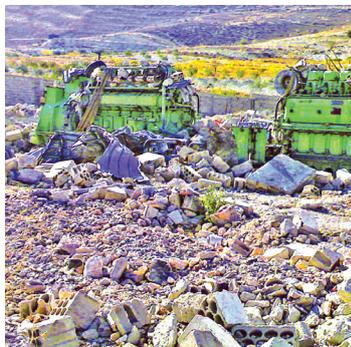


# Independent Evaluation

## LEBANON

**Support for Livelihoods and Economic Recovery  
in War-affected Areas of Lebanon**

**Lebanese Agro-Industry Support  
and Economic Recovery (LAISER)**





UNIDO EVALUATION GROUP

# **Independent Evaluation**

## **LEBANON**

**Support for Livelihoods and Economic Recovery  
in War-affected Areas of Lebanon**

**Lebanese Agro-Industry Support  
and Economic Recovery (LAISER)**

**FB/LEB/07/001**



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## Abbreviations

ALI	Association of Lebanese Industrialists
CTA	Chief Technical Adviser
GMP	Good Manufacturing Practices
GoL	Government of Lebanon
HACCP	Hazard Analysis and Critical Control Points
ISO	International Organisation for Standardisation
LAISER	Lebanese Agro-Industry Support and Economic Recovery
LRF	Lebanon Recovery Fund
MACLE	Market Access and Compliance for Lebanese Export
MoA	Ministry of Agriculture
MoET	Ministry of Economy and Trade
MoI	Ministry of Industry
MSME	Micro, Small and Medium Enterprises
NPC	National Project Coordinator
OHS	Occupational Health and Safety
PMU	Project Management Unit
PSC	Project Steering Committee
QUALEB	Quality Programme Lebanon
SLFI	Syndicate of Lebanese Food Industrialists
SWG	Sectoral Working Group
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
UR	UNIDO Representative

# Executive Summary

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This independent final evaluation of the Project “Support for Livelihoods and Economic Recovery in War-affected Areas of Lebanon” (FB/LEB/07/001), abbreviated “Lebanese Agro-Industry Support and Economic Recovery” (LAISER), was conducted between 25 September and 7 October 2009 by Andreas Tarnutzer (International Consultant and Team Leader) and Walid El Khatib (National Consultant).

## LAISER Project

LAISER is part of the early economic recovery and rehabilitation efforts that were initiated in the aftermath of the 2006 Lebanon war.

UNIDO submitted the project proposal to the Lebanese Recovery Fund (LRF), which had been created in September 2006 with donor funding, primarily from Sweden and Spain. The LRF subsequently sanctioned a budget of US\$ 3m for a first phase of LAISER. The project became operational in September 2007 with a first phase ending in December 2009. In early 2009, the LRF approved a second phase with a US\$ 1.5m budget for the period April 2009 to December 2010.

LAISER concentrates its activities on five agro-industrial sectors, three geographical areas of intervention, and three main lines of intervention.

- The selected five **agro-industrial sectors** are (1) Food & Beverage; (2) Olive Oil; (3) Textiles; (4) Woodwork; and (5) Leather. In addition, a few war-damaged enterprises from the metalworking and other sectors were included on a case-by-case basis.
- LAISER was active in the **three regions**, which had suffered most in terms of infrastructure damage: (1) the Southern Suburbs of Beirut; (2) Southern Lebanon; and (3) the Bekaa valley.
- In the five sectors and three regions, LAISER focused its activities on three lines of intervention: (1) provision of **essential equipment**; (2) assistance to **rehabilitation of civil works** (excluding major structural works or building shells); (3) **capacity development** for general and market-specific skills.

## LAISER Outputs

LAISER beneficiaries or project clients, can be grouped into three categories:

**Category 1 clients** are the core group of beneficiary enterprises, which have been provided with equipment and/or civil works plus training. The most tangible results and impact can be expected in this category because it received the bulk of LAISER investments.

**Category 2 clients** are enterprises that were not directly damaged during the war and therefore not part of the initial target group. However, they applied for project support when they learned about the LAISER capacity development and training activities. As far as possible, LAISER accepted these applications.

**Category 3 clients** are not enterprises but individuals who participated in training events or study tours organised by LAISER, such as government officials, representatives of industry associations and also a certain number of students.

In the first category of beneficiaries, **92 Micro, Small, Medium Enterprises (MSMEs)** of the 135 enterprises<sup>1</sup> that originally applied for LAISER support to the Ministry of Industry were eligible. At the end of phase II, LAISER will have supported all these category 1 beneficiaries. Adding 66 companies from category 2 a total of 155 enterprises will have benefited. The total number of LAISER beneficiaries reaches 236, including category 3 clients.

**Sector**-wise, the 92 category 1 clients are distributed as follows: 29 woodworking units (furniture, carpentry) 20 textile companies (sewing and tailoring), 17 food processing units (sweets and pastry, pickles, but also bourghoul, i.e. crushed wheat) and 14 leather industries (primarily shoe makers), plus seven olive oil presses and five single case units from other sectors, like metalworking.

LAISER has so far conducted a total of **25 training** events with a total of **315 trainees**, following a two-step approach. In 2008, the focus was on general orientation-type training on micro- and small company management, manufacturing standards and practices (GMP, HACCP, ISO, etc.), workplace health and safety (OHS), environmental aspects, etc. In addition, altogether five study tours (to France, Syria, Egypt, etc.) have been conducted, to attend trade fairs or visit specific sector clusters. In 2009, the emphasis shifted to on-site practical training, often consisting of several subsequent modules, with the food sector getting particular attention in food safety training.

## LAISER Outcomes

Before the war, the 48 enterprises covered in phase I had employed 1053 full-time and 1001 part-time employees. Immediately after the war, the number of full-time employees dropped to only 133 full-time and 79 part-time employees. Therefore, 920 full-time and 922 part-time employees had lost their jobs as a direct consequence of the war.

LAISER's main success has been that employee numbers have strongly improved after the war, though more in full-time than part-time jobs. If the latter are converted into full-time jobs, the number today stands at 804, a confirmed gain of **655 full-time jobs** in the phase I LAISER clients.

It is important to note that the figures in reaching 63% of the pre-war job level and creating 655 new jobs since the war, is a snap shot taken in September 2009. These figures do not include the phase II clients, and the equipment for the phase I clients has been in operation less than one year. Also, companies that are included just received civil works support in phase I and will obtain equipment only in phase II to be able to start full production.

The **conclusion** is thus straightforward: LAISER support has already produced a significant number of jobs and it can safely be assumed that this figure will further rise substantially, once all phase II clients become operational.

Next to the quantitative results discussed above, the **qualitative aspects** of change observed have also to be taken into consideration. Many owners stated that the new machinery

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<sup>1</sup> When LAISER did the initial assessment, 19 enterprises had since closed down or were not interested; 24 enterprises from the printing sector were excluded as they were medium to large units with several millions of damages each and thus beyond the LAISER budget possibilities.

has given them fresh pride in their profession and has led them to adopt new production techniques for better products of a higher quality than in pre-war times. Some enterprises have undergone a veritable revolution and reorganized not only production processes but also introduced new office and human resource management techniques, including workplace health and safety related improvements.

## LAISER Assessment

**Relevance** for and **ownership** by the direct LAISER clients and core stakeholders have been and continue to be very high. In fact, LAISER is often mentioned as the only project that concretely assisted war-damaged enterprises and produced tangible impact.

LAISER operated **effectively**, i.e. it did “the right thing”. It has met its quantitative targets, and achieved full coverage of what it set out to do. Equally important is the fact that LAISER operated in full transparency and impartiality when selecting its clients (despite the substantial external pressures it was exposed to initially).

The **equipment** that allowed the client enterprises to resume production has been chosen in a step-by-step process, which has proven to be effective, though it took some time. The vast majority of owners interviewed are very satisfied. The equipment is fully utilised, technically sound, and of excellent quality. No operating problems or breakdowns were reported to the mission. The quality of the external technical expertise has certainly been a decisive factor in this respect.

The workshops of companies visited by the mission that benefitted from **civil works** support were fully utilised. All owners stated that the assistance was appropriate, of good quality, and that the execution had been in accordance with the schedule.

A project survey in mid 2009 found an **investment multiplication factor** of 4, i.e. for every dollar of equipment or civil works provided by the project, owners invested an average of four dollars from their own funds. Triggered by the US\$ 1.8m investment of LAISER in equipment and civil works, the beneficiaries invested from their own capital to the tune of US\$ 7.2m. The field visits confirmed this multiplier effect; in actual fact the ratio may be even higher.

The vast majority of **trainees** that visited are very satisfied with the training course contents and are applying some of the changes they have learnt during the training. In a number of cases, the trainings played a catalytic role for profound reorganizations of production processes and company management.

**Inter-project collaboration** happened primarily with three projects in the food sector: (1) Market Access and Compliance for Lebanese Exports (MACLE), (2) the Food Safety Project, and (3) Strengthening Quality Management, Capabilities and Infrastructure in Lebanon (QUALEB). However, such inter-project collaboration was rather ad-hoc and not part of a wider harmonisation and collaboration strategy.

The evaluation found a high level of **efficiency** in project implementation. In other words, LAISER “has done the right thing”. After initial ‘teething problems’ the project became fully operational. Implementation is now on track according to the plan and budget.

Prospects are good that the LAISER efforts will be **sustainable**. The equipment and civil works are of good quality and will continue to generate turnover and jobs in the client en-

terprises. As shown above, the **impact** in terms of jobs generated is already substantial and can be expected to grow further in future, in particular after the phase II support will also become operational. Next to the purely quantitative impact, it is also important that LAISER support has enabled the affected enterprises to remain in their locality and continue to provide local jobs and thus also to provide hope and perspectives for the local communities.

## Main conclusions

LAISER achieved its prime objective to get-up-and-running again war-damaged enterprises from five agro-industrial sectors in the three most war-affected regions of Lebanon. All stakeholders agree that the performance of LAISER has been exceptional in providing tangible and visible support. The needs-based, impartial and transparent selection process has been instrumental for this success.

## Recommendations for LAISER Phase II

Given the good results achieved in phase I, LAISER should continue with the implementation of phase II. The processes of equipment and civil works identification and tendering are well established and should be fine-tuned for accelerated selection and implementation. Also, the same sector experts should be employed to maintain the high quality of advice.

The recently initiated efforts to support companies with developing their business plans should be pursued. This activity helps company owners to better understand their businesses and markets, ensure ownership and is an important tool for long-term sustainability.

The ongoing improvements of the database should give additional emphasis to the output and outcome aspects, for instance by integrating the results of regular client surveys, similar to the one conducted during the mission on the pre- and post-project job situation.

## Recommendations for a possible follow-up project

Three years after the war, any possible follow-up phase or project should move from a short-term post-conflict to a medium-term development approach. Core elements of this shift should be:

- Concentration on fewer sectors, by selecting one or more with the highest potential in terms of employment generation, export prospects, etc. This would allow increasing coverage, depth and sector impact. Of course, the budget would have to be commensurate and the number of client enterprises should also be increased as far as feasible.
- In addition to the technical assessment at company level, a wider analysis of business and market structure and potential should be conducted. The results of this analysis could lead to (i) value-chain approach in general, and (ii) comprehensive training strategy and programme, that is geared to the most pertinent needs and deficits of MSMEs in a given market. Preferably, training would then be organised by (sub-)sector, whereby it is assumed that enterprises face similar problems.
- In future capacity building programmes the curriculum should be designed on the basis of a thorough assessment of training needs.

- Conditions should be set in terms of investments by the clients themselves and in terms of mandatory participation in training, preparation of business plans, etc. In other words, as an incentive, equipment or civil works assistance would be only delivered after the advance milestones have been completed. Also, cost-sharing mechanisms should be introduced for capacity development activities. Evidently, this will require high quality training that is oriented to the most pressing needs of the enterprises.
- Activity lines between projects should be clearly delineated and collaboration mechanisms made compulsory and explicit in the project design.

## **Main lessons learnt for future similar post-conflict projects**

In post-conflict situations, the speed of assistance delivery is essential: the sooner enterprises are back in production, the more effective the assistance will be and the shorter the period of economic stagnation. Less market share is lost and retention of the workforce is improved.

In addition to the direct impact on enterprise and jobs, the indirect impact on the local community is important, as it demonstrates to the broader public that life indeed does go on.

In this context, the core challenge for planners is on how to speed up negotiations and reduce bureaucratic hurdles (which took almost one year in the case of LAISER), in order to allow a fast start of implementation. Continued and high-level support from UNIDO (and the Donors) is essential to minimise bureaucratic friction and interference.

Distributing equipment for free is justified and recommended in genuine post-conflict situations when damages are serious and needs imminent. Due to this 'freebie' element, it is important, as the example of LAISER has shown, that a project is strongly supported by decision makers in its efforts to be fully transparent and resist undue pressures.

In a project like LAISER, with equipment supply as core element, the quality of the technical expertise and the quality of the equipment are crucial for the image of the project and the sustainability of its impact.

Care should be given to moving consciously and timely from genuine post-conflict support to medium-term development support. The aspect of capital mobilisation by the beneficiaries themselves should be given due attention when moving to the next phase of the project.

# Introduction

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The Project “Support for Livelihoods and Economic Recovery in War-affected Areas of Lebanon” (FB/LEB/07/001), abbreviated as “Lebanese Agro-Industry Support and Economic Recovery” (LAISER), is part of the early economic recovery and rehabilitation efforts that were initiated in the aftermath of the 2006 Lebanon war. The war caused considerable damage to lives and livelihoods as large parts of the civil infrastructure were destroyed. Most of the country was affected, with the areas in the South close to Israel’s borders, the southern suburbs of Beirut and the Bekaa valley paying the highest price in casualties and damages to livelihoods. Next to public infrastructure and private houses, the Lebanese industry also suffered significant losses and many enterprises were either totally or partly destroyed.

Immediately after the war the Government of Lebanon (GoL) requested UNIDO to provide technical assistance as well as investment and technology support services with particular focus on restoring the livelihoods of the affected urban and rural populations through rehabilitation of the agro-industrial sector, in particular MSMEs.

In line with its mandate of promoting sustainable industrial development, UNIDO responded positively to the request. In collaboration with the UN Country Team in Lebanon, UNIDO co-chaired the Sectoral Working Group (SWG) on Industry and contributed to the SWG on Agriculture and the Inter-sectoral Thematic Group on Economic Recovery. UNIDO participated also in the Stockholm Conference for Lebanon’s early economic recovery in August/September 2006. In line with the priorities highlighted at this conference, UNIDO financed a preparatory assistance under the Project XP/LEB/06/004 – Assessment of the current situation for the preparation of the recovery programme in Lebanon.

Following this initial assessment, UNIDO expressed its full support to the GoL and prepared, in accordance with the Stockholm Conference recommendations and results, the project “Support for Livelihoods and Economic Recovery in War-Affected Areas of Lebanon”, later abbreviated “Lebanese Agro-Industry Support and Economic Recovery” (LAISER). Subsequently, the project was submitted to the Lebanon Recovery Fund (LRF), which was created in September 2006, alimented by donor funding, foremost from Sweden and Spain.

The LRF subsequently sanctioned a budget of US\$ 3m for the first phase of LAISER. The project became operational in September 2007 with a first phase ending December 2009. In early 2009, the LRF approved a second phase with a US\$ 1.5m budget for the period April 2009 to December 2010.

## Evaluation Purpose and Scope

In order to assess progress made, UNIDO commissioned this independent external evaluation, which was carried out between 25 September and 7 October 2009 by Andreas Tarnutzer (International Consultant and Team Leader) and Walid El Khatib (National Consultant). The independent evaluation was to assess:

- 1 Project relevance with regard to the priorities and policies of the Ministry of Industry (MoI), the LRF and UNIDO;
- 2 Project effectiveness in terms of the outputs produced and outcomes achieved as compared to those planned;
- 3 Efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities;
- 4 Prospects for development impact;
- 5 Long-term sustainability of the results and benefits.

The purpose of the evaluation was to make recommendations to the Ministry of Industry, to the LRF and to UNIDO with a view to ensuring sustainability. The evaluation also was to draw lessons of wider applicability that should feed into a thematic evaluation of UNIDO “Post crisis rehabilitation” projects.

## Evaluation methodology

The evaluation team made on-site visits to 24 LAISER client enterprises, the majority of which were supported in phase I and some were included in phase II. The result is approximately 25% out of the 92 enterprises are direct clients of LAISER. The sample enterprises were selected at random, ensuring however, a proportionate representation of sectors and regions. Table 1 below, shows the geographic and sector sample evaluated by the mission.

**Table 1: Sampled enterprises for evaluation**

	Wood	Food	Oil	Textile	Leather	Others	Total
Southern suburbs	2	1		4	4		11
South Lebanon	2	3	2	1			8
Bekaa valley	1	1				3	5
<b>Total</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>24</b>

In addition to the on-site visits to enterprises, the mission held interviews and in-depth discussions with core project stakeholders in Beirut, namely:

- LRF, MoI, Ministry of Agriculture, Association of Lebanese Industrialists (ALI), Syndicate of Lebanese Food Industrialists (SLFI);
- Other projects: Food Safety, MACLE, QUALEB, OlioDiLebanon;
- UNIDO Lebanon Representative, LAISER project staff and experts.

Relevant project documents and reports were studied, including the report of the 2008 Mid-term Evaluation<sup>2</sup>.

On request by the evaluation mission, a telephone survey was conducted by project staff with all 48 phase I clients to obtain accurate and up-to-date information on the past and current situation related to their work force.

<sup>2</sup> Alexandersen, Dennis, HAP Consultants: Independent Mid-term Evaluation of LAISER, 15 December 2008.

On 7 October 2009, the mission presented preliminary evaluation findings at a meeting of the Project Steering Committee (PSC) chaired by the Minister of Industry. On 15 October 2009, the preliminary findings were also presented at UNIDO Headquarters in Vienna.



## Country and project context

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The Lebanese economy belongs, according to the World Bank classification of 2008, to the group of upper middle-income countries and is thus different from most other countries where post-conflict or post-crisis assistance is usually provided. Lebanon has an open and free market economy and a strong laissez-faire commercial tradition. The economy is service-oriented; main growth sectors include banks and financial institutions as well as tourism and transportation.

The 1975-90 civil war severely damaged Lebanon's economic infrastructure and facilities, cut national output by half, and damaged Lebanon's position as a Middle Eastern trading centre and service hub. However, in the years from 1990 to 2006, Lebanon managed to rebuild much of its war-torn physical and financial infrastructure and facilities. This positive development came to a halt when the Israel-Lebanon war broke out in 2006, which displaced up to 900,000 people and caused an estimated US\$ 3.6bn in infrastructure and facilities damage. At the subsequent Stockholm Conference, international donors pledged nearly US\$ 1bn in recovery, reconstruction and building aid.

While the service sectors, in particular banking and tourism, receive support from the government, the industrial sector continues to be neglected in terms of budget allocations and improvements to the business climate. Although the government does not restrict foreign direct investment, the investment climate suffers from red tape, corruption, arbitrary licensing decisions, high taxation, very high electricity tariffs and weak intellectual property rights. The Lebanese industry survives and grows foremost due to the widespread entrepreneurial drive, rooted in the many micro, small and medium enterprises in the country. According to the latest industrial survey conducted in 2000, the country had around 22,000 industrial establishments. Geographically, 70% of the industrial firms are located in Beirut and Mount Lebanon, 10% in the South and only 6% in Bekaa. In 2004, industry ranked second in employment, with 26% of the Lebanese working population and second in GDP contribution, with 21% of Lebanon's GDP.

Given the small size of the domestic market, international trade and exports are essential to the survival and growth of MSMEs, although export officially only contributes approximately 5% to GDP. The EU is Lebanon's largest trading partner with about 42% of imports originating from the EU and 19% of the Lebanese exports destined to EU countries – a trend that has been observed since the 70's.

At the start of LAISER, a strategic decision was taken to focus on five sectors of particular relevance to the micro, small and medium industry of Lebanon to which some 70% of the industrial establishments belong. The selected sectors are food, olive oil, textile, wood and leather. Originally, the printing sector was also to be included. However, it soon became obvious that the damages in affected printing enterprises went into millions and were therefore way beyond the LAISER budget.

Unfortunately, reliable and updated information on the current situation in the five industrial sectors is not available.

- The agro-food industry is the most important sector of the Lebanese industry, accounting for 20% of industrial enterprises and contributing 26% to GDP. The Lebanese food industry sub-sector includes traditional products, confectionery, canned fruits, vegetables and bakery products.
- Olive oil production has a long tradition and is concentrated in South Lebanon where traditional production methods in small units dominate, largely producing for the domestic market.
- The textile industry is important and consists mainly of small companies, mostly situated in the southern suburbs of Beirut and villages in the south. Material is usually imported and the industry is focused on tailoring and sewing. Some companies have successfully embarked on ready-made garment export production.
- Woodworking, foremost furniture making and carpentry by small producers, is spread throughout the country. Some larger furniture producers successfully export, foremost to the Arab region.
- The leather industry, in particular shoe production, also has a long tradition with many workshops in Southern Beirut. Today however, it is under severe pressure from cheaper imports, mainly from China.



## Project Planning

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The LAISER project was designed as part of the early economic recovery efforts in the immediate aftermath of the 2006 war with a focus on direct and tangible assistance to agro-industrial enterprises that were fully or partially damaged during the war.

UNIDO initially submitted an 18-month project proposal to LRF, based on a budget of US\$ 9m. After negotiations, the LRF allocated a budget to US\$ 3m for a first 24-month phase from September 2007 to, initially, August 2009. LAISER thus could start activities only around one year after cessation of hostilities – a delay largely caused by the lengthy negotiation process.

Later, a no-cost extension of phase I, until December 2009, was agreed. After LAISER could show initial successes, negotiations in early 2009 led to LRF agreeing to fund a second 21-month phase with a budget of US\$ 1.5m for the period from April 2009 to December 2010. The total LAISER budget of US\$ 4.5m constitutes almost 10% of the LRF funds. Possibilities for further funding from LRF are considered minimal but, in the meantime, the Italian Government has already earmarked a budget of 3 million euro for a follow-up project to be conducted by UNIDO. This project is to make the step from post-conflict to a medium-term development orientation for MSME development.

### Planning Framework

The intervention theory behind the LAISER project was to rehabilitate war-affected enterprises, thus to restore and create jobs and to improve livelihoods and ultimately contribute to reduce poverty in rural and urban areas. This was to be achieved by providing direct assistance to war-damaged enterprises as well as by supporting the MoI in monitoring and implementing the project. As mentioned above, the project went through several stages of negotiations and planning, which did not necessarily improve the stringency of the intervention logic and the logical framework<sup>3</sup>. It should also be borne in mind that the original request was for a budget of US\$ 9m (later reduced to US\$ 5m). The approved budget was for US\$ 3m; the quantitative targets in the Logframe, however, were not reduced accordingly. The final version of the logframe, which has become the basis for project implementation and reporting in phase I, is shown in table 2.

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<sup>3</sup> The original project submission document that went to the LRF (dated 15/02/2007) contains, in addition to the two Immediate Objectives that are also included in the final version, a third intervention line with related outcomes, which focused on livelihood recovery in rural areas through technology transfer and promotion of non-farm income-generating activities. In the course of negotiations and budget cuts, this activity line was dropped.

**Table 2: Actual Logical Framework of LAISER**

<b>Development Objective</b>	<b>Measurable Indicators</b>
Support economic recovery and restore livelihoods in war-affected areas of Lebanon thereby generating employment and alleviate poverty in the country.	<ul style="list-style-type: none"> <li>Restored economic activities and diversification of economic/ income generating activities</li> <li>Increased food security in households</li> </ul>
<b>Immediate Objectives (Outcomes)</b>	
1. Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector	<ul style="list-style-type: none"> <li>Project is implemented efficiently and in accordance with the plan and timing.</li> </ul>
2. Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas.	<ul style="list-style-type: none"> <li>75 to 100 agro-enterprises restored and operational</li> <li>1000 to 1500 jobs created</li> </ul>
<b>Outputs</b>	
1. A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders	<ul style="list-style-type: none"> <li>Action-plan agreed upon by all stakeholders</li> </ul>
2. A number of SME agro-enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut	<ul style="list-style-type: none"> <li>75 to 100 SME's rehabilitated and made operational</li> <li>1000 to 1500 jobs generated</li> <li>Financial turnover of rehabilitated enterprises</li> </ul>

The logical framework of LAISER suffers from a number of logical flaws and shortcomings, although the underlying intervention theory is rather straightforward and basically sound. There seems to be confusion between outputs and outcomes, with indicators for output 1 and outcome 1 being identical. Of course, the provision of “*technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas*” and of “*Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector*” are not outcomes but outputs. And the fact that the “*Project is implemented efficiently and in accordance with the plan and timing*” is not an indicator of strategic support to the Ministry.

An improved logical framework would have been similar to the fictitious one presented in table 3 that was prepared by the evaluators for a better understanding of the intervention logic.

**Table 3: Improved Logical Framework of LAISER**

<b>Development Objective</b>	<b>Measurable Indicators</b>
Support economic recovery and restore livelihoods in war-affected areas of Lebanon thereby generating employment and alleviate poverty in the country.	<ul style="list-style-type: none"> <li>• Restored economic activities and diversification of economic/ income generating activities</li> <li>• Increased food security in households</li> </ul>
<b>Outcomes</b>	
1. Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector	No indicators provided
2. A number of SME agro-enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut	<ul style="list-style-type: none"> <li>• 75 to 100 SME's rehabilitated and operational</li> <li>• 1000 to 1500 jobs generated</li> <li>• Financial turnover of rehabilitated enterprises</li> </ul>
<b>Outputs</b>	
1. A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders	<ul style="list-style-type: none"> <li>• Action-plan agreed upon by all stakeholders</li> </ul>
2. Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas.	<ul style="list-style-type: none"> <li>• Project is implemented efficiently and in accordance with the plan and timing.</li> </ul>

At this stage, it can be concluded that the logical framework is certainly not the strongest part of the LAISER project. However, the deficiencies in stringency and consistency can, to a large extent, be explained by the long negotiation process and concurrent budget reductions. At a certain stage it became, according to the project management, more important to have the project approved in order to be able to start field level operations without further delays than to ensure LogFrame stringency.

## LAISER design

The final LAISER project design concentrates on (i) five agro-industrial sectors, (ii) three geographical areas, and (iii) three main lines of intervention.

The selected five **agro-industrial sectors** are (1) Food & Beverage; (2) Olive Oil; (3) Textiles; (4) Woodwork; and (5) Leather. In addition, a few war-damaged enterprises from the metal and other sectors were included on a case-by-case basis.

LAISER was active in the **three regions**, which had suffered most in terms of infrastructure damage: (1) the Southern Suburbs of Beirut; (2) Southern Lebanon; and (3) the Bekaa valley.

LAISER adapted three lines of intervention:

- 1 Provision of **essential equipment**, with an estimated budget of US\$ 20,000 to 25,000 per enterprise (which could, in exceptional circumstances, go as high as US\$ 50,000).
- 2 Assistance to **rehabilitation of civil works** (excluding major structural works or building shells), with an estimated budget of US\$ 15,000 to 20,000 per enterprise (which could, in exceptional circumstances, reach US\$ 75,000).
- 3 **Capacity development** for general and market-specific skills for the client enterprises and government officials.

Table 2 shows the quantitative targets for both phase I and phase II. It is important to note that the targets for phase I have remained unchanged from the original US\$ 9m proposal, which later was reduced to the US\$ 3m budget, that was approved by the LRF.

**Table 4: Quantitative phase targets**

	<b>Phase I</b>	<b>Phase II</b>	<b>Total</b>
MSMEs rehabilitated	75 to 100	25 to 35	100 to 135
Jobs created	1000 to 1500	300 to 500	1300 to 2000

## Client selection process

The selection process of the beneficiary enterprises started with a list of 135 applications from war-damaged enterprises. Subsequently, these enterprises were visited by specialised experts and underwent detailed technical, financial and environmental assessments. Applicants were then short-listed for participation (phase I), based on a quantitative assessment with the following main criteria:

- Legality (i.e. formal registration)
- Employment generation potential
- Production and market capacity
- Export potential

In close dialogue with the owners, the requested equipment and/or specifications for civil works were then decided and agreed upon.

When the LRF made available additional funds for the second phase, LAISER became able to include enterprises that were rejected under the first phase.

## Implementation arrangements

LAISER is steered and managed by two main bodies, the PSC and the PMU.

PSC is the overall decision-making body and provides strategic advice to the project. The PSC consists of representatives from MoI, MoET, MoA, Presidency of the Council of Ministers, LRF, ALI, and the SLFI. UNIDO is represented by its Representative (UR) in Lebanon.

The PSC has met three times since the inception of LAISER. The PSC has ensured effective cooperation between key stakeholders and provided sound advice on ongoing activities, including adjustments to the work plan. The PSC has also been responsible for identifying the criteria for the selection of agro-enterprises to be rehabilitated and has agreed to the final selection made.

PMU is responsible for implementation and coordination of activities. It is supported by the UNIDO Country Office, led by the UR, and works under the overall guidance of the Project Manager at UNIDO Headquarters in Vienna.

The Chief Technical Advisor (CTA) heads the PMU on a split-missions' arrangement. The first CTA had to be replaced after a few months in January 2008 due to insufficient management capabilities. A National Project Coordinator (NPC) is in charge of day-to-day project management, supported by four Project Assistants. In October 2009, the former Senior Project Assistant replaced the outgoing NPC in his function for the remaining period up to December 2010.

In order to ensure the technical quality of its work, LAISER contracts qualified and specialised national and international experts for assessing the rehabilitation requirements in terms of civil works and equipment and to decide on the technical specifications of the required support; these experts also contribute to the preparation of the related tender documents. National Experts are contracted for conducting the various capacity development activities.

The main monitoring tools are the regular Project Progress Reports, which provide detailed information on physical and financial progress achieved. In addition, the CTA drafted nine Technical Reports that inform on detailed technical and operational aspects of project implementation.

The project developed a comprehensive database of beneficiaries. However, this database focuses on information on beneficiaries and the inputs provided to them. In its current configuration, the database does not include outcome information such as the pre- and post-project job situation in the beneficiary companies. The database is currently being migrated to a more user-friendly software, which is also planned to be used in a similar UNIDO post-conflict project in Iraq.

## **Disbursement of funds**

Table 3 provides a summary of the current status of LAISER expenditures under the phase I budget. As phase II has just started, no figures can be provided yet on this phase. Table 3 shows that, apart from training, disbursement under most budget lines is close to 100%. Project management expects that disbursement for training will also raise to about 90% until the end of 2009.

In Lebanon, UNIDO uses the UNDP Office for direct disbursements and financial accounting services. Initially, the disbursement process was rather slow and led to delays. This shortcoming has been overcome and currently the disbursement and accounting is working to the project's satisfaction.

**Table 5: LAISER phase I expenditures as of October 2009**

Category	Budget	Expenditure*	Utilization
Personnel	575,800	506,892	88%
Civil works ^	500,000	499,788	100%
Training	230,000	138,196	60%
Transport	25,000	24,185	97%
Supplies and commodities	30,000	29,022	97%
Equipment ^	1,342,938	1,299,167	97%
Travel	50,000	46,422	93%
Miscellaneous	50,000	38,042	76%
Sub-total	2,803,738	2,581,684	92%
Agency support	196,262	180,718	92%
<b>Total (US\$)</b>	<b>3,000,000</b>	<b>2,762,402</b>	<b>92%</b>

\* combines actual and projected expenditures for goods and works

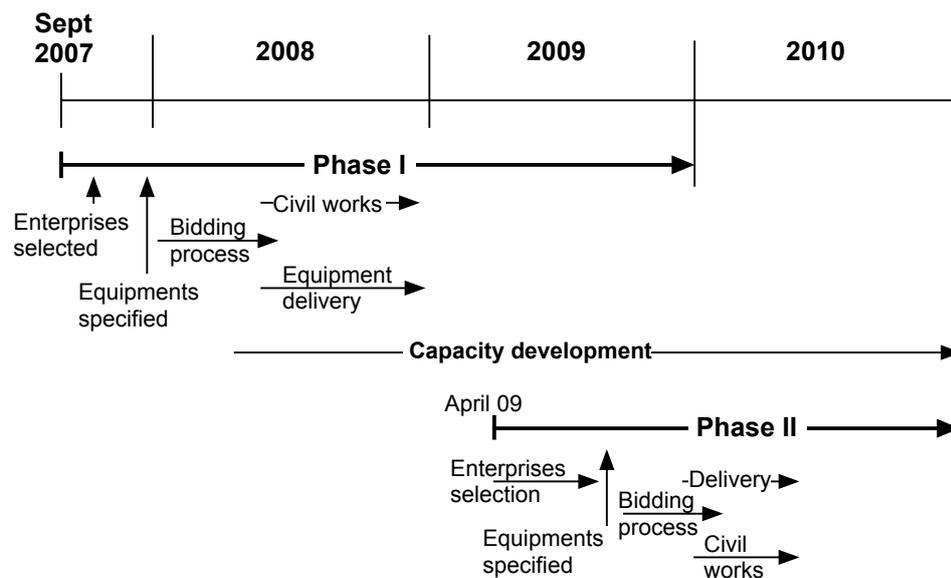
^ Direct deliverables to beneficiaries  
Equipment, field purchases/MODs

## Timeline

Illustration 1 shows the major LAISER milestones. Activities started in September 2007, about one year after the war. After a rather slow start, LAISER became fully operational once the initial CTA was replaced.

At the time of the evaluation, the project was in the process of selecting beneficiary enterprises for phase II and of specifying equipment and civil works. Equipment delivery and civil works construction was expected to start at the end of 2009 or early 2010. It is evident that experiences made in phase I paid off in terms of faster planning and implementation.

**Illustration 1: Time line of LAISER activities**



# IV

## Project implementation

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For the discussion of LAISER results, three different categories of project beneficiaries or clients can be distinguished, according to the level and intensity of support that they received.

### Beneficiary or Client categories

**Category 1 clients** are those beneficiary enterprises, which were provided with equipment and/or civil works plus training. This category has received the bulk of LAISER investments; thus the most tangible and pronounced results and impact is expected here.

**Category 2 clients** are not part of the originally envisaged target group, as these enterprises have not directly been damaged during the war. They have learned about the LAISER capacity development and training activities and requested to be allowed to participate. Up to the level possible, these requests were granted.

**Category 3 clients** do not consist of enterprises but are government officials, representatives of industry associations, as well as a number of students, which participated in training events or study tours organised by LAISER.

### LAISER Outputs

The analysis of the results achieved with the three client categories are based on the following quantitative information sources:

- 1 Project client database
- 2 Questionnaire Survey conducted in 2009 with a sample of 67 enterprises. Part of the data generated by this survey had already been analysed and could be used for the evaluation.
- 3 A separate Telephone Survey was conducted by project staff at the time of the evaluation mission covering all 48 enterprises that participated in phase I. This survey was exclusively related to full-time and part-time employee numbers before the war, just after the war, and in September 2009.

### Total beneficiaries or clients

Table 4 shows the number of LAISER clients, split into the three client categories and separated by phase. Ninety-two (92) category 1 clients, have or will have received equipment and/or infrastructure as well as participated in one or more training events. A total of 63 Enterprises of the second category can be added that have or will have participated in training. At the end of phase II, LAISER will therefore have 155 direct enterprise clients. Adding category 3 clients, the total number of LAISER clients is 236.

**Table 6: Total LAISER beneficiaries or clients in phase I and phase II**

<b>Total Clients of LAISER Phase I and Phase II (planned)</b>			
Category 1 > direct clients	Phase 1	Phase 2	Total
Wood	12	17	29
Textile	13	7	20
Food	6	11	17
Leather	7	7	14
Olive Oil	7	0	7
Others	3	2	5
<b>Sub-total Category 1</b>	<b>48</b>	<b>44</b>	<b>92</b>
Category 2 > only training	55	8	63
<b>Subtotal enterprises</b>	<b>103</b>	<b>52</b>	<b>155</b>
Category 3 > non-enterprise	41	40	81
<b>Grand total clients</b>	<b>144</b>	<b>92</b>	<b>236</b>

### Coverage primary clients

Category 1 enterprises received the bulk of LAISER assistance. Initially, 135 MSMEs had applied to the MoI. These had been seriously damaged during the war and expected assistance, following communication received earlier. From the outset, the 24 applicants from the printing sector had to be excluded, as they were medium to large units with several millions of damages each and beyond the LAISER budget possibilities. Subsequently, the project team visited each of the remaining 101 companies. As a result of these visits, 19 units were excluded, as their owners were either not interested in starting their company up again or had left the area. At the end of this process the project had identified a total of 92 enterprises to be supported.

**Table 7: Category 1 beneficiaries of LAISER**

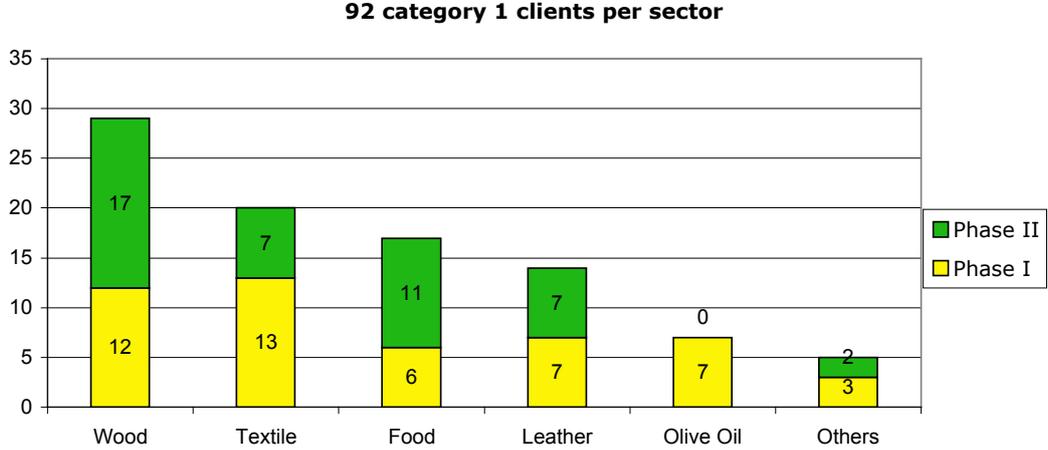
<b>Primary clients</b>	
Applied to Min of Industry	135
Printing sector excluded	-24
Closed/not interested	-19
<b>Laiser clients</b>	<b>92</b>
Covered in Phase I	48
To be covered in Phase II	44
Balance	0

Of the total 92 enterprises that have been or are being supported by LAISER, 48 were included in phase I and the remaining 44 are currently part of phase II. This means that LAISER will have achieved full coverage of its primary clients, an accomplishment that has to be duly acknowledged.

### Sector-distribution of primary clients

Illustration 2 shows the distribution of category 1 beneficiaries by sector.

**Illustration 2: Sector distribution of LAISER Beneficiaries**



Woodworking units (furniture, carpentry) dominate, followed by textile companies (sewing and tailoring), food processing units (sweets and pastry, pickles, but also bourghoul, i.e. crushed wheat) and leather industries (foremost shoe makers). Seven olive oil presses were supported in phase I.

### Trainings and trainees up to September 2009

Provision of equipment; Capacity development has been an important element of the project. LAISER conducted a range of training courses, following a two-step approach. In 2008, the focus was on general orientation-type training on micro and small company management, manufacturing standards and practices (GMP, HACCP, ISO, etc.), workplace health and safety (OHS), environmental aspects, etc. Participating enterprises were also supplied with basic safety equipment (masks, reinforced shoes, etc.) for their staff.

In 2009, the emphasis shifted to on-site practical training for the different sectors, often consisting of several subsequent modules, with the food sector getting particular attention in food safety training. In addition, a number of study tours i.e. (France, Syria, Egypt, Jordan) were conducted, to attend trade fairs, or visit specific sector clusters. The study tours to other countries in the region can also be classified as South-South cooperation.

Specialised local experts contracted for this purpose conducted the in-country training courses. Especially in the food sector, these experts are also active in the other UNIDO projects, Food Safety and MACLE.

Tables 8 and 9 show the number of training events and the number of trainees whom attended events. The share of female participants is 27%. This is considered an achievement because many trades, such as wood and leather, are traditionally dominated by men.

**Table 8: Number of training events conducted by LASIER**

No of training events	2008	2009	total
General orientation	11	0	11
On-site practical	0	9	9
International study tours	3	2	5

**Table 9: Number of LAISER trainees**

No of trainees (up to Sept 09)	men	women	total
Basic orientation training	149	72	221
On-site practical training	50	10	60
Study tours	32	2	315
Total	231	84	315
Women %			27

LAISER plans to embark on a training programme for developing business plans by the client enterprises. Ideally, the programme will lead participants through a modular process of developing their own plans – instead of outsourcing it to specialists. It is argued that this will ensure ownership and benefits of the final product and in turn, a high chance of actual implementation of the business plans, as the owners will learn to analyse and better understand their businesses and markets in the process.

## LAISER Outcomes

### Job creation with phase I clients

Alongside the number of enterprises supported, job creation is the second most important quantitative project target. In the following, the results of the telephone survey are summarised, which was conducted with all 48 category 1 clients that participated in phase I. In order to arrive at statements on full-time jobs, the part-time seasonal jobs have been converted into full-time jobs based on the number of months of part-time employment. Unfortunately, no official statistics exist that would allow to compare the LASIER client situation with the wider state of affairs in the respective sectors.

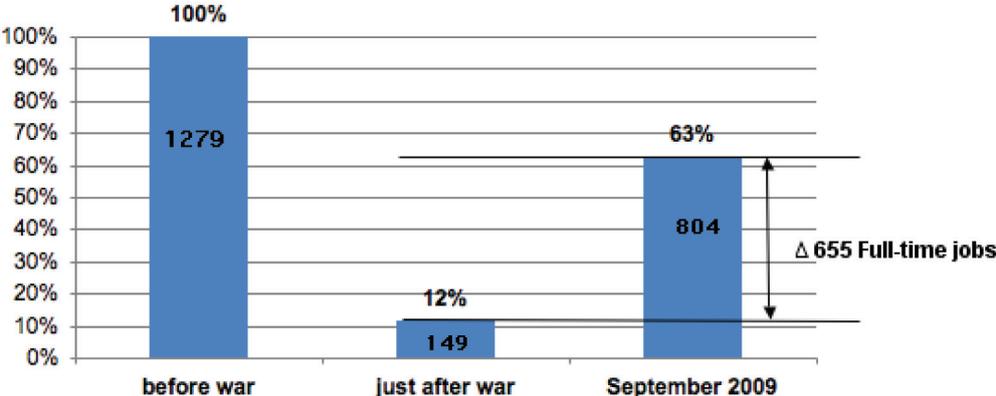
**Table 10: Job creation by LAISER**

Job creation	Full-time (FT)	Part-time (PT)	FT + PT converted	%
Pre war	1053	1001	1279	100
Post war	133	79	149	12
September 2009	730	345	804	63
Difference post war and currently	597	266	655	

Illustration 3 portrays the seriousness of the war damages. Before the war the 48 enterprises employed more than 1000 full-time employees and approximately the same number of part-time employees. Due to war damages, the number of full-time employees dropped by 920 and 994 part-time employees lost their jobs. Since then, the numbers have significantly increased, though more in full-time than in part-time jobs. If the latter are converted into full-time jobs, the total number stands at 804, a figure corresponding to a net gain of 655 full-time jobs.

**Illustration 3: Full-time jobs created**

**48 Phase I Client Enterprises: Full-time jobs  
(1) before 06 war (2) just after war (3) now (Sept 09)**



It is important to note that these figures; reaching 63% of the pre-war level, equivalent to creating 655 new jobs since the war, represent a snapshot as of September 2009. These figures do not include phase II clients but are very much on the low side because the equipment for phase I clients has been in operation for less than one year only. Furthermore, companies are included that received civil works support in phase I but will obtain ‘equipment only’ in phase II.

The conclusion is evident and straightforward: LAISER support has already produced a significant number of jobs and it can safely be assumed that this figure will further rise substantially, once all phase II clients become operational.

Evidently, full and direct attribution to the provision of equipment and civil works by LAISER is an assumption, as no control group exists (and could not be foreseen in the project design for obvious reasons). Anecdotal evidence suggests that, in particular among the phase I clients, a large number of companies would have (or actually already had) taken up production without LAISER support, albeit with less and lower quality, often second-hand, machinery. Also, as discussed below, they would have continued producing without management and operations’ related changes, which they learned in the LAISER training.

Whether the project has created or saved up-stream jobs further up the supply chain, for example in agricultural production cannot be determined as this would require rather sophisticated research on employment levels along the supply chain. Some impact may be assumed for the production of raw materials like olives but an up-stream impact further up the supply chain in the wood, leather or textile sectors, where most raw materials are imported will hardly be discernible.

## **Policy and Strategy level**

MoI officials have been involved in various LAISER activities. The core interaction mechanism between the Ministry, other major stakeholders and the project is the PSC, chaired by the Minister. Ministry representatives have participated in study tours and training events. These interactions and collaborations have certainly contributed substantially to smooth project implementation and have anchored LAISER within the Government. In addition, LAISER has also supported the MoI with provision of basic office equipment and furniture in order to enhance its operational efficiency.

Outside the direct sphere of the UNIDO project, the situation related to industrial support policy is more complex. Many industry representatives voiced their disappointment about the Government's insufficient attention to industrial development. The evaluation found no evidence that the project was able to influence the wider policy and strategy discussion in the country in relation to the overall development of the five agro-industrial sectors.

Although "strategic support to the Ministry of Industry" has been mentioned as an immediate objective in the project document, a discernable outcome of this kind is largely outside the leverage potential of a small project like LAISER. Only a comprehensive industrial development strategy of the government, along with the required budget allocations, would allow a meaningful discussion of alignment to such a strategy by a project.

## **Qualitative outcomes**

Next to the quantitative results discussed above, the qualitative aspect of changes observed have also to be taken into consideration. The large majority of enterprises visited by the mission clearly stated that their motivation had received a big boost after receiving support from the project. Initially, many owners interviewed were more than sceptical when first contacted, as in the past promises for support had never materialised. The conscious strategy of the project to start with a limited number of enterprises in each geographical area, in order to achieve fast results, has certainly paid off. Once the first units were up and running, interest and commitment among their sceptical peers grew considerably.

Often, owners stated that the new machinery has given them fresh pride in their profession and had led them to adopt new production techniques for better products of a higher quality than in pre-war times. Some enterprises have undergone a veritable revolution and reorganised not only production processes but also introduced new office and human resource management techniques, including workplace health and safety related improvements.

# V

## Assessment

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### Relevance and ownership

Relevance for ownership by the direct LAISER clients and stakeholders has been very high. LAISER is praised in the country as the only project that has concretely assisted war-damaged enterprises and produced tangible impact on industry. Such positive statements were often linked to complaints about the general unavailability of any other type of support.

LAISER is also fully supported and owned by the LRF, the Ministries and the involved Industry Associations. Their representatives have actively participated in PSC meetings and contributed substantially in discussions on project strategy.

The only serious complaints voiced to the mission were that the budget was too limited and that therefore large enterprises like, for instance, the glass factory in the Bekaa valley or LibanLait had to be excluded. However, with a view to relevance, the early decision of the PSC to maximize the number of beneficiary enterprises and to focus on MSMEs was certainly appropriate.

While the direct relevance of the project for beneficiary companies is high and undisputed, its overall relevance for development in the five sub-sectors is probably not so high. However, this was never aimed for in the project's design and is not part of the LRF mandate. LAISER was given the clear and direct task that 75 to 100 war-damaged enterprises should commence production again. Achieving sector and MSME development relevance would have required a different project design. As discussed below, a possible follow-up project should be planned with a medium-term development perspective in mind.

### Effectiveness

The preceding discussion of the direct results achieved by LAISER has shown that it has operated effectively, i.e. it has done "the right thing". LAISER has fully met its quantitative targets, and achieved full coverage of the targets set. Equally important is the fact that LAISER selected its clients in full transparency and impartially (despite the substantial external pressures it was exposed to initially). The project was widely praised for these achievements by all stakeholders. The project was also successful in identifying and utilising good international and national technical experts for the different sectors and trainings.

Table 11 provides a summary assessment of the LAISER achievements in relation to the logical framework. As most indicators, despite being labelled as measurable, have not been quantified, the evaluation mission could only do a qualitative assessment in these cases. Despite the deficiencies of the Logical Framework discussed above, the table reflects the good results and the very high completion rate.

**Table 11: Assessment of LAISER achievements related to Logical Framework**

<b>Development Objective</b>	<b>Measurable Indicators</b>	<b>Assessment/ Completion rate</b>
Support economic recovery and restore livelihoods in war-affected areas of Lebanon thereby generating employment and alleviate poverty in the country.	<ul style="list-style-type: none"> <li>Restored economic activities and diversification of economic/ income generating activities</li> <li>Increased food security in households</li> </ul>	<ul style="list-style-type: none"> <li>The project certainly made its contribution, however within limits of budget at disposal</li> <li>Created jobs have certainly influenced livelihoods and increased food security of families involved</li> </ul>
<b>Immediate Objectives</b>		
Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector	<ul style="list-style-type: none"> <li>Project is implemented efficiently and in accordance with the plan and timing.</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> <li>Major policy decisions (food safety law, etc.) still pending, however outside direct project purview</li> </ul>
Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas.	<ul style="list-style-type: none"> <li>75 to 100 agro-enterprises restored and operational</li> <li>1000 to 1500 jobs created</li> </ul>	<ul style="list-style-type: none"> <li>100% (see results)</li> </ul>
<b>Outputs</b>		
A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders	<ul style="list-style-type: none"> <li>Action-plan agreed upon by all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>100%, action plan fully implemented</li> </ul>
A number of SME agro-enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut	<ul style="list-style-type: none"> <li>75 to 100 SME's rehabilitated and made operational</li> <li>1000 to 1500 jobs generated</li> <li>Financial turnover of rehabilitated enterprises</li> </ul>	<ul style="list-style-type: none"> <li>100% (see outputs)</li> <li>Turnover indicator not quantified and companies very reluctant to provide information</li> </ul>

## **Equipment**

The machinery that has allowed the different workshops to resume production has been chosen in a step-wise process, which has shown to be effective, even if it took some time. The vast majority of owners interviewed are very satisfied, the machines are fully utilised, technically sound and of excellent quality. No operating problems or breakdowns have been reported to the mission. The quality of the external technical expertise has certainly been a decisive factor in this respect.

In very few isolated cases, the mission had some doubts whether the equipment was being fully utilised. The underlying reasons, as far as they could be investigated, seem to always be owner-related and not due to wrong selection of equipment. One olive oil producer had not yet installed the bottling equipment as the owner unfortunately passed away, just after the delivery of the equipment. His son, who took over the production, was still coming to terms with his new task.

In a second case, a shoe manufacturer claimed insufficient market demand responsible for the delay in fully utilising the equipment.

Evidently, equipment is a necessary pre-condition for restarting production; the decisive business success factors still remain the entrepreneur and the specific market situation.

## **Civil Works**

The project has only financed additional civil works, mostly interior works for basic structures, which had to be self-financed by the owner. Budgets ranged from US\$ 15,000 to 20,000 per enterprise. In one case, where the entire building was destroyed, an amount of US\$ 75,000 was made available.

The workshops of civil works beneficiaries visited by the evaluation mission were fully utilised. All owners stated that the support was appropriate, of good quality, and that the execution had been on schedule. In one case of on-going construction, the evaluators had serious doubts whether production in this unit would resume in the near future – despite strong statements by the owner to the contrary.

## **Own contributions by beneficiaries**

The survey of 67 beneficiaries, conducted in mid 2009, found an investment multiplication factor of 4, i.e. for every dollar of equipment or civil works provided by the project, owners invested an average of four dollars from their own funds. The US\$ 1.8m invested by LAISER to date in equipment and civil works has mobilised an investment capital of around US\$ 7.2m from company owners.

The evaluation field visits confirmed this multiplier effect; in fact the ratio may be even higher. This effect of mobilising additional funds has not been part of the original project design and can thus be qualified as an unintended effect of substantive proportions.

## **Capacity development**

The chosen approach with a first step of more theory-oriented exposure to new management and production techniques, followed by practical on-site training for the different sectors, was appropriate and effective. For the ‘theoretical’ orientation courses in 2008 the project rented hotel premises in Beirut, while the on-site training courses during 2009 were

arranged directly at the production sites of beneficiaries, to which other participants were invited to attend.

The majority of trainees who attended were very satisfied with the training contents and have already applied changes to their way of operating or are in the process of doing so. In a number of cases, the training courses played a catalytic role for profound reorganisations of production processes and company management.

These observations confirm the results of the project's regular post-training evaluations with participants. Data analysis shows an overall picture of satisfied trainees, with approval rates between 80% and 100% in terms of skill transfer and applicability as well as course duration.

A small minority voiced some criticism in that the training courses were too theoretical and not directly applicable for their situation. However, such statements should be seen in the light of the wide differences between trainees in terms of knowledge, sophistication of production, and education. It will remain a challenging task to develop one-size training programmes that fits all clients.

Nevertheless, the evaluators have some doubts whether the selected training topics were always demand-oriented and based on a needs assessment. For certain modules, the availability of ready-made training packages (especially in food and workplace safety) and of the related trainers seems to have played a role.

### **Inter-project collaboration**

Inter-project collaboration has not been explicitly built into the LAISER project design although this issue is discussed as part of the general harmonisation debate but also with regard to the perceived "One UNIDO" challenge. No comprehensive information was readily available at the project on the overall donor and project landscape.

On the ground, some collaboration occurred with three projects in the food sector: (1) MACLE, currently in its last phase, implemented by UNIDO and funded by the Swiss Government (SECO); (2) the Food Safety Project, also implemented by UNIDO, with funding from the Italian Government; (3) QUALEB, hosted at the Ministry of Economy and Trade and funded by the EU.

Several clients from these projects participated in training organised by LAISER. Also, clients of MACLE and the Food Safety Project participated in international study tours organised by LAISER. On the other hand, LAISER put several of its own clients in contact with MACLE, to receive assistance in improving packaging and labelling for their products.

Most prominent, however, was the mutual use of external experts by these projects, especially for training in technical subjects, for instance, GMP or HACCP as well as introduction into ISO systems.

It can be concluded that inter-project collaboration did indeed happen, but that it was rather ad-hoc or opportunity-based and not part of a wider harmonisation and collaboration strategy. Partly, this can be blamed on the fact that a sector-based approach is lacking for all LAISER sectors, which would provide an overall orientation and attribute to specific tasks to the different projects. This deficit is primarily due to the absence of government leadership.

## Overall effectiveness conclusions

LAISER has certainly been very effective in achieving its goals and objectives. Although the individual entrepreneur is the decisive factor for early economic recovery and resumption of production in war-damaged enterprises, the provision of equipment, civil works and related capacity building is a necessary pre-condition.

It is an interesting observation that the early starters who started reconstruction even before the project arrived have normally performed best. Many improvised with second-hand equipment and restarted production right after the war, long before the LAISER assistance became available. Others were less proactive and waited for support. Naturally, access to financial resources also played an important role in whether an enterprise was able to start on its own.

LAISER has been effective in playing a catalytic role in mobilising substantial investments of the owners and in inducing changes in production and management practices, fostered by capacity development and by making available high quality equipment.

Interviewees highlighted the importance of transparency and impartiality in client and equipment selection and tendering procedures in line with strict UNIDO rules. This could be achieved due to the quality and commitment of local staff but also to the perception of UNIDO as international and independent organisation, which could resort to its solid world-wide experience in implementing small business-oriented development projects in agro-industrial sectors.

## Efficiency

The evaluators recognized a high level of efficiency in project implementation. In other words, LAISER has done “the right thing”. After some initial ‘teething problems’ the project became fully operational and implementation is on track according to the plan and budget.

Unfortunately, one full year was lost until the project could begin operations on the ground. An earlier start would have reduced the period of inactivity for some enterprises while others would not have had to invest in second-hand machinery, which later was partly replaced by the LAISER equipment. Evidently, speed is essential in these type of projects, as production gaps should be kept to the minimum possible. It is unfortunate that the efficiency of the project was reduced by lengthy negotiations.

The equipment selection and delivery process was efficient. After the initial assessment of damages by a technical expert, the owner regularly came forward with a long list of demands. The expert then, in dialogue with the owner, prioritised the long-list according to production effectiveness and within the financial range set by the project (US\$ 20,000 to 25,000). In exceptional cases (for instance loss of the entire production line) the budget was increased up to US\$ 50,000.

Before the actual tender process started, the owner again had to agree to the final selection of machines. After obtaining this agreement, UNIDO put the equipment up for tender, following its standard procurement process. International manufacturers won most tenders; for special equipment like wheat crushers, domestic suppliers were selected.

For civil works rehabilitation, first, initial damage assessments by the technical consultants were completed. This formed the basis for drafting the tender documents, which were then

put up for national tendering. All beneficiaries visited, conformed to an efficient execution of the works in good quality and on time.

The project management team was small and efficient. Backing from the UNIDO Country Office under the UR in Lebanon and UNIDO Headquarters in Vienna was professional and very supportive. Efficiency was also achieved by selecting good quality national and international experts.

The project has timely produced its regular Progress Reports and altogether nine Technical Reports, which provided detailed information on the more technical and operational aspects of project implementation. For each PSC, special presentations have been compiled in order to update the members on progress and issues that needed to be addressed.

A good performance indicator for project efficiency is the proportion of funds directly spent at field level. A rough calculation shows that more than 80% of LAISER funds were directly spent at enterprise level in form of machinery, civil works and capacity development.

## **Sustainability and Impact**

The prospects for sustainability are good. The quality of the machinery and civil works are here to stay and will continue to generate turnover and jobs in the clients enterprises. As shown above, the impact in terms of jobs generated is already substantial and can be expected to grow further in future, in particular after the phase II support will also become operational.

Next to the quantitative impact, it is also important that LAISER support has enabled the affected enterprises to stay in their locality and continue to provide local jobs, hope and perspectives for the local communities.

It is not possible to predict in what shape the benefiting enterprises would be today without the assistance from LAISER. Most interviewees agreed that no other organisation would have come to their rescue. From the sample of enterprises visited, an approximate calculation can be made that some 70% would also be operational today in one way or another, though certainly not at the level they are today. The project's interventions played a catalytic role in inducing production and management related changes beyond the mere utilisation of new machinery.

The final assessment of LAISER's impact will only be possible once the phase II enterprises have received their equipment and put them in to production. During its company visits, the evaluation mission gained the impression that the phase I clients in general seem to be more proactive and entrepreneurial than the phase II clients. Some of the latter have been waiting for assistance, more or less passively, for almost three years.

If this assessment is correct, the initial client selection process identified the best 48 candidates with potential for phase I support and those investments can be expected to have a sustainable impact. The question of whether the phase II candidates will perform equally as well will only become evident at the end of 2010.

# VI

## Conclusions and recommendations

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LAISER had the primary objective to rehabilitate war-damaged but qualified enterprises from five agro-industrial sectors within three geographical regions. This objective has been achieved.

One key success factor was the impartial, needs-based and transparent selection process. The initial selection of candidates with the best potential has shown to lead to a substantial impact in terms of jobs created, which can be expected to further increase in future and to be sustainable.

All stakeholders agree that LAISER demonstrated exceptional performance in providing tangible and visible support. Unfortunately, Government support to industry is generally weak. Support from sources other than UNIDO has been very limited. In the absence of an overall industrial development strategy, it is not possible to secure alignment as envisaged by the Paris Declaration and the Accra Agenda. As a result, it is difficult for a project like LAISER to produce impact beyond its immediate client base.

### Recommendations for LAISER Phase II

Given the good results achieved in phase I, LAISER should continue with the implementation of phase II. The processes of equipment and civil works identification and tendering are well established and should be fine-tuned for accelerated selection and implementation. Also, the same sector experts should be employed to maintain the high quality of advice.

The recently initiated efforts to support companies with developing their business plans should be pursued. This activity helps company owners to better understand their businesses and markets, ensure ownership and is an important tool for long-term sustainability.

The ongoing improvements of the database should give additional emphasis to the output and outcome aspects, for instance by integrating the results of regular client surveys, similar to the one conducted during the mission on the pre and post-project job situation.

### Recommendations for a possible follow-up project

Three years after the war, any possible follow-up phase or project should move from a short-term post-conflict to a medium-term development approach. Core elements of this shift should be:

- Concentration on fewer sectors, by selecting one or more with the highest potential in terms of employment generation, export prospects, etc. This would allow increasing coverage, depth and sector impact. Of course, the budget would have to be commensurate and the number of client enterprises should also be increased as far as feasible.

- In addition to the technical assessment at company level, a wider analysis of business and market structure and potential should be conducted. The results of this analysis could lead to (i) value-chain approach in general (ii) comprehensive training strategy and programme, that is geared to the most pertinent needs and deficits of MSMEs in a given market. Preferably, training would then be organised by (sub-)sector, whereby it is assumed that enterprises face similar problems.
- In future capacity building programmes the curriculum should be designed on the basis of a thorough assessment of training needs.
- Conditions should be set in terms of investments by the clients themselves and in terms of mandatory participation in training, preparation of business plans, etc. In other words, equipment or civil works assistance would be the ‘golden carrot’, which is delivered only after the advance milestones have been completed. Also, cost-sharing mechanisms should be introduced for capacity development activities. Evidently, this will require high quality training that is oriented to the most pressing needs of the enterprises.
- Activity lines between projects should be clearly delineated and collaboration mechanisms made compulsory and explicit in the project design.

## **Main lessons learnt for future similar post-conflict projects**

In post-conflict situations, the speed of assistance delivery is essential: the sooner enterprises are back in production, the more effective the assistance will be and the shorter the period of economic stagnation. Less market share is lost and retention of the workforce is significantly improved.

In addition to the direct impact on enterprise and jobs, the indirect impact on the local community is important, as it demonstrates to the broader public that life indeed does go on.

In this context, the core challenge for planners is how to speed up negotiations and reduce bureaucratic hurdles (which took almost one year in the case of LAISER) in order to allow a fast start of implementation. Continued and high-level support from UNIDO (and the donors) is essential to minimise bureaucratic friction and interference.

Distributing equipment for free is justified and recommended in genuine post-conflict situations when damages are serious and the needs are imminent. Due to this ‘freebie’ element, it is important, as the example of LAISER has shown, that a project is strongly supported by decision makers in its efforts to be fully transparent and resist undue pressures.

In a project like LAISER, with equipment supply as its core element, the quality of the technical expertise and the quality of the equipment are crucial to the image of the project and the sustainability of its impact.

Care should be given to moving consciously and timely from genuine post-conflict support to medium-term development support. The aspect of capital mobilisation by the beneficiaries themselves should be given due attention in this respect.

## Annex A - Terms of Reference

### Independent Evaluation of the UNIDO Project: SUPPORT FOR LIVELIHOODS AND ECONOMIC RECOVERY IN WAR-AFFECTED AREAS OF LEBANON

Project No. FB/LEB/07/001

#### I. PROJECT BACKGROUND

This project aims at empowering war-affected communities through the integration of humanitarian and development assistance and the rehabilitation/revitalization of the productive capacities of the country. The focus is on livelihoods recovery and the rehabilitation of selected agro-processing enterprises.

Start date: 23 August 2007  
Expected End date: 30 June 2009  
Current phase extended until: 31 December 2009

Donor: Lebanon Recovery Fund (LRF)  
Donor budget: USD 3,000,000  
Government contribution: USD 250,000 (in kind)  
Enterprises contribution: USD 500,000 (in kind)  
Total: USD 3,750,000 (including support costs)

Government counterpart: Ministry of Industry (MoI)

Estimated number of beneficiaries: 75 to 100 enterprises generating 1.000 to 1.500 jobs

Geographic areas of intervention: The Bekaa; Southern Suburbs of Beirut; South Lebanon

#### Project planning

##### Development Objective:

Support Economic Recovery and restore industrial units in war-affected areas of Lebanon thereby generating employment and alleviating poverty in the country.

##### Immediate objectives:

- a. Strategic support to the MoI to monitor and implement the programme for the rehabilitation of the agro-industrial sector.
- b. Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas.

## Logical framework in project document

<b>Development Objective</b>	<b>Measurable Indicators</b>
Support economic recovery and restore livelihoods in war-affected areas of Lebanon thereby generating employment and alleviate poverty in the country.	<ul style="list-style-type: none"> <li>• Restored economic activities and diversification of economic/income generating activities</li> <li>• Increased food security in households</li> </ul>
<b>Immediate Objectives</b>	<b>Measurable Indicators</b>
Strategic support to the Ministry of Industry to monitor and implement the programme for the rehabilitation of the agro-industrial sector	<ul style="list-style-type: none"> <li>• Project is implemented efficiently and in accordance with the plan and timing.</li> </ul>
Provision of technical assistance and inputs for the rehabilitation of damaged agro-processing facilities both in rural and urban areas.	<ul style="list-style-type: none"> <li>• A minimum of 75 to 100 agro-enterprises restored and operational</li> <li>• Number of jobs created</li> </ul>
<b>Outputs</b>	<b>Measurable Indicators</b>
A comprehensive action-plan for the rehabilitation of directly affected agro-industries prepared and agreed upon by all stakeholders	<ul style="list-style-type: none"> <li>• Action-plan agreed upon by all stakeholders</li> </ul>
A number of SME agro-enterprises rehabilitated in the South Lebanon and Southern Suburb of Beirut	<ul style="list-style-type: none"> <li>• 75 to 100 SME's rehabilitated and made operational</li> <li>• Number of jobs generated</li> <li>• Financial turnover of rehabilitated enterprises</li> </ul>

## Project extension and additional funding

In 2009 the donor granted an expansion of the project budget by an additional 1.5 million USD - Phase II - and an extension of the duration of the project until the end of 2010.

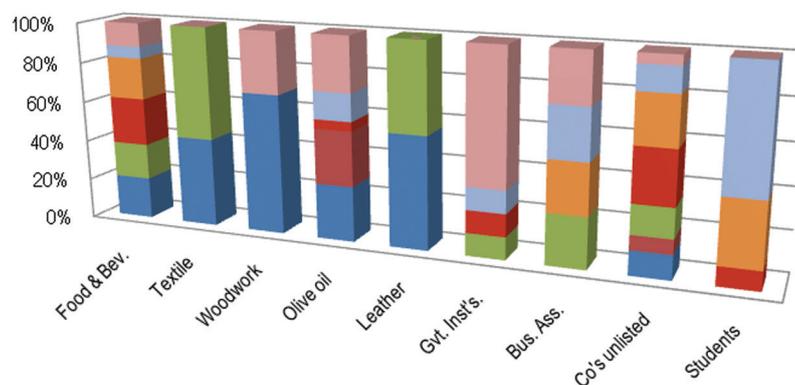
## Implementation status as of April 2009

As of April 2009 the project had spent 82% of the planned budget (95% of the planned budget for civil works; 88% of the planned budgets for equipment, supplies and commodities).

## Overview of support provided (status April 2009)

Entities supported		Type of support and number of entities that have benefitted		
Companies	Total number supported	Equipment	Civil works	Capacity building
Food & beverage	12	5	4	11
Textile	16	12	4	15
Woodwork	17	11	6	9
Paper, Plastics & Printing	1	0	1	0
Olive oil	7	7	2	6
Leather	8	5	2	5
Companies not listed	32	0	0	32
<b>Total no. companies</b>	<b>93</b>	<b>40</b>	<b>19</b>	<b>78</b>
Government institutions	7	1	1	7
Business associations	3	0	0	3
Students	25	0	0	25
	<b>128</b>	<b>41</b>	<b>20</b>	<b>113</b>

Distribution of (190) capacity building activities - April 2009



	Food & Bev.	Textile	Woodwork	Olive oil	Leather	Gvt. Inst's.	Bus. Ass.	Co's unlisted	Students
Study tour	4	0	4	6	0	6	1	2	0
ISO 22000	2	0	0	3	0	1	1	5	19
HACCP	7	0	0	0	0	0	1	10	10
GMP	8	0	0	1	0	1	0	11	3
Management of small scale enterprises	6	14	0	0	4	1	1	6	0
Sector-specific business management	0	0	0	6	0	0	0	3	0
General business management	7	11	9	6	5	0	0	5	0

## II. EVALUATION PURPOSE

The purpose of the evaluation is to assess the:

1. Project relevance with regard to the priorities and policies of the MoI, the LRF and UNIDO
2. Project effectiveness in terms of the outputs produced and outcomes achieved as compared to those planned
3. Efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities
4. Prospects for development impact
5. Long-term sustainability of the results and benefits

The evaluation should provide the necessary analytical basis and make recommendations to the MoI, to the LRF and to UNIDO for ensuring the sustainability of the project. The evaluation should also draw lessons of wider applicability and feed into a thematic evaluation of UNIDO “Post crisis rehabilitation” projects.

## III. METHODOLOGY AND SCOPE OF THE EVALUATION

The evaluation will be carried out in keeping with agreed evaluation standards and requirements. More specifically it will fully respect the principles laid down in UNIDO’s Evaluation Policy and follow the UN Evaluation Norms and Standards as defined by UNEG. The evaluation shall determine as systematically and objectively as possible the relevance, efficiency, achievements (outputs, prospects for achieving expected outcomes and impact) and sustainability of the project. To this end, the evaluation will assess the achievements of the project against its key objectives, as set out in the project document and the inception report, including re-examination of the relevance of the objectives and of the design. It will also identify factors that have facilitated or impeded the achievement of the objectives.

While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties. It will address the following general issues:

### Project identification and formulation

- The extent to which a participatory project identification process was applied in selecting problem areas and counterparts requiring technical cooperation support
- Relevance of the project to development priorities and needs
- Clarity and realism of the project’s development and immediate objectives, including specification of targets and identification of beneficiaries and prospects for sustainability
- Clarity and logical consistency between, inputs, activities, outputs and objectives (quality, quantity and time-frame)
- Realism and clarity in the specification of prior obligations and prerequisites (assumptions and risks)
- Realism and clarity of external institutional relationships, and in the managerial and institutional framework for implementation and the work plan
- Likely cost-effectiveness of the project design

## Project ownership

- The extent to which the project was formulated with the participation of the national counterpart and/or target beneficiaries
- Whether counterparts have been appropriately involved in the identification of their critical problem areas and in the development of technical cooperation strategies
- The composition and involvement of the project steering committee and its active role in steering project implementation
- Whether counterpart contributions and other inputs have been received from the MoI and from industry beneficiaries as compared to the project document work plan

## Project coordination and management

- The extent to which the national management and overall field coordination mechanisms of the project have been efficient and effective
- Whether UNIDO management, administrative (including availability of funds as compared with the budget) and technical support, coordination, quality control and input delivery (in terms of expertise, training, equipment, methodologies, etc.) has been efficient and effective
- Whether monitoring, reporting and self-evaluation has been carried out effectively, based on indicators for outputs, outcomes and objectives and using that information for project steering and adaptive management
- Whether changes in planning documents during implementation were adequately reviewed, approved and documented
- Whether coordination envisaged with any other development cooperation programmes in the country has been realized and benefits achieved
- Whether the project management has actively pursued cooperation and the achievement of synergies in relation to other UNIDO projects and to other UN activities in the country

## Effectiveness and Project Results

- Full and systematic assessment of outputs produced to date (quantity and quality as compared with work plan and progress towards achieving the immediate objectives)
- The quality of the outputs produced and how the target beneficiaries use these outputs, with particular attention to gender aspects
- The outcomes, which have occurred or which are likely to happen through utilization of outputs

## Prospects to achieve expected impact and sustainability

- Prospects to achieve the expected impact and developmental changes (economic, environmental, social) that are likely to occur as a result of the intervention
- Prospects for sustaining the project's results by the beneficiaries and the host institutions after the termination of the project

## Cost-effectiveness of the Project

- Assessment whether the approach of the project represented the best use of given resources for achieving the planned objectives

## Recommendations for a possible next project phase, or replication elsewhere

- Based on the above analysis the evaluators will draw conclusions and make recommendations for any further action by the Government of Lebanon, UNIDO and/or other parties to ensure the sustainability of the project achievements, including any need for additional assistance and activities of the project prior to its completion. Any proposal for further assistance should include precise specification of objectives and the major suggested outputs and inputs
- The evaluators will also formulate lessons learned of general interest and wider applicability beyond the specific project under evaluation

## IV. MAIN EVALUATION TASKS AND TIMING

The evaluation is scheduled to take place between September and December 2009.

The evaluation will be carried out through analyses of various sources of information, including desk analysis, survey data, and interviews with counterparts, beneficiaries, partner agencies, donor representatives, programme managers and through the cross-validation of data.

Particular attention will be given to a field survey to collect the necessary data for an analysis of the project impact as determined, inter alia, by the following performance indicators as defined in the project document:

- Number of jobs created
- Numbers and types of income creating activities created
- Financial turnover of rehabilitated enterprises
- Improved aggregate family income and nutritional status
- Increased food security in households

The evaluation will require the following functions, competencies and skills:

1. International evaluator with documented experience in:
  - a. Designing and managing complex evaluations
  - b. Leading multi-disciplinary and multi-cultural teams of evaluators;
  - c. Development projects in Arab speaking countries
  - d. Drafting evaluation reports in line with agreed UN and DAC standards
  - e. Excellent command of English (excellent drafting skills to be demonstrated)
2. National evaluator with documented experience in evaluations

The evaluation team must have the necessary technical competence and experience to assess the quality of the technical assistance provided under this project in the area of support to SMEs in a post-crisis environment.

The international evaluator will be responsible for elaboration of an evaluation strategy, including the design of field surveys, elaboration and test of questionnaires; guiding the national evaluator for the field surveys line with agreed professional and impartiality standards; analysis of survey results; gathering of complementary information from project staff, collaborators and stakeholders through telephone interviews and other means; and preparing a presentation of conclusions and recommendations as well as a final evaluation report.

The national evaluator will carry out be responsible for carrying out the field surveys (un-

der the guidance of the team leader). The field surveys will provide the foundation for the evaluation and must therefore be executed in line with the highest standards of professionalism and impartiality.

The Government of Lebanon will submit a list of three candidates for the post of the national evaluator from which UNIDO will select and contract the candidate representing the best value for money.

The international and the national evaluator must be independent and not have been involved in the formulation, implementation or backstopping of the project.

The execution of the evaluation will require full command and control of the specific situation in Lebanon and full respect of the UN security rules. The evaluation team will maintain close liaison with the UNIDO representative in Lebanon and the concerned national agencies, and with representatives of other relevant UN agencies, as well as with national and international project staff. The evaluation team is free to discuss with the authorities concerned anything relevant to its assignment. However, it is not authorized to make any commitments on behalf of the Government, the donor or UNIDO.

The UNIDO evaluation group will be responsible for the quality control of the evaluation process and report. They will provide inputs regarding evaluation methods, findings, lessons learned and recommendations from other evaluations, ensuring that the evaluation report is in compliance with established evaluation norms and standards and useful for organizational learning of all parties.

The UNIDO office in Beirut will support the evaluation team.

The evaluation will encompass the following main tasks:

	<b>Main tasks</b>	<b>Timing</b>
1	Identification and contracting of National Evaluators by UNIDO in cooperation with the Government of Lebanon	August
2	Desk study of available documents and telephone interviews with the project manager, the National Project Coordinator and the CTA.	September
3	Definition of the evaluation methodology; formulation of project specific evaluation questions and development of the survey strategy	September
5	National Evaluator conducts survey	September
6	Evaluation mission and presentation of preliminary results to stakeholders in Beirut	October
7	Presentation of preliminary results to UNIDO at HQ	November
8	Final report	December

**V. REPORTING**

The evaluation report shall follow the structure given in Annex 1. Reporting language will be English. The presentations for the feedback session shall focus on main findings, conclusions, recommendations and lessons learned.

Draft reports submitted to the UNIDO evaluation manager will be shared with the project

manager for review and consultation. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation will also seek agreement on the findings and recommendations. The evaluators will take the comments into consideration in preparing the final version of the report. Differing points of view, if any, will be documented in the report, in line with the UNIDO Evaluation Policy.

The quality of the evaluation report will be assessed and rated against the criteria set forth in the attached checklist on evaluation report quality.

## Annex A.1 - Template of the evaluation report

### I. Executive summary

- Must be self-explanatory
- Not more than three pages focusing on the most important findings and recommendations
- Overview showing strengths and weaknesses of the project

### II. Introduction

- Information on the evaluation: why, when, by whom, etc.
- Information sources and availability of information
- Methodological remarks and validity of the findings
- Project summary (including project structure, objectives, donors, counterparts, timing, cost, etc)

### III. Country and project context

- This chapter provides evidence for the assessment under chapter VI (in particular relevance and sustainability)
- Brief description including history and previous cooperation
- Project specific framework conditions; situation of the country; major changes over project duration
- Positioning of the project (other initiatives of government, other donors, private sector, etc.)
- Counterpart organisation(s); (changes in the) situation of the

### IV. Project Planning

- This chapter describes the planning process as far as relevant for the assessment under chapter VI
- Project identification (stakeholder involvement, needs of target groups analysed, depth of analysis, etc.)
- Project formulation (stakeholder involvement, quality of project document, coherence of intervention logic, etc.)
- Description of the underlying intervention theory (causal chain: inputs-activities-outputs-outcomes)
- Funds mobilization

### V. Project Implementation

- This chapter describes what has been done and provides evidence for the assessment under chapter VI
- Financial implementation (overview of expenditures, changes in approach reflected by budget revisions, etc.)
- Management (in particular monitoring, self assessment, adaptation to changed circumstances, etc.)
- Outputs (inputs used and activities carried out to produce project outputs)
- Outcome, impact (what changes at the level of target groups could be observed, refer to outcome indicators in prodoc if any)

## VI. Assessment

- The assessment is based on the analysis carried out in chapter III, IV and V. It assesses the underlying intervention theory (causal chain: inputs-activities-outputs-outcomes). Did it prove to be plausible and realistic? Has it changed during implementation? This chapter includes the following aspects:
- Relevance (evolution of relevance over time: relevance to FAO and UNIDO, Government, counterparts, target groups)
- Ownership
- Efficiency (quality of management, quality of inputs, were outputs produced as planned?, were synergies with other initiatives sufficiently exploited? Did FAO and UNIDO draw on relevant in-house and external expertise? Was management results oriented?)
- Effectiveness and impact (assessment of outcomes and impact, reaching target groups)
- Sustainability
- If applicable: overview table showing performance by outcomes/outputs

## VII. Issues with regard to a possible next phase

- Assessment, in the light of the evaluation, of proposals put forward for a possible next phase
- Recommendations on how to proceed under a possible next phase, overall focus, outputs, activities, budgets, etc.

## VIII. Conclusions and recommendations

- Main conclusions
- Recommendations based on conclusions
- The implementation of the recommendations must be verifiable (indicate means of verification)
- Recommendations must be actionable; addressed to a specific officer, group or entity who can act on it; have a proposed timeline for implementation
- Recommendations should be structured by addressees:
- UNIDO
- Ministry of Industry and/or other Counterpart Organisations
- Lebanon Recovery Fund

## IX. Lessons learned

- Lessons learned must be of wider applicability beyond the evaluated project but must be based on findings and conclusions of the evaluation

## Annex A.2 - Checklist on evaluation report quality

Report quality criteria	FAO/UNIDO Evaluation Managers Assessment notes	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project objectives?		
B. Were the report consistent and the evidence complete and convincing?		
C. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
D. Did the evidence presented support the lessons and recommendations?		
E. Did the report include the actual project costs (total and per activity)?		
F. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
G. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?		
H. Was the report well written? (Clear language and correct grammar)		
I. Were all evaluation aspects specified in the TOR adequately addressed?		
J. Was the report delivered in a timely manner?		

### Rating system for quality of evaluation reports

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

## Annex B - Enterprises visited by the evaluation team

<b>ENTERPRISE NAME</b>	<b>SECTOR</b>
Sadaka Sweets	Food & Beverage
Imad Ghosson	Pickles
Abou Ghaida	Spices
Kadmous	
La Martine	
Batal Design	Wood
Assi Brothers	
Hassan Awada	
Khousheish	
Amine Ayoub	
Ali Azki	
Cehade	
Spot Shop	
Verucca	
Martina	
Bazzi	
Maximum	Textile
Trussadia	
Khodor Allameh	
Trico Orient Star	
Fares Tex	
Fehayli Olive Oil Mill	Olive Oil
Kashmar Olive Oil Mill	
Hassan Abou Akar	Tiles
Ali Lakkis	Nylon
Ajami	Metal
<b>TOTAL:</b>	<b>26</b>

## Annex C - Persons met by evaluation team

Mr. Ghazi Zeaiter                      Minister of Industry

### **UNIDO:**

Mr. Khaled Al-Mekwad              UNIDO Representative  
Mr. Chakib Jenane                    UNIDO project manager  
Ms. Soha Atallah                    National Project Coordinator (MACLE Project)  
Ms. Caren Elia                        National Project Coordinator (FOOD SAFETY Project)  
Dr. Hussein Dib                       UNIDO Consultant - Trainer  
Dr. Toufik Rizk                        Trainer

### **LAISER Team:**

Mr. Erik Ladefoged                   Chief Technical Advisor  
Mr. Bassel El-Khatib                National Project Coordinator  
Ms. Nada Barakat                    Administrative Project Assistant  
Ms. Amal Moukdad                  Field Work Assistant  
Ms. Dalia Eit                          Intern  
Mr. Mahmoud Jouwaide              Data Base Program Expert

### **Others:**

Mr. Saad Oueini                      Director General, Association of Lebanese Industries (ALI)  
Ms. Mariam Eid                        Head of Agro-Food Unit, Ministry of Agriculture  
Mr. Ghassan Taher                    Advisor to the Prime Minister, Lebanese Recovery Fund  
Mr. Hussein Hoteit                    Olive Oil Expert  
Dr. Ali Berro                            Director of Quality Project,  
    Ministry of Economy and Trade (MOET)  
Mr. Georges Nasrawi                President, Syndicate of Lebanese Food Industrialists





**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

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

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

E-mail: [unido@unido.org](mailto:unido@unido.org), Internet: [www.unido.org](http://www.unido.org)