



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



# MOBILIZING RESPONSIBLE INVESTMENT AND SUSTAINABLE TECHNOLOGY

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Responsible investment and sustainable technology contribute to economic transformation and lead to greater prosperity. Increased investment and technology flows create new jobs, generate income and help diversify the economy by expanding the production base while improving market access and infrastructure development. The rapidly-changing global investment landscape and revolutionary technical advancements bring many opportunities and, at the same time, present new challenges. UNIDO's interventions in this area are based on monitoring (analysis and assessment of challenges and opportunities created by investment flows), learning (information sharing and knowledge dissemination for project identification, formulation and promotion) and networking (linkages to potential partners throughout the business partnership process).

**In this respect, UNIDO's Department of Trade, Investment and Innovation (TII) offers services which aim to:**

- » Provide matchmaking services between buyers and suppliers as well as business partnership
- » Monitor investment better: activity in respective countries (foreign and domestic direct investment) to ascertain economic contribution and investment impact
- » Mobilize investment through targeted institutional cooperation

- » Promote technology transfer, with a focus on green technologies
- » Strengthen the institutional capacity of public and private partners, in particular investment promotion agencies
- » Encourage public-private partnerships (PPP)
- » Foster entrepreneurship to attract more domestic and foreign direct investment
- » Mitigate investment risk through strengthened business environment improvements

**UNIDO's flagship programmes and tools include:**

- » The global network of Investment and Technology Promotion Offices (ITPOs)
- » The worldwide network of Subcontracting and Partnership Exchange Centres (SPXs)
- » Foreign Direct Investment (FDI) monitoring tools and methodologies, including investor surveys, impact analysis for lead generation, informed investment promotion strategies
- » The UNIDO Investment Learning Centre (ILC), including modules on project identification and validation as well as on the financial appraisal of feasibility studies through the Computer Model for Feasibility Analysis and Reporting (COMFAR) software
- » The Enterprise Development and Investment Promotion (EDIP) programme, a tool to stimulate and upgrade new and existing enterprises

UNIDO organizes global events to foster and generate impact investment and to promote industrial opportunities. The organization also works with public and private business institutions including national and regional investment promotion agencies, financial institutions and chambers of commerce and industry, to support enterprises and investors. Partnerships have been established with, inter alia, the World Association of Investment Promotion Agencies (WAIPA), the International Chamber of Commerce (ICC) and the UN Global Compact as well as with companies such as Intel, Deutsche Messe, and IBM.



# INVESTMENT MONITORING PLATFORM AND SUPPLIER DEVELOPMENT IN VIETNAM

Private direct investment, be it foreign or domestic, creates productive capacity and in turn generates employment and enables national economies to become active players in the global market. At the heart of Vietnam's impressive industrial performance lies the unprecedented contribution of Foreign Direct Investment (FDI). As the country continues to move forward with its ambitious development agenda, it becomes critical to reach a better understanding on the catalytic role that FDI can and has to play for industrial diversification and for achieving growth in industrial efficiency and competitiveness. Good policies can accelerate and sustain the positive economic impact of different forms of investment on the host economy provided policymakers can tap into a relevant, accurate and comprehensive information repository. Developing countries require the means to monitor investment flows and trends in their economies, to assess the performance of such investment and ascertain the impact of different investor categories on key economic indicators.

## MAIN APPROACH

The project addressed the role and impact of FDI on the economy at this critical juncture in Vietnam's industrial development process. It saw the successful collaboration between the Ministry of Planning and Investment (MPI), the Foreign Investment Agency (FIA) and UNIDO and facilitated the dialogue between the Government and the private sector to create a shared vision of how to foster prosperity in the country. The objective of the project was to institute better monitoring and management of investment flows by national institutions and private sector decision makers, namely through the establishment of a web-based investment monitoring platform as a tool for FDI analysis and management. The project also aimed to support the domestic manufacturing sector and make it better equipped to present itself as a viable and competitive supplier base for global enterprises. This was to be achieved through the establishment and strengthening of a supplier benchmarking and subcontracting exchange (SPX) unit within the Vietnam Chamber of Commerce and Industry (VCCI).

## IMPACT AND RESULTS

- » The Vietnam Industry Investor Survey was undertaken among a sample of 1,494 enterprises (both foreign and domestic) from 9 different Provinces - an online survey management tool was designed and shared with the General Statistics Office (GSO) and the Provincial Statistics Offices (PSO) for the effective handling of the investment survey questionnaire distribution, collection, quality checking and validation

- » Publication of the Vietnam Industrial Investment Report and extensive data analysis
- » Design, launch and maintenance of the Vietnam Investment Monitoring Platform (VIMP), a web-based repository of the survey data of more than 300 variables available for data analysis, which serves as a tool for developing investment promotion strategies
- » Training and capacity development of a broad-based audience composed of government officials on the utilization of the VIMP
- » Introduction of UNIDO's benchmarking methodology and supplier development tools as part of the Supplier and Partnership Exchange Programme (SPX) within VCCI which has led to business relationships between buyers and suppliers as well as concrete matchmaking results that have a positive impact on SME expansion and growth
- » Enabling the Improvement of Vietnamese stakeholders' capacities in designing conducive investment policies for crowding in high impact investment flows which is expected to have long term crowding-in impact resulting from favourable investment policies

## FACTS & FIGURES

- » SPX Programme with **675** profiled enterprises
- » SPX capacity building including training on profiling, benchmarking, buyer engagement and matchmaking undertaken and initial contacts with key buyers in the country established
- » Promotional efforts of the SPX Programme involved, among others, the creation of a website
- » **6** key buyers engaged in the SPX Programme for requests for quotations and match-making
- » Benchmarking of **40** enterprises through UNIDO's specific SPX benchmarking tool for further use in the supplier development and upgrading process as well as for investment promotion
- » **50** Buyer Opportunity Reports produced as a result of the buyer engagement and matchmaking process, serving to identify local subcontracting opportunities

The quality of investment projects proposals and studies is a key factor affecting both foreign and domestic investment flows. Governments and entrepreneurs of developing and developed countries alike require properly prepared feasibility studies for investment projects in order to take sound investment decisions based on right choice of technologies that accommodate industrial growth and sustainability. UNIDO responded to this need by developing methodologies and tools for identification, preparation and promotion of investment and technology projects.

#### MAIN APPROACH

UNIDO's Investment Learning Centre (ILC) offers training packages covering a comprehensive set of topics related to the identification, preparation, promotion and implementation of investment projects. UNIDO publications and software have introduced the best practices and quality standards for project preparation and evaluation recognized by banks as well as international development and financial institutions. Financial and economic appraisal is conducted with application of the COMFAR software (Computer Model for Feasibility Analysis and Reporting), a flagship UNIDO product for over 30 years. COMFAR Lite, an online version of the software, was introduced as a tool to upgrade financial literacy of less experienced entrepreneurs: MSMEs, youth and women entrepreneurs. ILC develops training kits and curricula, offers distant online learning, assists in the organization of and conducts its own in-class training as well as coaching and on-the-job training. Training is offered at several levels: from beginner's level to the training of trainers, accompanied by certification and quality assurance schemes. ILC activities are geared to assist and improve the efficiency

of UNIDO's own technical cooperation programmes and to meet direct demand by public institutions and private counterparts. They are implemented in synergy with other UNIDO programmes, including SMEs and entrepreneurship support and development programmes. Specialized capability building programmes are implemented together with other UN agencies and organizations, intermediate financial institutions, banks as well as academic and research institutions, universities and regional centers of excellence.

#### IMPACT AND RESULTS

COMFAR, which is available in 19 languages, is compliant with the latest International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS). Together with UNIDO's feasibility manual it has been accepted as a standard for the preparation of bankable projects in many countries. The development of a trainers' certification scheme and the establishment of national and regional training hubs have strengthened capabilities of various governmental and non-governmental institutions in developing countries.

There are currently over 10,000 COMFAR users in 160 countries. In over 30 years of COMFAR development, two main development impacts were recorded: classic investment benefits, such as increased employment, technology spillovers, innovation and better environmental performance, and improved institutional capabilities to ensure the feasibility and economic benefits of investments in developing countries.



# INVESTMENT LEARNING CENTRE IDENTIFICATION, PREPARATION, PROMOTION AND IMPLEMENTATION OF INVESTMENT PROJECTS



# NETWORK OF INVESTMENT AND TECHNOLOGY PROMOTION OFFICES ITPOs

To bridge global investment and technology gaps, UNIDO established its first Investment Promotion Services (IPSs) in 1976. The IPSs would later evolve into the UNIDO Network of Investment and Technology Promotion Offices (ITPOs). The ITPOs are strategically located in both hemispheres and promote investment and technology flows between investors and technology suppliers in their host countries as well as for potential partners in developing countries.

## MAIN APPROACH

The ITPOs provide support, advisory and technical services to enterprises and business development organizations by:

- » Networking with the businesses and institutions in host countries to disseminate opportunities for investment and technology transfer, advising potential partners, and providing information on foreign resources and the business climate in developing countries and countries with economies in transition
- » Facilitating contact between foreign and local investors and technology suppliers through meetings, events and other means to support negotiations on investment ventures and technology partnerships
- » Receiving delegations, representing both the public and private sector, from and to developing countries and facilitating direct contact between these delegations with the local industrial community and institutions
- » Hosting delegates from developing countries for on-the-job orientation (ITPO Delegate Programme) to strengthen national capabilities in investment and technology promotion techniques and to promote portfolios of investment opportunities
- » Operating as a catalyst and source of technical expertise to organize key investment and technology related events at national, regional and international levels
- » Facilitating domestic investments through the provision of advisory and business skills development services to local start-ups or existing enterprises aiming to expand their business
- » Advising potential business partners on financing possibilities from national and international institutions involved in financing industrial projects

## IMPACT AND RESULTS

There are currently 9 operational ITPOs worldwide, located in Manama (Kingdom of Bahrain), Beijing and Shanghai (People's Republic of China), Rome (Italy), Bonn (Germany), Tokyo (Japan), Seoul (Republic of Korea), Lagos (Nigeria) and Moscow (Russian Federation).

## FACTS & FIGURES EXAMPLE

### In 2016, ITPO Japan

- » **11** delegates hosted through the Delegate Programme
- » **35** regional, country specific and/or thematic forums, seminars and workshops organized
- » **21** advisory missions to Africa organized in coordination with partner institutions in Japan and abroad
- » **11** sound, productive and environmentally friendly technologies and know-how of Japanese companies seeking partners overseas promoted
- » **242** business meetings arranged for various stakeholders



The Subcontracting and Partnership Exchange (SPX) Programme supports domestic micro and small medium enterprises (MSMEs) to meet the challenges of globalization taking advantage of the emerging industrial subcontracting, outsourcing and supply chain opportunities at the national, regional and international level. Over the last three decades, UNIDO has established a rapidly expanding network of SPX Centres across the globe. The Network currently comprises 25 active Centres and provides a platform for the matchmaking of suppliers and buyers. UNIDO's technical assistance comprises extensive capacity building, methodologies, guidelines, software and e-learning training material.

#### MAIN APPROACH

SPX Centres are often hosted in private or public sector organizations and are equipped with professional capacity to provide the following five main services of:

- » Supplier profiling through physical visits and database management through the SPX Management Information System (MIS)
- » Assessment of supplier business performance and practices through firm-level benchmarking
- » Enterprise development support programmes linked to joint buyer-supplier development initiatives
- » Buyer engagement to collect requests for quotations (RFQs), requests for proposals (RFPs) and requests for information (RFIs)
- » Gathering national and regional organizations to exchange best practices and to boost South-South trade and investment relationships

#### IMPACT AND RESULTS

SPX Centres currently manage a global enterprise profile database of more than 12,000 suppliers and 835 enterprise benchmarks. Suppliers have been matched with more than 250 buyers leading to further exchanges of request for quotations (RFQs) and to the generation of new business for local suppliers and subcontractors which has well surpassed a volume of 100 million USD.

#### FACTS & FIGURES EXAMPLE

##### In 2016, SPX Kenya

- » SPX Kenya identified as flagship intervention by the Government in support of the country's Vision 2030
- » SPX Kenya established as permanently integrated function in the business and development services division of the Kenya Investment Authority (KenInvest)
- » Profiling services to more than **200** domestic enterprises provided
- » Performance and practice benchmarking services to more than **35** enterprises provided
- » **95** business opportunities for subcontracting, match-making and joint ventures introduced to its SPX client companies



**SPX** | SUBCONTRACTING  
PARTNERSHIP  
EXCHANGE

**SUBCONTRACTING  
AND PARTNERSHIP  
EXCHANGE (SPX)  
CENTRE IN KENYA**



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