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INDEPENDENT UNIDO COUNTRY EVALUATION
UNITED REPUBLIC OF TANZANIA



UNIDO EVALUATION GROUP

INDEPENDENT UNIDO COUNTRY EVALUATION

UNITED REPUBLIC OF TANZANIA



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Contents

Acknowledgements	vi
Abbreviations and acronyms	vii
Glossary of evaluation related terms	x
Executive summary	xi
1. Introduction and background	1
2. Evaluation purpose, scope and methodology	5
2.1 Evaluation purpose	5
2.2 Scope and focus	6
2.3 Methodology	6
3. National economic and development context	10
3.1 Tanzania's development visions	10
3.2 Macroeconomic performance	11
3.3 Poverty and unemployment	12
3.4 Business environment	13
4. Programme features and management	16
5. Relevance and ownership	21
6. Efficiency of implementation	24
7. Effectiveness	28
8. Sustainability	39
9. Impact	41
10. Programme coordination, management, reporting and Field Office performance	43
10.1 Programme coordination, management and reporting	43
10.2 Field Office performance	46
11. Delivering as One UN	51
12. Gender	58
13. Other cross-cutting issues	61
14. Conclusions	63

15. Recommendations and lessons learnt.....	65
15.1 Recommendations.....	65
15.2 Lessons learnt	67

List of Tables

Table 1: Areas of intervention in Tanzania (within JPs and individual projects)...	3
Table 2: Regional projects with components in Tanzania	3
Table 3: Evaluation plan	9
Table 4: Macroeconomic indicators, 2000-2009 (at 2001 constant prices).....	12
Table 5: Cost of doing business in Tanzania	14
Table 6: JPs, projects and project managers.....	18
Table 7: Effectiveness overview of JP 1 - Wealth creation, employment and economic empowerment.....	29
Table 8: Effectiveness overview of JP 5 - Support to Zanzibar	30
Table 9: Effectiveness overview of JP 6.1 – Transition from humanitarian assistance to sustainable development in North-West Tanzania	32
Table 10: Effectiveness overview of JP 10 – Education.....	32
Table 11: Effectiveness overview of JP 11 - Environment with focus on natural resources management, climate change and desertification.....	33
Table 12: Effectiveness overview of FC/URT/04118 –	
Cleaner and integral utilization of sisal.....	34
Table 13: Effectiveness overview of US/URT/05002 –.....	35
Strengthening the capacities of the Tanzanian quality infrastructure and TBS/SPS compliance system for trade	35
Table 14: UNIDO integration profile in UNDAP Pillar 1, 2011-2015	55

List of Figures

Figure 1: Total allotment of initiated UNIDO projects (1999-2009)	2
Figure 2: JP and project locations.....	4
Figure 3: FDI trends, 1995-2008.....	13
Figure 4. Breakdown of UNIDO by Budget Line.....	24
Figure 5: Personnel Cost Breakdown.....	25

Figure 6: UNIDO Missions in Numbers of Person-days, 2008-2010 (Sept.)	25
Figure 7: Person-days of UNIDO Missions per Allotments plotted against Allotment Expenditures as per September 2010.....	26

List of Annexes

Annex 1: Terms of Reference.....	68
Annex 2: Country Programme logical framework (according to Programme Document).....	87
Annex 3: List of ongoing UNIDO projects in Tanzania.....	91
Annex 4: List of persons met.....	94
Annex 5: Bibliography	99
Annex 6: Framework for Field Office assessment	103
Annex 7: UNIDO Field Office Evaluation Matrix.....	111

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Abbreviations and acronyms

AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
Agresso	UNIDO's financial performance control system
BAPs	Best Available Practices
BATs	Best Available Technologies
BDS	Business Development Services
BEST	Business Environment Strengthening for Tanzania
BIC	Business Information Center
BOT	Bank of Tanzania
BPA	Beijing Platform for Action
CAADP	Comprehensive Africa Agriculture Development Programme
CDM	Clean Development Mechanism
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CP	Country Programme
CPCT	Cleaner Production Center of Tanzania
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
CT	Country Team
CTI	Confederation of Tanzania Industries
DaO	Delivering as One (UN)
DANIDA	Danish International Development Agency
DoE	Department of Energy
DPG	Tanzania Development Partner Group
EAC	East Africa Community
EAWREEN	East African Women Entrepreneurs Network
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FO	Field Office
GDP	Gross Domestic Product
GEF	Global Environment Facility
GoT	Government of Tanzania
HACT	Harmonized Approach to Cash Transfer
HBS	Household Budget Surveys
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HQ	Headquarters
IMF	International Monetary Fund
ILFS	Integrated Labor Force Survey
IP	Integrated Programme
JAST	Joint Assistance Strategy
JP	Joint Programme
JPO	Junior Professional Officer

Kilimo	Agriculture First
Kwanza	
MCDGC	Ministry of Community Development, Gender and Children
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MEM	Ministry of Energy and Minerals
MIS	Management information System
MITM	Ministry of Industry, Trade and Marketing (Tanzania)
MKUKUTA	<i>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini</i> (Tanzania) (NSGRP)
MKUZA	<i>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini</i> (Zanzibar) (ZSGRP)
MMR	Maternal Mortality Rate
MOF	Ministry of Finance and Economic Affairs (Mainland)
MOFEA	Ministry of Finance and Economic Affairs (Zanzibar)
MTEF	Medium Term Expenditure Framework
MTPF	Medium Term Programme Framework
MTTI	Ministry of Trade, Tourism and Industry (Zanzibar)
MVA	Manufacturing Value Added
NBS	National Bureau of Statistics
NEPAD	New Partnership for Africa's Development
NCG	
NSGRP	National Strategy for Growth and Reduction of Poverty
PHDR	Poverty and Human Development Report
PRS(P)	Poverty Reduction Strategy (Paper)
OVI	Objectively Verifiable Indicator
RSF	Regional Strategies and Field Operations Division
RGZ	Revolutionary Government of Zanzibar
SADC	Southern Africa Development Community
SAP	Structural Adjustment Programme
SECO	Swiss State Secretariat for Economic Affairs
SIDO	Small Industries Development Organization
SIDP	Sustainable Industries Development Policy
SHP	Small Hydro Power
SMART	Simple, Measurable, Achievable, Relevant, Time-bound
SMEs	Small and Medium Enterprises
SPX	Subcontracting and Partnership Exchange
TA	Technical Assistance
TBS	Tanzania Bureau of Standards
TC	Technical Cooperation
TCB	Trade Capacity Building
TCCIA	Tanzanian Chamber of Commerce, Industry and Agriculture
TDV	Tanzania Development Vision
TIC	Tanzania Investment Centre
TIE	Tanzanian Institute of Education
TIRDO	Tanzania Industrial Research and Development Organization
TLTS	Tanzania Long Term Strategy
ToR	Terms of Reference
TWCC	Tanzania Women Chambers of Commerce
UNCT	United Nations Country Team

UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UR	UNIDO Representative
URT	United Republic of Tanzania
USD	United States dollar
VPO	Vice-President's Office
WB	World Bank
WEB/YEB	Women Entrepreneurship Development/ Youth Entrepreneurship Development
WDI	World Development Indicator
ZGS	Zanzibar Growth Strategy
ZPRP	Zanzibar Poverty Reduction Plan
ZSGRP	Zanzibar Strategy for Growth and Reduction of Poverty

Glossary of evaluation related terms

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the objectives of a development intervention were or are expected to be achieved.
Efficiency	A measure of how economically inputs (through activities) are converted into outputs.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Intervention	An external action to assist a national effort to achieve specific development goals.
Lessons learned	Generalizations based on evaluation experiences that abstract from specific to broader circumstances.
Logframe (logical framework approach)	Management tool used to guide the planning, implementation and evaluation of an intervention. System based on MBO (management by objectives) also called RBM (results based management) principles.
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention.
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners 'and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

Executive summary

The evaluation of UNIDO's Country Programme in Tanzania was proposed by UNIDO's Regional Strategies and Field Operations Division (RSF) and included in the ODG/EVA Work Programme 2010/2011, approved by the Executive Board. The evaluation was carried out in accordance with the Terms of Reference (ToR) for the evaluation, provided in Annex 1, between September and November 2010. It was conducted by a team of independent evaluators: Ms. Margareta de Goys, Director ODG/EVA, UNIDO, Ms. Godbertha Kinyondo, national evaluation consultant and Mr. Ernst Schaltegger, international evaluation consultant. It encompassed a two week field mission to Tanzania. The evaluation team visited project locations in Dar es Salaam, Mtwara, Tanga and Zanzibar (including Pemba).

The country evaluation is particularly relevant as Tanzania is one of the eight Delivering as One UN (DaO) pilot countries and the evaluation will feed into a thematic evaluation of UNIDO's contribution to the One UN mechanisms, also planned for the 2010/11 biennium.

Country context

Mainland Tanzania and Zanzibar have formulated development visions that form the umbrella policy framework outlining the long-term social and economic development aspirations for improving quality of life, governance and rule of law, and transforming the economy to a middle income country, by the years 2025 and 2020 respectively. The visions' long-term developmental perspectives are aligned with medium-term strategies called MKUKUTA and MKUZA, for Mainland Tanzania and Zanzibar, respectively, and global commitments such as the Millennium Development Goals (MDGs). In Mainland Tanzania, the adjustment of the strategy puts strong emphasis on agriculture, agro-industry and rural development under the KILIMO KWANZA (Agriculture First) Initiative, which is meaningful for UNIDO's support agenda.

Gross Domestic Product (GDP) growth per annum has almost doubled over the last decade from 4.1% in 1998 to 7.5% in 2008, with an average growth rate of 7% per annum in this millennium. Inflation was kept low save for the 2008 hike in food and energy prices. Moreover, fiscal consolidation was central to the success in macroeconomic stabilization. However, the majority of the population in Tanzania has not yet started to benefit from economic growth, and poverty remains widespread. The low progress in poverty reduction is attributed to the stagnation and decline in agricultural production and productivity in Tanzania. Annual growth of manufacturing value added (MVA) was about 8 % between 2000 and 2008, but manufacturing employment as percentage of the total labor force practically stagnated due to, inter alia, inadequate infrastructure and shortage of qualified labor, resulting in low capacity utilization and high cost of production. Compared to Uganda and Kenya, taxes are also deemed to be high.

Foreign Direct Investment (FDI) increased from USD 150 million in 1995 to USD 718 million in 2008. This growth of FDI is still very low when compared to

global and South of the Sahara Africa (SSA) averages, and considered short of the requirements for robust economic growth and poverty reduction. One of the reasons for relatively modest FDI is that the cost of doing business in Tanzania remains high, and even increased between 2009 and 2010.

UNIDO programme features and management

UNIDO has a long standing history in Tanzania and has, since 1965, implemented 388 projects with a total budget of more than USD 29 million. In the period under review (2008-2010), the UNIDO programme features in Tanzania have a very distinct transitory character, evolving from the Integrated Programmes (IPs) towards a Country Programme approach, and through the Delivering as One UN pilot framework towards the new United Nations Development Assistance Plan (UNDAP) starting in July 2011. In this context, some UNIDO projects have been included in the One UN Joint Programmes (JPs).

The current URT Country Programme (CP) with the title “Country Framework of support to Capacity Building for industrial development of Tanzania through SME and agro value chain upgrading, trade facilitation, energy management and investment monitoring” includes projects carried over from the preceding Integrated Programmes, IP I and IP II, as well as new projects. The total budget of the CP was USD 5.1 million, but actual allotments have been higher, to the tune of USD 7.4 million.

UNIDO maintains a country office in Dar es Salaam, which currently is duty station for two international professional (one UNIDO Representative and one Junior Professional Officer) and two general service staff members. The present UNIDO Representative (UR) arrived in January 2010, while the previous one left in May 2009, which meant a gap of seven months.

There has been efficient back-up support from the Delivering as One support team, based at UNIDO Headquarters. The former and present URs have been taking active part in Delivering as One coordination meetings and in other development cooperation/donor coordination bodies. The Field Office has kept itself informed of the progress of various projects but has had a rather limited role in on-site project monitoring, one reason being the thin presence and limited amounts of funds available for monitoring at the level of the FO.

Relevance

UNIDO projects converge on the promotion of agro-processing industries. This is an indication of considerable relevance to national strategic frameworks, considering the priorities of MKUKUTA and MKUZA. Both are explicitly aligned to the Millennium Development Goals (MDGs) while the UNIDO priority areas contained in the Medium Term Programme Framework (MTPF) refer as well to specific MDGs. It is therefore reasonable to infer that UNIDO'S Tanzania Country Programme is coherent with four of the MDGs.

The Government of Tanzania formulated a Sustainable Industries Development Policy (SIDP) in 1996. SIDP was clear in the prominent role of the private sector for industrial development. UNIDO's present project portfolio is consistent with responds to these premises, given the propensity of the UNIDO Country Program to work with private sector firms, associations and civil society organizations. UNIDO's assistance to the Tanzanian Government to conduct industrial performance surveys and compile industry statistics is highly relevant for evidence-based policy making and adjustments.

In 2002, Tanzania put in place a Small and Medium Enterprise Development Policy. UNIDO and other selected donors assisted the then Ministry of Industry and Trade in this effort. The rationale of this policy was that the sector generated about one third of the GDP, employing about 20% of the Tanzanian labor force and had the greatest potential for further employment generation. The profile of the UNIDO Country Programme 2008-2010 fits well into this SME policy framework.

Interviews with representatives of the Ministry of Industry, Trade and Marketing (MITM) suggest that there a high level of familiarity with UNIDO's key areas of expertise, commitment with the UNIDO agenda and hence substantial ownership. Stakeholders at individual project level, such as parastatals, private companies, chambers and grass-root organization all appear to have been involved early on in the design and implementation of their respective projects. Their commitment is a building block of relevance.

Efficiency

UNIDO is a technical assistance agency, a fact that is also reflected in the aggregate project budget structure of the Tanzania CP. The largest component is personnel (47%), which are followed by equipment (28%). The share of equipment is commensurate with UNIDO's approach of implementing pilot projects that can later be up-scaled. The evaluation team also noted that there is a plausible correlation between project budget amounts and the number of mission days, and a considerable use of local consulting expertise, all of which are pointing at an efficiency conscious use of resources.

Technology choices, related to the equipment purchased, were overwhelmingly adequate. This is the case with IT hardware in Business Information Centers (BICs), and the cashew nut processing, fruit and fish drying equipment run by grass-root organizations. This also includes a particular showcase where industry scale sisal processing equipments and a whole biogas-based electricity plant have been installed – and are successfully operated by a sisal processing company today. These examples are indicative of appropriate technology choices and thus of efficient resource allocation.

However, a lack of both sufficient funding and clarity on the functions to be assigned to a laboratory intended for developing products from cashew apples has compromised the efficiency of a project under JP 1. Two independent UNIDO evaluations carried out in 2009 have also flagged concerns over efficiency. The first one related to the Trade Capacity Building (TCB) project US/URT/05002

noted that the various levels of management were over-elaborated and not particularly efficient. The latter, the thematic review of small hydro power plants, was critical in terms of efficiency of scarce resource use in the case of Tanzania as none of the two donated turbines was operational at the time of the review. This status has not changed since 2009.

Effectiveness

It was difficult and often too early to assess to what extent the CP objectives of enhanced national productivity, competitiveness and enhanced supply capacity of SMEs, especially in the agro- industry sector have been met. Moreover, these objectives are somewhat ambitious considering the relatively small size of the Country Programme and its related projects. Another limitation was the absence of SMART indicators (Specific, Measurable, Achievable, Relevant and Time Bound), in general, in the project documents, and the absence of reference to such indicators in routine reporting.

Within the limits of the above caveats, the UNIDO projects within JP 1 - wealth creation, employment and economic empowerment concentrated in Mtwara and Lindi Regions – are likely to achieve the planned project objectives by and large. A draft copy of the Industrial Production and Performance Survey 2008 of MITM was handed over to the evaluation team, and the accomplishment of this output is on track, thanks also to UNIDO's assistance. With adequate managerial capacity building support to the grass-root organizations operating cashew nut and sesame processing facilities, and to the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) running BICs, the objectives of these pilot projects will be probably achieved. Within JP 5, the UNIDO support to Zanzibar predominantly evolved around food processing as well. Effectiveness can be considered as given in the case of a small fish drying and smoking association, but is not yet evident for a bigger grass-root organization engaged in the drying of fruits and spices. The installation of a renewable rural energy demonstration center (solar and biomass) in a village in Zanzibar is unlikely to be effective because the power take-off installation for productive and household use is until now unclear and not endowed with a budget.

The effectiveness of UNIDO's contribution to JP 6.1 (transition from humanitarian assistance to sustainable development in North-West Tanzania), which entailed the training of women's groups in food processing is not on record as yet. Under JP 10, UNIDO support has supported the Tanzanian Institute of Education (TIE) in the preparation of an entrepreneurship curriculum for secondary education. This document is available, but the official insertion into the secondary education syllabus remains pending. Finally, the four UNIDO projects in JP 11 (environment with focus on natural resources management, climate change and desertification) have established networks between local governments and the Cleaner Production Center of Tanzania (CPCT) and fostered the understanding of public and private sector stakeholders, of the underlying concepts of the Clean Development Mechanism (CDM). They are on track and likely to achieve their objectives.

Outside the JPs, two free-standing UNIDO projects can be rated as predominantly effective. FC/URT/04/118 – the cleaner and integral utilization of sisal, succeeded, as a worldwide first, to prove the technical feasibility and financial viability of generating biogas and electricity from sisal processing waste. The second project, which was the object of an independent evaluation in 2009, (US/URT/05/002 – Strengthening the capacities of the Tanzanian quality infrastructure and TBS/SPS compliance system for trade - facilitated the ISO accreditation of the Tanzanian Bureau of Standards (TBS) in scopes that are relevant for the national export industry.

Out of the four regional UNIDO projects with an inclusion of Tanzania, two are rated as effective. The first project “Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC approaches supporting Women and Youth Entrepreneurship Development (WED/YED)”, YA/RAF/08/015, successfully sponsored a regional meeting in support of WED/YED in 2008. The “Assistance in establishing an Industrial Subcontracting Partnership Exchange (SPX) in Tanzania and Kenya” (US/RAF/07/029; USD 105,000, 2008-2010), funded by the Government of Turkey, promotes subcontracting and partnership agreements between Tanzanian and Kenyan subcontractors and suppliers and national or foreign main-contractors and buyers. Progress is satisfactory and the financier has opted for an additional funding package in early 2010.

The project of the East African Community (EAC) “Trade capacity-building in agro-industry products for the establishment and proof of compliance with international market requirements”, TE/RAF/06/014, is the one with the biggest budget outlay of over USD 3 million between 2006 and 2011, funded by the Government of Norway. The effectiveness assessment of this project is so far limited, due to a complex institutional framework and ensuing coordination problems.

The project titled “Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism” (GP/RAF/08/004, YA/RAF/09/002, USD 1.3 million, 2008-2012) is mainly funded by GEF resources and implemented by UNEP and UNIDO. It covers nine African countries, including Tanzania. The project implementation report 2010 concluded, and this was confirmed by Tanzanian stakeholders, that despite the project being in its second year of implementation, it was too early to describe any substantive contributions.

Summing up, The UNIDO Country Programme in Tanzania was effective by and large while the above mentioned reservations regarding the scarce use of SMART indicators remain valid. The ingredients of project effectiveness appear to be: (i) a clearly defined and compact subject area, (ii) one, or at least few, principal stakeholder(s) responsible for implementation, (iii) solid project planning and implementation capacity of such stakeholders, and (iv) a straightforward and simple project design with one strategic outcome and a few subordinated outputs.

Sustainability

A project with solid prospects of sustainability is the project FC/URT/04/118 - Cleaner and Integral Utilization of Sisal. The tangible proof of technical feasibility and financial viability of using sisal processing residues for biogas and electricity production is a strong factor of sustainability, and so is the presence of highly motivated and skilled staff able to run the sisal processing and biogas plant. Another case in this lot is US/URT/05/002 – the Trade Capacity Building project that has supported the accreditation of the metrology laboratory of the Tanzanian Bureau of Standards. This increased the credibility of TBS and boosted the calibration and testing business with the effect that 80% of the TBS direct costs (without salaries and depreciation) are today covered by its revenues. This success story has strengthened government commitment to the issues related to standard compliance, which is also a factor of sustainability.

The future of the Pemba Fish Drying Association, supported under JP 5 is most probably a sustainable one. The fact that the members of this small group themselves have determined the potential of doubling the gross margins by fish drying and smoking is by itself a factor of sustainability. However, the sustainability of the Kitama Cashew Nut Processing Association or the Pemba Fruit Processing Association, supported under JP 1 and JP 5, respectively, is more difficult to forecast. In both cases, the potential margins are not evident to the members.

In the case of the BICs in Mtwara and Lindi (part of JP 1), the choice of Mtwara and Lindi was motivated on grounds of development policy considerations, given the high poverty prevalence in these areas. However, at the commencement of the project, detailed needs assessments were carried out and based on which business plans were developed. The needs assessments established the demand for business development services and the willingness of the business community to pay for such services. It remains to be seen whether future revenues will cover the costs of the BICs.

On the other hand, Government allocated budgets are channeled to the agro industry demonstration projects (mainly infrastructure development) and complements the UNIDO support. There is also follow-up and monitoring by Government partners. Moreover, the projects contribute to the implementation of District Development Plans and are thus not implemented in isolation. This is a solid sustainability factor.

Impact

In 2008, Tanzania exported manufactured goods for a value of USD 662 million with a share of 25 % in total export earnings, up from only USD 84 million and a 7 % share in total exports in 2003. UNIDO has invested in trade capacity building via the national project US/URT/05/002 - Trade Capacity Building- and continues to do so in the framework of the regional TCB project of the EAC (TE/RAF/06/014). It is fair to say that the strengthening of the calibrating and testing capability of TBS is very likely to have contributed to the above mentioned export performance of manufactured products.

Moreover, the inclusion of processed cashew nuts and sisal into the array of UNIDO supported products is another indication that these choices were judicious because they generate value addition in rural areas and thus contribute to employment and income, two important impact domains for UNIDO and Tanzania alike. Further impact potential in the case of cashew nuts is also likely to substantiate because of: (i) the number of involved producer families, (ii) the possible value addition leap and (iii) the promotion priorities of the Government.

The case for sisal processing that uses residues for biogas and electricity production is even more compelling. The National Sisal Board plans to expand the annual production of sisal fiber, from 30'000 tons presently, to 1 million tons in 2025. Over 100,000 families will be needed for the agricultural operations only. The UNIDO supported pilot project with Katani Ltd. and the National Sisal Board has confirmed that sisal fiber processing, coupled with biogas and electricity production, is technically feasible and economically viable.

Other UNIDO supported projects in Tanzania have, by their very nature, much less impact potential. The curricular design for entrepreneurship training in secondary schools is one of them, mostly due to the uncertainty whether the Ministry of Education will finally adopt the curriculum in the secondary education program. Solar panels that charge cell phones and portable lamps have little potential to promote industrial development, and the track record of biomass and hydro power based off-grid electricity generator sets is equally showing a lack of productive use, thus little foreseeable impact in terms of production or income generation by rural industries.

Programme coordination, management, reporting and Field Office performance

UNIDO is a member of the Tanzania Development Partner Group (DPG) which is an aid coordination body that have all agreed on a Joint Assistance Strategy (JAST, 2007-2010). Furthermore, UNIDO is an active member of the Tanzania (UN) Country Management Team (UNCMT) and in steering committees for the DaO Joint Programmes. Thanks to the JPs, UN partners meet more frequently than before, on substantial issues, and coordination has improved. Above all, the implementation of the first One UN Framework is considered to have been an important learning process that is paving the way for a more coordinated and coherent next phase (UNDAP).

The use of national systems for the implementation of project activities or for procurement is limited. Discussions with the national counterpart Ministry indicate that, at the present time, efficiency is given preference over national execution. In this respect, it should be noted that UNIDO is not HACT (Harmonized Approach to Cash Transfers) compliant.

Progress reports in relation to the Country Programme Framework were issued in March 2008 and in March 2010. There was no Progress Report drafted in 2009, one reason being that the UR post was vacant. An issue identified by the evaluation team is that parts of the progress reports mentioned above, from 2008

and from 2010, for some components provide similar and seemingly duplicating information.

Even though there is a distinct move away from Integrated Programmes and with Country Programmes gaining ground, there is still no clear guidance as to what ought to be the main features of a Country Programme, and which procedures should apply for management, monitoring and reporting. UNIDO has also reporting requirements in relation to the JPs. From these reports it is difficult, if not impossible, to distinguish what UNIDO's contribution has been, and maybe rightly so for a One UN Report. Still, and this seems to be true for the majority of the UN agencies, a more results-based reporting is called for but a certain resistance to report on established indicators has been experienced.

UNIDO's Country Office was assessed with regards to its contribution to UNIDO's convening, normative and technical cooperation functions. The review was found to be timely as it feeds into the ongoing internal discussion on the existing and future role and functions of FOs in TC implementation.

There is a high level of "client satisfaction" in relation to services delivered by the FO. It is an active, respected and articulate member of the UN community, making a distinct contribution and providing value added. The visibility of the Office in URT is high and UNIDO is frequently referred to in local media. UNIDO is also visible on the One UN web site. A summative assessment of the FO is that it is contributing to UNIDO's convening, normative and technical cooperation functions but that the TC function has been given priority. The UNIDO Office has developed and maintains excellent relationships with key public and private sector stakeholders and participates fully in the UN Country Teams and Joint Programmes relevant to its mandate.

Delivering as One UN

Overall, the Delivering as One (DaO) UN framework and the UN system working together under various Joint Programmes (JP) are considered to be a success and this is also the opinion of UNIDO's counterpart Ministries. Not the least because the UN agencies have learned to work together. There has been a good level of support from the donor community to the One UN Programme and there has been a high funding, which has also benefited UNIDO, thus achieving a high funding rate for its CP.

UNIDO is not assuming any lead role due to its relatively small presence in Tanzania but is concretely contributing towards JP outputs and outcomes, which should be most important. The One UN support team is considered to provide valuable back-up and prompt responses to various demands raised by the FO.

The One UN Programme and the related Joint Programme will be finalized by the end of June 2011. Thus, the current Joint Programme (JP) modality will be phased out by that date and a new Delivering as One UN framework – the **United Nations Development Assistance Plan - UNDAP** will enter into force. It is expected that the One UN identity will be reinforced and also management and

administration will be streamlined. For instance, a One UN intranet and common drives are planned.

The UN Country team has developed preliminary UNDAP Matrixes, and UNDAP is expected to be constructed around 8 pillars (economic growth, governance, health, education, social protection, HIV/AIDs, emergency and refugees and water hygiene and sanitation). UNIDO will contribute to Pillar 1, economic growth, and to 5 of its 8 outcomes and 8 of the 31 outputs. Furthermore UNIDO will implement 12 out of the 81 key actions. Outcomes and outputs often need to be sharpened in terms of specificity and results-orientation.

What can be derived from the above profile is that UNIDO will retain its role in industrial policy development and advice and continue to promote the causes of Trade Capacity Building and agro-industry development. In matters of environment and energy, explicit reference is made to a low carbon economy and mitigation of climate change. In these areas, UNIDO is well positioned to contribute.

Gender and other cross-cutting issues

Tanzania adheres to international and regional gender initiatives such as the United Nations Convention on the Elimination of all Forms of Discrimination against Women and the SADC Protocol on Gender and Development in 2008. UNIDO adopted a policy on gender equality and the empowerment of women in April 2009, recognizing that gender equality and the empowerment of women has a significant positive impact on sustained economic growth and sustainable industrial development, which are drivers of poverty reduction and social integration.

Considering these premises, the evaluation team concludes that gender mainstreaming in the UNIDO project portfolio is visible, but not systematic enough. Still too many simple and straightforward opportunities to foster women's participation, or at least to make gender explicitly perceivable in planning documents and reports are left out, thus depriving the UNIDO projects of potential gender driven impetus and probable development impact.

A project in particular was successful in mainstreaming another cross-cutting issue, that of energy and environment. With its critical mass, duration and the dissemination efforts undertaken, the signaling effect of the project on cleaner and integral use of sisal is substantial. The message is clear: using sisal processing waste is not only protecting the environment, but profitable business, especially under scenarios of probably further exacerbated energy shortages. In addition, the energy feedstock solutions chosen in the visited agro-processing plants are both energy and environment conscious (solar panels and use of processing waste for steaming cashew nuts). They represent consistent choices for mainstreaming environment and energy concerns into agro processing ventures.

South-South cooperation, the third cross-cutting issue, was assessed in terms of origins of equipment and services procured by the UNIDO CP. In the projects

visited, the bulk of biogas, electricity generation and food processing equipment originated from developing and emerging countries from the South. These choices are deemed to be adequate, not only from the point of view of cost, but also considering the generally sturdy and simple design of machinery and equipment. The metrology laboratory at TBS was accredited by a regional accreditation body in South Africa, another example of South-South cooperation.

Conclusions

The evaluation mission reaches the following conclusions:

- The UNIDO Tanzania programme has a high degree of relevance for Tanzania's industrial development, in particular agro processing, SME promotion and Trade Capacity Building.
- The Country Programme, and the JPs, went at great length to assure alignment with the strategic priorities of both mainland Tanzania and Zanzibar. Collaboration with national counterpart institutions could still be strengthened, and there is presently limited alignment to GoT programmes and budgets.
- There is a need to strengthen capacities of national counterparts and empower them with proper tools and capabilities to drive industrialization and private sector development processes.
- There are many coordination arrangements in place within the field office, between UNIDO and the counterpart Ministry and between the UN, and these are working satisfactorily. There is, however, room for additional synergies and collaboration within UNIDO and UN country frameworks on sectoral issues.
- In terms of efficiency, technology choices are overwhelmingly adequate and the use of national experts has ensured cost-effectiveness. On the other hand, the heterogeneous and fragmented nature, and the geographic spread of the programme, implies transaction costs that could be reduced in a more coherent programmatic approach with enhanced critical mass on the strategic plane.
- The effectiveness of the project portfolio is difficult to assess precisely because SMART indicators (Simple, Measurable, Achievable, Relevant, Time-bound) are not systematically used in planning documents and, where available, they are not referred to in reporting. Nevertheless, extensive documentary material and triangulation from project visits and discussions with stakeholders indicate that the UNIDO Country Programme was effective.
- The UNIDO Field Office substantially contributes to the implementation of TC interventions and plays an important role in coordinating with the UN country team. It has many functions and it is a true challenge to effectively and efficiently carry out all of them, in view of the limited human and financial resources of the Office.
- Sustainability prospects are good in the cases where the UNIDO interventions have enabled cost-recovery and where the prospects of critical mass are promising. This also applies to stakeholders having

developed, or been exposed to, the capacities required to manage the processes validated in UNIDO pilot projects. Sustainability prospects are constrained where such management capacity is not (yet) solid and in cases that may not substantiate in sufficient demand.

- Impact can be inferred where UNIDO projects have plausibly contributed to better performance at country level. This is the case with industrial sector growth of other sectors, or the economy as a whole, and in the relatively steep increase of exports of manufactured goods over the last seven years.
- The cross-cutting issues of gender, environment and energy, and South-South cooperation are present in the UNIDO project portfolio in Tanzania and there are also projects specifically targeting gender equality or environmental sustainability. South-South cooperation has found a perceptible expression in the project portfolio, in particular regarding the procurement of pilot project equipment and services.
- UNIDO's foreseeable engagement profile in UNDAF 2011-2015 takes stock of the core competences of the organization and is prepared to face new challenges, notably in climate change mitigation. Still open are the number, scope, depth and duration of UNIDO-led projects and the details of an objectively verifiable monitoring and evaluation framework.

Recommendations

- **New projects and national frameworks should be aligned to national programmes, plans and budgets**
 - More alignment to Government programmes and projects grounded in national programme and budgetary processes should enhance clearer agreement and better understanding of roles between UNIDO and counterpart agencies, with the programmes of national counterparts being in the centre.
 - National counterpart agencies should be given the option to deliver outputs in areas where they are suited to do so, thus enhancing sustainability due to increased ownership. UNIDO should start preparing for HACT compliance.
- **There is a need for improved monitoring and reporting on results**
 - Projects should follow RBM principles and allow for proper management and monitoring. Capacity development support to Tanzanian stakeholders should include the area of Results Based Management.
 - In this context, it is recommended that UNIDO seriously considers the introduction of core sector indicators (CSIs) within the organization, on the general plane and not restricted to the Tanzania programme.
 - Dedicated programme/project resources should be provided to the Field Office to support project implementation and management. The role of the Field Office should come out clearly in project work plans.

- Progress reporting deserves to be improved. UNIDO should issue an overall (URT) progress report clearly indicating the results achieved during the reporting period. This can be done in the form of the UNDP reporting in order to avoid duplication of efforts.
- **A future UNIDO programme framework needs to give additional attention to impact and working more strategically**
 - There is a need for more linkages between upstream and downstream projects.
 - In this context, emphasis should be put on the urgent need of improving Tanzania's business climate, in response of the persistently low rank in this regard. A possible request to provide assistance regarding the review and update of Tanzania's SME policy should be favorably considered.
 - A more regionally and thematically concentrated and integrated portfolio in order to minimize transaction costs and improve monitoring and coordination should become a guiding principle. TA requests not falling within identified priority areas should be declined.
 - Less emphasis on the implementation on pilot projects and more emphasis on building national capacity for design and implementation of pilot projects and the fostering of pro-poor growth is needed.
- **There is a need for more decentralization and delegation of authority**
 - Field Offices should be allowed to sign certain MoUs.
 - Decentralization has to be accompanied with clearer policy guidance for UNIDO as a whole, both in relation to UNIDO position on substantial technical issues and UN coherence issues.
- **There is a need for additional guidance on country programmes**
 - As Country Programmes are gaining ground and Integrated Programmes seem to be phased out, there should be guidance on expected features and management of country programmes.

Lessons learnt

Medium to long term cooperation and solid technical and managerial know-how, on both UNIDO's and the counterparts' side is equivalent to matching mutual strengths. This tends to be rewarded by success.

The art of designing and implementing pilot projects is a delicate one, especially assuring that the subsequent replication and upscaling phase can take place under optimal conditions. A key lesson to learn is that managerial capacity building, including financial management, should be preceding the physical project installation, and not be a subsequent add-on when the process is technically under control.

The power of simplicity must be rediscovered, especially in contexts that are complex by nature. Intricate project designs, aiming at embracing too much, with too many stakeholders with unclear roles, in too little time, have less chances of success than clearly focused and straightforward undertakings.

1

Introduction and background

The evaluation of UNIDO's Country Programme (CP) in the United Republic of Tanzania (URT) was proposed by UNIDO's Regional Strategies and Field Operations Division (RSF). It was included in the ODG/EVA Work Programme 2010/2011 and approved by the Executive Board. The country evaluation was particularly relevant, as Tanzania is one of the eight Delivering as One UN (DaO) pilot countries and the evaluation is expected to feed into a thematic evaluation of UNIDO's contribution to the One UN, also planned for the 2010/11 biennium.

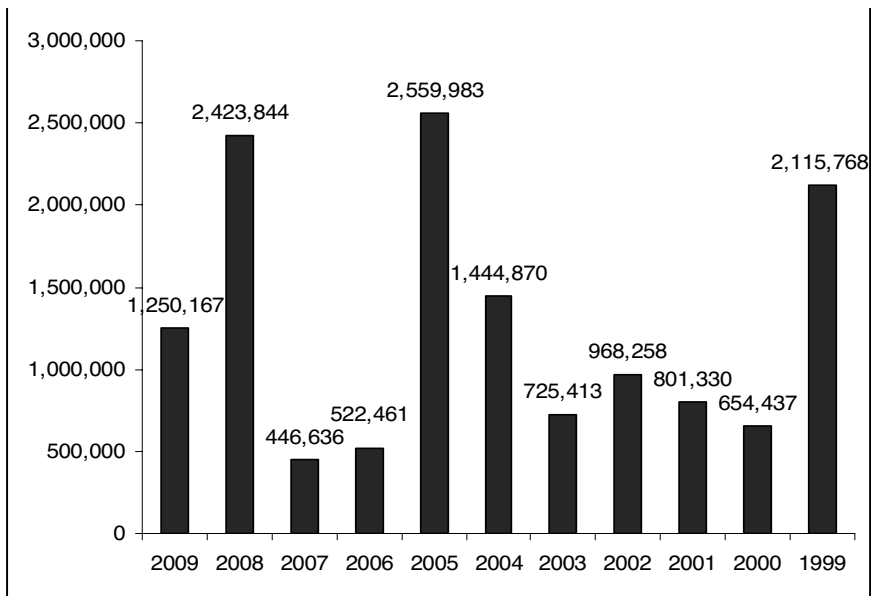
Tanzania is one of the poorest countries in the world. About 33 % of its population was estimated to live below the basic needs poverty line in 2007 (UNDP 2007). It remains largely dependent on the agricultural sector, and two thirds of its labor force work in mainly subsistence farming. Tanzania experienced an average GDP growth rate of 6.3 % between 1998 and 2007, but this has yet to translate into a real improvement in the living conditions of the population.

Tanzania's long term strategic vision, **Vision 2025** (URT 1997), is guided by the following principles: high quality livelihood; peace, stability and unity; good governance; a well educated and learning society and a competitive economy capable of producing sustainable growth and shared benefits.

Accordingly, Tanzania's National Strategy for Growth and Reduction of Poverty, better known as **MKUKUTA** (URT 2005, 2010, draft), summarizes the development priorities for Tanzania in three interlinked clusters: (i) Growth and reduction of income poverty, (ii) Improved quality of life and social well being and, (iii) Good governance and accountability. It is complimented by the Zanzibar Strategy for Growth and Reduction of Poverty, known as **MKUZA**; (RGZ 2000) for the semi-autonomous islands of Zanzibar.

UNIDO has a long standing history in Tanzania and has, since 1965, implemented 388 projects with a total budget of more than USD 29 million. The first Tanzanian Integrated Programme (IP) was implemented between 1999 and 2003 and focused on Small and Medium Enterprise (SME) development in priority sub-sectors, the promotion of investment and enhanced mechanisms for private-public dialogue. It was succeeded by a second IP (2004-2007), which primarily aimed at improving capacity for agro-processing. Figure 1 below provides an overview of total allotments of UNIDO projects initiated during the last ten years.

Figure1: Total allotment of initiated UNIDO projects (1999-2009)



Source: UNIDO Agresso.

Presently, UNIDO implements its projects in Tanzania within a Country Programme (2008-1010) that aims at consolidating the results of the two previous IPs and focuses mainly on Trade Capacity Building, SME and agro value chain development. Additionally, UNIDO projects have been included in the One UN Joint Programmes (JPs).

By far, the largest project in UNIDO's portfolio is a Trade Capacity Building (TCB) project (US/URT/05/002) which accounts for 26 % of the total allotment for ongoing projects in Tanzania. Another major project, with a total allotment of more than USD 1 million and with the purpose of promoting a greener utilization of sisal waste (FC/URT/04/118) is second. Most of UNIDO's other projects (24%) are part of the Joint Programme 1 and focus on the promotion of rural SME development.

There are also a number of regional projects having components implemented in Tanzania, including a TCB project for the East African Community and a large environmental project implemented in collaboration with UNEP.

The current **United Nations Development Assistance Framework UNDAF** (2008-2010) is aligned to MKUKUTA and MKUZA, and UNIDO participates in Cluster 1 on growth and reduction of income poverty focusing on three different outcomes.

As mentioned above, Tanzania is a **Delivering as One (DaO)** pilot country and UNIDO is one of the participating agencies. The **DaO Programme** consists of twelve Joint Programmes (JPs) out of which UNIDO takes part in the following:

- JP 1: Wealth creation, employment and economic empowerment
- JP 5: Capacity Building Support to Zanzibar

- JP 6: Managing Transition from Humanitarian Assistance to Sustainable development in Northwestern Tanzania
- JP 10: Education
- JP 11: Environment and climate change

The United Nations Country Team (UNCT) in Tanzania is currently preparing a new One UN framework, the **United Nations Development Assistance Plan (UNDAP)**. It will be implemented over four years, from July 2011 to June 2015.

The tables below provide an overview of ongoing UNIDO national and regional interventions in Tanzania. A full list of projects implemented between 2008 and 2010 is provided in Annex 3:

**Table 1: Areas of intervention in Tanzania
(within JPs and individual projects)**

Joint Programmes and Stand-alone projects	Allotment (USD)	Percent of total
JP 1 - Wealth creation, employment and economic empowerment	1,784,665	24%
JP 5 - Capacity Building Support to Zanzibar	422,943	5%
JP 6.1. - Managing Transition from Humanitarian Assistance to Sustainable Development in Northwestern Tanzania	329,256	4%
JP 10 - Education	624,748	8%
JP 11 - Environment and Climate change	494,103	7%
FC/URT/04118 - Cleaner and Integral Utilization of Sisal	1,015,980	14%
US/URT/05002 - Trade Capacity Building project (evaluated in 2009)	1,936,502	26%
Coordination (for Joint Programmes and Country Programme)	216,674	3%
Junior Professional Officer in Tanzania Country Office	379,410	5%
Other projects	247,068	3%
TOTAL	7,430,503	100%

Source: UNIDO Agresso, July 2010

Table 2: Regional projects with components in Tanzania

	Allotment (USD)
TCB project of East African Community	3,051,774
Reduction of Land-sourced Impacts Resulting from Coastal Tourism (UNEP)	1,660,609
Women and Youth Entrepreneurship Programme (WED/YED)	76,550
SPX – Tanzania and Kenya	221,000

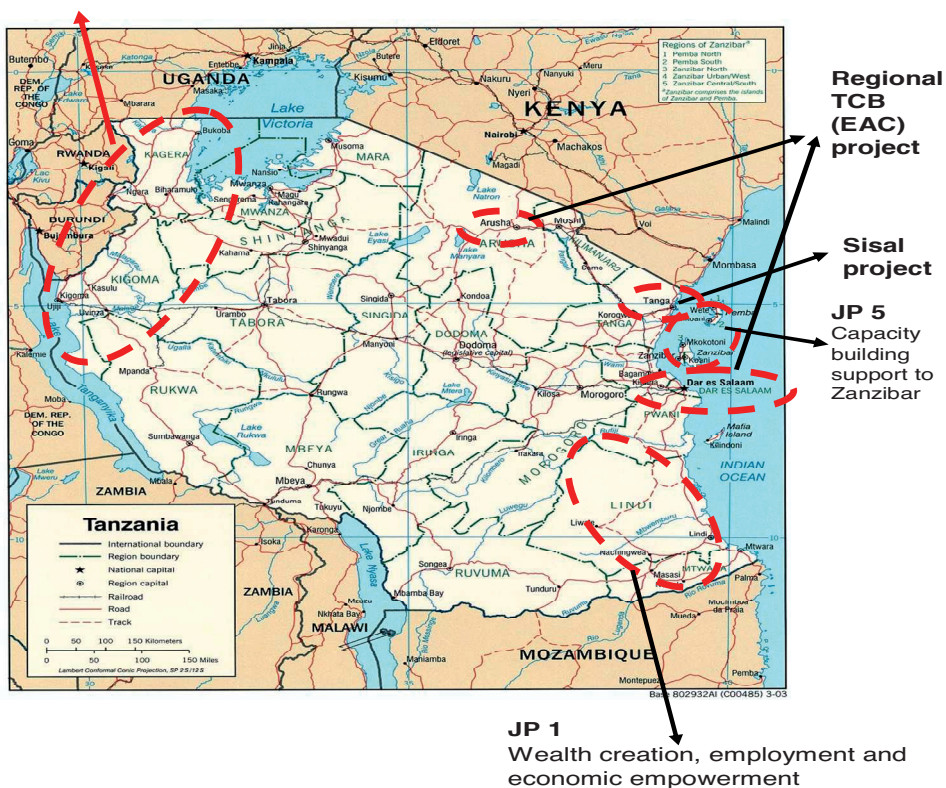
Source: UNIDO Agresso, July 2010

A map of major UNIDO relevant JPs and project locations in Tanzania is shown below.

Figure 2: JP and project locations

JP 6.1.

Managing Transition from Humanitarian Assistance to Sustainable development in Northwestern Tanzania



The evaluation was carried out in accordance with the ToR for the evaluation, provided as in Annex 1, between September and November 2010. It was conducted by a team of independent evaluators: Ms. Margareta de Goys, Director ODG/EVA, UNIDO, Ms. Godbertha Kinyondo, national evaluation consultant and Mr. Ernest Schaltegger, international evaluation consultant. It encompassed a two week field mission to Tanzania. The evaluation team visited project locations in Dar es Salaam, Mtwara, Tanga and Zanzibar (including Pemba).

2

Evaluation purpose, scope and methodology

2.1 Evaluation purpose

The country evaluation was carried out in accordance with the Terms of Reference (ToR) for the evaluation, found in Annex 1. It was undertaken at a time when the UNIDO Country Programme is coming to an end, the Delivering as One pilot phase is in a concluding stage and the next One UN framework is being developed. It was thus carried out as a forward-looking exercise with the aim of identifying areas for improvement and of drawing lessons to enhance the relevance and effectiveness of future UNIDO and UN interventions in Tanzania.

It had the following main purposes:

- To assess the alignment of UNIDO's interventions in Tanzania to national and international development priorities (MKUKUTA/MKUZA, industrial policies, MDGs, etc.),
- To assess the progress made towards the expected outcomes envisaged in UNIDO project and programme documents as well as in DaO Joint Programme documents (key criterion: effectiveness),
- To provide an assessment of UNIDO's positioning in Tanzania and the value added by UNIDO in response to national needs and priorities and the One UN agenda,
- To assess UNIDO's contribution to the One UN mechanisms,
- To generate key findings, draw lessons and provide a set of clear and forward-looking recommendations for consideration in a future country programme,
- To serve as an input to the following **thematic evaluations**:
 - UNIDO's contribution to the One UN mechanisms,
 - UNIDO's contribution to the MDGs, and
 - Field office performance.

The above mentioned thematic evaluations will be conducted by ODG/EVA in 2011.

2.2 Scope and focus

The evaluation covered the full range of support of UNIDO to Tanzania and went beyond a mere documentation of results by trying to assess why projects/programmes have succeeded or failed. It covered the period starting with the beginning of the current country and DaO programmes (2008) and considered ongoing as well as pipeline projects, and national as well as regional ones. Annex 3 of this report contains a list of all ongoing projects as well as regional projects with components/activities in Tanzania.

Concerning the UNIDO Country Programme, the achievement of outcomes as defined in the programme document was assessed. The programme was also reviewed as a whole, particularly in terms of relevance, the exploitation of synergies and coordination within UNIDO and with other development partners.

As for the One UN framework, the country evaluation focused on UNIDO's contribution to the One UN Joint Programmes and more specifically to the achievement of their objectives. A country-led evaluation was carried out in 2010 and was taken into consideration.

Specific attention was devoted to the contribution to MDGs and UNIDO Programme and Budget (P&B) outcomes.

The evaluation also attempted to assess the Field Office and in particular as regards its contribution to UNIDO's convening, normative and technical cooperation functions. This included the extent to which the country office

- develops and maintains relations with relevant public and private actors;
- participates in the UNCT and coordination mechanisms of international and regional development agencies, financing institutions and the donor community in the field;
- engages in the formulation process of programmes, aligned to local frameworks like the UNDAF;
- engages in the implementation and monitoring of TC projects; and
- are involved in global forum and convening activities.

2.3 Methodology

The evaluation was conducted as an independent evaluation and attempted to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness, impact and sustainability of the technical assistance of UNIDO.

Individual projects were reviewed and categorized according to size, theme and strategic importance and assessed in greater or lesser depth. Moreover, findings of past evaluations were fed into this country evaluation.

The only ongoing project in Tanzania for which an evaluation has been mandatory is “Strengthening the capacities of the Tanzanian quality infrastructure and TBS/SPS compliance system for trade” (US/URT/05/002), which was evaluated in July 2009 (UNIDO-TCB 2009).

a) *Project assessment* were carried out:

- For projects that did not formally require a fully fledged evaluation;
- For projects that were not yet due for evaluation.

The following methodological components were applied: an assessment of the project documentation including an assessment of project design and intervention logic; a validation of available progress information through interviews with key stakeholders and beneficiaries; and a context analysis of the project to validate implicit and explicit project assumptions and risks.

b) *Reviews*:

- For projects that were in the pipeline

The following methodology was applied: a review of the available documentation; a validation of the foreseen intervention logic/design with a special focus on the relevance to national priorities and to the Country Programme or UNIDO’s strategic priorities.

The evaluation attempted to assess the achievements against key objectives at project or programme levels, the relevance of these objectives and of the project/programme design. It also identified factors that had facilitated or impeded the achievement of objectives. Attention was given to the following cross-cutting issues:

- Contribution to gender equality,
- Contribution to environmental sustainability,
- Fostering of South-South cooperation.

Moreover, it was deemed important that the assessment of UNIDO’s programme in Tanzania was not a mere compilation of findings on individual projects but due consideration was given to synergies and complementarities between projects. The evaluation also included an assessment of the design and implementation of the programme with regards to:

- strategic objective,
- geographic priority,
- subsector focus,
- collaboration with and role of partner institutions, and
- programme management and coordination.

The country evaluation was carried out through analyses of various sources of information including desk analysis of available documents, visits to and observations at project sites, interviews with stakeholders in the field and staff at UNIDO headquarters and through the cross validation of data. The evaluation team tried to ensure that the data was valid, by a triangulation of sources, methods, data, and theories.

Documents consulted included national policies and strategies, both for mainland Tanzania and Zanzibar, UN frameworks and UNIDO programme and project documents, progress reports, expert and staff mission reports, monitoring data and various written outputs produced by the different projects. Another source of information was Agresso, UNIDO's financial performance control system. A major constraint was that progress reports were not always available or updated.

While maintaining independence, the evaluation was based on a participatory approach, which sought the views and assessment of various parties. Major stakeholders were given the possibility to review the draft evaluation report, and the final report reflects comments received. The lists of people consulted and the principal documents reviewed can be found in Annexes 4 and 5.

For the Contribution to the One UN part of this evaluation, the team complemented the assessment of individual projects/component by interviews with UN partners.

Preliminary findings of the evaluation were presented to UNIDO staff and national stakeholders at a meeting organized by the Ministry of Industry, Trade and Marketing (MITM) on 1 October 2010 that was chaired by the Principal Secretary. Many UNIDO counterparts and partners were present at this meeting, for instance the Ministry of Finance, the Ministry of Agriculture, the Small Industries Development Organization (SIDO) and the Tanzania Industrial Research and Development Organization (TIRDO).

A specific framework had been developed for the **Field Office (FO) assessment** and can be found in Annex 6. The team proceeded through document review and interviews with staff at UNIDO HQ and at the FO. This was complemented by a self-evaluation exercise in the form of questionnaire being completed by the FO.

The evaluation team adhered to the below evaluation plan (see Table 3). None of the evaluation team members had been involved in the design and/or implementation, supervision and coordination of any of the assessed interventions and/or had benefited from the programmes/projects under evaluation. The member from UNIDO's Evaluation Group managed the evaluation. Additionally, the UNIDO Field Office in Tanzania provided essential support to the evaluation team and assisted in planning the evaluation mission.

Table 3: Evaluation plan

Activity	Approximate starting date
Collection of documentation by evaluation consultant at HQ	10 September 2010
Desk Review by members of evaluation team	10 September 2010
Initial interviews at HQ to assess scope	16 and 17 September 2010
Inception report	22 September 2010
Mission to Tanzania (2 weeks)	20 September to 1 October 2010
Presentation of preliminary findings to the Government	1 October 2010
Presentation of preliminary findings at HQ	4 October 2010
Drafting of report	5 October 2010
Circulation of draft report	1 December
Collection of comments	10 December
Incorporation of comments	17 December
Issuance of final report and evaluation brief	10 January 2011

3

National economic and development context

The Human Development Report (UNDP, 2009) depicts Tanzania as one of the poorest countries in the world with a Human Development Index (HDI) rank of 151 out of 182 surveyed countries. The country, nevertheless, is endowed with many natural resources, such as cultivable land in the range of 40 million ha, of which only 13% are presently used, an irrigation potential of 2.1 million ha, mining (gold, diamond, Tanzanite), wildlife and human resources, all of which, if tapped efficiently, could foster economic and social development.

In the 1980s and 1990s, the World Bank implemented Structural Adjustment Programmes (SAPs) in many low income countries, and Tanzania was no exception. The SAPs generally addressed short-term macroeconomic imbalances and economic distortions but many of the identified problems remained.

In 1999, the World Bank and the International Monetary Fund (IMF) agreed that nationally owned 'poverty reduction strategies' (PRSs) should be the basis of all their concessional lending. The operating principle of the PRS was to enable poor countries themselves to elaborate and decide on their strategies and action plans on how to fight poverty. In most countries, this strategy took the form of a PRS paper (PRSP), which linked debt relief to poverty reduction goals. Tanzania endorsed its first PRSP in 2000. It lasted for three years (2000/01-2003/04) and contained long-term development targets and goals translated into short-term programs to enable implementation and monitoring. In 2005, the Tanzanian Government launched the second PSRP, known as the national economic growth and eradication of poverty or by its Kiswahili acronym "MKUKUTA" (*Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania*). The MKUKUTA involved a consultative process that solicited views from a wide range of Tanzanian stakeholders.

3.1 Tanzania's development visions

Tanzania has two development visions: Vision 2025 (URT 1997) for Mainland Tanzania and Vision 2020 for Zanzibar (RGZ 2000). The Tanzania Development Vision (TDV) is the umbrella policy framework that outlines the long-term social and economic development aspirations for improving quality of life, governance and rule of law and transforming the economy to a middle income country by the years 2025 and 2020 respectively. The visions' long-term developmental perspectives are aligned with medium terms strategies such as

MKUKUTA/MKUZA and global commitments such as the Millennium Development Goals (MDGs).

During the implementation of MKUKUTA I (2005-2010) and MKUZA (2006-2010), various challenges have surfaced, such as low production and productivity of economic sectors, inadequate linkage of agriculture and drivers of growth such as manufacturing, tourism and trade, low productivity of labor, poor economic infrastructure such as ports, feeder roads, railways, markets, information, storage, transport, and poor availability and accessibility of investment capital. In addition, the agricultural sector has been hampered with weak value addition chains, which reduce the competitiveness of local products and access to both domestic and export markets. Major identified shortcomings of MKUKUTA I were the insufficient prioritization of key economic sectors, inadequate attention given to establishing public private partnerships (PPPs) and ensuring that the policy reform processes were comprehensive and complete.

MKUKUTA II (2010-2015) comprises three key pillars: growth, wellbeing and good governance. Pillar One of MKUKUTA II aims to improve rural based agricultural production under the KILIMO KWANZA (Agriculture First) Initiative (see below). Another area is investment in business infrastructure by utilizing the existing business resources and opportunities to create a more competitive economy. In addition, the government intends to expand and strengthen industries, to create sustainable enterprises and provide a supportive environment.

Pillar Two focuses on sustaining the MKUKUTA I achievements in social services such as education, health and water through expanded infrastructure and the provision of additional human and financial resources. Pillar Three focuses on financial management, property rights and the improvement of economic strategic management.

The Kilimo Kwanza Initiative deserves some additional attention because it is relevant for UNIDO's programme in Tanzania (see Chapter 9 on impact). There is growing evidence that the reduction of poverty and malnutrition has been driven by substantial growth of the agricultural and agro industry sector in the countries that have decisively invested in this sector (AfDB/IFAD 2009). However, most African countries, including Tanzania, failed to promote agricultural growth over the past decades, and the sector was also neglected by donors.

Under Kilimo Kwanza, there will be an enhanced mechanization to increase acreage under small and large irrigation schemes. The private sector is encouraged to pursue agro-processing, to add value and reduce post-harvest losses. This will entail investment in large scale commercial farming, with backward linkages to private sector provision of farm inputs like fertilizers, agro-chemicals and seeds and forward linkages to markets.

3.2 Macroeconomic performance

Gross Domestic Product (GDP) growth per annum has almost doubled over the last decade from 4.1% in 1998 to 7.5% in 2008, with an average growth rate of

7% per annum. This is comparable to the performance of the fastest growing economies in sub-Saharan Africa. The recent global economic and financial crisis slowed down economic growth in 2009, and GDP grew by just 5.9%. The economy is forecasted to grow at 6.2% in 2010, partially due to the improvement in the global economy and in exports (URT Budget Speech 2010/2011). Inflation was kept low save for the 2008 hike in food and energy prices. Moreover, fiscal consolidation was central to the success in macroeconomic stabilization.

Table 4: Macroeconomic indicators, 2000-2009 (at 2001 constant prices)

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Inflation -annual average %	6	5.2	4.5	4.4	4.1	4.3	7.3	7	10.3	12.1
Real GDP Growth	4.9	6	7.2	6.9	7.8	7.4	6.7	7.1	7.5	5.9
Current Account balance/% GDP	-4.3	-4.9	-3	-0.21	-2.3	-3.7	-7.6	-9.1	-10.2	-10.0
Investment/GDP ratio	17.6	17	18.9	18.5	21	22	23.4	24.4	26.3	

Source: International Monetary Fund, World Economic Outlook Database, October, 2010

The current account deficit that was 10% in 2009 is forecasted to fall in 2010 to 6.6%, due to strong exports and decent economic growth, partly financed by rising foreign direct investment, particularly in the mining sector.

3.3 Poverty and unemployment

Meaningful information for measuring progress toward meeting MKUKUTA poverty reduction targets can be found in the 2007 Household Budget Survey (HBS). The results indicate that the majority of the population in Tanzania has not yet started to benefit from economic growth, and that poverty remains severe, widespread, and persistent. Furthermore, there are wide disparities in the extent of poverty among regions, emphasizing the need for a more targeted and diversified approach to poverty reduction efforts. In response, the government has clearly articulated ambitious targets and comprehensive strategies for poverty reduction. Poverty rates remain highest in rural areas where 38% of rural households live below the basic needs poverty line, compared with 24% of households in other urban areas and 16% in Dar es Salaam.

The low progress in poverty reduction over the years can be explained by the stagnation and decline in agricultural production and productivity in Tanzania. This underscores the strategic position of the productive sectors in poverty reduction, given that more than 70 % of the people are employed in these often informal environments. Indeed, progress was observed mostly in mining, services and tourism sectors, a trend that is not necessarily pro-poor.

According to the International Yearbook of Industrial Statistics (UNIDO 2010), annual growth of manufacturing value added (MVA) was about 8 % between 2000 and 2008. The share of MVA in the GDP of Tanzania, at 2000 constant prices, was 6.5 % in 1995, 6.9 % in 2000 and around 7.4 % in the years between 2005 and 2008. The recent Annual Survey of Industrial Production and

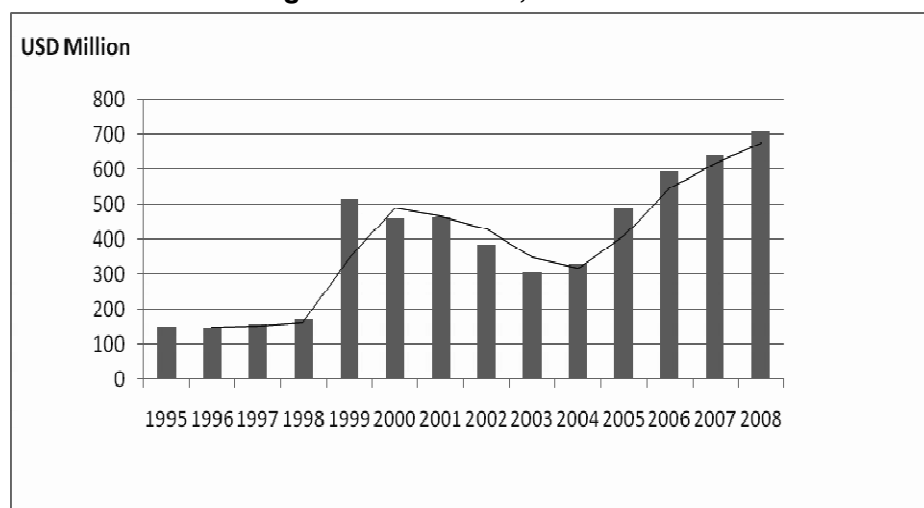
Performance 2008 (MITM 2010), which received technical assistance from UNIDO, sheds some additional light on the status of industrial development in Tanzania. Despite the increased share of MVA in the GDP, manufacturing employment as percentage of the total labor force actually decreased, although at a marginal level, from 0.48 % in 2003 to 0.46 % in 2008¹. MITM attributes this lack of performance, inter alia, to inadequate infrastructure (power and transport) and shortage of qualified labor, resulting in low capacity utilization and high cost of production. Compared to Uganda and Kenya, taxes are also deemed to be high.

The MKUKUTA I target was to reduce unemployment to 6.9 % by 2010, from 12.9 % in 2000/01. Unemployment in general is more severe among urban women and the youth of 15 – 24 years. The government continues to promote the informal sector using various instruments such as informal sector exhibitions for East African Countries, and demand driven skills programs. Of those who are engaged in the informal sector, only about 14 % are estimated to work in manufacturing.

Private sector development is one of Tanzania’s overriding priorities. The passage of the Public Private Partnerships Act 2010 is evidence that the government values private enterprises as a key catalyst for economic growth, job creation, and income generation.

3.4 Business environment

Figure 3: FDI trends, 1995-2008



Source: Computation from Tanzania Investment Center (TIC) Data

Foreign Direct Investment (FDI) increased from USD 150 million in 1995 to USD 718 million in 2008. This growth of FDI is still very low when compared to global

¹ The same source however indicates that the big majority of manufacturing companies are micro and small enterprises in the informal sector, thus not captured in the above statistics.

and South of the Sahara Africa (SSA) averages, and considered short of the requirements for robust economic growth and poverty reduction. The new East African Common Market is expected to offer opportunities to increase market access and inter-African trade and investment.

One of the reasons for relatively modest FDI is that the cost of doing business in Tanzania remains high. It even increased between 2009 and 2010 (World Bank Doing Business Report of 2010). As shown in Table 5, Tanzania's ranking as a business-friendly country dropped from 126 to 131 out of 184 countries surveyed in the world. The MITM Industrial Production and Performance Survey, referred to in Chapter 7, concurs with this appreciation.

Table 5: Cost of doing business in Tanzania

Ease of...	Doing Business 2010 rank	Doing Business 2009 rank	Change in rank
Doing Business-Overall	131	126	-5
Starting a Business	120	111	-9
Dealing with Construction Permits	178	175	-3
Employing Workers	131	133	+2
Registering Property	145	145	0
Getting Credit	87	84	-3
Protecting Investors	93	88	-5
Paying Taxes	120	113	-7
Trading Across Borders	108	105	-3
Enforcing Contracts	31	31	0
Closing a Business	113	113	0

World Bank Doing Business Report 2010.

The creation of an enabling environment through business environment reforms has been acknowledged as an important pre-requisite for unleashing a private sector response, which would lead to dynamic growth, and ultimately employment and income generation. A debate is ongoing, however, as to the relative merits and development impact of improvements of various dimensions of the business environment on the one hand, and of targeted public policy interventions in support of private sector development on the other.

Other constraints to growth of the industrial sector are high electricity tariffs and unreliable supply of electricity. The Confederation of Tanzania Industries (CTI) has advocated a reduction of corporate taxes so that companies can become more competitive in the new East African Common Market. The spread between lending and deposit rate is big and hence the cost of borrowing to all sectors of the economy is high, and this is an additional major constraint to attracting local and foreign investment.

Energy and environmental conservation feature prominently in Tanzanian policies. The major sources of energy are biomass, especially in rural areas in the form of firewood, which constitutes 90 %, oil and natural gas 7.5 %, electricity 1.5 %, and coal, solar and wind 1 %. The installed electricity capacity is 1,051 MW of which 561 MW comes from hydropower and 490 MW from thermal sources. The amount of electricity produced from biomass, mainly from

sugarcane bagasse cogeneration, is only 35.8 MW. (renewables in Tanzania 2005).

Given the intensive use of fuel wood and charcoal, over 400,000 hectares (JP 11 Programme Document 2008) of forests disappear annually, resulting in a decrease in water availability in many rivers, reservoir silting and further reducing electricity produced from hydropower. Only 2 % of rural areas are connected to electricity and only 30% in urban settings, or an average of 14 % country-wide. The lack of electricity is affecting all development efforts and a major concern for the general, and particularly industrial, development effort of Tanzania.

4

Programme features and management

It is important to note that the UNIDO programme features in Tanzania, in the period under review, have a very distinct transitory character, evolving from the Integrated Programmes (IPs) towards a Country Programme approach and through the Delivering as One pilot framework towards the new United Nations Development Assistance Plan (UNDAP) starting in July 2011.

The first UNIDO IP (IP1) was implemented 1999-2003, followed by the second IP (IP2) 2004-2007. Only the first UNIDO IP had been independently evaluated (UNIDO 2003) and this Tanzania Country Evaluation is thus the second programmatic country assessment in this millennium.

IP1 delivered 35 programme outputs in the following six programme components: (i) suitable environment for the promotion of private sector investments, (ii) sustainable productivity and environmental improvements, (iii) competitiveness and access of industrial products in both the domestic and export markets, (iv) employment opportunities through the development of medium, small and micro industries, (v) Government ability to develop, implement and monitor new or improved strategies, and (vi) new or enhanced public / private sector platforms and partnerships. Less is on record regarding IP2 (2004-2007), but two important projects in the portfolio under review were either conceived in this period or already existing, the Project on - Cleaner Utilization of Sisal (FC/URT/04/118) and the Trade Capacity Building Project (US/URT/05/002) evaluated in 2009; see Table 6 below). There was thus a basic feature of continuity in relation to UNIDO's programme in Tanzania as these and other projects of the former Integrated Programmes (IP) were carried over, often through a new phase, into the 2008-10 Country Programme.

The independent evaluation report (UNIDO 2003) on the first IP (1999-2003) stated that IP1 was largely successful and that programme integration was the way forward for UNIDO. IP1 was well managed, and great care had been taken to ensure synergy during implementation. Outputs were relevant, and two thirds of the 30 completed outputs had resulted in improvements, but impact could not be assessed on available data. UNIDO interventions were widely regarded as practical and of direct benefit to counterparts. While success at the micro sector level was rewarding, the horizons of such interventions needed expanding in order to achieve more impact and make the best use of MITM and UNIDO resources. Consequently, interventions at the policy and governance levels including capacity building were deemed likely to have greater potential for national impact.

The current URT Country Programme (CP) with the title “Country Framework of support to Capacity Building for industrial development of Tanzania through SME and agro value chain upgrading, trade facilitation, energy management and investment monitoring” includes projects carried over from the preceding Integrated Programmes, IP I and IP II, as well as new projects. Many of the CP projects are included in the DaO Joint Programmes. It also includes additional interventions, not foreseen in the CP 2008-10 document but contributing to the JPs of the One UN Framework. The results areas of the Country Programme focus primarily on SME and agro value chain development and include support to the national industrial statistics system. The total budget of the CP was USD 5.1 million, but actual allotments have been higher, to the tune of USD 7.4 million as shown in Table 6, because the actual implementation also covered 2009/10, which was not in the budget.

Substantial parts of the Country Programme have a clear geographical area focus; such as interventions targeting Lindi and Mtwara under JP 1 and the support to Zanzibar under JP 5 and, not the least, the emergency related support implemented in the North Western regions (Kigoma and Kagera) under JP 6.

There are also thematic emphasis; agro-industry development, renewable energy and the provision of industrial statistics for policy development. There has been an increased focus on capacity building for central local government and private sector partners for implementation of policies and programmes to enhance national capacities and competitiveness through strengthened SME supply capacities and market access. There are also capacity building interventions in the field of industrial data collection, processing and reporting. Unfortunately, the capacity development project documents rarely include information on identified capacity building needs or have specific capacity building objectives against which progress can be assessed.

In the period 2008-2010, UNIDO’s Technical Cooperation in Tanzania can be divided into three main categories: those that have been continued from the second IP and included in the Country Programme framework, the projects that form part of the Delivering as One Joint Programmes (JPs), which are to a large extent overlapping with the previous category, and stand alone projects. The importance of the URT Country Programme, in terms of functioning as a planning, management and monitoring tool, has decreased with the entry into play of the One UN or Joint Programmes (JPs).

Table 6 infers that there is a high number of projects to be managed by a considerable number of project managers under the Joint Programmes. The exception is JP 5 (support to Zanzibar), which is shown as one project only and managed by one project manager (see Table 6 below). The total number of UNIDO projects in 2008-2010, as shown in Table 4, is 28 and, consequently, fragmentation into individually managed projects continues to be substantial². Given the fact that some allotment holders are assuming project management functions across JPs and projects, the present total number is ten, but reportedly with a high turnover rate in some cases.

² IP 1 (1999-2003) counted 35 distinct allotments with related outputs.

Table 6: JPs, projects and project managers

Joint Programmes and Stand-alone projects (from Table 1)	Total allotment (USD)	Number of UNIDO projects	Number of UNIDO project managers
JP 1 - Wealth creation, employment and economic empowerment	1,784,665	8	6
JP 5 - Capacity Building Support to Zanzibar	422,943	1	1
JP 6.1. - Transition from Humanitarian Assistance to Sustainable Development, NW Tanzania	329,256	2	2
JP 10 - Education	624,748	4	2
JP 11 - Environment and Climate Change	494,103	5	2
FC/URT/04/118 - Cleaner Utilization of Sisal	1,015,980	3	1
US/URT/05/002 - TCB project (evaluated in 2009)	1,936,502	1	1
Joint and Country Programme Coordination	216,674	n.a.	n.a.
Junior Professional Officer in Field Office	379,410	n.a.	n.a.
Other projects	247,068	4	2
TOTALS	7,430,503	28	17

Source: UNIDO FO statistics.

In terms of the three UNIDO thematic priorities, the Tanzanian programme, as shown in Table 6, presents an equilibrated profile. Priority 1, poverty reduction through productive activities, is essentially captured by the JPs, from JP 1 through JP 10. Priority 2, Trade Capacity Building (TCB) was the object of the corresponding project evaluated in 2009 (US/URT/05/002), followed up by an ongoing regional TCB project (see below). Energy and environment, priority 3, is taken care of through JP 11 and the project on cleaner utilization of sisal (FC/URT/04/118).

It is more difficult to detect a discernable subject matter pattern between the four active regional projects mentioned in Table 2 of Chapter 1. TCB, after the completion of the SECO funded project in Tanzania in 2009, remains on the agenda at the regional level, with more than USD 3 million by far the most important one in financial terms (UNIDO 2006). The next regional project in budget size is focusing on sustainable coastal tourism, including Tanzania (UNEP 2007). A two-country regional project focuses on the establishment of an industrial subcontracting and partnership exchange in Tanzania and Kenya (SPX, UNIDO 2007), and last, a small project supporting regional network approaches supporting Women and Youth Entrepreneurship Development (WED/YED, UNIDO-SIDO 2008). The regional TCB project encompasses five countries, the GEF led Coastal Tourism Project nine, the WED/YED five while the SPX project is the exception, with only Tanzania and Kenya being countries of implementation.

Project durations are relatively short, between less than two and three years for the ones under the JPs, and free-standing projects occasionally for longer periods, up to six years. Moreover, the individual starting dates of the projects in the portfolio also vary. The result is that USD 3.71million, have been spent in ten allotments that were already closed at the time of the country evaluation.

The five JPs with UNIDO participation have an aggregate budget of USD 3.65 million of which USD 3.27 million or 90 % are covered by the ONE UN Fund. The second most important programme funding source is Switzerland (SECO) with 26 per cent of the total given in Table 6, followed by Denmark (DANIDA) and Italy, with 5 and 4 %, respectively. UNIDO's own resources account for 3 % of the overall programme budget. The projects implemented under the JP exhibit a financial implementation rate of 60% by the time of the country evaluation, compared to an overall portfolio execution rate, of all active UNIDO projects, of 57 %, at the same point in time. The overall disbursement rate of the closed projects attains 98 %.

UNIDO maintains a country office in Dar es Salaam, which currently is duty station for two international professional (one UNIDO Representative and one Junior Professional Officer) and two general service staff members. The present UR arrived in January 2010 while the previous one left in May 2009, which meant a gap of seven months. UNIDO has a small but dynamic and well established team in Tanzania. Apart from the UR, the categories and number of staff at the Office are a Senior Secretary, a JPO, a Financial Assistant and a Senior Driver thus in all 5. In addition there are 12 project staff members, out of which 5 are based in the Field Office and 7 elsewhere in Tanzania.

Compared to the presence/staffing of other UN agencies in Tanzania, UNIDO is relatively small. For example, UNESCO has 4 international professional staff members, 3 national professionals and all in all 32 members of staff presently work in its field office. This enables UNESCO to assume a function as management agent for the JP on education. This involves executing various managerial and administrative tasks. FAO has 3 professional staff members and 2 JPOs in Tanzania. In a total different category, UNDP has about 60 members of staff in Tanzania including around 12 professionals and 6 internationals.

The lean structure is sometimes mentioned as a constraint "to do more" but is also seen as an advantage of many partners (lean and mean structure) and as a proof of efficiency. The FO is, despite its small size, an active partner in the UN Country Team (CT) and in the implementation of the Joint Programmes. The Office makes substantial contributions to the implementation of UNIDO's projects, both stand alone projects and those forming part of the Joint Programmes. It has also been instrumental in mobilizing financial and in kind resources at the national level.

The Office is seen as providing value added to the Country Team in terms of making available UNIDO's resource and knowledge base on trade and industry and in technology-related areas. Its crucial role in the development of the agro-industry sector is often highlighted by UNIDO's partners.

The UNIDO Representative (UR) is functioning as Team Leader for the UNIDO Country Programme. There has been close collaboration with the national counterparts, the MITM, on the mainland and the MTTI in Zanzibar. The MITM has assigned a national focal point for the CP. Individual project managers (PAD holders), at Headquarters, have for the most part been assuming efficient management of the different CP interventions. The CP team at Headquarters has, however, been less active than envisaged in the CP document.

UNIDO has allocated budgets for programme coordination and more specifically for local and HQ travel, office equipment and national consultants. So called UNIDO seed funding has been attributed to complement One UN funds. The Junior Professional post has been financed by the Government of Italy.

In order to make optimum use of available FO resources, at the level of the FO, the Country Programme has been divided into three programmatic clusters: A) Industrial Policy and Statistics, B) Investment and Enterprise Competitiveness and C) Energy and Environment, with a designated Team Leader for each of the clusters. In addition there is a Team Leader for Administration and Finance.

Annual Work Plans have been systematically developed for projects within the JP. Consolidated CP progress reports and Work Plans developed on an annual basis, as specified in the CP document, have not been drafted.

There has been efficient back-up support from the Delivering as One support team, based at UNIDO Headquarters. A monitoring mission took place in July 2009 and the mission report highlighted both strengths and weaknesses in project implementation.

The former and present URs have been taking active part in Delivering as One coordination meetings and in other development cooperation/donor coordination bodies. The Field Office has kept itself informed of the progress of various projects but has had a rather limited role in on-site project monitoring, one reason being the limited amounts of funds available for monitoring at the level of the FO. The present UR has made an effort to manage and disseminate the knowledge generated by the Office and UNIDO at large but the absence of adequate tools are being felt.

5

Relevance and ownership

A first key question of relevance is whether, across the board, the projects of the UNIDO portfolio are relevant to national strategic priorities. The development visions of Tanzania and Zanzibar (Visions 2025 and Vision 2020, respectively) set the general stage for development, by emphasizing a high quality livelihood, good governance and the rule of law, and a strong and competitive economy. While MKUKUTA I (2005-2010) assigned priority to growth and reduction of income poverty in its Cluster One, MKUKUTA II (2010-2015) explicitly links the development of manufacturing with KILIMO KWANZA (Agriculture First), inferring that “the sector stands as an important node in the input and output lines of critical value chains identified in KILIMO KWANZA”.

The fact that the UNIDO projects converge on the promotion of agro-processing industries (Table 6) is an indication of considerable relevance to national strategic frameworks. This is also the case with MKUZA II (2010-2015) for Zanzibar, which highlights the need of promoting good manufacturing practices especially in food processing. This is the essence of UNIDO’s commitment in the framework of JP 5. Given the facts that: (i) both MKUKUTA and MKUZA are explicitly aligned to the Millennium Development Goals (MDGs) and (ii) the UNIDO priority areas contained in the Medium Term Programme Framework (MTPF) refer to specific MDGs³, it is reasonable to infer that UNIDO’S Tanzania Country Programme is coherent with four of the MDGs as well.

The country’s vision and development strategies have experienced a progressive shift to private sector led economic growth and UNIDO’s programme has been particularly attuned toward it. Another key relevance factor had been the provision of Technical Assistance (TA) to support the implementation of key government and private sector programmes (agro-industry and TCB).

The Government of Tanzania formulated a Sustainable Industries Development Policy (SIDP, 1996-2020) in 1996. SIDP was clear in the determination to link short, medium and long term strategies together, and in the prominent role of the private sector for industrial development. It also stressed the need for improved physical infrastructure and of a conducive environment, including fiscal policies favorable to the private sector engaged in the industrial sector. Special measures to promote exports, standards and quality assurance were also included. Against this background, UNIDO’s present project portfolio responds to these premises,

³ MDG1: Eradicate extreme poverty and hunger; MDG3: Promote gender equality and empower women; MDG7: Ensure environmental protection, MDG8: Develop a global partnership for development. Source: <http://www.unido.org/index.php?id=7847>

for instance, the national and regional projects in terms of Trade Capacity Building, and the propensity of the UNIDO Country Program to work with private sector firms, associations and civil society organizations. UNIDO's assistance to the Tanzanian Government to conduct industrial performance surveys and compile industry statistics is highly relevant for evidence-based policy making and adjustments.

In 2002, Tanzania put in place a Small and Medium Enterprise Development Policy (URT, MIT 2002). UNIDO and other selected donors assisted the then Ministry of Industry and Trade in this effort. The rationale of this policy was that the sector generated about a third of the GDP, employing about 20% of the Tanzanian labor force and had the greatest potential for further employment generation. It specifically underlined the role of rural industrialization so as to add value to agro products, and envisaged to promote business information and development services, as well as entrepreneurship training. The profile of the UNIDO Country Programme 2008-2010 fits well into this SME policy framework, and thus responds to potentials that warrant qualified support. In this context, comments from MITM suggest that UNIDO support would be appreciated for reviewing and adjusting Tanzania's SME policy.

Relevance in relation with The One UN Programme objectives is assessed by consulting two references: (i) the One UN Programme Document 2007-2008 (DaO 2007), and (ii) The Country-Led Evaluation of The Delivering As One UN Pilot Initiative In Tanzania (NCG 2010). DaO 2007 states that "by delivering as One, the UN will have a far greater impact on the development and humanitarian challenges that face Tanzania, avoiding the fragmentation and duplication of efforts seen in the past". The integration of the UNIDO project portfolio into JPs, where this was deemed to generate cohesiveness and synergy, was certainly reasonable, and thus relevant under the transitory conditions of UNDAF, as much as maintaining some projects as stand-alone remnants from the previous IP 2004-2007 (Table 4).

The Country-Led Evaluation of DaO UN (NCG 2010) concludes that the UN reform and the DaO initiatives in Tanzania are irreversible. On the other hand, "the very core of DaO, the Joint Programmes, is basically a multiple of existing initiatives and projects put together without an overall vision and strategy. So far it is not obvious and fully evident that the UN in terms of programme design implementation and management is 'doing business' in a new way". The UNIDO evaluation team tends to concur with this statement, but also considers the formidable underlying ambitions in this migration, from a special agency driven and project-based approach to a programmatic and One UN strategy. It would have been unrealistic to expect that this transcendent paradigm shift would have produced a smooth pass-over to an immediately perfect set of new rules of engagement in development cooperation in two years only. Seen under this angle, the UNIDO participation in the DaO UN was and remains relevant. Moreover, UNIDO's projects fit well into the above mentioned JPs, and UNIDO can be said to be relevant to the DaO framework.

A question of relevance is also to which extent the Tanzania Country Programme is aligned with UNIDO's Medium Term Programme Framework (MTPF) 2006-2009 (UNIDO-IDB 2006). The MTPF refers to three areas of focus: poverty

alleviation through productive activities, trade capacity building, and environment and energy, as well as a number of cross-cutting approaches. Considering the subject area mix in Table 6, it is evident that the Tanzania Country Programme responds well to UNIDO's general layout of focus areas and is in line with its priorities.

Interviews with representatives of the main counterpart institution at national level, the MITM, suggest that the government had been participating in the identification of critical problem areas and in the development of the technical cooperation projects, and was actively supporting their implementation. The high turnout and the degree of interactions that the evaluation team had with MITM staff in the course of three meetings are indicative of a high level of familiarity with UNIDO's key areas of expertise, commitment with the UNIDO agenda and hence substantial ownership. Stakeholders at individual project level, such as parastatals, private companies, chambers and grass-root organization all appear to have been involved early on in the design and implementation of their respective projects. Their commitment is a building block of relevance.

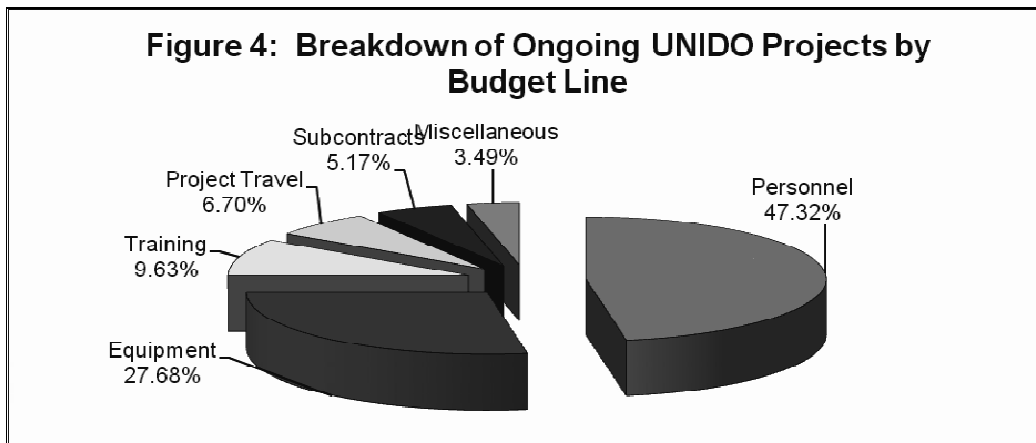
Regional UNIDO projects, or regional projects with UNIDO participation, are in principle very relevant per se, especially for issues that are trans-boundary by nature. Projects regarding Trade Capacity Building at regional level or addressing environmental impact from coastal tourism belong to this category. The limitation with such projects is that ownership is less evident for the concerned national stakeholders, maybe also exacerbated by the complexity of these two cases. They will be revisited in Chapter 7.

The fact that UNIDO is the only multilateral development agency with an overarching expertise in industrial policy development, sector analysis including statistics, Trade Capacity Building, the promotion of appropriate agro-industrial technologies, and of rural industry-related energy and environment issues, confers its unique comparative advantages. These are put to use in the Tanzania Country Programme. On the other hand, UNIDO may not have a distinct competitive advantage in supporting curricular design (JP10), but the introduction of an entrepreneurship development curriculum into the syllabus of secondary education is highly relevant for the future of Tanzania's industrial, and specially SME, development. The challenge is upon the Ministry of Education to adopt the entrepreneurship development subject in the syllabus. A similar attempt failed when the module on food quality and safety, with a fully developed teachers' training manual (TBS 2009), did not find its way into the secondary education syllabus. This module was developed under the Trade Capacity Development Project (US/URT/05/002). Thus the relevance to the direct government counterpart is questionable.

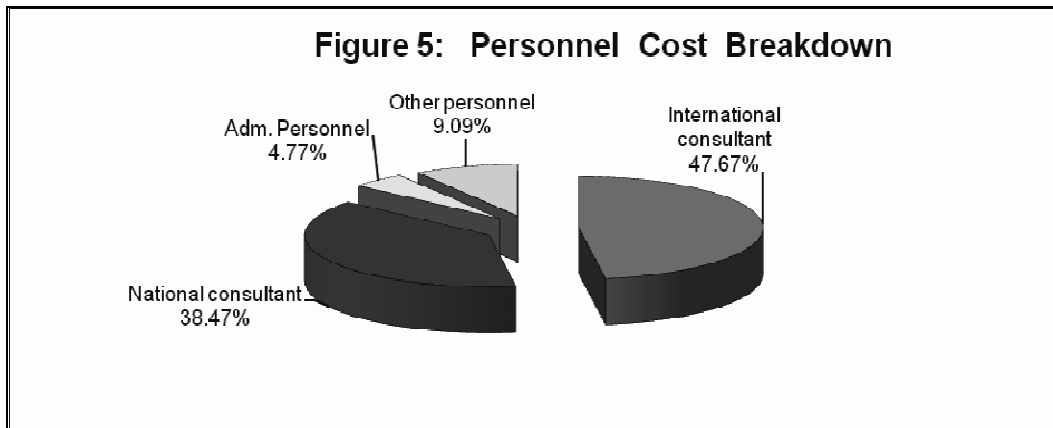
6

Efficiency of implementation

UNIDO is a technical assistance agency, which is also reflected in the project budget structure. Figure 4 is drawn from cumulative project expenditures of the presently active portfolio and shows that the largest component is personnel (47 %), which are followed by equipment (28 per cent). The share of equipment is commensurate with UNIDO's approach of implementing pilot projects that can later be up-scaled. Figure 5 shows the personnel cost breakdown and informs that 85 % of total personnel cost is devoted to contracting international and national consultants. Given the wide array of expertise required to cater the projects' needs at various stages of their development, the recourse to specific know-how, partly for only limited time, is a necessity. Thus, the substantial reliance on consulting expertise is justified. The mix between international and national consultants is driven by the promotion of technologies that often require technical know-how from abroad, such as the production of biogas from a hitherto unconventional feedstock, sisal waste, or cashew nut processing technologies adapted to be run by grass-root organizations. On the other hand, UNIDO went at length to involve national consultants in the coaching of on-going operations such as the Business Information Centers (BICs).

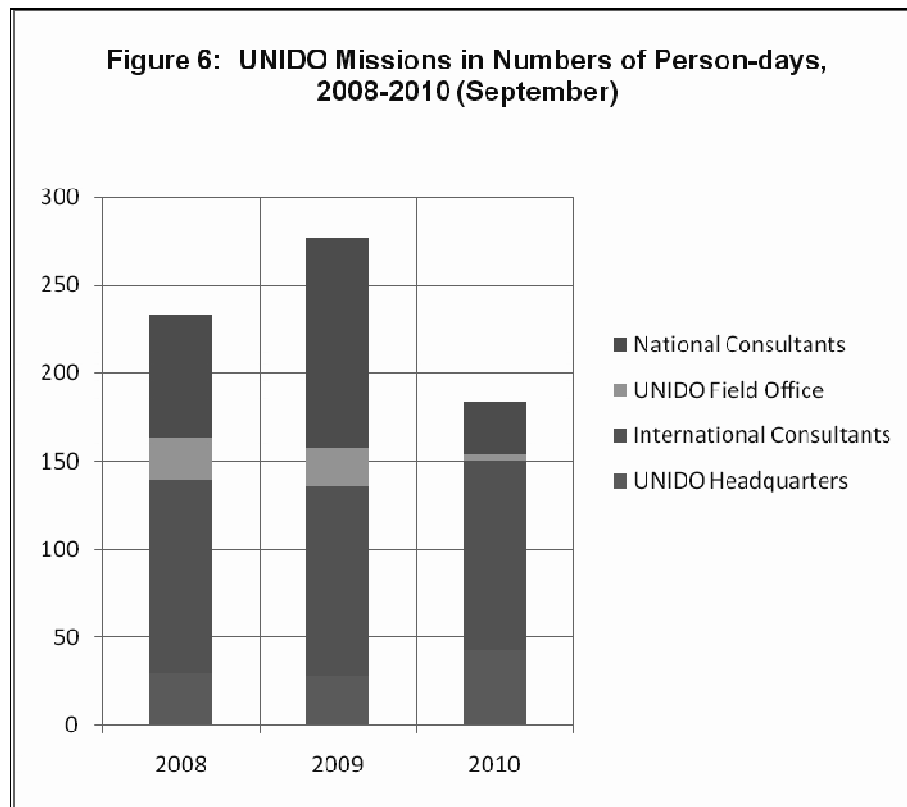


Source: UNIDO Field Office Statistics



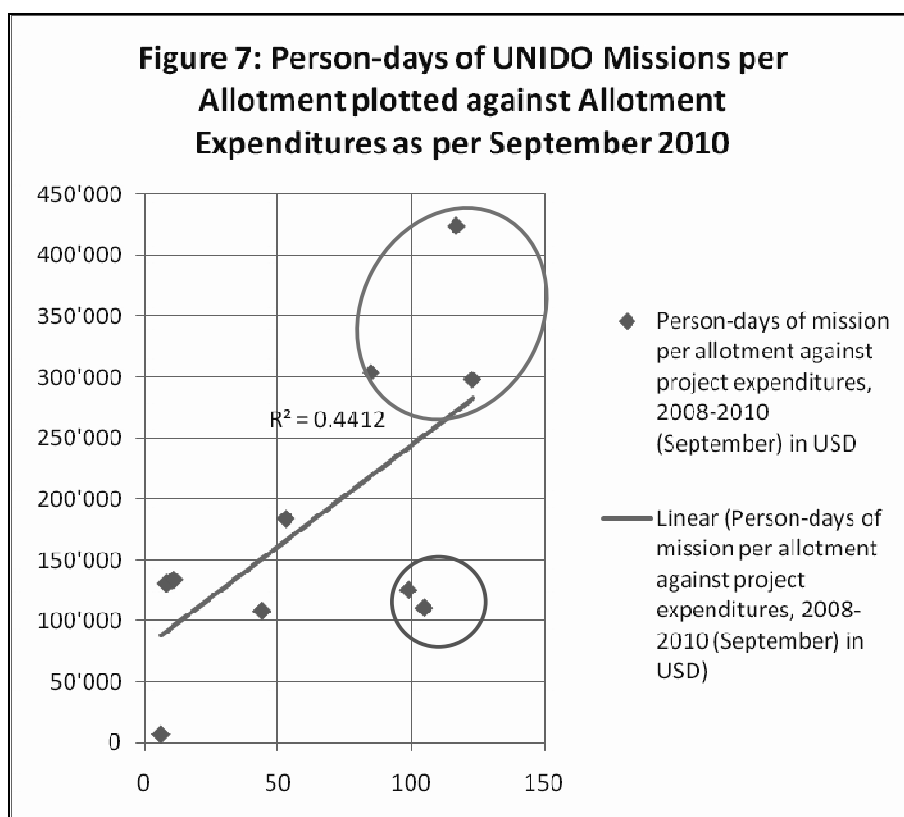
Source: UNIDO Field Office Statistics.

Expertise transfer implies the fielding of missions. Figure 6 shows the human resources structure in terms of person-days of mission. As 2010 is not yet complete, it makes it difficult to detect trends. What is clear is that national and international consultants substantially outweigh the deployment of UNIDO Headquarters and Field Office staff, thus confirming the pattern of Figure 5 that measures cumulative expenditures of the presently active project portfolio along these personnel categories.



Source: UNIDO Field Office, Dar es Salaam.

The evaluation team has also analyzed the relationship between effective project expenditures and the cumulative number of person-days of mission, by plotting these against each other (Figure 7). The intention of this analysis is to show to what extent mission intensity is a function of the cumulative project expenditure, captured per active project and expenditures as per September 2010. Overall, there is a visible correlation between project expenditures and the cumulative number of person-days of mission, which can plausibly be expected. Cashew nut quality and processing, and support to Zanzibar, all related to the subject matter of agro-processing, highlighted by a green circle in Figure 7, are mission intensive in absolute terms but lying above the expenditure-mission correlation trend line. This means that, relative to the respective cumulative expenditures, the number of mission days was relatively low. Outliers, to a certain extent, are the two project allotments for the support of the Mtwara and Lindi BICs, and the support to the Government for industrial statistics, marked with a small circle. There, the subject matter required a relative high number of mission days compared to the total project expenditures. In the case of the Mtwara and Lindi BICs, this was necessary due to lack of skilled personnel in these regions.



Source: UNIDO Field Office, Dar es Salaam.

Technology choices, related to the equipment purchased, were overwhelmingly adequate. This is the case with IT hardware in the BICs, the cashew nut processing plant of the Kitama Cashew Nut Processing Association, both the Pemba Fish Drying and the Fruit Drying Associations as well as with Katani Ltd., where industry scale sisal processing equipments and a whole biogas-based

electricity plant have been installed – and are successfully operated. This is indicative of appropriate technology choices and thus of efficient resource allocation.

The evaluation team visited one site where the resources for hardware were not in tune with the ambition of the project. The R&D laboratory at the Agricultural Research Institute, Naliendele in Mtwara (a UNIDO component of JP 1) has not received sufficient budget for adequate equipment “to set up a chemical and micro-biological laboratory to international standards”, as reported in the JP1 Annual Report (UNIDO-JP 2010). As the premise is equipped now, it rather serves to experiment with various processing techniques of cashew apples, at an intermediate level of juice processing technologies and of hygiene (see Table 7 in Chapter 7). The underlying project document prepared by a consultant indeed foresaw “to establish a commercially operable cashew apple processing and demonstration facility” (UNIDO, Matthews 2008) while the interviewed scientist responsible for the premise referred to it as chemical and microbiology laboratory with international standards⁴. In this case, a lack of both sufficient funding and clarity on the functions to be assigned to this laboratory has compromised the efficiency of the project.

Two independent reviews/evaluations, the one of the Trade Capacity Building project US/URT/05/002 (UNIDO-TCB 2009), and the independent thematic review of the promotion of small hydropower for productive use (UNIDO-SHP 2009) assessed project efficiency as well. The former concluded that the various levels of management were over-elaborate and not particularly efficient in the use of resources. The latter, the thematic review of small hydro power plants, is particularly critical in terms of efficiency of scarce resource use in the case of Tanzania where none of the two donated turbines was/is operational, the bigger one, of 75 KVA installed capacity, still unpacked. The evaluation team corroborates these factual findings regarding the two turbines.

Another measure of efficiency includes timeliness of implementation. The UNIDO evaluation team noted that, for the DaO Joint Programmes where joint funding (for all UN agencies) is disbursed on an annual basis, delays have been experienced due to this funding mode. The UNCT (where UNIDO is an active member) is now advocating multi-year funding to minimize disruptions in service delivery.

An indication of efficiency may also be measured by the extent of using existing UNIDO products by project stakeholders and counterpart institutions as this entails low opportunity costs. The UNIDO developed COMFAR software for project feasibility studies is a case in point. In Tanzania, Katani Ltd. is the only project partner visited by the evaluation team that is systematically using it for its own studies. It has gone further and disseminated the use of this tool to additional 70 sisal industry managers. The TCCIA only uses COMFAR occasionally and for larger projects.

⁴ The building standards are not adequate for either function, and this was corroborated by the lead scientist of the premise. The basic project document (UNIDO, Matthews 2008) did not go into details of building specifications.

7

Effectiveness

Under this chapter, we will assess the extent to which objectives established in project/programme documents were achieved. It was difficult and often too early to assess to what extent the Country Programme objectives of enhanced national productivity, and competitiveness and enhanced supply capacity of SMEs, especially in the agro- industry sector have been met. Moreover, these objectives are somewhat ambitious considering the relatively small size of the CP and its related projects. As the agro-industry portfolio has been more or less been focused on the implementation of pilot projects testing new technologies and upgrading capacities of small-and micro-scale food processing enterprises, and on developing capacities to implement, assess and possibly disseminate results of such pilot projects, the related project objective should have been formulated keeping these aspects in mind. In fact, it is even too early to tell, for the majority of the pilot sites established since 2008, to what extent there will be additional value addition, mitigation of post-harvest losses or improvement of rural incomes. It is also too early to say to what extent the facilities will be used as technology demonstration centers and serve as tools for technology outreach and replication.

To what extent capacities to undertake value chain analyses or conduct sub-sector analyses that have been imparted is neither obvious from any progress report nor the discussions the evaluation team has had with beneficiaries. Such studies have been carried out by local consultants, and are on record for the sub-sector selection in Mtwara and Lindi Regions (UNIDO-MMA 2008) and food marketing in the same area (UNIDO-Seth Akweshie 2009).

The following Tables 7-13 compare objectives and achievements on the basis of available documentation, mostly 2009 annual reports, and in one case - the Trade Capacity Building project - the independent evaluation report (UNIDO-TCB 2009), complemented by stakeholder interviews and project site visits. In the case of JPs, only the UNIDO parts are considered.

Assessing effectiveness on the basis of 2009 annual reports was problematic as many projects, and all under the JPs, will be concluded by June 2011 only, a point in time when a fair measurement of effective project achievements should be possible. However, the absence of SMART indicators (Specific, Measurable, Achievable, Relevant and Time Bound) in general, will render indicator-based effectiveness assessment difficult also in June 2011. In many cases, indicators have been presented in project documents, but mostly without time bound magnitudes. Where indicators respond to the SMART criteria, they have not been referred to, even in cases where measuring deadlines have elapsed. The indications in Tables 7-13 therefore provide an essentially qualitative assessment

on the status of project progress in all cases where they are still ongoing, all the more so because output achievements in % have only been reported for JP 1 (Table 7). In the Tables 8-13, indications on the percentage of completion are assessments made by the evaluation team.

**Table 7: Effectiveness overview of JP 1 -
Wealth creation, employment and economic empowerment**

Immediate objective	Increased number of enterprises active in local economic activity	
Expected outputs	Status/assessment	Completion (percent)
Common NBS-MITM/MIS Industrial Survey established by 2010	Key private sector institutions and MDAs were facilitated to establish a Management Information System (MIS) and strengthening of a coordination unit to undertake employment and industrial productivity policy monitoring.	90 %
Viable enterprises including cooperatives and farmers' associations in place	Support for establishment of 3 commercial pilot centers (cashew semi-processing, cashew apple processing, sesame processing), business-skills training for SMEs at the farm-level and local government programmes aimed at transfer of technical skills for rural producers and increased empowerment in terms of technology and skills of local producers in food processing, agro value addition and agro waste utilization. The enterprises should generate at least 1,000 direct jobs, markets and value added to farmer productivity.	70-90 %
BDS and support structures to enterprises strengthened for better market	The service portfolio of rural business information centers is revamped with pilots in Lindi and Mtwara. The sub-contracting exchange approach is also being promoted to link small producers to large markets and supply partnerships (SPX), and tools have been introduced for undertaking routine surveys for evidence based FDI monitoring and public-private sector dialogue.	80 % 70 %
Waste Management for sustainable productive activities promoted	Support is being provided to local government and community groups to establish pilot community schemes for promoting rural renewable energy and agro waste utilization. This intervention has contributed improved productivity, efficient resource use, enterprise establishment and development of off-farm business. Moreover, agro communities are better aware of the need for waste management, ensuring efficient use of energy and linking these measures to development of productive business activities.	80 %

JP 1 entails four UNIDO specific outputs summing up to a total budget of more than USD 1.5 million. The first output, the only one at national level, refers to the common NBS-MITM/MIS industrial survey. A draft copy of this survey was handed over to the evaluation team, and the accomplishment of this output is on track. This is a concrete result aimed at strengthening the capacities of MITM, NBS and the CTI. Regarding the second output, the evaluation team visited the Kitama cashew nut processing plant, with a theoretical processing capacity of 7'000 tons per year, which is in the stage of finalizing civil works, machinery installation and power connection. Handover to this association is planned when the technical and operational feasibility is proven in the framework of the pilot project, after some months of operation. The 250 member strong association was supposed to process the first harvest starting in October 2010, which must be

postponed because there is as yet no electricity available. The main point is however that the managerial capacity appears to be weak for a task that is ambitious by any standard. The association's accountant is cognizant, neither of the value of the donated equipment, nor of the working capital requirement nor of the schedule of accounts needed to run this important operation. In fact, she had never been given any financial analysis training and only carries out cash flow analysis.

The Business Information Center (BIC) in Mtwara, run by the regional branch of the Tanzanian Chamber of Commerce, Industry and Agriculture (TCCIA), was also visited by the evaluation team. Records of the services offered are well kept, and maintain gender-specific records of customers. The BIC's revenue sources are basically three: serving as internet hotspot, offering computer training courses and selling business information services. At the time of the visit, revenue was not sufficient to cover recurrent cost, but a later verification in October 2010 infers that break-even is close. As the operation of the BIC is based on a carefully prepared business plan, it is relatively easy to compare financial performance with benchmarks. The discussions with the BIC managers in Mtwara suggest that future revenue of the Mtwara BIC is likely to be generated by the sale of access to the internet and computer training courses, and much less through the sale of business information services as very few local SMEs seem willing to pay. The other UNIDO supported BIC in Lindi, which caters for a less developed regional headquarters, faces a still more difficult environment. With focused marketing, promotions and packaging there is a potential for overcoming these challenges, but at the time of the evaluation mission the BICs did not function as full-fledged business information centers.

The evaluation team did not visit the waste management project of JP 1, but according to available references, this component has a good potential for employment generation, particularly in urban settings.

Table 8: Effectiveness overview of JP 5 - Support to Zanzibar

Immediate objective	Productivity growth realized at enterprise, farm and producer level, with BDS or private and public sector support contributing to enhanced productivity and trade capacity of SMEs.	
Expected outputs	Status/assessment	Completion (percent)
Enhanced capacity for sector ministries, workers and employer's organizations, private sector and civil society groups to implement the SME and employment policy, job creation programmes and the Youth Action Plan	<p>25 qualified trainers trained for conducting training, counseling and consultation in agro-food processing, seaweed value addition and business skills to SMEs in Zanzibar. Two short courses in fish processing with 30 participants conducted by local trainers and eight groups of seaweed dealers facilitated for formation.</p> <p>Women and youth who are trained through the JP5 agro food processing and entrepreneurship development activities easily receive consultation and counseling services through local trainers in their areas. Pilot business units are effectively used for technology demonstration and training of SMEs and BDS providers.</p>	70 %

	<p>The set-up of the first integrated rural renewable demonstration center (solar and biomass) is completed. The pilot demonstration is providing the know-how and technology for linking rural energy to business-related initiatives that can be replicated by communities. The assessment and dissemination of applications for renewable energy resources and technologies has resulted in an increased adoption of renewable energy for energy supply and productive use in rural areas.</p>	
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The UNIDO specific JP 5 contribution is captured in one multiple stakeholder output. In discussions with Zanzibar’s Ministry of Trade, Tourism and Industry (MTTI), the Principal Secretary confirmed that the UNIDO support in the framework of JP 5 was both needed and effective. Three centers catering for the needs of grass-root organizations were visited. One of them was a fish drying and smoking plant of a fishermen’s association in Pemba, based on very simple and affordable technologies transferred by UNIDO. The market prospects have been assessed by the promoters themselves. Gross margins, in terms of fresh fish equivalents, are the double of fresh fish. The group has just become operational and has acquired first orders in the magnitude of tons.

On the same island Pemba, the Fruit Processing Association in Wete is still far from this stage. The fruit and spice drying plant is installed and operational, based on very sound technology choices (heat from solar panels and ventilation form the grid), but without functioning water supply. More concerning, the association members have no idea where and at what prices their products can be sold.

The third UNIDO project visited was the Kisakasaka Pilot Plant for Renewable Energy. While the charging of cell phones is working well, with sound record keeping until June 2010, the purpose of promoting productive use has not been met. The cow dung based biogas plant has been installed but problems with the gas intake valve on the gas engine persist. More concerning, the off-take of the installed capacity of 9 KVA is unclear. Preference will be given, if the present technical problems with the biogas generator can be solved, to household lighting scattered in a distance of more than 500 meters, to complement the limited electricity needs of the local abattoir where the plant is located. To realize the end-user connections, an additional budget would be required.

Table 9: Effectiveness overview of JP 6.1 – Transition from humanitarian assistance to sustainable development in North-West Tanzania

Immediate objective	Stakeholders' capacity in the two regions for economic planning, employment creation, and agriculture and market improvement strengthened	
Expected outputs	Status/assessment	Completion (percent)
Small scale agro/food processing technologies for organized groups improved. 4 pilot centers operational and 200 (including women and youth) agro/food processing SMEs trained on entrepreneurship with 11 pilots by June 2010	4 groups of agro-producers, mostly women and youth, were indentified for support between 2009 to end of 2010. The groups were using rudimentary methods for processing of cassava, palm oil and soy milk The groups are being upgraded through technology and entrepreneurship skills training on value added food processing, starting with 2 groups in Kigoma and Kibondo. The pilot centers for agro processing and renewable energy are also accessible for use by agro-extension officers and LGAs in training and technology demonstration to other groups of prospective small agribusiness operators	60 %

The UNIDO contribution to JP 6.1 is based on a programme that responded to the needs of refugees, fleeing from unrest and civil war in Burundi and the Democratic Republic of the Congo, and aiming at a transition from humanitarian assistance to sustainable development. This is one of the most challenging projects in the portfolio. While the outputs have been formulated with time bound and measurable indicators, the achievements – or reporting thereof – have remained focused on activities without indication of numbers, especially regarding the number of persons benefitting from UNIDO assistance. It is therefore particularly difficult to assess effectiveness in the case of UNIDO's contribution to JP 6.1.

Table 10: Effectiveness overview of JP 10 – Education

Immediate objective	Enhanced capacities for national institutions to promote science, technology and innovation for growth and development	
Expected outputs	Status/assessment	Completion (percent)
Teachers' guides and students manuals	Draft teachers' guides and student manuals available	100 %
In-service training for teachers at Teachers Training Colleges	Not yet due	n.a.
Plan for introducing entrepreneurship education in secondary schools	Not yet due	n.a.

The evaluation team met with specialists of the Tanzanian Institute of Education (TIE) responsible for curriculum design of the entrepreneurship module planned to be introduced into the secondary education syllabus of Tanzania. Both the teachers' guides and student manuals were made available in draft form to the evaluation team. They are systematically designed, clearly spell out levels of

knowledge and skills to be attained and contain indications on how to evaluate what has been learnt. What is lacking, in the teachers' guides, is an assessment on how the new module is linked with the existing secondary education syllabus, and the mention of locally accessible sources for didactic material, given that the subject matter is novel. As Table 10 suggests, the UNIDO contribution to JP 10 is on track. Chapter 12 will refer again to JP 10 in relation to gender dimensions.

Table 11: Effectiveness overview of JP 11 - Environment with focus on natural resources management, climate change and desertification

Immediate objective	LGA plans and budgets that address local environmental priorities and integrate national environment management programmes are implemented.	
Expected outputs	Status/assessment	Completion (percent)
LGAs understand their roles and responsibilities (and those of others with respect to environmental management) and enhance community/stakeholder participation in planning	Consultations with Cleaner Production Center Tanzania (CPCT) and stakeholders were undertaken, agreement established on the implementation of the planned activity. Identification of trainees and target partners for implementing the planned activities was conducted.	70 %
Immediate objective	Funding for environmental management from international environment funding mechanisms and DCM projects in place.	
Expected outputs	Status/assessment	Completion (percent)
Key industries, private sector organizations, financial institutions, NGOs and CSOs knowledgeable on the basic CDM concepts, funding opportunities and where to find additional information and assistance	Preparatory mission for consultations with Division of Environment (DoE-VPO), Ministry of Energy and Minerals (MEM) and stakeholders undertaken. Stakeholder consultations and agreement to focus the training on small hydropower development. Draft Aide-memoire for seminar on small hydro power (SHP) development for policy makers and technical training for SHP developers prepared. Outline of work plan for the implementation of the low-carbon options in agro-processing industry prepared. Identification and grouping of industries for eventual implementation of the planned activities done.	80 %

The UNIDO contribution to JP 11 falls under two distinct immediate objectives as indicated in Table 11 above. The function of UNIDO in JP 11 revolves around assisting local government authorities (LGAs) in asserting their role in environmental management. Table 12 infers that UNIDO has mobilized the Cleaner Production Center of Tanzania (CPCT) in Dar es Salaam for this purpose. The second immediate objective is focusing on bringing concepts and funding modes of the Clean Development Mechanism (CDM) to the Tanzanian stakeholders. In this context, SHP will also be included. This is an opportunity to take stock of the independent thematic review findings referred to below.

At this juncture, a small hydro-power (SHP) project, a remnant from the UNIDO IP 2 2004-2007 period, deserves to be mentioned because some project activities took place still in 2008. SHP projects supported by UNIDO were the object of an independent thematic review (UNIDO-SHP 2009). While the relevance and potential of SHP for rural industrial development was not

questioned, UNIDO's approach was up for close scrutiny. The report noted that UNIDO's approach lead to a collection of "pilot projects" on a weak programmatic basis rather than demonstrating its specific added value as a specialized UN agency more convincingly, by concentrating on strategic studies and advice. In the case of Tanzania, the review notes that UNIDO's SHP commitment was not even part of IP 2 but an ad-hoc commitment, albeit included in routine reporting. The initiative stemmed from a visit to Tanzania of a delegation of the Chinese International Hydropower Centre (INHSP), which took place in 2004. This resulted in the donation of two turbines. A small turbine of 9 KVA installed capacity has been set up in the village of Kinko in North-Eastern Tanzania, but is not operational since 2007. The second turbine, rated at 75 KVA, is still unpacked at the parastatal utility company TANESCO. A phone interview with the project manager revealed that TANESCO has so far not expressed interest to coach off-grid electricity generation plants as was originally assumed by UNIDO, which would explain the non-use of the bigger turbine. Second, there are fundamental management problems to be solved by the community, over and above technical flaws that prevail at the Kinko site. Consequently, this UNIDO project is rated non-effective.

Table 12: Effectiveness overview of FC/URT/04118 – Cleaner and integral utilization of sisal

Objective	The technical and economic viability to produce biogas electricity and organic fertilizers is demonstrated and confirmed.	
Expected outputs	Status/assessment	Completion (percent)
Operating biogas processing unit built	Erected in 2006 and 2007, commissioned in September 2007	100 %
Operating storage and distribution system for biogas developed	See above	100 %
Optimization of the technical and economic assessment for the production of biogas	Feasibility study available	100 %
Pilot demonstration electricity generation and distribution system designed and operational	Only local distribution. Negotiation with utility on-going.	80 %
National strategy for energy generation from sisal waste approved	No national approved strategy is on record. However, the Tanzania Sisal Board is promoting waste use from sisal since project inception.	80 %
Study on the utilization of liquid biogas byproducts	Not on record, but biogas effluents are currently recycled back to the sisal plantations	100 %
Study on the utilization of solid biogas byproducts	Not on record, but soli byproducts from biogas production are currently recycled back to the sisal plantations	100 %

The cleaner and integral utilization of sisal is a groundbreaking project, and it is a worldwide first. By having effectively proven that sisal processing waste (98 % of the initial fresh weight) can be transformed into a valuable feedstock for biogas and electricity generation, it has complied with its pilot project function and set the foundation for replication and up-scaling. Sisal processing for fibers combined

with electricity generation doubles the value added compared to simple fiber extraction. The environmental benefits are also tangible. For example, the use of sisal waste eliminates pollution of nearby water bodies and reduces carbon emissions by using a renewable resource for electricity generation. As Table 12 shows, practical implementation has preceded studies, in the case of recycling liquid and solid biogas residues. In other domains, up-scaling is more difficult. According to the operator of the biogas plant in Hale near Tanga, the national power utility company, TANESCO, has set the minimum limit for feeding electricity into the grid at 1 MW installed capacity while the current capacity of the pilot plant in Hale is only 300 KW. The generated power is currently used in the operation of the sisal processing factory and in nearby buildings including offices. Negotiations are under way to find solutions for an up-scaled biogas power plant and better grid access. At this point in time, it can be concluded that this UNIDO pilot project was overwhelmingly effective.

Table 13: Effectiveness overview of US/URT/05/002 – Strengthening the capacities of the Tanzanian quality infrastructure and TBS/SPS compliance system for trade

Objective	Industrial development and export capabilities are facilitated by reducing technical barriers to trade through the strengthening of standards, metrology, testing, quality and conformity assessment institutional structures and national capacities.	
Expected outputs	Status/assessment	Completion (percent)
Metrology/calibration/testing capacity of TBS strengthened and recognized internationally.	The 2009 independent evaluation assessed the achievements in metrology and calibration of TBS as having good chances of impact, thus inferring effectiveness.	100 %
National institutions for conformity assessment including certification and inspection strengthened	Capacity building for conformity assessment and trade was not done. Not effective.	0 %
Tanzanian quality chain for testing and inspection for export improved.	The 2009 evaluation found that aspects of sanitary and phytosanitary relevance (SPS) and private standards such as GLOBALGAP, given the importance of agricultural exports, were not duly considered. Hence the improvement of the Tanzanian quality chain for testing and inspection for export was deemed marginal.	30 %

The independent evaluation of the SECO funded TCB project has produced mixed findings (UNIDO-TB 2009), as substantiated below. The metrology and calibration component with the Tanzanian Bureau of Standards (TBS) was, however, deemed to be effective. The evaluation team corroborates this finding on the basis of an extensive interview with the TBS Director. The ISO 17025 accreditation of TBS's laboratory, supported by the TCB project, triggered further accreditations for testing laboratories for water, textiles and mycotoxins at later stages. The mobile metrology van, not yet operational at the time of evaluation in 2008, has started functioning. This is another project with clear capacity building results where the supported TBS today provides improved and demanded metrology and calibration services. In addition, the support to quality assurance infrastructure complements the UNIDO support to the development of agro-industry and fosters increased competitiveness. However, the components that should have reached out to other institution and implied the formation of a

Tanzania quality chain were not realized. The evaluation also noted that agency procurement prevailed, as compared to government procurement. This is in contradiction to the principles of the Paris Declaration but seems to be the preferred modality of the MITM officials.

Regarding the regional UNIDO projects, written information is less abundant on the current status of implementation than for projects in the Tanzania portfolio. Among the four active regional projects, the project of the East African Community (EAC) “Trade capacity-building in agro-industry products for the establishment and proof of compliance with international market requirements” (TE/RAF/06/014) is the one with the biggest budget outlay of over USD 3 million between 2006 and 2011, funded by the Government of Norway. The effectiveness assessment of this project is derived from the internal mid-term review conducted in February 2010 (UNIDO-EAC 2010).

The project, which was revised a first time in 2008, focuses on:

- A harmonized regional food safety legal framework and cooperation on SPS matters,
- A food safety awareness programme organized at regional level,
- The establishment of regional centers of excellence on food safety management and food technology,
- The proper functioning of national SPS/TBT enquiry and notification points,
- The upgrading of food chemistry and microbiology laboratories for the availability of local cost-effective and internationally recognized conformity assessment services for strategic food exports,
- The development of national capacities for the implementation and auditing on Food Safety Management Systems based on ISO 22000, and
- The development of a regional traceability platform.

The internal mid-term review concluded that the progress has been by and large unsatisfactory. In the time since project inception in 2006, it became clear that a large and increasing number of donors/agencies initiated trade related projects dealing with SPS issues in the EAC region, thereby rendering coordination very difficult. With the above in mind, the need for an in-depth review and a rationalization of project outputs and activities was identified. The complexity of the project and the scarce field human resources has had a direct impact on its slow implementation. Some recommendations in the MTR report address weaknesses which have been identified in terms of management and coordination; and also the need to simplify and refocus the project’s outputs to realize its outcomes/goal of improving the trade in and out of the region for agro products. Given the above insight, the UNIDO evaluation team assesses the effectiveness of this regional project at 30 %.

The project titled “Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism” (GP/RAF/08/004, YA/RAF/09/002, USD 1.3 million, 2008-2012) is mainly funded by GEF resources and implemented by UNEP and UNIDO. Cameroon, the Gambia, Ghana, Kenya, Mozambique, Nigeria, Senegal, the Seychelles and Tanzania are the participating countries. The project aims to: (i) capture best available practices and technologies (BAPs and BATS) for contaminant

reduction; (ii) develop and implement mechanisms for sustainable tourism governance and management that measurably reduce degradation of coastal ecosystems from land-based sources of pollution and contamination; (iii) assess and deliver training and capacity requirements emphasizing an integrated approach to sustainable reduction in coastal ecosystem and environmental degradation; (iv) develop and implement information capture, information processing and management mechanisms and information dissemination; and (v) undertake cost-effective project management, coordination, monitoring and evaluation. Barring some exceptions, the indicators for the five above outputs are not time-bound, and the project implementation reporting refers to activity implementation in percentage terms only (33 generic activities).

The project implementation report 2010 (UNEP GEF PIR 2010) concluded, and this was confirmed by Tanzanian stakeholders, that despite the project being in its second year of implementation, it was too early to describe any substantive contributions. This was primarily due to the delays being experienced in establishing contractual agreements with the lead institution in each partner country. More specifically related to Tanzania, the findings were similar (Nkondola, Mdamu 2010). At the end of the second year, the project coordinator and a consultant for geographic information systems (GIS) were recruited, and fund disbursements procedures from GEF funds agreed upon, but out of the five project components, only one has been initiated at the end of the first year. Related to Tanzania, the UNIDO evaluation team assesses effectiveness of this regional project to be at 20 %.

The smallest regional project “Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC approaches supporting Women and Youth Entrepreneurship Development (WED/YED)” (YARAF08015), concluded by now, sponsored a regional meeting for sector agencies and NGOs in five selected African countries, including Tanzania, in support of WED/YED in 2008. With a budget of only USD 33,000, it enabled representatives of these five African countries to take stock of strengths, weaknesses, opportunities and risks of business promotion networking, especially for women and youth entrepreneurship. The detailed workshop proceedings (UNIDO-SIDO 2008) suggest that the event was a success. Effectiveness is thus rated at 100 %. The UNIDO evaluation team had the opportunity to interact with the Director of SIDO and the President of the Tanzania Women Chambers of Commerce (TWCC), and both confirmed this finding, which is also corroborated by the reference given in Chapter 12 on gender.

The “Assistance in establishing an Industrial Subcontracting Partnership Exchange (SPX) in Tanzania and Kenya” (US/RAF/07/029; USD 105,000, 2008-2010), funded by the Government of Turkey, promotes subcontracting and partnership agreements between Tanzanian and Kenyan subcontractors and suppliers and national or foreign main-contractors and buyers. Subcontracting Partnership Exchanges follow a common UNIDO methodology applied in more than twenty countries worldwide and thus build on economies of scale. The achievement of the four project outputs: (i) the design of SPX strategies, (ii) the development of detailed supplier/subcontractor profiles, (iii) the establishment of a supplier/subcontractor database, benchmarking and reporting system, and (iv)

the capacity building of the SPX host institution, is on track at 100 %. In 2010, the financier has pledged an additional contribution of close to USD 100'000 to expand the implementation of this project and establish a sustainable platform to facilitate matchmaking opportunities between local input suppliers and higher-level purchasing companies requiring those inputs. This expansion is particularly interesting because it upgrades, with adequate information technologies, three databases, i.e. one of subcontractor profiles, another related to benchmark values of EPX performance and a third one related to buyers' profiles (phone interview with the project manager).

Summing up Chapter 8, it can be concluded that the UNIDO Country Programme in Tanzania was effective by and large while the caveats regarding the scarce use of SMART indicators, mentioned at the inception of this chapter, remain valid. In this sense, it is also fair to say that the Country Programme Outcome, formulated as "Improved industrial productive capacity and agro productivity through agro food processing, upgrades SME value chains, use of renewable energy, investment promotion and trade competitiveness" has been achieved (Annex 2: Country Programme logical framework).

The ingredients of project effectiveness appear to be: (i) a clearly defined and compact subject area, (ii) one, or at least few, principal stakeholder(s) responsible for implementation, (iii) solid project planning and implementation capacity of such stakeholders, and (iv) a straightforward and simple project design with one strategic outcome with a few subordinated outputs. The project for cleaner and integral utilization of sisal, the TBS component within the TCB project, the joint NSB-MITM/MIS industrial survey 2010 and the Pemba Fish Drying Association have all, in their own ways, benefitted from these ingredients. On the other hand, very complex undertakings such as the regional EAC Trade Capacity Building Project (TE/RAF/06/014) or the project aiming at the reduction of land-sourced impacts resulting from coastal tourism" (GP/RAF/08/004, YA/RAF/09/002) have been either unsatisfactory so far, or at least suffered substantial delays. Likewise, where management capacity by grass-root associations is still weak, project effectiveness cannot be proven as yet.

8

Sustainability

Assessing project sustainability is a forward looking exercise and attempts to gauge the probability whether the project achievements are likely to be sustained after completion. Starting with projects with solid prospects of sustainability, the project Cleaner and Integral Utilization of Sisal (FC/URT/04/118) is to be mentioned. The tangible proof of technical feasibility and financial viability of using sisal processing residues for biogas and electricity production is a strong factor of sustainability, and so is the presence of highly motivated and skilled staff able to run the sisal processing and biogas plant. The national context is also favorable as the Tanzania Sisal Board plans to expand sisal production by the factor of 30 in the coming 15 years. This is likely to enable the pilot project promoter to play a rewarding role as pioneer and provider of know-how and expertise. Another case in this lot is the Trade Capacity Building project (US/URT/05002) that has pioneered the accreditation of the metrology laboratory of the Tanzanian Bureau of Standards. To be accredited under the ISO 17025 standard as reference laboratory opened the way for three other scopes (water, textiles and mycotoxins) that have been accredited in the meanwhile. This increased the credibility of TBS and boosted the calibration and testing business with the effect that 80 % of the TBS direct costs (without salaries and depreciation) are today covered by its revenues. This is indicative of probable sustainability, an assessment that was also highlighted by the 2009 independent evaluation (UNIDO-TCB 2009). This success story, albeit limited to TBS and not encompassing the entire TCB project, has strengthened government commitment to the issues related to standard compliance, which is also a factor of sustainability.

The future of the Pemba Fish Drying Association, supported under JP 5 is most probably a sustainable one. The fact that the members of this small group themselves have determined the potential of doubling the gross margins by fish drying and smoking is by itself a factor of sustainability. The simplicity of the drying and smoking equipment is such that it can be repaired, replaced and expanded without the recourse to external expertise. The raw materials (wood, plastic sheets, bricks and cement) can be found locally.

On the other hand, Government allocated budgets are channeled to the agro industry demonstration projects (mainly infrastructure development) and complement the UNIDO support. There is also follow-up and monitoring by Government partners. Moreover, the projects contribute to the implementation of District Development Plans and are thus not implemented in isolation. This is a solid sustainability factor.

The sustainability of the Kitama Cashew Nut Processing Association or the Pemba Fruit Processing Association, supported under JP 1 and JP 5, respectively, is more difficult to forecast. For the cashew nut processing plant, the feasibility prepared by UNIDO was based on realistic technical and economic assumptions. But the operators themselves do not seem to share the conviction that their enterprise will be profitable. In fact, the Regional Commissioner of Mtwara sustained, with some reason, that pre-processing only of the raw cashew nuts does not generate a robust margin. On the other hand, it is also understandable that UNIDO wanted to prove the feasibility of the pre-processing first before facing new challenges and investment needs related to full cashew processing with a grass-root organization that is, at this stage, not sufficiently capacitated to even run the pre-processing operation (see Chapter 7 on effectiveness). For the Pemba Fruit Processing Association, the case is even more challenging because the dried fruits and spices are not part of a pre-existing commodity chain. At present, the association is reluctant to take over the responsibility - and operating cost - of the drying plant because the potential margins are not evident to the members.

The case of the BICs in Mtwara and Lindi (part of JP 1) may be similar. Although revenues from computer training courses have picked up very recently at the Mtwara BIC, the demand for business information services that can be billed to the respective customers is likely to remain modest if the challenges (see Chapter 7 on effectiveness) are not overcome. According to the regional office of the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), which hosts and runs the BICs, the choice of Mtwara and Lindi was not that of TCCIA but motivated on grounds of development policy considerations, given the high poverty prevalence in these areas. However, at the commencement of the project, detailed needs assessments were carried out based on which business plans were developed. The needs assessments established the demand for business development services and the willingness of the business community to pay for such services. It remains to be seen whether future revenues will cover all costs of the BICs.

9

Impact

In this chapter, we assess whether UNIDO interventions have contributed to any effects or impact, or are likely to do so.

Export performance of Tanzania, especially in terms of exports of manufactured products, has been positive over the past six years. Manufactured goods exports include processed primary products such as processed cashew, canned coffee, cotton seed cake and sisal products. In 2008, the country exported such goods for a value of USD 662 million with a share of 25 % in total export earnings, up from only USD 84 million and a 7 % share in total exports in 2003 (URT, UNIDO 2010). UNIDO has invested in Trade Capacity Building via the national project US/URT/05/002 Trade Capacity Building - and continues to do so in the framework of the regional TCB project of the EAC (TE/RAF/06/014). It is fair to say that the strengthening of the calibrating and testing capability of TBS is very likely to have contributed to the above mentioned export performance of manufactured products. Moreover, the inclusion of processed cashew nuts and sisal into the array of UNIDO supported products is another indication that these choices were judicious because they generate value addition in rural areas and thus contribute to employment and income, two important impact domains for UNIDO and Tanzania alike.

Further impact potential in the case of cashew nuts is also likely to substantiate because of: (i) the number of involved producer families, (ii) the possible value addition leap and (iii) the promotion priorities of the Government. 280'000 farm families are estimated to produce raw cashew nuts in Tanzania, and generate annual export earnings of USD 70 million, however still mostly in the form of unshelled cashew nuts (UNIDO-MMA 2008). Primary processing (peeling) of cashew is deemed to add 50 % value, and full processing over 100 %. With adequate agronomic care and strong pull factors driven by local value addition, the annual output of raw cashew nuts in Tanzania can attain 200'000 tons, compared to the present 100'000 tons (Masawe 2009).

The case for sisal processing that uses residues for biogas and electricity production is even more compelling. The National Sisal Board plans to expand the annual production of sisal fiber, from 30'000 tons presently, to 1 million tons in 2025. Over 100'000 families will be needed for the agricultural operations only. The UNIDO supported pilot project with Katani Ltd. and the National Sisal Board has confirmed that sisal fiber processing, coupled with biogas and electricity production, is technically feasible and economically viable. It can be expected that the successful conclusion of this pilot project will stimulate investments into

sisal farming and processing, including energy use, thus fostering growth in agro-industrial development and income generation in rural areas of Tanzania.

Other UNIDO supported projects in Tanzania have, by their very nature, much less impact potential. The curricular design for entrepreneurship training in secondary schools is one of them, mostly due to the uncertainty whether the Ministry of Education will finally adopt the curriculum in the secondary education program. Solar panels that charge cell phones and portable lamps have little potential to promote industrial development but can make a difference in people's lives, and the track record of biomass and hydro power based off-grid electricity generator sets is equally showing a lack of productive use, thus little foreseeable impact in terms of production or income generation by rural industries (UNIDO-SHP 2009).

10

Programme coordination, management, reporting and Field Office performance

10.1 Programme coordination, management and reporting

Coordination

Projects are implemented in close collaboration with national counterpart institutions and UN partners. The internal UNIDO cooperation arrangements, complex by nature, are characterized in that the project managers are based at UNIDO Headquarters in Vienna and that there is both direct coordination with national counterparts and indirect coordination through Field Office staff. Role clarity is an issue, and not only within UNIDO, but also between counterpart institutions and UNIDO. This was very obvious in relation to pilot operations and plants where none of the two seemed to assume a leading role in project implementation and, in addition, strong ownership of the private sector or a user association is expected. Moreover, coordination, implementation and monitoring of the country programme are challenged by the number of projects, their thematic and geographical dispersion and limited resources both at the level of UNIDO and of counterpart institutions. The same can be argued for the One UN framework.

There are quarterly meetings between the UNIDO Representative (UR) and Heads of Departments at the MITM and this fosters coordination and synergies between UNIDO interventions but also with those directly undertaken by the Ministry and by donors and other technical assistance agencies. It also offers an opportunity to discuss various outstanding issues. UNIDO is also a member of the Tanzania Development Partner Group (DPG) which is an aid coordination body and comprises 16 bilateral and five multilateral agencies (UN counted as one) that have all agreed on a **Joint Assistance Strategy** (JAST, 2007-2010). The JAST outlines common principles of partnership between Government and development partners, including the UN and is also adhered to by the One Programme. Furthermore UNIDO is an active member of the Tanzania (UN) Country Management Team (UNCMT). No Steering Committee is in place for the UNIDO CP but there are, in line with the DaO agenda, steering committees in place for the DaO Joint Programmes.

Partners of the various JPs usually meet once a month and the coordination is deemed as efficient. Thanks to the JPs, UN partners meet more frequently than

before, on substantial issues, and coordination has improved. Above all, the implementation of the first One UN Framework is considered to have been an important learning process that is paving the way for a more coordinated and coherent next phase (UNDAP).

There are also regular meetings between programme staff at the level of the Field Office and there is a good level of knowledge among staff of the entire UNIDO portfolio, albeit little actual cooperation between projects. Tanzania is expected to become a pilot country of the new programmatic framework, the African Agribusiness and Agro-industries Development Initiative (3ADI),– and within this framework there are plans of integrating agro-processing, TCB and environment interventions through a and a cross-functional team approach. This will intensify the need for cooperation between projects.

There is a good level of communications between FO and HQ staff and the FO is informed about UNIDO missions to Tanzania and activities implemented. There is a specific UNIDO coordinator assigned to the Zanzibar JP and housed at the One UN facility in Zanzibar. This person is however not always in the loop as officials of the MTTI also report directly with FO staff on the progress of individual projects. The reason seems to be a more long-term affiliation with the FO staff member and keeping old habits.

Generally it can be said that the FO supports coordination with external and Tanzanian stakeholders and the implementation of UNIDO projects in Tanzania and it is being supported to carry out this function by various support services at HQ. The response times are sometimes long but there are responses. The role of the area officer at headquarters is vague.

Management

The Office is an active partner in project management and facilitates implementation of activities and delivery of outputs. Monitoring is somewhat limited due to limited human resources and limited travel funds (for monitoring). To some extent the relatively weak resources of the Office have been compensated by an allocation of project resources (project staff) to support implementation and monitoring.

The use of national systems for the implementation of project activities or for support activities, such as procurement, is limited. Procurement is in itself a complex issue, and the Government is not really interested to take over this function as UNIDO is considered to be faster and cheaper, has a larger network for sourcing technical experts and is more informed about technology choices. Discussions with the national counterpart Ministry indicate that, at the present time, efficiency is given preference over national execution.

In this respect it should be noted that UNIDO is not HACT (Harmonized Approach to Cash Transfers) compliant. UNIDO needs to look into this issue, both as matter of policy guidance and in relation to the capacity of national counterpart institutions. As the UN JPs are now the “official” implementation mode in Tanzania the steering committees for the UNIDO projects have been replaced by

JP steering committees. One exception, for obvious reasons, is the Regional TCB project, with substantial activities in Tanzania.

Reporting

An IP 2 progress report of March 2008 provides information in relation to this IP. Progress reports in relation to the Country Programme Framework were issued in March 2008 and in March 2010. There was no Progress Report drafted in 2009, one reason being that the UR post was vacant. The 2010 progress report, which is the only one providing information about the progress of the 2008-2010 Country Programme Framework (the 2008 report was issued right at the start of the Country Programme and also reported on the IP 2) gives scattered information on implementation and various outputs achieved. However, often information as to what extent outcome level objectives were met is missing, for instance in terms of capacity building (industrial statistics and capacity building of value chain approaches). There are also instances when the progress report only describes what the project is doing or will do. It is also noted that the performance indicators in the progress report refers to what has been done (activity) and not the result of the activity.

Still, the 2010 Progress Report provides an overview of the URT Country Programme Framework and of major highlights regarding key activities in the reporting period. There is also information about main problems encountered and measures taken and about activities implemented. It only covers projects included in the Country Programme.

An issue identified by the evaluation team is that parts of the progress reports mentioned above, from 2008 and from 2010, for some components provide similar and seemingly duplicating information. This was for instance the case for the food processing components thus making it difficult to understand what has actually happened since 2008. For example, a series of questions could have been answered: Were any new pilot centers established and results achieved? What were actually the activities and outputs during the reporting period? Is it the same four sub-sectors studies referred to, for Zanzibar, in 2008 and 2010, or was there a need to carry out the 2008 study again in 2010?

We find the same identical reporting (copy and paste exercise) for the upgrading of the quality infrastructure project, which put some doubts as to whether any activities were implemented since 2008. Unfortunately, the same paragraphs in the 2008 and the 2010 reports also appear in the case of the renewable energy component.

Even though there is a distinct move away from Integrated Programmes and with Country Programmes gaining ground, there is still no clear guidance as to what ought to be the main features of a Country Programme and which procedures should apply for management, monitoring and reporting. It is expected that this will be rectified through the ongoing Business Process Reengineering exercise and subsequent revisions of the Guidelines for Technical Cooperation. Although not firmly established, it seems that the expectation is that the rule of annual

progress reports, presently in place for Integrated Programmes and which could also be expected for Country Programmes, has not been adhered to.

UNIDO has also reporting requirements in relation to the JPs and the mission reviewed the JP progress reports of Joint Programmes UNIDO participates in and where UNIDO staff have also contributed to the progress reports. From these reports it is difficult, if not impossible, to distinguish what UNIDO's contribution has been and maybe rightly so for a One UN Report. The evaluation team was also provided with some inputs of UNIDO to the One UN reporting but this did not cover all the JPs and was not very exhaustive. The UN Resident Coordinator, the management agents, i.e. ILO, UNESCO, FAO and the Administrative Agent (UNDP) all conveyed that UNIDO's contribution were timely and in line with established standards. Still, and this seems to be true for the majority of the UN agencies, a more results-based reporting is called for but a certain resistance to report on established indicators has been experienced.

10.2 Field Office performance

The Tanzanian Field Office (FO) is one of 19 UNIDO Country Offices and part of larger network of field representation also encompassing 10 Regional Offices and 18 UNIDO Desks.

UNIDO's Country Office was assessed with regards to its contribution to UNIDO's convening, normative and technical cooperation functions. This included the extent to which the Country or Field Office

- develops and maintains relations with relevant public and private actors;
- participates in the UNCT and coordination mechanisms of international and regional development agencies, financing institutions and the donor community in the field;
- engages in the formulation process of programmes, aligned to local frameworks like the One UN;
- engages in the implementation and monitoring of TC projects; and
- is involved in global forum and convening activities.

The review was found to be timely as it feeds into the ongoing internal discussion on the existing and future role and functions of FOs in TC implementation.

The RBM Work Plan

The evaluation also assessed the performance of the Field Office against its Results Bases Management (RBM) work plan. The information presented below provides information about work plan implementation but also reviews the design and content of the RBM Work Plan and its alignment with the national priorities of Tanzania.

The strategic orientation of work plans as indicated by the Regional Strategies and Field Operations Division (February 2010) mentions that the following issues should be considered:

1. Programme and project development
2. Coordination with UN system-wide initiatives (One UN, UNDAF, UNDP, etc)
3. Activating regional, inter-regional and South-South cooperation
4. Partnerships and strategic alliances
5. Corporate Social Responsibility (CSR)
6. Fund raising

More concretely, the Work Plan 2010 for the Country Office in Tanzania specifies the following five outcomes:

- UNIDO visibility enhanced at global, regional/sub-regional and country levels
- Responsiveness of UNIDO to national/regional priorities (TC programme and project development, fund raising)
- Effective participation in UN initiatives at country level including UNDAF, UNDP, UNDG, One UN etc.
- Promoting Global Forum activities with direct link to UNIDO priorities and to the potential increase of the UNIDO portfolio in the region and worldwide
- Effective management of technical cooperation activities and UNIDO office

As part of the country evaluation, the FO was requested to fill in a self-evaluation questionnaire, and thus the FO staff was asked themselves regarding the functioning of the FO. The self-evaluation questionnaire can be found in Annex 6. The results of the self-evaluation were subsequently used as a platform for discussion with the UR. Information about FO performance was also collected from actual users of the services within UNIDO.

Field Office performance

There is a high level of “client satisfaction” in relation to service delivered by the Field Office. The FO was found to have a good level of cooperation with staff at headquarters as well as with counterpart agencies and private sector stakeholders. It is an active, respected and articulate member of the UN community making a distinct contribution and providing value added. The FO was found to be **relevant** to UNIDO as a whole and to Tanzanian stakeholders and the services provided consistent with GoT needs and priorities. The outcome and outputs of the FO Work Plan and the 2008-2010 CP were, in addition, found to be in line with the overarching development framework of GoT as presented in its vision 2020/2025 and coordinated with MKUKUTA and MKUZA and sector policies like the SIDP or SME policies. The FO is working closely with counterpart organizations and other stakeholders, including private sector agencies and

regional and district authorities. The fact that the FO is both working in the area of TC implementation and provision of policy advice was appreciated. Regular meetings take place with the Directors of the counterpart Ministry in order to ensure that ongoing and pipeline projects respond to strategic priorities and needs.

There was also found to be a consistency of the Field Office work programme and UNIDO strategic priorities. The relevance of the FO to UN partner is demonstrated by the fact that UNIDO is lead agency in the UNCT for the sector working group on PSD. However, there are at the same time indications that the office could be even more relevant if it would be able to allocate more time and resources to activities at strategic and policy levels.

Moreover, the FO was found to have, to a large extent, achieved its objective or fulfilled its mandate/responsibilities, as outlined above. It has thus been **effective** in achieving its outcomes, with the exception of the Promotion of Global Forum functions, which had been somewhat neglected due to substantial involvement in the other outcomes and limited overall resources. Also, little attention had been given to South-South cooperation (beyond the sourcing of equipment from southern countries) and the promotion of CSR. Scrutiny of the RBM work plan revealed that it was somewhat vague and over-encompassing and did not contain any specific targets or verifiable indicators against which results can be assessed. In its present form, the RBM work plan has limited use as a management tool or as an FO work plan and seems to be more or less ignored.

The visibility of the Office in the URT is high and UNIDO is frequently referred to in local media. UNIDO is also visible on the One UN web site. Moreover the Industrialization Day is a known and celebrated event that further enhances UNIDO visibility in the country. UNIDO plays a lead agency role in the field of industrial development and SME development and is instrumental in coordinating the UN engagement in national consultative processes for instance in relation to the PRSP or policy dialogues related to industry and trade. Moreover, the FOe supported the analysis of gender considerations in the UN Working Group on Economic Growth.

The FO has been supporting the Public Private Partnership (PPP) dialogue and provided inputs, on an advisory basis, to a review of East African regional policy and strategy on industrial development. It is an active partner in the UN Country Management Team and within the One UN Process. The FO also contributes to the dialogue with the GoT through the Development Partners Group and more specifically the Trade and Industry cluster working sub group and the Development Cooperation Forum. The FO also supports the UNCT's Inter-Agency advisory group on gender and particularly on aspects in relation to productive activities and the economic empowerment of women.

It was instrumental in developing the present Country Programme framework and in carrying out needs assessments and ensuring alignment to MKUKUTA/MKUZA. A resource mobilization strategy was prepared by the FO and was useful in realizing a portfolio of funded projects and in accessing One UN funds. About 50 per cent of the project portfolio is funded locally. The Field Office is also actively advocating "industry for development" and is together with

the counterpart Ministry developing a Magazine for Industrializing Tanzania and provided three weeks consultancy through the temporary assistance budget. Communication and Global Forum functions have been somewhat weak and these are areas the FO would like to strengthen. This would not be very costly or demand considerable effort but likely to pay off in terms of utility and visibility.

The FO takes an active role in project implementation and mainly through interaction/liaison and coordinating with counterpart organizations, monitoring of projects, participation in implementation reviews as well as advising HQ-based managers on budget allocations within individual PADs. In addition, the Office assists with the organization of field missions (not the least the one of the evaluation team) and alerting on identified problems, administrating MODs, procurement, and SSS contract management. However, very limited PADs for coordination have been allocated to the FO. At the time of the evaluation mission, overall field specific PADs (2008-10) amounted to USD 0.6 out of USD 4.4 million.

The limited number of staff is felt to constrain the Office and there is a mismatch between its mandate and function and resources available. Project staff, to some extent, fills the gap in resources but are not in a position to contribute fully due to short term contracts and limited authority and exposure. In view of the limited resources allocated to the FO, its track record in terms of service delivery is impressive.

As already discussed, the FO provides a variety of services and many are non-standardized and difficult to measure and its **efficiency** not readily reduced to numbers. Also, the FO does not have the overall responsibility for the implementation of a project and is only responsible for components thereof. There is nevertheless substantial PAD management, as mentioned above, out of the USD 4.4 million UNIDO/URT budget and the FO specific PADs amounted to USD 0.6. The Office is not endowed with any imprest account, as there is only one professional UNIDO staff member in the Office and the need for two signatories. This puts the Office in a situation of dependency vis-à-vis UNDP and the additional layer slows down the disbursement process and adds to the total volume of work as both the UNIDO and UNDP office will be involved in the actual processing of the payments. The access to Agresso has, however, contributed to timely and efficient delivery and especially of project activities and outputs managed by the FO.

Field Office members have benefited from training in UNIDO administrative areas such as financial processes, recruitment and procurement. The Office sometimes suffers from a “lack in decentralization” and for instance in relation to the signing of MoUs (also proliferating due to the DaO) are sometimes delayed due to lengthy clearance processes, with HQ units. The evaluation team came across a case when clearance of a MoU had been requested on the 7th of October but the Office had to wait until the end of the month to get a reply and only to find out that the request for clearance had to be in the form of an IOM and could not be done through an e-mail, but there was no information as to the substantive part of the request. Other UN agencies do not need HQ clearance for all kinds of MoUs and has, for some “straightforward” cases, only a “consultation” duty vis-à-vis HQ.

In order to deal with the relatively large and diverse TA portfolio, the Office resorts to short term consultants and FO programme cluster teams have been established and tasked to monitor projects within their cluster. An updated cluster monitoring folder is kept on the shared drive and updated information is shared with project managers at HQ.

The proliferation of various development cooperation and One UN working groups, both on strategic UN issues and on technical issues and where the UNIDO staff needs to be present, poses a real challenge and the work involved in participating in the DaO framework had not been foreseen. At the same time, it should be pointed out that the URT is a DaO pilot country and that many of the encountered challenges would have been difficult to plan for. The Office has been able to access UNIDO level One UN consultancy funds and (3 month consultancy for JP management).

The FO finds that it is being supported by HQ and that, in particular the DaO support unit has been a constructive instrument. Response times, for simple request are, however, often seen as unnecessarily long. The ERP exercise is expected to improve the flow (two-way) of information between HQ and the field and to increase efficiency. Team work is also an area that could be improved and the UR (and Country Programme Team Leader) intends to start organizing video meetings with country team members.

A summative assessment of the FO is that it is contributing to UNIDO's convening, normative and technical cooperation functions but that the TC function has been given priority. The UNIDO Office has developed and maintains excellent relationships with key public and private sector stakeholders and participates fully in the UN Country Teams and Joint Programmes relevant to its mandate. The Global Forum function will be further discussed in chapter 12.

In view of the large number of activities implemented by the FO and its limited resources, the Office is undoubtedly cost effective. The use of national experts and consultants also provides for cost-effective implementation. At the same time, the dispersed project portfolio aggravates the staff constraints and increases transaction costs. Attempts are being made to keep the FO Work Plan realistic. The plan to double the portfolio over the next cycle will need to be managed and planned for and is not without risk. In conclusion, this is a well performing and efficient FO and mainly due to the dedication of its staff and the willingness to assume heavy work burdens.

11

Delivering as One UN

Overall, the Delivering as One (DaO) UN framework and the UN system working together under various Joint Programmes (JP) are considered to be a success and this is also the opinion of UNIDO's counterpart ministries. Not the least because the UN agencies have learned to work together. There has been a good level of support from the donor community to the One UN programme and there has been a high funding, which has also benefited UNIDO, which has achieved a high funding rate for its CP.

The One Un framework and the individual JPs have beyond any doubt fostered a closer collaboration and coordination among UN agencies. Still, this is the first One UN programme in Tanzania and it was not possible, mainly due to the fact that many of the UN programmes and projects (including UNIDO's) were in advanced stages of preparation before the Joint Programmes started. In fact, the present JPs to a large consist of "what was already being implemented or what was already planned" but this is expected to be rectified in the coming UNDAF, which will be preceded by more comprehensive needs identification and consolidated planning. MKUKUTA/MKUTA will be the main sources of references and there will be needs and gaps and situation analyses carried out.

UNIDO contributes to 5 out of 12 Joint Programmes with a large focus on JP 1 – Wealth Creation, Employment and Economic Empowerment. It has through the JPs supported interventions towards enhanced competitiveness of agribusinesses and the promotion of market driven education and produced various outputs and made distinct contributions towards specific outcomes. For projects transferred into the JPs, there has been an increased results orientation and weaknesses in the formulation of indicators have been addressed.

UNIDO is an active and articulate partner in the One Un – this is not without costs as the process is meeting intensive, coordination takes time and resources and you need to be present and contribute in substantial terms if you want to be a real player.

UNIDO has been able to adapt and integrate the CP programme and its projects into the One Programme and specific JPs. Many activities were continued thanks to One UN funds. In order to ensure smooth and timely implementation UNIDO provided, as already mentioned, on a rather regular basis, seed funding to bridge gaps and cover for delays in One UN Fund disbursement. Generally, UNIDO interventions have kept pace with the evolution of the JPs and inputs have been delivered as planned.

There is alignment to Mkukuta/Mkuza and their emphasis on growth and reduction of income poverty, industrial growth and private sector development. The JP1 **Wealth Creation, Employment and Economic Empowerment** was established to support ongoing reforms of the business regulatory environment and efforts towards private sector empowerment. As for the other JPs there is a rather comprehensive 2009 progress report but it is difficult to distinguish the actual contribution of UNIDO, which it should be mentioned was not the purpose of the report, and thus, more serious, what have been the actual results in respect to outcomes and outputs or progress towards achieving them. Instead, the JP progress report is to a large extent reporting on activities and the provision of inputs and this also concerns the reporting of what can be identified as UNIDO outputs.

The JP 1 progress report stressed the need to ensure that efforts to increase productivity levels do not have negative impact on the environment and/or occupational safety.

The JP 5 providing **Capacity Building Support to Zanzibar** can be seen as a One UN programme in its own right as the support covers many sectors and interventions and has a geographic rather than thematic focus. A UN infrastructure has been established, including a UN house where there are presently 38 UN staff members, including 1 UNIDO staff. A joint management committee meets regularly and there are, for instance, monthly coordination meetings. The JP has a capacity building focus but there seems to be no common understanding of what capacity building really is – training, learning by doing, national execution nor specific capacity building objectives,

All the participating agencies contribute to common service costs (office, security, procurement, radio, ICT). Some agencies including UNIDO finds the costs exorbitant and have asked for clarifications on the costs. The JP has contributed to harmonized approaches, for instance in relation to allowances “sit-in fees” which are now regulated to only cover costs of transportation, still allowances accounts for a large part of the overall JP budget.

Generally, representatives of UN agencies, including UNIDO, perceive the One UN framework as a positive development and that the UN should deliver as one. There have, however, been various “teething” problems and this and other factors have led to seemingly high transaction costs (in terms of times spent on planning and coordination) and a bureaucratization of processes. The relatively weak presence on the ground of some UN agencies, including UNIDO, has been felt.

Moreover, individual agencies have sometimes suffered from others delaying implementation which has affected disbursement for and implementation of all components of a JP. There have thus been delays as regards One Fund disbursements and seed funding has been regularly requested from UNIDO to bridge funding gaps and allow for smooth implementation. There has also been a need to complement the more or less regular staff resources with additional staff positions, for which the costs have often been shared between different projects, as it has not been possible to increase the number of regular staff.

The performance of individual agencies is being assessed and delivery is one criteria. Another has been adherence to principles of the Paris Declaration and, for instance alignment to government systems. Among the specialized agencies, certain skepticism to national execution is noted and many feel protective of their technical assistance mandate – “if technical assistance is not needed why should we be here?” Another argument is that there is probably a middle way between full-fledged national execution and technical assistance and that these can function side by side and depends on national capacities and technical assistance needs. An interesting observation by is that during the pilot phase national execution seems to have somewhat diminished and agency execution became more prominent, for the UN as a whole. UNIDO is one of the few UN agencies that has not expressed its intention to become HACT compliant. HACT will undoubtedly be one feature of the forthcoming UNDAP and UNIDO will need to prepare for this.

UNIDO is not assuming any lead role due to its relatively small presence in Tanzania but is concretely contributing towards JP outputs and outcomes, which should be most important. The One UN support team is considered to provide valuable back-up and prompt responses to various demands raised by the FO.

The One UN Programme and the related Joint Programme will be finalized by the end of June 2011. Thus, the current Joint Programme (JP) modality will be phased out by June 2011 and a new Delivering as One UN framework – the **United Nations Development Assistance Plan - UNDAP** will enter into force. It is expected that the One UN identity will be reinforced and also management and administration will be streamlined, for instance a One intranet and common drives are planned.

UNDAP 2011-2015

The preparations for the coming One UN Programme, referred to as UNDAP or United Nations Development Assistance, covering the period 2011-2015 are quite advanced. The process puts a great deal of focus on the identification of key development challenges, strategic prioritization, causality analyses, formulation of results and targets and quality control. Monitoring & Evaluation matrixes and plans will be prepared for individual outcomes and a DaO Results Monitoring System will be put in place.

The UNIDO Field Office was involved in setting up outcomes and related outputs for the forthcoming UNDAP during the prioritization phase (Jan-Apr 2010), and specifically within the component that encompasses economic development, economic governance and environment issues. The programming phase (May-June 2011) will develop distinct interventions and an M&E framework contributing to identified outputs and outcomes and there will be a continuously high involvement of the FO.

Whereas the current One Programme in Tanzania covers about 60 per cent of all UN development cooperation activities, it is envisaged that the new UNDAP will cover all thus 100 per cent. This is expected to ensure greater programme coherence and a reduction in the duplication of efforts among UN agencies.

One UN frameworks offer distinct opportunities for inter-agency collaboration and not the least when it comes to economic growth and the development of the agro-industry sector. In relation to the latter, a holistic approach would facilitate addressing issues along the entire value chain; from agricultural production through production, quality and safety issues to market access. There are already positive experiences from working with other UN agencies along the cashew value chain in Mtwara and there are examples of constructive division of labor between FAO and UNIDO. In this specific case, FAO focused on production and processing for the local market and UNIDO on additional value addition and semi-processing for institutional buyers. FAO and UNIDO have also been collaborating on food safety issues and there have been clear synergy effects in the training of extension workers and inspectors. There has also been constructive cooperation in relation to the biogas project in Tanga where FAO has been working on production and quality issues of the sisal. Similar collaboration is planned for the sesame project. Under the Zanzibar JP, where there is also scope for collaboration between UNIDO and FAO, but this has not materialized so far.

The UN Country team has developed preliminary UNDAP Matrixes and UNDAP is expected to be constructed around 8 pillars (economic growth, governance, health, education, social protection, HIV/AIDs, emergency and refugees and water hygiene and sanitation). UNIDO is expected to contribute to Pillar 1 - Economic growth and to 5 of its 8 outcomes and 8 of the 31 outputs and to implement 12 out of the 81 key actions. Outcomes and outputs often needs to be sharpened in terms of specificity and results-orientation. Many outputs will be jointly produced, which does not necessarily mean diminished effort or time for an individual agency. The UNIDO integration profile into UDAP is shown in Table 14 (next page).

Table 14 shows that the UNIDO's deployment will generally remain committed to its three core thematic priorities, indicated in the second column, and to the present array of counterpart institutions from the public and private sector. What is as yet open is the number and scope of the future UNIDO-led projects. It would be conceivable to merge two or more UNDAP outputs in one project. Equally to be defined are the outcome and output indicators complying with the SMART criteria. What can be derived from the above profile is that UNIDO will retain its role in industrial policy development and advice and continue to promote the causes of Trade Capacity Building and agro-industry development. In matters of environment and energy, explicit reference is made to a low carbon economy and mitigation of climate change. In these areas, UNIDO is well positioned to contribute.

An increased focus on strategic advisory services, agro-industry development, more synergies between upstream and downstream interventions and national implementation is flagged. A closer alignment with government programmes will be given increased emphasis for higher sustainability and impact.

The coordination details are still to be worked out but it does not seem likely that UNIDO will play any coordinating role due to its relatively weak presence in Tanzania. It is, however, likely that UNIDO will be the lead agency for certain outcomes and outputs.

Table 14: UNIDO integration profile in UNDAF Pillar 1, 2011-2015

UNDAF output	UNIDO thematic priorities	Key counterparts
National policies, strategies and systems for monitoring industrial performance, enterprise support and investment are evidence based	Poverty reduction through productive activities	MITM, MTTI, NBS
Relevant MDAs, LGAs and private sector collaborate in promoting investment and local economic development (LED)	Poverty reduction through productive activities	MITM, MTTI, TIC, private sector
Relevant institutions and priority private sector enterprises improve implementation of integrated value and supply chain development in key productive and innovative sectors.	Poverty reduction through productive activities	MITM, MTTI, SIDO, TIRDO private sector
SMEs and social economy organizations (cooperatives, associations, etc.) in selected subsectors have improved access to Business Development Services (BDS)	Poverty reduction through productive activities	ZNCCIA, TCCIA, SIDO
Relevant institutions and MDAs harmonize trade related instruments, services, standards and policies to smoothen EAC integration and competitiveness.	Trade capacity-building	MITM, MTTI, EAC
Enhanced capacity of private sector to benefit from greater access to international markets	Trade capacity-building	MITM, MTTI, TBS, private sector
National Capacity to adopt and implement mitigation strategies for a low carbon and resource efficient development path enhanced	Environment and Energy	UDSM, MITM, MEM, CPCT
National and local levels have enhanced capacity to coordinate, enforce and monitor environment and natural resources	Environment and Energy	UDSM, MITM, MEM, CPCT

UNIDO (the UR) is planning to continue to organize its work along three main clusters, as follows;

- Cluster A: Industrial Policy
- Cluster B: Investment and Enterprise Competitiveness
- Cluster C: Energy and Environment

Main interventions foreseen under the **Industrial Policy** Cluster are technical assistance in the drafting of industrial policies and strategies, in the provision of industrial statistics and competitiveness reports and for supporting the private-public policy dialogue platform.

As concerns the **Investment and Enterprise Competitiveness** Cluster, technical assistance is planned in the area value chain studies, skills and knowledge transfer for value addition and to implement the SPX mechanism. The provision of tools and training to selected private enterprises in priority sectors is foreseen in order enable compliance with standards etc. There will also be support to the quality infrastructure (harmonization of standards, quality and conformity and TA to support upgrading and modernization). The support to TCCIA in establishing/strengthening BICs will continue as well as technical assistance in the conducting of the investor survey and establishing a monitoring platform.

Planned interventions for the **Energy and Environment** Cluster concern TA to national institutions and enterprises to promote cleaner production technologies and policies, facilitating the adoption of renewable and efficient energy options and effective waste management strategies.

UNIDO will no longer be active in the Education component and this will allow for a more focused portfolio. Still, issues related to entrepreneurial training will be covered under the Economic Growth component.

The current UNDAF budget stands at USD 773 million but the funding is yet to be assured. The working hypothesis is that donors will show the same level of commitment to the UNDAF as they have done to the Joint Programmes. An interesting development, probably in the interest of the UN system but not necessarily to the Government, is that General Budget Support is under scrutiny by many donors and due to increasing concern about actual results.

UNIDO's areas of interventions have been developed with consideration to its comparative advantage and technical competence. Substantially, UN partners feel that UNIDO provides value added and this in view of the fact that Economic Growth is a priority area with the transformation of the agricultural sector being of outmost importance. However, the fact that UNIDO can only devote limited core budgetary resources is expected to put limitations to its participation.

The budget for UNIDO's contribution has been estimated at USD 12.65 million (One UN and UNIDO funds). The country-level fundraising will be carried out by the Resident Coordinator's Office and individual agencies have been asked to refrain from individual fundraising activities at the national level. This can be both an advantage and a disadvantage – a disadvantage because UNIDO will have less control over what is funded and will not be in a strong position to liaise with its traditional partners and donors and to directly agree on projects where there is a common interest. On the other hand, many One UN programmes, and the Tanzanian programme is an example of this, have been well endowed with resources and UNIDO and other specialized agencies have been able to tap into this and benefit from the funds raised. There are also indications that UN agencies have been able to tap more HQ controlled resources for One UN countries than would otherwise be the case.

It has been proposed, that in relation to the UNDAF, UN agencies should first and foremost provide resources from their agency-level core budgets and that this should be topped up by One UN/UNDAF funds. UNIDO and other specialized agencies, however, argue that contrary to many UN programmes, the specialized agencies are often not endowed with core development funds and that their technical assistance programmes have traditionally been financed by donor funding, very often raised at the national level. Some agencies have equally found it difficult to tap core resources for a national framework as approvals are based on project frameworks. Still the assumption is that UN agencies will be expected to contribute own funds and this before any One UN allocation. A working hypothesis is that UNIDO will be able to mobilize 3.8 out of the 13 million, from core funding and/or funds mobilized by it globally.

Global Forum Function

UNIDO is considered a lead agency in the field of industrial and private sector development and there is an ongoing and continuous dialogue with the Government. The advocacy and policy level support function has not been in the forefront the last few years but is expected to be strengthened during the next country programme/UNDAP phase.

This said, UNIDO has been active in various forums discussing issues falling within UNIDO's strategic mandate and this is highly appreciated by the counterpart ministries and UN partners. The Office/UNIDO is visible and there are frequent references to UNIDO and UNIDO interventions in Tanzanian newspapers.

12

Gender

UNIDO adopted a policy on gender equality and the empowerment of women in April 2009 (UNIDO-DGB 2009), recognizing that gender equality and the empowerment of women has a significant positive impact on sustained economic growth and sustainable industrial development, which are drivers of poverty reduction and social integration. UNIDO's policy on gender equality and the empowerment of women provides the overall guidelines for establishing a gender mainstreaming strategy that:

- Ensures that a gender perspective is reflected in its programmes, policies and organizational practices;
- Advances the overall goal of gender equality and the empowerment of women, particularly the economic empowerment of women;
- Benefits from the diversity of experiences and expertise within the United Nations system to advance the internationally agreed development goals related to gender equality;
- Accelerates the Organization's efforts to achieve the goal of gender balance, in particular at decision-making levels.

Recent research of the relationship between industrial development and the role of women provides a solid rationale for UNIDO's gender policy. Typically, formal wage jobs are more secure and better paid, and offer greater scope for skill accumulation than either self-employment or informal wage work. This may be particularly important for gender equity as labor-intensive manufacturing is a key source of wage employment for women. Where manufacturing does not develop, women have fewer opportunities to gain economic status. The nontraditional sector (horticulture, fruit and fish products), one of the most dynamic in terms of exports from developing countries, is characterized by high levels of female employment, a percentage that can range from 50% to as much as 80-90 % (UNIDO-RSB 2009).

Tanzania adheres to international and regional gender initiatives such as the United Nations Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW 1979) and the SADC Protocol on Gender and Development (2008). The government established the National Women and Gender Development Policy in 2000, and the National Strategy for Gender Development (NSGD) in 2005. In fact, the URT has taken various measures to address gender inequality by incorporating gender perspectives in policies, strategies and programmes and by amending laws that discriminate against women. Vision 2025 for Tanzania Mainland envisions equality between men and women as stipulated in the Constitution and seeks "gender equality and the

empowerment of women in all socio-economic and political relations and cultures.” Institutional arrangements for promoting gender equality are vested in the Ministry of Community Development, Gender and Children (MCDGC) and sectoral gender desks/focal points and committees are located within central government MDAs, regional administrations and district authorities. Many civil society organizations (CSOs) focus on women’s rights.

Based upon the above considerations, the evaluation team has assessed the presence of gender-specific disaggregation in targets and achievements, in planning and technical documents, as well as reports, respectively. The Joint JP 1 Annual Report (UNDP-JP 2010) affirms that it was the first and only JP in Tanzania with a gender audit, and that gender was fully mainstreamed. In other planning and reporting documents related to JPs, the term gender is frequent, because of standardized templates, but gender-disaggregated indicators and achievements are still scarce. An exception is the recently prepared draft of the Annual Survey of Production and Performance 2008 (URT, MITM, NBS, CTI 2010), supported by UNIDP, where many data sets are gender disaggregated. At this level, such data are very useful for the design or adjustment of industry related policies and strategies.

In other instances, there are also small, but meaningful signs of gender mainstreaming. The BIC Mtwara keeps its customer records by specifying gender. Other project visits suggest that women are well represented in grass-root organizations (20-40 %) and that the governing bodies include women in positions of responsibility, with the exception of the Pemba Fish Drying Association of ten men. In the case of the Kitama Cashew Processing Association, two facts point to an as yet weak gender sensitivity. First, the lack of toilets and hand washing facilities is not only incongruent with the hygienic requirements of a plant where food grade products handled. With the presence of close to 250 workers, overwhelmingly women, in the cashew processing, i.e. rainy season, toilet facilities are a must per se. A toilet block is now being added. The second gender relevant issue is the absence of a day nursery or crèche. The Kitama plant will become an unusual concentration of working women, in a semi-industrialized setting but rural environment, where children cannot be admitted, not least because of the corrosive nature of the cashew nut shell liquid. Subcontracting day nursery services would generate additional business for women entrepreneurs.

Another opportunity missed in making gender aspects visible is the complete absence of any gender reference in the teachers’ guide and student manual for entrepreneurship development in the secondary education syllabus. As the UNIDO gender policy and research referred to above highlight it, women are often the driving force in the emergence of rural and urban businesses. There may be still time to correct this fundamental flaw.

A flash insight into a rare and impressive female coaching talent is the case of the Tanzania Women Chambers of Commerce (TWCC), which was a stakeholder in the regional project “Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC approaches supporting Women and Youth Entrepreneurship Development (WED/YED)” (YA/RAF/08/015). This organization has obtained a

substantial boost since UNIDO sponsored, with only USD 33,000 (Table 2), a regional meeting for sector agencies and NGOs in selected African countries supporting Women and Youth Entrepreneurship (WED/YED), in 2008. Today, TWCC harbors 5 professional associations where women are prominent, 20 companies and a total of 2,000 individual members. TWCC is member of TCCIA and the Eastern African Women Entrepreneurs Exchange Network (EAWEEN). According to the chairwomen, this trajectory was possible thanks to the support of UNIDO through the Small Industries Development Organization (SIDO) in 2008 and the purely voluntary commitments of the governing bodies of TWCC. The TWCC is still very active today, meets regularly and promotes small business activities run by women entrepreneurs such as pooling fruits and vegetables from peri-urban suppliers, and the sale of handicrafts.

The conclusion to be drawn in this chapter is that gender mainstreaming in the UNIDO project portfolio is visible, but not systematic enough. Still too many simple and straightforward opportunities to foster women's participation, or at least to make gender explicitly perceivable in planning documents and reports are left out, thus depriving the UNIDO projects of potential gender driven impetus and probable development impact.

13

Other cross-cutting issues

Apart from gender, referred to in Chapter 12, there are two other cross-cutting issues that need to be examined and especially their mainstreaming in the UNIDO Country Programme. Environment and energy is the first such issue, and concurrently also one of the three thematic priorities of UNIDO.

The pilot project on cleaner and integral use of sisal is itself revolving around environment protection (reduction of water body pollution by unprocessed sisal waste) and energy (generation of carbon-neutral electricity via biogas). With its critical mass, duration and the dissemination efforts undertaken, the signaling effect that it generated is substantial. The message is clear: using sisal processing waste is not only protecting the environment, but profitable business, especially under scenarios of probably further exacerbated energy shortages (see economic context, Chapter 3). As such, this pilot project has set the stage for bench-marking in a sub-sector that has good growth prospects over the coming 15 years (see impact, Chapter 9).

Environment and energy is the object of an illustrated folder published by the UNIDO Field in Tanzania with the title “Greening the Industrial Agenda” (UNIDO Tanzania 2010). It contains detailed descriptions of the Cleaner and Integral Utilization of Sisal project (FC/URT/04/118), the Kisakasaka renewable energy pilot project under JP 5 and the small hydro-power interventions mentioned in Chapter 7 on effectiveness. While the first project in this order is highlighted above for its significance to project environment and energy as cross-cutting issue into sisal processing, the latter two cases do not have the weight to become benchmarks for future rural energy projects. The reasons are given in Chapter 7. On the other hand, the energy feedstock solutions chosen in the visited agro-processing plants are both energy and environment conscious (solar panels and use of processing waste for steaming cashew nuts). They represent consistent choices for mainstreaming environment and energy concerns into agro processing ventures.

In the UNIDO Annual Report 2005 (UNIDO 2006), South-South cooperation was highlighted with special emphasis as noted by the conference room documents of the Industrial Development Board Meeting 31 of April 2006 (UNIDO 2006a). Recent research undertaken (UNIDO-IDR 2009) confirms that South-South cooperation, especially in the framework of Regional Trade Agreements, tends to be pro-poor growth enhancing. The evaluation team has therefore assessed what role South-South cooperation played in UNIDO’s Tanzania Programme 2008-2010. In the projects visited, the bulk of biogas, electricity generation and food

processing equipment originated from developing and emerging countries from the South. These choices are deemed to be adequate, not only from the point of view of cost, but also considering the generally sturdy and simple design of machinery and equipment. In some instances, such as the sisal waste biogas plant at industrial scale in Hale, UNIDO has also recognized that technologies resulting from South-South cooperation must in some cases be complemented when safety and longevity are at stake. It has drawn due attention to issues of required corrosion protection and the need for explosion-proof components (UNIDO-RQ 2009). The metrology laboratory at TBS was accredited by a regional accreditation body in South Africa, another example of South-South cooperation. On the negative, this same drive to foster South-South cooperation has unintentionally led to a supply driven approach in the case of the small hydro-power project (UNIDO-SHP 2009). The core problem here was not South-South cooperation per se but the donation of Chinese turbines before a specific needs assessment was done (Chapter 7).

14

Conclusions

The evaluation mission reaches the following conclusions:

- The UNIDO Tanzania programme has a high degree of relevance for Tanzania's industrial development, in particular agro processing, SME promotion and Trade Capacity Building. UNIDO's support to industrial surveys and statistics is much appreciated, and feeding into policy-making and adjustments.
- The Country Programme, and the JPs, went at great length to assure alignment with the strategic priorities of both mainland Tanzania and Zanzibar. This being said, collaboration with national counterpart institutions could still be strengthened, and there is presently limited alignment to GoT programmes and budgets. The roles of counterpart institutions are at times a bit vague and capacity building projects are sometimes not founded on thorough capacity needs assessments, and capacity building targets are lacking. As a result, national ownership is sometimes weak and the alignment with government programmes could be closer. There is limited use of country systems in project implementation, often due to limited capacities of these systems.
- There is still a need to strengthen capacities of national counterparts and empower these with proper tools and capabilities to drive industrialization and private sector development processes.
- There are many coordination arrangements in place within the Field Office, between UNIDO and the counterpart Ministry and between the UN, and these are working satisfactorily. There is, however, room for additional synergies and collaboration within UNIDO and UN country frameworks on sectoral issues.
- In terms of efficiency, technology choices are overwhelmingly adequate and the use of national experts has ensured cost-effectiveness. On the other hand, the heterogeneous and fragmented nature, and the geographic spread of the programme, implies transaction costs that could be reduced in a more coherent programmatic approach with enhanced critical mass on the strategic plane.
- The effectiveness of the project portfolio is difficult to assess precisely because SMART indicators (Simple, Measurable, Achievable, Relevant, Time-bound) are not systematically in place in planning documents and, where available, they are not referred to in reporting. Nevertheless, extensive documentary material and triangulation from project visits and

discussions with stakeholders indicate that the UNIDO Country Programme was effective. Effectiveness tends to be more pronounced in projects with a compact subject area, with one, or at least only few, principal stakeholder(s) endowed with solid implementation capacity, and with a straightforward and simple project design. Examples to the contrary are highly complex, multi-stakeholder projects, often in a regional framework and where capacity building of the main stakeholders has been insufficient.

- Sustainability prospects are good in the cases where the UNIDO interventions have enabled cost-recovery (TBS) and where the prospects of critical mass are promising (cashew and sisal sub-sectors). This also applies to stakeholders having developed, or been exposed to, the capacities required to manage the processes validated in UNIDO pilot projects. Sustainability prospects are constrained where such management capacity is not (yet) solid and in cases that may not substantiate in sufficient demand, for business development services for instance.
- Impact can be inferred where UNIDO projects have plausibly contributed to better performance at country level. This is the case with industrial sector growth of other sectors, or the economy as a whole, and in the relatively steep increase of exports of manufactured goods over the last seven years. Impact is also likely to be achieved where UNIDO supported subsectors that have a critical mass, due to their size, and good growth and prospects for up-scaling and dissemination. Such prospects can be assessed as fair to good in the cases of using sisal residues for energy generation and enhanced local value addition for cashew nuts. However, this will also depend on the future ease of doing business in Tanzania.
- The UNIDO Field Office substantially contributes to the implementation of TC interventions and plays an important role in coordinating with the UN Country Team. It has many functions and it is a true challenge to effectively and efficiently carry out all of them, in view of the limited human and financial resources of the Office. A Country Programme Progress Reports for 2009 was submitted in March 2010 but there was no progress report prepared for 2008. The period of non-compliance with reporting requirements corresponds with the vacancy of the UR post.
- The cross-cutting issues of gender, environment and energy, and South-South cooperation are present in the UNIDO project portfolio in Tanzania and there are also projects specifically targeting gender equality or environmental sustainability. South-South cooperation has found a perceptible expression in the project portfolio, in particular regarding the procurement of pilot project equipment and services.
- UNIDO's foreseeable engagement in UNDAF 2011-2015 is in line with the core competences of the organization and the organization is prepared to face new challenges, notably in climate change mitigation. Still open are the number, scope, depth and duration of UNIDO-led projects and the details of an objectively verifiable monitoring and evaluation framework.

15

Recommendations and lessons learnt

15.1 Recommendations

- **New projects and national frameworks should be aligned to national programmes, plans and budgets**
 - More alignment to Government programmes and projects grounded in national programme and budgetary processes should enhance clearer agreement and better understanding of roles between UNIDO and counterpart agencies, with the programmes of national counterparts being in the centre. Thus, UNIDO should clearly complement and support national plans and objectives, and there should be mutual accountability for UNIDO's programme.
 - National counterpart agencies should be given the option to deliver outputs in areas where they are suited to do so, thus enhancing sustainability due to increased ownership. UNIDO should start preparing for HACT compliance.
- **There is a need for improved monitoring and reporting on results**
 - Projects should follow RBM principles and allow for proper management and monitoring. A proper monitoring system must be established, clear roles for the Field Office for monitoring at the programme and project levels defined and partial allocation of monitoring budgets to the field granted. Capacity development support to Tanzanian stakeholders should include the area of Results Based Management.
 - In this context, it is recommended that UNIDO seriously considers the introduction of core sector indicators (CSIs) within the organization, on the general plane and not restricted to the Tanzania programme. CSIs are a standardized set of indicators that measure the most recurrent outputs and intermediate outcomes achieved through operations of a development agency. CSIs sharpen the focus on results and demonstrate an organization's contribution to development⁵.

⁵ The African Development Bank (AfDB) has introduced CSIs and produced guidelines that further explain the usefulness of CSIs for corporate monitoring and reporting. If UNIDO were to opt for a series of CSIs, say one set per each of the three defined priority areas, the aggregation across programmes would allow to have more solid data on the achievement of development relevant results (AfDB, Guidelines for the Use of Core Sector Indicators, 2009).

- Dedicated programme/project resources should be provided to the Field Office to support project implementation and management. The role of the field office should come out clearly in project work plans.
- Progress reporting deserves to be improved. UNIDO should issue an overall (URT) progress report clearly indicating the results achieved during the reporting period. This can be done in the form of the UNDP reporting in order to avoid duplication of efforts.
- **A future UNIDO programme framework needs to give additional attention to impact and working more strategically**
 - There is a need for more linkages between upstream and downstream projects and the UN/UNIDO needs to develop wider programmes allowing for synergies between different traditional projects and make these components of programmes linking up up-stream policy and strategic interventions with interventions at the meso level and pilot projects operating at the level of individual enterprises.
 - In this context, emphasis should be put on the urgent need of improving Tanzania's business climate, in response of the persistently low rank in this regard. UNIDO's expertise in industrial surveys, statistics and policy advice are competitive advantages that should be taken advantage of more vigorously. A possible request to provide assistance regarding the review and update of Tanzania's SME policy should be favorably considered.
 - A more regionally and thematically concentrated and integrated portfolio in order to minimize transaction costs and improve monitoring and coordination should become a guiding principle. TA requests not falling within identified priority areas should be declined.
 - Less emphasis on the implementation on pilot projects and more emphasis on building national capacity for design and implementation of pilot projects and the fostering of pro-poor growth is needed. Consequently, providing strategic advice and installing capacity for sector analysis, problem identification, formulation and programme design would have to be stepped up. This should include the joint development of methods that foster capacity building for stakeholders that implement pilot projects, in particular grass-root organizations.
- **There is a need for more decentralization and delegation of authority**
 - Field Offices should be allowed to sign certain MoUs (for instance when financial resources are not committed) and there should be a policy developed specifying when Field Offices can sign MoUs without formal clearance but after consultation with HQ.

- Decentralization has to be accompanied with clearer policy guidance for UNIDO as a whole, both in relation to UNIDO position on substantial technical issues and UN coherence issues.
- **There is a need for additional guidance on Country Programmes**
 - As Country Programmes are gaining ground and Integrated Programmes seem to be phased out, there should be guidance on expected features and management of country programmes.

15.2 Lessons learnt

- The relative success story of the Trade Capacity Building project (US/URT/05002), and the technological breakthrough in the Cleaner and Integral Utilization of Sisal (FC/URT/04118), were both built on medium to long term cooperation and solid technical and managerial know-how, on both UNIDO's and the counterparts' side. This infers that matching mutual strengths tends to be rewarded by success.
- The art of designing and implementing pilot projects is a delicate one, especially assuring that the subsequent replication and upscaling phase can take place in optimal conditions. When such pilot projects are designed with and executed by grass-root organizations, the recommendation of their capacity strengthening in Section 15.1 is fundamental. The very essence of pilot projects, e.g. in the area of food processing with user groups, is not to prove the concept of technical feasibility. With good reason, UNIDO has chosen simple and appropriate technologies, and the evaluation team commends these choices. The object of these pilot projects is, as we understand it, to validate technology options under conditions of local management by the primary producers of the commodities, with the aim to add value locally. If this premise holds, then the lesson to learn is that managerial capacity building, including financial management, should be preceding the physical project installation, and not be a subsequent add-on when the process is technically under control.
- The analysis of project effectiveness and its underlying causes may teach a lesson that is not new at all: the power of simplicity must be rediscovered, especially in contexts that are complex by nature. Intricate project designs, aiming at embracing too much, with too many stakeholders with unclear roles, in too little time, have less chances of success than clearly focused and straightforward undertakings.

Annex 1: Terms of Reference

April 2010



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

FOR

THE INDEPENDENT COUNTRY EVALUATION IN THE UNITED REPUBLIC OF TANZANIA

I. BACKGROUND AND CONTEXT

The evaluation of UNIDO's country programme in Tanzania was proposed by UNIDO's Regional Strategies and Field Operations Division (RFO) and included in the ODG/EVA Work Programme 2010/2011, approved by the Executive Board. The country evaluation is particularly relevant, as Tanzania is one of the eight Delivering as One UN (DaO) pilot countries and the evaluation will feed into a thematic evaluation of UNIDO's contribution to the One UN, also planned for the 2010/11 biennium.

Tanzania is one of the poorest countries in the world and 33 % of its population was estimated to live below the basic needs poverty line in 2007 (UNDP 2007). It remains largely dependent on the agricultural sector and two thirds of its labor force work in (mostly subsistence) farming. The average GDP growth rate of 6.3 % between 1998 and 2007 (Economist Intelligence Unit) has yet to translate into real improvement in living conditions of the population.

Tanzania's long term strategic vision, **Vision 2025**, is guided by the following principles: high quality livelihood; peace, stability and unity; good governance; a well educated and learning society and a competitive economy capable of producing sustainable growth and shared benefits.

Accordingly, Tanzania's National Strategy for Growth and Reduction of Poverty, better known as **MKUKUTA** (2005 and 2010 draft), summarizes the development priorities for Tanzania in three interlinked clusters: (i) Growth and reduction of income poverty, (ii) Improved quality of life and social well being; and, (iii) Good governance and accountability. It is complimented by the Zanzibar Strategy for Growth and Reduction of Poverty (known as **MKUZA**) for the semi-autonomous island of Zanzibar.

The current **UNDAF** (2007-2010) is aligned to MKUKUTA and MKUZA and UNIDO participates in Cluster 1 on growth and reduction of income poverty, within three different outcomes.

The UNCT in Tanzania is currently preparing to implement a single business plan, the United Nations Development Assistance Plan (**UNDAP**). The UNDAP is expected to serve as a “one programme”, providing the results framework to which agencies’ activities, individually or jointly are expected to align and contribute. The UNDAP is expected to be implemented over a four year period starting July 2011 to June 2015.

UNIDO Field Office has been highly involved in setting up outcomes and related outputs during the prioritization phase (Jan-Apr 2010), within the group that encompassed economic development, economic governance and environment issues. The programming phase (May-Jun 2010) will add interventions and an M&E framework contributing to identified outputs and outcomes.

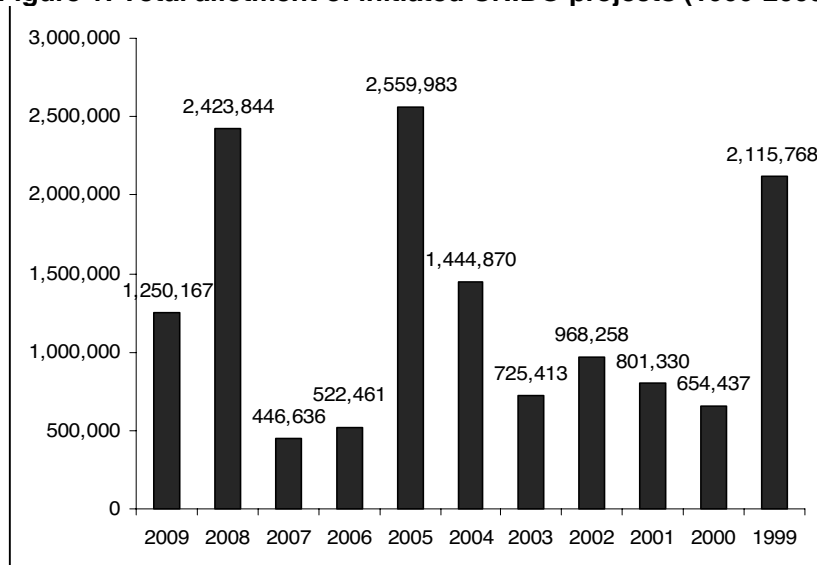
As mentioned above, Tanzania is a Delivering as One pilot country and UNIDO is one of the participating agencies. The One Programme today consists of twelve Joint Programmes (JPs) out of which UNIDO takes part in the following:

- JP 1: Wealth creation, employment and economic empowerment
- JP 5: Capacity Building Support to Zanzibar
- JP 6.1: Managing Transition from Humanitarian Assistance to Sustainable development in Northwestern Tanzania
- JP 10: Education
- JP 11: Environment and climate change

UNIDO is also a member of the Tanzania Development Partner Group (DPG) which is a coordinating body and comprises 16 bilateral and five multilateral agencies (UN counted as one) that have all agreed on a **Joint Assistance Strategy** (JAST, 2007-2010). The JAST outlines common principles of partnership between Government and development partners, including the UN and is also adhered to by the One Programme.

UNIDO has a long standing history in Tanzania and has implemented 388 projects with a total budget of more than USD 29 million since 1965. The first Tanzanian Integrated Programme (IP) was implemented between 1998 and 2003 and focused on Small and Medium Enterprise (SME) development in priority sub-sectors, promotion of investment and enhanced mechanisms for private-public dialogue. It was succeeded by a second IP (2004-2007) which primarily aimed at improving capacity for agro processing. The Table below provides an overview of total allotments of UNIDO projects initiated during the last ten years.

Figure 1: Total allotment of initiated UNIDO projects (1999-2009)



Source: Agresso

UNIDO maintains a country office in Dar es Salaam, which currently is duty station for two professional international staff members (one UNIDO Representative and one Junior Professional Officer) and two general service staff members.

Currently UNIDO implements its projects in Tanzania within a Country Programme (2008-1010) that aims at consolidating the results of the two previous IPs and focuses on SME and agro value chain development. Additionally, projects were included in the One UN Joint Programmes.

By far, the largest project is a Trade Capacity Building (TCB) project (US/URT/05002) which accounts for 26 % of the total allotment of ongoing projects in Tanzania. A project with a total allotment of more than USD 1 million for the greener utilization of sisal waste (FC/URT/04118) is second. Most of UNIDO's other activities (24%) are part of the JP 1 and focus on the promotion of rural SME development.

There are also a number of regional projects that have components implemented in Tanzania, including a TCB project for the East African Community and a large environmental project funded mostly by UNEP.

The Tables below provide an overview of ongoing UNIDO projects in Tanzania (for more detailed information please refer to Annex F):

Table 1: Ongoing projects in Tanzania (within JPs and individual)

	Allotment (USD)	% of total
JP 1 - Wealth creation, employment and economic empowerment	1,784,665	24%
JP 5 - Capacity Building Support to Zanzibar	422,943	5%
JP 6.1. - Managing Transition from Humanitarian Assistance to Sustainable Development in Northwestern Tanzania	329,256	4%
JP 10 - Education	624,748	8%
JP 11 – Environment and Climate change	494,103	7%
FC/URT/04118 - Cleaner and Integral Utilization of Sisal	1,015,980	14%
US/URT/05002 - TCB project (evaluated in 2009)	1,936,502	26%
Coordination (for Joint Programmes and Country Programme)	216,674	3%
Junior Professional Officer in Tanzania Country Office	379,410	5%
Other projects	247,068	3%
TOTAL	7,430,503.86	100%

Source: Agresso

Table 2: Regional projects with components in Tanzania

	Allotment (USD)
TCB project of East African Community	3,051,774
Reduction of Land-sourced Impacts Resulting from Coastal Tourism (UNEP)	1,660,609
Women and Youth Entrepreneurship Programme (WED/YED)	76,550
SPX – Tanzania and Kenya	221,000

Source: Agresso

II. RATIONALE AND PURPOSE

The country evaluation is being undertaken at a time when the UNIDO Country Programme is coming to an end and when the Delivering as One piloting phase has finished. The evaluation will be a forward-looking exercise: it will identify areas for improvement and draw lessons to enhance the relevance and effectiveness of future UNIDO interventions in Tanzania.

It has the following main purposes:

- To assess the alignment of UNIDO's interventions in Tanzania to national and international development priorities (PRSP, industrial policy, industrial sector strategy, MDGs, etc.);
- To assess the progress made towards the expected outcomes envisaged in UNIDO project and programme documents as well as in DaO Joint Programme documents (key criteria: effectiveness);
- To provide an assessment of UNIDO's positioning in Tanzania and the value added by UNIDO in response to national needs and the One UN agenda;
- To assess UNIDO's contribution to the One UN mechanisms;

- To generate key findings, draw lessons and provide a set of clear and forward-looking recommendations for consideration in a future country programme; and
- To serve as an input to the following **thematic evaluations**:
 - UNIDO's contribution to the One UN mechanism;
 - UNIDO's contribution to the MDGs; and
 - Field office performance.

III. SCOPE AND FOCUS

The evaluation will cover the full range of support of UNIDO to Tanzania and go beyond a mere documentation of results by trying to assess why projects/programmes have succeeded or failed. The evaluation will cover the period starting with the beginning of the current country and DaO programmes (2008) and considering all ongoing and pipeline projects at the start of the evaluation.

Concerning the country programme, the achievement of outcomes as defined in the programme document will be assessed. The programme will be reviewed as a whole, particularly in terms of relevance, the exploitation of synergies and coordination within UNIDO and with other development partners.

As for the One UN, the country evaluation will focus on UNIDO's contribution to the One UN programme and more specifically the Joint Programme objectives. A country-led evaluation is scheduled for 2010 and should be taken into consideration.

Annex E contains a list of all ongoing projects as well as regional projects with components/activities in Tanzania. A map attached as Annex F gives an overview of the geographic location of UNIDO's interventions.

However, the exact scope of the country evaluation will be defined during the inception period. The scope should be such that the evaluation will be able to answer the evaluation questions defined in the ToR. Also, the evaluation should cover a project portfolio that represents UNIDO's different thematic priorities and project sizes.

c) *Fully fledged independent evaluations:*

- For projects/programmes that are due for evaluation⁶ within the same timeframe as the country evaluation.

The only ongoing project in Tanzania for which an evaluation is mandatory is a Trade Capacity Building project (US/URT/05002), which was already evaluated in July 2009 (*Independent evaluation: Trade capacity-building: enhancing the capacities of the Tanzanian quality infrastructure and TBS/SPS compliance system for trade*) and the evaluation report will be used as an input to the country evaluation.

⁶ For which an evaluation is mandatory according to UNIDO and/or donor requirements, or in accordance with the evaluation provisions in the project document.

- d) *Project assessment:*
- For projects that do not formally require a fully fledged evaluation;
 - For projects that are not yet due for evaluation.

The following methodological components will be applied: an assessment of the project documentation including an assessment of project design and intervention logic; a validation of available progress information through interviews with key stakeholders and beneficiaries; a context analysis of the project to validate implicit and explicit project assumptions and risks, including interviews with government agencies and donors regarding the developments and tendencies in the project-specific environment.

- e) *Reviews:*

- For projects that are in the pipeline

The following methodology will be applied: a review of the available documentation; a validation of the foreseen intervention logic/design with a special focus on the relevance to national priorities and to the country programme or UNIDO's strategic priorities.

IV. EVALUATION ISSUES

A. General evaluation criteria and cross-cutting issues

In general, the country evaluation should consider the DAC Criteria (relevance, efficiency, effectiveness, sustainability, impact). However, specific evaluation criteria and cross-cutting issues will be mainstreamed in the evaluation of the Country Programme, individual projects, the One UN and the field office performance.

Attention will be given to the following cross-cutting issues:

- Integration and Delivering as One UNIDO (coordination, cooperation, exploitation of synergies)
- Contribution to the Global Forum function
- Contribution to gender equality
- Contribution to environmental sustainability
- Fostering of South-South cooperation

B. Issues concerning UNIDO's Country Programme (2008-2010)

It is important to note that the assessment of UNIDO's country programme is not a mere compilation of individual project evaluations but will consider synergies and complementarities between projects. It will include an assessment of the design and implementation of the programme with regards to:

- strategic objective,
- geographic priority,
- subsector focus,
- collaboration with and role of partner institutions and
- programme management and coordination.

Relevance

The degree to which the design and objectives of UNIDO's country programme is consistent with the needs of the country and with development plans and priorities as well as with UNIDO's strategic priorities.

The extent to which the country programme was relevant to:

- the development challenges facing the country;
- national and international development priorities (MKUKUTA, MDGs, etc);
- UNIDO's strategic priorities (Programme and Budget, Medium Terms Strategic Framework, etc.);
- the target group and UNIDO's counterparts.

Efficiency

Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs.

The extent to which:

- the quality of UNIDO services (expertise, training, equipment, methodologies, etc) was as planned and led to the production of outputs; and
- the resources and inputs were converted to results in a timely and cost-effective manner
- coordination amongst and within components of the programme lead to synergy effects (benefits and drawbacks) and/or to the production of outputs
- the same results could have been achieved in another, more cost-effective manner

Effectiveness

The extent to which the programme achieved its objectives and major factors influencing the achievement or non-achievement of the objectives

The extent to which

- activities planned in the programme document were undertaken; and
- objectives established in the programme document were achieved.

Sustainability

Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable.

The extent to which

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

Impact

The positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended.

The extent to which the programme contributed

- to developmental results (economic, environmental, social); and
- to the achievement of the MDGs.

Country Programme management

The extent to which:

- effective cooperation arrangements between the projects and with the country office were established;
- UNIDO's country office supported coordination, implementation and monitoring of the programme;
- UNIDO HQ based management; coordination and monitoring have been efficient and effective.

Partnership and coordination

UNIDO's contribution to coordinating external assistance and to building government and country ownership

The extent to which

- effective coordination arrangements with other development partners were established;
- UNIDO participated in the One UN and UNDAF (please see D for further information); and
- The UNIDO CP adhered to the principles of the Paris Declaration on Aid Effectiveness (i.e., government ownership, alignment with government strategies, results orientation, program approaches, use of country systems, tracking results, and mutual accountability).

C. Evaluation of individual projects and regional project components

Project design

The extent to which

- a participatory project identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support;
- the project has a clear thematically focused development objective, the attainment of which can be determined by a set of verifiable indicators; and
- the project was formulated based on the logical framework approach.

Relevance

The extent to which

- the project/component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.
- the counterpart(s) has (have) been appropriately involved and was (were) participating in the identification of their critical problem areas and in the development of technical cooperation strategies, and were actively supporting the implementation of the component.

- the project/component is relevant to the higher-level programme-wide objective
- the project/component is relevant to national and international strategic priorities (MKUKUTA, MDGs, etc.)
- the project/component is relevant to the One UN agenda (One Programme)
- the outputs as formulated in the project document are still necessary and sufficient to achieve the objectives.

Efficiency of implementation

The extent to which

- UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements;
- the quality of UNIDO services (expertise, training, equipment, methodologies, etc) was as planned and led to the production of outputs; and
- the resources and inputs were converted to results in a timely and cost-effective manner.

Effectiveness of the project

The extent to which

- Objectives established in the project document were achieved.

Sustainability

Assessment of the probability of continued long-term benefits

Impact

Assessment of the developmental changes (economic, environmental, social) which have occurred or are likely to occur

D. Evaluation of the Country Office in Tanzania

UNIDO's Country Office will be assessed with regards to its contribution to UNIDO's convening, normative and technical cooperation functions.

This will include the extent to which the country office

- develops and maintains relations with relevant public and private actors;
- participates in the UNCT and coordination mechanisms of international and regional development agencies, financing institutions and the donor community in the field;
- engages in the formulation process of programmes, aligned to local frameworks like the UNDAF;
- engages in the implementation and monitoring of TC projects; and
- are involved in global forum and convening activities.

The evaluation will also encompass assessing the performance of the country office in Tanzania against its RBM work plan. The design and content of the RBM Work Plan and its alignment with the national priorities of Tanzania will be reviewed.

The strategic orientation of work plans as indicated by the Regional and Field Operations Branch (February 2010) mentions that the following issues will be considered:

1. Programme and project development
2. Coordination with UN system-wide initiatives (One UN, UNDAF, UNDAP, etc)
3. Activating regional, inter-regional and South-South cooperation
4. Partnerships and strategic alliances

5. Corporate Social Responsibility
6. Fund raising

More concretely, the Work Plan 2010 for the country office in Tanzania specifies the following five outcomes which will be assessed in a country evaluation:

- UNIDO visibility enhanced at global, regional/sub-regional and country levels
- Responsiveness of UNIDO to national/regional priorities (TC programme and project development, fund raising)
- Effective participation in UN initiatives at country level including UNDAF, UNDAP, UNDG, One UN etc.
- Promoting Global Forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide
- Effective management of technical cooperation activities and UNIDO office.

E. Evaluation of UNIDO's contribution to the One UN

Tanzania is one of the eight pilot countries for the Delivering as One agenda. A country-level evaluation of the pilot initiative for Delivering as One in Tanzania is scheduled for 2010 and should be reviewed, if ready.

Additionally, the evaluation team will assess the following issues:

- UNIDO niches and roles within the One UN arena in Tanzania;
- UNIDO's contribution to the outcomes and outputs envisaged by the Joint Programmes;
- the value added and comparative advantage by/of UNIDO to the Joint Programmes;

- the extent to which UNIDO has been able to take on a leadership role within its thematic priorities;
- fund raising possibilities through the One UN;
- the extent to which the capacity of the field office to respond to increased coordination and administrative demands is sufficient;
- the extent of HQ support ; and
- the extent to which UNIDO benefits from the participation in the One UN, UNDAF and UNDAP in terms of visibility.

V. EVALUATION APPROACH AND METHODOLOGY

The country evaluation will attempt to determine as systematically and objectively as possible the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the interventions under evaluation. The evaluation assesses the achievements of the interventions against their key objectives, including re-examination of the relevance of the objectives and appropriateness of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

In terms of **data collection** the evaluation team will use different methods ranging from desk review (project and programme documents, progress reports, mission reports, Agresso search, evaluation reports, etc) to individual interviews, group discussions, project visits, surveys and observation.

Attention will be paid to ensuring an unbiased and objective approach and to the **validation** of data. The evaluation team should ensure that all the data is valid, by a triangulation of sources, methods, data, and theories.

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

VI. TIMING

The country evaluation is scheduled to take place between June and October 2010. The two-week field mission for the evaluation is envisaged for September.

Activity	Estimated date
Self assessment	
Collection of documentation by evaluation consultant at HQ	
Desk Review by members of evaluation team	
Initial interviews at HQ to assess scope	
Inception report	
Mission to Tanzania (2 weeks)	
Presentation of preliminary findings to the government	
Presentation of preliminary findings at HQ	
Drafting of report	
Collection of comments	
Incorporation of comments	
Issuance of final report and evaluation brief	

VII. EVALUATION TEAM

The evaluation team will include:

- 1) one senior International Evaluation Consultant with extensive experience in and knowledge of evaluation and agri-business development;
- 2) one junior International Evaluation Consultant (to be discussed)
- 3) one National Evaluation Consultant familiar with evaluation techniques and pertinent sectors and issues who will work under the direction of the team leader and in close collaboration with all members of the evaluation team; and
- 4) a member of the UNIDO Evaluation Group, who will be responsible for the assessment of UNIDO's participation in the One UN pilot programme and field office performance.

The international and national consultants will be contracted by UNIDO. The tasks of the consultants are specified in their respective job descriptions, attached to this ToR (Annex A).

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

One member of UNIDO's Evaluation Group will manage the evaluation and will act as a focal point for the evaluation consultants. Additionally, the UNIDO Field Office in Tanzania will support the evaluation team and will help to coordinate the evaluation mission.

VIII. EVALUATION PROCESS AND REPORTING

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

	OSL/EVA Evaluation Group	PTC	RSF/ Field office	Government of Tanzania	Evaluation team
Terms of Reference	X				
Selection of consultants	X				
Self assessment by project managers		X	X		
Review of background documentation					X
Inception Report					X
Interviews at UNIDO HQ		X	X		X
Evaluation mission			X	X	X
Presentation of preliminary findings in the field					X
Presentation of preliminary findings at HQ					X

Drafting of evaluation report					X
Comments on draft report	X	X	X	X	
Final evaluation report					X
Evaluation brief					X

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

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

The Final Report will be submitted 6-8 weeks after the field mission, at the latest, to the Government of Tanzania, the donors and to UNIDO.

IX. DELIVERABLES

- Inception Report
- Presentation of preliminary findings to counterparts and HQ staff
- Draft Report
- Final Report
- Evaluation Brief

X. QUALITY ASSURANCE

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

The applied evaluation quality assessment criteria are used as a tool to provide structured feedback.

XI. JOB DESCRIPTIONS for team members

- A. Job descriptions
- B. Reading list (preliminary)
- C. Country programme logical framework (from programme document)
- D. List of ongoing UNIDO projects in Tanzania



INDEPENDENT COUNTRY EVALUATION IN
THE UNITED REPUBLIC OF TANZANIA

JOB DESCRIPTION

Post title: International Evaluation Consultant
Post number:
Duration of contract: 30 days spread over 2.5 months
Entry on duty date: to be defined
Duty station: United Republic of Tanzania, Vienna HQ and home based

Duties:

The international consultant will carry out the evaluation of the technical cooperation component in Tanzania according to the Terms of Reference attached. She/he will be a member of the evaluation team which will include a member of the UNIDO Evaluation Group (EVA) and a national consultant. She/he will be responsible for the TC related parts of the evaluation report according to the standards of the UNIDO Evaluation Group. The international consultant will perform the following tasks:

Duties	Duration	Location	Results
Preparatory phase <ul style="list-style-type: none"> o Study programme and project documentation (including progress reports and documentary outputs and TOR) o Study relevant background information (national policies, international frameworks, etc) o Study old evaluation reports and self-evaluation reports 	7 days	Home base	Analytical overview of available documents and of UNIDO activities in Tanzania
<ul style="list-style-type: none"> o Briefing with Evaluation Group at HQ o Interviews with project managers and key stakeholders at HQ 		Vienna, UNIDO HQ	Key issues of evaluation identified; Scope of evaluation clarified;
<ul style="list-style-type: none"> o Develop methodology and interview guidelines o Prepare inception report 		Home base	Inception report , including the proposed methodology, approach and evaluation programme

<p>Field mission to Tanzania</p> <ul style="list-style-type: none"> ○ Travel to and from field ○ Carry out meetings, visits and interviews with stakeholders according to the evaluation programme ○ Drafting the main conclusions and recommendations, and present them to stakeholders ○ Preparation of the report outline/structure 	12 days	Dar es Salaam, with in-country travels in Tanzania	<p>Information gathered on issues specified in ToR</p> <p>Draft conclusions and recommendations</p> <p>Agreement on structure and content of evaluation report; distribution of writing tasks</p>
<p>Drafting of evaluation report</p> <ul style="list-style-type: none"> ○ Present preliminary findings and recommendations to the stakeholders at UNIDO ○ Discuss finalization of the report <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ○ Prepare the evaluation report in close consultation/cooperation with the UNIDO Evaluation Group; supervise production of relevant chapters of the report by the other team members ○ Integrate comments from UNIDO Evaluation Group and stakeholders and edit the language and form of the final version according to UNIDO standards ○ Prepare evaluation brief 	11 days	Vienna, UNIDO HQ	Feedback on preliminary findings
		Home base	<p>Draft report</p> <p>Feedback on draft report</p> <p>Final report</p> <p>Evaluation brief</p>
Total	30 days		

Qualifications

- advanced university degree in economic, development studies or other relevant fields;
- extensive knowledge and experience in the field of agro-industry, SME development and private sector development;
- extensive experience in evaluation and supervision of evaluation teams;
- knowledge of UNIDO activities an asset;
- working experience in Tanzania an asset.

Language: English

Background information: see the Terms of Reference attached

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



INDEPENDENT COUNTRY EVALUATION IN
THE UNITED REPUBLIC OF TANZANIA

JOB DESCRIPTION

Post title: National Consultant
Post number:
Duration: 25 days spread over 2 months
Date required: to be defined
Duty station: Various locations in the United Republic of Tanzania and home based

Duties:
 As a member of the evaluation team and under the supervision of the evaluation team leader, the consultant will participate in the independent country evaluation in Tanzania according to the Terms of Reference attached. In particular, he/she will be expected to:

Duties	Duration	Location	Results
Study relevant programme and project documentation including progress reports and documentary outputs and ToR; Study relevant background information (national policies, international frameworks, etc) Assist in the preparation of the inception report	5 days	Home base	Analytical overview of available documents; list of issues to be clarified; background data needed for evaluation collected at field level; inputs to inception report
Participate actively in meetings, visits and interviews according to the evaluation programme Participate in drafting the main conclusions and recommendations, and present them to stakeholders in accordance with the instructions of the team leader	10 days	Dar es Salaam with travel around Tanzania	Notes, tables; information gathered on issues specified in ToR; Draft conclusions and recommendations
Participate in the preparation of the report according to the instructions of the team leader	10 days	Home base	Inputs to the report
Total	25 days		

Qualifications

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
<ul style="list-style-type: none"> • University graduate (business studies, economics, etc); • knowledge of Tanzania’s industrial development situation, institutions and programmes; • Knowledge of private sector development issues; • working experience with international organizations an asset; • evaluation experience desirable. 		

Languages: English, Swahili

Background information: see the Terms of Reference attached

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

a. Did the report present an assessment of relevant outcomes and achievement of programme objectives?		
b. Were the report consistent and the evidence complete and convincing?		
c. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
d. Did the evidence presented support the lessons and recommendations?		
e. Did the report include the actual programme costs (total and per activity)?		
f. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
g. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?		
h. Was the report well written? (Clear language and correct grammar)		
i. Were all evaluation aspects specified in the TOR adequately addressed?		
j. Was the report delivered in a timely manner?		

XII. Checklist on evaluation report quality

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.

XIII. Reading list

Background reading for relevance chapter

- **National Strategy for Growth and Reduction of Poverty (2005 and 2010 draft) – MKUKUTA**
- **UNDAF (2007-2010)**
- **Joint Assistance Strategy for the United Republic of Tanzania (2007-1010)**
- **The Tanzania Development Vision 2025**
- **UNIDO Programmes and Budget 2010-11**
- **UNIDO Medium-term programme framework 2010-2013**

UNIDO project and programme documents

One UN documents

- **Joint Programme documents (2008)**
- **Joint Programme Annual Reports 2009**
- **Stocktaking Report and Annual One Programme Report for 2008**
- **UNEG Evaluation of the Pilot Initiative for Delivering as One. Evaluability Assessment Report on Tanzania (2008)**

Relevant UNIDO evaluation reports

- **Independent Thematic Review: UNIDO Projects for the Promotion of Small Hydro Power for Productive Use (2010)**
- **Independent evaluation: Trade capacity-building: enhancing the capacities of the Tanzanian quality infrastructure and TBS/SPS compliance systems for trade (2009)**
- **Report of the Independent Joint In-depth Evaluation Mission: IP I (2002)**

Relevant other evaluation reports

- **MDG report: Mid-way evaluation (2002-2008)**

Interesting Websites

- <http://www.tanzania.go.tz/>
- <http://www.tanzania.go.tz/vision.htm>
- <http://www.africaneconomicoutlook.org/en/countries/east-africa/tanzania/#/overview>
- <http://www.povertymonitoring.go.tz/index.asp>
- <http://www.untanzania.org/>
- <http://www.unido.org/index.php?id=5028>
- <http://www.tzdp.org.tz/>
- <http://coast.iwlearn.org/countries/tanzania/>

Evaluation information

- **UNIDO Evaluation Policy (2006)**
- **DAC Evaluation Quality Standards (2006)**
- **DAC Glossary of Key Terms in Evaluation and Results Based Management (2002)**

Annex 2: Country Programme logical framework (according to Programme Document)

The URT country programme is comprised of Joint Programmes and Stand Alone Projects as follows:

MKUKUTA/MKUZU Cluster 1 Goal: By 2010 industrial growth of 12% achieved contributing to sustainable and broad-based economic growth of 8-10% and poverty of both men and women in rural and urban areas reduced by half		UNIDAF Cluster 1, Outcome 1: By 2010 rural and urban communities have improved access to productive employment, sustainable income opportunities and food security		UNIDO CP OUTCOME: Improved industrial productive capacity and agro productivity through agro food processing, upgraded of SME value chains, use of renewable energy, investment promotion and trade competitiveness				
Project/JP #	Project/Programme Name	Partnering UN Agencies	Counterparts/ Donor	Project /Joint Programme Outputs	Description of UNIDO Services (TA thematic priorities)	2007/08	2008/09	2009/10
2.3.1: UN Delivery as One in Tanzania – UNIDO Ongoing Joint Programmes (2008-June 2009)								
2.3.1.1	UN Delivery as One in Tanzania, Joint Programme 1 – Support to Wealth creation, employment and economic empowerment in Lindi and Mtwara JP1	UNIDO FAO ILO UNDP	MITM/Private Sector/One UN Fund	National productivity and competitiveness improved with upgraded supply capacity of SMEs, producers groups and small-scale agro/food farmers	Pilot agro/food value chain upgrading, food quality and safety assurance systems for trade, renewable energy promotion, BDS for business information, investment monitoring and SPX and statistics for policy monitoring		\$1,492,500	
2.3.1.2	UN Delivery as One in Tanzania, Joint Programme 5 – Capacity Building Support to Zanzibar JP5	UNIDO ILO FAO	MTTI/Private Sector/One UN Fund	SME business development services BDS, productive and trade capacity strengthened	TA for SME policy implementation: Renewable energy and waste recycling, upgrading agro productivity, Statistics system, Business Information, and trade capacity building	\$230,050	\$105,000	
	Sub-Total 2.3.1					\$230,050	\$1,597,500	
2.3.2: UNIDO URT, Ongoing Stand-Alone and IP Projects								
2.3.2.1	Upgrading quality infrastructure in Tanzania for Trade facilitation	UNIDO	MITM/SECO/TBS/Private Sector	Quality, Standards, Metrology, laboratory testing capacity and improved consumer packaging systems	Metrology capability and TBS maintenance facility upgraded; Improved testing and certification services through upgrading skills of	\$623,308	\$50,656	

				improved			TBS and other institutions; and Support for establishment of the TBS Packaging Technology Center				
2.3.2.2	EAC capacity building project for industry compliance to quality and safety standards	UNIDO	MITM/ EAC/ Private Sector / NORAD	Regional EAC standards and systems for consumer safety assurance harmonized for agro enterprise capacity upgrading			TA for East Africa regional institutions for harmonized and improved food quality and safety services for food and agro products	\$100,000	\$200,000	\$100,000	\$100,000
2.3.2.3	IP2 Bridging: Agro entrepreneurship development for Tanzania	UNIDO	MITM/ Private Sector/ UNIDO	Upgraded Agro-Value Chain and reduction of post harvest losses thru food processing			Integrated agro/food processing and marketing strategies promoted by establishing pilot agro-processing demonstration units in Muheza (fruit & vegetables) Bahi (oil seeds) and Naliendele (cashew apple) used for commercial food processing, demonstration and training	\$189,990	\$60,000		
2.3.2.4	UN JP for NWT refugee host areas	JP NWT UNIDO FAO WFP	MITM/ Private Sector/UN-Japanese Human Trust Fund	SME capacity strengthening, renewable energy and improved food security thru upgrading of select food value chains			Agro/food processing pilots on renewable energy and SME business information support services established for the North western Tanzania communities of Kagera and Kigoma regions	\$250,000	\$75,000		
2.3.2.5	Regional project for BDS networking for promotion of WED/YED	UNIDO	MITM/ SIDO/ Private Sector/UNIDO/ PGTF	Agro entrepreneurship development			Strengthen capacity for Agro BDS networking of entrepreneurship support organizations for youth and women in collaboration with Tanzania Women Chamber of Commerce (TWCC) and SIDOMED centre		\$45,000		
2.3.2.6	Plastic Recycling Centre (RPC) and market development for Plastic and paper waste utilization	UNIDO	MITM/ Private Sector/UNIDO	Institutional and enterprise capacity development for waste management with pilot demonstration of plastic recycling			Establishment of pilot schemes for waste/plastic recycling business and improved waste management systems for collection, marketing and reuse	\$63,853			
2.3.2.7	Microhydro projects for sustainable environment and renewable energy	UNIDO	MEM/ MITM/ Private Sector/UNIDO	Renewable energy pilot schemes linked to rural entrepreneurs for productive activities			Pilot schemes for renewable energy established to promote community productive activities incl. demonstration for 9KW and 75KW	\$25,000			

2.3.2.8	Cleaner utilization of sisal plant and waste project	UNIDO	MoAFS/MITM/CFC/FAO/Private Sector	Pilot demonstrations for new sisal industrial products, use for bioenergy and technology development	Revitalizing the sisal sector and related industry activity through production of value-added quality short fibre, and total plant utilization for ethanol/insulin from the bole, clean electricity from biowaste and fertilizer	\$199,600		
2.3.2.9	Collaborative Actions for Sustainable Tourism (COAST) Project	UNIDO	VPO/MNRT/Private Sector / GEF	Reduction of the negative environmental impacts of coastal tourism	Demonstration of best practices and introduction of technologies for Integrated Planning and Management of Sustainable Tourism focusing on conservation of globally significant coastal and marine ecosystems and associated biodiversity	\$212,067	\$120,000	
	Sub-Total 2.3.2					\$1,451,751	\$642,723	\$220,000
2.3.3: UN Delivery as One in Tanzania – UNIDO Pipeline Joint Programmes (2009 – June 2011)								
2.3.3.1	UN Delivery as One in Tanzania, Joint Programme	JP6.1 UNIDO	MITM/Private Sector /One UN Fund	SME/ private sector-led development for sustainable transition of the North Western Tanzania - refugee hosting communities	Capacity building for entrepreneurship development support, renewable energy from agro waste and food processing in Kigoma and Kagera regions		\$220,000	
2.3.3.2	UN Delivery as One in Tanzania, Joint Programme	JP Environment UNIDO UNEP	Govt-MEM/Private Sector /One UN Fund	Energy Efficiency, Renewable Energy and Sustainable Waste Management	Policy and institutional TA for improved energy efficiency and climate change mitigation		\$350,000	
2.3.3.3	UN Delivery as One in Tanzania, Joint Programme	JP Education UNIDO UNESCO ILO	Higher Education/ Universities/ Professional bodies/ Private sector /One UN	Science, Technology and Innovation focusing on strengthening of the National Innovation System (NIS) & promotion of Youth Entrepreneurship Education	Technical support to the education and science sectors for establishing of a knowledge-based foundation for young learners in secondary and higher education on R&D entrepreneurship and local		\$250,000	

		Fund	(YEDP)	innovation capabilities	
	Sub-Total 2.3.3				\$ 820,000
2.3.4: UNIDO URT, Stand-Alone Pipeline Projects					
2.3.4.1	National project for entrepreneurship development and BDS networking to promote WED and YED	UNIDO	MITM/ SIDO/ Private Sector/UNIDO/ PGTF	Agro entrepreneurship development	TBD
2.3.4.2	Establishment of Subcontracting exchange (SPX) centre	UNIDO	MITM/TIC/TCC IA/ Private Sector/ UNIDO	SPX unit at TCCIA for Industrial Modernization linked to TIC investment monitoring platform	\$120,000
2.3.4.3	Energy Efficiency and Renewable Energy Project	GEF UNIDO	MITM/ Private Sector / GEF	Capacity building for energy management and renewable energy	TBD
2.3.4.4	Bioenergy Capacity Building Project (BIOCAB)	UNIDO	MITM, VPO/ IF-URT Fund/ Private Sector/EU	Promotion of sustainable bioenergy industry development in Tanzania	TBD
2.3.4.5	Industrial Upgrading and Modernization Programme - Integrated Industrial Development Programme	UNIDO	MEM/ Private Sector/UNIDO	SME development, agro value addition and trade facilitation, SIDP Policy Monitoring incl./ support to the URT Industrial Master Plan Strategy	TBD
	Sub-Total 2.3.4				TBD
	TOTAL (2.3.1, 2.3.2, 2.3.3 & 2.3.4)				\$1,661,801 \$3,180,223 \$220,000
	CP TOTAL BUDGET				\$ 5,082,024

Annex 3: List of ongoing UNIDO projects in Tanzania

Ongoing individual projects

Project Number	TITLE	Date from	Date to	Donor	Type	Project Manager	Allocation (USD)	Expenditure (USD)	Note
FBURT05A06	Strengthening Human Security Renewable Rural Energy for Productive Use	05/16/2006	09/30/2009	UNDP/United Nations Agreement for Tanzania	Agro-Industry Sustainable Energy and Climate Change	BUCYANA	265,246.44	265,235.49	
FBURT05C06	"Delivering as One"- Joint Programme - JP1	05/16/2006	12/31/2009	UNDP/United Nations Agreement for Tanzania	Climate Change	VARGHESE	29,010.02	29,010.02	Human Security
FBURT08001	"Delivering as One"- Joint Programme - ZANZIBAR	05/19/2008	06/30/2010	ONE UN FUND	Agro-Industry	BUCYANA	139,674.01	139,260.39	coordination money
FBURT08002	"Delivering as One"- Joint Programme - FBURT08A01 Tanzania - Deliver as One - JP1	05/19/2008	12/31/2010	ONE UN FUND	Agro-Industry Industrial Competitiveness + Trade	BUCYANA	402,094.24	304,051.83	JP 5 (Zanzibar)
FBURT08A01	"Delivery as One" Joint Programme - JP1	04/29/2008	06/30/2010	ONE UN FUND	+ Trade	DOLUN BORA	304,000.04	298,425.57	
FBURT08B01	TANZANIA - Delivery as One Joint Programme - JP1	05/14/2008	06/30/2010	ONE UN FUND	Agro-Industry Sustainable Energy and Climate Change	BUCYANA	551,925.27	424,509.30	JP 1
FBURT08C01	Tanzania "Delivery as One" Joint Programme - JP1	06/16/2008	12/31/2010	ONE UN FUND	Climate Change	VARGHESE	130,601.65	130,866.27	various projects in PSD, only one joint programme document for all
FBURT08D01	"Delivering as One"- Joint Programme - JP1	06/06/2008	06/30/2010	ONE UN FUND	Private Sector Development Investment and Technology Promotion	KREISSLER	265,462.07	110,798.85	
FBURT08E01	TANZANIA "Delivery as One" Joint Programme - JP1	05/19/2008	06/30/2010	ONE UN FUND	Industrial Governance and Statistics	KULLUR	218,500.00	108,301.02	
FBURT08F01	One UN Programme for Tanzania - JOINT PROGRAMME ON EDUCATION (JP 10)	07/16/2008	06/30/2010	ONE UN FUND	Investment and Technology Promotion	GUO	217,400.00	125,566.41	
FBURT08G01	One UN Programme for Tanzania - NWT	04/27/2009	12/31/2010	ONE UN FUND	Agro-Industry	BUCYANA	96,776.00	39,355.58	STI linkages between Academia and Industry (JP 10)
FBURT09003	One UN Programme for Tanzania - One UN Project	09/08/2009	06/30/2010	ONE UN FUND	Investment and Technology Promotion	KULLUR	209,999.99	99,427.64	Investor Perception Survey with TC & SPX at TCCIA
FBURT09004	One UN Programme for Tanzania - One UN Project	09/25/2009	06/30/2010	ONE UN FUND	Undefined Sustainable Energy and Climate Change	MUWEME	33,000.00	0.00	coordination money
FBURT09A02	One UN Programme for Tanzania - EDUCATION	07/17/2009	12/31/2010	ONE UN FUND	Climate Change	VARGHESE	35,000.00	6,852.60	JP 6 - rural energy
FBURT09A03	One UN Programme for Tanzania - Joint Programme on Education	08/10/2009	06/30/2010	ONE UN FUND	Private Sector Development	PITASSI	210,561.01	28,565.22	JP EDUCATION Entrepreneurship curriculum in Secondary Education
USURT09A05	Programme on Education	09/06/2009	06/30/2010	Danida-Sub-Saharan Africa	Private Sector Development		40,000.00	0.00	

FBURT09B04	One UN Programme for Tanzania	08/11/2009	06/30/2010	ONE UN FUND	Sustainable Energy and Climate Change	THOMAS	157,243.02	104,467.28	
USURT05002	USURT05002:ENHANCING THE CAPACITIES OF THE QUALIT	10/21/2005	12/31/2010	Switzerland / SECO US \$ Contrib	Industrial Competitiveness and Trade	DOLUN BORA	1,936,502.80	1,936,929.21	already evaluated
USURT06003	IP Tanzania, phase II bridging funds for 2008	09/08/2008	04/30/2010	Danida-Sub-Saharan Africa	Agro-Industry	BUCYANA	60,000.00	54,126.08	Oilseed processing in Dodoma
USURT09001	TANZANIA-PROGRAMM COORDINATIO	03/17/2009	12/31/2010	Danida-Sub-Saharan Africa	Undefined	MUWEME	50,000.00	38,857.27	coordination money
USURT09005	One UN Programme for Tanzania - JOINT PROGRAMME ON EDUCATION (JP 10)	09/08/2009	06/30/2010	Danida-Sub-Saharan Africa	Investment and Technology Promotion	KULUR	24,000.00	5,975.17	JP EDUCATION
FBURT09A04	One UN Programme for Tanzania - JOINT PROGRAMME ON ENVIRONMENT	08/10/2009	06/30/2010	ONE UN FUND	Promotion	GAJOWSKI	136,860.00	52,556.77	several smaller energy activities, JP on Environment
USURT09006	One UN Programme for Tanzania - JOINT PROGRAMME ON ENVIRONMENT	08/11/2009	05/30/2010	Various Donor Programmable Funds US\$ a/c	Sustainable Energy and Climate Change		110,000.00	16,113.40	several smaller energy activities, JP on Environment
USURT09A06	One UN Programme for Tanzania - Joint Programme on Environment (JP11)	08/07/2009	06/30/2010	Various Donor Programmable Funds US\$ a/c	Sustainable Energy and Climate Change	THOMAS	90,000.00	11,001.93	several smaller energy activities, JP on Environment
XPURT06002	XPURT06002 - IP Tanzania	02/02/2006	06/30/2008	Regular Programme Of Technical Cooperation	Agro-Industry	BUCYANA	67,068.83	67,085.15	not clear yet
FCURT04118	FCURT04118 - IP in Tanzania	09/01/2004	03/31/2009	CFC - FCURT/04/118	Environment Management	GAJOWSKI	760,274.04	760,274.04	SISAL
USURT02117	USURT02117 Cleaner and Integral Utilization of Sisal	10/16/2003	12/31/2009	Danida-Sub-Saharan Africa	Environment Management		198,979.58	198,979.59	
XPURT09007	XPURT09007 - for Biogas and Fertilizes	10/12/2009	12/31/2010	Regular Programme Of Technical Cooperation			56,726.97	5,148.94	
TFURT07004	TFURT07004 - AE/JPO Mr. Andrea ANTONELLI	10/08/2007	03/02/2011	Italy		MUWEME	317,410.88	305,128.38	
XPURT10001	Support to Tanzania Country Programme - Associate Expert/JPO - Mr. Andrea Antonelli	10/12/2010	02/01/2011	Regular Programme Of Technical Cooperation	Private Sector Development		62,000.00	0.00	JPO
GFURT10003	Mini-Grids Based on Small Hydropower	09/09/2010	06/30/2011	Global Environment Facility	Sustainable Energy and Climate Change		60,000.00	0.00	GEF project
YAUART10002	Sources to Augment Rural Electrification	10/12/2011	12/31/2010	Regular Budget		THOMAS	60,000.00	24,103.44	
	TOTAL						7,430,503.86	5,684,972.84	

Ongoing regional projects

Project Number	TITLE	Date from	Date to	Donor	Project Manager	Allot. (USD)	Exp. (USD)	Other countries
GPRAF08004	Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism	1/28/2008	10/31/2012	UNEP		1,250,377	612,588	Cameroon, Gambia, Ghana, Kenya, Mozambique, Nigeria, Senegal, Seychelles
YARAF09002		2/10/2009	12/31/2010	Regular Budget	BERNAUDAT	36,535	36,457	
TERAF06014	Trade capacity-building in agro-industry products for the establishment and proof of compliance with international market requirements	5/31/2006	8/1/2011		DOLUN BORA	1,055,891	462,425	Burundi, Kenya, Rwanda, Uganda,
TERAF06A14		8/9/2006	12/31/2011	Norway	TEZERA	1,027,381	155,020	
TFRAF06A14		11/3/2006	9/22/2007		TEZERA	42,033	42,033	
USRAF07029	Assistance in establishing an Industrial Subcontracting Partnership Exchange (SPX) in Tanzania and Kenya	11/29/2007	12/31/2010	Turkey	KULUR	104,956	20,021	Kenya
YARAF08015	Strengthening of capacities of private sector agencies and NGOs in selected African countries through regional networking and ECDC/TCDC approaches supporting Women and Youth Entrepreneurship Development (WED/YED)	4/21/2008	12/31/2010	Regular Budget	WJUNGAARDE	32,690	32,677	Eritrea, Kenya, Malawi, Zimbabwe

Annex 4: List of persons met

Name	Job title/Position in company/organisation	Name of company/organisation
Government of Tanzania		
Ms. Joyce Mapunjo	Permanent Secretary (PS)	Ministry of Industry, Trade and Marketing (MITM)
Mr. Shaaban R. Mwinjaka	Deputy Permanent Secretary	MITM
Ms. Eline Sikazwe	Director of Industry Development	MITM
Mr. Desystant Massawe	Director, Small and Medium Enterprises Department	MITM
Ms. Eng Elli N. Pallangyo	Assistant Director, Investment & Research, Industrial Development Department	MITM
Ms. Elisabeth W. Msengi	Senior Economist, policy and planning	MITM
Mr. Deo T. Ndunguru		MITM
Ms. Margaret R. Ikongwe		MITM
Mr. A.S.M. Mwalimu,	Director, Policy and Planning Department	MITM
Mr. Julius Mwambeso		MITM
Mr. E. E. Shammy		MITM
Ms. Fransisca Zimamoto		MITM
Mr. Gevaronge J.P. Myombe		MITM
Mr. Gaitani F. Mrimi		MITM
Mr. Zavery David Mdemu	Principal Trade Officer	MITM
Ms. Stella P. Lugongo		MITM
Mr. Stephen Nkondokaya	Acting Director: Division of Environment	Ministry of Environment, Vice President's Office
Mr. Geoffrey E. Bakanga	Environmental Manager	VPO-DOE
Mr. James L. Ngeleja	Principal Environmental Manager	National Environment Management Council (NEMC)
Mr. Saphinael E. Mapesa		Ministry of Communication Science and Technology (MCST)
Mr. K. Mtambo		Ministry of Agriculture, Food and Cooperative (MAFC)
Mr. Mark Lyimo		MAFC
Mr. John Michael Haule,	Deputy Permanent Secretary,	Ministry of Finance and Economic Affairs (MOFEA)
Mr. J. Cheyo	Economist	MOFEA,
Mr. J.K. Moshi	Economist	MOFEA
Mr. Laston Msongole	Deputy Permanent Secretary	MOFEA
Mr. Affan O. Maalim	Principal Secretary	Ministry of Tourism, Trade and Investment (MTTI)
Mr. Sabri Mohammed Muumin	Trade and Marketing Officer	MTTI

Mr. Tahir Mussa Ahmed	Trade Information Analyst	MTTI
Mr. Salmin Sharif Khatib:	Assistant Director of Trade	MTTI
Mr. Shabaan. B. Said	Senior Industrial Officer:	MTTI
Mr. Frederick Nyachia	Former PS, MITM and Former ED, TCCIA	
Mr. Jared Mushi		WMA
Mr. Asifa P. Nanyaro		TIRDO
Mr. Linus Gedi,	WED-YED SIDO, Food Processing Programme	SIDO/Dar es Salaam
Mr. Pius Wenga		SIDO
Ms. Dina Bina	Chairperson, Tanzanian Women Chambers of Commerce (TWCC) and Managing Director, Dina Flowers Co. Ltd	TWCC
Mr. Ignas Mganga		CTI
Mr. Charles Ekelege,	Director General, TBS	Tanzania Bureau of Standards, (TBS)
Mr. L.S. Kinabo	Chief Standards Officer, Head , process Technology Standards Department	TBS
Mr. Emmanuel M. Ntelya		TBS
Mr. January Timanywa	Curriculum Coordinator	TIE
Mr. Frederick Mukebezi	Curriculum Coordinator	TIE
Mr. Yusuf Matumbo	Regional Administrative Secretary, (RAS)	Mtwara Regional Office
Mr. Shangwe M. Twamala,	Assistant Administrative Secretary, Economic Services Section:	URT Prime Minister's Office Regional Administration and Local Government, Mtwara
Mr. Shangwe Tamala	Assistant Regional Administrative Secretary – A/RAS	Mtwara Region
Mr. Saidi Liguu	Curriculum Coordinator – Business study	Tanzania Institute of Education, TIE
Other country stakeholder representatives		
Mr. Mwenze Kabinda	IT Manager	BIC/Mtwara
Mr. Peter S. L. Massawe	Coordinator (CFC: Regional Cashew Improvements Network for Eastern and Southern Africa. Lead Scientist : Cashew Research Programme	Naliende Research and Agro Centre
Mr. A. Njovu:	Tandahimba District Executive Director (DED)	DED Tandahimba, Mtwara
Ms. Isabela Dismus	District Agricultural and Livestock Development Officer (DALDO)	DALDO, Tandahimba Mtwara
Mr. Joachim Gervas Mahanga	Cashew Nut Subject Matter Specialist (SMS)	Tandahimba District, Mtwara

Mr Hamisi Kitemwe	Group Chairman : Kitama Cashew Processing Project	Kitama Cashew Nut Processing Project, Tandahimba/Mtwara
Mr Saidi Awadhi	Group Secretary	Kitama Cashew Nut Processing Project, Tandahimba/ Mtwara
Mrs Sophia Mtamah	Treasurer	Kitama Cashew Nut Processing Project, Tandahimba/ Mtwara
Mrs Rehema Dali	Board Member	Kitama Cashew Processing Project, Tandahimba/Mtwara
Mr. Muhibu Nanteveja	Board Member	Kitama Cashew Processing Project, Tandahimba/ Mtwara
Mr Hamisi Again	Board Member	Kitama Cashew Processing Project, Tandahimba/ Mtwara
Mr. Mohammed Nyukudumba	Board Member	Kitama, Cashew Processing Project, Tandahimba/Mtwara
Mr. Selemani Mtali	Board Member	Kitama, Cashew Processing Project, Tandahimba/ Mtwara
Mr. Salum Shamte,	Managing Director, Katani Limited	KATANI Ltd -Tanga
Mr. Francis Nkuba	Director MIM Associates (MIMA) LTD	KATANI Ltd-Tanga
Mr. Hamisi S. Mapinda	Acting, Director General	Tanzania Sisal Board
Mr. Hassan H. Kibarua	Senior Planning and Research Officer	Tanzania Sisal Board
Mr. Ulimbakisya Malasi	Quality Assurance Officer	Tanzania Sisal Board
Mr. R. S. Muyungi	Ag. Director Environment Division, VPO	Environment Division/ GEF focal point, Vice President's Office (VPO)
Mr. Ali Suleiman	Trainer (TOT)	Wete Food Processors Centre/Pemba
Mr. Mussa Omari Issa	Trainer (TOT)	Wete Food Processors Centre/Pemba
Ms. Fatume Mohammed Mussa	Trainer (TOT)	Wete Food Processors Centre/Pemba
Mr. Massoud Ali Mohamed	Entrepreneur-member	Wete Food Processors Centre/Pemba
Ms. Asha Ali Abdalla	Entrepreneur - member	Wete Food Processors Centre/Pemba
Mr. Yunus Rashid Juma	Entrepreneur - member	Wete Food Processors Centre/Pemba
Mr. Mohamed Juma Kisere	Entrepreneur - member	Wete Food Processors Centre/Pemba
Mr. Khamis Juma Haji	Entrepreneur - member	Wete Food Processors Centre/Pemba
Ms. Maryam Rashid Hemed	Entrepreneur - member	Wete Food Processors Centre/Pemba
Ms. Amina Ussi Kassim	Entrepreneur - member	Wete Food Processors

		Centre/Pemba
Mr. Ali Juma Ali	Entrepreneur - member	Wete Food Processors Centre/Pemba
Mr. Sudi Mussa	Chairman/project	RRE project in Kisakasaka -
Mr. Alli Vua Kasi	Secretary/project	RRE project in Kisakasaka
Mr. Hassan Hamadi	Client - Member	RRE project in Kisakasaka
Mr. Babu Heri	Client - Member	RRE project in Kisakasaka
Ms. Hadija Heri	Client - Member	RRE project in Kisakasaka
Mr. Yusufu Khamisi	Client - Member	RRE project in Kisakasaka
Ms. Hawa Ramadhani	Record keeper and Member	RRE project in Kisakasaka
Mr. Salehe Juma	Client - Member	RRE project in Kisakasaka
Mr. Juma Vuai Kasim	Client - Member	RRE project in Kisakasaka
Mr. Khaviz Jabu	Client - Member	RRE project in Kisakasaka
Mr. Mtumwa Kiboga	Client - Member	RRE project in Kisakasaka
Ms. Saumu Ali	Client - Member	RRE project in Kisakasaka
UNCT and diplomatic missions in Tanzania		
Ms. Louise L. Setshwaelo	FAO Representative in Tanzania	FAO
Mr. Alexio Musindo	Director, ILO Area Office	ILO Director Office
Mr. Pius N. Wanzala	Field Coordinator: UN Joint Programme	ILO/Mtwara
Mr. Philippe Poinot	Country Director,	UNDP/Dar es Salaam
Ms. Vibeke Jensen	Director and Representative	UNESCO Director Office
Mr. Antony Maduekwe	Program Specialist (Science)	UNESCO /Dar es Salaam
Mr. Joseph Vere:	Curriculum Development	UNESCO/Dar es Salaam
Ms. Dorothy Rozga	UNICEF Representative	UNICEF/Dar es Salaam
Mr. Alberic Kacou	UN Resident Coordinator	UN/Dar es Salaam
Mr. Gianluca Rampolla del Tindaro	Senior Advisor	UN/Dar es Salaam
Mr. Karna Soro,	Head of UN Sub-Office	UN Sub-Office, Zanzibar
Mr. Nigel Clarke	Second Secretary	Embassy of Ireland
Mr. Matteo Mode	Donor Coordination, One UN,	Embassy of Ireland
Mr. Lugeye Sizya	Agricultural Advisor	Embassy of Ireland
UNIDO		
Mr. Emmanuel Kalenzi,	UNIDO Representative	UNIDO/Dar es Salaam
Ms. Juliet Kebege	UNIDO Programme Officer	UNIDO/Dar es Salaam
Mr. Emmanuel Kalewa	UNIDO National Consultant	UNIDO/Dar es Salaam
Mr. Immanuel G. Michael	UNIDO National Consultant	UNIDO/Dar es Salaam

	(Energy)	
Mr. Victor Akim	UNIDO National Consultant	UNIDO/Dar es Salaam
Mr. Andrea Antonelli	Junior Programme Officer	UNIDO/Dar es Salaam
Ms. Asha K. Hango	Senior Assistant, Office of the UNIDO Representative	UNIDO/Dar es Salaam
Ms. Rose Maeda	Field Coordinator, UNIDO	UNIDO/Mtwara
Ms. Matilda Muweme	Field Operations Officer Africa Programme	UNIDO Headquarters Vienna
Mr. Jan Gajowski	Industrial Development Officer, Cleaner and Sustainable Production Unit	UNIDO Headquarters Vienna
Ms. Kawira Bucyana	Industrial Development Officer, Agri-Business Development Unit	UNIDO Headquarters Vienna
Mr. Lalith Goonatilake	Director Trade Capacity-Building Branch	UNIDO Headquarters Vienna
Ms. Ulvinur Dolun	Industrial Development Officer Compliance Infrastructure Unit	UNIDO Headquarters Vienna
Mr. Klaus Billand	Senior Coordinator for UN System Coherence, Regional and Field Operations Branch	UNIDO Headquarters Vienna
Ms. Dong Guo	Statistician Statistics Unit, Development Policy and Strategic Research Branch	UNIDO Headquarters Vienna
Mr. Mithat Kulur	Unit Chief and Deputy to the Director, Investment and Technology Unit	UNIDO Headquarters Vienna
Ms. Barbara Kreissler	Industrial Development Officer, Competitiveness, Upgrading & Partnership Unit	UNIDO Headquarters Vienna

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Annex 6: Framework for Field Office assessment

UNIDO Field Office Performance: Generic Assessment Framework

Contents

1. Introduction
 2. Background
 3. Purpose
 4. Scope and focus
 5. Criteria and issues
 6. Approach and methodology
- Annex 1. Field Office Evaluation Matrix

1. Introduction

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

It should be clearly noted that a field office assessment is a component of a larger country evaluation, and not a free-standing evaluation of its own. Embedded in a country evaluation that also assesses the implementation and results of TC projects/programmes and Global Forum activities, it focuses specifically on the role of the field office in UNIDO's operations in the country, including its contribution to TC management and delivery and Global Forum activities.

2. Background

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

The gradual expansion of UNIDO's field representation reflects changes within the UN-system towards closer cooperation of agencies at country level as well as a more general shift of development cooperation management and decision-

making towards the country level. Field offices/desks are intended to make UNIDO more accessible to partner country clients and stakeholders, while helping UNIDO itself to ensure that its services are well tailored to partner country needs and priorities. They are also intended to facilitate interaction with the UN country-level teams and bilateral and multilateral donors. Field presence is regarded as a precondition for efficient participation in joint UNCT planning and programming, and is normally required for leading a joint UN programme initiative. In some cases it is also required by donors.

However, the expected returns on investments in UNIDO's field representation do not come by themselves. Some field offices turn out to be more useful to UNIDO and partner countries than others, and some field offices are more efficient in, for instance, funds mobilization, than others. An assessment conducted by the Office of the Comptroller General of UNIDO in 2004 found that field offices generally spent relatively little time and effort on coordination with the local UN team, although UN country level integration was already at that time a UN priority issue.⁷ It also found that while field offices gave much importance to supporting TC activities, they were often more concerned with the administration and monitoring of ongoing initiatives than with the development of new ones. Since identification and formulation were activities for which field offices were considered particularly well positioned, this was not quite expected.

A more recent evaluation that deals with the performance of UNIDO desks confirms that it can be difficult for UNIDO's field representation to live up to headquarter expectations.⁸ Although for the most part quite positive in its assessments, it notices that in some respects objectives are not fully achieved. With regard to facilitating access of stakeholders to UNIDO expertise, for example, the performance of the UNIDO desks is said to be uneven, and a similar assessment is made of desk contributions to the implementation of TC projects. According to the evaluation, these shortcomings in desk performance are to a large extent due to a mismatch between a very demanding set of responsibilities and the limited resources made available for their fulfillment.

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

The present initiative belongs to a larger OSL/EVA initiative to provide evaluation support for ongoing efforts to strengthen UNIDO's field representation. As noted above, an evaluation of UNIDO desks were conducted jointly with the UNDP

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

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

Evaluation Office in 2009. More recently, in 2010, an evaluation of UNIDO's Field Mobility Policy was published.⁹

3. Purpose

Field office assessments are assessments of the performance of field offices in performing their mandated functions and achieving stated objectives. Conducted as part of more comprehensive country evaluations, a field office assessment focuses specifically on the contribution of the field office to the implementation and results of UNIDO activities in the country. It is an organizational or functional assessment as opposed to a staff assessment focusing on individuals.

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

4. Scope and focus

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

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

The list of field office responsibilities presented below is based primarily on the following documents: UNIDO's Secretariat Structure 2010, UNIDO/DGB/(0).95/Add 7. dated 26 February 2010; UNIDO's Field Representation, IDB. 37/6/Add. I, dated 20 April, 2010; and UNIDO's Guidelines on Technical Cooperation Programmes and Projects, August 2006.

The identified responsibilities and functions are;

- Formally represent UNIDO among clients and stakeholders as appropriate.
- Help create/increase knowledge about UNIDO among potential clients and other interested groups in the country in order to stimulate demand for UNIDO services. This is an important marketing function. In UNIDO's standardized format for field office (FO) work plans it is referred to as 'enhancing the visibility' of UNIDO and is one of five main field office outcome areas.
- Promote and facilitate Global Forum activities. The role of the field office can be that of a knowledge broker facilitating exchange of information and knowledge between national counterparts and stakeholders and

⁹ Process Evaluation of UNIDO's Field Mobility Policy. ODG/EVA/10/R.9, 20 April 2010

transnational UNIDO networks. On the one side, the field office helps national stakeholders to get access to transnational knowledge networks. On the other side, the field office makes national expertise and experience accessible to transnational networks.

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

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

In the standard framework for field office RBM work plans the following are currently (2010) the main outcomes:

1. UNIDO visibility enhanced at global, regional/sub-regional and country levels.
2. Responsiveness of UNIDO to national/regional priorities:
 - TC programme and project development
 - Fund raising
3. Effective participation in UN initiatives at country level, including UNDAF, PRSP, UNDG, One UN, etc.
4. Promoting Global Forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide.
5. Effective management of technical cooperation activities and the UNIDO office.

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

4.3. Field office assessments are also not intended to replace the audits performed by UNIDO's Office of Internal Oversight Services (IOS). While audits tend to focus on compliance with rules and regulations and the quality of internal controls, field office assessments focus more directly on the contributions of field offices to the achievement of UNIDO's development cooperation mandate. Financial control, contracts, procurement, travel and general administration are matters that typically belong to auditing. In field office assessments such matters may have to be taken into account as variables influencing technical cooperation (TC) delivery (efficiency aspects) and results (effectiveness aspects), but are not focal concerns in their own right.

5. Criteria and issues

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

- Relevance
- Effectiveness,

- Efficiency

Sustainability and impact, which are standard criteria in projet/programme evaluations, are not considered relevant to field office assessments. Financial sustainability was one of the criteria for the evaluation of UNIDO desks mentioned above, but the evaluators concluded that since UNIDO desks were not expected to be self-financing it should not have been included.

The following paragraphs define the three criteria above and explain how they are intended to be applied in field office assessments. Standard evaluation questions relating to each of the criteria can be found in the attached field office evaluation matrix (Annex 1).

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

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

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

In the attached evaluation matrix (Annex 1) the effectiveness criterion is applied to all the field office functions listed in section 4.1 above one by one. With regard

to each of the functions there is a package of questions covering the following points:

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

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

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

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

5.5. An assessment of field office performance must be grounded in an accurate appreciation of field office capacity in relation to its mandate and resource endowment as well as to factors in the environment that may influence

performance. The task of a field office assessment is not just to assess performance in relation to a set of standardized criteria, but to find explanations for differences in performance levels and constructively suggest remedies where performance seems to fall short of expectation and to identify good practices and benchmarks.

If a field office fails to achieve planned results, or does not achieve them well enough, it is perhaps because the objectives were unrealistic given the constraints of the local environment or the limitations of field office capacity. It may also be because the existing field office capacity is not well utilized, or it is perhaps due to a combination of all of these factors. Whatever the problem, it is the task of a field office assessment to come up with a useful and forward-looking diagnosis.

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

6. Approach and methodology

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

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

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

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

Annex 7: UNIDO Field Office Evaluation Matrix

No	Evaluation issue	Functional area	Related FO Work Plan Outcome Variable	Evaluation questions	Indicators	Data sources
1	Relevance	Entire FO service package	Outcome 2: Responsiveness of UNIDO to national and regional priorities	To what extent is FO with its current range of services relevant to the needs and priorities formulated in the PRSP and other key national policy documents?		Interviews with indicated stakeholders PRSP docs UNDAG doc One UN doc
2	Relevance		Outcome 2: Responsiveness of UNIDO to national and regional priorities	To what extent is the FO relevant and useful to representatives of the national government and other actual and potential clients in the country?		
3	Relevance		Outcome 3: Effective participation in UN initiatives at country level including UNDAF, PRSP-realted support, UNDG, One UN, etc.	To what extent is FO considered relevant and useful by representatives of other international development organizations including UNCT members?		
4	Relevance			To what extent is the overall FO work programme relevant to UNIDO's own policies and priorities?		

5	Effectiveness	Enhanced UNIDO visibility and better knowledge about UNIDO in the country	Outcome 1: UNIDO visibility enhanced at global, regional, and country levels	<ul style="list-style-type: none"> • What has FO done to increase the visibility of UNIDO and provide better knowledge of UNIDO among national stakeholders? What were the outputs? What were the target groups? • How were gender issues taken into account in activities intended to inform about UNIDO and enhance UNIDO visibility? • How were results monitored? • What were the outcomes? • How do achieved outcomes and WP outputs compare to intended results? • In case intended outcomes were not achieved and outputs not delivered: What is the explanation? If required, what could FO do to increase its effectiveness in this area? • If required, how could UNIDO HQ best assist FO in strengthening its performance? 		
6	Effectiveness	Contribution to UNIDO Global Forum activities	Outcome 4: Promoting Global Forum activities with direct link to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide	<ul style="list-style-type: none"> • What were the planned outputs and to what extent were these outputs delivered? • Did the FO provide inputs to or facilitate participation of nationals in key GF events? • Did the FO ensure participation of UNIDO in country level events? • Did the FO promote South-South activities? • How were gender issues considered in Global Forum and South-South activities? • How were the results of GF activities monitored? • What were the main outcomes of these activities? Have FO activities in this area had any effects on UNIDO's portfolio nationally, regionally, or worldwide? • If required, how could FO increase the effectiveness of activities related to UNIDO's Global Forum or be supported in this respect? 		

7	Effectiveness	Advisory services to the national government and other national stakeholders	Outcome 2: Responsiveness of UNIDO to national and regional priorities	<ul style="list-style-type: none"> • What advisory services to national stakeholders has the FO provided or been instrumental in providing? • How were gender issues taken into account in advisory activities? • How were the results of such activities monitored? • What were the outcomes? Was UNIDO advice useful to national stakeholders? How? • If required, how could UNIDO HQ assist FO efforts to strengthen its advisory services? 		
8	Effectiveness	Contribution to the UNCT and joint initiatives through the UNCT	Outcome 3: Effective participation in UN initiatives at country level including UNDAF, PRSP, UNDG, One UN, etc.	<ul style="list-style-type: none"> • What has FO done to strengthen UN integration through participation in the local UNCT? • In what ways has the FO contributed to joint UN initiatives through UNCT? What were the outputs? • To what extent were planned outputs and intended outcomes achieved? • How were gender issues taken into account? • How were results monitored? • If required, how could UNIDO HQ help strengthen FO input to the work of the local UNCT? 		
9	Effectiveness	Contribution to UNIDO participation in joint UN country-level initiatives (CCA, UNDAF, Delivering as One, etc.) and in PRSP	Outcome 3: Effective participation in UN initiatives at country level including UNDAF, PRSP, UNDG, One UN, etc.	<ul style="list-style-type: none"> • What has FO done to champion UNIDO thematic interests and UNIDO itself in joint UN initiatives? • Does UNIDO play a role in the UNCT? • Inclusion of UNIDO and UNIDO mandated areas in UN Documents, programmes and plans? • Is UNIDO playing an active role in UN country level mechanisms? Participation in UNDAFs and One UN? In drafting UNDAPs? • Participation in PRSP reviews and or providing inputs PRSP papers? • How were gender issues taken into account? • If required, how could FO become more effective in contributing to these joint UN initiatives? 		

10	Effectiveness	Input to UNIDO TC project and programme development	Outcome 2: Responsiveness of UNIDO to national and regional priorities	<ul style="list-style-type: none"> • How has FO participated in TC project/programme development? What were the activities and what were the outputs? • To what extent have contributions from FO served to make UNIDO projects/programmes relevant to partner country needs and priorities? • How were gender issues taken into account? • If required, how could the effectiveness of FO's contribution to the development of new TC projects/programmes be strengthened? 		
11	Effectiveness	Management and support to implementation of ongoing TC initiatives	Outcome 5: Effective management of technical cooperation activities and UNIDO office	<ul style="list-style-type: none"> • How has FO participated in TC project/programme implementation? In what projects/programmes was the FO actively involved and what was its role? • To what extent have management of TC projects been decentralized to the FO? • What is the total PAD held by field office staff? • Are FO monitoring, reporting and filing systems up to date? • Is UNIDO HQ staff timely and appropriately informed about of TC delivery or administrative matters? • Is the supervision of UNIDO desks appropriate and efficient? • How were gender issues considered in these activities? • If required, how could FO enhance the effectiveness of its contributions to project/programme implementation? 		
12	Effectiveness	Monitoring of TC projects and programmes	Outcome 5: Effective management of technical cooperation activities and UNIDO office	<ul style="list-style-type: none"> • To what extent and how does FO monitor TC projects/programmes? • How have gender issues been taken into account in FO monitoring of TC project/programmes? • How and when have the FO reported on results from TC monitoring? Have IP /CP progress reports been prepared? • To what extent have FO progress reports been 		

13	Effectiveness	Contribution to TC resource mobilization	Outcome 2: Responsiveness of UNIDO to national and regional priorities		<ul style="list-style-type: none"> regarded as useful by their intended users? Have IP or country programme steering committee meetings been organized as planned. If required, how could FO improve the quality of its monitoring services or in other ways make them more useful to stakeholders? 				
14		Contribution to UNIDO country analysis function through liaising with stakeholders and reporting on country developments	Outcome 2: Responsiveness of UNIDO to national and regional priorities		<ul style="list-style-type: none"> To what extent has the FO contributed to the mobilization of resources for TC activities? What has been the development of the financial volume of the UNIDO national portfolio? Number of TC funding agreements and their financial volume? If required, how could FO become more effective in helping mobilize TC resources? 				
15	Overall Effectiveness	Entire FO service package	All work plan outputs and outcomes		<ul style="list-style-type: none"> By what activities and outputs have FO supported UNIDO's country analysis function? How were gender issues considered in these activities? Did the Office carry out any country needs assessment exercise? What was the outcome? How useful were FO's contributions to UNIDO? If required, how could FO make its contributions to country analysis more effective? 				
					In view of the assessments above, how should the overall FO effectiveness be assessed? To what extent have work plan objectives regarding outputs and outcomes been achieved?				

16	Efficiency	For the entire FO work programme as well as for each function separately as appropriate		<ul style="list-style-type: none"> To what extent has the UNIDO RBM-based work plan system been implemented by the FO? Is it used as intended? To what extent is it considered useful by FO staff? Has it contributed to FO efficiency, and if so how? 		
17	Efficiency			Are there quality financial management systems in place to support efficient planning and production of services? Are implementation functions and tools sufficiently decentralized for FO to be able to operate efficiently? For instance, is there an imprest account?		
18	Efficiency			Are FO staff members well trained in general UNIDO administrative routines?		
19	Efficiency			Is FO sufficiently equipped with human and other resources, given its mandate, and are FO work plans realistic in view of the resources?		
20	Efficiency		Outcome 5: Effective management of technical cooperation activities and UNIDO office	Are FO services to internal and external clients delivered on time and according to plans and budget?		

21	Efficiency		Outcome 5: Effective management of technical cooperation activities and UNIDO office	Are FO resources used with due regard to economy?		
22	Efficiency			Is the contribution by FO to efficient TC project and programme delivery adequate, given competing demands on FO's limited resources?		
23	Efficiency			How should the overall efficiency of FO operations be assessed, taking all the partial efficiency assessments above into account?		
24	Efficiency			If required, what could FO do differently to improve efficiency and provide more value for money?		
25	Efficiency			How could UNIDO HQ best support efforts by FO to make its work processes more efficient?		



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