**Final Report**

**‘Terminal evaluation Capacity Strengthening for Industrial Development’**

**Project**

**Submitted to**

**United Nations Development Programme**

**Addis Ababa**

**Ethiopia**

**By**

**Dr. Tadesse Woldemariam Gole**

***Individual Consultant***

**Addis Ababa**

**October 2020**

|  |
| --- |
| **Opening page** |
| Title of UNDP supported project | Capacity Strengthening for Industrial Development |
| Atlas Award ID | 00070488 |
| Budget | US$5,099,975.00 |
| Project implementation period | 01 July 2012- 31 December 2019 |
| Evaluation time frame | 2013-2020 |
| Date of evaluation report | July-September 2020 |
| Region included in the project | Addis Ababa, Amhara, Oromia, SNNP and Tigray |
| UNDP Operational Program/Strategic Program | Inclusive Growth and Structural Transformation |
| Implementing Partner & other project partners | Ministry of Trade and Industry, Leather Industry Development Institute, Metal Industry Development Institute. |
| Evaluation team members | Dr. Tadesse Woldemariam Gole, Individual Consultant +251911508637/ +251911408001 twgole@gmail.com |

# **Acknowledgements**

The project terminal evaluator sincerely acknowledges inputs and contributions provided by key informants met during the course of the assignment. Particularly, I thank key informants from the Ministry of Trade and Industry, LIDI, IPDC, Regional Industrial Park Development Corporations and UNDP Project team. Mrs. Selamawt Alebachaw from UNDP has particularly provided overview of the project background and guidance. Mr. Getish Tekle has provided the required project documents, and additional information through KII and one-on-one discussions during the course of evaluation.

**Table of Content**

[**Acknowledgements** ii](#_Toc56565544)

**[Executive Summary](#_Toc56565545)** [v](#_Toc56565545)

**[Acronyms and Abbreviations](#_Toc56565546)** [xii](#_Toc56565546)

[**1** **Introduction** 1](#_Toc56565547)

[***1.1*** ***Background*** 1](#_Toc56565548)

[***1.2*** ***Purpose of the evaluation*** 2](#_Toc56565549)

[***1.3*** ***Scope of the evaluation*** 2](#_Toc56565550)

[***1.4*** ***Methodology*** 3](#_Toc56565551)

[***1.5*** ***Structure of the evaluation report*** 4](#_Toc56565552)

[**2** **Project description and development context** 4](#_Toc56565553)

[***2.1*** ***Project start and duration*** 4](#_Toc56565554)

[***2.2*** ***Problems that the project sought to address*** 5](#_Toc56565555)

[***2.3*** ***Immediate and development objectives of the project*** 5](#_Toc56565556)

[***2.4*** ***Baseline indicators established*** 6](#_Toc56565557)

[***2.5*** ***Main stakeholders*** 9](#_Toc56565558)

[**3** **Findings** 10](#_Toc56565559)

[***3.1*** ***Project Design/ Formulation*** 10](#_Toc56565560)

[**3.1.1** **Analysis of LFA/Results Framework (Project logic /strategy; Indicators)** 10](#_Toc56565561)

[**3.1.2** **Assumptions and Risks** 12](#_Toc56565562)

[**3.1.3** **Lessons from other relevant projects (e.g., same focal area) incorporated into project design** 12](#_Toc56565563)

[**3.1.4** **Planned stakeholder participation** 12](#_Toc56565564)

[**3.1.5** **Replication approach** 12](#_Toc56565565)

[**3.1.6** **UNDP comparative advantage** 12](#_Toc56565566)

[**3.1.7** **Linkages between project and other interventions within the sector** 13](#_Toc56565567)

[**3.1.8** **Management arrangements** 13](#_Toc56565568)

[***3.2*** ***Project Implementation*** 13](#_Toc56565569)

[**3.2.1** **Adaptive management** 13](#_Toc56565570)

[**3.2.2** **Partnership arrangements** 14](#_Toc56565571)

[**3.2.3** **Feedback from M&E activities used for adaptive management** 14](#_Toc56565572)

[**3.2.4** **Project Finance** 14](#_Toc56565573)

[**3.2.5** **Monitoring and evaluation: design at entry and implementation** 14](#_Toc56565574)

[**3.2.6** **UNDP and Implementing Partner implementation/ execution, coordination and operational issues** 15](#_Toc56565575)

[***3.3*** ***Project Results*** 15](#_Toc56565576)

[**3.3.1** **Overall results (attainment of objectives)** 15](#_Toc56565577)

[**3.3.2** **Relevance** 26](#_Toc56565578)

[**3.3.3** **Effectiveness & Efficiency** 27](#_Toc56565579)

[**3.3.4** **Country ownership** 28](#_Toc56565580)

[**3.3.5** **Mainstreaming** 29](#_Toc56565581)

[**3.3.6** **Sustainability** 29](#_Toc56565582)

[**3.3.7** **Impact** 30](#_Toc56565583)

[**4** **Conclusions, Lessons and Recommendations** 33](#_Toc56565584)

[***4.1*** ***Conclusion and lessons*** 33](#_Toc56565585)

[**4.2** **Recommendations** 34](#_Toc56565586)

[**5** **Annexes** 35](#_Toc56565587)

[**Annex 1. Terms of Reference** 35](#_Toc56565588)

[**Annex 2. List of Documents reviewed** 40](#_Toc56565610)

[**Annex 3. List key informants and contact of details** 41](#_Toc56565611)

[**Annex 4. List of interview questions** 42](#_Toc56565612)

# **Executive Summary**

**Background**

Ethiopia has experienced a rapid economic growth since 2004, which have also led to expansion of essential public services, contributing to improvements in standards of living. Developments during the last two 5-years successive Growth and Growth and Transformation Plans (GTP I and II), were particularly remarkable. As part of its economic development plan, Ethiopia has given considerable priority for economic structural transformation through expansion the manufacturing industry. The manufacturing industry is important for poverty reduction, since it has high potential to jobs, livelihoods, income, and generate adequate savings.

The sector, however, is characterized by low level of technical and technological capabilities, and lack of product competitiveness in terms of quality and standard. Moreover, institutional support at different layers of the sector with regard to research, improved product development, management skills and evidence-based decision making are required. UNDP has been supporting the industrial development agenda of the Government of Ethiopia. More specifically, UNDP has provided technical and financial support through ‘Capacity Strengthening for Industrial Development’ project. The project implementation started in 2013 and came to end in 2020.

This terminal evaluation was conducted to assess the achievements of project results and draw lessons to improve the sustainability of benefits from this project, and to help in enhancing UNDP future program design. The main objective of the terminal evaluation encompassed reviewing the implementation of the project activities and achievement of results starting from its initial period so as to: (1) measure the performance of the project; and, (2) draw lessons to facilitate decision on future orientation of the programme.

**Methodology:** The project terminal evaluation used approaches and methods developed over time to evaluate UNDP supported projects. The evaluation process passed through four phases. The 1st Phase is preparatory phase and involved **review of documents**. Documents reviewed include various project document (successive annual work plan and budget, budget balance, and the like), mid-term evaluation report, and relevant national and UNDP strategic documents. The 2nd phase was **data collection phase**. Data were collected from relevant offices in Addis Ababa, and beneficiary institutions in regional states, using different tools like key informant interviews and field visits. For data collection, key informants’ interview was primarily used due to difficulties to travel because of COVID-19 and recent unrest in the country. Key informants were interviewed through telephone, zoom and face-to-face discussions. The 3rd phase was **consolidation of information and report writing**. Information compiled through documents review and key informants’ interview were synthesized and used to prepare a draft evaluation report. The assessment was done using the key evaluation criteria: *relevance, effectiveness, efficiency, sustainability* and *impact*.

**Findings**

***Project Design/ Formulation***

The main outcome of the IDP project was derived from Outcome 2 of UNDAF and was: “**By 2020 private- sector driven manufacturing and service industry sector growth is inclusive, sustainable, and competitive and job rich**”. The project has implemented different activities under 7 outputs over the implementation period. Initially, it had three outputs, and three more outputs were added as part of the Initiation Plan in 2019.

There was no formal project document that gives clear overviews of the project, and detailed description of project activities over its implementation period. But, the annual work plans and log-frame were timely and regularly prepared approved by UNDP, the implementing partner and the Ministry of Finance. The logical frameworks adopted every year, and the hierarchy of objectives, results and activities were comprehensive. Generally, one can conclude that the project logic was sound and appropriate, with clear indicators and targets that are “SMART” (Specific, Measurable, Attainable, Relevant, Time-bound).

***Project Implementation***

The project was adaptive to any changing conditions and capacity development needs of the partners. It has also developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders that include MOTI, UNIDO, UNFPA and ILO with UNDAF driving the process. Different information were used as feedback for project adaptive management: internal project quarterly monitoring reports, ATLAS updates, financial and administrative management and project performance towards results, annual result-based reports and various policy reviews and thematic studies on different aspects of the industry sector transformation issues were the major ones.

The project was funded by UNDP Ethiopia Country Office (CO) core resources. UNDP was responsible for disbursing the project fund to implementing partners (government and UN agencies), who in turn, have the responsibility of regularly reporting to UNDP.

The project followed standard UNDP reporting, monitoring and evaluation process. There was regular work planning every year, with no delays in project start-up and implementation, and all work-planning processes were results-based. There was no interruption in the quarterly project monitoring report, annual Result-Based Report and annual budget expenditure reports. There was smooth coordination and execution of the project activities between UNDP and the Implementing Partner.

***Project Results***

The project had one outcome and seven outputs over the whole implementation period, and has contributed to accomplishments of one of the outputs of Outcome 2 of UNDAF (2016-2020). The main achievements of the project under each output are summarized and presented as below, the details of which can be found under section 3.2:

**Output 1: *Government's policy review and regulatory capacity in industrial development strengthened for industrial sector transformation and increased private investment in micro, small and medium enterprises (MSMEs)*.** In relation to this result area, the project has achieved the following:

* + Constraints of accelerated expansion of the industrial sector and manufacturing sub-sector, especially SMEs and value chain clusters were identified;
	+ Manufacturing export performance was reviewed, including identification of bottlenecks & recommendations of strategic interventions for prioritized sub-sectors;
	+ Effective working relationship with most of the important development partners including UNDP, UNIDO, DFID, World Bank, EU, USAID, JICA and KOICA and their respective agencies in Ethiopia
	+ Dedicated advisory support to the MoTI Minster on various sub-sectors provided;

**Output 2*: Ethiopian manufacturing and service industries, especially Small and Medium enterprises and Integrated Agro-Industrial Parks sustainably improved their competitiveness through 1) value chain analysis, Integrated agro-processing park development and cluster development 2) enhanced labour productivity.*** In relation to this result area, the project has achieved the following:

* Legal and Regulatory and Operational Management Studies for 4 Regional Integrated Agro-Industrial Parks and Regional Industry Park Development Corporations were conducted;
* Pitchbooks/Financial Management Manuals for the 4 Regional Industrial Parks Corporations, including Addis Ababa City Administration’ were printed;
* Industrial Information System was established;
* Regional Industrial Park Development Corporations’ financial management systems established;
* Bankable business plans and pitch books to attract potential investors to invest in integrated agro-industrial parks were also developed;

All these have contributed to identification of comparative advantages of the industry cluster

**Output 3*: Industry (manufacturing) transformation leadership capacity building training, including Private sector support-giving institutions, IAIPs, RIPDCs, Industry support institution and SMEs have improved skills, knowledge, and improved technological capacity.*** In relation to this output, the project has achieved the following

* Built the capacities, metal and leather industry sub-sectors, especially those of MIDI and LIDI: standardized input-output co-efficient system established; established Non-Destructive and Destructive Testing Technologies Centre at MIDI; enhanced quality certification and Enterprise Resource Planning (ERP) systems of LIDI;developed technical knowledge of leather industry actors: 85 leather industry leaders; 50 leather industry mechanical and electrical experts; 170 high level officials and operators; 24 experts on international trade; enhanced productivity and completeness of the leather sector.
* Strengthened the capacities of private sector institutions through ECCSA: developed guideline on industrial sectoral association; organized All African Trade Fair 2013 & 2014; Feasibility study for the establishment of Chamber Academy; support participation industry sector members on experience sharing visits to other countries; Launch bi-annual ‘Competitive Forum’, where members meet every 6 months and discuss on contemporary issues; training on six priority sub-sectors provided to five regional chambers; supported inauguration of Business Development Service (BDS) Centers in 5 regional chambers, and ad benefited 77 chamber members and 3 sector associations; supported participation of ECCSA delegates on the 8th World Chamber Congress at Doha, Qatar and India Conclave organized by Confederation of Indian Industries (CII) & EXIM Bank and promoted Ethiopia’s Industry potential and opportunity on Asian market via Fortune China Magazine.

**Output 4: *Women capacity in the manufacturing sector strengthened and empowered for Inclusive and sustainable Industrial Development.*** With regard to this result, the project achieved:

* Course material consisting of 5 training modules/session plans were developed through UN-UN Agency agreement with ILO;
* 6 visual aid animation videos for soft skill training were developed through UN-UN Agency agreement with ILO;
* Training provided at Bole Lemi and Hawassa IPs for 100 trainers, who in turn have trained 900 floor workers, 90% of the total trainees are women, improving their skills and productivity. The trainings were provided though ILO based on the UN-UN Agency agreement.

**Output 5: *Industrial parks (agencies and institutions within) become safe and gender friendly through institutionalizing inclusive systems in particular sexual and reproductive health awareness development that facilitate the promotion of gender equality and women empowerment.*** With regard to this result, the project has achieved the following:

* 1600 women industry women workers in the selected pilot Industrial parks (Hawassa and Bole Lemi) were trained on SRH and gained awareness; 3000 knowledge products were printed and distributed to workers in the selected pilot industrial parks (Hawassa and Bole Lemi); 4 information boxes were installed at the selected pilot Industrial Parks (Hawassa & Bole Lemi); 16 weekly radio spots transmitted on SRH to women industry workers at the selected pilot industrial parks (Hawassa and Bole Lemi); Rooms for the daycare facilities were identified; two day-care facilities were established (one at Bole Lemi and one at Hawassa IP) and all necessary items required to operationalize the day-care facilities have been procured and delivered to the Industrial Parks.

**Output 6: *Governance, Operation and Management Capacity enhancement: Labour Sourcing System Development.***

* The project has successfully developed Labour Sourcing System at Bole Lemi Industrial Park.

**Output 7*. Strengthen Coordination mechanism of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC).***

The project has supported IPDC, and the corporation has successfully established Gender Development Unit, and operationalized it.

**Assessments against key evaluation criteria are summarized below:**

1. **Relevance:** The evaluation found out the Institutional Capacity Strengthening For Industrial Development project was highly relevant, and was strategically positioned to support Ethiopia’s industrial and poverty reduction objectives as articulated in the GTP (2025) and the UN system Delivering As One as articulated in the UNDAF. The terminal evaluation clearly indicated that the project was relevant in identifying appropriate action that addressed industrial development and poverty reduction. The IDP is aligned with the development aspirations of the GOE and responds to the critical priorities on industrial development and poverty reduction, sustainable economic transformation, good governance and institution building and strengthening.
2. **Effectiveness**: On the basis of the analysis of the programme’s desired or planned results (outputs, baseline, targets, indicators, outcomes and impacts), quarterly reports, discussion with project staff and with stakeholders, the project has successfully accomplished all its outputs and activities, as shown in Table 2. The project actually has achieved more that it has originally planned. The project started with three outputs, and added four additional outputs during its last year, in response to the findings and recommendations of a study on Women in Manufacturing in Ethiopia.
3. **Efficiency*:*** The terminal evaluation to a large extent did assess whether the resources were used for what they were meant efficiently. Overall resources utilization efficiency were high, with an average of 91%, and above the average in all years, except in 2019. The project has delivered all the intended outputs on-time and cost effectively, with significantly high positive variance.
4. **Country ownership*:*** The industry sector is given tremendous priority in Ethiopia’s successive economic development plans. The AWPs of the project were jointly prepared and approved by MoTI, MoFEC and UNDP. There were clear indication of uptake of the project outputs and recommendations in transforming the industry sector. The government has taken up the recommendations of the policy revision based on studies and used taking informed transformative measures, including strengthening institutes for different manufacturing industry sub-sectors.
5. **Mainstreaming*:*** The results of the project are being mainstreamed in the sector. The policy reviews and study results were heavily used in developing the industry sector roadmap and strategy, including skills training and capacity building, benefiting women, who make the majority of the labour force in the manufacturing sub-sector. The different operational manuals and guidelines were also approved for use by regional IDPCs and IAIP.
6. ***Sustainability:*** The lasting effects of the project that contribute to sustainability include: Industry sector road maps and strategy developed as a result of industry sector policy review and thematic studies; Operational guidelines and various manuals that improve accountability, good governance and operational effectiveness; Pitch books for industry clusters that demonstrate their potentials, opportunities and strategic advantage to attract investors were produced; Transformative leadership capacity of more than 140 industry sector leaders; Technical capacity of selected sub-sectors like metal and leather industries were strengthened; Training materials for industry workers produced and distributes; and Different enabling institutions or units were strengthened or created (e.g. ECCSA’s Chamber Academy), IPs and sub-sector institutes, along with the required human resources and finance.
7. **Impact*:*** Naturally, it takes many years to achieve impact and it is not realistic to directly measure the delivery of impacts at the end of the project. The evaluation assessed the likelihood that the project will make a contribution towards achieving impact. The evaluation confirmed that the project is highly likely to achieve impacts.

**Conclusions, Lessons and Recommendations**

***Conclusion and lessons***

Though the project did not have project design document, UNDP and the MoTI have regularly and timely prepared successive annual work plans, in consultation with other relevant stakeholders. The evaluation concluded the following:

* Planned activities were successfully implemented, achieving the set targets;
* Project interventions on policy review and generation of new innovative ideas based on commissioned studies were very useful for developing clear road map, policies and strategies of the sector, and were appreciated by all stakeholders;
* The project has addressed different aspects of capacity building to the satisfaction of the beneficiaries
	+ Policy level capacity- provided inputs for policy reforms through the advisory services and commissioned thematic areas study reports;
	+ Strengthened the capacity of existing industry sector institutions- technical, equipment and policy;
	+ Created new units within existing institutions, e.g, gender unit in IPDC, Chamber Academy within ECCSA
	+ Provided support to newly created industry sector institutions, e.g., RIPDCs
	+ Built individuals level capacity: transformational leadership for leaders; technical skills and tools for experts and productivity enhancement skills for industry workers, especially women.

***Key Lessons***

* Capacity building for career development is not just for early and mid-career levels. It is relevant even for senior leaders, and especially when it is based on good practices;
* Joint planning with partners is crucial for successful achievement of project goals, and ownership of results;
* Policy advisory service, coupled with evidences from in-depth thematic studies has high likelihood of influencing policy changes/ revision;

***Recommendations***

The following recommendations that may help in design and implementation of similar project intervention in the future:

* Future projects should prepare project design document, with clear modalities of implementation and adaptive management ideas that respond to the needs of beneficiaries, before entering annual work planning and implementation phase;
* Future capacity strengthening projects should give the lion’s share focus and support to local private sector industry actors, especially on quality standard and market linkage;
* Future interventions should also consider encouraging local innovations in manufacturing, as well as transforming micro and small industries into medium and large industries;
* Future capacity strengthening should go beyond policy and include operational/ practice levels. The project was successful in influencing policy level transformation, which may continue to be important. Beyond policy, it is very important to strengthen operational capacity in practice, especially at regional state, IPs and IAIPs levels;
* Future projects and programs should also consider strengthening the capacities of entrepreneurs through:
	+ Business knowledge and skills development;
	+ Increasing access to financial services
	+ Increasing access to market/ linking to markets including the industrial parks;
* Expand pilot activities like capacity building of women in manufacturing, labor sourcing system, and creating a safe working environment for women that were implemented at Bole Lemi and Hawassa industry parks to other industry parks in different regional states;
* Future programs should also go creating policy and enabling environment, and job creation, and support improvement of social and labour standards for the industry workers;
* Support development of database for small and micro enterprises/ industries that serves are framework for information exchange down the local levels. The industry information system developed with the project support is highly appreciated. But it is only for national level and medium to large scale industries. Data on SMEs is not available or not reliable.

# **Acronyms and Abbreviations**

AA Addis Ababa

AWP Annual Work Plan

CO Country Office

COVID-19 Corona virus Disease

DAO Delivering As One

EIC Ethiopian Investment Commission

ERP Enterprise Resource Planning

EU European Union

FAO Food & Agriculture Organization

GDP Gross Domestic Product

GoE Government of Ethiopia

GPI Governance & Public Institution

GTP Growth and Transformation Plan

HDR Human Development Report

IAIP Integrated Agricultural Industry Parks

ICT Information Communication Technology

IDP Industry Development Park

IP Industry Park

IPDC Industrial Parks Development Corporation

KII Key Informant Interview

KII Key Informant Interviews

MoTI Ministry of Trade and Industry

MSME Micro, Small and Medium Enterprises

RIPDC Regional Industrial Parks Development Corporation

ROAR Results Oriented Annual Report

SDGs Sustainable Development Goals

SIDA Swedish International Development Aid

UNDAF United Nations Development Assistance Framework

UNDP United Nations Development Program

# **Introduction**

## ***Background***

Ethiopia has experienced a rapid economic growth since 2004. For instance, there was remarkable reduction in poverty, from 38.7 percent in 2005 to 23.5 percent in 2015/16. In GTP II, the target was to reduce poverty to 16.7%. Similarly, per capital income has increased from 377 USD in 2009/10 budget to 691 USD in 2014/15 and was projected to reach 1,177 USD by the end of GTP II (2019/20). Such developments have also led to expansion of essential public services, contributing to improvements in standards of living. The average life expectancy at birth, for example, has increase from 51.9 in 2000 to 66.2 in 2018. The HDI value of Ethiopia has also increased from 0.283 to 0.470 during the same period, an increase of 65.8 percent.

Ethiopia has implemented its two 5-years successive Growth and Growth and Transformation Plans (GTP I, 2010/11 to 2014/15 and GTP II, 2015/16 to 2019/20). It has recently launched its 10-year economic development plan under the theme ‘***Ethiopia: An African Beacon of Prosperity’***. Economic structural transformation is being led through expansion of light manufacturing and value addition, technology transfer, agricultural transformation, export expansion, sustainable urban development, sector wide capacity building and expansion of micro and small-scale enterprises.

The development of manufacturing sector is critical to create a strong foundation for the sector to start playing a leading position in the national economy and contribute towards reaching middle-income country status by 2025 as envisioned in the growth and Transformation plan (GTP). Strengthening the sector is also vital for poverty reduction mainly due to the sector’s potential to create employment opportunities, livelihoods, income, and generate adequate savings. In addition, a broad-based growth in the manufacturing sector contributes to increase in export trade, foreign direct investment and financial flow to the country. During GTP I, the share of the industry sector’s contribution to the national GDP has increased from 12.5% in 2009/10 to 15.1% in 2014/15.

In GTP II, industrial value addition was projected to increase at an annual average growth rate of 20% and the share of the industrial sector in overall GDP was also expected to increase from 15.1% in 2014/15 to 22.3% by 2019/20, while the target for the manufacturing sub-sector was to increase from 4.8% of the base year to 8% by 2019/2020. The GTP II Midterm review report revealed that the industry sector has sharply increased its share of GDP to 25.6% in the fiscal year 2016/17, and substantially exceeded the plan target of 18.0 percent for the fiscal year. Similarly, the manufacturing sub-sector’s share of the GDP has raised from 4.8% of the base year (2014/15) to 6.4% in 2016/17, exceeding the plan target of 5.7% for the year. The industry sector’s contribution to the GDP has increased in the 3rd year (2017/18) as well, reaching 26.0% in total compared to 19.4% target, and the manufacturing sub-sector achieved 6.8% compared to 6.2% target for the year. Though final year official data is not yet made available, it is highly likely the trend by midterm showed high likelihood that the targets of manufacturing sub-sector’s contribution to GDP be achieved by end of GTP II. This growth is expected to continue through private sector development targeting investments in eight priority manufacturing sub-sectors. The 8 priority sub-sectors namely - Food and Agro-Processing; Chemical and Petrochemicals; Textiles and Apparel; Cotton Fiber; Leather and leather products; Steel, Metal and Engineering; Electronic Products; and Emerging Industries (including Industrial Biotechnology and ICT) – are expected to take the lead in the growth of a more diversified manufacturing sector. These prioritized sectors are expected to spearhead transformation of the manufacturing sector and increase the GDP share of manufacturing sector to above 17% by 2025. In the recently launched Ten Years Perspective Plan (2021-2030), the target is to increase the GDP contribution of the industry sector to 35.9%, and that of the manufacturing sub-sector to 17.2%.

An integral part of the industrial development strategy is the establishment of Industrial Parks (IPs) and attract foreign direct investment (FDI) in key strategic manufacturing industries, which in turn, would help in transfer of technology to the local entrepreneurs, diversify the structure of the country’s export, and generate employment. To ensure linkage of agriculture and industry with more value addition and job creation, the Government of Ethiopia (GoE) has adopted Integrated Agro-Industrial Parks (IAIPs) approach as one option that can transform Ethiopian agricultural production from being fragmented and supply-driven, to organized, safe, demand-led and quality-oriented via industry cluster development. These integrated efforts are expected to bring about a balanced regional industrial development and integration of a diverse group of industries with regional and global markets.

The manufacturing sector in Ethiopia is, however, characterized by low level of technical and technological capabilities, lack of product competitiveness in terms of quality, and standard. Moreover, critically required institutional support at different layers of the sector with regard to research, improved product development, management skills and evidence-based decision making is not at the desired level. Hence, effective implementation of capacity building is critical to ensure optimal utilization of resources and growth of a diversified manufacturing sector.

## ***Purpose of the evaluation***

The mid-term evaluation of the project was undertaken in 2018. The MTE report of the project indicated that out of 27 originally planned interventions, 22 were achieved, 1 was in progress and 4 remained unachieved. The report has highly rated achievements of the project and considered it as a ‘good practice’. This **terminal programme evaluation** aims at assessing the achievement of project results and drawing lessons to improve the sustainability of benefits from this project, and help in enhancing UNDP future program design.

The main objective of the terminal evaluation encompasses reviewing the implementation of the project activities and achievement of results starting from its initial period so as to: (1) measure the performance of the project; and, (2) draw lessons to facilitate decision on future orientation of the programme. Overall progress of the project shall be reviewed with a focus on each of the project pillars, independently assessing using the set criteria, like: relevance, effectiveness, efficiency, sustainability and impact.

## ***Scope of the evaluation***

The terminal evaluation covered all interventions the project planned to implement during the project life cycle. Besides, the evaluation assessed cross-cutting themes like the integration of gender equality, environment, capacity development and partnership. Further, it has identified key lessons and proposed recommendations to enhance technical and financial performance for future similar interventions.

The evaluation process involved consultations and close engagement with the MoTI, UNDP Country Office, project team, as well as government affiliated institutions such as Industry Park Development Corporation (IPDC), Regional Integrated Agro-Industrial Parks Corporation (RIPDC) and Ethiopian Investment Commission (EIC).

## ***Methodology***

The project terminal evaluation used approaches and methods developed over time to evaluate UNDP supported projects. The evaluation process passed through four phases.

The 1stPhase is preparatory phase, and involved**review of documents**. Documents reviewed include project document, project implementation plan, project budget by outcome and output, project budget revisions; mid-term evaluation report, national strategic and legal documents, UNDAF 2016-2020; UN Country Programme Document for Ethiopia (2016-2020), UNDP Strategic Plan (2018-2021), Industry Initiation Plan (2019), project tracking tool or Monitoring Reports (2018 & 2019), Ethiopia National HDR (2018 &2019), Annual Reports (2018 & 2019), Annual Work Plans (2019&2020), Results Based Report -2019 and IDP Resources Utilization Table and financial data related documents (See Annex 2).

The 2nd phase is **data collection phase**. Data were collected from relevant offices in Addis Ababa, and beneficiary institutions in regional states, using different tools like key informant interviews and field visits. Data collection started during the week of July 27 and ended during the week of August 17, 2020. The methods used for data collection are described below:

1. **Key informants interview**: was conducted with key experts/ informants from the MoTI, UNDP Country Office, project team, as well as government affiliated institutions such as Industry Park Development Corporation (IPDC), Ethiopian Investment Commission (EIC), and the Regional Integrated Agro-Industrial Parks Corporation (RIPDC) in Amhara, Tigray, SNNP and Oromia regional state. Face-to-face interviews were conducted with some key informants based in Addis Ababa, and what that was not convenient or feasible; interviews were conducted virtually through telephone, Microsoft Teams or WhatsApp. For key informants from regional states, interviews were conducted via telephone, given the current state of emergency due to COVID-19 and travel restrictions.
2. **Field visits**: Most project interventions were higher policy and institutional capacity development level, studies and advisory services. Interventions at industrial parks level were implemented only in Bole Lemi and Hawassa. The field visit was planned to be conducted at Bole Lemi Industry Park in Addis Ababa for observations interviews with some key informants and beneficiaries. Since there was spike in COPID-19 cases at the Bole Lemi during the planned field visit, WHO and the Ministry of Health precautionary measures were strictly followed. Hence, information were collected through telephone interviews with the Coordinator, Mr. Tinsae Yimam.

The 3rd phase is **consolidation of information and report writing**. Information compiled through documents review and key informants’ interview were synthesized and used to prepare a draft evaluation report. The assessment was done using the key evaluationcriteria: *relevance, effectiveness, efficiency, sustainability* and *impact*.

* **Relevance**: assess the extent to which the activity was suited to local and national development priorities and organizational policies, including changes over time; and the extent to which the project was in line with UNDP the strategic priorities under which the project was funded.
* **Effectiveness:** assess whether the project interventions have achieved the expected output and immediate outcomes and made progress towards the intermediate outcomes; and whether there were any unintended results, either positive or negative observed.
* **Efficiency:** assess how the resources/inputs (funds, expertise, time, etc.) were economically converted to outputs; and whether outputs were achieved on time and on budget.
* **Sustainability:** assess the likelihood that results/benefits will continue after the closure of the project; if there are committed financial and human resources to maintain benefits and results; and if the external environment is conducive to the maintenance of results.
* **Impact:**  assess the extent to which the project is achieving impacts or progressing towards the achievement of impacts.

Each outcome was rated using the rating scale provided in ToR.

## ***Structure of the evaluation report***

In line with the Evaluation Terms of Reference (Annex 1), this report is structures in four parts. The first part is ***introduction***, which describes background of the sector, purpose of the evaluation and methodology. The second part presents d***escription of the project and development context***, including objectives and expects results/outputs.

The third part presents the **findings of the evaluation**, including the review of (i) the project design/logic, in particular whether the results identified in the logical framework make up a coherent, realistic and appropriate foundation for achieving the project’s desired objectives; (ii) the project implementation arrangements; and the project results (attainment of objectives), relevance, effectiveness, efficiency, sustainability and impact. The final part **presents conclusions, main lessons emerging from the evaluation** and **recommendations** to the project partners for follow-up actions aimed at consolidating project achievements.

# **Project description and development context**

## ***Project start and duration***

Implementation of the “Capacity Strengthening for Industrial Development” started during the 1st quarter of 2013 and ended during the 2nd quarter of 2020. During the implementation period, the project has implemented different project activities at different implementation years. The Table 1 presents activities and corresponding implementation years.

## ***Problems that the project sought to address***

The manufacturing sector in Ethiopia is characterized by low level of technical and technological capabilities, lack of product competitiveness in terms of quality, and standard. Moreover, institutional support at different layers of the sector is required on research, improved product development, management skills and evidence-based decision making.

UNDP has been supporting the industrial development agenda of the Government of Ethiopia. More specifically, UNDP has provided technical and financial support through ‘Capacity Strengthening for Industrial Development’ project. The project implementation started in 2013 and came to end in 2020.

## ***Immediate and development objectives of the project***

The goal of the project was to play a catalytic role in government’s effort to bring about a transformative and structural change in the manufacturing sector through enhancing the institutional capacity of private sector-led manufacturing industries. The key project interventions included provision of industrial sector wide advisory services, formulation of industrial development information system towards promotion of competitiveness and effectiveness in the manufacturing sector. The key project interventions fall contribute one of the seven outputs identified to achieve the overall project goal. The outputs are:

* **Output 1**: Government’s policy regulatory capacity in manufacturing development strengthened for sector transformation and increased private investment in small, medium and large enterprises;
* **Output 2**: Ethiopian manufacturing enterprises sustainably improved their competitiveness through: 1) Linkages and cluster development; 2) Enhanced labour Productivity
* **Output 3**: Private sector support-giving institutions and enterprises have improved skills, knowledge, and improved technological capacity, so that Private sector led Ethiopian manufacturing industries, especially small and medium enterprises sustainably improved their competitiveness and employment creation potential.
* **Output 4**: Women capacity in the manufacturing sector strengthened and empowered for Inclusive and sustainable Industrial Development. With regard to this result, the project achieved:
* **Output 5**: Industrial parks (agencies and institutions within) become safe and gender friendly through institutionalizing inclusive systems in particular sexual and reproductive health awareness development that facilitate the promotion of gender equality and women empowerment. With regard to this result, the project has achieved the following:
* **Output 6**: Governance, Operation and Management Capacity enhancement: Labour Sourcing System Development.
* **Output 7**. Strengthen Coordination mechanism of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC).

## ***Baseline indicators established***

The baseline established for the project and expected targets to be achieved are presented in Table 1 below.

Table 1. Project outputs, activities, and baseline and target indicators

| **Outcome:** Expected UNDAF Outcome 2: By 2020 Private Sector driven manufacturing and service industry sector growth is inclusive, sustainable, competitive and job rich |
| --- |
| Activity | Baseline level indicator | Endline Target |
| Output 1: Government's policy review and regulatory capacity in industrial development strengthened for industrial sector transformation and increased private investment in micro, small and medium enterprises (MSMEs) |
| 1.1 Activity: Sector wide Advisory services provided to government policy makers/officials for enhancing industrial development |  Insufficient industrial advisory services | Industrial service advisor placed to provide guidance on transformational programme/project identification |
| 1.2 Activity: Industrial programmes coordination support services provided to enhance industrial planning and programming  | Continuation of programmes coordination support services provided  | Technical advisor/programme coordinator place |
| 1.3 Activity: Capacity Gap Assessment study completion and Program Document Development  | Non-existent of current Assessed Capacity Gap and Program Document  | Capacity Gap Assessed and Identified and Program Document Developed  |
| Output 2: Ethiopian manufacturing and service industries, especially Small and Medium enterprises and Integrated Agro-Industrial Parks sustainably improved their competitiveness through 1)value chain analysis, Integrated agro-processing park development and cluster development 2) enhanced labour productivity |
| 2.1: Activity: Legal and Regulatory Framework and Operation Management Manual for the IAIPs and RIPDCs completed | No Legal and Regulatory Framework and Operational Management Manual  | Legal and Regulatory Framework and Operational Management Manual developed for Amhara,Tigray, SNNP and Oromia regions for the Integrated Agro Industrial Parks and Regional Industrial Parks Development Corporations.  |
| Output 3: Industry ( manufacturing) transformation leadership capacity building training, including Private sector support-giving institutions, IAIPs, RIPDCs, Industry support institution and SMEs have improved skills, knowledge, and improved technological capacity  |
| 3.1. Activity: Enhanced knowledge on leadership, improving performance of private sector, private sector support-giving institutions and RIPDCs | Insufficient capacity of leaders of the industrial growth actors at different levels and capacities of development institutes to lead and achieve the industrial transformation targets |  Minimum 100 leaders and technical staff trained |
| Output 4: Women capacity in the manufacturing sector strengthened and empowered for Inclusive and sustainable Industrial Development |
| 4 .1 Activity: Course material development (updating and translation of training manuals and guidebooks) | Limited knowledge products on labour productivity skill enhancement | 5 training modules/session plans developed |
| **4.2. Activity:** Visual aid development on animation of videos for soft skill training modules | Limited knowledge products on labour productivity skill enhancement | 6 visual aid development on animation of videos for soft skill training |
| **4.3 Activit**y: provision of labour productivity skill enhancement sessions, and Training of Trainers (TOT) | Limited knowledge on labour productivity | Training of total 100 trainers and 900 floor workers at Bole Lemi and Hawassa Industrial Parks |
| **4.4 Activity**: Monitoring, evaluation and documentation of lesson learnt with the introduction of interventions measurement instruments | Limited knowledge on labour productivity | Compiled report on monitoring, evaluation and lesson learnt |
| Output 5: Industrial parks (agencies and institutions within) become safe and gender friendly through institutionalizing inclusive systems in particular sexual and reproductive health awareness development that facilitate the promotion of gender equality and women empowerment |
| **5.1 Activity**: conduct peer education sessions to train 1600 women and youth using peer facilitators guide prepared for the target group | Limited knowledge on sexual and reproductive health (SRH) | 1600 women industry women workers trained in SRH |
| **5.2 Activity**: Develop, print and distribute knowledge products on HIV prevention, family planning and other SRH issues identified by existing evidences | Limited knowledge products on SRH and HIV-AIDS | 3000 knowledge products printed and distributed |
| **5.3 Activity**: Install information boxes in each industry parks for information dissemination and demand creation on sexual and Reproductive Health, Sexual and Gender Based Violence (SGBV) | Limited knowledge products on SRH and HIV-AIDS | 4 information boxes installed at the Industrial Parks |
| **5.4 Activity**: Disseminate weekly radio spot to raise the awareness of women and youth on Adolescent and Youth Sexual and Reproductive Health (AYSRH), Sexual and Gender based violence (SGBV) and other structural issues in the Industrial Parks  | Limited knowledge products on SRH and HIV-AIDS | 16 weekly radio spots transmitted on SRH to women industry workers |
| **5.5 Activity**: Strengthened coordination among stakeholders for harmonized intervention and response for the needs of women and youth working in the industry parks | Limited Coordination among stakeholders on strengthening sexual and reproductive health knowledge among industry workers | Four Consultative workshops held among stakeholders |
| **5.6 Activity**: Day care Facility establishment at Bole Lemi and Hawassa Industrial Parks | Non-existent Day-care facility at industrial parks | Two day-care Facilities established (one at Bole Lemi and one at Hawassa IP) |
| Output 6: Governance, Operation and Management Capacity enhancement: Labour Sourcing System Development |
| 6.1 Activity: Labour Sourcing System Development to be piloted at Bole Lemi Industrial Park | Non-existent of Labour Sourcing System at Bole Lemi Industrial Parks | Labour Sourcing system developed and tested at Bole Lemi IP |
| Output 7. Strengthen Coordination mechanism of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC) |
| 7.1 Activity: Strengthen Coordination mechanisms of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC) | Non -Existent Gender Development Unit at Industrial Parks Development Corporation (IPDC) | Gender Development Unit establishment at IPDC |

## ***Main stakeholders***

The main stakeholders included relevant Ethiopian government agencies, UN agencies and the private sector. The main government agency stakeholders were the Ministry of Trade and Industry (MOTI), Metal Industry Development Institute (MIDI), Leather Industry Development Institute (LIDI), Industrial Parks Development Corporation (IPDC) and Ethiopian Investment Commission (EIC). The main UN project administrative partner was UNDP, with different levels of participation by UNIDO, ILO, IOM and UNCTAD. The private sector was represented by the Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA).The project was funded by UNDP Ethiopia Country Office (CO) core resources.

# **Findings**

## ***Project Design/ Formulation***

This sub-section of the report examines the overall coherence and suitability of the IDP Project’s logical framework. It starts off with an overview of the project log-frame, assumptions and risks considered, and other project management related aspects.

### **Analysis of LFA/Results Framework (Project logic /strategy; Indicators)**

The main outcome of the IDP project, as clearly stated in the results frame and UNDAF is that “**By 2020 private- sector driven manufacturing and service industry sector growth is inclusive, sustainable, competitive and job rich**”, with three specific objectives:

1. Government’s policy regulatory capacity in manufacturing development strengthened for sector transformation and increased private investment in small, medium and large enterprises;
2. Ethiopian manufacturing enterprises sustainably improved their competitiveness through 1) Linkages and cluster development; 2) Enhanced labour Productivity
3. Private sector support-giving institutions and enterprises have improved skills, knowledge, and improved technological capacity, so that Private sector led Ethiopian manufacturing industries, especially small and medium enterprises sustainably improved their competitiveness and employment creation potential.

There was no formal project document that gives clear overviews of the project, and detailed description of project activities over its implementation period. But, the annual work plan and log-frame were timely and regularly prepared approved by UNDP, the implementing partner and the Ministry of Finance. The logical frameworks adopted every year. The project logical framework is illustrated diagrammatically in Figure 1 on next page, which shows the different levels of the project’s hierarchy of objectives, results and activities, and also the anticipated logical pathways linking one level of the hierarchy and the next. In view of the terminal evaluator, project’s log frame represents a valid and comprehensive approach to the achievement of the project’s objectives, and the project logic is sound and appropriate. It has clear indicators and targets that are “SMART” (Specific, Measurable, Attainable, Relevant, Time-bound).

Figure 1. Schematic representation of project result frame work


### **Assumptions and Risks**

The project is well aligned with Ethiopia GTP I and II, as well as the national industrial development strategy (2013-2020). The project contributes to enhancing the entire value chains and increasing the competitiveness of Ethiopian products in regional and international markets. Given its alignment with the national programme, only two risks were identified: limited investment funding and limited regional absorption capacity, which were appropriately considered the project design.

### **Lessons from other relevant projects (e.g., same focal area) incorporated into project design**

The projects builds on Ethiopia’s past national initiatives for the industry sector development. Besides, lessons from other regional and global industry sector development cases of different countries were considered. Hence, the project has incorporated activities related to experience sharing through visits to countries with success stories and participation on different regional and global expos, skills and knowledge sharing platforms.

### **Planned stakeholder participation**

The project has identified relevant national partners and UN agencies, with clear plan for their participation. The key government agency and private sector partners have participated in implementation of different the project activities and have benefited from the capacity development interventions. The lead government implementing partner was the MoTI, with different levels of participation by MIDI, LIDI, IPDC EIC and selected IPs. The private sectors collectively participated through their national level association, the ECCSA.

The UN agency stakeholders considered include UNDP, ILO, IOM, UNIDO, and UNCTAD. The planned participation of UNDP’s was as lead implementing partner, through provision of both technical and financial support, while other UN agencies participation was through provision of technical support. Hence, UNDP played the role of administering the project fund as well as in providing demand driven technical assistance and capacity building support to MOTI other stakeholders. The UNDP CO has also provided quality assurance support to the project and monitored achievement of agreed results indicated in the annual work plans.

### **Replication approach**

The project follows institutionalized replication approach. It targets high level institutions and policy issues that can replicate the lessons and recommendations of the project. The MoTI and sub-sector institutes cascade gains from the project to sub-national (regional states) agencies and the state and private industry actors. Similarly, the ECCSA also has a strong replication potential since it cascades the gains from the project to the regional chambers, member sub-sectors associations and individual private industry sector actors.

### **UNDP comparative advantage**

The UN agencies in Ethiopia work closely through the United Nations Development Assistance Framework (UNDAF) 2016-2020, as the key programming instrument of the Delivering as One (DaO). This ensures coherent, efficient and effective UN system operations in full alignment with national development priorities. The United Nations Development Programme (UNDP) is a key development partner for the Government of Ethiopia to address key underlying structural causes of poverty and deprivation. Within the UN system, UNDP plays an integrator role serving both as a foundation for a strong UN development system, services and platforms in support of a coherent UN system approach to the achievement of the SDGs. The UNDP regional office for Africa is also based in Ethiopia, making it one of the big UN agencies in Ethiopia.

Donors also view UNDP positively, since it has supported transformational development plan designs including the GTP and Agenda 2025. UNDP’s functional relationship with the GOE and a unique position it occupies among other UN agencies, has resulted in the provision of financial and technical support in many development interventions in different sectors, including the Institutional Capacity Strengthening for Industrial Development Program. This is highly appreciated by donors and GOE. UNDP is viewed as contributing to addressing critical national development issues particularly industrial development, poverty reduction, through organizational and human capacity development.

### **Linkages between project and other interventions within the sector**

The project is well aligned with the GOE’s GTP II industry sector development plan, as well as the next Ten Year Perspective Development Plan (2021 – 2030). There are other different initiatives, supported bi-lateral and multi-lateral donors. Light manufacturing development initiatives are supported by a number of donors, including African Development Bank, Belgium, Canada, China, the European Union, Germany, IMF, Italy, Japan, Netherlands, Sweden, UNDP, UK and USA[[1]](#footnote-1). A related and complementary UNDP project intervention is “Promoting Sustainable Investments along the Belt and Road by Strengthening Partner Countries’ Capacities and Establishing a Network of Sustainable Investment Promotion (SIP) Facilities with Ethiopia as the Early Pilot” launched in 2019.

### **Management arrangements**

UNDP is the lead implementing agency for the project, while the MoTI is the main Implementing Partner (IP) from the GoE side. UNDP administers the fund, and provide technical and financial support to the IP and other beneficiaries. The other beneficiary organizations (LIDI, MIDI, ECCSA) have assigned focal person that coordinates their respective activities with UNDP and the IP. To enhance its support and effectiveness of the project, UNDP also assigned national and international technical advisors to the IP.

## ***Project Implementation***

### **Adaptive management**

The project was adaptive to any changing conditions and capacity development needs of the partners. The project-level monitoring and evaluation systems, reporting, study reports and project communications have aided in the project’s implementation positively Project monitoring reports are compiled. Annual result-based reports are also prepared, and feedbacks from these and the status of the project progress are used during preparations of the following year annual work plan. Besides, findings of the policy review and study reports are also used in the AWPs and project activities. A very good example ‘adaptive management’ practice in the project is the ‘Initiation Plan’. Following findings and recommendation of ‘A study on Women in Manufacturing in Ethiopia’ was used to add 4 additional outputs to the project, which were implemented during the 2nd half of 2019 and 1st half of 2020.

### **Partnership arrangements**

The project has developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders that include MOTI, UNIDO, UNFPA and ILO with UNDAF driving the process. The local and national government stakeholders supported the objectives of the project and played an active role in project decision-making that supported efficient and effective project implementation. Stakeholder involvement and public awareness has contributed immensely to the progress towards achievement of project objectives since the project is a national countrywide initiative

### **Feedback from M&E activities used for adaptive management**

Different information were used as feedback for project adaptive management. As mentioned earlier, internal project monitoring reports were compiled every quarter, assessing substantive project activities, ATLAS updates, financial and administrative management and project performance towards results, along with suggestions for follow and action plan. There were also annual result-based reports and various policy reviews and thematic studies on different aspects of the industry sector transformation issues. The project used feedbacks from these sources of information and the Mid-Term Review report, to necessary actions to keep the project on track, as can be seed from the successive AWPs and implemented activities during the implementation period.

### **Project Finance**

The project was funded by UNDP Ethiopia Country Office (CO) core resources. UNDP was responsible for disbursing the project fund to implementing partners (government and UN agencies), as well as spending it according to the agreed project AWP. Project partners that receive funds are required to submit quarterly financial report to the UNDP. Other UN agencies report their project expenditure to UNDP and the government. The UNDP CO enters the disbursement in ATLAS. Direct payments of the project IP has to be approved by UNDP.

### **Monitoring and evaluation: design at entry and implementation**

The project followed standard UNDP reporting, monitoring and evaluation process. There was regular work planning every year, with no delays in project start-up and implementation, and all work-planning processes were results-based. There was no interruption in the quarterly project monitoring report, annual Result-Based Report and annual budget expenditure reports.

Internal project communication with stakeholders was regular and effective and took into account all key stakeholders. There were sufficient and efficient feedback mechanisms when communication is received. This communication with stakeholders has contributed to their awareness of project outcomes and activities and investment in the sustainability of project results.

### **UNDP and Implementing Partner implementation/ execution, coordination and operational issues**

There was smooth coordination and execution of the project activities between UNDP and the Implementing Partner. Focal persons that were interviewed by the evaluator expressed their appreciation to the UNDP project team for professionalism and collegial support provided, and smooth implementation of the project. The fact that UNDP placed national technical adviser in the MoTI has enhanced project implementation, execution of activities and reporting. Hence, the project was implemented efficiently, cost-effectively, and been able to adapt to any changing conditions. Management changes have been reported by the project management and shared with UNDP when they happen. The Project Team and partners have satisfactorily undertaken and fulfilled all project reporting requirements.

## ***Project Results***

### **Overall results (attainment of objectives)**

This sub-section examines the main achievements of the project according to the project logical framework set out in Figure 1. The project had one outcome and seven outputs over the whole implementation period. Three of the project outputs were derived from UNDAF. The UNDAF targets were high and would also require over USD 100 million. The project only had a budget of around USD4.4 million. With allocated resources, the project has achieved its planned activities, and has also fairly contributed to the UNDAF targets, and to the four additional outputs included during the last year of the implementation period. The main achievements and challenges corresponding to each project output are presented hereunder.

**Output 1:** Government's policy review and regulatory capacity in industrial development strengthened for industrial sector transformation and increased private investment in medium and large enterprises (MSMEs).

Under this output, three main activities were planned. These were:

* Activity 1.1: Sector wide Advisory services provided to government policy makers/officials for enhancing industrial development
* Activity 1.2: Industrial programmes coordination support services provided to enhance industrial planning and programming
* Activity 1.3: Capacity Gap Assessment study completion and Program Document Development

The baseline indicators for this output were: insufficient industrial advisory services, continuation of programmes coordination support services, and non-existent of current assessed Capacity Gap and Program Document. The project took three corresponding actions, i.e., assigning industrial service advisor that provide guidance on transformational programme/project identification; assigning national technical advisor/programme coordinator and conducting capacity gap assessment, and developing program document based on the identified gaps. The project has successfully achieved its targets. The details of the project achievements are presented below.

* **Policy advisory services** were provided to the Minister and senior leadership of the Ministry of Trade and Industry on Government’s industrial policy framework and regulatory capacity towards industrial development and transformation. The support enabled the Ministry to design strategic interventions to enhance competitiveness and productivity in the prioritized sub-sectors. Specifically, policy advisory services were provided on the:
	+ Country’s cross-industry ecosystem and binding constraints towards and accelerated expansion of the industrial sector and manufacturing sub-sector in Ethiopia were identified, with strong-emphasis on SMEs and value chain clusters.
	+ Detailed assessment and review of manufacturing export performance conducted as a whole and for prioritized sub-sectors, identified bottlenecks and provided recommendations for strategic interventions.
	+ Undertook a comprehensive assessment of the coordination mechanisms for fostering industrial sector development at both national and regional level and commended palatable actions.
	+ Knowledge framework that builds understanding and solutions for improving international competitiveness of the industrial sector in regions of Ethiopia.
	+ Effective working relationship with most of the important development partners including UNDP, UNIDO, DFID, World Bank, EU, USAID, JICA and KOICA and their respective agencies in Ethiopia
	+ Dedicated advisory support to the Minster on Steel and Metals and Petrochemicals and Chemical Products to target deliberately and precisely the heavy and chemical industries.
* Industrial Development Policy, Strategies & Roadmap Development. In this regard, a number of studies were conducted and documents produced. These include
	+ **Industrialization Road Map synthesis and its implementation strategy (up to 2025)** was prepared for the manufacturing sector.
	+ **Industrial zone development strategy was developed and has** that catalyzed the development of industrial parks (IPs), including establishment of Bole Lemi and Hawassa Industrial Parks.
	+ **Feasibility study on integrated agro- industrial parks was conducted and endorsed** for Ethiopia in collaboration with UNIDO, FAO and Italian Cooperation, which has led to **the establishment of agro-industrial parks in the four main regions of Tigray, Amhara, Oromia and Southern Nations and Nationalities Peoples Region (SNNPR)**. UNDP specifically provided capacity development support to regional Industrial Development Park Corporations and awareness-building on the benefits of the parks at community level.
	+ **Policies for Accelerated Investment and Growth of Industrial Sub-Sectors of Ethiopia endorsed.** The policy study put forward policy recommendations for prioritized industrial sub sectors compatible with the overall industrial policy. Specifically, i) designed and developed a vibrant policy-making framework, process and institutional structure to support each of the eight (8) priority sub-sectors identified in the Ethiopian Industrial Development Strategic Plan (EIDSP); and, ii) put forward innovative, implementable, best practices of internationally competitive industrial sub-sectors that inform Ethiopia’s industrial transformation agenda in line with Africa 2063 and the UN 2030 Agenda on Sustainability.
	+ **A study on ‘Women in Manufacturing: opportunities, challenges and strategic interventions’** was conducted; the study report was produced, published and disseminated. The study examined existing outlook, and emerging constraints to increase participation and benefit by women in the industrial sector over GTP ll & GTP lll. Some of the recommendations of the study were implemented as part of through ‘Initiation Plan’ entitled ‘inclusive and sustainable industrial development: women empowerment in manufacturing sector’ project. The last four outputs of the IDP was added as part of this project.
	+ **A study on Manufacturing Export Performance** was conducted, report produced and disseminated to relevant stakeholders. The study highlighted the results of detailed assessment of the manufacturing export performance as a whole and that of prioritized sub-sectors in the GTP I period. It also provided a synopsis review of the existing relevant export incentives and put forward overall policy and sector specific recommendations towards enhancing the performance of the sector.
	+ **Strategy for the inclusive market development of the basis metal and engineering sub-sector in Ethiopia** was developed. The Strategy addressed challenges in the basic metal and engineering sub sector value chain in Ethiopia as the industry is pertinent to the Ethiopian Economy, particularly due to the sub-sectors contribution to development of infrastructure necessary for industrialization and development.

**Output 2: Ethiopian manufacturing and service industries, especially medium and large enterprises sustainably improved their competitiveness through 1) value chain analysis and cluster development 2) enhanced labour productivity.**

The project activity for addressing this output was: preparation of ‘Legal and Regulatory Framework and Operation Management Manual for the IAIPs and RIPDCs’. Implemented actions of the project were: conducting ‘Legal and Regulatory and Operational Management Studies for 4 Regional Integrated-Industrial Parks and Regional Industry Park Development Corporations’ and ‘Printing of pitchbooks/Financial Management Manuals for the 4 Regional Industrial Parks Corporations, including Addis Ababa City Administration’. The project has successfully achieved planned intervention under this output. These include:

* **Industrial Information System – which** is comprehensive, computerized and web-enabled, was established. The ‘Industry Information System ‘helped the MoTI to centralize and disseminate statistical information related to the performance of the industrial sector.
* **Regional Industrial Park Development Corporations’ financial management systems established** to enable RIPDCs handle financial transaction in modern and systematic manner.
* Bankable business plans and pitch books to attract potential investors to invest in integrated agro-industrial parks were also developed for the 4 plot regions as well (Oromia, Tigray, Amhara, and SNNP).
* **Standardized input-output coefficient system established.** The system enhanced industrial coherence and improved industrial planning in terms of facilitating trade through systematization of incentives in priority export-oriented sub sectors.
* The system enabled as well to oversee duty neutralization, which allows exporters to get the raw
* **Non-Destructive and Destructive Testing Technologies (NDT) Centre**was established at Metal Industries Development Institute (MIDI). The NDT laboratory has also received the required testing equipment and devices.
* **Leather Industries Development Institute quality certification system enhanced** by providing the Institute with product testing machineries.
* **Enterprise Resource Planning (ERP) System** was established to systematized management of for the Institute’s (LIDI) human resources.

**Output 3: Private sector support-giving institutions and MSMEs have improved skills, knowledge, and improved technological capacity**

The project activity for addressing this out put was: ‘Enhanced knowledge on leadership, improving performance of private sector, private sector support-giving institutions and RIPDCs’. The project has successfully implemented the planed action, i.e., industrial transformation leadership/skill development training for different industry sector leaders, including the Federal and Regional Industry Bureau Leaders, the regional industrial park development corporations CEOs, deputy CEOs, technical experts and regional and federal support institutions. The major results achieved under this output are:

* **Guideline (manual) on industrial sectoral association established** towards a strong representative body of the industry sector;
* **All African Trade Fair 2013 & 2014 organized** and held by the Ethiopian Leather Industries Association. The fair created business linkages and strengthened the integration of Ethiopian and other African leather industries with global partners. The event attracted over 200 exhibitors, from 48 countries, on which business transactions worth of 12 million USD were made.
* T**echnical knowledge of different leather actors was developed: 85 leather industry leaders**; 50 leather industry mechanical and electrical experts; 170 high level officials and operators within the leather sector on waste management, in process pollution reduction and adoption of clean technologies; and 24 experts on international trade, market access, awareness on WTO and supply chain management in leather sector.
* Skills enhancement training on Non-Destructive and Destructive Testing Technologies (NDT) provided to MIDI personnel
* Training seminar was organized for the **Quality Management Centre of the Metals Engineering Corporation and has contributed to improvements in quality standard of industry products.**
* The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) received different supports:
	+ Feasibility study for the establishment of Chamber Academy. Following this, ECCSA has established the Academy, and it is operational;
	+ Support participation industry sector members on experience sharing visits to other countries, e.g., a visit to Tunisia.
	+ Launch bi-annual ‘Competitive Forum’, where members meet every 6 months and discuss on contemporary issues. The forum has become permanent and was regularly held, except recent interruptions due to COVID-19 pandemic
	+ Training on six priority sub-sectors provided to regional five chambers;
	+ Enabled to inaugurate **Business Development Service (BDS) Centers in 5 regional chambers**. As a result, 77 chamber members gained knowledge on private sector policies and BDS development while 3 sector associations developed **strategic plans;**
	+ ECCSA delegates participated at the **8th World Chamber Congress at Doha, Qatar** assembling a global community of more than 12,000 chambers of commerce;
	+ ECCSA delegation participated at **India Conclave organized by Confederation of Indian Industries (CII) & EXIM Bank**;
	+ Ethiopia’s Industry potential and opportunity promoted to Asian market via Fortune China Magazine;
* Productivity and completeness of the leather sector enhanced through promotion of the newly released proclamation of raw hides and skin marketing on local media (Fana Radio for 3 month).

**Output 4: Women capacity in the manufacturing sector strengthened and empowered for inclusive and sustainable industrial development**.

The project has implemented four activities under this output: course material development (updating and translation of training manuals and guide books); visual aid development on animation of videos for soft skill training modules; provision of labor productivity skill enhancement sessions and Training of Trainers (TOT); and monitoring, evaluation and documentation of lesson learnt with the introduction of interventions measurement instruments. The project has successfully implemented these activities. The main achievements are:

* Course material consisting of 5 training modules/session plans were developed through UN-UN Agency agreement with ILO;
* 6 visual aid animation videos for soft skill training were developed through UN-UN Agency agreement with ILO;
* Training provided at Bole Lemi and Hawassa IPs for 100 trainers, who in turn have trained 900 floor workers, 90% of the total trainees are women, improving their skills and productivity. The trainings were provided though ILO based on the UN-UN Agency agreement.

**Output 5: Industrial parks (agencies and institutions within) become safe and gender friendly through institutionalizing inclusive systems in particular sexual and reproductive health awareness development that facilitate the promotion of gender equality and women empowerment.**

Under this output, the project planned six different activities: conduct peer education sessions to train women and youth; develop, print and distribute knowledge products on HIV prevention, family planning and other SRH issues; install information boxes in each industry parks for information dissemination and demand creation on sexual and Reproductive Health, and Sexual and Gender Based Violence (SGBV); Disseminate weekly radio spot to raise the awareness of women and youth on Adolescent and Youth Sexual and Reproductive Health (AYSRH), Sexual and Gender based violence (SGBV) and other structural issues in the Industrial Parks; strengthened coordination among stakeholders for harmonized intervention and response for the needs of women and youth working in the industry parks; and establish day care facilities at Bole Lemi and Hawassa Industrial Parks.

The planned activities under this output were accomplished. The achievements include:

* 1600 women industry women workers in the selected pilot Industrial parks (Hawassa and Bole Lemi) were trained on SRH, and improved their awareness;
* 3000 knowledge products were printed and distributed to workers in the selected pilot industrial parks (Hawassa and Bole Lemi), contributing to improvement of SRH awareness of the workers;
* 4 information boxes were installed at the selected pilot Industrial Parks (Hawassa & Bole Lemi);
* 16 weekly radio spots transmitted on SRH to women industry workers at the selected pilot industrial parks (Hawassa and Bole Lemi);
* Rooms for the daycare facilities were identified; two day-care facilities were established (one at Bole Lemi and one at Hawassa IP) and all necessary items required to operationalize the day-care facilities have been procured and delivered to the Industrial Parks. The facilities are currently not being used due to COVID-19 related restrictions.

**Output 6: Governance, Operation and Management Capacity enhancement: Labour Sourcing System Development**

Under this output, the project planned development of Labour Sourcing System at Bole Lemi Industrial Park. The project has recruited a firm to develop, test and make the Labour sourcing system and operationalize at Bole Lemi Industrial Park. The development of the system has advanced well and near completion, as learned from the KII during this evaluation.

**Output 7. Strengthen Coordination mechanism of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC)**

The planned project activity under this output was: to strengthen coordination mechanisms of women empowerment in the manufacturing sector, by establishing Gender Development Unit at Industrial Park Development Corporation (IPDC). The project has achieved this target. The ‘Gender Development Unit’ was established at the Industrial Parks Development Corporation. Further, the project has provided the necessary office furniture and equipment to operationalize the unit. This has created similar demand within the RIPDC.

Table 2. Summary of the achievements at Outputs and activities level

| No | **Outcome:** Expected UNDAF Outcome 2: By 2020 Private Sector driven manufacturing and service industry sector growth is inclusive, sustainable, competitive and job rich | Achievement |
| --- | --- | --- |
|   | Activity | Baseline level indicator | End line Target | Achieved | Not Achieved |
|   | Output 1: Government's policy review and regulatory capacity in industrial development strengthened for industrial sector transformation and increased private investment in medium and large enterprises (MSMEs) |
|   | 1.1 Activity: Sector wide Advisory services provided to government policy makers/officials for enhancing industrial development |  Insufficient industrial advisory services | Industrial service advisor placed to provide guidance on transformational programme/project identification |   |   |
|   | 1.2 Activity: Industrial programmes coordination support services provided to enhance industrial planning and programming  | Continuation of programmes coordination support services provided  | Technical advisor/programme coordinator place |   |   |
|   | 1.3 Activity: Capacity Gap Assessment study completion and Program Document Development  | Non-existent of current Assessed Capacity Gap and Program Document  | Capacity Gap Assessed and Identified and Program Document Developed  |   |   |
|   | Output 2: Ethiopian manufacturing and service industries, especially Small and Medium enterprises and Integrated Agro-Industrial Parks sustainably improved their competitiveness through 1)value chain analysis, Integrated agro-processing park development and cluster development 2) enhanced labor productivity |   |   |
|   | 2.1: Activity: Legal and Regulatory Framework and Operation Management Manual for the IAIPs and RIPDCs completed | No Legal and Regulatory Framework and Operational Management Manual  | Legal and Regulatory Framework and Operational Management Manual developed for Amhara,Tigray, SNNP and Oromia regions for the Integrated Agro Industrial Parks and Regional Industrial Parks Development Corporations.  |   |   |
|   | Output 3: Industry ( manufacturing) transformation leadership capacity building training, including Private sector support-giving institutions, IAIPs, RIPDCs, Industry support institution and SMEs have improved skills, knowledge, and improved technological capacity  |   |   |
|   | 3.1. Activity: Enhanced knowledge on leadership, improving performance of private sector, private sector support-giving institutions and RIPDCs | Insufficient capacity of leaders of the industrial growth actors at different levels and capacities of development institutes to lead and achieve the industrial transformation targets  |  Minimum 100 leaders and technical staff trained |   |   |
|   | Output 4: Women capacity in the manufacturing sector strengthened and empowered for Inclusive and sustainable Industrial Development |   |   |
|   | 4 .1 Activity: Course material development (updating and translation of training manuals and guidebooks) | Limited knowledge products on labour productivity skill enhancement | 5 training modules/session plans developed |   |   |
|   | **4.2. Activity:** Visual aid development on animation of videos for soft skill training modules | Limited knowledge products on labour productivity skill enhancement | 6 visual aid development on animation of videos for soft skill training |   |   |
|   | **4.3 Activit**y: provision of labour productivity skill enhancement sessions, and Training of Trainers (TOT) | Limited knowledge on labour productivity | Training of total 100 trainers and 900 floor workers at Bole Lemi and Hawassa Industrial Parks |   |   |
|   | **4.4 Activity**: Monitoring, evaluation and documentation of lesson learnt with the introduction of interventions measurement instruments | Limited knowledge on labour productivity | Compiled report on monitoring, evaluation and lesson learnt |   |   |
|   | Output 5: Industrial parks (agencies and institutions within) become safe and gender friendly through institutionalizing inclusive systems in particular sexual and reproductive health awareness development that facilitate the promotion of gender equality and women empowerment |   |   |
|   | **5.1 Activity**: conduct peer education sessions to train 1600 women and youth using peer facilitators guide prepared for the target group | Limited knowledge on sexual and reproductive health (SRH) | 1600 women industry women workers trained in SRH |   |   |
|   | **5.2 Activity**: Develop, print and distribute knowledge products on HIV prevention, family planning and other SRH issues identified by existing evidences | Limited knowledge products on SRH and HIV-AIDS | 3000 knowledge products printed and distributed |   |   |
|   | **5.3 Activity**: Install information boxes in each industry parks for information dissemination and demand creation on sexual and Reproductive Health, Sexual and Gender Based Violence (SGBV) | Limited knowledge products on SRH and HIV-AIDS | 4 information boxes installed at the Industrial Parks |   |   |
|   | **5.4 Activity**: Disseminate weekly radio spot to raise the awareness of women and youth on Adolescent and Youth Sexual and Reproductive Health (AYSRH), Sexual and Gender based violence (SGBV) and other structural issues in the Industrial Parks  | Limited knowledge products on SRH and HIV-AIDS | 16 weekly radio spots transmitted on SRH to women industry workers |   |   |
|   | **5.5 Activity**: Strengthened coordination among stakeholders for harmonized intervention and response for the needs of women and youth working in the industry parks | Limited Coordination among stakeholders on strengthening sexual and reproductive health knowledge among industry workers | Four Consultative workshops held among stakeholders |   |   |
|   | **5.6 Activity**: Day care Facility establishment at Bole Lemi and Hawassa Industrial Parks | Non-existent day care facility at industrial parks | Two day-care Facilities established (one at Bole Lemi and one at Hawassa IP) |   |   |
|   | Output 6: Governance, Operation and Management Capacity enhancement: Labour Sourcing System Development |   |   |
|   | 6.1 Activity: Labour Sourcing System Development to be piloted at Bole Lemi Industrial Park | Non-existent of Labour Sourcing System at Bole Lemi Industrial Parks | Labour Sourcing system developed and tested at Bole Lemi IP |   |   |
|   |  Output 7. Strengthen Coordination mechanism of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC)  |   |   |
|   | 7.1 Activity: Strengthen Coordination mechanisms of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC) | Non-Existent Gender Development Unit at Industrial Parks Development Corporation (IPDC) | Gender Development Unit establishment at IPDC |   |   |

### **Relevance**

**Relevance:** The key questions with regard to relevance of the project/program include: To what extent is the Programme successful in assisting Ethiopia in achieving its targets on manufacturing industry sector development? (as described in the GTP I & II); To what extent is the Programme successful in reaching its goal of strengthening the capacity of industry sector actors? Federal? Regional? Private? Or How does the project relate to the main objectives of UNDP and development priorities at the local, regional and national levels Is the programme the relevant/appropriate solution for the identified problem or need? Does the programme address issues of poverty reduction in its design and execution strategy? Is the theory of change sound for programming

The evaluation found out the Institutional Capacity Strengthening for Industrial Development project was highly relevant and was strategically positioned to support Ethiopia’s industrial and poverty reduction objectives as articulated in the GTP (2025) and the UN system Delivering As One as articulated in the UNDAF. The terminal evaluation clearly indicated that the project was relevant in identifying appropriate action that addressed industrial development and poverty reduction design and ***implementation strategy***. The IDP is aligned to the development aspirations of the GOE and responds to the critical priorities on industrial development and poverty reduction, sustainable economic transformation, good governance and institution building and strengthening.

Capacity development in the form of skills training, workshops, retreats and institutional building remain key in responding to institutional capacity development, industrial development, povertyreductionandhumanresourcedevelopment.Forinstance,Ministry of Industry attended skill advancement sessions anchored on planning, coordination, monitoring & reporting of activities at the county level; project management methodology and formulation; planning, coordination andreportingprocessesattheNationalLevel;thebudgetingprocessattheNationalLevel and the National budget development processes.

The Institutional Capacity Strengthening for Industrial Development Program has remained relevant and strategically positioned while demonstrating remarkable adaptation to changing circumstances.

Evaluation of the Institutional Capacity Strengthening for Industrial Development Program results matrix showed that the outcomes, outputs, indicators, baselines and targets were rightly placed. In addition, they responded to national priorities identified in the GTP and other national development policy documents such as Vision 2030 and were drawn directly from the UNDAF. The program was very responsive and adaptive needs that arise during implementation. For example, the project outputs #4-7 were additional that were developed during implementation phase, in response to findings and recommendations of different studies conducted by the project. In response an *Initiation Plan* was prepared, adopted and its implementation started during the 3rd quarter of 2019, successfully implementing these additional interventions found to be relevant in such a short time.

### **Effectiveness & Efficiency**

***Effectiveness***

With regard to effectiveness, the terminal evaluation assessed: whether the project intervention achieved the expected output and immediate outcomes and made progress towards the intermediate outcomes, i.e., in reducing poverty and building/strengthening institutional capacity for Industrial Development in Ethiopia; whether there are any unintended results, either positive or negative observed?

On the basis of the analysis of the programme’s desired or planned results (outputs, baseline, targets, indicators, outcomes and impacts), quarterly reports, discussion with project staff and with stakeholders, the project has successfully accomplished all its outputs and activities, as shown in Table 2. For the effectiveness of the project, the following factors have contributed

* Alignment with the government industrial development policy and strategy:
* Project management arrangement/ approach: UNDP provided fund and technical support. Besides, UNDP also administered the finance and procurements of goods and services according to UN procedures, to avoid lengthy process of the government procurement procedures.
* Commitment of the project team: The UNDP project team provided closer follow up and support. Besides, competent international and national technical advisors were placed at the IP (MoTI) to provide advisory services and support coordination and timely execution of project interventions;
* Trusted and strong partnership between the Government and UNDP
* strong industry sector stakeholders motivation and active participation.

The project actually has achieved more that it has originally planned. The project started with three outputs, and added four additional outputs during its last year, in response to the findings and recommendations of a study on Women in Manufacturing in Ethiopia.

***Efficiency***

The evaluation assessed how economically resources/inputs (funds, expertise, time, etc.) were converted to outputs, and whether the outputs were achieved on time and on budget, with positive variance. Overall resources were high, with an average resource utilization of 91% for the whole period. For most years, resource utilization was 96% and above, except 2019, with lowest resource utilization of 68%. It was low since implementation of the additional four outputs was started only during the 3rd quarter of 2019, and the time was too short to procure services and equipments required to deliver these outputs as planned. Out of a total over US$4.434 million project budget approved between 2013 and 2020, about US$4.06million has been utilized. Overall, the project has delivered all the intended outputs on-time and cost effectively.

Given the adaptive nature of the project and decisions that were made in the middle of the implementation year, resources were allocated to activities that were thought to be of high priorities by the partners.

Table 4.Summary of resource utilization of the project

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Approved Budget (US$)** | **Expenditure (US$)** | **Utilization Rate (%)** | **Variance** |
| 2013 | 664,000 | 638,780 | **96** | 25,220 |
| 2014 | 781,981 | 749,178 | **96** | 32,803 |
| 2015 | 283,990 | 283,990 | **100** | 0 |
| 2016 | 532,503 | 528,145 | **99** | 4,358 |
| 2017 | 531,000 | 512,562 | **97** | 18,438 |
| 2018 | 584,500 | 588,721 | **101** | -4,221 |
| 2019 | 947,001 | 648,047 | **68** | 298,954 |
| 2020 | 109,210 | 106,642 | **98** | 2,568 |
| **Total**  | **4,434,185.00** | **4,056,064.67** | **91** | 378,120 |

Figure 2. Resource utilization efficiency of the project during the implementation

(Source: Project Budget Balance data generated from ATLAS. Plans and Expenditure Reports (2013-2018))

### **Country ownership**

The industry sector is given tremendous priority in Ethiopia’s success economic development plan. Bringing fast growth in the industry sector is expected to bring structural changes in the economy, and increasing the share of the sector’s contribution to the GDP growth, job creation and poverty reduction.

The AWPs of the project were jointly prepared and approved by MoTI, MoFEC and UNDP. There were clear indication of uptake of the project outputs and recommendations in transforming the industry sector. The project has supported many studies and provided advisory services. The government has taken up the recommendations of the policy revision and has taken many transformative measures. For example, the government has aggressively invested in development of industry clusters and industrial parks.

The government has also already established institutes for different manufacturing industry sub-sector, in order to support product quality improvement, productivity improvement and competitiveness. The project has contributed to capacity development of these government initiatives, both technically as well as transformational leadership.

### **Mainstreaming**

The results of the project are being mainstreamed in the sector. The policy reviews and study results were heavily used in developing the industry sector road map and strategy and revising overall sector and sub-sectors policies. The different operational manuals and guidelines were also approved for use by regional IDPCs and IAIP.

A number of enabling institutions exist or newly established that can help in mainstreaming: the Policy and Program Study, and M&E Directorate at MoTI, institutions that enable the cluster approach (IPDC, RIPDC, IP, IAIP), Gender division, Chamber Academy and the BDS centers established through the project support and some examples to mention.

The project has supported a system for building the capacities of women in the manufacturing sector and making industrial packs safe and gender friendly working places. For capacity building, the project identified major areas of capacity gaps, and prepared five training modules, and piloted the training successfully at the Bole Lemi and Hawassa IPs. The project also institutionalized sexual and reproductive health awareness, gender equality and women empowerment programs and establishment of day care facilities working. To ensure scaling up and mainstreaming these initiatives, the project has also supported establishment of Gender Development Unit IPDC.

### **Sustainability**

The evaluation assessed the likelihood that results/benefits will continue after the closure of the project; whether there are committed financial and human resources to maintain benefits and results; and existence of conducive external environment to maintenance the results.

UNDP and the Ministry of Trade and Industry were jointly implementing the project since 2013. Other UN agencies like ILO, IOM, UNIDO, UNFPA and a number of service providers have participated on capacity strengthening activities, benefiting many federal and regional industry sector organizations. The lasting effects of the project that contribute to sustainability include:

* Industry sector road maps and strategy developed as a result of industry sector policy review and thematic studies;
* Operational guidelines and various manuals that improve accountability, good governance and operational effectiveness;
* Pitchbooks for industry clusters that demonstrate their potentials, opportunities and strategic advantage to attract investors were produced ;
* Transformative leadership capacity of more than 140 industry sector leaders;
* Technical capacity of selected sub-sectors like metal and leather industries were strengthened;
* Training materials for industry workers produced and distributes;
* Different enabling institutions or units were strengthened or created (e.g. ECCSA’s Chamber Academy).

GOE has made industrial development its top priority. The GoE is investing its own resources in IPs, IAIP and SME clusters in different parts of the country. This is a clear step in the right direction that leads to ownership of the project. With developments of the IPs and IAIPs, Ethiopia has managed to attract many foreign investors. The country has to attract 3.3 Billion US dollars Foreign Direct investment in 2018[[2]](#footnote-2). With growing investments in infrastructure and improving policy environment, the country is expected to attract more FDI, once the current global pandemic is over.

### **Impact**

The evaluation looked at extent to which the project is achieving impacts or progressing towards the achievement of impacts. The project goal is to play a catalytic role in government’s effort to bring about a transformative and structural change in the manufacturing sector through enhancing the institutional capacity of private sector-led manufacturing industries. Naturally, it takes many years to achieve impact, it is not realistic to directly measure the delivery of impacts at the end of the project. Instead, a mechanism is needed to assess the likelihood that the project will contribute towards achieving impact; i.e. to identify and then assess a proxy, or proxies, of the delivery of impact. In this regard, Table 5 below identifies a set of potential “Impact Drivers” from the list of end line target indicators, which if they are already being fulfilled or are likely to be fulfilled in the future, are indicative of the likelihood of the project achieving eventual impacts.

Table 5. Summary of the project outputs and key impact drivers

| Project result (output) | Key Impact driver/ Endline Indicator | Impact |
| --- | --- | --- |
| Output 1: Government's policy review and regulatory capacity in industrial development strengthened for industrial sector transformation and increased private investment in medium and large enterprises (MSMEs) | EI-1. Industrial service advisor placed to provEI-e guEI-ance on transformational programme/project EI-dentification | By 2020 Private Sector driven manufacturing and service industry sector growth is inclusive, sustainable, competitive and job rich⇓Poverty Reduced, and Macroeconomic structure transformed to ***Industry led-economy*** |
| EI-2. Technical advisor/programme coordinator place |
| EI-3. Capacity Gap Assessed and identified and Program Document Developed  |
| Output 2: Ethiopian manufacturing and service industries, especially Small and Medium enterprises and Integrated Agro-Industrial Parks sustainably improved their competitiveness through 1) value chain analysis, Integrated agro-processing park development  | EI-4. Legal and Regulatory Framework and Operational Management Manual developed for Amhara, Tigray, SNNP and Oromia regions for the Integrated Agro Industrial Parks and Regional Industrial Parks Development Corporations.  |
| Output 3: Industry (manufacturing) transformation leadership capacity building training, including Private sector support-giving institutions, IAIPs, RIPDCs, Industry support institution and SMEs have improved skills, knowledge, and improved technology | EI-5. Minimum 100 leaders and technical staff trained |
| Output 4: Women capacity in the manufacturing sector strengthened and empowered for Inclusive and sustainable Industrial Development | EI-6: Five training modules/session plans developed |
| EI-7: Six visual aEI- development on animation of videos for soft skill training |
| EI-8: Training of total 100 trainers and 900 floor workers at Bole Lemi and Hawassa Industrial Parks |
| EI-9: Compiled report on monitoring, evaluation and lesson learnt |
| **Output 5: Industrial parks (agencies and institutions within) become safe and gender friendly through institutionalizing inclusive systems in particular sexual and reproductive health awareness development that facilitate the promotion of gender equality** | EI-10: 1600 women industry women workers trained in SRH |
| EI-11: 3000 knowledge products printed and distributed |
| EI-12 Four information boxes installed at the Industrial Parks |
| EI-13 Sixteen weekly radio spots transmitted on SRH to women industry workers |
| EI-14 Four Consultative workshops held among stakeholders |
| EI-15 Two day-care Facilities established (one at Bole Lemi and one at Hawassa IP) |
| Output 6: Governance, Operation and Management Capacity enhancement: Labour Sourcing System Development | EI-16 Labour Sourcing system developed and tested at Bole Lemi IP |
| Output 7. Strengthen Coordination mechanism of women empowerment in the manufacturing sector: Gender Development Unit Establishment at Industrial Park Development Corporation (IPDC) | EI-17Gender Development Unit establishment at IPDC |

As discussed under 3.3.1 above, the project has successfully achieved all its end line targets, sometimes, even surpassing the targets, and therefore, has contributed towards eventually making the long-term impacts.

Overll rating of the Terminal evaluation of the project is presented in Table 6 below.

|  |  |  |
| --- | --- | --- |
| Criteria | Rating | Achievements |
| ***Effectiveness, Efficiency, M&E, I&E Execution***(1- Highly unsatisfactory to 6-highly satisfactory) | 6 | Successfully achieved all targets, and time and within budget |
| ***Sustainability***(4- likely, to 1- unlikely) | 4 | Strong government ownership; enabling institutions and policies |
| ***Relevance*** (2- Relevant; 1- not relevant) | 2 | Based on UNDAF outcome and aligned with government industry sector development plan |
| ***Impact***(3- Significant to 1- not significant) | 3 | The impact of the project on shaping the sector’s policy and capacity of the different actors was significant. |

# **Conclusions, Lessons and Recommendations**

## ***Conclusion and lessons***

The project did not have project design document except for the ‘initiation plan’ component implemented during the final year of the project. The result framework of the project was based on Outcome 2 of UNDAF (2016-2020). However, successive annual work plans were jointly prepared by UNDP and the MoTI, in consultation with other relevant stakeholders.

Lack of initial project document has both negative and positive sides. The positive side is the flexibility and adaptive nature that enabled responding to evolving needs of the beneficiaries. The negative side is the complexity of tracking changes, due to changing tragets and actions every year; and lack of the full scope of the project.

The AWPs were prepared following the Ethiopian fiscal year. But, the budget balance on the ATLAS follows UNDP budget year, which also makes assessment complicated. Further, the number of activities on ATLAS project budget balance does not follow those in the project AWP, and most do not have descriptions of activities. Since, the annual result based reports do not follow the AWP, establishing relationships between the two was not easy.

Having said that, the evaluation concluded the following:

* Planned activities were successfully implemented, achieving the set targets for each year;
* Project interventions on policy review and generation new innovative ideas based on commissioned studies were very useful for developing clear road map, policies and strategies of the sector, and appreciated by all stakeholders;
* The project has addressed different aspects of capacity building to the satisfaction of the beneficiaries
	+ Policy level capacity- provided inputs for policy reforms through the advisory services and commissioned thematic areas study reports;
	+ Strengthened the capacity of existing industry sector institutions- technical, equipment and policy;
	+ Created new units within existing institutions, e.g, gender unit in IPDC, Chamber Academy within ECCSA
	+ Provided support to newly created industry sector institutions, e.g., RIPDCs
	+ Built individuals level capacity: transformational leadership for leaders; technical skills and tools for experts and productivity enhancement skills for industry workers, especially women.
* The project was quite adaptive, which were demonstrated in its:
	+ **Innovativeness**- it included different capacity development interventions for different groups of beneficiaries and levels;
	+ **Responsiveness**- continuously modified to meet the needs of the beneficiaries, e.g. industrial leadership training;
	+ **Learning**- through many thematic studies and stakeholders/ beneficiaries need assessment; and
	+ **Collaborative**- involved many UN agencies and bi-lateral partners to address project interventions/activities that require specialized organizations, e.g. ILO, UNIDO, UNWOMEN and Korean knowledge sharing program.

**Key Lessons**

* Capacity needs for career development is not just for early- and mid-career levels. It is relevant even for senior leaders, and especially when it based on good practices;
* Joint planning with partners is crucial for successful achievement of project goals, and ownership of results;
* Policy advisory service coupled with evidences from in-depth thematic studies has high likelihood of influencing policy changes/ revision;

## **Recommendations**

Based on evaluation of the project documents and feedback of the key informants, the following recommendations that may help in design and implementation of similar project intervention:

* Future projects should prepare project design document, with clear modalities of implementation and adaptive management ideas that respond to the needs of beneficiaries, before entering annual work planning and implementation phase;
* Future capacity strengthening projects should give the lion’s share focus and support to local private sector industry actors, specially on quality standard and market linkage;
* Future interventions should also consider encouraging local innovations in manufacturing, as well as transforming micro and small industries into medium and large industries;
* Future capacity strengthening should go beyond policy and include operational/ practice levels. The project was successful in influencing policy level transformation, which may continue to be important. Beyond policy, it is very important to strengthen operational capacity in practice, especially at regional state, IPs and IAIPs levels;
* Future projects and programs should also consider strengthening the capacities of entrepreneurs through:
	+ Business knowledge and skills development;
	+ Increasing access to financial services
	+ Increasing access to market/ linking to markets including the industrial parks;
* Expand pilot activities like capacity building of women in manufacturing, labour sourcing system, and creating a safe working environment for women that were implemented at Bole Lemi and Hawassa industry parks to other industry parks in different regional states;
* Future programs should also go creating policy and enabling environment, and job creation, and support improvement of social and labour standards for the industry workers;
* Support development of database for small and micro enterprises/ industries that serves are framework for information exchange down the local levels. The industry information system developed with the project support is highly appreciated. But it is only for national level and medium to large scale industries. Data on SMEs is not available or not reliable.

# **Annexes**

## **Annex 1. Terms of Reference**

1. **General Information**

**Services/Work Description:** Terminal evaluation Capacity Strengthening for Industrial Development

**Project/Program Title:** Capacity Strengthening for Industrial Development (00084432)

**Duty Station:** Addis Ababa

**Type of the Contract: National Consultant**

**Duration:** 36 working Days

**Expected Start Date:** June 2020

1. **Background**

UNDP has been supporting the industrial development agenda of the Government of Ethiopia. The overall objective of the programme has been to contribute to the envisioned industrial transformational change in the scale, quality, diversity and socio-economic benefit of the nation’s industrial sector. The overarching result is local employment creation, improvement in livelihoods, and diversification of local economies with specific focus on development of a sustainable and economically viable industrial sector. UNDP’s intervention has been catalytic in building national capacities for industrial and agro- industrial development and contribution to the attainment of development goals set in the GTP II.

In GTP II, industrial value addition was projected to increase at an annual average growth rate of 20% and the share of the industrial sector in overall GDP was expected accordingly to increase from 15.1% in 2014/15 to 22.3% by 2019/20. A new vision has been set to render the country as a leader in light manufacturing in Africa and one of the leaders in overall manufacturing globally. The vision on manufacturing sector is set to sustain the rapid economic growth registered over a decade. Similarly, during GTP II, special emphasis was also given to the development of export-oriented manufacturing industry, with the objective of transforming the structure of the economy to enable the country to achieve the vision of becoming lower middle-income status by 2025. The Ministry of Trade and Industry has developed Ethiopian Industrial Development Strategic Plan as part of GTP ll (2015-20) and GTP lll (2020-25).

This anticipated growth is expected to be driven through private sector development targeting investments in eight priority manufacturing sub-sectors. The 8 priority sub-sectors namely - Food and Agro-Processing; Chemical and Petrochemicals; Textiles and Apparel; Cotton Fiber; Leather and leather products; Steel, Metal and Engineering; Electronic Products; and Emerging Industries (including Industrial Biotechnology and ICT) – are expected to take the lead in the growth of a more diversified manufacturing sector. These prioritized sectors are expected to spearhead transformation of the manufacturing sector and increase the GDP share of manufacturing sector from 5 percent to above 17 percent by 2025.

In light of this, an integral part of the industrial development strategy is the establishment of Industrial Parks (IPs) with the main objective of attracting foreign direct investment (FDI) in key strategic manufacturing industries, which in turn, would assist transfer of technology to the local entrepreneurs, diversify the structure of the country’s export, and generate employment. Likewise, to ensure linkage of agriculture with industry with more value addition and job creation. Government of Ethiopia (GoE) has adopted Integrated Agro-Industrial Parks (IAIPs) approach as one option that can transform Ethiopian agricultural production from being fragmented and supply-driven to becoming organized, safe, demand-led and quality-oriented via industry cluster development. These integrated efforts are expected to bring about a balanced regional industrial development and integration of a diverse group of industries with regional and global markets. In this regard, effective implementation capacity was critical to ensure optimal utilization of resources and growth of a diversified manufacturing sector

The Ministry of Trade and Industry (MOTI) is the primary project implementing entity for this project. The project is funded by UNDP Ethiopia Country Office (CO) core resources. UNDP takes the role of administering the project fund as well as in providing demand driven technical assistance and capacity building support to MOTI. The CO also provides quality assurance support to the project and monitors achievement of agreed results indicated in the annual work plans.

1. **Terminal Evaluation Objectives**

UNDP is now seeking the services of a local consultant to undertake **terminal programme evaluation** on the basis of mid-term evaluation that was undertaken in 2018. **The Terminal programme evaluation** shall be conducted according to the guidance, rules and procedures established by Evaluation Guidance for UNDP Financed Projects. The objectives being to assess the achievement of project results, and to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP future program designing. The evaluation also sees how much UNDP’s support to the Ministry has been successful and the drawbacks therein. The main objective of the terminal evaluation encompasses to review the implementation of the project activities and achievement of results starting from its initial period so as to: (1) measure the performance of the project; and, (2) draw lessons to facilitate decision on future orientation of the programme. Overall progress of the project should be reviewed with a focus on each of the project pillars. The evaluation should independently assess the criteria of: relevance, effectiveness, efficiency, sustainability and impact. Specifically:

**Effectiveness refers to:**

* Whether the project intervention achieved the expected output and immediate outcomes and made progress towards the intermediate outcomes
* Whether there are any unintended results, either positive or negative observed

**Efficiency refers to:**

* How economically are resources/inputs (funds, expertise, time, etc.) converted to outputs
* Whether outputs achieved on time and on budget

**Sustainability refers to:**

* What is the likelihood that results/benefits will continue after the closure of the project
* Are there committed financial and human resources to maintain benefits and results
* Is the external environment conducive to the maintenance of results

**Impact refers to**

* Extent to which the project is achieving impacts or progressing towards the achievement of impacts
1. **Scope of Work**

The terminal evaluation will cover all interventions of the project planned to be implemented during the project life cycle. In doing so, the evaluation should assess the integration of gender equality, environment and capacity development as cross-cutting themes as well as evaluate the partnership. The evaluation should also **i**dentify key lessons and propose recommendations to enhance technical and financial performance for future similar interventions. The evaluator is expected to follow a participatory and consultative approach ensuring close engagement with all government counterparts, in particular MoTI, UNDP Country Office, project team, as well as government affiliated institutions such as Industry Park Development Corporation (IPDC), Regional Integrated Agro-Industrial Parks Corporation (RIPDC) and Ethiopian Investment Commission (EIC). The terminal evaluation will be undertaken **by one national consultant.**

1. **Evaluation Approach and Methodology**

An overall approach and method for conducting project terminal evaluations of UNDP supported projects has been developed over time. The evaluator is expected to frame the evaluation effort using the criteria of **relevance, effectiveness, efficiency, sustainability, and impact,** as defined and explained in the UNDP Guidance for Conducting Terminal Evaluations of UNDP-supported Projects. A set of questions covering each of these criteria have been drafted and are included with this TOR (*Annex B*) and will be discussed with UNDP CO. The evaluator is expected to amend, complete and submit this matrix as part of an evaluation inception report, and shall include it as an annex to the final report.

The evaluation must provide evidence‐based information that is credible, reliable and useful. The consultant should come up with appropriate evaluation approach and method to adequately meet the objective and fits to the scope of the terminal evaluation. The approach to be followed should be participatory to make use of input from all relevant stakeholders. The evaluator will review all relevant sources of information, such as the project document, project reports – including annual progress reports, project budget revisions, national strategic and legal documents, and any other materials that the evaluator considers useful for this evidence-based assessment. A list of documents that the project team will provide to the evaluator for review is included in Annex A of this Terms of Reference. The evaluator is expected to conduct a field mission to selected project sites in the regions where the programme is operational (Amhara, Tigray, SNNP and Oromia). The overall framework of the evaluation exercise is supposed to pass the following four major phases: (1) preparatory phase (desk phase); (2) data collection phase; (3) consolidation of information and report writing and (4) validation of findings through stakeholder workshop.

The methodology to be used by the Evaluation Consultant should be presented in the report in detail. It shall include information on:

* Documentation reviewed;
* Interviews;
* Field visits;
* Questionnaires;
* Participatory techniques and other approaches for the gathering and analysis of data.

Annex C highlights the evaluation rating and enclosed with this TOR

1. **Accountability and Responsibility**

The specific duties of the consultant will include the following but not limited to:

* Desk review of documents, development of detailed work plan and TE (Terminal Evaluation) outline (maximum 5 days by the Consultant; home-based);
* Debriefing with UNDP CO and MOTI, agreement on the methodology, scope and outline of the TE report (1 day, home based);
* Interviews with project implementing partner (executing agency), stakeholders including relevant Government offices, Industrial parks, NGO and donor representatives and UNDP Project team members (15 including travel days);
* Completion of the first TE report draft. The draft will be shared with the UNDP CO, MOTI and key project stakeholders for review and commenting including conducting workshop for validation; (11 days)
* Finalization and submission of the final TE report through incorporating suggestions received on the draft report (maximum 4 days);
1. **Deliverables and Timeframe**

The consultancy assignment shall be completed in a total of 36 working days as per the following time frame. Annex E clutches the evaluation reporting outline.

|  |  |  |
| --- | --- | --- |
| **No.** | **Main Deliverables** | **Working Days Assigned** |
| 1. | Desk review of documents, development of detailed work plan and TE (Terminal Evaluation) outline | 5 |
| 2 | Debriefing with UNDP CO and MOTI, agreement on the methodology, scope and outline of the TE report | 1 |
| 3 | Interviews with project implementing partner (executing agency), stakeholders including relevant Government offices, Industrial parks, NGO and donor representatives and UNDP Project team members | 15 |
| 4 | Completion of the first TE report draft. The draft will be shared with the UNDP CO, MOTI and key project stakeholders for review and commenting | 10 |
| 5 | Organize validation workshop | 1 |
| 6 | Incorporate comments and submit final evaluation report | 4 |

1. **Consultant qualification criteria**

The Terminal Evaluation Consultant should be an expert with experience and exposure to Manufacturing Industry development advices on policy and capacity building projects and will have some prior experience in carrying out mid-term or final evaluations. It is preferable that the consultant has some prior familiarity with the Industry development support program model or implementation engagement. The consultant cannot have participated in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and should not have a conflict of interest with project’s related activities. The evaluator code of conduct form is also enclosed at Annex D on this TOR

**The Terminal Evaluation Consultant should have the following qualifications and experience:**

1. **Academic qualifications:**

Master’s degree in Industrial Economics, Industrial Policy, Economics, Industrial Engineering, Business Administration, Engineering, or other closely related field. PhD is an asset;

1. **Experience:**
* At least 7 (five) years work experience in providing advice to Industrial Development projects funded by international donors including UNDP or other donors;
* At least 7 (seven) years work experience and proven track record with policy advice and/or project development/implementation in Industrial Development and Economic Transformation in transition economies;
* Experience in working with the UNDP project evaluations, including experience with SMART based indicators (Project evaluation/review experiences within United Nations system will be considered an asset);
* Experience in evaluating performance-based development projects and programmes. Proven knowledge of Industrial development programmes;
* Experience in working with international technical assistance projects or capacity development programmes in the Africa/Ethiopia with international organizations;
* Demonstrated understanding of issues related to gender; experience in gender sensitive evaluation and analysis;
* Proven experience in preparation of written reports in an accurate and concise manner in English;
1. **Functional Competencies**
* Outstanding communication skills in English
* Positive and constructive approaches to work with energy
* Demonstrate openness to change and ability to receive and integrate feedback
* Excellent written and verbal communication skills
* Strong time management and meet established timelines.
1. **Language and Other Skills**
* Excellent knowledge of English, including the ability to write reports clearly and concisely and to set out a coherent argument in presentation and group interactions
* Capacity to facilitate and communicate with different stakeholders
* Computer skills: full command of Microsoft applications (word, excel, PowerPoint) and common internet applications
1. **CRITERIA FOR SELECTING THE BEST OFFER**

Upon the advertisement of the procurement notice, qualified individual consultant is expected to submit both technical and financial proposals. Accordingly, individual consultants will be evaluated based on cumulative analysis as per the following scenario:

* Responsive/compliant/acceptable, and
* Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
	1. Technical Criteria weight is **70%**
	2. Financial Criteria weight is **30%**

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Weight** | **Max. Point** |
| **Technical Competence (based on CV, Proposal and interview (if required))** | **70%** | 100 |
| * Criteria a. Educational relevance: close fit to post
 |  | 10 pts |
| * Criteria b. Understanding the scope of work and organization of the proposal
 |  | 50 pts |
| * Criteria c. Experience of similar assignment
 |  | 30 pts |
| * Criteria d. Previous work experience in Africa/ Ethiopia
 |  | 10 pts |
| **Financial (Lower Offer/Offer\*100)** | **30%** | 30 |
| **Total Score**  | **Technical Score \* 70% + Financial Score \* 30%** |

1. **PAYMENT MILESTONES AND AUTHORITY**

The prospective consultant will indicate the cost of services for each deliverable in US dollars **all-inclusive lump-sum contract amount** when applying for this consultancy. The consultant will be paid only after approving authority confirms the successful completion of each deliverable as stipulated hereunder.

The qualified consultant shall receive his/her lump sum service fees upon certification of the completed tasks satisfactorily, as per the following payment schedule:

| **Installment of Payment/ Period** | **Deliverables or Documents to be Delivered**  | **Approval should be obtained**  | **Percentage of Payment** |
| --- | --- | --- | --- |
| 1st instalment  | Upon submission and approval of inception Report | UNDP CO | 20% |
| 2nd instalment  | Following submission and approval of the 1st draft terminal evaluation report | “ | 30% |
| 3rd instalment  | Following submission and approval of the final terminal evaluation report  | “ | 50% |

1. **Confidentiality and Proprietary Interests**

The consulting individual shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy service without prior written consent. Proprietary interests on all materials and documents prepared by the consultant under the assignments shall become and remain projects/property of UNDP.

## **Annex 2. List of Documents reviewed**

1. Approved Project Annual Work Plans (2013-2020)
2. Project Budget Balance (2013-2020) generated from ATLAS
3. Initiation Plan: Inclusive and sustainable Industrial Development- Women Empowerment in Manufacturing Sector: July 2019-December 2019
4. Midterm Review Report of the project, by mid 2018;
5. UNDAF 2016-2020
6. Development Assistance Framework (UNDAF) 2016-2020
7. Country Programme Document (CPD) 2016-2020
8. UNDP Strategic Plan 2018-2021
9. Ethiopia National Human Development Report 2019
10. Growth and Transformation Plan documents (GTP I and GTP II)
11. Quarterly Monitoring Reports since 2017
12. Result nased Reports 2019 and 2020
13. Annual Reports 2018 & 2019
14. UNDP Progress report SIP 2020 final
15. World Bank Country Strategy Document 2018-2022
16. World Investment Report 2019

## **Annex 3. List key informants and contact of details**

The following people were contacted, consulted either through telephone, zoom or email

|  | **Institution** | **Name of Contacted person** | **Phone** | **email** |
| --- | --- | --- | --- | --- |
| 1 | UNDP | Selamawit Alebachew | 115444215 | selamawit.alebachew@undp.org |
| 2 | UNDP | Getish Tekle | 0911123415/ 0993530100 | getish.tekle@undp.org |
| 3 | MoTI | Frehiwot Shimeles | 921134601 | firshe2003@yahoo.com |
| 4 | ECCSA | Mr. Wube Mengistu | 0911146165 |   |
| 5 | LIDI | Dagnachew Shiferaw & Tesfaye Berhanu | 0944731514/ 0911438341 | dagnachews2016@gmail.com |
| 6 | IPDC | Hiwot/ Wondwossen | 0911653554/ 0911854984 |  |
| 7 | Amhara RIPDC | Desie Asemeie | 0930415741 | dessieasemie@gmail.com |
| 8 | Oromia RIPDC | Kefyalew Tulu/ Mohammed | 0966783650/ 0966783649 | tullutola@gmail.com |
| 9 | Tigray RIPDC | Angesom Gebremeskel | 0930468860 | angesomgmeskel@gmail.com |
| 10 | Bole Lemi Industry Park | Mr. Tinsae | 0911746304 | Tinsaeyimam.ipdc@gmail.com |
| 11 | Hawassa Industry Park | Mr. Belay | 0916825493 | belaytessema@gmail.com |

## **Annex 4. List of interview questions**

**Terminal evaluation: ‘Capacity Strengthening for Industrial Development’**

**Brief background**

UNDP has been supporting the industrial development agenda of the Government of Ethiopia, and has provided technical and financial support through ‘**Capacity Strengthening for Industrial Development**’ programme. The overall objective of the programme has been to contribute to the envisioned industrial transformational change in the scale, quality, diversity and socio-economic benefit of the nation’s industrial sector.

The Ministry of Trade and Industry (MOTI), Metal Industry Development Institute (MIDI), Leather Industry Development Institute (LIDI), the Ethiopian Chamber of Commerce and other relevant regional and federal partner organizations have participated either as primary implementing partners or beneficiaries of the capacity building activities.

The mid-term evaluation of the project was undertaken in 2018. The current assessment is for the terminal evaluation of the programme. The checklist of questions under here is prepared to guide key informant interviews with beneficiary organization’s personnels. Your candid responses to the questions are highly appreciated.

1. **List of questions for KII at UNDP**

**Specific questions**

1. What are the main capacity constraints of the manufacturing industry sector?
2. Has there been a change in the capacity of MoTI and the manufacturing since 2013? What are the changes, and causes?
3. What is the most valuable support from the IDP / UNDP?
4. How many people are assigned to work on this program at the Federal, regional and local levels? What are their roles?
5. If the program has to be scaled-up, what challenges do you anticipate?

**Output 1 Govt policy review and capacity strengthening**

1. What role did the Programme play in providing sector wide advisory services? For how long did the International Advisor serve? Are there any policy briefs, notes, study reports (sector wide, sub-sectors, etc.) produced by the advisors?
2. Can you explain how the placement of industry sector advisors (national, international) enhanced project coordination and accomplishments?
3. What policy gaps were identified? What transformative measures were taken to increase private sector investment, fill the gaps? Is it possible to get the Capacity Gap Assessment report and the prepared Industry Development Program Document?
4. What were the key challenges, and lessons learnt?

**Output 2 Manufacturing and service industries improved- in value chain, cluster development and labour productivity**

1. Lack of legal and regulatory framework, as well as operation management manuals for IPs and RIDCs were identified as key problems. Are these delivered? Are these documents available?
2. Are these documents widely familiarized, and already being used by beneficiaries?
3. What were the key challenges and lessons learnt?

**Output 3 – Private sector service providers’ skills, knowledge and technological capacity improved**

1. How useful was the capacity building training for leaders of the industry sector actors? How many have benefited from the training? Is there list of beneficiaries? How many are still working in the sector?
2. Were private beneficiaries only from the IPs? If so, how relevant is it for national private sector actors?
3. What were the key challenges and lessons learnt?

**Initiation Plan**

**Output 4: Women capacity in the manufacturing sector strengthened and empowered..**

1. How successful was the implementation activities under this output? Were the target of each planned activity achieved?
2. How many women have benefited from the intervention?
3. Were private beneficiaries only from the IPs? If so, how relevant is it for national private sector actors?
4. What were the key challenges and lessons learnt?

**Output 5: Industrial parks become safe and gender friendly, SRH awareness devt**

1. How successful was the implementation activities under this output? Were the targets of each planned activity achieved?
2. Which information dissemination/ outreach methods was more effective (peer education, information box, radio spot)?
3. What were the key challenges and lessons learnt?

**Output 6: Governance, Operation and Management Capacity Enhancement**

1. Was labour sourcing system developed? And implemented?
2. Can it be scaled up or used in other IPs?

**Output 7: Strengthen coordination mechanism of women empowerment in the manufacturing sector**

1. Was Gender Development Unit established at IPDC?
2. Can it be implemented in regional corporation and IPs?

**Program design evaluation**

**Relevance**:

1. To what extent is the Programme contributing to UNDAF Goals/ Targets? To SDGs?
2. To what extent is the Programme successful in assisting Ethiopia in achieving its targets on manufacturing industry sector development? (as described in the GTP I & II)
3. To what extent is the Programme successful in reaching its goal of strengthening the capacity of industry sector actors? Federal? Regional? Private?

**Effectiveness:**

1. What is the status of the Programme compared to the planned goal and outcomes? Whether the project intervention achieved the expected output and immediate outcomes and made progress towards the intermediate outcomes
2. What is the technical quality of the Programme activities and the effectiveness of the implementation methodologies/approaches?
3. Has the Programme produce the expected outputs?
4. What is the effectiveness of the monitoring and reporting systems in place?
5. Are there any factors that have negatively influenced the Programme’s ability to reach the planned goal and outcomes?
6. Have there been any unexpected results/impacts (positive or negative) as a result of the programme implementation?

**Efficiency**:

1. Are the Programme activities cost effective and has planned targets been achieved on time?
2. Was the division of labour between the Programme’s stakeholders efficient in Programme execution, taking into consideration for instance organizational structures, coordination, management, division of roles, administrative capacities, human resources, technical support, etc.?
3. Was the Programme’s strategic, financial and administrative management effective in reaching the objectives of the programme?
4. Is the expenditure justifiable when compared to the plans, progress and output of the programme?
5. What tangible impact has the Programme had on the Programme’s beneficiaries?

**Sustainability**:

1. What are expected to be the lasting effects of the Programme?
2. What is the likelihood that results/benefits will continue after the closure of the project?
3. Is there any indication of ownership within relevant Ethiopian government entities, materialised for instance through cost-sharing arrangements or other?
4. Are there committed financial and human resources to maintain benefits and results
5. Is the external environment conducive to the maintenance of results?

Training participants included professors from technology universities,

**Impact**

1. Extent to which the project is achieving impacts or progressing towards the achievement of impacts
2. **Checklist of questions for KII of Project partners and beneficiaries**

**General questions**

1. In your opinion, what are the main capacity constraints of the manufacturing industry sub-sector?
2. Has the project contributed to addressing some of the capacity gaps? Which ones?
3. What is the most valuable support from the IDP / UNDP project?
4. How many people in your organization have benefited from capacity building trainings?
5. Was the implementation arrangement smooth? What can be improved?
6. What were the key challenges, and lessons learnt?
7. If the program has to be scaled-up, what challenges do you anticipate?

**Output 1 Govt policy review and capacity strengthening**

1. What role did the Programme play in providing sector wide advisory services? how? Is there any policy advisory service or document preparation that has benefited your organization?
2. Have you used the advisory service/ policy document for taking transformative measures that help increase private sector investment? Mention some, with examples of attributable results.

**Output 2 Manufacturing and service industries improved- in value chain, cluster devt and labor productivity**

1. Lack of legal and regulatory framework, as well as operation management manuals for IPs and RIDCs were identified as key problems. Did you get support of the project in this regard? Please describe.
2. Have you started using any of the regulatory framework advises and manuals in your operation?
3. Have these supported helped you in improving value chains, cluster development? How? Please explain examples attributable results.

**Output 3 – Private sector service providers’ skills, knowledge and technological capacity improved**

1. How useful was the capacity building training for leaders of the industry sector growth actors? How many leaders have participated in your organization? Can you provide names and contact address of the beneficiaries?
2. Did your organization receive any specific advisory service? On what?

**Initiation Plan (2019-20)**

**Output 4: Women capacity in the manufacturing sector strengthened and empowered**

1. Has your organization/ IP benefited from this phase of the project? How successful was the implementation activities? Were the targets of each planned activity achieved?
2. How many women have benefited from the intervention?
3. What were the key challenges and lessons learnt?

**Output 5: Industrial parks become safe and gender friendly, SRH awareness devt**

1. How successful was the implementation activities under related to gender, and sexual and reproductive health awareness development? Were the targets of each planned activity achieved?
2. Which information dissemination/ outreach methods was more effective (peer education, information box, radio spot)?
3. What were the key challenges and lessons learnt?

**Output 6: Governance, Operation and Management Capacity Enhancement**

1. Was labour sourcing system developed? And implemented?
2. Can it be scaled up or used in other IPs?

**Output 7: Strengthen coordination mechanism of women empowerment in the manufacturing sector**

1. Was Gender Development Unit established in your organization?
2. How useful was it, in your opinion? What can be done to improve its implementation in regional corporation and IPs?

**Program design evaluation**

***Relevance****:*

1. To what extent is the Programme successful in assisting Ethiopia in achieving its targets on manufacturing industry sector development? (as described in the GTP I & II)
2. To what extent is the Programme successful in reaching its goal of strengthening the capacity of industry sector actors? Federal? Regional? Private?

**Effectiveness**:

1. What is the status of the Programme compared to the planned goal and outcomes? Whether the project intervention achieved the expected output and immediate outcomes and made progress towards the intermediate outcomes
2. What is the technical quality of the Programme activities and the effectiveness of the implementation methodologies/approaches?
3. Has the Programme produced the expected outputs?
4. Are there any factors that have negatively influenced the Programme’s ability to reach the planned goal and outcomes?
5. Have there been any unexpected results/impacts (positive or negative) as a result of the programme implementation?

**Efficiency**:

1. Are the Programme activities cost effective and has planned targets been achieved on time?
2. Di your organization have programme implementation role. What aspects?
3. Was the division of labour between the Programme’s stakeholders efficient in Programme execution, taking into consideration, for instance, organizational structures, coordination, management, division of roles, administrative capacities, human resources, technical support, etc.?
4. Was the Programme’s strategic, financial and administrative management effective in reaching the objectives of the programme?
5. Is the expenditure justifiable when compared to the plans, progress and output of the programme?
6. What tangible impact has the Programme had on the Programme’s beneficiaries?

**Sustainability**:

1. What are expected to be the lasting effects of the Programme?
2. What is the likelihood that results/benefits will continue after the closure of the project?
3. Is there any indication of ownership within relevant Ethiopian government entities, materialised for instance through cost-sharing arrangements or other?
4. Are there committed financial and human resources to maintain benefits and results
5. Is the external environment conducive to the maintenance of results?
6. Training participants included professors from technology universities,

**Impact**

1. Extent to which the project is achieving impacts or progressing towards the achievement of impacts.
1. The World Bank. 2017. The Wold Bank Group Country Partnership Frameworkfor the Federal Democratic

Republic of Ethiopia, 2018–2022. Report No. 119576-ET [↑](#footnote-ref-1)
2. UNCTAD 2020. Wold Investment Report. <https://unctad.org/en/PublicationsLibrary/wir2020_en.pdf> [↑](#footnote-ref-2)