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Independent Evaluation

ITPO Italy

UNIDO Investment and Technology Promotions Office
Italy



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Independent Evaluation

ITPO Italy

UNIDO Investment and Technology
Promotions Office Italy

(UNIDO Project number: UE/GLO/09/100)



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Abbreviations and acronyms

API Associazione Piccole e Medie Imprese (SME Association)
BSTDB Black Sea Trade and Development Bank
COMFAR Computer Model for Feasibility Analysis and Reporting
CONFINDUSTRIA Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industries)
CIS Commonwealth of Independent States
CNA Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa (National Association of Handicraft Companies)
CPP UNIDO Company Project Profile
CSR Corporate Social Responsibility
DGCS Direzione Generale e Cooperazione allo Sviluppo (Directorate General Development Cooperation)
DIPP Database for Investment Project Profiles
EBRD European Bank for Reconstruction and Development
ECIO Export Credit Insurance Organisation
EIB European Investment Bank
EU European Union
FDI Foreign Direct Investment
FEMIP Facility for European and Mediterranean Investment and Partnership
HQ Headquarters
ICE Istituto nazionale per il Commercio Estero (Italian Trade Commission)
ICU ITPO Coordination Unit
IDF Industrial Development Fund
IFC International Finance Corporation
IIPP Industrial Investment Project profile
ICT Information and Communication Technology
IPA Investment Promotion Agency
IPS Investment Promotion Service (former name of ITPOs)
IPU Investment Promotion Unit
ITC International Technology Centre
ITP Investment and Technology Promotion
ITPO Investment and Technology Promotion Office
LDC Least Developed Country
MAE Ministero Affari Esteri (Ministry for Foreign Affairs)
Min Amb Ministero Ambiente (Ministry for Environment)
MENA Middle East and North Africa
MFA Ministry for Foreign Affairs
MOD Ministry of Development
MoU Memorandum of Understanding
NCPC National Cleaner Production Centre
NIF Neighbourhood Investment Facility

ODA Official Development Aid
PAD Project Allotment Document
PROPSPIN Project Profile Screening and Pre-appraisal Information System
PTC Programme Development and Technical Cooperation Division
RBM Results-based Management
SIMEST Società Italiana per le iMprese all' ESTero (Italian Companies Abroad)
SME Small and Medium sized Enterprise
SPX Subcontracting Exchange
TC Technical Cooperation
TF Trust Fund
ToR Terms of Reference

Glossary of evaluation related terms

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change 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.
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention.
Relevance	The extent to which the objectives of 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 groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

Executive summary

Introduction and Background

The UNIDO Investment and Technology Promotion Office (ITPO) Italy is one of 11 offices of the UNIDO ITPO Network. It was established in 1987 on the basis of an agreement between the Italian Government and UNIDO and is funded through periodic voluntary donations of the Italian Government to UNIDO defined with specific project documents and annual work programmes. The most recent project document regulated operations from April 2009 to December 2011, but its validity has been extended for the year 2012.

The immediate objective of the Office, as stated in the project document, is "... to support the sustainable industrialization efforts of developing countries and the consolidation of a market economy in countries with economies in transition by identifying and mobilizing the financial, technological, and other required resources and finally enhancing investments with development impact. The activities focus on supporting developing countries SMEs through the mobilization of knowhow, expertise, technology and capital of Italian companies and institutions. More recently, greater emphasis is being given to capacity-building of partners in developing countries..."

As foreseen by a specific provision of the above project document, and in line with the UNIDO Technical Cooperation Guidelines, an independent evaluation of ITPO Italy was carried out in November - December 2011 to enable the Government of Italy and UNIDO to make informed decisions as to an extension and possible re-orientation of the ITPO, to identify best practices, bottlenecks and problem areas and make recommendations for a possible future project. The evaluation attempted to determine, as systematically and objectively as possible, the relevance of ITPO Italy, the efficiency of implementation, outputs produced and objectives achieved and possible impact of results.

The evaluation was carried out between November 2011 and January 2012 by a team composed of Mr. Paolo Bellamoli (independent external evaluator and team leader) and Mr. Demosthenes Doumenis (independent external evaluator).

Key Evaluation Findings

The ITPO Italy is well regarded by the Italian business community, Government and Institutions, as was repeatedly confirmed by all stakeholders. It seems to fill a void, currently present in the area of investment promotion and capacity building services, creating no overlap with services offered by other institutions in the host country.

The Ministry of Foreign Affairs, main Donor for the ITPO Italy, has recently enhanced its strategic planning processes and formulates "Programming guidelines and directions" which are updated on a yearly basis. It is foreseen that the document is developed through a participative process involving key stakeholders, and ITPO Italy is one of the actors called to contribute. However, the funding capacity of the Ministry is featuring a steep decrease and very limited financial resources are expected to be available in the near future.

The ITPO Office has performed well in securing extra sources of funding by getting involved in a series of national and UNIDO (HQ-based) projects. These projects have created a close integration with a number of stakeholders, created exposure for the Office and were instrumental in securing the operations in times of declining core budget funding. In 2011 additional funds available have reached a value amounting to 62% of resources of the core budget.

The ITPO Italy has been setting up goals and achieving them, such as **24** concluded projects in key areas of interest and in line with the Millennium Development Goals. 9 Delegates were trained as well as 36 seminars and training sessions took place achieving a greater visibility for the Office and UNIDO, while providing information into new technologies and practices. These activities, led to **795** expected new jobs created at all skill levels, and built bridges between Investment Promotion Agencies which are likely to exist even after the lifetime of ITPO Italy.

The Project Document, had duration of 3 years, but funding was initially only secured for a period of 2 years. Funds for the third year were confirmed with delays and, as a result, a number of professional staff left the Office at the end of 2010 and recruitment of new, more junior staff took place.

The vast majority of ITPO staff has no prior UNIDO experience. This, in conjunction with a perceived understaffing of the ITPO coordinating team at UNIDO headquarters (3 people to manage 11 Offices worldwide), represents a challenge in the day to day operations, as new procedures must be learned and adhered to. Nevertheless, ITPO Italy staff is highly motivated and competent as recognised by clients of the Office.

Responding to the 2007 Independent Evaluation, where the Office was acknowledged to be almost exclusively staffed by Italian nationals, the current personnel (including 3 permanent staff, 6 consultants and 4 Special Service Agreement personnel) features a multinational composition, with members from Italy, Argentina, Mexico and Great Britain. An Egyptian national (formerly with IPU Cairo) is working in Egypt under the coordination of ITPO Italy.

UNIDO HQ projects cover the salaries of some personnel (SSAs), but, without clear procedures in place, this generates twin lines of reporting. Furthermore, the fielding of specific staff recruited under HQ projects happens to be finalized through email to the concerned individual, simply carbon copied to the ITPO, without a formal document describing the duties, agreements between HQ and ITPO, etc. and without proper consultation.

The Office is formally established and regulated as a project (UE/GLO/09/100), while for all intents and purposes it operates as an organization. This unclear nature is leading to inconsistencies in management procedures and tools, made worse by the fact that the "Guidelines for the functioning of the ITPOs" and the "Operational Manual for Investment Promotion Services" are considered outdated by all stakeholders.

The ITPO website has been re-launched to address major weaknesses highlighted during the 2007 Independent Evaluation. It has been upgraded with a lot more information and language limitations have been overcome. A database of contacts and project detailed information, internally developed, facilitates operations in the Office and enables seamless handover of projects between different members of staff should someone be assigned to a new project, or leave.

As suggested in the 2007 independent evaluation, ITPO Italy pays increased emphasis to capacity building and technical assistance activities for organizations in developing and transition countries. Additionally, greater integration between the ITPO and UNIDO as a whole is developed by seeking greater synergies, complementarities and replication of successful experiences.

A major weakness in project design is the lack of indicators at the level of the project outcome, which is still to be properly identified and clearly formulated. In this regard, the planning documents still consider the generation of investments as an objective per se, and miss to focus implementation efforts and collect ex-post information on developmental issues such as quantitative and qualitative effects on employment, effects of training, quality of products, environmental effects, sectoral and regional diversification, capacity building etc. The Project Document also misses to provide any information with regard to the organizational structure of the Office, as well as to specify expected qualifications and job description for its staff.

Companies are satisfied with the services of ITPO, but need more information on services they do not know exist and are being offered. They also require more follow-up activities on the events organized by ITPO and on contacts made.

It was often mentioned by the staff members interviewed by the evaluation team in Vienna, that the ITPOs can play an effective role as a UNIDO representation office in the host countries, and that ITPOs can be instrumental in promoting UNIDO's initiatives and improving its visibility. In fact, such a role is already been played given the direct contacts with the respective Governments and the working relationships with the national business community. However, the General Conference discussed this potential role in the past and did not extend the ITPO's mandate in this direction, nor does the Project Document mention this role within the scope of activities of the ITPO. This adds to the need to review the general Guidelines and finalize publication of the Operational Manual.

The reporting requirements are fulfilled in a timely way by ITPO Italy. Nonetheless, the Annual Report appears to be drafted in order to meet visibility and promotional needs, but misses to constitute a useful management tool. To do so, it should be outlined according to the structure and contents of the Project Document and annual Work Programmes and report on actual results. Qualitative and quantitative information on outcomes and outputs of the activities carried should be reported vis-à-vis the delivery targets set in the annual work programmes and the indicators set in the project logframe.

Recommendations to UNIDO

- Given the relevance of the Office and its successful repositioning, the Evaluation Team recommends to start the negotiation process with the Donor for possible funding of a new term and start formulation of a consistent new project document.
- Should funding restrictions not ensure the feasibility of a full new term, the process for a smooth phasing out and consolidation of the expertise and knowledge base built by the ITPO within UNIDO HQ capabilities should immediately be started.
- The new project document should consider the analysis of the previous project document contained in Chapter V of this report; in particular the new project document should specify outcomes and exemplify them by measurable indicators.
- Ensure consistency between funding commitment and duration of the project.

- Review the issue of the possible role of ITPOs as UNIDO representative office in the host countries.
- Involve ITPOs in the formulation phase in future cooperation projects with UNIDO HQ.
- Enhance integration of ITPOs with UNIDO HQ by connecting them with the new ERP system.
- Integrate ITPO's information base on cooperating organizations, international experts and client companies with UNIDO HQ's relevant database and knowledge management instruments.
- Develop consistent indicators and monitoring tools for evaluating final outcome of interventions focusing on capacity building, facilitation of relationships between organizations, partnerships between IPAs and industrial associations, bridges between organizations, etc.
- Develop consistent programme management control processes and tools for ITPOs, operating as organizational units and implementing specific stand-alone projects.
- Review the reporting system for ITPOs. In this context review the format for the Work Programmes and Annual Reports to ensure that they are aligned to the structure of outcomes, outputs and indicators in the Project Document. .
- Specific outcome- and impact-oriented indicators should be developed in order to monitor and report on the effectiveness of the Office in achieving its objectives.
- Review staff requirements at HQ for consolidated management and coordination of the ITPO network.
- Finalize the issuing/approval and implementation of the new operational manual.

Recommendations to ITPO Italy

- Further focus geographically and prioritize on activities in specific countries as identified by the Donor's programming guidelines and directions for development cooperation.
- Enhance the selection process of delegates through structured interviews complementing CV screening and analysis of investment projects' portfolio.
- Participate in, and contribute to, the cooperative process established by the Donor for the formulation of the national strategy for development cooperation and define the role of the ITPO in this context.
- Develop clearer linkages between the established objectives of the Office, the project document, the Work Programmes and the Annual Reports. Make the Annual Reports more results-based, in order to allow them to function as management and monitoring tools.
- The Annual Reports should be more specific about the role of the ITPO in the implementation of various interventions and try to specify to what extent it has actually achieved them.
- Follow up on the high-level meetings organized at Ministerial level to ensure that discussions on Developing Countries' priorities lead to downstream, specific initiatives and projects

I

Introduction

The UNIDO Investment and Technology Promotion Office (ITPO) in Italy is one of 11 ITPOs¹ in the global network operated by UNIDO and supporting governments. The role of ITPOs and the ITPO network is to contribute to the industrial development and economic growth of developing countries and countries with transitional economies by promoting industrial investment and technology from the host ITPO countries.

In line with the mandate of the ITPO network, the overall objective of the ITPO Italy is to promote productive activities, trade capacity building, environmental sustainability, energy provision and efficiency as well as responsible investments and partnerships with development spillovers and impact through investment and technology promotion in developing countries and transition economies.

The ITPO Italy supplies an array of services along the path of investment projects, from scouting of industrial partners, to the supply of technical assistance to promising industrial projects. ITPO Italy particularly focuses in sectors in which Italy excels, such as food processing, textiles and packaging, leather tanning and footwear production, environment and renewable energy. Its support is based on the promotion of industrial partnerships, the improvement of technological and quality standards and capacity-building to relevant institutions and entrepreneurial associations.

The ITPO Italy, was created in 1987 on the basis of an agreement between the Italian Government and UNIDO, and is funded through yearly or multi-yearly voluntary donations of the Italian Government to UNIDO. The government counterpart is the Directorate General for Development Cooperation of the Ministry of Foreign Affairs (MAE).

The funding of the ITPO Italy is regulated through specific project documents signed by the Government of Italy and UNIDO, as well as by annual work programmes. The latest project document for ITPO Italy was prepared in 2008 and the related project, [UE/GLO/09/100 ITPO Italy- UNIDO Service in Italy for the Promotion of Industrial Investment and Technology and for Collaboration between Italian and Developing Country Enterprises \(SMEs\)](#) covered the period 1st April 2009 - 31st December 2011. The Government of Italy “have approved the extension of ITPO operations in 2012 under the current Project document and the 2012 Work Plan, within the resources available” (letter from Permanent Representative of Italy to International Organisations in Vienna, dated 9th of December 2011)

According to a specific provision of the above project document, and in line with the UNIDO Technical Cooperation Guidelines, which require an independent project evaluation of all projects with a budget over 1 million Euros, ITPO Italy was evaluated at the end of 2011, and this report provides information on the key findings and recommendations.

¹ Athens, Beijing, Bahrain, Italy, Marseille, Moscow, Paris, Seoul, Shanghai, Tokyo, Waloon Region

The evaluation has been carried out according to the Terms of Reference attached in Annex A which were circulated to main stakeholders. The Terms of Reference define the purpose and scope of this evaluation as follows: “The overall purpose of the evaluation is to enable the Government of Italy and UNIDO to make informed decisions as to an extension and possible re-orientation of the ITPO, to identify best practices, bottlenecks and problem areas and make recommendations for a possible future project. In addition, the evaluation will review the implementation of the recommendations provided in the 2007 Independent Project Evaluation of ITPO Italy as well as the wider Independent Thematic Evaluation of the ITPO Network, where applicable. The evaluation will focus on the results achieved by the ITPO. It will also seek to draw lessons of wider application for the replication of the experience gained by this ITPO for other UNIDO ITPOs or International Centres.”

The evaluation was carried out between November 2011 and January 2012 by a team composed of Mr. Paolo Bellamoli (independent external evaluator and team leader) and Mr. Demosthenes Doumenis (independent external evaluator). The Team members carried out missions to UNIDO HQs in Vienna (14-15 November 2011) and the ITPO in Rome (21-25 November 2011). Preliminary findings were presented at UNIDO HQs on December 20th 2011 and a draft report was circulated for factual validations and comments.

II

Methodology

The evaluation was conducted in compliance with UNIDO's Evaluation Policy and the UNIDO Technical Cooperation Guidelines and attempted to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness, impact and sustainability of the project. The achievements of the project were assessed against the objectives and outputs established in the project document, the Agreement with the Italian Government, the Annual Work Programmes, including re-examination of the relevance of the objectives and of the design. The evaluation team also sought to identify factors that had facilitated or impeded the achievement of the objectives.

The evaluation was carried out through analyses of various sources of information, desk review of relevant ITPO Italy documents such as Annual Reports and Work Programmes, survey data, interviews with various stakeholders and information on the ITPO webpage.. Interview guidelines were developed, in order to facilitate information collection and analysis, and were used in the interviews with stakeholders (Annex B). An extended survey was carried out collecting feedback from client companies and both in Italy and in partner countries. The survey was implemented through an on-line tool administered by UNIDO headquarters, ensuring full anonymity for the respondents, but keeping track of them being Italian or from other countries. The number of respondents did not allow crediting the survey with full statistical significance. Nonetheless, as the same questions were used by an analogous survey carried out in 2006, useful information was drawn from the analysis of how responses evolved over time. Questions and relevant results from the survey are introduced and commented in the relevant sections of the report, and provided in Annex C.

Prior to the field mission in Rome (21-25 November 2011) a number of UNIDO staff members, associated with the work of ITPO Italy, were interviewed. While in Rome, the evaluation team interviewed a number of stakeholders; ITPO staff members and consultants working from the ITPO Office, Government representatives, representatives of investment and technology promotion or FDI-related organizations and beneficiary companies. Meetings were also held with the counterpart institution, the Ministry of Foreign Affairs (MAE). The full list of persons consulted can be found in Annex D. The evaluation team also "visited" the ITPO Italy webpage and reviewed many internal documents in the Office Database; Reports, Budgets etc.

The analysis included a review of relevant UNIDO policies and strategies, the activities carried out by the ITPO, the management mechanisms applied, in particular planning, monitoring and self assessment. Particular emphasis was placed on the Recommendations from the 2007 Evaluation of ITPO Italy and the 2010 Thematic Evaluation of ITPO Network, analysing whether these have been acted upon.

While maintaining independence, the evaluation was carried out based on a participatory approach, seeking the views and assessments of all parties. At the end of the mission, preliminary findings were presented to ITPO staff (25 November 2011) and later also to

UNIDO staff, at a meeting at UNIDO Headquarters (20 December 2011). Stakeholders were given the possibility to comment on the findings, conclusions, recommendations and lessons learned of the draft evaluation report.



The ITPO Italy: Background

Mandate and objectives

The Italian Investment and Technology Promotion Office (ITPO Italy), was created in 1987 on the basis of an agreement between the Italian Government and UNIDO. Mandate and functioning have been subsequently renewed through successive Project Documents.

The current Project Document (UE/GLO/09/100) was set to cover the period 1st April 2009 - 31st December 2011 and its validity has been extended for additional 12 months, till December 2012 (letter from Permanent Representative of Italy to the International Organisations in Vienna, dated 9th December 2011).

The above mentioned Project Document incorporates the lessons learned in the latest independent evaluation report in relation to ITPO Italy (February 2007), and states the objectives of the Office as follows:

“To promote productive activities, trade capacity building, environmental sustainability, energy provision and efficiency, as well as responsible investments and partnerships with development spillovers and impact through investment and technology promotion in developing countries and transition economies.”

“More completely, the immediate objective of ITPOs is to support the sustainable industrialization efforts of developing countries and the consolidation of a market economy in countries with economies in transition by identifying and mobilizing the financial, technological, and other required resources and finally enhancing investments with development impact. The activities focus on supporting developing country Small-and Medium-size Enterprise (SME) development as a means of fostering investment and growth, along with job creation and poverty reduction (MDG 1) within the framework of a competitive and environmentally sustainable economy through the mobilization of knowhow, expertise, technology, and capital of Italian companies and institutions”.

In line with the above mentioned evaluation, “... greater emphasis is being given to capacity-building of partners in developing countries as well as the continuing efforts to sensitize the Italian business community to the needs and opportunities present in developing and transition countries.”

Besides technical and financial assistance provided to entrepreneurs, ITPO Italy has initiated specific industrial development programs both at national and regional levels regarding those productive sectors in which Italy excels, such as food processing, textiles and packaging, leather tanning and footwear production, environment and renewable energy. ITPO Italy’s support is based on the promotion of industrial partnerships, the improvement of technological and quality standards, capacity-building to institutions and entrepreneurs and

recognizing the importance of promoting environmentally friendly technologies and techniques.

Location and staffing

The ITPO Italy originally started its operations in Milan and, in January 1997, opened a second location in Bologna. In May 2004 all activities of the Office were moved to the current location in Rome.

In the course of the period of 3 years under evaluation, the number and composition of the staff underwent major changes, with a significant reduction of project professionals at the end of year 2010, when the contracts of all 3 Investment Promotion Officers plus one Clerk were discontinued or converted to consultancies.

At the time of the evaluation, the following personnel was employed at the Office, as staff of the core project (UE/GLO/09/100), or recruited under additional projects being implemented:

Name	Function	Project Number
BATTAGIA, DIANA	Head of Service	UE/GLO/09/100
CARAPELLESE, ANDREA	Consultant	IE/GLO/04/ITA (IE-MINAMB), (Morocco - Egypt)
CHAVOLLA, ELISABETH	S.S.A.	EE/RAF/11/009/11-80, (AfriPANet)
DE MARCO, ANDREA	S.S.A.	EE/RAF/11/009/11-80, (AfriPANet)
FORTUNATO, DINO	S.S.A.	TE/VIE/08/003-1154-2011 (Vietnam)
GIOIA, FRANCO	Consultant	IE/GLO/04/ITA - (IE-MINAMB), (Morocco - Egypt)
MALTESE, VALENTINA	Consultant (part time)	IE/GLO/04/ITA - (IE-MINAMB), (Morocco - Egypt)
PALLOCCA, FRANCESCO	Consultant	IE/GLO/04/ITA - (IE-EX-IRAQ), (Senegal - Mozambique)
PINEDO, MARCELA	Consultant	IE/GLO/04/ITA - (IE-EX-IRAQ), (Senegal - Mozambique)
SALVINI, LAVINIA	Administrative secretary/GS; consultant	UE/GLO/09/100 - IE/GLO/04/ITA - (IE-EX-IRAQ), (Senegal -Mozambique)
SERA, ELENA	Office assistant/GS	UE/GLO/09/100
SOKKAR, FATEH	Consultant	IE/GLO/04/ITA (IE-MINAMB), (Egypt)
WHITE IVAN LAWRENCE	S.S.A.	EE/RAF/11/009/11-80, (AfriPANet)

Source: ITPO Italy

It is to be noted that the vast majority of the above ITPO staff, had no prior UNIDO experience. This, in conjunction with a perceived understaffing of the ITPO coordinating team at UNIDO headquarters, represents a real challenge in the day to day operations, as new procedures must be learned and adhered to.

After the restructuring at the end of year 2010, due to late approval and disbursement of funds for the current year, more junior (albeit enthusiastic) new staff was recruited, and some expiring personnel contracts were converted to SSAs to enable the Office to operate in the new circumstances of a limited budget and uncertainty. However, the new ITPO staff was carefully selected through interviews and often after a period of internship, showing, a good degree of transparency and appropriate recruitment process.

An interesting fact is that although Technology Promotion is the key aspect of the ITPO's work, only one ITPO staff has a consistent technical background. Most of the staff has a background in social sciences. The Office shows capacity in reaching its targets, and client companies seem satisfied with the professional competencies of the staff. Nonetheless a more balanced mix of technical and social sciences backgrounds, with more experience related to the technologies being promoted, would have been more appropriate.

In line with a recommendation made by the Independent Evaluation in 2007, where the Office was acknowledged to be almost exclusively staffed by Italian nationals, the current staff features a multinational composition, with members from Italy, Argentina, Mexico and Britain. An Egyptian national (formerly with IPU Cairo) is working in Egypt under the coordination of ITPO Italy. It is understood that host country nationals have a better knowledge of the environment in which the ITPO is operating, let alone working relationships with stakeholders, compared to a national, but the current staff mix is considered as a balanced mix.

Funding

Operations of the ITPO are funded by different sources, the main one being the project UE/GLO/09/100, funded by the Italian Ministry of Foreign Affairs (funds hereafter also referred to as Core Budget), and specifically aimed towards the running of the ITPO. Additional projects complement activities of the ITPO as specified in the following table.

Name of project	Donor	Duration	Total allotment	Percentage Spent
UE/GLO/09/100 (Core Budget) UNIDO Investment Promotion Service in Italy	Italian Ministry of Foreign Affairs	01- Apr 2009 31- Dec 2011	€ 2.050.000,00	95%
IE/GLO/04/ITA / MIN.AMB (Concluded) Develop environment investment projects in	Italian Ministry for the Environment, Land and Sea	31- May 2008 30- June 2010	€ 210.000,00	100%

Egypt and Morocco				
IE/GLO/04/ITA / MIN.AMB Develop environment investment projects in Egypt and Morocco	Italian Ministry for the Environment, Land and Sea	01-Apr 2011 31-Dec 2012	€ 170.000,00	35%
IE/GLO/04/ITA / AFRICA Ex Iraq Platform for Senegal and Mozambique.	Italian Ministry of Foreign Affairs	01-Oct 2009 31-Dec 2011	€ 163.000,00	70%
IE/GLO/04/ITA / AFRI.AMB Technical assistance to Sub-Saharan African Countries for the promotion of environmentally-sound technologies and energy efficiency in Cameroon, Ghana and Tanzania.	Italian Ministry for the Environment, Land and Sea	01-June 2011 31-Dec 2012	€ 320.000,00	2%
TEVIE08003 (Vietnam) SME Cluster Development in Vietnam	Italian Ministry of Foreign Affairs	19-Jan 2011 31-Dec 2011	€ 45.711,00	100%
EE/RAF/11/009 (Afripanet) Capacity-building of Investment Promotion Agencies (IPAs) in Sub-Saharan Africa.	European Commission	10-Oct 2011 09-Jan 2012	€ 15.900,00	

Source: ITPO Italy

The above projects globally contribute to the total output of the Office so the Evaluation has given consideration to all of them when assessing the ITPO. .

IV

Project Context

UNIDO strategic and organizational context

Brief history

Investment and technology promotion has been an integral part of UNIDO services from the very beginning but its concept has changed several times. At the General Conference in Yaoundé (1993) “international cooperation in industrial investment and technology” became one of the five development objectives of the Organization. At the time, the Investment Promotion Service (IPS) offices were one of the instruments to support the achievement of the above objective. The other instruments were investment forums, technology transfer meetings (TECHMARTs), training workshops on investment project formulation and appraisal and on transfer of technology as well as institution building projects to strengthen investment promotion agencies (IPAs) and investment-oriented policy bodies in developing countries. Various software packages (PROPSPIN, COMFAR, DIPP) were developed to support services in this field and other methodological tools were made available in hard copies (Manual for the Preparation of Feasibility Studies, plant profiles published in several volumes on “How to Start Manufacturing Industries”, Model Forms of Transfer of Technology Contracts, etc.)

In order to distinguish the IPS offices from other investment promotion agencies and in order to avoid duplication and create added value, UNIDO aimed at going beyond sole matchmaking and at providing advice and assistance to the negotiating partners, making use of the professional competence of the organization and of the above software tools developed for this purpose. The other distinguishing feature was the “UNIDO quality stamp” approach applied to the promoted projects: the standard format for the Industrial Investment Project Profile (IIPP) required very detailed information about a project in order to allow for a preliminary financial evaluation. In order to produce such profiles (particularly for investment forums) external experts were often used.

The UNIDO 1997 Business Plan reoriented UNIDO’s activities from supporting individual companies to institutional capacity building and policy advice. Special emphasis was laid on support to the Least Developed Countries (LDCs) and particularly those in Africa. The preparation of project-specific feasibility studies was discontinued and from the software tools only COMFAR survived, more or less as an isolated reminder of the once extensive toolbox. New tools were developed such as BEST, FIT and PHAROS, but these were primarily suitable for economic analysis of existing companies, though in principle applicable also in the case of project extensions. However, in practical terms their use in investment promotion has been minimal, if any. The integration of investment and technology promotion within UNIDO resulted in the renaming of IPSs into ITPOs.

The UNIDO ITPO Network

ITPO Italy is currently a member of an International Network of 11 UNIDO investment and technology promotion offices². In addition to ITPOs, the Network used to comprise of four Investment Promotion Units (IPUs)³, which were closed in the first semester of 2009. A new ITPO Office in Kazakhstan is being planned. The first ITPOs were established in the early 1980s. Since that time, as UNIDO and member countries' priorities evolved, some ITPOs were closed (for example in Switzerland, Germany, Poland) and several new ones were opened to arrive at the current scope of the Network.

The ITPOs were established on the basis of agreements between UNIDO and the Governments of the host countries and have been funded through Government contributions of the latter to the Industrial Development Fund (IDF) or through Trust Fund (TF) agreements. The four IPUs were funded by contributions of the Government of Italy to the IDF. In most cases, ITPO staff have been recruited by UNIDO but are nationals of the host Governments.

Due to different host country characteristics and policies, the ITPOs differ in terms of geographical and programmatic priorities, size of the budget, activities and number of staff. It should be noted that some ITPOs manage to mobilize extra-budgetary resources and that their staffing – in particular short-term consultants - may significantly exceed the levels envisaged in the project budgets.

The overall objective of the ITPO network is “to contribute to industrial development and economic growth of developing countries and countries with economies in transition by mobilizing the technical, financial and managerial resources required for industrial investment and technology projects”⁴.

A central coordination team at UNIDO Headquarters in Vienna provides overall guidance to the network and coordinates ITPO activities with those in UNIDO Headquarters.

The Italian Institutional framework

The main Italian governmental bodies, institutions, and organizations of significance for the work of ITPO Italy are summarized in the following;

- The Ministry of Foreign Affairs with a Directorate General for Development Cooperation headed by a deputy minister. This directorate of the Ministry is the main direct counterpart of ITPO Italy
- The Ministry of Economic Development responsible for the implementation of Italian economic policy at the sectoral level. Under this Ministry are the main agencies that are pertinent to the work of ITPO Italy, namely ICE (Istituto Commercio Estero), SIMEST (Società italiana per le IMprese all'ESTero); and SACE, and with which ITPO Italy frequently collaborates.

2 Athens, Beijing, Bahrain, Italy, Marseille, Moscow, Paris, Seoul, Shanghai, Tokyo, Walloon Region

3 Egypt, Jordan, Morocco, Tunisia

4 UNIDO General Conference Paper GC.10/INF.4/Dec. 18 (2003)

- The Ministry of Environment, Territory, and Sea is another major partner of ITPO Italy, has financed many of its projects and looks to ITPO Italy as a partner.
- The Central Union of Chambers of Commerce (UNIONCAMERE), with all the Chambers as members, can be of significance in disseminating information from ITPO Italy to its members.
- The Chambers of Commerce and Industry are organized locally and enjoy the compulsory membership of all commercial and industrial ventures of their territory. Their activities are often supplemented by those of other specialized organizations. However, at the regional level, they often constitute the only possible provider of information for their members. These institutions have varying degrees of activity and effectiveness with regard to information dissemination, organization of seminars and missions and other high profile "activities".
- The Associations of Industries are organized on the regional and sectoral level with membership of industries. The most significant associations are CONFINDUSTRIA Confederazione Generale dell'Industria Italiana), API (Associazione Piccole e Medie Imprese), and CNA (Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa) . These associations represent the majority of Italian industrial firms. They issue regular circulars for their members, monthly bulletins, press announcements etc., informing the members of the general trends that affect the business environment and opportunities available.
- The Associations of Exporters such as the FEDEREXPORT. ITPO Italy can use these associations to disseminate information among the members and exchange information related to business opportunities.
- Binational Chambers of Commerce can be useful in disseminating information on projects to members who are already active in trade and investment in countries concerned.
- The private banking sector in Italy, as well as international development and financial institutions such as BSTDB (Black Sea Trade and Development Bank), EBRD (European Bank for Reconstruction and Development), EIB (European Investment Bank) and IFC (International Finance Corporation).

V

Project Design, Coordination and Management

Project document and Work Programmes

The key reference documents governing the functioning of the ITPO Italy in the period under evaluation are Project Document UE/GLO/09/100 and the relevant Annual Work Programmes drafted for the years 2009, 2010 and 2011.

The Project Document provides a substantive review of the documents for the previous periods and consistently acknowledges the recommendations emerging from the independent evaluation of ITPO Italy carried out in 2007.

In line with such recommendations, the Project Document pays increased emphasis to capacity building and technical assistance activities for organizations in developing and transition countries, whether through their public-sector agencies or private associations of industries, trades and professions. Additionally, greater integration between the ITPO and the UNIDO as a whole is envisaged by seeking greater synergies, complementarities and replication of successful experiences.

Nonetheless, planning documents (e.g. Project Document and Work Programmes) still feature some weaknesses and inconsistencies that have affected the smooth implementation of the expected activities and the use of the mobilized resources.

Among the above weaknesses, a proper set of indicators at the level of project outcome is still to be identified and clearly formulated.

In fact, indicators at the outcome level specified in the Logical Framework annexed to the Project Document are very much the same as indicators at the level of project outputs (i.e. quantity of investments, number of technology transfers, number of training sessions, number of agencies/institutions involved in capacity building, number of persons trained).

Also, the need for a set of indicators able to effectively assess the wide range of developmental effects of investment projects, as highlighted in the latest independent evaluation, remains unachieved to a large extent. In this regard, the planning documents still consider the generation of investments as an objective per se, and miss to focus implementation efforts and collect ex-post information on developmental effects such as quantitative and qualitative effects on employment, effects on production, quality of products, environmental effects, sectoral and regional diversification, etc.

Weaknesses of the Project Document are a consequence of the inconsistency in using a “project” approach for managing what in fact is an organizational unit (“Office”) with ongoing activities. Standard elements of project documents such as gantt charts and milestones are not featured in the Project Document or by the relevant annual work programmes. Additionally, a mismatch is found in the Project Document being set to cover a period of three years (recently extended to four) and the funding being initially allocated for two years only. Negotiations for the budget of the third year was finalized with a delayed process that put implementation under strain, and negotiations for the budget of the fourth year extension was still ongoing at the time of the current evaluation. The above uncertainty of funding, and the periodic allocation of resources on a yearly basis appear to represent a major constraint to a proper planning process.

The Project Document also misses to provide any information with regard to the organizational structure of the Office, as well as to specify expected qualifications and job description for its staff.

Finally, it is worth mentioning that the Project Document was found to be contradictory in defining the duration of the project: duration is specified as three years in the cover page of the document, and the starting date is set on 1st April 2009, thus legitimating ITPO’s staff to consider end of project on 31st March 2012. However, upon request of the evaluating team, it was clarified by UNIDO HQ that the project period was actually expiring on 31st December 2011.

Annual Work Programmes are developed through a consultative process which is initiated by the ITPO, providing the first draft version, and is finalized with the approval of the budget for the relevant year by the Donor. Still, complete and consolidated Annual Work Programmes resulting at the end of the process, inclusive of all attachments and the respective approved budget, were not found by the evaluating team nor appear to exist.

The structure of the Annual Work Programmes is also not aligned with the Project Document in the way outputs and delivery targets for the year are presented, and this does not facilitate monitoring: indicators foreseen by the Project Document such as number of persons trained from developing countries, number of technology offers prepared and promoted, number of partnerships established with developing countries, companies assisted with training/information, public or entrepreneurial agencies assisted with capacity building are not included in the Work Programmes. A more consistent alignment of the Work Programmes to the logical framework of the project would enhance clarity.

Administrative status of the ITPO

The ITPO is formally established and regulated as a project (UE/GLO/09/100), while for all intents and purposes it operates as an organization. This is not at variance with the modus operandi of all ITPOs who have their own Head, premises, can sign declarations and organise events and missions, to name just a few activities, and inevitably leads to inconsistencies in managerial processes and administrative tools which do not help in the search for the highest efficiency. Should the ITPO be strictly operating as a project, it would have a project manager, not a Head, and would be managed, not co-ordinated, with possibly clearer definitions of the area of responsibilities and of the things that the ITPO Head is allowed to do or not. This is more so as the ITPO is called to operate according to general “Guidelines for the functioning of the ITPOs” approved by UNIDO General Conference in 2003, and to more detailed regulations provided by the “Operational Manual for Investment

Promotion Services” which dates back to 1996 and has been in the process of being updated for several years but not finalized.

Examples of inconsistencies originating from the above are the commitments signed with third parties for projects with a lifespan longer than the one of the current Project Document of the ITPO (e.g. IE/GLO/04/ITA/MIN.AMB, ending in December 2012). Also, the ITPO established links with UNIDO HQ projects which cover the salaries of some members of the staff of the ITPO, but, without clear procedures in place, this generates twin lines of reporting (both internally to ITPO and directly to the funding Unit at HQs) and unclear accountability. Further, allocation to ITPO of specific staff recruited under HQ projects happens to be finalized through email to the concerned individual, simply copied to the ITPO, without a formal document describing the duties, agreements between HQ and ITPO, etc.

It was often mentioned by the staff interviewed by the evaluation team in Vienna, that the ITPOs can play an effective role as UNIDO representation office in their host country, and that ITPOs can be instrumental in promoting UNIDO’s initiatives and improving its visibility. In fact, such a role is already been played given the direct contacts with the Government and the working relationships with the national business community. However, the General Conference discussed this potential role in the past and did not extend the ITPO’s mandate into this direction, nor does the Project Document mention this role within the scope of activities of the ITPO. Again, this adds to the need to revise the general Guidelines and finalize publication of the above mentioned Operational Manual.

UNIDO headquarters coordination and management

UNIDO headquarters management of the ITPO Italy, as well as of the overall network of ITPOs, is ensured through the Investment and Technology Unit (ITU). This unit is part of the Business, Investment and Technology Services Branch since February 2010, when ITPOs management was merged with management of the wider activities aiming at private sector development. This organizational change was decided in order to better support the private sector as well as to facilitate and enhance integration of ITPOs with other UNIDO programmes. Indeed, the merge opened some opportunities for ITPO Italy to tap into specialised UNIDO HQ projects, now increasingly relevant in its operations. Examples of such projects are AfrIPANet and SME Development in Vietnam. At the same time, UNIDO HQs have been given the opportunity to mobilise additional expertise and knowledge available outside of Vienna, to increase its visibility in ITPO host countries and to increase access to field operations (e.g. projects in Egypt with Ministry of Environment) and business communities in industrialized as well as developing countries.

Within the ITU, an ITPO Coordinator, assisted by two other staff members, is responsible for the smooth operation of 11 ITPOs. Although the ITPO coordinating staff is well motivated and hard working, the amount of work and daily requests for information, guidelines, figures etc can be overwhelming. This results in all requests being answered, but often with a delay due to the sheer number of them and analyses that needs to be done before sending out a response from Headquarters. With the available resources, it seems difficult to provide substantive strategic guidance or structured methodological support to the network in addition to daily fire-fighting operations.

It is worth mentioning that from March 2010 to January 2011 the position of ITPO Coordinator was vacant. Things, as perceived by ITPO Italy, improved significantly from

February 2011 when the new coordinator was on board but such frequent change in the management of the ITPO coordination should be avoided. ITPO Italy staff mentioned that they are pleased with the actual level of service they receive from the ITPO Coordinator, but they also mentioned that delays are often long for some requests. It was also the experience of the Evaluation Team that some documents requested were provided immediately and others were delayed due to other obligations (e.g. General Conference).

With regard to administrative tools, standard UNIDO procedures and instruments for day by day management of projects are in place and duly implemented, but a set of managerial tools more aligned to the needs of an ongoing operational unit would be recommendable. As an example, it was not possible for the evaluating team to obtain yearly budgets and corresponding end of the year expenditure sheets in consistent formats, nor were consolidated financial sheets inclusive of all projects concurring to the operations of the ITPO available.

Internal ITPO Italy Management

The management of the ITPO Italy has to be credited for having paid due attention to recommendations expressed by the independent evaluation of the Office carried out in 2007. Many recommendations have been successfully implemented: links with UNIDO HQ have been strengthened, a more demand driven approach is validated by the increased satisfaction expressed in the survey by beneficiaries in developing countries, the delegate programme has been implemented as planned, staff training initiatives have taken place and the website has been consistently overhauled.

The full exploitation of available resources has been somehow declining during the three years considered by the evaluation (for more details refer to Chapter VII – Efficiency), but at the same time successful efforts have been put in place by the Head of the Office in fund raising activities: in 2011 additional available funds have reached a value as high as 62% of resources from the core budget.

Notwithstanding the severe uncertainties linked to the declining core budget and the forthcoming end of the present project, the spirit, motivation and commitment of the staff, both at senior and junior levels, appear to be s good, and the professionalism of ITPO personnel is well appreciated by their clients.

Finally, new management tools, namely a new database encompassing contact and project information has been internally developed and made operational, ensuring a proper management of the knowledge base of the Office and facilitating interchangeable involvement of staff.

Reporting and Monitoring Procedures

ITPO reporting is formally provided through monthly financial reports, 4-monthly reports on activities carried out and Annual Reports. Additional information is also provided through the weekly update of the website. Reporting to the Government is finally complemented by frequent direct contacts of the ITPO Head.

The reporting requirements are fulfilled in a timely way by ITPO Italy. Nonetheless, the Annual Report appears to be drafted in order to meet visibility and promotional needs, but misses to constitute a useful managerial instrument and report on results achieved. The format of the Annual Report is not outlined according to the structure and contents of the Project Document and annual Work Programmes. Qualitative and quantitative information on outcomes and outputs of the activities carried out are not reported vis-à-vis the delivery targets set in the annual work programmes, as well as an analysis of the indicators set in the project logframe is missing.

Particular attention needs to be paid by the ITPO to collecting on-going and ex-post information on promoted investment and technology transfer projects as well as on capacity building activities carried out. To this end, the evaluating team appreciate that substantial documentation has been collected by the Office for all projects reported as “completed”. The existing information gives evidence that all initiatives have gone well beyond the simple signing of a letter of intent. Nonetheless, there still exist large scopes for improvement in the provision of ex-post information on key outcome and impact indicators (e.g. quantitative and qualitative data on actual employment generated).

VI

Relevance

Relevance for UNIDO

The project is relevant for UNIDO. Mobilising know-how and resources towards developing countries and countries with economies in transition is key to UNIDO's mandate. In doing so, ITPO Italy is working in complementarily to other Italian Institutions such as SACE and SIMEST and it is not perceived by any party as directly competing with them. Furthermore, ITPO Italy is active in key regions and countries prioritized by UNIDO such as Latin America, Sub-Saharan Africa, North Africa and the Middle East.

The move away from the past extensive use of the facilities of the Italian Law 49/87, which promoted selling of Italian equipment and trade towards new markets, brought a new relevance to UNIDO as capacity building was enhanced, especially after the new strategic orientation of UNIDO itself. Capacity building and closer ties with UNIDO HQs projects such as AfrIPANet and SME Development in Vietnam increased the project's relevance to UNIDO.. It was mentioned during the interviews that especially in the case of SME Development in Vietnam, ITPO's company database and facilitation of issues of visa, organization of study tours etc were very effective for the smooth operation of the project.

The Delegate programme was also revived bringing closer ties with other ITPO Offices by sharing Delegates allowing a more integrated approach and a transfer of experiences and lessons learned. Each candidate is required to propose 10 projects relevant to his/her country of origin and selected delegates are the ones whose projects are best in line with ITPO's priorities. Hence, the Delegate programme provides an increasing relevance to UNIDO in bringing up to date information regarding priorities and needs of target countries.

The ITPO Italy was actively present in the G8 meetings held in April-May 2009 in Syracuse and Rome where Environment and Energy Ministers of G8 Countries discussed the new challenges in their fields. Such very high level meetings provide an excellent opportunity to increase the visibility of ITPO and UNIDO on an International level.

Relevance to the Government

ITPO's activities are directly in line with the Italian Government's priorities and when there are slight mismatches due to the Government's change of direction, the ITPO tries to get re-aligned by updating its Work Programme. The Office has a very close cooperation with its Donor, the Ministry of Foreign Affairs (MAE), but it also works closely with the Ministry of the Environment. Key priorities of the donor are support for SMEs and Food Chain projects, both of which are actively pursued by ITPO Italy. It was re-affirmed by Government Officials of both Ministries that their cooperation with ITPO Italy runs smoothly and they are quite

pleased with the work they do together. The Ministry of Environment is willing to extend its cooperation into new projects and the Ministry of Foreign Affairs considers ITPO's input very seriously (along with Confindustria, Universities etc) in drafting its strategy for the following years. Also the key thematic priorities of the Donor, namely: leather, agriculture, textiles, environment and energy are very well taken into consideration by the ITPO and projects in these fields are given priority. The ITPO's key priorities are Environment and Africa. These priorities are aligned with those of the Donor, although they are often hard to implement as Environmental issues are usually not perceived as of paramount importance by many investors. Nevertheless, the success of Fairs such as Ecomondo in which ITPO has been actively involved with increasing number of participants each year (paying for their own expenses) is proof of its relevance

ITPO Italy strives to internationalise SMEs and promote outbound investment. These are two key policy priorities of the donor and every effort is being made to pursue them without deviating from UNIDO's guidelines, rules and regulations.

It has been noted by the Ministry of Foreign Affairs, that ITPO Italy can be instrumental in developing Public Private Partnerships. As the regulatory framework governing the operations of the MAE does not yet allow this, it is a void that the ITPO Italy can clearly fill and which is in line with the Busan outcome document.

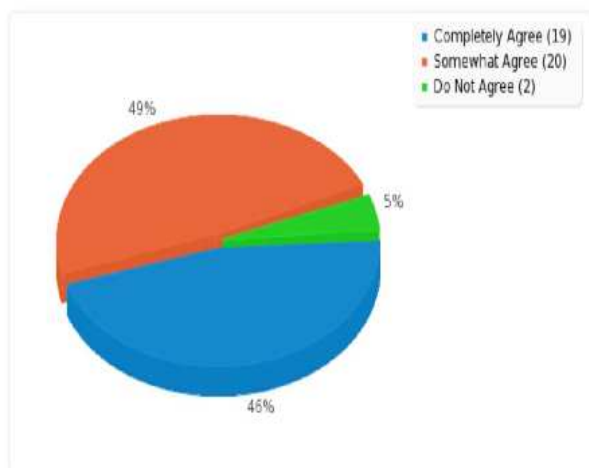
Relevance to Companies

Evidence as to the relevance of ITPO to the companies and partners served can be found in the survey results obtained. The vast majority of the companies surveyed, both Italian and foreign, found the information provided by ITPO Italy to be useful and most importantly they said that the Office effectively addressed their needs.

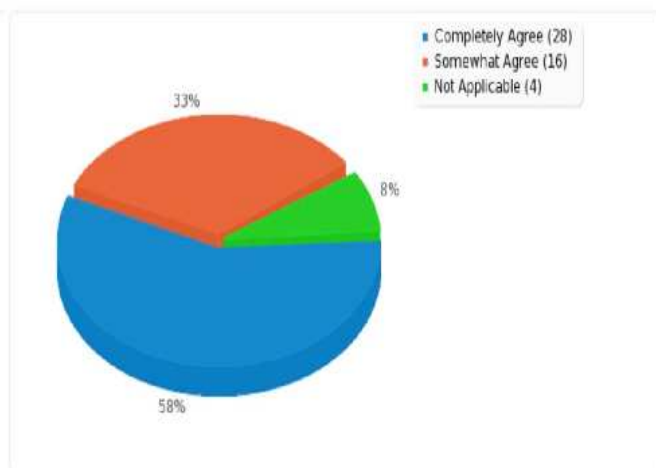
The following figures report details of the information collected by the survey:

- The background information you received from the ITPO was useful

Foreign Companies



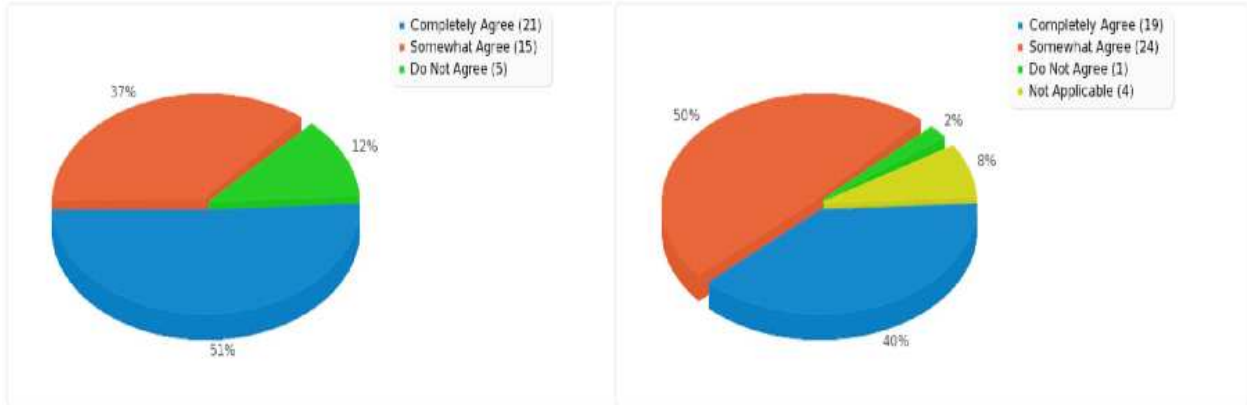
Italian Companies



- The ITPO services effectively address(ed) your needs

Foreign Companies

Italian Companies



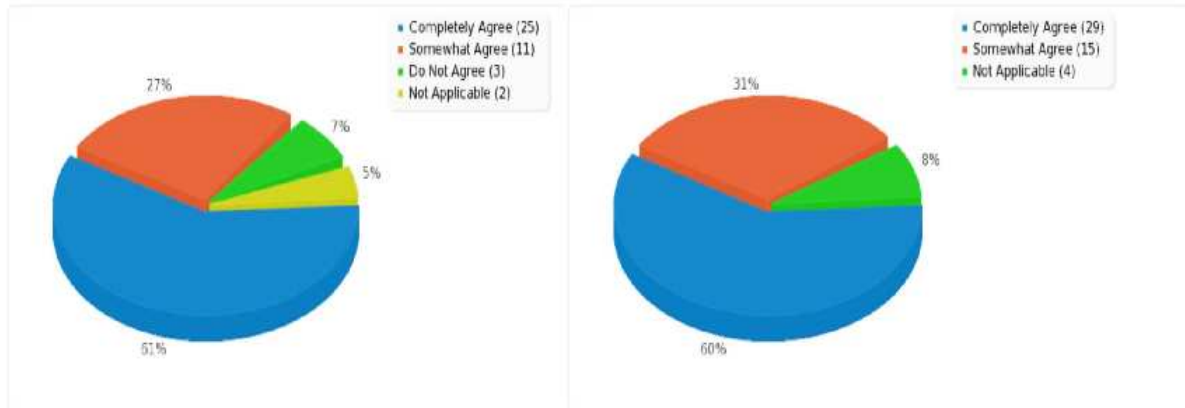
The majority of stakeholders stated their satisfaction in cooperating with UNIDO as it is very well linked with the government and key people of relevant companies, so they can organise targeted events which can bring added value. These events and meetings (often at ITPO's premises) were highly praised by all stakeholders the Evaluation Team spoke to, and also the profile of UNIDO as an "honest broker" was very high on the list why companies and organisations participated in these events. Often these meetings resulted in the eventual signing of joint declarations which proved their relevance.

ITPO staff was considered competent not only by the stakeholders interviewed, but also by the survey respondents. The Office itself was recognised as possibly the only organisation focusing on linking the private sector with developing countries.

- The technical qualifications of the ITPO staff is/was sufficient

Foreign Companies

Italian Companies



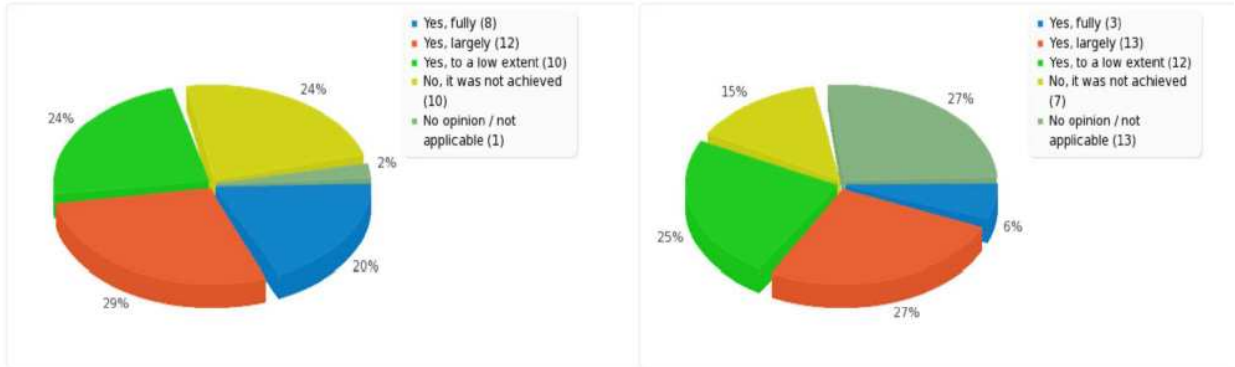
Balancing services between Italian and foreign beneficiaries

In the 2007 Independent Evaluation criticism was made of the fact that Italian companies were better served. ITPO Italy has accommodated related recommendations and focused a lot more on foreign companies. The next figure shows a comparative analysis between the responses in the 2006 Survey and the 2011 one. While Italian companies were the most satisfied of ITPOs activities in 2006, this has shifted entirely in 2011 with foreign companies being now the most satisfied ones.

- Did your company achieve the primary objective that you identified earlier, as a result of the ITPO services?

Foreign Companies

Italian Companies



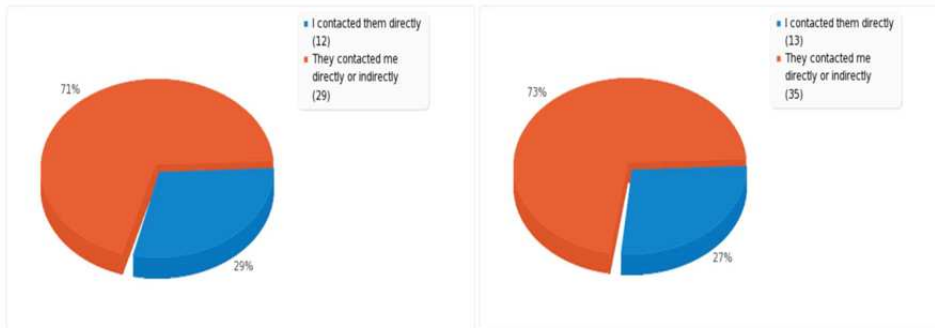
	Survey 2006		Survey 2011	
	FC	IC	FC	IC
Fully or largely	26%	52%	49	33%

With regard to the way contacts between ITPO Italy and companies are established, the following figure shows that a contact is started by the company much more frequently than in the past.

- How did you enter in contact with the ITPO?

Foreign Companies

Italian Companies



	Survey 2006		Survey 2011	
	FC	IC	FC	IC
Company Initiative	15%	15%	29%	27%
ITPO Initiative	85%	85%	71%	73%

VII

Effectiveness

According to the project document, the main purpose of the project is “to contribute to the industrial development and economic growth of developing countries and countries with economies in transition” by identifying and mobilizing technical, financial, managerial and other resources required for the implementation of specific industrial investment and technology projects in these countries. The achievement of this and other objectives is analysed below. .

However, it should be noted at the outset that the Project Document provides a detailed description of Indicators for Outputs but not for Outcomes. In fact, indicators for outcomes specified in the Logical Framework annexed to the Project Document are very much the same as indicators at the level of project outputs and the monitoring carried out during project implementation, as well as the information available, also only refer to output indicators. Nonetheless, it can be stated that ITPO activities and outputs lead to outcomes in two main areas, namely: investment and technology promotion, and capacity building in developing countries. The following analysis will assess to what extent outputs have been produced and outcomes achieved.

A series of indicators were established in the Project Document and revised in the Work Programme. Target values foreseen for the different years and achieved values are summarized in the tables below.

Indicators for Output 2 – Identification and promotion of investment opportunities and partnerships.

Output indicators	Prodoc p/year	2009		2010		2011	
		WP	Achieved	WP	Achieved	WP	Achieved
Projects to be identified	150-200	150	83	110	68	40	98
Projects selected for promotion	40-50	45	71	45	70	29	66
Projects to be concluded	15-20	16	9	17	4	6	11
Delegate programme	4-5	4	3	5	3	3	3

The general trend shown by the table is that the ITPO planned to identify fewer projects compared to the PD and in the end identified fewer projects than foreseen in 2009 and 2010, while in 2011, it identified more than double the projects foreseen, which was still less than the PD figures. A possible explanation is that due to the uncertainty regarding the continuation of the project, the ITPO “played safe” by in the 2011 WP, but in the end performed better than the targets established.

The situation for the projects selected for promotion is much better than that of identified projects mentioned above. Although the WP figures were in line with the PD ones, the results achieved were considerably better. The same argument as before applies to the 2011 figures (understated and over delivered).

The indicator that ultimately has the strongest impact is the number of concluded projects which is the last step in the investment promotion activities. Here there was a drop in

numbers, possibly due to the move towards capacity building, leaving less resources for following up on individual projects. Another major factor for the drop in concluded projects was the halving of the ITPO's budget. This will be analysed further below.

With regard to the delegate programme, instrumental to investment project promotion, the Project Document targeted 4-5 delegates per year which was also reflected in the annual work programmes.

Achieved outputs were in line with the PD figures which are encouraging. The delegate programme contributes to many activities (e.g. training, study tours etc). It is unrealistic to try to separate these activities, as hosting a delegate is an action with many facets which extend well after the delegate has left ITPO Italy and returned home. As mentioned in the previous paragraph, the reorientation of ITPO Italy towards capacity building activities and not just promoting individual projects, was reflected in the following outputs and related indicators. All indicators exhibited an increase as shown below.

Indicators for Output 3 – Consultancy and capacity building services.

Output indicators	Prodoc p/year	2009		2010		2011	
		WP	Achieved	WP	Achieved	WP	Achieved
Delegate programme	4-5	4	3	5	3	3	3
Training & Seminars	5-10	3	10	3	17	3	9
Persons from developing countries trained	40-80		126		104		84
Fairs, Exhibitions, Country Presentations	3	5	14	5	11	4	5
Study Tours	-	4	5	3	4	4	4
Italian comp. assisted (invest. Prospects in DCs)	10-20		104		91		213
Public or entrepreneurial agencies assisted	2-3		6		19		13

The following table refers to technology promotion and partnerships established with developing countries. All the outputs and indicators showed a considerable increase compared to the PD. It is also evident from a favourable response to the Developing Country Survey for most categories.

Indicators for Output 4 – Technology promotion to developing countries

Output indicators	Prodoc p/year	2009		2010		2011	
		WP	Achieved	WP	Achieved	WP	Achieved
Technology offers prepared and promoted	10-15	15	26		14		24
Partnerships established with Dev. Countries	3-5	3	16		17		31

The above tables have been compiled from data provided in the Project Document. Work Programmes and ITPO Italy Self-Assessment report. The Evaluation Team randomly checked the reliability of the data reported in the Self-Assessment as achievements and found the information to be sufficiently accurate.

All the promotional efforts of an ITPO, ultimately should lead to tangible results such as jobs created, investments, transfer of know-how and the overall improvement of the standard of living of target countries. Supporting documents for a number of projects were provided to the Evaluation Team proving that investment projects went well beyond the mere signing of a MoU but it is not always known to what extent investments were actually implemented and what the effects were. Available information indicate that ITPO activities during the period under evaluation have resulted in a number of concluded projects which are expected to create 795 new jobs of different skill levels as shown in the next table.

Expected Jobs	
	<i>Total Number</i>
<i>Unskilled</i>	430
<i>Skilled or Semi Skilled</i>	326
<i>Management</i>	39
<i>Total Number</i>	795

Although focus was shifted towards capacity building efforts, in-line with new UNIDO priorities, the pursuit of individual projects led to significant results. It is worth mentioning at this stage, that according to UNIDO's practice, a project can be considered as concluded, by merely signing a MoU or a joint declaration. However, in such cases, it is not known whether an investment was made, and how this impacted on the economy or on the lives of people in developing countries was improved. While ITPO Italy could be fulfilling its role by having interested parties sign MoUs and having an ever increasing number of concluded projects, they went much further and in some cases provided evidence for "money changing hands" by means of import documents, banker's agreements, contracts etc.

The figures in the above table represent a brief summary of the estimated jobs and types resulting from the COMFAR tool or from the information provided by the ITPO local consultant or from the companies involved in the projects conclusion.

It is worth mentioning that the partition of the expected jobs has taken in account the main division between skilled and unskilled jobs, as indicated in some available project analyses (COMFAR). On the other hand, it is not possible to identify the gender breakdown of the data in question.

In fact, some project analyses considered in detail the type of work and the total yearly costs of the expected human resources, but not the gender issue.

The total envisaged investment for these projects reached \$26.7 million resulting in a cost of \$33.5k per job created.

Despite the heavy burden represented by the current financial crisis and the subsequent funds reductions to support its activities, as well as the strong reduction of staff, the Office has reached a good performance in terms of sensitizing the Italian business community to the needs and industrial opportunities present in developing countries and transition economies. This has been achieved through the large number of investment promotion activities developed during the 2009-2011 period and confirmed by the number of concluded projects and others under negotiation.

However, due to the rapid restructuring of global economies in the last years, ITPO alongside with UNIDO had to respond and adapt/react to the changing scenario of development needs. Thus, ITPO Italy redesigned its services and implemented new modalities of performance of duty delivery with the goal to adapt its activities to a new changing global economic environment and to the efforts to achieve UNIDO' priorities. Despite the constraints of the strong industrial downturn, in the last years the Office has represented a useful platform of information regarding investment opportunities and investment environment in developing countries, for both foreign and Italian business community, and which has made of the Office a valuable Investment Promotion Agency.

As per its mandate and being a key player for industrial development, ITPO Italy has consolidated a large number of contacts with local institutions, authorities and agencies in developing countries in order to support them and promote their projects as well as facilitating contacts with institutions supporting SMEs both at national and international level.

Building the picture in facts and figures, following is a brief summary of these results:

36 Developing countries involved

30 Fairs and exhibitions

2700 Business Meetings organized to support entrepreneurial delegations

249 New Projects identified in developing countries

207 Projects promoted in the database (2009-2011)

24 Projects concluded

In accordance with the Work Programmes and considering the lessons learnt in the previous evaluation, greater emphasis was given to capacity-building for partners in developing countries as well as to continuing efforts to sensitize the Italian business community on the industrial needs and opportunities present both in developing and transition countries.

In this framework good use was also made of the Delegates' program, effectively hosting delegates from developing countries, principally from Sub Saharan Africa. The essence of this Programme is to host officials from those countries which mostly need a helping hand, in the Office premises in order to forge industrial alliances between partners from the Delegate's home country and Italian ones. To facilitate this process, the Delegate has direct access to investment promotion expertise, knowledge, methodologies, software, techniques and data available in the Office. As a result, the Delegate Programme gives officials and business people from developing countries and economies in transition the opportunity for hands-on training in investment promotion techniques. Spending from two weeks to two months in the Office, Delegates work side-byside with experts experienced in promoting industrial ventures and technology transfer. At the same time, they bring and promote project portfolios, composed of screened investment opportunities and/or technology transfer from their own countries, to potential Italian investors and act as contact points between entrepreneurs at home and in Italy. This approach accelerates business transactions and facilitates the potential business partners scouting.

The emphasis on training and capacity-building is reflected by the number of study tours, hosted delegates and organized training during the period of reference and as follows:

9 Hosted Delegates from developing countries

14 Study tours and/or promotional tours organized in Italy

36 Training sessions and Seminars in Italy and abroad

27 Training courses and seminars for the staff

During the last years, ITPO Italy oriented itself according to sectoral rather than geographical choices and reflecting those sectors in which Italy is a leading country, and in harmony with its donor' interest as well as those of developing countries. In this phase, ITPO Italy mainly focussed activities in two sectors:

a) Agro industry (including food processing; textile and garment; leather and footwear)

In consideration of the Millennium Development Goals, it is evident that agro industries can play a fundamental role in the overall process of industrialization and economic development, in both urban and rural communities of developing countries. In this sense, the key role played by ITPO Italy was to facilitate experience sharing and supporting processes of technology transfer, while foreign direct investments and the trade relations that SMEs in developing countries have with international buyers will be of increasing importance for a sustained capacity development at grassroots enterprise level. ITPO Italy's actions focussed on SMEs needs of these countries, promoting appropriate agro industries technologies and know how, enabling the industrial sector to produce better quality products, with equal benefits for local consumers and producers all over the world.

b) Environment and Energy

ITPO Italy has been working to reinforce the concept of environmental protection by sensitising firms in developing countries that the environment is not only a burden to respect, but an opportunity to acquire competitiveness in international markets. To this end ITPO activities aimed to spread among entrepreneurs a greater knowledge of opportunities and incentive policies for environmentally friendly technologies and investments in emerging economies. In this context, ITPO Italy stimulated the private participation of developing countries SMEs by promoting their eco-friendly projects to the foreign industrial excellence that is able to meet high level of production standards without compromising the availability of current resources for the future generations and seeking to reduce the impact on climate change through the adoption of environmentally friendly technologies and the identification of green practices in respect of energy efficiency.

In the last few years, UNIDO ITPO Italy has established a close co-operation with several agencies and institutions in developing countries and in Italy with the scope of fostering industrial and scientific collaboration and to facilitate information sharing on single industrial projects and/or special projects and programs that could improve economic linkages between developing countries and Italy. Following are some of the agencies with which ITPO Italy has matured a strengthened cooperation: Investment Promotion Agency of Cameroon to foster the development of agro industry in the Country and the adoption of environmentally friendly technologies and best practices; Ipack-Ima (Italy) to foster the promotion of food safety technologies against hunger; Centre of Investment of Sinaloa (CIT, Sinaloa - Mexico) in order to identify and foster innovative agriculture technologies as well as the promotion of investment opportunities within the sector; among others. A key success of the cooperation with the CIT of Sinaloa was the involvement of ENEL in the construction of a mini hydroelectric plant during 2009.

During the evaluated period, ITPO Italy has been very active in co-organizing or supporting numerous conferences, workshops and other forums. Some of them had global outreach, others national or regional coverage. In regards of global forums, ITPO Italy co-organized in collaboration with WFP (World Food Programme) and IPACK IMA (one of the most highly regarded organizers of fairs related to packaging and food processing in Italy and abroad) an International Conference entitled "More technology, Security and Quality, less hunger". The

aim of this symposium was to present the innovative advances in Food Technology that may contribute to Food Safety/Food Security improvement in Developing countries.

ITPO Italy has also actively participated in Global UNIDO Initiatives, as the Global Renewable Energy Forum 2009 held in Mexico. The Forum established a suitable environment for a proactive dialogue to strengthen interregional cooperation and encouraged innovative multi stakeholder partnerships aimed at scaling up investments in renewable energy. Active participation at such forums increased ITPO Italy international visibility extended its network of contacts and raised interest to our services. Furthermore, Study Tours with the goal of allowing contacts with world leading companies in the agro industrial, environment and renewable energy have been organized with the intent, of obtaining different expressions of interest in industrial cooperation proposals.

Further results were achieved by ITPO Italy through the synergies established with some UNIDO HQ Branches, as witnessed by a significant number of joint activities implemented and supported in favour of India, Vietnam, Iraq and Pakistan Projects among others. The joint network for the implementation of projects in the field of SMEs recovery, export consortia and cluster twinning development featured a close cooperation of ITPO Italy with relevant offices of UNIDO in Vienna.

Some of the activities in networking cooperation can be summarized as follow:

Cooperation with PTC/BIT/CBL:

ITPO Italy supported the Consolidated Project for SME Development in India, implemented by HQs, in some identified clusters belonging to the industrial sectors of Leather & Leather Goods and Automotive Components. The project aimed at the implementation of a comprehensive and integrated program for MSMEs development focusing upon the establishment of cooperation agreements between Indian and Italian clusters (Twinning Component- CT) as well as in the promotion in India of the Italian Mutual Credit Guarantee Schemes (MCGS component). On this regards, ITPO Italy concluded 2 cooperation agreements with the broad objective to strengthen the institutional relation between the Italians and Indians Associations and to identify training and technological contributions between members of each the association to achieve a win-win business cooperation on a long term basis. The first agreement has been concluded between the Indian Shoes Federation and Confindustria Marche on the footwear sector; and a second one between the Indian Finished Leather Manufacturers and Exporters Association – IFLMEA – and Associazione Conciatori Santa Croce sull’Arno in the leather sector. Moreover several study tours have been carried out in Italy and India as well as the organization of specific round tables on Business Opportunities in India for Private Equity and Venture Capital Funds.

A recent collaboration has been established also with the Project “SME Clusters Development in Vietnam”, implemented by HQs, in the promotion of available opportunities in Vietnam in three selected sectors: textile and garment; footwear and leather processing; and woodworking sector. The main activities carried out by ITPO Italy have been to sensitize the Italian business community about the opportunities offered by Vietnam and set up a common database with the Italian companies interested in cooperating with Vietnam. ITPO Italy has developed several activities in the year 2011 to promote investment initiatives among relevant Italian stakeholders through direct promotion and through the organization of specific round tables, as well as with the organization and coordination of specific study tours for Vietnamese SMEs and Associations in Italy in order to provide them with a firsthand information on latest technologies, production organization, product commercialization and market trends. In addition, ITPO established a database with all Vietnamese SMEs being

assisted under the project including diagnostic studies and areas of interest for upgrading and business linkages.

Cooperation with PTC/TCB/CIU:

In collaboration with UNIDO Compliance Infrastructure Unit, UNIDO ITPO Italy organized a Study Tour on the most important Italian clusters on natural stone and marble for a delegation of 15 companies / institutions representatives from Palestine. The whole activity was thought to increase awareness of the Palestinian companies/ institutions operating in the dimension stone sector on the market / investment opportunities in Italy and to develop contacts with potential local counterparts, offering their current products, introducing their projects proposals and establishing a contact that could lead to a future industrial and/or commercial collaboration.

Cooperation with PTC/TCB/QSC:

Some workshops in the field of food safety have been organized in collaboration with the UNIDO Quality, Standards and Conformity Unit. The workshop focused on “Technology for Food Safety in developing countries”, where international experts and companies discussed and analyzed in depth the role of technology in ensuring safety and hygiene in the food production process. Since several issues of the workshops have been dedicated to developing countries, where the lack of adequate food processing and preservation technology is the primary cause of food waste, particularly relevant has been the role of UNIDO ITPO Italy which addressed some solutions and illustrated some case stories.

Cooperation with PTC/AGR/AIT:

ITPO Italy, in cooperation with UNIDO Agro-Industries Technology Unit and in the framework of the UNIDO’s Special Project for Iraq and the UNIDO Laiser Project for Lebanon, organized and implemented an agenda for a High Level Iraqi Delegation and Lebanese Representatives with the idea to provide and to promote awareness about best practices and opportunities for technology upgrading to further develop the agro-industrial sector in both countries. It focused on the observation of agriculture mechanizations and B2B meetings held at EIMA - International Agricultural Machinery Exhibition in addition to other field visits and business meetings held outside the exhibition.

VIII

Efficiency

Several factors affecting project efficiency have already been reported on in Chapter V - project design, coordination and management - and it is worth noticing that most of them were already highlighted by the independent evaluation carried out in 2007, namely:

- “the unclear administrative status of the ITPO as a hybrid between a (temporary) project and a permanent operation;
- the fluctuation of funding;
- the loss of staff and hence of specialized expertise;
- Deficiencies of central guidance and support from the ITPO coordinating unit”.

Uncertainty of funding, particularly remarkable at the end of year 2010, led to restructuring of the Office with change of contractual basis for key personnel and need to recruit and re-train new, younger staff.

Discontinuity and limitations in the staff of the coordinating team at UNIDO HQ did not enable provision of continuous and sufficient strategic guidance, direction, methodological support, orientation for new personnel and timely backstopping.

However, it is appreciated that several efforts and actions have been undertaken both in the planning processes and in the implementation phase to increase efficiency: in particular, two specific outputs have been introduced in the Project Document that are related to enhancing efficiency, and ITPO management has been successful in mobilizing extra-budgetary resources and co-financing from other technical cooperation projects.

With regard to the additional fund mobilization, it is to be highlighted that fixed operational costs and overhead account for a large percentage of the latest yearly allocations of the core budget, and significant additional implementation is necessary in order to retain an acceptable degree of efficiency in operating the ITPO.

In order to have a comprehensive overview of the operations of the ITPO, the evaluating team, in a joint effort with the management of ITPO in Rome, outlined the following table. For each year from 2009 to 2011 resources available (i.e. specific allocation plus left over from previous year) and actual expenditures at the end of the year (i.e. disbursements plus obligations) are reported for each project, contributing to the overall budget of the Office (expenditures at the end of year 2011 being a tentative estimate). Corresponding resources possibly available at the beginning of year 2012 have also been estimated and are reported in the table. Finally, totals for each year have been analyzed through a set of ratios as described in the following.

Project No.	2009		2010		2011		2012
	Available Euros €	Expenditure Euros €	Available Euros €	Expenditure Euros €	Available Euros €	Expenditure Euros €	Available ?
UE/GLO/09/100 (Core Budget)	€ 577.355,00	€ 481.659,71	€ 972.886,29	€ 798.317,04	€ 583.660,25	€ 480.000,00	€ 103.660,25
IE/GLO/04/ITA /Min.Amb (Concluded)	€ 116.233,37	€ 125.871,94	€ 48.478,11	€ 46.083,94	€ 2.394,17	€ 2.394,17	€ 0,00
IE/GLO/04/ITA /Min.Amb (Egypt and Morocco)	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 68.139,75	€ 67.941,33	€ 102.407,50
IE/GLO/04/ITA /Africa - Ex Iraq Plat Senegal and Mozambique	€ 18.111,11	€ 0,00	€ 90.555,55	€ 41.527,87	€ 121.472,12	€ 80.489,05	€ 40.983,07
IE/GLO/04/ITA / AFRI.AMB (Cameron, Ghana, Tanzania)	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 106.000,00	€ 3.957,07	€ 316.043,30
TE/VIE/08/003 (Vietnam)	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 45.711,00	€ 45.711,00	€ 0,00
EE/RAF/11/009 (Afripanet)					€ 15.900,00	€ 15.900,00	€ 0,00
Totals per year	€ 711.699,48	€ 607.531,65	€ 1.111.919,95	€ 885.928,85	€ 943.277,29	€ 696.392,62	€ 563.094,12
% Expenditure/Available	85,36%		79,68%		73,83%		
Expenditure/ Core Budget Available	1,05		0,91		1,19		
Total Available / Core Available	1,23		1,14		1,62		
Total Expenditure / Core Budget Expen.	1,26		1,11		1,45		
Total Expenditure 2009-2011	€ 2.189.853,12						
Cost per job created	€ 2.754,53						

- *Expenditure vs. Available.* This ratio is related to the capacity of the office to actually make use of the available resources and shows a declining trend, with a value as low as 74% in 2011. In fact, operations in this year have strongly been affected by the uncertainties and delays experienced by the office in the allocation of funding of the core budget. Resources were formally approved at a time when contracts with key personnel had already expired and new younger and less experienced staff had subsequently to be recruited on a short term basis. An alternative reading of the value leads to consider that the uncertainty towards the renewal of the project, increased the need to build up fund reserves in order to be able to operate in 2012.
- *Expenditure vs. core budget available.* Delivery targets specified in the Work Programmes are formulated on the basis of the core budget, so whenever expenditures exceed the core budget available it is to be expected that achieved outputs also consistently exceed the targets. This is indeed confirmed by the analysis of the different output indicators as reported in the following sections of the report.
- *Total available vs Core available.* It was mentioned by many stakeholders that the ITPO Italy is very well connected with Government and the industry sector in Italy and as a result can organise very high-level meetings and events and bring interested parties together. In fact, it was able to negotiate a number of national and HQ projects contributing to the total budget on top of the core one. Values in the table show that thanks to successful efforts in mobilising funds on top of the core budget, the national management of ITPO constantly ensured the availability of additional funds. These efforts were particularly strong and successful in 2011, when additional funds peaked 62% of those of the core budget.
- *Total expenditure vs. core budget expenditures.* This ratio is to be put in relation with the above one and a lower value (e.g. for the year 2011 this ratio is 1.45 compared to 1.62 in resources available) shows a lower capacity in spending funds from additional

sources than funds from the core budget, which are, to a large extent, used for covering fixed running costs and overheads of the Office.

A final consideration that can be drawn from the table refers to the “costs per job created” that can be obtained by dividing the overall resources spent in the three years by the number of new jobs expected as a result of the investment promotion and technology transfer activities of the Office. This value is far from having the necessary scientific basis, misses comparisons with consistent international benchmarks, does not take into account other outcomes of the Office and is built on “expected” rather than fully documented new jobs. Nonetheless, it is the opinion of the evaluators that the resulting value (i.e. 2754.63 Euros per job created) gives a supportive justification for the resources spent in the implementation of the ITPO initiative.

Project Document outputs related to efficiency include Output 1 – Continuous improvement of analytical and operational capacities of ITPO – and Output 5 – Contributions to Headquarters and Network activities and joint initiatives. Better working and communication tools, as well as increased skills in the personnel can significantly contribute to making the most out of the resources available. Integration with ITPO Network and UNIDO Technical Cooperation activities can enable important synergies in the use of resources, contacts and expertise available.

Indicators for Output 1 include entries in the database, improved website, training courses and seminars for the staff and significant progress was made by the Office in this respect and has strengthened the capacity of the Office.

The Project Document suggested an increase of 15-20% per annum of the entries in the database, while the actual percentage achieved was consistently higher. Additionally, it was mentioned by a number of stakeholders that ITPO Italy is very well linked with key companies and the government and is able to bring very relevant parties together. Hence not only the number but also the quality of the contacts appears to be appropriate.

The following table provides information on the evolution over time of the number of entries in the database.

Year	Entries	% Increase (Prodoc: +15-20%)
2008	1153	
2009	2396	108%
2010	3812	59%
2011	4494	18%

The yearly increase starts from an impressive 108% (2008 to 2009) and decreases to 18% in 2011, which is still within the target.

Considering the recent restructuring of the Office, ensuring proper follow up to an increasing number of contacts, projects, events etc was becoming a daunting task. To this end the database was radically redesigned together with redesign (or better, re-launch) of the ITPO website (www.unido.it), which incorporates access to the database with varying levels of security for the different staff members. This approach ensures a more efficient management of the information base and a relatively seamless transition of projects to new staff members

whenever needed, as each project has its own history recorded in the database, from initial meeting to the signing of an agreement.



Home page of the new ITPO Italy website

The new website incorporates a lot of information about ITPO's activities and about UNIDO in general. Sometimes, the information can be overwhelming for the user. However, it was developed in-house and not through a specialised agency to save money on the budget. It uses flash animations to provide scrolling information about activities and as an in-house project is of very professional quality.

Unfortunately, available website access statistics were limited at the time of the evaluation due to a recent change of hosting provider. Hence, the true impact of the new www.unido.it website could only marginally be assessed. Statistics for only a 20 day period were available. Nonetheless, in those 20 days, 553 visitors were reported, 424 of which were unique, producing 1209 page-views and staying on average 1 minute and 39 seconds on the site.

Visitors Overview

29 Nov 2011 - 19 Dec 2011

100.00% of Total visits

Overview



424 people visited this site

- 553 Visits
- 424 Unique Visitors
- 1,209 Pageviews
- 2.19 Pages/Visit
- 00:01:39 Avg. Time on Site
- 55.15% Bounce Rate
- 75.59% % New Visits



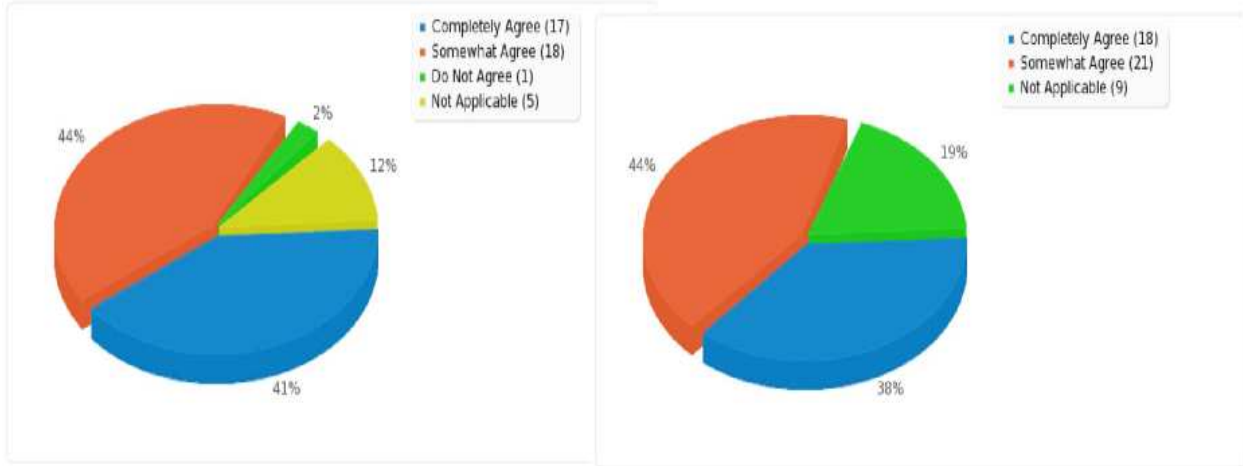
Furthermore, 39.71% of visitors explicitly typed www.unido.it to visit the site and were not redirected from referral sites or search results, which shows a very high visibility and recognition of ITPO's website domain.

A feedback on the website was collected through the evaluation survey and both foreign and Italian companies expressed their appreciation on the information they find on the ITPO Italy website as reported in the charts below.

- The information on the ITPO website was useful

Foreign Companies

Italian Companies



With regard to staff training, the following table summarizes targets foreseen by the Project Document and by the Work Programmes in the different years, as well as the actual number of training activities carried out. The latter were double the target set in the PD and WP, with the exception of 2011. During that year the PD target was revised downwards in the WP (2 training courses and seminars), while the target was more than achieved during the year (8 events achieved).

Output indicators	Prodoc p/year	2009		2010		2011	
		WP	Achieved	WP	Achieved	WP	Achieved
Training courses and seminars for the staff	5-6	5	9	5	10	2	8

The full list of training opportunities attended by ITPO Italy staff in the years 2009, 2010 and 2011 is also attached here below.

BRIEF DESCRIPTION OF STAFF TRAINING

2009	
ACTIVITIES	Subject
Climate Change Risk Management in Egypt, 5 May, Cairo	Environmental issues - Climate change - ITPO Staff
Roundtable "From G20 to G8: Re-thinking the Global Governance", 21 May, Rome	International affairs - ITPO Staff
Meeting with the agency for Investment Promotion and business Support in Central Serbia- Chamber of Commerce and Industry of Kragujevac, June, Rome	General information about the country and Investment opportunities - ITPO Staff
Conference "Public policy and the small and medium enterprise, the Italian cooperation and Latin America", July	Development Cooperation -ITPO Staff
Seminar "Low cost energy: eliminate scraps and recycle of waste. What happened to energy saving?", July	Energy efficiency - ITPO Staff
Workshop "Towards Copenhagen, what after Kyoto. What renewable resources for Italy, and with which incentives? Cost and benefits - July	Environmental issues - Renewable resources - ITPO Staff
IX Italian Energy Summit, September, Milan	Environmental issues & energy efficiency - ITPO Staff
Training on Industrial project financial analysis, Rome	Finance - ITPO Staff
2010	
Ambassador Roundtable "Synergies for the development of local capacities and entrepreneurship in Africa" - "The new African investment Opportunities through the UNIDO ITPO Italy activities" - 27 October - Rome	Economic Information on a group of African countries. Main investment sectors. ITPO Staff
Project appraisal course on UNIDO methodology for preparing comprehensive industrial project profiles as well as a technical demonstration of COMFAR III Expert software, illustrating a concrete project case.e - 11 (March), Casablanca	COMFAR III . ITPO Staff
Master lesson on "inter-governmental agencies for Energy" held to Master SAFE (4 March)	Environmental issues- Energy- ITPO Staff
Workshop on Cacao Processing (April)	Agrofood- Food processing - ITPO Staff
International conference "Development after conflict in Africa: rebuilding economic governance" (June)	International affairs - African continent - ITPO Staff
International forum modernity (May)	International and Humanitarian affairs - ITPO Staff
Workshop "Communicate in crisis-international communication summit" (September)	Communication strategies - ITPO Staff

Workshop "Needs and opportunities of aid to developing countries, research of new procedures of implementation" (October)	Development Cooperation -ITPO Staff
Forum on "Development of Africa and Europe regions" (October)	International affairs. Development cooperation - ITPO Staff
Training on "Ceremonial and protocol" (October)	Ceremonial and protocol - ITPO Staff
2011	
Capacity building session, entitled "Dealing with the challenge for environment in Africa: waste and wastewater treatment" - 8 November Rome	Environmental issues - Waste and Water treatment - ITPO Staff
Master lesson on "Energy and environment intergovernmental organizations" (March)	Environmental issues - Energy - ITPO Staff
Workshop on "Water treatment technology" (June)	Environmental issues - Water treatment- ITPO Staff
Workshop on "Photovoltaic cells technology" (June)	Environmental issues - Photovoltaic- ITPO Staff
Workshop on "Photovoltaic parks" (June)	Environmental issues - Photovoltaic- ITPO Staff
Workshop on "Water treatment technologies" (July)	Environmental issues - Water treatment - ITPO Staff
Workshop on "Waste treatment" (July)	Environmental issues - Waste treatment - ITPO Staff
FAO Technical Table: "Launch of HLPE reports on Price volatility and food security & Land tenure and international investments in agriculture", (October),	Agrofood - Food Security - ITPO Staff

Indicators for Output 5 – Contribution to Headquarters and Network activities and joint initiatives - include participation in ITPO Heads meetings, Global Forum and joint activities with UNIDO HQ. The following table summarizes results achieved in this respect.

Output indicators	Prodoc p/year	2009		2010		2011	
		WP	Achieved	WP	Achieved	WP	Achieved
ITPO Heads Meetings	1-2	2	4	2	1	1	-
Global Forum Activities	1-2	3	13	2	3	1	9
Collaborations with HQs/ITPOs	2-3	-	12	4	5	2	5

Cooperation with other ITPOs was particularly developed with ITPO France and worth mentioning is the sharing of Delegates with ITPOs in France and Japan.

In addition to specifically organized ITPOs Head meetings, other events, such as the UNIDO General Conference, make it possible for the Heads to meet, but this opportunity has not been exploited in a systematic way.

At a different level, some scope for increased efficiency seems possible with regard to the general working contacts of the ITPO personnel with key clients and stakeholders: it emerged during the interviews that counterparts are generally only knowledgeable of the specific services of ITPO for which discussions are ongoing. The relationship could therefore be further exploited as an opportunity to inform counterparts of the full range of services and activities that the ITPO and the UNIDO can provide.

In some interviews, the possibility and appropriateness of charging a fee for some specialized services of ITPOs was also discussed. So far, ITPO Italy only asks Italian companies for coverage of logistics expenses whenever some staff member is required to travel for services uniquely related to projects of the concerned company. In this respect, the general opinion collected is that providing services for free does not represent a factor

affecting their perceived value. On the contrary, it seems to reinforce the perception of ITPO and UNIDO as an independent and honest broker of qualified knowledge and information in support of industrial development in beneficiary countries.

Finally, it is acknowledged that a major effort is being undertaken by UNIDO HQ in relation to the implementation of a new ERP system, but so far ITPOs are not integrated within it. Inclusion in the system might indeed represent an opportunity to significantly improve managerial processes and control, with positive effects on the efficiency of the overall organization.

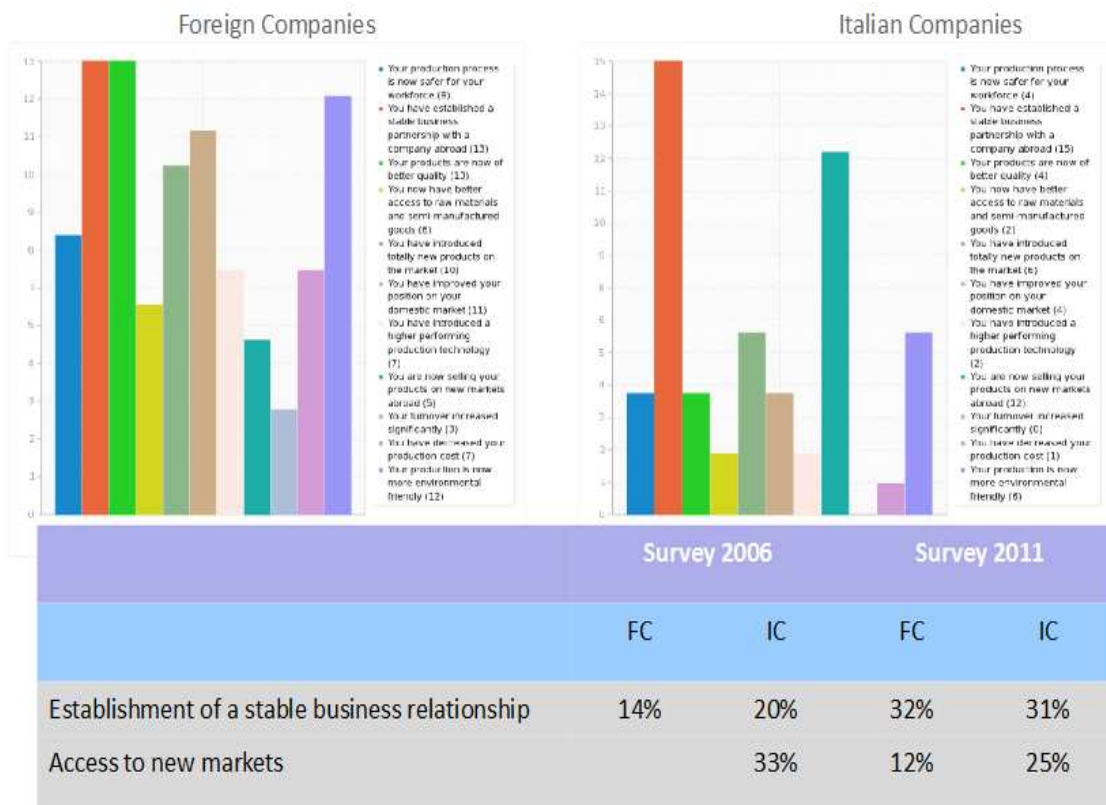
IX

Impact and Sustainability

UNIDO's mandate as a Specialised Agency of the United Nations aims to "... to contribute to the industrial development and economic growth of developing countries and countries with economies in transition..." In order to have any tangible effect on those countries, ITPO's efforts must target to improve the standard of living in a systematic way so as to ensure not only an impact, but more importantly the sustainability of such activities.

It can be shown below that ITPO Italy has achieved in establishing a stable business relationship for the companies served which will eventually lead to the sustainability of their projects. Another key effect of ITPO assistance was providing access to new markets. Fewer companies that in the past, perceived this effect, but the relevant percentage is still high (25%).

- Effects of ITPO assistance on your business



In general, capacity building activities have a stronger sustainability component and can improve the lives of considerably more people than the pursuit of individual projects, with the exception of Mega-Projects which are seldom the scope of Agencies such as UNIDO.

Training people in new technologies can become instrumental in their quality of lives. Such a project that the ITPO runs, is IE/GLO/04/ITA / AFRI.AMB to provide “Technical assistance to Sub-Saharan African Countries for the promotion of environmentally-sound technologies and energy efficiency in Cameroon, Ghana and Tanzania.” In this project, green technologies were introduced to the local population, through training and by example.

Furthermore, individual projects can also have a great impact and sustainability in local communities, as the introduction of solar water heaters in Egypt. This project is run locally by an ITPO consultant. By having access to hot water, people can clean better, disinfect and reduce infections and diseases. Projects like this are pursued through bilateral cooperation with the Ministry of Environment. The key sectors addressed explore synergies between ITPO and the Department of Climate Change and Environment of the Ministry, exploiting Low Carbon Technologies.

Contribution to Millennium Development Goals

The ITPO Italy is targeting its efforts towards projects that can address the United Nations Millennium Development Goals (MDG). The MDGs pertinent to UNIDO's Development activities are MDG1, MDG7 and MDG8 as elaborated further in the next paragraphs.

MDG1: Eradicate Extreme Poverty and Hunger

With respect to poverty and hunger eradication, ITPO Italy is carrying out several activities with a special focus on agro-industry which is also a key target for the Donor (Ministry of Foreign Affairs). One such example is the promotion of white and red meat slaughtering projects with the intent to provide a constant food supply to small communities in Senegal.

MDG7: Ensure Environmental Sustainability

An example of such activities, was the identification of ad hoc technologies that could positively impact on the environment i.e. technologies for treating waste water and improve irrigation systems for specific Regions such as Souss Massa Draà in Morocco.

Further, through Capacity Building sessions (e.g. Delegation of Argentinean Authorities in 2010), environmentally friendly technologies and techniques were identified and information was disseminated as well as indicating the EU legislative and regulatory framework on the matter (i.e. Legislative framework for tires recycling and for clean energy acquisition).

MDG8: Develop a Global Partnership for Development

During the Capacity Building “Facing Environmental challenges for Africa: Waste and Water Treatment” and Ecomondo Fair” 2011 edition, interaction of African institutions and enterprises with the goal of strengthening partnerships with Italian Companies and South-South cooperation was enhanced.

Furthermore, ITPO's active involvement in the AfrIPANet programme linking Investment Promotion Agencies (IPAs) from 20 African countries and providing detailed and up-to-date information for their work, is a major MDG8 activity and the ITPO itself primarily promotes global partnerships.

Sustainability of ITPO Italy

Resources available from the key donor, the Italian Ministry of Foreign Affairs, have been constantly decreasing in the latest years and an even more dramatic reduction is expected for the near future. MAE's total voluntary contributions to international development agencies in 2011 were a mere 15% of the corresponding amounts allocated in 2009, and only a nominal contribution is expected for the year 2012.

This dramatic reduction in funds is a concern and calls for swift action on behalf of all parties involved, as failing to respond to the situation will almost certainly lead to the closing down of the Office.

The ITPO Italy has already reacted to the declining budget with fund raising activities (e.g. through the Ministry of Environment) and joint implementation of projects with HQ.

Resources from the above as well as some uncommitted resources from the previous years will enable the Office to extend its operations into the year 2012, but fund raising efforts need to be further strengthened, and additional initiatives must be pursued in order to retain a sufficient scope of activities for the Office.

Given the relevance of the Office and its successful repositioning, it would be worth funding a new term and starting formulation of a consistent new project document. Alternatively, in case planning of a full new project period was unfeasible, the process for a smooth phasing out and consolidation of the expertise and transfer of information built by the ITPO within UNIDO HQ should be initiated.

In this regard, it was expressed by stakeholders in the government, that the eventual discontinuity of the operations of ITPO Italy would inevitably affect the wider image and awareness of UNIDO in Italy. This is so, as ITPO Italy has built considerable linkages with the Italian political and business community, and has played more and more an effective role as UNIDO representative in Italy.

X

Conclusions, Recommendations and Lessons Learned

Conclusions

ITPO Italy has positively reacted to the Independent Evaluation carried out in 2007 which helped the Office target its efforts in areas where it was lacking, and has tackled most, if not all the recommendations addressed to them. This effort has helped the Office use its resources better and also, as a result of the shrinking and uncertain budget, the Office has developed “fund raising” activities leading to the involvement in a number of Ministry of Environment I and HQ projects. Hence, activities could be sustained and sometimes expanded by incorporating additional projects which also increased its visibility and relevance, both towards the Donor, stakeholders and UNIDO Headquarters themselves.

As a result, ITPO Italy has a clear relevance to the Italian Government, the business community, target countries and institutions as was clearly pointed out during interviews and by analyzing survey results. It has developed analytic methods in monitoring the projects' progress. All beneficiaries expressed their satisfaction towards the level of service offered, although there is still room for improvement in the follow-up of activities as well as in communicating the full range of services offered. Planned outputs are achieved in most cases and where there the Office is lacking behind, it is able to spot inefficiencies and take corrective action.

A factor affecting performance of the Office is the discontinuous and somehow limited support from the ITPO coordination service from HQ, which featured frequent reassignment of coordinator as well as a perceived insufficient staffing.

A further major scope for improvement has been found by the evaluation team with regards to outcome indicators which need a substantive reformulation

With regard to outputs, instead, consistent and comprehensive indicators were formulated in the Project Document and in the Annual Work Programmes, and planned values were achieved by the ITPO Italy in a coherent way. Also, in line with the set goal of contributing to the international efforts in sustaining industrial development of developing countries and countries with economies in transition, a number of initiatives were effectively undertaken by the Office which led to results in terms of projects concluded as well as in terms of capacity building in targeted countries through hosting of delegates, study tours and training events. Results were specifically obtained in targeted sectors such as agro industries, environment and energy.

However, ITPO Italy's sustainability is facing major challenges due to a severe and progressive shrinking of the funds available from the Italian Ministry of Foreign Affairs, its main donor. The Office has already taken action by succeeding in mobilizing some additional resources from the Ministry of Environment and by pursuing increased integration with HQ projects. Still, fund raising efforts need to be further strengthened, and additional initiatives must be undertaken in order to retain a sufficient scope of activities for the Office.

Recommendations

Recommendations to UNIDO

- Given the relevance of the Office and its successful repositioning, the Evaluation Team recommends to immediately start the negotiation process with the Donor for possible funding of a new term and start formulation of a consistent new project document.
- Should funding restrictions not ensure the feasibility of a full new term, the process for a smooth phasing out and consolidation of the expertise and knowledge base built by the ITPO within UNIDO HQ capabilities should immediately be started.
- The new project document should consider the analysis of the previous project document contained in Chapter V of this report; in particular the new project document should specify outcomes and exemplify them by measurable indicators.
- Ensure consistency between funding commitment and duration of the project.
- Review the issue of the possible role of ITPOs as UNIDO representative office in the host countries.
- Involve ITPOs in the formulation phase in future cooperation projects with UNIDO HQ.
- Enhance integration of ITPOs with UNIDO HQ by connecting them with the new ERP system.
- Integrate ITPO's information base on cooperating organizations, international experts and client companies with UNIDO HQ's relevant database and knowledge management instruments.
- Develop consistent indicators and monitoring tools for evaluating final outcome of interventions focusing on capacity building, facilitation of relationships between

organizations, partnerships between IPAs and industrial associations, bridges between organizations, etc.

- Develop consistent programme management control processes and tools for ITPOs, operating as organizational units and implementing specific stand-alone projects.
- Review the reporting system for ITPOs. In this context review the format for the Work Programmes and Annual Reports to ensure that they are aligned to the structure of outcomes, outputs and indicators in the Project Document. .
- Specific outcome- and impact-oriented indicators should be developed in order to monitor and report on the effectiveness of the Office in achieving its objectives.
- Review staff requirements at HQ for consolidated management and coordination of the ITPO network.
- Finalize the issuing/approval and implementation of the new operational manual.

Recommendations to ITPO Italy

- Further focus geographically and prioritize on activities in specific countries as identified by the Donor's programming guidelines and directions for development cooperation.
- Enhance the selection process of delegates through structured interviews complementing CV screening and analysis of investment projects' portfolio.
- Participate in, and contribute to, the cooperative process established by the Donor for the formulation of the national strategy for development cooperation and define the role of the ITPO in this context.
- Develop clearer linkages between the established objectives of the Office the project document, the Work Programmes and the Annual Reports. Make the Annual Reports more results-based, in order to allow them to function as management and monitoring tools.
- The Annual Reports should be more specific about the role of the ITPO in the implementation of various interventions and try to specify to what extent it has actually achieved them.
- Follow up on the high-level meetings organized at Ministerial level to ensure that discussions on Developing Countries' priorities lead to downstream, specific initiatives and projects

Lessons Learned

The ITPO Italy was successful in mobilising extra core budget resources from national and HQ projects and its experience could represent best practices for the whole ITPO network. Shift towards capacity building and away from the pursuit of individual project promotion is both in-line with the new UNIDO priorities and can create much more impact by leveraging on a larger base of involved actors and institutions.

ITPO has increasingly focused on SMEs with more than 50 employees (see “Size of Company” chart in Annex C) which should be the target of UNIDO's activities as smaller companies are fighting to survive in times of crisis while big companies have other channels to do business internationally.

The Office has established itself as a well respected agency which can bring key individuals of relevant partners together. This buildup of the ITPO "brand name" has been the catalyst for more and more companies initiating the contact, while in past years the ITPO was making the first move. Additionally, the ITPO Italy can leverage on the United Nations affiliation which makes the Office be perceived as an “honest broker”, providing high-level, yet free services.

The possibility to demonstrate actual developmental effects of the ITPO services heavily depend on the specification of proper outcome indicators at the stage of project design, as well as on the implementation of consistent monitoring and evaluation actions and reporting tools.

Annex A: Terms of Reference



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE FOR THE INDEPENDENT EVALUATION OF THE UNIDO INVESTMENT AND TECHNOLOGY PROMOTION OFFICE IN ROME, ITALY

I. BACKGROUND

The UNIDO Investment and Technology Promotion Office (ITPO) in Italy is one of 11 ITPOs in the global network operated by UNIDO and supporting governments. In 1985 UNIDO and the Government of Italy signed an agreement to promote and support industrial cooperation and business development between companies in Italy and those in developing countries. This prompted the creation of the Italian ITPO which opened in Milan in 1987. In 1997 ITPO Italy moved to Bologna and in 2004 re-located to its current location in Rome.

The role of ITPOs and the ITPO network is to contribute to the industrial development and economic growth of developing countries and countries with transitional economies by promoting industrial investment and technology from the host ITPO countries. In line with this, the overall objective of the ITPO Italy, is to promote productive activities, trade capacity building, environmental sustainability, energy provision and efficiency as well as responsible investments and partnerships with development spillovers and impact through investment and technology promotion in developing countries and transition economies.

All ITPOs are funded by their host countries through voluntary donations to UNIDO. The counterpart for ITPO Italy is the Directorate General for Development Cooperation of the Ministry of Foreign Affairs (MAE). Funding is provided on a yearly basis and is based on an annual Work Programme.

The current project document for ITPO Italy was prepared in 2008 and signed by the Government of Italy and UNIDO. The related project, UE/GLO/09/100 ITPO Italy- UNIDO Service in Italy for the Promotion of Industrial Investment and Technology and for Collaboration between Italian and Developing Country Enterprises covers a project period for three years beginning in April 2009. The Government of Italy has committed itself to fund the project until December 2011.

The ITPO Italy carries out a variety of activities and events in Italy as well as in Latin America, Sub-Saharan Africa, Asia and the MENA region. With the 2011 Annual Work Programme, there was a shift in focus; first, the work programme emphasizes the need for a more holistic approach and a move away from single project promotion and secondly the

work programme includes a focus on targeted assistance to least developed countries, specifically in Sub-Saharan Africa.

In addition, in line with the trend of increasing the role of UNIDO and ITPOs in providing training, capacity building and technical assistance ITPO Italy's strategic approach includes a sectoral rather than geographical focus. ITPO Italy is focusing on sectors in which Italy is prominent and can provide specialized inputs. These include the following:

- Agro-industry and food processing;
- Environment, including energy and water;
- Textiles and clothing and
- Leather and footwear.

Although the ITPO is funded annually, it has a total planned project budget of 1,454,546 Euros for the project period. This present budget covers the period 2009 through 2011. Below is a breakdown of the annual allotment and expenditures to date. Funds not used for the determined year are automatically rolled over into the following year's budget. As can be seen from this annual breakdown, funds have fluctuated between years with a 27% decrease in the 2011 allotment from the 2010 level.

Project No.	2009 Total Allotment Euros €	2010 Total Allotment Euros €	2011 Total Allotment Euros €	2009 Total Expenditure Euros €	2010 Total Expenditure Euros €	2011* Total Expenditure Euros €
UE/GLO/09/100	481,659	798,317	583,660	481,659	798,317	326,111

* As of August 2011 per Agresso

The independent project evaluation of the ITPO Italy is included in the ODG/EVA Work Programme 2010/2011, approved by the Executive Board. With a total budget of more than 1.4 million Euros an evaluation of the ITPO Italy is also in line with the UNIDO Technical Cooperation Guidelines which require an independent project evaluation for all projects with a budget over 1 million Euros.

II. PURPOSE

The overall purpose of the evaluation is to enable the Government of Italy and UNIDO to make informed decisions as to an extension and possible re-orientation of the ITPO, to identify best practices, bottlenecks and problem areas and make recommendations for a possible future project. In addition, the evaluation will review the implementation of the recommendations provided in the 2007 Independent Project Evaluation of ITPO Italy as well as the wider Independent Thematic Evaluation of the ITPO Network, where applicable.

The evaluation will focus on the results achieved by the ITPO. It will also seek to draw lessons of wider application for the replication of the experience gained by this ITPO for other UNIDO ITPOs or International Centres.

III. METHODOLOGY

The evaluation is to be conducted in compliance with the UNIDO Evaluation Policy and the Technical Cooperation Guidelines and will determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness, impact and sustainability of the project/ITPO. The evaluation will assess the achievements of the project against its objectives and outputs established in the project document and in annual work plans, including re-examination of the relevance of the objectives and of the design. It will also try to identify factors that have facilitated or impeded the achievement of the objectives. The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data, and interviews with various stakeholders such as the Government counterpart, ITPO and UNIDO staff members, and beneficiary companies or institutions, in Italy and abroad. All data will be cross-validated and triangulated.

The thorough analysis of relevant information includes a review of UNIDO policies and strategies, activities carried out and related outputs, management mechanisms applied (in particular planning, monitoring and self-assessment) and project specific framework conditions (policy environment and related initiatives of the Government and the private sector) as well as minutes from steering committee meetings.

The steps of the evaluation will be as follows:

1. Desk study (review of ITPO website and analysis of project documents, annual reports, work programmes and other project related documents or documents related to the ITPO Network both at the UNIDO Headquarters and at the ITPO Italy).
2. Following the desk study the evaluators will elaborate on the evaluation issues, produce appropriate evaluation tools and a framework, including a detailed list of evaluation questions that will be used in stakeholder interviews, a possible survey of partner companies and advice the ITPO on the preparation of the programme for the mission. This will be done in the form of a short inception report presented at UNIDO HQs.
3. Interviews with staff at UNIDO HQ.
4. One week field mission to Italy. The evaluation team will receive briefings from the ITPO, Ministry of Foreign Affairs of Italy (MAE) and carry out interviews with staff of the ITPO office; review databases and other data at the ITPO office; interview representatives of governmental bodies and private sector associations; investment promotion agencies and development cooperation agencies. The evaluation mission will also visit a sample of client companies in Italy. The sample will be drawn from a list of companies provided by the ITPO.
5. Presentations and discussions of preliminary findings with the ITPO management and the MAE.
6. Presentation and discussion of preliminary findings at UNIDO HQ and to representatives of the Permanent Mission of Italy.
7. Preparation of the draft evaluation report to be circulated for comments and factual validation.
8. Preparation of the final report using the EVA format.

While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties. It will address the following specific issues:

IV. Key Evaluation Issues

Ownership and relevance

The extent to which:

- (a) The project is aligned to partner countries' priorities and investment and technology needs, and contribute to strengthening capacities of partner institutions, i.e., projects and activities are demand driven as recommended by the 2007 ITPO Italy Independent Project Evaluation
- (b) The project is relevant to Italian industry vis-à-vis other investment/technology promotion institutions and coordinates with them.
- (c) The project is in line with Italian policies and strategies, including strategies for development cooperation.
- (d) The private sector and private sector institutions, in Italy and abroad, are using the ITPO and find its services to be in line with their needs.
- (e) The objectives of the project and the ITPO concept remain valid and the project document represents and meets the needs of main stakeholders.
- (f) There are linkages to UNIDO programmes and thematic priorities.
- (g) The ITPO mandate is relevant.
- (h) A strategic vision with programmatic, geographical, and thematic priorities exists and is relevant.

Project design

The extent to which:

- (a) The project document design is appropriate and coherent (existence of a log frame, clear objectives and indicators).
- (b) the outputs as formulated in the project document are necessary and sufficient to achieve the outcomes.
- (c) The work programme reflects lessons learned and recommendations from past evaluations.
- (d) The new strategy as outlined in section A.3 of the project document and the Annual Work Programme has been implemented.

Efficiency of implementation

The extent to which:

- (a) UNIDO and Government/counterpart inputs, including funding, have been provided as planned and were of a quality and quantity to adequately meet requirements, and were provided in a timely and cost-effective manner.

- (b) A strategy to overcome possible budget constraints was implemented, e.g. mobilization of extra-budgetary resources, co-financing of activities from the TC programmes' budget, use of accrued interests on IDF contributions for funding of ITPO activities, prioritization of outputs, revision of project outcomes and objectives.
- (c) A clear communication strategy enhanced the visibility and outreach of the ITPO, e.g. ITPO website, publications and events such as seminars and workshops.
- (d) The project was integrated into UNIDO's ITPO Network and UNIDO Technical Cooperation activities for enhanced synergies and impact.
- (e) A clear strategy for investment and technology promotion exists.
- (f) Appropriate team building and staff training have been planned and carried out as per the recommendation of the 2007 ITPO Italy Independent Project Evaluation.

Effectiveness

The extent to which:

- (a) Investment projects have been generated or linkages developed between Italian investors and technology suppliers and partners in developing countries.
- (b) The envisaged outcomes and outputs were achieved.
- (c) The project promoted industrial development in the targeted developing countries (investment volume; jobs created; but also wider benefits related to competitiveness of companies; technology and know-how transfer; etc).
- (d) The project contributed to strengthened capacity of investment-related agencies and industry associations in the targeted countries, in particular through the delegates programme.
- (e) Women and men benefitted equally.

Impact and sustainability

- (a) Identification of the long term developmental changes or benefits (economic, environmental, social and developmental) that have occurred or are likely to occur as a result of the project.
- (b) Assessment of the likelihood that changes and benefits will be maintained for a long period of time.
- (c) Assessment of contribution to MDGs
- (d) Assessment of the extent to which the reduced funding of current work programme and subsequent reduction in staff impacted project results and office performance.

Project coordination and management

The extent to which:

- (a) The administrative status of the ITPO is conducive to its role and function.
- (b) The national management and field coordination mechanisms of the project have been efficient and effective.
- (c) The UNIDO HQ based management, coordination, quality control and technical inputs have been efficient and effective.

- (d) Links with appropriate branches at UNIDO HQs have been established and strengthened as proposed in the 2007 ITPO Italy Independent Project Evaluation.
- (e) Reporting and monitoring procedures were adhered to.
- (f) Monitoring and reporting were carried out and based on indicators for outputs and outcomes and there was monitoring of promoted investment projects.
- (g) Collaboration and cooperation with other UNIDO ITPOs, IPU's and other UNIDO projects have occurred .
- (h) The project was flexible and responsive and incorporated project revisions appropriately
- (i) The absence of an ITPO Coordinator impacted the ability for the office to operate and create synergies with Headquarters.

V. EVALUATION TEAM

The evaluation mission will be composed of two international consultants, one with expertise in evaluation and the other in investment and technology promotion.

The UNIDO Evaluation Group (ODG/EVA) will be responsible for the quality control of the evaluation process and of the report. It will provide inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations and especially evaluations of ITPOs. The consultants will be contracted by UNIDO. The tasks of the team members are specified in the job descriptions attached to these Terms of Reference. The ITPO Italy as well as staff at UNIDO Headquarters will provide support to the evaluation team.

Involvement of the national counterpart could be possible through a secondment of its own evaluator as a member of the evaluation team. The national counterpart will be informed that such a joint evaluation is a possibility. The necessary funding should be set aside by the national counterpart in advance and outside the UNIDO evaluation budget.

All members of the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the project under evaluation. This principle is underlined in the UNIDO Evaluation Policy: *“For independent evaluations, the members of an evaluation team must not have been directly responsible for the policy-setting, design or overall management of the subject of evaluation (nor expect to be so in the near future)”*.

VI. EVALUATION PROCESS AND REPORTING

The evaluation is scheduled to take place between the months of November and December 2011. The field mission for the evaluation is planned for November, 2011.

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/E VA	P T C	RSF/ Regional Office	Government of Italy	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	
Final evaluation report					X
Evaluation brief					X

The evaluation team will present its preliminary findings to the Government of Italy, the ITPO staff and at UNIDO Headquarters. A draft evaluation report will be circulated for comments. The reporting language will be English.

The draft report will be prepared within 4 weeks of completion of the field mission and will be submitted to the Government of Italy, ITPO Italy and UNIDO HQ and other stakeholders as appropriate.

Review of the Draft Report: The draft report will be shared with the Government of Italy, the Project Manager and other UNIDO staff members and the ITPO Italy staff for comments and in order to correct any factual errors. This consultation also seeks agreement on the

findings and recommendations. While maintaining independence, evaluators will take stakeholder comments into consideration when preparing the final version of the report.

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

Annex B: Interview Guidelines

1. How often is communication of ITPO with HQ (in person or otherwise) and nature of such communication
2. How often does the ITPO Network meet for exchange of ideas and strengthening their links?
3. Have the ITPO Italy benefitted from Training services of ITPO Coordination Unit to new ITPO Staff members or other training organized by UNIDO? If yes, please specify
4. Collaboration and involvement of the ITPO with AfripaNet programme?
5. Delegate program (number of delegates, length, cost, follow-up, results in terms of investment projects promoted).
6. Networking with other ITPO Offices?
7. Evolution of the concept and mandate of ITPOs (e.g. restructuring, financial crisis etc
8. Evolution of ITPO network of offices over time: number and location, closing (why) and new opening (if any)
9. Current relevance of recommendation on methodological weaknesses in UNIDO methodology for assessing investment projects (Evaluation ITPO Italy, May 2007)
10. ITPO services: for free? Reasons, pros/cons
11. Current relevance of remarks on UNIDO HQ weaknesses as ITPO hub (Evaluation ITPO Italy, May 2007)
11. Operability of “UNIDO Exchange” and “Mediterranean Exchange”
13. Staffing of ITPO Italy: percentage of nationals vs. internationals in the office and compared to other offices
14. Guidelines on the functioning of ITPOs: latest version 2003?
14. Operational Manual for Investment Promotion Services: latest version 1996 (In 2007 Evaluation Report, page 21, it is stated that the document is being updated, was concluded)
14. Procedures for UNIDO HQ clearance of ITPOs publications as UNIDO publications
14. Legal capacity of ITPO Directors in signing financing agreements with third parties

15. Retrieval of ITPO on-line survey carried out in 2008
16. Update on IPUs
17. Interviews with each staff member to see their background and competence and how this fit within the operation of the ITPO (relevance of each member, responsibilities, day to day tasks etc)
18. Many projects are introduced, but often interested parties follow their separate ways after introduction by ITPO, without updating ITPO. Needs strict follow-up to assess the success of projects (sometimes due to confidentiality, they do not update ITPO)
19. Overview of investment promotion agencies/initiatives/instruments public and private in Italy and relationship with them
20. Overview of ITC tools in place at ITPO
21. ITPO staffing over time: number, qualifications, start/end
22. Collaboration of ITPO with other UNIDO Programmes
23. Current role and relationships with IPUs
24. Monitoring processes for project activities
25. Inputs and directions from UNIDO and Government
26. Communication strategy: planning, tools, policies, etc.
27. Main constraints experienced, if any, (budgetary and non budgetary) in project implementation and action taken
28. Adequacy of administrative status of ITPO
29. Impact of the absence of the ITPO coordinator
30. Specific results-oriented and other questions for ITPO Italy
 - Financial management? Are annually budgets implemented as planned?
 - How do you go about investment promotion? Technology transfer? Results in these areas?
 - Any thematic or geographic specialization?

Annex C: Survey Results

Two separate and parallel surveys were carried out through invitation e-mails to companies in developing and industrialized countries, and the most significant findings were summarized with charts and tables as reported here below.

The surveys were reiterating the same questions as per an analogous exercise carried out in December 2006, and the comparison between the respective feedbacks is also reported underneath the charts whenever possible.

Response data:

Survey 1 – sent to developing countries' companies on 21 Nov.2011, closed on 05 Dec.2011.

191 invitations sent

24 non-delivered/error message

74 people accessed the survey (Access rate: 44.3%)

41 complete responses received (Response rate: 24.5%)

Survey 2 – sent to industrialized countries' companies on 22 Nov. 2011 and closed on 05 Dec. 2011.

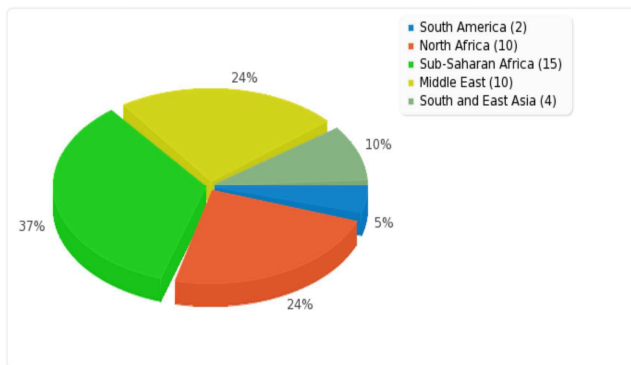
91 invitations sent

1 error message received

68 people accessed the survey (Access rate: 75.5%)

48 complete responses received (Response rate: 53.3%)

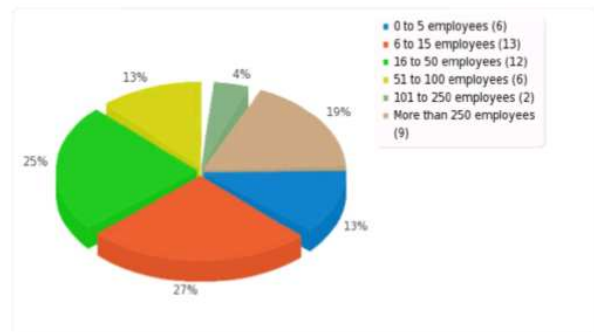
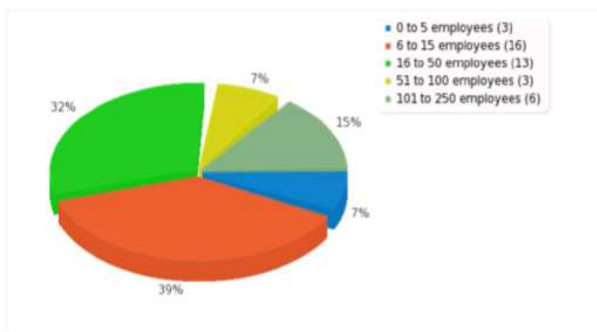
Location of Companies Served (survey 1)



- Size of company

Foreign Companies

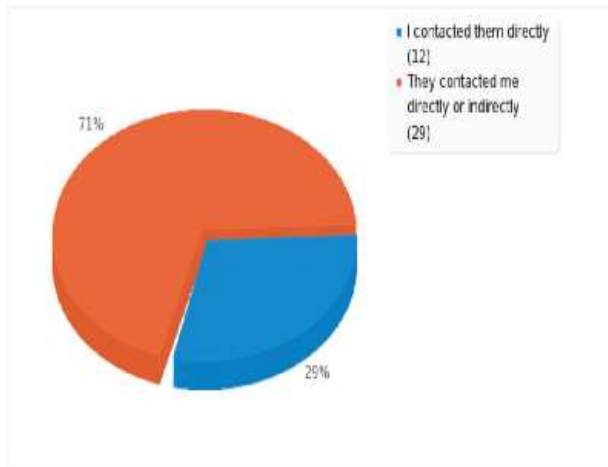
Italian Companies



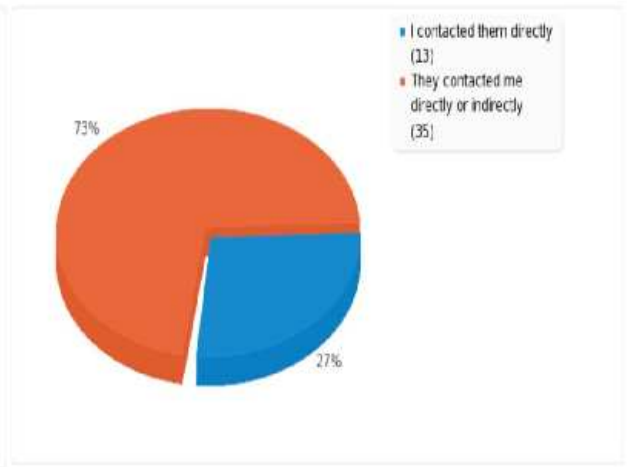
	Survey 2006		Survey 2011	
	FC	IC	FC	IC
More than 51 employees	16%	16%	22%	35%

- How did you enter in contact with the ITPO?

Foreign Companies

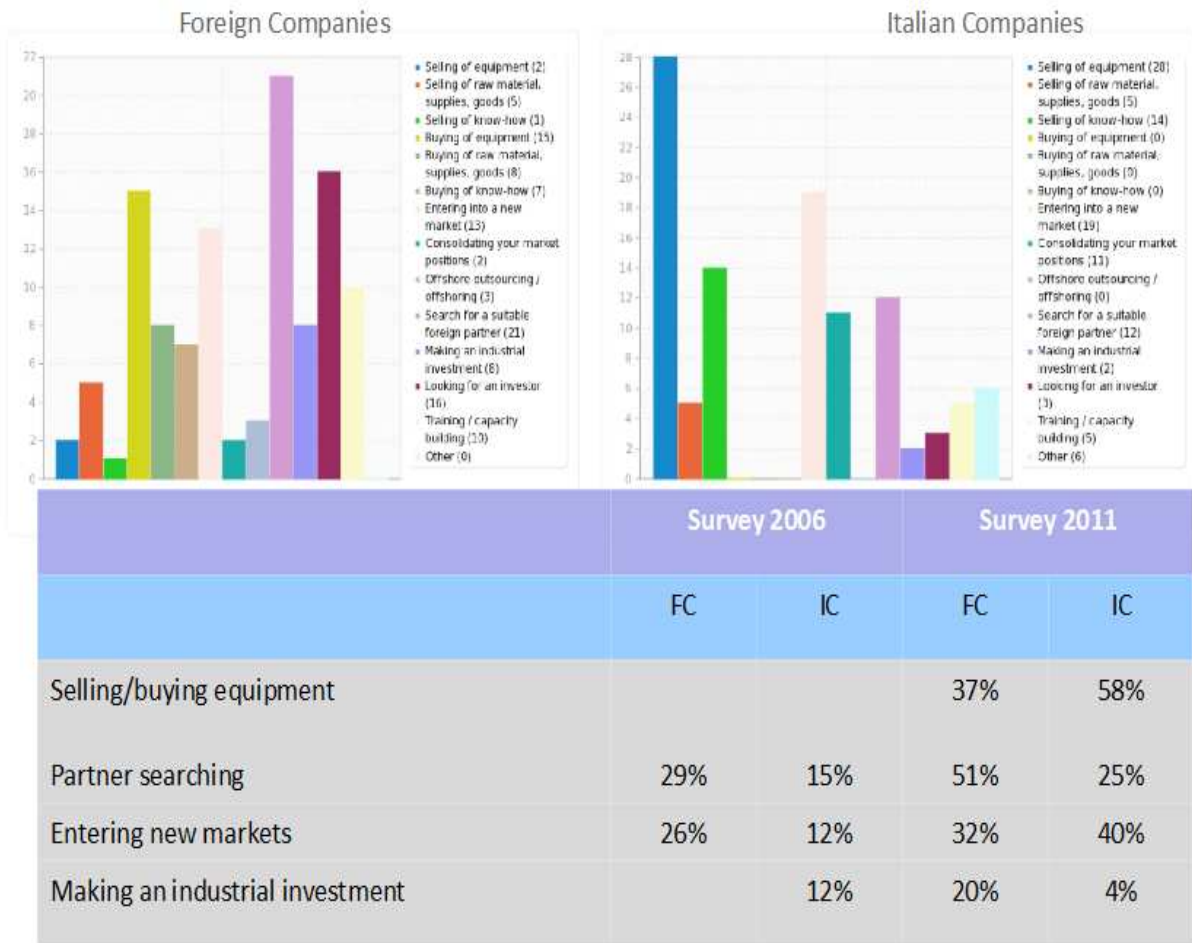


Italian Companies



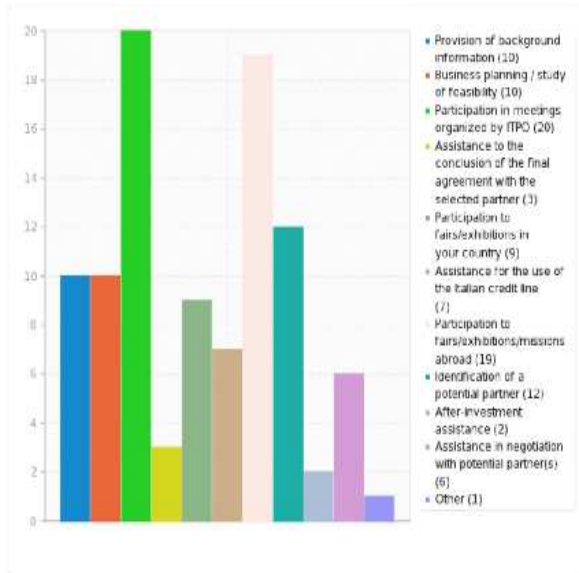
	Survey 2006		Survey 2011	
	FC	IC	FC	IC
Company Initiative	15%	15%	29%	27%
ITPO Initiative	85%	85%	71%	73%

- What was your initial objective when you entered in contact with the ITPO?

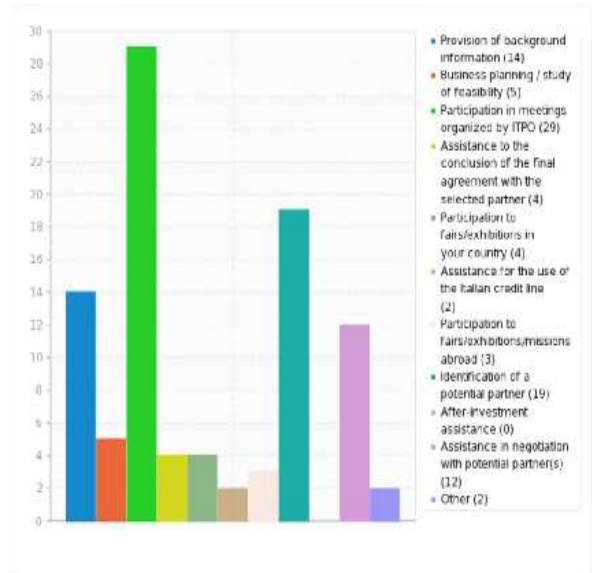


- Which ITPO services did you use

Foreign Companies

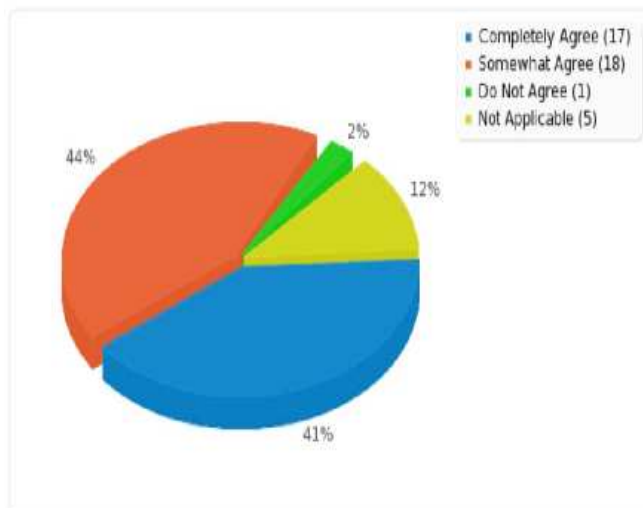


Italian Companies

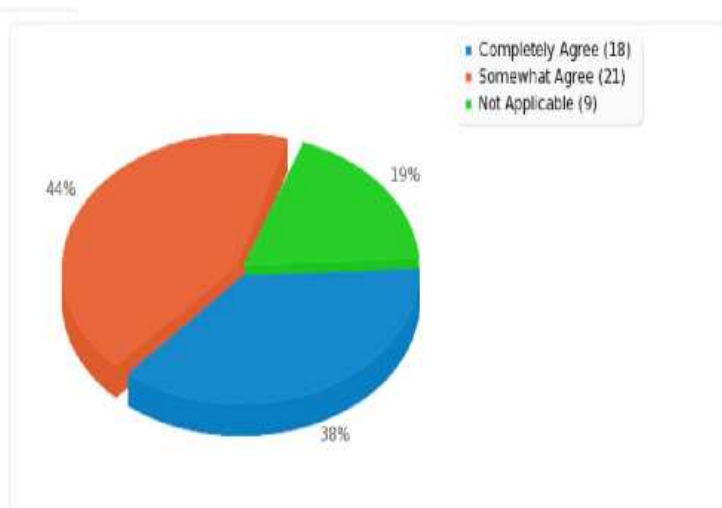


- The information on the ITPO website was useful

Foreign Companies



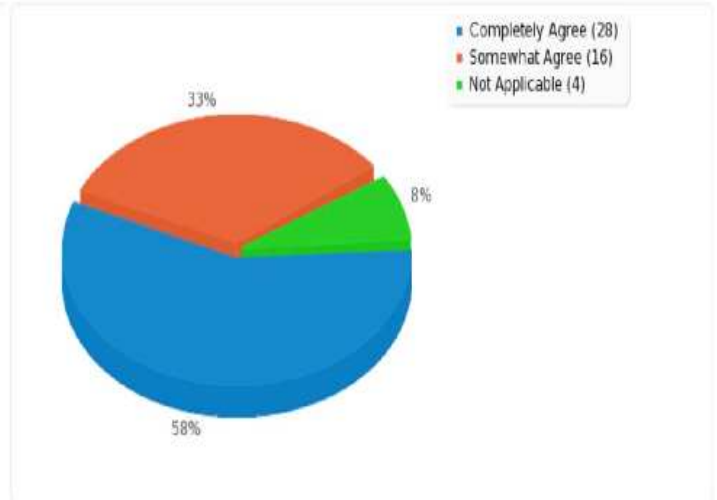
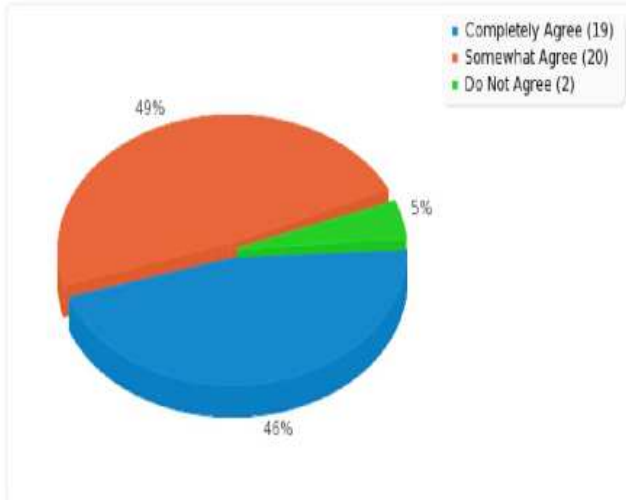
Italian Companies



- The background information you received from the ITPO was useful

Foreign Companies

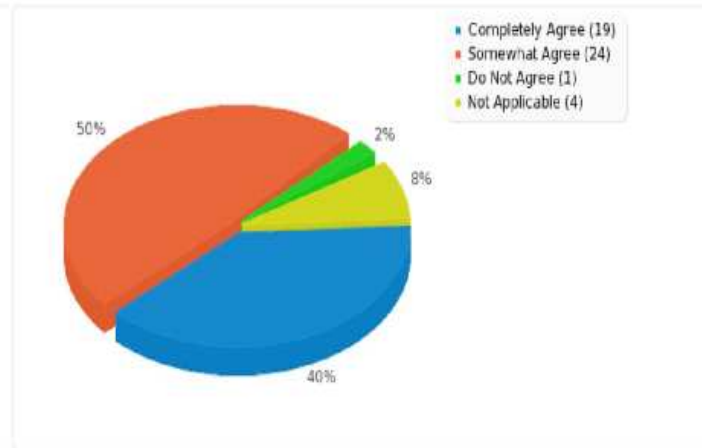
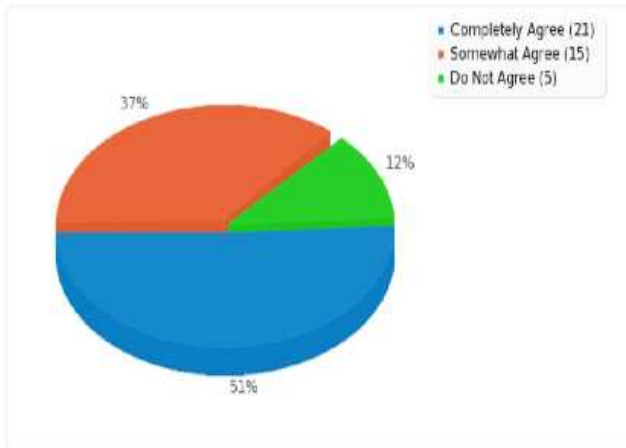
Italian Companies



- The ITPO services effectively address(ed) your needs

Foreign Companies

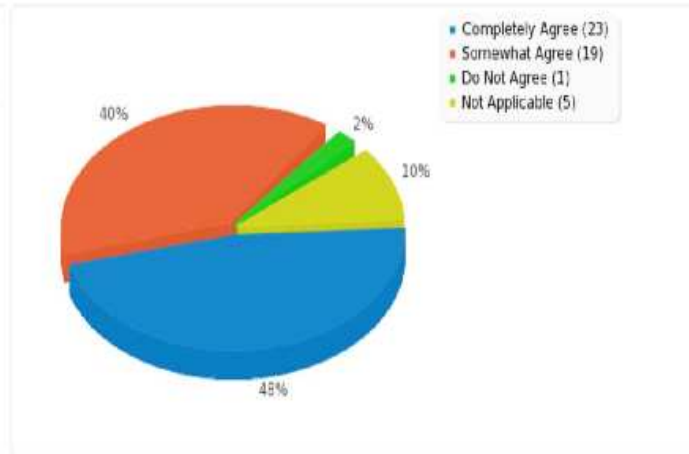
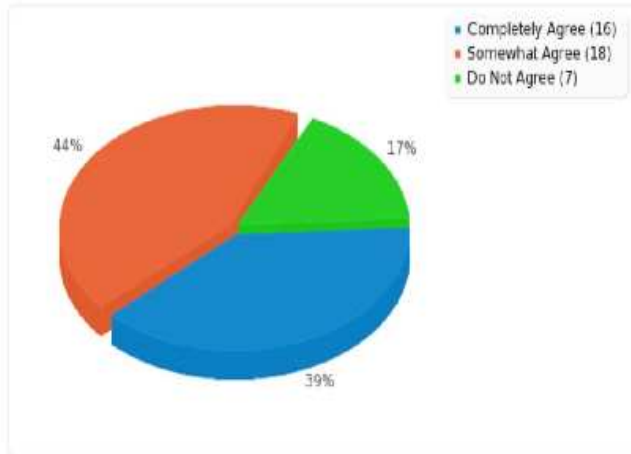
Italian Companies



- The ITPO address(ed) your needs in a timely manner

Foreign Companies

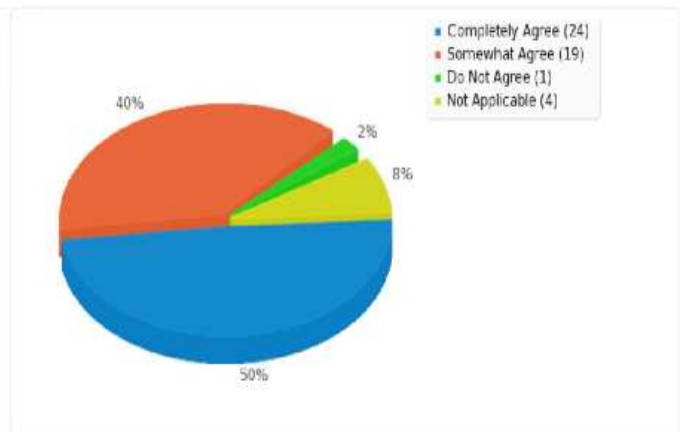
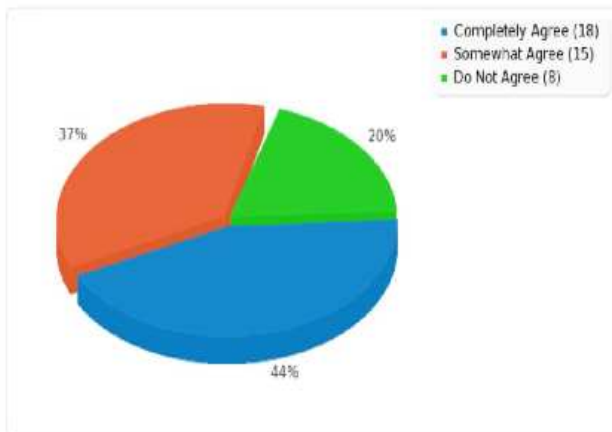
Italian Companies



- The services offered were complete

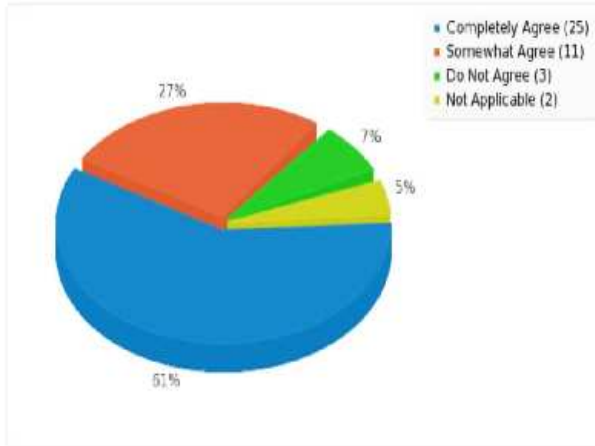
Foreign Companies

Italian Companies

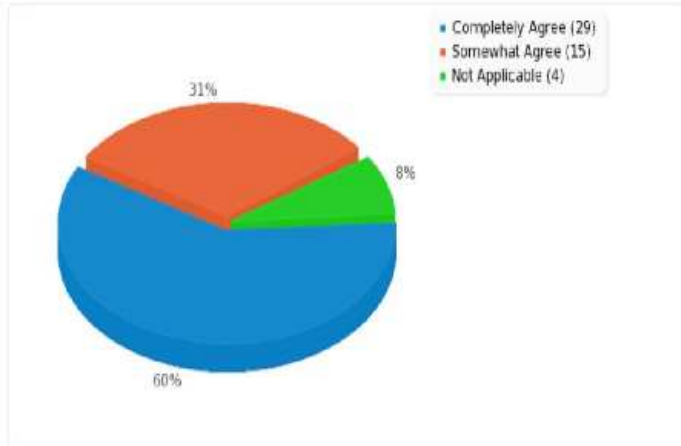


- The technical qualifications of the ITPO staff is/was sufficient

Foreign Companies

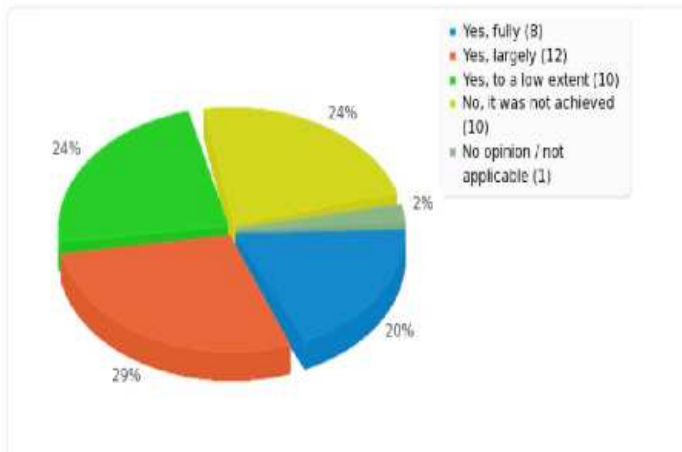


Italian Companies

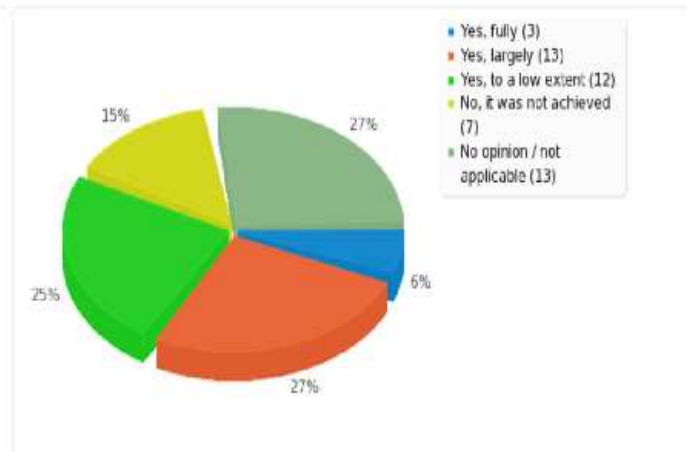


- Did your company achieve the primary objective that you identified earlier, as a result of the ITPO services?

Foreign Companies

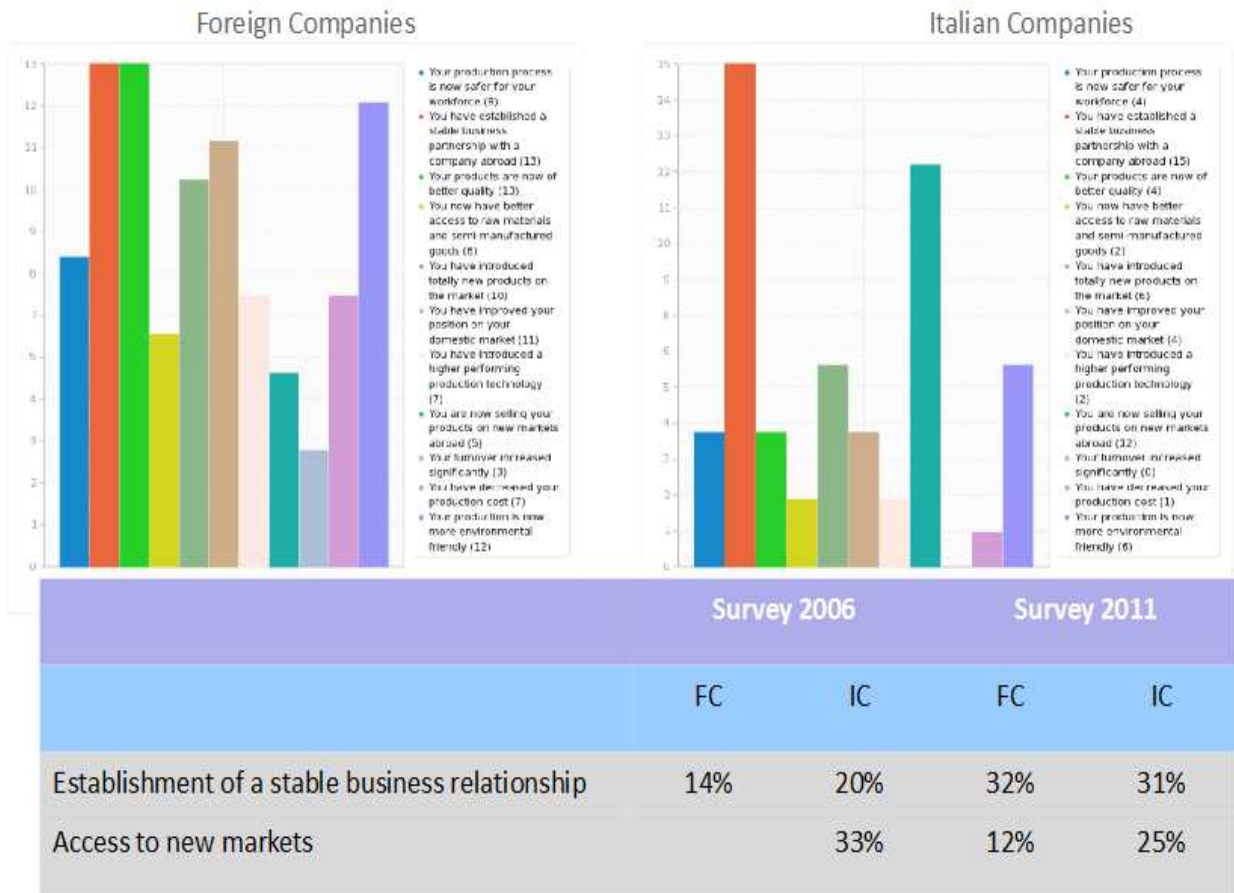


Italian Companies



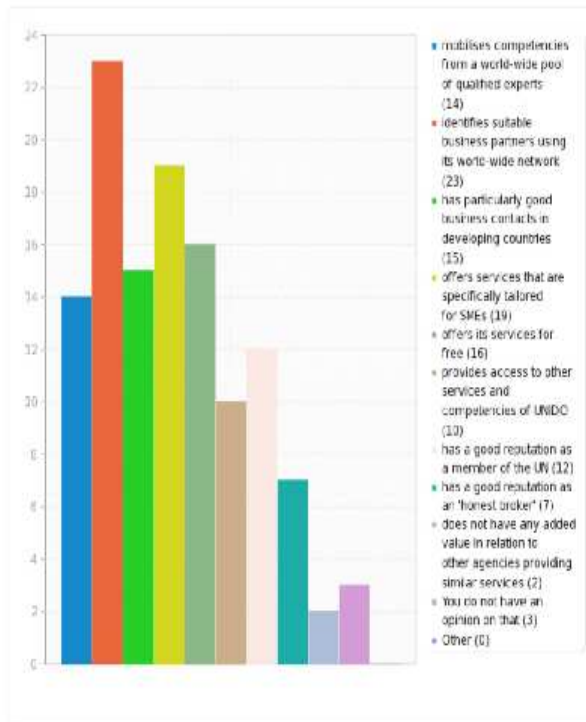
	Survey 2006		Survey 2011	
	FC	IC	FC	IC
Fully or largely	26%	52%	49	33%

- Effects of ITPO assistance on your business

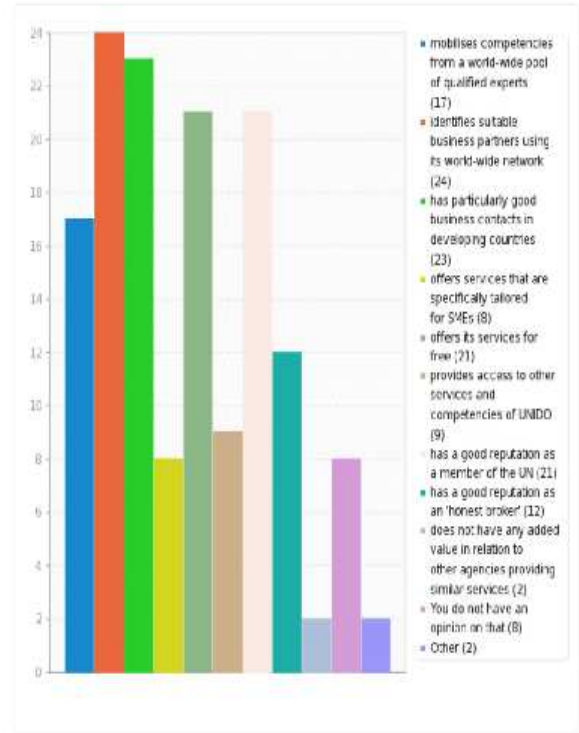


- The ITPO is part of the UNIDO. What is your opinion about the particular strengths of the ITPO compared to similar national or regional agencies? The ITPO:

Foreign Companies



Italian Companies



Annex D: List of persons met or interviewed

UNIDO HQ Vienna

Ms. M. de Goys	Director	Evaluation Group (ODG/EVA)
Ms. S. Lederer	Int. Consultant	Evaluation Group (ODG/EVA)
Ms. L. Cartini	Ind. Dev. Officer	Investment and Technology Unit (PTC/BIT/ITU)
Ms. M. Lukumbuzya	Progr. Associate	Investment and Technology Unit (PTC/BIT/ITU)
Mr. L. Dhaoui	Director	Business, Investment and Technology Services Branch (PTC/BIT/OD)
Mr. M. Kulur	Unit Chief + Deputy to Director	Investment and Technology Unit (PTC/BIT/ITU)
Mr. Gerardo Patacconi	Unit Chief	Business, Investment and Technology Service Branch Clusters and Business Linkages Unit (PTC/BIT/CBL)
Mr. F. Condorelli	Int. Consultant	ITPO Coordination Unit, ITP/PTC

Permanent Mission of Italy to UNIDO in Vienna

ITPO Italy

Ms. Diana BATTAGGIA	Head of Service
Mr. Dino FORTUNATO	Investment Promotion Officer
Ms. Marcela PINEDO	Investment Promotion Expert
Mr. Andrea DE MARCO	Consultant – Investment Promotion Expert
Mr. Ivan LAWRENCE WHITE	S.S.A. - Investment Promotion Expert
Ms. Elisabeth CHAVOLLA	S.S.A.
Mr. Francesco PALLOCCA	Consultant
Mr. Andrea CARAPELLESE	Consultant
Ms. Lavinia SALVINI	GS – Administrative Secretary (Part Time)
Ms. Elena SERA	Office Assistant – GS
Ms. Dina Valentina MALTESE	Junior administrative assistant
Mr. Franco GIOIA	Clerk - GS

Ministry of Foreign Affairs

Ms. BELLONI Elisabetta	Director General	Development Cooperation
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Organisations

Mr. MAGISTRI	Institutional Relations	SACE
Mr. Luigi ANTONELLI		SIMEST

Companies

Mr. Carlo ZORZOLI	Business Development Latin America	Enel Green Power
Mr. Alessandro BERTI		API Nova Energia

