



Webinar report: Implementing Investment Facilitation for Development:

What are the next steps?

The webinar on “*Implementing Investment Facilitation for Development: What are the next steps?*”, co-organized by the International Trade Centre (ITC), the German Development Institute/ Deutsches Institut für Entwicklungspolitik (DIE), the World Association of Investment Promotion Agencies (WAIPA), and the World Economic Forum (WEF), took place on 17 September 2021, from 15:00 to 16:15 Geneva time. The webinar hosted approximately 100 participants. The webinar was held in the framework of the Investment Facilitation for Development project, jointly implemented by the ITC and DIE. This was the 7th webinar in a series meant to assist investment promotion agencies (IPAs) and policymakers strengthen their capacity to facilitate higher FDI flows, especially investment flows that directly contribute to development.

Opening remarks were provided by Rajesh Aggarwal, Officer in Charge, Director, Division for Market Development, ITC. The webinar was moderated by Matthew Stephenson, Policy and Community Lead, International Trade and Investment, WEF, and included the following speakers: João Luis Rossi, Deputy Special Secretary of Foreign Trade and International Affairs, Ministry of Economy, Brazil; Bostjan Skalar, CEO, WAIPA; Lisa Schroeter, Global Director, Trade and Investment Policy, Dow, USA; and Philippe Isler, Director, Global Alliance for Trade Facilitation. Concluding remarks were provided by Karl P. Sauvants, Resident Senior Fellow, Columbia University, CCSI.

The webinar’s programme is annexed to this report.

Summary of the main issues

As countries seek to restart their economy following the COVID-19 pandemic, governments at the national, regional and international levels, are creating investment facilitation frameworks to increase foreign direct investment (FDI) flows. The discussion focused on the following practical steps that should be taken in order to implement investment facilitation measures, elaborated further below.

- Institutional infrastructures and mechanisms should be put in place to implement investment facilitation measures. Such infrastructures and mechanisms should have high level support within the government and bring together all relevant stakeholders to ensure the facilitation of sustainable FDI.
- Stakeholder consultations should be established throughout the investment facilitation process, as investors and other stakeholders can provide practical inputs to ensure that the

development of investment facilitation measures, and their subsequent implementation, correspond to the needs of stakeholders.

- Stakeholder consultations mechanisms should include multinational enterprises (MNEs), civil society representatives and the local community, to develop a FDI strategy that facilitates sustainable FDI.
- The implementation of investment facilitation measures requires technical assistance and capacity building for developing countries, especially LDCs. Technical assistance is also required to establish national investment committees and institutional frameworks that will be responsible for the implementation of investment facilitation measures, in addition to the measures themselves.
- The implementation of investment facilitation measures requires more technical assistance than trade facilitation measures, as investment facilitation does not only deal with obstacles at the border, but also with regulatory frameworks behind the border, the entire life cycle of an investment and all levels of government.

I. The next steps for implementing investment facilitation measures

Institutional infrastructures at the national level should be put in place to implement investment facilitation measures. Such infrastructures should have high-level support within the government and bring together all relevant stakeholders to ensure the facilitation of sustainable FDI. In particular, national investment committees involving all relevant stakeholders should be established. The establishment of such committees requires – especially in developing countries and LDCs – technical assistance and capacity building.

It was noted that many IPAs do not have the capacity to establish a comprehensive FDI strategy that not only facilitates FDI flows in general but facilitates sustainable FDI in particular. Accordingly, IPAs need to establish strong relationships within the government, with the private sector, civil society and with the local communities that may be affected, to develop such a strategy. In this regard, governments should establish a whole-of-government approach, to ensure the implementation of investment facilitation provisions. IPAs have the responsibility to connect the dots and make sure that investors talk with the right people and get the information they need from relevant governmental agencies.

During the webinar, it was emphasized that stakeholder consultations should be incorporated throughout the investment facilitation process, including during the negotiation phase of investment facilitation agreements, such as the WTO IFD Agreement, as stakeholders can provide practical inputs to ensure that the development of investment facilitation measures and their subsequent implementation reflect the interests of stakeholders. It was also emphasized that international investment agreements should provide for stakeholder consultation mechanisms that can assist in operationalizing the implementation of investment facilitation measures. Such mechanisms should bring together the public and private sectors and can take different forms, such as national investment committees or a task force for regulatory cooperation. Public-private partnerships can establish action agendas, assist in risk assessment processes and facilitate knowledge sharing of commercial opportunities and best practices for facilitating sustainable investment.

When establishing stakeholder consultations mechanisms, all the relevant stakeholders should be included. For instance, it is important that representatives from all government levels take part in the process, from the central government to the city level, including national and sub-national IPAs. In addition, it is important to involve the private sector and civil society. Such deliberations should include also efforts from all sides to facilitate and promote sustainable FDI. Mechanisms to track the progress should be established as well.

II. Operationalising facilitation through a global alliance and public-private projects: what investment facilitation can learn from trade facilitation

The idea behind the Global Alliance for Trade Facilitation (GATF) was the realisation that there is a need not only to consult the private sector but to also bringing traders into the process of identifying and implementing the right measures, i.e., those that make a difference to facilitating trade in practice. The GATF is a public-private partnership that was established as part of the implementation process of the TFA. It provides technical assistance in the form of practical projects that assist in the implementation of the TFA. In this regard, the TFA provides the benchmark for the implementation of trade facilitation measures and enables a political buy-in from WTO Members. It was noted that it was important to bring the private sector into the GATF to support the implementation process as it brings efficiency and practical aspects to ensure that the implementation process is outcome oriented and achieves measurable, tangible results. It was mentioned that, because the implementation process under the TFA takes time, it is important that the process includes interim milestones to show stakeholders that progress is being made. Such a milestone approach should also be undertaken during the implementation process of the IFD. Additional lessons learned from the implementation of the TFA were to prioritize the implementation process and to move on from approaches that are not working.

III. The need for technical assistance and capacity building for the implementation of investment facilitation measures

The implementation of investment facilitation measures requires technical assistance and capacity building for developing countries and especially LDCs. Technical assistance is specifically required to establish national investment committees and institutional frameworks that will be responsible for the implementation of investment facilitation measures. It was emphasized that the implementation of investment facilitation measures requires more technical assistance than the TFA, as it not only deals with obstacles at to border, but also regulatory frameworks behind the border, the entire life cycle of investments, as well as all levels of government, from the central level down to the city level.

In addition, it was noted that, from the donor perspective, it is important to establish tracking and notification mechanisms that will enable actors to demonstrate the progress made and the benefits gained from implementing investment facilitation measures. Such mechanisms will assist in getting the support and funding needed for technical assistance and capacity building.

Annex I: Invitation



Webinar invitation: Implementing Investment Facilitation for Development: What are the next steps? 17 September 2021

Dear Colleagues,

On behalf of the International Trade Centre (ITC), the German Development Institute/ Deutsches Institut für Entwicklungspolitik (DIE), the World Association of Investment Promotion Agencies (WAIPA), and the World Economic Forum (WEF), we cordially invite you to a webinar on:

Implementing Investment Facilitation for Development: *What are the next steps?*

The webinar will take place on **17 September 2021**, from 15:00 to 16:15 Geneva time (Central European Time), 09:00 to 10:15 Eastern Standard Time, and 21:00 to 22:15 China Standard Time.

The webinar is being held in the framework of the Investment Facilitation for Development [project](#), jointly implemented by the ITC and DIE.

This is the 7th webinar in a series meant to assist investment promotion agencies (IPAs) and policymakers strengthen their capacity to facilitate higher FDI flows, especially investment flows that directly contribute to development; it will also provide an opportunity to exchange experiences regarding investment facilitation, including with investors.

The 7th webinar will focus on practical issues regarding **implementing investment facilitation measures for development**. Implementing investment facilitation measures is increasingly important for at least three reasons. First, foreign direct investment (FDI) fell by 35% in 2020 according to UNCTAD's latest World Investment Report, motivating increased efforts to reverse this trend. Second, countries are adopting investment facilitation frameworks – both at the national and subnational levels – as well as entering into regional initiatives to facilitate investment. Third, negotiations on a World Trade Organization (WTO) investment facilitation for development (IFD) agreement are advancing rapidly, with more than 100 Members participating. Experience with the

WTO Trade Facilitation Agreement (TFA) shows that implementation is a key element to achieve benefits from an agreement.

The discussions will be informed by “*Investment Facilitation for Development: A Toolkit for Policymakers*”, [available here](#).

Please feel free to share this invitation with officials dealing with FDI, as well as representatives of the private sector who might be interested in this subject.

The webinar will be conducted in an interactive manner and allow for questions by participants.

The webinar will feature the following speakers:

Opening: Rajesh Aggarwal, Chief Trade Facilitation and Policy for Business, ITC

Moderator: Matthew Stephenson, Policy and Community Lead, International Trade and Investment, WEF

Experts and practitioners:

João Luis Rossi, Deputy Special Secretary of Foreign Trade and International Affairs, Ministry of Economy, Brazil – “*Creating a National Investment Facilitation Committee: Learnings from the experience of Brazil*”

Bostjan Skalar, CEO, WAIPA – “*The importance of stakeholder consultations to facilitate investment?*”

Lisa Schroeter, Global Director, Trade and Investment Policy, Dow, USA – “*How can the implementation of investment facilitation measures speed up economic recovery and what are good examples of public-private collaboration?*”

Philippe Isler, Director, Global Alliance for Trade Facilitation— “*Operationalizing facilitation through a global alliance and public-private projects: what investment facilitation can learn from trade facilitation*”

Concluding remarks: Karl P. Sauvant, Resident Senior Fellow, Columbia University, CCSI

Participation in the webinar is free of charge. However, it is necessary to register for the event (please [click here](#)), to receive the meeting link details.

The webinar will be delivered through Zoom.

We are looking forward to welcoming you at the webinar!

Best regards,

Rajesh Aggarwal, ITC; Axel Berger, DIE; Karl P. Sauvant, Columbia University/CCSI; Bostjan Skalar, WAIPA; Matthew Stephenson, WEF

Background material

Axel Berger and Karl Sauvant, eds. *Investment Facilitation for Development: A toolkit for policymakers*, 2021, International Trade Centre, [available here](#).

World Economic Forum. *Launching an Alliance to Enable Action on Sustainable Investment (EASI)*, June 2021, [available here](#).

Bios:

Rajesh Aggarwal

Rajesh Aggarwal is Chief of the Trade Facilitation & Policy for Business Section of the International Trade Centre (ITC), Geneva. He is leading a program of assisting the private sector in developing countries to be the change agent for trade policy reform and engage in business advocacy with their governments in design and implementation of trade policies and negotiating positions that reflect the business interests. Before joining the ITC, he worked for the Indian Government and participated in WTO Doha Round of trade negotiations. He has published papers in the area of trade negotiations, including a paper titled “Dynamics of Agriculture Negotiations in WTO” in the Journal of World Trade.

Philippe Isler

Philippe Isler is Director for the Global Alliance for Trade Facilitation and is based at the World Economic Forum. The Global Alliance aims at incubating and delivering trade facilitation projects through both donor countries and private sector companies working jointly. He has been leading trade facilitation initiatives for the past 15 years in many parts of the world. He also spent 10 years developing traceability solutions aimed at tracking consignments transiting through countries with harsh environments. He was Vice-President at SGS Group leading government and institutions business development for trade community systems, e-government, telecom monitoring and port/customs operations. He has a BSc in Aerospace Engineering, Bristol University.

João Luís Rossi

João Luís Rossi is Deputy Special Secretary of Foreign Trade and International Affairs, Brazil. He has been a career Foreign Trade Analyst since 2001, having held various positions in international affairs, such as the Head of International Advisory Office of the Minister and General Coordinator of Extra-regional Negotiations of the Secretariat of Foreign Trade. He was also Director of Market Access and Competitiveness at the Ministry of Agriculture, Livestock and Supply between 2015-2017, and Senior Advisor for International Affairs to the Minister of Industry, Foreign Trade and Services between 2017-2018. In 2019, he was Deputy Undersecretary for International Negotiations at the Foreign Trade Secretariat of the Ministry of Economy.

Karl P. Sauvant

Karl P. Sauvant introduced the idea of an International Support Program for Sustainable Investment Facilitation in the E15 Task Force on Investment Policy in 2015. From there, the proposal was taken forward in the WTO. He has written extensively on this subject (see <https://ssrn.com/author=2461782>), participated in various events relating to it and currently assists the ITC and DIE on a project on Investment Facilitation for Development. He retired in 2005 as Director of UNCTAD's Investment Division and established, in 2006, what is now the Columbia Center on Sustainable Investment (CCSI). He stepped down as the Center's Executive Director in 2012, to focus his work, as a CCSI Resident Senior Fellow, on teaching, research and writing.

Lisa Schroeter

Lisa Schroeter is the Global Director of Trade and Investment Policy for The Dow Chemical Company. She has direct responsibilities for defining and managing the company's global trade agenda as well as developing strategy on the international aspects of key corporate issues, including investment. Before joining Dow, she was the Executive Director of the TransAtlantic Business Dialogue (TABD). She is a member of the Council on Foreign Relations (CFR); President of Women in International Trade (WIIT) and a Board Member of the Washington International Trade Association, US Council for International Business and the US-ASEAN Business Council.

Bostjan Skalar

Bostjan Skalar is currently serving as Executive Director - CEO of the World Association of Investment Promotion Agencies (WAIPA). WAIPA is the umbrella organization of IPAs worldwide, established in 1995 under auspices of UNCTAD. Previously he served as the Director of the Slovenian Public Agency for Promotion of the Investment, Internationalization, Entrepreneurship and Tourism. He also served as a Consul for Economic Affairs of Slovenia in Istanbul, Turkey. He has effectively performed his international business activities and managing roles in different sectors in many countries. He has over 20 years of management experience and is one of the global leaders in the investment promotion area with a private-sector focus.

Matthew Stephenson

Matthew Stephenson is Policy and Community Lead for International Trade and Investment at the World Economic Forum, where he manages the Global Investment Policy and Practice initiative. Previously, he worked at the IFC, where he led the workstream on outward FDI. He has also worked at the OECD on Africa and investment and served as a diplomat for the U.S. Department of State, leading the economic team on Afghanistan and managing economic programs in the Middle East. He is a member of the T20 Task Force on Trade and Investment. He has a PhD from the Graduate Institute in Geneva, a master's from the Harvard Kennedy School and a bachelor's from Oxford University.