

# INVESTMENT FACILITATION

## UNCTAD's Perspective

**James Zhan**

Director, Investment and Enterprise Division, UNCTAD

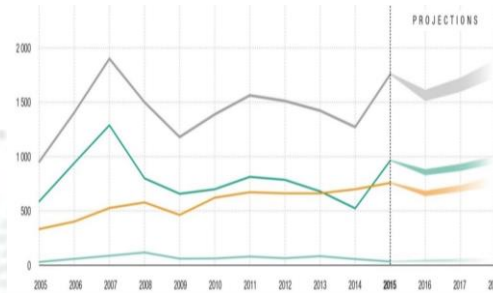
30 September 2016

# Why Investment Facilitation?

## 3 Challenges

1

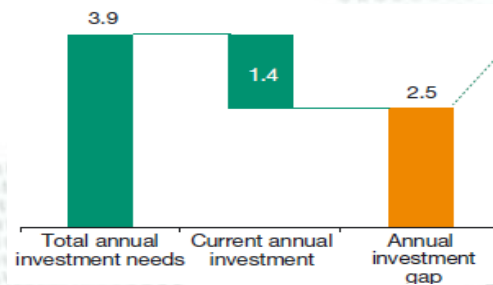
Productive investment gap



- Stagnating FDI growth: flows still 10% below pre-crisis peak, and 10-15 % decline expected in 2016
- Three-quarters of 2015 FDI growth due to corporate reconfiguration (including inversions)

2

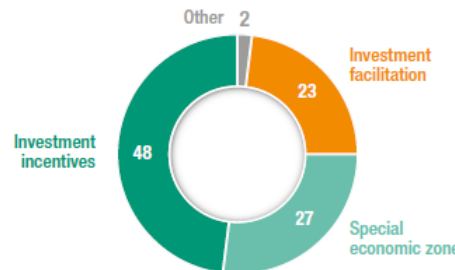
SDG investment gap



- SDGs face an annual investment gap of \$2.5 trillion for developing countries alone
- In key SDG-sectors: agriculture, renewable energy, water and sanitation, health and education,.....but also in general productive capacity!

3

Systemic policy gap



- Only 23% of national investment policy measures over the last 5 years addressed facilitation
- In 90% of International Investment Agreements facilitation is absent or weak

Source: ©UNCTAD

# The Investment Policy Components:

## Context



Source: ©UNCTAD

# What is Investment Facilitation?

## Concept

### Definition

Making it easier to invest and to do business

- Transparent and predictable rules
- Efficient administrative procedures
- Effective stakeholder relations
- Investor services (helping to deal with rules/procedures/disputes)

### **Investment Promotion** *'Marketing a location'*

### Key differences

- Predominant role for IPAs
- Competitive
- Focused on location-sensitive determinants for foreign investment
- Potentially costly and controversial (e.g. incentives/subsidies)

### **Investment Facilitation** *'Making it easier to invest and do business'*

- Whole-of-government approach, at all levels
- Less-competitive
- Important for all investment (including domestic investment)
- Cost-effective, possible efficiency gains

Source: ©UNCTAD

# UNCTAD's Global Action Menu for Investment Facilitation:

## Content

### *Action Line 1*

Promote accessibility and transparency in the formulation of investment policies, regulations, and procedures

### *Action Line 2*

Enhance predictability and consistency in the application of investment policies

### *Action Line 3*

Improve the efficiency and effectiveness of investment administrative procedures

### *Action Line 4*

Build constructive stakeholder relationships in investment policy practice

### *Action Line 5*

Designate a lead agency, focal point or investment facilitator

### *Action Line 6*

Establish monitoring and review mechanisms for investment facilitation

### *Action Line 7*

Enhance international cooperation for investment facilitation

### *Action Line 8*

Strengthen investment facilitation efforts in developing-country partners, through support and technical assistance

### *Action Line 9*

Enhance investment policy and proactive investment attraction in developing-country partners

### *Action Line 10*

Enhance international cooperation for investment promotion for development, including through provisions of IIAs

Source: ©UNCTAD

Available on UNCTAD's Investment Policy Hub

<http://investmentpolicyhub.unctad.org/>

INVESTMENT POLICY FRAMEWORK FOR SUSTAINABLE DEVELOPMENT



# How to go about it?

## UNCTAD's Approach

---

1

Instrument for facilitation

2

Consensus on good practices

3

Collaboration on implementation

- Action Menu for Investment Facilitation:
  - In line with sustainable development objectives
  - Minimize burden for governments
  - Flexibility: adapt and adopt in national and international policy practices
- Experts' design based on experience and good practices
- Multi-stakeholder consultations (Action Menu endorsed at 2016 World Investment Forum and UNCTAD Ministerial)
- Multi-level engagement (national, regional, international (e.g. G20))
- Flexibility: 'living document' for feedback of lessons learned
- Policy reviews (IPRs), Investment Facilitation review
- Technical assistance (eRegulations, Investment Portals, iGuides, IPA advisory and training)
- Peer-group learning and benchmarking: GER.co (the Global Enterprise Registration Portal)

Source: ©UNCTAD

# THANK YOU!

## Contact:

**Division on Investment and Enterprise**

Palais des Nations, 1211 Geneva 10, Switzerland

✉ [diaeinfo@unctad.org](mailto:diaeinfo@unctad.org)

🐦 [@unctadwif](https://twitter.com/unctadwif)

## Join us on:

<http://investmentpolicyhub.unctad.org/ipfsd>

<http://unctad-worldinvestmentforum.org>