

The WTO Investment Facilitation for Development Agreement

Attract more FDI through improving transparency, streamlining administrative procedures, promoting sustainable FDI, enhancing international cooperation

WHAT IS THE OBJECTIVE ?

Initiated by a group of developing and least-developed country Members at the World Trade Organization (WTO), [the Investment Facilitation for Development \(IFD\) Agreement](#) was finalized in November 2023. The Agreement seeks to facilitate the greater participation of developing and least-developed country Members in global foreign direct investment (FDI) flows by identifying a range of technical measures that help countries **attract not only more but better FDI** contributing to sustainable development.



WHAT DOES IT COVER?

Key areas included in the IFD Agreement to promote and facilitate investment

- **Transparency and predictability of investment measures:** publication and online availability of investment measures; publication of, and opportunity to comment on, draft measures; single information portal; no fees for accessing information
- **Streamlining and speeding up administrative procedures:** simplified authorization procedures; single-entry point; use of technology; fees and charges; appeal or review of administrative decisions, periodic review of investment measures
- **Better domestic regulatory coherence and cross-border cooperation:** focal points; domestic supplier databases; supplier development programmes; international cooperation
- **Special and different treatment** for developing and least-developed countries
- **Sustainable investment:** responsible business conduct; measures against corruption.

WHAT DOES IT NOT COVER?

Market access, investment protection, investor-State dispute settlement (ISDS)

KEY MESSAGES

“The IFD Agreement would not just help WTO Members attract and retain more investment, but also higher quality investment” – WTO Director-General Ngozi Okonjo-Iweala



“Breaking new ground in the WTO by including responsible business conduct and anti-corruption measures which contribute to sustainable development” – Ambassador Sofia Boza of Chile, co-coordinator of the IFD negotiations

“Technical assistance support will be provided to assist countries implement the Agreement and reinforce existing efforts on domestic reforms” – Ambassador Jung Sung Park of the Republic of Korea, co-coordinator of the IFD negotiations



WHY DO WE NEED IF MEASURES?

Countries' perspectives

Apart from economic considerations and the regulatory framework, [investment facilitation measures](#) are a key FDI determinant. By aligning FDI facilitation measures with global benchmarks, countries can attract higher and better FDI inflows to advance their sustainable development.

Investors' perspectives

According to a [survey](#) conducted by ITC, IADB and IDOS, disciplines included in the IFD Agreement respond to investors' needs. They help to create a transparent, efficient and investment friendly business climate. Key measures include opportunities to comment on proposed laws; availability of e-government services; one-stop-shop to file all applications; acceptance of international standards of responsible business conduct.

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Global needs

The [World Investment Report 2023](#) shows that global FDI flows suffered from a cascading crisis of economic, health and climate change shocks, causing them to fall by 12%, to US\$1.3 trillion, in 2022. Countries that are particularly in need of higher FDI flows are the least developed countries.

HOW CAN THE IFD AGREEMENT HELP COUNTRIES FACILITATE FDI?

- Providing global benchmarks for investment facilitation measures that countries can reference
- Constituting a commitment device that countries can use to advance domestic FDI policy reforms
- Encouraging sustainable FDI to increase the contribution of FDI to sustainable development
- Signaling to foreign investors that a country is serious about improving conditions for incoming FDI
- Providing a global forum to promote best practices on investment facilitation
- Serving as a template for bilateral investment facilitation agreements
- Reinforcing and boosting existing efforts at the regional level
- Determining FDI facilitation gaps through needs assessments to identify technical assistance needs
- Channeling technical assistance for countries to improve their investment climate

Did you know?

A [recent study](#) estimates that, depending on the depth of the investment facilitation measures implemented, the Agreement could generate global welfare gains between US\$ 259 billion and US\$1,120 billion. Most gains accrue to middle and low-income developing countries, as they are expected to adopt more investment facilitation measures.

SUPPORT TO IMPLEMENT THE AGREEMENT

Special and Differential Treatment Provisions

Developing and least developed countries have the flexibility to determine their own pace and priorities at which individual provisions are implemented and receive technical assistance.

Investment Facilitation Self-Assessments

Developing and least developed countries can conduct self-assessment to identify their implementation gaps and the technical assistance required to fill these gaps. These self-assessments are based on the Investment Facilitation Self-Assessment Guide.

Inquire about getting technical assistance support

Investment facilitation self-assessments have already begun for some countries. Members interested in technical assistance to conduct self-assessment and implement the Agreement can request technical assistance from the WTO Secretariat or the ITC.

For more information

Please contact the WTO Secretariat: email-IFD@wto.org or contact Quan Zhao: zhao@intracen.org
For the ITC's Investment Facilitation for Development Project, please click [here](#)