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External evaluation of UNCTAD subprogramme 2:

Investment and enterprise

Management response to the external evaluation of UNCTAD subprogramme 2: Investment and enterprise

Note by the UNCTAD secretariat

Executive summary

The UNCTAD secretariat wishes to express its sincere appreciation for the in-depth evaluation of subprogramme 2 (SP2) conducted at the request of the Trade and Development Board at its sixtieth session (see TD/B/WP/264 and TD/B/WP(68)/CRP.2). The secretariat commends the evaluation team for the excellent and most useful evaluation report. Further, it appreciates the professional approach, dedication and openness of the evaluation team in addressing the very complex and multi-faceted sets of issues covered by the Division on Investment and Enterprise (DIAE).

The evaluation team found strong relevance, significant impact, broad sustainability, and effective and efficient delivery in the work undertaken by SP2. It identified a set of best practices to be disseminated, and formulated a comprehensive set of recommendations for the secretariat and member States.

The present report contains three sections. The first addresses the recommendations formulated by the evaluators and informs on the secretariat's plans with regard to the findings of the evaluation (summarized in annex) and the implementation of its recommendations. The second section provides clarifications and further information relating to specific findings of the evaluation. The third section offers comments on document TD/B/WP(68)/CRP.2.

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I. Recommendations

A. Recommendation 1

1. The secretariat welcomes recommendation 1, addressed to member States. Indeed, SP2 is mandated by its member States to serve as the focal point within the United Nations systems for all matters related to investment. This was recently reiterated by the Investment, Enterprise and Development Commission in 2006¹ and 2009.²

2. In carrying out the work of SP2, the Division is therefore mandated to cover a large range of issues and serve a wide diversity of investment-development stakeholders. The complexity of the task at hand is exacerbated by the absence of global governance in the area of investment, resulting in a multi-faceted, multi-layered and largely uncoordinated investment system.

3. The secretariat has recently taken decisive steps to respond to this mandate. In particular, it launched in 2012 the Investment Policy Framework for Sustainable Development (IFPSD), which quickly became a useful policymaking instrument to support countries wishing to set national investment-for-development strategies and engage more effectively in international investment treaty-making. It has also filled a major policy gap by formulating the Entrepreneurship Policy Framework at a time of widespread unemployment worldwide. Furthermore, DIAE launched its Accounting Development Tool, allowing member States to address the challenges on high-quality corporate reporting that are critical to attract investment and ensure its development impact. All this demonstrates the Division's leadership and high-level expertise in the area of investment and enterprise development. At times of a development paradigm shift, the Division has successfully played a catalytic role in shaping a new generation of investment policies at the global, regional and national levels.

4. The 2014 edition of the *World Investment Report* focuses on investing in the sustainable development goals and proposes an action plan for promoting private sector contributions. It explores how private finance can be mobilized for investment in sustainable development sectors such as climate change adaptation, infrastructure development, food security, health and education. It outlines a strategic framework for private investment in the sustainable development goals and proposes six packages for transformative action that address a number of challenges facing private investment in developing countries.

5. The 2014 World Investment Forum, which will take place in Geneva from 13 to 16 October, is widely recognized as the most important event for the international investment community. Participants will discuss investment needs, opportunities and strategies to meet the sustainable development goals. Member States may wish to seize this opportunity to further express their support to the action plan for promoting private sector contributions proposed by the secretariat.

¹ "As a focal point in the United Nations system for investment, UNCTAD should continue to further understanding on FDI and development..." (TD/B/COM.2/71, para. 4).

² "The Commission *calls upon* UNCTAD to continue its role as the United Nations focal point for all matters related to IIAs ..." (TD/B/C.II/5, Agreed conclusions, para. 7).

B. Recommendation 2

6. The secretariat welcomes recommendation 2, which suggests that DIAE further its systemic review and upgrading of its core products.

7. Following the appointment of its current management team, DIAE undertook a division-wide, in-depth review of its portfolio of products and services, which was completed in 2009. In redefining its strategy (seven principles of strategic management), DIAE identified two flagship products (the *World Investment Report* and World Investment Forum) and seven core products and services (investment information and research, investment policies, investment promotion, responsible investment, business facilitation, entrepreneurship development, and accounting and reporting).

8. In light of the feedback and guidance received from members States and other investment stakeholders, the relevance of the Division's strategy and the definition of the core products and services are regularly reviewed in the framework of its management mechanisms. This management approach includes, as highlighted by the evaluation report, the preparation of a detailed workplan calling for results-based management, internal and external peer review groups, and comprehensive reporting and monitoring.

9. The secretariat will continue reporting on the review and upgrading of its core products in the context of the annual sessions of the Investment, Enterprise and Development Commission under its agenda item on strengthening the synergies among the three pillars of the work of UNCTAD. (See para. 20 below relating to investment policy review (IPRs) and paras. 37 and 38, to Empretec.)

C. Recommendation 3

10. Recommendation 3 proposes the generalized use of measurable results chains based on SMART indicators.³ It also suggests tracking "more consistently the long-term development impact of investment-related and private sector-related work among SP2 beneficiary countries at the programmatic level". The secretariat welcomes this recommendation, based on the understanding that:

(a) Results and impact chains were developed by DIAE for the programme in its entirety, as well as for each of its core products. The secretariat notes the evaluators' acknowledgement that the Division's reporting "goes far beyond what is asked for under mandatory reporting requirements". All these results and impact chains lend themselves to regular monitoring by the use of measurable indicators and, as stated by the evaluators, "SP2 is already de facto using measurable results chains for three [of the evaluated] core products". Further, a significant step was recently taken by the Division to explore the possibility of developing online tools to track the implementation of the recommendations of its IPRs in beneficiary countries;

(b) Qualitative indicators are, in the secretariat's view, at least as important as the use of SMART indicators. For the secretariat, appraisal from representatives of member States, including at the highest political level, and their endorsement of the relevance, quality and impact of the analytical conclusions and policy recommendations made by UNCTAD in the area of investment and enterprise, often bear equal if not more value than a single measurable indicator;

³ The acronym relates to outcomes that should be specific, measurable, achievable, relevant and time bound.

(c) The secretariat will continue planning and monitoring the impact of its activities in the area of investment and enterprise for development in the short term (improved understanding and awareness of stakeholders), medium term (institutional and policy changes) and long term (observed changes on major economic aggregates), as mandated by the Working Party, the Trade and Development Board and the quadrennial conference of UNCTAD. With regard to capacity-building activities, the secretariat will continue to work closely with development partners and beneficiary countries to integrate state-of-the-art results-based management practices in newly launched projects.

11. The secretariat notes that systematic monitoring of specific indicators of the long-term impact at the programmatic level requires strong commitment from beneficiary countries. It may also require additional resources beyond those currently allocated to reporting. The secretariat invites countries in a position to do so to consider providing support to such systemic monitoring.

D. Recommendation 4

12. The secretariat acknowledges recommendation 4, which suggests continuing the process of updating and revamping the SP2 website. As part of its information technology (IT)-enhanced approach, the Division initiated the process by first updating those websites that allow direct interaction with beneficiaries and therefore have a direct capacity-building component. Further, the Division recently launched the Investment Policy Hub, an online platform providing access to a repository of up-to-date investment policies and allowing policymakers and other stakeholders to share their experiences and best practices. The secretariat notes that it has received excellent feedback on the Investment Policy Hub from both the independent evaluators and its member States, and it will continue developing this product.

13. As noted by the evaluators, a certain degree of decentralization is needed for the development of interactive websites, as well as efficient content adaptation. In this regard, it should be noted that there has been a recent attempt to revamp existing websites with free online tools, which led – in the case of Empretec – to the development of a new test site. Unfortunately, for technical reasons it has not yet been possible to migrate it to UNCTAD servers and test it before putting it online. The Division also launched an electronic version of the Accounting Development Tool in English, French, Russian and Spanish.

14. The secretariat notes that the development and maintenance of modern websites requires the availability of technical, financial and human resources. The secretariat would welcome any financial and technical support from member States in this regard and stands ready to report regularly on the updating and revamping of its websites.

E. Recommendation 5

15. The secretariat welcomes recommendation 5, which suggests that DIAE expand its use of distance and e-learning. In this context, the secretariat notes that a number of steps have been taken to further develop its offer of IT-based capacity-building services.

16. Firstly, DIAE provides contribution and inputs to cross-cutting UNCTAD initiatives such as the Virtual Institute or TrainForTrade, which include specialized modules on issues related to investment for development, as well as specially designed online resources.

17. Secondly, the Division in the mid-2000s introduced a comprehensive Internet distance-learning module based on the core products websites and a distance-learning module utilizing CD-ROM technology adapted to beneficiaries' requirements. For instance,

the international investment agreement programme developed a comprehensive programme consisting of five modules for regional distance training, as well as various online tools addressing specific requirements. The programmes on FDI statistics and investment promotion are also developing an online training course.

18. Therefore, the secretariat welcomes this recommendation and will continue working towards this end. However, the secretariat notes that the use of distance and e-learning facilities can be limited in terms of technologies available to beneficiaries and issues areas covered. For instance, Empretec is a behavioural training programme, which requires physical room presence and one-on-one interaction with facilitators.

F. Recommendation 6

19. Recommendation 6, which relates to an increased foothold in the dialogue between governments and development partners taking place at the country level, is welcomed by the secretariat. As noted by the evaluators, this would require support from the UNCTAD technical cooperation service. It would also benefit from the support of those government–development partners involved.

G. Recommendation 7

20. The secretariat appreciates recommendation 7, which proposes the introduction of an after-care service to provide light support to beneficiary countries after projects conclude. In this regard, the Division is exploring the possibility of developing online tools to track the implementation of IPR recommendations in beneficiary countries. This would represent major progress towards the implementation of such a recommendation, as the IPR programme is the main vehicle for capacity-building and technical cooperation in the area of investment and enterprise for development. Fully developing and implementing such an approach would require financial and human resources as well as strong commitment from beneficiary member States, which would need to actively provide up-to-date information on their IPR implementation record. Noting that the IPR programme is financed by extrabudgetary funds, additional resources may be required to develop IPR after-care services, especially if these should be complementary to the implementation reports.

H. Recommendation 8

21. The secretariat welcomes recommendation 8, addressed to member States. Although the evaluation notes that DIAE core products score high in terms of sustainability, their financial sustainability poses challenges, particularly with regard to addressing the rapidly growing demand for new technical assistance and the follow-up of SP2 recommendations, including in the area of IPRs, corporate reporting, entrepreneurship policies and Empretec.

22. Therefore, member States may wish to consider further supporting SP2 in its funding efforts. Such efforts should build on key and emerging opportunities such as the global efforts for mobilizing investment in the sustainable development goals. They could also systematically include SP2 in Aid-for-Trade-related mechanisms. This in turn will strengthen the supply capacity-building dimension of Aid for Trade. More generally, SP2 should play a central role in the context of the post-Bali agenda, including though its work on e-governance and in support of poverty eradication. This should be facilitated by the key role played by DIAE in mobilizing private sector contributions to productive capacity-building and sustainable development. The engagement of donor countries in this endeavour would be greatly appreciated.

I. Recommendation 9

23. Lastly, recommendation 9 refers to the use of current sustainable development goals-related work “to revisit how best to strengthen gender equity issues in the SP2 work”. The secretariat welcomes this recommendation, noting that in response to the mandate received at UNCTAD XII in Accra in 2008 to “make efforts to mainstream cross-cutting issues of gender equality and the empowerment of women, the promotion of sustainable development and full and productive employment” (para. 173), the secretariat has been active on several fronts:

(a) With regard to its work on FDI and development, the secretariat has carried out in-depth research on FDI and gender. The main findings will be published in the coming weeks. A study focusing on women’s entrepreneurship and innovation is also forthcoming. These studies will fill a gap in the areas concerned;

(b) In the area of capacity-building, participation in training workshops, which are demand-driven, reflects the composition of targeted administrations. Nevertheless, women’s participation in training is regularly above 30 per cent, and in some countries, they represent the majority of participants. For example, women accounted for 61.5 per cent of the participants in an IIA training course held in Bogota in December 2013. It should also be noted that gender participation is higher when DIAE services directly benefit individuals. For instance, in the area of Empretec, a majority of women were trained in some countries. Most Empretec centres, for example in Guyana, Guatemala, Ghana, El Salvador and Zimbabwe, run entrepreneurship training workshops for women, as shown in the *Empretec Annual Report*. In recent projects, such as one conducted in Panama, women entrepreneurs who participated in training activities held from 2010 to 2013 and funded by the Millennium Development Goals, represented more than two thirds of the group. The same pattern can also be seen among Empretec trainers, where the share of women trainers has reached 50 per cent, with total gender balance. Special regional women leadership training courses were held in Africa (Zimbabwe, 2011) and South America (Guyana, 2011) with the participation of UNCTAD;

(c) In the area of consensus-building, women experts and policymakers are regularly invited to participate in and share experiences at intergovernmental meetings. For example, women entrepreneurs are regular participants in panels convened to discuss entrepreneurship development policies, including during the last session of the Investment, Enterprise and Development Commission. In response to member States’ requests, the session focused on the topic “Entrepreneurship and productive capacity-building: Creating jobs through enterprise development”. Building on the issues notes prepared by the secretariat, participants recognized the importance of differentiating between different cohorts of youth such as rural youth, women and girls, and youth in the informal economy;

(d) As recognized by the evaluators, the Division has since 2008 held the Women in Business Awards, one of the most prominent initiatives promoting women’s entrepreneurship. The fourth edition of the Award will take place in connection with the upcoming World Investment Forum, scheduled to take place in Geneva, Switzerland, at the Palais des Nations, on 13–16 October 2014. Gender equality and the empowerment of women will also be at the centre of discussions during the Forum, in two high-level events. The high-level round table on making value chains work for the poor will review how to make global value chains inclusive, including for women and youth. The Dialogue on Investment and Gender, focusing on the role of transnational corporations in women’s empowerment and gender equality, will review research on experiences with, and the impact of transnational corporations on gender, and consider avenues for policymakers to learn from this, in particular to minimize risks and maximize the benefits of the activities of transnational corporations for women;

(e) The Division has participated in several initiatives in cooperation with other programmes and agencies aiming at gender equality and the empowerment of women. For instance, Empretec has also been a partner of many women's entrepreneurship programmes, including projects sponsored by UN-Women and/or the United Nations Development Programme in Kenya, South Sudan, Ethiopia and Liberia. The Division also participated in regional networks such as Vital Voices, Liderazgo en Tacones and the Cartier Women's Initiative Awards, and co-hosted the Geneva International Women Entrepreneurs' Forum in 2013.

24. Therefore, the secretariat will continue its work to support gender equality and the empowerment of women and will enhance reporting to this end.

II. Clarifications and further information on specific findings of the evaluation

A. Paragraph 21: Relevance and technical cooperation

25. According to the evaluators, "mobilizing extrabudgetary funding may delay timely implementation (a concern raised in particular with Empretec and IPRs)". Although the secretariat fully recognizes that it operates with very limited extrabudgetary resources at the same time that it faces a rapidly increasing number of countries for which follow-up assistance is required, it should be recognized that the Division has taken specific measures to limit the impact of extrabudgetary shortages for beneficiary countries.

26. Most importantly, the Division developed the first UNCTAD multi-donor, multi-year trust fund with a view to increasing the predictability and sustainability of its capacity-building measures. This trust fund encompasses the full range of advisory services in the area of investment and enterprise for development. The experience showed only partial success, with many donor countries opting to continue funding soft earmarked trust funds.

27. With respect to the IPR programme, DIAE recently revisited the format of the IPR reports with a view to reducing its size while maintaining a high-quality product to increase delivery efficiency, in line with the United Nations guidelines on publications. This is achieved by selecting and focusing on fewer key issues affecting the investment environment.

B. Paragraphs 35 and 36: Impact, tracking outcome changes at the core product level, and research and analysis

28. The secretariat agrees with the statement that "research is a public good whose impact is difficult to track" and that it "can be tracked, to a significant extent, through the impact of other core products". In this regard, it is noteworthy that, as acknowledged by the evaluation, DIAE has been able to report significant impact of its research and policy analysis. Indeed there are numerous examples of how various recent editions of the *World Investment Report* have had a successful impact on policymaking processes. For instance, the *World Investment Report 2010: Investing in a Low-carbon Economy* informed the discussions during the sixteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, and the report's conclusions were used at the request of beneficiary governments (South Africa, Tunisia) to review investment-related frameworks. Similarly, the 2013 edition has given impetus to countries reviewing their global-value-chains-related policies. Beyond the *World Investment Report*, and as evidenced by UNCTAD reporting through the Integrated Monitoring and

Documentation Information System, the entire gamut of core products and services developed by SP2 has significantly contributed to an increased understanding of various key and private investment issues and the impact of FDI on development. It has also helped further the understanding of key and emerging issues related to IIAs and their development dimension. Further, it has enhanced the capacity of member States to manage investor-State disputes and to negotiate and implement treaties.

29. The evaluation report also notes in paragraph 36 that “since DIAE identifies data and research (information systems) as a core product, it would be helpful to develop a measurable results chains (or subset of results chains) for this particular area”. The secretariat wishes to point out that a respective results and impact chain was recently developed (see *Division on Investment and Enterprise: Results and Impact Report 2014*, page 17).

C. Paragraphs 37 and 38: Impact, tracking outcome changes at the core product level and consensus-building

30. The secretariat recalls that SP2 is responsible, in addition to its substantive contribution to the Trade and Development Board and the Working Party, for the substantive servicing of the Investment, Enterprise and Development Commission and its subsidiary bodies, multi-year expert meetings and the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. The development of the IFPSD – as highlighted by this external evaluation of SP2 – and the Entrepreneurship Policy Framework mark in particular the successful conclusion of a cycle of multi-year expert meetings initiated after UNCTAD XII and concluded during the evaluation. The evaluators also attended the sixth session of the Commission, during which SP2 organized intergovernmental discussions on several IPRs. These reviews are instrumental in securing government commitment to implement the recommendations and donor support for technical assistance. In particular, the impact of the IPR programme greatly benefits from the matchmaking sessions between high-level policymakers in beneficiary countries and representatives of the private sector.

D. Paragraph 42: Impact, tracking outcome changes at the core product level and risk mitigation

31. As highlighted by the evaluators, SP2 has through the integrated treatment of the three pillars of its work mitigated some of the risks associated with the provision of its services. The Division has developed a value-chain approach in managing the development and delivery of its key products and services. Such an approach incorporates the management of political, substantive and managerial risks at various stages, including through rigorous internal and external peer reviews, field-testing, open-source improvement and feedback of lessons learned. The approach was presented and discussed in the context of the fifth session of the Investment, Enterprise and Development Commission (see TD/B/C.II/22) and praised by the Office of Internal Oversight Services and the Joint Inspection Unit.

32. The secretariat also wishes to point out that the preparation and dissemination of two major policy frameworks (the IFPSD and the Entrepreneurship Policy Framework) also contribute largely to risk mitigation. These policy frameworks are the result of a process combining every element of the three pillars of work: research and policy analysis (initial conception, refining of the concept in the context of peer review exercises, preparation of substantive supports), consensus-building (discussions with member States in the context of a complete cycle of multi-year expert meetings, validation of frameworks in the context of

the ministerial conference) and capacity-building (testing of assumptions, validation of results in the context of national workshops, review of existing products through the lenses of the policy frameworks).

33. This represents a novel approach by SP2, that of upstreaming the quality control and mitigating the risks with a view to minimizing the risk downstream. This approach has been acknowledged by UNCTAD member States, including in the context of the sixth session of the Commission.

E. Paragraph 57: Efficiency and consensus-building

34. The secretariat appreciates that the development of the Investment Policy Hub is deemed a decisive step towards increasing the efficiency of its consensus-building. As indicated in the external evaluation, the increased presence of DIAE in all major policymaking arenas could be deemed another indicator of efficiency in consensus-building. These include, for example, the General Assembly resolution (A/RES/64/192) relating to the Principles for Responsible Agricultural Investment, the Group of Eight (2010 Muskoka Declaration), the Group of 20 (which recognizes the key role of UNCTAD in monitoring investment trends and policies), the Asia-Pacific Economic Cooperation and the Common Market for Eastern and Southern Africa. Similarly, the creation and development of the World Investment Forum as “the most important event of the international investment community and its stakeholders”⁴ is another example of efficiency in this area.

35. The secretariat also wishes to point out that the efficiency of SP2 in the area of traditional consensus-building was also witnessed by the utilization of various facets of the intergovernmental machinery of UNCTAD to solicit support and endorsement for its Entrepreneurship Policy Framework and the Accounting Development Tool. Effective use of expert meetings, sessions of the Investment, Enterprise and Development Commission and ministerial-level meetings were instrumental in obtaining widespread approval of these instruments as policy tools, in line with paragraph 207 of the Accra Accord concerning the role of UNCTAD in the development of soft policy instruments. Another facet of strong effectiveness is demonstrated by the common utilization of intergovernmental expert meetings in the area of international investment as a platform for mutual practical assistance and the exchange of best practices in international investment policymaking.

F. Paragraph 59: Efficiency and technical cooperation

36. The evaluation report notes a deliberate shift from national training workshops to regional ones. Although the secretariat agrees that part of the rationale behind this move is motivated by cost-benefit parameters, the shift also corresponds to a well-documented trend toward regionalism with regard to investment development policies. As a result, the secretariat is of the view that the risk associated with the organization of such training workshops is minimal in comparison with the value added they provide to participants in terms of knowledge and networking opportunities. In particular, they allow for sharing of experiences and best practices among countries and can contribute to the development of stakeholder communities.

⁴ Ban Ki-moon, Secretary-General of the United Nations (<http://unctad-worldinvestmentforum.org/about-wif-2014/>).

III. Comments on External evaluation of UNCTAD subprogramme 2: Investment and enterprise – Supporting materials (TD/B/WP(68)/CPR.2)

A. Empretec

Efficiency

37. “From the point of view of Empretec, attending a week-long Empretec training while running a business at the same time is often highly challenging” (TD/B/WP(68)/CRP.2, page 29). The secretariat acknowledges the finding that the duration of the training is challenging for some Empretec beneficiaries. It wishes to note that Empretec workshops have already undergone a major restructuring to reduce the number of training days to six. In addition, the secretariat has developed and implemented shorter courses, such as a two-day workshop to illustrate the Empretec methodology to stakeholders and interested institutions. This has been implemented in three South and Central American countries, involving the participation of other Empretec centres in the region. This shorter course has been disseminated to the centres on several occasions, including during the annual meeting held in Istanbul in October 2013. The secretariat also encourages the centres to adapt the Empretec workshop to market needs and the local context: some centres have successfully spread the six-day workshop over a longer period of time, requiring participants’ presence for a maximum of four hours a day. In other cases, specific training for low-literacy groups has been delivered both in Africa and Latin America, adapting to the target group of beneficiaries (for example, rural and women entrepreneurs) and focusing on specific needs such as the effective use of mobile technology for their businesses.

38. “At the country level, a cumbersome and lengthy process for certifying trainers, which is costly to the trainers themselves, is a hindrance to the efficient implementation of Empretec” (TD/B/WP(68)/CRP.2, page 29). The training of trainers is by nature a lengthy process, although it depends on whether the Empretec host institution is supportive and engaged because facilitators need to be effective in achieving learning objectives. As a behavioural training programme – not a series of lectures – training the trainers requires well-developed competencies that may require time to be fully absorbed and practised.

Sustainability

39. “The maturing process for a centre to get to full sustainability is long” (TD/B/WP(68)/CRP.2, page 29). The gestation period of Empretec country programmes depends on two critical factors: the engagement and involvement of the local counterpart and the availability of sufficient funds to assist requesting countries in the establishment of a programme management unit (wherever it may be hosted) and a team of certified local trainers. As pointed out by one evaluator in previous assessments of Empretec and linkages programmes, the set-up of appropriate institutional structures and the development of local training capacity can be clearly affected by the funding modality (yearly contributions, without a medium-term horizon that would allow proper planning). Table 7 of TD/B/WP(68)/CRP.2 (Annual expenditure of extra-budgetary resources by DIAE, 2010–2013, page 19) shows a clear decline in the availability of funds for the whole set of enterprise development activities, from \$1.8 million in 2010 to \$270,000 in 2013. A major reduction of extrabudgetary resources such as this has had an impact on the effectiveness and the support that UNCTAD can provide to new installations and established centres alike, particularly since UNCTAD is not present on the ground.

40. Table 4, Empretec centres as of 2014 (page 15).The Senegal centre is described as “no longer operational”. While some activities may not be carried out on a regular basis, the centre is indeed operational, since it makes nominations for the Empretec Women in Business Award, for instance.

B. Investment policy reviews (pages 36 and 39)

41. In all IPR beneficiary countries, the secretariat has carried out follow-up activities in support of the endorsed recommendations. This includes extensive activities in the two countries visited by the evaluation team. A comprehensive list of these activities is regularly made available.

42. The secretariat has made every effort to maintain communication channels in all IPR beneficiary countries and has informed on the IPRs and their follow-up after the completion of the reviews. This includes field visits in the context of UNCTAD capacity-building activities and regular briefings to delegations to the United Nations.

43. As stated above, the secretariat is exploring the possibility of developing online tools to track the implementation of IPR recommendations in beneficiary countries to further increase its responsiveness to follow-up requests and the provision of after-care services.

Annex

Summary of findings of the external evaluation

1. The External evaluation of UNCTAD subprogramme 2: Investment and enterprise (TD/B/WP/264) presents convincing findings with regard to the positive assessment of the work programme's high level of relevance, quality, efficiency, effectiveness, impact and sustainability.

Relevance

2. The evaluators concluded that "SP2 gets strong marks for the relevance of its core products and services"... and "for helping shape a policy framework for FDI at global, regional and national levels, including through the recent introduction of its IPFSD". "SP2 is strongly aligned with various Millennium Development Goals and has a critical role to play in the discussion on the contribution of FDI and private sector investment to development in the post-2015 sustainable development goals."

3. Regarding the research and policy analysis pillar, the evaluation report notes that "[I]ts research on issues and policies revolving around FDI is highly valued by policymakers and private investors". The evaluators further acknowledge that the "*World Investment Report* was highly praised by the individuals interviewed", while "[R]ecent evaluations of the work on FDI statistics and investment policies confirm their high relevance".

4. With regard to capacity-building, they found that "[W]ith regard to the four core products subject to structured survey assessment under the present evaluation, 96 per cent of country stakeholders give SP2 high to very high ratings in fulfilling their countries' needs and 75 per cent indicate high value added resulting from SP2 support". Further, "93 per cent of the respective respondents from LDCs, SIDS, LLDCs [⁵] and other structurally weak, vulnerable and small economies indicate that SP2 technical assistance is usually well adapted to their particular situation and needs".

5. With regard to consensus-building, "[T]he technical support provided through ...consensus-building ... is in high demand".

Effectiveness

6. The evaluators found SP2 "effective in delivering expected activities and outputs". In the area of research and policy analysis, the effectiveness of the databases produced by SP2 (the FDI database is "unique") and the *Global Investment Trends Monitor* ("a good example of steps taken to increase effective access to information") were acknowledged. With regard to capacity-building, surveys covering "IPRs, e-regulations and Empretec suggest significant delivery", while in the area of consensus-building and following the launching of the IPFSD as a successful conclusion of the cycle of multi-year expert meetings on investment for development, IIA beneficiaries reported strong effectiveness of UNCTAD assistance.

⁵ Least developed countries, small island developing States, landlocked developing countries.

7. DIAE is “well managed by a very cohesive and dynamic senior management team”, which has “a consistent approach to incorporating elements of the three pillars [of UNCTAD’s work] in each core product” and has developed “a rigorous research and development process used to improve, upgrade, and strengthen the Division’s portfolio of core products”.

Efficiency

8. “SP2 delivers much with limited resources”. As part of its IT-enhanced strategy, the subprogramme has introduced “newer, interactive websites that are cutting edge” and “are changing the nature of the dialogue with beneficiaries and the process of information sharing”. The evaluation report also notes the Division’s best practice, adopted as part of its partnership approach and consisting in “[C]o-funding as a means to stretch limited extrabudgetary resources”.

9. As a result, and with regard to research and policy analysis, the evaluators acknowledge the large number of reports produced and note that the “*World Investment Report* is widely read and highly praised by those who use it, as are the data on FDI and a number of other databases”. A large majority of technical assistance beneficiaries surveyed rated the delivery by SP2 as “efficient or very efficient”, partly because of the development of resources towards new communication tools that generated “significant cost savings” and frequent cooperation with other development organizations.

Impact

10. “SP2 delivers significant impact”. Analysis conducted by the evaluators found that countries that were direct beneficiaries of SP2 assistance recorded “more favourable performance with respect to FDI growth and its economic impact” than comparator countries.

11. With regard to research and policy analysis, the evaluation report notes that “the impact of other core products is typically significant”. In the area of consensus-building, the impact of the IFPSD and Principles for Responsible Agricultural Investment is singled out, while the “significant number” of technical cooperation support programmes implemented at the national, regional or global levels generate “significant, measurable immediate impacts”, including on enterprise and job creation. Moreover, “beneficiaries’ gains from SP2 are broadly sustained”.
