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INDUSTRIAL DEVELOPMENT ORGANIZATION

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diagrams

THE IMPROVED MANAGEMENT OF DEVELOPMENT COOPERATION

A proposal for discussion*

Prepared by

the UNIDO Secretariat

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* Mention of firm names and commercial products does not imply the
endorsement of UNIDO. This document has not been edited.

FOREWORD

The proposal for discussion focusses on the management of development cooperation (and of the project cycle) as an essential component of any plan to improve the performance of multi- and bi-lateral development cooperation agencies. It is directly linked to the decisions taken by the policy-making organs of UNIDO in 1991, 1992 and 1993, concerning quality and its criteria (GC.4/28) and the introduction of PCM/OOPP at UNIDO (GC.4/Dec.11, IDB.9/Dec.7 and IDB.11/Dec.8) as one of the requirements to achieve that quality.

This proposal was drafted in May 1993 by the Programme and Project Appraisal Section of UNIDO with the support of Mr. M. Grüner of the Quality Assurance Unit in GTZ [Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH]; on its basis, a draft Quality Management System for UNIDO technical cooperation services was prepared in September-October 1993 and is now under review.

Vienna, 1 November 1993

CONTENTS

INTRODUCTION: WHAT IS THE ISSUE?

Developing countries should be masters of their own development process and should ensure that the results of development cooperation constitute a sustainable contribution to it. Over the past 20 years, there has been increasing awareness that technical cooperation is to a considerable extent independent of or parallel to national development efforts. As such, its relevance to and impact on sustainable development has not always met the expectations of all parties concerned in both developing and developed countries. Hence the current crisis with regard to development cooperation and the general disappointment with its achievements.

There is a broad agreement that development cooperation has lacked focus (no clearly defined objectives in both qualitative and quantitative terms) and that the developing countries themselves have lacked the capacity to manage their development process, to formulate their own development programmes and thereafter to identify those areas in which external assistance is required and particularly to absorb and sustain the acquired capability. Hence the general vagueness with which external projects are linked to a country's development goals and their supply-orientation: development cooperation agencies are driven also by a need to justify their existence largely by the value or number of projects. UNIDO is no exception to this state of affairs.

What must be done to re-establish confidence? How do governments, enterprises, and other clients achieve sustainable development with external assistance? On what basis would the major donors be willing to increase financial resources for development cooperation? How can their taxpayers be convinced that development cooperation can produce tangible results?

The basic issue then is to see external assistance as integral part of national development programmes. More importantly and specifically, external assistance as one part of development cooperation, must be designed to provide direct support to a local institution so that it achieves the results or outputs of _its_ programme in a sustainable manner. UNDP, through its successor arrangements and deliberate adoption of the concept of national execution, seems to have moved towards this idea. However, the direct link between the external agency's programme or project purpose and the specific problems encountered by the recipients continues to be weak, i.e. relevance and sustainability are not built into the programme/project design in a systematic manner.

Yet, the notion that a programme or project is to be executed nationally and that certain parts of it can be supported through services from outside (TSS-2, AOS), has similarities with the proposal made in this paper. Another similarity is that an external agency may assist in the formulation of the national programme (TSS-1). More importantly, UNDP is about to issue a Project _Support_ Document which is very much in line with the following UNIDO proposal. The latter is relevant for all those institutions concerned with development cooperation, be it on a multilateral or bilateral basis.

I. THE NEED FOR QUALITY MANAGEMENT PRACTICES

The DANIDA report and various other papers from member States and especially the very recent statements issued by the Director-General recall and reinforce the General Conference (GC) decisions and the underlying principles of UNIDO's mandate and policy.

Special emphasis is laid on the preconditions for UNIDO's success in development cooperation:

-   "It is not only necessary to have a good management structure that ensures efficiency and effectiveness and is conducive to team work.

It is also necessary that:

-   such a structure is respected

-   authority is effectively delegated

-   communication flows efficiently

-   staff are appropriately consulted

-   the whole management environment is conducive for basic trust and confidence" which of course must be based on a high-level of transparency and accountability.

This strongly expressed will for revitalization and improved performance of UNIDO forms the basis for the following proposal in order to contribute to this envisaged process of "drastic transformation of the Organization's day-to-day management".

The envisaged process of revitalization and improving the performance of UNIDO can be seen as a deliberate process within UNIDO in order to promote and support the accelerated achievement of the following five development objectives (see IDB.11/31) at the level of the developing countries themselves:
    (i)   Equitable development through industrial development;
    (ii) Industrial and technological growth and competitiveness;
    (iii) Development of human resources for industry;
    (iv) Environmentally sustainable industrial development;
    (v)   International cooperation in industrial investment and technology.

These development objectives have to be translated into more specific UNIDO programmes of action based on a conceptual framework for each programme.

II. QUALITY MANAGEMENT AND SUCCESS OF INDUSTRIAL DEVELOPMENT

According to the decision of the General Conference (GC.4/28) quality and success of Technical Cooperation for Industrial Development have to be measured against the following criteria:
    -   relevance
    -   cost-effectiveness
    -   sustainability.

In order to achieve these quality standards in a verifiable manner an appropriate management concept (covering all essential management tasks like identification, conceptualisation, implementation, monitoring, reporting, evaluation, controlling and replanning) is needed.

At the same time, the General Conference decided (GC.4/Dec.11) that UNIDO should introduce, and adapt where necessary, the OOPP-method, which is now used by all major cooperation agencies.

The OOPP-method was selected because
- it is a well structured concept based on the MBO/logical framework-concept[1]/ which is used by most important bilateral donors

- it is a participatory problem based and objective oriented system

- the basic instruments and procedures for its operation are well developed.

In addition, the OOPP-method
- can cover in principle the managerial tasks of an organization (e.g. Investment Promotion Offices, Introduction of OOPP and all other activities related to the revitalization and restructuring of UNIDO) as well as of an industrial development project and the UNIDO services required

- can be used to create a high level of transparency and accountability.

- helps to define the roles, functions and responsibilities of the main actors of a development process within an efficient management structure

- is open to a flexible use of its steps and instruments and it allows for any additional method or instrument needed (e.g. CBA or any other instrument of technical and financial analysis).

In consequence of the GC decisions UNIDO established an internal project in order to introduce the OOPP-method. As first steps, the appraisal process was changed, a Quality Management System in regard to identification, formulation and implementation is under review. Training courses for UNIDO staff have been started on the application of OOPP.

III.   MANAGEMENT OF AN OBJECTIVES-ORIENTED DEVELOPMENT PROCESS

The following principles for quality and success oriented management are not new to UNIDO but are in many ways a more precise and operational presentation of the principles in effect for long time.

1/   See Annex I

Taking the following definitions that:

- <u>sustainable development</u> has to be understood as autonomously and willingly managed processes of transition from one situation to another; it implies the development of a national management capacity;

- <u>goal</u>: an overriding development objective giving reasons why a purpose is socially acceptable;

- <u>a national/local programme/project</u> has to be understood as a bundle of limited measures fully under control of the programme/project management supporting this process of transition taking place at the beneficiaries level;

- <u>ownership of a national/local programme/project</u> has to be understood as the scope of managerial responsibilities in regard to inputs, activities, and outputs (excluding by definition the impact of the programme/project that takes place at the beneficiaries level);

- <u>external support</u> for a programme/project has to be understood as a service[1]/ in terms of
  * advice and training (IHRD)
  * equipment
  * material
  in order to enable the programme/project management to meet its obligations (carry out activities to produce certain outputs) within the planning and implementation of its programme/project;

- and the <u>OOPP method</u>

the two <u>concepts of Development Process and Development Cooperation</u> are described to serve as a basis for Quality Management focussing on Relevance, Cost-effectiveness and Sustainability.

IV. BASIC DEFINITION OF THE CONCEPTS OF THE DEVELOPMENT PROCESS AND DEVELOPMENT COOPERATION

1. Development Process

The <u>development process</u> can be seen as a change from an unsatisfactory situation to a more satisfactory situation. This change must be managed by the people concerned (--> self-help). Only if these people are not able to manage this transition on their own a "national development programme/project" should be envisaged (--> demand orientation). The totality of outputs of this development project will create the basis for this change taking place at the "beneficiaries" level (--> help to self-help).

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[1]/ This understanding fully complies to the vision of UNIDO as a Service Organization.

This concept is reflected in the logical framework matrix as follows:

	Main elements	Objectively verifiable indicators	Means of verification	Critical assumptions
	(Development goal)			
Beneficiaries level	Purpose = more satisfactory situation			
Project management level	Outputs			
	(Activities)	(Inputs)		

This national development project should be undertaken/managed by local agencies for many reasons especially for the reason of sustainability of the more satisfactory situation at the beneficiaries level.

2. Development Cooperation

Only if the local agency is not able to manage the development project on its own and the respective short-comings are identified, external support (e.g. UNIDO Services) should be provided (--> demand orientation).

This concept of DEVELOPMENT COOPERATION is reflected in the following diagram:

National development programme or project

Purpose of UNIDO Service: eliminated shortcomings of the local agency

UNIDO Service
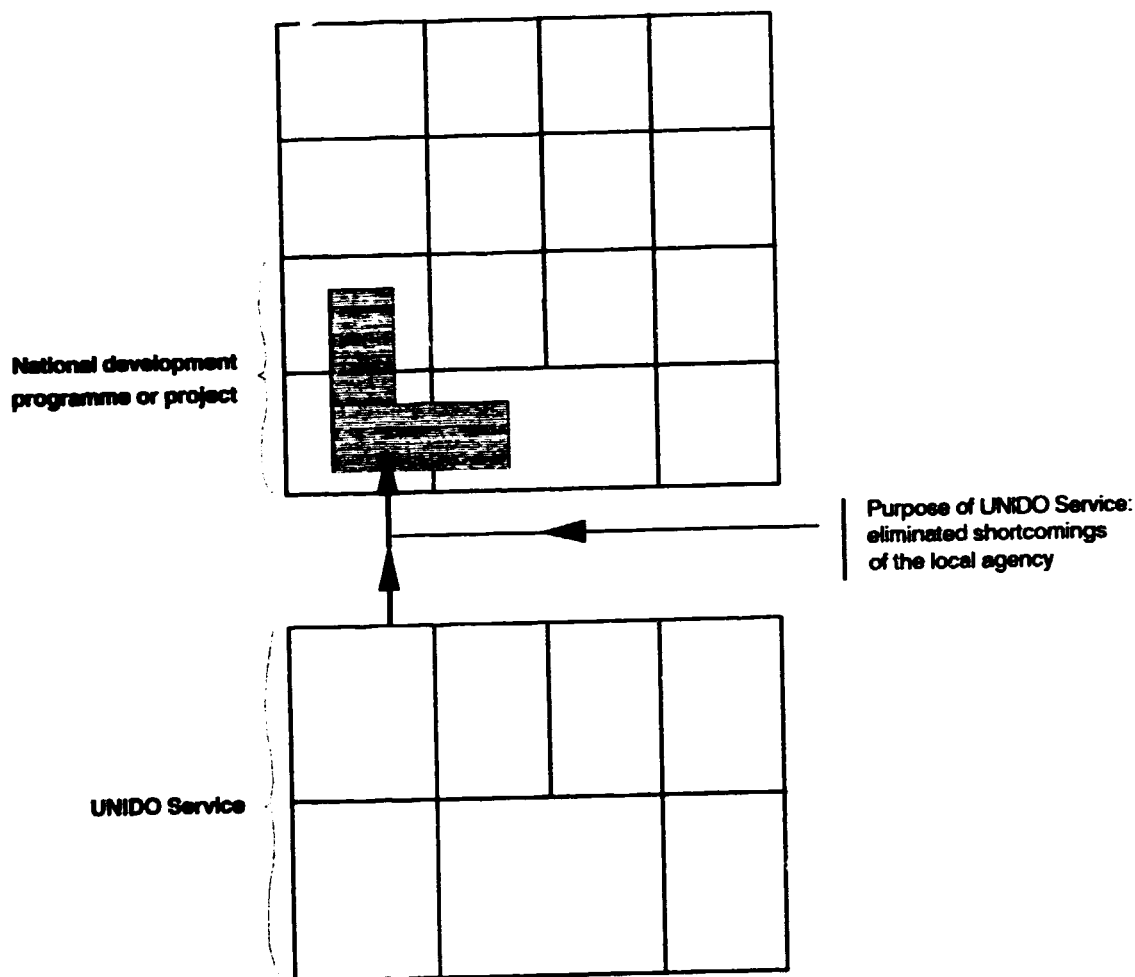
It should be understood that the elimination of the shortcoming of the local agency must be managed by the local agency itself. It should not be done by UNIDO experts since sustainability of the improved capacities of the local agency must be ensured by itself.

A more management-oriented description of the Development Process and Development Cooperation concepts is presented on the following pages.

V. HOW TO ASSURE QUALITY AND SUCCESS OF A DEVELOPMENT PROCESS?

1. The 'up-stream' analysis

1.1 Participatory analysis of the situation

(a) involved/affected people
(b) their problems (real needs)
                              (felt needs)
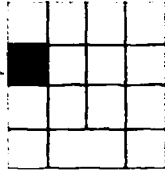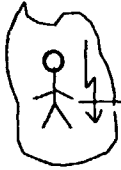
1.2 Participatory analysis of objectives.

1.3 Participatory analysis of alternatives.

1.4 Participatory decision on the most

desirable and feasible alternative.

= purpose of the programme/project

and who are the beneficiaries.

2. The "down-stream" planning

When the purpose of a programme/project is defined

as derived from the analysis of a specific situation
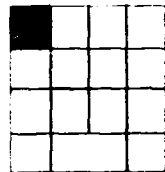
and is justified by an overriding development policy

the question is:

What is necessary to achieve this purpose?
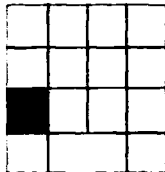
2.1   What outputs have to be produced?
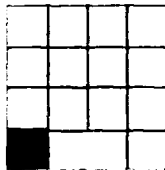
2.2.   What activities have to be carried out?
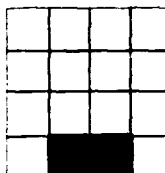
2.3   What inputs have to be used?
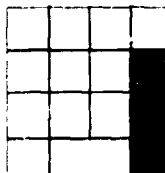
2.4   What critical assumptions have to hold true?
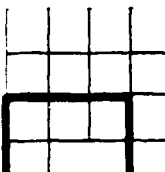
2.5   Who is competent and responsible to implement
        the programme/project according to his
        legal status and mandate?

3. How to assure quality and success of a <u>NATIONAL DEVELOPMENT PROGRAMME</u> (or of an institution) with special regard to the quality criteria: **(R) relevance**; **(C) cost-effectiveness** **(S) sustainability?**
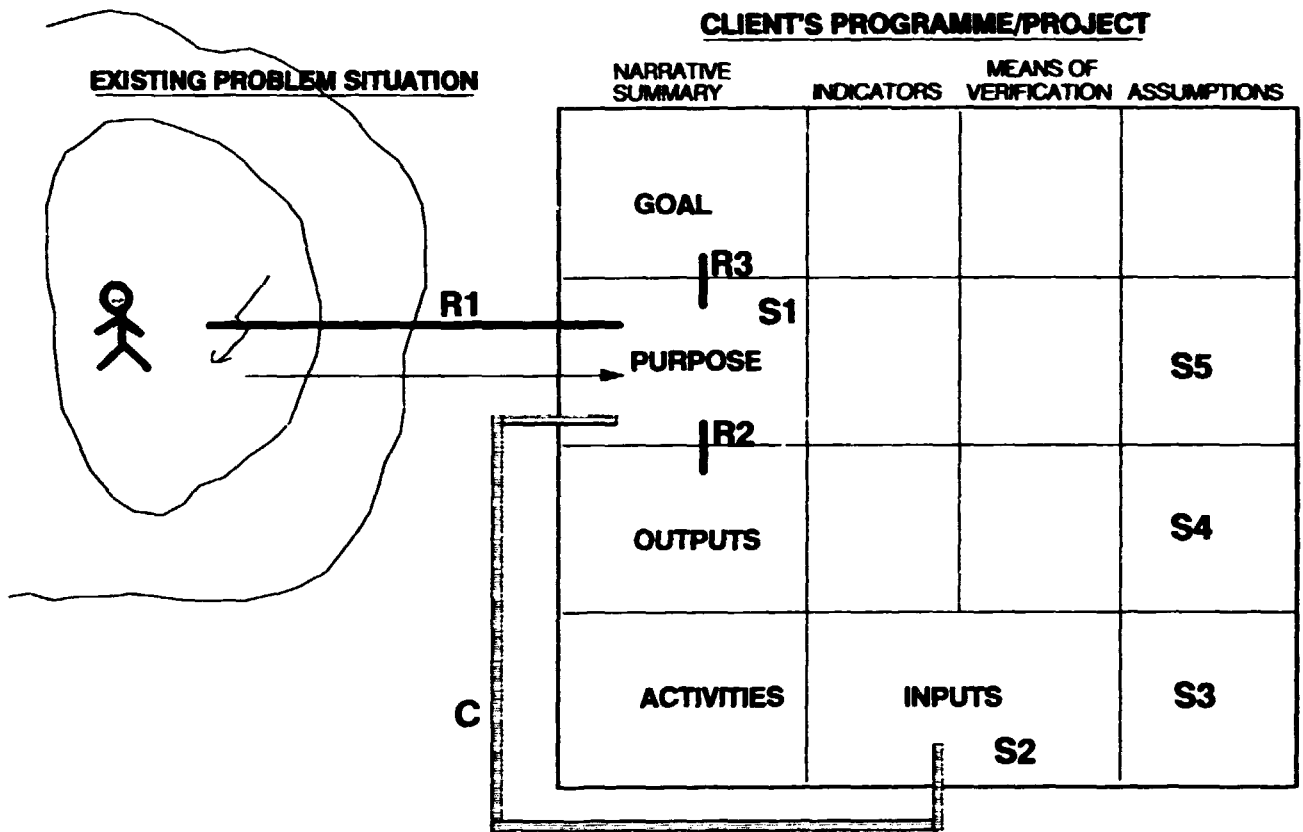
There are three dimensions of <u>relevance</u> of the national programme (or of an institution):

R1   Is the purpose derived from the analysis of a specific situation and is it addressing an important problem?

R2   Given that the assumptions S4 hold true, are the project outputs necessary and sufficient to achieve the purpose (impact at the beneficiaries level)?

R3   Is the purpose (impact of the project) contributing substantially to the achievement of overriding policy/programme objectives?

The <u>cost-effectiveness</u> has to be determined by measuring (C -->) cost of inputs : impact ratio.

There are two dimensions of <u>Sustainability</u> at purpose level to indicate for how long and to what extent the improved situation of the beneficiaries (impact of programme/project) can be maintained:

S1 a) Are the beneficiaries capable to maintain the improved situation (acceptance and appropriateness with regard to their economic resources, know-how and socio-cultural background)?

b) Is the impact of the programme/project environmentally compatible?

In addition, programme/project management has to focus on the feasibility of the programme/project implementation and on risks which may affect the impact of the project:

S2 Are the necessary inputs, including human capacity available?

S3 Are there any risks which endanger the production of outputs?

S4 Are there any risks (including policy-related risks) which endanger the impact of the project?

S5 Are there any risks which endanger the intended contribution (of the project's purpose) to the overriding policy objectives?

VI. HOW CAN UNIDO ASSURE QUALITY AND SUCCESS OF DEVELOPMENT COOPERATION?

1. The 'up-stream' analysis (Screening)

1.1 Analysis of the situation:
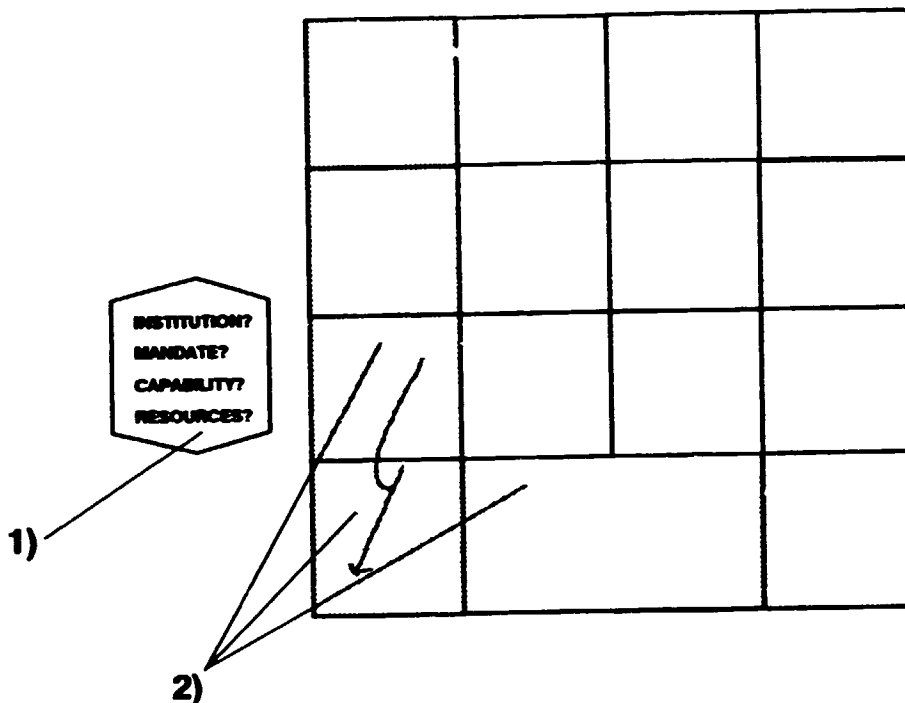
- Who is the applicant?[1] Who wants to initiate/ support a Development Process?

- Is all the basic information provided which is necessary for successful implementation (see Development Process)?

    - Which parties are affected by the general problem area?

    - What has been their involvement in the identification and formulation of the programme/project, in particular with regard to gender-specific issues?

    - What are the causes and effects of the problems to be solved by the institution's programme/ project?

- Is the programme/project purpose in line with UNIDO mandates and policy?

- What are the felt (real) needs[2] of the applicant in implementing the programme? What kind of constraints and bottlenecks does he have in regard to the envisaged programme/project?

1.2 Analysis of objectives

- What is the intended impact (purpose) of UNIDO's intervention?

- What UNIDO services (outputs) are requested?

- Are the intended impact and the requested outputs of UNIDO's intervention in line with UNIDO's mandates, policy, priorities and capacities?

- Does the intended intervention of UNIDO address an important aspect of the client's work/mandate?

- Does the client have the capacity to sustain the impact of UNIDO's intervention?

- Are the requested UNIDO services (outputs) necessary and sufficient to achieve its purpose?

- Are there any alternative services (outputs) which UNIDO should offer to support the client's programme?

1.3 Decision on the purpose of the UNIDO service.

1.4 The "up-stream" analysis (Screening) under the condition of incomplete information.

In case there is any question under 1.1 to 1.4 that cannot be answered completely and clearly and to the full satisfaction of UNIDO's decision-makers but the request is in accordance with UNIDO's mandates and seems helpful for the client (applicant), then the screening process has to be extended in order to cover additional aspects:

- Can the missing information be specified?

- Can the applicant produce the missing information on his own?

- What kind of help/support does he need?

- How can this need and the appropriate support be identified in a participatory process?

These questions/part of the screening process will in consequence shift the focus of the following "down-stream"-planning on the preparatory steps necessary.

2. The "down-stream" planning
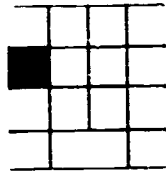
When the purpose of a UNIDO-service is defined as

derived from the analysis of the applicants' situation

(felt needs)
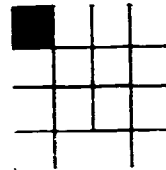
and justified by UNIDO's mandates/policy

then the question is:

What is necessary to achieve this purpose?
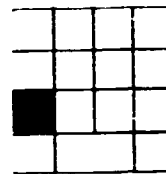
2.1 What services have to be produced/delivered?
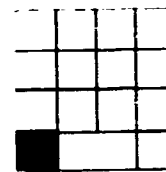
2.2 What activities have to be carried out?
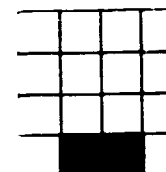
2.3 What inputs   - manpower/know-how, internal/external
                     equipment
                     material
                     finance have to be used?
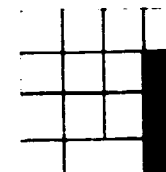
2.4 What critical assumptions have to hold true?
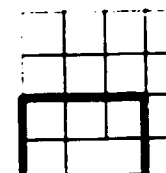
2.5 Who is competent and responsible to deliver the
       service according to UNIDO quality standards?

3. How can the quality and success of UNIDO's services be assured in terms of: (R) relevance (C) cost-effectiveness (S) sustainability?
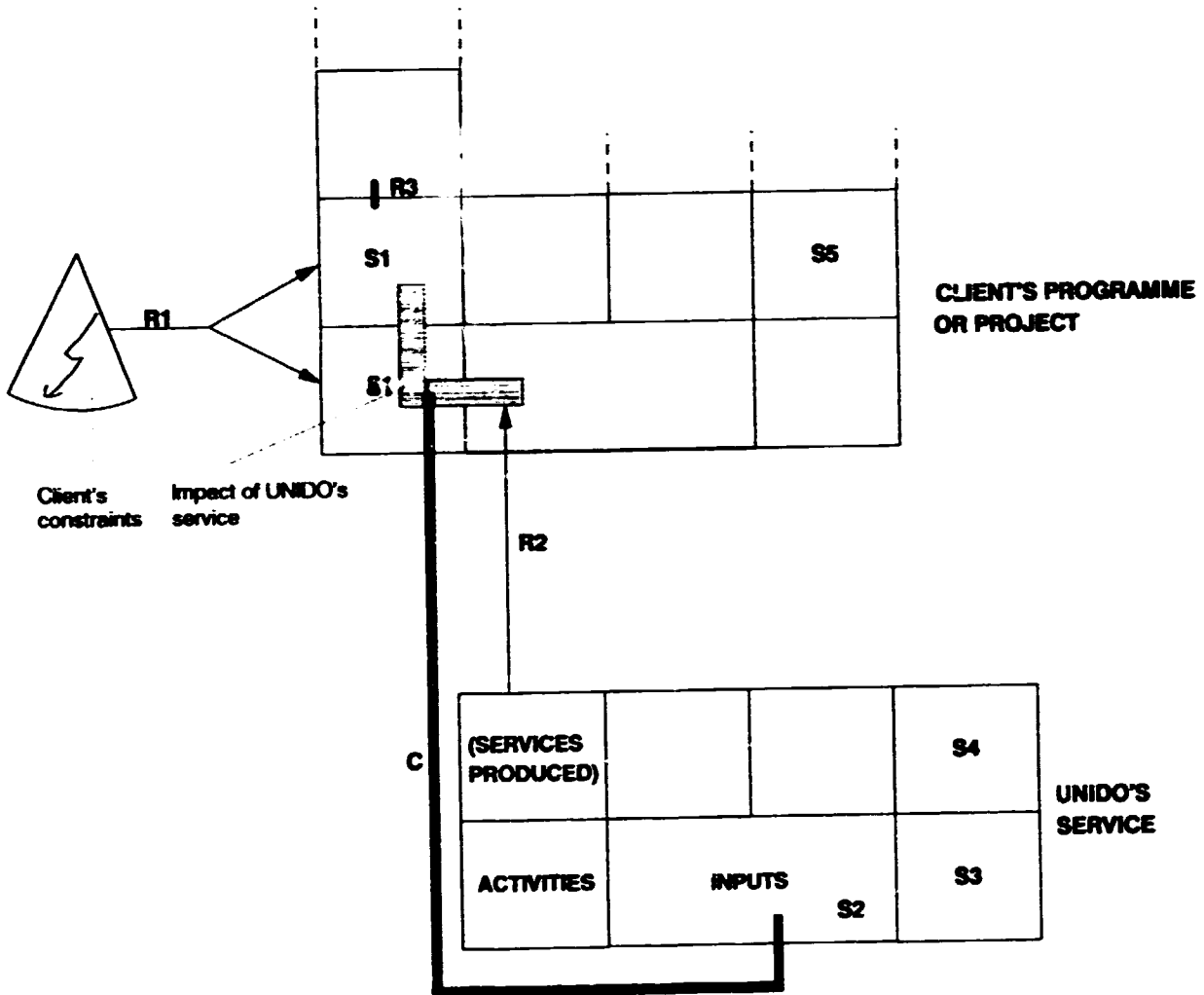
There are three dimensions of <u>relevance</u>:

R1 Is the purpose of UNIDO's service derived from the realistic analysis of the client's situation and is it addressing important constraints of the client?

R2 Are the UNIDO services (outputs) necessary and sufficient to achieve the improvement of the clients' performance?

R3 Is the purpose (impact of UNIDO's service) contributing substantially to achieve the purpose of the clients' project?

The <u>cost-effectiveness</u> has to be determined by measuring the (C -->) cost of inputs : impact ratio.

There are two dimensions of <u>Sustainability</u> at purpose level to indicate for how long and to what extent the client's outputs produced (with UNIDO support):

S1   (a)   Is the client capable to maintain the outputs produced with UNIDO support (acceptance and appropriateness with regard to his/her economic resources, know-how, socio-cultural and legislative background)?

       (b)   Is the impact of the UNIDO service environmentally compatible?

In addition, UNIDO management has to focus on feasibility of the service delivery:

S2   Are the necessary inputs available?

S3   Are there any risks which endanger the production of the UNIDO services?

S4   Are there any risks which endanger the relevance/impact of the project?

S5   Are there any risks which endanger the intended contribution (by the project's purpose) to the overriding policy objectives?

VII.   THE CONCEPT OF PROJECT/SERVICE CYCLE MANAGEMENT

This concept distinguishes between the:

i)   responsibility of UNIDO to identify, design, and deliver demand-oriented development services to its clients (shown in the right part of the following chart) and the

ii)   responsibility of the client institution to identify, design and implement demand-oriented development programme/ projects to support the beneficiaries.

The usefulness of this concept is that UNIDO can diversify the nature of its services in a very transparent way. In fact, UNIDO would be able to define its liability in terms of relevance, cost-effectiveness and sustainability of distinct types of services provided in order to support its clients in their efforts:

i)   Services in order to support the client's "up-stream" activities

     -    analysing a situation

     -    identifying an objective of a policy or programme or project

     -    conceptualising a policy or programme or project.

ii) Services in order to support the client's "down-stream" activities, that is implementing a policy or programme or project.

A precondition for successful delivery of diversified services is a precise professional and as much as possible participatory analysis of the client's situation during the first steps of the Service Identification Phase. Based on special know-how and comparative advantages of UNIDO, this analysis will lead in many cases to another type of Service than that originally requested by the client. The result of such analysis creates opportunities to establish new relationships with the clients and to offer various types of services with regard to:

- Environmental compatibility of industrial development

- Human resource development

- Industrial information related to

    * policy-making

    * management

    * co-operation

    * investment

    * transfer of technology

- Private sector promotion focussing on small and medium-scale industry development.

Another advantage of the Project/Service Cycle-Management Concept is that it can be used equally for UNIDO internal development processes aiming for revitalisation and improved performance of UNIDO such as demonstrated by introduction of the new Screening Process.

Client-UNIDO-relationship
within a Project-Cycle-Management Concept
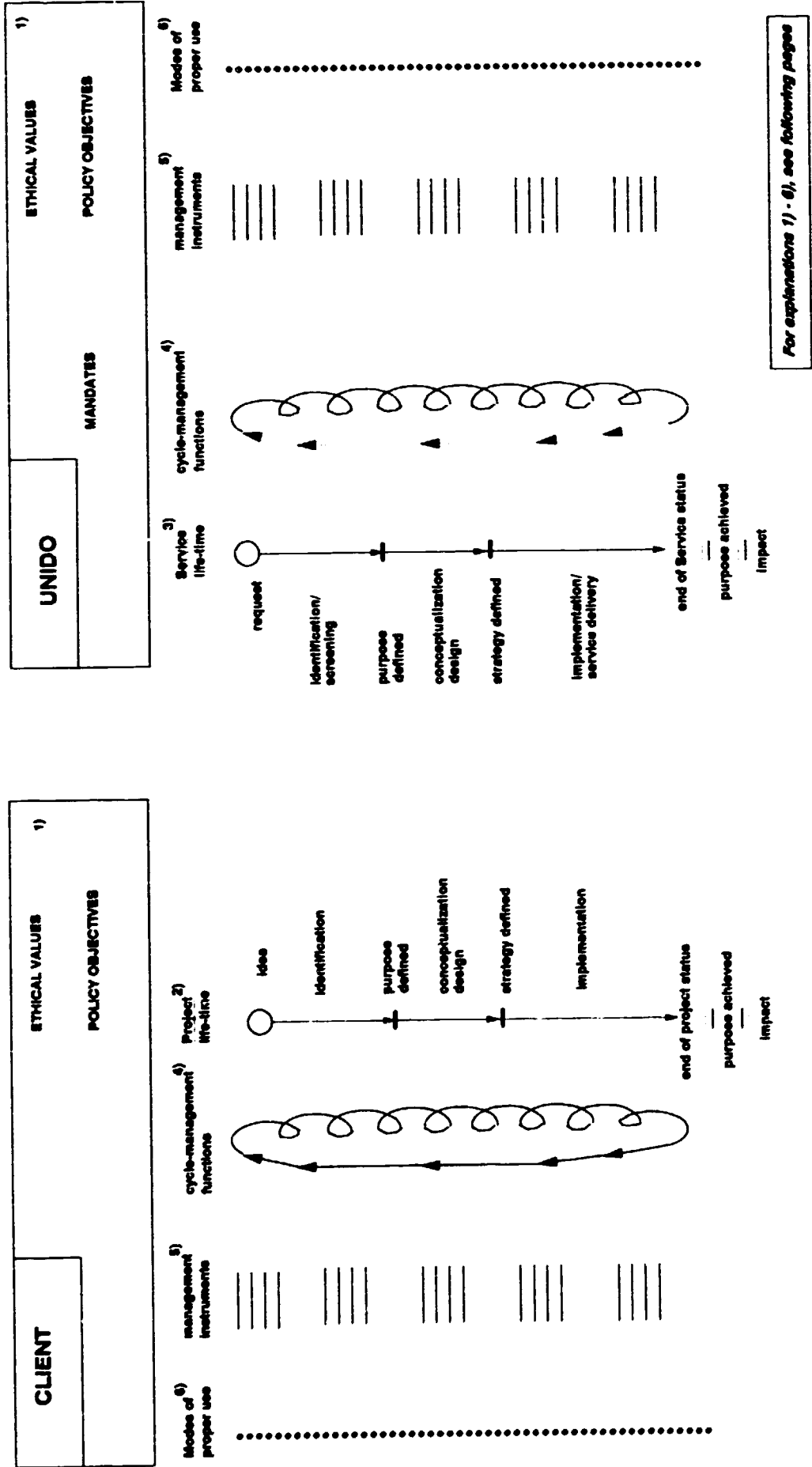
EXPLANATIONS

1) For a general orientation Why and What to do, a clear definition of the relevant ethical values and policy objectives is needed; to make it operational, these values and objectives have to be translated into quality criteria on the client's side as well as on UNIDO's side.

2) The Project life-time is limited by the project idea as the starting point and the end of project status.

   The project life-time can be subdivided into phases e.g. identification, conceptualization and implementation.

   The phases can be subdivided into steps (e.g. analysis of persons, groups, institutions; analysis of problems; analysis of objectives etc. as steps of the identification phase).

3) The Service life-time is limited b, the request as the starting point and the end of Service status.

   The Service life-time can be subdivided into phases e.g. Screening/identification, conceptualisation and delivery.

   These phases can be subdivided into steps (e.g. analysis of the client's identity. analysis of his constraints, analysis of his objectives, analysis of the service requested etc. as steps of the Screening/identification phase).

4) The basic management functions
   (analysis, communication, decision-making, planning, monitoring, evaluation, controlling, replanning)
   have to be practiced and applied in a cycle-wise manner (iterative process) throughout the project or service life-time, but the focus of interest of the management (in other words: the management results required) depend absolutely on the exact position within the phases and steps of the project or service life-time.

5) In order to meet the phase- and step-related management requirements the management needs a set of appropriate management instruments*/. These management instruments have to be defined in an operational and user-friendly way. This

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*/ e.g.: Situation analysis, participation analysis, problem analysis, objectives analysis, alternatives analysis, cost-benefit analysis, logframe. critical path, plan of operation, monitoring and evaluation, reporting, external evaluation, interview, observation, meeting, workshops, experiment, study, forms, procedures.

means: they must ensure that the quality criteria (as derived from the organisations/institutions policy objectives) can be met in any respect and on all levels at all times. This can only be reached if

6)   the modes of proper use of these management instruments are also defined in regard to the specific steps and phases of the project life-time.

These six elements of the Project Cycle-Management Concept are the basic preconditions in order to improve efficiency and effectiveness as well as transparency and accountability according to the lean-production -(of serivces) and Total Quality Management-approach.

METHODOLOGICAL NOTE

The **MANAGEMENT-BY-OBJECTIVES (MBO)** concept consists basically of a systematic hierarchy of objectives to be achieved by a person, group, enterprise, institution or organisation. Each objective has to be defined precisely and in verifiable terms in order to create the transparency and accountability necessary for efficient and successful management. The MBO concept was further developed within the **LOGICAL FRAMEWORK** focussing on four levels of management responsiblity: activities, outputs, purpose and goal which has been used by UNIDO since 1968. The **purpose** describes an objective beyond the scope of responsibility of management, thereby giving meaning to the action of management. The purpose describes the impact of action. The responsibility of management is to make sure that all action is oriented towards the purpose.

The **goal** links the purpose with overriding values and policy objectives. The goal justifies the purpose of action. The responsibility of management with regard to the goal is to make sure that all action oriented to the purpose is also in line with the principles defined at the goal level.

The **outputs** describe all the results to be produced by or under the responsibility of management.

The responsibility of management with regard to the outputs is to make sure that only these outputs are produced which are necessary and sufficient to achieve the purpose.

The **activities** describe what has to be done in order to produce the outputs. The responsibility of management with regard to the activities is to make sure that only those activities are carried out which are necessary and sufficient to produce the outputs.

The **inputs** needed to produce the outputs (manpower, equipment, material and finance) also form part of the logical framework.

The environment within which management takes place is reflected in the **assumptions** which are linked to the respective levels of management responsibility.

The hierarchy of objectives (outputs, purpose and goal) are more precisely described by **objectively verifiable indicators** (OVI) and the sources where the necessary information for verification can be found are described by the **means of verification** (MOV).

The vertical logic of the logical framework

Narrative summary	OVI	MOV	Assumption
GOAL	3		
PURPOSE	2		
OUTPUTS	1		
ACTIVITIES	INPUTS		
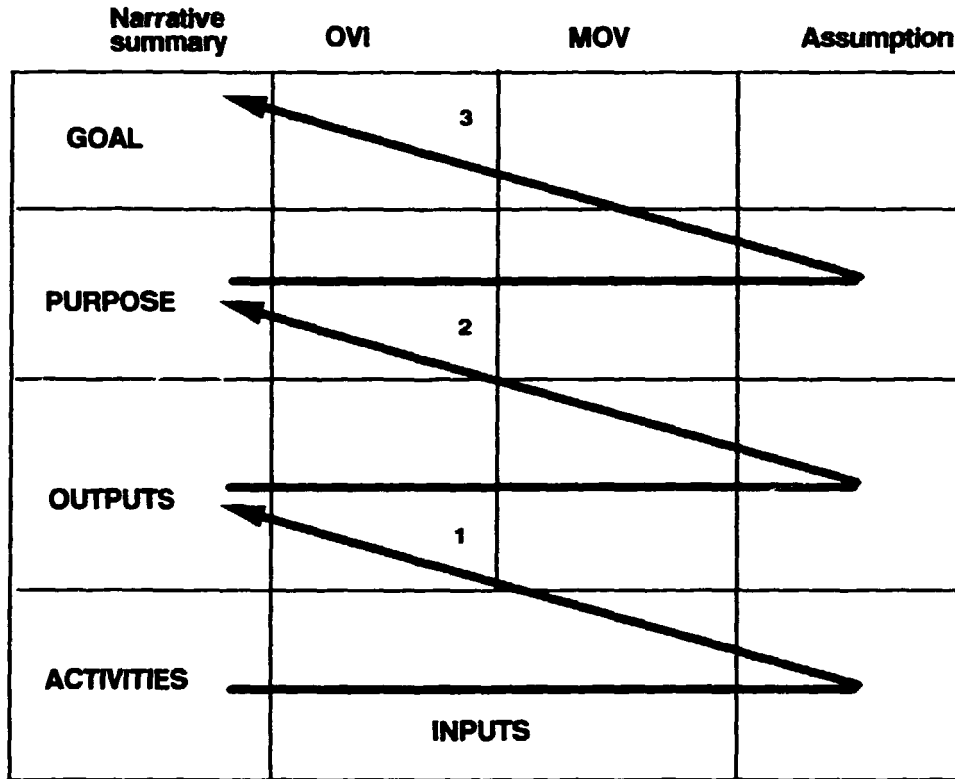
can be read as follows:

1)   If all activities are carried out using the needed inputs and the assumptions hold true then the outputs will be produced.

2)   If all the outputs are produced and the assumptions hold true then the purpose will be achieved.

3)   If the purpose is achieved and the assumptions hold true then an important contribution to the goal will be achieved.

The value added by the OOPP METHOD is its systematic and participatory approach to ensure:

-   relevance and acceptance at purpose level

-   accountability/responsibility at the levels of beneficiaries, programme/project management and external supporting institutions and

-   realism and cost-effectiveness of the intended development process/development cooperation in general.

Based on the fulfillment of these Development Cooperation quality criteria, SUSTAINABILITY - as the ultimate quality criteria at purpose level - can be achieved. To this end, a participatory process is undertaken to analyse, with all those involved and affected, their problems, their vision of a solution to these problems (objectives), what objective is most desired and feasible and finally to arrive at a common decision on the purpose of a programme/project and on the strategy necessary to achieve this purpose.

BASIC TERMS, DEFINITIONS AND QUALITY STANDARDS

Introduction

This compilation of Basic Terms and Definitions as well as Quality Standards (QSt) represents the first step of a long-term process of implementing Quality Policy in UNIDO.

The overall intentions and direction of UNIDO as regards quality are expressed through the policy statement by the Director-General (IDB.11/31).

The creation and maintenance of quality in UNIDO is dependent upon a systematic approach to quality management aimed at ensuring that the needs of UNIDO's clients are known, understood, and met. Therefore the participatory PCM/OOPP-methodology has been introduced at UNIDO.

The achievement of quality necessitates a commitment to quality principles at all levels in UNIDO and a continual review and improvement of the established system of quality management based on feedback of the clients perception of the service provided.

The quality standards described here are applicable to all services provided by UNIDO:

BASIC TERMS AND DEFINITIONS
(internationally accepted. ISO 9004. and adapted to the needs of UNIDO)

quality: The totality of features and characteristics of a product or a service that bear on its ability to satisfy stated or implied needs.

quality policy: The overall quality intentions and direction of an organization as regards quality. as formally expressed by top management.

quality management: That aspect of the overall management function that determines and implements the quality policy.

quality system: The organizational structure. responsibilities. procedures. processes and resources for implementing quality management.

quality plan: A document setting out the specific quality practices. resources and sequence of activities relevant to a particular product. service, contract or project.

quality assurance: All those planned and systematic actions necessary to provide adequate confidence that a product or service will satisfy given requirements for quality.

quality control: The operational techniques and activities that are used to fulfill requirements of quality.

quality audit: A systematic and independent examination to determine whether quality activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.

quality surveillance: The continuing monitoring and verification of the status of procedures. methods. conditions. processes. products and services, and analysis of records in relation to stated references to ensure that specified requirements for quality are being met.

quality system review: A formal evaluation by top management of the status and adequacy of the quality system in relation to quality policy and new objectives resulting from changing circumstances.

quality spiral: Conceptual model of interacting activities that influence the quality of a product or service in the various stages ranging from the identification of needs to the assessment of whether these needs have been satisfied.

traceability: The ability to trace the history, application or location of an item or activity. or similar items or activities, by means of recorded identification.

product[*]: The result of activities or processes (tangible product such as a publication or equipment or material provided).

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[*] The terms product and service are identical with the term output used in OOPP.

service: The results (intangible products such as advice, training, information, promotion) generated by activities at the interface between the supplier (UNIDO) and the client(s) and by supplier (UNIDO) internal activities, to meet (UNIDO) internal customer needs.
Note: Delivery or use of tangible product may form part of the service delivery.

organization: A company, corporation, firm, enterprise or association, or part thereof, whether incorporated or not, public or private, that has its own function(s) and administration. Note: **service organization** is also used to denote **supplier**.

supplier: An organization that provides a product or service to a client or customer.

sub-contractor: A supplier to the service organization in a contractual situation.

client: An external direct recipient of a product or service.

customer: An internal direct recipient of a product or service.

BASIC TERMS AND DEFINITIONS RELATED TO UNIDO TECHNICAL COOPERATION

development: The transition (process of change) from a defined unsatisfactory situation to a more satisfactory situation autonomously and deliberately undertaken and managed by people, groups, organizations and/or government bodies concerned with or affected by this situation.

development cooperation: The structured and defined system of services supporting development.

technical cooperation: The specifically structured and defined system of services supporting development by mobilizing and transferring skills and knowledge aiming at improved conditions for the use of skills and knowledge in order to improve capacity capability and efficiency of people through permanent or non permanent local organization(s).

institution: see organization.

beneficiary: The person taking part in development being supported by development cooperation as the end user of provided services.

implementing organization, institution, agency: The local permanent or non permanent organization implementing a project/programme within the framework of development cooperation.

external supporting organization: The external (foreign/international) organization supporting the implementing organization.
Note: In extraordinary specific cases the external supporting organization may substitute the implementing organization.

project: A bundle of socially, locally, objectively and timely limited measures implemented to achieve ex ante defined objectives.

programme: A bundle of socially, locally, objectively and timely limited measures jointly implemented by more than one organization, each being responsible to produce defined outputs to achieve common ex ante defined objectives.

programme, (integrated): A set of integrated services forming a comprehensive support to the achievement of an overall goal within the framework of development cooperation.

situation: A verifiably defined limited segment of social life.

participant: People, groups, organizations and/or government bodies concerned with or affected by a given situation.

problem: An existing condition forming part of a given situation negatively perceived by a participant.

objective: A positive future condition such as an output, purpose (immediate objective), goal (development objective) to be achieved by a project/programme.

output: A purpose-oriented product or service.

purpose: A positive future situation of beneficiaries supported by a project/programme/service.

goal: An overriding development objective giving reason why a purpose is socially accepted.

assumption: A condition that must exist if the project/programme/service is to succeed but which is not under the direct control of the project/programme/service management.

indicator: A precise verifiable and measurable description of an objective or an important feature of an objective in terms of substance, quantity, quality, time and location.

means of verification: A source of data necessary to verify the achievement of an objective.

input: A resource such as personnel, equipment, material and in some specific cases finance needed to produce an output.

activity: An act or a sequence of acts carried out to produce an output.

strategy: The logical linkage of activities, inputs, assumptions and outputs giving evidence <u>how</u> the project/programme/service will achieve its purpose.

Programme/project/service planning matrix: A system of 23 boxes providing a one-page summary:

WHY	the project purpose is to be aimed for	GOAL
WHAT	the project is intended to accomplish	PURPOSE
WHAT	the project aims to produce	OUTPUTS
HOW	the project intends to produce the outputs	ACTIVITIES
WHAT	external conditions are important for achievement of the objectives	ASSUMPTIONS
HOW	achievement of objectives and state of external conditions can be measured	INDICATORS
WHERE	necessary data to monitor and evaluate the project can be found	MEANS OF VERIFICATION
WHAT	the project will cost	INPUTS/COSTS

project/programme/service proposal: A set of documents giving a comprehensive overview on the client's project/programme the mandate related justification for UNIDOs intervention and the UNIDOs service to be provided.

participation: The active involvement of parties concerned with or affected by a given situation in the identification formulation and/or evaluation of a project/programme or a service dealing with that situation.

QUALITY STANDARDS FOR UNIDO TECHNICAL COOPERATION

The following Quality Standards highlight specific features and characteristics of UNIDO services that bear on its ability to satisfy participatory identified needs of UNIDO clients and UNIDO internal customers.

TRANSPARENCY: The clarity and traceability of all activities, processes, procedures, relations and statements with regard to content and responsibility.

ACCOUNTABILITY: The personal responsibility for activities, processes, procedures, relations and statements in accordance with defined roles and functions.
Note: The responsible person may act as a member of a team or a committee representing an organization or part of it. The responsibility will remain with the individual person according to his/her job description.

RELEVANCE: The direct verifiable means-end relation of an activity and/or a process and/or an objective to a higher level objective and/or the direct verifiable linkage of a purpose to a problem or a set of problems.
Note: The operationalized aspects of relevance with regard to various levels of the development cooperation and various levels of the client's project/programme and the UNIDO service can be found in the attachment to this Annex.

DEMAND ORIENTATION/CLIENT ORIENTATION/CUSTOMER ORIENTATION: That specific aspect of relevance to felt needs clearly stated by the beneficiaries themselves. That feature of an activity, process, project- / programme-output or service that bears on its ability to satisfy needs felt by the beneficiaries.

COST-EFFECTIVENESS: The ratio of cost of inputs to purpose (impact).

SUSTAINABILITY: The ex-ante defined and/or actual period where the achieved purpose (improved situation of the beneficiaries) of a project /programme or a service can be maintained by the beneficiaries on their own.
Note: The operationalized aspects of sustainability with regard to the client's project/programme and the UNIDO service can be found in the attachment to this Annex.

POVERTY ALLEVIATION: That feature of a project/programme purpose that improves satisfaction of basic needs such as food, clothing, housing, health and education.

GENDER ORIENTATION: That feature of the totality of project/programme outputs aiming at equal chances for men and women.
Note: In most situations particular benefits for women are required.

ENVIRONMENTAL COMPATIBILITY: That feature of a process that natural resources used or destroyed by implementing this process can be counterbalanced by the renewal capacity of nature without damaging living conditions .