



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

Independent Strategic Evaluation
Implementation of the expanded
UNIDO Medium-term Programme
Framework 2010-2013



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO OFFICE FOR INDEPENDENT EVALUATION

Independent Strategic Evaluation

**Implementation of the expanded
UNIDO Medium-Term Programme
Framework 2010-2013**



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna, 2015

Distr. GENERAL

ODG/EVA/14/R.5

January 2015

Original: English

The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of company names and commercial products does not imply the endorsement of UNIDO.

The views and opinions of the team do not necessarily reflect the views of the Governments and of UNIDO.

This document has not been formally edited.

Contents

Acronyms and abbreviations	vii
Glossary of evaluation-related terms	viii
Acknowledgments	ix
Executive summary	xi
1. Introduction	1
1.1 Evaluation purpose and objectives	1
1.2 Subject and focus	1
1.3 Evaluation criteria and key evaluation questions	2
2. Methodology	3
2.1 Evaluation period and team	3
2.2 Data collection and analysis process	3
2.3 Limitations and validity of findings	3
2.4 How to read the report	4
3. Background	5
3.1 Origin and purpose of the Medium-term Programme Framework (MTPF)	5
3.2 The MTPF 2010-2013	6
3.3 MTPF reporting and revisions	8
4. Findings	9
4.1 MTPF design	9
4.1.1 Design process	9
4.1.2 MTPF content	9
4.1.3 Results-based management	11
4.1.4 Flexibility and strategic orientation	14
4.1.5 Cross-cutting issues	17
4.1.6 New MTPF - Member States' expectations	17
4.1.7 Conclusions	18
4.2 MTPF implementation	19
4.2.1 The MTPF as UNIDO's principle strategic and planning directive	19
4.2.2 Relationship between the MTPF, Programme and Budgets and UNIDO funding	23
4.2.3 Effectiveness and efficiency of the MTPF as a strategic management instrument	26
4.2.4 Conclusions	29
4.3 MTPF results and reporting	34
4.3.1 Overview	34
4.3.2 UNIDO Annual Reports	35
4.3.3 Midterm review of the MTPF	41
4.3.4 Other reporting instruments	43
4.3.5 Evaluation Reports	45
4.3.6 Performance indicators for reporting	47
4.3.7 UNIDO results reporting compared with other international organizations	49
4.3.8 Conclusions	51

5. Overall conclusions	53
6. Recommendations.....	55
6.1 Recommendations to UNIDO	55
6.2 Recommendation to Member States	56
Annex A: Terms of Reference	57
Annex B: Evaluation Framework.....	83
Annex C: Evaluation Work Plan.....	86
Annex D: MTPF Programmatic results matrix (2010-2013).....	87
Annex E: List of documents reviewed	89
Annex F: List of persons interviewed	92

Acronyms and abbreviations

AfDB	African Development Bank
DAC	Development Assistance Committee (OECD)
EVA	Office for Independent Evaluation
FY	Financial Year
GC	General Conference
GEF	Global Environment Facility
GF	Global Forum
IDB	Industrial Development Board
ISID	Inclusive and Sustainable Industrial Development
KPI	Key Performance Indicator
MDGS	Millennium Development Goals
MOPAN	Multilateral Organisation Performance Assessment Network
MP	Montreal Protocol
MTPF	Medium-term Programme Framework
ODG	Office of the Director-General
OECD	The Organisation for Economic Co-operation and Development
PBC	Programme and Budget Committee
PTC	Programme Development and Technical Cooperation Division
QCPR	Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System
RB	Regular Budget
RBM	Results-based Management
SAP	Systeme, Anwendungen, Produkte in der Datenverarbeitung (German: Systems, Applications & Products in Data Processing; SAP AG)
SDG	Sustainable Development Goals
SMART	Specific, Measurable, Appropriate, Realistic and Time-bound
TC	Technical Cooperation
TCB	Trade Capacity Building
UNFPA	United Nations Population Fund
WHO	World Health Organization

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 development intervention's objectives were achieved, or are expected to be achieved.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
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.
Lessons learned	Generalizations based on evaluation experiences that abstract from the specific circumstances to broader situations.
Logframe (logical framework approach)	Management tool used to facilitate the planning, implementation and evaluation of an intervention. It involves identifying strategic elements (activities, outputs, outcome, impact) and their causal relationships, indicators, and assumptions that may affect success or failure. Based on RBM (results based management) principles.
Outcome	The likely or achieved (short-term and/or medium-term) effects of an intervention's outputs.
Outputs	The products, capital goods and services which result from an intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance	The extent to which the objectives of an 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.

Acknowledgments

The evaluation team would like to extend its sincere gratitude to all those, including representatives of Permanent Missions and UNIDO staff, who took the time to discuss with it. Your insights and reflections contributed to our understanding and were most useful in drawing conclusions and “looking ahead”. The evaluators would, in particular, like to express their appreciation for the frank dialogues and the show of strong support to UNIDO’s mandate and to the organization.

Executive summary

Introduction

The subject of this evaluation is the UNIDO Medium-term Programme Framework 2010-2013, in particular its design, the implementation and the reporting on it. The evaluation includes the adjustments made in 2011 and the extension to the end of 2015.

This strategic evaluation responds to demands from Member States for consolidated information about the results of technical cooperation programmes.

The main purpose of the evaluation is to provide learning for the development of the next MTPF2016-2019. The primary objectives were to assess the performance of UNIDO in implementing the MTPF and achieving stated results and to assess the utility of the MTPF as a strategy, planning, implementation and reporting tool.

The assessment of development results looks at the reporting on performance with regard to expected results, as stipulated in the MTPF. Specific attention is given to the achievement of Millennium Development Goals and other results-based targets included in the MTPF and related to the three thematic priorities of UNIDO: poverty reduction through productive activities, trade-capacity building and environment and energy.

The evaluation of the MTPF as a management tool assesses to what extent the MTPF was and is useful as a planning, implementing and monitoring tool and has been attuned to the needs of the Organization.

The evaluation used four evaluation criteria: relevance, efficiency, effectiveness and impact. The key evaluation questions are based on the two primary objectives of the evaluation:

- 1) How has UNIDO performed with regard to expected results in the MTPF, defined in the programmatic results matrix?
- 2) How useful is the MTPF as a strategic management instrument, for UNIDO and Member States and in terms of planning, implementation, monitoring and reporting?

The evaluation was conducted between July and November 2014 by Margareta de Goys, Director of the Office for Independent Evaluation (ODG/EVA) and two external evaluators: Donatella Magliani and Urs Zollinger. The analytical framework of the evaluation was driven by the key evaluation criteria and questions and aligned to the Terms of Reference (ToR). Additional sub-questions were developed to guide the data collection and analysis phase. A comprehensive Evaluation Framework was developed as part of the inception

report, indicating for each question the data sources and data collection and analysis methods. The main sources of information were documents and informants.

The main data analysis methods used were qualitative, in particular content analysis of interview notes and reference documents. Comparative analysis was an important method for example when comparing the MTPF with UNIDO Annual Reports or when comparing the UNIDO reporting with the reporting of other multilateral organizations.

The evaluation team had to rely on existing documented data, in particular for assessing development results and did not have the capacity to collect primary data on results achieved. It relied on already aggregated data and individual project level data was not taken into account for this evaluation.

Key evaluation findings

MTPF design

(1) The MTPF document was developed by the Secretariat and approved by Member States.

(2) The MTPF was rich in content, encompassed a solid situation analysis and a results framework, based on UNIDO strategic priorities but did not define underlying assumptions or risks. The link between the situation and trend analysis and the results framework was weak.

(3) The MTPF framework was innovative and results-based but the intervention logic had some incoherencies and gaps. A results matrix, with performance indicators, was developed but these were not always Specific, Measurable, Appropriate, Realistic, and Time bound (SMART). There were no indication of priorities for the period of implementation nor assumptions and risks.

(4) The MTPF was relevant and in line with good management principles. It provided UNIDO with flexibility, useful in a changing environment but the opportunity to use the MPTF to foster strategic coherence, development impact and accountability for development results was lost.

(5) A weakness of the MTPF is the fact that there was no indicative budget or resource framework. Moreover the number of performance indicators (35) was too large to allow for an efficient monitoring and useful reporting.

(6) The MPTF was not used to promote cross-cutting issues such as gender and environmental sustainability.

(7) Member States' expectations vary with regard to the consultation process for the new MTPF.

MTPF implementation

(8) The MTPF had punctual relevance for Member States when Governing Bodies met on this subject but did not constitute UNIDO's key strategic guidance document throughout its implementation.

(9) The ownership by Member States of the MTPF declined over time.

(10) Three strategic programmatic priorities were clearly established and implemented. However, they were not used for decisions on resource allocations including regular and extra-budgetary resources.

(11) The MTPF did not trickle down to management and its results- oriented principles were not enforced.

(12) The Programme and Budgets 2012-2013 and 2014-2015 were closely aligned with the programmatic part of the MTPF. While there was concurrence between the narrative texts of the MTPF and the Programme and Budget documents and this was an important step towards Result Based Budgeting, UNIDO did not institute Results Based Budgeting in the strict sense.

(13) The implementation of the MTPF was affected by the unstable and unpredictable funding situation of the Organization.

(14) The MTPF served to shape UNIDO's technical cooperation but the existing organizational structure and a certain supply-drivenness also shaped the Technical Cooperation (TC) Programme. TC was also influenced by distinct demands for assistance from Member States and earmarked project funding by donors.

(15) The MTPF represented an opportunity for mobilizing extra- budgetary thematic funds for priority areas but this opportunity was not successfully seized. So far it has not been possible to ensure, as envisaged in the MTPF, thematic programming and multidisciplinary delivery as opposed to Branch level approaches. There was a high degree of competition between and within thematic areas and duplication of approaches.

(16) Cross-cutting issues, in particular gender, were given low priority and their mainstreaming was not enforced.

(17) The MTPF lost relevance, as new agendas appeared in particular the Member States' "Strategic Guidance Document" on UNIDO's future, the Inclusive Sustainable Industrial Development (ISID) vision of the incoming Director General and the Lima Declaration. While the MTPF was extended to six years, until end of 2015, it has not been revised after 2011.

MTPF results and reporting

(18) While there was broad thematic alignment between the Annual Reports and the MTPF, there was no clear reporting on the expected outcomes and impact or on the performance indicators as formulated in the MTPF. However, the concept of reporting on the implementation of the MTPF as part of the Annual Report was upheld.

(19) Based on the results reported in the Annual Reports, UNIDO projects have achieved many results in the thematic priority areas. However, it is not easy to get an aggregated, corporate picture as to what extent UNIDO has achieved the expected results formulated in the MTPF.

(20) The midterm review of the MTPF did not assess nor report on performance with regard to expected results, stated in the MTPF. The midterm review was rather a revision of the MTPF based on global trends and new management priorities, as opposed to a performance assessment of the MTPF. Member States welcomed the adjustments made within the MTPF.

(21) The supplementary reports to the Annual Reports and trust fund reports provided additional information on the thematic priorities of the MTPF but did not refer to other categories of the MTPF; i.e. neither to expected outcomes and impact nor to performance indicators. Examples of performance reports based on specific donor requirements (e.g. GEF) show that UNIDO is in a position to prepare aggregated performance reports.

(22) UNIDO evaluation reports do not provide a comprehensive picture of UNIDO performance with regard to the expected results of the MTPF. UNIDO evaluation reports repeatedly highlighted the lack of monitoring data.

(23) While the MTPF performance indicators are not measurable and were not used for reporting, more recently established Key Performance Indicators (KPIs) have the potential for aggregated results reporting. However, data on results is not collected nor reported on systematically.

(24) Some other multilateral organizations report, in succinct and systematic manners, on progress in achieving strategic objectives at the corporate level.

Conclusions

With the Medium-term Programme Framework 2010-2013, UNIDO established for the first time a programme framework and results matrix for the entire Organization. The MTPF document, with its results categories, was in line with good results-based management practices and made the organization accountable for results. This was innovative and a first important step towards a results-based organization. The three thematic areas - poverty reduction through productive activities, trade capacity-building and environment and energy – confirmed UNIDO's thematic priorities. The MTPF was the basis for the

development of the subsequent Programmes and Budgets. As such, the MTPF provided direction to the Organization. Member States appreciated the MTPF and considered it solid and innovative.

Since 2010, UNIDO achieved many results in the three thematic priority areas of the MTPF. However, the results reporting on the MTPF is not satisfactory as the Organization does not report on results using the MTPF categories outcomes, impact or the performance indicators. It is thus not possible to say how effective UNIDO, as an Organization, was in achieving the expected outcomes and impacts of the MTPF. Technical Branches have not been made responsible for reporting on “their” MTPF outcomes and indicators. Reporting is largely done at project level and results are not aggregated. As a consequence, the MTPF could not be used as a management and reporting tool. The MTPF became more of an overall visionary framework rather than a strategic planning, implementation and reporting tool and, in spite of the adjustments in 2011, the MTPF lost corporate and managerial relevance over time.

Over the implementation period, the availability of TC funding has been the key determinant of what was implemented and results have therefore to a large extent been defined by the objectives of donors. The fact that the MTPF was without a budget or resource framework was a weakness and undermined the credibility of the document.

The strategic objective of “Delivering as One UNIDO” was not achieved and branch level approaches prevailed, causing fragmentation of the technical cooperation programme. The opportunity for multi-donor funding towards programmatic and regional priorities was not seized.

Comparing UNIDO’s results reporting with that of some other multilateral organizations, the conclusion is that UNIDO is lagging behind in providing a succinct, systematic corporate performance report. Given today’s expectations with regard to RBM, a more results-oriented reporting system, using corporate performance indicators is needed.

At this critical stage, the development of next MTPF provides an opportunity for UNIDO to build a strong compact with Member States around a limited number of strategic objectives, for mutual accountability on implementing the Lima Declaration and ISID. There is potential for the next MTPF to make UNIDO more results-oriented, more accountable and - ultimately - more relevant.

Recommendations

Recommendations to UNIDO

MTPF design

1. The MTPF should serve as the main planning, implementation, reporting and accountability instrument of UNIDO. As such, the MTPF should

constitute the UNIDO four-year strategy to implement the Lima Declaration and ISID (Inclusive and Sustainable Industrial Development).

2. The next MTPF should be formulated in close consultation with Member States and in the context of the post 2015 Development Agenda. Within the Secretariat, the MTPF should be formulated, in a consultative manner, involving all relevant UNIDO Branches.
3. The next MTPF should follow a theory based approach and present a clear and coherent intervention logic for UNIDO.
4. The next MTPF should reduce the number of corporate level indicators to 5 – 10. SMART indicators and baselines should be established and results monitored.
5. An indicative resource framework based on the Regular Budget as well as expected extra-budgetary funding, for the respective programmatic areas, should be included.

MTPF implementation

6. The MTPF 2016 to 2019 should be complemented by a management action plan guiding its implementation. The MTPF should be communicated within the Organization and with Member States and implemented throughout its life-time, with revisions as appropriate.
7. The MTPF should be used as a strategic and programmatic platform to mobilize results-oriented funding, to achieve strategic objectives.

MTPF results and reporting

8. UNIDO should, in the Annual Reports, report on achievement of expected MTPF results, using the stated indicators.
9. UNIDO should develop a succinct corporate performance overview using visuals to allow for easy understanding (e.g. dashboard, scorecard, etc.).
10. UNIDO should conduct an independent evaluation of the MTPF during the second half of the MTPF period with the objective to assess progress in achieving expected results. The results of the evaluation should feed into the development of the next MTPF.

Recommendation to Member States

11. Member States should adopt a MTPF that is realistic and be willing to commit the necessary budgetary resources and align requests for assistance to this framework.

1. Introduction

1.1 Evaluation purpose and objectives

This strategic evaluation responds to demands from Member States for consolidated information about the results of technical cooperation programmes. The evaluation also responds to calls from external stakeholders, for the UN at large, for more strategic evaluations that feed into strategy- and policy-making. Consequently, the evaluation of the Medium-term Programme Framework (MTPF) was included in the ODG/EVA Work Programme for 2014.

As outlined in the Terms of Reference for this evaluation (Annex A), the purposes of the evaluation are:

- To generate information on the results and functions of the MTPF and its suitability as a tool for planning, strategy formulation and reporting.
- To support UNIDO in its reporting towards its governing bodies.
- To provide learning for the development of the next MTPF 2016-2019.

The primary objectives of the thematic evaluation are:

- To assess the performance of UNIDO in implementing the MTPF and achieving stated results.
- To assess the utility of the MTPF as a strategy, planning, implementation and reporting tool.
- To provide information about best practices and challenges in implementing the MTPF and, if relevant, actionable recommendations on how to strengthen the planning and reporting process.

1.2 Subject and focus

The subject of the evaluation is the Medium-term Programme Framework 2010-2013, in particular its design, implementation and reporting. The evaluation includes the adjustments made in 2011 and the extension to the end of 2015. It is a global evaluation with no geographical limitation.

The focus of the thematic evaluation is two-fold 1) assessment of development results and 2) assessment of the MTPF as a management tool.

1) Assessment of development results

This part looks at the reporting on performance with regard to the expected results as formulated in the MTPF. Specific attention is given to the achievement of Millennium Development Goals and other results-based targets included in the MTPF and related to the three thematic priorities of UNIDO; poverty reduction through productive activities, trade-capacity building and environment and energy. Specific attention is given to what extent new programme initiatives were

launched, keeping in mind that the MTPF was designed as a flexible tool in order to be able to respond to changes in the Organization's environment and the evolving needs of Member States. An assessment of crosscutting issues is equally conducted.

2) Assessment of the MTPF as a management tool.

This part assesses to what extent the MTPF has been used and is useful as a planning, implementing, monitoring and reporting tool and has been attuned to the needs of the Organization. Has the MTPF been adhered to, have identified priorities been acted upon, has the MTPF supported management and decision-making, did it enable UNIDO to become more results-based and did it contribute to robust and coherent programme and budgets, planning, monitoring and reporting?

1.3 Evaluation criteria and key evaluation questions

The evaluation uses four evaluation criteria: relevance, efficiency, effectiveness and impact.

- **Relevance** is assessed in relation to needs and priorities of member countries, in the wider context of addressing global challenges and constraints as well as strategic direction provided by UNIDO governing bodies and policy statements coming out of UNIDO and UN international conferences and meetings and UNIDO mission statements.
- **Efficiency** assesses the extent to which the organization has been in a good position to implement the MTPF and whereas the resources at its disposal have been put to good use.
- **Effectiveness** assesses the achievement of MPTF results, at various levels and of different components.
- **Impact** assesses the achievement with regard to the expected impacts as formulated in the MTPF, including its contribution to the MDGs.

The key evaluation questions were broken down into several sub-questions (Annex B: Evaluation Framework).

2. Methodology

2.1 Evaluation period and team

The evaluation was conducted between July and November 2014. It was managed by the Office for Independent Evaluation of UNIDO and conducted by a team comprising of the Director of the Office for Independent Evaluation, Margareta de Goys and two independent evaluators, Donatella Magliani and Urs Zollinger. The Work Plan of the evaluation is provided as Annex C.

2.2 Data collection and analysis process

The analytical framework of the evaluation was driven by the key evaluation criteria and questions presented above. Additional sub-questions were developed to guide data collection and analyses. A comprehensive evaluation framework was constructed as part of the inception report, indicating for each question the data source(s) and data collection and analysis methods (Annex B).

The main sources of information were documents and informants. The main documents were UNIDO documents and documents of other multilateral organizations (Annex E). The main informants were UNIDO management and staff and representatives of Permanent Missions (Annex F). Interview guidelines were developed for each stakeholder group.

In order to assess UNIDO's performance in relation to the expected results, as provided in the MTPF, including the programmatic results matrix (outcomes and impact), the evaluation relied on secondary data in particular from UNIDO Annual Reports, supplementary reports to the Annual Reports, the MTPF Midterm Review, trust fund reports, additional performance reports requested by donors and a number of recent UNIDO evaluation reports (Annex E).

The main data analysis methods used were qualitative, in particular content analysis of interview notes and reference documents. Comparative analysis was an important method, for example when comparing the MTPF with the Annual Reports or when comparing the UNIDO reporting with the reporting of other multilateral organizations.

2.3 Limitations and validity of findings

During the inception phase, the evaluation team found that a few questions in the TOR were not answerable for lack of data. The final list of evaluation questions can be found in the Evaluation Framework (Annex B). Given the corporate nature of this evaluation and the number of work-days available for conducting it, the evaluation team had to rely on existing documented data, in particular for assessing development results. The team did not have the capacity to collect primary data on results achieved and it was not possible to retrieve aggregated

results information from SAP. Individual project level data was not considered as this would not present a holistic picture. Another challenge was the fact that some managers, who were instrumental in developing the MTPF 2010-2013, had left the organization.

The evaluation team triangulated data as much as possible. Preliminary findings and conclusions were presented to UNIDO stakeholders in September 2014 allowing for the provision of relevant, additional information, before completing the evaluation report. The draft evaluation report was circulated to managers and interviewees for factual validation and comments

2.4 How to read the report

Chapter 4 with findings is the main part of this report. The chapter is divided in three sub-chapters: the design of the MTPF, the implementation of the MTPF and the reporting on results achieved. Some elements of the MTPF are addressed in more than one sub-chapter if relevant for the assessment of the three stages (i.e. design, implementation, reporting). Each sub-chapter ends with conclusions. In addition, there are overall conclusions at the end of the report followed by the recommendations of the evaluation team.

3. Background

3.1 Origin and purpose of the Medium-term Programme Framework (MTPF)

The medium-term programme frameworks were initiated following a decision of the General Conference GC.2/INF.4, in 1987, requesting the Director General to submit to the Board in the first year of each fiscal period, through the Programme and Budget Committee, a draft medium-term plan for the six years that followed that current fiscal period. The draft medium term plan should be prepared, in accordance with the following principles:

- (i) The plan, as approved by the General Conference, should constitute the principle policy directive of UNIDO;
- (ii) The scope of the draft plan should include regular and operational budget activities;
- (iii) The draft plan should present the activities grouped in programmes and sub-programmes and it should derive from the functions defined in the Constitution and the legislative mandate of UNIDO and take into account the policy orientation determined by the policy-making organs;
- (iv) The draft plan should be prepared in co-ordination with relevant organizations in the United Nations system drawing, inter alia, on appropriate mechanisms such as system-wide medium-term plans and cross-organizational programme analyses;
- (v) The draft plan submitted by the Director-General should:
 - a. State the objectives to be achieved in the plan period, the strategy to be followed and the measures to be taken to that effect;
 - b. Describe the programme content;
 - c. State the relative priorities assigned by the Director-General to the respective programmes and sub-programmes, taking into account the policy orientation determined by the policy-making organs;
 - d. Indicate a general ceiling for the following biennium based on anticipated financial and human resources and on programme activity;
 - e. The plan, as reviewed and approved by the General Conference should serve as a framework for the formulation by the Director-General of the biannual regular budget draft programme of work and related estimates and operational budget draft proposals and corresponding estimates.

UNIDO made its first medium term plan available, as a Note by the Director-General (IDB.3/4), to the third session of the IDB 1987. This Medium-Term Plan covered the period 1990 to 1995.

In 1995, the General Conference decided to rename the “medium term plan” the “medium-term programme framework” and to reduce its coverage to four years (GC.6/Dec.10).

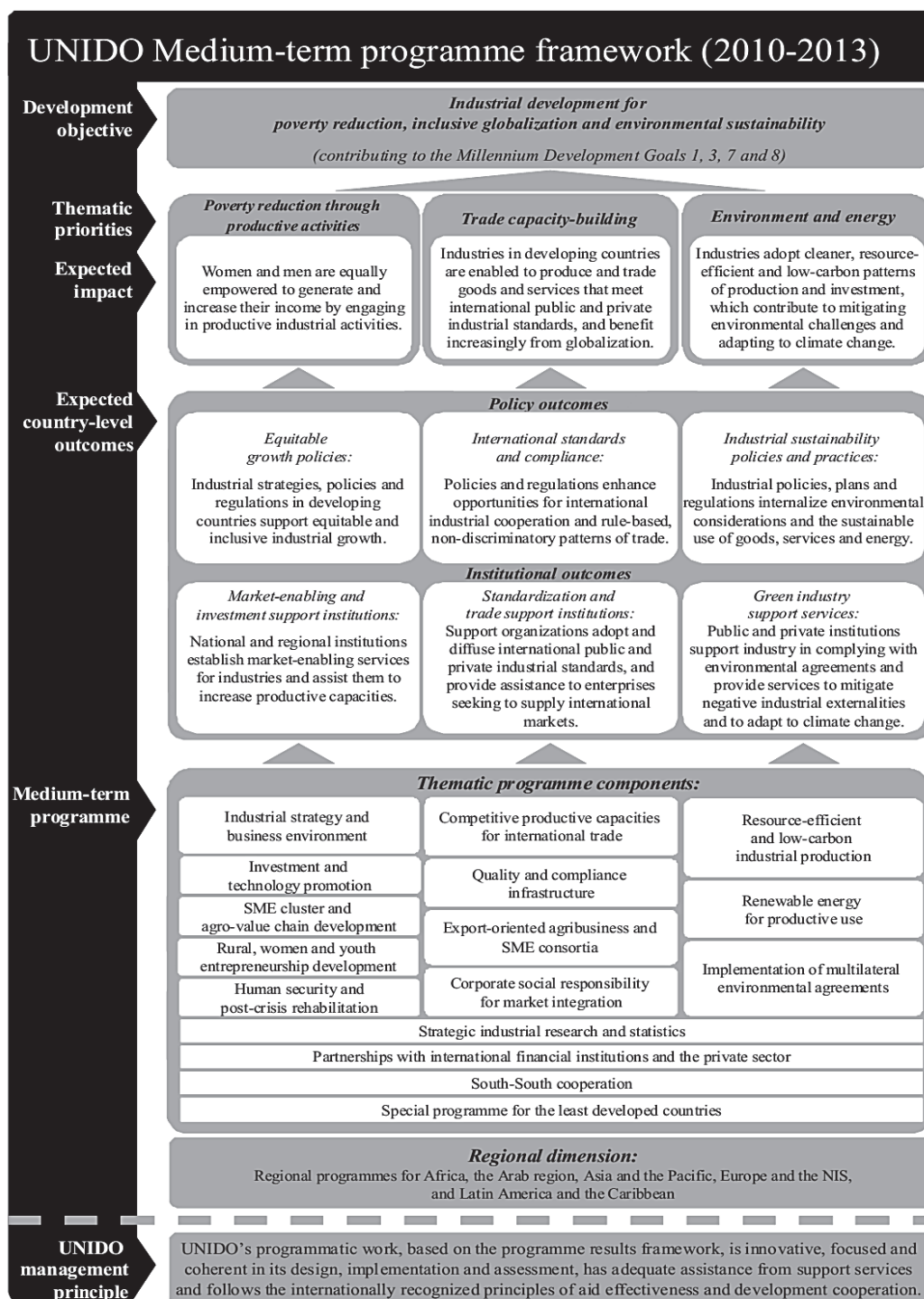
3.2 The MTPF 2010-2013

The Medium-term Programme Framework (MTPF) 2010-2013 (IDB.35/8/Add.1) was made available to the Industrial Development Board at its Thirty-fifth session, in December 2008.

The format of the MTPF 2010-2013 introduced a number of structural innovations aiming at enhancing the results orientation and strengthening the operational relevance for the biennial preparation of the Programme and Budgets. As such, the MTPF contained an overarching development objective explicitly linking industrial development to the three thematic priorities “industrial development for poverty reduction, inclusive globalization and environmental sustainability”. Moreover, thematic programme components were reduced from 21 to 12 in order to have a more streamlined and synergetic programme.

Furthermore, the MTPF introduced a set of policy and institutional outcomes, which were to be achieved at the regional and country levels. The introduction of these outcomes was intended to guide programme and project design and development and implementation towards the desired medium-term results. Complementing the new approach of formulating aggregate policy and institutional outcomes was the identification of relevant performance indicators. Together the outcomes and indicators were integrated into a consolidated UNIDO programmatic results matrix (Annex D). There was also a visualization of the MTPF, reproduced in Figure 1 below

Figure 1: MTPF 2010-2013 – graphical representation



Source: Medium Term programme framework 2010 to 2013 (IDB.35/8/Add.1)

Moreover, the MTPF 2010-13 presented programmes for each of UNIDO's five regions. Finally, a programme management framework provided an overview of required support functions and introduced the business process re-engineering

initiative (BPR) and further measures to reinforce the decentralization process and the substantive role of field offices.

A number of programmatic enhancements, including cross-cutting ones, were envisaged in the following areas; south-south cooperation, youth employment, women in industrial development and economic empowerment of women, cleaner production and resource-efficient and low-carbon industries, energy access and energy for the poor, partnerships with international financial institutions and strengthening industrial capacities through industrial skills upgrading and industrial human resource development. There was also emphasis on strategic partnerships, including with the UN.

3.3 MTPF reporting and revisions

In 2009, the General Conference asked UNIDO to report on the implementation of the MTPF in the Annual Report (GC.13/Res.2.3) thereby ending the separate reporting on the implementation of the MTPF.

In 2011, a midterm review of the MTPF was conducted and a report submitted to the Industrial Development Board at its thirty-ninth session (IDB.39/8*-PBC.278*). The midterm review report made several adjustments to the MTPF in order to better respond to global trends (see Figure 5 in chapter 4.3.2). However, the review report did not replace the MTPF but was complementary to it.

In 2013, the General Conference decided that the Medium-term Programme Framework 2010-2013 remain in force until the expiry of the forthcoming budget biennium, 2014-2015 (GC.15/Dec.17). This was in order to align the MTPF with the quadrennial comprehensive policy review of operational activities for development of the United Nations (QCPR). The General Conference requested the Director General to submit, from 2015 onwards, on a quadrennial basis, to the Board in the second year of the biennium, through the Programme and Budget Committee, a draft medium-term programme framework for four years, taking into account the Lima Declaration.

4. Findings

4.1 MTPF design

4.1.1 Design process

Finding (1): The MPTF document was developed by the Secretariat and approved by Member States.

As mentioned above, the MTPF is the key medium-term strategic and planning document of UNIDO, submitted to the Industrial Development Board (IDB) and the General Conference (GC).

The responsibility to develop the MTPF was entrusted to, and logically so, to the Strategic Planning Office in the (then) Office of the Chief of Cabinet. The exercise was rather top-down with the technical branches providing background information but having a more commenting than a direct drafting role when it came to the elaboration of the programme framework and with the information on the substantive programmes (chapter C) stemming out of the main UNIDO reporting documents, such as the Annual Report. The information in the context chapter was, to a large extent, building on information from the Industrial Development Report and from the technical PTC branches. The rationale being that the document was to be regarded more as a political document than one presenting newly generated research or information. The results matrix accompanying the programme framework was developed by the Strategic Planning Office. The preparation of the MTPF was a smooth process and resulted in a document and results framework, uncontested by the technical branches but, at the same time, not really owned by these.

There were no formal consultations with Member States during the development phase but a briefing was organized, ahead of the IDB to which the document was submitted, once the document had been developed. There had been no request from Member States for a deeper involvement.

4.1.2 MTPF content

Finding (2): The MTPF was rich in content, encompassed a solid situation analysis and an innovative results framework, based on UNIDO strategic priorities, but did not define underlying assumptions or risks. The link between the situation and trend analysis and the results framework was weak.

The Medium-term Programme Framework 2010-2013 is a 58 page document encompassing the following chapters: A. Context and main features, B. Situation and trend analysis, C. Programme and results framework, D. Programme and management framework and E. Action required by the Board.

Chapter B. introduces the MPTF and its innovative features and contains the one page graphical representation of the framework. Chapter B. is comprehensive and analytical and outlines trends in poverty, trade, environment, energy and climate change as well as recent developments in the global aid architecture and implications for strategic partnerships. There are references to the MDGs and to poverty reduction and linkages to the programmatic chapter (C).

Chapter C. presents the structure and components of the thematic programme components and was a new feature. The rather lengthy text is a mixture of context analysis and information on UNIDO interventions. The thematic programme components were to be aligned to those to be included in the forthcoming Programme and Budget and vice versa. The subchapter on Regional Programmes is, equally, a mixture between a situation analysis and UNIDO responses, the latter defined in a broad way. Programmes are presented for the five regions. Chapter D. Programme Management Framework defines management objectives and staff values but without results indicators. This chapter also provides an overview of the required support functions and introduces the business process re-engineering initiative and further measures to reinforce the decentralization process and the substantive role of field offices.

A number of programmatic enhancements, including cross-cutting ones, were envisaged in the following areas; south-south cooperation, youth employment, women in industrial development and economic empowerment of women, cleaner production and resource-efficient and low-carbon industries, energy access and energy for the poor, partnerships with international financial institutions and strengthening industrial capacities through industrial skills upgrading and industrial human resource development. There was also emphasis on strategic partnerships, including with the UN.

The MTPF was based on certain (unevoked) assumptions, for instance that the membership number and structure and the size of the Regular Budget (RB) would be intact and the technical cooperation (TC) increasing. Some of these assumptions but not all proved to be right. In this respect it should be noted that the framework itself did not include a column where assumptions or risks were defined.

As mentioned above, the MPTF programme framework was based on the three strategic priorities at the time; Poverty reduction through productive activities, Trade capacity-building and Environment and energy. The original programme framework is presented above in chapter 3.2 (Figure 1). The content of this framework is coherent with the information provided in the situation and trend analysis. At the same time it does not build on a problem analysis or identified root causes, nor have a clear intervention logic stemming out of the situation analysis, thus the linkages between the chapters are rather loose. Moreover, although the MDGs are mentioned in the text of the document they do not figure in the programme framework and related results matrix. Thus it is not clear how

UNIDO will contribute to MDGs or to put it differently which would be the underlying intervention logic leading to a specific MDG.

4.1.3 Results-based management

Finding (3): The MPTF framework was innovative and results-based but the intervention logic had some incoherencies and gaps. A results matrix was developed with performance indicators but these were not always SMART. There were no indication of priorities for the period of implementation nor assumption and risks.

The MPTF introduced major structural innovations, aimed at enhancing the results-orientation of UNIDO and introduced the one page graphical representation (chapter 3.2, Figure 1), referred to as the programme framework in this report and the results matrix (Annex D). One of the main intentions was to provide the organization with a comprehensive and coherent framework for its operations and to enable a link to the biennial Programme and Budgets.

For the first time the MPTF had an overarching development objective linking industrial development to the three thematic priorities. The development objective was defined as *Industrial development for poverty reduction, inclusive globalization and environmental sustainability*. Within the development objective, there was a specific reference to contributions to Millennium Development Goals 1, 3, 7 and 8. As mentioned before, there is, however, no information on which logical pathways lead to the MDGs nor which UNIDO outcomes are expected to contribute to individual MDGs.

The programme framework follows a hierarchical order; with the *Development objective* as an overarching objective followed by the *Expected impact* of the three thematic pillars, which are thus envisaged to feed into the development objective.

The next level; *Country-level outcomes* are to feed into the *Expected impact* and are divided into *Policy Outcomes* and *Institutional Outcomes*. According to the MPTF document these are to be achieved at regional and country levels and fall within the purview of governments. As such, it is not clarified why these figure in a UNIDO results framework (as UNIDO is not responsible for their achievement) but according to the document these (outcomes) will guide programme and project design, development and implementation towards the desired medium-term results. Still, if UNIDO is not responsible for/accountable for their achievement and they will not be aggregated and reported on, why do they figure in its programme framework? The country-level outcomes do not seem to be part of the *Medium-term programme* which figures below the expected country level outcomes in the programme framework and consists of *thematic programme components*.

There are twelve thematic programme components and four crosscutting ones: Strategic industrial research and statistics, Partnerships with international

financial institutions and the private sector, South-south cooperation and Special programme for the least developed countries. These components are fully aligned with those that were to be included in the forthcoming Programme and Budgets. In the MTPF 2010-2013 there are 12 thematic programme components. These 12 thematic programme components cover the key Technical Cooperation (TC) areas of UNIDO but some major programmatic areas are missing, such as cleaner production, and there is no specific mentioning of the Montreal Protocol nor POPs.

At the bottom of the framework the *Regional Dimension* and *UNIDO management principle* are mentioned.

As such, the programme framework is quite complex. There are multi-layers but still gaps in the causal chain and it is not clear how one layer/objective will lead to another and, at times, the intervention logic is not fully developed. Some layers seem to be missing, as well as links between layers. Moreover, for the thematic programme components, which seem to constitute the essence of the MTPF, there are no stated results. Below we will analyze the programme framework in some more depth.

Looking at the formulation of the *Expected impact*, impact is normally defined as long-term negative or positive effects produced by a development intervention and often expressed in terms of economic growth or poverty reduction. However, for the first (poverty reduction through productive capacity) pillar the expected impact is defined as “women and men are equally empowered to generate and increase their income by engaging in productive industrial activities” thus not as a development effect and gender equality comes out as a key development effect whereas it could have been expected to be a cross-cutting objective or theme. In fact, empowerment seems to take precedent over industrial development. Pursuing the intervention logic the expected impact is envisaged to be achieved through Equitable growth policies and Market-enabling and investment support institutions but, for this and the other pillars the intervention logic is not fully developed and it is not clear how UNIDO’s programme will foster these or what UNIDO’s role will be in the country level outcomes.

Looking at the Trade capacity building pillar, the expected impact is, in short, that industries are able to produce and trade goods and services and the country level outcomes refer to *International standards and compliance* and *Standardization and trade support institutions* with the assumption that policies and regulations and support institutions will be in place at national levels. For this pillar there is a strong logic and alignment to the activities of the TCB Branch but it is still not clear what the role of UNIDO is or what UNIDO should be accountable for at the country (or project/programme) level.

The expected impact of the Environment and energy pillar is that *Industries adopt cleaner, resource efficient and low-carbon patterns of production and investment which contribute to mitigating environmental challenges and adapting to climate change*. As such the impact is strangely formulated as it refers to industrial

behavior and not to impact as normally defined; to the situation we are aiming for or the effects thereof (less pollution, clean air, energy efficiency, reduced carbon emission, healthy environment). Changing industrial behavior can rather be defined as an expected outcome, with a cleaner environment as an effect or impact.

A further analysis of the expected county level outcomes reveals that they often relate to the macro or policy level. However, looking at Chapter C and the contents of the thematic programme components and identified outputs it is noticeable that UNIDO very rarely intervenes at the policy level but rather at the meso and micro level. There is thus a discrepancy between the country level outcomes and the programmatic programme components.

It is also noticeable that the results figuring in the framework are only at country level, where there is no direct responsibility of UNIDO whereas there are no results mentioned at the level of thematic programme components or regional dimensions, which rather mention various categories of UNIDO services. This creates confusion as to which were the results for which UNIDO was accountable.

On the other hand, the UNIDO management principle has a clear results focus, although this result lacks in specificity and is not assessable. Another major weakness of the programme framework, already mentioned, is the absence of stated assumptions¹ (and risks). Moreover, some foreseeable trends were ignored, such as expanding MP and GEF portfolios.

Complementing the new approach of formulating country-level policy and institutional outcomes and a programme framework was the development of performance indicators which were provided in a results matrix (Annex D), encompassing the expected impacts and outcomes of the framework as well as the related performance indicators. There are three to four indicators for each impact and outcome. An analysis of these indicators reveals that many are appropriate and enable an assessment of the achievement of the objectives but that others are far-fetched, lack in specificity (not quantified nor qualified) and not coherent with the objective. As an example, *more decent working conditions* does not directly measure empowerment to generate and increase income through productive activities of men and women. Other indicators that do not fully relate to UNIDO's mandate of industrial development or the stated outcome or lack in specificity are "inclusiveness and reduced inequality are policy priorities", "policies and regulations provide incentives for sustainability" or "support organizations serve increased number of enterprises". In these respects the "golden" rule for indicators that they should be Specific, Measurable, Appropriate, Realistic and Time-bound (SMART) is not adhered to.

¹ Assumptions are hypotheses about factors or risks which could affect the progress or success of a development intervention..

The indicators are often not quantified, qualified nor measurable and there are neither baselines nor targets against which they could be assessed. To this category belong “Enterprises are satisfied with quality of services”, “Enterprises have access to necessary trade related services”, “better use of natural resources”. Finally, some of the indicators do not capture the essence of the outcome. The indicators for Outcome 1.2; *Market enabling and investment support institutions*, makes no reference to an enabled market nor investment and while Outcome 3.1 refers to *Industrial sustainability and practices*, the indicator put forward makes a reference to productive energy use. Finally Outcome 3.2 specifically mentions *Green industry support services* while the indicators mention “support organizations” and “private service providers”. Clearly, these indicators do not follow SMART principles

The programme management framework was a worthwhile addition and encompassed results but not indicators.

4.1.4 Flexibility and strategic orientation

Finding (4): The MTPF provided UNIDO with flexibility, useful in a changing environment but the opportunity to use the MPTF to foster strategic coherence, development impact and accountability for development results was lost.

At the time the MTPF was formulated UNIDO did not, for most of its projects, monitor and measure results in relation to specific indicators and it was not realistic that information would have been collected and the outcomes/indicators reported on. Moreover, it was not realistic that many of the MTPF outcomes would be achieved in a four year period, although some were not quantified and defined so vaguely that the organization could not fail. Indicators were thus rather provided to give general direction than to have clear targets for reporting and accountability. More precise indicators were developed, later on in the SAP, (chapter 4.2.3, Table 2).

However, compared to the previous MTPF which had 150 outcomes, this one can be described as more coherently presenting the intervention logic of the organization and its higher level outcomes. Beyond doubt, it provided general direction but did not go as far as giving clear targets for implementation, monitoring and reporting. At the same time, the MTPF 2010-2013 was still structured along pillars and overall cohesion (delivering as one UNIDO) was missing. For instance there were no outcomes across pillars or branches even though programmes of different branches often contributed to the same objectives, such as export growth or integration in international value chains. Neither were linkages constructed between the programmatic and regional dimensions.

On a positive note, the document contained information on thematic programme components, such as “Investment and technology promotion” and “Strategic industrial research and statistics”. There was also a regional dimension and a

UNIDO management principle. Separate programmes were presented for each of the five regions, including main challenges and response strategies.

In summary, the MTPF consisted of three distinct parts. It covered industrial development in a wider sense (context) and programmatic and management approaches of UNIDO. At the same time there was little guidance on what UNIDO should prioritize in the coming four-year period or what the priorities of the Member States were. A wide scope and broad objectives meant that, within the over-arching mandate of industrial development, almost anything could be done and what actually would be done can be at the discretion of partner governments, donors and UNIDO staff, thus providing UNIDO and its partners with a certain degree of flexibility. As such there is very little strategic guidance, from the document itself. As one interviewee put it; *the MPTF is rather a menu than a plan or strategy*. This flexibility had certain advantages in a changing environment and, in addition, allowed for priorities of partner countries to be in the forefront and technical cooperation delivery to be demand-driven but the opportunity to use the MPTF to foster strategic coherence and impact was lost.

During the last years of its implementation, a certain frustration with the lack of strategic coherence has been noticed and Member States have increasingly called for more focus when it comes to UNIDO's programmatic activities and this was also a key message of the Strategic Working Document on UNIDO's Future² and of the Lima Declaration³. This was equally an aspect frequently mentioned in interviews with representatives of Permanent Missions.

However, even though the MTPF can, generally, be defined as wide in scope, there were attempts to focus and some of the outcome indicators are clear indications of this. Comparing the results framework with the lists of about 30 KPIs, which were later on developed for both outcomes and outputs in the SAP, the MTPF has a more narrow results framework, accompanying results matrix and a smaller number of indicators.

Finding (5): The MTPF was relevant and in line with good management principles. The general nature of the document and the way its results were formulated provided flexibility but also meant that there was limited strategic direction. A weakness of the MPTF is the fact that there was no indicative resource framework.

The introduction of a programme framework and results matrix in the MTPF was new for the 2010-13 one and this was seen as relevant and useful. It was innovative and responded to requests of Member States, expressed in the IDB, for increased attention to results based management. It positioned the

² UNIDO. (2013). Informal working group on the future, including programmes and resources, of UNIDO. Final report of the Co-Chairs (IDB.41/24).

³ UNIDO. (2013). General Conference, fifteenth regular session. Decisions and resolutions, including the Lima Declaration of the General Conference (GC.15/INF.4).

Organization well when it came to planning for results at the highest level and made, to a certain extent, the Organization accountable for results (of the MTPF).

The MTPF was aligned with strategy and policy documents of UNIDO such as the Strategic Long-term Vision Statement , the UNIDO Mission Statement and to the Millenium Development Goals (MDGs) of the United Nations. Its overall aim was to provide the Organization with a comprehensive and coherent framework to respond effectively to the challenges of a rapidly changing environment for industrial development. According to the document itself it seeks to do so by “ensuring that the necessary support systems are in place to deliver measurable development results and in a manner that makes best possible use of resources entrusted to it by its Member States”.

The intention of the MPTF and the related programme framework was to provide an overall plan for the Organization and that the biennial Programme and Budgets (P&Bs) would derive from this document. However, even if the descriptive parts, providing information on interventions of the different technical branches, are aligned and the P&B document uses the structure and information of the MPTF, the MTPF does not assign priorities according to which, for instance human or budgetary resources, could be allocated.

This said, the MTPF document did provide a background and structure to the P&B and was more concrete than previous ones. It also provided an overall results framework of the organization and it was a good practice to align the regular budget and to break the programmatic content down in 2-year plans. Still the results remained vague, without any indicative quantitative targets, which, as mentioned above, provided flexibility but little strategic direction.

As previously mentioned, the outcome indicators were general in nature and not quantified, one reason put forward was that it was not possible to foresee the amount of programmatic funding that would be allocated, externally and internally, to various thematic priorities/branches/programmes and thus not possible to know what could realistically be implemented and thus which results were achievable. At the same time, some member states would have liked to have seen a more results-based document with clearer targets. The argument being that if you do not plan for concrete results and put the resources of the organization and its members/donors behind these, results are not produced and the organization will lack the strategic focus needed for development impact.

The fact that there was no resource framework can be attributed to the limited programmable resources at the disposal of UNIDO and the fact that many donors were not in the position to commit funding for a four year period. Moreover, some UNIDO bilateral donors prefer to earmark funding than to fund a programme framework. It should be noticed that, since 1998, UNIDO has not had a medium-term budget framework.

The MTPF was developed by the UNIDO Secretariat and became owned by the Member States through its endorsement by the IDB and General Conference

(GC). The MTPF can be considered a planning document to the extent that it was the base for subsequent Programme and Budgets and provided guidance to the Secretariat but in many ways the MPTF can be regarded more as a long term vision statement than a four year planning document.

The fact that the MPTF can be considered as a political, strategic and planning document and the need to balance the need for guidance, directions and specificity with the need for flexibility, due to changing contexts and uncertainty, is a true challenge. To find the right balance between generality and specificity was difficult and the Secretariat choose a more flexible than prescriptive approach and in view of events occurring during its implementation this had its advantages.

4.1.5 Cross-cutting issues

Finding (6): The MTPF was not used to promote cross-cutting issues.

Cross cutting issues, such as gender equality and environmental sustainability, found their way into the MTPF but were not championed and without targets assigned or developed indicators. Neither, did the document provide guidance on how to mainstream cross cutting themes, such as gender equality or environmental sustainability, at operational or programmatic levels. As pointed out above, gender was targeted in the expected impact for the poverty reduction pillar, but not mentioned in the six country level outcomes, except for a reference to “equitable and inclusive industrial growth” but here it was not clear what equitable referred to. The word inclusive in the overriding development objective is also likely to refer to gender equality, among others.

Moreover, in the results matrix, for the first poverty related pillar, the expected impact, referring to women and men being equally empowered, is reproduced. However, there is no gender-based performance indicator and neither gender nor women are being mentioned in the outcomes. The indicators, at the impact level, rather refer to poor target groups and increased and equitable levels of income and decent work conditions. For the other two programmatic pillars; Trade capacity-building and Environment and energy, gender is absent as if there were no gender dimensions of these themes. Looking at the programme framework and related matrix, there is also an absence of environmental mainstreaming, rather environmental sustainability is only mentioned for the Environment and energy strategic priority.

4.1.6 New MTPF - Member States’ expectations

Finding (7): Member States’ expectations vary with regard to the consultation process for the next MTPF

This evaluation is a forward-looking exercise and one of the evaluation questions was how involved Members States should be in the development of the next MTPF, taking into consideration that the MTPF is approved by Member States.

Representatives of Permanent Missions were consulted on this issue and views varied from just being briefed, to being consulted, to being directly involved in the development. There are pros and cons of all these approaches. Direct involvement would foster greater ownership but would most likely be a time-consuming and difficult process that might not lead to an improved document as the Secretariat is aware of the different priorities of Member States and in a good position to develop a consensus-based document. Another argument for letting the Secretariat take the lead in designing the document is that the strategic direction of Member States has been defined in the Strategy Document on UNIDO's Future and in the Lima Declaration. Moreover, almost all interviewees stressed the importance of aligning the coming MPTF to the upcoming Sustainable Development Goals and these will be non-negotiable and mandatory to the extent they are relevant to UNIDO's mandate.

Looking at the other side of the coin, a deeper involvement of Member States would probably foster more ownership and buy-in, which could lead to a willingness to fund the programme framework and more coherence between policy documents and funding decisions.

4.1.7 Conclusions

The MTPF comes out more like a vision statement than a strategic planning document.

The MTPF, although approved by Member States, was developed by the UNIDO Secretariat. Member States were briefed on its content but did not directly influence it. There was, at the time of adoption, a large degree of ownership by UNIDO higher management but less so for managers of the technical branches.

The MTPF provided the dimension of relevance for the organization in the sense that key development challenges, contexts and issues were outlined and it was aligned to UNIDO policy documents, its mission statement and the MDGs promoted by the UN. It was, moreover, aligned to needs and priorities of Member States. There could, however, have been a clearer identification of key development challenges and a description on how UNIDO could assist in addressing these. Another weakness was that the document did not indicate priority areas or set clear targets for the implementation period. As such, it did not direct the allocation of staff or budgetary resources.

The document was a good step in making UNIDO results based and the programme framework was innovative and useful. At the same time the results and accompanying indicators were vague and general and not appropriate for promoting accountability (for results). As it stands, the context and situation analysis does not directly link up with the results matrix and the overall intervention logic of the document is weak. There was no mainstreaming of gender or environmental sustainability.

Although the MTPF was approved by Member States, these were rather reactive than proactive in relation to its design. Moreover, the inclusion of expected country-level outcomes, for which UNIDO is not responsible, is confusing and the information on planned results at the level of the Medium-term Programme inadequate. Furthermore, assumptions were lacking. There are opportunities for team work but no instruments, nor incentives to promote this, were provided. There are no results attached to management principles. Another weakness of the MTPF is the absence of an indicative resource framework.

The MTPF drafters sought to find a balance between the needs for specificity and flexibility and between strategic coherence and technical cooperation defined by recipient and donor countries. This said the contexts do not change dramatically over a four-year period. Therefore more specificity could have taken precedent over flexibility, also keeping in mind that it is a planning framework. However, the fact that some Member States left during the implementation period and the budgetary implications thereof speak in favor of some degree of flexibility.

No resource indications were provided in the document which undermined the utility as a planning framework and the credibility as a results-oriented budget tool. This said, the utility as a political and visionary document is uncontested.

Due to the top-down and general approach, many Technical Cooperation projects did not align to the programmatic areas of the MPTF and did not contribute to MPTF outcomes as formulated (cluster development, upgrading, export consortia). Nor had theories of change been prepared for the technical branches and their main programmes and, as a result, the results matrix stood on loose grounds.

4.2 MTPF implementation

4.2.1 The MTPF as UNIDO's principle strategic and planning directive

In document IDB.35/8/add.1 the MTPF is defined, inter alia, as a "flexible tool for implementing the decisions and resolutions of UNIDO's governing bodies, as well as the relevant outcomes of intergovernmental bodies in the United Nations system. It is also intended to provide an overview of the Organization's programmatic priorities and delivery modalities in the 2010-2013 period (para a 3)". Furthermore "...the MTPF aims to provide the Organization with a comprehensive and coherent framework to respond effectively to the challenges of a rapidly changing environment for industrial development. It seeks to do so by ensuring that the necessary support systems are in place to deliver measurable development results and in a manner that makes the best possible use of resources entrusted to it by its Member States" (Para A 11).

Finding (8): The MTPF had punctual relevance for Member States when Governing Bodies met on this subject but did not constitute UNIDO’s key strategic guidance document throughout its implementation

The MTPF had peak relevance at the time when it was developed and approved by Member States, in December 2008. It provided guidance from Member States to the Organization and information to Member States on what the Organization set out to deliver. The framework was instrumental in providing a clear picture of the Organization in the international economic, industrial and UN context. The UNIDO General Conference acknowledged in Resolution GC.13/res 3 that “the MTPF provided the Organization with a comprehensive and coherent framework to respond effectively to the challenges of a rapidly changing environment for industrial development”. The Conference also expressed appreciation for the combination of “programme continuity and the programmatic enhancements and welcomed the new format and innovative features”.

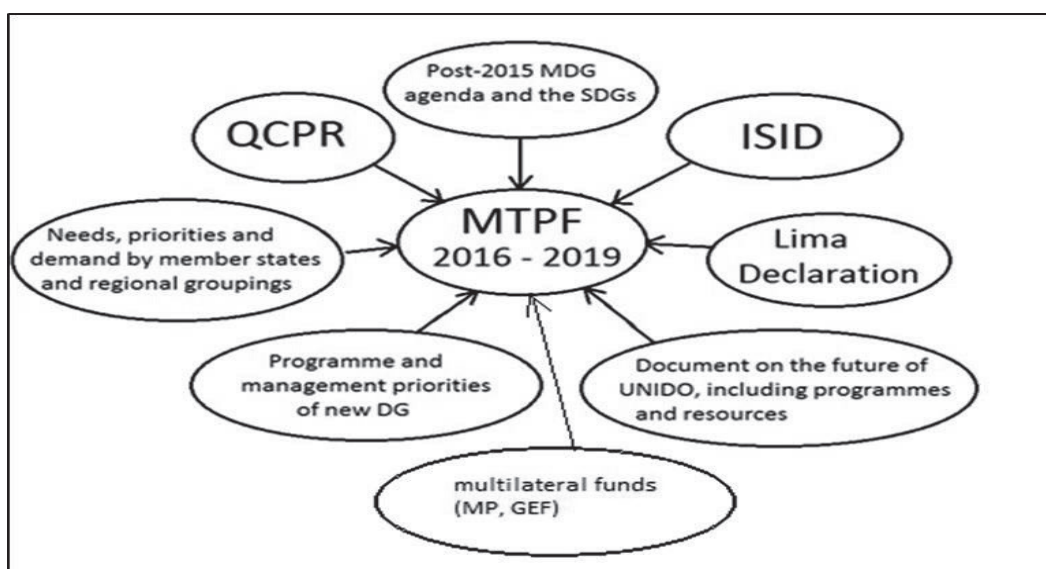
The mid-term review, conducted by the Secretariat in April 2011 offered an opportunity for Member States to further study this strategic framework. The revised document highlighted relevant external and internal developments and introduced some programmatic adjustments within the themes of poverty reduction, Trade Capacity Building (TCB) and energy. There was also a sub-chapter covering efficiency and effectiveness issues and there was reconfirmation of UNIDO’s commitment to UN coherence and of national ownership of the development process. A new Mission Statement with a management objective entitling UNIDO services “Growth with Quality” was introduced. The Mission Statement highlighted, inter alia, the importance of measuring development impact.

The review document reported on progress of work and programmatic adjustments in a descriptive manner but without providing results-based information on corporate progress in achieving stated objectives. The document mentioned that “the foreseen outcomes go beyond the immediate effects of UNIDO interventions and mainly fall within the purview of governments, upon whom the ownership and leadership of the development process rests” (IDB 39/8, para 26).

The MTPF became overtaken and lost its relevance with the introduction of ISID, the Lima Declaration and the Outcome Document of the informal working group on the future including programmes and resources of UNIDO entitled “Strategic Guidance Document”. Interviewees therefore stressed that a revision of the MTPF is overdue. Member States equally emphasized that UNIDO links and moves simultaneously with the international Post 2015 agenda and the process of formulation of the Sustainable Development Goals (SDGs). Linking with the proposed SDG “Build resilient infrastructure and sustainable industrialization and foster innovation” would strengthen UNIDO’s mandate and offer an opportunity to promote ISID in a strategic and holistic manner. As stressed by Member States, the MTPF will have to be coordinated with the quadrennial comprehensive policy

review (QCPR) of UN operational activities. The demand side of Member States, their needs and priorities as well as partnership opportunities, including with the Multilateral Fund and the Global Environment Facility, will equally need to be considered. Figure 2 below represents in a graphical manner the range of interrelated processes, agendas and other inputs considered of relevance for the formulation of the next UNIDO strategic framework.

Figure 2: Next MTPF 2016-2019 – relevant processes, agendas and inputs



The development of the next MTPF, as a process for discussing, in an institutionalized manner, UNIDO’s strategic role and as a document reporting on the implementation of policy guidelines provided by Member States, including the achievement of related results, came up in the context of the Informal Working Group on UNIDO’s Future, which also looked at programmes and resources of UNIDO. The recommendation included in para 18 of document IDB.41/27 reads “UNIDO and its Member States will institutionalize their discussions on the recommendations outlined in this document, inter alia, through revisiting the recommendations and assessing their implementation during each revision of the medium-term programme framework.” The IDB formalised this point by requesting the Director General “to incorporate the recommendations of the outcome document when formulating and implementing the medium-term programme framework (MTPF) 2016-2019”.

The Lima Declaration (2013) “Towards inclusive and sustainable industrial development” (GC.15/Res 1) included a request that the Director General should report regularly on UNIDO’s assistance to Member States towards achieving enhanced levels of inclusive and sustainable development and on its development impact. The resolution requested more result-oriented monitoring and improved reporting formats as well as improved transparency. These

requests are of high relevance for future reporting within the context of the MTPF and, in a broader sense, for ensuring that UNIDO will participate in the monitoring and accountability framework of the post 2015 international development agenda.

Finding (9): There was ownership by Member States when the MTPF was approved but this declined over time

The process of preparing the MTPF and, even more, of its revision, were described by those interviewed as a mostly “top down” exercise driven by the Strategic Planning Unit of the Secretariat. There was ownership of the three thematic priorities which remained UNIDO’s pillars throughout the life of the MTPF but being further refined. Productive capacity building, trade capacity building, sustainable industrial production and industrial resource efficiency became the thematic priorities included in the 2013 strategic guidance document by Member States. The Lima Declaration and the concept of Inclusive and Sustainable Industrial Development (ISID) further sharpened UNIDO’s role in the international context. The Lima Declaration is seen as a policy directive and also as a baseline for the future.

Ownership of the MTPF was very high at the time of approval by Member States but declined over time. This is seen as one reason why there was no revision of the MTPF at the time it was extended.

Member States have a high level of ownership for the management principles relating to results and accountability, as clearly mandated by the Lima Declaration. Result based management principles were also clearly established for the MTPF and were further refined throughout the life of the MTPF. The evaluation team found that the regional programmes were owned by Member States and the Regional Bureaus when the MTPF was launched but such ownership was diluted over time. The regional dimension in the MTPF had not been followed-up on nor implemented in any systematic manner. Regional Programmes rather gave more attention to partner country demand/priorities and the technical competence inherent in the organization.

Many representatives of Member States informed the evaluation team that they were not fully aware of the document and its contents. This might be explained by the fact that a number of representatives of Permanent Missions joined long after the document was prepared. Some representatives mentioned that a consultation process including regional bodies and in particular the Regional Commissions would constitute an opportunity for a revitalized ownership and relevance of the regional dimension of a future UNIDO strategy. These consultations could be in line and build upon the already planned round of advocacy initiatives (around ISID) launched by the DG.

The evaluation team finally noted that frequent rotation of staff in Permanent Missions is one of the constraints for allowing the MTPF to be a living document of continued relevance for Member States. A proactive role by the Secretariat in

providing briefings and training could have ensured more continuity and better use of the MTPF throughout its lifetime.

4.2.2 Relationship between the MTPF, Programme and Budgets and UNIDO funding

Finding (10): The Programme and Budgets 2012-2013 and 2014-2015 were closely aligned with the programmatic part of the MTPF. While there was concurrence between the narrative texts of the MTPF and the Programme and Budget documents and both sets of documents were important steps towards Result Based Budgeting, the Organization did not institute Results Based Budgeting in the strict sense. The implementation of the MTPF was affected by the unstable and unpredictable funding situation of UNIDO.

The evaluation team found that the MTPF guided the structure of the programmatic part of the P&B document. The programmatic part of the two latest P&Bs were closely aligned with the MTPF. The P&B adhered to key MTPF categories like expected impact or thematic programme components (Table 1.)

P&Bs stress the alignment with the MTPF. The P&B 2012-2013 states:

“As the expected country-level outcomes of the programme components and expected impact of UNIDO’s services remain in place in the adjusted MTPF, these continue to guide the results framework of the proposed programme and budgets,” (para. 9.e).

The P&B 2014-2015 states:

“The continued alignment between the programme and budgets 2014-2015 with the MTPF 2010-2013, as adjusted in its midterm review, has also allowed the retention of the framework for results-based management introduced in the programme and budgets 2012-2013.” (para. 6).

Table 1: Alignment of Programme and Budgets with MTPF

Programme and Budgets	Reference to MTPF as such	Alignment with MTPF categories					
		Thematic priorities	Expected impact	Expected country-level outcomes	Results matrix	Performance indicators	Thematic programme
Programme and Budgets 2012-2013 (IDB.39/13/Rev.1)	Yes	Yes	Yes	Yes	No	Yes	Yes
Programme and Budgets 2014-2015 (IDB.41/5)	Yes	Yes	Yes	Yes	No	Yes	Yes

Source: Evaluation Team, based on UNIDO documents.

While there was concurrence between the narrative texts of the MTPF and the Programme and Budget documents and both sets of documents were important

steps towards Result Based Budgeting, the Organization did not institute Results Based Budgeting in the strict sense, as there were no budgeted outcomes. The documents did, moreover, not prioritize results, nor include targets and there was no analysis of resource needs and implications. Budget discussions of policymaking organ meetings were dominated by examination of proposed amounts and by the nature of spending rather than the results achieved through these resources. Moreover, according to information provided by the Secretariat, whenever the question arose as to which results should be abandoned for lack of funding, no guidance was forthcoming from Member States.

The implementation of MTPF thematic programme components and the achievement of expected outcomes and impacts were affected by the limited programmable resources of UNIDO and the heavy reliance on extra-budgetary resources. In addition, during the period covered by the present MTPF, five Member States withdrew from the Organization and the remaining Member States decided to reduce the Regular Budget.

At the same time, over the period, UNIDO was very successful in mobilizing external funding for Technical Cooperation (TC) activities, which increased from 138.177 US\$ in 2008 to 187.444 US\$ in 2013 and with a peak of 247.502 US\$ in 2011, see Figure 3. The largest portion was devoted to energy and environment, followed by private sector development and trade capacity building. There is a trend of slight but continuous increase in activities outside the established priorities. Distribution of funds by region was very uneven and mainly reflected donor contribution priorities. Figure 4 below provides more information in these respects.

Figure 3: UNIDO Technical Cooperation – net approvals by theme 2006-2013

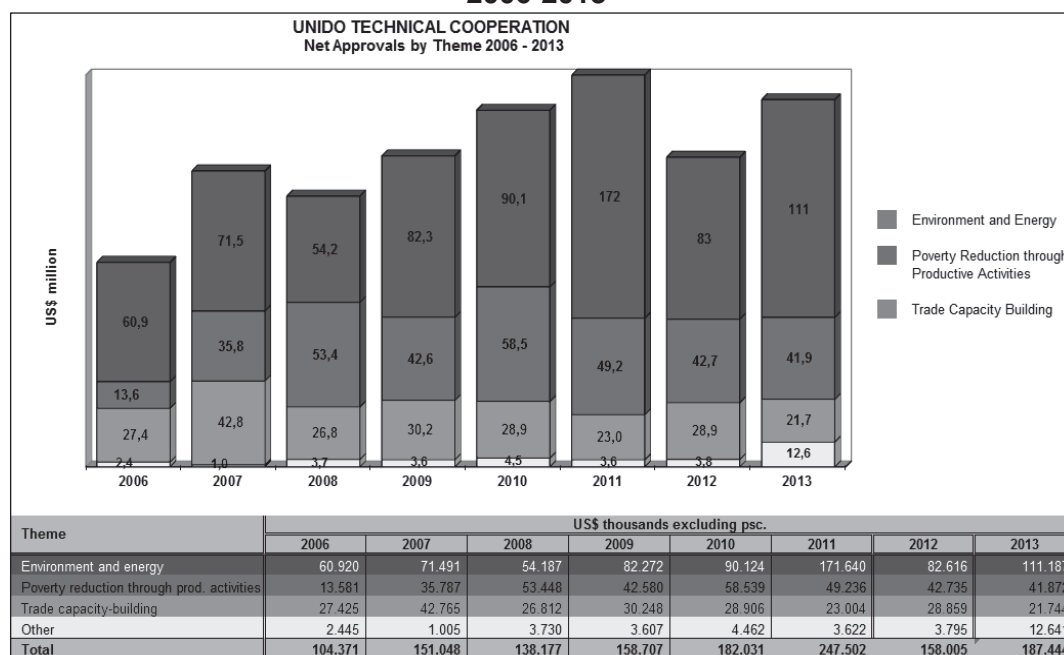
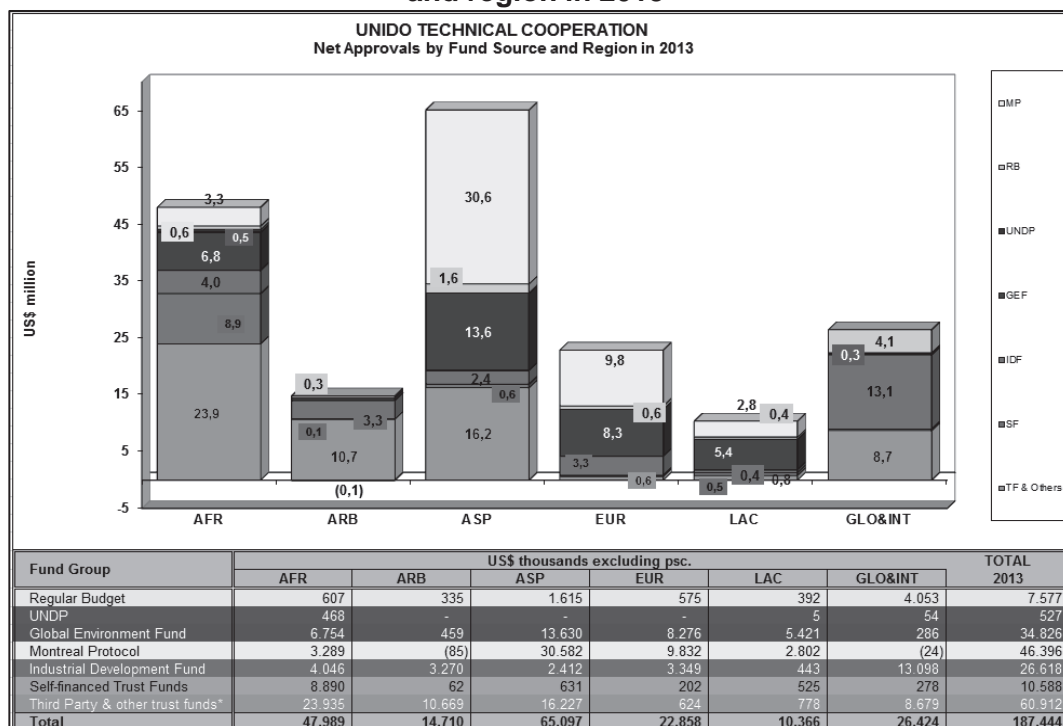


Figure 4: UNIDO Technical Cooperation – net approvals by funding source and region in 2013



Despite the positive Technical Cooperation related financial trend, the Organization was weakened and had to face a steady decline of assessed contributions to the Regular Budget. In terms of Technical Cooperation, the preference of most donor countries was earmarked project funding, which worked against the MTPF as a planning tool. Several staff members and some Member States' representatives argued that the MTPF would be a more credible policy reference document and a more effective management tool if it would include an indicative resource framework. This indicative resource framework would specifically refer to the amount of resources needed in order to achieve planned results (outcomes). The basis for the resource framework would be the assessed contributions by Member States (the UNIDO Regular Budget) as well as expected voluntary contributions from Member States and foreseen contributions from institutional donors and external partners.

The Programme and Budget, which is the document through which resources are approved and allocated, would continue to show the link between programmatic themes of the MTPF and budgetary and extra-budgetary resources

Interviews highlighted various contexts and constraints which need to be taken into consideration. First, bilateral funding is normally decided upon at the level of Ministries/Development Cooperation Agencies in capitals or decentralized Offices (Embassies and Development Cooperation Offices) in partner countries. Decisions are principally aligned to the priorities of the donor and partner government rather than to the MTPF.

Furthermore, the MTPF did not assign priorities according to which staff or budgetary resources should be allocated. There were a few exceptions to this, with additional posts being for instance allocated to the Energy Branch. Generally, however the human resources allocated to the respective parts of the structure of UNIDO remained static (mainly due to contractual obligations) or were based on across the board cuts rather than on consideration of the planned and evolving programmatic requirements.

Finding (11): The MTPF represents an opportunity to mobilize extra budgetary thematic funds for programme priorities.

A relevant development during the lifetime of the present MTPF has been the proliferation of UNIDO Thematic Trust Funds, i.e. food security, renewable energy, competitiveness of industry, agro-industry development in LDCs and employment generation including youth. A Trust Fund for Latin America and the Caribbean was also created. The source of funds has mainly been voluntarily renounced unutilized balances of appropriations of the Regular Budget. Some Member States have also provided voluntary contributions to selected Trust Funds.

This type of funding has potentially the advantage of supporting programme priorities in a thematic area and in a more un-earmarked and programmable manner than project specific funding. However, there is a trend towards a proliferation of such funds but with limited resource endowment. This proliferation has the disadvantage of absorbing limited human and financial resources and creating expectations that cannot be met. According to interviewees, a standardized corporate approach towards the definition, use and management of Trust Funds is needed.

4.2.3 Effectiveness and efficiency of the MTPF as a strategic management instrument

Strategic planning within organizations has a plan at its core with elements assumed to be implemented through the overall corporate level systems. The efficiency and effectiveness of the strategic plan depends on whether these systems are in place and efficiently used by management.

Finding (12): Three strategic programmatic priorities were clearly communicated and implemented.

Despite initial design weaknesses due to limited participation within UNIDO and of Member States, as described earlier, the evaluation team found that the programmatic contents of the strategic framework were communicated well within the Organization and beyond, at the time when the MTPF was approved. It emerged from interviews that the ownership, of UNIDO managers, of the MTPF thematic programme components was high. Managers might have “forgotten” the full MTPF document but still identify with its thematic programme components and consider that internal programmatic matters were discussed and well aligned

with the contents of the MTPF. There is agreement, however, that the result matrix is too generic and managers do not feel accountable for it. The results based principles of the MTPF did not really trickle down to middle level management and were not enforced.

At the time the decision was taken to prolong the MTPF for an additional 2-year period (2013), UNIDO management and Member States were all in agreement that there was no need for a revision and that the new policies/agendas would rather enter into the next MTPF, to start in 2016. This meant that emerging agendas and the “strategic guidance document” were not incorporated.

Finding (13): Cross thematic themes, in particular gender, were of lower importance and their mainstreaming was not enforced.

As far as cross thematic areas are concerned, i.e. South-South cooperation, support to Least Developed Countries, gender equality and the empowerment of women, environmental sustainability and partnerships (the latter is included in the first MTPF matrix and deleted in the reviewed one), staff interviewed argued that the mainstreaming of these areas was not enforced by management.

Gender equality, in particular, was seen as the most unattended cross programmatic priority. This point was highlighted by some interviewees as a risk factor when operationalizing the concept of inclusive and sustainable industrial development. It was mentioned that cross cutting issues need to feature more prominently in future.

Finding (14): The MTPF did not trickle down at the implementation level. Results based principles were not enforced.

UNIDO Technical Cooperation managers expressed the view that the MTPF and its implementation were not really their concern. The MTPF as a whole was perceived as political, lofty and not of direct relevance to their programme/ project development and the implementation work. They were asked to follow guidelines on reporting for contributions to the Annual Report but were not specifically requested to report on achievements of MTPF outcomes.

UNIDO managers used the MTPF document mainly as an external relations document to present UNIDO in a clear and concise manner. The use of the MTPF was thus limited and the document did not have systemic ongoing and explicit relevance. During the evaluation, the team found that the document was hardly known within and outside UNIDO. To some extent the MPTF had become forgotten. This is illustrated by the fact that UNIDO Directors, who have come on board during the last few years, have not been briefed on the MTPF or been provided with a copy of the document.

Moreover, the Executive Board did not make branch managers accountable for MTPF results and did not make the various Branches responsible for “their”

outcomes and indicators. As a result, the MTPF indicators were not monitored or reported on.

Finding 15: The recently introduced SAP Key Performance Indicators (KPIs) are only partially aligned with the MTPF’s performance indicators and none of the indicators is exactly the same.

SAP and the recently introduced Key Performance Indicators (KPIs) took precedent over the MTPF and its outcome indicators. The KPIs in SAP are only partially aligned with the MTPF performance indicators. In fact, none of the indicators are exactly the same. Still, some KPIs are very similar but modified in order to become measurable (Table 2 at the end of this chapter provides additional information). For example, KPI no. 4 on exports reflects the idea of MTPF indicator no. (11). However, of the 35 MTPF indicators, 22 are not reflected in the KPIs, in particular the indicators for measuring poverty reduction and trade capacity building are underrepresented while there is a dominance of environment and energy KPIs. Of the 32 outcome-level KPIs, 20 are related to environment and energy.

The project performance and monitoring systems at branch level have not been linked to the corporate indicators in the MTPF and at the time of the evaluation the KPIs were being used.

Accountability for the programme framework was weak, as will be explained in more detail in Chapter 4.3.5 below. On the other hand, it must be stressed that UNIDO managers have a high level of awareness of the need to move fast and consistently towards a well-structured and interconnected result and indicator based system. This system would enable UNIDO to aggregate results information at the corporate level and put the Organization in a better position to demonstrate its contributions to the Post 2015/Sustainable Development Goals. UNIDO high level corporate management and Technical Branches, however quite independently from each other, are moving in this direction. Some programmes are very advanced, such as those dealing with environment and energy and funded by the Global Environment Facility (GEF) and Montreal Protocol (MP), which have strict results based policy requirements. Others, like the Trade Capacity Building Branch (TCB), are increasingly investing in project inception phases in order to develop baselines and measurable indicators at project and programme levels.

Finding (16): So far it has not been possible to ensure, as envisaged in the MTPF, thematic programming and multidisciplinary delivery as opposed to branch level approaches.

The evaluation team found that joint solutions and synergetic approaches have proven to be difficult and there was, according to interviewees, a high degree of duplication of approaches under the same subject/theme as well as competition between and within the same thematic areas. The MTPF envisages multidisciplinary services and “delivering as One UNIDO” (Management objective

of the mission statement included in the MTPF Review document), an objective that was unanimously found as not having been achieved.

Finding (15): The MTPF served to shape UNIDO's Technical Cooperation at the programmatic level. However, the existing organizational structure and a certain supply-drivenness have also shaped the Technical Cooperation (TC) Programme. TC was deeply influenced by distinct demands for assistance from Member States and earmarked project funding by donors.

According to interviewees, supply-drivenness is partly natural and justified as the Organization should deliver in line with its competence and structure. Posts are rather static and can only be changed, if at all, over a period of a few years. Another challenge in operationalizing the MTPF was the low level of programmable resources or non-earmarked funding.

UNIDO management has given attention to increasing implementation and delivery figures and there has been a high degree of fragmentation of technical cooperation delivery, as also noted in the report of the Working Group on the future of UNIDO. The MTPF is however based on results based management principles and commits to measuring results including at the impact level, in order to ensure the best possible performance of the Organization. Delivery alone was not found to achieve best results based performance.

While not contradicting the broad lines of the MTPF, the strategies of the respective units/programmes were developed independently and management compacts were not based on the corporate strategic framework. Neither was the project approval system aligned to the MTPF in that also projects falling outside the results framework were approved.

4.2.4 Conclusions

The MTPF had peak relevance when approved in 2008 and had again some relevance at the time of the mid-term review in 2011. The framework had, however, limited external and internal systemic relevance during its implementation.

While not being an active partner in defining the MTPF, Member States appreciated the document and considered it solid and innovative. The three thematic areas fostered a clear UNIDO identity. Awareness of the MPTF by Member States was, however, lost over time. The corporate objective of setting three programming priorities and aligning UNIDO to these priorities was met.

The Framework did not filter down within the Organization, in particular to the implementation level. Technical Branches were not made accountable for results stated in the MTPF. Efforts to promote multidisciplinary approaches were not successful and there were programmatic duplication and overlap of thematic areas.

In spite of the adjustments made in 2011 the MTPF lost relevance due to its long life time and major events changing the external and internal environment of UNIDO. No revision was made in 2013 when the MTPF was extended. Strategic planning has been challenged by a shrinking regular budget, a heavy reliance on extra-budgetary resources and the prevailing competence-base of UNIDO staff. Cross thematic areas, in particular gender equality and environmental sustainability, were not enforced. The MTPF offers, however, an opportunity for mobilizing funds for priority programme areas and for geographical regions. An Organization wide approach towards thematic Trust Funds is needed, in order to optimize the use of limited resources and facilitate results based programming and implementation.

The development of the next MPTF represents an opportunity for UNIDO to place itself in the emerging international context and to operationalize the Lima Declaration and ISID.

Table 2: Alignment of Key Performance Indicators (KPIs) and the MTPF Performance Indicators

Key Performance Indicators (KPIs):outcome level (2014)		Alignment with MTPF	MTPF Performance indicators: outcome and impact level (adjusted in 2011)		Alignment with KPI
1	# of new businesses	-	(1)	Increased job opportunities, in particular for poor target groups	9, 11, 12
2	\$ of additional investment	-	(2)	Increased and equitable levels of income from productive activities	10
3	\$ of additional sales	-	(3)	More decent working conditions	-
4	\$ of additional exports	(11)	(4)	Industrial policies set quantified poverty reduction objectives	-
5	# of standards developed/adapted/approved	(18)	(5)	Inclusiveness and reduced inequality are policy priorities	-
6	# of enterprises with new certifications	-	(6)	Industrial statistics monitor the impact of industrial policies on poverty	-
7	\$ of reduction of sub-standard imports	(17)	(7)	Support organizations serve increased numbers and types of enterprises	-
8	\$ of energy import avoided/substituted	-	(8)	New and better support services become available	-
9	# of new jobs	(1)	(9)	Enterprises are satisfied with quality of services	-
10	\$ of additional income per worker	(2)	(10)	Private service providers emerge and develop	-
11	# of additional jobs for youth	(1)	(11)	Increased exports, in particular from poverty relevant sectors	4
12	# of additional jobs for women	(1)	(12)	Reduced rejection rates of exported products	-
13	tons of CO2 equiv GHG emission avoided	(22) (25)	(13)	New products brought to the global market	-
14	tons of materials saved	(23)	(14)	Trade policies give priority to industrial development	-
15	kWh energy saved	(23)	(15)	Effective policy dialogue between public and private sector	-
16	# of new eco-efficient products	-	(16)	Harmonized framework of trade-related institutions	-

Key Performance Indicators (KPIs):outcome		Alignment with	MTPF Performance indicators: outcome and impact level		Alignment
17	m3 of water saved	(23)	(17)	Consumers are effectively protected from sub-standard imports	7
18	# of enterprises with new waste management	-	(18)	National and international standards are aligned and relevant to enterprises	5
19	tons of production waste eliminated	(22)	(19)	Support organizations serve increased numbers and types of enterprises	-
20	# of enterprises with responsible sourcing	-	(20)	Enterprises have access to necessary trade-related services	-
21	# of m/s in compliance with ODS reduction targets	(25), (27)	(21)	Enterprises are satisfied with quality of services	-
22	# of m/s in compliance with Montreal Protocol	(25), (27)	(22)	Reduced industrial pollution	13, 19
23	# of m/s in maintaining zero consumption of ODS	(25), (27)	(23)	Better use of natural resources	14,15, 17
24	# of m/s with transfer of EST/low carbon technologies	-	(24)	Increased use of renewable energies	25, 27
25	kWh use of renewable energy	(24)	(25)	Reduced ozone-depleting substances (ODS) and carbon dioxide (CO2) emissions	13,21,22,23
26	# of enterprises using renewable energy sources	(32)	(26)	Industrial policies define verifiable environmental objectives and comply with multilateral environmental conventions, protocols and agreements	28
27	% share of renewable energy	(24)	(27)	Legislation and enforcement mechanisms ensure compliance with environmental agreements	21,22,23
28	# of policies, strategies, laws, regulat. approved/enacted	(28)	(28)	Policies and regulations provide incentives for sustainability	28
29	# of policy implementers trained	-	(29)	Energy policies give priority to energy efficiency and access to clean energy for productive energy use	-
30	Days required to issue certificate, business license	-	(30)	Support organizations serve increased numbers and types of enterprises	-

Key Performance Indicators (KPIs): outcome		Alignment with	MTPF Performance indicators: outcome and impact level		Alignment
31	# of enterprises effected by policy	-	(31)	Environmental and other enterprise support services delivered in integrated manner	-
32	# of project proposals based on M/S request	-	(32)	Enterprises have increased access to clean energy	26
			(33)	Enterprises demonstrate increased energy efficiency	-
			(34)	Enterprises have adopted ODS-free technologies	-
			(35)	National institutions effectively implement international environmental agreements	-

■ = some alignment

Source: Evaluation Team, based on UNIDO documents.

4.3 MTPF results and reporting

4.3.1 Overview

In December 2013, the General Conference decided that the current MTPF (2010-2013) remains in force until the expiry of the forthcoming budget biennium, 2014-2015 (Table 3). Consequently, the current MTPF remains the reporting framework until 2015.

The UNIDO Annual Reports are the main vehicle for reporting on the expected results in the MTPF. In 2009, the General Conference decided that the Organization should report on the implementation of the MTPF in the Annual Report (GC.13/Res.3, 3.). This was a change compared with the earlier practice. Prior, UNIDO prepared a separate report on the “Implementation of the medium-term programme framework” on an annual basis. The last *Implementation of the MTPF* report was prepared in 2009 (GC.13/5–IDB.36/14).

In addition to the Annual Reports, the IDB requested, in 2010, that UNIDO continues to submit a midterm review of the MTPF, through the Programme and Budget Committee (PBC), to the Industrial Development Board (IDB.38/Dec.9). Accordingly, the Director-General submitted a midterm review of the MTPF (2010-2013) to the PBC in May 2011 (IDB.39/8*-PBC.27/8*). UNIDO supplemented the midterm review with two addendums, one on UNIDO activities in the field of industrial policy, (IDB.39/8/Add.1) and one on UNIDO activities in the area of energy and environment (IDB.39/8/Add.2*).

Table 3: Resolutions relevant for MTPF reporting

Date	Content	Decision/Source
December 2009	<i>“Invites the Director-General to report on the implementation of the medium-term programme framework in the annual report.”</i>	GC.13/Res.3, 3. UNIDO. (2009). General Conference, thirteenth regular session. Decisions and resolutions of the General Conference, (GC.13/INF.4)
November 2010	<i>“Further recommended that the General Conference request the Director General to henceforth continue submitting midterm reviews of each medium-term programme framework through the Committee to the Board in the second year of a biennium.”</i>	IDB.38/Dec.9, (e) UNIDO. (2010). Report of the Industrial Development Board on the work of its thirty-eighth session (24-26 November 2010) (GC.14/3)

Date	Content	Decision/Source
December 2011	<i>“Also requested the Director-General to thereafter continue submitting quadrennial midterm reviews of the medium-term programme framework to the Board in the second year of a biennium.”</i>	GC.14/Dec.18, (e) UNIDO. (2011). General Conference, fourteenth regular session. Decisions and resolutions of the General Conference, (GC.14/INF/4).
December 2013	<i>Decided that, pending consideration of the application of provisions of General Assembly resolution 67/226 to specialized agencies, the medium-term programme framework 2010-2013 remain in force until the expiry of the forthcoming budget biennium, 2014-2015.</i>	GC.15/Dec.17, (d) UNIDO. (2013). General Conference, fifteenth regular session. Decisions and resolutions, including the Lima Declaration of the General Conference (GC.15/INF.4).

Source: UNIDO documents.

The annual report and the midterm review are the two ‘official’ tools to report on UNIDO’s performance with regard to the implementation of the MTPF. However, UNIDO has a number of other reporting tools (to Member States) on activities implemented and results achieved at the corporate level. These include:

- Supplementary reports to the Annual Reports (e.g. UNIDO activities related to energy (IDB.41/17) or agribusiness, trade and job creation (GC.15/7);
- Reports on trust funds (e.g. the report on the Trust Fund on Food Security (IDB.41/10*-PBC.29/10*);
- Evaluation reports disseminated by the Office for Independent Evaluation.

In addition to reports going to the IDB or the GC, UNIDO produces specific performance reports for donors. An example is the “UNIDO Annual GEF-Portfolio Performance Report (PPR)”.

4.3.2 UNIDO Annual Reports

UNIDO Annual Reports – alignment with the MTPF

Finding (18): While there is broad *thematic* alignment between the Annual Reports and the MTPF, there is no clear reporting on the expected outcomes, impact or performance indicators as formulated in the MTPF. However, the concept of reporting on the implementation of the MTPF as part of the Annual Report is upheld.

The evaluation team conducted a (selective) content analysis of the last four UNIDO Annual Reports and linkages to the current MTPF.

First, the evaluation team assessed to what extent the Annual Reports made explicit reference to the MTPF. The Annual Report 2010 - the first report covering the MTPF 2010-2013 referred explicitly to the MTPF in the chapter, which reports on the thematic priorities.⁴ The Annual Reports 2011 and 2012 made no explicit reference to the MTPF. In the Annual Report 2013 there was a short reference on the imprint-page.⁵ Overall, there was very little *explicit* reference to the MTPF in the four Annual Reports. Moreover, none of the Annual reports made explicit reference to the MTPF “programmatic results matrix” or the “performance indicators” included in the MTPF results matrix.

The team also reviewed to what extent the thematic priorities in UNIDO Annual Reports were aligned with the MTPF “thematic priorities”. The first two Annual Reports (2010, 2011) were closely aligned and the thematic chapters in the Annual Reports followed the thematic priorities as well as the terminology of the MTPF (Table 4). The Annual Report 2012 equally reported along the three MTPF thematic priorities, although using different titles. The Annual Report 2013 merged two thematic priorities - because of strong similarities - and used again new titles. Some sub-chapters in the Annual Reports were broadly structured along the MTPF “thematic programme components” like the sub-chapter on environment and energy in the Annual Report 2013. This sub-chapter is divided in “Green Industry”, “Energy Access for productive use”, and “Implementation of multilateral environmental agreements” (p. 43-56) which largely corresponds with the MTPF (2010-2013, adjusted) programme component “resource-efficient and low-carbon industrial production”, “clean energy access for productive use”, and “capacity-building for the implementation of multilateral environmental agreements”.

⁴ “*This chapter of the Annual Report describes services provided by UNIDO in 2010 under this thematic priority, as identified in the Organization’s medium-term programme framework 2010-2013.*” UNIDO Annual Report 2010, p.33.

⁵ “*... it [the Annual Report] meets the Organization’s reporting requirements with regard to ...the UNIDO medium-term programme framework 2010-2013, as adjusted in the midterm review approved by the General Conference in decision GC.14/Dec.18.*” UNIDO Annual Report 2013, p. i.

Table 4: Alignment of thematic priorities in UNIDO annual reports with MTPF thematic priorities

MTPF 2010-2013 – thematic priorities	UNIDO annual reports – thematic chapters			
	Annual Report 2010	Annual Report 2011	Annual Report 2012	Annual Report 2013
Poverty reduction through productive activities	Poverty reduction through productive activities	Poverty reduction through productive activities	The path out of poverty	Solutions for shared prosperity
Trade capacity-building	Trade capacity-building	Trade capacity-building	Prosperity through trade	
Environment and energy	Environment and energy	Environment and energy	The green growth pathway	An environmentally sustainable framework
<i>Source: Evaluation Team, based on MTPF 2010-2013 and UNIDO annual reports.</i>				

Third, the team analysed the Annual Reports along the “expected country-level outcomes” and “expected impact” of the MTPF. The question was to what extent the Annual Reports reported on the achievement of expected outcomes and impacts as formulated in the MTPF. The team could not establish a clear alignment of the reporting on outcomes and impact with the expected outcomes and impact of the MTPF. None of the annual reports explicitly reported on progress in achieving expected outcomes and impacts as formulated in the MTPF. This is also true for the MTPF “performance indicators”. None of the Annual Reports provided information related to MTPF performance indicators.

Interviews with Member State representatives revealed that the Annual Reports are, in general, appreciated and that the decision to report on the implementation of the MTPF in the Annual Report is considered appropriate. *Briefings* to Member States are also considered to be useful as they provide substantial information and feedback on the implementation of UNIDO’s technical cooperation and global forum functions. Still, a common view of Member States representatives is that these briefings cannot and have not constituted reporting back on the MTPF. Representatives of Member States argue that UNIDO needs, in the future, to follow good reporting principles, including on its medium-term programme framework.

UNIDO Annual Reports – results reported

Finding (19): Based on the results reported in the Annual Reports it is fair to say that UNIDO projects have achieved many results in the thematic priority areas of the MTPF.

However, it is not easy to get an aggregated, corporate picture as to what extent UNIDO has achieved the expected results formulated in the MTPF.

While Annual Reports serve multiple purposes (e.g. general information to the public, accountability, promotion), the focus of the analysis in the context of the present evaluation was on what results are reported on in the thematic priority areas of the MTPF. The evaluation team analysed two documents in-depth:

- 1) UNIDO Annual Report 2010: Thematic priority: Poverty reduction through productive activities (p. 33-45)
- 2) UNIDO Annual Report 2013: Thematic priority: Environment and energy (p. 43-56)

Typical examples were captured and analysed from a results perspective (Tables 5 and 6). The analysis reveals the following:

- The Annual Reports are highly informative and provide a lot of detailed information.
- Information provided is mostly at the project level.
- While some attempts are made to aggregate information (e.g. number of countries with GEF-funded renewable energy projects), results achieved are generally not aggregated. A lot of information describes activities – sometimes also activities envisaged in the future.
- Results reported are mostly at the output level. Some are at the outcome level. Very few are at the impact level. Information related to the contribution to the MDGs is limited.

Based on the results reported in the Annual Reports it was found that UNIDO has achieved many results in the thematic priority areas of the MTPF. However, as data were not collected along the MTPF categories, the link between reported results and the MTPF is rather vague. It is not possible to assess to what extent the three expected impact and the six expected policy/institutional outcomes at the country level – as stated in the MTPF - were achieved. As a consequence, it is also not possible to say to what extent UNIDO contributed to the achievement of these results.

Previous MTPF implementation reports

UNIDO used to prepare a specific report on the “Implementation of the medium-term programme framework” on an annual basis. The evaluation team set out to find out, if these earlier reports provided more information along the MTPF categories than the UNIDO Annual Reports and reviewed the last MTPF implementation report (2009, GC.13/5–IDB.36/14). The team found, that the MTPF-report was structured along the MTPF thematic priorities but did not directly report on progress with regard to the MTPF “expected impact”, “expected country-level outcomes”, “results matrix”, “performance indicators”. One reason provided was that capacities to aggregate project level results were not available at the time. The MTPF-report was rather a narrative (37 pages) providing detailed information mostly at project level. Basically, the MTPF-report was an activity report and it is not easy to identify results achieved.

Table 5: Examples of results reported in the UNIDO Annual Report 2010 related to poverty reduction through productive activities

	Examples from the UNIDO Annual Report 2010	Analysis from a results perspective
1.	<i>A total of 772 farmers were trained in water quality management, and water quality monitoring was introduced throughout the value chain. (p.40)</i>	Activities and outputs
2.	<i>UNIDO helped to strengthen the capacity of the Department of Fisheries through workshops and training courses for laboratory staff and trainers, developed training manuals and equipped two new laboratories belonging to the Department of Fisheries with modern analytical instruments. Support to the private sector included training for nearly 20,000 industry personnel as well as farmers and extension workers. (p.40)</i>	Activities and outputs
3.	<i>In 2010, the strategy documents prepared by UNIDO were endorsed by the Government of Ethiopia. (p.40)</i>	Outcome
4.	<i>The plant has improved the manufacturing and hygienic practices of the existing production lines of the dairy, resulting in better quality and improved customer satisfaction. (p.41)</i>	Outcome
5.	<i>Since the launch of the project in 2009, UNIDO has provided training to some 850 hopeful entrepreneurs; 103 of the SMEs created are running successfully and provide employment opportunities to others within their communities. (p. 43)</i>	Outcome
6.	<i>Following the successful completion of the project last year,</i>	Outcome and

	Examples from the UNIDO Annual Report 2010	Analysis from a results perspective
	<i>closer links between artisans and buyers resulted in higher quality products, a significant increase in productivity, and a marked growth in sales and income that in turn raised the living conditions of countless households. (p. 42)</i>	impact
7.	<i>These activities are expected to contribute to enhancing the capacities of the selected sectors and target groups to access local and international markets. (p.39)</i>	Expected outcome
Source: Evaluation Team, based on UNIDO Annual Report 2010.		

Table 6: Examples of results reported in the UNIDO Annual Report 2013 related to environment and energy

	Examples from the UNIDO Annual Report 2013	Analysis from a results perspective
1.	<i>UNIDO trained 50 government officials in energy management systems and 150 managers and 146 staff were introduced to the basic principles. (p. 47)</i>	Activity
2.	<i>UNIDO had provided in-depth training on implementation and system optimization to more than 700 energy efficiency consultants, trained some 4,500 employees and assisted over 100 companies in the implementation of energy management systems. (p. 47)</i>	Activity
3.	<i>September also saw the formal opening of a water treatment plant that provides drinking water to rural communities in Kilifi County, Kenya. (p. 49)</i>	Activity and output
4.	<i>UNIDO helped introduce ISO 50001 to some 20 countries during the year. (p. 47)</i>	Aggregated information
5.	<i>The first 17 enterprises to adopt energy management systems in Ecuador showed preliminary savings at the level of 17.2 GWh a year. (p.47)</i>	Outcome
6.	<i>UNIDO partner enterprises in South Africa such as Arcelor Mittal Steel, BMW, South African Breweries and Toyota, to name a few, reported annual energy savings in excess of 150 GWh. (p. 47)</i>	Outcome
7.	<i>A new multilateral environmental agreement—the Minamata Convention, which addresses human activities that contribute to wide-spread mercury pollution—was</i>	Outcome

	Examples from the UNIDO Annual Report 2013	Analysis from a results perspective
	<i>adopted by 147 countries. (p. 48)</i>	
8.	<i>Almost 1,500 households in rural Viet Nam benefited from an inter-agency project that drew to a close in June. ... The joint programme raised the incomes of participating households by 80 per cent in comparison to a non-participating control group, reduced the environmental impacts of crafts production and improved working conditions. (p. 45)</i>	Impact
Source: Evaluation Team, based on UNIDO Annual Report 2013.		

4.3.3 Midterm review of the MTPF

Finding (20): The midterm review of the MTPF did not assess nor report on performance with regard to expected results. The midterm review is rather a *revision* of the MTPF based on global trends and new management priorities than a performance assessment. Member States welcomed the adjustments made within the MTPF.

In 2010, the IDB requested that UNIDO continue to submit a midterm review of the MTPF, through the Programme and Budget Committee (PBC), to the Industrial Development Board (IDB.38/Dec.9). The Director-General submitted a midterm review of the MTPF (2010-2013) to the PBC in May 2011 (IDB.39/8*-PBC.27/8*).

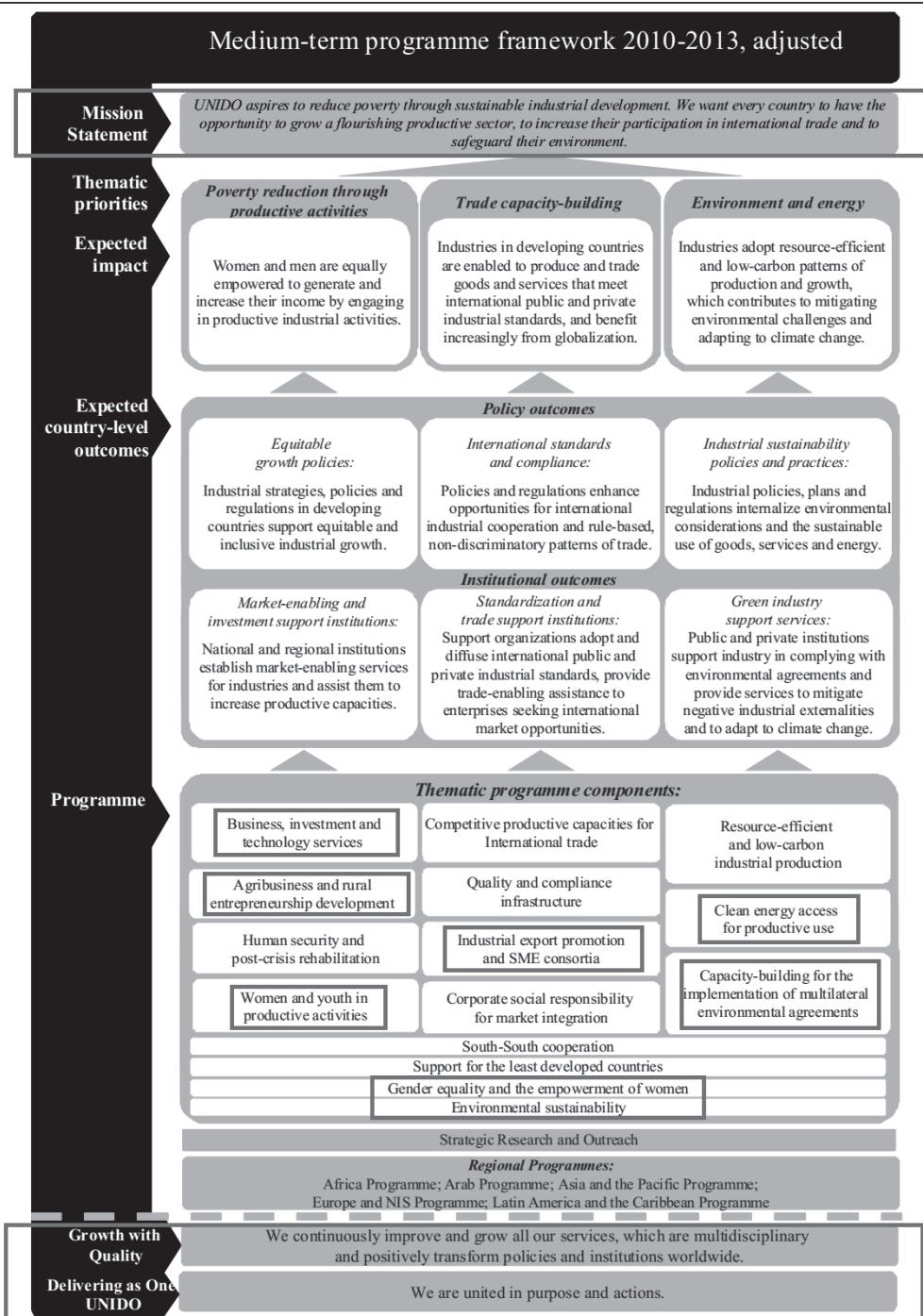
According to its introduction (section I), the midterm review intended to consider relevant external and internal developments, and to put in place adjustments in order for UNIDO to better contribute to internationally-agreed development goals and address individual country needs. It was not intended to replace the MTPF, as contained in IDB.35/8/Add.1, but to complement it (para. 2).

The midterm review analysed trends relevant for the MTPF thematic priorities (section II). This was followed by an adjustment of the MTPF (section III), incorporating the UNIDO mission statement and management objectives (“Growth with Quality”, “Delivering as One UNIDO”).

In addition and in order to address the key trends as outlined in section II, certain adjustments were made to the “thematic programme components”, reflecting restructuring within UNIDO (visualized in Figure 5). The three “thematic priorities”, the “expected impact” and the “expected country-level outcomes” remained unchanged. Consequently, the “programmatic results matrix” also remained largely unchanged, with the exception of some of the “performance indicators” included in the results matrix, in particular the indicators related to environment and energy of which about half were changed or added.

Figure 5: MTPF 2010-2013, adjusted in 2011

IDB.39/8
PBC.27/8



V.11-82192

9

= adjusted elements compared with original MTPF

One of the key questions of this evaluation is to what extent progress in implementing the MTPF has been adequately reported upon in the midterm review report. The evaluation team found that the midterm review did not constitute a progress report and did not encompass a performance assessment with regard to the progress in achieving expected outcomes and impacts as formulated in the MTPF (2010-2013). However, the evaluation team found, that the purpose of the midterm review was somewhat ambiguous in the first place. While the term “review” suggests an “assessment”⁶, some stakeholders expressed the view that the midterm review was never intended to be an “assessment” but rather an opportunity to revise the MTPF.

The Industrial Development Board took note of the midterm review⁷ and the summary notes of the Board reveal that none of the delegations specifically referred to the midterm review.⁸ The only statement from Member States referring to the midterm review is from a Budget Committee session in which the African Group welcomes the adjustments made within the MTPF and encourages UNIDO to build a system of appropriate indicators on its projects and programmes.⁹

4.3.4 Other reporting instruments

Finding (21): While the supplementary reports to the Annual Reports and the trust fund reports provide additional information related to the thematic priorities of the MTPF, they do not refer to other categories of the MTPF like the expected outcomes, impact or performance indicators. Examples of performance reports based on specific donor requirements (e.g. GEF) show that UNIDO is in a position to prepare aggregated performance reports.

The evaluation team analysed three supplementary reports (to the Annual Reports) and two reports on trust funds in order to examine to what extent these reports were using MTPF categories. All five reports provided additional information related to the thematic priorities of the MTPF. Three reports (Table 7: b, c, e) provided information related to the thematic priority “environment and energy”. Two reports (a, d) provided information related to the thematic priority “poverty reduction through productive activities”. Finally, one report (a) provided information related to the thematic priority “trade capacity-building”.

None of the reports made explicit reference to the medium-term programme

⁶According to the OECD/DAC, a review is “an assessment of the performance of an intervention, ...”; OECD/DAC. (2010).Glossary of Key Terms in Evaluation and Results Based Management, p. 34.

⁷UNIDO. (2011). Report of the Industrial Development Board on the work of its thirty-ninth session (22-24 June 2011) (GC.14/4) para. 19.

⁸UNIDO. (2011). Industrial Development Board - Thirty-ninth session. Summary record of the 2nd meeting. IDB.39/SR.2, para. 5-116.

⁹ Statement of the African Group delivered by Ambassador Mahmoud Hassan Elamin, Permanent Representative of the Republic of Sudan, during the 27th Session of the UNIDO Programme and Budget Committee 11-13 May 2011.

framework or used the MTPF categories “expected impact”, “expected country-level outcomes”, “results matrix” or the related “performance indicators.”

All five reports can be categorized as *activity reports* highlighting specific initiatives and projects. As the focus is on activities, reporting on *results achieved* and aggregated information at the corporate level is limited.

Table 7: Additional reporting tools (examples) – use of MTPF categories

Supplementary reports to the annual reports	Reference to MTPF as such	Reference to MTPF categories				
		Thematic priorities	Expected impact	Expected country-level outcomes	Results matrix	Performance indicators
a) UNIDO. (2013). General Conference, fifteenth regular session. UNIDO activities related to agribusiness, trade and job creation. Report by the Director General, (GC.15/7).	no	yes	no	no	no	no
b) UNIDO. (2013). Industrial Development Board. UNIDO activities related to energy. Report by the Director General, (IDB.41/17).	no	yes	no	no	no	no
c) UNIDO. (2013). Industrial Development Board. UNIDO activities related to environment. Report by the Director General, (IDB.41/18).	no	yes	no	no	no	no
Reports on trust funds						
d) UNIDO. (2013). Industrial Development Board. Trust fund on food security. Report by the Director General, (IDB.41/10*-PBC.29/10).	no	yes	no	no	no	no
e) UNIDO. (2013). Industrial Development Board. Trust fund on renewable energy. Report by the Director General, (IDB.41/11-PBC.29/11).	no	yes	no	no	no	no

Source: Evaluation Team, based on UNIDO documents.

Apart from official reports submitted to Member States (IDB/GC), UNIDO prepared project/programme specific performance reports based on donor requirements. These reports also contained relevant data on the thematic programme components of the MTPF. An example is the “UNIDO Annual GEF-Portfolio Performance Report (PPR)”. The report summarizes the performance of the UNIDO GEF-portfolio at the corporate level and contains a macro-view of all UNIDO-GEF projects under implementation. Among other elements, the report includes an aggregated performance rating with regard to expectations that projects achieve their environment/development objectives. For example, in 2013, 61% of all UNIDO GEF projects were expected to achieve most of its major environmental objectives (FY 2013).

4.3.5 Evaluation Reports

Finding (22): While there are indications that UNIDO has made a difference at the MTPF impact level, UNIDO evaluation reports do not provide a comprehensive picture on the UNIDO performance with regard to the expected results of the MTPF. UNIDO evaluation reports repeatedly highlight the lack of data on outcome and impact-level results.

Another source of results reporting at the corporate level is the UNIDO evaluation reports, prepared by the Office for Independent Evaluation. The evaluation reports are a potential tool for assessing UNIDO's performance with regard to the expected results of the MTPF. It should be noted, however that this report is the first one evaluating the MTPF in its entirety or in terms of assessing organization-level results. Other evaluation reports have however attempted to assess the organization's performance in specific areas (see below).

UNIDO's contribution to the Millennium Development Goals

In 2012, an independent thematic evaluation of UNIDO's contribution to the Millennium Development Goals was conducted.¹⁰ Of the evaluation reports of the past few years, this evaluation report is the most pertinent in terms of measuring UNIDO's corporate contribution to development results, i.e. MTPF higher-level results. The evaluation was relying on previous thematic, country and project evaluation reports, UNIDO annual reports and other higher or branch level UNIDO reports and was complemented by interviews with staff and representatives of Member States and a document review. Strong attempts were made to establish intervention logics starting from outputs and going up to the impact level and to the contribution to the MDGs.

The evaluation first verified the links between the MDGs and the MTPF. A detailed comparison was performed between established MDG targets and indicators and the corresponding UNIDO expected impact statements and performance indicators of the MTPF.¹¹ The comparison confirmed the broad link between the MTPF and MDGs, but revealed that in practice, it was difficult to match UNIDO priorities and definitions as formulated in the MTPF with MDG targets and indicators. Nevertheless, results reported in the evaluation of UNIDO's contribution to the MDGs can also be grouped along the thematic priorities of the MTPF (Table 8). In particular, in the area of environment and energy, the thematic evaluation was able to capture significant higher-level results. In the area of poverty reduction, it was more difficult to establish clear evidence of UNIDO contributing to poverty reduction.

In general, however, the evaluation found little evidence of systematically measured and reported impact. The lack of data on project results was found to

¹⁰UNIDO. (2012). Independent thematic evaluation. UNIDO's contribution to the Millennium Development Goals.

¹¹Ibid., p. 121.

be a major impediment. The evaluation also concluded that the inability to measure and track results could lead to underreporting of higher-level results. The evaluation found that no reporting mechanisms are in place whereby UNIDO can monitor project impact after project closure and concludes: “The lack of post-project reporting not only prevents UNIDO from capturing post-project results of individual projects, it also limits its ability to compare results of several projects implemented under the same programme component across countries.”(p. 109).

Table 8: What the Evaluation of UNIDO’s Contribution to the Millennium Development Goals says about results in the MTPF thematic priority areas.

Results in poverty reduction and trade capacity-building
<p><i>The thematic review indicated that UNIDO projects implemented under Programmes C.1 ‘Poverty reduction through productive activities’ and C.2 ‘Trade capacity building’ are likely to contribute to MDG 1, Target B Achieve full, productive employment and decent work for all, including women and youth. The review found, however, only a few quantified project contributions to job creation or to target beneficiaries living above the national poverty line as a consequence of a UNIDO project. Exceptions were projects for post-crisis training and entrepreneurship curriculum development. Many evaluation reports contained examples of plausible links between project outcomes and the preservation and/or expansion of employment in manufacturing sectors - in some cases referring to thousands of jobs, but the exact number could not be verified. Yet, other evaluation reports described anecdotal and unsystematic links between successful project outcomes and employment generation based on the judgement of counterparts or associated government officials. ...</i></p> <p><i>Initiatives under way to improve pro-poor targeting were also identified. For example, the Cluster and Business Linkages Unit had developed extensive tools and methodologies, including a comprehensive monitoring framework for use in project planning and monitoring. Also the Agri-business and Rural Entrepreneurship Development Branch had sought to increase project impact through its value-chain approach.</i></p> <p><i>Many UNIDO projects have the potential to contribute to the share of women in wage employment in the non-agricultural sector. However, little evidence could be found of this effect in the evaluation reports. Typical UNIDO women entrepreneurship development projects contributed to the proportion of ‘own-account’ entrepreneurs in total employment.</i></p> <p><i>Many other projects included women in the target group, but due to a general lack of gender mainstreaming or gender disaggregation of data, it was not possible to assess their effects on wage employment for women.</i></p> <p><i>Overall, the evaluation reports provided limited evidence of contributions to poverty reduction from UNIDO projects. The main reason for this limitation was that the evaluations typically took place too early for the expected impact to have materialized. Some reports predicted potential impact in the form of expected or likely job creation, employment or income generation. The evaluation reports also observed that indicators for the outcomes and expected impact levels were inadequate for many projects, rendering the identification and recording of results at those levels impossible or characterized by unsystematic and anecdotal evidence and lack of monitoring data.</i></p>

Results in poverty reduction and trade capacity-building

Results in environment and energy

UNIDO projects were found to have contributed to national sustainable energy plans, ozone depleting substances (ODS) phase-out policies, national implementation plans for persistent organic pollutants (POPs) and a range of other environmental policies, strategies and plans.

Also with respect to the implementation of environmental policies, many examples of UNIDO contributions were demonstrated: Notably, UNIDO projects resulted in decreased consumption of ozone depleting substances (ODS).

These results could be quantified at national levels and compared with country targets. By the end of 2011, UNIDO projects had accounted for 16 per cent of all developing country ODS phase-out. Furthermore, many projects contributed to reduced CO2 emissions. However, contributions were often quantified at the enterprise level and aggregation across enterprises was a challenge. Similarly, with respect to water consumption where reduction in water use was mostly reported at enterprise level as one among several indicators related to resource-efficient and cleaner production.

Monitoring of results was found to be very systematic in Montreal Protocol projects mainly due to the compliance requirements and less systematic in other projects.

Source: Evaluation of UNIDO's contribution to the Millennium Development Goals (2012).

Other UNIDO evaluations

Other recent evaluations conducted by the Office for Independent Evaluation arrived at similar findings with regard to the lack of data on achievement of higher-level results. The evaluation of UNIDO's Global Forum (GF) Function found that, in general, there is lack of systematic results information related to GF activities, which makes it difficult to assess effectiveness and impact.¹² The evaluation of UNIDO's Public Private Partnerships found that the UNIDO business partnerships are effective in achieving results at the *output* level but that results reported at the *outcome and impact levels* are limited, either because they are rather modest in terms of size, because it is too early to tell or that they are simply not reported.¹³ A trial evaluation research in SAP for the Country Evaluation Pakistan found that only a small fraction of the projects shows information on Key Performance Indicators (KPIs).¹⁴

4.3.6 Performance indicators for reporting

Finding (23): While the MTPF performance indicators are not measurable and were not used for reporting, UNIDO established, in recent years, measurable Key Performance Indicators (KPIs) in SAP which would

¹² UNIDO. (2013). Independent thematic evaluation. UNIDO's Global forum function. p. x.

¹³ UNIDO. (2014). Independent thematic evaluation. UNIDO's Public private partnerships. p. 30 and 37.

¹⁴ Results from a trial evaluation research in SAP for the Country Evaluation Pakistan, Information based on data inquiries made on 24 June 2013. p.1.

potentially allow for aggregated results reporting. However, data on results is not collected and reported on systematically.

The programmatic results matrix of the MTPF (adjusted) includes 35 performance indicators, which should help measure progress in achieving expected outcomes and impact. As demonstrated above, the indicators were not used for reporting purposes partly because they are not measurable in the first place.

However, since 2010, other efforts were made to establish measurable performance indicators. For example, Key Performance Indicators (KPIs) for outcomes and outputs to be used in SAP were established in order to allow for aggregated results reporting. At the outcome level, 32 indicators were defined (see Table 2, chapter 4.2.3). Some branches have also started to define targets, like for example in UNIDO’s renewable energy strategy (Table 9).

Table 9: Good examples of indicators and targets - UNIDO renewable energy strategy

Indicators based on successful implementation of projects by the end of 2018	Target 2018
Number of people gaining access to energy	>135,000
New renewable energy capacity installed	~25 MW
Total renewable energy generated	>125 GWh/year
Million tons of CO ₂ -eq avoided	>3 million tons direct
Number of SMEs benefitting from projects	>600

Source: Renewable Energy Strategy. Energy and Climate Change Branch. UNIDO. 2013. p. 15.

The evaluation team found that data on project results entered into SAP had been patchy and did not allow for systematic, aggregated results reporting. This is supported by the finding of the recently conducted survey on UNIDO’s online dashboard and reports that are available to Member States and Donors in UNIDO’s SAP/ERP system. The majority of respondents (92%) requested additional information on results/impact of Technical Cooperation (TC) activities using key performance indicators (KPIs).¹⁵ It will take some times before this kind of reliable results information becomes available. The KPIs used in SAP are currently being modified. Furthermore, PTC is in the process of formulating indicators and targets that capture Inclusive and Sustainable Industrial

¹⁵UNIDO. (2014). Results of the UNIDO Member States SAP/ERP Dashboard and Reporting Satisfaction Survey 26 August 2014 by Business and Systems Support Unit (PSM/BSS).

Development (ISID) and taking into account the emerging Sustainable Development Goals (SDGs).¹⁶

4.3.7 UNIDO results reporting compared with other international organizations

Finding (24): Some other multilateral organizations report in succinct and systematic manners on progress in achieving strategic objectives at the corporate level and as set out in strategic planning instruments.

All multilateral organizations have introduced corporate reporting in order to meet accountability requirements vis-à-vis Member States and other stakeholders. For this evaluation, the team compared the UNIDO Annual Report – which is the main accountability report in terms of reporting on the implementation of the MTPF - with selected results and accountability reports of other multilateral organizations (Table 10).

Table 10: Results reporting of selected multilateral organizations

Multilateral organization	Title of report	Year	Key elements, page
African Development Bank (AfDB)	Annual Development Effectiveness Review 2014	2014	Summary performance scorecard 2013, p.4; also 28, 29
The Global Fund to fight AIDS, Tuberculosis and Malaria (The Global Fund)	Corporate Key Performance Indicators: End-Year Results for 2012	2013	Corporate Performance Dashboard, p. 1-3
The United Nations Population Fund (UNFPA)	Report of the Executive Director for 2013: Progress in Implementing the UNFPA Strategic Plan, 2008-2013 (DP/FPA/2014/5 (part I))	2014	Development Results / Management Results, Figure 2, p. 9, Figure 14, p. 26.
World Health Organization (WHO)	Programme budget 2012–2013: Performance Assessment, Summary report (A67/42)	2014	Progress rating by strategic objective, Table 1, p. 44

Source: Multilateral organizations' reports.

The evaluation team found that the four multilateral organisations, figuring in Table 9, provide *highly synthesized* and *systematic* overviews of progress made in achieving strategic objectives – at the highest corporate level and aligned to respective strategic plans. The organizations are either using scorecards (AfDB, Figure 6), dashboards (The Global Fund), pie charts (UNFPA) or tables (WHO). Ratings are provided (AfDB: good progress, moderate progress, progress stalled

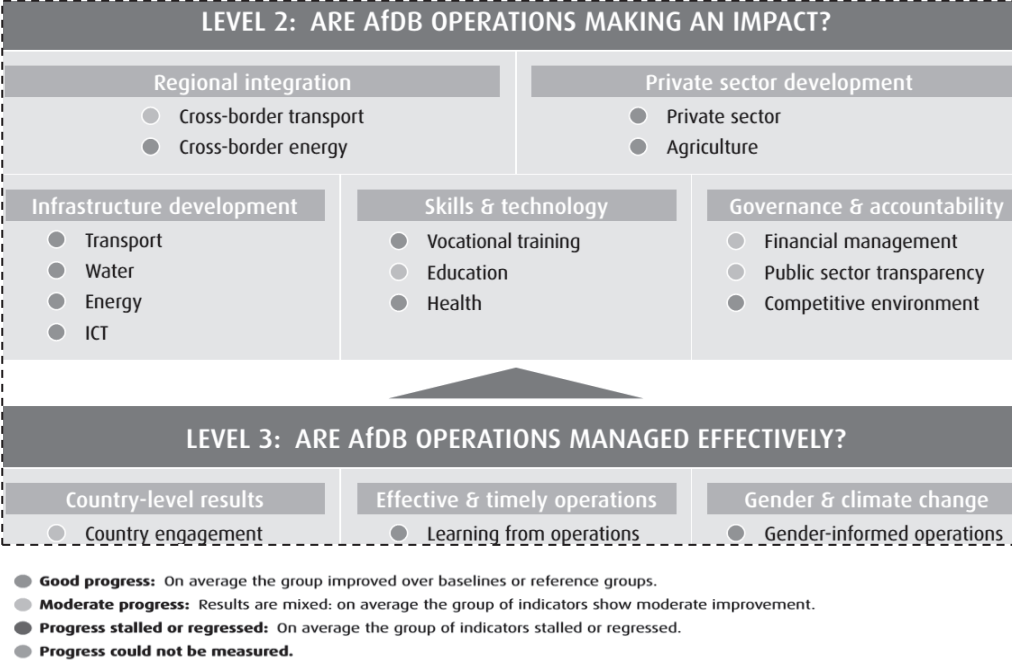
¹⁶ UNIDO. (2014). Inclusive and Sustainable Industrial Development in the post-2015 development agenda. (draft 6 March 2014).

or regressed) or progress is measured in terms of % of achievement (The Global Fund: 60-89% achievement = moderate performance). Ratings are presented using colour codes in order to increase easy readability. Some ratings at the highest level synthesize several indicators of lower levels, as can be illustrated by the example of the AfDB (Figure 7).

Ratings of key performance indicators (KPIs) are also used by MOPAN in its annual assessment of multilateral organizations.¹⁷ By and large, results reported in the four organizations mentioned above are grouped along two categories: development effectiveness and organisational effectiveness. These are also the categories applied by MOPAN.

Comparing these examples with the UNIDO Annual Reports, the evaluation team found that it is difficult to see to what extent UNIDO – overall – has progressed towards achieving MTPF expected outcomes and impact. UNIDO does not rate its progress towards achieving MTPF outcomes and impact and does not use the MTPF performance indicators.

Figure 6: Snapshot of the summary performance scorecard of the African Development Bank.



Source: Annual Development Effectiveness Review 2014, AfDB, 2014. p.4.

¹⁷MOPAN= Multilateral Organisation Performance Assessment Network (MOPAN), <http://www.mopanonline.org>.

Figure 7: Snapshot of AfDB’s indicator table (basis for summary performance scorecard).

Table 2: How AfDB contributes to Africa’s development (Level 2)

This table presents the contribution the Bank is making to development through its operations in Africa. The Bank’s performance is measure by comparing expected and actual achievements for all operations that have been completed.

- Bank operations achieved 95% or more of their targets;¹
- Bank operations achieved less than 60% of their targets;
- Bank operations achieved 60–94% of their targets;
- Data are not available to measure progress.

INDICATOR	2011–2013		2014–2016
	Expected	Delivered	Expected
INFRASTRUCTURE DEVELOPMENT			
● Transport - Roads constructed, rehabilitated or maintained (km)	9127	8192	90% 18 90
● Transport - Staff trained/recruited for road maintenance (number)	9280	9506	102% 24 73
● Transport - People educated in road safety, etc. (people)	536 987	544 996	101% 1 171 56
● Transport - People with improved access to transport (people)	27 612 000	26 484 000	96% 41 659 00
— of which women ²	..	13 149 000	.. 16 278 00

Source: Annual Development Effectiveness Review 2014, AfDB, 2014. p. 28.

4.3.8 Conclusions

Since 2010, UNIDO achieved many results in the three thematic priority areas of the MTPF. However, the results reporting on the MTPF is not satisfactory as the Organization does not report on results using the MTPF categories outcomes, impact or the performance indicators. It is thus not possible to say how effective UNIDO, as an Organization, has been in achieving the expected outcomes and impacts of the MTPF. Making the Annual Reports the reporting tool of the MTPF meant that reporting on the MTPF results matrix was lost.

The only MTPF category used for reporting is the category of the three thematic priorities: poverty reduction through productive activities, trade capacity-building and environment and energy. The other MTPF categories – outcomes, impact, performance indicators – are not used.

As the MTPF results categories were not used for reporting and data was not collected, the MTPF could not be used as a management and reporting tool by UNIDO. Thus the results based management principles that were promoted during the design stage have been absent during the implementation and reporting phases.

There are many reasons for this, one and probably the major one, being that UNIDO has not been able to generate aggregated results information at the outcome level and another the fact that project managers have not been made accountable to report on results. With the introduction of the SAP, the organization started to enter outcomes and using specific Key Performance Indicators (KPIs) at the design stage (when the project is uploaded in SAP) but this has not yet reached the stage when reliable results information is made

available and reported on. This should, however, be possible in a few years when the newly entered projects are coming to an end, results are assessed and assuming that project managers have collected information about outcomes and entered this information in the system.

The current revision of the KPIs, guided by the ISID-indicators and the emerging Sustainable Development Goals (SDGs), is timely and beneficial for the next MTPF and its performance indicators. The 35 performance indicators in the current (adjusted) MTPF results matrix are probably too many and the number of KPIs to be used at the corporate level needs to be reduced. Experience with results-based management in other organisations show that planning frameworks, at the corporate level, should not be too complex. A manageable number of performance indicators at the highest corporate level of 5 to 10 might be sufficient.

In order to be able to report on performance indicators, indicators must be measurable. Many of the KPIs defined in SAP meet this criterion. In addition, it is also crucial to establish baselines and targets at the outset of a new MTPF as these are preconditions for measuring progress.

Finally, comparing UNIDO's results reporting with that of other multilateral organizations one has to conclude that today UNIDO lags behind in providing a succinct, systematic corporate performance report to Member States. This is not to say that a narrative describing the Organizations activities in detail is not also required, as it is currently done in the Annual Reports. However, given today's expectations with regard to RBM, a more systematic, succinct results reporting using corporate performance indicators is needed. This could supplement the narrative part of the Annual Reports.

5. Overall conclusions

The 2010-13 MTPF document, with its results categories, was in line with good results-based management practices and made the organization accountable for results. This was innovative and a first important step towards a results-based organization. The MTPF formed the basis for the development of the subsequent Programmes and Budgets. As such, the MTPF provided direction to the Organization.

The MTPF did not go as far as to develop a coherent results framework/intervention logic for the Organization or its thematic pillars. Moreover, the Organization has not been in a position to collect and aggregate information on higher level results and never reported back on the extent to which expected MTPF results were in the process of being achieved or had been achieved. Member States never made the Organization accountable for this.

The 35 performance indicators in the current (adjusted) MTPF results matrix are too many and the Organization needs, at the corporate level, to only commit itself to a limited number of results and plan and allocate resources around these. Neither does the present type and number of indicators foster development results or a meaningful organizational level reporting. The current revision of the KPIs, guided by the ISID-indicators and the emerging Sustainable Development Goals (SDGs), is timely and beneficial for the next MTPF and for formulating its performance indicators.

Comparing UNIDO's results reporting with that of some other multilateral organizations, the conclusion is that UNIDO is lagging behind in providing a succinct, systematic corporate performance report. Given today's expectations with regard to RBM, a more results-oriented reporting system, using corporate performance indicators is needed.

Another issue has been the lack of predictable programmable funding and uncertainty in relation to funding. The MTPF was not backed up by an indicative resource framework linked to the results to be achieved. Over the MTPF implementation period, the availability of extra-budgetary funding has been the key determinant of what was implemented. Results were to some extent, defined by the objectives of donors. For example, due to the availability of funding, GEF and MP projects have developed into the largest programmatic areas of UNIDO but this was not foreseen nor planned for in the MTPF.

The MTPF thus became more of an overall visionary framework with a main purpose to inform and report to Member States on its areas of interventions than a planning, implementation and reporting tool. Over the years, new agendas appeared, in particular ISID and the Lima Declaration and even though the MTPF was prolonged until the end of 2015, these new agendas have not been reflected. The "Strategic Guidance Document" on UNIDO's future, together with

the Lima Declaration, have taken precedent as key guidance documents and the MTPF has lost its relevance.

The design of the next MTPF offers a good opportunity to further strengthen results based management, operationalize the ISID and the Lima Declaration and align the Organization to the forthcoming SDGs. The development of the next MTPF equally offers opportunities for dialogue within the Secretariat and with Member States. This dialogue could solicit ownership and commitment around strategic priorities and organizational outcomes.

The fact that the current MTPF is without an indicative resource framework is a weakness and undermines the credibility of the document and its usefulness as a planning and resource mobilization tool. Reliable funding commitments are in fact indispensable for any credible medium term planning. The message to Member States should be: with a given “envelope” UNIDO can achieve a set of agreed upon results but we need your support in doing this.

The ISID and the Lima Declaration are both examples of mind shifts which need to be followed up with action and with an increased focus on organizational outcomes and better monitoring and results-based planning and reporting. Today, UNIDO is in a better position than ever before to manage for development results.

At this critical stage, the development of next MTPF provides an opportunity for UNIDO to build a strong compact with Member States around a limited number of strategic objectives, for mutual accountability on implementing the Lima Declaration and ISID. There is potential for the next MTPF to make UNIDO more results-oriented, more accountable for development impact and - ultimately - more relevant.

6. Recommendations

6.1 Recommendations to UNIDO

MTPF design

1. The MTPF should serve as the main planning, implementation, reporting and accountability instrument of UNIDO. As such, the MTPF should constitute the UNIDO four-year strategy to implement the Lima Declaration and ISID.
2. The next MTPF should be formulated in close consultation with Member States and in the context of the post 2015 Development Agenda. It should also be formulated, in a consultative manner, involving all relevant UNIDO Branches.
3. The next MTPF should follow a theory based approach and present a clear and coherent intervention logic for UNIDO.

The number of corporate level indicators, figuring in the MPTF results matrix, should be reduced to between 5 and 10. Indicators should follow SMART principles and baselines and clear targets should be established.

4. The forthcoming SDGs, ISID and the Lima Declaration should be taken into consideration when formulating the MTPF objectives and related indicators. Assumptions and risks should be included in the programme framework.
5. An indicative resource framework based on the Regular Budget as well as expected extra-budgetary funding, for the respective programmatic areas, should be included.

MTPF implementation

6. The MTPF 2016 to 2019 should be complemented by a management action plan to guide its implementation. The MTPF should be communicated internally and with Member States and implemented throughout its life-time with revisions as appropriate.
7. The MTPF should serve as a strategic and programmatic platform to raise results-oriented funding to achieve strategic objectives and to foster commitment, including with external stakeholders, around organizational outcomes.

MTPF results and reporting

8. UNIDO should, in the Annual Reports,- report on achievement of expected MTPF results, using the stated indicators.

9. UNIDO should develop a succinct corporate performance overview, using visuals to allow for easy understanding (e.g. dashboard, scorecard, etc.).
10. Managers at various levels, including at the level of projects, should be asked to assess the contribution (or expected contribution) to higher level results (MTPF outcomes and impact), collect data and enter results information in SAP.
11. UNIDO should conduct an independent evaluation of the MTPF during the second half of the MTPF period with the objective to assess progress in achieving expected results. The results of the evaluation should feed into the development of the next MTPF.

6.2 Recommendation to Member States

Member States should adopt a MTPF that is realistic and be willing to commit the necessary budgetary resources and align requests for assistance to this framework.

Annex A: Terms of Reference



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

Strategic evaluation:

**The implementation of the expanded
UNIDO Medium-term Programme Framework 2010-2013**

Office of the Director General
Evaluation Group (ODG/EVA)

30 June 2014

Introduction and background

UNIDO is a UN specialized agency mandated to promote industrial development for poverty reduction, inclusive globalization and environmental sustainability. It provides policy advice, institutional capacity building and specialized technical support in three thematic priority areas, i.e. poverty reduction through productive activities, trade capacity building and environment and energy.

The specialized agencies of the UN were established as focal points for intergovernmental deliberations and negotiations on common international issues in their respective areas. Increasingly they came to be seen as “centres of excellence” initiating and organizing international research efforts and campaigns and providing technical assistance.

The strategic evaluation will respond to various demands from member states, expressed in decisions of the Industrial Development Board (IDB) and in the *Strategic Guidance Document of the Informal Working Group on UNIDO’s future* for consolidated information about the results of technical cooperation programmes. It has also been recommended that the next Medium Term Programme Framework (MTPF) will have an enhanced results focus, including at the impact level. By assessing the achievement of results in relation to the ongoing MTPF as well as its strength and weaknesses as an overall planning and reporting framework, UNIDO will have additional information and learning that can feed into the development of the MTPF 2016-2019. The evaluation is also responding to calls from external stakeholders, for the UN at large, for more strategic evaluations that feed into strategy- and policy-making.

Origin and purpose of the Medium Term Programme Framework

The Medium Term Programme Frameworks were initiated following a decision of the General Conference GC.2/INF.4, in 1987, requesting the Director General to submit to the Board in the first year of each fiscal period, through the Programme and Budget Committee, a draft medium-term plan for the six years that followed that current fiscal period. The draft medium term plan should be prepared, in accordance with the following principles:

The plan, as approved by the General Conference, should constitute the principle policy directive of UNIDO;

- (vi) The scope of the draft plan should include regular and operational budget activities;
- (vii) The draft plan should present the activities grouped in programmes and sub-programmes and it should derive from the functions defined in the Constitution and the legislative mandate of UNIDO and take into account the policy orientation determined by the policy-making organs;

- (viii) The draft plan should be prepared in co-ordination with relevant organizations in the United Nations system drawing, inter alia, on appropriate mechanisms such as system-wide medium-term plans and cross-organizational programme analyses;
- (ix) The draft plan submitted by the Director-General should:
 - f. State the objectives to be achieved in the plan period, the strategy to be followed and the measures to be taken to that effect;
 - g. Describe the programme content;
 - h. State the relative priorities assigned by the Director-General to the respective programmes and sub-programmes, taking into account the policy orientation determined by the policy-making organs.
 - i. Indicate a general ceiling for the following biennium based on anticipated financial and human resources and on programme activity;
 - j. The plan, as reviewed and approved by the General Conference should serve as a framework for the formulation by the Director-General of the biannual regular budget draft programme of work and related estimates and operational budget draft proposals and corresponding estimates.

UNIDO made its first medium term plan available, as a Note by the Director-General (IDB.3/4), to the third session of the IDB 1987. The Medium-Term Plan covered the period 1990 to 1995.

Subsequently, in General Conference decision GC.6/Dec.10 the General Conference decided to rename the “medium term plan” the “medium term programme framework” and to reduce its coverage to four years. The General Conference further decided, in light of IDB.14/Dec.27, that in the event the cash resources availability for the biennium 1996-1997 changed significantly resulting in a curtailment of assumptions contained in document IDB.14/29, to present a revised version of the medium term programme framework.

In a response to resolution 63/232 of the General Assembly, modifying the cycle of the comprehensive policy review from triennial to quadrennial, the IDB decided in IDB.38/Dec.9 to recommend to the General Conference that the MTPF 2010-13 remain in force until its expected expiry in 2013 but that it be adjusted through a mid-term review to be conducted in 2011 and submitted through the Programme and Budget Committee to the IDB.

Moreover, the General Conference in its decision GC.15/Dec.17 decided that, pending consideration of the application of provisions of General Assembly resolution 67/226 to specialized agencies, the medium-term programme framework 2010-2013 remain in force until the expiry of the forthcoming budget biennium, 2014-2015. This, in order to align the MTPF with the comprehensive policy review of operational activities for development, also referred to as the quadrennial comprehensive policy review (QCPR) of the United Nations. The

General Conference requested the Director General to submit from 2015 onwards, on a quadrennial basis, to the Board in the second year of the biennium, through the Programme and Budget Committee, a draft medium-term programme framework for four years, taking into account the 2013 Lima Declaration.

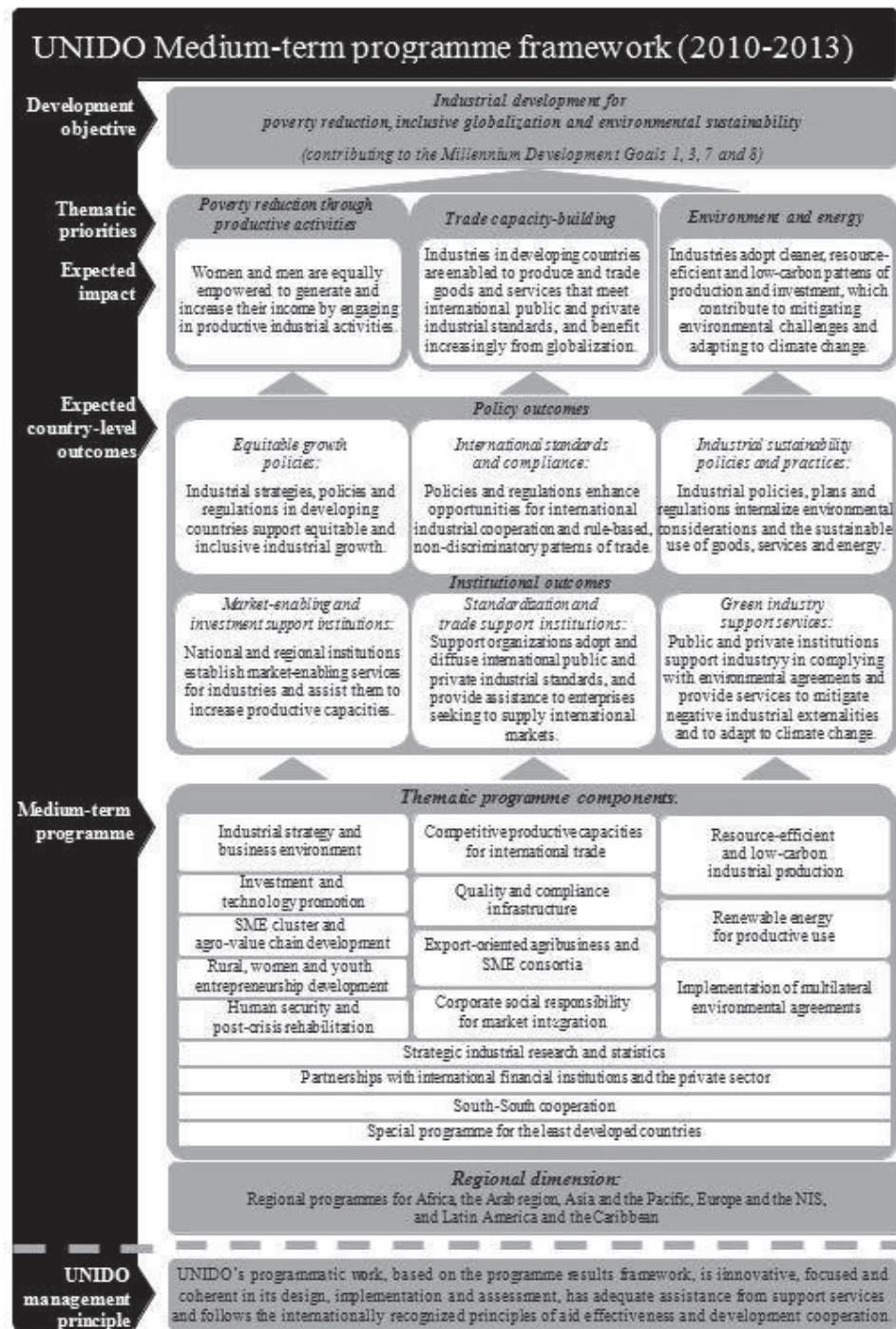
The medium-term programme framework 2010 to 2013

As mentioned above, the medium-term programme framework (MTPF) 2010-2013 – *Industrial development for poverty reduction, inclusive globalization and environmental sustainability* (IDB.35/8/Add.1) was made available to the Industrial Development Board (IDB) at its Thirty-fifth session, in December 2008. It was subsequently decided; see above, to extend the MTPF until the end of 2015.

The format of the MTPF 2010-2013 introduced a number of structural innovations aiming at enhancing the results orientation and strengthening the operational relevance for the biennial preparation of the programme and budgets. As such the MTPF contained an overarching development objective explicitly linking industrial development to the three thematic priorities “industrial development for poverty reduction, inclusive globalization and environmental sustainability”. Moreover, thematic programme components were reduced from 21 to 12 in order to have a more streamlined and synergetic programme.

Furthermore, the MTPF introduced a set of measurable policy and institutional outcomes, which were to be achieved at the regional and country levels. The introduction of these outcomes were intended to guide programme and project design, development and implementation towards the desired medium—term results. Complementing the new approach of formulating aggregate policy and institutional outcomes was the identification of relevant performance indicators. Together the outcomes and indicators were integrated into a consolidated UNIDO programmatic results matrix, see Annex A.

There was also a graphical representation, which is provided below:



6

Furthermore, the MTPF presents programmes for each of UNIDO's five regions. Finally, the programme management framework provides an overview of required

support functions and introduces the business process re-engineering initiative (BPR) and further measures to reinforce the decentralization process and the substantive role of field offices.

Finally, a number of programmatic enhancements, including cross-cutting ones, were envisaged in the following areas; south-south cooperation, youth employment, women in industrial development and economic empowerment of women, cleaner production and resource-efficient and low-carbon industries, energy access and energy for the poor, partnerships with international financial institutions and strengthening industrial capacities through industrial skills upgrading and industrial human resource development. There was also emphasis on strategic partnerships, including with the UN.

The MTPF was developed based on certain assumptions, for instance that the membership number and structure and the size of the Regular Budget (RB) would be intact and technical cooperation (TC) implementation would be increasing. These assumptions did not always prove right.

The midterm review of the medium-term programme framework 2010-2013

The midterm review report (IDB.39/8*-PBC.278*) was submitted to the Industrial Development Board at its thirty-ninth session, in 2011. It was intended to lead to required adjustments, in line with the decision of the IDB (IDB.38/Dec.9). The document takes into account the General Conference resolution GC.13/Res.3, recognizing the importance of the MTPF as a flexible tool for implementing UNIDO mandates and inviting UNIDO to report on the implementation of the MTPF in the Annual Report.

In the introduction to the mid-term review report it is stated that it puts in place adjustments in order to better contribute to internally-agreed development goals and individual country needs. It is also stated that the report does not replace the MTPF but is complementary to it. Mentioning is also made of the Programme for Change and Organizational Renewal (PCOR) and that the capacity of UNIDO to capture outcome indicators will be enhanced.

The midterm review report encompasses 19 pages. One major part is the “key developments in the situation and trend analysis” and includes an analysis of the effects of the global financial and economic crisis. It is stated that the document readjusts the thematic programme components of the MTPF 2010 to 2013, particularly within the themes of poverty reduction and Trade Capacity Building (TCB), to streamline the Organization’s approach to these issues and thereby strengthen the UNIDO response. There is also a sub-chapter covering efficiency and effectiveness issues and the management objectives of “Growth with quality” and “Delivering as One” are brought into the MTPF. Moreover, there is reconfirmation of UNIDO’s commitment to UN coherence and of national ownership of the development process.

In addition, there is a part covering trends in environmental degradation and energy for development and the document places increasing emphasis on UNIDO's programmes on capacity building for the implementation of multilateral environmental agreements and on clean energy for productive use. Mentioning is made of the six policy and institutional outcomes introduced in the MTPF and that this will allow for results reporting in the future.

The framework was adjusted. Major adjustments entailed; the incorporation of the mission statement (encapsulating the organization's development and management objectives). The logical flow of the adjusted MTPF is oriented toward the achievement of the development objective. The latter describes the UNIDO role in contributing to the MDGs and other internationally-agreed development goals and is described as the ultimate objective of the UNIDO results framework and related results reporting.

The management objectives address, inter alia, growing and improving UNIDO services, measuring results, managing efficiently, serving stakeholders and promoting a culture of cooperation and achievement, summarized as "Growth with quality" and "Delivering as One UNIDO".

There were also thematic programmatic enhancements. As an example, certain adjustments were made to the framework in order to address key developments and, moreover, four cross-cutting issues are incorporated; south-south cooperation, support to least developed countries (LDCs), gender equality and the empowerment of women and environmental sustainability. The first two are self-standing programme components while the last two are mainstreamed. The revised Framework is provided as Annex B.

The logical concept of the framework remains intact, with three thematic priorities and a number of expected country-level outcomes, leading to an expected thematic impact and, ultimately, the achievement of the development objective.

Mentioning is also made to the continuity of individual regional programmes and that information on the specific tailoring of the components to regions will be provided in the programme and budgets 2012-13.

Furthermore, the review document mentions that the adjusted MTPF aims to further strengthen field capacity by supporting a higher degree of decentralization to the field. In addition, it is said that activities in strategic research and outreach will be strengthened in the programme and budget 2012-2013, to enhance the contribution of the organization in providing tailored analysis and policy advisory services. Finally, a gender focus is to be applied to all programmatic and managerial aspects and to be incorporated into the performance indicators of the programme and budgets 2012-2013. Environmental sustainability is also to be taken into account.

There were two addendums to the main report. Add.1 covers Industrial Policy and mainly outlines research conducted or publications issued as well as future plans.

The energy and environment addendum (Add.2) provides information on activities implemented, conferences hosted, publications issued and funds mobilized. There is also information on future projects and plans.

Evaluation purpose, objectives and scope

The evaluation of the MTPF was included in the ODG/EVA Work Programme for 2014. The purposes of the evaluation are;

- To generate information of the results and functions of the MTPF and its suitability as a tool for planning, strategy formulation and reporting
- To support UNIDO in its reporting towards its governing bodies
- To provide learning for the development of the next MTPF

The primary objectives of the thematic evaluation are to;

- Assess the performance of UNIDO in implementing the MTPF and achieving stated results
- Assess the utility of the MTPF as a strategy, planning and implementation tool
- Provide information about best practices and challenges in implementing the MTPF and, if relevant, actionable recommendations on how to strengthen the planning process.

The evaluation will cover the MTPF 2010-2013 (extended to the end of 2015). The scope of the MTPF means that the scope of the evaluation will be equally broad. The focus of the thematic evaluation will be twofold 1) assessment of development results and 2) assessment of the MTPF as a management tool.

1) Assessment of development results

This part will follow the structure and content of the MTPF. Specific attention will be given to the achievement of Millennium Development Goals and other results-based targets included in the MTPF and related to the three thematic priorities of UNIDO at the formulation of the MTPF; poverty reduction through productive activities, trade-capacity building and environment and energy. Specific attention will be given to what extent new programme initiatives were launched, keeping in mind that the MTPF was designed as a flexible tool and be able to respond to changes in the Organization's operating environment and the development needs of Member States. An assessment of crosscutting issues mentioned above will equally be conducted.

2) Assessment of the MTPF as a management tool.

This part will assess to what extent the MTPF has been used and useful as a planning, implementing and monitoring tool and been attuned to the needs of the organization. Has the MTPF been adhered to, have identified priorities been acted upon, have the MTPF supported management and decision-making, did it enable UNIDO to become more results-based and did it contribute to robust and coherent programme and budgets, planning, monitoring and reporting?

The evaluation will build on the mid-term review report, Annual Reports and thematic evaluations, such as UNIDO's Contribution to MDG's, the Global Forum Function and Field Office Performance.

Evaluation criteria

The evaluation will use 4 of the main evaluation criteria; relevance, efficiency, effectiveness and impact.

Relevance will be assessed in relation to needs and priorities of member countries, in the wider context of addressing "global bads" as well as strategic direction provided by UNIDO governing bodies and policy statement coming out of UNIDO and UN international conferences and meetings and UNIDO mission statements.

Efficiency will assess the extent to which the organization has been in a good position to implement the MTPF and whereas the resources at its disposal have been put to good use.

Effectiveness will assess the achievement of MPTF results at various levels and of different components.

Impact will assess the achievement of the development objective, stated as *Industrial development for poverty reduction, inclusive globalization and environmental sustainability*. The mentioning of contributions to Millennium Development Goals (MDGs) 1, 3, 7 and 9 was equally made in the programme framework. In relation to the MDGs, the evaluation will refer to the Thematic Evaluation of UNIDO's contributions to MDGs.

Key evaluation questions

Key evaluation questions will include

1) Assessment of development results

- How has UNIDO performed in relation to results provided in the MTPF results framework and matrix?
- To what extent were the 6 policy and institutional outcomes achieved? At the regional and country level?

- To which extent did UNIDO contribute to the achievement of these outcomes?
- How effective has UNIDO been in achieving results specified in the results matrix?
- How has UNIDO performed in relation to the MDGs?
- How efficiently has UNIDO used its resources to contribute to the achievement of these results?

2) *Assessment of the MTPF as a planning and management tool*

- Did the MTPF reflect priorities of member states and address key development challenges?
- Did the MTPF align to UNIDO mission statements?
- Was the MTPF realistic, keeping in mind the resources at the disposal of UNIDO and capacities of member states?
- Was it formulated using a consultative and participatory approach?
- Were the strategic intents implemented?
- Did the reporting to the IDB follow the structure of the MTPF?
- To what extent did the MTPF guide the development of the P&Bs?
- How are the MTPF and P&B linked up?
- To what extent did the matrix and related framework encompass a coherent intervention logic?
- To what extent were results indicator developed and were appropriate to measure achievement of results?
- To what extent did internal budget allocations and extra budgetary funding follow MTPF priorities?
- To what extent did the intended flexibility materialize?
- To what extent did the MTPF guide management and enable consistent and synergetic delivery?
- To what extent has the MTPF been adequately reported upon in the midterm review report and in Annual Reports?
- To what extent were changes and provisions mentioned in the mid-term review report implemented?
- To what extent approved UNIDO projects and programmes were aligned to the MTPF?

Evaluation methodology and approach

The evaluation will follow a participatory process and include broad consultation with internal and external stakeholders; including members of the Executive Board, of the Industrial Development Board and Programme and Budget Committee and staff at Headquarters and in the field. Interviews will be conducted with UNIDO staff at HQ and consultants, involved in the preparation

and reporting on the MTPF, Directors of Technical Branches and representatives of Permanent Missions. Preliminary findings will be presented to and discussed with UNIDO management.

Relevant existing evaluations will feed into this thematic evaluation; for instance the thematic evaluations on UNIDO Private Public Partnerships, of its contribution to MDGs, on its Global Forum function, Field Office Performance and its evaluation of the 3ADI. Moreover, UNIDOs reporting to the IDB, including Annual Reports, will be reviewed. There will also be an analysis of the process of developing the Programme and Budget.

Documents to be reviewed include reports to the IDB, UNIDO Annual Reports and policy and strategy papers for the strategic priority areas,

An assessment matrix linking the evaluation criteria and question to data collection methods and sources of information will be developed during the inception phase. There will be triangulation of methods in order to validate results and ensure robust findings.

Evaluation team composition

The evaluation requires in-depth knowledge of evaluation, UNIDO and strategic planning. The evaluation team will be led by the Director of the Evaluation Group and incorporate two high level external evaluators with experience of strategic planning and knowledge of UNIDO. There should be an adequate balance of women and men. Job Descriptions for individual team members figure in Annex C.

Time schedule and deliveries/outputs

The evaluation is expected to be conducted between June and October 2014. The final evaluation report should be issued in December 2014, at the latest. Evaluation outputs include inception report, interview guidelines, assessment framework, a draft report and a final report. The draft report will be circulated to key stakeholders for factual validation and comments. Comments will be taken into consideration when preparing the final version of the report. The evaluation report will be written in English.

The UNIDO Evaluation Group will manage the evaluation and be responsible for the quality control of the evaluation process and of the report. A peer review mechanism will be in place and the quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality, attached as Annex D.

Reporting

A draft report will be available at the end of October 2014 and circulated for comments and factual validation. The final report is expected to be available in November 2014 and will be presented to UNIDO Management and representatives of Permanent Missions.

Challenge and limitations

There might be an absence of monitoring and reporting data on many of the results and indicators. Another challenge is the fact that some managers who were instrumental to the development of the MTPF 2010-2013 have left the organization.

BIBLIOGRAPHY

- UN. (2009). *Resolution adopted by the General Assembly on 19 December 2008 [on the report of the Second Committee (A/63/419)]. 63/232. Operational activities for development (A/RES/63/232).*
- UN. (2013). *Resolution adopted by the General Assembly on 21 December 2012 [on the report of the Second Committee (A/67/442/Add.1)]. 67/226. Quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/67/226).*
- UNIDO. (1979). *Constitution of the United Nations Industrial Development Organization. Vienna, 8 April 1979.*
- UNIDO. (1987). *General Conference, second regular session. Decisions and resolutions of the General Conference (GC.2/INF.4).*
- UNIDO. (1987). *Medium-term plan 1990-1995. Note by the Director-General (IDB.3/4).*
- UNIDO. (1995). *Report of the Industrial Development Board on the work of its fourteenth session. Addendum. Resumed fourteenth session of 31 October 1995 (GC.6/4/Add.1).*
- UNIDO. (1995). *Report of the Programme and Budget Committee: Programme and budgets, 1996-1997; Financial situation of UNIDO. Preliminary expenditure plans (IDB.14/29).*
- UNIDO. (1996). *General Conference, sixth regular session. Decisions and resolutions of the General Conference (GC.6/INF.4).*
- UNIDO. (2008). *Industrial development for poverty reduction, inclusive globalization and environmental sustainability. Medium-term programme framework, 2010-2013. Comprehensive proposal by the Director-General. Addendum (IDB.35/8/Add.1).*
- UNIDO. (2009). *General Conference, thirteenth regular session. Decisions and resolutions of the General Conference (GC.13/INF.4).*
- UNIDO. (2010). *Report of the Industrial Development Board on the work of its thirty-eighth session (24-26 November 2010). (GC.14/3).*
- UNIDO. (2011). *Annual Report 2010. (IDB.39/2-PBC.27/2).*
- UNIDO. (2012). *Annual Report 2011. (IDB.40/2-PBC.28/2).*
- UNIDO. (2013). *Annual Report 2012. (IDB.41/2-PBC.29/2).*

- UNIDO. (2011). *Midterm review of the medium-term programme framework, 2010-2013. Report by the Director-General (IDB.39/8*-PBC.27/8*)*.
- UNIDO. (2012). *Independent thematic evaluation. UNIDO's contribution to the Millennium Development Goals*.
- UNIDO. (2013). *General Conference, fifteenth regular session. Decisions and resolutions, including the Lima Declaration of the General Conference (GC.15/INF.4)*.
- UNIDO. (2013). *Independent thematic evaluation. UNIDO Field office performance*.
- UNIDO. (2013). *Independent thematic evaluation. UNIDO's Global forum function*.
- UNIDO. (2013). *Informal working group on the future, including programmes and resources, of UNIDO. Final report of the Co-Chairs (H.E. Ms. A. T. Dengo Benavides, Costa Rica, and Mr. A. Groff, Switzerland) (IDB.41/24)*.
- UNIDO. (2014). *Independent thematic evaluation. UNIDO's Public private partnerships*.
- UNIDO. (2014). *ODG/EVA Work programme and provisional budget for 2014/2015*.
- UNIDO. (2014). *Independent evaluation. Africa (accelerated) agri-business and agro-industries development initiative (3ADI)*
- UNIDO. (2013). *Proposal by the Director General regarding the medium-term programme framework (IDB.41/8-PBC.29/8)*.

Annex A of Terms of References

Programmatic results matrix (2010-2013)

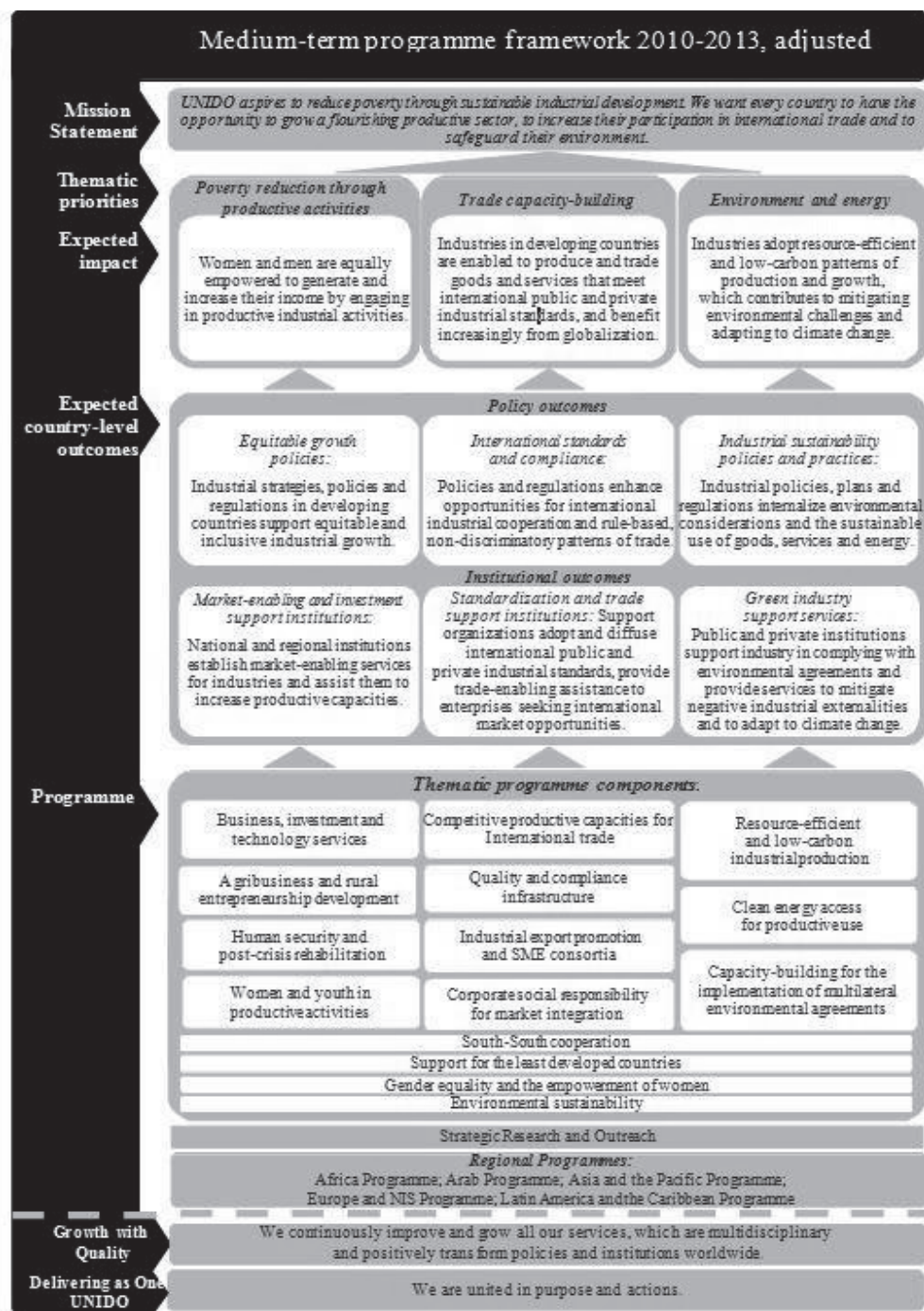
INDUSTRIAL DEVELOPMENT FOR POVERTY REDUCTION, INCLUSIVE GLOBALIZATION AND ENVIRONMENTAL SUSTAINABILITY	
<p>1. Poverty reduction through productive activities</p> <p>Expected impact: Women and men are equally empowered to generate and increase their income by engaging in productive industrial activities.</p>	<p>Performance indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Increased job opportunities, in particular for poor target groups <input type="checkbox"/> Increased and equitable levels of income from productive activities <input type="checkbox"/> More decent working conditions
<p>Outcome 1.1: Equitable growth policies</p> <p>Industrial strategies, policies and regulations support equitable and inclusive industrial growth.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Industrial policies set quantified poverty reduction objectives <input type="checkbox"/> Inclusiveness and reduced inequality are policy priorities <input type="checkbox"/> Industrial statistics monitor the impact of industrial policies on poverty

INDUSTRIAL DEVELOPMENT FOR POVERTY REDUCTION, INCLUSIVE GLOBALIZATION AND ENVIRONMENTAL SUSTAINABILITY	
<p>Outcome 1.2: Market enabling and investment support institutions National and regional organizations establish market-enabling services for industries and assist them to increase productive capacities.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Support organizations serve increased numbers and types of enterprises <input type="checkbox"/> New and better support services become available <input type="checkbox"/> Enterprises are satisfied with quality of services
<p>2. Trade capacity-building</p> <p>Expected impact: Industries are enabled to produce and trade goods and services that meet international public and private industrial standards, and benefit increasingly from globalization.</p>	<p>Performance indicators:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Increased exports, in particular from poverty relevant sectors <input type="checkbox"/> Reduced rejection rates of exported products <input type="checkbox"/> New products brought to the global market

INDUSTRIAL DEVELOPMENT FOR POVERTY REDUCTION, INCLUSIVE GLOBALIZATION AND ENVIRONMENTAL SUSTAINABILITY	
<p>Outcome 2.1: International standards and compliance</p> <p>Policies and regulations enhance opportunities for international industrial cooperation and rule-based, non-discriminatory patterns of trade.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Trade policies give priority to industrial development <input type="checkbox"/> Effective policy dialogue between public and private sector <input type="checkbox"/> Harmonized framework of trade-related institutions <input type="checkbox"/> Enterprises are effectively protected from sub-standard imports
<p>Outcome 2.2: Standardization and trade support institutions</p> <p>Support organizations adopt and diffuse international public and private industrial standards, provide trade-enabling assistance to enterprises seeking to supply international market opportunities.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> National and international standards are aligned and relevant to enterprises <input type="checkbox"/> Support organizations serve increased numbers and types of enterprises <input type="checkbox"/> Enterprises have access to necessary trade-related services <input type="checkbox"/> Enterprises are satisfied with quality of services
<p>3. Environment and energy:</p>	<p>Performance indicators:</p>

INDUSTRIAL DEVELOPMENT FOR POVERTY REDUCTION, INCLUSIVE GLOBALIZATION AND ENVIRONMENTAL SUSTAINABILITY	
<p>Expected impact: Industries adopt resource-efficient and low-carbon patterns of production and growth, which contributes to mitigating environmental challenges and adapting to climate change, while improving productivity.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Reduced industrial pollution <input type="checkbox"/> Better use of natural resources <input type="checkbox"/> Increased use of renewable energies
<p>Outcome 3.1: Industrial sustainability policies and practices: Industrial policies, plans and regulations internalize environmental considerations and the sustainable use of goods, services and energy.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Industrial policies define verifiable environmental objectives <input type="checkbox"/> Policies and regulations provide incentives for sustainability <input type="checkbox"/> Energy policies give priority to productive energy use

Annex B of Terms of Reference



Annex C of Terms of Reference

Job description

Strategic evaluation:

The implementation of the expanded

UNIDO Medium-term Programme Framework 2010-2013

(SAP ID 140149)

Post title: Principal International Evaluation Consultant

Duration: One work month (30 June to 29 October 2014)

Date required: 30 June 2014

Duty station: Home-based and UNIDO HQ, Vienna

Duties of the consultant: The Principal International Evaluation Consultant will in collaboration in with two other evaluation team members conduct the Strategic evaluation on the implementation of the expanded UNIDO Medium-term Programme Framework 2010-2013. The carry out the tasks and answer the evaluation questions outlined in the ToR. More specifically the consultant will carry out the duties as per the table below:

Duties	Duration (work days)	Deliverables
Desk review: study of MTPF-related documents and other documents referred to in the Bibliography of the ToR	10 days	List of issues to be clarified in line with evaluation questions; elements for inception report, including interview guidelines.
HQ interviews: conduct interviews with relevant staff at UNIDO HQ and with members of Permanent Missions. In particular the consultant will collect and analyse information on the processes relating to the formulation and implementation of the MTPF and the expected and actual results. Presentation of preliminary findings at	5 days	Information collected and analyzed, in line with the evaluation questions developed in the ToR and the Evaluation Matrix developed during the inception phase, and analyzed for evaluation report. Power Point presentation with

Duties	Duration (work days)	Deliverables
UNIDO HQ		preliminary findings.
Drafting of evaluation report and incorporation of comments received	6 days	Chapters and subchapters of evaluation report, including conclusions, recommendations and lessons learned.

Qualifications:

Advanced university degree in a field related to development cooperation, economics or business administration
 Extensive knowledge and experience of higher level programmatic evaluations
 Extensive knowledge of UNIDO
 Experience of high level strategic planning, including in multilateral organizations
 Excellent analytical and drafting skills

Languages: English

Impartiality: According to UNIDO rules, the consultant must not have been involved in the preparation, implementation or supervision of the MTPF or related programmes and projects.

Job description**Strategic evaluation:****The implementation of the expanded
UNIDO Medium-term Programme Framework 2010-2013**

(SAP ID 140149)

Post title: Senior International Evaluation Consultant**Duration:** One work month (30 June to 29 October 2014)**Date required:** 30 June 2014**Duty station:** Home-based and UNIDO HQ, Vienna

Duties of the consultant: The Senior International Evaluation Consultant will in collaboration in with two other evaluation team members conduct the Strategic evaluation on the implementation of the expanded UNIDO Medium-term Programme Framework 2010-2013 and carry out the duties as per the table below:

Duties	Duration (work days)	Deliverables
Desk review: study of MTPF-related documents and other documents referred to in the Bibliography of the ToR	5 days	List of issues to be clarified in line with evaluation questions; elements for inception report. Draft background chapter
Inception report: prepare an inception report based on the desk review and including an evaluation matrix	1 day	Inception report (in the format of the UNIDO Evaluation Group)
HQ interviews: conduct interviews with relevant staff at UNIDO HQ and with members of Permanent Missions. Presentation of preliminary findings at UNIDO HQ	5 days	Information collected and analyzed for evaluation report
Drafting of evaluation report (in	10 days	Report chapters and sub-

Duties	Duration (work days)	Deliverables
English) and incorporation of comments received		chapters including conclusions, recommendations and lessons learned. Preparation of Executive Summary

Qualifications:

- Advanced university degree in a field related to development cooperation, economics or business administration;
- Extensive knowledge and experience in the field of evaluation of technical cooperation;
- Extensive knowledge of UNIDO;
- Good understanding of strategy development and analysis;
- Excellent analytical and drafting skills.

Languages: French and English

Impartiality: According to UNIDO rules, the consultant must not have been involved in the preparation, implementation or supervision of the MTPF or related programmes and projects.

Annex D of the Terms of Reference

Checklist on evaluation report quality

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

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
<p>their roles are described.</p> <p>The report identifies the implementation status of the object, including its phase of implementation and any significant changes (e.g. plans, strategies, logical frameworks) that have occurred over time and explains the implications of those changes for the evaluation.</p>		
Findings and conclusions		
<p>The report is consistent and the evidence is complete (covering all aspects defined in the TOR) and convincing.</p> <p>The report presents an assessment of relevant outcomes and achievement of project objectives.</p> <p>The report presents an assessment of relevant external factors (assumptions, risks, impact drivers) and how they influenced the evaluation object and the achievement of results.</p> <p>The report presents a sound assessment of sustainability of outcomes or it explains why this is not (yet) possible.</p> <p>The report analyses the budget and actual project costs.</p> <p>Findings respond directly to the evaluation criteria and questions detailed in the scope and objectives section of the report and are based on evidence derived from data collection and analysis methods described in the methodology section of the report.</p> <p>Reasons for accomplishments and failures, especially continuing constraints, are identified as much as possible.</p> <p>Conclusions are well substantiated by the evidence presented and are logically connected to evaluation findings.</p> <p>Relevant cross-cutting issues, such as gender,</p>		

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
human rights, environment are appropriately covered.		
Recommendations and lessons learned		
<p>The lessons and recommendations are based on the findings and conclusions presented in the report.</p> <p>The recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?').</p> <p>Recommendations are implementable and take resource implications into account.</p> <p>Lessons are readily applicable in other contexts and suggest prescriptive action.</p>		

Rating system for quality of evaluation reports

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

Annex B: Evaluation Framework

Evaluation criteria	Key evaluation questions and sub-questions	Sources of Information	Data Collection /Analysis Methods
Effectiveness/ Impact	1) How has UNIDO performed with regard to expected results in the MTPF including the programmatic results matrix?	--	--
Effectiveness	a) To what extent is information on development results available?	Annual reports, Midterm review of MTPF, SAP,	Content analysis
Effectiveness	b) How does UNIDO aggregate development results at the corporate level?	Annual reports, Midterm review of MTPF, SAP,	
Effectiveness	c) To what extent were the 6 policy and institutional outcomes achieved? At the regional and country level?	Annual reports, Midterm review of MTPF, SAP, UNIDO Branch Directors	Content analysis Interviews
Effectiveness	d) To which extent did UNIDO contribute to the achievement of these outcomes?	Annual reports, Midterm review of MTPF, SAP, Branch level monitoring and reporting systems UNIDO Branch Directors	Content analysis Interviews
Impact	e) How has UNIDO performed in relation to the expected impact and the MDGs?	Annual reports, Midterm review of MTPF, evaluation reports UNIDO Branch Directors	Content analysis Interviews
Efficiency	f) How efficiently has UNIDO used its resources to contribute to the achievement of these results? Has there been results-based budgeting?	Branch Directors and other UNIDO managers	Content analysis Interviews
Relevance/ Efficiency	2) How useful is the MTPF as a strategic management instrument for UNIDO and Member States in terms of planning, implementation, monitoring and reporting tool?	--	--
Relevance	a) Did the MTPF reflect priorities of member states and	Member State representative	Interviews

Evaluation criteria	Key evaluation questions and sub-questions	Sources of Information	Data Collection /Analysis /Methods
	address key development challenges?	Documents /Statements of Governing Bodies UN/MDG documents UNIDO Management	Comparative analysis Interviews
Relevance	b) Did the MTPF align to UNIDO mission statements?	MTPF , UNIDO mission statement	Comparative analysis
Relevance/ Efficiency	c) Was the MTPF realistic, keeping in mind the resources at the disposal of UNIDO and capacities of member states?	MTPF, P&Bs UNIDO Management	Comparative analysis Interviews
Relevance	d) Was it formulated using a consultative and participatory approach?	Member State representative UNIDO Managers and Branch Directors	Interviews
Efficiency	e) Were the strategic intents implemented?	Annual reports, Midterm review of MTPF UNIDO Managers	Content analysis Interviews
Efficiency	f) Did the reporting to the IDB follow the structure of the MTPF?	Annual reports, MTPF, Midterm review of MTPF UNIDO Branch Directors	Comparative analysis Interviews
Efficiency	g) How useful is the reporting on progress in achieving the objectives of the MTPF for UNIDO Management, Branch Directors and Member States in terms of providing key information for decision- making?	Member State representative UNIDO Managers UNIDO Annual reports Annual reports of other IOs	Interviews Comparative analysis
Relevance/ Efficiency	h) To what extent did the MTPF guide the development of the P&Bs?	MTPF, P&Bs UNIDO Branch Directors, Director of Strategic Planning, Director of Finance	Comparative analysis Interviews
Relevance/	i) How are the MTPF and P&B linked up?	MTPF, P&Bs	Comparative

Annex B: Evaluation Framework

Evaluation criteria	Key evaluation questions and sub-questions	Sources of Information	Data Collection /Analysis Methods
Efficiency		UNIDO Managers	analysis Interviews
Relevance	j) To what extent did the matrix and related framework encompass a coherent intervention logic?	MTPF Staff of Strategic Planning Office	Content analysis Interviews
Efficiency	k) To what extent were results indicator (including baselines and targets) developed and were appropriate to measure achievement of results?	MTPF UNIDO Branch Directors Staff of Strategic Planning Office	Content analysis Interviews
Efficiency	l) To what extent did internal budget allocations and extra budgetary funding follow MTPF priorities?	MTPF, P&B, Strategies of Technical Branches UNIDO Managers	Content analysis Interviews
Efficiency	m) To what extent did the intended flexibility materialize?	P&B, Midterm review of MTPF UNIDO Managers	Content analysis Interviews
Efficiency	n) To what extent did the MTPF guide management and enable consistent and synergetic delivery?	UNIDO Managers Annual Reports, Midterm review of MTPF	Interview Content analysis
Efficiency	o) To what extent has the MTPF been adequately reported upon in the midterm review report and in Annual Reports?	Annual reports, Midterm review of MTPF, Member State representative UNIDO Managers	Content analysis Interviews
Efficiency	p) To what extent were changes and provisions mentioned in the mid-term review report implemented?	Midterm review of MTPF, P&B, Annual Reports UNIDO Managers	Comparative analysis Interview

Annex C: Evaluation Work Plan

Tasks	Schedule	Evaluation Team		
		Responsibilities in work days		
		Director Office for Independent Evaluation	Principal International Evaluation Consultant	Senior International Evaluation Consultant
Initial desk review	July 2014	3	3	3
Inception report, interview guidelines	July 2014	1	1	1
Interviews at HQ, Vienna (incl. travel)	July and September 2014	4	4	4
Analysis of documents	July-September 2014	3	3	3
Overall analysis Drafting of evaluation report	August- September 2014	5	5	5
Validation: additional interviews and presentation of preliminary findings at UNIDO HQ (incl. travel)	September 2014	3	3	3
Review feedback and finalisation of evaluation report	October 2014	2	2	2
Total number of work days		21	21	21

Annex D: MTPF Programmatic results matrix (2010-2013)

INDUSTRIAL DEVELOPMENT FOR POVERTY REDUCTION, INCLUSIVE GLOBALIZATION AND ENVIRONMENTAL SUSTAINABILITY	
<p>1. Poverty reduction through productive activities</p> <p>Expected impact: <i>Women and men are equally empowered to generate and increase the income by engaging in productive industrial activities.</i></p> <p>Outcome 1.1: Equitable growth policies Industrial strategies policies and regulations support equitable and inclusive industrial growth.</p> <p>Outcome 1.2: Market enabling and investment support institutions National and regional organizations establish market-enabling services for industries and assist them to increase productive capacities.</p> <p>2. Trade capacity-building</p> <p>Expected impact: <i>Industries are enabled to produce and trade goods and services that meet international public and private industrial standards, and benefit increasingly from globalization.</i></p>	<p>Performance indicators:</p> <ul style="list-style-type: none"> • Increased job opportunities, in particular for poor target groups • Increased and equitable levels of income from productive activities • More decent working conditions • Industrial policies set quantified poverty reduction objectives • Inclusiveness and reduced inequality are policy priorities • Industrial statistics monitor the impact of industrial and types of enterprises • Support organizations serve increased numbers • New and better support services become available • Enterprises are satisfied with quality of services <p>Performance indicators:</p> <ul style="list-style-type: none"> • Increased exports, in particular from poverty relevant sectors • Reduced rejection rates of exported products • New products brought to the global market

<p>Outcome2.1: International standards and compliance Policies and regulations enhance opportunities for international industrial cooperation and rule-based, non-discriminatory patterns of trade.</p>	<ul style="list-style-type: none"> • Trade policies give priority to industrial development • Effective policy dialogue between public and private sector • Harmonized framework of trade-related institutions
<p>Outcome2.2: Standardization and trade support institutions Support organizations adopt and diffuse international public and private industrial standards, provide trade-enabling assistance to enterprises seeking to supply international market opportunities</p>	<ul style="list-style-type: none"> • National and international standards are aligned and relevant to enterprises • Support organizations serve increased numbers and types of enterprises • Enterprises have access to necessary trade-related services
<p>3. Environment and energy:</p>	<p>Performance indicators:</p>
<p>Expected impact: <i>Industries adopt resource-efficient and low-carbon patterns of production and growth, which contributes to mitigating environmental challenges and adapting to climate change while improving productivity.</i></p>	<ul style="list-style-type: none"> • Reduced industrial pollution • Better use of natural resources • Increased use of renewable energies
<p>Outcome3.1: Industrial sustainability policies and practices Industrial policies, plans and regulations internalize environmental considerations and the sustainable use of goods, services and energy.</p>	<ul style="list-style-type: none"> • Industrial policies define verifiable environmental objectives • Policies and regulations provide incentives for sustainability • Energy policies give priority to productive energy use
<p>Outcome3.2: Green industry support services Public and private institutions support industry in complying with environmental agreements and provide services to mitigate negative industrial externalities and to adapt to climate change</p>	<ul style="list-style-type: none"> • Support organizations serve increased numbers and types of enterprises • Environmental and other enterprise support services delivered in integrated manner • Private service providers emerge and develop • Enterprises have access to renewable energy

Annex E: List of documents reviewed

UN

- UN. Resolution adopted by the General Assembly on 19 December 2008 [on the report of the Second Committee (A/63/419)]. 63/232. Operational activities for development (A/RES/63/232). (2009).
- UN. Resolution adopted by the General Assembly on 21 December 2012 [on the report of the Second Committee (A/67/442/Add.1)]. 67/226. Quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/67/226). (2013).

UNIDO

- UNIDO. Constitution of the United Nations Industrial Development Organization. Vienna, 8 April (1979).
- UNIDO. General Conference, second regular session. Decisions and resolutions of the General Conference (GC.2/INF.4). (1987).
- UNIDO. Medium-term plan 1990-1995. Note by the Director-General (IDB.3/4).(1987).
- UNIDO. Report of the Industrial Development Board on the work of its fourteenth session. Addendum. Resumed fourteenth session of 31 October 1995 (GC.6/4/Add.1) (1995).
- UNIDO. Report of the Programme and Budget Committee: Programme and budgets, 1996-1997; financial situation of UNIDO. Preliminary expenditure plans (IDB.14/29). (1995).
- UNIDO. (1996). General Conference, sixth regular session. Decisions and resolutions of the General Conference (GC.6/INF.4). (1996).
- UNIDO. Industrial development for poverty reduction, inclusive globalization and environmental sustainability. Medium-term programme framework, 2010-2013. Comprehensive proposal by the Director-General. Addendum (IDB.35/8/Add.1). (2008).
- UNIDO. General Conference, thirteenth session. Implementation of the medium-term programme framework, 2008-2011. Report by the Director-General. (GC.13/5-IDB.36/14). (2009).
- UNIDO. General Conference, thirteenth regular session. Decisions and resolutions of the General Conference (GC.13/INF.4). (2009).
- UNIDO. Report of the Industrial Development Board on the work of its thirty-eighth session (24-26 November 2010). (GC.14/3). (2010).
- UNIDO. Annual Report 2010. (IDB.39/2-PBC.27/2). (2011).

Annex E: List of documents reviewed

- UNIDO. Midterm review of the medium-term programme framework, 2010-2013. Report by the Director-General (IDB.39/8*-PBC.27/8*). (2011).
- UNIDO. Report of the Industrial Development Board on the work of its thirty-ninth session (22-24 June 2011) (GC.14/4). (2011).
- UNIDO. Industrial Development Board - Thirty-ninth session. Summary record of the 2nd meeting. IDB.39/SR.2. (2011).
- UNIDO. General Conference, fourteenth regular session. Decisions and resolutions of the General Conference, (GC.14/INF/4). (2011).
- UNIDO. Annual Report 2011. (IDB.40/2-PBC.28/2). (2012).
- UNIDO. Independent thematic evaluation. UNIDO's contribution to the Millennium Development Goals. (2012).
- UNIDO. Annual Report 2012. (IDB.41/2-PBC.29/2). (2013).
- UNIDO. General Conference, fifteenth regular session. Decisions and resolutions, including the Lima Declaration of the General Conference (GC.15/INF.4). (2013).
- UNIDO. General Conference, fifteenth regular session. UNIDO activities related to agribusiness, trade and job creation. Report by the Director General, (GC.15/7). (2013).
- UNIDO. Industrial Development Board. Trust fund on food security. Report by the Director General, (IDB.41/10*-PBC.29/10). (2013).
- UNIDO. Industrial Development Board. Trust fund on renewable energy. Report by the Director General, (IDB.41/11-PBC.29/11). (2013).
- UNIDO. Industrial Development Board. UNIDO activities related to energy. Report by the Director General, (IDB.41/17). (2013).
- UNIDO. Industrial Development Board. UNIDO activities related to environment. Report by the Director General, (IDB.41/18). (2013).
- UNIDO. Proposal by the Director General regarding the medium-term programme framework (IDB.41/8-PBC.29/8). (2013).
- UNIDO. Results from a trial evaluation research in SAP for the Country Evaluation Pakistan, Information based on data inquiries made on 24 June 2013. (2013).
- UNIDO. Independent thematic evaluation. UNIDO Field office performance. (2013).
- UNIDO. Independent thematic evaluation. UNIDO's Global forum function. (2013).

- UNIDO. Informal working group on the future, including programmes and resources, of UNIDO. Final report of the Co-Chairs (H.E. Ms. A. T. Dengo Benavides, Costa Rica, and Mr. A. Groff, Switzerland) (IDB.41/24). (2013).
- UNIDO. Renewable Energy Strategy. Energy and Climate Change Branch. Renewable Energy Unit. (2013).
- UNIDO. Independent thematic evaluation. UNIDO's Public private partnerships. (2014).
- UNIDO. UNIDO Annual GEF-Portfolio Performance Report (PPR). (2014).
- UNIDO. ODG/EVA Work programme and provisional budget for 2014/2015. (2014).
- UNIDO. Independent evaluation. Africa (accelerated) agri-business and agro-industries development initiative (3ADI). (2014).
- UNIDO. Inclusive and Sustainable Industrial Development in the post-2015 development agenda. (draft 6 Mar 2014).

Other International Organisations

- OECD/DAC. Glossary of Key Terms in Evaluation and Results Based Management. (2010).
- AfDB. Annual Development Effectiveness Review 2014.
- GFATM. Corporate Key Performance Indicators: End-Year Results for 2012. (2013).
- UNFPA. Report of the Executive Director for 2013: Progress in Implementing the UNFPA Strategic Plan, 2008-2013, DP/FPA/2014/5 (part I). (2014).
- WHO. Programme budget 2012–2013: Performance Assessment, Summary report. (A67/42). (2014).

Annex F: List of persons interviewed

Persons interviewed at UNIDO HQ

Name	Job title/Position in company/organization	Name of company/organization
Mr. Augusto Luis ALCORTA SILVA SANTISTEBAN	Director, PRF/RSI/OD	UNIDO HQ
Mr. Mohamed Lamine DHAOUI	Director, PTC/BIT/OD	UNIDO HQ
Ms. Fatou HAIDARA	Director, PRF/PMO/OD	UNIDO HQ
Mr. Sarwar HOBOHM	Director, ODG/SPQ/OD	UNIDO HQ
Mr. Atsushi ISOYAMA	Senior Programme Management Officer, PTC/PRM/RBM	UNIDO HQ
Mr. Steffen KAESER	Unit Chief, PTC/TCB/QSC	UNIDO HQ
Ms. Adot KILLMEYER-OLECHE	Unit Chief, ODG/SPQ/QUA	UNIDO HQ
Mr. Kazuki KITAOKA	Coordinator, ODG/SPQ/SPC	UNIDO HQ
Mr. Jean-Paul LANDRICHTER	Donor Relations Officer, PRF/DDG/SDR	UNIDO HQ
Mr. Heinz LEUENBERGER	Director, PTC/EMB/OD	UNIDO HQ
Ms. Amita MISRA	Director, PRF/RPF/OD	UNIDO HQ
Mr. Pradeep MONGA	Director, PTC/ECC/OD	UNIDO HQ
Mr. Taizo NISHIKAWA	Deputy to the Director General, PRF/DDG	UNIDO HQ
Mr. Philippe SCHOLTES	Managing Director, PTC/OMD and Officer-in-Charge, PTC/AGR/OD	UNIDO HQ
Mr. Stephan SICARS	Director, PTC/MPB/OD	UNIDO HQ
Mr. Jason SLATER	Unit Chief, PSM/BSS	UNIDO HQ
Ms. Fatma Nilgun TAS	Unit Chief and Deputy to the Director, PTC/BIT/CBU	UNIDO HQ
Mr. Peter ULBRICH	Director, PSM/FIN/OD	UNIDO HQ

Persons interviewed from Permanent Missions/Delegation to UNIDO

Name	Job title/Position in company/organization	Name of company/organization
H.E. Mr. Aliyar Lebbe Abdul AZEEZ	Ambassador Extraordinary and Plenipotentiary Permanent Representative	Permanent Mission of Sri Lanka to UNIDO
Ms. CHAI Xiaolin	Minister Counsellor Deputy Permanent Representative	Permanent Mission of China to UNIDO
Mr. Pierluigi COLAPINTO	Second Secretary	Permanent Mission of Italy to UNIDO
H.E. Ms. Ana Teresa DENGO BENAVIDES	Ambassador Extraordinary and Plenipotentiary Permanent Representative	Permanent Mission of Costa Rica to UNIDO
Mr. Hidehiro JINGUSHI	First Secretary	Permanent Mission of Japan to UNIDO
Ms. Dominika KROIS	Counsellor	Delegation of the European Union to UNIDO
Mr. Martin MATTER	Counsellor	Delegation of the European Union to UNIDO
Ms. Jeanne MRAD	First Secretary	Permanent Mission of Lebanon to UNIDO
Ms. Martina ÖSTERHUS	First Secretary	Permanent Mission of Norway to UNIDO
Mr. Olajide Rilwanu OLANREWAJU	First Secretary	Permanent Mission of Norway to UNIDO
Ms. Kirsti Johanna POHJANKUKKA	First Secretary	Permanent Mission of Finland to UNIDO
Mr. Vladimir USKOV	Counsellor	Permanent Mission of the Russian Federation to UNIDO
Ms. Katarzyna WRONA	Counsellor	Permanent Mission of Poland to UNIDO



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria

Telephone: (+43-1) 26026-0, Fax: (+43-1) 26926-69

E-mail: unido@unido.org, Internet: www.unido.org