



World Association of  
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# UNCTAD IIA Intervention BS - WAIPA 8 Oct 2017

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The World Association of Investment Promotion Agencies (WAIPA) is the umbrella organization that advocates the empowerment of investment promotion agencies (IPAs) and works together with its partners, one of which is UNCTAD, in terms of thought leadership and policymaking. With over 170 members spanning 130 countries WAIPA brings together IPAs from different regions, with various stages of development and truly spans and connects its members through capacity building and constant advocating.

With its extensive ties WAIPA aims to act as active voice for IPA's around the world, aims to bring together government officials, and representatives from the private sector and academia to contribute collectively and continuously towards a common FDI attraction policy and strategy. Closely working together with international organizations enables WAIPA to create additional linkages and be an active voice for investment promotion with a focus on sustainable development by sharing best practices of leading IPA's with IPA's that need certain attention for various reasons, thus creating also here beneficial spillovers. WAIPA bridges international organizations with IPA's that are working on the ground to implement investment promotion initiatives and with the IPA end clients, i.e. investors. Therefore, WAIPA is well positioned to further explore these existing linkages, in such a way that a plan can be devised to integrate investment promotion also in reference to the UN SDG's.

In the light of the significant progress IIA reform has made, with most new treaties following the first phase UNCTAD's Road Map for IIA Reform. There is now much to be done in the second phase regarding the modernization of the existing stock of older IIAs.

When we look at recent investment policymaking we see two sides. First, and positively, investment liberalization, promotion and facilitation played an



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important role in investment policymaking in the last year. Secondly, and perhaps negatively, there is an adverse tendency in some countries foreign of takeovers, in the light of national security or strategy. Furthermore, investors might face political pressure, in connection with an unpredictable and discriminatory investment environment this might be a serious threat to growth and job creation.

A closer look at investment laws UNCTAD examined in their report shows us that most of them include provision of investment incentives. More than half of them are related to IPAs, regarding their task (reputation building of a country's image and identifying and promoting investment opportunities). Additionally, to that there are clauses on transparency, entry and sojourn, and provisions referring to one stop shops, thus again often directly touching an IPAs daily work and structure. One of the most important role of IPAs is policy advocacy; IPAs can objectively transmit the voice of investors directly from the ground to policy makers to then find a common strategy.

Hence, as WAIPA we strongly support the Phase 2 on the 10 IIA reform options as IPAs require a clear set of rules and transparency to attract and work together with investors on a sound basis.

When further closer inspect the reform option per country, it requires careful weighing on the impact of necessity of such a reform per each country. This requires on the one hand a strategic issue but of course it is also a challenge in terms of coordination. And lastly particularly for some countries such as the least developed countries (LDCs) as challenge in terms of capacity.

Therefore, one very strong focus of WAIPA lies in the aim to develop and launch, together with other international organizations, a capacity building of LDC IPA's. As FDI is an important form of development finance for the least developed countries. LDCs through their IPA's are required to improve their capacity to market themselves by efficiently providing essential information to foreign companies. Furthermore, we see the importance that they need to be able to assist policy makers to improve the business climate and investment conditions in LDCs, attract sustainable investment and ultimately enhance the sustainable development of the LDCs.



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Beyond that more elaborate investment promotion programs ultimately aimed at increasing the benefits of FDI can also be established. These may encompass a larger set of services and activities, including targeting investors, undertaking after-investment services, promoting backward and forward linkages and embark on policy advocacy. IPA's can thus become focal points for broader regulatory reforms and investment facilitation activities.

Needless to say, that regarding my point above these issues have to be carefully balanced, and a one size fits all approach should, given the importance of the task, avoided.

IPAs can actively take role for the promotion and facilitation of sustainable investments. Capacity development and empowerment of IPAs is the key. Joining forces with all international organizations to make this happen as organizations and we acknowledge and strongly underline the important role of UNCTAD also in terms of our crucial and fruitful partnership spanning over several decades.

As WAIPA we underline and highlight UNCTAD's role as the focal point in the United Nations for international investment and the international forum for high-level and inclusive discussions and we strongly support the importance of coordination by UNCTAD since a higher degree of coordination at various levels of policymaking (national, bilateral and regional, as well as multilateral) that will surely lead to less fragmented and more balanced IIA regimes and ultimately to better investment environments, clearer rules and transparency, in which IPAs can fulfil their duties, serve their clients can pave the way in a sustainable manner for investments, job creation and growth.