Evaluation of technical cooperation activities: in-depth evaluation of UNCTAD’s advisory services on investment

Note by the secretariat*

Management response to the in-depth evaluation of UNCTAD’s advisory services on investment

1. The secretariat welcomes the in-depth evaluation of UNCTAD’s advisory services on investment (TD/B/WP/196) and wishes to thank the evaluation team for its work.

2. The secretariat is encouraged by the overall positive finding of the evaluation, namely that “UNCTAD’s advisory services on investment have been relevant and have had an impact, and that the delivery of these services has been efficient and effective” (para. 83).

3. The secretariat concurs with the main findings and recommendations of the evaluation. Creating an integrated approach to programme delivery based on inter-programme linkages and synergies is key to further increasing the overall relevance, impact, effectiveness, efficiency and quality of delivery of UNCTAD’s investment advisory work, as stated in paragraph 88 of the evaluation.

4. In this note, the secretariat would like to report on its plans with regard to the follow-up to the findings of the evaluation and the implementation of its recommendations (reproduced in the annex below).

5. The secretariat welcomes recommendation (a), and has launched a comprehensive review of its investment advisory services in their entirety, bearing in mind the guidance provided in the outcome of the Mid-term Review. With a view to realizing synergies through increased integration and interactivity at the divisional level, this has so far led to a realignment of the activities of the Policy and Capacity-building Branch with the aim of ensuring more inter-project cooperation and higher productivity. This will help, in the long term, to strengthen the international investment agreement (IIA) advisory services (as called for in para. 33) and to ensure that assistance in implementing the recommendations of investment policy reviews is the norm and not the exception.

6. The secretariat is also considering redesigning its advisory services with a view to achieving a “single, comprehensive, holistic, coherent and all-

* This document was submitted on the above-mentioned date as a result of processing delays.
encompassing coverage of investment advisory services that emphasizes the identification and emulation of best practices”.

7. The secretariat welcomes recommendation (b) and stands ready to begin consolidating the numerous trust funds it draws on to support its investment advisory services, while taking care not to detract from any of the key elements of technical cooperation in this area. This consolidation could result in multi-donor and multi-year trust funds for all four facets of UNCTAD’s investment advisory services: international investment agreements; investment policy reviews and follow-up; investment guides; and best practices (including good governance in investment promotion).

8. The secretariat supports the idea of continuing to use the Quick Response Window construct, and of extending it to other donor countries and broadening its scope to cover all investment advisory service requests that meet its criteria. The engagement of donor countries in this endeavour would be greatly appreciated. The secretariat also welcomes the report’s recommendation that beneficiary countries should be actively involved in the search for funding.

9. With regard to UNCTAD’s ability to draw on United Nations Development Programme (UNDP) resources, the Division on Investment, Technology and Enterprise Development is continuing its efforts to improve access to such resources with the help of the technical cooperation coordination unit. The secretariat is also studying the idea of undertaking a specialized outreach effort to disseminate information on all UNCTAD technical cooperation activities, including the assistance related to investment advisory services, among United Nations resident coordinators, with regard to the design, funding and implementation of country-based operations. In this context, the Division is also undertaking a review of the dissemination and marketing of the investment advisory publications, projects and project-related operational activities, in cooperation with UNCTAD’s outreach and web services.

10. Concerning recommendation (c), the secretariat welcomes the idea of further strengthening its cooperation and coordination with other agencies providing technical assistance services in the area of investment, as well as with the private sector.

11. The secretariat also welcomes the call to achieve geographical balance in its work (recommendation (d)), while taking account of beneficiary needs and demands and paying special attention to the requirements of the least developed countries, and will continue working towards this end.

12. With regard to recommendation (e), the secretariat welcomes the idea of centralized and stringent management oversight and project implementation structures, and quality control throughout all deliverables at the branch level. The realignment of the Policy and Capacity-building Branch referred to above has been accompanied by the setting-up of new integrated management mechanisms aimed at ensuring progress in this regard. The secretariat stands ready to keep member States regularly informed about the implementation of these mechanisms.

13. With regard to recommendation (f), the secretariat is considering developing an electronic portal that would provide an independently certified (by the International Chamber of Commerce if possible), Internet-based public domain for presenting a country’s investment climate and its investment opportunities. The portal would be based on, and would make use of, investment policy reviews, investment guides, blue books, investment promotion agencies’ client charters and other relevant UNCTAD material.
14. In this context, the secretariat wishes to report that an internal review of the management and implementation procedures in the context of the Investment Gateway (as called for in paras. 82 and 85 of the report) is under way. Measures have already been taken to ensure that the existing gateways are properly processed in line with the earlier commitments to the beneficiary countries, that collected information is transferred to the beneficiary country in question and that no expansion is undertaken until existing projects produce satisfactory results.

15. The secretariat has also taken note of the operational observations set out in paragraph 90 of the evaluation.

16. The secretariat looks forward to implementing the recommendations and observations contained in the evaluation in the light of the guidance and final outcome of the forty-ninth session of the Working Party, and will keep the Working Party informed of progress in this regard.

Annex

Recommendations of the in-depth evaluation of UNCTAD’s advisory services on investment (TD/B/WP/196, para. 89)

“(a) UNCTAD should engage in a comprehensive review of its investment advisory services aimed at realizing synergies through an integrated approach to the work programme elements reviewed (as well as other investment advisory elements such as the IAC) by restructuring the service that currently fulfils these functions, and by re-branding and re-designing its services with a view towards achieving a single, comprehensive, holistic, coherent and all-encompassing coverage of investment advisory services that emphasizes the identification and emulation of best practices. Assistance in the implementation of IPR recommendations should be the norm and not the exception.

(b) UNCTAD’s investment advisory services should be supported through multi-donor and multi-year trust funds with an increased donor base, including the QRW construct (which should be supported by other donors and broadened to cover all investment advisory services reviewed). UNCTAD should also be able to draw on United Nations Development Programme (UNDP) resources, and efforts should be undertaken to bring the whole range of UNCTAD’s investment services to the attention of the UNDP coordinating offices worldwide (especially in the one-United Nations pilot countries). Indeed, UNCTAD should further improve the dissemination and marketing methods for its investment advisory publications, projects and project–related operational activities. In the search for funding, beneficiary countries should be more active and UNCTAD should work in close cooperation with them.

(c) UNCTAD should further develop and strengthen its cooperation and coordination with other agencies providing technical assistance services in the investment area, such as UNDP, the United Nations Industrial Development Organization (UNIDO), WTO, the World Bank, FIAS, the Organization of American States (OAS) and OECD. Where appropriate, this should extend to the private sector.

(d) UNCTAD’s investment advisory services should, although driven by beneficiary needs and demands (of both countries and regional
integration organizations), strive to achieve a geographical balance in its work. Special attention should be given to LDCs.

(e) Centralized and stringent management oversight and project implementation structures should be ensured, as should quality control throughout all of the programme deliverables. Centralizing project coordination functions at the branch level should also help to achieve efficiency gains and reduce transaction costs. UNCTAD should keep beneficiaries and donors regularly informed on implementation and budgetary matters.

(f) Consideration should be given to developing an electronic gateway that provides an independently certified (if possible by a business association such as the ICC), Internet-based public domain for presenting a country’s investment climate and its investment opportunities and that is based on, and makes use of, the relevant UNCTAD materials (such as IPRs, guides, Blue Books, IPA client charters, etc.).”