

Division on Investment and Enterprise, UNCTAD

Highlights of Programme Delivery 2010-2011

2010 was a year marked by intensified efforts to promote sustainable investment and enterprises for development in poor countries and to mainstream the development dimension into the global investment policy making process. The Division's work has been consistently highlighted by key policy makers, major international organizations, and the worldwide media. Indeed, 2010 witnessed the reinforcement of our intellectual lead role in the world investment community.

In terms of overall delivery, the Division organized some 60 conferences, meetings and special events; conducted over 80 seminars and workshops, published 85 books, manuals, reports and papers; and issued over 30 newsletters and press releases.

107 countries benefited from our technical assistance in 2010, amongst them in particular 31 LDCs, 17 LLDCs, and 15 SIDS.

Below are highlights of some of the achievements made with respect to the Division's three flagships and seven core products:

World Investment Forum - A milestone event for the investment community

The 2010 World Investment Forum (WIF) brought together 1800 participants, representing 120 countries and 16 international organizations. Participants included 9 Heads of States, 4 Heads of international organizations, 79 ministerial-level officials, 166 business executives, and more than 250 other senior representatives from the public and private sectors. WIF2010 received extensive press coverage, with over 250 accredited journalists and reached out to millions of people via live TV-broadcasts and webcasts.

Under the overarching theme of "Investment for Sustainable Development", the Forum consisted of 9 high-profile events: World Leaders' Investment Summit, Ministerial Roundtable, High-Level Tripartite Conference, 2010 IIA Conference, 2010 Sustainable Stock Exchanges Conference, 8th meeting of the UNCTAD International Investment Advisory Council, Conference on Responsible Sovereign Lending and Borrowing, as well as 2010 UNCTAD Investment Promotion Awards, Investment Showcases and several networking events.

WIF 2010 contributed to establishing UNCTAD's WIF as the most important forum for universal, inclusive and high-level international investment discourse and policy formulation.

World Investment Report – A new face at its 20th anniversary

WIR's 20th anniversary was the occasion to make a significant improvement of its structure, substance and style. A new chapter on national and international policy developments and new sections focusing on LDCs and other vulnerable economies were introduced. Several data sections were moved online in more user-friendly formats. The 2010 Report represents the Division's seminal work on leveraging FDI and its related technology flows to support countries' transition to a low carbon economy. The policy analysis and recommendations of the Report were well-received by governments and businesses alike, including at the TDB 57th session and other high-level international events such as the last preparatory conference for the COP16. The Report also

generated wide public interest - as demonstrated in the world-wide press coverage (with over 14,000 press reports) and the 11,000 downloads so far.

Furthermore, the 2009 WIR continues to generate concrete policy impact. Built on the Report and as mandated by the UN General Assembly, the Division developed, in cooperation with FAO, IFAD and World Bank, a set of Principles for Responsible Investment in Agriculture for sustainable development.

World Investment Network – Fostering partnerships with all investment stakeholders

In 2010, the Division strengthened its link with stakeholders in the area of investment and enterprise through the establishment of the World Investment Network (WIN), an integrated E-network with over 8,000 stakeholder members. WIN consists of 9 sub-networks: the IIA network, the Investment Statistics Network, the Investment Academic Network, the TNC-Business Association Network, the IPAs Network, the ISAR Network, the Empretec Network, the Investment Policy-makers Network, and the Corporate Governance Network. This led to the enhancement of our dissemination and outreach mechanisms, such as the systematic use of newsletters and e-alerts to keep our stakeholders informed of our main events, latest global investment trends, newly issued policy analysis, etc.

The Division's efforts to build a network of "think tanks for the Think Tank (UNCTAD)" has led to two fruitful results: the first UNCTAD-Academia Symposium on International Investment for Development (economic and business faculty), and the establishment of the "G-15 Law Schools" in partnership with the Division on investment legal issues.

Mainstreaming development dimensions into the global investment policy making process

The Division has now firmly established itself as a lead player in the global investment policy making process. Throughout 2010, the Division continued to monitor investment protectionism in response to the reiterated requests by G-20 leaders at their Summits. Furthermore, the Division actively participated in the G20 High-level Development Working Group and provided substantive inputs on investment for development issues. As a result, the G20 Multi-year Action Plan on Development adopted at the Seoul Summit requested UNCTAD to lead the work on developing quantifiable indicators for economic value-added and job creation arising from private sector investment, and formulating the policy recommendations in this regard. The G20 has also requested the Division to take the lead in developing options for promoting responsible investment in agriculture in the context of food security.

In the same vein, the outcome of the G-8 Muskoka Summit (25-26 June 2010) reaffirmed the commitment of the G-8+G-5 L'Aquila Summit, which commended the Division's contribution to the international deliberation on the development dimension of investment policies, and supported our efforts to develop principles for responsible investment in agriculture. Similar support was received from the African Union and APEC. The Division also conducted, as an input to the APEC 2010 Summit, an in-depth review of investment liberalization and facilitation progress by APEC member countries.

Global Investment Trends and Investment Policy Monitors - Now well-established new brand products

The Division's two new core products created in 2009 are well-received by the investment community. Each quarterly issue of the Global Investment Trends Monitor and Investment Policy Monitor, which provide timely and e-based overview and analysis of international investment trends

and policy developments at the national and international levels were largely relayed by media, with each release averaging some 200 press articles. They have also been extensively cited in the keynote speeches of the senior policy makers and in investment policy analysis world-wide.

Investment Information System - The leading source of information on investment

In 2010, the Division continued to maintain its online investment information system, which contains profiles for 142 countries and fact sheets for 187. It intensified its capacity-building support to developing countries in the collection and compilation of statistics, and in regional cooperation for harmonizing data through a series of national and regional workshops (Democratic Republic of Congo, Viet Nam COMESA). As a result, some beneficiary countries have initiated their own Investment Reports under the technical guidance of UNCTAD (e.g. Albania, COMESA).

Investment Policy Reviews - Catalytic in national investment policy reforms

In 2010, four IPRs (Burundi, Belarus, El Salvador, and Sierra Leone) were presented for intergovernmental peer-review at ministerial level. The IPR Guatemala was also finalized, as were the Implementation Reports for Ethiopia and Tanzania, which demonstrated strong implementation record and increased interest for investment opportunities and investment flows. Another five reviews for Congo, Djibouti, Kazakhstan, Kyrgyzstan and Mozambique are at different stages of preparation. Substantial follow-up technical assistance was also provided to 9 countries.

With a view to further strengthening developing countries capacity to design effective policies to attract and benefit from investment, the Division also continued to develop its series on best practices in investment policy making. New case studies were finalized in 2010, which deal with *How post-conflict countries can attract and benefit from FDI* (the case of Croatia and Mozambique), *How to create and benefit from foreign affiliates-domestic linkages* (the case of Malaysia and Singapore), and *How to benefit from FDI in extractive industries - mining* (the case of Canada and Chile).

IAs - Towards a more development-friendly investment regime

The Division strengthened its lead role in backstopping the international investment agreements system. In 2010, we continued to provide cutting-edge policy analysis, finalizing two sequels of the series on *Issues in IAs* and releasing two new volumes in the series of *International Investment Policies for Development*. Two issues notes were also produced to inform the IAs community of latest developments in this area.

The Division also provided technical assistance to regional groups (SADC, CRCIA, APEC, SELA, IDB) and nine developing countries to modernize their treaty content and address the challenges arising from investor-State dispute settlements. In both areas, our intervention was acknowledged by beneficiaries as "*very useful...in ensuring greater policy coherence in future BITs negotiations*" and in gaining "*fuller understanding of commitments under IAs and the effective resolution and avoidance of disputes arising from these agreements*". These capacity-building efforts were complemented through the delivery of regional and national training courses. One of the major activities was the organization of the 2010 IIA Conference, as part of the 2010 WIF. The Conference focused on the central development and systemic challenges facing the current regime of IAs. It brought together 223 IIA practitioners from 80 countries, 11 international organizations and 8 non-governmental organizations. Participants called for concerted international efforts to ensure that IAs work for sustainable development.

Investment Facilitation - A new compact for capacity and institution building

In 2010, the Division launched its new investment facilitation compact which aims at improving the capacity and institution of beneficiary countries for attracting investment for development. The compact encompasses several components, including advisory services (which benefited a dozen countries in 2010), publication of the Investment Advisory Series A (a case study on *Promoting Investment in Tourism*), capacity-building workshops (10 were organized in 2010), and IPA networking. The last dimension reached new heights during WIF2010, with a high-level tripartite conference organized amongst heads of IPAs, business executives and senior government officials to discuss prominent issues related to trends and prospects of international investment, and new investment promotion strategies. On this occasion, the Division also organized the UNCTAD Investment Promotion Awards, which awarded excellence in the promotion of green investment.

Division also continued to pay specific attention to LDCs and other vulnerable economies: In 2010, four new investment guides were finalized for Benin, Comoros, Laos and Zambia, and the i-track (an investor targeting system) was installed in Benin. UNCTAD's investment guides prominently featured during the Investment Showcases sessions organized at the ministerial level for 6 developing countries during WIF2010.

A new business facilitation website was successfully launched during the 2nd session of the Investment, Enterprise and Development Commission: the i-Portal. It aims at identifying and publicizing good practices for the ease of creating and operating a business, and for attracting investment. As evidenced by the increasing number of requests for its implementation, the e-Regulation System is generating extensive interest. The System has now been installed in 12 countries and municipalities.

In the area of intellectual property, we continued to provide research-based advisory assistance on intellectual property and development issues. New Intellectual Property Development Reports, which examine the policy, legal and institutional framework of intellectual property in developing countries and LDCs are being finalized. Country case studies on transfer of technology were also prepared at the request of eight developing countries.

Accounting, corporate governance and social responsibilities – A key to development

The 27th session of ISAR addressed the issue of "Capacity-building framework for high-quality reporting". It also dealt with corporate reporting issues related to climate change, and a review of corporate governance disclosure. The meeting brought together 275 experts from 81 countries-representing, illustrating the relevance of its agenda for our member States in a post-crisis context. The debates were based on several analytical reports. The session was preceded by a workshop organized in cooperation with IFAC on "Corporate governance in the wake of the financial crisis: linking governance, strategy and sustainability".

The 2010 Sustainable Stock Exchanges Conference organized during WIF2010 focused on the relationship between all major exchanges, and the regulatory frameworks in which they operate in the light of environmental, social and governance issues. High-level stock market regulators, along with leading stock exchange executives and CEOs of large portfolio investors explored how the world's stock exchanges could work together to encourage responsible long-term approaches to investment. On this occasion, the Division launched its "Investment and Enterprise Responsibility Review", which provides an in-depth analysis of investor and enterprise policies on corporate responsibility.

Enterprise development – build indigenous productive capacity in developing countries

In 2010, the Division continued, in the context of the multi-year expert meeting on enterprise development, to build consensus on the key elements for an Entrepreneurship Policy Framework. The 2010 Empretec Directors meeting attended by 27 centres' directors and 2,000 entrepreneurs, and the annual Africa Regional Forum, allowed for further exchange of best practices among entrepreneurs. Another successful initiative was the second Women in Business Award organized during the Commission on Investment, Enterprise and Development. The programme also strengthened its capacity building activities in pursuing the installation of Empretec in eight developing countries and organizing six regional training of trainer sessions. Furthermore, two new projects in support of the Millennium Development Goals of eradicating extreme poverty were launched in Panama and Viet Nam.

In the area of business linkages, we continued to respond to the increasing demand for assistance from developing countries and eight business linkages projects are now ongoing. A publication on *'The use of fiscal incentives for the promotion of business linkages'* was also finalized.

The Division also provided assistance to six developing countries in the framework of the e-tourism project, through support to local activities, training sessions and the organization of high-level briefings.

The Division continued the capacity-building project for strengthening SME's development and access to financing and insurance in Morocco and Tunisia. The Division is also finalizing a training manual for staff of Insurance Supervisory authorities.

Effective Cooperation

The above achievements have been made possible due to the effective internal and external coordination and cooperation. The Division benefited from effective support from the OSG, ISS, Admin and Press Unit. It also enjoyed collaboration with other Divisions (for instance, with DTL in the case of technology transfer and enterprise development; with DLDC for joint events, with GDS and DITC for peer reviews). The cooperation with many international organizations was particularly fruitful as manifested by the numerous joint events and joint products.

Challenges ahead

2011 will be another promising year. Major new challenges for the Division include:

- Substantive backstopping for the preparations of UNCTAD XIII with respect to investment and enterprise issue-areas, and the preparation of the third World Investment Forum in parallel to the Conference.
- Contribution to the LDC IV Conference, including organizing the 9th meeting of the Investment Advisory Council and providing substantive inputs to the Investment Partnership Summit on the opening day of the Conference. On this occasion, the Division will also launch the new publication on *FDI in LDCs: Lessons From the Past and the Way Forward*, *Attracting Investment in the Pharmaceutical Sector: A Guide for the LDCs Policy Makers*, and showcase the LDC guides.

- Pioneering policy analysis on non-equity modalities (NEMs) of TNC activities – an under-researched issue-area. *WIRII* will present a comprehensive study on the salient features and development impacts of the NEMs, and advocate a development-friendly policy framework thereon through consensus-building and technical assistance.
- Follow-up of investment aspects of G20's Multi-Year Action Plan on Development, including taking the lead in developing quantifiable indicators for economic value-added and job creation arising from private sector investment, and developing policy recommendations in this regard; as well as designing options for monitoring responsible agricultural investment in the context of food security.
- Embarking on conceptualizing an *integrated investment-enterprise policy framework* for productive-capacity building in developing countries, with a view to effectively enhancing the coherence and synergy between the investment policies and enterprise development policies. The framework will also help guide our technical assistance to developing countries through closer interactions among our seven key products and services.

Overall, we will continue to follow UNCTAD's Secretary-General's vision and to fulfill the mandates of the Accra Accord. Implementing the Secretary-General's 3 Cs principles will be even more relevant in the coming year, given the increased demand and resources constraints, which means that we will have to continue "delivering more with less". We will also stick to our five core values, i.e. relevance, quality, efficiency, effectiveness and impact in our 2011 programme delivery.