



Global Action Menu for Investment Facilitation

Note on peer reviews and multi-stakeholder dialogue

UNCTAD's Global Action Menu for Investment Facilitation widely welcomed and strongly supported by the investment-development community, endorsed by policymakers worldwide and now available in its updated version.

The September 2016 update of UNCTAD's Global Action Menu on Investment Facilitation incorporates feedback and lessons learnt from multi-stakeholder consultations and intergovernmental processes, including endorsement by policymakers worldwide, as received at the UNCTAD14th Ministerial Conference and the Fifth World Investment Forum (WIF), as well as other fora.

Although facilitating investment is crucial for growth and sustainable development, national and international investment policies have paid relatively little attention to investment facilitation to date. Earlier this year UNCTAD took a step towards closing this gap, formulating its Global Action Menu on Investment Facilitation. It was based on the organization's rich experiences with investment promotion and facilitation efforts world-wide over the past decades, and on the 2012 edition of UNCTAD's Investment Policy Framework, as well as UNCTAD's SDG Investment Action Plan (2014). The Action Menu was first presented to the investment community in January 2016. Following an initial web-based, multi-stakeholder consultation process on the Investment Policy Hub, an upgraded version of the Global Action Menu was officially launched in June 2016 as part of UNCTAD's flagship World Investment Report (WIR), resulting in media coverage in over 100 countries. The subsequent World Investment Forum, which convened over 3'000 investment stakeholders from more than 150 countries, provided a platform for disseminating, field-testing and further improving the Action Menu.

At the WIF, the Global Action Menu benefitted from substantive inputs and comments from a multitude of investment-development stakeholders, including high-level policymakers from developing, developed and transition economies, the private sector and intergovernmental organizations. Ministers, heads of investment promotion agencies (IPAs), senior investment treaty negotiators, and other investment stakeholders all supported the initiative and requested UNCTAD to further develop policy advice, technical assistance and global consensus building activity in the area of investment facilitation.

Numerous speakers at the WIF underlined the need for improved facilitation of investment and reported on **how they were mainstreaming investment facilitation** by taking concrete actions as outlined in UNCTAD's Action Menu. Ensuring transparency and predictability in the formulation and implementation

of investment policies, improving the efficiency and effectiveness of investment administrative procedures, establishing accountability in lead agencies and building constructive stakeholder relationships, including at the sub-national level were frequently cited.

Participants also identified areas where there is **scope for future action**, such as strengthening local capacities at the city and municipality level to facilitate investment, incorporating facilitation aspects into investment treaties, and strengthening the "responsibility" dimension of investment facilitation. A key challenge highlighted by investment stakeholders was how to translate actions of the Menu into effective administrative practices at the national and subnational levels. The investment-development stakeholders urged UNCTAD to expand technical assistance activities aimed at supporting the dissemination and implementation of the Action Menu across the globe.

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The Global Action Menu for Investment Facilitation was at the center of the debate throughout the World Investment Forum. A number of individual events, addressing investment facilitation from different angles and perspectives at WIF, all referred to the need to bolster investment facilitation through a concrete global action plan:

- **Ministerial Roundtable on Investment and Enterprise.** High-level speakers noted the importance of investment facilitation measures and reported on how they were implementing concrete facilitation measures. These included amending regulations to reduce administrative costs, establishing online registration systems (frequently based on UNCTAD's e-Regulations systems), establishing specific centers or institutions for investment facilitation, or working with the private sector and subnational governments to boost investment facilitation. Ministers asked UNCTAD to extract best practices on facilitation and more broadly to continue work on investment facilitation.
- **Ministerial Roundtable on Transforming Economies for Sustainable and Inclusive Growth.** The Roundtable noted the relevance of investment facilitation as part of ongoing reform efforts, with speakers reporting on how their countries or institutions worked to foster investment facilitation. The event also flagged the importance of "responsible investment" in the facilitation context and called upon UNCTAD to develop new mechanisms to engage with the private sector for achieving the sustainable development goals (SDGs) through investment.
- **High-Level Tripartite Investment Promotion Conference.** The Conference looked at facilitation while exploring innovative ideas to attract investment in the SDGs. Speakers showcased best practices in integrating sustainability aspects and emphasized the importance of developing pipelines of bankable SDG projects, such as investment projects in the renewable energy sector. They also highlighted the critical role that partnerships (e.g. between IPAs and outward investment agencies) can play in facilitating SDG-related investments and noted the importance of investments in the information and communication technology (ICT) sector to support the SDGs. Participants agreed that transparency and predictability were crucial for an environment that is conducive to investors, including institutional investors. Such transparency would span a wide range of government conduct, including the online availability of comprehensive information on laws and regulations, on government practices, on investment opportunities and on investor services.

- **Meeting on Investing in Eastern Africa.** High-level policymakers provided a regional perspective on reforms towards ensuring a conducive business climate. Several of the action lines contained in the UNCTAD Menu (e.g. increased transparency, operational efficiency, regional cooperation on investment promotion and facilitation and single window services) were considered important for regional integration to stimulate investment for the benefit of East African economies.
- **High-level Conference on International Investment Agreements.** At the IIA Conference, which discussed how to make IIAs work better for sustainable development, participants agreed that IIAs should contain stronger provisions for investment promotion and facilitation. They noted that UNCTAD's Action Menu provides concrete policy options for IIAs, concurred that this would be a valuable reference point for future treaty models and formulations, and called upon UNCTAD to develop a roadmap on how to include facilitation provision in IIAs.
- **UNCTAD-UN Habitat event on Promoting Investment in Urban Development.** As part of the agenda of the joint UNCTAD-UN Habitat event, the Action Menu will feed into the third United Nations Conference on Housing and Sustainable Urban Development (Habitat III), in October 2016 in Quito, Ecuador. Urban experts noted that UNCTAD's Action Menu could also guide cities and municipalities in facilitating the much needed investments in sustainable urban development and stressed the importance of recognizing the local dimension of many facilitation efforts outlined in the Action Menu.

Throughout the Forum and the Ministerial Conference, investment-development stakeholders flagged the limitations and challenges developing countries face when striving to implement investment facilitation actions. Participants expressed appreciation for the technical assistance received by UNCTAD, including through its advisory services and capacity-building programme on investment policies, promotion and facilitation and its e-Regulations, eRegistration and Business Facilitation Services. They called upon UNCTAD to expand its technical assistance offer in this regard and appealed to donors to provide the necessary additional funding.

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In short, **the 2016 World Investment Forum and UNCTAD 14** served as a launch pad for an important **new UNCTAD policy drive** on investment facilitation and for the broad dissemination of UNCTAD's **Global Action Menu for Investment Facilitation**.

The Forum also allowed UNCTAD to pool global expertise in the investment and development field and channel it into this update. UNCTAD's Global Action Menu for Investment Facilitation is now set to establish itself as a major instrument for governments world-wide for their national and international policy needs.

This update of the Menu thus comes as a timely response to the renewed mandate from the UNCTAD 14th Ministerial Conference to further develop its efforts in investment promotion and facilitation through policy formulation, technical assistance and consensus-building.