International Trade Centre

d·i·e
Deutsches Institut für Entwicklungspolitik
German Development Institute

An Inventory of Concrete Measures to Facilitate the Flow of Sustainable FDI: What? Why? How?

Second edition

Karl P. Sauvant

Matthew Stephenson

Khalil Hamdani

Yardenne Kagan

About the paper

This second edition of the *Inventory* was prepared within the framework of a project on "Investment Facilitation for Development", managed at the International Trade Centre (ITC) by Quan Zhao and Rajesh Aggarwal and at the German Development Institute/ Deutsches Institut für Entwicklungspolitik (DIE) by Axel Berger. Based on an initial draft by Khalil Hamdani, it has been further developed by a team comprised of Karl P. Sauvant, Matthew Stephenson, Khalil Hamdani, and Yardenne Kagan. The second edition of the *Inventory* has significantly been expanded based on additional research and comments by participants in various events organized in the framework of this project (for the reports of these events, see https://www.intracen.org/itc/Investment-Facilitation-for-Development/). Feedback was also received from various international organizations. It furthermore benefitted from reactions by members of the ITC/DIE/World Economic Forum Commentary Group on an Investment Facilitation Framework for Development, comprising mainly representatives of investment promotion agencies, foreign direct investment (FDI) service providers and international investors. The World Bank Group provided helpful text input, as did Makane Moïse Mbengue; the Cámara Argentina de Comercio y Servicios coordinated views from Argentina. Special thanks for very helpful comments are due to Alexandre de Crombrugghe, Maximilian Eltgen, Jaime Granados, Andreas Hora, Mia Mikic, Ivan Nimac, Ana Novik, Ahmed Omic, Sebastian Reil, Bostjan Skalar, Ana Arias Urones, and Douglas Van Den Berghe.

Publisher: International Trade Centre (ITC)

Title: An Inventory of Concrete Measures to Facilitate the Flow of Sustainable FDI: What? Why? How? Second edition

Publication date and place: Geneva, November 2021

Page count: 77

Language(s): English

Citation: Sauvant, Karl P., Matthew Stephenson, Khalil Hamdani & Yardenne Kagan (2021). An Inventory of Concrete Measures to Facilitate the Flow of Sustainable FDI: What? Why? How? 2nd edition, Geneva and Bonn, International Trade Centre (ITC) and German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

For more information, contact: Quan Zhao zhao@intracen.org

For more information on Investment Facilitation for Development, see: https://www.intracen.org/itc/Investment-Facilitation-for-Development/

ITC is the joint agency of the World Trade Organization and the United Nations.

About the authors

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 as Senior International Adviser 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 its Executive Director in 2012, to focus his work, as a CCSI Resident Senior Fellow, on teaching, research and writing.

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. This initiative works in several emerging markets to identify measures that facilitate investment and maximise its development impact. Previously he led the workstream on outward FDI at the IFC, worked on Africa and on investment at the OECD and led the economic team on Afghanistan and economic programmes in the Middle East at the U.S. Department of State. He is a member of the T20 Task Forces on Trade and Investment and Digital Transformation, has a PhD from the Graduate Institute in Geneva, a master's from the Harvard Kennedy School and a bachelor's from Oxford University.

Khalil Hamdani is Visiting Professor, Graduate Institute of Development Studies, Lahore School of Economics, Pakistan. He has been involved in multilateral economic cooperation for more than three decades. He held a permanent appointment with the United Nations and was most recently Director of the Division on Investment, Technology and Enterprise Development, which comprises 100 researchers and staff. His Division produces the annual *World Investment Report*. He oversaw the intergovernmental deliberations on international investment matters in the United Nations system. He created the United Nations programme on investment policy reviews, which was declared a "valuable mechanism" by the G-8 Heads of State Summit in 2007.

Yardenne Kagan is Project Officer at the ITC, working on the ITC/DIE Project on Investment Facilitation for Development. Previously, as a fellow at the Columbia Center on Sustainable Investment, she focused her research on areas such as land and agriculture, human rights and sustainable investment and development. She is an LLM Graduate student from Columbia University in the City of New York, a graduate of Tel Aviv University's Law Faculty, a member of the Israel Bar Association and an admitted lawyer under the New York State Bar. She was a member of HFN's Capital Markets Department where she advised multinational enterprises and investment funds on regulatory aspects of their operations. After her work at HFN, she served as the Trade and Investment Policy Officer of Israel's Permanent Delegation to the OECD.

Table of Contents

Acronyms

CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DIE	German Development Institute/ Deutsches Institut für Entwicklungspolitik
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
FDI	Foreign Direct Investment
GIS	Geographic Information Systems
ICC	International Chamber of Commerce
ICTST	International Centre for Trade and Sustainable Development
IDB	Inter-American Development Bank
IGM	Investment Grievance Mechanism
ILO	International Labour Organization
IPAs	Investment Promotion Agencies
ISDS	Investor-State Dispute Settlement
ISO	The International Organization for Standardization
ITC	International Trade Centre
LDCs	Least Developed Countries
M&E	Monitoring and Evaluation
MIGA	Multilateral Investment Guarantee Agency
MNEs	Multinational Enterprises
MSMEs	Micro, Small and Medium-Size Enterprises
NGOs	Non-Governmental Organizations
OECD	Organisation of Economic Co-operation and Development
OFDI	Outward foreign direct investment
OIA	Outward investment agency
PDF	Portable Document Form
PPP	Public-Private-Partnership
R&D	Research and Development
RSI	Recognized Sustainable Investor
SDGs	Sustainable Development Goals
SMEs	Small and Medium-Size Enterprises
SOPs	Standard Operating Procedures
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
URL	Uniform Resource Locators
WAIPA	World Association of Investment Promotion Agencies
WBG	World Bank Group
WEF	World Economic Forum
WTO	World Trade Organization

Abstract

The second edition of the *Inventory* was prepared in the framework of the Investment Facilitation for Development project undertaken by the International Trade Centre (ITC) and the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). It is an informal and unofficial compilation of investment facilitation measures, their rationale and ways in which these measures are—or can be—implemented in practice. It is a capacity-building tool meant to help participants engaged in the World Trade Organization (WTO) negotiations of a multilateral framework on investment facilitation for development, paying special attention to measures that directly increase the development contribution of foreign direct investment (FDI). Following the agreed scope of the WTO negotiations, it does not include measures related to investment protection, investor-state dispute settlement (ISDS) and market access. The *Inventory* can also be of use to investment promotion agencies (IPAs) seeking to facilitate FDI flows, as well as governments negotiating treaties containing investment facilitation provisions.

INTRODUCTION

The WTO Structured Discussions and negotiations on an Investment Facilitation for Development (IFD) Agreement generated a wealth of insights and information and spawned regional dialogues, national workshops, and stakeholder meetings. There has been an outpouring of contributions, including submissions from delegates, presentations by international organizations, perspectives of the private sector and nongovernmental organizations, and various academic papers.

The Structured Discussions—which were upgraded to negotiations in September 2020—aim at developing the elements and specific provisions of a multilateral framework on investment facilitation for development, with a view towards achieving a concrete outcome resulting from the negotiations. As the negotiations evolve to include a larger constituency, new entrants need to get up to speed with the measures under consideration, as well as others that could be considered, so as to effectively participate in the negotiation.

This *Inventory* of measures is a capacity-building tool to help participants engage in the negotiations; it is an updated edition of the text published in February 2021.

The *Inventory* does not advocate that any particular measure be included in an eventual framework. It is an informal and unofficial compilation of investment facilitation measures, their rationale and ways in which these measures are—or can be—implemented in practice. However, following the agreed scope of the WTO negotiations, it does not include measures related to investment protection, ISDS and market access. Moreover, the *Inventory* does not address the conceptual distinction between investment promotion and investment facilitation measures; hence, some measures in the *Inventory* may be categorised by some as investment promotion measures.

Independently of the WTO IFD Agreement negotiations, the *Inventory* may also be of interest to IPAs seeking to facilitate FDI and government officials negotiating international investment agreements containing provisions on investment facilitation.

This listing of measures starts from the recognition that FDI can make a contribution to development, and that this is the reason for which countries seek to facilitate it. Such facilitation can take the form of measures (e.g., strengthening transparency, simplifying procedures) that help increase the flow of FDI which, in turn, can then contribute to development; or it can take the form of facilitation measures that not only can help increase the flow of FDI but also specifically seek to advance the development of host countries (e.g., by creating linkages between foreign affiliates and domestic firms, or by furthering corporate social responsibility commitments). Given that the IFD negotiations are geared towards reaching a multilateral framework on investment facilitation *for development*, this *Inventory* pays special attention—and singles out (in section V)—those measures that directly help to increase the development contribution of FDI.

The *Inventory* provides a menu from which to draw, depending on particular contexts and needs. Consequently, not all measures will be relevant for every country at all times. Many measures require implementation capacity; weak applications may obstruct rather than facilitate investment. However, when applied well, with appropriate technical assistance, and in a holistic manner in tandem with other investment-related actions, the measures can help accelerate the flows of foreign direct investment, including sustainable foreign direct investment for sustainable development.

The *Inventory* is culled from various sources, including the many contributions that have been made in the course of the past three years of Structured Discussions and negotiations; various publications (see the list of sources in the annex); in-country sustainable investment facilitation projects and discussions with the private sector organized by the World Economic Forum; and the discussions conducted in the (mostly virtual) meetings of the Commentary and Expert Groups on a Multilateral Framework on Investment Facilitation for Development, general webinars and in-person and virtual workshops organized for WTO delegates and government officials.[1] These events were organized by ITC/DIE and, in the case of the Commentary Group and a number of workshops, together with the World Economic Forum and the World Association of Investment Promotion Agencies (WAIPA).

[1] The reports on these events are available at: http://www.intracen.org/itc/Investment-Facilitation-for-Development/ .

Moreover, feedback on an earlier draft of the *Inventory* was sought from international organizations with substantial FDI programmes. Very helpful feedback was received—and is gratefully acknowledged—from the World Bank Group, the Economic and Social Commission for Asia and the Pacific, the Interamerican Development Bank, the Organisation for Economic Co-operation and Development, the World Economic Forum, and WAIPA.

The presentation is tabular, and the description is in brief annotations. For some measures, potential text formulations are provided in annexes—but these are for illustrative purposes only and, if considered by negotiators, are certainly subject to change.

This *Inventory* is a "living document" in the sense that additional material will be added in light of further feedback and information collected in the future events organized by the ITC-DIE project on Investment Facilitation for Development. Further feedback is welcome and should be sent to:

Karl P. Sauvant (karlsauvant@gmail.com),

Matthew Stephenson (matthew.stephenson@weforum.org),

Rajesh Aggarwal (aggarwal@intracen.org).

SELECTED NEW FDI FACILITATION MEASURES

I. General new facilitation measures

This section lists concrete, actionable investment facilitation measures that may not yet have been considered in the WTO Structured Discussions and negotiations and that may be particularly useful for investment facilitation.[2] Concrete formulations for some of them are provided in the annex.

- Maintain a list of support measures offered to inward investors, through online portals and notification to the WTO. This can be done through client charters, indicating services delivered and timelines, and an “inward investment support registry”.
- Expedite customs clearance and ease of securing work permits for skilled expats by making available e-visas or “green channels”.
- Enable “lite processing” for SME applications for establishment.
- Grant permits or licenses automatically if no government action is taken within statutory time limits: “silence is consent”.
- Establish aftercare mechanisms to facilitate investments, ensure that investments operate smoothly and deal with any issues that may arise.
- Provide for risk-based approvals as part of authorisation procedures.
- Allow fast-track approvals for reinvestments and build and maintain a comprehensive database of existing investors.
- Enable the payment of fees and charges online, and online receipts; use new technology to facilitate investment (e.g., digital single window).
- Track complaints through an investment grievance mechanism or an “early warning system” and establish timeframes for addressing grievances.
- Establish a mechanism for public-private dialogues to inform regulation and implementation, such as regular quarterly meetings or on-line portals.
- Facilitate cooperation among sub-national IPAs.
- Make publicly available lists of support measures for outward investors, through online portals and notification to the WTO.
- Publish information on requirements and procedures for outward investment, if any, to assist interested parties.

II. Measures that directly increase the development contribution of FDI

This section singles out facilitation measures that directly help to increase the development impact of FDI. Concrete formulations for some of them are provided in the annex.

- Publish internationally recognized guidelines/standards of responsible business conduct and strongly encourage investors to observe these guidelines through, e.g., requesting in application forms to acknowledge that these guidelines have been read and understood.
- Create a special category of “Recognized Sustainable Investor” (RSI) to incentivize investors to invest sustainably. RSIs receive additional benefits if they meet certain publicly available conditions.
- Designate a corporate social responsibility (CSR) coordinator to facilitate investor relations with local communities, stakeholder associations and civil society.
- Develop targeted marketing strategies facilitating sustainable FDI, e.g., “red carpet” service for investments having a significant positive sustainable development impact.
- Assess the potential development impact of large FDI projects through ex ante impact assessments, to ensure they align with sustainable development goals.
- Establish supplier-development programmes to increase the number and capacity of qualified local enterprises that can contract with foreign affiliates.
- Build and maintain a database of local enterprises to help investors identify potential subcontractors, with the information freely available to all.

---

[2] As mentioned in an earlier footnote, this list was developed before the *Inventory* was formally made available to the WTO Structured Discussions in September 2020, and a number of the measures included here have since been taken up, proposed and discussed by delegates.

- Encourage partnerships between foreign affiliates and local suppliers to help upgrade the latter, through regular workshops hosted by a CSR coordinator.
- Foster partnerships between foreign affiliates and local universities or other bodies to create centres of excellence for training or research and development.
- Provide technical assistance to developing countries' IPAs to enhance their ability to facilitate sustainable FDI, based on need assessments.
- Provide clear guidelines on CSR and responsible business conduct to outward investors. For sectors with high development and environmental sensitivities, such investor education could be made mandatory.
- Establish clear criteria linking home-country support measures to the observation of internationally recognised standards of responsible business conduct, the acceptance and observance of corporate CSR policies and (in the case of projects with substantial impacts), ex ante developmental, environmental and social impact assessments.
- Facilitate sustainable FDI projects through partnerships between investment authorities in host and home economies, including to help investors find bankable projects quickly.

INVENTORY OF INVESTMENT FACILITATION MEASURES

I. General principles

I.1 Sustainable development	
Rationale	Investment is important for economic growth, poverty reduction, job creation, expansion of productive capacity, innovation, improving transfer of technology, the carbon footprint and trade.
Implementation	Advance objectives and targets of the 2030 Agenda for Sustainable Development of the United Nations.
I.2 Facilitate investment activity of micro, small and medium-size enterprises (SMEs)	
Rationale	SMEs make innovative investments but lack the 'deep pockets' of large corporations. Effective facilitation is very important when investors need to secure permits, licenses and approvals to establish operations in a country. Typically, developing countries have many more procedures for investors than developed countries, and IPAs play a key role in assisting investors to facilitate their projects.
Implementation	Administrative procedures and requirements should be SME-friendly. Provide access to finance.
I.3 Central, regional, local authorities, and delegated nongovernmental bodies	

Rationale	Coherent application of investment measures countrywide avoids duplication, overlap, discrepancy, and unpredictability.
Implementation	Align investment measures and procedures within an economy, clarifying roles, responsibilities and accountabilities across different levels of government.

II. Transparency of investment measures

II.1 Publication and information on investment measures	
Rationale	Deepens understanding, and aids compliance with investment measures. Laws and regulations are generally published but can be dispersed in various instruments (e.g., constitution, sectoral codes, and treaties). Laws and regulation are familiar to nationals, but not to foreigners, and many times they are written only in the official language of the country. Compilation and guidance help clarify investment requirements and procedures for officials, investors and other governments. While general emphasis is on inward investment, a companion publication on measures for *outward* investment is also desirable.
Implementation	Publish laws, regulations, judicial decisions, and administrative rulings of general application to investment related policies, including revisions and updates. *Example: The State Council of the People's Republic of China put forward 20 opinions, that included promoting investment, deepening reforms to facilitate investment and protecting legitimate interests of foreign investors to safeguard a more "fair, transparent and predictable" business environment for foreign affiliates.*
	Make available all investment related regulations in clear simple language, preferably in languages commonly used by businesses. *Example: Viet Nam clarified the definition of foreign affiliates.*
	Establish and strengthen the IPA as the main focal point for investors and ensure it provides and manages official information on investment measures and lead a single window for investment. Make the existence of IPAs widely known. (For international good practice principles for an IPA, see example text in Annex 1.)
	Maintain an investment website, which serves as a focal point for investors. A website is one of the most effective techniques to market a location according to both investors and IPAs. *Example: Uzbekistan developed an information portal, available in several languages, to provide information on visas, residence permits, registrations, and tax mechanisms.* *Example: The Netherlands Foreign Investment Agency has developed a new, innovative website for attracting FDI. Key innovative and best practice features of the*

	www.investinholland.com website include: adaptive content based on IP address; focus on lead generation; propositions for key activities and sectors; effective use of info-graphics; use of high impact investor case studies; and access to resources and tools for investors.
	Publish, electronically, a practical and easy-to-read Investment Guide. It should provide a clear, concise and up-to-date picture of the investment regime, be downloadable from the investment website and be distributed at events. Ideally available in multiple languages for free. Periodic guides on specific topics can also be useful, especially in cases of extreme events that affect the investment regime in the country (such as COVID-19). *Example: The downloadable 2020 Guide on the website of Scottish Development International (Scotland's trade and investment promotion agency) provides information on setting up a company, choosing a business location, employment law, regulations and policies, accessing talent, immigration, financial and tax incentives, and cost of living.* *Example: The Ministry of Investment of Saudi Arabia has established a COVID-19 Response Centre. It includes information about initiatives and services introduced by the Government to support businesses, as well as a guidebook and a list of investors' frequently asked questions.* *Example: The Indian Ministry of Commerce and Industry routinely consolidates all policies related to the foreign investment regime into a single document to make it easy for foreign investors to understand.*
	Other information sources include: ● Handbooks of basic laws. Used by professionals. Published by private sector, including in English. For sale. ● Directories of official records. Gazettes are used to reference legal archives in national language. Sometimes available on-line but rarely on a single portal. Free. ● Advisory services provided to investors by management and accounting firms, and accredited national consultants. These include interpretation of legal rulings. The services are provided by private sector. For a fee. ● Lists of certifies and accredited consultants and attorneys.
	Maintain a list of support measures offered to inward investors, published online for transparency and efficiency, through online portals and notification to the WTO. This can be done through client charters, indicating services delivered and timelines, and an "inward investment support registry". It can outline both IPA services and investment incentives such as through an "incentives inventory" and a calculator of incentives. (See example text in Annex 2.) *Example: Between 2015 and 2018, Jordan, Iraq, Ethiopia, Pakistan, Bosnia and Herzegovina, Armenia, Tajikistan Moldova, and Kyrgyz Republic published investment incentives inventories.* *Example: Invest in Spain publishes a comprehensive guide to incentives and state aid in Spain. The guide provides an extensive compilation of incentives and aid available in the national market, provided by a very broad range of entities at the national, regional and European levels, including grants and funding channels for all sectors of activity.*
	Maintain a list of support measures provided to outward investors, published online for

	transparency and efficiency. This can outline both financial and non-financial support, such as through a “support inventory”.
	Maintain an information page on the application process for special economic zones in the country, including a list of special economic zones, industrial and technological parks and clusters. Include a map to geo-localize the zones and through virtual intelligence visualize the lot/zone and provide access to the cost, facilities and contact person. Such database shall also list relevant domestic suppliers in specific sectors, especially those supporting the specific developmental goals of a Member. *Example: Lao PDR investment promotion website includes an information page including a list of special economic zones in the country.*
	Publish and regularly update lists of national priority sectors.
	Benchmark, monitor and publish information of key performance indicators for IPAs and other institutions involved in facilitating investment. Such monitoring should include the tracking of investments facilitated and retained. The information should be published, to show investors successful track records; it should also pay particular attention to sustainable investment, to show policymakers the contribution of FDI flows to meet development objectives. *Example: IDA Ireland’s Annual Business Survey of Economic Impact that gathers detailed information on net jobs created, payroll, investment, exports, R&D activity, and other metrics, including by region.*
	Encourage collaboration between public and private agencies that provide complementary services; this can be facilitated through accreditation and publication of codes of conduct to ensure quality and accuracy.
	Establish a platform to search for grants and incentives, fill out forms by keywords or the specifics of a business project.
	Maintain a mechanism for the regular evaluation of investment procedures, ensuring they are simple, transparent, streamlined to fewest steps needed to achieve the objective and at lowest possible cost. Publicise outcomes of periodic reviews of the investment regime.
II.2 Publication of information on authorisation requirements and procedures	
Rationale	Countries screen for various reasons, including development benefits or security risks. Even when there is no need for permission, there is often a need for registration, licenses, permits, applications for exemptions, or incentives. There may also be a need for approval by regional and local authorities. Investment in “sensitive sectors” may require prior authorization.

	Information is helpful for compliance and to improve the business climate.
Implementation	Establish, disseminate widely and maintain up-to-date, easily accessible information on authorization requirements, procedures, including clear definitions on criteria for the assessment of investment proposals. Example: KenInvest, Kenya's IPA, has an e-regulations portal on laws, regulations, visas and permits, sectoral licenses, and property certificates. Procedures are explained step-by-step from the investor's perspective: where to go, what requirements to fulfil and forms to complete, associated costs, relevant legal justifications, and contact details of officials in case of a problem. The e-regulations portal was set up in partnership with UNCTAD.
	Where specific authorization requirements and procedures are set at the level of the responsible department (e.g., mining, industry, labour, immigration, customs, environment, export processing zone) or regional investment authority, publication on a single electronic portal, with links to the responsible department, would facilitate investment.
	Include information on authorization requirements and procedures in investment guides and on the websites of the national and regional investment agencies. Example: China utilizes its "One Network Service System" to provide dedicated foreign-related services such as administrative procedure guides and item lists in English.
	Publish investor evaluation criteria; these may include environmental and/or social impacts and potential positive impacts on the economy, before deciding to provide some services (or recommend/grant approvals).
	Any FDI screening mechanism should transparently communicate processes and requirements.
	Publish information on practical steps to make an investment (e.g., how to register a business, access infrastructure, acquire permits, observe public ordinances, pay taxes).
	Publish information on requirements and procedures for outward investment.
	Publish an online checklist to assist applicants to complete applications. Publish lists or catalogues indicating which sectors are allowed, restricted or prohibited for foreign investment.
	Publish a list of international agreements pertaining to FDI.
	Publish judicial decisions on investment matters.
	Publish penalty provisions for breaches of investment procedures and regulation.

	Ensure that the right to non-disclosure of confidential information is reserved.
II.3 Update on new rules and procedures	
Rationale	Investors desire stability, transparency and predictability of investment measures. Smooth introduction of new rules and procedures minimizes confusion among officials and risk to investors. Without proper preparation, even changes that aim at simplification may complicate and delay.
Implementation	Maintain a mechanism to provide timely and relevant advice of changes in procedures, applicable standards, technical regulations, and conformance requirements.
	Ensure predictability: provide reasonable advance notice of proposed changes to laws and regulations and provide opportunities for public comment.
	Avoid uncertainty: indicate when changes take effect, to what they apply and which rules and procedures they replace.
	Publish updates on IPA websites. *Example: Given regulatory changes, Rwanda Development Board published on its website guidelines for the re-opening of businesses during the pandemic.*
	Update investment guides.
	Updates can also feature as part of regular aftercare outreach to existing investors.
	Expunge earlier, outdated rules and procedures from forms, documents, publications, and websites to avoid contradictory instructions. Note: Often, new rules supersede old rules, but the earlier rules remain on the books, creating unnecessary confusion. Example: *The Republic of Korea, under the Revision on the Special Tax Treatment Control Law (December 2018), abolished certain tax incentives available for foreign investments. However, investments that occurred before the end of 2018, can still enjoy the tax benefits.*
II.4 Proposed measures	
Rationale	Proposed measures emanating from legislative bodies are generally vetted in debate and media.

	Feedback and consultation clarify policy objectives, allow stakeholders to provide input into the process, and allay investor and stakeholder concerns.
Implementation	Solicit feedback from constituents, investors and the public at large, to understand priorities and needs, as well as unforeseen and unintended impacts.
	Engage in wider stakeholder consultation on proposed reforms and measures. *Example: Finland developed in 2001 an online platform—otakantaa.fiis "Have your say"—for consultation on proposed regulations.*
	Carry out frequent surveys and focus groups with current investors located in the host country and also overseas, as well as with investment service providers.
	Boards, with private sector representation, can advise IPAs on new measures and other reforms.
	Hold closed consultations and also conduct public hearings open to media. *Example: The Ethiopian Investment Commission revises investment measures on an ongoing basis, in consultation with relevant stakeholders.*
	Retain goodwill and sustain a welcoming attitude.
	Note: Spontaneous executive orders may appear arbitrary, confuse implementation, and erode goodwill.
II.5 Focal points	
Rationale	Focal points are particularly helpful for SMEs, including especially women-led SMEs, which often face additional challenges. Ideally, measures and procedures should be self-explanatory. Focal points are a safety net when there is investor confusion or to capture outlier requests. Note: Too many queries may indicate the need for an upstream clarification in the presentation of measures.
Implementation	A lead agency should be mandated as focal point with adequate autonomy and independence, to address investment queries in a timely, relevant and prompt manner. This can be an IPA. The focal point provides guidance concerning legislation, institutions, processes, and responsible agencies. *Example:* Bolivia and Uzbekistan established new government agencies to attract more investment.

	Example: *Panama established the legal basis for creating a new Export and Investment Promotion Agency, which will have autonomous legal personality under public law, with its own assets and independence in the exercise of its functions.* *Example: Benin's Agency for the Promotion of Investments and Exports replaced three structures as the focal contact point for investment queries.* *Example: JAMPRO is an Agency of Jamaica's Ministry of Economic Growth and Job Creation that promotes business opportunities in export and investment to the local and international private sector. In facilitating the implementation of investment and export projects, the organization is a key policy advocate and advisor to the government in matters pertaining to the improvement of Jamaica's business environment and the development of new industries.* *Example: PROESA is the Exports and Investment Promotion Agency of El Salvador. It is a government agency under the country's presidency. Its mission is to build and coordinate the interagency system for the promotion of exports, investment and public-private partnerships, to help increase production and national productivity and create more employment opportunities and national development.*
	IPAs should be funded adequately and in a stable manner (ideally from a central budget and not fees for service) to allow for operational independence and quick reaction to changing conditions and opportunities.
	IPAs should take on the role of consultant advisors to investors and facilitate the whole investment process. They know how to successfully operate in the economy and provide such advice from official channels, complementary to any advice by other consultants.
	Encourage on-line enquiries and on-line information on all FDI issues. Routine enquiries are commonly addressed with frequently asked questions (FAQs), commonly named as chatbots. These provide on-line responses in simple language — preferably in English- with links to relevant forms and documents. *Example: The Estonian Investment Agency website greets users with a FAQs popup interface: "Hi, I'm Suve! I am a robot and I'm here to help you find information".* In the absence of a bot, add the online searchable library with downloadable documents per key topic.
	All FAQs should ask if the information is useful, thus providing feedback.
	All queries should be promptly acknowledged, even if the requisite information is not immediately at hand.
	There should be alignment of focal points' operating hours to commercial needs.
	Provide an investor inquiry protocol, with timeframes, which explains how to deal with inquiries and list the mechanisms that should be in place.
	Answers to queries can also be provided by the private sector (e.g., on tax matters). For

	a fee.
	Anticipate enquiries from civil society and facilitate investor-stakeholder relations.
	The focal point should carry out policy advocacy, recommending to the competent authorities measures to improve the investment environment.
	The focal point should make corrective recommendations and express an opinion regarding questionable administrative measures.
	The focal point should forward complaints, supporting the implementation of solutions for such complaints.
	Focal points should provide parties with alternative forms of dispute resolution.
	IPAs typically handle enquiries as part of bespoke 'hand holding' and 'red carpet treatment' services.
	IPAs can publish an interactive roadmap for navigating procedures and making investment applications, and create call centres for questions and answers.
	IPAs should consider developing a skill and training programme. Raise the importance of policy advocacy, to facilitate more strategic engagement with both key existing investors and government policymakers to improve the country's business environment and location competitiveness.
	IPAs might have a role in assisting investors to divest more easily and to finding new investors to step in. IPAs could conduct an exit interview to understand investors' divestment decisions, and to ensure that the exit process is as user friendly as possible. This makes it more likely these investors return, as well as producing a good reputation for the investment climate to attract other investors.
	The contact information of the focal point should be provided to the WTO Investment Facilitation Committee.
	Note: Focal points provide information, clarification and referral but do not resolve disputes. Investor complaints are best handled by a separate grievance mechanism, involving line departments or an ombudsperson.
II.6 Clarity of regulations	
Rationale	Issues that could lead to potential disputes should be clarified to help avoid disputes, increase compliance and provide predictability to investors.

	Clarity of the roles of investors, suppliers and government agencies in implementing safety and control standards would prevent mistreatment of labour and enhance the safety of working conditions.
Implementation	Economies should have in place a clear regulatory framework, including concerning land issues. It is important to have in place an objective and functional regulatory framework addressing cases of bankruptcy or insolvency, or judicial liquidation. Countries should aim to clarify and simplify regulations, laws and procedures. Countries could increase the use of legislative simplification and restatements of laws to enhance clarity and identify and eliminate inconsistencies. Good governance laws and mechanisms should be implemented to increase transparency and avoid the risk of corruption when investors and government officials are interacting. *Example: Ecuador introduced new regulations to clarify the Productive Development Law and to simplify environmental rules.* *Example: China passed a new Foreign Investment Law that replaced three previous laws and aimed to provide clarity on FDI policies and investment protection.* *Example: India clarified in February 2020 that single-brand retailers, owned by foreign companies, can fulfil their local sourcing requirements by procuring goods produced in units based in special economic zones.*

III. Simplification of administrative procedures and requirements

III.1 Consistent administration	
Rationale	Standardized administrative procedures ensure uniformity, while reducing *ad hoc* decisions and miscommunication.
Implementation	Establish standard operating procedures (SOPs), investor roadmaps, investment entry/registration/establishment flowcharts, in order to avoid discriminatory use of bureaucratic discretion in the application of laws and regulations. *Example: India established a Foreign Investment Facilitation Portal and issued standard operating procedures for handling FDI applications, designating competent authorities and time frames for processing applications.*
	SOPs should include stepwise guidelines for each task or activity. The guidelines should be clear and easy to follow.
	Display client charters, indicating the investment services delivered and timelines.
	Note: The stereotypical bureaucrat "plays it by the book", but the book or manual may not exist or may be outdated and need revising.

	Note: The shift from old procedures to new procedures may require training.
III.2 Single window mechanism	
Rationale	Investment agencies operate "one-stop shops" to help investors interface with government departments. One-stop shops, or investment single windows, are a useful instrument, as long as they replace multiple steps and do not become additional steps (achieve a true "one-stop-shop", rather than a "one-more-stop"). An institutional single point of entry for foreign investors helps to bypass or accelerate dysfunctional procedures. The ideal is investors contacting only one entity to obtain all the necessary paperwork in one streamlined, online and coordinated process. Efficient single-window mechanisms can make a difference to the ability of firms to easily invest, and are thus likely to increase investor interest and successful establishment.
Implementation	In its simplest form, IPAs provide forms, documentation and supporting information on relevant procedures and institutions. A robust one-stop shop exercises a coordination function in which investment agencies interact with the various line departments and regional offices to expedite the processing of applications, provide all mandatory registrations (e.g., business registry, national and/or state/municipal tax identification numbers, social security, pension schemes), and pay all fees corresponding to the mandatory registrations. *Example: Kazakhstan introduced a one-stop shop, enabling investors to apply for more than 360 types of permits and licenses without the need to visit multiple ministries or government agencies.* *Example: Angola created a single contact mechanism for investors to obtain all necessary authorizations.* *Example: Egypt's Investor Service Centres gather representatives from 47 ministries and government agencies authorized to provide all necessary licenses and approvals required for the establishment of businesses.*
	The single window website should provide contact information for complaints, for each mandatory registration.
	Note: Often economies put in place a one-stop shop to try to simplify a process that is overly complex, while it may be better to streamline and simplify procedures and requirements themselves, and which should be done prior to putting in place a one-stop shop.
III.3 Clear criteria for administrative procedures	

Rationale	Having clear criteria expedites review and also guards against predispositions (e.g., favouring larger over smaller firms, manufacturing over services, developed- over developing-country investors; all of which are potentially beneficial).
Implementation	Establish clear criteria for administrative decisions on investment appraisal and approval. Provide explanations for administrative decisions. Note: Pursuit of attractive investments should not neglect other potential investments.
III.4	**Clear criteria for investment incentives**
Rationale	Incentives are offered to induce particular investment activity. Clear criteria can help ensure that policy objectives are realized in practice. Clear criteria underpin ‘smart incentives’ that achieve policy objectives in an efficient manner. Lack of clear criteria can result in ‘icing on the cake’ for all investments, regardless of the actual need of incentives to facilitate investment or stated policy objectives. Lack of clear criteria is vulnerable to corruption.
Implementation	Publish investment incentives and criteria to qualify. (For the elements of an “incentives inventory”, see example text in Annex 2.) *Example: Oman published regulations clarifying the conditions for granting incentives and benefits to foreign investment projects.* *Example: Turkey changed its investment incentive regimes by abolishing large-scale investment incentive and enacting a new "Technology Focused Industry Move Program" that promotes investment in the Priority Products List determined by the Ministry of Industry and Technology.* Criteria should indicate policy objective (e.g., employment creation, export development, priority industry, regional development), incentive offered (e.g., tax holiday, import duty exemption or drawback, infrastructure or zone facility) and fulfilment requirement (e.g., monitoring or reporting of results achieved). *Example: Nigeria, in granting a “Pioneer Status” incentive, published a list of industries eligible to enjoy the incentive.* *Example: Italy reduced its tax rate for profits reinvested to acquire assets or increase employment.* *Example: Cameroon has several tax incentives for the rehabilitation of an economic disaster area.* *Example: Guatemala established fiscal incentives for companies operating in its special public economic development zones including an exemption for 10 years from income tax and a temporary suspension of taxes associated with imports.*

	Example: Colombia established a preferential corporate tax regime for investment projects that aims to grow taxable income and create jobs. *Example: The United States clarified its tax incentive programme in "Opportunity Zones" that are created by the Tax Cuts and Jobs Act.* *Example: North Macedonia adopted the Law on Strategic Investment to create more favourable conditions for selected investments in the following sectors: energy, transport, telecommunication, tourism, manufacturing, agriculture and food, forestry and water economy, health, industrial and technological parks, wastewater and waste management, sport, science and education.* *Example: Sri Lankan is promoting the establishment of a pharmaceutical manufacturing zone for global pharmaceutical companies. All infrastructure facilities will be supplied by the Sri Lanka Board of Investment. In addition, Sri Lanka adopted the Inland Revenue Act in 2017 that helped improve tax transparency and administration and eliminated all tax holidays in favour of performance-based investment incentives.*
	Governmental incentive policy should establish clear and specific criteria to target the kind of investment it seeks for the economy. IPAs should use investment incentives to target such investments. (See example text in Annex 3.) *Example: The Law on Strategic Investment in Albania provides special benefits for investments in specific sectors, including urban waste management, transport, electronic communications infrastructure and large-scale farms. They include special and assisted procedures, assistive infrastructure and preferential access to land.* *Example: Under the Law on Investment Promotion of the Lao People's Democratic Republic, special economic zones are established with a specific administrative mechanism to create favourable conditions to investment that uses innovation in the production of agricultural products to save natural resources and energy.* *Example: Viet Nam expanded the list of business lines eligible for investment incentives. It also published a detailed list of conditions that apply for businesses to be considered as high-tech enterprises eligible for tax incentives.* *Example: Ukraine began to provide fiscal incentives such as tax exemptions, import duty exemptions, preferential land access and construction of necessary infrastructure for large investment projects.*
	Public-private dialogue and stakeholder consultation can be used to develop clear criteria for investment incentives that are aligned with sustainability principles and development goals.
III.5 Simplification of procedures and reduction of documentation requirements	
Rationale	Simplification can lead to a reduction in the cost of doing business (in terms of time and resources). The aim is to reduce administrative steps to speed up the procedural process without diluting its integrity or avoiding necessary due diligence tasks, such as environmental impact assessments.

	Government departments tend to duplicate the procedures of others, as do different units within departments. Redundancies can be eliminated without loss of appraisal or effectiveness.
Implementation	Governments should seek to simplify procedures and authorisation requirements, by for example reducing the need for multiple authorisations from various government authorities. Such measures are usually achieved through departmental task forces or parliamentary sub-committees. IPAs can influence the streamlining of procedures (among other investment facilitation measures) through policy advocacy. Simple procedures can include business visa requirements (which should be available online as e-visas and include multiple-entry visas for business visitors), green channels to expedite customs clearance and ease of securing work permits for skilled non-nationals. (See example text in Annex 4.) *Example: Argentina published a decree with 170 measures to eliminate rules and regulations that reduced the country's competitiveness.* *Example: Brazil simplified the entry procedures for foreign financial institutions and foreign investors and abolished the different treatment of foreign and domestic investors in the licensing process.* *Example: Kazakhstan simplified public procurement procedures with entities having concluded investment agreements.* *Example: Mexico simplified the criteria for foreign companies to conduct commercial activities by expanding the list of countries whose companies do not need to obtain an authorisation from the Ministry of Economy.* *Example: The Visa TechChile programme seeks to streamline the process of obtaining a work visa to make it easier for local and overseas companies in the technology services sector and enterprises related to Start-Up Chile to hire professional and technical personnel specialized in the area of technology services that are not available in the country. Under this initiative's streamlined process, it is possible to obtain a work visa within a maximum period of 15 working days.* *Example: Thailand introduced a new visa system (Smart Visa) to attract foreign highly skilled talent.* *Example: China increased the quota for foreign technical personnel in foreign invested construction and engineering design enterprises. In addition, China relaxed restrictions on recruitment agencies.* *Example: Uzbekistan increased its quota for the issuance of work permits for highly qualified foreign specialists.* *Example: Spain (INCEX-Invest in Spain) supports added-value investors with immigration services.* *Example: The Philippines relaxed the mandatory local employment requirement for foreign investors.* *Example: Indonesia enacted an omnibus law to facilitate doing business by simplifying licensing processes, amending labour law regulations, relaxing immigration rules and harmonizing various sector-specific laws and regulations.*
	Clear criteria for decisions to carry out audits, as well as potential penalties should be established. Where warranted, reduction in the frequency and content of audits.

Simplify and expedite, where possible, the issuing of approvals, licenses and registration requirements (e.g., patent, trademark, and copyright registration), as well as documentation. Emphasis on core documentation requirements lessens the burden on applicants and administrators.

Example: Indonesia replaced the license requirement for establishing a business with a registration procedure.

Example: Angola enacted legislation for the admission of eligible investments by creating a "fast lane" to speed up procedures and technical support units in each ministry.

Example: Myanmar amended its investment law, simplifying investment approval and authorization procedures for foreign and domestic investors.

Example: Mauritius adopted the Business Facilitation Act of 2017 to eliminate regulatory and administrative bottlenecks to investment.

Example: Saudi Arabia expedited the licensing procedures for foreign investors by reducing the number of required documents and shortening the review period.

Example: The State Administration of Foreign Exchange of China issued the Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (Hui Fa [2019] No.28). This Circular simplifies the foreign exchange control requirements under current and capital accounts and relaxes domestic equity investment restrictions imposed on foreign-invested enterprises.

Streamlined forms are easier to fill and to process.

Example: In Tanzania, an enterprise can be created with one form and two steps online within 10 days. Prior to the implementation of the system, businesses had to go through 20 steps and complete 9 forms within 30 days.

Where multiple approvals are necessary, the process may be facilitated with the use of a common format across departments (e.g., details on contacts, forms and documentation; set time frames for processing; standard fees; and opportunity for review of decisions).

Example: In El Salvador, the process to register a company has been reduced from 16 to 3 steps, 10 forms from different administrative institutions were merged into one form and the duration of the entire process dropped to a maximum of three days.

Maintain a periodic review of documentation requirements with a view to ensuring that requirements are still relevant and simplifying/removing those that are not.

Simplify the process for connecting to essential infrastructures such as electricity and water supply. Such simplification can be done by following the "Plug and play model", which refers to ready facilities provided by the government in terms of infrastructure (e.g., buildings), power-water-sewage connectivity, road connectivity, as well as approvals required to connect to the necessary utilities within a specified and short timeframe so that investing companies can commence operations smoothly and quickly.

Example: India is promoting a "plug and play" scheme to fast-track large investment proposals.

III.6 Processing of applications	
Rationale	Different categories of investment may call for particular types of assessment.
Implementation	Processing of applications should be carried out in a timely and consistent manner. *Example: Indonesia's fast-licensing process allows certain categories of prospective investors to have their preliminary permits within 3 hours.* *Example: Colombia streamlined its foreign investment registration scheme, in particular by eliminating registration deadlines.* *Example: Jamaica established a programme for fast-tracking development and planning approvals for high-potential projects. Under the programme, all planning authorities and agencies are mandated to give a 10-day review of applications, thus significantly shortening the development approval timeline.*
	Mining and infrastructure investments often involve negotiations, which could be minimized by clear rules and procedures.
	Export-oriented investments are processed by export processing zone authorities when in those zones, which should work closely with investment agencies.
	Special economic zones operate incentive schemes that should have monitoring mechanisms to ensure the implementation of requirements.
	Policymakers may consider risk-based assessment, whereby low-risk investment projects are approved with more limited, if any, need for assessment, while high-risk projects receive careful assessment. Consider limiting the requirement of obtaining authorization to categories associated with higher risk. (See example text in Annex 5.) Applications of SMEs, especially managed by women, may qualify for 'lite processing'.
	Conditional approval: Consider authorising micro, small and medium-size enterprises (MSMEs) to start operations without the requirement of approvals from the government for an initial period of time. *Example: Many state governments in India authorise MSMEs to start operations without the requirement of approvals from the government for the first 36 months of operation.*
	Note: Processing procedures should safeguard confidential information.
	Note: The public policy goals should be clear and the decision process should be transparent.
III.7 Time limits	

Rationale	Reasonable time limits can, like a metronome, set a steady pace to advance the process, making for more productive and efficient administration while also increasing predictability for investors.
Implementation	Adopt diagnostic tools and indicators on the efficiency of administrative procedures, and benchmark performance relative to international best practice.
	Enact and publish time limits for the processing of applications for investment screening, admission, licensing, visa processes and deciding judicial appeals. *Example: In Malaysia, there is a commitment that a license will be approved within four weeks from the date of complete information received.* *Example: In Jamaica, agencies are mandated to give a 10-day review of applications, thus significantly shortening the approval timeline.*
	Some protocols grant automatic approval if the process is not completed within the time limit and provided there is no notification of an extension of deadline. *Example: In the country of Georgia, "Silence is consent" – a permit or license is automatically granted if no government action is taken within statutory time limits.* *Example: Telangana government's industrial policy establishes a Right to Clearance for industrial projects. The Right to Clearance recognises that businesses have the right to know why project proposals are being delayed and to demand redress for unnecessary delay. The Right to Clearance involves a provision to impose a fine of Rs.1,000 on officials for each day of delay in granting clearance to a project. It also lays down a 15-day time limit for the clearance of mega-projects involving over Rs.200 crore, and of one month for smaller projects. If government departments miss the deadline, the project will automatically be deemed approved.*
	Note: automatic approvals should be clearly stated in the law and if possible, confirmed with a written approval or waiver. The aim is to avoid placing the investor in a grey zone, which could give rise to later disagreement. (See example text in Annex 6.)
III.8 Communication with potential investors	
Rationale	Regular communication allows for two-way exchange on incomplete information, clarification of details, and informal review of appraisals. Continuous contact permits fast notification of authorization and for its entry into effect without delay.
Implementation	Applicants should be encouraged to stay in contact with a designated case officer on the application status.
	Communication does not end with approval, but shifts to the next steps for implementation.

	The creation of national IPAs centralises and consolidates efforts of identifying and communicating with investors. *Example: Qatar created an investment promotion agency to attract FDI.* *Example: The United Arab Emirates established the Abu Dhabi Investment Office to increase FDI in the emirate.*
	The creation of sub-national (region/city level) IPAs and enhancing their capacity can help facilitate investment to other regions in an economy. There must be clear roles and responsibilities and good coordination between national and sub-national IPAs. *Example: GTAI, Germany's national trade and investment promotion agency, works closely with all sub-national IPAs from the 16 federal states of Germany, helping them by operating a list of potential qualified partnering organizations for target industries or sectors; creating initial business contacts and matchmaking; and arranging meetings with experts and interested parties.* Platforms can be created to share information among different levels of IPAs and also the overseas network of trade commissioners. *Example: ICEX-Invest in Spain uses a platform (Interactua) to share projects, documents and information.*
III.9 Acceptance of applications	
Rationale	It is important to sustain the interest of investors and encourage follow through.
Implementation	Authorizations should be based on clear criteria and transparent procedures and, once granted, should be transmitted in a forthcoming manner. Applications should be reviewed by an experienced professional committee, to ensure a professional review of the applications. *Example: Côte d'Ivoire adopted a decree that organizes the functions of the Accreditation Committee responsible for examining the applications for the approval of investors. The Committee includes four national experts from the Administration of the Promotion Industry, Investments, Budget and Finance.*
	Authorizations may be time bound to discourage undue delay in implementation.
	Once projects are formally authorized and registered, work and residence permits, for the purposes of implementing these projects, could be issued in a systematic manner to prevent inefficiencies caused by immigration authorities checking the "seriousness" of projects.
	Note: Many approvals are not implemented, i.e., investments do not take place.

III.10 Rejection of applications	
Rationale	Rejection should be based on clear criteria and transparent procedures.
Implementation	A rejection of applications should not foreclose the possibility of future applications. Rejections should be officially communicated. A "Silent No" is unprofessional, and damages goodwill in the larger investor community. An explanation should be provided if a decision is due to incomplete documentation, although this shortcoming may be prevented through prior communication to the applicant with an invitation to complete the application. An explanation should be provided if the decision is due to unfulfillment of stated administrative criteria, as the criteria might change in the future thereby allowing for the possibility of resubmission. Establish accessible and effective administration decision appeal mechanisms. Appeal mechanisms, where appropriate, may include impartial "fast-track" review procedures. Note: incomplete documentation or procedure should not in itself prevent fulfilment of requirements. A possible safeguard is to allow for appeal and review of the decision. Note: There are instances where laws and policies change over time (e.g., on equity ownership), thereby allowing for reconsideration anew of earlier decisions.
III.11 Fees and charges	
Rationale	Fees to cover the cost of processing applications are standard practice. Applicants may be prepared to pay higher fees for urgent processing (e.g., courier mail service).
Implementation	Reduce the number and complexity of fees and charges, which should not be set at a level as to deter applications. *Example: Australia has an on-line "Fee estimator".* *Example: Oman introduced an exemption from certain fees for investment projects in the country's less-developed regions.* Payment in foreign currency is encouraged by use of official accounts of a country's consular offices worldwide.

	Fees and charges should be periodically reviewed to ensure they are still appropriate and relevant, and there should be an adequate time period between the publication of new or amended fees and charges and their entry into force. *Example: Ukraine simplified and lowered the costs of the registration procedure for representative offices of foreign business entities.*
III.12 Aftercare	
Rationale	Aftercare refers to the post-investment services provided to investors to encourage them to expand and deepen their operations in the host country. Post-establishment services make it more likely that investments will be successful, and that investors will therefore remain and also expand investment. A significant amount of investment is reinvestment by existing investors. Satisfied investors are also a confirmation of a country's investment climate and the best publicity for a country.[3] Aftercare processes allow regular contact with investors to address ongoing needs of stakeholders.
Implementation	IPA's aftercare services should include information and assistance to investors starting from investment decision/announcement, during entry, establishment, retention, expansion and possibly beyond. Well-connected IPAs help investors have clarity of what needs to be done, by when, for how much, and sort out any issues/delays in the process of establishment or operations. In crisis, they should be in the front lines providing updated information and assistance to help investors sort out issues and keep operating. *Example: Invest India launched the Businss Immunity Platform to help investors with aftercare in the COVID-19 context (https://www.investindia.gov.in/bip)* *Example: KenInvest provides post implementation services, such as following up with investors at regular intervals to assist in smooth project implementation and addressing any concerns established investors may have.* *Example: APEX-Brasil has developed a platform with tools to support exporters and investors during the COVID-19 crisis. It developed an online market tool that provides economic and trade updates by sector, and organised a webinar to familiarize users. It also developed a model action plan for businesses in crisis management, a support guide for suppliers and checklists for exporters. In addition, there is an area on the platform with*

[3] Maintain a scorecard for good practices in aftercare covering policy, techniques and resources:

A. Aftercare policy	1. Is there an aftercare strategy for keeping in contact with investors once they make the investment? 2. What are the objectives of aftercare (expansions, marketing, supply chain linkages, upgrading of plants etc.)?
B. Aftercare techniques	1. What aftercare techniques are used? 2. Do these meet objectives? 3. Who are the stakeholders in aftercare?
C. Resources	1. Are adequate resources and skills available for aftercare? 2. Is there a dedicated aftercare team? 3. Are resources used effectively?

Source: Loewendahl (2001) "Bargaining with Multinationals".

	pandemic-related information for foreign investors, in English. It includes an online questionnaire on how the agency and the federal Government can assist foreign investors in investment facilitation and mitigation of pandemic impacts. *Example: Mauritius provided additional investment allowances for capital expenditures on the acquisition of new plants and machinery for companies affected by the Covid-19 pandemic.*
	Adopt tools for managing the relationship with existing investors. Have in place the following three internal systems to manage relationships with existing investors: (A) standard operating procedures; (B) investor information system; and (C) an investor relationship management system built on customer relationship management (CRM) software. These tools are also relevant for managing the relationship with potential investors.
	Assist investors in acquiring land, buildings, utilities, worker permits, and import licenses. SMEs may particularly value such 'start up' assistance. Alternatively, the IPA can refer investors to respective government agencies (when they deliver services without IPA involvement) or accredited service providers in the private sector.
	Facilitate investor relations within communities, stakeholder associations and civil society, nurturing corporate social responsibility.
	Fast-track approvals of sequential investment, the renegotiation of investment licenses, the certification of incentive privileges, and help ensure disbursement. Build and maintain a comprehensive database of existing investors with key contacts in every company. Develop with other agencies a database of bankable projects for possible sequential investments. IPA can guide the project sponsors/owners (ministries, private sector, communities, municipalities) in building project profiles/books that are bankable. *Example: Invest India created an Investment GRID which provides information to investors on the investment opportunities prepared by states/communities.*
	Help investors by seeking to build complete supply chains, often with a focus on creating an appropriate local ecosystem and establish supply-chain development aftercare programmes. *Example: Japan has launched a Digital Transformation Partnership Programme that promotes linkages between Japanese and foreign companies operating in the country.* Example: *Morocco has a programme for constructing local ecosystems for investors, to help investors more easily obtain the resources needed to operate.*
	Organize initiatives and events that provide recognition and networking opportunities in the local ecosystem (awards for the best performing investors by different criteria, or business-government networking events). These events recognize the contribution of existing investors, and can enhance retention and expansion of investments.

	The promotion of business linkages (through matchmaking events or suppliers' databases) may also support aftercare services. (See section V.2 on linkages with the host economy.) Train local talent that can be hired by foreign affiliates. *Example: Uruguay XXI has developed (with the help of the IDB) a smart talent platform: a free-access website for companies specialized in the global services industry; it encourages strategic links among companies, educational institutions and potential employees. This tool allows global services companies to finance up to 70% of the costs of their training-on-demand plans, both in soft and technical skills. It is directed to companies with operations in Uruguay that export services in a number of sectors.* *Example: CINDE established an online education platform to provide capacity building for 50,000 people who have been affected by the Covid-19 pandemic in order to provide them with the skills needed for re-employment by foreign investors.*

IV. Digitalization

IV.1 E-government	
Rationale	E-services are user friendly, fast, accessible worldwide, and increase transparency. E-services are particularly suited for SMEs (local and foreign investors).
Implementation	Implement a GLOBAL IPA "FDI MARKET" PLATFORM, where investors can come and look for benchmarking info, IPA contacts, sectors promoted, etc. IPAs can promote themselves in such a platform. Applications for business registrations, licenses, visas, work permits, and security and customs clearance should be provided by e-services. *Example: Uzbekistan set up a programme for further digitization and introduction of information systems in its public administration. It covers environmental permits, licenses in the health sector, ITC, and all matters relating to electricity, heating and water supply.* Establish a Chatbot guiding users. Provide explanatory videos. Enable digital identity, interoperability and electronic signature options.

	Establish electronic payment system for investors to pay all fees, charges and taxes associated to the admission, establishment, maintenance, acquisition and expansion of investments. *Example: Through Cambodia's online business registration system, all fees can be paid online through various e-payment channels.*
	Enable online tax registration and declaration to non-resident foreign investors.
	E-services aid in scoping sites for plant locations and sourcing of local contractors.
	E-services should help in jumpstarting preparatory activities following approvals and before full physical presence has been set up on the ground. *Example: Tanzania established an online registration system that simplifies investment registration processes, significantly reducing time and costs.* *Example: Benin launched an online tool (iGuide) for informing investors about operating costs, salaries, taxes, and relevant laws to build and develop their business plans. The iGuide was set up in partnership with UNCTAD and the International Chamber of Commerce (ICC).* *See also www.gateway.gov.uk and www.Dubai.ae .*
IV.2 On-line single window	
Rationale	Facilitates interchange with investors and manages coordination within government.
Implementation	Develop an online single window, compatible with the Global Trade Single Window that some countries operate. The digitalised one-stop-shop portal should include online information for investors, as well as enable the whole entry and establishment process for investors. *Example: Malaysia has a single window for trade (DNeX).* *Example: Pakistan is set to implement by 2022 a single window system for trade to streamline the cross-border movement of goods and regulatory bottlenecks. The system includes the establishment of an ICT-based platform involving simplification, harmonisation and automation of regulatory processes related to cross-border trade.* *Example: Cuba enacted a Decree regulating the "single-window" service for foreign investors, an online platform with the aim of expediting and facilitating processes for local and foreign investors.*
	Countries may adopt technologies such as blockchain and artificial intelligence, which may bring new opportunities to improve a single window's efficiency, transparency and interoperability. *Example: Benin's* online platform*, made its business registration processes entirely digital, setting up an online single window for all regulatory processes needed to open a business.*

	Example: Wesgro's business Support provides a virtual team of sectorial and communication experts who help businesses by providing guidelines and best practice. The team is made up of staff from the Department of Economic Development and Tourism (DEDAT), Wesgro (Cape Town and Western Cape Tourism, Trade and Investment Promotion Agency), City of Cape Town Metropolitan Municipality, GreenCape and private sector.
	Create an online business registration system. *Example: Cambodia launched an online business registration system as a single window for providing all the services related to registering a business and keeping the business registration up-to-date.* *Example: Iraq established a new platform to simplify company registration allowing investors to create a company entirely online by filling one registration form and making one payment.* *Example: Cuba and Pakistan launched online platforms to help investors establish companies more efficiently.*
	The web address of a digital single-window system should be provided to the WTO Investment Facilitation Committee.
IV.3 Improving organizational efficiency through the application of digital technologies	
Rationale	The use of digital technologies allows all government agencies dealing with business licenses, permits and procedures to become more efficient in their internal processes, keep track of their established and potential investors, as well as in prospecting new investors. Leading agencies are increasingly innovating their services to anticipate the needs and plans of companies, which demand access to value-added information, personalized services, reduced bureaucracy, and online procedures to facilitate the establishment process. All these activities contribute to improving the business climate and attracting investment and reinvestment. IPAs are seeking to incorporate 4.0 technology in their investment services. This trend is estimated to accelerate due to restrictions on movement and physical contact worldwide caused by the Covid-19.
Implementation	Establish online platforms or portals to comply with administrative procedures for the submission and processing of applications, and the ability to track the status of an applications online.
	Ensure availability of application forms and documentation on the official website of investment authorities. Electronic submissions are fast and can be readily stored on government servers for retrieval and processing by different administrative units.

	IPAs are implementing, among other tools: digital single windows for investment to simplify and streamline the registration and operational processes and processes of companies that incorporate blockchain; platforms with access to geographic information systems (combined with databases of investment / expansion projects of foreign companies); pro-tech applications such as augmented reality and virtual reality tools incorporating the use of glasses, and drones that economize the production of location promotion videos; artificial intelligence systems, including predictive analysis to identify patterns and trends of investors and offer personalized information in a timely manner; and data-driven and open data solutions, so that investors can make strategic decisions based on data analysis and interpretation. *Example: Azerbaijan established a single online portal for the issuance of business licenses and permits*. *Example: The Mauritius Economic Development Board requires that applications for Occupation Permit or Residence Permit be submitted online through the National E-licensing System.* *Example: The Philippines launched a digital platform, the Philippine Business Data Bank, shortening the time needed for applying and renewing permits.*
	A Portable Document Form (PDF) is easy to create, fill and process using ordinary software. Forms are normally to be submitted in hard copy. However, the requirement for triplicates is outdated and can be replaced by a single electronic copy.
	Laws or regulations should allow for electronic signatures with the equivalent legal validity with hand-written signatures.
	Digital certificates and signatures should be available, as should be IT systems capable of accepting and exchanging data electronically.
	IPAs can track investor relations through a CRM software that can help IPAs build stronger relations with investors, record their needs and issues, professionally deliver on service promises, renew contacts, set reminders for future encounters, and report results to management and stakeholders. Beyond keeping companies, contacts and projects, a key feature of the most advanced CRMs is ticket management to allow IPA staff create an internal request and follow through until completion.
	IPAs can use data analytics to find potential investors. *Example: InvestChile and Costa Rican CINDE use website analytics for measurement, collection, analysis and reporting of web data for purposes of understanding and optimizing web usage. Such information is used to assess and improve the effectiveness of their websites. In the case of CINDE, this tool is also used to develop highly targeted and tailored outreach messages to potential investors that have visited CINDE's website, and in so doing CINDE tracked their interests.*
	Interconnectedness of systems is key for the best result of digitalization in IPAs.

	Especially when the IPA is also a virtual portal for procedures others process and approve. Promote the adoption of new technology by IPAs, including through the training of officials at all levels of government.
IV.4 Digitalization of investor onboarding and aftercare	
Rationale	Digitalization offers new opportunities for IPAs for their operations and outward-facing activities.
Implementation	Establish and maintain national investment websites, applications and other social media platforms with up-to-date applicable information for investors, including legislation, regulations, investment guides and investment opportunities. Such a platform should be user friendly and enable investors to quickly and easily locate the information needed. *Example: The online portal of KenInvest provides a comprehensive guide to the country's investment-related procedures. The portal presents all application steps for investment activities, including business creation, construction and taxation. The information is explained step-by-step, including what requirements to fulfil, forms that need to be completed, associated costs, legal justifications, and a contact person.* *Example: India established its national investment promotion platform, Invest India, with a "three-clicks rule", which means that in three clicks the investor gets to the information sought. The platform enables online Q&A services, with responses within 72 hours. The platform also includes COVID-19 updates and relevant resources for business aid.* *Example: Germany's Trade and Invest developed a special pandemic website to assure the investment community that the IPA continues to work on their behalf. The website provides regular updates on various matters, including financial support for businesses, supply chains and economic developments. It also closely follows German industry-specific developments, highlighting information on sectors where the pandemic has generated increased demand such as digital solutions in education, logistics and health.* *Example: The Netherlands Enterprise Agency, together with a trade network of seven embassies and a consulate-general, provides support to Dutch entrepreneurs doing business in South-East Asia, including through an "NL exporteert" app, which provides up-to-date information necessary for conducting international business.* *Example: A special section has been added in the Shanghai government web portal of One Network Service System and the official government app "Suishenban", to provide the latest updates and news on the COVID-19 epidemic in Shanghai. The city has also pushed notifications regarding various epidemic-related policies to targeted individuals and businesses.* *Example: The Investment Development Authority of Lebanon produced an online document on "Innovation Triggered by the Covid-19 Crisis: Lebanese Success Stories" that includes initiatives in critical sectors.*

	Create LinkedIn, Twitter and Instagram profiles (for IPA or other entities) and use these platforms for identifying investors, gathering investor intelligence, getting meetings, and advertising/sharing investment opportunities with investors. *Example: Ethiopia EIC uses WhatsApp and Twitter to communicate with investors during the COVID-19 crisis.* *Example: Various IPAs established focused social media accounts on the promotion of investment opportunities in healthcare following the Covid-19 pandemic, such as Germany's @gtai_health, the Netherlands' @invest in Holland life sciences and health team and France's @French healthcare On Twitter.*
	Establish podcast series that include host country information relevant for investors.
	Host online investor conferences, IPA-IPA collaboration virtual roundtables, one-on-one meetings, webinars, online recruitment aftercare and information sessions, especially during COVID-19 times. *Example: Germany's Trade and Invest has launched a series of webinars on topics, including latest pandemic-related regulatory changes, how companies have managed the crisis and what possible exit scenarios look like, novel fast track programmes for medical apps as the demand for digital solutions in the health care system continues to grow.* *Example: A virtual roundtable between Spain and Colombia took place and focused on business opportunities during and post-pandemic. It was jointly organized by the Colombian IPA, ProColombia, the city IPA of Bogota, together with the Colombian MFA, the chambers of commerce of Colombia and Madrid, and the municipality of Madrid.* *Example: A joint webinar on investment opportunities in Rwanda post-pandemic was held by the Rwandan IPA, the Rwanda Development Board and the Sweden Africa Chamber.*
	IPAs could create promotional videos in the form of conversation and talk shows that discuss the investment environment and opportunities. *Example: the Korea Trade-Investment Promotion Agency (KOTRA) is producing such content to facilitate and promote investment in the context of the COVID-19 pandemic.* *Example: Brazil's IPA, APEX, hosts online talks by its staff on investment opportunities in the context of the COVID-19 pandemic.*
	IPAs may facilitate virtual site visits of potential investors (and others). This can be further enhanced through the use of virtual reality goggles and/or geographic information systems (GIS). *Overseas offices (e.g., embassies and consulates) can also be used as a platform to facilitate virtual site visits by prospective investors from that economy.* *Example: Estonia and Costa Rica are offering virtual site visits, as does the Republic of Korea.*
	Enable online negotiations and drone-based due diligence. *Example: KOTRA is providing such services.*

	Enable a virtual marketplace for workers and suppliers to facilitate the matching of local suppliers and workforce availability with foreign investors. *Example: The India Investment Grid (IIG) provides an online platform that supports investment in India by showcasing investment opportunities across India. IIG connects potential investors to projects and key contacts. Most projects are government projects. There is a preliminary credibility check of the projects by the IPA, but afterwards it is left for the investors to do their own due diligence.* *Example: Pakistan launched an online portal, the Electronic Joint Venture, that allows enterprises to list their profiles on the website and provides information regarding new opportunities for investment.* Use digital technologies to collect data on issues that concern stakeholders in order to improve investment facilitation services provided by IPAs. *Example: Honduran holds online consultations with the private sector and hosts regular webinars on issues related to reformulating its investment promotion strategy.* *Example: Invest India engages in social media analytics, collecting information on what issues concern stakeholders through their engagement in social media.* Establish online programmes and platforms to promote linkages between foreign investors and the local economy. *Example: The Rwanda Development Board Launched a public-private partnership to provide language and training skills online.*
IV. 5 Data protection issues	
Rationale	The transfer of data systems may raise security and privacy issues. Computer systems must be equipped for secure transmission, virus protection and rapid uploads.
Implementation	Establish regulations or administrative measures for the protection of personal information. Ensure the legal framework for protection of personal information takes into account principles and guidelines of relevant international bodies. *Example: International bodies, such as the APEC Privacy Framework and the OECD Recommendation of the Council concerning Guidelines governing the Protection of Privacy and Transborder Flows of Personal Data (2013), can provide guidance.*
IV. 6 Facilitating digital FDI (FDI in the digital economy)[4]	
Rationale	Attracting FDI into the digital economy requires specific policies, regulations and measures vis-à-vis traditional FDI because digital firms operate with different business

[4] For detailed information, see Matthew Stephenson, "Digital FDI: Policies, Regulations and Measures to Attract FDI in the Digital Economy" World Economic Forum White Paper, September 2020, https://www3.weforum.org/docs/WEF_Digital_FDI_2020.pdf, from which much of this material is drawn.

	models. They rely heavily on data and technology, often involve platform economies and leverage non-traditional assets.
Implementation	Policies, regulations and measures (together known as 'elements') to attract and facilitate digital FDI fall in three categories: those that enable investment in new digital activities (e.g., ridesharing apps); those that enable investment in the adoption of digital services by existing firms (e.g., telemedicine or mobile banking); and those that enable investment in digital infrastructure. Governments may wish to identify and adopt priority measures to facilitate digital FDI across each of these pillars, given that the enabling measures may differ depending on the category. The top three elements that investors care about are: data security regulations; copyright laws to protect intellectual property; data privacy regulations. To facilitate digital FDI through the adoption of digital technologies, the top three elements that investors care about are: availability of e-payment services; support for starting digital businesses; support for local digital skills development. To facilitate digital FDI into digital infrastructure, the top four regulatory elements investors care about are: ease of receiving licenses for digital infrastructure; availability of skilled local engineers and other workers; use of international standards (tied for 3rd); regional coordination for infrastructure investment (tied for 3rd). To facilitate digital FDI into digital infrastructure, the top three physical elements investors care about are: international connectivity of digital infrastructure; national connectivity of digital infrastructure; urban connectivity of digital infrastructure

V. Measures that directly increase the development contribution of FDI

V.1 Responsible and sustainable investment	
Rationale	All countries have policy objectives to advance sustainable development. Accordingly, investment facilitation measures should encourage the flow of sustainable FDI, i.e., commercially viable investment that is characterized by best efforts to make a reasonable contribution to the economic, social and environmental development of host countries and that takes place in the context of good governance mechanisms. Such "sustainable FDI" is characterized by direct corporate action that increases the development impact of FDI. Some of the most important FDI sustainability characteristics—and the benefits they imply—are listed in Annex 7. Investment facilitation measures should advance sustainable economic development. Investment facilitation measures should encourage social responsibility. Investment facilitation measures should be climate and environment-friendly. Investment facilitation measures should respect human rights. Investment facilitation measures should advance good governance.

Implementation	The United Nations, the ILO and the OECD have guidelines for responsible business practices: the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social policy and the OECD Guidelines for Multinational Enterprises and related OECD Due Diligence Guidance for Responsible Business Conduct. Governments and firms should ensure these guidelines are being observed. Investment measures and procedures should welcome applications from investors that affirm corporate social responsibility (CSR) and commit themselves to observing international standards of responsible business conduct. (For a possible formulation in an investment agreement, see example text in Annex 8.) One way to implement this is by creating the special category of “Recognized Sustainable Investor,” which incentivizes and rewards investors to invest sustainably, possibly guided by an indicative list of FDI sustainability characteristics. (For a possible formulation, following the model of the Trade Facilitation Agreement, see example text in Annex 9.)
	Country FDI Strategy and IPA Corporate Plan/strategies should include criteria towards SDGs, and key performance indicators reflect such criteria.
	Governments could create specific governmental bodies, focal points or representatives to facilitate sustainable FDI, such as the designation of a responsible business conduct coordinator to facilitate investor relations with local communities, stakeholder associations and civil society or establish an in-house IPA gender focal point. *Example: Myanmar and Qatar established new government bodies to promote quality investment*. *Example: Germany Trade and Invest has a gender focal point and offers training to its staff on how to mainstream gender issues across its work, in line with objectives and policies at the national level.*
	Governments can assess the potential development impact of FDI projects using the OECD FDI qualities indicators, which fall in five clusters (productivity and innovation, employment and job quality, skills, gender equality, and carbon footprint).
	All economies can encourage high standards of corporate governance and responsible business conduct by investors, both inward and outward.
	Governments can encourage facilitation measures that develop quality employment, such as training programmes especially focused on youth employment, and worker safety programmes. *Example: Colombia introduced a special tax regime for mega-investments by providing tax breaks and other fiscal incentives. Among the covered investments are those generating at least 250 new jobs in the high technology and electronic commerce sector.* *Example: IPA Invest Lithuania targets companies in ICT, advanced manufacturing and life sciences, and has made skill development an integral part of its operations. Its efforts include proactive promotion to foreign companies that will train local workers.*

	Governments can facilitate green FDI that assists economies to become carbon neutral or are ‘climate positive’, by facilitating environmental technologies, renewable energy and energy efficient investments. *Example: India allows up to 100% FDI under an automatic route for renewable energy generation and distribution projects, subject to provisions of The Electricity Act, 2003. India also established a Renewable Energy Investment Promotion and Facilitation Board portal that provides one-stop assistance and facilitation for investors for development of projects in the renewable energy sector. The portal includes several elements, such as a unique account for each investor for all communications across government departments; a coordination facility for weekly meetings of investors and developers with the board; and a robust grievance redressal mechanism to resolve investor grievances.* *Example: The Board of Investment of Mauritius offers a comprehensive incentive package structured around the country’s Smart City Scheme, including an 8-year 100% income tax holiday and VAT exemption on capital goods purchases, for companies investing in carbon and waste reduction, efficient transport, low-energy buildings, renewable energy production, and water management.* *Example: In South Africa, the government committed to purchase four gigawatts of electricity by 2016 from new, renewable and domestically generated capacity. By guaranteeing a market, the government stimulated interest from foreign investors, interest that InvestSA helped manage.* *Example: Netherlands introduced the “Investment Allowance” that provides a partial deduction of tax against investment in environmental technology. The environmental technologies eligible and the level of deduction applicable for each technology appear on an “Environmental Technologies List”.*
	Governments can facilitate development programmes, business partnerships and information networks that foster equal opportunities and participation of women and men in international investment. *Example: CINDE in Costa Rica conducted a survey for MNEs to assess the impact of the pandemic on woman employed by foreign investors.* *Example: Cote d'Ivoire established an exchange platform with women entrepreneurs to identify the particular challenges that they face.* *Example: India’s IPA established a dedicated development programme to address the specific challenges faced by women entrepreneurs. The programme, We Rise Together, aims to support 7,000 female-led start-ups and focuses on supporting women entrepreneurs to better negotiate with investors, develop their “go-to” market strategy and protect their ideas.*
	Governments can acknowledge in international investment provisions gender-based inequalities including access and control of resources and power relationships that can be challenged or reinforced by FDI, and those that offer commitment, vision, strategies, or actions to challenge such inequalities. *Example: The Dutch Model BIT (2019) Article 6(3) provides that ‘The Contracting Parties emphasize the important contribution by women to economic growth through their participation in economic activity, including in international investment. They acknowledge the importance of incorporating a gender perspective into the promotion of inclusive economic growth. This includes removing barriers to women’s participation in*

	the economy and the key role that gender-responsive policies play in achieving sustainable development. The Contracting Parties commit to promote equal opportunities and participation for women and men in the economy. Where beneficial, the Contracting Parties shall carry out cooperation activities to improve the participation of women in the economy, including in international investment.
	Governments can include Articles in international investment agreements encouraging sustainable development goals such as climate-neutral and gender equal FDI . (For a possible formulation of such provisions see example text in Annex 10.)
	Investors can sign and observe internationally recognized guidelines of responsible business conduct.
	Investors (above a certain size) could be encouraged to establish CSR committees and to dedicate a percentage of revenue to CSR activities. *Example: The Indian Foreign Contribution (Regulation) Act.*
	The ISO 26000:2010 standard provides guidance on social responsibility.
	Governments and specifically IPAs can adopt a number of specific, targeted investment measures in support of sustainable development goals. Aftercare services should be designed to enhance the support in sustainable FDI. *Example: Egypt has investment facilitation measures for investors that contribute to sustainable development and implement responsible business conduct standards.* *Example: There are a number of city IPAs that have adopted specific strategies and measures for investment to contribute to sustainable development. Three notable examples include Invest in Bogota, Dubai FDI, and Wesgro (the tourism, trade and investment promotion agency for Cape Town and the Western Cape). Some of the targeted measures that these agencies have adopted include: providing information on key strengths in sectors with high sustainability impact; providing data to benchmark location competitiveness in FDI sectors with sustainable development potential; branding, public relations and media promotion of the location as a destination for FDI with sustainable development impact; developing investment brochures, flyers and presentations for promoting FDI in sectors and activities with sustainable development impact; establishing or designating a dedicated team to promote FDI in SDG-related sectors; providing clearly defined profiles of bankable projects in which foreigners can invest; building strategic investor target databases that identify specific target companies that will contribute to sustainable development; visiting trade shows and specialized industry events that focus on sustainable development sectors; and carrying out aftercare activities to encourage existing investors in the location to adopt sustainability standards or to increase their sustainability impact.* *Example: Cape Verde grants an income tax credit to investors for each employee hired for a minimum of 12 months, and a state allowance of up to 50% of the salary received by at least two employees, provided that the taxpayers create five jobs or more.*

	IPAs should develop a marketing and investment facilitation strategy with clear goals and addressed to targeting sustainable FDI. Such strategy could include promoting green FDI, gender-inclusive linkages between MNEs and the local economy, and quality employment, by identifying opportunities where investment projects can have a positive impact on the environment, gender equality and employment. Governments should ensure that image-building activities reflect national commitments to SDGs. *Example: Myanmar established a government body for promoting quality investment and now allows foreign companies and joint ventures to purchase shares on the Yangon Stock Exchange.* *Example: The Costa Rican Investment Promotion Agency (CINDE) includes sustainable development as part of its value proposition as an investment destination. The IPA engaged in an analysis of how its work could contribute to Costa Rica's SDG priorities and has started to integrate the SDGs into its investment impact evaluation strategy.*
	Governments could offer "red carpet" service for investments that will have a significant positive sustainable development impact in host countries. Two models of "red carpet" service are possible. In the first model, an investor reports on a periodic basis how much money has been invested in the country or shows a proven track record of investments and their benefits for the economy and subsequently receives "red carpet services". According to the second model, the investor receives red carpet services before investing, by committing to invest in a way that will bring certain levels of benefit to the economy (e.g., a certain number of jobs). Key account support can involve one number to call and a dedicated officer to trouble shoot issues as they come up. Some called these investors "platinum investors" because they brought more benefits to the economy than others. *Example: South Africa's InvestSA has a network of stakeholders across government departments, regulatory agencies and the private sector to fast-track investments with complicated requirements. Through this network, InvestSA was able to promptly facilitate a long-stalled recycling project and unlock a series of expansions and new projects with Mpact Limited.* *Example: Romania extended its state aid scheme to support investments that promote regional development through job creation until 2028.* *Example: Shanghai published regulations for promoting R&D. Under the regulations, eligible foreign-funded R&D centres can benefit from policy support measures, including customs clearance facilitation for cross-border R&D, cross border financial services facilitation, talent acquisition and development, funding support, tax cuts, participation in government projects, facilitation of environmental assessment and hazardous waste management, facilitation on land use for R&D purposes, and protection of intelligent property rights.* *Example: North Macedonia published the Law on Strategic Investment. Under the law, strategic investments are entitled to special treatment. The investment must be made in one of the following SDG sectors: energy, transportation, telecommunication, agriculture and food, forestry, or the water economy, health, technological parks, water and waste management, science and education.*
	IPAs can provide aftercare services that are targeted to facilitate SDG reinvestment.

	Example: Invest SA focuses on aftercare services and promotes re-investments with high sustainable impact. *Example: "Measure what matters" is an aftercare service of Invest Chile to foreign companies focused on improving the sustainability of their operations by helping them measure their ESG impact, including the evaluation and implementation of gender equality policies and training for foreign companies on gender equality and women's empowerment.*
	About 100 developed and developing countries have tax incentives and also other programmes to advance the SDGs. Clear criteria for incentives help focus the targeting strategies of investment authorities. *Example: The Republic of Korea restructured tax incentives to target foreign companies engaged in high-tech businesses and extended their benefits.* *Example: Côte d'Ivoire grants additional tax credits to companies in industries such as agriculture, agribusiness, health care, and tourism that are in line with its national development strategy.* *Example: Burkina Faso reduced by one quarter the threshold for incentives to invest in strategic sectors.* *Example: China expanded income tax benefits for investors, exempting them from withholding of income tax on the reinvestment of profits made in China.* *Example: Poland introduced financial incentives in order to promote the audiovisual industry. A qualification test applies to all applications and takes into account specific criteria stated in the law (audiovisual work should take place on Poland territory, Polish artists, crews and service providers participate in the production, use of Polish film infrastructures).* *Example: Mauritius elaborated an incentive-based Smart City Scheme, used to promote the transformation of rural lands into sustainable and innovative mixed-use social hubs. The incentive package includes exemptions from income tax for eight years, value added tax on capital goods, import duties on material for building and infrastructure construction, and assorted land-related taxes, as well as residence permits for purchasers of housing units over a certain value, and citizenship for non-citizen residents investing more than $5 million in Mauritius.* *Example: South Africa has adopted a targeted measure in support of renewable energy through a cash grant of up to US$3 million to cover 30% of the costs of a company retrofitting existing industrial facilities to use renewable energy by the purchase and installation of rooftop solar panels.* *Example: Rwanda revised the Investment Code to introduce new priority sectors and activities and adopted several new tax incentives for philanthropic investors, angel investors or strategic investment projects.*
	IPAs can collaborate with different governmental agencies, academic institutions, host countries, international organisations and the private sector to facilitate investment in SDGs, such as green FDI, gender and quality employment. Example: *The Kenyan IPA, KenInvest, and the World Wide Fund for Nature Kenya country office developed a national Green Investment Guide. The guide aims to inform and orient investors willing to invest in the country by promoting green business opportunities; clarifying national policy and legal requirements; and assessing investment*

	concerns related to clean development mechanisms, biological diversity, waste management, occupational health and safety, and low-carbon development. *Example: The Global Investor Coalition on Climate Change is a collaboration among Asia Investor Group on Climate Change, Ceres, the Investor Group on Climate Change, and the Institutional Investors Group on Climate Change. The coalition provides a global platform for dialogue between and among investors and governments to accelerate low-carbon investment practices, corporate actions on climate risk and opportunities.* *Example: Invest SA facilitated the expansion of Procter and Gamble's operations in the country, which included a project to establish a local zerowaste-to-landfill site and energy-saving plant to produce sanitary pads. The project included a public commitment by the company to deliver puberty education to 1.5 million girls in South Africa, as well as free sanitary pads to 13,000 girls every year. Procter and Gamble has also engaged in a partnership to upskill women-owned business and integrate them into the company's supply chain.*
	Diplomats can assist in the facilitation of SDGs by handling investor enquiries and facilitating partnerships that will increase the likelihood of investment; assisting investors with investment projects in the diplomat's duty station through the provision of data on the location, relevant contact details of government departments and local businesses, as well as information on home country finance, the legal framework and investment guarantee schemes; providing aftercare: maintaining long-term relationships with key SDG stakeholders in the countries where they are posted; pursuing stakeholder feedback; and policy advocacy. *Example: The commercial counsellor based in the High Commission of Namibia in Germany is an overseas representative of the country's IPA, the Namibia Investment Promotion and Development Board. As part of the embassy team, it had an active role in facilitating the establishment of the German company, Desertfoods, in Namibia. The company aims to address food security through innovative and resource-efficient farming solutions, and identified eight specific SDGs that its activities are aligned with. Facilitation of the SDG-related investment included the commercial counsellor providing data on the agronomic product consumption in the country to analyse the market potential in Namibia. The work of the commercial counsellor also involved facilitating partnerships, both internationally as well as at the local level.*
	Investment measures and procedures should have safeguards against corruption and conform with the intergovernmental standards of the Financial Action Task Force. Technical assistance should be provided to developing countries and especially LDCs to enhance their ability to facilitate more sustainable FDI, based on need assessments.
V.2 Linkages with the host economy	
Rationale	Connecting foreign investors to domestic suppliers of goods and services facilitates their investment decision and activities. Supplier linkages provide direct benefits to contracted firms, while also dispersing the benefits of investment widely within the domestic economy, thereby enhancing the development dimension of investment.

Implementation	Build and maintain a database of local enterprises to help new and established foreign investors identify potential subcontractors as part of the onboarding and aftercare activities. Databases should include sustainability information to facilitate sustainable FDI. Such databases should seek to ensure the inclusion of under-represented groups, including women, indigenous peoples, youth, and minorities. Local associations can help identify qualified local enterprises. This is especially important for SMEs having to navigate domestic and regional markets. Examples of supplier databases include Ireland and Costa Rica. Database information should be freely available to all. (For a possible formulation on 'Domestic Supplier Databases', see example text in Annex 11.) *Example: The Council for the Development of Cambodia is setting up a supplier database with sustainability characteristics with the support of the World Economic Forum.* *Example: Oman established an investment portal designed to enable local companies to attract foreign investors worldwide.*
	Include in database information on FDI projects, thereby facilitating matchmaking between new and established foreign investors and domestic firms, as part of the onboarding and aftercare activities. *Example: Invest India has compiled a pipeline of nearly 4,000 projects in nearly three quarters of India's 686 districts. This pipeline is accessible as an online searchable database.* *Example: Haiti has smart talent platform to connect foreign companies with certified suppliers and providers.*
	Develop with other national agencies, private sector associations, academia, and international organizations supplier-development programmes to increase the number and capacity of qualified local enterprises that can contract with foreign affiliates. Such development programmes can prioritise the inclusion of under-represented groups, including women, indigenous peoples, youth, and minorities. There may be potential to deepen supply chains in all sectors. (For a possible formulation on 'Supplier Development Programmes', see example text in Annex 12.) *Example: The Ministry of Industry and Technology in Turkey, with the support of the World Bank and the Improving Business Environment for Prosperity programme, has developed a supplier development programme pilot that seeks to boost the competitiveness and capacity of both existing and potential local suppliers. Under the programme, participating firms will receive technical assistance and coaching focused on performance and competitiveness improvement over 24 months. An important feature of the programme is the focus on suppliers of electric and hybrid vehicle production.* *Example: Guinea established an online supplier marketplace platform. Almost 900 domestic companies (more than 100 women-owned) registered on the platform. More than 70% of requests posted have been awarded to SMEs registered on the platform.* *Example: Vietnam established a supplier development programme that led to 70% increased capacity of SMEs through the application of new standards and management tools, and 42% established new connections with MNE buyers, of which 9% became formal suppliers to MNEs.*

	Partnerships can also take the form of foreign investors working with local suppliers to upgrade them, in cooperation with host and home country governments and international organizations. *Example: In Pakistan's food industry, Nestlé partnered with the Swiss Agency for Development and Cooperation to train 400 farmers in best farm practices, and also with UNDP to train 4,000 women livestock extension workers.*
	Promote backward investment linkages between businesses, especially between foreign affiliates and local enterprises, including through the promotion of industry clusters. Collaboration among foreign investors, domestic producers and consumers, to develop industry-specific solutions and enable industry development. *Example: Huawei's ecosystem for local start-ups in France, Germany, Spain.* *Example: R&D centres create backward and forward linkages, such as in the Penang Science Park in Malaysia.*
	Governments can foster partnerships between foreign affiliates and local universities or other bodies to create centres of excellence for training or research and development (R&D). *Example: GTAI, the national German trade and investment promotion agency, assists foreign investors in looking for partnership with German enterprises or R&D institutions to evaluate and test new products, which can result in further investment*. *Example: The Maharashtra Chamber of Commerce in India works with local universities to develop targeted training modules of about 2-3 months so that graduates have the skills that industry needs, thereby facilitating investment.*
	Governments could promote targeted skill development in sectors of national priority to meet foreign investors' needs. A key component of IPAs onboarding and aftercare strategy could focus on skill development, by anticipating labour needs for foreign investors, including sector expansion and operational upgrade. *Example: The Investment Promotion Agency of Costa Rica, CINDE, surveys the skill demand of foreign investors, bringing them together with academia in Costa Rica to design and deliver training programmes and informing students of career paths in demand. In addition, CINDE visits some investors regularly as part of its aftercare programme to enquire about the skill sets needed to meet the companies' long-term* *strategic goals. CINDA also facilitates linkages through a virtual platform that brings together current job offerings available at MNEs based in the country and jobseekers.* *Example: InvestPenang (a state IPA in Malaysia) follows FDI trends and provides local universities with information on the skills needed to be competitive among targeted potential investors.*
	linkages can be supported through sustainable FDI projects, which can be developed through partnerships between investment authorities in host and home economies. With the growth of impact investing and other SDG-oriented investment, such efforts may help these investors find bankable projects quickly and easily.

V.3 Build constructive stakeholder relationships	
Rationale	Constructive stakeholder relationships enable businesses to help shape a productive investment environment, ensures problems can be dealt with expeditiously, strengthens private-public sector partnerships, and enables businesses to operate in a more socially responsible manner. Some IPAs may not have the specialized expertise to develop and implement a comprehensive sustainable FDI strategy.
Implementation	Establish and maintain mechanisms for regular consultation, effective dialogue and collaboration with stakeholders to identify and address issues encountered by investors and affected communities.
	Establish and maintain a mechanism to provide interested parties with the opportunity to comment on proposed new laws, regulations and policies or changes to existing ones prior to their implementation and with sufficient advance notice to be able to provide input.
	Share among member states experiences of successful stakeholder consultive mechanisms and public private dialogues, to take advantage of information on successes and problems encountered by established investors.
	Promote the role of policy advocacy within IPAs as a means of addressing the specific investment problems raised by investors, including those faced by SMEs and underrepresented groups such as women. In this respect, IPAs should engage in partnerships and programmes, and undertake independent surveys that aim to strengthen data on SMEs and underrepresented groups.
	Build partnerships with stakeholders to assist with capacity building both within government agencies and with potential investors. *Example: Wesgro, the official tourism, trade and investment promotion agency for Cape Town and Western Cape, collaborated with GreenCape, an NGO that supports the growth of the green economy in Western Cape. This partnership enables Wesgro to outsource specialist services to a qualified partner. GreenCape provides investors insight into the legal frameworks in the local economy and continues to provide ongoing market intelligence and support to make sure that businesses grow and remain sustainable. Together, both organisations can unlock the investment and employment potential of green technologies and services in the region.* *Example: Dubai FDI developed a global multi-stakeholder programme, Dubai Green Economy Partnership, to engage private sector investors and technology providers with government partners.*
V.4 Evaluating development impact	

Rationale	Use of international standards can facilitate technical assessments (e.g., economic, environmental and social impacts).
Implementation	Investor commitments to adhere to international standards could be accepted in lieu of detailed reviews of plant blueprints. *Example: the U.N. has guidelines for national waste management strategies.*
	The International Organization for Standardization (ISO) has certifications for management. *Example: ISO 14001:2015 specifies requirements for environmental management. ISO 20887:2020 specifies sustainability requirements for buildings and civil engineering works.*
	Public-private partnerships have developed standards. *Example: LEED (Leadership in Energy and Environmental Design) certification for buildings.*
	The ILO has international standards on occupational safety and health, and related guidelines.
	Example: Uruguay's Ministry of Finance modified the rules governing free zones based on discussions between the government, users and tax authorities, while aliening the regime with international standards for the prevention of harmful tax practices, particularly the recommendations of action 5 of the OECD/G20 BEPS project.
V.5 Evaluating large-scale investment proposals	
Rationale	Recourse to external expertise can facilitate proper project evaluation.
Implementation	A central coordinating body could facilitate evaluation and approval of large and complex investments, by bringing together different relevant government departments to reach a common position.
	Impact assessments should be used for the ex-ante evaluation of large investment projects to ensure they align with development goals.
	Project evaluation assistance is available in the private sector for a fee. Assistance is also provided on a concessional basis from non-governmental and intergovernmental organizations. (See example text of a provision on investment project-evaluation assistance in Annex 13.)

	Example: Assistance is provided by the African Legal Support Facility, the CONNEX Support Unit, the International Senior Lawyers Project, and the Investment Support Programme for Least Developed Countries of the International Development Law Organization.
V.6 Public-private partnerships	
Rationale	Large projects, to be commercially viable, may be packaged as public-private partnerships.
Implementation	If properly designed public-private partnerships (PPPs) can facilitate investments in infrastructures and sustainability projects. There are many measures to take into consideration for an effective implementation of public-private partnerships. A regulatory framework could assist in effectively executing such partnerships. *Example: Viet Nam passed the Law on Public-Private Partnership Investment, which regulates investment activities under the PPP model. The law focuses on five essential areas: transportation, power grid and plants, irrigation, clean water supply, water and waste treatment, healthcare and education, and information technology infrastructure.*
	Projects should be vetted in stakeholder consultations, involving local industry and community associations. *Example: India's Model Concession Agreement for PPP projects at major ports will be recast based on suggestions from the "existing/prospective investors/PPP concessionaires/individuals/stakeholders".*
	Establishing a separate unit for PPPs should be considered. *Example: Abu Dhabi enacted a law designed to encourage private sector involvement in housing, infrastructure and education projects. The law formalizes the establishment of the Abu Dhabi Investment Office driving FDI and gives it the mandate to lead the United Arab Emirates public-private partnership programme.* *Example: Uzbekistan set up a legal framework to regulate public-private partnerships, with fiscal benefits provided for key private partners, and established a presidential advisory body for investment.*
V.7 Home country measures[5]	

[5] For detailed information, see Jan Knoerich, Matthew Stephenson and Heather Taylor-Strauss, "Outward FDI Policy Toolkit for Sustainable Development" (King's College London, UNESCAP and WEF, 2021), https://artnet.unescap.org/ofdi, and Karl P. Sauvant, Persa Economou, Ksenia Gal, Shawn Lim, and Witold Wilinski, "Trends in FDI, Home Country Measures and Competitive Neutrality"), *Yearbook on International Investment Law & Policy 2012-2013* (New York: Oxford University Press, 2014), pp. 3-107, SSRN: https://ssrn.com/abstract=2814307 .

Rationale	Home country governments can play a role, in addition to host country governments, to facilitate and support sustainable FDI flows.
Implementation	Home countries can have clear criteria linking or conditioning their support measures (including with information, loans, grants, guarantees, political risk insurance, preferential trade access) to a positive development impact in host economies or the absence of a negative impact, such as through ex ante environmental and social impact assessments (For a possible formulation on transparency of home country measures, see example text in Annex 14.) *Example: Under the German investment guarantee scheme, an investment needs to fulfil certain conditions to be eligible, such as positive effects on the host country. These can be manifested by the substitution of imports, the creation of jobs with high social standards or the implementation of modern, environmentally friendly technologies. Another essential aspect of the eligibility is the legal impact of environmental, social and human rights regulations on the project.* *Example: The United States Overseas Private Investment Corporation, which has since become the United States International Development Finance Corporation, provides green guarantees.* *Example: The Netherlands Enterprise Agency supports companies doing business in international, innovative, sustainable, and agrarian activities. It fosters international private sector investments in developing countries through financial tools and information on markets and regulations, along with the identification of international business partners. In 2014, the Dutch Good Growth Fund was established, partly managed by the agency. It is aimed at assisting SMEs and start-ups in the Netherlands with investments in 68 emerging markets by providing loans, guarantees and indirect participation up to €10 million.* Home countries should establish institutional arrangements to manage outward FDI policy and provide home country measures that promote SDGs, such as gender equality, green FDI and quality employment. A main coordinating institution can be assigned by the government and given primary responsibility for outward foreign direct investment (OFDI), given that home-country measures are generally provided by many different governmental institutions, including different ministries, investment and trade promotion agencies, export credit agencies, development finance institutions, and special-purpose institutions (e.g., regarding innovation). The coordinating institution can function as a “one-stop shop” for OFDI-related services. OFDI responsibility can be placed in the same agency as that which is responsible for inward investment, with no separation between the two: this would allow the pooling of resources and expertise, but it may lead to confusion between inward and outward investment functions, and challenges of prioritization between the two. Another option is for OFDI responsibility to be in a different agency from that which is responsible for inward investment. Especially in developing countries, situating OFDI coordination within an export promotion agency can be beneficial, as exports and internationalization through OFDI are often interlinked. *Example: Innovation Norway, Norway’s outward investment promotion agency, has an overseas office in Brazil and is implementing programmes to facilitate the impact of Norwegian MNEs investing abroad on gender equality.*

	Example: The Netherlands Enterprise Agency supports companies that do business in international, innovative, sustainable, and agrarian activities. The Agency provides financial tools, technical support and substantial knowledge and information on developing countries to international investors. The Agency also manages the "Dutch Good Growth Fund" that aims to stimulate private investment by Dutch SMEs in 68 developing countries, by providing loans and guarantees for SMEs that contribute to increasing local employment opportunities, expanding local production capacity and promoting knowledge transfer. *Example: The development finance institution of the United States, the Overseas Private Investment Corporation (OPIC), provides investors with financing, political risk insurance and support for private equity investment funds. Part of OPIC's review and selection includes an assessment of human rights and corporate social responsibility. In addition, OPIC undertakes thorough project monitoring and evaluation of the expected host country impacts.* *Example: Spain's Institute for Foreign Trade/España Exportación e Inversiones (ICEX) promotes Spanish exports, inward FDI and outward FDI. At the same time, a number of other institutions provide home-country measures, including CONFIDES (Compañía Española de Financiación del Desarrollo) that finances outward FDI projects, Instituto de Crédito Oficial (ICO) that provides development finance, and the Centre for the Development of Industrial Technology (CDTI), a special-purpose institution under the Ministry of Economy, Industry and Competitiveness that fosters technological development and innovation in Spanish companies.* *Example: The Republic of Korea's Korea Trade-Investment Promotion Agency (KOTRA) provides support related to exports, inward FDI and outward FDI. For internationalisation, its focus is in supporting Korean SMEs.* *Example: Thailand's Board of Investment, which is the country's IPA, has a division responsible for OFDI, the Thai Overseas Investment Promotion Division. It also focuses on SMEs.*
	Home countries can put in place regulations on OFDI, including restrictions and requirements. Home countries can ensure that any restrictions on OFDI are the least burdensome possible to achieve their policy objectives, and can remove unnecessary restrictions. Restrictions on OFDI primarily come in two forms: approval procedures that require companies to first seek approval for their investment from a government agency, which will normally vet the proposed investment according to specified criteria; foreign exchange controls that aim to limit or control investors' access to foreign currencies and the maximum amount they can invest abroad, to manage foreign exchange and ensure monetary and financial stability. Home countries can adopt requirements that OFDI be carried out in accordance with standards of responsible business conduct. A first step is often the development of voluntary codes of conduct for OFDI. Home countries can require reporting on OFDI, and using this information to monitor OFDI activities, including whether this investment is sustainable FDI. *Example: China's Ministry of Commerce has a "Registration System for Overseas Chinese Invested Enterprises"; it provides "Going Out Policies and Regulations" guidelines and carries out a Joint Annual Inspection of Overseas Investment. China also provides guidance on how OFDI should follow good environmental practices through the Announcement by China's Ministry of Commerce and Ministry of Environmental*

	Protection on Environmental Protection in Foreign Investment and Cooperation, *4 March 2013, and the* Announcement of the Guidelines for the Sustainable Management and Utilization of Overseas Forests by Chinese Enterprises, *1 June 2009.* *Example: South Africa's Department of Trade and Industry published in 2016 voluntary guidelines for its firms to invest responsibly and sustainably in the African continent: "Guidelines for Good Business Practice by South African Companies Operating in the Rest of Africa".*
	Home countries can provide early support services for OFDI, including information on host countries, OFDI processes and opportunities and available home-country measures (HCMs). Information is often provided in the form of publications, reports and databases. Information on host countries covers the characteristics of potential target countries, including their economic conditions, industries and the quality of the investment environment, e.g., details about investment laws and regulations, support measures, available infrastructure, strategic sectors, industry clusters, and distribution networks. Information about specific (market and sector) opportunities can also be provided. Information on the OFDI process includes information on financing, legal aspects and other laws and requirements in both the home and host countries. Information on HCMs should also be made available to potential investors so that they are aware of the support that can be provided as they consider, or undertake, investment abroad. Additional early support services include investment missions, matchmaking services, training, and consultancy/advisory services on OFDI, including through feasibility studies. Such missions aim to provide interested companies with an opportunity to explore the investment conditions and opportunities in countries of interest. Matchmaking services can then support interested companies in establishing networks with governments and businesses in host countries. This can take place through both facilitating connections with governments and businesses overseas and through maintaining business matchmaking databases. *Consultancy/advisory services involve helping firms with* planning OFDI and the associated strategic considerations. This can also include the preparation of feasibility studies. *Example: The Japan External Trade Organization (JETRO), the country's IPA, provides* information on OFDI*, business support and human resources development. ETRO also operates an international business* matching site*.* *Example: KOTRA's* Korea Investment Company Support Centre *provides information on overseas investment, consultation support by experts and seminars and opportunities for overseas networking with governments and other organizations.*
	Home countries can provide financial support for OFDI, whether in the form of grants, loans, equity participation, or financial guarantees or the repayment of loans. Grants can include funds for pre-investment feasibility studies and research, cover the establishment of offices overseas to enable initial exploration before a final decision is made on the full implementation of an investment project, training to prepare staff and managers for overseas posts, and consultancy and other advisory support for OFDI projects. Loans can be structured in many different ways, whether concessional loans, non-concessional loans or structured finance (e.g,. linking repayment to the success of the OFDI project, or converting loans to shares in OFDI ventures). Risk-sharing

	arrangements are advisable between the home country government and home country firms, to make sure financial support is warranted and efficiently provided. Equity participation usually involves the ownership of a minority stake in foreign affiliates. Exit options may be included in the arrangement to allow the investing company to repurchase the shares from the government. Financial guarantees on the repayment of loans could be offered by governments to private lenders to reduce the risk to the latter when they agree to fund specific OFDI projects. Such assurances enable private lenders to make more capital available to support OFDI projects. *Example: Canada's Export Development Canada offers* direct lending *as well as* structured and project finance *to support companies to expand overseas and deliver projects abroad, as well as* financial guarantees *on loans to carry out OFDI.* *Example: Malaysia's Ministry of International Trade and Industry, through MATRADE, offers* grants *to support the establishment of OFDI projects, while Malaysia's Exim Bank provides* financial support *for Malaysian investors overseas.* *Example: Germany's DEG, part of the state financial institution KfW, offers* loans and equity investments *to firms investing in developing countries.*
	Home countries can provide fiscal support for OFDI, whether in the form of tax reductions, tax relief, tax deductions, tax deferrals, tax credits, or allowances. Fiscal support offers governments an opportunity to incentivise OFDI activities that are in line with sustainability, as well as national development goals, or disincentivise those that are not. *Example: Malaysia provides tax incentives on pre-OFDI* business expenditures*, as well on* acquiring foreign firms. *Example: Singapore has a host of tax incentives* for firm internationalization.
	Home countries can provide political risk insurance for OFDI. Political risk insurance commonly covers non-commercial risk, including unlawful host-government interference and breach of commitments by the host country government, such as nationalisation, expropriation, embargoes, and preventing the transfer of funds out of the host country. It also insures against circumstances that might jeopardise an investment, such as war, armed conflicts and political violence. *Example: The India Export Credit Guarantee Corporation* offers 'Overseas investment insurance'. *Example: Belgium's Credendo offers* political risk insurance *for OFDI.* *Example: Russia's Export Insurance Agency of Russia offers* political risk insurance *for OFDI.*
	Example: The United States International Development Finance Corporation offers political risk insurance for OFDI.
	In additional to political risk insurance for OFDI that may be provided by national governments, the Multilateral Investment Guarantee Agency (MIGA), part of the World

	Bank Group, offers political risk insurance to firms from member countries; hence, countries may not need to provide this home country measure directly for it to be available for their firms and thus facilitate OFDI.
	Home countries can provide operational support to facilitate OFDI. This can include facilitating establishment in a host country, political and diplomatic backing and coordination with the host country government. Home countries can use foreign offices (consulates, foreign offices that are staffed by investment professionals, embassies) to facilitate outward FDI. Facilitating establishment in host countries might include finding ways for investors to overcome entry barriers and other bureaucratic hurdles. This might also involve troubleshooting regarding issues and problems with an investment, including support in addressing investor grievances. Coordination with the host country government can involve coordination on investment promotion and facilitation with a host country's investment promotion agency, or the establishment of a collaboration platform between home and host country institutions to facilitate knowledge sharing, policy advocacy and two-way investment flows. Operational support to facilitate OFDI can also include mobilising domestic support for OFDI and providing auxiliary services overseas. Home country governments can facilitate OFDI by encouraging inter-firm collaboration on OFDI, e.g., by internationalising together, especially when firms may lack the capacity to go it alone. The home country government can also facilitate OFDI by encouraging banks and financial institutions to finance or otherwise support OFDI. Auxiliary services can involve mobilising service providers to establish their own presence in host countries, to directly support outward invested firms and their affiliates on the ground. Auxiliary services can also involve establishing centres or industrial parks in host countries to make it easier for home country firms to establish foreign affiliates. *Example: Spain's Centre for the Development of Industrial Technology has a network of overseas representatives and offices to support the international technological activities and cooperation of Spanish companies.* *Example: Poland's Investment and Trade Agency has a network of over 60 representatives around the world who provide operational support to Polish firms when they internationalise.* *Example: China and Malaysia have cooperated on facilitating OFDI through joint operational support provided by the Malaysia-China Business Council, which facilitates coordination among enterprises of both countries, including through business information and advisory services and by helping to find solutions to issues and problems when they arise.*
	Home countries can adopt measures that maximise the benefits of OFDI to home countries, and thus facilitate long-term growth of OFDI. This can include measures to boost absorptive capacity in the home country and among its firms. Strengthening absorptive capacity is important to ensure that the know-how and technologies repatriated from overseas investments to the home country can be effectively assimilated into domestic innovation systems and economic activities.

	This can also include measures to promote the competitiveness of the home country and its firms, which could involve science and technology policies, investment in human capital development and funding innovation. It can include measures promoting domestic inter-firm linkages to facilitate spillover effects and the diffusion throughout the home country of capacities acquired overseas. *Example: Spain's CDTI fosters Spanish companies' technological development and innovation to improve their technological capabilities, including through promoting international technology transfer, supporting the internationalisation of R&D and advancing international technology cooperation.* *Example: Japan's Innovation Network Corporation of Japan creates and nurtures key industries via open innovation and by overcoming the boundaries between companies and industries.*
	Home countries can put procedures in place to evaluate the effectiveness of their home country measures in facilitating OFDI and especially achieving the strategic and developmental goals sought through OFDI support. Feedback mechanisms need to exist for firms to relay to home country governments whether home country measures are effectively facilitating OFDI in practice. This feedback can be gathered through either surveys or listening sessions. Evaluation can be undertaken through data analysis of quantitative and qualitative indicators, especially to see which home country measures are actually being used in practice, and in what ways. This may allow the finetuning and further targeting of home country measures so that home countries can even more effectively and efficiently facilitate OFDI. *Example: China has put supervision procedures in place to evaluate the overseas performance of Chinese investments.* *Example: Thailand's Board of Investment, Thai Overseas Investment Promotion Division, organises listening sessions as part of its training activities and seminars.*
	Feedback by nongovernmental organizations can inform home country governments on innovative ways to advance sustainable development goals. *Example: The Swiss HELVETAS advocates responsive outward polices.*

VI. Coordination and cooperation

VI.1 Dispute prevention	
Rationale	Avoiding disputes is key to facilitating investment. In addition to potential loss of existing investment, a large part of investment is reinvestment by existing investors, and if they get embroiled in disputes, they may not reinvest. Moreover, prospective investors speak with existing investors to understand the *de facto* investment climate, and so avoiding disputes is key for existing investors to communicate a welcoming investment climate.

	Fair rules and their effective implementation are important to address investor issues before they escalate into legal disputes. Such a system wins investor confidence and facilitates investment.
Implementation	Tracking complaints through an investment grievance mechanism or an “early warning system” to catch problems early – before they escalate into disputes or even formal grievances – are useful mechanisms to consider. Complaints could be registered in a database, and the information about the nature of complaints should be circulated (in anonymous form) to the relevant offices. (For example, texts on an Investment Grievance Mechanism and an Investment Alert Mechanism, see annexes 15 and 16.) Example: *China has mechanisms to strengthen the procedure for handling complaints from foreign affiliates by broadening the scope of possible grievances.* *Example: Iraq establishment an investor grievance mechanism within the Basra Investment Commission.* The investment grievance mechanism can be a separate channel to deal with investment-related grievances within the overall administrative review process, as otherwise investor complaints can get stuck in a very lengthy review of administrative decisions. Timeliness of the appeal mechanism and decision should be provided. *Example: KOTRA assigns ‘home doctors’ to give special attention to investors experiencing business difficulties and having complaints. They provide preventive care by reviewing specific rulings (e.g., tax, visa, labour, property) and check the validity of regulations.* *Example: The Hungarian Investment Promotion Agency enables investors to provide feedback and mediates between government and business using such business input.* Training sessions specialized in civil complaints and for ombudsperson should be arranged for relevant officials and organizations.
VI.2 Ombudsperson	
Rationale	Provides additional recourse outside the normal administrative process. Establishing an ombudsperson-type mechanism shows capacity for introspection. Encourages investor retention and reinvestment. Difficulties are unavoidable but early resolution can avoid escalation into disputes and costly outcomes, both in terms of financial settlements and relationships and reputation.
Implementation	The ombudsperson is a respected and independent actor empowered to resolve investment issues and avert escalation into investment disputes. The ombudsperson informs relevant government institutions of serious complaints and urges amicable resolution. The authority of the ombudsperson is based on its tact, independence and collaboration in diffusing complaints before they become grievances, thus preventing disputes.

	Example: The ombudsperson of the Republic of Korea is a designated neutral facilitator who provides confidential and impartial assistance in resolving grievances and disputes. The ombudsperson investigates complaints, reports finding, and mediates fair settlements between individuals, group of individuals and institutions or organizations. Importantly, the ombudsperson is connected to, but independent from, line ministries, being appointed by the President of the country. The ombudsperson also helps to identify potential areas of grievances and address them early. The ombudsperson may recommend improvements in administrative procedures, including by tracking patterns of complaints over time to detect their source. (See VI.1 Dispute Prevention, including Annex 16 for example text on an Investment Alert Mechanism). The ombudsperson office could be equipped with an online platform to receive communication from investors. Note: Even if not availed, the presence of an ombudsperson is comforting.
VI.3 High-level national coordinating body	
Rationale	Provides coordination within the government where decision-making is distributed among departments and regional offices. This not only sets the tone, sends signals, and leads/issues investment policy and FDI strategy for the country, it also must make sure all stakeholders contribute to the improvement of the investment ecosystem *Example: Ethiopia established a high level Inter-Regional Council to coordinate federal and regional state investment authorities with respect to synchronizing and simplifying administration; providing oversight; and addressing major difficulties identified by investors.*
Implementation	To ensure coordination within the government, a high-level coordinating body should be appointed to oversee efficient processing of investment matters. The body should have authority to intercede with government units and to reconcile differences in administrative appraisals. *Example: Oman issued a Royal Decree to reorganize the Public Authority for Investment Promotion and Export Development. The decree gives power to the chairperson to design an overall investment framework that is consistent with the general policy of the state.* *Example: Chile issued a new Framework Law for Foreign Investment that established the Foreign Investment Promotion Agency which is the only body authorized to implement state policy to attract all types of foreign capital and investment, and it works in coordination with the country's regional governments.* *Example: China established a comprehensive service mechanism whereby municipal and district commerce departments take the lead in responding to cross-departmental and cross-regional issues raised by foreign investors and foreign affiliates.*

VI.4 Domestic regulatory coherence	
Rationale	More generally, apart from particular complaints, there is utility in assessing how well investment facilitation measures and procedures work in practice, and in providing feedback to policymakers on possible ways to strengthen the overall coherence of the policy regime.
Implementation	Conduct periodic assessments of the Investment Facilitation Framework's impact on actual investments, especially considering the needs of SMEs.
	Establish an inter-agency coordination mechanism for domestic regulatory coherence in areas of overlapping jurisdiction, which will help with implementation of investment facilitation measures. *Example: The United Arab Emirates established an FDI unit within the Ministry of Economy that is mandated to propose and implement FDI policies.*
	Establish mechanisms to enhance coherence between national and sub-national IPAs activities.
	Establish a mechanism for public-private dialogue to inform regulation and implementation, such as a standing quarterly meeting. *Example: Cambodia established the Government-Private Sector Forum as a standing body chaired by the Prime Minister to address investor issues. It is operationalized through 13 working groups that cover different sectors, each one co-chaired by a minister and the representative of an industry association.*
	Conduct investor perception surveys. Survey results enables IPAs and respective governments to enhance their services to investors. Example: *Belize, Bulgaria, Germany, Guinea, Madagascar, Moldova, the United Arab Emirates, and the United Republic of Tanzania IPAs all undertake investor surveys. Japan External Trade Organization surveys the activities of its outward investors.*
	Bring together investors and related stakeholders to openly address practical issues of implementation and clarify areas of confusion. A government mechanism for airing and addressing investor and other stakeholders' concerns and complaints should be available, operating impartially, openly and accessible to all. *Example: KenInvest's portal allows users to report problems and complain online if they witness unlawful or irregular behaviour*. *The portal also receives comments and suggestions from the public, which helps to improve public-private* dialogue on investment. *Example: The Tunisian Investment Authority produces yearly reports of the main challenges investors face, and proposes reforms to a Strategic Council on Investment, chaired by the Prime Minister.*
	National Investment Facilitation Committees, similar to those for trade facilitation, are a

	potential platform for stakeholder participation. The establishment of such bodies should facilitate the implementation of the Investment Facilitation Framework, promote domestic coordination (including over technical assistance and capacity building) and serve as a platform of dialogue with stakeholders. Local private sector participation is invaluable to orient and improve implementation.
VI.5 Cross-border cooperation	
Rationale	Cooperation among investment agencies can help with peer-to-peer learning, including on experience sharing and good practice. Cooperation between investment agencies in home and host economies can facilitate two-way investment. Cooperation on trade facilitates investment. Cooperation among host countries facilitates regional investment.

Implementation	Facilitate the creation of partnerships between investment authorities in different jurisdictions. Such cooperation could include joint business missions, promotion campaigns and roadshows, joint standing committees to help aftercare and policy advocacy, matchmaking, linkages, and supplier development programs. Partnerships can either be between IPAs in two different jurisdictions or between an IPA and an outward investment agency (OIA). In some cases, the function of supporting outward FDI is given to the IPA and thus the IPA is the OIA, but in some cases it is given to another agency, often the trade promotion agency. These partnerships can be codified through memoranda of understanding and implemented through joint activities identified by the parties as priorities. One example of a win-win joint activity is matchmaking of firms in their respective economies, which has been identified by firms as an important measure to facilitate their investment. Another example of a joint activity is the development of sustainable FDI projects, whereby the host investment authority identifies sector-based or capacity-based investment needs, and the home investment authority helps identify a potential FDI firm and ensures that any support provided is conditioned on the firm carrying out sustainable FDI. Such promotion and facilitation agenda could include enhancing the opportunities for women, including women workers and business owners, promoting green and climate-neutral investment, including eco-innovation, low-carbon technologies and energy efficiency, and developing quality employment, including training programmes and worker safety.
	Investment agencies can share experience through the World Association of Investment Promotion Agencies (WAIPA), and organize bilateral assistance for peer-to-peer learning.
	Mutual recognition of standards among economies facilitates investment, especially export-oriented investment.
	Alignment of procedures and formalities with neighbouring countries, where applicable. This can include the harmonization of data requirements, documentary controls and computer systems.
	Host countries can create large regional markets to attract investment and trade.
	Cooperation within relevant UN frameworks, particularly financing for sustainable development and the programmes of action for LDCs.
	Co-operation and co-ordination with agencies and representations abroad, such as embassies and consulates. *Example: Egypt's IPA relies on embassies and consular offices to connect with the home country's business community.* *Example: The Polish Investment and Trade Agency (PAIH), which supports both the foreign expansion of Polish business and the inflow of FDI into Poland, is increasing the number of offices that it has abroad as part of its investment support strategy.*

VII. Enhancing international cooperation

VII.1 Cooperation with multilateral organizations	
Rationale	Collaboration among international organizations with investment mandates would foster an integrated approach to investment facilitation. Make use of regional initiatives to build investment capacity, expertise and information sharing. Make use of non-governmental organizations and initiatives.
Implementation	Intergovernmental organizations, such as UNCTAD, the WBG, ITC, UNIDO, the IDB, and OECD have competence, programs and resources. For details, see: ● UNCTAD: https://unctad.org/en/pages/DIAE/DIAE.aspx. ● WBG Investment Climate team: https://www.worldbank.org/en/topic/investment-climate/brief/investment-policy-and-promotion. ● ITC: http://www.intracen.org/itc/goals/Strengthening-trade-and-investment-support-institutions) and http://www.intracen.org/piga. ● UNIDO: https://www.unido.org/our-focus/cross-cutting-services. ● IDB: Trade and Integration Sector: https://www.iadb.org/en/about-us/departments/int ● ESCAP: https://www.unescap.org/ ● OECD: http://www.oecd.org/investment/. Other international organizations, such as the World Economic Forum, have competence, programs and resources. For details, see, the Forum's Global Investment Policy and Practice initiative: https://www.weforum.org/projects/investment
VII.2 Needs assessments	
Rationale	Assessing an economy's current investment facilitation capabilities is a necessary first step to determine what kind of technical assistance and capacity building support may be needed. Such needs assessments not only form the basis of future technical assistance, but also allows the economy to negotiate and enter into a potential framework that supports its specific circumstances and needs. Needs assessments can form the basis of notifying commitments to an Investment Facilitation Committee at the WTO.
Implementation	Technical assistance and capacity building should be channelled to provide needs assessments in two phases: • Needs assessments during the negotiations phase are structured to raise awareness of the economy's current circumstances with regards to investment

	facilitation and the possibility of providing support to increase its capacity through an international framework. • Needs assessments after the negotiations are completed are structured to help economies evaluate the levels of implementation of measures in the framework, estimate the time needed for implementation and calculate the type and magnitude of technical assistance and capacity building required for implementation.
VII.3 Sharing of experiences and mutual learning	
Rationale	Achieving the Sustainable Development Goals will require large, new and innovative investment. Sharing of experiences, including through voluntary peer reviews, would promote discovery and diffusion of innovative approaches and practice.
Implementation	Cooperation can be fostered through the proposed WTO Committee on Investment Facilitation, which should include inputs from the private sector and other stakeholders and can also facilitate voluntary peer review.
	Share experiences in expert meetings of UNCTAD and other relevant UN and other international bodies.
	Participate in regional fora for sharing experiences and create programmes for regional cooperation.
	Create open-ended working groups to explore investment facilitation issues.
	Encourage and enhance cooperation among national focal points. *Example: the OECD IPA Network was created to share IPA experiences and discuss good practices on investment promotion and facilitation.*
	Technical assistance and capacity building could facilitate sharing best practices through creating a website for IPAs to submit inquiries or receive online training on how to proceed with implementation efforts.
VII.4 Technical assistance and capacity building	
Rationale	Investment facilitation in developing countries, particularly the least developed, is constrained by scarce skills, imperfect institutions and weak infrastructure.
Implementation	Technical assistance for investment facilitation would complement and enhance the corresponding facility of the Trade Facilitation Agreement.
	Assistance for sub-national capacity building should be provided.

	Assistance to LDCs is particularly important, given their relatively low ranking on investment facilitation indicators (see the Investment Facilitation Index of the German Development Institute). Technical assistance and capacity building could be coordinated through an Investment Facilitation Facility. Technical assistance should be provided to support all investment facilitation measures identified as useful. Technical assistance may include, among other things, capacity building for investment authority personnel on marketing, communications, budgeting, and planning and the exchange of staff and training programmes at the international level.

ANNEXES

Annex 1: Example text of a provision on establishing/maintaining an IPA

ESTABLISHMENT/MAINTENANCE OF AN INVESTMENT PROMOTION AGENCY

Each Member [shall establish/maintain] [is encouraged to establish/maintain/designate] an Investment Promotion Agency (IPA). The IPA shall be established/maintained/designated according to international good practice principles or critical success factors. Inter alia, these include:

(a) Establishing high level government support to FDI and the IPA;

(b) Developing an IPA strategy with a focus on competitive segments;

(c) Ensuring a clear, uncontested mandate for investment promotion;

(d) Guaranteeing a high degree of institutional and financial autonomy;

(e) Maintaining strong governance for the IPA, including a strong and active board with private sector representation;

(f) Recruiting management and key promotion staff with strong private sector experience;

(g) Maintaining significant and sustained financial resources;

(h) Maintaining a strong investor-centric services orientation; and

(i) Developing a strong national-subnational framework.

Source: World Bank Group's research and operational experience.

Annex 2: Example text of a sub-section "Publication of an investment incentives inventory" in Section II of the streamlined text

TRANSPARENCY OF INVESTMENT INCENTIVES

Members shall ensure transparency of their investment incentives and of the rules, regulations, policies, and procedures governing such incentives. They shall publish information (ideally in English) regarding all investment incentives on a regular basis and make such information publicly available, on a non-discriminatory basis.

Each Member shall, online where possible, establish an Incentives Inventory.[6] The Incentives Inventory should include all incentives available to investors, including financial incentives (including direct grants,

[6] **Incentives Policy and Negotiation Good Practice Scorecard**

A. Incentives policy	1. What are the objectives of incentives? 2. What types of incentives are on offer? 3. Are incentives aligned to the needs of different sectors? 4. Are they linked to performance targets? 5. Do these meet the objectives? 6. Are the incentives clear to investors?
B. Negotiation / Processing	1. Who can get the incentives? 2. Who allocates/awards the incentives? 3. Is the negotiation process predictable and transparent? 4. Are the incentives needed to win the project? 5. What will be the return on investment?
C. Approval	1. What is the process for awarding incentives? 2. Is it politicized? 3. How speedy and fair is the process?
D. Post-approval	1. What happens after approval? 2. Is there monitoring of performance targets? 3. Do investors receive the incentives? 4. Are there effective "claw back" mechanisms if investors do not meet targets?

cost-sharing schemes, lending instruments, lending guarantees), fiscal incentives (including incentives related to income tax, value added tax, customs duty), as well as in-kind transfers (including non-financial incentives).

The inventory shall comprise a comprehensive listing of all incentives offered, including:

(a) eligibility criteria;

(b) nature of the benefit;

(c) legal sources;

(d) application process, including forms and documents;

(e) contact information, and Uniform Resource Locators (URL) if any, of relevant competent authorities and of the [enquiry point(s)] [contact/focal points] referred to in paragraph[s];

(f) Other information which the Member considers to be useful for investors.

Source: Research by the World Bank Group.

Annex 3: Example text of a section on the administration of incentives, promoting the use of "smart incentives"

ADMINISTRATION OF INCENTIVES

Each Member shall administer incentives by using the following principles. Incentives should be

(a) used sparingly to address targeted market failures, and after considering other instruments and the opportunity costs;

(b) conceived with clearly defined and articulated policy objectives;

(c) precisely tailored so the benefits are directly tied to the intended objective (e.g. by using performance-based instruments);

(d) clearly laid out in the relevant law in the case of tax incentives, ideally the Tax Code;

(e) offered with no or minimal discretion, providing clear eligibility criteria;

(f) administered in a streamlined manner (through an automatic system in the case of tax incentives);

(g) designed to minimize distortions to competition;

(h) targeted to investors that are responsive to incentives, like efficiency-seeking FDI in the context of investment promotion;

(i) cost-efficient based on an evaluation of the costs and benefits (examining expenditures and additionality); and

(j) systematically monitored and evaluated to assess whether the schemes are effective at achieving their intended objectives. Each Member shall evaluate the effectiveness of incentives to ensure incentives are "targeted" by using incentives-specific M&E frameworks and cost-benefit analyses. Cost-benefit analysis may be performed, inter alia, through ROI Analysis (micro-simulation), Sectoral Regression Analysis, or Investor Motivation Surveys.

Source: Research by the World Bank Group.

Source: "Bargaining with Multinationals". Loewendahl (2001)

Annex 4: Example text of a provision on facilitating visa and entry of persons in connection with foreign investment

Each Member shall facilitate the granting of visas and permits to investors, including foreign workers, employees and consultants as designated by the investor in order to assist in the management of the investment.

Each Member shall accord to investors, including foreign workers, employees and consultants as designated by the investor, the benefit of fast-track visa applications and smooth process in the issuance of such visas, and where appropriate/feasible through green channels.

Each Member shall promptly publish, in a non-discriminatory and transparent manner and through paper and electronic means, any relevant information on requirements for visas, including required forms and documents. The information shall be kept updated.

Source: Research conducted in the framework of this project.

Annex 5: Example text of a section adopting risk-based authorization/approval procedures as part of sub-section 10 (Authorization Procedures)

Each Member [shall introduce] [is encouraged to introduce] a risk-based approach when applying an authorization or approval/ procedures. Risks could be categorized by sectors or industries (those sensitive, those less so), in accordance with health and safety, environment and public security risks or other criteria based on public policy considerations. Low-risk investments would be approved with a very light review, while high-risk investments would receive a more detailed, in-depth review.

Source: Research conducted by the World Bank Group and in the framework of this project.

Annex 6: Example text to introduce "silent consent" for low- and medium-risk administrative procedures

1. Members shall simplify and expedite procedures for applications and approvals of investment projects at all levels. In this respect, Members should consider introducing silent consent administrative procedures in order to facilitate investment on their territories.

2. Each Member shall recognize administrative silence in accordance with its laws and regulations and shall make them available to investors.

3. When established, silent consent administrative procedures shall ensure that authorization is automatically granted to investors where the competent authority of the concerned Member fails to act within the specified time period required under its laws and regulations, unless investors have been notified otherwise.

Source: Research conducted in the framework of this project.

Annex 7: The Dimensions of Sustainable FDI and their Sustainability Characteristics

	Characteristic		Characteristic
Economic dimension	- *Employment* - *Local linkages* - Technology transfer - Infrastructure	Social dimension	- **Labor rights** - *Skills enhancements* - *Public health* - **Workplace safety**

	- *Community development* - *Equitable distribution of wealth* - Tax accountability - Promote research & development		- **Non-discrimination** - *Fair wages* - *Benefits* - **Human Rights** - *Indigenous rights* - *Gender* - **Resettlement** - *Cultural heritage protection / diversity*
Environmental dimension	- *Resource management* - *Pollution controls* - **Low carbon / greenhouse gases footprint** - *Waste reduction* - *Biodiversity protection* - Climate Change - *Water* - Renewable energy	Governance dimension	- **Transparency** - Local management - **Supply chain standards** - Consumer protection - **Stakeholder engagement** - *Anti-corruption* - **Legal compliance** - *Risk management systems* - Environmental management systems - *Environmental impact assessment / social impact assessment* - Human rights due diligence - Corporate governance

Note: **bold** = common FDI sustainability characteristics, i.e., those sustainability characteristics that appear in 50% or more of the instruments surveyed; *italic* = emerging common FDI sustainability characteristics, i.e., those characteristics that are present in at least one-third of the instruments.

Source: Karl P. Sauvant and Howard Mann, "Towards an indicative list of FDI sustainability characteristics" (Geneva: ICTSD and WEF, 2017), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3055961

Annex 8: Example text for consideration of CSR commitments as a potential provision

Corporate Social Responsibility

1. Investors and their investments shall strive to achieve the highest possible level of contribution to the sustainable development of the Host State and the local community, through the adoption of a high degree of socially responsible practices, based on the voluntary principles and standards set out in this Article and internal policies, such as statements of principle that have been endorsed or are supported by the Parties.

2. The investors and their investments shall endeavour to comply with the following voluntary principles and standards for a responsible business conduct and consistent with the laws adopted by the Host State:

a) contribute to the economic, social and environmental progress, aiming at achieving sustainable development;

b) respect the internationally recognized human rights of those involved in the companies' activities;

c) encourage local capacity building through close cooperation with the local community;

d) encourage the creation of human capital, especially by creating employment opportunities and offering professional training to workers;

e) refrain from seeking or accepting exemptions that are not established in the legal or regulatory framework relating to human rights, environment, health, security, work, tax system, financial incentives, or other issues;

f) support and advocate for good corporate governance principles, and develop and apply good corporate governance practices, including anti-corruption measures;

g) develop and implement effective self-regulatory practices and management systems that foster a relationship of mutual trust between the companies and the societies in which their operations are conducted;

h) promote the knowledge of, and the adherence by workers, to the corporate policy, through appropriate dissemination of this policy, including professional training programs;

i) refrain from discriminatory or disciplinary action against employees who submit grave reports to the board or, whenever appropriate, to the competent public authorities, about practices that violate the law or corporate policy;

j) encourage, whenever possible, business associates, including service providers and outsources, to apply the principles of business conduct consistent with the principles provided for in this Article; and

k) refrain from any undue interference in local political activities.**"**

Source: Investment Cooperation and Facilitation Treaty Between the Federative Republic of Brazil and the Republic of India, art. 12, January 25, 2020.

Annex 9: Example text of an investment facilitation provision concerning Recognized Sustainable Investors

X. Investment Facilitation Measures for Recognized Sustainable Investors

(a) Each Member shall provide additional investment facilitation measures related to the establishment, acquisition, expansion, management, conduct, operation, and expansion of investments in its territory, pursuant to paragraph X.3, to international investors who meet specified criteria, hereinafter called Recognized Sustainable Investors.[1] Alternatively, a Member may offer such investment facilitation measures through procedures generally available to all investors and is not required to establish a separate scheme.

(b) The specified criteria to qualify as a Recognized Sustainable Investor shall be the following:

a. Such criteria, which shall be published, shall include:

i. a pledge to observe certain internationally recognized guidelines [e.g., the UN Guiding Principles on Business and Human Rights, the ILO MNE Declaration, the OECD Guidelines for Multinational Enterprises and, if applicable, certain industry specific codes]; and

ii. any [e.g., two or three] of the following requirements:

1. the publication and wide distribution of CSR statements and progress reports;

2. an appropriate record of compliance with local laws and regulations;

3. a system of managing records to allow for necessary internal controls;

4. a history of access to loans based on environmental, social and governance performance; or

5. appropriate supply chain management.

b. Such criteria, which shall be published, shall also include a number [e.g., two or three] specific FDI sustainability characteristics chosen by the Recognized Sustainable Investor from a list of such characteristics identified by each host country Member, and which the investor makes reasonable best efforts to reach:

i. create a certain number of jobs across all investments in the Member's jurisdiction;

ii. create backward linkages across all investments in the Member's jurisdiction;

iii. engage in community developments related to each investment in the Member's jurisdiction;

iv. reduce the investor's carbon footprint across all investments in the Member's jurisdiction;

v. follow commercially responsible resource management practices in each investment in the Member's jurisdiction;

vi. use non-discriminatory hiring-practices across all investments in the Member's jurisdiction;

vii. provide specific skill-based training for local workers in each of the investments within a Member's jurisdiction;

viii. maintain a high-level of supply chain standards across all investments in the Member's jurisdiction; or

ix. engage with stakeholders related to each investment in the Member's jurisdiction.

c. Such criteria shall not:

i. be designed or applied so as to afford or create arbitrary or unjustifiable discrimination between investors where the same conditions prevail; and

ii. to the extent possible, restrict the participation of small and medium-sized enterprises and domestic firms.

(c) The additional investment facilitation measures, which shall be published, provided pursuant to paragraph X.1 shall include at least [e.g., three or four] of the following measures:[2]

a. access to a specific Recognized Sustainable Investor focal point;

b. priority assistance (at reduced fees and/or charges) in obtaining licenses, meeting other requirements and procedures (including the processing of applications), and granting simplified investment documents approval and shortened timeframes for approvals;

c. lower regulatory oversight or lighter regulatory requirements, such as frequency of tax audits or inspections;

d. establishment of a "green channel" for the Recognized Sustainable Investor's employees for expedited entry into the host country;

e. help in establishing local backward and forward linkages through, for example, linkage programs that upgrade local suppliers;

f. aid with efforts to secure land for production purposes;

g. specialized employee training programs geared specifically toward RSI investments;

h. privileged access to markets that are otherwise closed to foreign investors; and

i. targeted fiscal, financial or other incentives, including, e. g., access to lower interest loans, special grants, or subsidized infrastructure and services.

(d) Members are encouraged to develop Recognized Sustainable Investor schemes.

(e) In order to enhance the investment facilitation measures provided to Recognized Sustainable Investors, Members shall afford to other Members the possibility of negotiating mutual recognition of Recognized Sustainable Investor schemes.

(f) Members shall exchange relevant information within the [Committee established by an international investment facilitation framework] about Recognized Sustainable Investor schemes in force. The Committee shall establish a publicly available database of Recognized Sustainable Investors and the countries in which they are recognized.

Source: *Karl P. Sauvant and Evan Gabor," Facilitating sustainable FDI for sustainable development in a WTO Investment Facilitation Framework: four concrete proposals," Journal of World Trade, vol. 55 (2021), pp. 279-280, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3496967 .*

[1] Governments could also consider designating domestic firms as Recognized Sustainable Investors and, if firms qualify, extend appropriate benefits (X.3) to them as well.

[2] A measure listed in subparagraphs X.3 will be deemed to be provided to Recognized Sustainable Investors if it is generally available to all investors.

Annex 10: Example text for Articles in international investment agreements encouraging the facilitation of climate-neutral and gender-equal FDI

Suggested Article for climate-neutral FDI:

Each Party shall encourage the facilitation of green foreign direct investment that assists the Parties to become carbon neutral, including by promoting renewable energy, energy efficient investments and appropriate technologies, and taking other measures that help the transition to a carbon-neutral, sustainable and climate-resilient economy.

Source: Karl P. Sauvant, Matthew Stephenson and Yardenne Kagan, 'Green FDI: Encouraging carbon-neutral investment,' Columbia FDI Perspectives, No. 316, October 18, 2021 (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3943705).

Suggested Article for gender equal FDI:

Each Member shall encourage the facilitation of agendas with a view towards promoting gender-equal access for the opportunities created by this Agreement, to facilitate business partnerships and the creation of information networks that foster gender-equal opportunities and participation in international investment.

Source: Research conducted in the framework of this project.

Annex 11: Example text of a section "Domestic Supplier Databases", which promotes the establishment of a high-quality database of domestic suppliers and their capabilities that is up-to-date and publicly accessible

DOMESTIC SUPPLIER DATABASES

Each Member should establish a domestic supplier database. Such database shall list relevant domestic suppliers in specific sectors, especially those supporting the specific developmental goals of a Member.

Domestic supplier databases shall be transparent, non-discriminatory and quality-based. They shall, where possible, possess inter alia the following features:

(a) highlight local production capacity through company factsheets;

(b) be searchable by sector or industry, name of product or service, location, certifications, etc.;

(c) be linked to investor servicing and aftercare efforts;

(d) be available online and in English;

(e) be consistently updated;

(f) track user statistics.

(g) provide information on domestic suppliers that would help investors make choices aligned with sustainable investment and CSR goals, which could include, but is not limited to:
(i) commitments to respect supply chain standards and certifications;
(ii) commitment to environmental practices and carbon neutral transition;
(iii) commitment to gender equality in employment;
(iv) commitment to quality employment, including training, worker safety and labour rights;
(iv) commitment to prevent corrupt practices.

Source: Research by the World Bank Group and in the framework of this project.

Annex 12: Example text of a section "Supplier Development Programs", which promotes the implementation of programs to strengthen the supply capacity of local companies

SUPPLIER DEVELOPMENT PROGRAMMES

Each Member [shall] [is encouraged to] implement supplier development programmes with the aim to strengthen the capabilities and competitiveness of local companies in light of FDI local sourcing demand and standards. Such programmes shall, inter alia, exhibit the following good practices:

(a) be designed in close cooperation with domestic and foreign investors;

(b) be demand-driven;
(c) identify, select and audit companies (MSMEs) with potential to be long-term suppliers;
(d) identify buyer needs and transmit these to participating firms;

(e) provide initial certification that MSMEs meet buyers' needs and facilitate linkages;

(f) support the development of formal relationships between suppliers and buyers;

(g) engage in ongoing and customized mentoring/advisory support to strengthen competitiveness and help companies to help themselves;
(h) Facilitation of improvement plans, including management processes, technology, adoption of standards, and business lay-out, based on business reviews of individual MSMEs, especially of MSMEs owned by under-represented groups including women, indigenous peoples, youth, and minorities.

(i) facilitate access to financial instruments, as necessary, for firms to implement their improvement plans;

(j) provide tailored consultancy support to follow-up on business review results;
(k) actively match opportunities (suppliers and investors).
(l) prioritization of the inclusion of under-represented groups, including women, indigenous people, youth, and minorities in the supplier development programmes.

Source: Research by the World Bank Group and in the framework of this project.

Annex 13: Example text of a provision on investment project-evaluation assistance

INVESTMENT PROJECT EVALUATION

Investment project-evaluation assistance should be provided to requesting Members, in particular least developed country Members, properly to evaluate investment project proposals, especially when they involve large-scale investments with returns planned over the long term and significant impact on development. Targeted assistance and support should be provided to developing country and least-developed country Members so as to help them build capacity to undertake/conduct project evaluation of large-scale investment project proposals.

This could be done directly in cooperation with countries or through organizations with capacity in this area, such as the African Legal Support Facility, the CONNEX Support Unit, the International Senior Lawyers Project, and the Investment Support Programme for Least Developed Countries of the International Development Law Organization.

Source: Research conducted in the framework of this project.

Annex 14: Example text of an investment facilitation provision concerning transparency on home country measures

1. Members recognize that home country measures should be, where possible, adopted to facilitate flows of outward foreign direct investment and especially flows of sustainable foreign direct investment.

2. Members are encouraged to adopt appropriate measures to facilitate outward foreign direct investment flows, and especially sustainable foreign direct investment flows, including through legal frameworks (e.g., double taxation agreements), investment guarantees, political-risk insurance, technical assistance, investor support services (e.g., feasibility studies, business missions, matchmaking), financial and fiscal measures (e.g., loans, equity, tax exemptions, tax deferral), and the provision of information.

3. All home country measures shall be made transparent in publicly available databases.

4. Members undertake to cooperate and to share information on the operations of investors from their territories. In this respect, each Member shall, on request, and in a timely manner, provide to another Member such information as is requested and available.

5. Home country measures shall protect confidential business information.

Annex 15: Example text of good practice elements for the design of an Investment Grievance Mechanism

INVESTMENT GRIEVANCE MECHANISM

Each Member shall [to the extent practicable and] in a manner consistent with its legal system designate, maintain or establish a mechanism with the responsibility to receive, resolve and track grievances. The mechanism shall, inter alia, exhibit the following good practice principles:

(a) A designated 'lead agency' that as a first step would determine if an investor complaint constitutes a grievance or not (a grievance being actions that have broken legal commitments and thus for which there could be legal consequences)'

  (i) If the complaint does not constitute a grievance, then it would be referred to the aftercare mechanism;

  (ii) If the complaint does constitute a grievance, then it would be referred to the IGM.

(b) The lead agency would be responsible for implementing the IGM empowered with problem-solving methods to coordinate with relevant government agencies, obtain information from them and effectively solve grievances (examples of methods are: simple exchanges of information, peer pressure or legal advisory opinions);

(c) Continuous information sharing by the lead agency to other institutions on content and breadth of the obligations included in different international investment agreements and domestic law;

(d) Early Alert Mechanisms that enable the lead agency to learn about grievances as early as possible, either passively or actively (e.g., coupled with aftercare programs);

(e) Filtering and assessment of grievances to allow for prioritization, based on two types of assessment: economic (value and jobs at risk, potential tax losses) and legal (potential current and future liability arising from the grievance, impact on the investment project);

(f) Escalation mechanisms that foresee elevation of a grievance to political decision-makers if it cannot be solved at the technical level;

(g) Use of a tracking tool which quantifies the investment at risk, retained, expanded or lost, allowing to evaluate the effectiveness of the IGM and to inform policy advocacy.

(h) Sustained financial resources and staffing with sufficient legal and economic expertise.

Source: Research by the World Bank Group.

Annex 16: Investment alert mechanism

Identifying and addressing investors' complaints at an early stage is key to prevent the escalation of complaints to legal grievances and to investor-state disputes. It also enables governments to respond to complaints in a transparent, fair and timely manner, and it improves investors' perceptions of investor protection.

"Early warning" systems have been piloted by ITC in trade through its Trade Obstacle Alert (see, https://ntmsurvey.intracen.org/what-we-do/trade-obstacle-alert/). Such a mechanism involves setting up an online platform to collect complaints information, determining whether these complaints could constitute legal grievances, identifying patterns of complaints, and addressing complaints through cooperation among the regulatory agencies.

Example text for an investment alert mechanism provision

Investment Alert Mechanism

1. Each member shall, to the extent practicable, establish an Investment Alert Mechanism to address investment-related complaints before they become legal grievances. The Investment Alert Mechanism shall be comprised of the agencies responsible for investment and shall ensure cooperation of the agencies involved.

2. The Investment Alert Mechanism shall:

- provide channels, such as a hotline or an online platform for parties in an investment, including investors and actors affected by the investment, to transmit information about complaints related to the investment;
- register complaints in a database and circulate information about complaints to the relevant investment agencies;
- identify which complaints have the potential to be become legal grievances as those actions contravene legal commitments, and prioritize resolution of these grievances, such as through an Investor Grievance Mechanism;
- provide timely remedy to complaints, including resolution through the coordination among the investment agencies, or providing guidance on the process to remedy complaints;
- to the extent practicable, make publicly available information about complaints and grievances and actions taken to address them.

Source: Research conducted in the framework of this project.

SOURCES

This inventory was prepared on the basis of insights provided in webinars, meetings and workshops held in the framework of a joint ITC/DIE project on Investment Facilitation for Development, country-level projects and private sector discussions related to sustainable investment facilitation carried out by the WEF, and academic and technical reports relating to investment facilitation:

Asia-Pacific Economic Cooperation (APEC) Investment Facilitation Action Plan (2008).

Berger, A., Dadkhah, A., @Olekseyuk, Z. (2021) "Quantifying investment facilitation at country level: introducing a new index". Disussion Paper 23/2021, Bonn: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

Berger, A., & Dadkhah, A. (2019). "Challenges of negotiating and implementing an international investment facilitation framework".

Berger, A., Ghouri, D. A., Ishikawa, T., Sauvant, K. P., & Stephenson, M. (2019). "Towards G20 guiding principles on investment facilitation for sustainable development". Available at SSRN 3352630.

CAC (2020). "Argentina Chamber of Commerce and Services´ (CAC) Contribution to the Commentary Group on a Multilateral Framework on Investment Facilitation for Development".

Comprehensive Investor Services Framework – Heilbron and Aranda-Larrey.

Global Investment Competitiveness Report 2019/2020; see Chapter 5 of the GICR2020 report – Heilbron and Kronfol.

ICTSD (2018). "Crafting a framework on investment facilitation".

IPA response to COVID-19 – Investment Promotion team.

Institutions for Investment in Focus – Heilbron and Whyte.

Joint WAIPA-WBG Global IPA report – Sanchiz and Omic.

Kollinsky, C. (2019). "Incentives for sustainable development", WAVTEQ.

Livingston, E., Sarin, R., Kohonen, M., & Baddeley, M. (2018). "Tax incentives in the Global South".

Loewendahl, H. & Walker, J. (2019). "Enhancing FDI performance: practical measures for FDI success".

Non-paper, Proposals on the "Streamlined Text[7]" on Investment Facilitation.

OECD (2019). FDI "Qualities indicators measuring the sustainable development impacts of investment".

OECD (2019). "Mapping of Investment Promotion Agencies MIDDLE EAST AND NORTH AFRICA".

OECD (2019). "Monitoring and Evaluation: A Brief Guide for Investment Promotion Agencies".

OECD and UNCTAD (2020). "Twenty-third Report on G20 Investment Measures".

Omic, A., & Stephenson, M. (2019). "What can governments do to facilitate investment? A menu of the most important measures identified through surveys".

Polanco, R. J. (2018). "Facilitation 2.0: Investment and trade in the digital age". RTA Exchange, 1-24.

Reports of the March 11, 2020 workshop, March 19, 2020 general webinar and the March 20, 2020 Expert Network group meeting.

Sauvant, K. P. (2019). "The potential value-added of a multilateral Framework on Investment Facilitation for Development". *Transnational Dispute Management.*

[7] WTO Document INF/IFD/RD/45, dated 17 January 2020

Sauvant, K. P., Economou, P., Gal, K., Lim, S. & and Wilinski, W. (2017). "Trends in FDI home country measures and competitive neutrality".

Sauvant, K. P., & Gabor, E. (2019). "Facilitating sustainable FDI for sustainable development in a WTO Investment Facilitation Framework: four concrete proposals". *Journal of World Trade*, vol. 55 (2021), pp. 261-286.

Sauvant, K. P., & Mann, H. (2019). "Towards an indicative list of FDI sustainability characteristics".

Sauvant, K. P., & Stephenson, M. (2020). "Concrete measures for a framework on Investment Facilitation for Development".

Summaries of capacity building workshops held in the framework of a joint ITC/DIE project on Investment Facilitation for Development.

Summaries of meeting of the Commentary Group on a Multilateral framework on Investment Facilitation for Development.

Summaries of meeting of the Expert Network on a Multilateral framework on Investment Facilitation for Development.

Summaries of webinars held in the framework of a joint ITC/DIE project on Investment Facilitation for Development.

UNCTAD (2013). Investment Advisory Series, Series A, number 7, Promoting Low-Carbon Investment.

UNCTAD (2014). The Investment Promotion Agency (IPA) Observer, No 3.

UNCTAD (2016). Promoting Green FDI: Practices and Lessons from the Field.

UNCTAD. (2017). Global action menu for investment facilitation.

UNCTAD (2017). Investment Facilitation: The Perfect Match for Investment Promotion.

UNCTAD (2018). Promoting Investment in the Sustainable Development Goals - Investment Advisory Series A, Number 8.

UNCTAD (2018). World Investment Report 2018 - Investment and New Industrial Policies.

UNCTAD (2019). Investment Policy Monitor No. 22.

UNCTAD (2019). IPA Observer 7 - Promoting Investment for Sustainable Development in Cities.

UNCTAD (2019). World Investment Report 2019: Special Economic Zones.

UNCTAD (2020). Investment Policy Monitor, Special Issue No. 5, Investment Policies for SDG Sectors: Recent Developments.

UNCTAD (2020). IPA Observer Issue 9 - Post-COVID-19: Investment Promotion Agencies and the "New Normal".

UNCTAD (2020). IPA Observer Issue 10 - Mainstreaming Gender Equality in Investment.

UNCTAD (2020). World Investment Report: International Production Beyond the Pandemic.

UNCTAD (2021). Investing in the sustainable development goals: the role of diplomats.

UNCTAD (2021). Investment Policy Monitor No. 24.

UNCTAD (2021). IPA Observer no 11 - Promoting investment in health post-pandemic.

UNCTAD (2021). World Investment Report: Investing in Sustainable Recovery.

Wavteq. (2019). Enhancing FDI Performance: Practical Measures for FDI Success.

Wells, L. T., Jr., and A. G. Wint. (1991). "Facilitating foreign investment: Government institutions to screen and monitor investment from abroad." Foreign Investment Advisory Service Occasional Paper. Washington, D.C.: International Finance Corporation, 1991.

Wells, Louis T., Jr, and A. Wint. (2000). "Marketing a country: Promotion as a tool for attracting foreign investment." Foreign Investment Advisory Service Occasional Paper, International Finance Corporation, Washington, D.C., 2000.

Wells, Louis T., Jr, and A. Wint. (1993). "Don't stop with the one-stop shop: Foreign investment in a liberalizing Third World." International Executive, 35, no. 5 (September–October 1993), pp. 367–383.

White Paper on Environment for Foreign Investment in Shanghai (2020), Edited by Shanghai Municipal Commission of Commerce.

World Bank. 2020. Doing Business 2020. Washington, DC: World Bank. DOI:10.1596/978-1-4648-1440-2. License: Creative Commons Attribution CC BY 3.0 IGO.

World Bank. 2021. Investment Policy and Promotion Brief.

WTO (2017). "Joint Ministerial Statement on Investment Facilitation for Development", WT/MIN(17)/59.

WTO (2019). "Joint Ministerial Statement on Investment Facilitation for Development", WT/L/1072/Rev.1.