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INCREASING IMPACT OF UNIDO'S TECHNICAL ASSISTANCE ACTIVITIES

I. Introduction

The importance of technical assistance was strongly emphasized by the General Assembly in 1967 when UNIDO was established. The Constitution of the Specialized Agency centres the objectives of the Organization on assisting developing countries in the establishment of a new international economic order through the promotion and acceleration of industrial development. Due to continuous efforts UNIDO's technical co-operation activities have been expanding and reached the impressive amount of some 119.8 million US dollars in 1988^{1/} with project approvals of 161.4 million US dollars against 117.2 million US dollars in 1987. The quality of UNIDO large-scale projects also improved according to the project evaluation reports. This according to the opinion of the Director-General of UNIDO, is the direct outcome of the increased emphasis given to programme and project evaluation with better reporting procedures, of importance attached to project design and appraisal with appropriate training workshops as well as of the initial impact of sectorally integrated programming.^{1/} It should also be noted that presently all UNIDO's technical co-operation projects are subject to evaluation either self-evaluation or in-depth evaluation. The Project Appraisal Section became fully functional in 1987 and in 1988 a total of 551 project proposals were appraised. Nevertheless it seems that the number of projects which met with implementation difficulties is still too great.^{2/3/} The present system of evaluations refers mainly to project progress and to the achievement of its purpose and therefore due to the measures already taken further improvement of project effectiveness might be expected. Less attention was devoted through the different evaluations to project impact namely to its contribution to the achievement of the development objective, the UN/UNDP/UNIDO evaluation of UNDP-financed UNIDO^{1/4/} projects in the field of manufacturing being a significant exception. In order to identify - if possible - a correlation between project appraisal and potential impact of its results on the industrial development of recipient countries the drafter of this Report was requested by the UNIDO Secretariat to prepare a Report according to the Terms of Reference shown in Annex 2. The Report, result of a desk study, covers only a part of the requirements of the Terms of Reference. The available information does not allow to make a realistic assessment of project effectiveness and project impact according to project financing namely UNDP, IDP or other sources. Very probably the issues which could be derived from the available experience in UNDP project design, implementation and evaluation are relevant in first approximation also to projects approved for UNIDO-managed different funds. The analysis presented in Chapters III-VI of this Report is mainly based on the results of in-depth evaluations of projects which were approved before the establishment of the Project Appraisal Section.

II. T.A. Delivery by UNIDO

A. Consolidated results

Table 1 shows the increasing trust of donors and recipient countries to UNIDO.

3a/45

Table 1. Technical Assistance Delivery 1984-88 (million US\$)

	1984	1985	1986	1987	1988	5/1 %
	(1)	(2)	(3)	(4)	(5)	
Residual value of project carried forward all sources of funds	181	162.2	155.9	175.4	217	120
Value of project budgets approved in the year: all sources of funds	103.4	75.6	93.3	117.2	161.4	156
Residual value of projects carried forward UNDP/IDF	114.9	108.4	99.3	116	151.5	132
Value of project budget approved in the year UNDP/IDF	53.8	52.1	58.8	83.2	109.5	204
UNIDF pledges	16.9	14.5	17.7	23.3	25.9	177
All sources of funds	87.2	94.4	99.6	97.7	119.8	137
UNDP implementation	60.3	63.5	73.3	70.7	78	129
UNIDF	14.6	10.9	13.2	16.6	19.8	136
Other Trust Funds	7.9	8.3	6.7	6.1	14.2	180

B. Remarks concerning Table 1

The percentual increase in implementation from all sources is superior to that corresponding to the UNDP funds. This demonstrates that encouraging results have been achieved for raising funds from different sources mainly IDF and trust funds and at the same time UNIDO's position also has been improved as UNDP implementing agency. In the 1987 UNIDO Report it is indicated that in the country programmes approved by the end of 1987 the UNIDO share amounted to 132. It is also worthed to mention that in the 1988 technical co-operation delivery the share of projects financed by UNDP represented some 65 per cent.

A few additional observations concerning the 1987 and 1988 Annual Reports:

- the decreasing share, throughout the years, of the expert component in project delivery would call for some investigation;
- the average size of the projects is relatively small, particularly that of those financed from the IDF (some US\$100,000)
- the share of projects dealing with planning, management and rehabilitation seems to be relatively small with regard to the total expenditure on technical co-operation;
- the Annual Report shows that a real effort was deployed in order to strengthen the co-operation in T.A. activities within the Secretariat between relevant units and between UNIDO and other UN Organizations;

- new approaches initiated in previous years to project development and appraisal might have contributed to the achievement of the 1988 results in particular with regard to smaller projects.

C. Support activities

Among the support activities carried out in 1987 and 1988 for programme and project development the following were noted:

- the country focus policy of the Organization increased the need for country data and analysis, e.g. basic information on the manufacturing industry of 27 developing countries was compiled by the Studies and Research Division in 1987;
- research activities undertaken for national or regional policy-making organs might contribute to the preparation of subsequent larger technical co-operation programmes of UNIDO or bilateral agencies;
- application of programme approach to project identification and formulation gained momentum. The system approach provides a framework for understanding the sector or sub-sector before undertaking project formulation.

D. Industrial Development Fund

In 1988 IDF approvals amounted to 24.7 million US dollars^{7/}, the distribution by segments was the following: general purpose convertible (UC): 10 per cent; special purpose convertible (US): 75 per cent; non-convertible (UD/UT): 15 per cent. Priority was given to projects reflecting the basic mandate of the Fund, i.e. projects of an innovative nature of relevance to a large number of countries or supporting the introduction or adaptation of a specific technology. The Secretariat succeeded in matching the priority areas indicated by special purpose donors with the priority needs of developing countries. Global and interregional projects represented 44.5 per cent of the approvals in 1988 followed by Africa (excluding Arab States) 28.8 per cent. By subjects the shares of Development and Transfer of Industrial Technology and Industrial Information: 25.2 per cent; Training Programmes: 21.4 per cent and Promotional Activities were the more important.

The IDB reviewed several important problems related to technical co-operation, e.g. operational budget, human resources development, the External Auditor's Report among others on technical co-operation activities and took appropriate decisions. It seems to be highly desirable that the work stated on New Concepts and Approaches for Co-operation in Report to Industrial Development in conformity with Article 2(c) of the Constitution^{8/} could be sometime continued because this might contribute to a better understanding of the nature of projects eligible for financing from the IDF.

E. Project appraisal

It seems to be too early to investigate the correlation between the activities of the Appraisal Unit and the conditions and results of the projects reviewed by the Unit. A portfolio of 74 projects in Latin America and Caribbean appraised in the period January 1988 - April 1989 was reviewed. When fully appreciating information reflected in the mentioned portfolio, the drafter of the present Report would have preferred a slightly different wording of the project document in a few cases, there are indicated in Table 2.

Table 2. Observations on "IDF projects for Latin America and Caribbean"

I Oversophisticated wording of project purpose	II Multiple objectives (not justified)	III Incongruency of title, purpose and outputs
US/ARG/88/158	UC/COS/88/056	UC/ARG/88/244
US/CAR/88/193	SI/GUA/88/801	SI/COL/88/802
UF/ECU/88/060		
UC/JAM/88/277		
SI/MEX/89/801		
UC/TRI/89/003		

Annex 3 contains the relevant observations.

It seems that further research aiming at the identification of projects of an innovative nature with a considerable impact should be initiated with due consideration to the mode of action of the envisaged technical co-operation namely to its function, Table 3 contains some very tentative ideas regarding this important issue:

Table 3. Examples of technical co-operation activities with high impact potential

Project Functions	Type of Output	Subjects	Examples	Impact
Institution building	capacity/ capability	quality control; testing materials; maintenance instruments	Viet Nam	improvement of quality of different products, entrepreneurs using services
Direct support	product or service	planning at sub-regional, national, sectoral or sub-sectoral levels	Malasia Cameroon Ivory Coast	contribution to the balanced de- velopment of the area; initiation of projects for multi- or bilate- ral co-operation
Training	skills/ knowledge	strengthening the training capacity and capability of industrial institutions	centres of excellence	development of local technolo- gical capabili- ties; upgrading and best use human resources in a given region
Pilot	operational information	multipurpose pharmaceuti- cal plants	Cuba Iran	acquisition of production tech- nology; basic needs

Further relevant ideas will be explained in Chapter VI of the present Report.

III. Effectiveness of Technical Co-operation Projects in light of Evaluations

Recently^{9/} the IDB noted the progress achieved by UNIDO in developing its system of evaluation which currently covers all aspects of technical co-operation. An attempt will be made to recall the experience of project evaluation activities from the point of view of the information one could obtain from them concerning the possible developmental impact of the projects under consideration. Annex 4 contains excerpts from relevant documents issued by UNIDO or by other international organizations with or without the participation of UNIDO.

First of all one should note that none of these documents is dealing with the development impact of the project's results i.e. with the measure of its contribution to the achievement of the development objective. The Analysis^{10/} devotes considerable attention to the impact of the different in-depth evaluations on the decisions which might be taken by the tripartite system: corrective actions in project implementation, extension of project activities, initiation of new projects or phase II of existing projects, etc. However, no special attention is paid in this document to the problems related to the correlation development objective - project purpose (immediate objective) and therefore on the basis of this Analysis no conclusion can be drawn regarding the proper impact of the projects under consideration.

The Analysis very correctly draws the attention to the relationship between the follow-up and the type of evaluation. Mid-term evaluations are organized to introduce required improvements in project implementation; most recommendations formulated at terminal evaluations are addressed to the Government in order to increase the sustainability of project results. From the point of view of the objectives of the present Report the following statement in the Analysis is particular important: "In cases where is no follow-up project, the exact effects of terminal evaluation are more difficult to assess." (page 8, para 3).

Finally the analysis enumerates the facts negatively effecting project results in projects performing below plan, the most frequent direct cases being: ambiguous or over-optimistic project design and inadequate government inputs. These two factors are of equal importance and amount to 80 per cent of all problems in projects performing below plan. UNIDO input delivery problems were considered as a major cause of low performance only in 10 per cent of projects below plan.

The External Auditor in his Report^{3/} recognizes the integration into UNIDO's activities the information collected through the different evaluations. He also states that there is recurrency of situations affecting normal project delivery.

The above-mentioned 2 documents reflect, in the opinion of the drafter, the following main problems concerning the technical co-operation activities of UNIDO: Necessity of strengthening the integrated programme approach to technical co-operation; further improvement of project design; contribution to the creation and operation of an appropriate institutional network; broader involvement of end-users and local capabilities in project design and implementation; careful monitoring of project implementation and timely reorientation of objectives under changing conditions.

The documents the excerpts of which are shown in parts C and D of Annex IV are not directly illustrating UNIDO's activities, nevertheless these reports contain several important findings concerning the experience of UNDP and the World Bank with technical co-operation.

In addition to the above explained problems from these documents one can identify the following important issues which might considerably influence the effectiveness and impact of technical co-operation: Co-ordination of the activities of all partners in technical co-operation; co-operation in the tripartite system; donor co-ordination; co-operation in project monitoring and evaluation; problems related to supply-driven projects.

IV. Impact Assessment

International Agencies, among them UNIDO and other donors, are showing increasing interest in qualifying or possibly quantifying the developmental impact of their programmes and projects. In order to illustrate the prevailing situation regarding impact evaluation several UN/UNDP/UNIDO documents were reviewed:

A. Joint UN/UNDP/UNIDO In-depth Evaluation of the technical co-operation activities of UNIDO in the field of manufacturing^{A/}.

On the basis of detailed review of project results and on site studies, the following information concerning 14 large-scale projects was produced:

Table 4.(a)

Percentage of large-scale projects rated "as planned" or higher (effectiveness)

Effectiveness parameter	Projects rated as planned or higher %	
1. Progress in producing outputs	64	(64)
2. Achievement of project objective (effectiveness)	57	(57)
3. Extent to which (2) can be attributed to (1)	79	(79)

Table 4.(b)

Percentage of large-scale projects rated "as planned" or higher (impact)

Parameter	Project related as planned or higher %	
user utilisation of results (outputs)	50	(50)
impact	43	(50)
significance	64	(69)

Note: figures in paranthesis indicate the percentage when projects rated "cannot determine" are excluded.

Annex 5 contains excerpts from the findings and recommendations of the joint tripartite evaluation.

B. Programme Advisory Note on Programming and Formulation of Technical Co-operation projects in the manufacturing industry^{11/}

In this document one can find the following relevant statements:

Introduction:

For the most effectiveness and impact the design of technical co-operation projects should be based on: a clear perception of development issues, the industrial environment in which they are expected to operate, the sectoral and intersectoral relationships which need to be stimulated, and the critical gaps to which the projects address themselves.

Section 8913, sub-section 2.2:

Evaluation studies have repeatedly shown that the possibility for project effectiveness and development impact is reduced if the Government, UNDP and executing agency are not all associated with the project problem identification and diagnosis, and if all parties to the project do not reach full agreement on the nature of the problem, the identification of end users and their needs and the most cost effective approach to solving the problem.

Section 8913, sub-section 3:

A properly designed project will have the capability for follow-up planning by the people on the spot. Not only is it the Government's responsibility to concern itself with project impact, and to take appropriate corrective action also it must have the capability for sustaining such essential project tasks.

C. Development of Rural Small Industrial Enterprises^{12/}
(Joint Study by UNDP, Government of the Netherlands, ILO, UNIDO)

Past experience has shown that attempts to further the developments of RSIE in many developing countries have only met with limited success. In order to establish the most effective means of promoting RSIE development, it was decided to carry out a thematic evaluation of the relevant technical co-operation assistance. From the Report of the evaluation, the attention is drawn on the following:

- In the recommendation the evaluation drew the attention e.g. on the necessity of adoption of macro policies stimulating RSIE and on the efforts which should be deployed by donors and agencies to harmonize their external assistance procedures and co-ordinate their field activities.

In the Report, explicit mention of impact analysis could not be found. In the Project Data and Assessment Sheet (page 165), one can find issues which indicate the impact concern of the evaluators. One could mention e.g. VI. Project Assessment (page 172) of the Sheet containing the following main questions with several sub-questions:

1. "Was the project worth doing?"
2. "Could it have been done better?"
3. "What lessons can be learned?"

D. Evaluation of United Nations Technical Co-operation Project Evaluations System (Part II)^{13/}

When suggesting methods for better co-ordination of evaluation activities within the UN system the JIU, among others, recommends to study the following matters:

- Review of the role, types, methods and practice of evaluation by embarking on a comprehensive examination of the questions of overall impact and the country-specific approach compared to the project-specific approach and the mechanical and sectoral logic which it presupposes;
- Study ways and means of incorporating the questions of sustainability and viability in the project implementation process, at the preparation, tripartite review, PPER stages, or in the course of ex-post terminal or impact evaluations;
- Regarding the participation of recipient Governments in evaluations, the JIU observes that they seem to have difficulty in overcoming their long felt distrust of the various forms of evaluation. This latter, although not unnecessary, is not of sufficiently high priority to warrant a share in their limited financial and human resources.

E. UNDP "New Guidelines for Project Formulation and the Project Document Format"^{14/}

With respect to impact assessment the following parts of the Project Formulation Framework and of the Project Document^{15/} are relevant:

Project Formulation Framework (A1)

1. Development problem to be addressed by the proposed project
 - a) Development problem at sub-sectoral macro level
 - b) Problem addressed by the project
2. Concerned parties and target beneficiaries
 - Target beneficiaries
3. Pre-project and end of project status
 - End of project status (in relation to A2 and G)
4. Related technical assistance activities
5. Development objective
6. Host country commitment (resources required for successful operation of the project as well as for sustained results).

Project Document (A2)

Part B. Project Justification

1. Problem to be addressed
2. Expected end of project situation
3. Target beneficiaries

Part C. Development Objective

Part D. Immediate Objective(s)

Part H. Project Reviews, Reporting and Evaluation.

F. UNDP/UNIDO project performance evaluation report

In this document, Part IV. Evaluation of Project Performance - Objectives paras 3 and 4, are dealing with development objective. In para 3 the relevant text of the project document is quoted; para 4 reads as follows: "Are there any signs that the project is making or likely to make a significant contribution towards to attainment of the development objective? If so please describe".

G. Follow-up to the Evaluation of UNDP-financed Technical Co-operation Activities of UNIDO in the field of Manufactures

The Director General of UNIDO informed the IDB^{22/} about the follow up by the UN, UNDP and UNIDO of the suggestions included in the tripartite evaluation in the field of manufactures^{4/}. The triennial review of the exercise led, among others, to the conclusion that both UNIDO and UNDP have responded in concrete terms by initiation action on the recommendations of the CPC, the UNDP Governing Council and the IDB. The Director General of UNIDO and the Administrator of UNDP were requested to continue to improve the standards for programme and project implementation, monitoring and evaluation. The CPC expressed satisfaction regarding the relevant initiatives of UNDP and UNIDO and suggested, among others, to undertake a series of ex-post evaluations in particular subsectors, the results of which should be combined into thematic evaluations of the area of interest.

H. Comments

The excerpts of different UN, UNDP and UNIDO documents were included in the present Report in order to illustrate the position of different evaluators and bodies concerning impact assessment. It seems to be of purpose to consolidate the situation regarding impact assessment in UNIDO:

- without any hesitation one can say that the management of the full project cycle including project identification, formulation, appraisal, approval, implementation and evaluation has been considerably improved during the last years;
- the number of project below plan due to delays in UNIDO input delivery became relatively low;
- the recently issued UNDP Guidelines on Project Format require the collection and insertion of information in the project document which could be used for later impact analysis;

- the actual UNDP/UNIDO PPER system allows to follow up periodically the possible contribution of the project to the achievement of the development objective;
- one should not overestimate the immediate positive effect of the recent UNDP/UNIDO measures in project identification, management and evaluation. For example, several problems in project design discussed in 10/ were already mentioned in 4/. The proportion of large scale projects rated successful in 10/ is not very different from their share shown in 4/. Very probably the reasons causing problems in implementation could be very different; several projects evaluated recently, as indicated in Table 5, did not achieve their objectives according to the statements included in the evaluation reports;
- the necessity of comprehensive examination of overall impact of programmes and projects on a country or subregional, possibly, subsectoral or sectoral levels was recognized;
- prerequisite for project effectiveness and developmental impact is the full participation of the partners of the tripartite system in project identification and diagnosis and their full agreement regarding the solution of the problem;
- responsibility for pursuit of project impact is with the recipient government and it is mainly its task to initiate relevant evaluation; the UN organisations or donors might also suggest through appropriate channels impact evaluations in particular with a view to receive field information which could be used for improvement of their contribution to technical co-operation;
- some caution is expressed with regard to impact evaluations due to the related costs and the unwillingness of several recipient countries to devote IPF funds and staff time in general to evaluations;
- since the tripartite evaluations of UNIDO projects in the field of manufactures^{4/} no consolidated report has been established with regard to project impact. The analysis of in-depth evaluations carried out in 1986^{10/} is dealing with the impact of evaluations, but does not reflect the eventual development impact of the projects under consideration; it is also mentioned in this document that in cases where is no follow-up project the exact effects of terminal evaluations are more difficult to assess;
- the Management Review^{16/} correctly points out the necessity of integrated programme approach to technical co-operation instead of elaboration of individual, often unrelated projects. In this context the introduction of MEPS in project identification, formulation and appraisal represents a very promising initiative;
- further efforts are needed to improve project design in particular the linkage between development objective and project purpose;
- to support sound planning of TC resources by the recipients themselves, special attention should be paid to the strengthening of national and regional institutions responsible for decisions on TC priorities. Involvement of end users and local capabilities in project design and implementation is highly desirable.

Table 5. Results of some recent in-depth evaluation

Project No.	Impact expressed in terms of reference	Project document quality	Achievement of purpose	Contribution to development objective	Sustainability	Date Evaluation Report
DP/PRC/83/007	impact of training	users not identified; CTA's responsibility	partly achieved; change in investment possibilities	contribution relatively modest; possibility of non-industrial projects	medium	May 1988
DP/VIE/80/039	achievements against set objectives	work plan missing, preventive maintenance usually not applied in instrumentation	will probably be achieved	will probably as expected	very satisfactory personnel trained, entrepreneurs using services	June 1988
DP/CHI/85/002	lack of precision in wording of terms of reference confusion of effectiveness with impact	no relevant information was found in the evaluation Report	notwithstanding very impressive results, the too optimistically defined purpose was not achieved	possible if copper producers agree to participate in Phase II if process will be proved competitive	regarding continuation of research probable; practical realization cannot actually be judged	September 1987
DP/IRQ/77/003	achievement against objectives	confusion between projects' objectives and those of the Institution	the project has achieved its objectives, success	the project contributed to the ultimate objectives	further external assistance is still needed	April 1987
DP/RAS/82/012	n.a.	no evaluation criteria for measuring progress towards achievement objectives	operation of activities achieved successfully	the development objectives inherently difficult to achieve narrow focus on housing and building materials	very doubtful	May 1988
US/SRL/78/207	measure of effectiveness requested	inconsistencies in describing what is to be expected in 2 years	achievements are significant	acceptance by industry satisfactory	further assistance is needed what is normal after 2 years	February 1986

UNIDO created a consolidated system for technical co-operation programming and implementing, the effectiveness of which seems to be increasing due to, among others, better inter-departmental co-operation. Similarly the recently concluded agreements with UNDP, SELA and ALADI demonstrate the efforts deployed for co-operation with other international organizations.

UNDP and the World Bank are organizing respectively Round Tables and Consultative Group with a view to co-ordinate the operations of different donors in a given country in Africa. Discussion papers on IC have been put recently on the agenda of these meetings. The NatCAP programme of UNDP was launched with a view to assist Governments in the identification of appropriate TC projects and to reduce as far as possible the number of supply driven projects.

- for the time being further research on project impact can be based only on IPF projects, the relevant data are not available concerning other groups of projects;
- there is presently no information regarding possible differences in development impact of projects according to their function;
- there is no generally accepted approach in UNIDO to impact assessment. Relevant instructions procedures were not issued. Most probably reliable investigation on changes which occur may be years after project's end would need in country work. Financing of this exercise is presently not included in project budgets and similar activity is not foreseen in the relevant chapters (Legal Context, Project Reporting, etc.) of the project document.

VI. Preliminary Views about the Possible Measures for Increasing the Impact of TC Projects

Table 6 was compiled in order to illustrate the concern expressed in the documents reviewed in this Report concerning issues which might influence the possible impact of technical co-operation programmes or projects. It seems to be justified that issues 1 - 5 in Table 6 are related to co-ordination of the activities of participating partners; tripartite system and bilateral donors. Positions 6 -11 in the same table are relevant to the integrated programme approach to technical co-operation. In very frequent cases the difficulties indicated in positions 7 - 11 derive from projects which were not integrated in a programme and for which the economic environment and its possible changes during implementation have not been duly taken into consideration. Columns 12 and 13 illustrate the modest information available for impact, the documents marked in column 12 mention only the necessity of implementing programmes or projects with high developmental impact or indicate some prerequisites required for it but these documents do not indicate any impact measurement. The tripartite evaluation^{4/} qualified the developmental impact of 14 large scale projects but does not describe the methodology which was applied.

Table 6 shows that in a large majority of the documents reviewed concern was expressed about the lack of programme approach to technical co-operation, similarly it seems that both donors and recipients have a strong feeling of lack of co-ordination of TC activities. These two basic issues will be the subject of this chapter of the Report with a few very tentative ideas about presently possible action with UNIDO in order to increase the impact of TC projects.

A. Integrated Programme Approach to Technical Co-operation

Programming and co-ordination were among the subjects reviewed at the last session of IDB. In the following due consideration will be given to the issues explained by the Member States and the Director-General of UNIDO on these matters.^{17/}

The UNDP country programme is the frame of reference to conduct in an orderly manner the business of UNDP and the Agencies. It is highly desirable that all parties of the tripartite system could participate with their full knowledge in the preparation of the country programme including the experience with Na TCAPS round tables and consultative group meetings, this would allow to establish a country programme tailored to the needs of the host country. The process might have also a positive influence on the TC programmes offered by bilateral donors.

Table 6. Issues reflected in different processed documents

Documents	Issues												
	1	2	3	4	5	6	7	8	9	10	11	12	13
I. Analysis ^{10/}						+	+	+	+	+	+		
II. External Auditor ^{3/}							+	+	+		+		
III. WB Report ^{18/}			+	+		+	+			+			
IV. UNDP Africa ^{19/}	+	+		+	+	+	+		+	+		+	
V. Tripartite ^{4/}		+				+	+			+		+	+
VI. Advisory Note ^{11/}		+				+						+	
VII. JIU ^{13/}		+				+					+	+	
VIII. RSIE	+					+					+		

- | | |
|---|---|
| 1. TC co-ordination | 8. Government inputs |
| 2. Co-operation in the tripartite system | 9. Non adequate institutional framework |
| 3. Donor co-ordination | 10. Non involvement of end users and local capabilities |
| 4. Collaboration in project monitoring and evaluation | 11. Monitoring and timely reorientation of project objectives |
| 5. Supply driven project | 12. Impact reference |
| 6. Strategic programme approach | 13. Impact assessment |
| 7. Project design difficulties | |

Programming with focus on sectoral, subsectoral and thematic programming may require to divide the country process in two phases:

- macro-analysis where decisions on major sectors to be pursued further would be taken;
- in-depth sectoral analysis.

UNIDO is equipped to participate in both phases of the country programming as indicated above. Regarding sectoral programming work the

identification and formulation^{20/} represents a promising initiative. With the actual methods quite frequently projects are appraised and accepted in isolation of the socio-economic environment of the country, the subregion and also without due consideration of the activities of other donors operating in the same areas.

The document produced by the UNIDO Secretariat points out that it is a response to the widely received need for increased impact of technical co-operation projects on the industrial development of developing countries. One can read in the summary, page 3, the following: "... ideally, UNIDO should develop typologies covering all the most important industrial systems in developing countries". Maybe it would be of purpose to establish an estimate of the resources which would be necessary for the use of a systemic approach for the identification and formulation of technical co-operation projects in the most important industrial systems in developing countries with due consideration given to sectoral typologies and possible subregional co-operation. The systemic approach would without any doubt foster the co-ordination of the activities of different donors in a given country or subregion. UNIDO might take the initiative for having the systemic approach, under consideration, accepted by developing countries and the major donors, suggest practical ways and means for its creation maintenance and management.

Obviously identification and formulation of projects financed from UNIDO managed funds is very similar to that being followed by UNDP. Programming of these funds is also based on Government's requests and consultations take place with Resident Representatives and SIDFAs.

B. Co-ordination of Technical Co-operation Activities

The above-explained two-phase country programming process could lead to a closer co-ordination between UNDP and the agencies^{17/} and the agencies among themselves. Merging different areas of sectoral expertise will be necessary. The funding of sectoral and regional programmes will have to assume a greater importance for UNIDO in addition to UNDP and the agencies co-operation with the World Bank and the regional financing institutions seems to be important in particular for the realization of projects that would attract follow up investment.

Primary responsibility for co-ordinating all external assistance with the recipient governments. In addition to the talks mentioned in ^{17/} for UNIDO, one could mention participation and advising governments at donor's meetings organized by UNDP and the World Bank.

Introducing MEPS with appropriate co-ordination among donors would foster upstream and downstream linkages of the projects within the industrial sector and with other sectors. Technically sound projects identified through this method would have a high potential impact because they would deal with the most relevant problems of a given system.

Finally, if accepted, the system would strongly mitigate the effects of lack of co-operation, even competition among various donors. The cross-organizational programme analysis (COPA) of the United Nations system in the area of industrial development suggested by the CPC^{21/} for 1990 might be an opportunity for UNIDO to explain its possible suggestions aiming at a more effective co-ordination of bi- and multi-lateral technical assistance in the field of industry. In this respect the responsibility of the host country, the possibilities of the UN Resident Co-ordinators and the costs of the co-ordination merit special attention.

Acceptance of the system approach by the interested would lead certainly to larger projects which is highly desirable because the average size of the projects financed from UNIDO managed funds and appraised in the Organization is about US\$50,000. To suggest a better co-ordination of the different forms of assistance based on joint preparatory research is a very ambitious undertaking the success of which would require the understanding of the international community and also a further co-operative support form the participating Unit of the Secretariat.

C. Impact Evaluation

For the time being there is no common approach in UNIDO to impact evaluation. Methodology or procedures have not been elaborated. Impact assessment or evaluation were not considered as a generally accepted priority in UNIDO's technical co-operation activities. The initiation, financing of ex-post impact evaluations might cause some problems which might even involve legal issues.

D. Possible Action

The activities which could lead to an increased developmental impact of the UNIDO TC projects can partly be initiated by the Secretariat without any delay; others require preparatory research and co-ordination with other partners.

1. Presently the following main directions of immediate practical action could be envisaged with a view to increase the developmental impact of the UNIDO TC activities:

- a. Project formulation: Pay special attention to the wording of the development objective in project documents and improve its linkage to the project purpose.
- b. Project appraisal: Development objectives in project proposals can be related to national development plans; UNDP country, regional or interregional programmes; UNIDO Medium-term Programme or UNIDF priorities; programmes, plans, priorities of inter-governmental organizations.
- c. Project monitoring; follow up sustainability, viability and relevance of project results and the possible involvement of end users. Initiate changes in project objectives without hesitations if appropriate.
- d. Project evaluation: include in the terms of reference of terminal evaluations the detailed analysis of the contribution of project's results to the achievement of the development objective.

2. Regarding activities requiring research and/or consultations with other organizations and possibly delegations, the following could be very tentatively mentioned:

- a. Preliminary assessment by the Secretariat of the resources which would be needed for the accomplishment of the under enumerated tasks:
 - advising on request governments and UNDP in the country programming;
 - participation if required in the macro-analysis of the economic development on national, subregional and regional levels;
 - carrying out sectoral and subsectoral analysis for developing countries in the most important industrial branches with due considerations to sectoral typologies and possibilities of

- compiling a demand driven consolidated programme for UNIDF and agree it with the major donors;
- consolidating the results in a document which could be subject of a dialogue with partners indicated below (para. 3). The document should indicate a tentative timing of the introduction of sectoral/thematic programming.

b. Review the possible experience of other UN Agencies, donor organizations about impact analysis and envisage to

- review and analyze the observations regarding development objective in previous in-depth evaluation;
- carry out research with a view to define UNIDO's approach to impact analysis including preparation, desk and field work, procedures and methodology;
- create a tentative programme of impact analysis including exercises, if appropriate on country, sectoral, subsectoral, thematic and project levels.

3. - Convene an informal meeting of development experts from different UN Agencies, in particular from those dealing with trade, agriculture, finance and education, in order to visualize the possibilities of co-operation among Agencies for joint programming of TC activities of the system (suggestion of Mr. de Bernis).

- Continue to explore the possibilities of co-operation and co-ordination with UNDP, the World Bank, with the Regional Banks and with the main bilateral donors in order to strengthen the emphasis in the future on sectoral, subsectoral and thematic programming in TC activities in the field of industry.

4. Integrated programme approach to technical co-operation, co-ordination and joint programming of these activities, impact evaluation of technical co-operation are interrelated issues each of them requiring additional co-ordinated further effort and research with UNIDO in order to achieve a greater development impact of technical co-operation. It seems that the appointment of a Task Force with the participation of experienced staff members from the interested units of the Secretariat could be of purpose. Among the problem areas to be included in the terms of reference of the suggested Task Force the following could be mentioned:

- experience of the UN system with impact evaluation;
- experience of other international organizations and bilateral donors with impact evaluation;
- possibilities of UNIDO regarding integrated programme approach to technical co-operation;
- approach and methodology for impact evaluation;
- tentative programme for impact evaluation;
- preparation for a dialogue on joint programming with other UN Agencies, UNDP and selected bilateral donors;
- initiation and co-ordination of activities within the UNIDO Secretariat aiming at increasing the impact awareness of the staff.

The drafter is fully aware of the limitations of the present desk study. He nevertheless hopes, that through the analysis of a relatively considerable number of official reports and instructions, project documents and proposals, a reliable image of the situation with impact analysis in UNIDO was designed. This was the basis for the tentative proposals which are included in Chapter III of the Report.

VII. Tentative Suggestions for the Consideration of UNIDO

A. Action to be initiated by the relevant units of the Secretariat

- improve the wording of the development objective in project document, particular establishing realistic and if possible quantitative targets. Strengthen the linkage between project purpose and development objective;
- consider up-dating of the appraisal note through inclusion of already accepted impact-criteria (e.g. reference to the UNDP country programme, national development objectives; priorities of international organizations, etc.);
- strengthen project monitoring, initiate changes in project objectives without hesitation, if appropriate;
- include in the terms of reference of terminal in-depth evaluations the detailed analysis of the contribution of project results to the achievement of the development objective.

B. Action requiring further research in UNIDO and co-operation with other organizations

- consider the organization of an informal meeting with participation of staff members from co-operating UN Agencies in order to discuss the possibility of strengthening joint activities regarding sectoral, sub-sectoral and thematic programming of technical co-operation;
- further improve UNIDO's activities in the co-ordination of industrial technical co-operation among Agencies according to the spirit of the document IDB.5.24/Add.1. Initiate when appropriate a dialogue with UNDP, the World Bank, the Regional Banks and bilateral donors with a view to broaden the acceptance of an Integrated Programme Approach to Technical Co-operation;
- establish an estimate of resources which would be necessary for the use of systemic approach for the identification and formulation of technical co-operation projects in the most important industrial systems in developing countries with due consideration given to sectoral typologies and possible sub-regional co-operation;
- use of results of the above estimate when participating in the UNDP country programming exercise, at donor's co-ordination meetings as well as for the suggestion of a demand driven programme for UNIDF;
- initiate research for defining UNIDO's approach to impact analysis and undertake the compilation of a tentative programme of impact evaluation on an appropriate level.
- appoint a Task Force of experienced staff members for the detailed identification of the tasks which should be carried out in order to increase the developmental impact of UNIDO's TC activities, to establish a relevant work plan, to monitor and co-ordinate its implementation.

Annex I

1. Stement of Mr. Siazon, Fifth Session of the PBC, 10 April 1989;
2. IDB.4/SR.7;
3. IDB.4/3;
4. UNIDO/PC/R.6, 31 May 1983;
5. IDB.4/10;
6. IDB.5/10;
7. IDB.5/3;
8. IDB.4/CRP.4;
9. IDB.4/Dec.23;
10. Analysis of experience with tripartite in-depth evaluation of UNIDO executed projects in 1986 (Evaluation Staff, Office of the DG, October 1987);
11. UNDP Manual Sections 8911-89026;
12. Development of Rural Small Industrial Enterprise. Lessons from experience. Joint Study by UNDP, Government of the Netherlands, ILO, UNIDO, Vienna 1988;
13. E/1989.41/Add.1;
14. APD/PROG/88/3/Add.1;
15. UNIDO Guidelines for Project Design and Drafting of Project Documents;
16. Management Review of the Organizational and Staff Structure of UNIDO, February 1989;
17. IDB.5/24/Add.1;
18. Bank Financed Technical Assistance Activities in Sub-Saharan Africa, Public Sector Management Division, Technical Department, Africa Region, W.B.;
19. Technical Co-operation (TC) in African Development, an Assessment of its Effectiveness in Support of the UNPAAERD 1986-1990, May 1989 UNDP;
20. The Application of a Programme Approach to Technical Assistance Project Identification and Formulation. Project Appraisal Section, UNIDO, October 1988;
21. IDB.4/CRP.14;
22. IDB.4/24.

Annex II

TERMS OF REFERENCE

1. The consultant will be required to compare and contrast the design quality and potential impact of the industrial development of recipient countries of project proposals appraised in the Division with those which are not, notably UNDP financed projects below US\$700,000. In addition, he will consider the extent to which problems encountered during implementation can be prevented through in-depth appraisal.
2. The consultant will assess the potential impact of project proposals on recipient countries and formulate recommendations on how that impact may be increased, including through the enactment of appropriate government policies.
3. In connection with the above, the consultant will suggest alternative ways of identifying the types of projects which are likely to have the greater potential impact: for example, institution-building, direct support, direct training, group-training, workshops/seminars, studies, pilot plants, study-tours/fellowships, etc.

Annex III

Explanation to Table 2

- I. US/ARG/88/158 to start with "to define".
- UC/CAR/88/193 to stop after "the sector".
- UF/ECU/88/060 enable the national authorities to decide on policy and measures ...
- UC/JAM/88/277 stop after the words "government industry" (outputs less specific than purpose).
- SI/MEX/89/601 stop after the words "furniture production".
- UC/TRI/89/003 stop after the words "industrial scale".
- II. UC/COS/88/056 to enable the Costa Rican Technological Institute to decide on the main directions of future research on Alternative Energy Technologies.
- SI/GUA/88/801 start with "Enable plant management"
- III. UC/AEG/88/244 Title: Programme Formulation Mission ...
Primary Function: Preparatory Assistance
Purpose: to enable UNIDO to offer the Government an integrated sectoral programme for the iron and steel industrial system
Outputs 1.: Report ...
2.: An integrated package of technical assistance projects
- SI/COL/88/802 Purpose: to enable ICP to introduce an up-to-date quality assurance system which is already currently operational in the petroleum industry of other countries.

Annex 4

Assessment of the Experience with Technical Co-operation

A. Analysis of Experience with Tripartite In-depth Evaluations of UNIDO Executed Projects in 1986

According to the relevant note of the Director-General of UNIDO^{22/} the status of in-depth evaluation of technical co-operation projects can be described as follows: an Analysis^{10/} was carried out in 1987 of the in-depth evaluations completed in 1986. The analysis was done six months after the last evaluation concerned so as to also assess the extent to which the evaluation results were utilized. The evaluation reports were found to be excellent in 52% of the cases and in 32% as satisfactory. Of the 31 evaluations 16 had a high and another 9 had a medium impact on the project concerned. This exercise covered 31 large-scale projects, 30 were financed by UNDP and 1 from IDF. The majority of them were terminal evaluations with or without emphasis or a new phase.

From the Analysis the following statements merit particular attention:

1. Project design

The project design was considered adequate in 15 and inadequate in 16 cases. The most frequent cases for inadequate design were indicated as follows:

Unclear/non specific outputs	13 projects
Over-ambitious/unrealistic design	10 projects
Unclear/confused immediate objective	9 projects

2. Assessment of project performance and effectiveness

2.1 With respect to performance (production of outputs) the 31 projects can be classified in the following manner:

More than planned	1 project (3%)
As planned	13 projects (42%)
Less than planned	16 projects (52%)
In trouble	1 project (3%)

2.2 Regarding effectiveness (achievement of project immediate objective) the characteristic figures are:

More than planned	1 project (3%)
As planned	11 projects (36%)
Less than planned	17 projects (55%)
In trouble	2 project (6%)

With some corrections due to changing circumstances one can say that 55 per cent of large-scale projects can be considered successful while 45 per cent are experiencing problems and performing less than planned.

3. The most important reasons of shortfalls in project performance (19 projects below plan)

- Inadequate or over-ambitious project design 6 projects (32%)
- Project design problems combined with inadequate Government inputs 2 projects (10.5%)
- Serious Government input problems 4 projects (21%)
- Government personnel input combined with inadequate institutional framework/management 3 projects (16%)
- Simultaneous problems with UNIDO and Government inputs 2 projects (10.5%)
- Inefficient performance of co-ordinating organization (regional) 1 project (5%)
- Technical problems (difference in perception between UNIDO and Government) 1 project (5%)

This summary shows that inadequate project design figures prominently as a direct cause of problems in implementation (42.5% of all cases).

B. Report of the External Auditor on the accounts of UNIDO and of the IDF for the Financial Period 1986-87 ended 31 December 1987^{3/}

The External Auditor, as a part of the review of UNIDO's Policies and Procedures on project design, monitoring, evaluation and follow-up, carried out the examination of 54 large-scale UNDP-financed projects executed in China, India and several other Asian countries. It was note that:

- the flow of information generated by the PER and PPER systems and from the in-depth evaluation were correctly analysed for integration into UNIDO's activities;
- there is a recurrence of situations effecting normal project delivery;
- efforts have been made to improve the appraisal process in UNDP and UNIDO, however in 1987 the production of outputs for several projects was hampered by rather poor project design;
- the lack of appropriate inputs in 1986-87 continued to hamper project implementation.

C. Bank-financed Technical Assistance Activities in Sub-Saharan Africa^{18/}

The document was prepared in response to concerns recently expressed in the World Bank during the relevant annual review concerning the perceived inadequacies and ineffectiveness of the Africa Region's technical assistance activities. According to the opinion of the authors the report may be of interest to other donors, particularly UNDP. The essence of the suggestions presented in the report is the following:

- Paragraph 61 - Issuance of regional guidelines on project preparation and appraisal including the presentation of project documents.
- Paragraph 63 - Donor co-ordination, stronger links with UNDP's NATCAP exercised. Importance of UNDP's contribution to consultative group discussions of technical assistance needs for the formulation of country strategies, further consultations with donors.
- Paragraph 64 - Regional training facilities, necessity of further investigation in the availability of local and regional institutions to provide training in priority areas.
- Paragraph 65 - Level of effort: General issues on the amount of attention paid by the Region pays to TA activities (with adequate attention to be devoted to institutional development goals, share of staff resources put into project preparation and appraisal).
- Paragraph 66 - The drafters of the report among "Remaining Concerns" mention that more conceptual and empirical work is required on ways of sustainability of TA efforts. It is also mentioned by the authors that short-term goals of getting projects implemented expeditiously may still override long-term interests in establishing and supporting needed local capacities.

D. Technical Co-operation (TC) in African Development: An Assessment of its Effectiveness in Support of the United Nations Programme of Action for African Economic Recovery and Development (UNPAERD)^{19/}

In this document the following themes were noted:

1. Introduction

Paragraph 2

- importance of identifying strategic points in the development process for concentrating TC activity for the greatest impact;
- emphasis on quality programmes. Increases in the flow of resources may be necessary but the quality of this flow is vital to successful development and cannot be taken for granted;
- need to support sound planning of TC resources by the recipients themselves.

2. TC, UNDP and Programme of Regional Co-operation

Paragraph 83

On the basis of lessons of past experience UNDP assistance in the future will be governed by the following principles:

- emphasizing linkages between regional activities and relevant activities at the national level;
- strengthening management capacity;

- promoting financial self-reliance and self-sustained developments;
- emphasizing the need to introduce appropriate changes in the production pattern in line, inter alia with the UNPAAERD.

3. Co-ordination of Technical Co-operation

From the issues included in this chapter of the document the following are pointed out:

- Paragraph 85 The 1980s have witnessed an increased concern of donors and recipients for co-ordination.
- Paragraph 86 Most co-ordination activities take the form of donor meetings generally W.B. led Consultative Groups and UNDP sponsored Round Tables.
- Paragraph 87 The present form of the Round Table process consists of: a restricted meeting (Round Table Conference), generally held in Geneva and mostly concerned with macro-economic policies and issues. It is followed, if appropriate, by an in-country meeting (in country review meeting) involving a larger number of participants. The third phase consists of sectoral or thematic meetings, usually taking place in the recipient country.
- Paragraph 88 Since 1988 technical co-operation is systematically singled out as a specific item on the agendas of Round Tables and Consultative Groups. UNDP prepared in 1988 for the donor consultation ten "Discussion paper on technical co-operation".
- Paragraph 89 UNDP also initiated the National Technical Co-operation and Assessment and Programme (NATCAP) process the objective of which is to assist recipient governments in defining their own policies, priorities and programmes for TC and in strengthening the governments institutions in charge of TC.
- Paragraph 91 The implementation of the NATCAP process implies an active role of both executive agencies and donors, through workshops, ad hoc meetings or their participation in specific studies.

4. Observations and Conclusions:

- Paragraph 93 "The focus of concerns relates to the weakness in the quality of TC inbuilding individual or institutional capacities; in the definition of goals; or critical issues such as sustainability, timeliness and appropriateness of services as well as a preoccupation with operational tasks and short-term outputs, and donor-driven activities identified to fit donor interests...".
- Paragraph 94 Importance of institutional development and African capacity building.
- Paragraph 95 The UNPAAERD requires further articulation in each of the principal programme areas. There is a need for defining the strategy of sector programmes.

- Paragraph 96 Increased attention needs to be given to the quality, the results and impact of TC activity. "Collaborative arrangement for monitoring and evaluating TC programmes, which join African and donor participation need to be given early and vigorous attention".
- Paragraph 97 Establishment of criteria for identifying centers of excellence for both national and regional development needs.
- Paragraph 98 Through the key instruments supported by UNDP, this Organization presents a valuable framework of mechanisms upon which African governments and donor institutions may draw for integrating TC within broad macro-economic strategies.

Annex V

Joint UN/UNDP/UNIDO In-depth Evaluation of the Technical
Co-operation Activities of UNIDO in the field of Manufacturing^{4/}

From the statements reflected in the document the following are quoted:

- Paragraph 62 ...evaluation of impact was possible only through in-country studies ...;
- Paragraph 63 in 86 per cent of the small-scale and 89 per cent of the SIS projects, no assessment of impact was possible, ...;
- Paragraph 115 ...the immediate project objective and development objectives are often stated at lofty levels so as to convince decision-makers of the significance of the project and the catalytic effect of modest inputs. Formulation of statements of development objectives at the macro-economic levels results in large gaps between that level and the project objective. Such a gap makes impact difficult to visualize and unlikely to occur ...;
- Paragraph 145 ... the closing of project's financial book usually occurs before the successful achievement of the project's immediate objective can be determined and invariably before impact on the development objective begins to emerge ...;
- Paragraph 146 ... no one member of the system was held responsible for pursuing or even observing impact, nor did the tripartite systems facilitate or provide incentives for that purpose ...;

From the recommendations of the evaluation team the following are quoted:

- Paragraph 254 ... the allocation of primary responsibility for each major element of the project shall be made clear as follows: development objectives - government; project objectives - UNDP; Outputs - UNIDO; work programme - national implementation agency; inputs - joint;
- Paragraph 251 ... responsibility for the pursuit of project impact (achievement of the development objective) would be solely the government's, chiefly discharged through the government co-ordinating office and exercised by the latter at the required policy level;
- Paragraph 255 ... clarify and expand the country programme concept to include problem-solving at the sector and sub-sector levels ...;
- Paragraph 262 ... setting of explicit, time-limited targets at the output, project objective and - to the extent possible and useful - the development objective levels ...;

Revision of the concept of the development objective to make it more proximate to the project objective by including specific problems impeding its achievement which are susceptible to solution or amelioration through technical co-operation ...;

Formulation and monitoring of project hypothesis (the causal relationship of outputs to project objective) and development hypothesis (the contribution/ impact of the project objective on the development objective or problem)...;

An improved approach to the planning and conduct of ongoing, terminal and ex-post evaluation...;

Involvement of end-users and beneficiaries in problem identification, project planning and review and evaluation of effectiveness and impact...;

Paragraph 263 require in-country revision of concept of, and the procedures for, termination of project operations, so that termination is keyed to achievement rather than the financing and delivery of inputs; terminal evaluations on a routine basis and conduct ex-post evaluations of impact on a selective basis and upon government requests only.

The evaluators finally state that they invited 20 governments to participate in in-country studies. Of these 10 declined for various reasons. There were also difficulties in some cases to use IPF funds for evaluations. The External Auditor in his Report ^{14/} draws also the attention on problems related to the use of IPF funds for similar purposes.

Handwritten notes

G. Dobos/rs
2 August 1989

Observations to selected Project Documents

DP/BRA/89 (CAD/CAM)

- Project formulation framework was not sent
- Part A Context: contains context and also justification
- Justification: Are all the detailed technical issues necessary?
Should the classical advantage of CAD/CAM be repeated in all project documents?
- Development objective was probably indicated in the project formulation framework.
- Draft terminal report to be prepared at least four months prior to the terminal tripartite review.
- Very probably this project will have a positive impact.

① SF/BOL/89/001 (Contracting Services)

- Relationship purpose/development objective correct
- A very detailed draft, part of these details might be unnecessary.
- A qualitative target regarding development objective is included.
It would have been of purpose to define tentatively the amount of work which was envisaged by the national authorities to be carried out by the unit supported by the project.
- Without continuous support of the authorities this project might have a very modest impact.

② US/VEN/88 (Agro-Industries)

- It is not understood why UNIDO was involved in this absolutely bilateral exercise.

US/RLA/88/079 (Educational Software)

- A software developed by MIT should be promoted by the project.
One does not understand why MIT is not involved in the exercise. (UNESCO)

③

US/RLA/88 (Petroleum Refineries)

- The idea seems to be very good but the draft of the objectives could be improved. (4)

US/NIC/88 (Building Materials)

- The approach is rather supply-oriented, there is no mention of demand, no quantification/
- For reasons of lack of quantification a linkage between development objective and purpose could not be indicated.
- Possible impact is not easy to foresee because lack of data on possible demand.

5

UF/RLA/89 (Regional development of subcontracting)

- The development objective is too broad.
- It is not clear what is the purpose of the exercise, only standardization of instruments and the establishment of a mechanism.
- What should be produced by the mechanism?
- Is really a practical co-operation suggested, in that case a tentative quantification between objectives could have been very useful.

6

US/BRA/88/243/01/1/37 (Alcohol for Diesel)

- Contradiction between development objective and purpose.
- Only the additive should be technically/economically viable, what about the imported fuel substitution?
- Very high risk project?

(7)

IRQ/77/003/B/01/37 (Engineering Institute)

- Very old draft, obsolete definition of objectives, nevertheless successful implementation according to evolution report.

RAS/87/025/A/01/37 (Pesticide network)

- The linkage between development objective and purposes could have been more specific. What is the present situation and which are the expected changes?

US/PER/88/xxx (Industrial estate)

- Maybe on the basis of the immediate objective one should have written both objectives.
- The development objective indicated in the document is more practical than the purpose.

9)

IND/84/015/A/01/37 (Semiconductor devices)

- Development objective very correct.
- Immediate objectives are rather reflecting direct support than institution building.

10)

The development objective correctly contains "product development capacity"

DP/VIE/80/039 (Maintenance and repair of instruments)

- Objectives correctly defined.
- The preventive maintenance should have been defined with more precision.
- Successful project according to evaluation notwithstanding some delays in implementation.

UG/DP/RLA/89/xxx (Investment promotion)

- Development objective correct.
- Purposes: Maybe some unnecessary details.
- Quantitative target could have been tentatively indicated, what they really wanted to achieve?

(H)

VEN/86/001 (Development of capital goods industry)

- Development objective was not found in the document.
- The evaluation of this project (Phase II) was not very confident regarding developmental impact.

DP/IQC/83/007 (Investment projects)

- Objectives correctly established when the project was signed.
- Because of changes in the investment climate in the country the impact is very modest according to evaluation report.

DP/PER/88/xxx (Building materials)

DP/RAS/82/012/B/01/3? (Building Materials)

- Development objective correctly defined.
- Purposes: Unnecessary details, they are rather outputs.
- According to evaluation the project identification process was not precisely carried out and the project is not tackling the problems of low-cost housing.

1/ The expectation of a positive impact of the Project is fully justified on the basis of the Project Document.

- Brazil is one of the most advanced developing countries in Latin-America. The country is really interested to further improve the quality of the manufactured products and the technology of their production.

- The Project Document correctly enumerates the reasons which necessitate the replacement of conventional design and manufacturing technologies by up-to-date systems.

- Presently hardware and software are already available which allow initial implementation of CAD/CAM systems with reasonable investment of time and money.

- There is a probability of promoting co-operation among developing countries through the project.

- The objectives, outputs, activities and budget in the document are carefully drafted.

- The experience already available at the University of Sao-Paulo is considerable and could represent an important contribution to the possible success of the Project.

2/ The cautious appreciation of the developmental impact of the Project is based on the following:

- The services of Crown Agents and OPS improved considerably the procurement activities for the public sector in the country. The amount of public investments reached in 1988 over \$400 million.

- The Project Document does not indicate the share of industry in the activities of the presently operating agents. For this reason one cannot situate the size of the possible volume of activities of the third agent to be created with the contribution of the Project.

- Similarly, one can read in the Project Document (p.8) "The Ministry of Planning will provide the UNIDO Project with a list of officials, who have the authority to submit requests, on behalf of each of the Entities concerned, for provision of services outlined below."

One has difficulties to understand, why this list was not included in the Project Document.

- Finally there is some discrepancy between outputs 1 and 2 and the relevant activities.

3/ The following questions can also be put with regard to the Project Document:

- Is this the first case when video courses provide a possibility of interaction between teacher and student?

- What is the reason for the selection of the subject "Analysis of Engineering Structures for the Construction Industry". Was this topic considered of highest priority in the field of industry for recipient countries? Why?

I had to stop at this point.

4/ The programme is well conceived, obviously its donor driven structure might contain some inherent technological limitations. The drafter could have suggested the following text for the objectives of the Project:

Objectif de développement: Améliorer le rendement énergétique des raffineries de pétrole situées dans les pays intéressés.

Objectif immédiat: Evaluer le potentiel d'économie d'énergie dans les différents raffineries et identifier les mesures nécessaires pour les réaliser (besoins de formation, modification des procédés, introduction de techniques nouvelles, etc.).

The success of the Project depends considerably from the preparatory work of the participants, should this be correctly done good developmental impact could be expected.

2/ As indicated above the document is not convincing regarding the necessity of replacing old materials by new ones. The correlation among outputs is not satisfactory and the preparation of a layout for a pilot plant is not justified. Notwithstanding the generally recognized priority of the building materials industry for developing countries, in its present form the Project Document might not lead to the best possible results.

6/ One can see in the Project Document the performance of the Lima SOX. Other results are also indicated. What is expected in increase of turnover of subcontracting from this Project of US \$ 1 million?

7/ My hesitation was mainly caused by the following sentence of the Project Document (para B.5): "Development of the alcohol fuel additive to the diesel cycle engines has a strategic character and promotion of the project on commercial basis may lead to uncomfortable conditions for technology owners." I could not realize the essence of this statement.

It would also of interest to find out why the institutions which delivered assistance to the laboratory scale research (para I.3 of the Project Document) are not participating in the erection of the pilot-demonstration unit.

The relevant part of the Project Document, in my opinion, does not contain convincing arguments for justifying UNIDO's financial support to this Project.

8/ The Project is practically the continuation of DF/RAS/82/006. Therefore the essence of the development objective is the idea reflected in the last part of the relevant para of the Project Document: "The network is expected to become a lasting self-reliant cooperative programme in the future."

The text of the immediate objectives is very confusing, one should have indicated:

Objectives to finalize activities already being under realization,

additional objective, which were identified through the activities of the Project already completed.

For the above reasons the Project Document contains several repetitions, nevertheless the exercise seems to be promising and presumably will have a positive impact. This opinion is mainly based on the importance of the subject and the interest shown by Governments and Organizations to participate in Phase I.

2/ The Project Document otherwise seems to give a correct solution for a given problem of the city.

3/ The only suggestion I could make is that it should be of

purpose to see the terminal report of this Project, because the subject is of high priority, the Document is well drafted, the expectation of a positive impact is fully justified.

As is indicated in the "Breve Description" this Project has several functions: institution building, direct support and investment promotion. This is for many reasons a high risk project. It would really of purpose to assess the changes induced by the suggestive activities, the volume of investment created or successfully promoted during a given period of time in the region. It is understood that these investments should be compatible with the well conceived development goals of the countries or of the subregion.