



**External Evaluation of UNCTAD's Project Account-
Support to decision making and policy formulation on
foreign direct investment in the context of the MDG and the
Monterrey Consensus***

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Abbreviations and acronyms

AfDB	African Development Bank
AFRITAC	Africa Regional Technical Assistance Centres
ASEAN	Association of Southeast Asian Nations
AFRISTAT	L'Observatoire Economique et Statistique d'Afrique Subsaharienne
CARICOM	Caribbean Community
CCSA	Committee for the Coordination of Statistical Activities
CMCA	Consejo Monetario Centro Americano
COMESA	Common Market for Eastern and Southern Africa
DFID	Department for International Development
GCC	Gulf Cooperation Council
EAC	East African Community
EC	European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
EGM	Expert Group Meeting
FDI	Foreign Direct Investment
GDDS	General Data Dissemination System
IDB	Islamic Development Bank
IMF	International Monetary Fund
IPR	Investment Policy Review
LFA	Logical Framework Analysis
MDG	Millennium Development Goals
MIDA	Malaysian Industrial Development Authority
NSDS	National Strategies for the Development of Statistics
OECD	Organization for Economic Cooperation and Development
PIF	Pacific Islands Forum
REC	Regional Economic Commission
RIA	Regional Investment Agency (COMESA)
RISP	Regional Integration Support Programme
SIMSDI	Survey of the implementation of methodological standards for direct investment
TNCs	Transnational Corporations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
WIR	World Investment Report

Glossary of evaluation terms¹

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development objectives of an intervention were or are expected to be achieved.
Efficiency	A measure of how economically inputs (through activities) are converted into outputs.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Intervention	An external action to assist a national effort to achieve specific development goals.
Lessons learned	Generalizations based on evaluation experiences that abstract from specific to broader circumstances.
Logframe (logical framework approach)	Management tool used to guide the planning, implementation and evaluation of an intervention. System based on MBO (management by objectives) also called RBM (results based management) principles.
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention.
Relevance	The extent to which the objectives of an intervention are consistent with the requirements of the end-users, government and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

¹ Based on a glossary prepared by OECD's DAC Working Party on aid evaluation, May 2002

I. BACKGROUND

I.1 Introduction

This report presents the findings of the external evaluation of the Development Account project “**Support to decision making and policy formulation on foreign direct investment in the context of the MDG and the Monterrey Consensus**” (*Project M-6*), in compliance with Development Account requirements.

The purpose of the evaluation is to assess the performance of this project in terms of relevance, effectiveness, efficiency, sustainability and impact. Moreover, the review covers crosscutting issues including the project’s contribution to the Millennium Development Goals (MDG).

The key findings, conclusions, recommendations and lessons of this end-of-project evaluation are expected to feed into future actions by UNCTAD in the area of Foreign Direct Investment (FDI) and Transnational Corporations (TNC) related data compilation and analysis. The evaluation also includes recommendations and lessons for the Development Account administrators.

This report is organized as follows:

Chapter I.2 of this **introductory Part I** covers the methodology followed by the evaluator.

An **overview** of the project’s background and activities is presented in **Part II**, including also its logical framework as per the project document. This section also covers a summary of the planned budget and of actual expenditures.

The **assessment** is covered in **Part III**, which starts with an analysis of overall project design (Chapter III.1), followed by an assessment of project implementation. This part is structured according to the evaluation criteria: relevance and ownership (Chapter III.2), effectiveness (Chapter III.3), efficiency (Chapter III.4), sustainability (Chapter III.5), and impact (Chapter III.6).

The **conclusions** are presented in **Part IV** and the report ends with **recommendations (Part V)** and **lessons learned (Part VI)**.

I.2 Methodology

The evaluation covered the following phases:

Inception

- Document review
- Drafting interview guidelines
- Drafting a questionnaire for an e-mail based survey of (i) partner organizations and (ii) participating countries

Primary data collection

- Interviews with relevant UNCTAD staff in Geneva
- Additional document review in Geneva (project files)
- E-mail based survey

Report drafting

- Preparing an initial draft of the evaluation report
- Obtaining and reflecting observations on draft report from UNCTAD as appropriate
- Finalization of the evaluation report.

The analysis is based on the triangulation of primary and secondary information. The list of persons met is attached as Annex A, and the list of documents consulted as Annex B. A short list of questions was developed and sent to the main partners and beneficiaries of the project activities. The e-mail based survey was conducted with a view to obtaining the widest possible feedback from the project's cooperating agencies and national counterpart institutions. The questions were validated with UNCTAD prior to sending the questionnaires (one for partner organizations and one for beneficiary countries; cf. Annex C).

The survey reached out to a total of 108 persons (i.e., a list provided by UNCTAD) spread over 35 countries and 4 partner institutions. This list included 2 countries that benefitted from the same type of technical assistance as was provided under the Development Account project though funded from other sources. A period of two weeks was allotted for completing the questionnaire.

From the 108 persons contacted, a total of 11 emails bounced back (bringing the actual survey coverage to 97 persons). The response rate of these 97 persons was rather low: as at 14 February a total of 15 persons replied, i.e., 15%. The response emanated from 1 regional partner organization (COMESA) and 11 participating countries, implying that out of 35 countries a total of 31% reacted. The latter is still on the low end but at least from almost one third of the countries covered as well as from the main project partner feedback was obtained, which has been reflected in this report.

II. BRIEF OVERVIEW OF THE PROJECT

II.1 Project background

The project was developed early 2008 by the Investment Trends and Issues Branch of UNCTAD's Division on Investment, Technology and Enterprise Development as a direct follow-up of recommendations made by several of UNCTAD's policy-making organs to strengthen technical cooperation in the field of FDI/TNC related statistics. More specifically, recommendations to intensify support in this field made to the UNCTAD Secretariat since 2004 by the Commission on Investment Technology and Related Financial Issues, as well as UNCTAD XI (2004) emphasis on the need for policy-oriented research related to investment and development, stimulated the development of this project. Also the conclusions of UNCTAD's Expert Meeting on FDI related capacity building (2005) contributed to the importance attached to improving and harmonizing FDI statistics.

The support is based on the recognition that available data on FDI and on activities by TNCs, as reported by developing economies, have limitations. The main issues at stake as regards the quality of these data are highlighted in Box 1 below.

Box 1 **Main limitations as regards data on FDI and TNCs**

- *Lack of harmonization: FDI flows and TNC activities are often not measured in the same manner across countries, making data comparability across countries impossible;*
- *Gaps in knowledge, skills and tools: internationally accepted standards on the definition and measurement of FDI are not applied systematically;*
- *Lack of consistency in the methodologies at the country level: weak inter-institutional cooperation and coordination result in multiple reporting and incoherence in country-specific data on FDI;*
- *Policy formulation problems: if data lack accuracy, are not timely or not comprehensive, the FDI situation in the country is not correctly described, which affects the capacity to take informed policy decisions.*

Based on argumentation used in project document, March 2008

The project is directly linked to UNCTAD's mandate in the field of investment. In this respect the project document refers to alignment to the organization's objective to "assure development gains from increased international investment flows and technology transfer to developing countries and countries with economies in transition, in particular with a view to increased ability at the national level to discuss international investment issues and their development dimension".²

UNCTAD is involved in investment related research, dialogue and technical cooperation at the global, regional and country levels. Its annual flagship publication the *World Investment Report (WIR)*³ covers trends in FDI worldwide and at the regional and country levels, including

² Project document, paragraph 2.2, page 5

³ Source : www.unctad.org – World Investment Report

- trends in FDI and analysis thereof, with special emphasis on the development implications;
- ranking of the largest transnational corporations (TNCs) in the world;
- in-depth analysis of selected topics related to FDI;
- policy analysis and recommendations;
- statistical annex with data on FDI flows and stocks for 196 economies.

Also other technical assistance activities carried out by UNCTAD, such as investment policy reviews (IPR), need accurate and up-to-date comprehensive information on FDI, in view of evidence based policy evaluation/formulation.

II.2 Project in brief

The project has the following **objective**: “to build the capacity of developing countries to analyse and formulate policies on FDI and TNCs in the context of achieving their overall development goals”, with the following two expected accomplishments (**outcomes**):

Outcome 1: enhanced capacity of government officials to effectively assess the impact of FDI and activities of TNCs on their economy, monitor FDI-related development objectives and formulate appropriate development-oriented policies;

Outcome 2: enhanced capacity of institutions, investment promotion agencies and national statistics offices to establish and maintain knowledge management processes and structures.

With a planned funding of US\$ 402,000 and planned duration of three years (2008-2010), the project document envisaged the following **activities**:

**regarding outcome 1*

- preparation of investment profiles on the beneficiary countries and needs assessment
- establishment of list of core indicators relevant for policy makers in the formulation of FDI-related policies
- conducting surveys on FDI in beneficiary countries including design of technical infrastructure to process survey data and disseminate the survey results

**regarding outcome 2*

- establishment of a coherent institutional framework for the analysis and dissemination of statistics relating to FDI and TNCs in each beneficiary country
- organization of training courses in each beneficiary region on data analysis and internationally accepted standards for statistics on FDI and TNCs
- organization of national workshops to implement a data analysis and dissemination strategy and to develop the capabilities of countries to use and analyse data for policy formulation purposes

Project implementation started in the first quarter of 2008 and the project will be operationally closed at the end of the first quarter of 2012.⁴ The sequence of the main activities carried out is summarized in Table 1 below.

⁴ The last activity concerns a national workshop in Nigeria that was planned for end 2011 but had to be postponed to March 2012 due to events (strikes) in Nigeria (see also footnote 7).

The project was designed and managed by the Investment Trends and Issues Branch of UNCTAD's Division on Investment, Technology and Enterprise Development, involving several staff members. Most of the activities were implemented by UNCTAD staff, with involvement of some external consultants in some of the training activities.

As per the project document, key institutional partners were planned to be regional organizations, in particular the Association of Southeast Asian Nations (ASEAN), the Caribbean Community (CARICOM), the Common Market for Eastern and Southern Africa (COMESA), the Gulf Cooperation Council (GCC) and the Pacific Islands Forum (PIF). In 2010 also cooperation with the East African Community (EAC) was launched. Counterparts at the level of the participating and beneficiary countries were typically central banks, investment promotion agencies, ministries of industry, tourism and mining, and central statistics offices. Investors and academia were considered among the indirect beneficiaries.

The project foresaw also cooperation with in particular two other international organizations, namely the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD), given their involvement as regards definitions and methodological standards pertaining to FDI statistics as well as capacity building in the field of macro-economic statistics. Reference is made in this respect to the IMF's Balance of Payments Manual and OECD's Benchmark definition of FDI.

Table 1
Snapshot overview of project activities⁵

<i>Main Milestones</i>	<i>Timing</i>
2008	
First meeting at COMESA HQ of COMESA Task Force on FDI/TNC Statistics (8 member countries); adoption of ToR and proposed COMESA regulation on FDI data compilation and reporting	Zambia, 10-12 March 2008
Endorsement by COMESA Council of Ministers	May 2008
First regional seminar focused on preparation of COMESA wide common survey on FDI/TNC statistics	Kenya, 25-29 August 2008
First national workshop on FDI/TNC statistics	Zambia, 17-20 March 2008
Second national workshop on FDI/TNC statistics	Kenya, 16-19 June 2008
Third national workshop on FDI/TNC statistics	Rwanda, 18-21 November 2008
Fourth national workshop on FDI/TNC statistics	Malawi, 24-27 November 2008
Fifth national workshop on FDI/TNC statistics	Ethiopia, 15-18 December 2008
2009	
Sixth national workshop on FDI/TNC statistics	Uganda, 16-17 February 2009
Seventh national workshop on FDI/TNC statistics	Swaziland, 24-27 February 2009
Eighth national workshop on FDI/TNC statistics	Seychelles, 9-12 March 2009
Ninth national workshop on FDI/TNC statistics	Djibouti, 15-17 March 2009
Tenth national workshop on FDI/TNC statistics	Comores, 15-18 June 2009
Eleventh national workshop on FDI/TNC statistics	Burundi, 6-9 July 2009
Twelfth national workshop on FDI/TNC statistics	Tanzania, 1-4 September 2009
Publication of UNCTAD Training Manual on Statistics of FDI and operations of TNCs (3 volumes; English)	September 2009
2010	
Thirteenth national workshop on FDI/TNC	DR of Congo, 8-11 June 2010

⁵ This list does not include "spin-off" capacity building activities in other countries (Albania, Belarus) that used the approach and materials of this Development Account project, but were funded from other sources.

statistics	
Fourteenth national workshop on FDI/TNC statistics	Viet Nam, 26-29 July 2010
Second regional seminar focused on review of initial results of country surveys and agreeing on common reporting format for FDI data emanating from country surveys	Swaziland, 16-18 November 2010
2011	
E-learning toolkit in English and French based on UNCTAD training manual	French version is ready; English version will be completed during the first half of 2012
Fifteenth national workshop on FDI/TNC statistics	Guatemala, February 2011
Third regional workshop on FDI/TNC statistics; ToR of Latin American Task Force on FDI/TNC statistics	Peru (covering Argentina, Mexico, Brazil, Chile, Colombia and Peru), March 2011
Study tour to UNCTAD HQ by five officials from Malaysian Industrial Development Authority (MIDA) ⁶	Switzerland, May 2011
Sixteenth national workshop on FDI/TNC statistics	Former Yugoslav Republic of Macedonia, December 2011
Fourth regional workshop on FDI/TNC statistics in Central America	Honduras, December 2011
2012	
Seventeenth national workshop on FDI/TNC statistics	Nigeria ⁷

II.3 Logical framework

The project document includes a problem analysis that has been specified by stakeholder, i.e., covering different user groups of FDI data and describes the intended results in terms of the changed situation based on project implementation and the expected sustainability of activities.

The problem assessment recognizes that countries vary in terms of needs and capacity. The document does not contain baseline data that summarize the existence of National Strategies for the Development of Statistics (NSDS) and existing capacities (including gaps) in the collection, compilation, reporting and analysis of FDI data in the countries listed.

The intervention logic is schematized through causes-effects and means-ends mapping. The logical framework links expected accomplishments (outcomes) and indicators of achievement, listing also means of verification of these indicators. In the annex labelled 'simplified logical framework', the outcomes, related main activities, indicators, means of verification and risks/assumptions are consolidated. Finally, a results-based work plan and budget (including a detailed justification) are included in the document.

The project does not include a description of past and ongoing specialized assistance in the field of FDI related statistics in the targeted regions and how the project will complement prior/ongoing efforts undertaken by UNCTAD and/or other international/regional organizations.

⁶ This activity is listed here, in that it was mentioned in the progress reports of the Development Account project; however, the activity was not funded by this project.

⁷ The workshop planned for 26-29 March 2012 is cancelled due to security reasons. UN Department of Security did not approve the organization of the workshop. At the time of drafting of this report it was not certain at which date this postponed workshop will take place.

Observations on the design of this project are included under Chapter III.1 below.

II.4 Project budget and expenditures

The budget of US\$ 402,000 was initially planned for a three years period (2008-2010), yet stretched out over four years (up to end 2011). ⁸Table 2 below gives an overview of planned and actual expenditures by budget line. The project has covered two biennia of the Development Account: 2008/2009, 2010/2011, with the last activities to be conducted in the first quarter of 2012.

Table 2
Planned and actual budget/expenditures (in US\$)⁹

Budget line	Budget item	Planned budget Project document	Expenditures 2008	Expenditures 2009	Expenditures 2010	Expenditures 2011	Total expenditures and % distribution
602	General temporary assistance	60,000	-	-	-	-	-
604	Consultants' fees and travel	80,000	41,424.84	29,231.03	12,581.26	13,344.66	96,581.79 (24%)
608	Travel of staff	57,000	35,191.28	24,905.77	30,594.67	48,815.48	139,507.20 (35%)
616	General operating expenses/ Misc.	10,000	1,615.67	40.40	1,230.58	641.65	3,528.30 (1%)
618	Supplies, materials, furniture and equipment	20,000	-	-	-	-	-
621	Workshops and seminars	175,000	32,226.63	-2,883.20 ¹⁰	65,960.64	64,327.90	159,631.97 (40%)
TOTAL		402,000	110,458.42	51,294.00	110,367.15	127,129.69	399,249.26
Implementation rate per year (%)		-	28%	13%	27%	32%	
Overall implementation rate (%)							99.3%
Balance at 18 Jan 2012							2,750.74

⁸ The last workshop (Nigeria) planned for end 2011 had to be rescheduled (see footnote 7).

⁹ Based on figures on yearly expenditures provided by UNCTAD (January 2012).

¹⁰ The minus in 2009 indicates that expenditures for events in 2009 have been committed in 2008 and covers unspent prior year obligations

III. ASSESSMENT

III.1 Overall project design

The project document follows the prescribed template for Development Account projects in terms of the standard headings. The document describes the background for strengthening technical cooperation in the field of FDI/TNC related statistics and follows a logical framework approach, including causal relationships between activities, outputs/outcomes as well as indicators of achievement at different levels. The rationale given for the support and the planned approach is clear. The promotion of networking among the authorities involved in FDI/TNC data compilation, both within the participating countries and among countries, constitutes an important feature of the project aims.

The inclusion of lessons learned in the project background is commendable, leading to the recognition that needs of countries as regards FDI related data collection, analysis and reporting vary, even among countries that belong to the same regional economic grouping.

Still, review of the approved project document evokes a number of observations on the manner in which the project is formulated:

- *Title*: inclusion of a reference to capacity strengthening in the field of FDI/TNC data would have made the title more precise (the current title 'hides' the precise field covered by the support). Reference is made in the title to the MDGs and to the Monterrey Consensus as the wider goals to which the project provides a contribution. It would have been preferable to make explicit reference to a more immediate goal, namely the contribution of the project to the improvement of the quality of FDI/TNC data.
- *Ambition*: the project design is considered ambitious in terms of its geographic coverage listed: Eastern and Southern Africa, the Caribbean, Central and South Asia, the Pacific, etc. Whereas there was more geographic focus in the implementation phase, the initial planning was quite unrealistic, given the budget.
- *Geographic coverage*: there is some contradiction in the project document that states that many regions/countries will be covered by the support (*5-8 developing countries in each selected region*), yet mentioning in the same document that the main focus will be on Africa and, within Africa, on COMESA and its member countries. The project team however explained that the project document rather included a range of countries to choose from (without claiming that all would be covered), as it was not known *ex ante* which countries would indeed participate.
- *Choice of countries*: the document does not explain the rationale underlying the selection of the targeted countries listed; even if the criteria for country selection were not formalized in the project document, the explanation provided by the project team is justifiable: in the case of COMESA, it was the COMESA Secretariat that made the country selection (after the regional seminar); in the other cases the activities were based on (i) country requests and (ii) commitment of the country to engage in a survey. Moreover, the project team wished to reach out to 'new countries' (i.e. avoiding countries where related prior training took place, such as in Asia – which explains limited coverage of Asian countries).
- *Internal synergies*: in the project implementation phase (cf. progress reports) there is indeed reference to the use of the country statistics as input for the World Investment Report and the World Investment Directory, but according to the project design, there

is no explicit reference to direct synergies (complementarities) between this project and the preparation of two of UNCTAD's flagship publications.

- *External synergies:* the IMF and the OECD are listed as likely partners in the project, given their respective involvement in definitions and methodological standards as regards FDI measurement, but this cooperation intention is limited to “will be invited to participate in the project”. The IMF was said to be involved “when required only”. Still, ideally collaboration among relevant institutions is built in into the design stage of interventions and is not postponed until implementation. There is no reference in the project document to eventual cooperation with specialized regional institutions, such as AFRISTAT¹¹ (covering 14 French-speaking countries in Africa) nor with the United Nations Department of Economic and Social Affairs (UNDESA) that is also engaged in activities in the field of statistics. The same applies to the regional centres set up by the IMF, in particular the Africa Regional Technical Assistance Centres (AFRITAC). While it is understood that capacity building in the field of FDI/TNC data is indeed a very specific field within the area of statistics, opportunities for coordination of training offerings in complementary fields of statistics may have been missed.
- *Awareness building as first step in capacity building:* whereas the focus of the project was stated to be on capacity building, the project could realistically mainly build awareness, considering the wide geographical coverage and relatively short interventions (workshops). The aim to “enhance capacity” is thus considered another indication of the (over)ambition of the project that at best could mainly raise awareness as first step in capacity building; there is no indication in the progress reports that it was acknowledged that the project could, at best, build awareness rather than capacity.
- *Policy formulation versus policy evaluation:* improved statistics and enhanced capacity of policy makers to analyze the data on FDI and on operations of TNCs are expected to guide the formulation of development oriented policies. The project design highlights the use of the project results for policy *formulation*, yet does not mention the importance for policy *evaluation*. After all, it is by better measuring the impact of FDI related policies that policy makers will be able to draw lessons on the effectiveness of measures to attract and retain FDI/TNCs, to what extent such measures have a net impact on the country's economy as a whole or to what extent policy measures need to be revised to generate such impact.
- *Logical framework:* there would have been scope for streamlining the expected outcomes and related activities. The difference between outcomes 1 and 2 is debatable and could have been combined into one single outcome. After all, both outcomes refer to capacity enhancement to collect, compile, analyze and ultimately use FDI/TNC data for impact assessment and policy formation, covering (a) methodological aspects (following internationally accepted standards) and (b) organizational aspects (inter-institutional cooperation, consolidated recording into a sole data base, and reporting following a standard method allowing for inter-country comparison). If the above distinction was the underlying reason for having two outcomes and not one, the formulation of the activities is not fully in harmony with the outcomes. E.g., it is not clear why Outcome 1 deals with training (considering the indicators), yet the training courses are conducted under Outcome 2. There are thus some flaws in the logical framework structure including regarding the means of verification of the listed indicators (as it is not in all cases evident that they indeed measure the intended outcomes). In brief, the logical framework adopted in the project document is considered more complex than necessary, which affected also

¹¹ L'Observatoire Economique et Statistique d'Afrique Subsaharienne

reporting on implementation. Namely, it resulted in some repetition of the description of work done under the respective outcomes.

- *Workshops*: the project document does not clearly define the difference between regional workshops and national workshops. As now formulated in the project document, the purpose seems in essence similar: training on FDI/TNC data collection/analysis based on methodological standards and enhanced networking (both country-wide and regionally) among participating organizations. Based on the progress reports, in particular regarding activities at the level of COMESA, one can however deduce that the regional workshops were focused in particular on the joint definition of the common survey and on facilitating of networking among institutions/experts involved in FDI/TNC related data compilation/reporting, in addition to strategic decision making on the planning of project activities at the country level (first regional workshop). The second regional workshop covered primarily a review of progress/results since the first regional workshop.
- *Follow-up of workshops*: the project document refers to follow-up of the national workshops, without specifying the nature of this follow-up. In actual terms follow-up meant that the countries were expected to conduct a survey on FDI (or to adapt existing surveys), but the document is not clear on “who should do what” (UNCTAD staff, project consultants, regional partners or beneficiary countries).
- *Cost-sharing*: the envisaged cost-sharing with the regional partners is kept vague in the project design (“consultants’ fees and travel for certain activities”), which could involve major or minor cost-sharing. This section does not specify which activities will be funded from which ‘other projects’ (cf. progress reports on implementation).

While drawing attention to the above weaknesses in the project document, this was not found to have critically affected the implementation process and the project results (see below).

III.2 Relevance and ownership

Did the interventions correctly address the problems and needs reflected in the project document and are they still relevant to date? To what extent are the local stakeholders the owners of the design and of the achievements?

The project is in line with the objective of the Development Account that aims at “enhancing the capacities of developing countries in priority areas of the UN Development Agenda”. In terms of global objectives and priorities, the project is stated to be linked to MDG 8 and the Monterrey Consensus, which is highlighted in the title of the project. Indeed, the Monterrey Consensus covers among its priorities the mobilization of international resources for development, referring to FDI and other private flows. As regards MDG 8 “Global Partnership for Development”, the relationship is rather remote, as this MDG refers mainly to ODA, market access, debt sustainability (even if, implicitly, this supposes indeed increased investment flows).

Certainly, it is essential that policy makers have access to data that are useful, accurate, timely and comprehensive, not only to assess the impact of FDI on the economy (both at the macro and micro levels), but also to know if past policies had the intended effects or if FDI related policy efforts require revisions/improvements (based on evidence). As mentioned in the project document: “they need to assess not only the amount of FDI they receive, but also whether this is the right kind of FDI, given their development objectives. They have to

understand the impact of FDI on individual industries, in order to appreciate to what extent exports are promoted and technology enhanced; which industries and sectors are most affected; what the level of concentration is in individual industries; and how these effects change over time. Adequate information is similarly relevant to Governments that are considering entering into tax treaties and investment agreements and wish to evaluate their FDI policy efforts in a development perspective” (project document, p. 14).

The problem of deficiencies in the coverage and comparability of FDI statistics has been recognized earlier on. Reference is made in this respect to joint IMF-OECD surveys of the implementation of methodological standards for direct investment (SIMSDI) conducted in 1997, 2001 and 2003 (and repeated by OECD alone in 2008). These consecutive surveys have shown that countries increasingly adopted internationally accepted standards when compiling and disseminating FDI related data, yet recording practices continue to vary and data are often not comparable (IMF, 2003; OECD, 2008). This calls for the continuation of efforts to provide tools and training to countries and the support provided by UNCTAD through this project is therefore an important contribution in this context.

According to the project document, the tools developed and the related training conducted by the project are based on the most up-to-date internationally accepted standards. The project came thus timely, in that it could use and facilitate the application of the latest OECD guidelines. It is to be noted that the adoption of international standards cannot be “immediate” and is typically gradual. Also at the level of OECD countries there is variation in the degree of adherence to the latest standards (cf. the OECD Benchmark Definition of FDI, fourth edition, 2008).¹² Similarly, the speed and degree of implementation of these standards vary in emerging and developing economies.

The project approach reflected the need to adjust to the situation in individual countries: some countries already carried out periodic FDI surveys at the start of the project and the idea was for these countries to incorporate recommendations from the common survey into existing surveys. For the countries that did not yet conduct such surveys, the common survey provided them with a tool to launch the same.

Ownership by the beneficiary countries was sought by involving them in the discussions on the formulation of the common survey through regional workshops. For those countries where national workshops were conducted, the next step was for these countries to undertake the (adjusted) survey.

The project would have benefited from more geographic focus (in terms of covering less regions/countries than planned in the project document, which would have enabled the deepening of support to a smaller number of countries). Still, the emphasis put on in particular Africa is fully justified, as it is the continent that lags behind in attracting FDI, notwithstanding noticeable increases in absolute terms since the 1990s. According to the latest WIR (UNCTAD, 2011), the percentage share of Africa in world FDI flows has remained low, i.e. 4.4% (2010) compared to 24.1% in South, East and South-East Asia. In LDC's (of which most are in Africa), the share is less: 2.1%. Evidently, it is not the quality of FDI statistics that determine FDI flows, which are in Africa mainly influenced by opportunities in the natural resource sector, in addition to other factors such as macro-economic and political stability. Nevertheless, it is important that host countries maximize the benefits of foreign investments (including of their policies aimed at attracting such investment), for which proper measurement of investment flows and of their impact is necessary.

Focus of this project on COMESA within Africa is also relevant, to the extent that this economic grouping is the largest in Africa (covering 19 member States) with major FDI

¹² It is to be noted that UNCTAD is a member of the OECD's Benchmark Advisory Group

inflows. According to COMESA's data on FDI trends, COMESA inflows of FDI have increased six-fold since 2000 compared to 3.6 times for Africa as a whole (source: COMESA Regional Investment Agency, RIA, 2012). Within the spirit of COMESA's strategy to promote the region as a Common Investment Area, the harmonization of procedures – including as regards FDI and TNC related data collection, analysis and reporting – is important, which explains certainly COMESA's interest in the project. Moreover, the commitment of COMESA is shown by its decision to regulate FDI data compilation and reporting and by its adoption of a COMESA wide common survey on FDI/TNC statistics. In addition, COMESA engaged in cost-sharing with the project to conduct activities, which illustrates a sense of ownership.

In general, the approach to work through regional economic commissions (RECs) and encouraging the harmonization of FDI data compilation by using a common survey on FDI flows and stocks and TNC activities was pertinent and in line with emphasis on regional integration issues. The RECs are described as partners but one could state that they are *de facto* among the beneficiaries of the assistance, together with the participating Member States.

Also other regional organizations recognized the importance of compiling FDI statistics in a harmonized manner at the regional level and called upon UNCTAD's expertise in this field, namely the Sectoral Committee on Statistics of the East African Community (EAC) and the Consejo Monetario Centro Americano (CMCA) in Central America (that was a partner in organizing the regional workshop end 2011).

It is important to note that both the review of the evaluation sheets completed by the workshop participants and the responses emanating from the survey conducted within the context of this evaluation show that people considered this type of training relevant for them in terms of enhancing their understanding of the international standards and the data to be collected and compiled. Not surprisingly, those involved in actually collecting and reporting on FDI statistics, found the training most useful. Among the participants that were users of FDI/TNC data, there were some that found the workshop (too) technical.

It is indeed recognized that different institutions play different roles as regards FDI data compilation, analysis and reporting (central banks, statistical offices, investment promotion agencies, line ministries), yet they seem to have received the same training. To the extent that the focus was on awareness building and networking among different actors, the approach to have a common workshop for different stakeholders was justified.

III.3 Effectiveness

To what extent has the project achieved its objectives or are they expected to be achieved?

UNCTAD's awareness raising cum training on internationally accepted standards and guidelines regarding the compilation of data on FDI and the activities of TNCs, is as such an important contribution to improve the statistics of developing countries. Based on the assessments of the participants of the events organized at the regional and country levels, the support has been overall well appreciated. Common perceptions of participants are reflected in Box 2 below.

Box 2

Recurring perceptions of participants in project events

Strong points

- *The workshop was relevant for those who gather and report FDI statistics*
- *The workshop enhanced my knowledge/understanding of FDI/TNC data compilation*
- *The workshop contributed to further COMESA's objectives*
- *The workshop will help in analyzing Balance of Payments statistics*
- *It was useful to learn from other countries' experiences*
- *It is important to start cooperation in this field*
- *The materials provided were good*
- *The lecturers were knowledgeable*
- *The event was well organized*

Points for improvement/suggestions

- *The workshop was slightly too short*
- *There is more need for preliminary enquiries regarding Central Banks' prior work on FDI statistics at the country level*
- *It would be important to dedicate one-to-one time with each of the countries and visit the countries on a regular basis as follow-up of the training*
- *Considering my work the workshop was very specific, technical and detailed; I need to know the final figures but not necessarily the details behind them*

Source: event evaluation forms

At the regional level, the assistance culminated in COMESA regulation on FDI data compilation and reporting. The first regional workshop held in Kenya (August 2008) brought together 60 representatives from 17 member states, resulting in the joint preparation of the COMESA Common Survey.

The national seminars were aimed at helping country officials in (i) putting in place a survey system to complete the COMESA common survey or amend their existing survey system, (ii) understand and apply internationally agreed definitions and standards for compilation, and (iii) foster networking among the different entities involved in FDI data compilation at the country level ("national FDI data team"), as well as at the regional level. To the extent several participating countries launched a survey or adapted the questions in their existing survey, the training made a difference. This being said, some countries did not conduct a survey (yet) due to in particular lack of financial resources. Several survey respondents highlighted the importance of inter-institutional cooperation emphasized by the project and the opportunities offered to learn from other countries.

It is to be noted that COMESA issued in 2011 its first Investment Report (COMESA Investment Report 2011) in which the technical support provided by UNCTAD in capacity building in statistics of FDI and activities of TNCs in COMESA Member States is explicitly acknowledged. The report was published with funding from the Economic Commission (EC), namely through the Regional Integration Support Programme (RISP).

The work with COMESA led to subsequent contacts with other regional organizations, in particular the East African Community (EAC), the Pacific Islands Forum (PIF Secretariat) and also the Union of Maghreb Secretariat to also launch regional workshops on methodological standards for FDI/TNC data compilation. All EAC member countries were among the participating countries and at the level of the EAC Secretariat UNCTAD provided guidance to its Sectoral Committee on Statistics seeking harmonization among countries in terms of data

compilation. It is to be noted that as regards the project activities in Latin-America, ECLAC was involved in the regional seminar in Peru.

Based on the review of the progress reports it is noted that contacts at the level of the Pacific Islands and Maghreb countries did not result in a request for UNCTAD assistance. This is not problematic (according to the evaluator), to the extent geographic outreach of this small project was already wide. For safety reasons, the events planned in some countries (Sudan, Libya) could not take place and the last one (in Nigeria) had to be postponed (now planned for March 2012).

The geographic scope of this project has been wide in terms of the different regions and the number of countries covered (cf. Table 1). On average, the national workshops had 20-25 participants (with some outliers both above and below the average). It is commendable that with limited resources, that many activities have been organized across the globe.

The UNCTAD training manual on statistics for FDI and the operations of TNCs (three volumes totalling some 400 pages) was published in September 2009, i.e. after having conducted already 12 national workshops. Although called "training manual" it is rather a reference document (of which copies have been shared with the RECs and participating countries). In fact, the workshops were built around training materials packaged in nine modules (in power point format) provided to the participants. These modules were adjusted, as required, to the specific needs/requests of the country.

In addition to the manual (English version later also translated into French), e-based training materials were planned to be provided on an e-based training platform. This e-learning modality is not yet operational (the French version is ready and the English version is expected to be completed during the first half of 2012).

Investment Policy Reviews (another technical assistance activity of the Division on Investment and Enterprise) triggered requests for training from additional countries, such as in the case of Belarus and former Yugoslav Republic of Macedonia. In the case of two other countries, Albania and Vietnam, the countries made individual requests for the training. Using resources other than the Development Account project, these workshops conducted could use the materials developed under the project and constitute examples of building upon prior capacity building efforts including those funded by the Development Account project.

Notwithstanding this outreach of the awareness building/training events, the evaluation is not in a position to assess to what extent the interventions resulted in improvements in the quality and comparability of data at the country level, i.e. the ultimate aim. The reports do not include precise information in this regard, beyond reference to the fact that some countries completed the (new or amended) surveys as planned whereas others did not do so (yet) for which different reasons are given, as mentioned above, particularly lack of financial resources to launch such a survey. An important outcome that emerges from the workshop evaluation sheets and also from the survey is the improved networking among stakeholders, both at the country and regional levels (which allows experience sharing and learning). In brief, the workshops brought together people working in the same or related fields.

The response to the questionnaire sent by the evaluator to the regional organizations and participating countries was generally encouraging. Supportive assessments (covering different evaluation criteria) relate to:

- Recognition of the importance of the training, giving challenges to implement new international standards;
- Involvement of the partners in the selection of the topics of the workshops;

- Project approach adapted to each country;
- Quality of the workshops (“well organized, very informative, high participation rates”);
- The regional workshops were important for getting regional consensus and the national workshops allowed for more country specific issues to be addressed;
- Importance of “bringing all stakeholders at one table” to improve the functioning of the system of data production, sharing and dissemination of sound datasets measuring the flow and impact of investment;
- Follow-up of national workshops by COMESA, including efforts to engage countries that are yet to invest in enterprise surveys;
- Fact that it was the first time such awareness building activity in this specialized field was organized for most beneficiary countries; for countries covered by related efforts, the UNCTAD support was considered complementary (the case of COMESA);
- Inclusion of the activities of transnational corporations (said to be often not touched upon in other efforts) as well as institutional aspects;
- Opportunity provided to share experiences among countries;
- Interest in follow-up projects/activities in this area;
- Use of the UNCTAD materials in subsequent training of field staff involved in data collection (surveys).

Other observations hint at either constraints or learning points that would stimulate slight adaptations in the approach:

- Need for coordination from the design onwards with agencies involved in similar activities (some overlap of similar efforts was reported in Central America where the IMF was reported to implement through the Consejo Monetario Centro Americano a project aimed at regional harmonization of external sector data, including FDI);
- Need for dedicating more time to the analysis of FDI statistics (to make the workshop more relevant for policymakers; at present the content is considered mainly targeting statisticians);
- Gaps in documentation (in some cases documentation was reported as incomplete or not received in advance);
- Need to extend the duration to five days given the amount of material to be covered (“too short for the first time”, taking into consideration that not all participants are fully conversant with accounting terms);
- Need for more training to strengthen existing capacities;
- Suggestion to include practical exercises for the concepts to sink in properly;
- Complexity to get different agencies involved in the collection and compilation of FDI data to work together (country teams are not operational throughout);
- Lack of resources at country level to cover follow-up;
- Weak cooperation from the private sector in supplying data;
- Length of the questionnaire (in case of common survey), which has a cost implication and also influences the readiness of enterprises to cooperate in surveys;
- Suggestion to consider the introduction of small sample surveys in countries that lack the resources for large-scale surveys.

III.4 Efficiency

How economically have resources been converted to intended results? What can be said about the quality, quantity and timeliness of the use of the resources?

The budget of this project was small, spread over a relatively long period (four years). A limited budget coupled with a quite ambitious geographic outreach generates the risk that

activities are thinly spread over many countries, with limited resources to ensure follow-up of, in this case, awareness building and training. Whereas it is praiseworthy that the project reached out to many countries and regions, the question can be raised if this is preferable to a more narrow focus (fewer countries with more follow-up at the country level to accompany officials in changing/adapting practices after the training). To the extent the emphasis has been on awareness building and networking, the approach followed is defensible: reaching out to the widest possible range of countries. In this respect the project interventions can be considered a “first round” in technical assistance to improve the quality of FDI/TNC related statistics. In a second – complementary – round, periodic guidance at the level of individual countries (possibly with involvement of the RECs) would be called for to advise countries on the quality of recording, reporting, and analysis (of course provided such request was made by the countries). Such a second round of assistance was not envisaged, but several beneficiaries drew attention to need for more assistance in this field.

Review of the OECD guidelines and also the UNCTAD training manual (3 volumes) confirms that statistical recording, compilation and reporting on FDI/TNC flows and stocks based on international standards is not a “quick and easy” activity and is of increasing complexity, considering the growing integration of global capital markets and FDI flows. The statistics are based on a multitude of concepts and definitions. In this respect, it is argued that the training has been quite condensed (the workshop covered 3 days). This observation is found also in the feedback of participants: many considered the duration just about right or too short.¹³

Whereas the choice to work through the RECs was the right one, the complexity of this route was probably underestimated, such as longer communication lines that generate delays. This is observed through reported problems regarding the selection of participants and logistical arrangements.

There have been delays in completing the common (or adapted existing) surveys and the work plan targets were stretched out accordingly time wise. Among the constraints faced, reference was made to a lack of financing (Rwanda, Burundi, Malawi).

The regional workshop in Swaziland (November 2010) reviewed the initial results of the country surveys and was to agree on a common report format of results of the survey. The issue of *reporting* format would ideally have been integral part of discussions on the common *survey* format (i.e., at the start of the project).

There is no indication to what extent the country level project activities have been prepared and conducted in synergy with other UNCTAD work at the country level. It is to be noted however that IPRs in several cases prompted the requests for a workshop, based on findings that the quality/coverage of available data was insufficient.

Slight differences between the work plan (previous year) and actual activities in the following year (as regards the choice of countries) reflect most likely uncertainties as regards the countries confirming interest in organizing a national workshop. A precondition of such event set by UNCTAD was the country's interest and readiness to conduct a survey on FDI/activities of TNC.

The search for balancing the target countries in terms of English and French speaking countries was pertinent (incidentally, Rwanda was counted as French speaking). Difficulties in translating technical terms were listed among the problems mentioned in the progress

¹³ Observation based on review of the participant evaluation sheets available at the level of UNCTAD. It is to be noted that for some events, the evaluation sheets were not available (as this was handled by the host country, not all – although most - countries had shared the forms with UNCTAD. This situation results in giving impressions from the review of the available evaluation sheets rather than expressing this in percentages.

reports. This is most likely related to the fact that the workshops included both staff of institutions involved in data collection and data compilation (familiar with the technical – statistics related - terminology) and those primarily *using* such data (not necessarily familiar with such terminology).

There is no detail provided on the cost-sharing modalities. It would have been useful to include in the progress reports explicit information on the contribution of partners such as COMESA and possibly also of the countries (even if estimated and not exact figures). Especially if the degree of cost-sharing is sizeable, it is considered good practice to acknowledge the existence of and report on funding that complements the project budget. Progress reports did not specify which project co-funded the preparation of the training manual (the reply to this question was found in the training manual itself: ESCWA-UNCTAD project - 2004-2006). This information could have been included even in the project document, as the cost-sharing plan was probably known when the Development Account project was formulated. The latter project covered mainly the printing of the manual and translation costs. Such cost-sharing indeed generated collective efficiencies in that the available materials got a wider use (beyond the project that paid for their development) at minor additional costs.

The budget overview shows the important share of UNCTAD staff in project implementation (35% of the budget versus 24% for consultants). The workshop costs covered the biggest share (40%). Even though there is no precise information on cost-sharing with partners and countries, COMESA's share in the organization of regional workshops was sizeable: travel of the participants to regional workshops, costs of national workshops and recruitment of consultants where needed in Member States. The financial contribution of the COMESA Secretariat was stated to have amounted to some US\$200,000 (virtually half the size of the Development Account project budget).

“Limited number of experts in this field” was listed among the problems faced. Whereas FDI/TNC related statistics constitute indeed a specialized area within the vast field of statistics, the question needs to be asked why cooperation with “others” (external synergies) remained rather limited. “Sharing of expert names” among the (few) international organizations engaged in FDI statistics and related training could be one area of cooperation (apart from contributing to the harmony and complementarities between trainings offered to the countries).

There was no indication of strong South-South cooperation (using expertise from countries most advanced in the subject matter of FDI/TNC data collection/compilation as trainers). However, the fact that COMESA staff took part in the regional workshop in Honduras facilitated sharing of experiences among regional economic groupings on regional harmonization of FDI/TNC data collection and compilation. It is also to be noted that MIDA (Malaysia) took part in the Task Force meeting in Zambia.

In addition to UNCTAD, work on FDI statistics is also undertaken by the IMF, OECD and Eurostat. Whereas OECD and Eurostat information covers a smaller group of countries, UNCTAD and the IMF compile global statistics. Reference is made to IMF staff who took part in the workshop in Peru as resource person but there is no indication of cooperation with the IMF in Africa. Still, one would expect there are opportunities for cooperation with IMF's technical cooperation activities in the field of statistics, in particular the statistical capacity building initiative to improve statistics of African countries as part of its General Data Dissemination System (GDDS) framework (funded by in particular the Department for International Development - DFID). Reference is made in this respect to the second GDDS project in Anglophone Africa (2006-2009) reaching out to 22 countries and covering capacity building in no less than 14-16 areas of statistics (training modules). The GDDS project strategy envisaged workshops for an average of five countries per workshop, followed by

expert visits to the countries. Similarly, IMF has undertaken technical assistance in the field of capacity building in statistics in West Africa as well as the Pacific Islands.

It is understood that the IMF training covers FDI data to the extent they are related to Balance of Payments information (and is not really addressing the type of analysis of flows and trends that is undertaken by UNCTAD). The evaluator is not aware of training in the field of FDI *jointly organized* by UNCTAD and IMF (or plans in this direction).

There are other specialized institutions that could have been among the project partners, within the spirit of inter-institutional coordination among the main actors involved in capacity building support in the field of FDI/TNC data. As regards French-speaking countries, the Observatoire Economique et Statistique d'Afrique Subsaharienne - AFRISTAT (a Mali based regional organization with 14 member states specialized in the field of statistics) offers *inter alia* technical training in different topics in the field of statistics. The organization is supported by the Agence Française de Développement (AFD) and the European Commission. The Committee for the Coordination of Statistical Activities (CCSA) encompasses *inter alia* efforts to coordinate statistical capacity building efforts and also to evaluate the effectiveness of capacity building activities in Africa (the latter led by the African Development Bank, AfDB). Finally, it is noted that there more statistical capacity building activities have been/are funded by the Development Account, including covering work undertaken by the UN Department of Economic and Social Affairs (UNDESA). Even though not involved the same area of statistics as UNCTAD, both agencies contribute to the creation of knowledge networks in the field of statistics within the context of global development goals.

In brief, there is no information in the project document/progress reports on networking between the different institutions/agencies on lessons learned as regards statistics related capacity building. It is true that cooperation and coordination is 'easier said than done' and especially for the large donors active in this field the search for joint efforts with small interventions will unlikely be among their priorities. This being said, in case such partnership would have been in place pertaining to the project under review, this might have resulted in more intensive follow-up at the country level.

III.5 Sustainability

What is the likelihood that the benefits of the project continue beyond its completion?

Data collection pertaining to FDI and TNC is a recurrent activity and, to the extent that - at least at the level of COMESA - the survey was based on a regulation, ultimately countries have no choice but to complete this requirement. Thus, when the RECs have the mandate to collect and report on FDI data for the region as a whole, the institutional anchorage of project activities to the RECs is considered an important determinant towards sustainability. In brief, once agreed upon at the regional level and implemented by Member States, common surveys "are likely to stay".

Also, cost-sharing by the regional partners is not only an indication of involvement and commitment, but also contributes to likely sustainability of activities undertaken (stated to be some US\$ 200,000 in the case of COMESA Secretariat).

In general, once internationally accepted good practices are applied by countries, it is likely that the quality of data compilation/reporting is sustained. However, this evaluation cannot assess to what extent the data quality has indeed improved as a result of the awareness building activities. Namely, this would require an independent assessment at the country level comparing the quality of the data "before" (baseline) and "after" the workshops. The project strategy did not aim at measuring such impact at the country level.

The establishment of a national team at level of each country in charge of the annual survey is an approach that is expected to contribute to sustainable efforts to organize and report on such survey in line with good practice methods. Still, considering staff turnover, there is no guarantee that such teams remain active. The Regional Task Force (COMESA) established at the start of the project is no longer operational, but its terms of reference were stated to have been subsumed into the work of the COMESA Committee on Statistical Matters (a technical committee set up by the COMESA Council of Ministers to oversee statistical development). Monitoring is thus integral part of a statutory committee rather than a task force established within the context of the project – which is a sign of sustainability.

Beyond the debriefing session with senior officials immediately after the workshop (that included a discussion on the expected follow-up by the country stakeholders), UNCTAD has not been involved in follow-up of the national workshops. However, the COMESA Secretariat stated that it continues its efforts for all member countries to invest in enterprise surveys, and sees it as its role to ensure follow-up in this regard. This being said, such investment decision lies with the country and thus depends on the priority attached to conducting such surveys. Similarly, even if countries undertake a survey, the critical issue that remains relates to continuity (if countries indeed repeat periodically such surveys).

III.6 Impact

Did the project achieve medium/long term results or contribute to higher objectives?

An indication of medium term results concerns the fact if countries indeed conducted annual surveys (after the first common - or amended - survey was introduced, in the case of COMESA). Based on information received from COMESA Secretariat, the status as at end 2011 is as follows:

- Surveys were undertaken in 8 countries: Kenya, Rwanda, Zambia, Malawi, Mauritius, Madagascar, Swaziland and Uganda (*with comment from COMESA Secretariat that FDI flows data were comprehensive, but that data on activities of TNCs were not adequately captured*);
- Surveys were also undertaken in Ethiopia, Djibouti and Comores, but with low response rates, implying the need to for the countries to repeat the surveys;
- No national surveys funded yet in the following countries: Egypt, Libya, Sudan, Seychelles, Eritrea, DR Congo and Burundi.

Also strengthened national networks involved in FDI/TNC data compilation are seen as an important effect of the project.

Yet the duration and scope of the project did not allow for an assessment - as integral part of the project operations - of the actual *utilization* of strengthened awareness of the participating countries to guide policy evaluation and policy formulation.

The study tour of a delegation of five officials from the Malaysian Industrial Development Authority (MIDA) to Geneva (May 2011) - covering specialized advice on different aspects of FDI/TNC related data collection/compilation - can be considered an unintended spin-off effect of UNCTAD's work in the field of FDI/TNC data. The initiative was taken by MIDA that was aware of UNCTAD's expertise in this field (having also attended the Task Force Meeting in Zambia). The study tour is listed in the project progress reports, although this activity is *stricto sensu* not part of this Development Account project (funded by Malaysia).

Also the interest of other countries is encouraging: in countries such as Belarus and former Yugoslav Republic of Macedonia the findings of an IPR triggered interest of the countries in

organizing a workshop, using the materials developed and used in the context of the Development Account project.

UNCTAD had also intensive contacts with the Islamic Development Bank (IDB) to undertake workshops in a number of IDB member countries. A full-fledged project document was developed to this end in 2010, but there has been to date no decision by IDB as regards the funding of this project (approx. \$ 325,000).

UNCTAD received requests from countries so far not covered by this specialized technical assistance (such as Mongolia, Moldova, Armenia, Serbia, ...), yet the challenge is to secure funding.

IV. CONCLUSIONS

The main conclusions as regards this project are as follows:

- The importance of strengthening national capacities in the field of FDI and TNC related data collection, compilation, reporting and analysis is recognized by many countries, as illustrated by the requests made to UNCTAD to conduct workshops on internationally accepted standards;
- Harmonization of practices in this regard at the level of regional groupings is crucial, as shown by the interest of RECs, in particular COMESA, in this project;
- Involvement of a regional partner such as COMESA has been crucial for the organization of the activities, also within the spirit of sustainability;
- The UNCTAD project was timely in that it organized awareness building cum training on the latest definitions and methodological standards pertaining to FDI statistics issued by the OECD; UNCTAD played (and continues to play) a catalytic role to inform (through workshops) non-OECD countries of the latest internationally agreed upon standards in this field;
- Networking among different stakeholders involved in FDI/TNC statistics (such as compilation, analysis, use), both at the national and regional levels, was facilitated through the regional and national workshops; the building of such teams was also an important step in the search for sustainable results;
- The workshops included participants with a range of different functions regarding FDI/TNC data (from those involved in data collection/compilation to data users), yet the content tended to cater for mainly statisticians, which explains why for some participants the workshop content was considered highly (too) technical;
- The choice to cover so many regions and countries notwithstanding the limited resources is considered defensible to the extent emphasis was on awareness building and networking; in this respect the technical assistance provided through this project is considered a first step, albeit requiring follow-up support;
- UNCTAD's emphasis on country ownership is right, as it is up to the countries (rather than external parties) to undertake FDI surveys;
- The participating regional organizations and national project beneficiaries were appreciative of the events organized, both in terms of their content, UNCTAD expertise and organization;
- There was some cooperation with international organizations involved in capacity building in the field of official statistics pertaining to FDI; IMF was involved in the Task Force meeting in Zambia and in the regional workshop in Peru; still, no effective linkages with related IMF training have emerged, implying that the IMF involvement was more of ad-hoc nature;
- The follow-up of the workshops was essentially the responsibility of the countries themselves (supported by COMESA Secretariat); even though the project progress reports include limited information on what happened after the workshops as regards

the common (or adapted existing) survey, COMESA Secretariat has this information as main partner of the project;

- There were some weaknesses in the design of the project but these did not affect project implementation; delays incurred are in particular related to the situation in the participating countries;
- UNCTAD staff played a direct role in implementation, over and above their responsibilities as regards the preparation of UNCTAD's publications pertaining to FDI; external consultants played a secondary role;
- The project budget was probably too small to allow for active follow-up in terms of advisory or monitoring missions by UNCTAD staff to the regional partner organizations and participating countries;
- Cost-sharing by the regional partner organizations (particularly COMESA Secretariat) was important;
- The publication of the (first) COMESA Investment Report is a result attributed to UNCTAD support to COMESA Secretariat within the context of this project;
- The project inspired similar interventions in other countries, using the same materials, with funding from other sources.

V. RECOMMENDATIONS

Based on the findings, the following interrelated recommendations are made:

UNCTAD

- Continue to advocate for improvements in the quality of data on FDI/TNC activities in its dialogue with policy makers;
- Differentiate between the collection and compilation of FDI/TNC data (and related training of in particular statisticians) and the analysis and use of such data (involving not necessarily statisticians) implying the scope for better targeting of training activities ;
- Seek donor funding to widen the outreach of sensitization efforts on internationally accepted standards on FDI statistics and TNC activities;
- Involve in this respect the international organizations involved in FDI statistics (standard setting and capacity building), in particular the OECD and the IMF (including seeking their financial involvement in such awareness building efforts in developing countries);
- Seek possibilities for joint training activities with IMF based on complementarities (IMF focusing on Balance of Payments statistics – including FDI data – and UNCTAD zooming in on analysis of trends and impact, including measurement of TNC activities not covered by Balance of Payments statistics);
- Pursue cooperation with RECs as a platform through which to engage in dialogue with policymakers on the importance of this field of statistics, to organize capacity building efforts and, also through the RECs, to strengthen cooperation with donors supporting the RECs, such as the European Commission;
- Involve specialized organizations/networks in the area of statistics as vehicles to repeat and further roll out specialized training, including utilization of the training materials and e-based learning packages; in other words, it is advisable for UNCTAD to seek more institutional anchorage of its training in this field rather than organize by itself training when project funding permits;
- Foster also south-south cooperation by involving experts from regions/countries that are more advanced in the field of FDI/TNC statistics in the next round of awareness building activities that target countries so far not covered by UNCTAD technical cooperation in this field;
- Complement awareness building with periodic follow-up advice to the different groups of stakeholders at the country level;
- Consider the extension of the duration of awareness building events, considering the complexity of concepts/agreed upon definitions that are at the core of the training;
- Ensure wide diffusion of information on the e-learning modality, once ready (French and English); however, as e-learning is not the same as direct interaction with and among the stakeholders, consider e-learning as one of the training tools, but not as the only training modality;

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- Strengthen the appraisal of project documents to ensure *inter alia* proper coherence between project objectives, intended results, budget and timeframe;
- Ensure focus on immediate objectives in line with planned interventions and avoid reference to meta level objectives in project titles;

Development Account Office

- Consider funding of a Phase II of the project under review based on the achievements of the first project, in order to (i) expand the outreach of awareness building activities and (ii) intensify follow-up of awareness building at the country level in the form of periodic monitoring and advisory support;
- Conduct and extract lessons from thematic evaluations of projects in similar fields funded by the Development Account facility (in this case: capacity building in the field of statistics) and use these lessons when assessing new proposals in the same field;
- As the funding ceiling of Development Account projects is quite low, put more emphasis on the principle of cost-sharing with other organizations (in this case ideally the IMF, the OECD, UNDESA); alternatively, if there is no cost-sharing, focus on the utilization of Development Account funding as seed money resources (project development; advocacy; awareness raising) rather than for funding of technical cooperation activities aimed at capacity building.

VI. LESSONS LEARNED

The following main lessons were extracted from this project:

- While bringing together actors with different functions regarding FDI/TNC data in one workshop is likely to foster required inter-institutional linkages to avoid multiple and incoherent reporting at the country level, the disadvantage is that different actors have different roles and different training needs. In this respect a more targeted approach could be to split such workshops into a common section for both statisticians and data users (policy makers), followed by separate sessions for, each, statisticians (on data collection and compilation) and policy makers (on the data analysis and use);
- The active involvement of regional economic groupings (REC) is essential to generate results of awareness/capacity building projects aimed at the regional harmonisation of FDI/TNC data statistics; this covers not only the establishment of a conducive regulatory framework for project activities (in the case of COMESA: regulation on FDI data compilation and reporting) but also REC involvement in project monitoring and cost-sharing of activities;
- The OECD benchmark definitions on FDI/TNC are quite sophisticated and their application will only be gradual in emerging/developing economies (even not all OECD countries fully implement the standards set at present);
- Setting international standards needs to go hand in hand with foreseeing adequate resources to build awareness of these standards beyond the most advanced nations;
- Flexibility in intervention strategies is important: as shown in this project, the approach was not to introduce in all countries a new common survey but, in countries already undertaking FDI surveys, to adapt existing surveys;
- Cooperation agreements with partner organizations are ideally defined and specified during project design (to avoid delays during implementation) rather than during project implementation;
- Effective alliances among development partners that are engaged in similar or complementary interventions are expected to generate collective efficiencies and enhance ultimate impact.

ANNEXES

ANNEX A

List of persons met

<i>Name</i>	<i>Division/Unit</i>
Ms. Yuen Ching Ho	Evaluation and Planning Unit
Mr. Amanuel Zerihoun	Evaluation and Planning Unit
Mr. Masataka Fujita	Investment Trends and Issues Branch
Mr. Astrit Sulstarova	Investment Trends and Issues Branch
Ms. Katia Vieu	Investment Trends and Issues Branch

ANNEX B

List of documents consulted

<i>Title</i>	<i>Year</i>
Project related documents	
Project Document – Development Account 6 th Tranche – Support to decision making and policy formulation on foreign direct investment in the context of the MDG and the Monterrey Consensus	20 March 2008
Annual Development Account Progress Report	2008
Annual Development Account Progress Report	2009
Annual Development Account Progress Report	2010
Annual Development Account Progress Report (mid-year)	6 June 2011
Project files covering reports on each of the events and feedback sheets	2008-2011
Project budgets	2008-2012
UNCTAD Training manual on statistics for FDI and the operations of TNCs	2009
Workshop Training materials (9 Power Point presentations adapted to the country context)	-
Mission reports	2008-2011
Other related documents	
COMESA strategy	www.comesa.int
COMESA Regional Investment Agency/FDI trends	www.comesaria.org
COMESA Investment Report	2011
IMF, Statistics Department, Foreign Direct Investment Trends and Statistics	October 2003
IMF, GDDS projects – Africa	dsbb.imf.org
OECD Benchmark Definition of Foreign Direct Investment – Fourth Edition	2008
OECD Survey of implementation of methodological standards for direct investment	May 2008

ANNEX C

External Evaluation of UNCTAD Project M-6 Support to decision making and policy formulation on Foreign Direct Investment (FDI)

Project focus: strengthening of capacities in the field of compilation, analysis and dissemination of data of Foreign Direct Investment and operations of Transnational Corporations (TNCs) in line with international methodological standards

I. Questionnaire for regional project partners

Brief summary of the evaluation questions:

- Was the project relevant for the project stakeholders (clients, beneficiaries)?
- To what extent were stakeholders at the regional and country levels involved in the design and implementation?
- Were things done right, what are the results and outcomes and are they likely to last?
- Which conclusions and recommendations can be made?
- Which lessons can be learned?

The list below contains a set of questions including a number of sub-questions. These questions complete the assessments already completed by participants at the end of each project related event (regional/national workshops). NB: the responses to this questionnaire will be kept strictly confidential; no reference will be made in the evaluation report to any individual views of persons consulted.

Your contribution is highly appreciated!!!

A. General information	
Organization	
Name	
Position	
Role regarding the UNCTAD project	
Contact details	Phone: Email:
Alignment	
1. Was/is strengthening of national capacities and harmonization in the field of compiling FDI/TNC data part of a strategy/ priorities of your organization? Kindly explain.	

Ownership	
<p>2A. To what extent and in what manner was your organization involved in the planning and implementation of the project activities, e.g.:</p> <ul style="list-style-type: none"> a. country selection b. planning and organization of events (regional; national) c. selection of topics d. preparation of training materials e. development of common survey f. follow-up of national workshops g. monitoring of overall project progress h. other aspects, such as... 	
<p>2B. If a Regional Task Force on FDI data compilation was established within the context of this project, is this Task Force operational at present and what are its current activities?</p>	
Counterpart contribution	
<p>3A. In case of cost-sharing, kindly indicate the types of expenditures covered by your organization pertaining to the project.</p>	
<p>3B. What has been the estimated financial contribution of your organization to the project activities?</p>	
Project approach	
<p>4A. Was the project approach adequately adapted to the regional/country context?</p>	
<p>4B. If you participated in any of the regional workshops, what is your view on the regional workshops?</p> <ul style="list-style-type: none"> o I did not participate in any regional workshop o If you participated, what is your view on: <ul style="list-style-type: none"> a. topics b. background documents c. duration d. organization e. participation f. follow-up g. other, namely... 	
<p>4C. If you participated in any of the national workshops, what is your view on the national workshops?</p> <ul style="list-style-type: none"> o I did not participate in any national workshop o If you participated, what is your view on: <ul style="list-style-type: none"> a. topics b. background documents c. duration d. organization e. participation f. follow-up 	

g. other, namely ...	
4D. Was the approach to prepare and complete at the country level a common survey on FDI/TNC data (or to incorporate recommendations from the common survey in existing surveys) appropriate?	
Synergies	
5A. In case of prior/ongoing assistance (training/advice) received by your organization in the field of internationally agreed definitions and standards for the compilation of FDI/TNC data, please elaborate on the related support (donor, focus, duration)	
5B. Were/are these efforts complementary to the UNCTAD project and was/is the support in this field coordinated? If so, in what respect?	
Direct results for your organization that can be attributed to this project	
6A. Which member countries of your organization completed by end 2011 the first common survey or, in case of existing survey, incorporated recommendations from the common survey?	
6B. Is the common survey (or existing survey incorporating recommendations from the common survey) at present maintained as an annual activity of your organization?	
6C. How are the survey results used by your organization?	
6D. Are the survey results published at the regional level (kindly give web link or attach annual regional report(s) published so far based on the common survey)	

6E. Are FDI statistics related training activities pursued to date by your organization, using the UNCTAD materials and reference manual?	
Other results	
7. Are you aware of other direct/indirect results of the project, in terms of policies, strategies, specific measures taken, networking both among country officials/experts as regards FDI/TNC data compilation and with related institutions/experts in other countries that participated in the project , and/or other results that can be attributed to this UNCTAD project? In the affirmative, please explain.	
Explanatory factors for results	
8. Which key factors have contributed to the results (in case of results in your view)? Please explain	
Problems/constraints	
9. Which key factors have contributed to problems faced/constraints in implementation of project activities and their follow-up, i.e. the survey (in case of problems in your view)? Please explain	
Lessons/suggestions	
10. Kindly share your observations on lessons learned and suggestions as regards the continuation/follow-up by UNCTAD/others of work in the field of FDI/TNC data compilation/analysis/dissemination at the country/regional levels	
In case of other observations, comments, suggestions, kindly mention	

**External Evaluation of UNCTAD Project M-6
Support to decision making and policy formulation on Foreign Direct Investment (FDI)**

Project focus: strengthening of capacities in the field of compilation, analysis and dissemination of data of Foreign Direct Investment and operations of Transnational Corporations (TNCs) in line with international methodological standards

II. Questionnaire for participating countries

Brief summary of the evaluation questions:

- Was the project relevant for the project stakeholders (clients, beneficiaries)?
- To what extent were stakeholders at the regional and country levels involved in the design and implementation?
- Were things done right, what are the results and outcomes and are they likely to last?
- Which conclusions and recommendations can be made?
- Which lessons can be learned?

The list below contains a set of questions including a number of sub-questions. These questions complete the assessments already completed by participants at the end of each project related event (regional/national workshops). NB: the responses to this questionnaire will be kept strictly confidential; no reference will be made in the evaluation report to any individual views of persons consulted.

Your contribution is highly appreciated!!!

A. General information	
Country	
Organization	
Name	
Position	
Role regarding the UNCTAD project	
Contact details	Phone: Email:
Alignment	
1. Was/is strengthening of national capacities and harmonization in the field of compiling FDI/TNC data part of a strategy/ priorities of your country? Kindly explain.	

Ownership	
2A. To what extent and in what manner was your country involved in the planning and implementation of the project activities, e.g.: <ul style="list-style-type: none"> b. country selection c. planning and organization of events (national) d. selection of topics e. preparation of training materials f. development of common survey g. follow-up of national workshops h. other aspects, such as... 	
2B. If a Country Team on FDI data compilation was established within the context of this project, is this Team operational at present and what are its current activities?	
Counterpart contribution	
3A. In case of cost-sharing, kindly indicate the types of expenditures covered by your country pertaining to the project.	
3B. What has been the estimated financial contribution of your country to the project activities?	
Project approach	
4A. Was the project approach adequately adapted to the country context?	
4B. If you participated in any of the regional workshops, what is your view on the regional workshops? <ul style="list-style-type: none"> o I did not participate in any regional workshop o If you participated, what is your view on: <ul style="list-style-type: none"> a. topics b. background documents c. duration d. organization e. participation f. follow-up g. other, namely... 	
4C. If you participated in any of the national workshops, what is your view on the national workshops? <ul style="list-style-type: none"> o I did not participate in any national workshop o If you participated, what is your view on: <ul style="list-style-type: none"> a. topics b. background documents c. duration d. organization e. participation f. follow-up g. other, namely ... 	

<p>4D. Was the approach to prepare and complete at the country level a common survey on FDI/TNC data (or to incorporate recommendations from the common survey in existing surveys) appropriate?</p>	
<p>Synergies</p>	
<p>5A. In case of prior/ongoing assistance (training/advice) received by your country in the field of internationally agreed definitions and standards for the compilation of FDI/TNC data, please elaborate on the related support (donor, focus, duration)</p>	
<p>5B. Were/are these efforts complementary to the UNCTAD project and was/is the support in this field coordinated? If so, in what respect?</p>	
<p>Direct results for your country that can be attributed to this project</p>	
<p>6A. Did your country complete by end 2011 the first common survey or, in case of an existing survey, incorporate recommendations from the common survey?</p> <p>If not, why? Are you planning to do it in the near future?</p>	
<p>6B. Is the common survey (or existing survey incorporating recommendations from the common survey) at present maintained as an annual activity of your country?</p>	
<p>6C. How are the survey results used by your country?</p>	
<p>6D. Are the survey results published at the country level (kindly give web link or attach annual report(s) published so far based on the common survey or adapted existing survey)</p>	

6E. Are FDI statistics related training activities pursued to date by your country, using the UNCTAD materials and reference manual?	
Other results	
7. Are you aware of other direct/indirect results of the project, in terms of policies, strategies, specific measures taken at the country level, networking both among country officials/experts as regards FDI/TNC data compilation and with related institutions/experts in other countries that participated in the project, and/or other results that can be attributed to this UNCTAD project? In the affirmative, please explain.	
Explanatory factors for results	
8. Which key factors have contributed to the results (in case of results in your view)? Please explain	
Problems/constraints	
9. Which key factors have contributed to problems faced/constraints in implementation of project activities and their follow-up, i.e. the survey (in case of problems in your view)? Please explain	
Lessons/suggestions	
10. Kindly share your observations on lessons learned and suggestions as regards the continuation/follow-up by UNCTAD/others of work in the field of FDI/TNC data compilation/analysis/dissemination	
In case of other observations, comments, suggestions, kindly mention	