

Draft Concept Note on Launching the  
**EASI Alliance**: Enabling Action for Sustainable Investment

# WORLD ECONOMIC FORUM

---

COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

ctifs.ch

## Challenge



Investment flows have fallen dramatically



Sustainable investments are held back by bottlenecks and jams

## Solution

### Enabling Action for Sustainable Investment

**AIM:** Tackle bottlenecks and jams, including through supporting the implementation of a future WTO Agreement on Investment Facilitation for Development, replicating success of the Global Alliance for Trade Facilitation

**PARTNERS:** UNCTAD, GIF, WAIPA, IFC, WB, WEF, DIE, ITC, EBRD, WTO, ESCAP

**ACTIVITIES:** Country projects to identify and address impediments to investments driving sustainable development through public-private collaboration; Regional cooperation, replication; Global knowledge sharing, political support building, scaling

**IMPACT:** Focus on quantifiable sustainable development impact through strong M&E

# Challenge

*“The international economic and financial systems are not only failing to deliver on the SDGs, but ... there has been substantial backsliding in key action areas. Governments, businesses and individuals must take action now to arrest these trends and change the trajectory.”*

Financing for Sustainable Development Report, 2020

Inter-agency Task Force on Financing for Development

## FDI has fallen dramatically, imperiling global sustainable growth.

Global FDI has fallen by a staggering [49%](#) in the first half of 2020. Yet developing economies often rely on FDI as their largest source of external finance, and FDI brings not only capital but also embedded attributes that can lead, *inter alia*, to positive effects on gender inclusion, employment (job creation, training, higher wages), productivity growth, as well as knowledge and technology transfer, both directly and through spillovers ([OECD](#), [World Bank Group](#)).

## FDI is thus an essential ingredient to help achieve the SDGs. And now it is missing.

Developing economies, sources of external finance (2010-2020, billions of dollars)

[Investment Trends Monitor](#)  
Issue 36, UNCTAD  
October 2020



Source: UNCTAD, based on UNCTAD (for FDI), World Bank (for remittances), IMF World Economic Dataset (for portfolio investment and other investment) and OECD (for ODA).

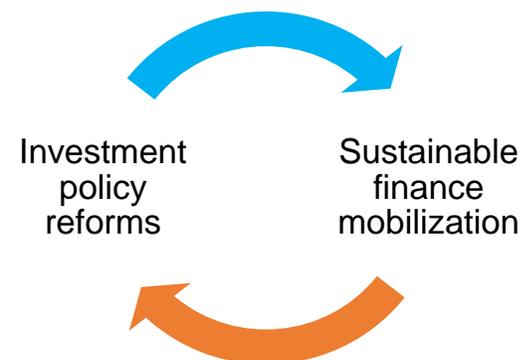
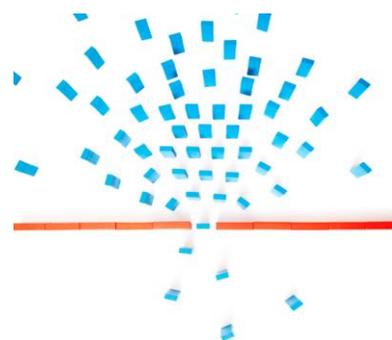
# Proposed solution

## Enabling Action for Sustainable Investment (EASI)

EASI will be a new public-private alliance with a dual objective:

- (1) **Address bottlenecks and jams** to investment flowing to productive and sustainable activities in developing markets
- (2) **Integrate investment policy reforms and finance mobilization** to better achieve sustainable development objectives

On the one hand, the pool of sustainable finance has been growing, [now surpassing \\$ 1.2 trillion](#), but bottlenecks and jams are limiting it flowing to developing-markets. At the same time, policy reforms and finance mobilization are symbiotically connected: policy and regulatory reforms create an enabling environment that attracts capital inflows; at the same time, the existence of untapped capital sources can help motivate policy and regulatory reforms to unlock these sources of finance, both FDI and portfolio investment.



*“Financing is not only about money. Policy and regulatory actions are also necessary both at national and international levels.”*

LIU Zhenmin

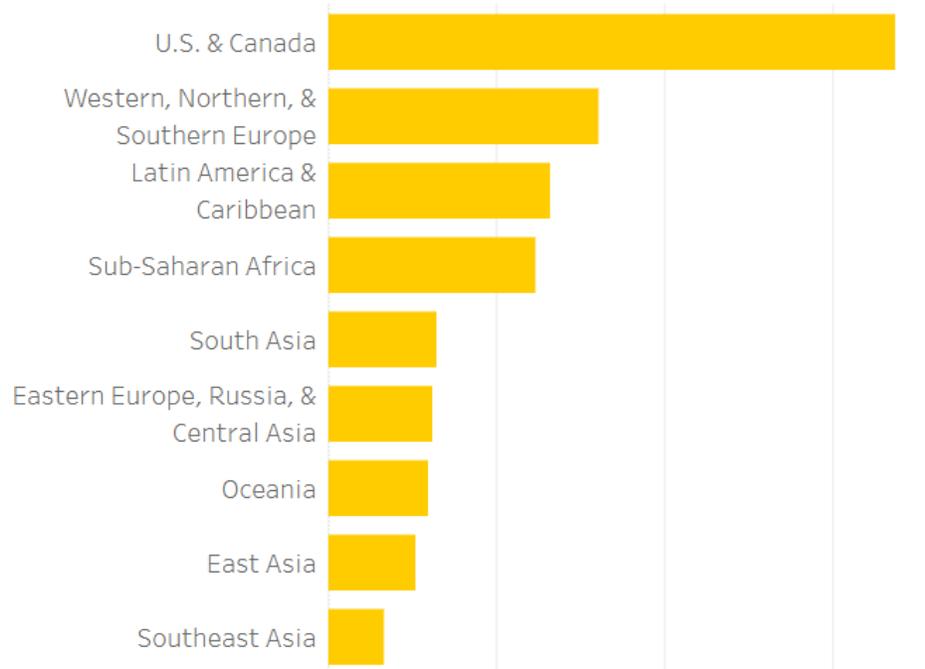
Under-Secretary-General for Economic and Social Affairs, United Nations

Chair of the Inter-agency Task Force on Financing for Development

2020

**While the pool of sustainable capital has been growing, it is not flowing to developing markets.**

Assets Under Management by Leading Impact Investors  
(USD Billion, Geography)



Global Sustainable Fund Flows (USD Billion, Quarterly)



Global Impact Investing Network, [“2020 Annual Impact Investor Survey”](#), June 2020

Morningstar, [“Global Sustainable Fund Flows”](#), October 2020

# Strategic approach: 2x3

## How will the EASI Alliance work in practice?

Two working methods, three levels of work.

<b>Working methods:</b>	<b>PUBLIC-PRIVATE MULTISTAKEHOLDER PROCESS</b>	<b>TOP-LEVEL POLITICAL AND BUSINESS ENGAGEMENT</b>
<b>Levels of work:</b>	<b>COUNTRY-LEVEL PROJECTS</b>	<b>REGIONAL AND GLOBAL COOPERATION AND REPLICATION</b>

*While reforms take place at the country level, cooperation and replication take place at the regional and global levels*

**Public-private, multistakeholder process:** An inclusive multistakeholder process will ensure the views and interests of all actors are reflected, while public-private collaboration will identify public-sector actions to boost private-sector activities.

**Top-level political and business engagement:** Translating a reform agenda into change on the ground requires top-level political and business engagement, and so project activities will involve high-level decision makers and build coalitions in support of change.

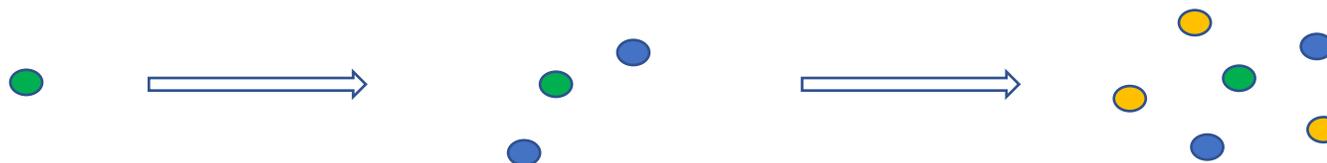
**Country-level projects:** Projects at the country level will identify bottlenecks and jams to sustainable capital flows through a public-private working group, to be addressed through policy reforms. EASI will build on the experience, approach, and quantifiable results of the [Global Alliance for Trade Facilitation](#).

**Regional and global cooperation and replication:** Country projects would form the basis for regional dialogues and cooperation, using a ‘spider-web’ approach: first neighboring economies and then broadening to the whole region. While the operational work would take place at the national and regional levels, activities and results would be showcased at the global level to catalyze further reform and cooperation through convening, messaging, and scaling.

# Strategic approach: 3 principles

## Organic scaling

Leverage existing country projects and relationships to scale through adding projects in regional neighbors, where there is public sector political commitment and private sector engagement.



## Balance and complementarity

In each region, grow projects in a balanced way, including smaller, relatively less developed economies and larger, relatively more developed economies. This will allow for complementarity, partnership, and peer-learning within the region. The WTO IFF framework section on cross-border cooperation, the [Investment Chapter of RCEP](#), and [recent scholarship](#) all point to how joint activities and partnerships between investment authorities can promote reform through both north-south and south-south collaboration.

## Integrate technology solutions to drive sustainable development

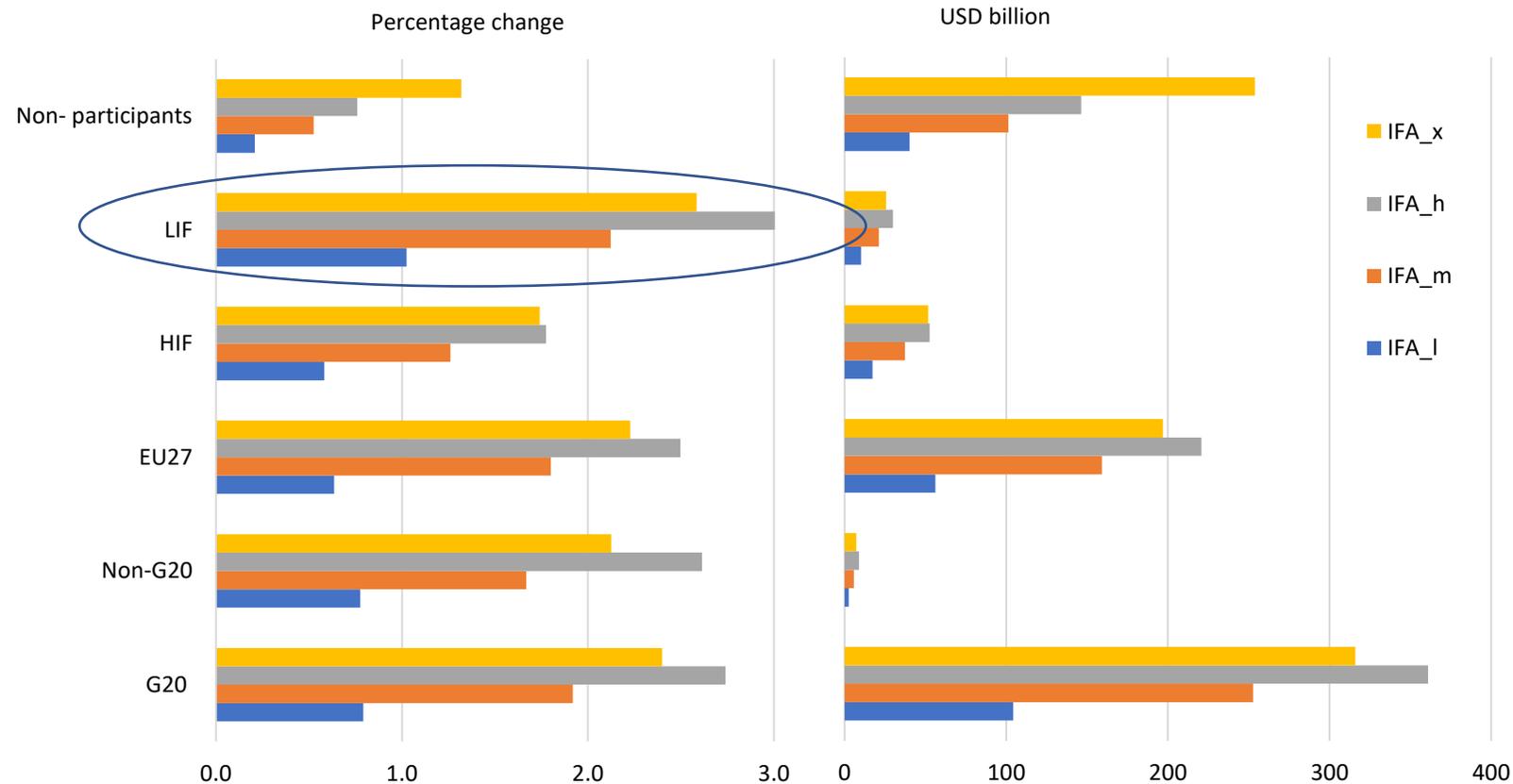
Special attention will be paid to [how digital and 4IR technologies can help advance sustainable development](#) outcomes guided by the Forum's [Sustainable Investment Framework](#) and leveraging the Forum's [Centre for the Fourth Industrial Revolution](#) and its growing number of [Affiliate Centres](#).



# Strategic approach: target economies

*Africa will be a focus given the Continent's investment and development needs coupled with negotiation of an **Investment Protocol** within the AfCFTA that will begin in 2021, creating a unique opportunity to cooperate and advance sustainable investment*

*A first step will be a high-level and technical event planned with UNECA and AUC on 3-4 March 2021*



Modeling by the German Development Institute (DIE) using its Investment Facilitation Index and different scenarios of ambition for an investment facilitation framework at the WTO suggest that global welfare can increase by between **\$230 billion** (low-ambition scenario) and **\$850 billion** (high-ambition scenario).

**Across all scenarios, low-income and middle-income (LIF) economies enjoy the greatest aggregate welfare gain (see circle). These economies will therefore be prioritized to maximize EASI's sustainable development impact.**

# Why now? 4 reasons

## 'Sustainable Investment 3.0'

*Adopting a new approach by building on the experience, opportunities, and growing synergies of the first five years*

### Global window of opportunity

There is [high-level commitment](#) to restart economic activity following COVID-19 through investment reforms, and to do so in a way that [builds back better](#), given a shift towards [stakeholder capitalism](#). This creates an opportunity to channel and build on political and corporate commitments, as well as strong support of public opinion and civil society towards this shift.

### WTO framework timing

There is growing support for a framework on [investment facilitation for development at the WTO](#), creating both the need and content for project activities. Over a hundred economies are negotiating an increasingly [substantive framework](#), with at least 11 economies having tabled new proposals since [negotiations were announced in Davos](#) in January 2020. Negotiators expect to reach a concrete outcome in 2021, setting the stage for cooperation and projects to drive investment reforms.

### Decade of delivery

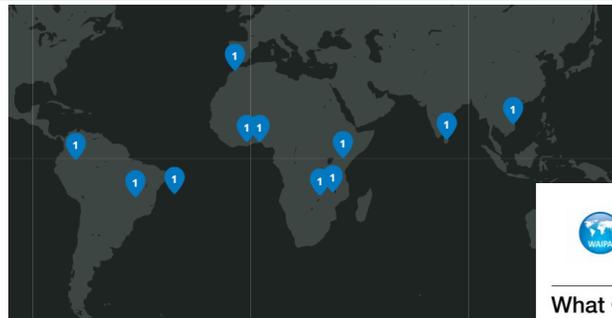
We are in the [final decade](#) before the SDG milestone of 2030, and so there is [strong support](#) to scale up resources and activities for a dash to reach as many SDGs as possible before the deadline. This can create constructive political pressure.

### Renewal of mandate and direction

The [Sustainable Investment Policy](#) initiative will complete its current cycle at the end of 2021, creating an opportunity for a new and improved strategic and operational approach, building on the experience of the first five years.

# Why the Forum? track record of delivering

Global Alliance for Trade Facilitation



**What Can Governments Do to Facilitate Investment?**  
Important measures identified through surveys

Expert Workshop on Opportunities and Challenges of Establishing an International Framework on Investment Facilitation for Development in the WTO

Input on Sustainable Investment Facilitation — WTO Structured Discussions on IF for Development



Concrete measures for a Framework on Investment Facilitation for Development: Report

Karl P. Sauvants and Matthew Stephenson\*

**Context**  
This paper was prepared as a technical input to the WTO Trade Facilitation (TF) Structured Discussions on Investment Facilitation (IF) for Development, which were held in Geneva on 17-18 October 2016. It was written by the World Association of Investment Facilitation Experts (WAIFE) and the World Economic Forum, and was peer reviewed.

**Methodology**  
The survey was based on data from countries that responded to WAIFE and the Forum's online survey. The WAIFE survey was available in French, Italian, and Spanish.

**Findings**  
The survey revealed that there were significant differences in the measures that were most important to respondents in different regions.

Proven experience hosting a global alliance that is delivering quantifiable benefits through a large country-project global footprint.

Advising on measures to include in the WTO framework through briefings, workshops, papers, proposals, and the **Investment Facilitation Commentary Group**, and co-authoring [Inventory of Investment Facilitation Measures](#), both together with ITC and DIE

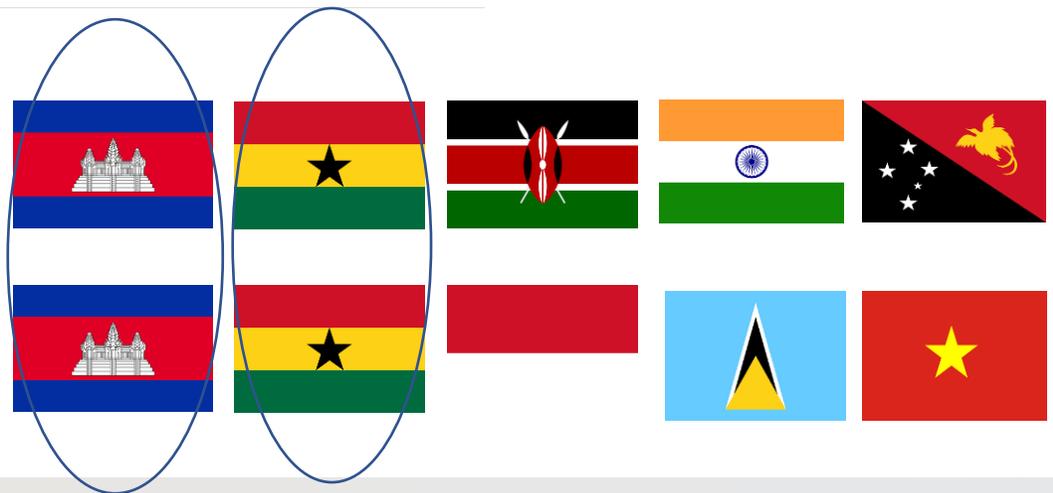
Ongoing country-level projects focused on sustainable investment policy, delivering reforms in **Cambodia and Ghana**

Ongoing country-level projects focused on sustainable finance mobilization through developing Country Financing Roadmaps in **Ghana and St Lucia**

WTO International Framework on Investment Facilitation for Development

Sustainable Investment Policy projects

Sustainable Development Investment Partnership projects



Experience with alignment and integration of efforts in both Cambodia and Ghana

# Examples of existing commitment and action

**Country Financing Roadmap  
in Ghana,**  
being developed by the  
**Sustainable Development  
Investment Partnership**



[Link to run video](#)

**Country Financing Roadmap  
in Saint Lucia,**  
being developed by the  
**Sustainable Development  
Investment Partnership**



*"Given the limited resources at our disposal, we will not be able to adequately respond, recover and safeguard our population without coordinated international support."*

[Allen Chastanet,](#)  
[Prime Minister of Saint Lucia](#)

**[Facilitation 2.0](#)**  
in **Papua New Guinea,**  
developed by the  
**Platform for Trade & Global  
Economic Interdependence**



[Link to run video](#)

**DRAFT  
CONCEPT**

# Suggestion of partners, for discussion

**EASI could be jointly led by core institutions, in close cooperation with others as a tentative approach**

This approach builds on the successful [GATF model](#); this is proposed because of complementary skill sets and roles, as well as ongoing collaborations that are working well, so EASI would start up rapidly and smoothly. Collaboration is envisioned with organizations that have important **operational activities**, **knowledge**, **analytical frameworks** or play key **institutional roles**.



<ul style="list-style-type: none"> <li>- Venture capital for innovation in developing economies</li> <li>- Creating markets for other financial actors</li> <li>- Policy enablers to de-risk investment climates</li> </ul>	<ul style="list-style-type: none"> <li>- Thought leader on tools, concepts on investment for development</li> <li>- Focus on developing economies</li> <li>- Ongoing collaboration and interest in partnership</li> </ul>	<ul style="list-style-type: none"> <li>- Investment officials/policymaker relationship</li> <li>- Platform for knowledge sharing and partnership</li> <li>- Ongoing collaboration (papers, workshops)</li> </ul>	<ul style="list-style-type: none"> <li>- WB and IFC creating markets advisory and investments</li> <li>- Thought leader on tools, concepts</li> <li>- Country offices for operational activities</li> <li>- Ongoing collaboration</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable investment framework, projects</li> <li>- Partners from private and public sectors</li> <li>- GATF experience</li> <li>- WTO IFF advisory role</li> </ul>	<ul style="list-style-type: none"> <li>- Analytical work on investment facilitation (index, modeling of welfare gains across different scenarios)</li> <li>- Ongoing collaboration on investment facilitation</li> </ul>	<ul style="list-style-type: none"> <li>- Institutional relationship to WTO creates bridge</li> <li>- Focus on developing economies</li> <li>- Ongoing collaboration on investment facilitation</li> </ul>	<ul style="list-style-type: none"> <li>- Capital and advisory for sustainable investment projects</li> <li>- Expanding operations to emerging markets, including in Africa</li> </ul>	<ul style="list-style-type: none"> <li>- Institutional home of investment facilitation agreement</li> <li>- Management of a potential investment facilitation facility</li> <li>- Interpretation of provisions</li> </ul>	<ul style="list-style-type: none"> <li>- Policymaker relationships in Asia Pacific region to help catalyze reforms</li> <li>- Regional cooperation and replication</li> <li>- Ongoing substantive collaboration</li> </ul>
---	---	--	--	--	--	---	---	---	--

**Donors**



Existing government donors for Forum's sustainable investment work

**+** Other donors: governments and foundations

# Current partners

The Forum would leverage and build on its existing partners (firms, organizations) in both [SDIP](#) and the [Platform on Trade and Global Economic Interdependence](#) (which includes the [sustainable investment policy](#) initiative).

- |   |   |  |  |   |   |   |
|---|---|--|--|---|---|---|
| <ul style="list-style-type: none"> <li>A.P. Møller-Maersk A/S</li> <li>Adani Ports and Special Economic Zone</li> <li>Agility</li> <li>Amazon Web Services</li> <li>Alibaba Group</li> <li>Angelicoussis Shipping Group</li> <li>Apollo Tyres</li> <li>Apple</li> <li>Bahrain Economic Development Board</li> <li>Bain &amp; Company Inc.</li> <li>Baker McKenzie</li> <li>Bajaj Auto</li> <li>Banco BTG Pactual SA</li> <li>Bank of Montreal</li> <li>BASF SE</li> <li>Bharat Forge Ltd</li> <li>Bharti Airtel Limited</li> <li>Cargill</li> <li>Cedar Holdings Group</li> <li>Citi</li> <li>Clifford Chance</li> <li>CPP Investment Board</li> <li>Dell Technologies</li> </ul> | <ul style="list-style-type: none"> <li>Deutsche Post DHL Group</li> <li>DNB ASA</li> <li>Dow</li> <li>DP World Limited</li> <li>Eastern Networks (EastNets)</li> <li>Ecopetrol SA</li> <li>Emirates Group</li> <li>Export Credit Insurance Corporation of South Africa</li> <li>Facebook</li> <li>FOMO Pay</li> <li>Glencore International</li> <li>Google</li> <li>Hepsiburada</li> <li>Hero Group</li> <li>IBM Corporation</li> <li>Integral Petroleum</li> <li>Investcorp</li> <li>Hong Kong Exchanges and Clearing Limited (HKEx)</li> <li>HSBC Holdings</li> <li>Huawei Technologies Co.</li> <li>Hyundai Motor Group</li> <li>KPMG</li> </ul> | <ul style="list-style-type: none"> <li>LANXESS</li> <li>Luksic Group</li> <li>Mastercard</li> <li>Merck KGaA</li> <li>Microsoft Corp.</li> <li>Mitsubishi Chemical Holdings Corporation</li> <li>Moelis &amp; Company</li> <li>Nestlé</li> <li>NMC Healthcare</li> <li>Oil and Natural Gas Corporation Ltd.</li> <li>Oman Global Logistics Group SAOC</li> <li>PAG Holdings Limited</li> <li>PayPal</li> <li>Qatar Financial Centre Authority</li> <li>Rakuten Inc.</li> <li>SAGIA</li> <li>Sharjah Investment and Development Authority</li> <li>Sonangol EP</li> <li>Standard Chartered Bank</li> <li>Suade</li> <li>Telefonaktiebolaget LM Ericsson</li> <li>The Western Union</li> </ul> | <ul style="list-style-type: none"> <li>Company</li> <li>Thomson Reuters</li> <li>Tokopedia</li> <li>Transnet SOC</li> <li>Tyson Foods</li> <li>UPS</li> <li>Vale SA</li> <li>Visa Inc.</li> <li>Walmart</li> <li>Workday Inc.</li> </ul> | <ul style="list-style-type: none"> <li>African Development Bank Group (AfDB)</li> <li>Agence Française de Développement (AFD)</li> <li>Allianz</li> <li>Asian Development Bank</li> <li>Asian Infrastructure Investment Bank (AIIB)</li> <li>Bill &amp; Melinda Gates Foundation</li> <li>Cambodia Government</li> <li>Canada Government</li> <li>Citi</li> <li>Cote d'Ivoire Government</li> <li>Denmark Government</li> <li>Deutsche Bank</li> <li>Development Bank of Southern</li> <li>Africa (DBSA)</li> <li>East Capital</li> <li>Eastspring Investments</li> <li>European Bank for Reconstruction and Development (EBRD)</li> <li>European Investment Bank (EIB)</li> <li>FMO</li> <li>Fonds Souverain d'Investissements Stratégiques (FONSIS)</li> <li>Guggenheim Partners LLC</li> <li>HSBC</li> <li>Inter-American Development Bank (IDB)</li> <li>International Development Corporation of South Africa (IDC)</li> <li>International Finance Corporation (IFC)</li> <li>Investment Fund</li> </ul> | <ul style="list-style-type: none"> <li>for Developing Countries (IFU)</li> <li>Japan International Cooperation Agency (JICA)</li> <li>Jordan Government</li> <li>Meridiam</li> <li>Mitsubishi UFJ Financial Group (MUFG)</li> <li>Multilateral Investment Guarantee Agency (MIGA)</li> <li>The Netherlands Government</li> <li>Norway Government</li> <li>PensionDanmark</li> <li>Pensionskassen s Administration (PKA)</li> <li>Standard Bank</li> <li>Standard Chartered Bank</li> <li>Storebrand</li> <li>Sumitomo Mitsui Banking</li> </ul> | <ul style="list-style-type: none"> <li>Corporation (SMBC)</li> <li>Sweden Government</li> <li>United Kingdom Government</li> <li>United States of America Government</li> <li>WanaArtha Life</li> </ul> |
|---|---|--|--|---|---|---|

Platform on Trade and Global Economic Interdependence

Sustainable Development Investment Partnership

# Measuring success: impact indicators

## How will the EASI Alliance measure success?

Both country-level projects and regional cooperation will be structured to advance six sustainable development goals:

<b>Innovation</b>	<b>Employment</b>	<b>Skills upgrading</b>
<b>Gender equality and inclusion</b>	<b>Environment and carbon footprint</b>	<b>Standards</b> (RBC, supply chain management and quality standards)

These correspond to the [OECD FDI Qualities Indicators](#) plus standards (responsible business conduct, supply chain management and quality standards), and so EASI will both support measurable results across these dimensions and also help provide evidence to advance knowledge and fine-tune the FDI Qualities Indicators, which are being developed to help inform investment policy reforms.

The Forum is part of the group helping to develop these indicators, and EASI can provide evidence on measures to include in the planned FDI Qualities Toolkit, as discussed with the OECD Secretariat and FDI Qualities Chair.

*“Taking into account the country context, policymakers can use FDI Qualities Indicators to assess how FDI supports national policy objectives, where challenges lie, and in what areas policy action may be needed.”*

FDI Qualities Indicators: Measuring the sustainable development impacts of investment

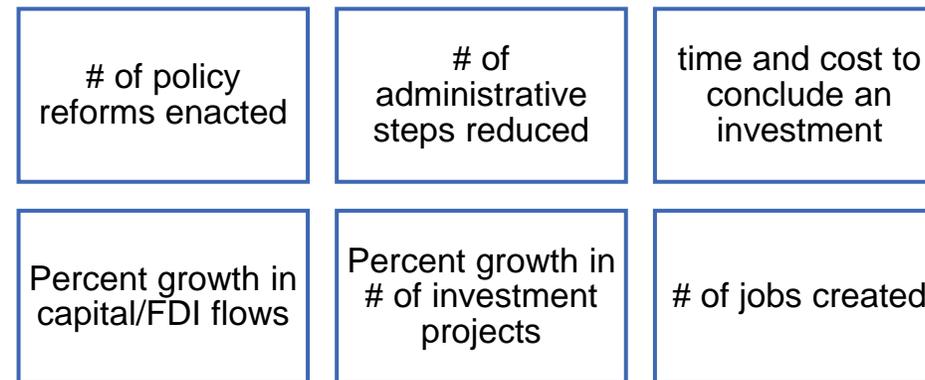
OECD

2019

# Measuring success: outcome indicators

## How will the EASI Alliance measure success?

To reach impact indicators, six outcome indicators\* will be carefully tracked

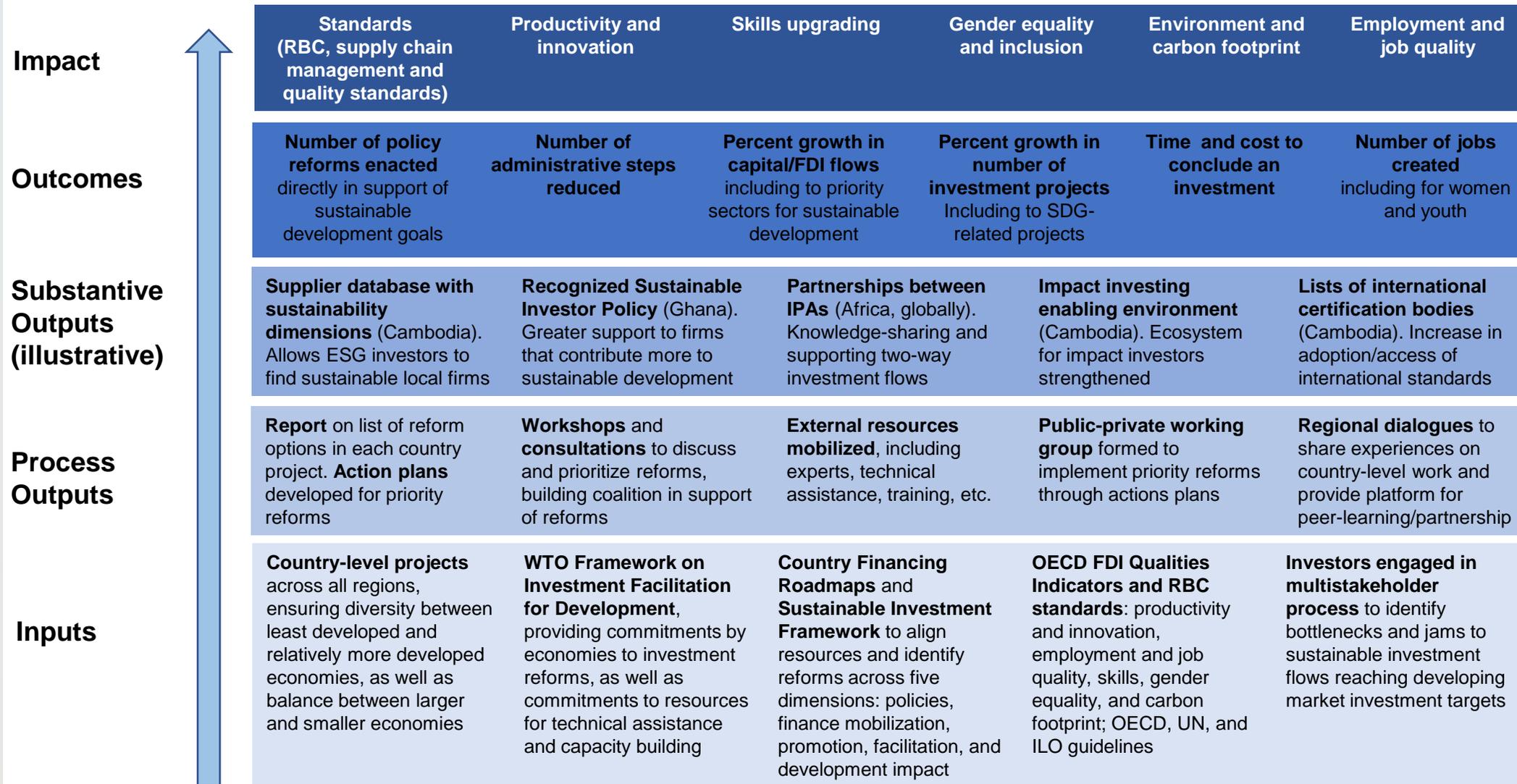


\*Final indicators selected will depend on availability of reliable data.

The Global Alliance for Trade Facilitation was designed with a strong monitoring and evaluation (M&E) framework, including dedicated resources to measure quantifiable benefits of projects, with *ex ante* (baseline) and *ex post* (intervention/treatment) indicators. EASI would replicate this focus on delivering measurable results, hence the selection of ‘Delivery’ as the last word in its name.

The Global Alliance for Trade Facilitation has demonstrated such delivery is possible: the first [project to be evaluated](#) in Colombia found that there was a reduction in physical inspections by 30%, a reduction in border clearance time from 2 days to 3 hours, and savings of \$379 per container leading to annual savings of \$8.8 million. **EASI will apply a similar approach but tailored to investment.**

# Theory of change



# Recent examples of co-funding

Beyond core private sector funding, the World Economic Forum welcomes donor support to magnify the contribution of our work.

Government contributions to trade and investment project-based work specifically within the last few years include:

- The United States Agency for International Development has committed 43 million USD to support the Global Alliance for Trade Facilitation
- Canada's Department of Foreign Affairs, Trade and Development has committed 10 million CAD to the Forum, predominantly to support the Global Alliance for Trade Facilitation
- Denmark's Ministry of Foreign Affairs has committed approx. 36 million DKK to the Forum for work on Sustainable Investment Policy, Sustainable Investment Development Partnership, and to support the Global Alliance for Trade Facilitation
- Germany's Federal Ministry for Economic Cooperation and Development, through its development partner the Deutsche Gesellschaft for Internationale Zusammenarbeit, has pledged a mix of cash and in-kind support valued at approximately 6 million EUR to the Global Alliance for Trade Facilitation
- The United Kingdom's Department for International Development has committed 1.5 million GBP to the Forum to support the Global Alliance for Trade Facilitation
- Australia's Department of Foreign Affairs and Trade has committed 3 million AUD to the Forum for work on Facilitation 2.0 in Papua New Guinea and to support the Global Alliance for Trade Facilitation
- The Netherland's Ministry of Foreign Affairs has committed 750,000 EUR to the Forum for work on Sustainable Investment Policy
- The Swedish International Development Cooperation Agency has committed 579,517 CHF to the Sustainable Investment Development Partnership
- The European Commission has committed 1.6 million EUR to the Sustainable Investment Development Partnership

Direct funding provided to the World Economic Forum is maintained in separate, dedicated bank accounts. These are managed according to World Economic Forum standards and procedures and subject to annual external audit. Any unused funds are returned to donors at the end of the project period. A 7% overhead fee is charged, covering items such as buildings, security, legal, management and other costs.