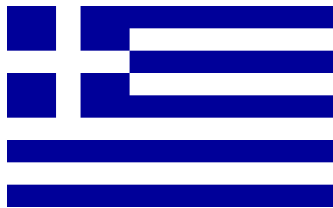




**UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION**

**Restricted Distr.
OCG/EVG/R.8
6 November 2003**

ORIGINAL: ENGLISH



Investment and Technology Promotion Office

ATHENS

US/GLO/98/068

Report of the evaluation mission *

Prepared in cooperation with
The Government of Greece and the
United Nations Industrial Development Organization

*The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers and boundaries.

Mention of company names and commercial products does not imply the endorsement of UNIDO.

The views and opinions of the team do not necessarily reflect the views of the Government of Greece and of UNIDO.

This document has not been formally edited.

TABLE OF CONTENTS

List of Acronyms utilized	4
Executive Summary of conclusions and recommendations	5
1. INTRODUCTION	
1.1 The establishment of ITPO Athens	13
1.2 Comparative advantage and relevance of the Office	15
1.3 Methodology and proceedings of the evaluation	16
2. CONTEXT OF THE OFFICE	
2.1 Economic and institutional situation of Greek Outward investment promotion	18
2.2 The terms of reference of the Office	23
2.3 The staff of the Office	24
2.4 Budget the Office	25
2.5 Management and Operations of the Office	26
3. BENEFICIARIES, OBJECTIVES AND IMPLEMENTATION OF THE ACTIVITIES	
3.1 Functions of the Office	28
3.2 Activities	
3.2.1. Information dissemination in Greece and developing countries	30
3.2.2 Selection and identification of potential partners and projects	32
3.2.3 Advisory functions and promotion tools	33
3.2.4 Delegates programme	34
4. PROJECT RESULTS	
4.1 Inputs	35
4.2 Achievement of the objectives	40
4.3 Relevance and sustainability of the Office	41
5. CONCLUSIONS/FINDINGS	42
6. RECOMMENDATIONS	49
7. LESSONS LEARNED	52
Annexes:	
I. Terms of reference of the evaluation mission	54
II. List of persons contacted	58
III. Terms of Reference of the Office in Athens	61
IV. Statement of accounts 2000	67
V. Statement of accounts 2001	69
VI. Statement of account 2002	71
VII. List of Delegates 1999 – 2003	73

LIST OF ACRONYMS USED IN THE REPORT

BSTDB	- Black Sea Trade & Development Bank
CEBI	- Comité Européen des Bureaux d'Ingénierie
COMFAR	- Computer Model for Feasibility Analysis and Reporting
DAC	- Development Assistance Committee
DIPP	- Databank for Investment Promotion Programme
ELKE	- Hellenic Center for Investment
EOMMEX	- Hellenic Organization of Small- and Medium-sized Enterprises
EU	- European Union
FEACO	- European Federation of Consultants Association
FGI	- Federation of Greek Industries (SEV)
GDP	- Gross Domestic Product
IFC	- International Finance Corporation
IPA	- Investment Promotion Agency
IPS	- Investment Promotion Service
IPU	- Investment Promotion Unit
ITPO	- Investment and Technology Promotion Office
MIGA	- Multilateral Investment Guarantee Agency
OECD	- Organization for Economic Cooperation and Development
OPE	- Hellenic Organization of External Trade
PCF	- Project Completion Facility
PROPSPIN	- Project Profile Pre-appraisal and Screening Information System
PSE	- Pan Hellenic Exporters Association
SEVE	- Exporters' Association of Northern Greece
SVEE	- Association of Industries of Northern Greece

EXECUTIVE SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Background of ITPO

From a quarter of a century UNIDO has implemented an extensive investment and technology programme, based on the understanding of the fundamental role that overseas capital and foreign direct investment play in accelerating the industrial development of developing countries and countries with economies in transition.

This programme of promotion of investments for industrial opportunities and transfer of new technologies to developing countries serves to complement the traditional technical assistance activities, allowing UNIDO to offer, through the network of the ITPOs, a comprehensive package of industrial assistance.

The purpose of the ITPO is to contribute to the identification and promotion of industrial investment projects in developing countries, with the aim of transferring know-how, technology and capitals through Greek enterprises interested in industrial cooperation or partnerships abroad. The lack of knowledge among the Greek entrepreneurs, especially small and medium, about the available industrial possibilities in developing countries, of local markets, investment rules and laws and finally, in several cases, the poor knowledge of foreign languages, constitute a serious drawback to start initiatives abroad for the Greek entrepreneurs.

Specifically, the ITPO Athens:

- Provides advisory services to potential Greek investors and to interested project sponsors/promoters in recipient developing countries
- Promotes technology transfer programmes with the aim to protect the environment and making accessible the most appropriate technology
- Undertakes the promotion of developing countries interested in the development of technological and economic cooperation with the Greek business community.

The ITPO Athens does not work as an independent office, but it is an integral element of the UNIDO's promotional network. The office operates under the UN flag. At the hub of the network there is the UNIDO Secretariat, which is directing and coordinating the activities. All this "exclusive international community" under the auspices of the UN, offers the unique opportunity to get easily assistance related to investments and new technologies, to broaden business linkages and access to information sources.

The ITPO has the comparative advantage to offer a direct linkage to the package of services provided by UNIDO and its well-established networks.

The Office has already been subject in 1994, 1996 and 1999 of an evaluation. The purpose of this exercise is to assess periodically the developments of the Office, its relevance in the Greek economic context, its effectiveness, impact and how the planned objectives have been achieved.

Conclusions/Findings

On the relevance of the Office

- The role of ITPO Athens is to disseminate in Greece information on potential projects in developing countries, assisting in the establishment of industrial partnerships between Greek entrepreneurs and interested sponsors in developing countries or countries with economies in transition. The purpose is to assist in the transfer of capitals and technology through Greek enterprises to create industrial partnerships in developing countries.
- The evaluation team has noted that there is still insufficient knowledge, mainly among small and medium Greek entrepreneurs of foreign markets situation, risks, financing sources and opportunities for industrial investments in developing countries. This constitutes a serious obstacle for the development of initiatives and this confirms the relevance of the ITPO Athens in this context.
- ITPO could still play a role as a valuable window to business opportunities in developing countries. The comparative advantage of the Office is, as from its establishment in 1992, the possibility to operate under the United Nations flag, in the international network of UNIDO. The UN status, the network of resources and contacts, and the know-how it has acquired over the years in project formulation and promotion are assets that if effectively employed can facilitate investment projects.
- The majority of the Greek entrepreneurs met by the evaluation mission, declared that ITPO Athens constitutes a very important “free of charge” assistance to them and stimulates a triangular cooperation scheme (ITPO, Greek entrepreneurs and entrepreneurs of developing countries).
- The Office, for several counterparts, has the role to “open doors” and facilitate matchmaking and information dissemination among potential partners in developing countries, particularly in South East Europe and in the Black Sea area.
- In the opinion of the Greek entrepreneurs, a further added value of ITPO is the assistance in providing information on international financing sources, that otherwise would not be available through Greek institutions.
- Several entrepreneurs trust UNIDO (United Nations), and the reliability of its impartial services. They are of the opinion that ITPO Athens fulfils a role in promoting and facilitating investment projects. This role is not effectively played in Greece by other national institutions or associations, as well as by the Greek representation offices abroad.
- The Greek institutions and organisations that could play a similar role to ITPO, have advanced in investment promotion efforts, but still often lack the resources, skills and networks to fulfil effectively this role. There are therefore complementarities between ITPO and Greek institutions and

organisations in this promotion effort. This will be a useful role for ITPO to play, especially in the support of medium enterprises in their search for outward investment.

On the implementation of the activities

- The effectiveness of the Office in fulfilling this role is the key to its sustainability as an investment promotion mechanism, as the realised benefits to the Greek and the developing countries economies would outweigh the cost of its operations, which is financed solely by the Greek Government.
- Analysing the outputs of the Office, and comparing them to the assessment of the previous evaluation, the results attained in the period 2000-2003 are not up to the expectations of the Ministry of Economy and Finance.
- The Office operational strategy is not exactly in line with the priorities of the Greek Government. Close liaison with the respective authorities has not been established. Links and cooperation with several Greek institutions, which could support in the dissemination of projects among the Greek business community, needs reinforcement.
- The role of the Ministry of Economy & Finance and of the Ministry of Foreign Affairs with respect to ITPO regarding the cooperation and the priorities is not well defined.
- The working relations between the Ministry of Economy and Finance, the sponsoring authority, and ITPO are too loose. The contacts are occasional and not structured in a strategic context. The policy direction of the Office and its strategy apparently are not periodically discussed with the competent Greek authorities.
- The new terms of reference for the operation of the Office, agreed between the Ministry of Economy and UNIDO in 1998, do not establish performance indicators for the operations, but state only functions and activities.
- The awareness of Greek enterprises of the Office role and support potential appears to be lacking.
- The geographic and thematic area of international operations of the ITPO Office is too broad and resources are stretched. On the other hand, the geographical coverage of Greece is limited: most companies cooperating with the Office are in the wider area of Athens.
- According to the information supplied by the Office, the number of projects promoted by ITPO Athens in the last 4 years amounts to 55. Out of these, China accounted for 24%, Bulgaria 14%, Serbia 14%, Armenia 13%, Uganda 7% and Ethiopia 5%. There were also 1-2 projects involving each of these countries: Slovakia, Russia, Albania, Mali, Ukraine, Egypt, FYROM and Turkey, all together accounting for 22% of total.

- The delegate programme is very useful and complementary to the activities of ITPO. It enables officials of developing countries to participate in the operations of the Office, developing projects and bringing direct and experienced knowledge of the laws and rules of the partner country.
- The Office does not limit its assistance to the promotion of the business opportunity, but, if required by the entrepreneurs, continues to assist also during the negotiation phase.
- According to the information supplied by the Office, 40 out of the 55 projects have progressed from the promotion phase to the negotiations phase. In these cases, local and Greek entrepreneurs proceed with direct correspondence, meetings and discussions, frequently involving trips of Greek entrepreneurs abroad to visit interested parties on-site. Only 2 projects, both initiated in 2000 in Ethiopia, have progressed further in negotiations (preparation of cash flows and feasibility studies etc.), but in 2001 they were dropped due to the lack of interest from the entrepreneurs. The total of projects under promotion or under negotiation that were subsequently dropped due to the lack of continuing interest, amounts to 14 out of the 55. Six of the dropped projects are in Africa (Ethiopia, Uganda and Mali), and the rest are in Armenia (3), Bulgaria (3), Serbia (1) and Ukraine (1). According to the Office, it is expected that very soon 2 of the 41 still “active” projects will become concluded (Russia and Turkey).
- There are also issues related to the effectiveness of the ITPO efforts in promoting projects. Although the projects promoted in the period 2000-2003 (55) are higher than the projects promoted in the period 1996-1998 (38), in the previous period there were 3 projects concluded, 4 implemented and 10 projects operational. In the period 2000-2003, there are no projects concluded to date. In addition, for a large number of them the ITPO supported negotiations are still at an initial stage. This raises issues as to the targeting of the countries concerned, the attractiveness and quality of the projects, and the appropriateness of the sponsors.
- It has also to be acknowledged that investment promotion work requires a lot of efforts to identify and formulate potential opportunities. Realization of partnerships and investments are concluded only in a limited number of cases, due to the country risk and the market difficulties perceived by the entrepreneurs. It has also to be considered, nevertheless, that not all positive results from investment parties are disclosed. Nevertheless, in spite of ITPO efforts, that appear to go into the projects, the bottom line of mobilising resources for industrial partnerships has not been achieved in the period under evaluation.
- The effectiveness of the Office in previous periods has been demonstrated. According to the information supplied by the Office, in the 11 years of Office operation, 15 projects in various countries have been concluded (agreement signed between the entrepreneurs) and progressed to become operational. All these projects have been promoted, been assisted with negotiations and have

become operational in the period up to 1998. The total investment represented by these projects amounts to approximately USD 97 millions.

- This figure has been elaborated by the Evaluation Team, based on the interview had with the entrepreneur who invested in a big project in Russia. The entrepreneur declared that the value of the investment made was USD 20 millions. At the contrary, ITPO is considering in its calculations that also the following investments for additional USD 40 millions were implemented thanks to their initial support. The above shows further, how difficult is to attribute business development to the promotion work undertaken by the Office.
- The largest investments are two projects in FYROM and Russia that represent about half of the total. It should be noted that the involvement of the Office in the negotiations and conclusion stages of these projects has varied in these projects. In some cases it has been limited to assisting with some project parameters (e.g. insurance guarantees MIGA), in other cases it has been prolonged, involving in depth assistance with business planning, JV agreements etc.
- The effectiveness of the Office in future can be enhanced, in terms of management, resource utilisation, liaison with authorities, targeting of countries and projects, liaising with institutions and organisations to reach Greek enterprises, increasing its profile and awareness, and improving the screening of potential projects.

On the reports submitted by the Office

- The annual report of the Office does not include a substantive presentation of the activities and accomplishments performed against the work plan set for the year.
- The annual report does not indicate the list of the official travels undertaken by each staff member during the year.
- The periodical interim reports of ITPO are transmitted to UNIDO Hqs, but not communicated to the competent Greek authorities.
- According to the Greek counterpart Ministry, the annual report and the work programme of the Office are presented with too long delay. This delay is due to the combination of delays at UNIDO Headquarters and at the Greek Embassy in Vienna, which is forwarding to the Ministry the reports that ITPO Athens is sending to the Headquarters in Vienna for comments and validation. However, it has to be noted that so far, the Ministry has never presented comments to UNIDO on the annual reports.

On the management of the Office

- The job descriptions have to reflect duties and tasks of each staff member. The job description of the Head of the Office indicates also the performance of executive tasks (i.e. identify potential partners, inform interested Greek enterprises on possibilities to be implemented in developing countries, assist partners, etc.). Many of these tasks are not performed by the Head of the Office, whose role is limited mainly to a general supervision of the operations. The Head of the Office has declared to the evaluation team that he prefers to run the operations from Athens and the records of the Office show that in four years his travelling abroad was very limited.
- The duties and tasks of the staff inside ITPO should be better defined.
- In a small office with only three professionals and a limited budget, the Head should have performed also executive tasks, as indicated in his job description. Reading the reports, analysing the activities performed and interviewing the project counterparts one draws the conclusions that the Deputy Head of the Office solely performs all the management and operations of the Office.

On future opportunities

- A project document of 2,5 million US\$, managed by UNIDO Headquarters in Vienna, for a pilot three years duration, covering Bulgaria, Romania and Serbia, has been submitted in June 2003 by UNIDO ITPO to the BSTDB for co-financing.

So far there are not other financing parties.

During the development of the evaluation work it has been brought to the attention of the evaluators that the Ministry of Economy & Finance has not given its approval to this project, for the time being the reasons are not specified.

In the opinion of the evaluation team, ITPO Athens is technically capable to carry out the proposed role as hub of such investment network and antenna for the collection of financing opportunities in the Balkans, but this will be an additional burden on its tasks. In fact, ITPO Athens would have to engage efforts and human resources, in addition to its on going activities.

Recommendations

On the continuation of the activities

- Considering that ITPO plays an important role in promoting the awareness of the Greek enterprises for the cooperation opportunities in developing countries, a further extension of the Office should be granted. However, the Office should be restructured optimising the available resources. The tasks to be performed by each staff member should be well defined.
- In order to ascertain whether a restructuring of the Office will prove to be more efficient and optimise the use of resources available, the Office should be extended, for the time being, only for 18 months and another joint

independent in-depth evaluation should be made at the end of the 12-month period, to assess the performance of the Office.

- New terms of reference for the Office should be considered. They should include quantitative indicators, such as:
 - 1) Number of Greek new technology offers proposed to the UNIDO network
 - 2) Number of updated entries in the Office database of Greek companies interested in industrial partnerships in developing countries, with the indication of countries and sectors of activities.
 - 3) Number of updated entries of companies in developing countries interested in the technology offered by the Greek entrepreneurs.
 - 4) At least 25 new projects per year identified, screened and under promotion among the Greek business community, in the priority countries of the Greek authorities.
 - 5) Organization of at least two meetings per year to present the Greek technology available for possible partnerships in potentially interested developing countries, which are in the priority of the Greek authorities.
 - 6) Organization of at least two meetings to present in Greece the Office, its activities and the potentialities of developing countries interested in promoting cooperation with Greece and comprised in the Greek strategic targets.
 - 7) At least 15 new projects per year under the negotiation phase
 - 8) At least 2 projects concluded per year
 - 9) At least two delegates hosted in Greece over the one-year period.

On the management of the Office

- The Head of the Office should assure a clear leadership, exercise management control, and also perform executive tasks. He should be directly involved in promotion activities and contacts with potential partners.

On reporting and relations

- The Office, in cooperation with UNIDO Headquarters and the respective ministries involved (Ministry of Economy & Finance and Ministry of Foreign Affairs) should, closely elaborate the strategic targeting of the countries and the annual work plan of the activities. Actually the work plan is not prepared in consultation with these authorities.
- The respective roles of the Ministry of Economy & Finance and of the Ministry of Foreign Affairs in regard the cooperation with ITPO should be jointly defined by these Ministries and UNIDO.
- The annual report should include a short presentation of the activities and accomplishments performed and analysed against the work plan set for the year.
- The short description of each project included in the annual report should also indicate when the project was identified and by whom.

- The periodical interim reports on the activities, sent by ITPO to UNIDO, should be copied only for information to the sponsoring ministry, the Ministry of Economy.

On the implementation of the activities

- A leaflet in English and Greek, in an appropriate typographical format (not in electronic version only) should be prepared. It should present the purpose, the mandate and the activities of the Office, in order to give to the Greek entrepreneurs an overall view of the possibilities, stimulating their interest in contacting the Office. Such information could be distributed when the Office is contacting new clients and in cooperation with the national institutional counterparts of the Office. The leaflet should indicate that the Office is supported by a contribution of the Ministry of National Economy and Finance.
- The actions of the Office, as requested by some entrepreneurs, should be enlarged to companies outside the area of Athens and Thessalonica, since apparently there is a “vacuum” in obtaining in other region of Greece this information through the national established institutions.
- The delegate programme should continue and, if possible, enlarged. The selected person should be already working in his/her country in investment and partnership activities. In order to have an effective result from this programme, the minimum period of stay should be two-three months. A previous preparation, before the arrival in Greece, of a portfolio with potential projects looking for investors is desirable and useful for getting tangible results during the stay in Greece of the delegate.

1. INTRODUCTION

1.1 The establishment of ITPO Athens

From a quarter of a century UNIDO has implemented an extensive investment and technology programme, based on the understanding of the fundamental role that overseas capital and foreign direct investment play in accelerating the industrial development of developing countries and countries with economies in transition.

A very important feature of the programme is to identify, formulate and promote investment possibilities originating from sponsors in developing countries and negotiate them with potentially interested partners in developed countries. In this case Greece, who has accepted to finance the operations of this Office based in Athens.

This programme of promotion of investments for industrial opportunities and transfer of new technologies to developing countries serves to complement the traditional technical assistance activities, allowing UNIDO to offer, through the network of the ITPOs, a comprehensive package of industrial assistance.

In this specific case, through the activities of the Office, companies in Greece are alerted to partnership opportunities in developing countries and are informed on how to mobilize the necessary financial, technical and managerial resources for the promotion and the implementation of such opportunities.

During the years the programme has evolved and has been refined to meet the changing requirements, according to the world global trends. It is of paramount importance for a successful effort in investment promotion to interact with an appropriate policy for technology development and its transfer.

The purpose of the ITPO is to contribute to the identification and promotion of industrial investment projects in developing countries, with the aim of transferring know-how, technology and capitals through Greek enterprises interested in industrial cooperation or partnerships abroad. The lack of knowledge among the Greek entrepreneurs, especially small and medium, about the available industrial possibilities in developing countries, of local markets, investment rules and laws and finally, in several cases, the poor knowledge of foreign languages, constitute a serious drawback to start initiatives abroad for the Greek entrepreneurs.

Based on the above, UNIDO and consequently the ITPO Athens have focused their main objective on assisting the small and medium scale manufacturers of developing countries in their industrialization and development efforts through the internationalisation of the Greek enterprises interested in this kind of cooperation.

Specifically, the ITPO Athens:

- Provides advisory services to potential Greek investors and to interested project sponsors/promoters in recipient developing countries
- Promotes technology transfer programmes with the aim to protect the environment and making accessible the most appropriate technology

- Undertakes the promotion of developing countries interested in the development of technological and economic cooperation with the Greek business community.

The ITPO Athens is part of a network, which is connected to other ITPOs, UN offices or networks, like: the UNIDO field offices, the international technology centers affiliated to the UN system, the UNIDO subcontracting and partnership exchanges, the national cleaner production centers, the national investment promotion agencies, development financing institutions, national focal points in private sector-based institutions (such as Chambers of Commerce and industrial/business associations).

All this “exclusive international community” under the auspices of the UN, offers the unique opportunity to get easily assistance related to investments and new technologies, to broaden business linkages and access to information sources.

These intervention opportunities are not available to any national investment promotion institution, which operates normally in a network that is mainly based on linkages created in its national context.

The terms of reference of the Office have been newly re-established at the end of 1998 through an exchange of letters between the Ministry of Economy and UNIDO. These Terms of Reference, which are the basis for ruling the activities of the Office, specify:

- Functions and activities;
- Implementation of the activities;
- Target beneficiaries;
- Project strategy and problems to be addressed;
- Methodologies, mechanisms and software;
- Co-ordination arrangements and budget
- Annual work programme and reporting

All ITPOs are in continuous contact with this worldwide business community.

Unlike the large transnational companies, which have their own channels of contacts, the small entrepreneurs are unfamiliar with the conditions and requirements of a developing country and do not have knowledge of potential partners abroad. In light of the above, utilizing the potentialities of the network, an ITPO is in the position:

- First, to guide the manufacturer providing reliable information on the local conditions and on partners in the country targeted
- Secondly, advising the entrepreneurs at each stage of the investment cycle, from project identification to conclusion of the agreement, and the implementation phase.

The available tools for this promotional work have been developed and refined by UNIDO over a period of more than 20 years.

Currently UNIDO has a network of 14 ITPOs and the willingness of donor countries to support and expand these offices shows the importance placed on their activities.

1.2 Comparative advantage and relevance of the Office

The ITPO has the comparative advantage to offer a direct linkage to the package of services provided by UNIDO and its well-established networks.

The ITPO Athens does not work as an independent office, but it is an integral element of the UNIDO's promotional network. The office operates under the UN flag. At the hub of the network there is the UNIDO Secretariat, which is directing and coordinating the activities.

The role, the relevance and the performance of an ITPO is mainly measured by the number of projects successfully promoted, negotiated, concluded and, finally, realized through operating industrial co-operation agreements in developing countries. Also the opinions of the final beneficiaries and of the Greek institutions and associations interacting with the activities developed by the Office have been a valuable instrument to ascertain the relevance, the need, the impact and the effectiveness of the Office in the Greek context, particularly outside the Athens region, where a support for information on possibilities of investments abroad is mainly needed.

The Office has been in operation since 20 July 1992, when the Head of the Office and his Deputy were appointed. After the initial phase of selecting and repairing the premises, the completion of the technical and administrative formalities, like buying the furniture, installing the telephone lines, etc., and recruiting the two secretaries, on 16 November 1992 the official inauguration ceremony took place. The operations of the Office started officially in December 1992.

Alongside the traditional technical assistance projects, UNIDO has evolved in a central forum for global discussions on industrial issues, like on advanced technology, biotechnology, etc. In this context the ITPO is playing a crucial operative role. The Office of Athens operates mainly in the South East Europe and Black Sea region, with some activities in other parts of the world, in accordance with the interests of the Greek business community and the priorities of the Greek Government. The Office is financed by a voluntary contribution of the Government of Greece charged to the budget of the Ministry of Economy & Finance.

The staff of the Office is appointed by UNIDO, according to its rules and regulations, and has to report to UNIDO, which is their employer.

The Office has already been subject in 1994, 1996 and 1999 of an evaluation, conducted by a joint independent team composed of:

- a representative nominated by the Ministry of Economy & Finance of Greece
- and a representative nominated by UNIDO.

The purpose of this exercise is to assess periodically the developments of the Office, its relevance in the Greek economic context, its effectiveness, impact and how the planned objectives have been achieved.

1.3 Methodology and proceedings of the evaluation

Evaluation is a process that attempts to determine as objectively as possible the relevance, efficiency, effectiveness and impact of the activities of an office in the light of its objectives. It is a learning management tool for improving the quality of the activities, giving advice to the decision-makers and ensuring that accountability requirements by senior management and donor are met.

The Terms of Reference of the evaluation mission are in annex I.

The evaluation follows the logical framework approach, which incorporates the following logical sequence of elements:

- C Development objective
- C Problem addressed
- C Purpose of the Office
- C Project results (outputs)
- C Activities implemented
- C Inputs

The persons nominated to conduct the evaluation have not been directly involved in the design, appraisal or implementation of the project, and their observations are the direct result of an evaluation carried out on their own capacity. The views and opinions of the team do not necessarily reflect the view of the Greek Government or UNIDO.

The primary purposes of the in-depth evaluation are:

- a) To assess the achievements of the Office against its objectives and expected outputs, and
- b) To identify and assess the factors that have facilitated the achievements of the Office's objectives, as well as those factors that have impeded the fulfilment of those objectives.

As part of the above mentioned tasks, an in-depth evaluation mission has also to review whether the approach utilized has led to optimum results or whether other approaches would have improved the results.

The mission conducted a thorough review of the results obtained by the Office during all its implementation and specifically during the last five years, since the last in-depth evaluation. The assessment has concerned:

- The administrative and substantive set up of the Office.
- The achievement of the objectives.
- The mobilization of the investment resources within Greece (technology, know-how, market access), to promote investment projects in developing countries through any form of business-oriented partnerships.

- The co-operation with Greek institutions, governmental bodies and industrial companies for the promotion, development and implementation of industrial opportunities.

The present joint in-depth evaluation took place from 11 to 22 September 2003.

The mission visited the ITPO Athens office, institutions operating in the Greek institutional context and final beneficiaries of the activities of the Office.

The list of the persons contacted by the Evaluation Team is in annex II
The agenda of the evaluation mission is in annex III.

The evaluation team was composed of the following members:

- Mr. Evangelos Penglis
Special Advisor at the Ministry of Economy and Finance
Representative of the Government of Greece
- Mr. Mario Marchich
Senior Evaluation Officer, Office of the Comptroller General, Evaluation Group
Representative of UNIDO

As regards methodology, this report is based on the documentation obtained by ITPO, on the information received during the meetings and the visits to the organizations and persons contacted (detailed list in annex II), as well as interviews with the three professionals of ITPO.

The evaluation team presented in a draft form its preliminary conclusions and recommendations in Athens on 23 September 2003, to Mr. Georgios Zantias, Secretary General of the Ministry, General Directorate for Policy Planning and Implementation, Directorate for International Organizations and Policies.

A copy of this draft was given to the Office in Athens and to the responsible ITPO coordinator in UNIDO, Mr. Victor Zakharian, in the Programme Coordination and Field Operations Division, Field Coordination and Resource Mobilization Branch.

2. CONTEXT OF THE OFFICE

2.1 Economic and institutional situation of Greek outward investment promotion

Following the political changes that took place in Eastern Europe during early 1990s, Greece found itself in a unique situation. It is the only EU member and the most developed economy, in the Balkan and the Black Sea Region. Its traditional geographical and cultural ties with people in the region, have been strengthened through an outflow of Greek private sector investments, as well as investments made by public sector enterprises (energy, telecommunications) in countries in the region, through the establishment of enterprises, joint ventures with and acquisitions of local enterprises.

Greek entrepreneurs, have capitalized on opportunities for expansion outside the Greek borders, building upon the comparative advantages that the neighboring countries have to offer in terms of proximity, comparatively low labor costs, qualified human resources, investment incentives, significant consumer markets and access to wider regional markets as well as to the EU. Greek business sought after capital, raw materials, know-how and management skills to ailing enterprises of the Balkans, and stormed the area with expansion and collaboration plans.

Greek outward investment has reached new heights in the last 5 years, with most large Greek enterprises establishing joint ventures in production abroad and establishing distribution networks for Greek products. As a result Greek investments and exports to the region expanded. Greece now accounts for a large portion of Foreign Direct Inflows of Balkan countries, especially in Bulgaria and FYROM, and Greece constitutes one of the main trade partners of Balkan countries.

The outward investment drive of the Greeks has not been limited to Balkan and Black Sea countries. There is increasing interest, evidenced by investments realized in the last years, in other developing countries, such as China and Turkey, where impediments to export to these countries and incentives to invest in local production and distribution, have led a number of Greek companies to enter these markets.

The level of interest of Greek entrepreneurs in developing countries, especially Balkans, Black Sea remains strong, as can be witnessed in the high participation of entrepreneurs in various missions organized by the sectoral organizations and agencies. Lately, there are also interest and missions taking place in Mediterranean countries, Middle East and North Africa.

The other development in the last years is the changing role of the State, from being a recipient of aid and technical assistance to being a donor to developing countries. It is true that Greece is recipient of large funding from the EU within the Community Support Framework. However, the strengthening of the Greek economy, reinforced by the successful incorporation into the EMU and the high GDP growth rates, the role that Greece is pursuing as a key player in EU and regional politics and economics, has given new perspectives to Greece's outward outlook and influence. Greece joined the DAC group of OECD, committing funds to developing countries of Greek interest. The National Plan for Reconstruction of the Balkans, currently under implementation, involves Greek state funding of infrastructure modernization, public administration

reform, education and productive investment projects in Balkan countries, over the period 2002-2006, amounting to 528 m. euros. Greek technical and construction firms and large corporations are also involved in the operations for the modernization of the infrastructure in these areas. Greece is actively participating in the Stability Pact and the Investment Compact aimed at reforming Balkan countries economies and investment promotion.

In addition, the business community in Greece is participating in this effort. For example, Greek business along with representatives of the business communities of 11 Black Sea countries, through the Black Sea Economic Cooperation Business Council, contribute to the efforts of their Governments to secure the greater integration of the Black Sea region into the world economy and to assist investment promotion in Black Sea countries.

The Greek economy has undergone substantial changes in the last years. The adoption of the single currency marked the start of the "transitional period" which lasted one year (1.1.2001-31.12.2001) for Greece. During this period monetary policy was conducted in euro and credit institutions' current accounts with the Bank of Greece were denominated in euro. On 1 January 2002, euro banknotes and coins were put in circulation in Greece and in the rest of the euro area.

The adoption of the euro has stabilized the currency and interest rates and has contributed to the growth trend of the Greek economy. Inflation has reduced considerably, from close to 8% in 1996 to 3,5% in 2003. Interest rates have decreased, with the average lending rate being 15 percentage points less now than it was 6 years ago. GDP growth rates, now standing at over 4%, are amongst the highest in the eurozone. In the period 1996 – 2002 Greece grew at an average growth rate of 3.6%, as opposed to 1.2% in the period 1991-1995. Since 1996 the GDP growth rate has been systematically above the average growth rate of the EU. In 2002 and 2003 Greece achieved second highest and first highest growth rates in the EU. The public deficit of the Government as a percentage of the GDP is approximately 1.2%, half the European average. Unemployment in Greece is less than 9% and is forecasted to drop to 8% next year.

The economic policies aim at sustaining high growth rates well above the EU average, reducing public deficits, continuing structural changes and opening of markets, continuing privatizations of state owned firms (3 billions euros in 2002), encouraging outwardness of Greek businesses (exports and investments), supporting small and medium enterprises, continuing reform of the tax system, and encouraging private investments in Greece through the provision of a stable economic environment and incentives. Such incentives, favoring investments in Greek regions and large investments, are manifested in the new Development Law to be enacted later this year. The current Development Law has co-financed private investments totaling 2.9 bn euros all over Greece, in the period 1998-2002. Average growth rates for investments in the period 1996-2002 were 7.5% as opposed to -0.5% in 1991-1995.

The CSF III funding (2000-2006) available to Greece, together with Cohesion Funds and Community Initiatives total 50 billions euros. This substantial funding, coupled with the funds committed in the Programme for Public Investments (in 2001-2003, 24.6 billions euros) provides for large scale modernization and economic reform, new

infrastructures, assistance to modernize businesses, education, new technologies, and investments in all regions of Greece. A large part of spending is directed to the Olympic Games which are due next year. The impact of Greece hosting the Olympic Games is assessed to be substantial, not only during the events but afterwards, as the increased international profile and awareness for Greece is expected to generate a new impetus for Greek exports, tourism and investments in the country. The infrastructures that are being created and modernized, in telecommunications, in transport, in energy etc. are a platform, which is conducive to private investments

As far as the underlying competitiveness of the economy is concerned, Greece remains a predominantly low-production cost country, although it rapidly tends to be replaced in this role by the new market countries of the East, but lacks behind other countries in terms of use of technology and modern communication methods, innovation, quality, design and marketing. The latter is especially true in the case of the large number of small and medium size enterprises that lack the know how, management skills and have limited access to funding, especially seed and venture capital. Furthermore, access to main EU markets involves large transportation costs.

The trends show that although EU remains the largest export market, Greece has increased its business and trade links with Balkans and Black Sea countries, as its geographic location places it favourably in the doorstep of these regions. Promising Greek sub-sectors continue to cover a wide range of activities, in tourism, services and manufacturing sectors. They include food and beverage canning and bottling, milk derivatives, health services, IT and consumer goods. The development of processing of agro-based industries is equally important. In textiles, where labour costs feature prominently, the Greek economy is experiencing increased competition from Balkan and Mediterranean countries. A strong growth is experienced in supporting industries, including the construction sector, due to the variety of public works financed by the EU and the Greek State. Health-care and other personal services are also expected to grow together with general business services including transportation, banking, telecommunications, insurance and information services.

The promotion of Greek investment abroad is achieved through two channels:

- through individual efforts of companies, based on their own research and evaluation efforts and oriented in accordance to each individual company's strategic aims and aspirations;
- through organized promotion efforts of semi-governmental and sectoral associations, especially in the framework of missions, exhibitions, and investment promotion programmes

Although both channels fall into the general interest of ITPO Athens, they present characteristics that necessitate differing approaches in the examination of the respective infrastructures:

- Smaller companies acting individually obtain their information through the Organisation for Promotion of Exports, the Panhellenic Export Association, their sectoral organizations (Chambers of Commerce, industry associations), bilateral chambers of Commerce (Greek-Turkish, Greek-Chinese etc), the Commercial Councillors at the Greek embassies, Internet, databases and

specialized press. These companies are, best reached through group presentations, through the above mentioned national and sectoral organizations (by direct mail, fax, e-mail, or meetings/seminars) or by publications in the specialized press

- Large corporations, with significant resources, tend to go their own way, using networks of contacts and consultants, and using less organized sectoral effort. Their aim is to move swiftly in the direction of foreign investment and expansion abroad, so that their competitors (local or foreign) will not be aware of their plans. These companies can be reached and informed about foreign investment opportunities directly.
- Sectoral organizations are similar to that of their counterparts in other industrialized countries. They are limited in number and can be reached through mail and personal contacts to attain a high degree of dissemination for the information dispatched from the ITPO UNIDO Office.

The organizations of significance for the work of the ITPO in Athens are the same as indicated in the past evaluation report:

- The Chambers of Commerce and Industry, which are organized locally, and enjoy the compulsory membership of all commercial and industrial outfits of their region. There is also a Central Union of Chambers that all Chambers of Commerce are members of. In Athens and Thessaloniki, their activities are often supplemented by those of other specialized organizations, however, on a regional level, they often constitute the only possible provider of information for their members. These institutions have varying degrees of activity and effectiveness with regards to information dissemination, organization of seminars, missions and other high profile "activities". Although these regional Chambers have the largest distribution potentiality (in their respective communities), the most significant Chambers are those of Athens and Thessaloniki. They are significant with respect to the number of their members and to the high visibility of their administrations' initiatives, that enjoy vast publicity.
- The Association of Industries is organized on a regional level with a voluntary membership of significant industrialists. The most significant associations are the Federation of Greek Industries (SEV) in Athens, and the Association of Industries of Northern Greece (SVVE, in Thessaloniki). These associations represent the majority of Greek industrial firms. They issue regularly circulars for their members, monthly bulletins, press announcements etc., informing the members on the general trends that affect the business environment and the opportunities available. In order to keep its members updated and to assist them in taking advantage of the possibilities offered the FGI has established an electronic network, PRAXIS, with contact points in eight Greek cities and which could also publicize the investment and partnership opportunities promoted by ITPO.

Northern Greece (Macedonia and Thrace) represents 25% of the total population, 25% of GDP (2001), 30% of the total Greek agricultural production, 25% of industrial

production, 23% of services, and 19% of energy production. The following industrial sectors of Northern Greece are at present quite developed and potentially interested for international investment: food and drinks, textiles, steel, chemicals, fertilizers and agrochemicals, software production, power production and telecommunications. The region has an excellent infrastructure network; the Egnatia Highway (under completion) that connects East-West Greece from the Adriatic Sea to Turkey and the Patras-Athens-Thessaloniki-Gevgeli Highway that connects North-South Greece from Peloponnesus to the Fyrom border. Along the Egnatia Highway are located five ports, eight airports and ten important industrial areas.

- The Association of Exporters (OPE) is where most information dissemination should be directed. The membership, which is on a voluntary basis, comprises also exporters and investors of other countries. Important associations are the Panhellenic Exporters Association (PSE, in Athens) and the Association of Exporters of Northern Greece (SEVE, in Thessaloniki).
- The Central Union of Chambers, with all the Chambers as members, has its headquarters in Athens, could be of significance for the purpose of disseminating information from the ITPO Athens to its members
- Bilateral Chambers of Commerce (e.g. Greek-Turkish, Greek-Chinese etc.) could be useful in disseminating information on projects to members who are already active in trade and investment in countries concerned
- The Government-controlled Hellenic Organization of External Trade (OPE) is involved in all aspects of the promotion of Greek exports and investment abroad.
- The Government-controlled Hellenic Organization of Small- and Medium-sized Enterprises (EOMMEX) is involved in supporting the activities of the enterprises in their activities, through seminars, special programmes and information dissemination.
- Various other private organizations are involved (among other things) in providing specialized services in support of exporting and international collaboration efforts. Examples of such organizations are the Organization for the Insurance of Export Credits, the Association of SAs and Limited Liability Companies, the International Trade Fair of Thessaloniki (Helexpo), and others. These organizations are of secondary significance for the purposes of the ITPO Athens.

Finally, additional sources of information contacted by potential investors are:

- The Ministry of National Economy and (to a lesser extent) the Ministry of Development, which generally forward such inquiries to the embassies abroad or to the organizations mentioned above.
- The Hellenic Centre for Investments (ELKE). The main focus of ELKE is inward investment promotion, but it has useful contacts with investment agencies in other countries and can assist in this direction.

- Greek enterprises The Economic and Commercial Sectors of foreign embassies in Athens, or Greek embassies abroad (some have very good web sites and publish regular country reports)
- Consulting firms, especially those actively and visibly involved with specific foreign markets. These firms can generally be reached through their associations, the Association of Greek Management Consultants (a member of FEACO) and the Association of Engineering Bureaux (a member of CEBI).
- In 2003, OPE has embarked on a programme of selecting and appointing qualified Export and Investment Promotion advisors to assist enterprises in their quest to enter foreign markets.

2.2 The Terms of Reference of the Office

Until end 1998 the Office was governed by an exchange of letters between the Government of Greece and UNIDO and a project document enclosed to the first agreement was establishing the objectives and the tasks of the Office. This project document remained valid until end 1998 and no amendments were introduced since the Ministry of National Economy signed the project document in February 1992.

After the first phase, in October 1994 the project was further extended until 19 October 1996, through an exchange of letters between the Directorate for International Economic Organizations of the Ministry of National Economy and UNIDO.

In August 1998 it was agreed to extend further, until 31 December 2003, the so-called “Agreement between UNIDO and the Government of Greece with regard to a Special Purpose Contribution to the Industrial Development Fund and to the Establishment of the UNIDO Service in Greece for the Promotion of Industrial Investment and the Strengthening of Cooperation with Developing Countries”.

The main modifications introduced were concerning the functions and the activities, indicated in the project document annexed to the Agreement of 4 March 1992, which should have been replaced by these new Terms of Reference (Annex IV).

The old format of the project document constituting the Office was indicating the justification for its establishment, the objectives to be achieved and the outputs to be produced through the activities foreseen with the inputs provided. Further the document was indicating the possible risks, the budget allocated and the reporting/evaluation requirements.

The new Terms of Reference specify the objectives of the Office, which are to promote industrial investment and mobilization of investment resources (finance, technology, know-how, market access, etc.) from Greece to developing countries and countries with economies in transition in the framework of the UNIDO’s worldwide network of Investment and Technology Promotion Services.

Further, the Terms of Reference specify the functions and the activities, the methodologies and software to implement these operations, the beneficiaries, the coordination arrangements with UNIDO Headquarters, the budget of the Office, the preparation and submission of the annual work programme and the way of reporting to UNIDO Headquarters.

It has to be noted that in these Terms of Reference the Office is still called “IPS” (Investment Promotion Service) according to the old denomination, and not ITPO.

The need for this correction and a general updating of the Terms of reference will be more in detail specified under the chapter “Recommendations”.

Furthermore, under the heading “Coordination Arrangements” of the Terms of Reference is stated: < ...cooperation arrangements will be maintained by the IPS with the responsible host country authorities and institutions>.

During the meetings had by the evaluation team with the responsible Greek authorities, it was evident that the coordination during the last four years has been not existing and according to the sponsoring Ministry of Economy and Finance the targeting of the developing countries is not exactly in line with its priorities.

2.3 The staff of the Office.

The previous project document was indicating that the staff of the Office is appointed by UNIDO, according to its rules and regulations. The new ToR simply states that the IPS will coordinate its activities with UNIDO and that will be supervised by the competent division at UNIDO.

Presently the Office is staffed with three professionals internationally recruited (the Head, the Deputy Head and an investment promotion expert) and two general service secretaries, locally recruited.

The evaluation mission had extensive discussions with the three professional staff of the Office.

The Head of the Office has been on Board since 1st January 1995, his Deputy was appointed, under the previous Head, on 20 July 1992 and the investment expert on June 1995.

The duties and the tasks of the Head of the Office are still the ones indicated in his original job description. The duties of the Deputy and of the Investment Expert have been updated in 2001 at the time of their reclassification. In August 2001 for the Deputy Head and December 2001 for the Investment Expert.

During the last years in which the Office has operated, the global political situation, the priorities of Greece and the terms of reference of the Office have changed.

The job descriptions have to reflect duties and tasks of each staff member.

The job description of the Head of the Office indicates also the performance of executive tasks (i.e. identify potential partners, inform interested Greek enterprises on possibilities to be implemented in developing countries, assist partners, etc.).

Many of these tasks are not performed by the Head of the Office, whose role is limited mainly to a general supervision of the operations.

The Head of the Office has declared to the evaluation team that he prefers to run the operations from Athens and the records of the Office show that in four years his travelling abroad was very limited.

The two secretaries were appointed respectively in September 1992 and January 1993.

2.4 Budget of the Office

The Ministry of Economy & Finance directly provides to UNIDO the financial resources for the operations of the Office.

UNIDO is providing regularly every year, after the closure of the accounts of the previous year, through the Permanent Mission of Greece to UNIDO in Vienna, the official channel of communication of the Organization with the Government of Greece, a financial statement as at the 31 December of the previous year, reflecting the status of this special purpose contribution of Greece to the Industrial Development Fund of UNIDO, to cover the operations of the Office.

For the accounts of 2000 this financial statement was provided on 4 April 2001. (Annex V).

For the accounts of 2001 the statement was provided on 25 April 2002. (Annex VI).

For the accounts of 2002 it was sent on 26 June 2003. (Annex VII).

The resources provided for this last four-year phase have been as follows:

US\$

97,900	for October/December 1999
492,085	for 2000
505,304	for 2001
526,994	for 2002
554,994	for 2003

Total: 2,177,277 (inclusive of the 10% UNIDO execution costs)

Since 1 January 1998 a new flat rate of 10% on the project execution costs is applied on the above-mentioned budget.

These amounts have been paid by Greece as follows:

- US\$ 97,900 in December 1999
- “ 492,085 in April 2000
 - “ 505,304 were taken from the existing positive balance at the closure of the previous phase of the ITPO project (US/GLO/91/068) that started in 1992.
 - “526,994 were split into two payments, US\$ 297,387 still taken from the positive balance of the previous closed project and the remainder of US\$ 229,607 was paid in June 2002.
 - “ 554,994 paid in Mai 2003.

For the Delegates Programme (a kind of investment promotion training for nationals of developing countries and at the same time an opportunity for Greek entrepreneurs to know the possibilities of industrial partnerships in the country of the delegate) in the actual budget only US\$ 5,000 per year are foreseen under budget line 31.

In the opinion of the evaluation team additional funds should be provided under this budget line to have the possibility to host more delegates and make this programme more effective.

For the location of the premises of ITPO Athens US\$ 40,000 per year are budgeted.

2.5 Management and Operations of the Office

The Head of the Office, as a result of his appointment and of the duties entrusted to him, should establish the general strategy of the Office, in close coordination with the Greek authorities sponsoring the ITPO. The Head should assign to his Deputy the tasks to be discharged in precise terms and afterwards should monitor the implementation of these tasks.

Concerning the management performed by the Head regarding the daily duties of the staff of ITPO Athens, there are no periodical (weekly or monthly) short reports on the activities performed by the staff members.

In a small office with only three professionals and a limited budget, the Head should have performed also executive tasks, as indicated in his job description. Reading the reports, analysing the activities performed and interviewing the project counterparts, The evaluation team has drawn the conclusions that the Deputy Head of the Office solely performs all the management and operations of the Office.

Concerning the targeting of the developing countries for potential investment activities, the evaluation team ascertained that during the last years this was done independently and without coordination with the Greek authorities, although this coordination was foreseen in the ToR of the Office.

The contacts with the Federation of the Greek Industries, the Federation of Industries of Northern Greece (SEVE) and the Exporter's Association of Northern Greece (SVVE) need to be strengthened. This need was already pointed out in the last in-depth joint evaluation of 1999.

The Office maintains contacts also with several sections of the UNIDO Secretariat for country specific information and for particular technical assistance projects.

The final beneficiaries of the activities of ITPO are the entrepreneurs in Greece and those interviewed by the evaluation mission have been very positive regarding the information, the services and the assistance provided by the Office. All of them confirmed that they had contacts only with the Deputy Head of the Office.

Some entrepreneurs, established in the region of Volos, stated that ITPO is the first office, which is assisting firms in Thessali for partnerships and investment opportunities outside Greece. SEVE declared to the evaluation team that they would like to have closer contacts with the ITPO Athens and to receive directly from them, on a periodical basis, the list of project opportunities.

The above shows the need for ITPO Athens to expand further its regional coverage inside Greece. The geographical area outside Athens and Thessalonica is not sufficiently covered by the Greek National Institutions and there is ample room for ITPO in expanding its coverage.

3. BENEFICIARIES, OBJECTIVES AND IMPLEMENTATION OF THE ACTIVITIES

3.1 Functions of the Office

According to the new Terms of Reference of the ITPO Athens, effective from October 20 1999, and replacing the Project Document annexed to the agreement of 4 March 1992, the ITPO Athens shall, as a general objective, promote the industrial development to developing countries and countries with economies in transition. Specifically, the ITPO shall promote the mobilisation of investment resources (finance, technology, know how, market access, managerial support etc.) from Greece to developing countries and economies in transition.

To achieve this objective, the Terms of Reference of the ITPO Athens provide general guidelines for functions and activities of a UNIDO ITPO, as well as more specific guidelines for the functions and activities of the ITPO Athens.

These are summarised below, with some adjustments made to reflect the change in the title of the Office from IPS to ITPO, as well as developments in the use of UNIDO software and tools for investment promotion: replacement of DIPP database with UNIDO Exchange platform, discontinuation of PROSPIN software for project financial pre-assessment and sole use of COMFAR for this purpose.

- i. To assess investment projects, the details of which have been supplied from UNIDO headquarters or other sources, with a view to determining whether an enterprise can be found in the host country that will be able and willing to supply the foreign resources sought for such projects

The main activities of the ITPO Athens to fulfil this function are to screen investment proposals sourced from UNIDO and select appropriate projects of Greek interest, to formulate investment opportunities, to carry out project profile pre-appraisals using COMFAR. Also, to appraise investment opportunities sourced from Greek prospective investors and identify potential partners in developing countries willing to enter into cooperation. In addition, ITPO has to enter information on investment opportunities into the Databank, so as to initiate promotion of proposals.

- ii. To build contacts with enterprises in host countries willing to consider a business venture with a partner in a developing country or to provide inputs for such a venture. To gather, present and disseminate information on specific manufacturing facilities, which enterprises in their host countries seek to establish in developing countries through a business partnership with a local entrepreneur. To assist in identifying local partners and help both parties to conclude an agreement.

The main activities of the ITPO Athens to fulfil this function are to establish contacts with Greek local industrial associations, investment and commercial banks, chambers of Commerce etc., identify parties interested to cooperate and retain these as contact points. ITPO will also establish contact points or directly

working relations with Greek enterprises willing to invest in developing countries. Finally, establishing a roster of Greek contact points and potential investors forming the basis of a data bank in UNIDO EXCHANGE updating and expanding this databank.

- iii. To utilise contacts with developing countries enterprises for the promotion of the investment projects by informing host countries enterprises of the projects and the resources sought by investors. To provide information on individual potential local investors and on the investment climate in the countries concerned.

The main activities of the ITPO Athens to fulfil this function are to ensure circulation of project profiles to potential Greek investors, to provide information and contacts on foreign partners in developing countries, and to distribute in Greece information on investment climate, legislation, incentives etc., information that is required to formalise a cooperation agreement with foreign partners. Also, to provide contacts and information on financial institutions in developing countries willing to finance such projects.

- iv. To bring the host country investor and the prospective partner in the developing country into direct contact, through UNIDO investment project promotion meetings/forums and through any other appropriate means with a view to commencing negotiations on project cooperation. To assist developing countries in arousing the interest of potential foreign partners in industrial investment opportunities and in the incentives offered, by receiving delegations from developing countries and arranging direct contacts of delegation members with industrial and financial communities of the host countries.

The main activities of the ITPO Athens to fulfil this function are to provide support to investment forums organised by UNIDO headquarters, or other IPS, by promoting the investment proposals arising from these events to the Greek business community, as well as arranging for the participation of interested Greek business parties in the events. Also, to receive and facilitate official delegations from foreign countries interested to establish contacts with Greek business community. Finally, ITPO has to enter relevant inputs into the UNIDO EXCHANGE databank.

- v. To support and assist both parties in negotiations and in completing the preparation of pre-investment studies, up to the stage at which parties can conclude a written agreement to implement the project.

The main activities of the ITPO Athens to fulfil this function are to provide, upon request, assistance to parties during negotiations regarding UNIDO know how and expertise in the field of technology transfer and acquisition, contractual arrangements, investment guarantees, compliance with international standards in quality, environment etc. This involves the support of COMFAR to assess financial variables of projects, model contracts forms prepared by UNIDO, support in obtaining government clearances for a project, if such are required, etc. Additionally, ITPO will assist in the definition of a financial package and mobilisation of financing resources. The negotiation process and support given

are to be followed up and each negotiation step entered into the UNIDO EXCHANGE databank.

- vi. To assist the developing countries in building and strengthening national capabilities for attracting foreign investment by hosting delegations from developing countries and providing them with on-the-job orientation of investment promotion process

The main activities of the ITPO Athens to fulfil this function are to interact with the national Investment Promotion Agencies in developing countries concerned, to provide them with high level advice and support and to organise on an ad hoc basis training sessions of interest to their staff. The Delegates Programme is also part of this activity.

- vii. To undertake other activities conducive to the achievement of the IPS objective.

The main activities of the ITPO Athens to fulfil this function are to act as a catalyst and source of technical expertise in the design, organisation and implementation of key events organised in host country, possibly with high-level international sponsorship. Also, to contribute to the design and implementation of other investment and technology related activities and programmes, including the efforts for mobilisation of financial resources for such programmes. Also, ITPO has to act as a channel of communication to bring UNIDO programmes, expertise in documentation, studies etc., to the attention of interested authorities and enterprises in Greece.

3.2 Activities

3.2.1 Information dissemination in Greece and developing countries

ITPO Athens makes a lot of efforts in advising entrepreneurs for the promotion of investment projects, especially after the initial stages of matchmaking. This constitutes an important indicator for the performance of ITPO Athens.

The information disseminated by ITPO can be divided into three groups:

- Individual project information concerning opportunities in developing countries. These opportunities are generated through missions in developing countries, work of delegates in Greece, delegations of developing countries representatives visiting Greece.
- General information regarding technology offered or sought by developing countries.
- Specific know-how, particularly at various stages of the development of a partnership between Greek and foreign entrepreneurs.

Although the facilities for information dissemination are adequate for the Office, the extent of its penetration in the Greek business community has not fulfilled its potential.

The number of the Greek enterprises and of the developing countries potential companies in the database of ITPO is not indicated in the Annual reports. According to the information collected by the evaluation team, in the database of ITPO Athens there are 1047 Greek companies/institutions and around 1550 companies/institutions from developing countries. The location of the Greek enterprises on the territory is as follow:

60% in Athens, 24% in Attica, 10% in Thessalonica and Northern Greece, 6% in the rest of the country.

The Databank of ITPO includes public institutions, banks, specific associations of enterprises and single companies, the majority of which are in the following sectors; food, textiles, pharmaceuticals and chemicals, metal products, plastics and rubber, etc.

The follow up of the relations of ITPO Athens has to be periodically strengthened and most of the contacts remain at a quite general and non-continuous stage. Generally, no feedback is received from these institutions and consultations for the improvement of the collaboration are not carried out on periodical basis.

May be the division of the duties inside the Office is a point that has to be deeply examined for the continuation of the activities of the Office.

The Head should be more directly involved in promotion activities and contacts with potential partners, without delegating all these activities to his deputy, who at his turn is not involving in this work the investment promotion expert of the Office.

Discussing with the institutions and the entrepreneurs met, the evaluation team came to the conclusion that clients and beneficiaries not exactly know the purpose and the activities of the Office, even when they have periodical and deep discussions concerning partnership opportunities assisted or promoted by the Office.

The documentation distributed by ITPO on its activity and “raison d’ être” is poor and only in electronic format. One page is completely inadequate for the persons to who is addressed and furthermore it is not clear to whom and how it is addressed.

All the companies interviewed have not been contacted by mail, but through phone calls, personal visits or presentations during some events. In all the cases they stated always that they knew or dealt only with the Deputy Head of the Office.

A leaflet in English and Greek, in an appropriate typographical format (not in electronic version only) should be prepared. It should present the purpose, the mandate and the activities of the Office, in order to give to the Greek entrepreneurs an overall view of the possibilities, stimulating their interest in contacting the Office. Such information could be distributed when the Office is contacting new clients and in cooperation with the national institutional counterparts of the Office. The leaflet should indicate that the Office is supported by a contribution of the Ministry of National Economy and Finance.

3.2.2 Selection and identification of potential partners and projects

Like in the previous evaluations, the evaluators found during their discussions with Greek entrepreneurs that the most attractive aspects of the support provided by ITPO is that they are free of charge and are provided with genuine enthusiasm.

Some thresholds should be set for the provision of such support services. If, for instance, the requested support exceeds the normal assistance in match-making between Greek, foreign investors and financiers, into other services normally provided by business consultants (such as the preparation of feasibility studies) then there should be strong concern regarding the seriousness of an investor not willing to carry expenses for the preparation of an investment.

The evaluators propose that some guidelines be established governing the extent to which these activities should be carried out by ITPO Athens, particularly in relation to the size of the investment and, in case, the cost of the appraisal study.

The possibility that a project might be lost applying such rules should not be frightening, as the application of these rules is meant to facilitate the identification of less serious investors.

Until 1999 a small budget provision for subcontracting studies for pre-investment activities was included in the budget of the Office (budget line 21). The purpose was to help the entrepreneurs in their business negotiations, offering a tool for the final decision.

This facility has been utilized until 1999, till when it was included in the budget of the Office, only a couple of times. In one case the principle that the entrepreneur has to participate to 2/3 of the costs of the study has not been applied. In both cases the projects have been abandoned after the completion of the study.

The above confirms that the provision for “project development completion” should be no longer included in the budget and, if included, strong guidelines should be established and respected.

The main purpose of the Office is:

- identifying and establishing contacts with Greek entrepreneurs interested in industrial cooperation with developing countries.
- promoting offers for joint ventures or partnerships in developing countries.

In order to realize this task the Office is contacting potential partners among the Greek business community, directly, through workshops/seminars or through the specialized associations.

Several entrepreneurs interviewed, and astonishing also bankers, were very grateful to ITPO for the information provided regarding the possibilities of having investment guarantees against the risks of expropriation, war, civil disturbances, etc. through

MIGA, the Multilateral Investment Guarantee Agency created in 1988 by the World Bank Group.

It has to be acknowledged that investment promotion work requires a lot of efforts to identify and formulate potential opportunities. Realization of partnerships and investments are concluded only in a limited number of cases, due to the country risk and the market difficulties perceived by the entrepreneurs.

3.2.3 Advisory functions and promotion tools

ITPO Athens spends a lot of efforts in advising entrepreneurs in the promotion of partnerships abroad, particularly after the initial stage of matchmaking.

The evaluators found during their discussions with the Greek entrepreneurs, that the most attractive aspect of the advice offered is that it is free of cost.

Sometimes, the extent of the effort spent in advising some entrepreneurs, can appear surpassing the role of the Office, reducing the support that could be given to other entrepreneurs or to reinforce ties with national institutions or to promote the services of the ITPO in other parts of Greece.

The need to improve the penetration of ITPO Athens in the Greek market through the federations of industries has already been mentioned and it has been pointed out in all the previous evaluations. Apparently not serious steps have been taken to improve this situation.

It should be added the need of additional contacts with the peripheral Chambers and the organizations that are considered significant for the purposes of ITPO Athens in the Greek geographical context and not only limited to the area of Athens.

As main instrument for its advisory functions in financial matters to the Greek entrepreneurs, ITPO Athens applies the Computer Model for Feasibility Analysis and Reporting (COMFAR) to assist in the formatting of their feasibility analysis.

As already noticed in the previous evaluations, some contacts in the framework of matchmaking were established between ITPO Athens and financial institutions active in Greece (banks, venture capital firms. etc.).

In that respect the evaluators have found that a standard practice by ITPO Athens, in promoting the implementation of international partnerships, continues to be the presentation of MIGA and the support in submitting projects to this institution.

As already remarked in the previous in-depth evaluations, ITPO Athens continues to undertake some fact-findings and follow-up missions abroad in developing countries. The majority of these trips concern the assistance in the negotiations of projects or the participation in events that could be of interest to the promotion of the services offered by the Office. During the last years nearly only the Deputy Head of the Office has undertaken the totality of these travels.

According to the information supplied by the Office, in the 11 years of Office operation, 15 projects in various countries have been concluded (agreement signed between the entrepreneurs) and progressed to become operational. All these projects have been promoted and assisted by ITPO in their negotiations with the partners abroad. These projects became operational in the period up to 1998.

The total investment represented by these projects amounts to approximately USD 97 millions. The largest investments are two projects in FYROM and Russia that represent about half of the total.

It should be noted that the involvement of the Office in the negotiations and conclusion stages of these projects has varied in these projects. In some cases it has been limited to assisting with some project parameters (e.g. insurance guarantees MIGA), in other cases it has been prolonged, involving in depth assistance with business planning, JV agreements etc.

3.2.4 Delegates Programme

In the Terms of Reference of the Office is stated that the Office will carry out the following activities:

[quote] “To assist the developing countries in building and strengthening national capabilities for attracting foreign investment by hosting delegations from developing countries and providing them with on-the-job orientation through the promotion vis-à-vis potential foreign partners of specific investment opportunities in their home countries” [unquote].

The delegates’ programme belongs to these training opportunities. The programme is understood to be, at least in part, a kind of investment promotion training.

The choice of the countries of origin of the delegates should be in accordance with the Office's strategy, in order to focus on those countries that are more likely to meet the interest of the Greek entrepreneurs.

The characteristic of the programme is to have in the ITPO in Athens a national of a developing country of potential interest for Greek investors. This person, generally coming from a Development Agency or an Institution related to industrial development in his/her country, will have the knowledge of the local language, of the investment legislation of the country, of the local administrative institutional structure and of the local business climate.

During the period 1999-2003 ITPO Athens has hosted three delegates. Two of them were coming from Bahrain and Armenia, for one month each, and one from China for three and half months. (Annex VIII). From the beginning of its operations in 1992 until today, the Office has hosted all together 9 delegates.

The entrepreneurs generally appreciate the inclusion of the delegates in the Office since it allows obtaining direct information on important economic and industrial issues of the country of origin of the delegate. This kind of information is not easily accessible in Greece.

4. PROJECT RESULTS

4.1 Inputs

The evaluation team has made a qualitative and quantitative assessment, wherever possible, of the performance of the functions of the Office, as stated in the ToRs. It should be noted that the ToRs do not include formal quantitative outputs or targets for the functions of the Office.

Function 1

To assess investment projects, the details of which have been supplied from UNIDO headquarters or other sources, with a view to determining whether an enterprise can be found in the host country that will be able and willing to supply the foreign resources sought for such projects

Investment proposals that ITPO Athens Office screens and promotes are mainly initiated directly by the Office. According to the information supplied by the Office, in the period 2000-2003, 24 out of 55 projects under promotion or negotiation phase, were initiated directly by the Office. Another source of projects are IPAs and ITPOs in developing countries of interest, from which projects are sourced and screened by the Office. In the said period there are 13 projects out of 55 under promotion and negotiation that fall in this category. Another 11 projects were sourced from or developed with the delegates participating in the ITPO Athens delegate programme. Delegates usually come in the Office with few “prepared” investment projects for promotion. Usually the delegates develop projects, using access to the resources of IPAs and agencies in their country of origin, in response to Greek demand and following cooperation with the Office.

The projects under promotion sourced from UNIDO HQs or from consultants under missions financed by UNIDO HQs, are only 3 out of the said 55 projects in the period. Several projects also involve all the above mentioned parties in their formulation.

The majority of investment proposals are projects that are assessed by the Office to be of interest to Greek investors. These proposals are formulated and promoted accordingly, whereas a small proportion of projects are already conceived from Greek prospective investors, who ask for the support of the Office for further development. In all cases, potential partners in developing countries, willing to enter into cooperation, are identified and the matchmaking between interested Greek entrepreneurs and local prospective investors is sought, to advance the investment promotion phase.

The Office uses COMFAR software with inputs from prospective investors and inputs from IPAs and other sources in UNIDO network, to produce cash flows and financial statements for investment projects. This software and its output is mainly utilised when a project is into the negotiation phase, so as to provide a clearer picture of financial operation to prospective investors. PROPSPIN and other software are no longer used, according to the understanding of the evaluators.

The Office maintains a locally managed database of projects and for Greek technology projects (innovative processes, patents etc.) seeking investors. The latter types of projects are mainly sourced from the Hellenic Innovation Relay Centre. To promote these types of projects, the Office utilises Exchange, a UNIDO interactive project distribution platform that began operating last year. DIPP software is no longer utilised in UNIDO.

About 30 Greek technologies seeking investors have been input into this platform in 2003, and another 20 in 2002. It has to be noted that the Office does not screen these technology proposals; they are simply put into the Exchange. The response rates from interested foreign parties to date have been low (queries about 2-3 projects to date) and there have been no definitive results, in the form of negotiations/conclusion.

Function 2

To build contacts with enterprises in host countries willing to consider a business venture with a partner in a developing country and to provide inputs for such a venture. To gather, present and disseminate information on specific manufacturing facilities, which enterprises in their host countries seek to establish in developing countries through a business partnership with a local entrepreneur. To assist in identifying local partners and help both parties to conclude an agreement.

ITPO Athens has established contacts with Greek local industrial associations (SEV, SVVE), a number of commercial banks, with BSTDB, the Greek SMEs organisation EOMMEX, and the Athens Chamber of Commerce. The Office Deputy Head regards as more fruitful the collaboration with the last two. ITPO has also established contacts with the Exporters association of Northern Greece (SEVE). In recent years, the Office has also established contacts with Greek Investment Promotion Centre (ELKE) and Thessaly Technological Park (TEPATHE). In future the Deputy Head intends to build collaboration with industry associations in Crete and Thrace.

According to the Deputy Head of the Office, collaboration with SEV, SVVE has not been particularly fruitful, as they do not take particular interest in investment promotion.

Nevertheless, SEVE has told the evaluators that contact with the ITPO office is not regular, its small and medium enterprises members believe that UNIDO caters for the investment promotion needs of larger enterprises and ITPO does not circulate to them projects for consideration of SEVE members. According to SEVE communication should be strengthened, ITPO could use SEVE as its antenna in the North of Greece, and ITPO should forward them concrete projects for consideration and distribution. ITPO could participate in presentations organised by SEVE to inform of ITPO activities and services, and the Exchange platform of ITPO could be better utilised for distribution of Greek projects. SEVE is actively involved with own resources and using a wide international network in investment promotion in third countries, and UNIDO could be complimentary to this activity.

ELKE told the evaluators that the mandate of the ITPO Office was not clear to them and that cooperation with ITPO has been limited to one project (strengthening of IPAs network in the Balkans). ELKE could play a role for promoting foreign projects

of interest to Greek businesses in their network, but this was not asked of them by ITPO. They do see a useful role in the software/methods of UNIDO for evaluation, as they had bought COMFAR in the past and they use it for appraising projects.

BSTDB has told the evaluators that as far as they are aware they have received few projects from ITPO and they would be interested to receive more “bankable” projects. The ITPO could have a useful role in screening and structuring projects, and presenting the bank with opportunities e.g. cross country projects involving Greece and Balkan countries. The ITPO could be useful in educating project sponsors, as well as IPA and local staff, in project know-how.

The latest ITPO proposed project of strengthening the IPAs in selected counties, is prepared by UNIDO under the OECD Investment Compact discussions.

The BSTDB recognises it as an “institutional strengthening” project, that could be indirectly useful to the Bank. Once the IPAs are strengthened, the Bank could have access to more and better prepared projects for consideration. Nevertheless, they recognise that there is an issue of eligibility for bank funding to be directed to such type of projects.

Apart from disseminating information through business related organisations, ITPO also does market research to assess sectoral enterprises potentially interested in specific project types and contacts them directly to present opportunities.

The Office maintains a locally managed database of potential investors, and a database of the contacts made and of the follow up actions. According to the information collected by the evaluation team, in the database of ITPO Athens there are 1047 Greek companies/institutions and around 1550 companies/institutions from developing countries. The location of the Greek enterprises on the territory is 60% in Athens, 24% in Attica, 10% in Thessalonica and Northern Greece, 6% in the rest of the country.

Function 3

To utilise contacts with host county enterprises for the promotion of the investment projects by informing host county enterprises of the projects and the resources sought by investors in developing countries. To provide information on individual potential local investors and on the investment climate in the countries concerned.

Circulation of developing countries project profiles to potential Greek investors is done on a selective basis, through direct contact with targeted enterprises or through contact with enterprises that have declared interest to ITPO in conferences and presentations that ITPO organises (e.g. Delegates Presentations, workshops). ITPO project profiles are not in general circulated en-masse through industry associations and organisations.

Once the contacted party has expressed an interest in a project, ITPO does provide information on countries, investment conditions, sectoral information and contacts on potential foreign partners in developing countries. Most of the companies interviewed

by the evaluators, had cooperated with the Office. They expressed satisfaction with the quality of the information and the speed of response. For projects that have moved to an advanced stage of cooperation between Greek and foreign partners, ITPO has provided often support with pre-appraisal analysis, using COMFAR.

ITPO Athens has accompanied Greek investors on identification missions and supported them during their negotiations.

According to the ITPO, contacts have also been established with Greek and international financial institutions willing to finance projects in developing countries. This information is generally asked to ITPO when projects have matured to stages of conclusion of agreements. In the last four years there have been no such developments.

Function 4

To bring the host country investor and the prospective partner in the developing country into direct contact, through UNIDO investment project promotion meetings/forums and through any other appropriate means with a view to commencing negotiations on project cooperation. To assist developing countries in arousing the interest of potential foreign partners in industrial investment opportunities and in the incentives offered, by receiving delegations from developing countries and arranging direct contacts of delegation members with industrial and financial communities of the host countries.

In the period 2000-2002, the ITPO has attended 57 meetings, conferences and exhibitions outside Greece, spread over a large number of countries. The Deputy Head of the ITPO attended the overwhelming majority of these events.

The meetings and workshops that involved UNIDO, either ITPOs Heads meetings, or investment forums or programming missions were 8 out of the 57. Eleven of these events involved attendance to OECD conferences and meetings, a large part participation in SEE Investment Pact related events, in addition, there were attendances at 3 World Bank sponsored events and meetings, 3 to the EU and 1 at EIB. Seven of the missions had the purpose to accompany Greek investors in contacts with local enterprises in developing countries, in order to progress with the projects. The majority of the missions, 24 in total, were related to attendance at various conferences, exhibitions, investment promotion events, cooperation with institutions etc.

In the period 2000-2002, 2 delegations were received: a business delegation from China's pharmaceutical sector and a Government delegation from Armenia in 2001.

Contacts made during attendance of workshops and meetings are entered into the contacts databank, with follow up actions indicated.

Function 5

To support and assist both parties in negotiations and in completing the preparation of pre-investment studies, up to the stage at which parties can conclude a written agreement to implement the project.

According to the interviews had, for projects under negotiation, ITPO Athens appears to have the capability to fulfil this function, by providing upon request, assistance to parties during negotiations. In the past detailed expertise was provided to projects nearing completion i.e. during a feasibility study stage and during the phase of drafting joint venture agreements.

According to the information supplied by the Office, during the period 2000-2003, 40 out of the 55 projects identified and promoted have progressed from the promotion phase to the negotiations phase. In these cases, with the support of the ITPO, local and Greek entrepreneurs proceed with direct correspondence, meetings and discussions. In some cases Greek entrepreneurs undertake missions to visit interested parties on-site. Nevertheless, in the period 2000-2003, only 2 out of the 55 projects promoted (in Ethiopia) have gone in advanced negotiations beyond the stage of contacts facilitation, involving the support of the office in an elementary cash flow exercise and a market study. These projects were nevertheless subsequently dropped due to lack of interest of the Greek parties to continue the negotiations.

The total of projects, under promotion or under first or advanced stages or negotiation, that were subsequently dropped due to the lack of continuing interest, amounts to 14 out of the 55 projects indicated. Six of the dropped projects are in Africa (Ethiopia, Uganda and Mali), and the rest are in Armenia (3), Bulgaria (3), Serbia (1) and Ukraine (1). According to the Office, it is expected that very soon 2 of the 41 still “active” projects will become concluded (Russia and Turkey).

ITPO’s role has therefore been largely involved in matchmaking and facilitating joint ventures. Its role in providing support through UNIDO know how and expertise in the field of technology transfer and acquisition, contractual arrangements, model contracts, definition of financial packages and mobilisation of financial resources, investment guarantees, compliance with international standards in quality, environment etc, appears not very much fulfilled at project level.

The Project Completion Facility for preparing feasibility study of the project, has been applied in the past (before this evaluation period) in a few cases where the projects were mature.

Function 6

To assist the developing countries in building and strengthening national capabilities for attracting foreign investment by hosting delegations from developing countries and providing them with on-the-job orientation of investment promotion process

In the course of fulfilling its function of sourcing and promoting projects, the ITPO cooperates with several Investment Promotion Agencies in developing countries. The ITPO provides some training and support to the IPAs through the Delegates programme. In fact, the programme is not only promoting business opportunities, but it gives also the possibility to the delegate to have a kind of on-the job training, exposing him/her to the direct contact with potential investors.

The ITPO has also presented the COMFAR software to the IPA in Bulgaria (2001)

Function 7

To undertake other activities, which are conducive to the achievement of the IPS objective.

The ITPO has organised a presentation in 2000 in Athens for opportunities in Bahrain and co-organised with EVEA a country presentation meeting for business opportunities in Ethiopia. According to the Office, another presentation proposed to SEV on Financing Issues in 2003, where ITPO was intending to bring international experts as speakers, was cancelled due to lack of interest from SEV. Delegates presentations aside, the number of ITPO organised key events for promoting ITPO, countries of interest and other investment promotion related topics is lacking.

The ITPO contribution to co-organisation of other investment and technology related activities and programmes, also appears to be lacking (Bahrain 2002, Investment and Promotion Technology in Arab region).

The ITPO could also act as a channel of communication to bring UNIDO programmes, expertise in documentation, studies etc. to the attention of interested Greek authorities and enterprises, if asked to by UNIDO HQ. This potential is not very much utilised.

4.2 Achievement of the objectives

The main objective of the ITPO Athens Office is to mobilise Greek investment resources (finance, technology, know how, market access, managerial support etc.) for the implementation of projects and business-oriented partnerships with partners in developing countries and economies in transition.

Analysing the outputs of the Office, and comparing them to the assessment of the previous evaluation, the results attained in the period 2000-2003 are not up to the expectations of the Ministry of Economy and Finance.

The Office operational strategy is not exactly in line with the priorities of the Greek Government. Close liaison with the authorities has not been established.

Links and cooperation with several Greek institutions, which could support in the dissemination of projects among the Greek business community, needs reinforcement.

The awareness of Greek enterprises of the Office role and support potential appears to be lacking.

The Office spends more effort in screening and formulating proposals, as the emphasis has moved from UNIDO HQ generated projects, into projects that are formulated by the ITPO in conjunction with IPAs, other ITPOs and delegates. Nevertheless, the geographic and thematic area of international operations is too broad and resources are stretched, taking into account that executive tasks and missions are solely carried out by the Deputy Head. On the other hand, the

geographical coverage of Greece is limited: most companies cooperating with the Office are in the wider area of Athens.

There are also issues related to the effectiveness of the ITPO efforts in promoting projects. Although the number of projects promoted in the period 2000-2003 (55) is higher than the number of projects promoted in the period 1996-1998 (38), in the previous period there were 3 projects concluded, 4 implemented and 10 projects operational. In the period 2000-2003, there are no projects concluded to date. In addition, for a large number of them the ITPO supported negotiations are still at an initial stage.

This raises issues as to the targeting of the countries concerned, the attractiveness and quality of the projects, and the appropriateness of the sponsors. In the context of increased outwardness of Greek enterprises in recent years and potential to take risks of investing overseas, (as evidenced by the large realised private investments in the Balkans, and the improved willingness and preparation from the side of the developing countries), one would expect a larger success rate in terms of ITPO project completion.

In spite of the efforts, that appear to go into the projects, the bottom line of mobilising resources for industrial partnerships has not been achieved. It has to be considered, nevertheless, that not all positive results from investment parties are disclosed. A follow up is required to assess the progress.

4.3 Relevance and Sustainability of the Office

ITPO could still play a role as a valuable window to business opportunities in developing countries. The UN status, the network of resources and contacts, and the know-how it has acquired over the years in project formulation and promotion are assets that can facilitate investment projects.

The Greek institutions and organisations that could play a similar role to ITPO, have advanced in investment promotion efforts, but still often lack the resources, skills and networks to fulfil effectively this role. There are therefore complementarities between ITPO and Greek institutions and organisations in this promotion effort. This will be a useful role for ITPO to play, especially in the support of medium enterprises in their search for outward investment. This role of the ITPO is provided free of charge and this is an extra incentive for enterprises and institutions alike.

The effectiveness of the Office in fulfilling this role is key to its sustainability as an investment promotion mechanism, as the realised benefits to the Greek and the developing countries economies would outweigh the cost of its operations, which is financed solely by the Greek Government.

The effectiveness of the Office can be enhanced, in terms of management, resource utilisation, liaison with authorities, targeting of countries and projects, liaising with institutions and organisations to reach Greek enterprises, increasing its profile and awareness, and improving the screening of potential projects.

5. CONCLUSIONS / FINDINGS

On the relevance of the Office

The role of ITPO Athens is to disseminate in Greece information on potential projects in developing countries, assisting in the establishment of industrial partnerships between Greek entrepreneurs and interested sponsors in developing countries or countries with economies in transition. The purpose is to assist in the transfer of capitals and technology through Greek enterprises to create industrial partnerships in developing countries.

At the same time, according to its Terms of Reference, the Office will:

[quote] “ assist the developing countries in building and strengthening national capabilities for attracting foreign investment by hosting delegations from developing countries and providing them with on-the-job orientation through the promotion vis-à-vis potential foreign partners of specific investment opportunities in their home countries” [unquote].

This function is fulfilled through the Delegates Programme.

The evaluation team has noted that there is still insufficient knowledge, mainly among small and medium Greek entrepreneurs of foreign markets situation, risks, financing sources and opportunities for industrial investments in developing countries. This constitutes a serious obstacle for the development of initiatives and this confirms the relevance of the ITPO Athens in this context.

- The comparative advantage of the Office is, as from its establishment in 1992, the possibility to operate under the United Nations flag, in the international network of UNIDO. This network is well established in industrialized and developing countries, as well as in countries with economies in transition, in the field of transfer of technology, subcontracting, cleaner production centers, national investment promotion agencies, international technology centers, development finance institutions and focal points established in sector-based institutions, such as chambers of commerce, business associations, etc.
- The majority of the Greek entrepreneurs met by the evaluation mission, declared that ITPO Athens constitutes a very important “free of charge” assistance to them and stimulates a triangular cooperation scheme (ITPO, Greek entrepreneurs and entrepreneurs of developing countries). The Office, for several counterparts, has the role to “open doors” and facilitate matchmaking and information dissemination among potential partners in developing countries (particularly in South East Europe and in the Black Sea area) and additionally in some far countries like China, where the language and the local business customs are serious obstacles.
- Several entrepreneurs trust UNIDO (United Nations), and the reliability of its impartial services. They are of the opinion that ITPO Athens fulfils a role in promoting and facilitating investment projects. This role is not *so* effectively played in Greece by other national institutions or associations, as well as by the Greek representation offices abroad.

- In the opinion of the Greek entrepreneurs, a further added value of ITPO is the assistance in providing information on international financing sources, that otherwise would not be available through Greek institutions, even at high banking level. In fact, the Office has provided such assistance in several instances, including to the banking sector on international insurance guarantee schemes (MIGA).

On the implementation of the activities

- The effectiveness of the Office in fulfilling this role is key to its sustainability as an investment promotion mechanism, as the realised benefits to the Greek and the developing countries economies would outweigh the cost of its operations, which is financed solely by the Greek Government.
- Analysing the outputs of the Office, and comparing them to the assessment of the previous evaluation, the results attained in the period 2000-2003 are not up to the expectations of the Ministry of Economy and Finance.
- The Office operational strategy is not exactly in line with the priorities of the Greek Government. The developing countries in which ITPO is operating appear to be generally in line with the priorities of the Greek authorities. However, the evaluation team has noticed that the activities and the geographical regions of operation are decided without previous consultation with the relevant Greek authorities. As result, some adjustments have to be made in accordance to the national directives and policies, and to the coordination arrangements stated in the Terms of Reference of the Office.
- The role of the Ministry of Economy & Finance and of the Ministry of Foreign Affairs with respect to ITPO regarding the cooperation and the priorities is not well defined. As well as regarding the ways of communication with UNIDO. The working relations between the Ministry of Economy and Finance, the sponsoring authority, and ITPO are too loose. The contacts are occasional and not structured in a strategic context. The policy direction of the Office and its strategy apparently are not periodically discussed with the competent Greek authorities.
- Links and cooperation with several Greek institutions, which could support in the dissemination of projects among the Greek business community, needs reinforcement.
- The new terms of reference for the operation of the Office, agreed between the Ministry of Economy and UNIDO in 1998 and entered into force on 1st January 1999, do not establish performance indicators for the operations, but state only functions and activities.
- The awareness of Greek enterprises of the Office role and support potential appears to be lacking. The Greek entrepreneurs, who see in the office only an instrument of promotion of the Greek interests, do not exactly know the specific mandate of the Office. A leaflet presenting the purpose and the activities of the Office is not sufficiently detailed and has a *very poor*

typographical presentation. No mention is made that the Office is supported by a contribution of the Ministry of the Economy and Finance.

- The number of the Greek enterprises and of the developing countries potential companies in the database of ITPO is not indicated in the Annual reports. According to the information collected by the evaluation team, in the database of ITPO Athens there are 1047 Greek companies/institutions and around 1550 companies/institutions from developing countries. The location of the Greek enterprises on the territory is as follows:
60% in Athens, 24% in Attica, 10% in Thessalonica and Northern Greece, 6% in the rest of the country.
- Some entrepreneurs, established in the region of Volos, stated that ITPO is the first office, which is assisting firms in Thessali for partnerships and investment opportunities outside Greece. SEVE declared to the evaluation team that they would like to have closer contacts with the ITPO Athens and to receive directly from them, on a periodical basis, the list of project opportunities.
- The geographic and thematic area of international operations of the ITPO Office is too broad and resources are stretched. On the other hand, the geographical coverage of Greece is limited: most companies cooperating with the Office are in the wider area of Athens.
- According to the information supplied by the Office, the number of projects promoted by ITPO Athens in the last 4 years amounts to 55. Out of these, China accounted for 24%, Bulgaria 14%, Serbia 14%, Armenia 13%, Uganda 7% and Ethiopia 5%. There were also 1-2 projects involving each of these countries: Slovakia, Russia, Albania, Mali, Ukraine, Egypt, FYROM and Turkey, all together accounting for 22% of total.
- The Office does not limit its assistance to the promotion of the business opportunity, but, if required by the entrepreneurs, continues to assist also during the negotiation phase. ITPO offers a quick response to the enquiries received and in several cases acts as a valuable adviser, proposing effective answers.
- The delegate programme is very useful and complementary to the activities of ITPO. It enables officials of developing countries to participate in the operations of the Office, developing projects and bringing direct and experienced knowledge of the laws and rules of the partner country. At the same time this programme complies with the mandate of the Office to assist developing countries in building and strengthening national capabilities in developing countries.
- According to the information supplied by the Office, 40 out of the 55 projects have progressed from the promotion phase to the negotiations phase. In these cases, local and Greek entrepreneurs proceed with direct correspondence, meetings and discussions, frequently involving trips of Greek entrepreneurs abroad to visit interested parties on-site. Only 2 projects, both initiated in 2000 in Ethiopia, have progressed further in negotiations (preparation of cash

flows and feasibility studies etc.), but in 2001 they were dropped due to the lack of interest from the entrepreneurs. The total of projects under promotion or under negotiation that were subsequently dropped due to the lack of continuing interest, amounts to 14 out of the 55. Six of the dropped projects are in Africa (Ethiopia, Uganda and Mali), and the rest are in Armenia (3), Bulgaria (3), Serbia (1) and Ukraine (1). According to the Office, it is expected that very soon 2 of the 41 still “active” projects will become concluded (Russia and Turkey).

- There are also issues related to the effectiveness of the ITPO efforts in promoting projects. Although the projects promoted in the period 2000-2003 (55) are higher than the projects promoted in the period 1996-1998 (38), in the previous period there were 3 projects concluded, 4 implemented and 10 projects operational. In the period 2000-2003, there are no projects concluded to date. In addition, for a large number of them the ITPO supported negotiations are still at an initial stage. This raises issues as to the targeting of the countries concerned, the attractiveness and quality of the projects, and the appropriateness of the sponsors.
- It has also to be acknowledged that investment promotion work requires a lot of efforts to identify and formulate potential opportunities. Realization of partnerships and investments are concluded only in a limited number of cases, due to the country risk and the market difficulties perceived by the entrepreneurs. It has also to be considered, that not all positive results from investment parties are disclosed. In some instances the reason is to keep confidential the business established. The above shows that investment promotion work is “unthankful” and does not receive the deserved reward. As an example, a Greek company producing artificial fibres that was assisted by ITPO for a partnership in China concluded the project without informing ITPO, who learned through a newspaper that the project was concluded. This case confirms how vexatious can be the investment promotion work!
- Nevertheless, in spite of ITPO efforts, that appear to go into the projects, the bottom line of mobilising resources for industrial partnerships has not been achieved in the period under evaluation.
- The effectiveness of the Office in previous periods has been demonstrated. According to the information supplied by the Office, in the 11 years of Office operation, 15 projects in various countries have been concluded (agreement signed between the entrepreneurs) and progressed to become operational. All these projects have been promoted, been assisted with negotiations and have become operational in the period up to 1998. The total investment represented by these projects amounts to approximately USD 97 millions.
- This figure has been elaborated by the Evaluation Team, based on the interview had with the entrepreneur who invested in a big project in Russia. The entrepreneur declared that the value of the investment made was USD 20 millions. At the contrary, ITPO is considering in its calculations that also the following investments for additional USD 40 millions were implemented thanks to their initial support. The above shows further, how difficult is to

attribute business development to the promotion work undertaken by the Office.

- The largest investments are two projects in FYROM and Russia that represent about half of the total. It should be noted that the involvement of the Office in the negotiations and conclusion stages of these projects has varied in these projects. In some cases it has been limited to assisting with some project parameters (e.g. insurance guarantees MIGA), in other cases it has been prolonged, involving in depth assistance with business planning, JV agreements etc.
- Until 1999, a small budget provision for subcontracting studies for pre-investment activities was included in the budget of the Office (budget line 21). The purpose was to help the entrepreneurs in their business negotiations, offering them an additional tool for the final decision. This facility has been utilized, only a couple of times. In one case the principle that the entrepreneur has to participate to 2/3 of the costs of the study has not been applied. In both cases the projects have been abandoned after the completion of the study. This confirms the opinion of the Evaluation Team that the provision for “project development facilities” should be no longer included in the budget and, if included again, strong guidelines should be established and respected.
- The effectiveness of the Office in future can be enhanced, in terms of management, resource utilisation, liaison with authorities, targeting of countries and projects, liaising with institutions and organisations to reach Greek enterprises, increasing its profile and awareness, and improving the screening of potential projects.

On the reports submitted by the Office

- The annual report of the Office does not include a substantive presentation of the activities and accomplishments performed against the work plan set for the year.
- The annual report also does not include a self-assessment of the activities performed.
- The reports contents are quite repetitive and it is not indicated when the respective project activities were started.
- The very useful short description about the projects promoted by the Office, contained in the annual reports until 1999 has been discontinued.
- The annual report does not indicate the list of the official travels undertaken by each staff member during the year.
- The periodical interim reports of ITPO are transmitted to UNIDO Hqs, but not communicated to the competent Greek authorities.

- According to the Greek counterpart Ministry, the annual report and the work programme of the Office are presented with too long delay. This delay is due to the combination of delays at UNIDO Headquarters and at the Greek Embassy in Vienna, which is forwarding to the Ministry the reports that ITPO Athens is sending to the Headquarters in Vienna for comments and validation. However, it has to be noted that so far, the Ministry has never presented comments to UNIDO on the annual reports.

On the management of the Office

- The duties and tasks of the staff inside ITPO should be better defined. The job descriptions of the incumbents have to be updated. During the 12 years in which the Office has operated, the priorities of Greece, the world economy, the global political situation and the objectives and terms of reference of the Office have changed.
- The job descriptions have to reflect duties and tasks of each staff member. The job description of the Head of the Office indicates also the performance of executive tasks (i.e. identify potential partners, inform interested Greek enterprises on possibilities to be implemented in developing countries, assist partners, etc.). Many of these tasks are not performed by the Head of the Office, whose role is limited mainly to a general supervision of the operations. The Head of the Office has declared to the evaluation team that he prefers to run the operations from Athens and the records of the Office show that in four years his travelling abroad was very limited.
- In a small office with only three professionals and a limited budget, the Head should have performed also executive tasks, as indicated in his job description. Reading the reports, analysing the activities performed and interviewing the project counterparts one draws the conclusions that the Deputy Head of the Office solely performs all the management and operations of the Office.
- Also the investment promotion expert of the Office has not been very much involved in field operations, which require strong contacts with the potential clients and travelling abroad to participate in meetings and assist delegations of entrepreneurs. Moreover, the investment promotion expert is taking care of the imprest account (the account of the expenditures of the Office, that is monthly replenished by the UNIDO Headquarters upon presentation of the receipts). In other offices, general service staffs normally accomplish this task.
- Concerning the management performed by the Head regarding the daily duties of the staff of ITPO Athens, there are no periodical (weekly or monthly) short reports on the activities performed by the staff members. Therefore, it is difficult to assess how the activities are managed.

On future opportunities

- UNIDO is collaborating with OECD within the context of the Stability Pact Investment Compact for South Eastern Europe. The first meeting was held in October 2000 in Bucharest. It was decided by the round table participants (Investment Promotion Agencies of the area, OECD, Black Sea Trade and Development Bank and other potential donors) to prepare a regional project to promote and attract investments in this area. Through this action it is envisaged to establish a network of Investment Promotion Units in Balkan countries that will act as promoter of investment projects in the region alongside existing national Investment Promotion Agencies (IPAs). ITPO Athens could have the role of coordinating the establishment of these IPU in three countries of the region. The BSTDB is envisaged to indirectly benefit by having ITPO Athens as antenna for the collection of financing opportunities in the Balkans. ITPO Athens can have the role of hub of such investment network, when such network is eventually created.
- A project document of 2,5 million US\$, managed by UNIDO Headquarters in Vienna, for a pilot three years duration, covering Bulgaria, Romania and Serbia, has been submitted in June 2003 by UNIDO ITPO to the BSTDB for co-financing.

So far there are not other financing parties.

The Bank has responded positively and its Board has accepted to finance US\$ 200,000, subject to the agreement of the Greek Ministry of Economy, but limiting the action to Bulgaria and Romania, since Serbia is not yet member of the Bank.

During the development of the evaluation work it has been brought to the attention of the evaluators that the Ministry of Economy & Finance has not given its approval to this project, for the time being the reasons are not specified.

In the opinion of the evaluation team, ITPO Athens is technically capable to carry out the proposed role but this will be an additional burden on its tasks. In fact, ITPO Athens would have to engage efforts and human resources, in addition to its on going activities.

6. RECOMMENDATIONS

On the continuation of the activities

- Considering that ITPO plays an important role in promoting the awareness of the Greek enterprises for the cooperation opportunities in developing countries, a further extension of the Office should be granted.
However, it is imperative to arrange a restructuring of the Office, to optimise the use of the presently available resources. The duties and the tasks to be performed by each staff member should be well defined.
- In order to ascertain whether a restructuring of the Office will prove to be more efficient, effective, allowing to optimise to the best possible extent the use of resources available, the Evaluation Team suggests that the Office should be extended, for the time being, only for 18 months and that another joint independent in-depth evaluation should be made at the end of the 12-month period, to assess the performance of the Office.
- As stated by all the entrepreneurs met, not only the small and medium, the United Nations flag gives to the Office great credibility among the Greek business community. Therefore, its role as impartial broker with knowledge of developing countries and as integral part of the UNIDO network should always be underlined.
- New terms of reference for the Office should be considered. They should include quantitative indicators, such as:
 - 1) Number of Greek new technology offers proposed to the UNIDO network
 - 2) Number of updated entries in the Office database of Greek companies interested in industrial partnerships in developing countries, with the indication of countries and sectors of activities.
 - 3) Number of updated entries of companies in developing countries interested in the technology offered by the Greek entrepreneurs.
 - 4) At least 25 new projects per year identified, screened and under promotion among the Greek business community, in the priority countries of the Greek authorities.
 - 5) Organization of at least two meetings per year to present the Greek technology available for possible partnerships in potentially interested developing countries, which are in the priority of the Greek authorities.
 - 6) Organization of at least two meetings to present in Greece the Office, its activities and the potentialities of developing countries interested in promoting cooperation with Greece and comprised in the Greek strategic targets.
 - 7) At least 15 new projects per year under the negotiation phase
 - 8) At least 2 projects concluded per year
 - 9) At least two delegates hosted in Greece over the one-year period. The respective budget provision, under budget line 31, should be appropriately enlarged.

On the management of the Office

- The Head of the Office should assure a clear leadership, exercise management control, and also perform executive tasks. He should be also directly involved in promotion activities and contacts with potential partners. The job descriptions of the staff of the Office should be revised to take into account the foreseen duties of each staff member.
- In order to optimise to the maximum extent possible the budgeted resources of the Office and to increase the activities in other sectors like the “delegates programme”, the Office, jointly with the UNIDO Headquarters in Vienna, should explore the possibility to transform in part-time employment the services of one general service staff.

On reporting and relations

- The Office, in cooperation with UNIDO Headquarters and the respective ministries involved (Ministry of Economy & Finance and Ministry of Foreign Affairs) should, closely elaborate the strategic targeting of the countries and the annual work plan of the activities. Actually the work plan is not prepared in consultation with these authorities. The involved parties should establish regular contacts for the setting of the work plan, as well as to discuss progress on the activities.
- The respective roles of the Ministry of Economy & Finance and of the Ministry of Foreign Affairs in regard the cooperation with ITPO should be jointly defined by these Ministries and UNIDO.
- It is recommended that the contacts within these ministries are structured, periodical and regulated in a strategic context.
- The annual report should include a short presentation of the activities and accomplishments performed and analysed against the work plan set for the year.
- The annual report should include a self-assessment about the activities performed and the difficulties encountered.
- The short description of each project included in the annual report should also indicate in which year the project was identified and by whom.
- The annual report has to indicate the list of the official travels undertaken by each staff member of the Office and the purpose of the travel.
- The periodical interim reports on the activities, sent by ITPO to UNIDO, should be copied only for information to the sponsoring ministry, the Ministry of Economy.

On the implementation of the activities

- As mentioned above, under “Reporting and Relations”, the Evaluation Team recommends that ITPO establishes a close and periodical collaboration with the Ministry of Economy & Finance, not confining the cooperation to a pure exchange of information.
- A leaflet in English and Greek, in an appropriate typographical format (not in electronic version only) should be prepared. It should present the purpose, the mandate, its location in the U.N. family and the activities of the Office. This will give to the Greek entrepreneurs an overall view of the possibilities, stimulating their interest in contacting the Office. Such information could be distributed when the Office is contacting new clients and in cooperation with the national institutional counterparts of the Office. The leaflet should indicate that the Office is supported by a contribution of the Ministry of National Economy and Finance.
- The actions of the Office, as requested by some entrepreneurs, should be enlarged to companies outside the area of Athens and Thessalonica, since apparently there is a “vacuum” in obtaining in other region of Greece this information through the national established institutions.
- The delegate programme should continue and, if possible, enlarged. The selected person should be already working in his/her country in investment and partnership activities. The minimum period of stay should be at least two/three months. A previous preparation, before the arrival in Greece, of a portfolio with potential projects looking for investors is desirable and useful for getting tangible results during the stay in Greece of the delegate.
- Projects that are more than two years under negotiations should be stopped and not included in the reports of the Office.

7. LESSONS LEARNED

(Lessons learned are generalizations, positive or negative, based on evaluation experiences with projects and programs. The lessons are derived from the evaluation and abstract from specific circumstances to broader situations.

Frequently the lessons highlight strengths or weaknesses in formulation, design and implementation that can affect performance and results. Therefore, the lessons can be retained for improving the quality and effectiveness of the assistance for other similar projects in the future.)

- In all the evaluations of Investment Promotion Offices is pointed out that the investment promotion and technology transfer work require a lot of time and efforts to identify and negotiate business and partnership opportunities. All the contacts established and the opportunities raised, only in few cases achieve positive developments. It is evident that the ratio cost/benefit of this kind of activity is very high. Promotion of industrial partnerships is a long-term proposition that is subject to a high level rate of hazards.
- It is very important the national co-evaluator, member of the Evaluation Team, is contacting the Office at least one month before the starting of the fieldwork in order to review the schedule of the meetings and to give his/her indication on the associations of enterprises and institutions to be visited. The national nominated evaluator knows the country, the areas to be covered, the size and the importance of the enterprises and the relevance of the national institutions in the context of the investment promotion work.
- In several cases industrial partnerships between an enterprise in an industrialized country and a company in a developing country start with trade arrangements and, provided the cooperation between the companies is good and the business climate attractive, only then the ties can develop in more advance forms of cooperation, like joint ventures.
- The involvement and assistance of an Investment and Technology Promotion Office in the promotion phase of a project (activity that often take a considerable amount of time and efforts) should not stop at the signature of the initial agreement between the parties, but, if possible and desired by the parties, should continue until the project is finalized.
Of course, this is subject to the wish of both parties involved in the business and will also represent the only possibility to have a direct feedback of the implementation of the activities promoted.
- The ITPO should always, to the extent possible, undertake a follow up of its activities to establish the impact and thus prove the ultimate results of the matchmaking carried out.
- The appropriate selection of the Head of the Office, (taking into account his/her experience in the field of industrial investments and the acquaintance with the national institutional framework, possibly coupled with the knowledge of the UN system), is of paramount importance for the positive

development of the activities of the Office and the relations with the Headquarters.

- An annual meeting of the main parties involved in the functioning of the ITPO is imperative to verify whether the actions taken are in line with the strategies of the parties, to identify promptly any problem and to give the possibility to take any corrective decision needed. An updated coordination of the ITPO activities with the policies and targets of the host country assures that there is no overlapping with the activities of other actors of the sector.
- A work plan is necessary to guide the activities and to gauge the results obtained.
- The periodical reports are a valid instrument to monitor, allow transparency and assure continuous coordination with the activities of other institutions operating in the field of investment promotion and technology transfer.
- The definition of “project concluded” should be reconsidered, because it is not indicative of any substantial development between the parties. In some cases it is just a kind of memorandum of understanding, not legally binding for the parties. The notion of “project operational” is much more indicative, because it shows that a tangible operation has taken place.
- The Terms of Reference of the ITPOs, the terminology used, work programmes and annual reports should be structured along the same lines to facilitate planning, monitoring and evaluation, with the subsequent possibility of comparison among them.
- The ITPO work is “unthankful”. Promote partnerships and investments require a lot of efforts that only in a small percentage give tangible results. If an entrepreneur, initially assisted by the ITPO, does not want to disclose the business steps undertaken, this is his prerogative. In these cases, the ITPO has fulfilled its task, even if further business developments will not be directly attributed to the promotion work undertaken by the Office. This confirms how awkward can be the investment promotion work.

Annex I: Terms of reference of the evaluation mission

TERMS OF REFERENCE

Joint In-depth Evaluation of the Government of Greece and UNIDO

US/GLO/98/068

UNIDO Service in Greece for the Promotion of Industrial Investment and the Strengthening of Cooperation with Developing Countries

I. BACKGROUND

The project

The UNIDO Investment and Technology Promotion Office in Greece has been in operation since 1992. After the first phase, the project has been further extended firstly till October 1996, then till October 1999 and actually till end-December 2003, through an exchange of letters between the Ministry of National Economy and UNIDO.

The office is located in Athens and its objective is to assist developing countries in their industrialization efforts through the promotion of Greek investments and transfer of technology. The office shall contribute to the identification of appropriate investment possibilities in developing countries and bring to the attention of potential investors concrete project proposals. To this purpose the office has established an inventory of Greek enterprises interested in industrial cooperation, particularly in developing countries.

The Government counterpart organization is the Ministry of National Economy, which provides financial support for the running costs of the office and its operations.

Three joint in-depth evaluations to assess the achievements of the Office against its objectives were already undertaken in March 1994, May 1996 and May 1999, each time by a team composed of a representative of the Government of Greece and of UNIDO. These evaluations provided recommendations for further improvement of management and the operations of the Office.

II. SCOPE, PURPOSE AND METHODS OF THE EVALUATION

The joint in-depth evaluation is stipulated in the initial project document. The Annual Work Programme sets out in detail objectives, outputs and activities, as well as inputs and related budgets.

The Government of Greece and UNIDO will undertake the evaluation jointly, nominating their representatives. It will provide the recommendations on main future priorities as well as on further improvement of the efficiency of the operations.

The primary purposes of the in-depth evaluation are as follows:

- (a) To assess the achievements of the project against its objectives and expected outputs.
- (b) To identify and assess the factors that have facilitated the achievements of the project's objectives, as well as those factors that have impeded the fulfilment of those objectives.
- (c) To assess the capacities of the Office to fulfill its role as a hub for the investment and technology promotion network in the South East Europe and Black Sea regions initiated by ITPO Athens in close cooperation with the Regional Roundtable for Investment Promotion established by OECD within the Global Compact and BSEC as well as to provide forward looking recommendations thereon.

As part of the above-mentioned tasks, the evaluation will also review whether the approach utilized has led to optimum results, or whether another one would have improved results.

Specifically, the evaluation will review and assess the involvement of the project in the following activities:

- (a) Administrative and substantive set up of the office.
- (b) Promotion and mobilization of investment resources within Greece for the implementation of industrial investment projects in the developing countries through joint ventures and other forms of business-oriented partnerships.
- (c) Computerized information bank containing short profiles of Greek enterprises interested in industrial cooperation with developing countries.
- (d) Inventory of Greek companies and their prospective developing country business partners in establishing contacts and in bringing their negotiations to a successful conclusion, particularly in the framework of investment promotion for a.
- (e) Assistance to Greek companies and their prospective developing country business partners in establishing contacts and in bringing their negotiations to a successful conclusion, particularly in the framework of investment promotion for a.
- (f) Organization of presentation meetings for developing countries, international conferences and symposia, in order to familiarize Greek firms with investment opportunities.
- (g) Implementation of training possibilities in Greece in the field of industrial investment promotion for nationals of development countries.
- (h) Provision of information to developing countries on available technologies and on the possibilities of transfer of technology.
- (i) Upgrading of skills and managerial capabilities of managers, administrators and government staff involved in implementing investment projects with developing countries.
- (j) Dissemination of modern methods and techniques in investment and technology project preparation and evaluation.
- (k) The impact of the activities of the office on the beneficiaries.
- (l) The continuity of demand for the services of the office.

- (m) The mission should also review relations with the Greek government and non-government institutions as well as financial organizations.
- (n) Involvement of the Office in the design, development, fund raising and implementation of technical assistance projects particularly related to the establishment of a continuous mechanism for investment and technology promotion through setting up regional networks such as in the Balkans, Black Sea region as well as in individual TA project in selected countries (Armenia, Serbia and Montenegro etc.).

A careful and accurate review of the past activities is expected to lead to detailed recommendations for the future activities of the Office.

III. COMPOSITION OF THE EVALUATION TEAM

The evaluation team will be composed of the following:

- One representative of the Government of Greece nominated by the Ministry of National Economy;
- One representative of UNIDO.

These representatives should not have been directly involved in the design, appraisal or implementation of the project.

IV. CONSULTATIONS

The evaluation will maintain close liaison with the Programme Coordination Branch and any other appropriate organizational unit in UNIDO, the project staff and the concerned government organization in Greece.

In the discharge of its duties the evaluation team is also expected to visit selected governmental institutions as well as non-governmental organizations like, banks, industrial associations, cooperative and private companies.

Although the evaluation team should feel free to discuss with the authorities concerned all matters relevant to its assignment it is not authorized to make any commitment on behalf of the Government on behalf of the Government of Greece or UNIDO.

V. TIMETABLE AND FINAL REPORT

The evaluation will take place during the period 11-23 September 2003, visiting Athens, Thessalonica and some of the cooperating offices and institutions in Greece.

At the beginning and at the end of its work, the evaluation team will be briefed at UNIDO HQs. and at the Ministry of National Economy in Athens. The Evaluation Team will present in draft on 23 September a summary of the preliminary conclusions and recommendations resulted from the work done and the interviews held. The necessary administrative support for the development of the mission should be provided by UNIDO in Vienna and ITPO Athens.

The final report should be prepared within six weeks of completion of the fieldwork and will be submitted to the Government of Greece and UNIDO Headquarters.

Annex II: List of persons contacted

List of persons contacted

MINISTRY OF ECONOMY & FINANCE

- Mr. Georgios Zanias, Secretary General of the Ministry, General Directorate for Policy Planning and Implementation, Directorate for International Organizations and Policies
- Mr. Vassilis Kanellakis, General Director, Policy, Planning & Implementation
- Mr. Nicholas Symeonidis, Director, International Organizations and Policies
- Mrs. Vicky Protopappa, Head Dept. International Financial Organizations
- Mrs. Maria Zaoussis, Adviser International Organizations and Policies

MINISTRY OF FOREIGN AFFAIRS

- Mr. Alexandros P. Mallias, Ambassador, Director South East Dept.

Institutions and Companies:

COMMERCIAL BANK OF GREECE

- Mrs. Anna Marmará, Deputy Director of International Operations Dept.
- Mr. Gerasimos K. Tsiapas, Sector Manager

EOMMEX A.E. (Hellenic Organization of Small and Medium Sized Enterprises)

- Mr. Dimitris Karachalios, Managing Director

ELKE (Hellenic Center for Investment)

- Mr. Panos Lagos, Head, Olympic Business Project

TECHNOLOGY PARK OF THESSALY s.a. - Volos

- Mr. Spiros A. Platias, General Director

FOOD SAFETY NETWORK Ltd. - Volos

- Mr. Athanasios Karachalios, Manager and co-proprietor
- Mr. Georgios Giotopoulos, Manager and co-proprietor
- Mr. Theodor Chaliassos, Program Analyst

APIVITA (Cosmetics Natural Products)

- Mr. Nikolaos Koutsianas, Managing Director
- Mr. Apostolos Arsenis, Procurement Office Manager
- Ms. Elen Xenaki, new business development dept.

EMKAT s.a. (Construction Industry)

- Mr. Vassilios P. Gialamas, President

NIK KIOLEIDES s.a. (Trailers and Truck Bodies Manufacturers)

- Mr. Nikolaos Kioleides, Managing Director

SABO s.a. (Installations for Brick Manufacturing) Vassiliko / Halkida
Mr. Dimitris Kiliaris, Managing Director

TITAN CEMENT COMPANY s.a.
Mrs. Alexandra Papalexopoulou, Strategic Planning Director
Mr. Gregoris D. Dikeos, treasurer Group Finance

EXTRAL (Aluminium Extrusion Industry s.a.)
Mr. Andreas Krikellis, Chairman and Managing Director
Mr. George Roukounakis, Sales Manager

CHAMBER OF COMMERCE AND INDUSTRY OF ATHENS
Mr. Panagiotis K. Koutsikos, Secretary General

SELONDA AQUACULTURES s.a.
Ms. Zoe Bakela, International Operations Manager

PIRAEUS LEASING (Banking Sector)
Mr. Yiannis S. Mavrelis, Managing Director

EPE – Environmental Protection Engineering s.a. (Marine & Industrial Pollution
Control)
Mr. Yiannis Polychronopoulos, General Manager
Mr. V. Mamaloukas-Frangoulis, Head of Dept. Marine Environ. Protection

SUNLIGHT (Germanos Group) - Batteries for Specialised Applications
Athens-Lamia
Mr. George Nikolaou, Commercial Director
Mr. Christos Kartalis, Manufacturing and Operations Director
Mr. Dinos Argiropoulos, Product Manager for Submarine Batteries
Mr. Nikos Derventzis, Product Manager, Military Applications Projects
Mr. Dimitris Naoumidis, Sales Director

CALINO s.a. (Innovative Technology Solutions)
Mr. Odysseus Panaiotis Anagnostopoulos, Managing Director
Mr. Sotiris Karalis, Business Development Manager

A. VLATAKIS Co. (Poultry Products) Markopoulo / Attika
Mr. Antonis Vlatakis, President and Managing Director

S.E.V.E. (Exporters' Association of Northern Greece) Thessaloniki
Mr. Babis Filadarlis, Managing Director

COMPITE NT. (Laser Systems) Thessaloniki
Mr. Manos Foundoulis, General Manager

BLACK SEA TRADE & DEVELOPMENT BANK Thessaloniki
Mr. Charalampos Tsarouchas, Secretary General
Mr. Ghinea Arminio Iorga, Programmes Officer

Mr. Panayotis Gavras, Programmes Officer

Athens ITPO Staff

Mr. Alexandros Roussopoulos, Head of the Office

Mr. Elias Antonakakis, Deputy Head

Mr. Theodore Karalis, Investment Promotion Expert

UNIDO Headquarters Vienna

Mr. Victor Zakharian, Senior Industrial Development Officer

Annex III: Terms of Reference of the Office in Athens

TERMS OF REFERENCE

OBJECTIVES

As one Service in UNIDO's worldwide Network of IPSs, the IPS in Athens shall promote industrial investment to developing countries and countries with economies in transition. More specifically, the IPS shall promote the mobilization of investment resources (finance, technology, knowhow, market access, managerial support, etc.) from Greece to developing countries and countries with economies in transition.

FUNCTIONS AND ACTIVITIES

The following detailed guidelines for the functioning of IPSs are derived from Resolution GC.3/Res.19 and its amendment GC.6/Dec.12, approved by the General Conference of UNIDO on 24 November 1989 and 8 December 1995, respectively. Specifically, the functions and activities of IPSs are:

- (i) "To assess investment projects, the details of which have been supplied to them from UNIDO Headquarters or other sources, with a view to determining whether an enterprise can be found in their host countries that will be able and willing to supply the foreign resources sought for such projects;" [unquote]

Under this heading the main activities of the IPS Athens will be to:

- Screen investment proposals received from UNIDO Headquarters or other IPSs so as to select those for which potential interest could be identified in Greece;
- By using the UNIDO Industrial Investment and Technology Project Profile Form, formulate the investment opportunities thus screened and carry out a pre-appraisal using the COMFAR¹/PROPSPIN² software. Modify the original proposal if this is suggested by the PROPSPIN appraisal;
- Appraise investment opportunities originating from Greek prospective investors looking for a partner in a developing country. Identify directly those partners who are willing to negotiate a cooperation agreement;
- Enter information on each investment opportunity into the Projects and Sponsors Data Banks of DIPP³ so as to initiate promotion of the proposal.

¹ COMFAR III *MiniExpert*: The "Computer Model for Feasibility Analysis and Reporting" COMFAR III *MiniExpert* software package was developed particularly for the preliminary assessment of investment opportunities from a purely financial point of view.

² PROPSPIN: A simple software package for initial appraisal purposes entitled "Project Profile Screening and Pre-Appraisal Information System". The software is also a valid support for negotiating partners to undertake sensitivity analyses.

³ DIPP: The software "Data Bank for the Investment Promotion Programme" provides a package for Investment Promotion Agencies in developing countries to keep track of investment promotion activities at the level of each individual negotiation.

- (ii) [quote] "To build contacts with enterprises in their host countries willing to consider a business venture with a partner in a developing country or to provide inputs for such a venture,"

"To gather, present and disseminate information on specific manufacturing facilities which enterprises in their host countries seek to establish in developing countries through a business partnership with a local entrepreneur; to assist in identifying local partners and help both parties to conclude an agreement;"[unquote]

The IPS Athens will specifically:

- Establish contacts with local industrial associations, investment and commercial banks, chambers of commerce, etc. in Greece. Those organizations which are willing to cooperate with the IPS in identifying investment opportunities in developing countries and promoting investment in association with the IPS, should be retained as local contact points;
 - Establish, through the contact points or directly, working relations with Greek enterprises willing to act as foreign investor for investment in developing countries;
 - Establish a roster of contact points and potential investors in Greece forming the basis for a data bank which utilizes the DIPP software. The data bank should be continuously updated and expanded.
- (iii) [quote] "To utilize their contacts with host country enterprises for the promotion of the investment projects referred to above by informing such enterprises of these projects and of foreign resources sought by their local investors. To provide information on individual local investors and on the climate for investment in the developing countries concerned;" [unquote]

Specifically the IPS Athens will:

- Ensure circulation of project profiles in Greece to potential investors;
 - Provide information and contacts to potential foreign investors/partners from Greece on investment opportunities and local sponsors/investors in developing countries, assisting them if and as required;
 - Distribute in Greece information on investment climate, legislation, incentives, approval procedures and other formalities required to formalize an industrial cooperation agreement with local partners in developing countries concerned;
 - Provide contact to and information on local financial institutions in developing countries willing to provide loans or equity participation to industrial cooperation agreements.
-

- (iv) [quote] "To bring the local investor and the prospective foreign partner into direct contact through UNIDO investment project promotion meetings/forums and through any other appropriate means with a view to their commencing negotiations on co-operating in the implementation of the project;

"To assist developing countries in arousing the interest of potential foreign partners in industrial investment opportunities and in the incentives offered by those countries, by receiving delegations representing both the public and private sector and arranging direct contacts between the members of these delegations and the industrial and financial communities of the host countries;" [unquote]

The IPS Athens will in particular:

- Provide support to investment forums organized by UNIDO Headquarters or other IPSs, by promoting the investment proposals of the particular event among the Greek business community, as well as arranging the participation of interested business representatives and potential investors from Greece in the event;
 - Receive official delegations from foreign countries interested in establishing direct contacts with the Greek business community, introducing the visitors to potentially interested parties;
 - Introduce the required inputs into the DIPP Data Bank, organize the above activities, monitor the follow up and register the results of the promotion.
- (v) [quote] "To support and assist both parties in their negotiations and in completing the preparation of pre-investment studies, up to the stage at which the parties can conclude a written agreement to implement the project;" [unquote]

Upon request by the concerned industrial partners, the IPS Athens will carry out the following activities:

- Assist negotiating parties in their discussions up to the stage at which the parties will conclude a detailed written agreement to implement the project;
 - Make available and use the UNIDO knowhow and expertise in the field of technology transfer and acquisition, contractual arrangements, investment guarantees, compliance with international standards in quality, environment, etc. In particular, the negotiating parties could avail themselves of the support of COMFAR/PROPSPIN, to assess the results of variables introduced during the negotiations; could receive guidance from UNIDO's model contracts for certain specific fields; and be assisted in obtaining government clearance for the proposal if such formality is required by the country hosting the investment;
 - Assist in the definition of a financial package and mobilization of financing resources necessary for the implementation of the project;
 - If adequate provision is allocated in the IPS Budget, to apply the Project Completion Facility (PCF) which offers the possibility of testing the agreement formalized by the parties before they proceed with the investment, using the
-

UNIDO methodology for preparing a feasibility study through the COMFAR⁴ (the facility offers both a quality test and better access to financial institutions and their credit lines);

- Monitor the process of each negotiation and secure its follow up, by entering detailed information on each negotiation step into the DIPP Data Bank.
- (vi) [quote] "To assist the developing countries in building and strengthening national capabilities for attracting foreign investment by hosting delegations from developing countries and providing them with on-the-job orientation through the promotion vis-à-vis potential foreign partners of specific investment opportunities in their home countries;" [unquote]

The IPS Athens will:

- Interact with the National Investment Promotion Agencies/Units of developing countries concerned; provide them with high-level advice and/or support; organize on an *ad-hoc* basis with some of their staff training sessions/courses on subjects of interest to these institutions;
- Develop a Delegates Programme, in accordance with the relevant provisions made in the IPS Operational Manual. In particular, the IPS Athens will regularly host delegates from selected developing countries for a given period in order to promote industrial partnerships and joint ventures with those countries.
- (vii) [quote] "To undertake such other activities as are conducive to the achievement of the objective of IPSs." [unquote]

The IPS Athens will, in particular:

- Act as a catalyst and source of technical expertise in the design, organization and implementation of key events organized at the national, regional and international levels, possibly with high-level international sponsorship;
- Contribute to the design and/or implementation of other investment and technology-related activities and programmes; contribute to the mobilization of financial resources for such programmes (multiplying effect through the IPS);
- Act, if required, as an efficient channel of communication to bring UNIDO programmes, expertise, documentation, studies to the attention of interested authorities, organizations and enterprises in Greece;

⁴ COMFAR: The software package "Computer Model for Feasibility Analysis and Reporting" COMFAR III Expert provides a user-friendly methodology for the preparation of opportunity and feasibility studies, which is recognized worldwide for its quality and reliability. The software is based on the UNIDO "Manual for the Preparation of Industrial Feasibility Studies".

- Actively participate in activities developed by UNIDO in the field of investment by contributing to the strengthening of the entire IPSs Network and the development of innovative tools and methods;
- Carry out activities as required by UNIDO's IPS mandate, regulations and procedures, in particular as far as financial, technical and administrative reportings are concerned.

METHODOLOGIES, MECHANISMS AND SOFTWARES

- The IPS Athens will use the following methodologies, mechanisms and softwares developed by UNIDO for industrial investment promotion and for use by the IPS Network:
 - Operational Manual for IPSs
 - Industrial Investment and Technology Project Profile (IITPP) Form
 - Data Bank for Investment Promotion Programme (DIPP) Software
 - Computer Model for Feasibility Studies and Reporting (COMFAR) Software
 - Project Profile Screening and Pre-Appraisal Information System (PROPSPIN) Software
 - Project Completion Facility (if a budget allocation is made)
 - Delegates Programme
 - UNIDO manuals, model contracts, etc, in the field of technology transfer.

BENEFICIARIES

- Industrial companies and entrepreneurs in Greece involved in industrial cooperation with partners from developing countries and countries with economies in transition;
- Institutions, organizations (investment boards, federations of industries, chambers of commerce, etc.) involved in industrial cooperation with the IPS Athens;
- Delegates hosted by IPS Athens.

COORDINATION ARRANGEMENTS

- The IPS will be supervised by the Investment and Technology Promotion Branch within the Investment and Technology Capacity-Building Division at UNIDO Headquarters Vienna, who will consult with other UNIDO services as required. The IPS will coordinate its activities with other units and projects of UNIDO concerned with industrial investment;
- Further, the IPS will cooperate closely with other IPSs in the UNIDO Network. Provisions should be made in the budget for the IPS Head to participate in the twice-yearly coordination meetings for all Heads of IPSs organized by UNIDO Headquarters;
- Finally, cooperation arrangements will be maintained by the IPS with the responsible host country authorities and institutions.

BUDGET FOR THE IPS

- In line with the anticipated level of activity of the IPS, a Budget showing the required cash and in-kind contributions from the Government and estimated expenditures for operation of the IPS will be submitted by UNIDO to the Government of Greece for approval in advance.

ANNUAL WORK PROGRAMME

- An Annual Work Programme will be prepared and submitted before 1 January by the Head of the IPS to UNIDO Headquarters for approval. UNIDO will in turn submit the Annual Work Programme to the Government of Greece for approval;
- The Annual Work Programme should give a detailed description of the proposed priorities, activities, specific projects and events during the coming year, together with a proposed time schedule and quantified achievement targets.

REPORTING

- UNIDO shall furnish the Government of Greece with an annual report on the activities of the IPS, as well as an annual financial statement;
- The Head of the IPS will submit to UNIDO Headquarters progress reports, as and when necessary, and an annual report (by 31 January) as well as other information as specified in the IPS Operational Manual and other UNIDO directives.

Annex IV: Statement of accounts 2000



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

VIENNA INTERNATIONAL CENTRE
P.O. BOX 300, A-1400 VIENNA, AUSTRIA
TELEPHONE: (++43 1) 26026-0 FAX: (++43 1) 269 26 69

www.unido.org

unido@unido.org

4 April 2001

Dear Mrs. Fountoulaki,

I have the pleasure to enclose, herewith, a Financial Statement as at 31 December 2000 reflecting the status of the special-purpose contribution of Greece to the Industrial Development Fund.

Please also find attached a Project Budget Revision dated 13 March 2001, rephasing funds from 2000 into 2001 according to actual expenditures for project US/GLO/98/068 – UNIDO service in Greece for the promotion of industrial investment and the strengthening of cooperation with developing countries.

I would be grateful if you would kindly transmit the enclosed documentation to your authorities for their information and review.

With kind regards,

Yours sincerely,

A handwritten signature in black ink, appearing to be "JN Aquistapace".

Jean-Noël Aquistapace
Financial Resources Mobilization

Mrs. Ekaterini Fountoulaki
Alternate Permanent Representative
of Greece to UNIDO
Argentinierstrasse 14
1040 Vienna



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Industrial Development Fund Donor Statement
Special Purpose Convertible

GREECE

As at 31 December 2000
(In US Dollars)

Status of Funds Received and Approvals:

Net receipts until 31.12.99 (includes interest income until 31.12.99)	3,176,609	
Net receipts 2000	492,085	
Interest income 2000	72,328	
Total net receipts until 31.12.2000	<hr/>	3,741,022
Projects approved against net receipts (includes budget for operation of ITPO up to 31 December 2001)		<hr/> (3,443,633)
Amount available for programming		297,389
<hr/>		
Total expenditures including support costs (ongoing and projects financially closed in current year – see annex)		2,799,463
Uncommitted balance (funds budgeted and to be expended in the current and future years)		<hr/> 644,170
		3,443,633

Annex V: Statement of accounts 2001



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

VIENNA INTERNATIONAL CENTRE
P.O. BOX 300, A-1400 VIENNA, AUSTRIA
TELEPHONE: (+43 1) 26026-0 FAX: (+43 1) 260 26 6813 www.unido.org unido@unido.org

25 April 2002

Dear Mr. Fountoulaki,

I have the pleasure to enclose, herewith, a Financial Statement as at 31 December 2001 reflecting the status of the special-purpose contribution of Greece to the Industrial Development Fund.

I would be grateful if you would kindly transmit the enclosed documentation to your authorities for their information and review.

With kind regards,

Yours sincerely,

Jean-Noël Aquistapace
Financial Resources Mobilization

Mr. Ekaterini Fountoulaki
Alternate Permanent Representative
of Greece to UNIDO
Argentinierstrasse 14
1040 Vienna



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Industrial Development Fund Donor Statement
Special Purpose Convertible

GREECE

As at 31 December 2001
(In US Dollars)

○ Status of Funds Received and Approvals:

Net receipts until 31.12.00 (includes interest income until 31.12.00)	1,392,676	
Net receipts 2001	0	
Interest income 2001	28,028	
Total net receipts until 31.12.2001		1,420,704
Outstanding fund transfers for operation of ITPO up to 31 December 2003 (US\$ 229,607 and US\$ 554,994)		784,801
Projects approved against net receipts (includes budget for operation of ITPO up to 31 December 2003)		(2,177,277)
Amount available for programming		28,028

Total expenditures including support costs (ongoing and projects financially closed in current year – see annex)	819,654
--	---------

Annex VI: Statement of accounts 2002



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

VIENNA INTERNATIONAL CENTRE
P.O. BOX 300, A-1400 VIENNA, AUSTRIA
TELEPHONE: (++43 1) 26026-0 FAX: (++43 1) 260 26 6813

www.unido.org

unido@unido.org

26 June 2003

Dear Mrs. Fountoulaki,

I have the pleasure to enclose, herewith, a Financial Statement as at 31 December 2002 reflecting the status of the special-purpose contribution of Greece to the Industrial Development Fund.

As you may be aware, the outstanding fund instalment of US\$ 554,994 to cover operation of the Investment and Technology Promotion Office in Athens, was received in May 2003. This payment removes the negative balance shown on the statement and results in a positive programmable balance of US\$ 72,523. I would also like to inform you that the project entitled "Facilitating market access of Armenian industry and attracting foreign investments through UNIDO ITPO Offices" was approved, with a budget of US\$ 35,456 including programme support costs, in February 2003. Taking these facts into consideration, the balance available for programming is correspondingly reduced to US\$ 37,068.

I would be grateful if you would kindly transmit the enclosed documentation to your authorities for their information and review.

With kind regards,

Yours sincerely,

Jean-Noël Aquistapace
Financial Resources Mobilization

Mrs. Ekaterini Fountoulaki
Alternate Permanent Representative
of Greece to UNIDO
Argentinierstrasse 14
1040 Vienna



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Industrial Development Fund Donor Statement
Special Purpose Convertible

GREECE

As at 31 December 2002
(In US Dollars)

Status of Funds Received and Approvals:

Net receipts until 31.12.01 (includes interest income until 31.12.01)	1,420,703
Net receipts 2002	
Funds received towards operation of ITPO, Athens	229,607
Unutilized balance of appropriations	35,456
Interest income 2002	<u>9,040</u>
Total net receipts until 31.12.2002	1,694,806
Projects approved against net receipts (includes budget for operation of ITPO up to 31 December 2003)	<u>(2,177,277)</u>
Amount available for programming	(482,471)
<hr/>	
Total expenditures including support costs	1,294,320

NB: Interest amount for 2002 is provisional. Necessary adjustment will be made during 2003.

Annex VII: List of Delegates 1999 – 2003

DELEGATES AT ITPO ATHENS

(1999 – 2003)

2000

Delegate from Bahrain: Mr. Nabbel A. Rahman Al-Mahmood

Programme commenced: 4 March 2000
Programme ended: 7 April 2000

UNIDO ITPO Athens Office covered accommodation and living expenses (DSA) only.

2001

Delegate from Yerevan, Armenia: Mrs. Narine Sahakyan

Programme commenced: 15 November 2001
Programme ended: 14 December 2001

Programme expenses were borne by UNIDO, Vienna.

2003

Delegate from Shanghai, China: Mrs. You-Lu Zhang

Programme commenced: 26 March 2003
Programme ended: 01 July 2003

UNIDO ITPO Athens Office covered accommodation and living expenses (DSA) only.
