



INDEPENDENT EVALUATION OF THE GREEN FDI PROJECT

BACKGROUND AND CONTEXT

Project purpose

The objective of this project over a three-year period was to strengthen the capacities of developing countries to attract and benefit from foreign direct investment (FDI) in green and other growth sectors in order to create employment, promote agricultural development and reduce poverty.

The project interventions included capacity-building activities and advisory services and awareness creation through international meetings. Three regional training workshops were held in Colombia, the Republic of Korea and in South Africa. Advisory services were carried out in India, Jamaica and Kenya. As part of UNCTAD's World Investment Forum 2014, the project organized an Investment Promotion Conference in Geneva on October 15, 2014 with over 250 participants from 65 countries and included sessions on attracting FDI in infrastructure and green growth.

In addition to the various guides/brochures that were produced under the project, another key output was the green FDI website (www.greenFDI.org), which was designed to provide stakeholders with access to information on policy issues, tools and practices.

Methodology of Evaluation

The evaluator used a mixed methods approach, consisting of a desk review of key documents of the project, face-to-face interviews with the UNCTAD project implementation team, a combined approach of survey and follow-up



telephone/skype interviews with the 37 key informants of the project, and a field mission to India to interview beneficiaries.

RESULTS

The main objectives of the project were found highly relevant within the investment promotion community in developing countries as well as among the beneficiaries of the project. The evaluation also found that implementation of project activities was done in a remarkably effective and efficient manner while beneficiaries also suggest that they should be able to sustain what they have learned during the project.

Relevance: Beneficiaries and experts surveyed for the evaluation scored the project highly with respect to the relevance of the regional training seminars, national dissemination workshops, the website, and the expertise of UNCTAD in this area. When asked about the relevance of the www.greenFDI.org website, respondents also ranked it high in terms of providing useful information about green FDI trends and opportunities and as a tool to share lessons and successes from other countries.

In general, the broad perception of respondents surveyed for the evaluation is that UNCTAD brings a unique comparative advantage to this critical area of investment and FDI.

The evaluation notes that UNCTAD is in a unique position to facilitate networking between countries for sharing experiences, for extracting and disseminating practical lessons, and for ensuring that developing countries get access to up-to-date and cutting-edge information and research in the area of green FDI.

QUICK FACTS

PROJECT TITLE:

Building National Capacity for Promoting Foreign Direct Investment in Green and Other Growth Sectors 1213N

COUNTRIES:

51, with a focus on 3

EVALUATION TEAM:

Mr. Thierry Noyelle (independent evaluator)

PROJECT DURATION:

June 2013-May 2016

DIVISION:

DIAE

PROGRAMME COORDINATOR:

Mr. Paul Wessendorp

BUDGET:

461,000

DONORS:

UN Development Account

IMPLEMENTING AGENCY:

UNCTAD

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Regional workshop in Seoul, Korea, 6-8 May 2015

Effectiveness: The evaluation concludes that the project has been remarkably effective. The effectiveness was ranked high in terms of helping project beneficiaries in formulating and implementing plans and supportive measures for green investment promotion as well as for finding useful information and tools on the project website.

In the evaluation survey, 15 out of 18 countries participating in the regional training workshops (through their officials) or benefitting from one of the three technical advisory missions indicated that they had followed up on what they had learned through the project. This was either done by developing an action plan for green FDI and/or by taking promotional and incentive measures to encourage green investment.

Respondents also shared some observations on the structure and focus of seminars and workshops (which could have been better focused on coaching IPAs around developing a green FDI plan/strategy), the greenFDI.org website (could cover more successful case studies), and the selection of experts and resource-persons in seminars and workshops (more private sector investors could have been included).

The evaluation notes that UNCTAD needs to provide more intensive mentoring support to developing countries to advance green FDI strategies.

Efficiency: The evaluation concludes that the project delivered what it had planned for within the proposed timetable.

Moreover, the project was successful in raising an additional 26% over its budget from external contributions. This made it possible to add two national workshops in support of the release of the national advisory reports prepared in Kenya and India.

Sustainability: Beneficiaries were optimistic that their respective institutions will be able to carry forward the work started as a result of the technical assistance received from UNCTAD. However, on average, beneficiaries did not seem very sure about the ability of policy makers to effectively advance the adoption of new policy options or additional measures to create a green investment friendly environment on a national scale and suggested that additional support would be needed.

The report notes that UNCTAD has a strategy to sustain the website, and has already proceeded with a full round of revision

to incorporate requests and feedbacks received from beneficiaries.

Gender mainstreaming: The relationship between green FDI and gender equality was included in the workshop in India with a session on employment opportunities for women in the green energy sector. The website (www.greenFDI.org) also includes a section on gender equality and green FDI.

Key Recommendations and Lessons Learned

The evaluation also points to a number of areas which UNCTAD might take into consideration in future projects:

- a) Any future UNCTAD technical assistance on this theme could be more structured around coaching beneficiaries on developing green FDI plans and related incentives.
- b) Instead of focusing on green FDI in general, seminars could focus more narrowly on green FDI in specific low-carbon sub-sectors. UNCTAD could involve more private sectors investors in workshops to deepen the understanding of beneficiaries.
- c) UNCTAD should address the fundamental capacity constraints in LDCs and SIDSs by developing technical assistance to support their formulation of green investment frameworks.
- d) There could be more case studies on the www.GreenFDI.org website to meet the beneficiaries' need for more successful green FDI practices and tools in other developing countries to attract green FDI.
- e) The evaluation noted that the project developed simple and measurable indicators pertinent to its objectives that can be tracked relatively easily. Similar indicators could be used in future green FDI programming.

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