Component 2, implemented by UNIDO, is addressed. Then, brief assessments are provided of Component 1, implemented by ITC, and Component 3, implemented by WIPO, which as such do not form part of the UNIDO Country Programme.

UNIDO Component 2: Improved compliance of exported products with export market requirements

In TRTA II, UNIDO set out to finish, so to speak, the job it had started during TRTA I and continued during the Bridging Phases, i.e. building the key elements of a self-sustaining Quality Regime in Pakistan. The prime driver for this was the acknowledged need of a national quality system with international recognition and accreditation to address challenges and requirements brought by the WTO agreements, as well as to increase the competitiveness of Pakistan's export industry through increased compliance with standards and technical regulations

of export markets, principally the EU. A secondary driver was the need to create pre-conditions to build up the domestic quality control and food safety system.

In addition to strengthening the overall national quality regime, such as for standards setting, accreditation services, metrology services, as well as in product testing laboratories (various, often supporting agro-food/fisheries sectors, but also electrical, textile, water, seed testing, veterinary labs, etc.), the project in its second phase (TRTA II) aimed at providing specific value addition and compliance related support to three sectors with an explicit pro-poor orientation: fisheries, horticulture (mangoes and kinnow) and selected industrial products (fans, surgical equipment, protective gears), the later with compliance support on CE marking.

Component 2 is divided into three Sub-components:

- Sub-component 2.1: Strengthening SPS controls (18% of the Component 2 budget);
- Sub-component 2.2: Improved quality, value addition and compliance in the fisheries, horticulture and industrial sectors (24% of the budget);
- Sub-component 2.3: Improving conformity assessment infrastructure and services (58% of the budget).

Sub-component 2.3 was endowed with the largest share of the resources and contains budgets to support laboratories towards international accreditation. As evident from Figure 5 above, Sub-component 2.1 has a budget volume approximately similar to Components 1 and 3, while Sub-component 2.2 is slightly higher than those.

Please note that the following analysis of progress made in Component 2 does not follow the structure given in the project document: first the two Sub-components 2.1 and 2.3 that were directly tasked with further developing the Quality Regime in Pakistan are jointly analyzed; Sub-component 2.2 follows, which deals with the quality and compliance related support provided to three selected sectors.

Building the Quality Regime (Sub-components 2.1 and 2.3)

Sub-components 2.1 and 2.3 are analyzed following the operational activity planning and reporting structure, as developed by the TRTA II team, which is arranged as follows: (A) Component 2.1: Sanitary and Phytosanitary measures (SPS); followed by three elements of Component 2.3: (B) Lab Accreditation and Product Testing; (C) Calibration/metrology; (D) National Quality Policy (NQP). In

the following, the main achievements, mainly in relation to outcomes, are highlighted and emerging issues discussed.

A national quality regime – alternatively termed quality infrastructure – consists of institutions engaged in standardization, metrology, testing, inspection, certification and accreditation. If such infrastructures and services are not available in the country, or are not internationally recognized for their accuracy, companies are obliged to source such services (product testing, equipment calibration, certification against ISO or other standards) abroad. This is then usually expensive, time consuming and complicated, excluding thereby often small and medium scale companies from the use of such services.

On the other hand, having such infrastructures and services locally established, and, provided they are internationally recognized for their accuracy and considered equal to such services as provided abroad, allows a broad base of companies (but also local governments, consumer protection actors, etc.) to quickly access cheaper, and reliable services.

Progress in SPS (Sub-component 2.1)

During TRTA I, the programme produced the basic analyses that identified the then existing TBT and SPS related conformity problems and deficits in the country. Subsequently, a SPS compliance study was undertaken in collaboration with the World Bank. The study identified serious deficits in food safety, plant health and animal health control systems and led to the plan to develop an integrated SPS management system with effective food safety control measures.

The main result of these efforts was that GoP formulated, with technical assistance from TRTA II, a National Food Safety Bill. At the time of the evaluation, the bill still was in its 1st reading before the Cabinet; and is to go to the Council of Common Interest and the Law Division, before coming back to the Cabinet for a 2nd reading and then be placed before Parliament for promulgation.

As a consequence, the National Animal and Plant Health Inspection Service (NAPHIS) organization continues to operate under a PC-1, i.e. is a GoP project; the PC-1 will come to an end in June 2014. Only when the bill is passed in the Parliament, can NAPHIS become an Authority, i.e. will have sanctioning powers, etc. Accordingly, the (provincial) Punjab Food Authority (PFA), for instance, is not yet formally recognizing NAPHIS and has not been interested in collaborating so far. Due to the delay in establishing NAPHIS as a Federal Authority, important issues remain pending and cooperation between PFA and NAPHIS, but also with TRTA II, is stalled despite earlier good collaborations in trainings for SPS management and food safety officers.

Taking a commendable medium- and long-term perspective for building up the SPS regime, TRTA II has successfully initiated and supported post-graduate diploma courses in Food Safety and Control at three universities. 85 students have participated in the initial batch; the first 32 students recently graduated from the University of Veterinary and Animal Sciences (UVAS) in Lahore. UVAS now plans to upgrade its course to MPhil level and have it accredited by the Royal Environmental Health Institute of Scotland (REHIS).

Progress in Lab Accreditation and Product Testing (Sub-component 2.3)

When TRTA I started in 2004, no single Pakistani product-testing laboratory was internationally recognized. At the end of TRTA I in 2007, 19 labs had obtained international accreditation for some of their product testing activities from “Norwegian Accreditation (NA)”, the national accreditation body of Norway, an internationally recognized accreditation body.

The scope of product tests of these 19 laboratories, now internationally recognized for their accuracy through accreditation, was such that now 85 % of the internationally demanded tests for Pakistan’s main export items can be locally offered, and they are internationally accepted by buyers abroad.

The direct business impact for the 19 testing laboratories, measured in 2008, was considerable: on average, service demand from public and private sector clients grew by 280% and income of laboratories from the services performed increased by 230%, which is an important contribution to properly positioning of the laboratories in the market, create a business case, reduce government funding dependency and contribute to their long-term sustainability.

Next to supported laboratories, both for product testing and for metrology/calibration, additional partners of TRTA have been two of the three pillars of the federal Quality Regime, i.e. the Pakistan National Accreditation Council (PNAC) and the Pakistan Standards and Quality Control Authority (PSQCA); both operate under the Ministry of Science and Technology (MoST).

TRTA support to these two organizations has been essential and is widely acknowledged. The PSQCA head office is in Karachi and a branch office is in Lahore. PSQCA received most support during TRTA I. The inception report for TRTA II identified ongoing weaknesses in PSQCA’s standards’ setting methodology. It still needed to be better linked to the ISO information system and brought to full operation as WTO notification body for technical regulations. Assisting PSQCA was, however, not a main target in TRTA II. Support was provided for staff training and an action plan was developed to improve the operations of the National Enquiry Point (NEP) on standards and technical

regulations; parallel support was provided to the newly created Punjab Food Authority (PFA).

PNAC, the second national organization supported, is in charge of conformity assessment. Through TRTA support, PNAC was built up for accreditation of laboratories, inspection services, certification services, etc. PNAC received international recognition to accredit laboratories against ISO 17025, or to accredit certification bodies against ISO 17021.

The TRTA II phase target has been set at 30 labs to be accredited. So far 12 have been accredited; 14 are in the process, while the programme has decided to discontinue support to four labs which did not meet the minimum requirements. Additional labs have shown interest and are under consideration by the programme.

Since obtaining its international accreditation in 2009, PNAC has successfully accredited on its own 56 (out of around 400) labs in Pakistan – at a considerable lower cost to the labs. Currently, 20 labs are in the process of accreditation by PNAC.

PNAC and PSQCA fully acknowledge the substantial and essential contributions made by TRTA to their professional and institutional development. At the same time, their management voiced concerns in relation to their future financial situation. As long as they will not have reached their financial break even points, it will be difficult to fund certain activities, in particular foreign missions that result, for instance, from the obligation for PNAC (based on Multilateral Recognition Arrangements), to make available peer evaluators for regional and global accreditation bodies.

Progress in Calibration/Metrology (Sub-component 2.3)

When TRTA I started in 2004, no national accredited on-site calibration capacity was available to calibrate laboratory equipment (balances, incubators, autoclaves, furnaces, etc.) in the approximately 400 laboratories of the country.

The main TRTA partner to develop the metrology system has been the third pillar of the federal Quality Regime, the National Physical and Standards Laboratory (NPSL). TRTA I first provided support to NPSL for the necessary hardware and upgrading of civil works and started developing the human resources through exposure trips and specialized training.

After successfully mastering all conformities, six NPSL labs were accredited by PNAC in 2012 with the support of the TRTAII programme. Today, it offers

internationally recognized on-site calibration to laboratories and the cost to industry for these services has decreased by around 80%. NPSL has so far calibrated over 120 different types of equipment.

Organizationally, NPSL is still under the Pakistan Council for Scientific and Industrial Research (PCSIR). However, in order to become a full-fledged National Metrology Institute (NMI), as is the case in other countries, NPSL will have to become organizationally independent.

Progress with developing a National Quality Policy (Sub-component 2.3)

During TRTA I, as well as the subsequent Bridging Phases, it became increasingly clear that Pakistan was lacking overall coordination of quality regime related matters. Though not in the TRTA II programme document, the Steering Committee consequently decided to develop a National Quality Policy (NQP).

The broad objectives of the NQP are (i) to provide for a clear demarcation of the responsibilities for metrology, standards and accreditation and the government commitments therefore; (ii) to ensure that conformity assessment can be provided by both public and private organizations in a market related environment, as long as they are shown to be technically competent; (iii) to provide for the development of a technical regulation framework to ensure a common, effective and efficient approach to their development and implementation across all relevant Ministries and their Agencies; and (iv) to apply measures supportive of the above.

To develop the NQP, a road map with four main steps was designed under the leadership of MoST: first, an appraisal and stock-taking exercise identified major shortcomings of the current situation; this was followed by a presentation of options, based on case studies of Malaysia, Turkey and Vietnam. Following these inputs, a working draft of the NQP was formulated in technical workshops; then, a National Quality Forum was established with all relevant stakeholders, including the private sector, to discuss the draft and provide recommendations for further improvement. The final draft of the NQP is soon to be submitted to MoST for considerations at the political level and, finally, promulgation, which is planned for 2014.

The development and implementation of the national quality policy would be a key element of Pakistan's national quality regime, and will represent a contribution to its sustainability.

Export Promotion in Three Sectors (Sub-component 2.2)

During TRTA I and the subsequent bridging phases, the programme had only been active in the fisheries sector. During TRTA II, given its overall pro-poor orientation, horticulture and industries were also included, as labour intensive sectors with good export potential.

Within the horticulture sector, the mango and kinnow value chains were selected, based on pragmatic feasibility considerations and export potential, while apricots and dates, for instance, were excluded as being too challenging. In the industrial sector, electric fans, protective gear and cutlery were selected, as non-traditional products with good export potential; textile was ruled out for already receiving sufficient support. During the inception phase in 2010, the programme then conducted extensive sector and value chain analyses, which served as sound bases for designing interventions in each value chain.

On purpose, the following brief analysis clearly separates the different sectors, i.e. treats fisheries, horticulture and industry individually. Challenges and activities in the three sectors are quite different, as are issues of sustainability and impact.

A. Fisheries

Fisheries is the only sector where activities started already during TRTA I, in 2004, when Pakistan imposed a self-ban to avoid the imminent threat of a EU ban for Pakistan fish exports. Nevertheless, the EU ban was still imposed in 2007, after a check by the Food Veterinary Office (FVO) of DG Sanco identified continued quality deficits, including poor inspection practices and poor hygienic conditions and control practices of fish packers and exporters. 13 critical points were identified that had to be addressed before exports could be resumed. TRTA has since successfully worked on these deficits during Phase I, the Bridging Phases and now Phase II.

Three main players are relevant in the Karachi fisheries sector: the first is the Marine Fisheries Department (MFD), under the Federal Ministry of Ports and Shipping; the other two are the Karachi Fish Harbour Authority (KFHA), under the provincial government, as well as the Fishermen Cooperative Society (FCS), a powerful lobbying organization with some 11,000 fishermen members that has been founded already back in 1945 and today represents next to all fishermen along the 1200 km coastline of Pakistan.

Collaboration between the three main actors is not particularly smooth, especially between KFHA, as provincial body and owner of the Karachi port infrastructure, and FCS, as operator and contractor of the fish harbor. There are long standing issues between KFHA and FCS related to harbor ownership and lease agreements, which are financed by a 3.5% excise tax on each fish catch brought into the harbor. On the other hand, KFHA also sees itself, as a consequence of the devolution of powers to the provinces, as owner of the facilities and insists that MFD, as central government body, should pay rent for the premises they occupy in the harbor.

TRTA I started by strengthening MFD as Competent Authority and converting it in the technical champion of the sector: the microbiology and chemical laboratories were accredited under ISO/IEC 17025 standard (currently valid until 2016). Two fish auction halls were renovated. Staff of 17 processing plants was trained, along with KFHA and MFD staff, in Hazard Analysis and Critical Control Points (HACCP) and IT based traceability instruments were installed. The HACCP trainings were certified by the Royal Institute of Public Health of the UK.

1500 fishermen were trained in Standard Operating Procedures (SOP). A prominent success story has been the equipping of 1400 fishing boats with fiberglass hulls. TRTA I paid for the first five boat renovations as demonstrations; later the provincial government financed the rehabilitation of 500 units, and since then around 900 boat owners have self-financed the renovation of their vessels (out of total 1800 boats in Karachi harbor).

A recommendation by TRTA II has resulted in mobilizing GoP funding of Rs 2.4m for establishing testing facilities for dioxins, PCBs and PAHs in fish and fish products at the PCSIR Karachi labs. Currently, third party laboratories are performing these tests but as soon as the PCSIR labs are accredited, they will take over.

Since March 2013, the EU has lifted the ban and fish exports have been resumed on a pilot basis. Two processors/exporters have been cleared for exporting to the EU; however, one prefers to continue catering to the less demanding markets in China and the Middle East. From the second cleared exporter, 10 trial seafood shipments have already reached European markets without rejection.

TRTA was able to rope in around € 2m of GoP contributions and investments, in particular for the PCSIR and MFD labs, fishing boat upgrading and the renovations of the two fish auction halls.

Beyond Karachi harbor, the feasibility study for development of a business park and upgrading of the jetty at Korangi fish harbor is ongoing; the results are expected soon. Five feasibility reports on piloting exports of value added fish products are also in progress.

Overall, it can be concluded that TRTA has had a major impact on the fisheries sector in the main production site in Karachi since 2004. The preconditions in terms of infrastructure and know-how are now in place for the sector to increase its volumes and exports to the EU and other markets. Next challenges will be (i) to expand the improved Karachi 'system' to other major fishing sites like Korangi; (ii) to increase value addition by exporting processed products; and (iii) to ensure that the carrying capacity of the Pakistani seas are respected. For the last challenge, FAO is currently conducting a thorough investigation.

At this point, two strategic options emerge for TRTA: the first is to exit from the fisheries sector, as a model has successfully been set up that is working in a pilot mode and leave further expansion to the private sector and the supporting government organizations. The second option would be to expand to other sites with more or less similar activities (at first in the Korangi area) and also engage in other fields, like promoting increased value addition in exports.

The evaluation mission opts for the first option and argues that now, after some ten years of intensive support, the time has come to let the sector take care of itself; more handholding will hardly lead to proactive private sector development, which ultimately is the only sustainable growth path in the fisheries sector.

B. Horticulture: Mango and Kinnow

Mango and kinnow are the two major horticulture crops in Pakistan. The Mango Research Station (MRS) in Multan and the Citrus Research Institute (CRI) in Sargodha were specifically created for the improvement of these crops and are mandated to carry out basic and applied research. Since agriculture is a provincial subject, the outreach function, i.e. the dissemination of research results, is the task of the extension wing of the Provincial Agriculture Department.

The good and comprehensive TRTA II analysis of the horticulture sector, conducted in May 2010, diagnosed, next to other shortcomings, a disconnect between the research institutes and the extension wing, as research results were not being effectively communicated to farmers. This, however, is not a unique problem for mango and kinnow, or indeed for Pakistan; linking research with extension is a global challenge in agriculture and national and international

development cooperation actors have developed many concepts and attempted many approaches, not always with big success.

The decision to support kinnow and mango production and exports was taken in the inception phase of the project. The draft of the Mid-term Review (MTR) of July 2012 (p 30) mentions that selection of these two horticulture sectors was initially challenged because substantial support was already provided through the Australia Pakistan Agriculture Sector Linkages Program (ASPL), as well as by USAID projects. Nevertheless, the substantial size of the two sectors in terms of production was taken as justification for additional support. TRTA established cooperation mechanisms both with ASPL and with USAID programmes. In particular, the cooperation with ASLP has led to the joint development and promotion of Codes of Practice and to the establishment of market linkages

The implementation of the kinnow and mango support programme was delayed; contracts with the research institutions were only signed in February/March 2012 and activities are thus only around one and a half year old. The delay was due to lengthy bureaucratic procedures for concluding an agreement with the Government of Punjab as well as with the research institutes that are delivering the support to the growers.

TRTA II has assisted, as a first step to address the research-extension disconnect, the research institutions in implementing their research-based good practices in the field. This is to be achieved by training farmers through the well-tested mechanism of Farmer Field Schools (FFS), as well as by developing Codes of Practices (COP), i.e. extension material adapted to farmer needs. TRTA II collaborated with ASLP in the development of the COP, along the critical points of the supply chains (from farm to market) and in identifying markets for the Pakistani produce.

Experts from the research institutions (MRS for mango and CRI for kinnow) now manage an instruction programme through FFS with pilot trials for 10 (rather large) participating mango farms (in clusters with 4 to 5 smaller farmers each) and 10 kinnow farms (again in clusters with 4 to 5 smaller farmers), involving in total around 100 producers. Participants in the FFS have been selected based on their resources, capacities and in particular their willingness to apply what they learn in the pilot trials to their own production. Direct impact of the programme on the poor is expected to become visible once better working conditions and more work is available for labourers involved in applying inputs (water, fertilizer, pesticides), as well as in the harvest, transport and storage tasks.

For the time being, the researchers and the comparatively small group of participating farmers are therefore the main actors. The Provincial Agriculture Department, on the other hand, is the designated actor for further dissemination of the extension messages tested on the pilot sites. The Department has staff at District and Tehsil levels; from the Tehsils, the Union Councils are served through Agriculture Officers and Field Assistants. Each District has approximately 20 staff mandated to work in agricultural extension. In addition, the Extension Wing of the Department also runs the In-Service Agriculture Training Institute in charge of training Field Assistants.

The second step of establishing a permanent and effective extension system is presently under construction. The concept foresees the scientists of the research institutions as master trainers who are to train the Agriculture Officers and Field Assistants of the Extension Wing as trainers, which in turn are to then train farmers and other actors of the supply chain, following the FFS concept and utilizing the COP.

At federal level, the Pakistan Horticulture Development and Export Company (PHDEC), a corporate body under MoC, is mandated with improving the horticulture supply chains and to increase exports. PHDEC has four field staff in the mango area and three in the kinnow area.

PHDEC has a monitoring function for the TRTA II activities. It was initially planning the establishment of a Pakistan certification system (PakGAP) to be benchmarked against the GlobalGAP certification process for exports. However, due to a variety of reasons outside of TRTA's purview, PHDEC has not fully lived up to expectations and sees its role rather as a coordinator to whom others report than actual implementer of activities.

In terms of establishing market linkages with international buyers, TRTA undertook several activities: two focus group meetings were first held in Multan and Sargodha, for the mango and kinnow sectors respectively, on how to best link Pakistani exporters with buyers, resulting in a roadmap to develop trade corridor linkages. Training workshops were then conducted on marketing and trade linkages for kinnow and mango exporters and processors in Sargodha. TRTA sourced expertise from CBI, The Netherlands to support this training.

TRTA II also collaborates with the Trade Development Authority of Pakistan (TDAP) that has the mandate of promotion of all export products, including horticulture. TDAP participated, together with seven mango and kinnow growers, in a study tour to the EU, including UK, for trade linkages and works closely with

the commercial counselors in Pakistani embassies to promote exports to their respective countries.

As a result of these activities, so far 65 tons of mango (worth € 150,000) have been shipped to ASDA, a Walmart subsidiary in the UK; other shipments went to a Malaysian supermarket chain. One early UK ASDA shipment had to be sourced in Sindh province (and thus not from FFS participants), as the Multan crop ripens too late for the early season export market. Unfortunately, the Sindh shipment was infected with fruit fly; however, the issue apparently could be sorted out and the prospects for the next season exports are said to remain good but will need to be monitored. No kinnow export could be organized so far.

As conclusion, it is evident that the horticulture value chain activities are still very much in pilot mode. The first FFS are being run, the COP are soon to be finalised and the master trainers are being formed in the process. Trial exports have started for mango; for the time being, the project targets exports of kinnow to be juiced at buyer end.

Several challenges remain: on the production side, a functioning extension system still needs to be built up with the Provincial Agriculture Department (a task where many projects have failed over the years in Pakistan); upscaling and mainstreaming of the FFS and COP are only possible through the Extension Wing of the Department, as only this organization has the mandate and necessary 'field army' to increase coverage. This will continue to require intensive efforts of the master trainers-cum-scientists, in particular after the TRTA financial support will have come to an end. For post-harvest handling and export, grading has to be mainstreamed and the specific SPS requirements for different countries have to be disseminated and followed. On the institutional side, PHDEC and TDAP will need to play their envisaged roles more pro-actively and effectively than they are doing now. Also, PakGAP remains a plan at this moment¹⁴.

Finally, the question can at least be asked whether support to production of mango and kinnow (through FFS and COP) is indeed part of the core mandate of UNIDO, or whether such activities should not rather be implemented by organizations like the FAO. On the other hand, no questions arise about UNIDO's core competency for agro-industrial activities, like processing and exporting.

¹⁴ In this context, it is worth noting that the National Technical Working Group for Fruits and Vegetables (NTWG/F&V) and the Agribusiness Support Fund Lahore (ASF), with the support of USAID-Pakistan, are working on disseminating the Global GAP in Pakistan (Article in The News, 19 September 2013).

C. Industries: Electric Fans, Protective Gear and Cutlery

During the inception phase of TRTA II, a number of sector studies and surveys were undertaken on strengths, weaknesses, opportunities and threats faced by key industrial sectors engaged in international trade. The studies were used to identify activities to improve value addition, compliance and productivity in export-oriented industrial products. Fans and cutlery were identified as model sectors to demonstrate the approach; later protective gear was added. The initial contacts with the selected industrial sectors date back to the UNIDO SME Cluster and Network Development Programme (CND) in Pakistan that was initiated in 2001 as a component of UNIDO's Integrated Programme for Pakistan.

The first round of surveys and analyses showed that the selected industries were weak in performance and that no performance benchmarks were available. The cutlery industry in particular scored extremely low in workers' health and safety, environment and productivity. A key bottleneck was the outdated polishing technology. Subsequently, sector level benchmarking was carried out in the fan and cutlery sectors in 2012. Data were collected on 125 firms in the fan and 130 firms in the cutlery sector; in parallel, a Competitiveness Benchmarking System (CBS) was developed, covering ten indicators.

After this preparatory work, TRTA II embarked on two main lines of activities:

- (1) It strengthened capacities of public agencies to promote competitiveness through (i) introducing sector CBS, and (ii) by training of master trainers in CBS and lean manufacturing tools. Main organizations targeted were National Productivity Organization (NPO), Technical Educational & Vocational Training Authority (TEVTA), and Small and Medium Enterprise Development Agency (SMEDA). The CBS tool is now housed at NPO, which was provided with the required IT equipment and software; it started to replicate the tool in the surgical instruments sector.
- (2) The second activity line was to directly improve competitiveness in the fan and protective gear sectors through (i) introduction of lean manufacturing processes, and (ii) facilitation to obtain the CE Mark, the mandatory conformity marking for products sold within the European Economic Area (EEA) since 1993; the CE Mark also serves as quality standard for easier access to other export markets.

To this end, TRTA II conducted firm level time process studies in 15 companies each in the fan and cutlery sectors and identified the bottlenecks that were causing problems in production cycles. Lean manufacturing was then fully implemented in one of the factories in each sector as a demonstration, and 50 workers of the selected companies were trained in the methodology.

Ten companies were identified in the fan and protective gear sectors and are being supported, on a cost-sharing basis, to obtain the CE marking. The technical files are complete and products have been sent to EU notified bodies for testing. Guidelines were developed for manufacturers on how to obtain the CE Mark for electric fans and protective gear and a simplified list of steps for CE marking was prepared. In the cutlery sector, the main activity is the introduction of new polishing machines; orders have been placed but delivery has not taken place yet.

Due to the imposed travel restrictions during the evaluation mission, the team could only visit three fan companies in Gujrat. All three have applied for CE marking. One company already obtained the CE Mark once but let it lapse due to insufficient market demand for its fans in the EU. The owner stated that he had not been able to compete with Chinese fans, which were being sold at roughly half the price. For all three companies, the main export markets are in Africa, Middle East and South Asia. The middle-sized pilot company visited, where lean manufacturing has been successfully introduced, praised both the process and the results. The two large companies, on the other hand, have so far only introduced minor changes in their production line set up. Serious deficits in workplace safety and environmental conditions were evident in these large companies.

The interviewed company owners were very doubtful when questioned about interest of other electric fan producers in the immediate surroundings to learn from their experiences and eventually embark on similar ventures. The existing Electric Fan Manufacturers Association was qualified as politicized and of low effectiveness, and the other competitors were said to be generally disinterested in changes, particularly when investments would be required.

It can thus be summarized that the pilot interventions in the two selected industries, i.e. electric fans and protective gear, have started to change the manufacturing process in the (few) participating companies and that the ten companies whose CE Mark application was supported should soon obtain the certification. The government bodies have been trained and their level of awareness and expertise has risen, in particular in NPO, which now has started to apply the CBS tool to other sectors.

The TRTA strategy was based on preparing pilot companies on compliance, in order to allow for up-scaling or replication, and tangible impact on the entire spatial clusters and sectors. In addition, local consultants were trained (twinned with supporting international experts), for the development of local expertise in these areas (CE marking etc.) However, it remains to be seen whether the

current consultants that introduce lean manufacturing and support the CE Mark application process will be able to make a business out of it and thus achieve the envisaged upscaling.

Finally, given the partly appalling working conditions in fan factories visited, the question remains why the programme did not link their support in lean manufacturing and CE marking with mandatory conditionality for improving the major deficits observed.

ITC Component 1: Trade Policy Capacity Building

The International Trade Centre (ITC) was tasked to support Pakistan in the WTO-related development of a trade policy and with building the necessary capacities in GoP. More specifically, Component 1 set out to achieve the following results: it first was to strengthen the institutional capacity of its core partner, the Pakistan Institute of Trade and Development (PITAD) of MoC and build its and other research institutes' expertise on trade policy. Furthermore, capacities of government officers were to be developed on specifics of trade policy and international trade negotiations. Research studies were to be undertaken to contribute to the development of a national export strategy. Finally, a Public-Private Dialogue (PPD) was to be established to develop a coherent national export strategy. To this end, ITC has recruited a Programme Officer Trade Policy and placed him in the Programme Management Office (PMO) of TRTA II.

Since 2011, Component 1 has organized and supported five PPDs (out of a target of 10). In parallel, it has mandated nine studies on topics relevant for the trade policy and the PPDs. Next to the essential dialogue between the GoP and the private sector as well as other stakeholders, the studies and PPDs have resulted in five policy papers, which were endorsed by a specially set up Steering Committee and submitted to GoP. The policy papers have substantially contributed to Pakistan's Strategic Trade Policy Framework 2012-2015 (STPF).

In addition, ITC has developed 12 trade policy specific training modules that have been accredited with the World Trade Institute (WTI) of the University of Bern, Switzerland. So far, around 1150 persons have been trained in these modules in national and international events.

Finally, Component 1 also provided a background study and awareness training on the EU-Pakistan negotiations on access to the Generalised System of Preferences Plus (GSP Plus) system. In November 2013, the EU has approved Pakistan's GSP Plus status, granting a list of Pakistani products duty free access to the EU market.

WIPO Component 3: Strengthening of the IPR system

The World Intellectual Property Organization (WIPO) was tasked to strengthen Pakistan's IP institutions along with building the necessary IP-related legislation and policy framework. Capacities within the Government were to be built for the enforcement of IPRs and capacities of businesses and research institutions were to be developed to make use of the IP system. Important groundwork was to be undertaken in the automation of IP offices and digitization of existing paper files. The WIPO in Geneva, in close collaboration with the IPO in Lahore, directly implements the Component. A branch office of IPO has been opened in Karachi while the offices in KPP and Baluchistan are pending.

A major achievement to which the Component has contributed was the promulgation of the IPO Act in December 2012. Since then the IPO can enforce its regulations. Already, some cases were treated, while some are pending at present.

The current main task is the digitization of old records. It started in June 2013, with the installation of the Industrial Property Automation System (IPAS) software. Presently, three teams work in Karachi and IPO stated that around 35% of the task is already completed (which includes the difficult old files); it is expected that the digitization will be finished by February 2014. In parallel, a web portal has been launched with info on the application process for patents, trademarks and copyrights.

The MTR of July 2012 noted that the time required for examination of a trademark was reduced from 15-20 months to 2-3 months. It also concluded that much work remained to be done in the difficult Pakistan context to foster increased use of the IP system by private businesses and research institutions.

TRTA II Design and management

The TRTA-II design has undergone several changes since discussions started and the logframe with indicators and targets went through several variations. The final project intervention logic, as given in the TRTA II Inception Report, is a mix between a logframe and a work plan.

The Overall objective (contribute to poverty reduction and sustainable development in Pakistan), as well as the Programme Purpose (increased exports and economic integration of Pakistan into the global and regional economy) are sound. However, the related indicators are hardly attainable by a single programme of the size of TRTA II: whether the poverty incidence rate declines (as per logframe) from 22.6% to 21.6% by 2014 or not, depends on the growth

(or decline) rate of the entire economy of Pakistan and indeed ultimately the global economy (as well as respective distribution of growth or decline); the predicted annual rate of increase in the HD Index from 1.3% to 1.5% by 2014 depends on the policies and actions of GoP and the society at large.

The Programme Purpose indicators are equally ambitious and would make TRTA II – could they be achieved and in particular be attributable to the programme – easily the best development venture ever: exports as a share of GDP were to increase from 27.1% to 32.1% by 2014; volume, value and unit value of exported goods to EU, SAFTA, China and Malaysia to increase by 5% by 2014; as well as comparative costs of exports to fall by 5 points by 2014. These Purpose indicators have consequently also not been monitored and not reported upon.

Given the export promotion and poverty reduction focus of TRTA II, what is clearly missing in the logframe are indicators that specifically measure attributable outcomes and impact on the direct clients and beneficiaries of the programme. Examples for Component 2 would be indicators that measure – before and after the interventions – (i) numbers of laboratory tests conducted, (ii) turnover of laboratories, (iii) changes in export volumes by laboratory clients, (iv) numbers of jobs created in the export enterprises, etc. Naturally, this would have required a baseline as well as an elaborate monitoring system, including regular sample surveys of laboratory clients, etc..

As per its design, it is evident that TRTA II is fundamentally a development programme for government organizations and bodies, as all direct partners are GoP institutions. The private sector is at the receiving end, be it as clients for test laboratories or as manufacturers and producers in value chains. The private sector was included in the PPDs, but again state actors have steered the process.

The TRTA II programme is implemented via joint management mode under a Contribution Agreement between the European Commission (EC) and UNIDO. On behalf of the European Commission, the EC Delegation to Pakistan undertakes centralized direct management. The Ministry of Commerce represents GoP as lead institution. A Programme Steering Committee (PSC), jointly chaired by the EC Delegation to Pakistan and MoC, guides the overall management of the programme. The PSC meets twice a year; the PMO acts as its secretariat.

The first CTA, an experienced professional in quality infrastructure, was in charge from inception of TRTA I until 2011; after an interim-CTA took charge in 2012, the second CTA, specialized in trade promotion, is now in place since early 2013.

The CTA leads a team of around ten qualified professionals that cover all required technical and organizational needs of the programme. It has certainly been an asset that the core team of national professionals has largely remained unchanged since 2004.

Unfortunately, delays incurred for the conclusion of the Interagency Agreements with WIPO and ITC. Also, the Inception period had to be extended to nine months until October 2010.

The potential for interagency collaboration between the three Components was assessed as partially untapped. Activity planning is done by each organization separately, collaborations are not extensive and synergies remain isolated. The fact that only UNIDO and ITC have staff on location in the PMO, whereas WIPO works through headquarter visits and consultants, has led to a closer day-to-day cooperation between the first two implementing organizations. A range of joint trainings were conducted and the PPDs organized by ITC also covered UNIDO Component related issues.

UNIDO is to be commended for its engagement in trade-related donor coordination by facilitating efforts of MoC. Information was collected and analyzed on the 21 major donors in trade and a first donor coordination meeting was held in February 2013, chaired by the Secretary MoC and the EC Delegation. Donors decided to establish regular coordination meetings and specific focus groups. Direct collaborations by TRTA II were organized with ASLP (AusAid) in the horticulture sector, CBI (Netherlands) in the surgical industry, and FAO in animal health legislation & IPM.

The TRTA programme also has to be commended on its outreach efforts. A wide range of tools is available, such as a web-site, a programme brochure, widely distributed quarterly Newsletter (1.400 copies distributed in country, also distributed to about 90 Pakistani embassies and trade delegations abroad), a specialized SPS newsletter, as well as other visibility material like calendars, annual agendas etc. All events are covered with press releases and the EU and UNIDO logo is continuously displayed on all events and materials.

Relevance

The relevance of the core activity line of TRTA – building up a comprehensive and functioning Quality Regime as precondition to foster trade and exports – remains undisputed. Equally relevant for building the basics for economic development in the country are the efforts made in developing a comprehensive Trade Policy by ITC and a functioning Intellectual Property Rights' system by WIPO.

TRTA has so far been particularly relevant for the different government organizations and bodies as target group. Systems were successfully built, processes installed and human resources trained. Where surveys have been conducted, they showed that accredited laboratories have seen significant improvement of the demand for their services.

The programme, as a sign of confirmed relevance, in many of its intervention areas had a very good capacity to mobilize national direct funding from public sector to areas supported by the programme.

TRTA has been relevant for the fisheries sector, which again after many years has started to export to the EU market; upgrading of 1400 boats (900 owner-funded) has also shown the relevance of the related pilot intervention by the programme.

The relevance for the private sector is promising as pilot interventions have shown results (first exports of mango, additional sales in protective gear with CE marking), however final relevance can only be assessed once the ongoing pilot activities will have been completed and possibly mainstreamed and prove that the proposed and tested measures can achieve wide coverage and create deep impact in the value chains and sectors.

No overall survey has measured the impact on trade and exports by the changes brought through the new systems introduced. This includes in particular a weak monitoring mechanism (evidence-based) for measuring the contribution that can directly or indirectly be attributed to the TRTA programme.

The emerging Quality Regime has so far been driven foremost by the needs of exporters; and for the domestic trade, its enforcement still needs to be developed, in particular related to the continuing deficits in enforcing SPS measures in the country. The promulgation of the National Food Safety Bill would urgently be needed to give a boost to enable local enforcement of SPS measures and controls.

Efficiency

Efficiency in implementation throughout TRTA has profited from the good baseline studies and analyses, inclusive mapping of existing capacities, made under TRTA I, on topics like SPS compliance, trade related challenges facing exporters, compliance issues effecting enterprises, etc. This sound knowledge basis allowed to fine-tune interventions to the actual needs from the beginning and avoided unnecessary detours.

The professional and long-serving team at headquarters and in the PMO in Pakistan has efficiently implemented the programme and the team made good use of the resources at its disposition. Of particular importance are the good collaborations that were established with its direct partners, i.e. different government ministries and related bodies. The partners' commitment – financial and personal – has led to efficient implementation of most action lines.

On the other hand, efficiency was hampered by delays. Of particular concern is the delay in the promulgation of the NAPHS bill – which is clearly outside the programme's direct purview – as it holds up progress in improving the SPS regime in the country. Delays also incurred in concluding the agreements with the research station and the research institute in the horticulture value chains, as well as in the purchase of the cutlery polishing machines. In future, more realistic time planning is advisable.

Implementation by three separate UN organizations did have certain implications on efficiency. Concluding the interagency agreements took substantial time. Better inter-component coordination, including joint annual planning exercises, would have increased the potential of producing synergies. Coordination was easier between UNIDO and ITC, as both organizations have staff located in the PMO in Islamabad, while WIPO was more distant, working from headquarters in Switzerland.

Monitoring and evaluation of TRTA II is organized through centralized management by the EC Delegation to Pakistan. The ECD fielded an external Mid-Term Evaluation in July 2012. Independent consultants, recruited directly by the EC, carried out external monitoring, using the Result Oriented Monitoring (ROM) system in 2009, 2011, and 2013, respectively. In the ROM reports TRTA II has continued to receive B Grading in all five measurement categories.

TRTA II does not have a specialized monitoring officer. Due to its under-resourced monitoring function, the programme is consequently not in a position to prove attributable increases in exports, or in poverty reduction through job creation in agriculture, etc..

PITAD and UNIDO staffs jointly compile the regular quarterly Implementation Monitoring Reports; the reports on Components 1 and 3 are provided by ITC and WIPO and added by UNIDO to the overall report. The reports focus on activities and outputs (key deliverables); next to no information is provided on outcome or impact levels. The Monitoring and Evaluation Plan (Annex II to the Inception Report), is being followed only partly. The last Annual Narrative Progress Report deals with the period from March 2012 to March 2013. Annex II (Summary of

Achievements) reports on key deliverables, especially for Components 1 and 3. The outcome-related OVIs for the UNIDO Component 2 are not reported on.

Effectiveness

Setting up the foundations for a comprehensive Quality Regime is certainly the core success story of TRTA. The basics of the system have been built and it can now cater to the needs of the export industries. The emerging picture shows that TRTA and its many GoP partner organizations have come a long way since 2004: where almost no structures and processes existed, today a Quality Regime is to a large extent in place. Most core organizations are advanced in their development and internationally recognized, and need to further grow and strengthen and TRTA can rightly claim to have made an essential contribution to this success story.

The situation is less bright from the viewpoint of the domestic consumers where the food safety control system and enforcement is only under construction and much remains to be done. NAPHIS and efficiency increases in organizations like PSQCA but also PFA (its sister organizations in the other provinces do not exist yet) are urgently awaited.

Most key resource persons acknowledge the importance of three main factors for the overall good performance of the programme:

- The first is the full commitment and support from the GoP decision makers as well as the leadership and staff of the various partner institutions.
- The second aspect is that management at UNIDO headquarters was stable, with the same allotment holder since 2006; the same applies to Pakistan, where the same dedicated and qualified project team of around 10 professionals remained largely unchanged since the beginning. Not least due to this consistency in core actors could the programme earn its good reputation within the EUD country office.
- Thirdly, UNIDO was able to recruit well qualified external experts, both nationally and internationally.

In relation to the sectors targeted under Component 2, the following effectiveness assessments can be made:

In the **fisheries sector**, TRTA has had, since 2004, a major impact at the main production site in Karachi harbor. The main elements along the supply chain in terms of infrastructure (boats, auction hall, labs, processors) and quality regime are now in place for Karachi's fisheries sector to increase volumes and exports to the EU and other markets. Pending challenges are the expansion to other major

fishing sites like Korangi, value addition by exporting processed products, and ultimately respecting the carrying capacity of the Pakistani seas.

Strategically, the evaluation mission opts for an exit from the fisheries sector, as a model has successfully been set up that is working in a pilot mode and leave further expansion to the private sector and relevant government organizations. It is argued that after some ten years of intensive support, the time has come to let the sector take care of itself; more handholding will hardly lead to proactive private sector development, which ultimately is the only sustainable growth path in the sector.

The **horticulture** activities are still in pilot mode. The initial FFS are running, the COP are finalized and the Master Trainers are being formed in the process. Trial exports with Walmart have been concluded for mango.

Several challenges remain: on the production side, a functioning extension system still needs to be built within the extension wing of the Provincial Agriculture Department. On the institutional side, PHDEC and TDAP will need to play their envisaged roles more pro-actively and effectively than they are doing now.

The pilot interventions in two selected **industries**, i.e. electric fans and protective gear, have started to change the manufacturing process in the (few) participating companies. The ten firms whose CE Mark application was supported should soon obtain the certification. The government bodies have been trained and their level of awareness and expertise has risen; NPO can apply the CBS tool to other sectors.

What is still required is a clear strategy for mainstreaming the experiences of the pilot companies in order to realize widespread and tangible impact on the entire clusters and sectors. TRTA envisages that the private consultants hired for introducing lean manufacturing in the pilot companies will continue to offer these services to other paying clients. It remains to be seen to what extent this will materialize; the interviews with fan company owners did not point to a widespread interest for the CE Mark. And, last but not least, the working conditions in factories need to improve; this should be made conditional for receiving further support.

Sustainability and ownership

The level of ownership regarding the new Quality Regime is high in the different government organizations and bodies, and commitment is evident to further develop and strengthen what has been started. The fact that GoP has started to

allocate regular budgets instead of project-based PC-1 budgets is a very strong sign for sustainability, as is the fact that two thirds of the increasing incomes from testing, calibrations, etc., can remain with the laboratories.

The ongoing process to develop an overall national quality policy (originally not foreseen in the programme design) is a very good investment to ensure the sustainability of what was introduced by TRTA II.

Remaining challenges to further increase sustainability include, for the Quality Regime organizations, the implementation of their business plans; also, UNIDO plans to conclude an explicit 'exit contract' with the government to ensure its firm commitment to provide sufficient plan and non-plan budgets to these organizations before the end of TRTA II. The National Quality Policy will also be a key element for the sustainability of the whole Quality Regime.

Sustainability of the Quality Regime as such could be further safeguarded by expanding to and directly approaching and involving private sector labs, in order commercialize testing beyond government laboratories and thus introduce more competition and expand coverage by further bringing down costs for exporters.

Sustainability for the efforts made in the horticulture value chains are more uncertain. Realistic strategies are needed on issues like the further promulgation by the involved government organizations of the FFS concept and the COP, without any third party budget support. The same applies, for instance, to the fan sector, where an upscaling and mainstreaming strategy is required to disseminate the innovations beyond the ten currently participating companies.

The monitoring and evaluation system of the TRTA programme represents an area for improvement. This issue has already been raised by the MTR in 2012, which stated the need for an impact monitoring system for measuring of impact of programme components that support directly improvements in production, product quality and exports.

2.2.4 Environmental Management

The UNIDO main intervention on Environmental Management covered under this evaluation was the on-going project **FB/PAK/09/013 - ONE UN programme for Pakistan: joint programme C.5 "environment" - support for green industries, waste management, energy and jobs**. This project has an allotted budget of USD 824,000, started implementation in 2010 and was expected to be finalized by end of 2013.

This project was funded under the One UN fund for Pakistan, and aimed to establish a Fat Extraction Unit in Kasur, for the processing of fleshing of hides and skins, generated in almost 300 tanneries in the Kasur tannery cluster.

The project had as an objective to reduce the environmental damage caused by tannery waste in Kasur. It mainly focused on the recovery of fat from limed fleshing. The loads of fleshing in Kasur amount to 50–70 tonnes per day. Economic developments, especially increasing fuel prices, make fat recovery increasingly interesting. The extracted fat can be utilized as boiler fuel for steam production (electric power) or for soap production.

The project also aimed at improving tanners' technical and managerial skills and at promoting environmental awareness among the population to ensure the long-term sustainability of the industry and its benefits for the population.

The project was coordinated by Kasur Tannery Waste Management Agency (KTWMA) which will also administer the established limed fleshing treatment facility. KTWMA was established in 1994, under the Development of Urban Cities Act 1976, to provide administrative and financial framework for the implementation of the Kasur Tanneries Pollution Control Project (KTPCP).

Design and management

As per project document, the project design was found to be results oriented to some extent and providing an implicit intervention logic. However, no explicit logical framework, nor outcome indicators were established.

The project design process was regarded as highly consultative and local stakeholders were on board during the planning and implementation phases of the project. Overall project management and coordination was perceived as very good by stakeholders.

Adjustments during the project implementation were needed. In the last phase the plant sustainability issue was raised by the project counterparts and beneficiaries in terms of operational, financial and social sustainability, and it was agreed that an additional output (a business plan for the new Fat extraction Plant) would be included as part of the project delivery. However, the project documents in UNIDO were not systematically updated to reflect this change during the project lifecycle; and it was mainly documented at the operational level (work plans, budget).

Relevance

The leather sector in Pakistan is a very important one. There are altogether about 1200 tanneries in the country, belonging to both the formal and the informal sectors. It is estimated that over one million people, including the ones working in small-scale enterprises, depend on these sectors for their livelihood. Almost all of the tanneries are established in a few cities; Karachi, Kasur and Sialkot whereby Kasur represents about one third of the tanneries in Pakistan.

Hence the project was found of high relevance to the Government of Pakistan, the Provincial Government of Punjab, the KTWMA and the Kasur Tanneries Association (KTA). It was also evident that there was a strong interest of all key stakeholders of this sector in addressing environmental issues, and minimizing or controlling health consequences.

The widespread discharge of unprocessed tanneries' effluent is one of the primary problems of Pakistan's leather industry. While tanneries are playing a pivotal role in the economy of Pakistan they are at the same time creating negative externalities for the society by impacting the environment and human lives. The tanning operations have been causing environmental degradations on land, water and air, therefore, bringing immense direct and indirect losses to the country.

Efficiency

Some delays in the exporting of equipment have occurred, due to the fact that the required machinery is produced by only one supplier and it required some very specific financial arrangements which were not possible as per UNIDO's procurement rules and regulations, like the advance payment amount/level. For this case, specific arrangements were needed to be done, such as the opening of a ad-hoc credit line by the supplier. However, the equipment received was considered to be of high quality.

Coordination among key stakeholders was found to be very good. Strong involvement and permanent consultation mechanisms were in place and led by the project manager at KTWMA.

The inputs provided by UNIDO in terms of experts and training and project management were found to be adequate. Resulted transfer of technology was mentioned as of high value to project counterparts.

Adequate coordination with UNIDO Field Office (FO) and HQ was also in place. Project progress reports and updated work plans were developed throughout the

implementation in close coordination between FO, counterpart and HQ project manager.

Effectiveness

Main project infrastructure (output level) as per the project document has been delivered. At the time of the evaluation the facilities for the fat extraction plant were completed and had been tested. Capacity and skills development of local staff had been provided.

However, operation of the plant (i.e. processing limed fleshing from Kasur Tanneries cluster instead of the current practices, which is not environmental or health friendly) had not yet started. As of end of December 2013, the business plan (last added project output) has been developed and agreed upon by project counterpart and their management and is providing guidance on profitability prospects of the fat extraction plant and ways of conversion of workers doing traditional fat extraction.

The UNIDO project from 2002 that supported Kasur tanneries cluster with the establishment of a combined effluent treatment plant (pretreatment), This was the first effluent treatment plant in any of the industrial cluster in Pakistan to control waste water effluents and chromium recovery. The plant has shown good sustainability and production is ongoing.

Sustainability and ownership

This project has shown an outstanding level of ownership, starting from beneficiaries (Kasur Tanneries Association), project counterpart (KTWMA), as well as from the local and provincial government of Punjab. In addition, a clear shared vision and objectives from all stakeholders was obvious.

Some sustainability concerns remain, and it will depend on coming up with solid the scenarios and options for the future operation of the plant. However the high level of interest and commitment of the local counterparts for finding solutions to outstanding issues is promising.

2.2.5 Energy and Climate Change

The UNIDO portfolio on Energy and Climate Change covered under the scope of this evaluation include:

- TF/PAK/07/003 - Institutional Capacity Enhancement For CDM In Pakistan (2008-2011, closed)

- GFPAK/12/003 - Promoting Sustainable Energy Production and use from Biomass in Pakistan (2012 - ongoing)
- Pipeline: Sustainable Energy Initiative for Industries (GEF approved for 2014-17)
- Pipeline: Cleantech Programme for SMEs in Pakistan (GEF approved for 2014-16)

Project TF/PAK/07/003 - “Institutional Capacity Enhancement for Clean Development Mechanisms (CDM) in Pakistan” started in 2008 and was operationally closed in 2011, with a total disbursement of USD 610,382. The project was funded by the Government of Norway. It was originally under Component 1 – Cleaner Production and Environmental Management of the IP for Pakistan,. The project aimed at creating an enabling policy framework through strengthening capacities of the Ministry of Environment, Delegated National Authority-Clean Development Mechanism Cell (DNA/CDM Cell), collaborative ministries and private sector by developing systems/skills for identification, assessment and evaluation of CDM projects in line with the sustainable development objectives of the country.

The core objective of the project was to build and/or strengthen institutional capacities in the country for addressing climate change issues in a systematic way; though enhancement of the DNA/CDM Cell in the Ministry of Environment for better management of CDM processes and increasing the capacity of CDM project developers at the local level in developing Project Design Documents, CDM markets and trading with a focus on industrial energy efficiency / Renewable Energy and the forestry sector.

The on-going project GF/PAK/12/003 “Promoting sustainable energy production and use from biomass in Pakistan”, with a budget of USD 1.8 million, is designed to address the energy shortage issues in Pakistan, a high dependence on fossil fuels for electricity generation and a highly energy intensive industrial sector. In particular, the project aims to provide options for the current shortage of reliable and affordable renewable forms of energy in rural areas, which is one of the major barriers hampering economic development in Pakistan. The project was requested by the GoP, Ministry of Environment and funded by the Global Environment Facility (GEF). It aims to promote market based adoption of modern bio-energy technologies for process heat generation in SME clusters and power generation in rural areas in Pakistan in support of rural electrification efforts. Given the focus of the project on modern biomass energy conversion technologies in SME clusters and rural areas, it was envisaged that the project would liaise with other technical branches, such as the agro-industry and BIT branches, which is not happening yet. The project also foresees training activities

for technology manufacturers and institutions in relation to biomass energy conversion technologies.

In addition, two new projects, to be funded by GEF, have been approved for further supporting Pakistan on addressing Energy and Climate change issues. The project “Sustainable Energy Initiative for Industries” expected to be implemented from 2014 to 2017 with a budget of USD 3.5 Million aims at contributing to reduce energy-related greenhouse gas emissions by facilitating the creation of a market environment to further promote renewable and more efficient energy technologies and regulations/measures in selected industrial sectors in Pakistan. The second project “Cleantech Programme for SMEs in Pakistan” is expected to be implemented from 2014 to 2016 with a budget of USD 1.4 Million, and aims at promoting clean energy technology innovations and entrepreneurship in selected SMEs through a platform to be established for that purpose.

Design and management

Project documents were found to be reflecting clear intervention logics. As of GEF project document requirements, the documents encompass a sound situation analysis, a Logical Framework (GEF style), indicators, baselines and assumptions and risks.

The on-going project GF/PAK/12/003 had a delay of about 14 months to start implementation due to a conflict and misunderstanding on project implementation modalities with one the original main government counterparts, the AEDB (Alternative Energy Development Board). After intense consultations and clarifications it was agreed to shift the counterpart role to the Centre for Energy Systems at the National University of Sciences and Technology (CES-NUST) and SMEDA.

Relevance

The need for promoting renewable energy and energy efficiency as part of the overall efforts to address the current serious energy supply shortage that the country is facing is fully recognized.

The Energy and Climate Change portfolio and projects are highly relevant to the Government of Pakistan; to the National Climate Change Policy, to the GEF and to UNIDO, as they aim at removing the key barriers to continuous improvement of energy efficiency in industries and increased adoption of renewable energy for productive uses.

Efficiency

The main issue has been the 14th months delay in starting project implementation due to the misunderstanding and lack of awareness of UNIDO rules and regulations from the original project counterparts for the project GF/PAK/12/003.

Overall project coordination among key stakeholders seems to be now adequate, including between UNIDO FO, HQ and GEF focal point.

So far, the quality of UNIDO inputs in terms of technical assistance through experts and training, in particular in relation to the first demonstrative bio-mass plant has been recognized as adequate.

Effectiveness

At output level, TF/PAK/07/003 has been effective at strengthening capacities to the NDA/CDM cell through training of staff and provision of office equipment.

At outcome level, the established DNA/CDM cell has been active in participating in the identification and designing of new projects and mobilizing partners and funds in cooperation with UNIDO. In fact, the two new GEF funded projects referred to above can be taken as a concrete result of this objective.

As of project GF/PAK/12/003, despite the initial delays, its implementation is catching-up with its planned activities and one of the expected outputs (the first demonstrative bio-mass plant of 3MW based on rice husk) is being implemented in Kamoke, Gujramwala. The other outputs related to policy framework development, capacity building and technology transfer are delayed. Accordingly, at this stage it is still too early to assess the outcome level results of this project.

Sustainability and ownership

After the 18th Constitutional Amendment, the decentralization is still an on-going process, and consequently these projects will need to work more and more with provincial energy and environmental departments. As the climate change agenda requires strong regulation at the national level, a Ministry of Climate Change was formed in 2011. However, in 2013 the Climate Change Division (CCD) has been formed under the Prime Minister Secretariat, who is now in charge as the GEF Operational and Political Focal Point. This will represent the need for further adaptation and most probably a more complex coordination scheme for the implementation and monitoring of these projects.

Replication of the Bio-mass demonstration plant (pilot) poses a challenge for sustainability and impact of these projects. It implies adoption of a new technology and proper transfer of skills and capabilities to the industrial sector for its manufacturing. The main challenge of the bio-mass gasification technology scaling-up is expected to be the capability of the manufacturing sector in Pakistan to be able to produce the required bio-gasifiers on a competitive cost-quality basis. The government and private stakeholders as well as the new GEF projects (sustainable energy initiatives for industries, and Cleantech programme for SMEs) expected to start in 2014 recognize these issues by involving SMEDA and the industrial sector more closely and by providing technical assistance for national capacity building and facilitate the technology transfer in cooperation with counterpart in these areas.

2.3 Participation in the ONE Programme

According to the programme document, the One Programme was expected to be the central pillar in piloting UN Reform in Pakistan, with “Delivering as One” being the motto and ultimate objective of the Pilot¹⁵. The pilot attempted to reform the UN operations for an improved coherent development delivery. The “One Programme” or “DaO Programme” or “OP-I” tried to be the framework that encompassed major strategies, initiatives, approaches, and tools through which 60-80% of the UN’s resources in Pakistan would be channeled.

The main Joint Programme (JP) areas conceived under the One UN programme for Pakistan were:

- JP-1: Agriculture, Rural Development & Poverty Reduction (ARP)
- JP-2: Health & Population
- JP-3: Education
- JP-4: Environment
- JP-5: Disaster Risk Management
- Cross Cutting Issues

The main Government counterpart for the DaO Programme is the Economic Affairs Division (EAD), and the UN system’s relationship to the Government of

¹⁵ In early 2007, almost ten years after introducing the CCA and UNDAF, design of the DaO or “One UN” initiative started based on the principle of “no one size fits all”. At the request of the respective governments, the UNSG selected eight countries for the pilot experience, i.e. Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam. (Ref: Independent thematic evaluation. UNIDO’s contribution to One UN mechanisms. 2012)

Pakistan is managed and maintained by the Resident Coordinator on behalf of the UN.

Along with other UN agencies UNIDO participated in the development and implementation of various components of the mentioned Joint Programmes. UNIDO has directly participated in three, out of the five Joint Programmes, i.e. JP-1: Agriculture, Rural Development and Poverty Reduction (ARP), JP-3: Education and JP-4: Environment.

The OP-I programme design was overambitious in terms of expected budget and UN agencies operational coordination and integration. No clear outcomes or targets were established under each JPs and no criteria for distribution of DaO funds were developed.

Table 11 presents the projects implemented by UNIDO, which were funded through the ONE-UN Fund for Pakistan. All these projects started in 2009 or 2010 and are still under implementation at the moment of this evaluation.

Table 11: UNIDO projects funded under the Pakistan One-UN Programme

| Project No(s). | Allotment (USD) | Expenditures (USD) |
|---|------------------|--------------------|
| FB/PAK/09/013 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.5 "ENVIRONMENT" - SUPPORT FOR GREEN INDUSTRIES, WASTE MANAGEMENT, ENERGY AND JOBS | 573,018 (*) | 541,480 |
| FB/PAK/09/012 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.4 "EDUCATION" - SECONDARY EDUCATION WITH A FOCUS ON TVE AND LIFE SKILLS | 313,084 | 271,613 |
| FB/PAK/10/004 - ONE UN PROGRAMME FOR PAKISTAN - SUPPORT FOR THE WOOL INDUSTRY IN BALOCHISTAN PROVINCE, PAKISTAN | 231,308 | 229,889 |
| FB/PAK/09/010 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - ASSISTANCE TO THE LEATHER INDUSTRY - UPGRADING OF TRAINING INSTITUTIONS | 265,354 | 159,238 |
| FBPAK09011 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - DECENT EMPLOYMENT AND POVERTY ALLEVIATION | 373,831 | 316,593 |
| FB/PAK/09/002 - JOINT UN PROGRAMME: TOWARDS GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT | 1,037,882 | 945,650 |
| Total | 2,794,477 | 2,464,463 |

Source: UNIDO Infobase financial information as of July-2013.

(*) Total adjusted in December 2013 from SAP data is USD 824,000

During DaO implementation, UNIDO participated through six UNIDO technical cooperation projects as presented in Table 11 above with a total budget of about

USD 2.8 Million. The budget share from UNIDO project by Joint Programme area is presented in Table 12 below.

The total expenditures for OP-I are estimated in around USD 500 Million, which reflects that UNIDO share represented about 0.6% of the total implemented budget.

Table 12: UNIDO's share in the DaO Budget for Pakistan

| DaO - Joint Programme | Planning Budget (USD) | UNIDO Projects (USD) | No UNIDO Projects |
|--|-----------------------|----------------------|-------------------|
| JP 1: Agriculture, Rural Development & Poverty Reduction (ARP) | 260,000,000 | 1,906,000 | 4 |
| JP 2: Health & Population | 225,000,000 | 0 | 0 |
| JP 3: Education | 260,800,000 | 313,000 | 1 |
| JP 4: Environment | 74,500,000 | 570,000 (*) | 1 |
| JP 5: Disaster Risk Management | 70,000,000 | 0 | 0 |
| Total | 890,300,000 | 2,789,000 | 6 |

Source: IP project document and UNIDO Infobase financial data as of 30-07-2013

(*) Total adjusted in December 2013 from SAP data is USD 824,000

In JP-1 ARP UNIDO participated in Component 1: i.e. Increased competitiveness of agriculture, industrial and services sectors and outcomes for Component 2: i.e. Development of Employable skills. In this regard UNIDO provided its technical assistance for the establishment of Wool collection centre at Pishin, Balochistan and towards building local capacity in the Pakistani leather sector, where the Leather Product Development Institute (LPDI) at Sialkot was provided with better technology and additional training on the processing of leather garments to enhance the efficiency and quality of the products. Under component 2: UNIDO contributed to increased outreach and improved delivery of TVET through operationalization of the Pakistan National Skills Strategy 2009-2013.

In JP-3 Education UNIDO contributed to Component 2: i.e. Improved learning outcomes for all secondary students and Component 4: i.e. Strengthened institutional capacities of TVET sector by 2010. Major interventions included provision of ICT and other facilities in selected secondary schools for girls and strengthening of selected polytechnic/ vocational institutes in each province/ areas as model institutions by converting them into Centres of Excellence (CoE) in selected Technologies (10 School girls and one Centre of excellence in Multan, Punjab).

In JP-4 Environment, UNIDO contributed to Component 1: i.e. Institutional mechanisms for integrated environmental management strengthened and operational, to Component 4: i.e. Urban actors having a better understanding of critical urban issues, and to Component 5: Better application of workable processes, technologies and solutions in improving industrial and urban

environmental management issues affecting quality of life of the poor and vulnerable, through the project FB/PAK/09/013 for setting up a fat extraction plant for the tanneries cluster in Kasur. These projects are discussed in more detail in the thematic sections of the report.

When funds were solicited by UNIDO through the OP-I (e.g. related fund for curricula and skills development and women's economic empowerment), the DAO mechanism was found to be meeting intensive, funding erratic and unpredictable, and approval processes to be lengthy. In few cases there were some gains in terms of increased inter-agency collaboration (e.g. good collaboration was noticed between UNIDO and UN Women in the implementation of the Women's Entrepreneurship Development (WED) project, with UNIDO working on technical areas and UN Women with policy and legislation). UNIDO accessed DAO funds for gender-related programmes and indirectly worked with SME development. The EU funded TRTA was not included in the OP-I (did not fit into the framework) and the project was implemented outside of the Programme.

OP-I came to an end in December 2012, however, there were some carried forward activities funded under One UN Fund and UNCT decided to extend the validity of the One UN fund for one more year.

A second One-UN Programme 2013-2017 was approved in December 2012. It is aligned to national political processes and both national and sub-national development priorities, frameworks and strategies. It is a national programme framework of the UN system in Pakistan, with a strong focus on implementing at the sub-national level. In order to better provide support at the provincial level, as well as the federal level, joint Government-UN Steering Committees were established for the federal level and each administrative area. These would provide oversight and strategic guidance to the UN programme and the administrative area level. On the basis of extensive consultations with federal and provincial governments, in addition to other stakeholders, six key goals were identified in which the UN appears to have a comparative advantage and can significantly contribute.

The six Strategic Priority Areas (SPA) of the One Programme II (OP-II) are:

- SPA1: Equitable access and use of quality services by vulnerable and marginalized populations
- SPA2: Inclusive economic growth through the development of sustainable livelihoods (where UNIDO have the lead agency role)
- SPA3: Increased national resilience to disasters, crises and external shocks

- SPA4: Strengthened governance & social cohesion
- SPA5: Gender equality & social justice
- SPA6: Food & nutrition security for the most vulnerable groups

In line with UN principles, OP-II is also rooted in the human rights-based approach, including the cross-cutting aspects of gender equality, capacity development and environmental sustainability as key elements throughout all UN interventions. Total resource requirements for the entire OP-II over a period of five years are estimated at USD 1.87 billion.

The OP-II programme document has been adopted and the respective operational plan is in process of preparation. Overall, it appears that OP-II is still overambitious in terms of planning figures, however there seems to be a better results framework attempting to establish relevant outcomes, baselines and indicators; which is an improvement compared to OP-I.

From the design and conceptual dimension, there is no doubt that DaO programme(s) are relevant for Pakistan and for the UN system. There is a better match of the SPAs (for OP-II) compared to the JPs (for OP-I) with the Pakistani National Priorities reflected in the Poverty Reduction Strategy Paper (PRSP).

For UNIDO, the OP-II is also more clearly relevant due to the Strategic Priority area (SPA2: Inclusive economic growth through the development of sustainable livelihoods) where UNIDO core mandates are better reflected.

For the OP-II, which is presently under development, Priority Area 2; Inclusive Economic Growth, incorporates employment creation and SME development. This Priority Area 2, where UNIDO will play a leadership role, encompasses many outputs and some are related to projects initiated under OP-I, such as entrepreneurial development, assistance to the leather sector or wool collection. WED interventions are expected to continue under OP-II Priority Area 5; Gender equality and social justice.

Under the current planning figure for OP-II; USD 1.87 Billion, UNIDO is expected to mobilize/implement around USD 65 Million in the next 5 years, which does not seem to be very realistic considering that UNIDO's portfolio to Pakistan represents, all in all, around USD 20 million in the last 8 years.

2.4 Cross-cutting issues

2.4.1 Gender

In terms of gender equality and the empowerment of women, only the WED programme had a clear and strong gender approach. Most of UNIDO projects don't mainstream the gender considerations and don't include the aspects in the design except for at a very general level.

No baseline or targets on gender are normally found in project documents, hence there is no framework for a more systematic assessment or monitoring. Gender related information was generally absent in progress reports.

2.4.2 Environment

UNIDO projects are addressing environmental issues for Pakistan through projects under Montreal Protocol (MP), Environmental Management and Energy and Climate Change areas.

Environmental mainstreaming is directly addressed in projects such as FB/PAK/09/013 - ONE UN programme for Pakistan: joint programme C.5 "environment" - support for green industries, waste management, energy and jobs, which is establishing a Fat Extraction Unit in Kasur, for the processing of fleshing of hides and skins, generated in almost 300 tanneries in the Kasur tannery cluster, and hence to reduce the environmental damage caused by tannery waste in Kasur. There are also other examples of environmental issues being considered for projects in the leather sector.

Similarly, Montreal protocol projects, through the phase-out of Ozone Depleting Substances from industries, and projects on Energy and Climate Change are also directly mainstreaming environmental issues, such as TF/PAK/07/003 - Institutional Capacity Enhancement For CDM In Pakistan, GFPAK/12/003 - Promoting Sustainable Energy Production and use from Biomass in Pakistan, as well as the forthcoming new projects on Sustainable Energy Initiative for Industries and Cleantech Programme for SMEs in Pakistan.

2.5 Field Office performance

The UNIDO Country Office is staffed with a UNIDO Field Representative - UR (position not filled at the time of this evaluation), one National Programme Officer, one Office Assistant, and one Driver. In addition, the FO hosts a number of project related experts and consultants.

In addition to the National Project staff, the FO hosts:

- DaO Projects: 10 project staff
- GEF funded Projects: 2 persons
- TRTA-II Programme: 14 persons excluding TRTA CTA

Overall the FO staff seem to be highly motivated and committed and showing a high level of professionalism.

Given the present portfolio, in addition to the participation in One UN Programme (OP-I and OP-II) and the new decentralized government context, the FO resources seems to be stretched and with an increasing workload.

Moreover, the situation of absence of a UR for more than one year has been hindering UNIDO to efficiently interact with the UNCT and at the government. The arrangement for having two Officers-in-Charge was suboptimal but still constituted a solution and has managed the Office to operate. Both O-i-Cs accepted to take on additional functions and work burdens but were constrained by the fact that their main tasks laid elsewhere.

As a consequence, the level of internal coordination in the FO seems to be weak and additional stress and workload was generated for administrative tasks

In terms of adoption and use of the newly introduced SAP system, the FO staff is still getting familiar with all the new tools (mainly for hiring consultants, procurement and personal performance appraisal), they feel that formal training has not been sufficient but they are self-learning by doing, with ad-hoc support from HQ contact points.

In terms of finance the FO had an annual budget of about 247 000 USD for 2013. Currently the costs for the office operation (rent and services) are shared between the FO budget, the TRTA, WED, GEF and OP-I projects (e.g office rent amounts to 240k USD/year covered around 47% by FO and TRTA each, and 6% by other projects). The rest of the FO budget covers additional common services of the Serena Business Complex (where a number of UN agencies are

currently hosted, included UNDP and RC), contribution to RC office, security, IT services and office support).

UNDP has already announced that it will be moving offices during 2014, hence UNIDO FO would need to consider moving out or renegotiating the contract to stay at the Serena Business Complex.

Field Office RBM work planning and reporting were found to be weak. No country level reports have been developed since 2010. Interaction with HQ could be improved in terms of better coordination by and with project managers in HQ and more involvement of FO staff. For instance MP projects or the BIT project with SMEDA in Lahore seem avoid systematically informing the FO about project developments or HQ missions.

The Pakistan context is complex and challenging, due to the structural changes at government level (decentralization process), high turnover of Government staff and security issues. To a large extent, existing challenges are alleviated by the many national experts and consultants on board.

3. Conclusions, recommendations and lessons learned

3.1 Conclusions

UNIDO is an appreciated partner in Pakistan. Most stakeholders find that the services provided by UNIDO in terms of technology transfer, technical expertise and capacity building are positive contributions to their development efforts.

Generally, projects were aligned to Government needs and priorities and to UNIDO's core mandate. A few of "funding opportunity driven projects" were also noticed.

There is a general need for technology upgrading, and many UNIDO projects have been active in this area (TRTA, wool collection, LPDI, tanneries in Kasur and Sialkot, MP projects, Energy and Climate Change, and the Fat extraction projects). For some leather projects "cleaner production or greening industry" appear as a cross-cutting aspect. Many of the newly initiated and pilot projects directly deal with environmental issues. The environmental portfolio is expected to cater for the largest share of the overall portfolio in the near future.

For some projects the socio-economic effects of the intervention were overlooked (e.g. Fat extraction plant) and the fact that the upgrading of technology needs to be done in parallel to developing opportunities for alternative employment (when a technology or processing unit is being phased out). "It needs to be good for both people and the environment".

Very positive results were noticed when there was a strong alliance between the Government, the Private Sector and UNIDO, working together towards common and clear objectives. Private sector and beneficiary ownership and commitment were, in particular, evident in projects working with the leather sector in Sialkot and Kasur. Strong private sector involvement and ownership was equally noticed for the WED project.

Generally and with the exception of the WED programme there is little attention to gender issues.

UNIDO projects have many committed partners, belonging to both the public and the private sectors. There is now a need to intensify the collaboration with provincial authorities, in line with the 18th Constitutional Amendment.

There is now a challenging context for establishing a new framework for collaboration with Pakistan, building on previous results but also taking into account national developments and new context, such as the 18th amendment and devolution process. Punjab is the home to 62 per cent of large enterprises and 72 per cent of small ones and seems as a natural entry point for provincial level work. It is also a province where UNIDO has been active, for instance in the field of investment promotion and supporting the leather sector.

3.1.1 Relevance

The majority of the projects are relevant to Pakistan needs and priorities and address existing problems or constraints. Industrialization is a key objective of the Government and there is a need to both increase the share of manufacturing in GDP and promote value addition and employment.

Many projects in the portfolio contributes to environmental sustainability and as Pakistan is among the Worlds' Top ten in terms of vulnerability to impacts of climate change this is most relevant. This is also relevant from a poverty perspective since the poor and vulnerable segments of the population are estimated to suffer the most from environmental degradation. Furthermore the energy efficient interventions are expected to tackle the shortage in energy.

The attention to addressing existing gender inequalities is, moreover, in line with the priorities of the stakeholders, including the Government and UNIDO but could be done more systematically. Generally, the UNIDO programme fits well into the Framework for Economic Growth, launched in 2011.

3.1.2 Efficiency

UNIDO is implementing a relatively large and wide programme in Pakistan and coordination is challenging. Projects often work in isolation, overall coordination has been lacking and potentials for synergies are not tapped but seem to exist, e.g. the TRTA and the investment promotion project and between the investment promotion project and the WED projects. There is also a potential for the WED project to work with the leather sector.

Projects were in many cases able to build on past projects and accomplishments for instance the TRTA is working with surgical equipment, fans and cutlery clusters, and the support to leather sectors in Kasur and Sialkot linked up with clusters supported under the cluster development project.

Positive results and efficiency was also found when UNIDO works with a cluster of enterprises, such as tanneries in Kasur or leather manufacturers in Sialkot. These projects have, moreover, been able to combine an increase in enterprise competitiveness and environmental sustainability.

Several projects had also been successful in forging linkages with universities and mobilizing their expertise for development.

In terms of UNIDO inputs, there have generally been good quality experts and consultants both at national and international levels, as well as adequate equipment provided. However, there have been recurrent delays in procurement-related activities and delivery of equipment and for this and other reasons many projects were behind in implementation.

Security issues have also affected the efficiency of some projects and travel of project staff. The absence of a UR for an extended period has negatively affected UNIDO's presence.

3.1.3 Effectiveness

Both the IP and One UN Programme were overambitious and heavily underfunded. This has affected overall results. Many post-IP projects have recently started and it was often too early to assess results.

Pilot projects are often successful in demonstrating a technology, for example chrome recovery (in tannery process) but the technology is not always replicated for cost or other reasons. Sometimes a common facility would have been a better option.

The evaluation team noticed a high degree of commitment, both on the part of the Government and the Private Sector towards the Green Industry agenda and also a need for capacity building in related areas. Equally encouraging were the efforts made by the Gems and Jewellery Association and PASDEC to support the WED project.

Environmental Management (Kasur Tanneries) and MP projects have overall been effective in achieving outputs as planned.

The biggest UNIDO intervention in Pakistan in the period covered by this country evaluation has been the TRTA programme. The emerging picture shows that TRTA and its many GoP partner organizations have come a long way since 2004: where almost no structures and processes existed, while today a Quality Regime for Pakistani exports is to a large extent in place. However, the core organizations are still at the beginning and need to further grow and be strengthened to become truly professional and independent. Nevertheless, the pre-conditions are now in place and TRTA can rightly claim to have made an essential contribution to this success.

The situation is incipient from the viewpoint of the domestic consumers where the food safety control system is only under construction and much remains to be done. The NAPHIS bill and efficiency increases in organizations like PSQCA but also PFA are urgently awaited.

The WED project has been ground breaking in fostering women's entrepreneurship and in demonstrating that skills development can lead to self-employment and from there to enterprise creation.

The Clean Development Mechanism (CDM) cell was enhanced and is now active in designing new projects and mobilizing partners and funds in cooperation with UNIDO. Two new GEF funded projects for promoting energy efficiency and renewable energies have been recently approved, and will start implementation in 2014.

3.1.4 Sustainability and Impact

Many projects in the agro-industry sector demonstrate strong ownership of stakeholders, including direct beneficiaries and sustainability prospects are good.

When the TRTA Programme started in 2004 no single Pakistani product-testing laboratory was internationally recognized. At the end of 2007, 19 labs had obtained international accreditation from Norway, which allowed performing domestic tests against around 85% of Pakistani export requirements. The direct business impact for the 19 testing laboratories, measured in 2008, was considerable: on average, service demand from public and private sector clients grew by 280% and income of laboratories from the services performed increased by 230%.

3.1.5 Programme Management

Integrated Programme progress reports were delivered in October 2002, October 2006 and March 2010. No overall country level report has been developed since 2010 but UNIDO has reported on its One UN interventions on a regular basis and this has been part of the overall One Programme Annual Progress report.

UNIDO has been without a UR for an extended period and this have affected the office/programme and the ability to participate in One UN committees. The fact that UNIDO has become a lead agency under OP-II in Strategic Priority 2; Inclusive Economic Growth will require a deeper and more strategic involvement as well as opportunities for a wider UNIDO participation.

3.2 Recommendations

- UNIDO should develop and establish a cooperation agreement and/or a new framework for collaboration with Pakistan, building on previous results but also taking into account national developments and new contexts, such as the 18th Amendment and devolution process, as well as the experiences from the IP and DaO processes. UNIDO should minimize “funding opportunity driven projects”, and align to national development priorities and OP-II.
- UNIDO should consolidate and build on previous positive experience of working with the marble, leather and fisheries sectors, in order to consolidate and further scale-up achievements.
- UNIDO should develop a strategy on how to scale up WED and take the Business Growth Centre and creative industry sector forward, for impact on women’s empowerment and youth employment. It should continue to work with private partners but also look for opportunities to link up with and support publicly managed technical vocational training centres.
- UNIDO projects aiming to develop and test pilot or demonstration infrastructure (e.g. bio-mass energy, fat extraction plant) should integrate assessment of the pilots and, if positive, the development of scaling-up strategies,
- UNIDO should, as much as possible, ensure a field presence for complex or big projects (CTA and/or project staff), and/or consider pooling funding

from projects for CTA and project staff (by thematic area projects, e.g. EEC, MP)

Recommendations for TRTA II

The EU has approved an extension of TRTA II for two years with a budget of € 2m. It will cover no cost and cost extensions of on-going activities, as well as a few new activities that closely relate to present on-going activities.

Given the limited time at its disposition, TRTA II should now firmly move into an exit mode. The remaining period must be used to really 'finish the job' and hand over to Pakistani actors and organizations to ensure institutionalization of the core achievements.

- This in turn warrants robust and evidence-based strategic decisions to focus on those areas where the programme sees the best potentials to generate wide and sustainable impact and institutionalize achievements in the remaining time available and – consequently – to also decide to exit action lines with less impact and sustainability potentials.
- TRTA II is advised to follow the recommendation given in the ROM report of 2013, i.e. to develop and directly implement a clear-cut and realistic exit strategy, as basis for the extension period. The PMO has compiled a Matrix for Extension and Expansion¹⁶, dated September 2013, which lists (i) business environment improvement, as well as (ii) capacity building for competitiveness analysis, value chain analysis for employment driven economic growth as new fields for the coming extension phase. Evidently, these plans go against the focusing and limiting approach, as proposed by the evaluation mission. An expansion into new fields and topics could only be justified in view of piloting or preparing for other future programmes; however, this intention should be clearly spelled out and related interventions should be kept separate from ongoing activities.
- In terms of what to do, the evaluation team proposes to TRTA II to foremost concentrate on the Quality Regime during the extension period, based on the vision that it will function independently in two years. However, again priorities will have to be set in terms of needs but also impact and sustainability potentials. It has been mentioned that inclusion of private sector labs and commercialization of R&D products could be a way forward towards ensuring sustainability.

¹⁶ TRTA II Implementation and Achievement Update Matrix & Proposal for Extension and Expansion Plan, September 2013.

- In relation to export sector activities under Sub-component 2.2, it is recommended to only continue where (1) mainstreaming/upscaling potential is very promising, and (2) post-project sustainability is very likely.
- The above mentioned “Matrix for Extension and Expansion” lists for the horticulture value chains the piloting of a PakGap local scheme, as well as up-scaling of operations in the mango and kinnow sectors. It has been argued that upscaling will be very challenging; consequently the team should soon prepare realistic action lines to start this process. Finally, should work in industrial value chains.
- Given the fact that TRTA is currently not in a position to report on its impact and the level of direct attribution nor contribution, it should (i) revisit earlier surveys on needs of exporters and assess in a new (sample) survey how far the situation has improved for them and why (and where hiccups continue to hamper further exports); as well as (ii) repeat a complete survey on the number of tests performed and income generated in the accredited labs over time. Finally, (iii) tracer sample surveys of lab clients/exporters would produce sound information on increases in exports, and possibly also jobs, that are attributable to the programme.

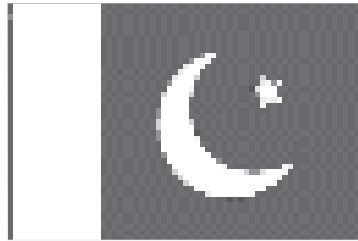
3.3 Lessons learned

- Working with both the private and public sectors towards common objectives and with complementary resources fosters the achievement of outcomes and sustainability.
- Mainstreaming environmental sustainability in projects supporting industries can be a way to promote export and growth.
- A holistic approach to sector development (including environmental sustainability, skills development, export promotion and technology upgrading) was seen for the leather sector as a positive approach.
- Collaboration with universities (design and food safety, 3 universities have approved curricula for post graduate diploma) add value to interventions as a sustainable local partner and for access to additional funding and resources.
- Working with technical vocational training centres operated within clusters (cutlery, leather) provide customized solutions and training services, and have a good prospect for sustainability.

Annex A: Terms of Reference



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION



TERMS OF REFERENCE for the

Independent UNIDO country evaluation in PAKISTAN

09 Sept 2013

I. Introduction

The independent evaluation of UNIDO activities in Pakistan was approved by the Executive Board as part of the ODG/EVA work programme 2012/2013, for assessing the implementation and results of technical cooperation programmes and projects, including Montreal Protocol (MP) and Global Environment Facility (GEF) projects, components of regional projects, the function and performance of the UNIDO Field Office (FO), contributions to the Delivering as ONE (DaO) mechanism, and contributions to the attainment of the Millennium Development Goals (MDGs).

UNIDO has been involved in Pakistan since 1965. By end of 2012, UNIDO has implemented more than 100 projects with a total expenditure of about USD 33 million. Currently there are 15 on-going projects with a budget of approximately USD 14 million.

UNIDO maintains a Field Office (FO) in Islamabad. This office was established in 1968, and has interacted with the public and private sectors by implementing over 50 projects covering diverse industrial areas, such as building indigenous (human and/or institutional) capacity to enhance the industrialization process of Pakistan in a sustainable way.

From 2000 to 2010 an Integrated Programme (IP) to support capacity building for sustainable industrial development in Pakistan was implemented covering four components: Cleaner production and environment (CDM), Small and medium enterprises development (SME Cluster), Trade related technical assistance (TRTA) and Investment promotion and technology transfer. The IP was implemented with a reported total budget of USD21.4 million (excl psc).¹⁷. After the closure of the IP in 2010 no further integrated programme was formulated and technical cooperation has since then been planned and implemented based on individual projects.

¹⁷ UNIDO Infobase (see Programme overview – Pakistan)

This country evaluation will assess in a systematic and objective manner the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the UNIDO interventions. The evaluation will assess the achievements of the interventions against their established objectives, including re-examination of the relevance of the objectives and the appropriateness of the design, specifically in regards to gender equality and empowerment of women. It will identify factors that have facilitated or impeded the achievement of those objectives. In addition, reports and findings from current and past evaluations will be considered.

II. Background and context

Pakistan¹⁸ has a population exceeding 180 million people, which makes it the sixth most populous country in the world. Located at the crossroads of the strategically important regions of South Asia, Central Asia and Western Asia, Pakistan has a 1,046-kilometre (650 mi) coastline along the Arabian Sea and the Gulf of Oman in the South and borders India to the East, Afghanistan to the West and North, Iran to the South-West and China in the far North-East. It is separated from Tajikistan by Afghanistan's narrow Wakhan Corridor in the North, and also shares a marine border with Oman.

Pakistan is the 36th largest nation by total area, although this ranking varies depending on how the disputed territory of Kashmir is counted. The natural resources include extensive natural gas reserves, limited petroleum, poor quality coal, iron ore, copper, salt, limestone.

Pakistan achieved high rates of economic growth over the past decade, with the poverty headcount falling from 34% in 2001 to 24% in 2005.¹⁹ Since then, various factors, including the 2008 global financial crisis and the vast 2010 floods (affecting an area four times the size of Britain), are likely to have worsened poverty. As many as 62 million Pakistanis (36% of the population) are now estimated to live below the national poverty line.²⁰

The Millennium Development Goals (MDGs) have been at the centerpiece of the development efforts of the Government of Pakistan. The 18 global targets and 48 indicators adopted in 2000 have been translated into 16 national targets and 37 indicators keeping in view Pakistan's specific conditions, priorities, data availability and institutional capacity.

Specifically, the MDGs have been incorporated into the Government's two important macroeconomic frameworks including the New Growth Framework which focuses on inclusive growth and increasing total factor productivity. The other is the Poverty Reduction Strategy Paper (PRSP) which is a framework for social and economic policies. Earlier, government's key planning document on development, Medium Term Development Framework (MTDF) 2005-2010 also endorsed the MDGs. To date, however, sufficient progress has only been made on about half of the targeted indicators while others lag behind.²¹

Pakistan has a GDP of USD514.6 billion (2012 est.) - which is among the top-30 GDP's in the world - and a GDP per capita of USD2,900 (2012 est.). The rate of real growth of GDP is estimated for 2012 at 3.7%. The UN Human Development Report estimated poverty in 2011 at almost 50% of the population. Inflation has worsened the situation, climbing from 7.7% in 2007 to almost 12% for 2011, before declining to 10% in 2012.²²

¹⁸ Information has been compiled mainly from the World Bank, Economist Intelligence Unit, World Factbook, UNIDO, UNDP in May 2013 (specific sources are referenced as appropriate).

¹⁹ Pakistan Economic Survey 2007-08 for Pakistan 1998-99 – 2005-06, Government of Pakistan, 2008. The Pakistan national poverty line is based on a dietary intake of 2,350 calories per person per day or 673 rupees (£8.28) per month at 1998-99 prices.

²⁰ Estimates following the 2010 floods: *DFID-Pakistan Core Briefing: Programme Overview*, DFID, January 2012.

²¹ See: <http://undp.org.pk/mdgs-in-pakistan.html>

²² The World Fact Book (May. 2013)

Agriculture and Industry sectors represent 45% of the GDP. Industries are mainly in the sectors of textiles and apparel, food processing, pharmaceuticals, construction materials, paper products, fertilizer, shrimp. The industrial production growth rate was 3% (2011 est.). Textiles account for most of Pakistan's export earnings. Pakistan's failure to expand a viable export base for other manufactures has left the country vulnerable to shifts in world demand.

The international comparison of industrial performance for Pakistan is presented in Table 4.

Table 13: Pakistan – International Comparisons of Industrial Performance

| Indicator | Year/Period | Pakistan | Asia & Pacific (excl. China) | World |
|---|---------------------|----------|------------------------------|----------|
| GDP average annual real growth rate (in %) | 2005-2010 | 4.23 | 5.64 | 1.39 |
| | 2010-2012 <i>a/</i> | 4.57 | 5.48 | 2.61 |
| MVA average annual real growth rate (in %) | 2005-2010 | 3.94 | 5.79 | 1.96 |
| | 2010-2012 <i>a/</i> | 3.09 | 4.29 | 2.26 |
| MVA per capita at constant 2005 prices in US\$ | 2005 | 138.53 | 219.69 | 1,240.35 |
| | 2012 <i>a/</i> | 146.14 | 237.74 | 1,277.10 |
| MVA as percentage of GDP at constant 2005 prices in US\$ | 2005 | 17.84 | 16.50 | 16.62 |
| | 2012 <i>a/</i> | 18.26 | 16.82 | 16.71 |
| MVA share in the country group at constant 2005 prices in US\$ (in %) | 2005 | | 3.38 | 0.25 |
| | 2012 <i>a/</i> | | 3.29 | 0.30 |

a/ UNIDO Estimate

(Source: UNIDO Statistical country brief for Pakistan, UNIDO Infobase, accessed on 7 May 2013)

Current environmental issues are water pollution from raw sewage, industrial wastes, and agricultural runoff; limited natural freshwater resources (most of the population does not have access to potable water); deforestation; soil erosion; desertification.

The net Official Development Assistance (ODA) rose from USD3.013 million in 2010 to USD3.509 million in 2011.²³ ODA was to rise to 0.7 percent of GDP but the developed economies are providing only 0.25 percent of GDP.²⁴ The most recent DAC Survey on Donors' Forward Spending Plans suggests a shift in aid towards middle-income countries in the Far East and South and Central Asia and it is most likely that aid to these countries will be in the form of soft loans. Pakistan is one of the countries likely to benefit from this shift in aid.²⁵

According to the World Economic Forum (2011) and the Global Gender Gap Report 2011, Pakistan is ranked in 133rd place in the 2011 Global Gender Gap index (out of a total of 135 countries with data), with a score of 0.5583 (where 1 is equal to equality).

III. UNIDO presence in Pakistan

a) UNIDO Field Office

UNIDO maintains a Field Office (FO) in Islamabad. This office was established in 1968, and since then It has been involved in industrial development cooperation through a continuous interaction with the public and private sectors and by implementing over 50 projects covering diverse industrial sectors. The projects mainly aim at building indigenous (human and/or

²³ OECD database, accessed on 7 May 2013

²⁴ See: <http://undp.org.pk/mdgs-in-pakistan.html>

²⁵ OECD database, accessed on 7 May 2013

institutional) capacity to enhance the industrialization process of Pakistan in a sustainable way.

The FO employs a UNIDO Field Representative (position currently not filled), one National Programme Officer, one Office Assistant, and one Driver. In addition, the FO employs a number of project related consultants.²⁶

b) UNIDO Integrated Programme

From 2000 to 2010 an Integrated Programme (IP) to support capacity building for sustainable industrial development in Pakistan was implemented covering five components:

- Component 1: Cleaner Production and Environmental Management;
- Component 2: Institutional Capacity-Building for SME Development;
- Component 3: Metrology, Standardization, Testing, Quality Assurance and Continuous Improvement;
- Component 4: Regional Development; and
- Component 5: Industrial Investment Promotion and Technology Transfer.

The IP was implemented with a total budget of USD21.4 million (excl psc)²⁷; Table 14 presents milestones and main IP projects.

Table 14: Milestones and main projects under IP for Pakistan

| Date | Milestone | Description / Notes / Remarks |
|-----------|-------------------------|--|
| 27-Apr-00 | Programme Approval Date | |
| 22-Oct-04 | Milestone | <i>Description:</i> Decision of PAC/TCB re increase of current planning figures based on agreement signed with EU in June 04: Approved. <i>Notes:</i> New Current Planning Figure (excl psc): \$4,550,872 |
| 03-Feb-06 | Milestone | <i>Description:</i> EB Decision on TF/PAK/06/001: "Project approved for submission to Italy". This project falls under component 5 of IP. <i>Notes:</i> New CPF amounts of US\$5,851,973 (excl psc). |
| 23-Jul-07 | PAC Approval | <i>Description:</i> SSS for project on "Institutional capacity enhancement for CDM in Pakistan" (XX/PAK/07/X01, control no 41697) cleared for further development. <i>Notes:</i> According to info received the SSS will be an addition to component 1 of IP PAK. Therefore, the new CPF for component 1 will be increased by \$597,000 to \$741,652 and the new total amount for the IP PAK will be \$6,448,973 accordingly. |
| 31-Jul-07 | PAC Approval | <i>Description:</i> SSS for project "Facilitating Pakistan's Capacity to integrate into Global Trade" (XX/PAK/07/X02, control no 41713) cleared for further development. <i>Notes:</i> This project is also an addition to the current IP PAK. Component 3 will be increased from \$2,765,590 by \$331,000 to new total of \$3,096,590. The new total budget of the IP PAK amounts to \$6,779,973 (excl psc). |
| 07-Apr- | PAC Approval | <i>Description:</i> Joint Programme endorsed for financing under the MDG-Spanish Fund subject to taking the QAG observations of 13 March |

²⁶ Information obtained from UNIDO, PSM/HRM/SSR (status as at 2013-05-13).

²⁷ UNIDO Infobase (see Programme overview – Pakistan)

| Date | Milestone | Description / Notes / Remarks |
|-----------|--------------|---|
| 09 | | 2009 into account prior to the signature of the document.. <u>Notes:</u> 25 Sep 2009: PAD for FMPAK09002 (42754) issued. Therefore and based on PAC decision of 7 Apr 09 total budget of IP PAK increased by \$1,160,158 (excl psc). |
| 15-Jul-09 | PAC Approval | <u>Description:</u> Project document [XXPAK09X04, control no 42893] approved for submission to the donor (EC)... and on 29 July "500,000 approved in principle as UNIDO co-financing." |
| 27-Nov-09 | Milestone | <u>Description:</u> PAC decision of 7 Apr 2009: "SSS/PIF cleared for further development/submission to GEF. US\$ 90,000 for UNIDO co-financing of project preparation approved (excl. psc.) from the Italian contribution, to be released upon receipt of the PPG from GEF." <u>Notes:</u> The PAD for the PPG projects (UEPAK09003 and GFPAK09004) amounting to \$140,000 were issued end October/beginning of November 2009. Therefore, the total budget of the IP PAK was increased by \$140,000 from \$7,940,133 to \$8,080,133 (excl psc). The main project (XXPAK09X01, control no 42750) has an estimated budget of \$1,800,000. <u>Remarks:</u> This increase is based on a note on the PAC decision of 7 Apr 09 which states "Project will be part of IP, component 1: Cleaner Production and Environmental Management." |
| 10-Dec-09 | Milestone | <u>Description:</u> PAD issuance of project EEPAK09008 and XPPAK09009 which relate to above-mentioned PAC decision of 15 Jul 2009. Total budget for EEPAK09008 project amounts to ₹8,313,084 excl 7% and UNIDO's share (XPPAK09009) is ₹500,000. Total project budget excl psc is ₹8,813,084. As the total budget is reported in US\$, the Euro amount was converted at the UNRoE of 200912 (1US\$=0,6640Euro) to US\$13,272,716. <u>Notes:</u> Therefore the total budget of the IP Pakistan was increased by \$13,272,716 to the new amount of \$21,352,849 (excl psc). |
| 20-May-10 | PAC Approval | <u>Description:</u> Closure of IP Pakistan approved. |

After the closure of the IP in 2010 no further integrated programme was formulated and technical cooperation has since been planned and implemented based on individual projects.

c) On-going and completed projects

Fifteen national projects and four global/regional projects with the participation of Pakistan, amounting to a total budget of USD18.8 million are on-going; four-fifth of which has been spent. A total of 25 projects (19 national and 6 global/inter-/regional projects) have been completed in Pakistan, amounting to over USD10 million.

The five largest on-going projects in Pakistan are presented in Table 15 (next page).

Table 15: Largest on-going projects in Pakistan (as at 12/2012)

| Project | Allotment (in USD) | Expenditure (in USD) |
|---|--------------------|----------------------|
| EPAK09008 <i>TRADE RELATED TECHNICAL ASSISTANCE - TRTA II</i> ²⁸ | €5,818,758 | €5,346,105 |
| MPPAK10002 <i>PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT UNITED REFRIGERATION, HNR (HAIER), VARIOLINE INTERCOO AND SHADMAN ELECTRONICS COMPANIES</i> | \$3,559,359 | \$3,352,860 |
| GFPAK12003 <i>PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN</i> | \$1,820,000 | \$52,370 |
| MPPAK10001 <i>PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT DAWLANCE</i> | \$1,281,490 | \$1,281,475 |
| FBPAK09002 <i>JOINT UN PROGRAMME: TOWARDS GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT</i> | \$1,037,882 | \$951,571 |

As of the participation of UNIDO in the Delivering as ONE programme, Table 16 presents and overview of the related on-going projects.

Table 16: UNIDO One UN related projects in Pakistan (as at 12/2012)

| Project | Allotment (in USD) | Expenditure (in USD) |
|--|--------------------|----------------------|
| FBPAK10004: <i>ONE UN PROGRAMME FOR PAKISTAN - SUPPORT FOR THE WOOL INDUSTRY IN BALOCHISTAN PROVINCE, PAKISTAN</i> | \$231,308 | \$229,929 |
| FBPAK09013: <i>ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.5 "ENVIRONMENT" - SUPPORT FOR GREEN INDUSTRIES, WASTE MANAGEMENT, ENERGY AND JOBS</i> | \$573,018 | \$541,480 |
| FBPAK09012: <i>ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.4 "EDUCATION" - SECONDARY EDUCATION WITH A FOCUS ON TVE AND LIFE SKILLS</i> | \$313,084 | \$280,736 |
| FBPAK09011: <i>ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - DECENT EMPLOYMENT AND POVERTY ALLEVIATION</i> | \$373,831 | \$316,653 |
| FBPAK09010: <i>ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - ASSISTANCE TO THE LEATHER INDUSTRY - UPGRADING OF TRAINING INSTITUTIONS</i> | \$265,354 | \$159,238 |
| FBPAK09002: <i>JOINT UN PROGRAMME: TOWARDS</i> | \$1,037,882 | \$951,571 |

²⁸ The total budget of the programme, signed with the EU and with Pakistan, is € 9,3 mio, (including €500,000 UNIDO funding)

| | | |
|--|--|--|
| <i>GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT</i> | | |
|--|--|--|

A list of all ongoing and completed national and regional projects in Pakistan is contained in Annex A. An overview is shown in Table 17 below.

Table 17: Project overview – Ongoing and completed project activities in Pakistan (including global, inter-/regional activities with a participation of Pakistan)

| Description | No. of Projects | Allotment (in USD) | Expenditure (in USD) |
|---|-----------------|--------------------|----------------------|
| Ongoing national projects | 15 | 17,972,166 | 14,831,036 |
| Ongoing global / regional projects | 4 | 863,834 | 472,717 |
| Completed national projects | 19 | 8,657,101 | 8,552,515 |
| Completed global / inter-/regional projects | 6 | 1,345,174 | 1,329,948 |
| Total (in USD) | 44 | 28,838,275 | 25,186,216 |

Infobase, as at 12/2012

IV. The evaluation - rationale and purpose

This country evaluation is being undertaken as foreseen by the Work programme of the Evaluation Group for 2012/2013. The evaluation will be a forward-looking exercise as it will seek to identify best practices, areas for improvement and lessons to be incorporated in future UNIDO interventions in Pakistan.

The country evaluation will attempt to assess in a systematic and objective manner the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the interventions under evaluation. The evaluation will assess the achievements of the interventions against their key objectives, including re-examination of the relevance of the objectives and the appropriateness of the design, specifically in regards to gender equality and empowerment of women. It will identify factors that have facilitated or impeded the achievement of the objectives.

In summary, the main purposes are the following:

- To assess the progress of Technical Cooperation (TC) interventions towards the expected outcomes outlined in UNIDO project and programme documents;
- To review and evaluate the efficiency and effectiveness of innovative practices in Pakistan, including UNIDO's contribution to the Delivering as One (DaO);
- To assess contributions of UNIDO's interventions to the achievement of national development objectives including national MDG targets;
- To assess the relevance of UNIDO's interventions in relation to national needs and national and international development priorities;
- To assess the performance of the UNIDO FO in Pakistan in carrying out its functions and in relation to the delivery of the RBM-based work plan;
- To assess UNIDO's strategic positioning in the country, including the regional and global perspective;
- To generate key findings, draw lessons and provide a set of clear and forward-looking recommendations.

The key users of this evaluation will be UNIDO management and staff at Headquarters, the UNIDO Representation in Pakistan, UNIDO experts, the Government of Pakistan, counterpart agencies and other organizations in the country cooperating with UNIDO, donors, members of

the UN Country Team and, not the least beneficiaries. For these stakeholders the evaluation findings and recommendations are expected to provide key inputs for the planning and continual improvement of future cooperation activities.

V. Scope and focus of the evaluation

The evaluation will cover the full range of UNIDO's support to Pakistan. It should go beyond a mere documentation of results by trying to assess why projects/programmes have succeeded or failed. As well it will identify how these successes and failures can be used to improve future UNIDO projects in the country.

The evaluation will focus on UNIDO's activities in Pakistan since 2006 until now. The more precise scope of the country evaluation will be defined in the inception report.

The evaluation will consider the IP, major projects within the IP 2000-2010 as well as other UNIDO projects implemented in Pakistan since 2006. The evaluation will assess the performance of UNIDO's Field Office with regards to its contribution to development results and through performing convening, normative and technical cooperation functions as well as the efficiency and effectiveness of the office in managing and implementing projects and programmes.

Concerning the IP, the achievement of outcomes as defined in the programme document will be assessed. The programme will thus be reviewed as a whole, particularly in terms of design, relevance, the exploitation of synergies and coordination within UNIDO.

The evaluation will also review the performance and impact of some individual projects in relation to the contribution of UNIDO to the development goals of Pakistan. The evaluation will not review all freestanding projects implemented as of 2006 but will cover projects considered strategically important in relation to the purpose of the evaluation. The evaluation will assess a portfolio that is representative of UNIDO's activities in Pakistan, and that is large enough to enable the evaluation team to understand UNIDO's role and activities in the country and to answer the evaluation questions identified in this ToR.

UNIDO's interventions are implemented within different regions in Pakistan. For security reasons certain regions might be excluded for field visits and this will be explained in the inception report. For this purpose basic evaluability assessments will be carried out as necessary.

In addition, given the importance and current budget allocated to Trade Capacity Building related projects, the evaluation will put a significant focus on these this area.

The evaluation will take into consideration the following UNIDO thematic evaluations that covered projects in Pakistan or addressed issues relevant to the country:

- Thematic Review of UNIDO's Agri-business/Agro-industry Development Interventions (2010)
- Independent Thematic Evaluation of the UNIDO Cluster and Networking Development Initiatives (2009)
- UNIDO Projects in the area of Standards, Metrology, Testing and Quality - SMTQ (2010)
- Thematic evaluation of UNIDO Field Office Performance (2011)
- Thematic evaluation of UNIDO's contribution to MDGs (2010/2011)
- Evaluation of the contribution to ONE UN Mechanism
- Evaluation of UNIDO Global Forum

In particular, the country evaluation should assess whether recommendations have been adhered to.

The evaluation will be used for and feed into the following UNIDO thematic evaluation that will include projects in Pakistan or address issues relevant to the country:

- Independent evaluation of the UNIDO Trade Trust Fund
- UNIDO's Public-Private Sector Partnerships Evaluation

VI. Evaluation issues and key evaluation questions

A. Issues related to UNIDO's presence (2006-now) at country and project level

It is important to again note that the assessment of UNIDO's country presence will not simply address individual projects but will consider synergies and complementarities between projects as well as how individual projects contribute to larger objectives. It will include an assessment of the design, implementation and results with regards to:

- Strategic objective;
- Subsector focus;
- Collaboration with and role of counterpart institutions, and
- Programme management and coordination.

Identified evaluation issues in relation to the different OECD/DAC criteria are provided below.

Relevance

The degree to which the design and objectives of UNIDO's programme and projects is consistent with the needs of the country and with development plans and priorities as well as with UNIDO's strategic priorities. The extent to which the country programme/project was relevant to:

- The development challenges facing the country;
- National and international development priorities (Vision 20-2020, Medium Term Development Framework 2005-2010 (MTDF), Poverty Reduction Strategy Paper (PRSP), New Growth Framework, MDGs, United Nations Development Assistance Framework (UNDAF)), DaO;
- UNIDO's strategic priorities (Programme and Budget, Medium Term Strategic Framework, The green industry agenda, etc.);
- The target group and UNIDO's counterparts.

Efficiency

A measure of how economically inputs (through activities) are converted into outputs. The extent to which:

- UNIDO provided high quality services (expertise, training, equipment, methodologies, etc.) that led to the production of outputs;
- The resources and inputs were converted to results in a timely and cost-effective manner;
- Coordination amongst and within components of the programme lead to collaboration and cooperation among stakeholders and to the production of outputs;
- The same results could not have been achieved in another, more cost-effective manner; and
- Outputs were produced in a timely manner.

Effectiveness

The extent to which the objectives of programme/project were or are expected to be achieved. The extent to which:

- Objectives (outcomes and outputs) established in programme/project documents were achieved;
- The outputs were necessary and sufficient to achieve the objectives;
- Major factors influencing the achievement or non-achievement of the objectives are identified.

Sustainability

The continuation of benefits from an intervention, after the project/programme has been completed. The extent to which:

- There is continued commitment and ownership by the government and other stakeholders; and
- Changes or benefits can be maintained in the long term.

Impact

The positive and negative, intended and non-intended, directly and indirectly changes, long term effects produced by the project/programme. The extent to which the programme/project contributed:

- To developmental results (economic, environmental, social);
- To the achievement of the MDGs and national development goals.

Integrated Programme management

UNIDO's contribution to coordinating external assistance and to building government and country ownership. The extent to which:

- Efficient cooperation arrangements between the projects and with the Field Office were established;
- UNIDO's Field Office supported coordination, implementation and monitoring of the programme;
- UNIDO HQ based management; coordination and monitoring have been efficient and effective;
- Effective coordination arrangements with other development partners were established;
- UNIDO efficiently contributed to the One UN and other UN coordination mechanisms; and
- The UNIDO interventions adhered to the principles of the Paris Declaration on Aid Effectiveness (i.e., government ownership, alignment with government strategies, results orientation, programme approaches, use of country systems, tracking results, and mutual accountability).

Programme/Project design

The extent to which:

- A participatory project identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support;
- The project has a clear thematically focused development objective, the attainment of which can be determined by a set of verifiable indicators;
- The project was formulated based on the logical framework approach, including a coherent results framework, results-oriented and SMART indicators;
- The role of self-financing assisted in the design and implementation of specific projects.

B. Assessment of the Field Office in Pakistan

UNIDO's Field Office (FO) will be assessed with regards to its contribution to UNIDO's convening, normative and technical cooperation functions and the implementation of its RBM-based Work Plan.

The assessment will be an organizational or functional assessment as opposed to a staff assessment focusing on individuals.

The assessment of the FO will review both administrative and substantive functions of the office and its work. Specifically, the evaluation should review any impact or limitations in relation to project design and implementation based on this structure. The FO assessment related to the Country evaluation will not duplicate or replace the audits performed by UNIDO's Office of Internal Oversight Services (IOS).

The performance of the Field Office will be assessed in relation to three evaluation criteria:

- Relevance
- Effectiveness and
- Efficiency

The detailed approach that will be used will be specified in the inception report on the basis of the ODG/EVA Generic Assessment Framework for UNIDO Field Office Performance, attached as Annex E.

C. General evaluation criteria and cross-cutting issues

In addition, specific evaluation criteria and cross-cutting issues will be mainstreamed in the Country evaluation, individual projects, and the performance of the Field Office. These are:

- Contribution to empowerment of women and gender equality;
- Contribution to environmental sustainability;
- Contribution to the One UN Programme.

D. Evaluation of Global Forum activities

Global Forum (GF) activities will also be addressed as part of the country evaluation. GF activities are those which are initiated by UNIDO (or the United Nations system) to exchange and disseminate knowledge and information, as well as facilitate partnerships. They intend to produce an "output", without a pre-identified client, which increases understanding of sustainable industrial development issues. Global forum activities have informative, advocative and normative functions.

The assessment of global forum activities will include:

- UNIDO GF activities nurturing national knowledge and dialogue globally and with regard to industrial development and, at the same time;
- Activities at the national level, including TC projects, contributing to UNIDO GF activities and products.

The selection of global forum activities to be assessed and the methodology to be used will be defined in the inception report. This should be done, considering the ODG/EVA framework for assessing global forum activities.

VII. Evaluation approach and methodology

This ToR provides some information as regards the methodology but this should not be regarded as exhaustive. It is instead meant to guide the evaluation team in elaborating an appropriate evaluation methodology and tools that should be further detailed in the inception report.

In terms of data collection the evaluation team should use a variety of methods ranging from desk review (project and programme documents, progress reports, mission reports, Infobase search, Agresso search, SAP search, evaluation reports, etc) to individual interviews, focused group discussions, statistical analysis, surveys and direct observation at project sites.

The evaluation team should ensure that the findings are evidence based. This implies that all perceptions, hypotheses and assertions obtained in interviews will be validated through secondary filtering and cross checks by a triangulation of sources, methods, data, and theories.

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

Depending on formal requirements, the complexity and the strategic importance of each project/activity, different approaches can be used for the individual project assessments which will be included in the evaluation:

Project evaluations: Projects for which an independent evaluation report is available will be included in the country evaluation, based on the information contained in the evaluation report.

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

In addition, the following methodological components will be applied:

Assessment of the project documentation: including an assessment of project design and intervention logic; a validation of available progress information through field visits and interviews with key stakeholders and beneficiaries and review of progress and terminal reports; a context analysis of the project to validate implicit and explicit project assumptions and risks, interviews with government agencies and donors regarding the developments and tendencies in the project-specific environment.

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

Non-TC evaluation issues: The evaluation issues for Global Forum, Field Office or any cross-cutting issue will use several sources of information such as observations during field visits, interviews with key UN partners of UNIDO and bilateral donors, interviews with national partner institutions, review of available evaluations and studies, interviews with UNIDO HQ staff and project managers. Additional methodological components can be defined in the inception report.

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

VIII. Timing

The country evaluation is scheduled to take place between September and December 2013. A field mission for the evaluation is envisaged for November 2013. Table 18 below presents the preliminary schedule.

Table 18: Country evaluation schedule

| Activity | Estimated date |
|--|-------------------------|
| Collection of documentation at HQ and | September 2013 |
| Desk Review by members of evaluation team | September 2013 |
| Initial interviews at HQ to assess scope | September/October 2013 |
| Inception report | First week October 2013 |
| Mission to Pakistan and presentation of preliminary findings to the government | 10-22 November 2013 |
| Presentation of preliminary findings at HQ | November/December 2013 |
| Drafting of report | November/December 2013 |
| Collection and incorporation of comments | December 2013 |
| Issuance of final report | End December 2013 |

IX. Evaluation team

The evaluation team will include:

1. One senior international evaluation consultant, preferably with experience on evaluation of Trade Capacity Building projects, and with responsibility for reviewing the trade portfolio.
2. One national evaluation consultant who will participate in the field mission and contribute to the assessments, in particular with a view to assessing the UNIDO activities in the light of national objectives, strategies and policies, cooperation priorities and institutional capacities.
3. Two ODG/EVA staff members, one of whom will also act as Evaluation Manager and team leader. The international and national consultants will be contracted by UNIDO. The tasks of the consultants are specified in their respective job descriptions, attached to this TOR in annex B.

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

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

X. Evaluation process and reporting

The evaluation team will use a participatory approach and involve various stakeholders in the evaluation process. The responsibilities for the various evaluation stages are outlined below:

| | ODG/ EVA | UNIDO Head quarters managmt | Field Office | Govemrt of Pakistan | Evaluation team |
|---|-------------|--------------------------------------|-----------------|---------------------------|--------------------|
| Selection of consultants | X | | | X | |
| Self-assessment by project managers | | X | X | | |
| Review of background documentation | | | | | X |
| Interviews at UNIDO HQ | | X | X | | X |
| Inception report | | | | | X |
| Comments on inception report | X | | | | |
| Evaluation mission | | | X | X | X |
| Presentation of preliminary findings in the field | | | | | X |
| Presentation of preliminary findings at HQ | | | | | X |
| Drafting of evaluation report | | | | | X |
| Comments on draft report | X | X | X | X | X |
| Final evaluation report | | | | | X |
| Evaluation brief | | | | | X |

The ToR and the draft report will be shared with the Government, national counterparts, the main donors and relevant UNIDO staff members for comments and factual validation. This consultation also seeks agreement on the findings and recommendations. The evaluators will take comments into consideration when preparing the final version of the report. The final evaluation report will be submitted 8 weeks after the field mission, at the latest, to the Government of Pakistan, the donors and to UNIDO.

XI. Deliverables

- Inception report
- Draft report
- Final report

XII. Quality assurance

All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. Quality control is exercised in different ways throughout the evaluation process (briefing of consultants on EVA methodology and process, review of inception report and evaluation report). The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality in Annex D. The applied evaluation quality assessment criteria are used as a tool to provide structured feedback.

XIII. Annexes

Annex A: List of projects and UNIDO activities in Pakistan

| 1. Ongoing projects: PAKISTAN (as of 12-2012) | | | | |
|---|--------------------------------------|-----------------|--------------|----------|
| Project No(s). | Project Manager | Total Allotment | Expenditures | Comments |
| Montreal Protocol (MP) | | | | |
| <u>MPPAK10005</u> | <u>DEMKO,Milan</u> | \$68,000 | \$64,062 | |
| <i>HCFC PHASE-OUT MANAGEMENT PLAN (STAGE I, FIRST TRANCHE)</i> | | | | |
| <u>MPPAK10002</u> | <u>DEMKO,Milan</u> | \$3,559,359 | \$3,348,369 | |
| <i>PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT UNITED REFRIGERATION, HNR (HAIER), VARIOLINE INTERCOO AND SHADMAN ELECTRONICS COMPANIES</i> | | | | |
| <u>MPPAK10001</u> | <u>DEMKO,Milan</u> | \$1,281,490 | \$1,286,066 | |
| <i>PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT DAWLANCE</i> | | | | |
| <u>MPPAK09006</u> | <u>IVAN,Rodica-ella</u> | \$120,000 | \$116,261 | |
| <i>PREPARATION OF HCFC PHASE-OUT INVESTMENT ACTIVITIES (REFRIGERATION AND AIR-CONDITIONING MANUFACTURING SECTORS)</i> | | | | |
| Business, Investment and Technology (BIT) | | | | |
| <u>TFPAK06001</u> | <u>CARCO, Monica / BOYE, Tidiane</u> | \$460,979 | \$395,622 | |
| <i>JOINT UNIDO-SMEDA-ITALIAN PROGRAMME TO ESTABLISH AN INVESTMENT PROMOTION UNIT (IPU) IN LAHORE, WITH EMPHASIS ON ITALIAN INVESTMENT IN PAKISTAN</i> | | | | |
| Trade Capacity Building (TCB) | | | | |
| <u>EEPAK09008</u> | <u>KAESER,Ralf Steffen</u> | € 5,829,758 | € 5,280,115 | |
| <i>TRADE RELATED TECHNICAL ASSISTANCE - TRTA II</i> | | | | |
| Environment (EM) | | | | |
| <u>TFRAS09A04</u> | <u>GALVAN,Erlinda</u> | \$103,560 | \$5,919 | |
| <i>NEEM, PHASE II - COORDINATION AND TECHNICAL SUPPORT SERVICES PROVIDED BY THE RENPAP TEAM</i> | | | | |
| <u>TFRAS09004</u> | <u>GALVAN,Erlinda</u> | \$274,174 | \$111,066 | |
| <i>REGIONAL NETWORK ON PESTICIDE FOR ASIA AND THE PACIFIC</i> | | | | |
| <u>GFGLO12036</u> | <u>LEUENBERGER,Heinz</u> | \$100,000 | \$0 | |
| <i>UNIDO GREEN INDUSTRY INITIATIVE PHASE II</i> | | | | |
| <u>XPGLO12035</u> | <u>LEUENBERGER,Heinz</u> | € 300,000 | € 183,150 | |
| <i>UNIDO GREEN INDUSTRY INITIATIVE PHASE II</i> | | | | |

Annex A: Terms of Reference

| | | | | | |
|---|--|--|--------------------|------------------|--------------------------|
| <u>FBPAK09013</u> | <u>NUSSBAUMER,Patrick</u> <u>Christophe</u> | | \$573,018 | \$541,480 | |
| ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.5 "ENVIRONMENT" - SUPPORT FOR GREEN INDUSTRIES, WASTE MANAGEMENT, ENERGY AND JOBS | | | | | DaO UN programme related |
| Energy and Climate Change (ECC) | | | | | |
| <u>XPPAK12004</u> | <u>MHLANGA,Alois</u> <u>Posekufa</u> | | € 12,075 | € 7,632 | |
| PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN | | | | | |
| <u>GFPAK12003</u> | <u>MHLANGA,Alois</u> <u>Posekufa</u> | | \$1,820,000 | \$52,330 | |
| PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN | | | | | |
| <u>GFPAK12001</u> | <u>MHLANGA,Alois</u> <u>Posekufa</u> | | \$70,000 | \$38,372 | |
| SUSTAINABLE ENERGY INITIATIVE FOR INDUSTRIES IN PAKISTAN - PREPARATORY ASSISTANCE | | | | | |
| Agri-Business (AGR) | | | | | |
| <u>FBPAK09012</u> | <u>BAKALLI, Marlen</u> | | \$313,084 | \$271,613 | |
| ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.4 "EDUCATION" - SECONDARY EDUCATION WITH A FOCUS ON TVE AND LIFE SKILLS | | | | | DaO UN programme related |
| <u>FBPAK09011</u> | <u>BAKALLI, Marlen</u> | | \$373,831 | \$316,593 | |
| ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - DECENT EMPLOYMENT AND POVERTY ALLEVIATION | | | | | |
| <u>FBPAK10004</u> | <u>KRAL,Ivan</u> | | \$231,308 | \$229,889 | |
| ONE UN PROGRAMME FOR PAKISTAN - SUPPORT FOR THE WOOL INDUSTRY IN BALOCHISTAN PROVINCE, PAKISTAN | | | | | DaO UN programme related |
| <u>FBPAK09010</u> | <u>KRAL,Ivan</u> | | \$265,354 | \$159,238 | |
| ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - ASSISTANCE TO THE LEATHER INDUSTRY - UPGRADING OF TRAINING INSTITUTIONS | | | | | DaO UN programme related |
| <u>FBPAK09002</u> | <u>BAKALLI, Marlen</u> | | \$1,037,882 | \$945,650 | |
| JOINT UN PROGRAMME: TOWARDS GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT | | | | | DaO UN programme related |

| 2. Completed projects: PAKISTAN (as of 12-2012) | | | | |
|---|-----------------------------|--------------------|------------------------|---------------------|
| Project No(s). | Project Manager | Unit | Total Allotment | Expenditures |
| <u>MPPAK09007</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$44,169 | \$44,169 |
| <i>PREPARATION OF A HCFC PHASE-OUT MANAGEMENT PLAN (ADDITIONAL FUNDING)</i> | | | | |
| <u>MPPAK09005</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$80,000 | \$79,894 |
| <i>PREPARATION FOR HCFC PHASE-OUT INVESTMENT ACTIVITIES (POLYURETHANE FOAM SECTOR)</i> | | | | |
| <u>MPPAK08004</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$84,976 | \$84,976 |
| <i>PREPARATION OF A HCFC PHASE-OUT MANAGEMENT PLAN</i> | | | | |
| <u>MPPAK08003</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$244,753 | \$244,753 |
| <i>SECTOR PHASE-OUT PLAN OF CTC (THIRD TRANCHE)</i> | | | | |
| <u>MPPAK05002</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$412,879 | \$412,879 |
| <i>IMPLEMENTATION OF THE RMP (INSTITUTIONAL FRAMEWORK, CUSTOMS EMPOWERMENT, TRAINING SERVICE TECHNICIANS, RECOVERY AND RECYCLING) (THIRD TRANCHE)</i> | | | | |
| <u>MPPAK04144</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$1,297,863 | \$1,297,863 |
| <i>SECTOR PHASE-OUT PLAN OF CTC (SECOND TRANCHE)</i> | | | | |
| <u>MPPAK04142</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$531,063 | \$531,063 |
| <i>IMPLEMENTATION OF THE RMP (INSTITUTIONAL FRAMEWORK, CUSTOMS EMPOWERMENT, TRAINING SERVICE TECHNICIANS, RECOVERY AND RECYCLING)(SECOND TRANCHE)</i> | | | | |
| <u>MPPAK03103</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$1,199,458 | \$1,199,458 |
| <i>SECTOR PHASE-OUT PLAN OF CTC</i> | | | | |
| <u>MPPAK03102</u> | <u>DEMKO,Milan</u> | <u>PTC/MPB/SFU</u> | \$191,000 | \$191,000 |
| <i>IMPLEMENTATION OF THE RMP (INSTITUTIONAL FRAMEWORK, CUSTOMS EMPOWERMENT, TRAINING SERVICE TECHNICIANS, RECOVERY AND RECYCLING) (FIRST TRANCHE)</i> | | | | |
| <u>TFPAK07003</u> | <u>GAJOWSKI,Jan Andreas</u> | <u>PTC/EMB/CPU</u> | \$648,719 | \$610,382 |
| <i>INSTITUTIONAL CAPACITY ENHANCEMENT FOR CDM IN PAKISTAN</i> | | | | |
| <u>XPPAK09009</u> | <u>KAESER,Ralf Steffen</u> | <u>PTC/TCB/QSC</u> | € 31,259 | € 31,259 |
| <i>TRADE RELATED TECHNICAL ASSISTANCE - TRTA II</i> | | | | |
| <u>TEPAK09001</u> | <u>KAESER,Ralf Steffen</u> | <u>PTC/TCB/QSC</u> | € 92,286 | € 92,286 |
| <i>FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE</i> | | | | |
| <u>TEPAK08002</u> | <u>KAESER,Ralf Steffen</u> | <u>PTC/TCB/CIU</u> | € 392,866 | € 392,866 |
| <i>FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE</i> | | | | |
| <u>XPPAK07002</u> | <u>KAESER,Ralf Steffen</u> | <u>PTC/TCB/CIU</u> | € 240,055 | € 240,055 |
| <i>FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE</i> | | | | |
| <u>XPPAK06002</u> | <u>KAESER,Ralf Steffen</u> | <u>PTC/TCB/CIU</u> | € 65,740 | € 65,740 |
| <i>TRADE-RELATED TECHNICAL ASSISTANCE</i> | | | | |

Annex A: Terms of Reference

| Project No(s). | Project Manager | Unit | Total Allotment | Expenditures |
|--|-------------------------------|--------------------|------------------------|---------------------|
| <u>EPAK04001</u> | <u>KAESER,Ralf Steffen</u> | <u>PTC/TCB/CIU</u> | € 2,032,061 | € 2,013,521 |
| <i>TRADE-RELATED TECHNICAL ASSISTANCE</i> | | | | |
| <u>XPGLO07001</u> | <u>KITAOKA,Kazuki</u> | <u>DDG/SDQ/DPC</u> | € 52,595 | € 52,595 |
| <i>ASSESSMENT OF THE POLICY AND PROGRAMME IMPLICATIONS OF THE "ONE UN" IN EIGHT PILOT COUNTRIES</i> | | | | |
| <u>FBPAK10003</u> | <u>KRAL,Ivan</u> | <u>PTC/AGR/AIT</u> | \$46,729 | \$33,258 |
| <i>PREPARATORY ASSISTANCE IN RELOCATION OF TANNERIES TO NEW LEATHER INDUSTRIAL ZONE - SIALKOT TANNERY ZONE</i> | | | | |
| <u>XPGLO10005</u> | <u>LEUENBERGER,Heinz</u> | | € 372,000 | € 369,569 |
| <i>FOLLOW-UP AND IMPLEMENTATION OF GREEN INDUSTRY INITIATIVE</i> | | | | |
| <u>XPINT10008</u> | <u>LEUENBERGER,Heinz</u> | | € 26,000 | € 26,000 |
| <i>ROUND TABLE ON GREEN INDUSTRY: INNOVATION AND COMPETITIVENESS THROUGH RESOURCE PRODUCTIVITY AND ENVIRONMENTAL EXCELLENCE</i> | | | | |
| <u>GFPK09004</u> | <u>MHLANGA,Alois Posekufa</u> | <u>PTC/ECC/RRE</u> | \$70,000 | \$55,117 |
| <i>PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN - PREPARATORY ASSISTANCE</i> | | | | |
| <u>UEPAK09003</u> | <u>MHLANGA,Alois Posekufa</u> | <u>PTC/ECC/RRE</u> | € 53,130 | € 42,799 |
| <i>PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN - PREPARATORY ASSISTANCE</i> | | | | |
| <u>TFRAS04001</u> | <u>PENG,Zhengyou</u> | <u>PTC/EMB/SCU</u> | \$231,046 | \$226,884 |
| <i>REGIONAL NETWORK ON PESTICIDES FOR ASIA AND THE PACIFIC</i> | | | | |
| <u>XPGLO11010</u> | <u>VAN BERKEL, Cornelius</u> | | € 245,400 | € 242,821 |
| <i>2011 INTERNATIONAL CONFERENCE AND EXHIBITION ON GREEN INDUSTRY DEVELOPMENT</i> | | | | |
| <u>XPGLO11006</u> | <u>VOLODIN, Igor</u> | | € 150,000 | € 150,401 |
| <i>GREEN INDUSTRY CONFERENCE: EAST MEETING WEST ON INNOVATION AND COMPETITIVENESS THROUGH RESOURCE PRODUCTIVITY AND ENVIRONMENTAL EXCELLENCE</i> | | | | |

Annex B: Job Descriptions

INDEPENDENT UNIDO COUNTRY EVALUATION – PAKISTAN

Job description

Post title: Senior International Evaluation Consultant

Post number:

Duration of contract: 36 days spread over 3 months

Entry on duty date: October 2013

Duty station: Pakistan, Vienna HQ and home-based

Duties:

The Senior international evaluation consultant will carry out the review of UNIDO's trade capacity building interventions in Pakistan according to the terms of reference. In addition she/he will be contributing to the preparation of the evaluation report. The Senior international evaluation consultant will perform the following tasks:

| Duties | Duration | Location | Results |
|--|------------------------|---------------------------------|---|
| <p>Preparatory phase</p> <ul style="list-style-type: none"> ○ Study related programme and project documentation (including progress reports and documentary outputs) ○ Study relevant background information (national policies, international frameworks, etc) ○ Study available evaluation reports and self-evaluation reports | 10 days | Home-based | Analytical overview of available documents and of UNIDO activities in Pakistan |
| <p>Briefing with Evaluation Group at HQ</p> <ul style="list-style-type: none"> ○ Inputs to methodology and interview guidelines ○ Interviews with project managers and key stakeholders at HQ ○ Inputs to the inception report | 3 days | Vienna, UNIDO HQ Vienna | Key issues of evaluation identified; Scope of evaluation clarified; Inception report , including the proposed methodology, approach and evaluation programme |
| <p>Field mission to Pakistan</p> <ul style="list-style-type: none"> ○ Carry out meetings, visits and interviews with stakeholders according to the evaluation programme ○ Drafting the main conclusions and recommendations, and present them to stakeholders ○ Inputs to draft evaluation report outline/structure | 10 days (incl. travel) | Pakistan with in-country travel | Information gathered on issues specified in TOR Draft conclusions and recommendations Agreement on structure and content of evaluation report; distribution of writing tasks |
| <p>Debriefing at UNIDO HQ, Vienna</p> <ul style="list-style-type: none"> ○ Present preliminary findings and | 3 days | Vienna, UNIDO | Feedback on preliminary findings |

| Duties | Duration | Location | Results |
|--|----------------|------------|--|
| recommendations to the stakeholders at UNIDO ○ Carry out additional interviews if necessary | | HQ | |
| Drafting of evaluation report ○ Provide inputs to the evaluation report, and drafting sections/chapters under his/her scope. ○ Review/Adapt the evaluation report in light of additional evidence presented or factual corrections made; integrate comments from UNIDO Evaluation Group and stakeholders ○ Final inputs to evaluation report | 10 days | Home-based | Draft report Feedback on draft report Final report |
| Total | 36 days | | |

Qualifications

- Advanced university degree in economics, development studies or other fields related to industrial development;
- Experience in evaluation and coordination of evaluation teams;
- Knowledge in the field of Trade Capacity Building projects
- Knowledge about multilateral technical cooperation and the UN, international development priorities and frameworks (MDGs, Paris Declaration, One UN, etc.) desirable;
- Knowledge of issues related to sustainable industrial development, knowledge of UNIDO activities an asset;
- Working experience within the UN system an asset;
- Working experience in Pakistan an asset.

Languages: English

Background information: see the terms of reference

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

INDEPENDENT UNIDO COUNTRY EVALUATION – PAKISTAN

Job description

| | |
|------------------------------|---|
| Post title: | International evaluation team leader and International evaluation team member²⁹ (2 posts) |
| Post number: | n/a |
| Duration of contract: | 34 days spread over 3 months |
| Entry on duty date: | n/a (will be covered by two UNIDO Evaluation Group staff members) |
| Duty station: | Pakistan, Vienna HQ |

Duties:

The team member will participate in the country evaluation in Pakistan according to the evaluation terms of reference. She/he will participate in all evaluation activities and contribute to the assessments under the direction of the team leader, in particular with a view to assessing UNIDO activities against UNIDO's overall objectives, policies, competencies and capacities. The team member will assist in assessing in particular the activities related to energy and the environment. The team member will perform the following tasks:

| Duties | Duration | Location | Results |
|--|----------|----------|---|
| Preparatory phase <ul style="list-style-type: none"> ○ Study programme and project documentation (including progress reports and documentary outputs) ○ Study relevant background information (national policies, international frameworks, etc) ○ Study available evaluation reports and self-evaluation reports | 3 days | UNIDO HQ | Analytical overview of available documents and of UNIDO activities in Pakistan |
| <ul style="list-style-type: none"> ○ Interviews with project managers and key stakeholders at HQ ○ Develop methodology and interview guidelines ○ Preparation of the inception report for the country evaluation | 5 days | UNIDO HQ | Key issues of evaluation identified; Scope of evaluation clarified; Inception report , including the proposed methodology, approach and evaluation programme |

²⁹ The international team member will be a staff of UNIDO Evaluation Group (ODG/EVA)

| Duties | Duration | Location | Results |
|--|---------------------------|---------------------------------|---|
| Field mission to Pakistan <ul style="list-style-type: none"> ○ Carry out meetings, visits and interviews with stakeholders ○ Drafting the main conclusions and recommendations, and present them to stakeholders | 14 days (incl. travel) | Pakistan with in-country travel | Information gathered on issues specified in ToR Draft conclusions and recommendations Agreement on structure and content of evaluation report; distribution of writing tasks |
| Debriefing at UNIDO HQ, Vienna <ul style="list-style-type: none"> ○ Present preliminary findings and recommendations to the stakeholders at UNIDO ○ Carry out additional interviews if necessary ○ Discuss finalization of the report | 3 days | UNIDO HQ | Feedback on preliminary findings Information gaps filled |
| Drafting of evaluation report <ul style="list-style-type: none"> ○ Prepare relevant parts of the draft evaluation report; adapt the evaluation report in light of additional evidence presented or factual corrections made; ○ Integrate comments from UNIDO Evaluation Group and stakeholders with regard to assessment, recommendations and lessons | 9 days | UNIDO HQ | Draft report Feedback on draft report Final report Evaluation brief |
| Total | 34 days | | |

Qualifications

- Advanced university degree in economics, development studies or other fields related to industrial development;
- Knowledge about multilateral technical cooperation and the UN, international development priorities and frameworks (MDGs, Paris Declaration, One UN, etc.);
- Experience in managing evaluation and evaluation teams;
- Knowledge of UNIDO activities;
- Working experience within the UN system;

Languages: English

Background information: see the terms of reference

Impartiality: According to UNIDO rules, the team member must not have been involved in the preparation, implementation or supervision of any of the programmes/projects under evaluation.

INDEPENDENT UNIDO COUNTRY EVALUATION – PAKISTAN

Job description

| | |
|-----------------------|--|
| Post title: | National evaluation consultant |
| Post number: | |
| Duration: | 32 days spread over 4 months |
| Date required: | September 2013 |
| Duty station: | Home-based and various locations in Pakistan |

Duties:

As a member of the evaluation team and under the supervision of the evaluation team leader, the consultant will participate in the independent country evaluation in Pakistan according to the terms of reference attached. He/she will participate in all evaluation activities and contribute to the assessments in particular with a view to assessing the UNIDO activities in the light of national objectives, strategies and policies, cooperation priorities and institutional capacities. In particular, he/she will be expected to:

| Duties | Duration | Location | Results |
|---|----------|---------------------------------|---|
| Study relevant programme and project documentation including progress reports and documentary outputs and TOR; Study relevant background information (national policies, international frameworks, etc) Assist in the preparation of the evaluation mission in close consultation with UNIDO Field Office in Pakistan | 5 days | Home-based | Analytical overview of available documents; list of issues to be clarified; background data needed for evaluation collected at field level; inputs to inception report |
| Participate actively in meetings, visits and interviews according to the evaluation programme; assist with translation if required Participate in drafting the main conclusions and recommendations, and present them to stakeholders in accordance with the instructions of the team leader | 12 days | Pakistan with in-country travel | Notes, tables; information gathered on issues specified in ToR; Draft conclusions and recommendations |
| Carry out additional interviews as required | 5 day | Pakistan with in-country | Interview protocols, findings incorporated in evaluation report |
| Participate in the preparation/review of the report according to the instructions of the team leader, and providing country specific background information and national context inputs to the report | 10 days | Home-based | Inputs to the report |

| Duties | Duration | Location | Results |
|--------------|----------------|----------|---------|
| Total | 32 days | | |

Qualifications

- University degree in a field relevant to industrial development
- knowledge of Pakistan's industrial development situation, institutions and programmes
- Knowledge in the field of energy efficiency/MP/GEF an asset
- Working experience with international organizations and the UN system an asset
- Evaluation experience desirable.

Languages: English; Urdu

Background information: see the terms of reference

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

Annex C: Tentative evaluation report outline

Acknowledgments
Acronyms and Abbreviations
Glossary of Terms
Executive Summary
MAIN REPORT:

1. BACKGROUND

1.1. Introduction and background

- Evaluation objectives
- Methodology
- Evaluation process
- Limitations of evaluation

1.2. Country context

- Historical context
- Brief overview of recent economic development
- Industrial situation and relevant sector specific information
- Development challenges facing the country
- Relevant Government policies, strategies and initiatives
- Initiatives of international cooperation partners
- One UN pilot country

1.3. Description of UNIDO activities in the countries

- Major TC components, main objectives and problems they address
- Brief overview of other important activities (Global Forum)

2. ASSESSMENT

2.1. Performance of TC Interventions

- Agri-business/Agro-Industry
- Energy and Environment
- Trade Capacity Building

2.2. Performance in cross-cutting issues

- Gender
- Environment
- UNIDO's participation in the One UN and other interagency cooperation
- Contribution to MDGs

2.3. Field Office performance

3. MAIN CONCLUSIONS, RECOMMENDATIONS AND LESSONS

- Conclusions
- Recommendations
- Lessons Learned

4. ANNEXES

- Annex A: Terms of reference
- Annex B: List of persons met
- Annex C: Bibliography
- Annex D: Project assessments and reviews
- Annex E: Country map and project sites

Annex D: Checklist on evaluation report quality

| Report quality criteria | UNIDO Evaluation Group Assessment notes | Rating |
|---|---|--------|
| Report Structure and quality of writing | | |
| The report is written in clear language, correct grammar and use of evaluation terminology. The report is logically structured with clarity and coherence. It contains a concise executive summary and all other necessary elements as per TOR. | | |
| Evaluation objective, scope and methodology | | |
| <p>The evaluation objective is explained and the scope defined.</p> <p>The methods employed are explained and appropriate for answering the evaluation questions.</p> <p>The evaluation report gives a complete description of stakeholder's consultation process in the evaluation.</p> <p>The report describes the data sources and collection methods and their limitations.</p> <p>The evaluation report was delivered in a timely manner so that the evaluation objective (e.g. important deadlines for presentations) was not affected.</p> | | |
| Evaluation object | | |
| <p>The logic model and/or the expected results chain (inputs, outputs and outcomes) of the object is clearly described.</p> <p>The key social, political, economic, demographic, and institutional factors that have a direct bearing on the object are described.</p> <p>The key stakeholders involved in the object implementation, including the implementing agency(s) and partners, other key stakeholders and their roles are described.</p> <p>The report identifies the implementation status of the object, including its phase of implementation and any significant changes (e.g. plans, strategies, logical frameworks) that have occurred over time and explains the implications of those changes for the evaluation.</p> | | |

| | | |
|---|--|--|
| Findings and conclusions | | |
| <p>The report is consistent and the evidence is complete (covering all aspects defined in the TOR) and convincing.</p> <p>The report presents an assessment of relevant outcomes and achievement of project objectives.</p> <p>The report presents an assessment of relevant external factors (assumptions, risks, impact drivers) and how they influenced the evaluation object and the achievement of results.</p> <p>The report presents a sound assessment of sustainability of outcomes or it explains why this is not (yet) possible.</p> <p>The report analyses the budget and actual project costs.</p> <p>Findings respond directly to the evaluation criteria and questions detailed in the scope and objectives section of the report and are based on evidence derived from data collection and analysis methods described in the methodology section of the report.</p> <p>Reasons for accomplishments and failures, especially continuing constraints, are identified as much as possible.</p> <p>Conclusions are well substantiated by the evidence presented and are logically connected to evaluation findings.</p> <p>Relevant cross-cutting issues, such as gender, human rights, and environment are appropriately covered.</p> | | |
| Recommendations and lessons learned | | |
| <p>The lessons and recommendations are based on the findings and conclusions presented in the report.</p> <p>The recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?').</p> <p>Recommendations are implementable and take resource implications into account.</p> <p>Lessons are readily applicable in other contexts and suggest prescriptive action.</p> | | |

Rating system for quality of evaluation reports

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

Annex E: UNIDO Field Office Generic Assessment Framework

1. Introduction

1.1 This document outlines a generic framework for the evaluation of UNIDO field office performance in the context of comprehensive country evaluations that also cover technical cooperation (TC) projects/ programmes and Global Forum activities. Adjusted to the requirements of a particular country evaluation, it can be incorporated with the TOR for that evaluation. A generic TOR for UNIDO country evaluations can be downloaded from the ODG/EVA intranet page.

1.2. Field office performance assessments are integral parts of country evaluations. Embedded in evaluations that also assess TC projects/programmes and Global Forum activities, they examine the role and contribution of the field office in a wider perspective but also more specifically in relation to TC delivery and management and Global Forum activities.

2. Background

2.1 UNIDO's field representation has been progressively transformed and strengthened since UNIDO was first established in 1966. Originally integrated with the field representation of UNDP and in part financed by UNDP, it now, in 2010, consists of 10 regional offices, 19 country offices, 18 UNIDO desks in UNDP offices, five UNIDO focal points operating from a counterpart institution, and one centre for regional cooperation. Altogether, UNIDO is represented in more than 50 countries around the world. Since the late 1990's, the field organization has been fully financed from UNIDO regular budgets, with some cost sharing and contributions by host governments.

The gradual expansion of UNIDO's field organization reflects changes within the UN-system towards closer cooperation of agencies at country level as well as a more general shift of development cooperation management and decision-making towards the country level. Field offices/desks are intended to make UNIDO more accessible to partner country clients and stakeholders, while helping UNIDO itself to ensure that its services are well tailored to partner country needs and priorities. They are also intended to facilitate interaction with the UN country-level teams and bilateral and multilateral donors. Field presence is regarded as a precondition for efficient participation in joint UNCT planning and programming, and is normally required for leading a joint UN programme initiative. In some cases it is also required by donors.

However, the expected returns on investments in UNIDO's field representation do not come by themselves. Some field offices turn out to be more useful to UNIDO and partner countries than others, and some field offices are more efficient in, for instance funds mobilization, than others. An assessment conducted by the Office of the Comptroller General of UNIDO in 2004 found that field offices generally spent relatively little time and effort on coordination with the local UN team, although UN country level integration was already at that time a UN priority issue.³⁰ It also found that while field offices gave much importance to supporting TC activities, they were often more concerned with the administration and monitoring of ongoing TC activities than with the development of new ones. Since identification and formulation were activities for which field offices were considered particularly well positioned, this was not quite expected.

A more recent evaluation that deals with the performance of UNIDO desks confirms that it can be difficult for UNIDO's field representation to live up to headquarter expectations.³¹ Although

30 Report on the Assessment/Evaluation of UNIDO's Field Representation. Office of the Comptroller General. 2004. V.04-51638.

31 Joint Terminal Evaluation of the implementation of the cooperation agreement between the United Nations Industrial Development Organization and the United Nations Development Programme. UNIDO Evaluation Group/UNDP Evaluation Office, 2009.

for the most part quite positive in its assessments, it notices that in some respects objectives are not fully achieved. With regard to facilitating access of stakeholders to UNIDO expertise, for example, the performance of the UNIDO desks is said to be uneven, and a similar assessment is made of desk contributions to the implementation of TC projects. According to the evaluation, these shortcomings in desk performance are to a large extent due to a mismatch between a very demanding set of responsibilities and the limited resources made available for their fulfillment.

What all this goes to show is that the performance of UNIDO field offices needs to be continuously monitored and periodically evaluated in greater depth. The performance assessments for which this document provides generic guidance are intended to fill this evaluation gap. Field office assessments are expected to be useful one by one, but will also serve as inputs to a thematic evaluation. A thematic evaluation of field office performance will be conducted in 2011.

3. Purpose

3.1. Field office assessments are assessment of the performance of field offices in conducting their mandated functions and achieving stated objectives. They are organizational or functional assessments as opposed to staff assessments focusing on individuals.

Like the comprehensive country evaluation of which it forms a part, a field office assessment serves purposes of both learning and accountability. It is intended to be useful to managers and staff at UNIDO headquarters who call on field offices for services or inputs as well as to the field offices themselves. It is also expected to be useful to UNIDO's governing bodies and to external partners interested in UNIDO's field organization.

4. Scope and focus

4.1. A field office assessment covers the main functions of a UNIDO field office.

In case the field office is a regional office serving several countries, the assessment will not include all the activities for which it is responsible, but cover only those pertaining to the country in focus for the country evaluation.

The list of field office responsibilities presented below is based on UNIDO/DGB/(0).95/Add 7. dated 26 February 2010, IDB. 37/6/Add. I, dated 20 April, 2010, UNIDO's TC Guidelines of 2006, and other documents describing the responsibilities of UNIDO's field representation.

These are;

- Formally represent UNIDO among clients and stakeholders as appropriate.
- Help create/increase knowledge about UNIDO among potential clients and other interested groups in the country in order to stimulate demand for UNIDO services. This is an important marketing function. In UNIDO's standardized format for field office (FO) work plans it is referred to as 'enhancing the visibility' of UNIDO and is one of five main field office outcome areas.
- Promote and facilitate Global Forum activities. The role of the field office can be that of a knowledge broker facilitating exchange of information and knowledge between national counterparts and stakeholders and transnational UNIDO networks. On the one side, the field office helps national stakeholders to get access to transnational knowledge networks. On the other side, the field office makes national expertise and experience accessible to transnational networks.
- Provide advice to national stakeholders in UNIDO's areas of expertise as requested. To a large extent UNIDO advice flow through the channels of TC programmes/projects and specific Global Forum activities. However, advice can also be provided to national stakeholders, including the national government, through other types of contact and upon a direct request.

- Keep UNIDO headquarters informed of national developments in UNIDO's areas of specialization through continuous liaising with national counterparts and stakeholders as well as representatives of international development organizations.
- Contribute to the identification and formulation of new UNIDO TC projects/programmes. In cooperation with the Regional Programme, the field office gathers information relevant to the identification and formulation of new country programmes as well as of national or regional projects. It paves the way for the formulation mission both substantively and logistically. It is expected to play an important role in ensuring that the programme to be proposed to the national government is aligned with national priorities and can be incorporated within the wider UN assistance frameworks.
- Help mobilize resources for TC interventions from the national government, international donors, and other interested actors. Conducted with support of UNIDO headquarters, the participation of field offices in resource mobilization is especially important in countries where there is a joint financing mechanism for the UN-system and/or donors have decentralized funding decisions to the country level.
- Contribute to ongoing UNIDO TC activities in the country/region through monitoring and support to implementation and evaluation. In the monitoring of programmes, field offices should regularly review implementation status with counterparts and stakeholders, brief and debrief experts and consultants, attend review meetings, and report back to the programme team on accomplishments and the possible need for remedial action. At project level, the main FO task is usually to provide administrative, technical and logistic support to project managers and experts based at UNIDO headquarters. In some cases, however, projects are directly managed by FO staff members who are then also allotment holders. Field offices also provide support to evaluation missions.
- Contribute to gender mainstreaming of TC activities at all stages.
- Support UN integration at country level through active participation in the United Nations Country Team (UNCT), and contribute as appropriate to joint UN country-level initiatives (Common Country Assessments (CCAs), United Nations Development Assistance Frameworks (UNDAFs), Delivering as One (DaO), etc.). Act as champion of UNIDO thematic interests and UNIDO itself in the UNCT.

4.2 Field office assessments do not replace the audits performed by UNIDO's Office of Internal Oversight Services (IOS). While internal audits tend to focus on compliance with UNIDO rules and regulations, the quality of systems of internal control, etc., field office assessments are more directly concerned with the contributions of field offices to development cooperation or in fulfilling UNIDO's mandate. Financial control, contracts, procurement, travel and general administration are matters that typically belong to auditing. Such matters may figure in field office assessments as variables influencing technical cooperation (TC) delivery (efficiency aspects) and results (effectiveness aspects), but would not be examined in their own right or in respect to adherence of rules and regulations.

4.3. Field office assessments are also not intended to replace the reporting by the field offices themselves on activities and results in accordance with their annual results-based management (RBM) work plans. While the RBM work plan and the monitoring of its implementation are integral elements of field office management, a field office assessment is an independent evaluation of field office functioning. In a field office assessment both the design and the implementation of the RBM work plan are assessed. The work plan's standardized causal logic of outputs and outcomes is regarded as a hypothesis to be interpreted and validated rather than as an established fact.

In the standard RBM work plan framework for UNIDO field offices the following are currently (2010) the main outcomes:

1. UNIDO visibility enhanced at global, regional/sub-regional and country levels.
2. Responsiveness of UNIDO to national/regional priorities:
 - TC programme and project development

-Fund raising

3. Effective participation in UN initiatives at country level, including UNDAF, PRSP, UNDG, One UN, etc.

4. Promoting Global Forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide.

5. Effective management of technical cooperation activities and the UNIDO office.

Field office assessments should review the appropriateness of this categorization of outcomes and the rest of the standard RBM work plan framework (outputs, indicators, etc.) for guiding the activities listed in section 4.1 above and reporting on their results. Questions regarding the appropriateness and actual and potential use of the work plan framework are included in the attached field office evaluation framework (Annex 1).

5. Criteria and issues

5.1 Field office performance is assessed in relation to three evaluation criteria:

- Relevance
- Effectiveness,
- Efficiency

The following paragraphs define these concepts and explain how they are intended to be applied in field office assessments. Standard evaluation questions relating to each of the criteria can be found in the field office evaluation matrix.

5.2. **Relevance** is defined in much the same way as in the OECD/DAC Glossary of Key Terms in Evaluation and Results Based Management. The main difference is that while the OECD/DAC definition refers to the relevance of a specific development intervention, a field office assessment is concerned with the relevance of a subdivision of a larger organization. In both the cases, however, relevance is a criterion for assessing the extent to which the evaluated unit matches the needs and priorities of its clients or target groups. Most of the questions about relevance in the attached evaluation matrix concern the extent to which field office services are consistent with needs and priorities formulated in the partner country PRSP and other national policy documents and are considered useful by national counterparts and stakeholders. There is also a question about the consistency of the field office work programme with UNIDO strategic priorities. Is the field office doing what it should, given UNIDO priorities in relation to the country in question?

5.3. **Effectiveness** is a criterion for assessing the extent to which an entity has achieved, or is likely to achieve, its objectives or fulfil its mandate. OECD/DAC defines it as 'the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.' In an assessment of field office performance, however, it is better understood as 'the extent to which an organization, or organizational unit, has achieved, or is expected to achieve its objectives or fulfil its responsibilities, taking into account their relative importance.' So defined, effectiveness refers to achievement of objectives and/or fulfilment of responsibilities in relation to most of the field office functions listed in section 4.1 above, including that of contributing to the effectiveness of TC projects/programmes.

Note that assessments of field office effectiveness should focus on the achievement of outcome-level results, rather than the performance of activities and the delivery of outputs. The key question is always the same: has delivered outputs been useful to clients or target groups as intended, and/or is it likely that they will achieve their intended effects in the future? In a field office assessment, the client or target group is in many cases another UNIDO functional unit for which the field office provides supportive services. In other cases, the client is a partner or stakeholder outside UNIDO.

In the attached evaluation matrix (Annex 1) the effectiveness criterion is applied to all the field office functions listed in section 4.1 above one by one. With regard to each of the functions there is a package of questions covering the following points:

- Activities and outputs: What has the field office actually done in relation to the function in question during the assessment period? What were the activities? What were the outputs? Who were the target groups or clients?
- Gender mainstreaming: How were gender equality issues taken into account by the field office in these activities?
- Performance monitoring: How has the field office monitored and measured the implementation and results of its own activities in relation to this function during the assessment period?
- Observed/inferred outcomes of field office outputs: What have been, or seem to have been, the outcomes of field office services for clients and target groups?
- Achievement of objectives/fulfilment of responsibilities: How do the observed/inferred outcomes for clients and target groups compare to intended outcomes? Are outcome-level results satisfactory in relation to field office mandates, plans and expectations?
- Capacity to respond to Government expectations: Is the Field Office able to cope with the country's expectations and does it effectively and efficiently respond to Government priorities? What is the added value of UNIDO's field office for the Government?
- In case intended outcomes for clients and target groups were not achieved or mandates not fulfilled: What is the explanation for the gap between intended and achieved results?
- Ways by which the field office could make its operations pertaining to this function more effective, if required.
- Ways by which UNIDO headquarters could support field office efforts to make these operations more effective, if required.

An assessment of the overall effectiveness of a field office is a synthesis of function-by-function assessments that takes the relative importance of functions into account.

5.4. While effectiveness is about results, primarily outcomes, **efficiency** is about inputs and outputs and the relation between them. According to OECD/DAC, efficiency is 'a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.' As long as the word 'results' is taken to refer to outputs alone, this is an appropriate definition for field office assessments. Efficiency in this restricted sense is also known as input-output efficiency.

Since a field office provides a variety of services, most of which are non-standardized and difficult to measure, its efficiency in converting resources into outputs is not readily reduced to numbers and not easily compared to that of other field offices or other organizations. In large part, however, an assessment of field office efficiency is concerned with the quality of management systems and practices and the delivery of outputs according to plans, resources and budgets. It also covers efforts to achieve higher productivity, maintain or improve quality of outputs, and reduce the costs of resource inputs. The attached evaluation matrix includes standard questions (Annex 1).

5.5. An assessment of field office performance must be grounded in an accurate appreciation of field office capacity in relation to its mandate and resource endowment and factors in the environment that may influence performance. The task of a field office assessment is not just to assess performance in relation to a set of standardized criteria, but to find explanations for differences in performance levels and constructively suggest remedies where performance seems to fall short of expectation and to identify good practices and benchmarks.

If a field office fails to achieve planned results, or does not achieve them well enough, it is perhaps because the objectives were unrealistic given the constraints of the local environment or the limitations of field office capacity. It may also be because the existing field

office capacity is not well utilized, or it is perhaps due to a combination of all of these factors. Whatever the problem, it is the task of a field office assessment to come up with a useful and forward-looking diagnosis.

Similarly, when a field office is found to perform very well, a field office assessment should not be content with putting its achievements on record, but should try to identify factors explaining the good performance and draw conclusions that can be usefully applied elsewhere.

6. Approach and methodology

6.1. Field office assessments are part of country evaluations and should be planned and implemented accordingly. The evaluation team responsible for the country evaluation is usually also in charge of the field office assessment. Findings from assessments of TC project/programmes and activities pertaining to the Global Forum provide essential inputs to the field office assessment. Questions about field office contributions to TC interventions or Global Forum initiatives cannot be adequately answered without prior assessments of these activities themselves.

6.2. Field office assessments are conducted with the active participation of field office staff. They begin with a self-evaluation where field office staff members are asked to describe the functioning of the field office and make their own assessments of results in relation to the evaluation criteria explained above. In a second step the results from the self-evaluation are used as a platform for discussions between the FO staff and the evaluation team.

6.3. Data for field office assessments are also collected from actual and potential recipients of field office services inside and outside UNIDO. Since field offices are service organizations, opinions regarding the usefulness of their services to clients, as well as information on actual client satisfaction with services rendered, are essential for assessments of field office performance.

6.4. The selection of clients or target group representatives to be interviewed in connection with a field office performance assessment is made by the evaluation team in accordance with the requirements of the case at hand. The evaluation team is also responsible for other aspects of the evaluation methodology. A description of the proposed methodology should be included in the country evaluation inception report.

Annex F: Reference Documents

- Project documents of individual TC projects
- Project progress reports and self-assessments
- Back-to-office reports of project managers
- UNIDO Programme and Budget
- UNIDO Medium Term Planning Framework
- Thematic evaluation: UNIDO Field Office performance (March 2013)
- UNIDO's contribution to the Millennium Development Goals (October 2012)
- UNIDO contribution to One UN mechanisms (May 2012)
- Economist Intelligence Unit documents: country profile and country reports
- OECD documents on foreign cooperation with Pakistan
- KHYBER PAKHTUNKHWA MILLENIUM DEVELOPMENT GOALS. Report 2011. Report on the Status of Millennium Development Goals Khyber Pakhtunkhwa (joint publication by Pakistan and UNDP)
- Development Amidst Crisis. PAKISTAN MILLENNIUM DEVELOPMENT GOALS. Report 2010 (Government of Pakistan, Planning Commission, Centre for Poverty Reduction and Social Policy Development, Islamabad, September 2010)
- Human Development Report 2013 (UNDP. 2013)
- Independent evaluation of delivering as One (UN. October 2012)
- Evaluability assessments of the programme country pilots delivering as One UN. Synthesis report (UNEG. December 2008)
- Industrial reports on sectors from different sources
- World Bank data and statistics on Pakistan

Annex B: UNIDO portfolio and projects in Pakistan from 2006 up to date³²

| Project No(s). | UNIDO Branch/Unit | Allotment (USD) | Expenditures (USD) |
|---|-------------------|------------------|--------------------|
| Montreal Protocol (MP) | | 5,482,747 | 5,268,550 |
| MPPAK10005 - HCFC PHASE-OUT MANAGEMENT PLAN (STAGE I, FIRST TRANCHE) | PTC/MPB/SFU | 68,000 | 64,062 |
| MPPAK10002 - PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT UNITED REFRIGERATION, HNR (HAIER), VARIOLINE INTERCOO AND SHADMAN ELECTRONICS COMPANIES | PTC/MPB/SFU | 3,559,359 | 3,348,369 |
| MPPAK10001 - PHASE-OUT OF HCFC-141B FROM THE MANUFACTURING OF INSULATION PU RIGID FOAM AT DAWLANCE | PTC/MPB/SFU | 1,281,490 | 1,286,066 |
| MPPAK09006 - PREPARATION OF HCFC PHASE-OUT INVESTMENT ACTIVITIES (REFRIGERATION AND AIR-CONDITIONING MANUFACTURING SECTORS) | PTC/MPB/SFU | 120,000 | 116,261 |
| MPPAK09007 - PREPARATION OF A HCFC PHASE-OUT MANAGEMENT PLAN (ADDITIONAL FUNDING) | PTC/MPB/SFU | 44,169 | 44,169 |
| MPPAK09005 - PREPARATION FOR HCFC PHASE-OUT INVESTMENT ACTIVITIES (POLYURETHANE FOAM SECTOR) | PTC/MPB/SFU | 80,000 | 79,894 |
| MPPAK08004 - PREPARATION OF A HCFC PHASE-OUT MANAGEMENT PLAN | PTC/MPB/SFU | 84,976 | 84,976 |
| MPPAK08003 - SECTOR PHASE-OUT PLAN OF CTC (THIRD TRANCHE) | PTC/MPB/SFU | 244,753 | 244,753 |
| Business, Investment and Technology (BIT) | | 1,241,264 | 1,175,907 |
| TFPAK06001 - JOINT UNIDO-SMEDA-ITALIAN PROGRAMME TO ESTABLISH AN INVESTMENT PROMOTION UNIT (IPU) IN LAHORE, WITH EMPHASIS ON ITALIAN INVESTMENT IN PAKISTAN | PTC/BIT/ITU | 460,979 | 395,622 |
| DZPAK07001 - COMMUNITY BASED LIVELIHOODS RECOVERY PROGRAMME FOR EARTHQUAKE AFFECTED AREAS OF AZAD JAMMU AND KASHMIR AND NWFP | PTC/BIT/ITU | 514,869 | 514,869 |
| XPPAK06003 - ASSISTANCE TO SUPPORT, PROMOTE AND EXPAND THE NATIONAL PROGRAMME FOR INDUSTRIAL SME CLUSTER AND NETWORK DEVELOPMENT (CND) IN PAKISTAN | SQA/DPR/RPA | 265,416 | 265,416 |
| Trade Capacity Building (TCB) | | 6,651,964 | 6,102,321 |
| EPPAK09008 - TRADE RELATED TECHNICAL ASSISTANCE - TRTA II | PTC/TCB/QSC | 5,829,758 | 5,280,115 |

³² UNIDO Infobase financial data as of 30-07-2013

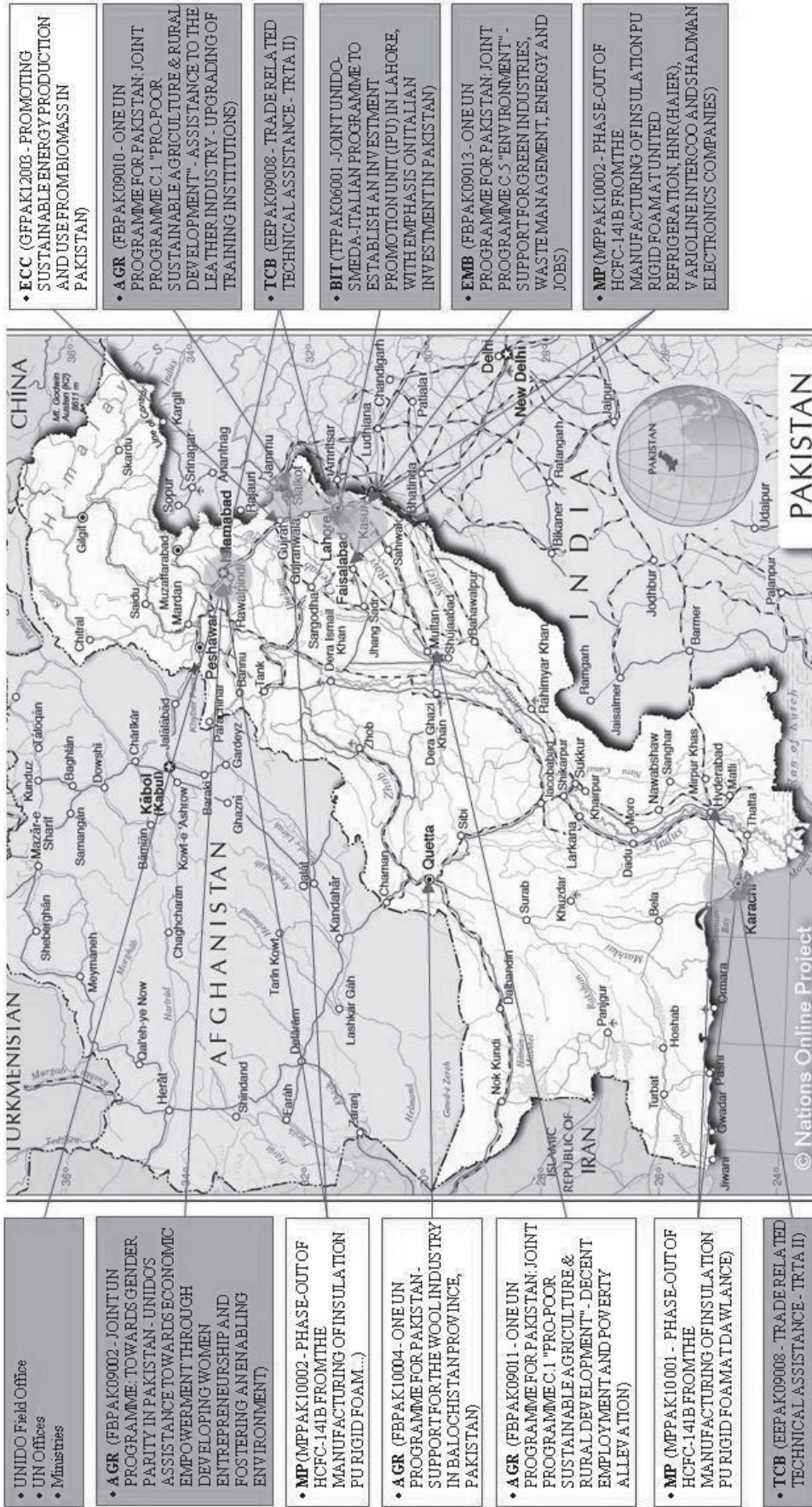
Annex B: UNIDO Portfolio 2006-2013

| Project No(s). | UNIDO Branch/Unit | Allotment (USD) | Expenditures (USD) |
|---|-------------------|------------------|--------------------|
| XPPAK09009 - TRADE RELATED TECHNICAL ASSISTANCE - TRTA II | PTC/TCB/QSC | 31,259 | 31,259 |
| TEPAK09001 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | PTC/TCB/QSC | 92,286 | 92,286 |
| TEPAK08002 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | PTC/TCB/QSC | 392,866 | 392,866 |
| XPPAK07002 - FACILITATING PAKISTAN'S CAPACITY TO INTEGRATE INTO GLOBAL TRADE | PTC/TCB/QSC | 240,055 | 240,055 |
| XPPAK06002 - TRADE-RELATED TECHNICAL ASSISTANCE | PTC/TCB/QSC | 65,740 | 65,740 |
| Environment (EMB) | | 1,350,752 | 841,615 |
| TFRAS09A04 - NEEM, PHASE II - COORDINATION AND TECHNICAL SUPPORT SERVICES PROVIDED BY THE RENPAP TEAM | PTC/EMB/SCU | 103,560 | 5,919 |
| TFRAS09004 - REGIONAL NETWORK ON PESTICIDE FOR ASIA AND THE PACIFIC | PTC/EMB/SCU | 274,174 | 111,066 |
| GFGLO12036 - UNIDO GREEN INDUSTRY INITIATIVE PHASE II | PTC/EMB/OD | 100,000 | 0 |
| XPGLO12035 - UNIDO GREEN INDUSTRY INITIATIVE PHASE II | PTC/EMB/OD | 300,000 | 183,150 |
| FBPAK09013 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.5 "ENVIRONMENT" - SUPPORT FOR GREEN INDUSTRIES, WASTE MANAGEMENT, ENERGY AND JOBS | PTC/EMB/CPU | 573,018 | 541,480 |
| Energy and Climate Change (ECC) | | 2,673,924 | 806,632 |
| XPPAK12004 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN | PTC/ECC/RRE | 12,075 | 7,632 |
| GFPK12003 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN | PTC/ECC/RRE | 1,820,000 | 52,330 |
| GFPK12001 - SUSTAINABLE ENERGY INITIATIVE FOR INDUSTRIES IN PAKISTAN - PREPARATORY ASSISTANCE | PTC/ECC/RRE | 70,000 | 38,372 |
| GFPK09004 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN - PREPARATORY ASSISTANCE | PTC/ECC/RRE | 70,000 | 55,117 |
| UEPAK09003 - PROMOTING SUSTAINABLE ENERGY PRODUCTION AND USE FROM BIOMASS IN PAKISTAN - PREPARATORY ASSISTANCE | PTC/ECC/RRE | 53,130 | 42,799 |
| TFFPAK07003 - INSTITUTIONAL CAPACITY ENHANCEMENT FOR CDM IN PAKISTAN | PTC/EMB/CPU | 648,719 | 610,382 |
| Agri-Business (AGR) | | 2,268,188 | 1,956,241 |
| FBPAK09012 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.4 "EDUCATION" - SECONDARY EDUCATION WITH A FOCUS ON TVE AND LIFE SKILLS | PTC/AGR/RES | 313,084 | 271,613 |

Annex B: UNIDO Portfolio 2006-2013

| Project No(s). | UNIDO Branch/Unit | Allotment (USD) | Expenditures (USD) |
|--|--------------------------|------------------------|---------------------------|
| FBPAK09011 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - DECENT EMPLOYMENT AND POVERTY ALLEVIATION | PTC/AGR/RES | 373,831 | 316,593 |
| FBPAK10004 - ONE UN PROGRAMME FOR PAKISTAN - SUPPORT FOR THE WOOL INDUSTRY IN BALOCHISTAN PROVINCE, PAKISTAN | PTC/AGR/AIT | 231,308 | 229,889 |
| FBPAK09010 - ONE UN PROGRAMME FOR PAKISTAN: JOINT PROGRAMME C.1 "PRO-POOR SUSTAINABLE AGRICULTURE & RURAL DEVELOPMENT" - ASSISTANCE TO THE LEATHER INDUSTRY - UPGRADING OF TRAINING INSTITUTIONS | PTC/AGR/AIT | 265,354 | 159,238 |
| FBPAK09002 - JOINT UN PROGRAMME: TOWARDS GENDER PARITY IN PAKISTAN - UNIDO'S ASSISTANCE TOWARDS ECONOMIC EMPOWERMENT THROUGH DEVELOPING WOMEN ENTREPRENEURSHIP AND FOSTERING AN ENABLING ENVIRONMENT | PTC/AGR/RES | 1,037,882 | 945,650 |
| FBPAK10003 - PREPARATORY ASSISTANCE IN RELOCATION OF TANNERIES TO NEW LEATHER INDUSTRIAL ZONE - SIALKOT TANNERY ZONE | PTC/AGR/AIT | 46,729 | 33,258 |

Annex C: Map of Pakistan with main project sites



(Highlighted project sites visited by the ET)

Annex D: Bibliography

| | | |
|--|---------------------|---------------------------|
| Project documents and progress reports | UNIDO | Various (2006 to 2013) |
| Mainstreaming Environmental Sustainability into Pakistan's Industrial Sector. | World Bank | 2012 |
| Delivering as ONE - One Programme Document for Pakistan 2008-2010 | UN | 2009 |
| ONE UN Programme II – Pakistan, 2013-2017 | UN | 2013 |
| Integrated Programme to support capacity building for sustainable industrial development in Pakistan | UNIDO | 2000 |
| IP Pakistan progress reports | UNIDO | Various (2000 to 2010) |
| Thematic evaluation: UNIDO Field Office performance | UNIDO | March 2013 |
| UNIDO's contribution to the Millennium Development Goals | UNIDO | October 2012 |
| UNIDO contribution to One UN mechanisms | UNIDO | May 2012 |
| The World Fact Book | CIA | May 2013 |
| Infographic on Pakistan's MDGs Status for 2012 | UNDP | 2012 |
| UNDP Pakistan's Annual Report 2013 | UNDP | 2013 |
| Pakistan New Growth Framework | Pakistan Government | 2011 |
| Pakistan Poverty Reduction Strategy Paper (PRSP) | Pakistan Government | Dec. 2003 |
| Human Development Report 2013 | UNDP | 2013 |
| UN Standard Agreement with Pakistan | UN | 1956 |
| UN Revised Standard Agreement with Pakistan | UN | 1965 |

| | | |
|--|------------------|------|
| Economist Intelligence Unit documents: country profile and country reports | The Economist IU | |
| OECD documents on foreign cooperation with Pakistan | OECD | |
| KHYBER PAKHTUNKHWA MILLENIUM DEVELOPMENT GOALS. Report 2011. Report on the Status of Millennium Development Goals Khyber Pakhtunkhwa (joint publication by Pakistan and UNDP) | UNDP | 2011 |
| Development Amidst Crisis. PAKISTAN MILLENNIUM DEVELOPMENT GOALS. Report 2010 (Government of Pakistan, Planning Commission, Centre for Poverty Reduction and Social Policy Development, Islamabad) | GoP | 2010 |
| Independent evaluation of delivering as One (UN. October 2012) | UN | 2012 |
| Evaluability assessments of the programme country pilots delivering as One UN. Synthesis report (UNEG. December 2008) | UNEG | 2008 |

Annex E: Organizations visited and persons met

| Name | Designation | Organization | Place |
|----------------------------|---|---|-----------|
| Mr. Steffen Kaeser | Project Manager | PTC/TCB | UNIDO HQ |
| Ms. Laura Weber | Associate Industrial Development Officer for TRTA Programme | PTC/TCB | UNIDO HQ |
| Mr. Marlen Bakalli | Project Manager | PTC/AGR/RES | UNIDO HQ |
| Mr. Takao Otsuka | Programme Officer - Regional Bureau ASP | PTC/BRP/ASP | UNIDO HQ |
| Ms. Monica Carco | Project Manager | PTC/BIT/ITU | UNIDO HQ |
| Ms. Tidiane Boye | Project Manager | PTC/BIT/ITU | UNIDO HQ |
| Ms. Alejandro VeraCasso | Consultant | PTC/BIT/ITU | UNIDO HQ |
| Mr. Alois Mhlanga | Project Manager | PTC/ECC/RRE | UNIDO HQ |
| Mr. Ivan Kral | Project Manager | PTC/AGR/AIT | UNIDO HQ |
| Mr. Ian Gajowski | Project Manager (retired) | PTC/EMB/CPU | UNIDO HQ |
| Mr. Milan Demko | Project Manager | PTC/MPB/SFU | UNIDO HQ |
| Mr. Imran Farooque | Deputy Director – Regional Bureau ASP | PTC/BRP/ASP | UNIDO HQ |
| Mr. Patrick Nussbaumer | Project Manager | PTC/EMB/CPU | UNIDO HQ |
| Mr. Kamran Ali Qurashi | Secretary | Ministry of Science and Technology | Islamabad |
| Mr. Mansoor Ahmad Qureshi | Joint Technological Advisor | Ministry of Science and Technology | Islamabad |
| Mr. Ashfaqe Ahmen Memon | Assistant Technological Advisor | Ministry of Science and Technology | Islamabad |
| Mr. Hassan Nawaz Tarar | Secretary | Planning Commission | Islamabad |
| Mr. Sajjad Ahmad | Additional Secretary | Ministry of Commerce | Islamabad |
| Ms. Yasmin Masood | Additional Secretary | Economic Affairs Division | Islamabad |
| Mr. Muhammad Khalid Siddiq | Joint Secretary | GEF Focal Point Pakistan – Ministry of Climate Change | Islamabad |
| Mr. Muhammad Asif Khan | National Programme Manager | Ozone Cell – Ministry of Climate Change | Islamabad |
| Mr. Muhammad Fawad Hayat | Programme Coordinator | GEF Cell - Ministry of Climate Change | Islamabad |
| Mr. Sajid Hussain | Director General | Pakistan Institute of Trade and Development | Islamabad |

Annex E: Organizations visited and persons met

| Name | Designation | Organization | Place |
|------------------------------|---|---|-----------|
| Dr. Syed Kausar Ali Zaidi | Director | Pakistan Institute of Trade and Development | Islamabad |
| Mr. Shaheen Raja | Director General | National Physical Standard Laboratories | Islamabad |
| Mr. Meesaq Arif | Director | Intellectual Property Organization | Islamabad |
| Dr. Mudassir Asrar | Chair person | Pakistan Council for Science and Technology | Islamabad |
| Mr. Najam-ud-din | Deputy Director General | Pakistan National Accreditation Council | Islamabad |
| Mr. Saleem Raza | Livestock and Dairy Specialist | National Animal and Plant Health Inspection Services | Islamabad |
| Mr. Domenico Bruzzone | Director – Overseas Technical Unit | Italian Development Cooperation | Islamabad |
| Ms. Mirza Nasir Baig | General Manager | Pakistan Stone Development Company (PASDEC) | Islamabad |
| Mr. Khalid Mahmood Tabassum | Senior Media Coordinator | Pakistan Stone Development Company (PASDEC) | Islamabad |
| Mr. Farrukh Munir | Partner | Kohsar Industries – Marble Granite & Ceramic and PASDEC | Islamabad |
| Mr. Amir Zubair | Partner | Al Rehman Enterprises and PASDEC | Islamabad |
| Ms. Shazia Nawad | Mosaic Artist | S&S Mosaic & Art | Islamabad |
| Ms Mian Abdoul Sami | Managing Director | All Pakistan Marble industries Association | Islamabad |
| Mr. Ilyas Muhammad | Chief Executive | Stone Mart | Islamabad |
| Mr. Muhammad Saleem | CEO | Tuny Pak Minerals | Islamabad |
| Mr. Timo Pakkala | UN Resident Coordinator UNIDO UR-OIC | UN Pakistan | Islamabad |
| Mr. Patrick T. Evans | Representative | FAO | Islamabad |
| Mr. Bruno Valanzuolo | UR-OIC Chief Technical Advisor | UNIDO TRTA | Islamabad |
| Ms. Nadia Aftab | Programme Officer | UNIDO Pakistan | Islamabad |
| Dr. Ali Abbas Qazilbash | Programme Officer | TRTA, UNIDO | Islamabad |
| Mr. Badar ul Islam | Programme Officer | TRTA, UNIDO | Islamabad |
| Mr. Muhammad Aurangraib Khan | Sector Expert – Horticulture & SPS Compliance | TRTA, UNIDO | Islamabad |
| Mr. Nasim Akhtar | Sector Expert – Fisheries | TRTA, UNIDO | Islamabad |
| Mr. Muhammad Owais Khan | Programme Officer | TRTA, UNIDO | Islamabad |
| Mr. Taimur Adil | National Programme Coordinator, One UN | UNIDO Project | Islamabad |
| Mr. Hassam Hussain | National Expert SME Development | UNIDO Project | Islamabad |

Annex E: Organizations visited and persons met

| Name | Designation | Organization | Place |
|------------------------------|--|--|-----------|
| Mr. Muhammad Ahmad | National Programme Coordinator, Alternate Energy | UNIDO Project | Islamabad |
| Mr. Muhammad Matloob Khan | National Programme Coordinator, Climate Change | UNIDO Project | Islamabad |
| Mr. Shaukat Hussain | Director General | Marine Fisheries Department | Karachi |
| Ms. Shazia | Director Quality Control | Marine Fisheries Department | Karachi |
| Mr. Naimat Ali Rivzvi | Director General | Pakistan Council for Scientific and Industrial Research Laboratories | Karachi |
| Mr. Syed Zain-UI Ibad | Manager Technical manager | Pakistan Council for Scientific and Industrial Research Laboratories | Karachi |
| Mr. Muhammad Rafique Suleman | Manager | Fisherman Cooperative Society | Karachi |
| Mr. Syed Akhlaq Hussain | Chairman | Al-Samak Sea Food (Private) | Karachi |
| Dr. Mubashir Ali Siddiqui | Chairman Department of Mechanical Engineering | NED University | Karachi |
| Dr. Masroor Ahmed Shaikh | Director | Sind Technical Education and Vocational Training Authority | Karachi |
| Mr. Mosuf Ali | Ex. Project Coordinator | Refrigerant Management Plan | Karachi |
| Mr. Arif Anwar Baloch | Secretary | Government of Punjab Planning and Development Department | Lahore |
| Mr. Mohammad Anwar Rashid | Secretary | Environment Protection Department Punjab | Lahore |
| Ms. Shedaryar Tahir | Manager | External Relations Directorate - SMEDA | Lahore |
| Dr. Shahzad Alam | Director General | Pakistan Council for Scientific and Industrial Research Laboratories | Lahore |
| Mr. Jrfan Ahmad Rabbani | Chief Engineer | Pakistan Council for Scientific and Industrial Research Laboratories | Lahore |
| Dr. Nasim Ahmad | Dean, Faculty of Veterinary Science | University of Veterinary and Animal Sciences | Lahore |
| Dr. Muhammad Nasir | Officer In charge, Food Safety Department | University of Veterinary and Animal Sciences | Lahore |
| Mr. Bashir Hussain | Chief Executive Officer | Pakistan Horticultural Development and Export Company | Lahore |
| Mr. Razaq Ahmad Malkana | General Manager | Pakistan Horticultural Development and Export | Lahore |

Annex E: Organizations visited and persons met

| Name | Designation | Organization | Place |
|------------------------------|--|---|---------|
| | | Company | |
| Ms. Hina Fouzia | Liasion Officer | GIZ (German International Cooperation) | Lahore |
| Mr. Malik Izhar Ahmad | Director Marketing and R&D | STARCO Fans (Pvt.) Limited | Gujrat |
| Mr. Muhammad Arsalan Qureshi | Director Finance | STARCO Fans (Pvt.) Limited | Gujrat |
| Mr. Khawar Rafiq Shiekh | Chief Executive | Royal Fans (Pvt.) Limited | Gujrat |
| Mr. Umair Rafiq | Director | Royal Fans (Pvt.) Limited | Gujrat |
| Mr. Muhammad Ilyas | Chief Executive | G.F.C. Fans (Pvt.) Limited | Gujrat |
| Mr. Syed Javed Iqbal Bokhari | District Coordination Officer/ District Collector | District Government Kasur | Kasur |
| Mr. Jaffar Raza | Joint Secretary | Tanneries Association Dingarh | Kasur |
| Mr. Shabi Hasan | Project Director | Kasur Tannery Waste Management Agency (KTWMA) | Kasur |
| Mr. Navid Iqbal Sheikh | Chief Executive Officer | Sialkot Tannery Association | Sialkot |
| Mr. Muhammad Ishaque Butt | Chairman | SIALKOT DRY PORT TRUST | Sialkot |
| Mr. Sh. Muhammad Yaqub | Vice Chairman | Sialkot International Airport | Sialkot |
| Mr. Mian Neem Javed | Director/ Member Executive Council / Chief Executive | Sialkot International Airport/ Subairs | Sialkot |
| Mr. S.M Yaqub | Chief Executive | Sheikhan Corporation / Group of Industries | Sialkot |
| Mr. S.M. Ather Raza Zaidi | Project Manager | Institute of Leather Technology | Sialkot |
| Mr. Muhammad Atif | Project Manager | Sialkot Tannery Association | Sialkot |
| Mr. Ahmad Raza Farooqi | Quality Control Manager | Zafa Pharmaceutical Laboratories (Pvt) Ltd. | Sialkot |
| Mr. Tahir Pasha TI (M) | Chief Operating Officer | Zafa Pharmaceutical Laboratories (Pvt) Ltd. | Sialkot |
| Mr. Zulfiqar Ahmad | Head of Quality | Zafa Pharmaceutical Laboratories (Pvt) Ltd. | Sialkot |
| Mr. Fazal –ur- Rehman Shaikh | Partner | Rehman Brothers & Co. | Sialkot |
| Mr. Muhammad Hanif Khan | Chairman/ CEO | THE VISION - Group of Colleges HANSA – Leather Garments (PVT). LTD | Sialkot |

Annex E: Organizations visited and persons met

| Name | Designation | Organization | Place |
|-------------------------------------|--------------------|---|--------------|
| Mr. Uaz Ahmed Sheikh | Manager | Alls Well Enterprises Pakistan Gloves | Sialkot |
| Mr. Syed Shahzada Ibn-e-Ahmad Iqbal | Chairman | Cleaner Production Center Sialkot Leather Products Development Institute Sialkot (LPDI) | Sialkot |

Annex F: Evaluation Matrix and Interview Guidelines

| Evaluation Criteria | Guiding evaluation questions | Source of Information | | | | | Evaluation Tools | | |
|---------------------|--|-----------------------|-------|-----------------|---------------|---------|------------------|-----------|------------|
| | | Counterpart | Donor | Project Manager | Beneficiaries | Experts | Doc Review | Interview | Field Obs. |
| Relevance | How is the project aligned to a national development priority? | X | | X | | | X | | |
| | Why/how were government agency and/or company selected to partner with UNIDO? | X | X | X | | | | X | |
| | To what extent are the problems that originated the project still relevant today? | X | | X | X | | | X | X |
| | Have there been changes in the context that affected the project significantly? | X | | X | X | | | X | X |
| | To what extent the project is relevant to intended target groups/beneficiaries? | X | | X | X | | | X | X |
| Effectiveness | IMPACT: To what extent is the project contributing to international development priorities (Medium term development framework, MDGs, UNDAF, DaO...)? | X | X | X | | | X | X | X |
| | IMPACT: How these contributions (if any) can be measured? | | | | | | | | |
| | What are the main results of the project so far? (for on-going projects) | X | | X | X | | X | X | X |
| | To what extent outputs established in the project document are delivered? | | | X | X | | | X | X |
| | To what extent outcomes established in the project document are being achieved (or likely to be)? | | | X | X | | | X | X |

| Evaluation Criteria | Guiding evaluation questions | Source of Information | | | | | Evaluation Tools | | | |
|---------------------|---|-----------------------|-------|-----------------|---------------|---------|------------------|-----------|------------|---|
| | | Counterpart | Donor | Project Manager | Beneficiaries | Experts | Doc Review | Interview | Field Obs. | |
| Efficiency | • To what extent outputs are/were sufficient to achieve the outcome? | | | X | | X | | X | X | |
| | • To what extent were SMART performance indicators established and measured? | | | X | | X | | X | X | |
| | • To what extent has the project reached the intended beneficiaries? | | | X | | X | | X | X | |
| | • To what extent UNIDO services were adequate (expertise, training, equipment, methodologies..)? | X | | | X | X | | X | X | |
| | • To what extent were resources/inputs converted into outputs in a timely and cost-effective way? | | | X | | X | | X | X | |
| | • What were the main factors influencing the delivery of outputs? (Issues / context that facilitated implementation?) | | | X | | X | | X | X | |
| | • What were the main barriers, if any, encountered during project implementation? | X | | X | | X | | X | X | |
| | • How has the project management addressed barriers / challenges? | | | X | | X | | X | X | |
| | • How was the project monitoring conducted? | | | X | | X | | X | X | |
| | • To what extent were project progress reports updated/recorded systematically? | X | X | X | | | X | X | X | |
| | • Has the in-country presence improved project monitoring and supervision? | X | X | X | | X | | X | X | |
| | • To what extent is the UR involved in supervising and monitoring projects? | X | | X | | | | | X | X |

| Evaluation Criteria | Guiding evaluation questions | Source of Information | | | | | Evaluation Tools | | |
|---|---|-----------------------|-------|-----------------|---------------|---------|------------------|-----------|------------|
| | | Counterpart | Donor | Project Manager | Beneficiaries | Experts | Doc Review | Interview | Field Obs. |
| Sustainability/ Ownership | ● To what extent were government counterparts and key stakeholders involved in the project design? | X | X | X | X | X | | X | X |
| | ● What is the level of local/national funding/financing? | X | X | X | | | X | | |
| | ● What has been the involvement of government counterparts / private sector in implementation? | X | | X | | | | X | X |
| | ● Are the main stakeholders taking effective leadership in the project implementation? Why or why not? | X | X | X | X | X | | X | X |
| | ● What plans have been made to ensure sustainability of project results / benefits? | X | | X | X | | X | X | X |
| | ● What do you see as strengths / weaknesses of the project design? | | X | X | X | | X | X | X |
| Project Design Process (Situation, gap, problem analysis, objectives analysis, formulation process, LFA and RBM approach) | ● How was the consultation process during the project design? | X | X | X | X | | | X | X |
| | ● What would you change of the project design if you had the chance of starting all over again? | X | X | X | X | | | X | X |
| | ● To what extent project has been designed using the LFA? | X | X | X | X | | X | X | |
| | ● To what extent have evaluations been used and drawn on in the design of projects and / or to learn lessons? | X | X | X | X | | X | X | X |
| | ● Overall quality of project design (clarity, consistency and logic. Results chain, SMART indicators, Realistic and meaningful outputs and outcome) | | | | | | X | | |
| | ● What have been in your view the strengths and weaknesses of UNIDO with respect to this project? | X | X | X | X | X | | X | X |
| Overall / Cross-cutting | | | | | | | | | |

| Evaluation Criteria | Guiding evaluation questions | Source of Information | | | | | Evaluation Tools | | |
|---------------------|--|-----------------------|-------|-----------------|---------------|---------|------------------|-----------|------------|
| | | Counterpart | Donor | Project Manager | Beneficiaries | Experts | Doc Review | Interview | Field Obs. |
| | <ul style="list-style-type: none"> To what extent the project has contributed to empowerment of women and gender equality? To what extent the project has contributed (positively or negatively) to environmental sustainability?; How this project contributed to the One UN Programme objectives. (for DaO projects) How was coordination/synergies among UNIDO activities at the national level, including TC projects, and GF activities? How projects/programmes were integrated/coordinated with other UN project/programmes?. Have synergies with other initiatives been developed and exploited by UNIDO? What could be learned from the experiences of other UN agencies in the country? To what extent UNIDO financing or co-funding was part of the budget and what the UNIDO financing was used for? To what extent has the management structure and procedures adequate (structure, information flows, decision making, procurement) and contributed to generate the planned outputs and achievement of outcome? What could be improved (if any) on UNIDO's model of intervention? | X | X | X | X | X | X | X | X |

| Evaluation Criteria | Guiding evaluation questions | Source of Information | | | | | Evaluation Tools | | |
|---|--|-----------------------|-------|-----------------|---------------|---------|------------------|-----------|------------|
| | | Counterpart | Donor | Project Manager | Beneficiaries | Experts | Doc Review | Interview | Field Obs. |
| | <ul style="list-style-type: none"> To what extent UNIDO GF activities nurtured national knowledge and dialogue globally and with regard to industrial development in the country? | X | X | X | X | X | X | X | X |
| IP Pakistan | <ul style="list-style-type: none"> To what extent to which UNIDO's Field Office supported coordination, implementation and monitoring of the programme? To what extent UNIDO HQ management; coordination and monitoring have been efficient and effective? How effective were coordination arrangements with other development partners? To what extent UNIDO contributed to the One UN and other UN coordination mechanisms? To what extent the IP design and implementation had government ownership, alignment with government strategies, results orientation, use of country systems, tracking results, and accountability?. | X | X | X | X | X | X | X | X |
| UNIDO Field Office | (As per Field Office Assessment Framework) | X | X | X | X | | X | X | X |
| Additional Comments / Observations | e.g project sites, contacts, issues..... | | | | | | | | |



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