

Investment for Sustainable Development

# UNCTAD's Compact for Investment Facilitation: Achievements

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Presentation at

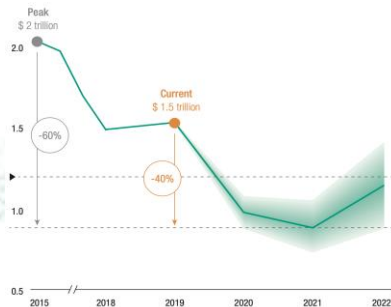
***WTO Investment Facilitation Group***

Geneva, 19 April 2021

# Why Investment Facilitation: **CONTEXT** *[3 Gaps]*

1

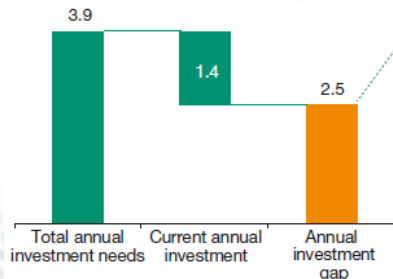
Productive investment **gap**



- Stagnation of real growth in FDI and GVCs in the past decade (WIR20).
- Outlook: a U-shape global FDI recovery, with investment in productive capacity lagging behind.

2

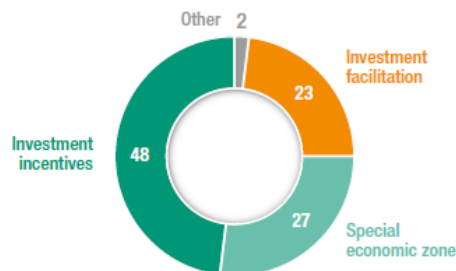
SDG investment **gap**



- SDGs face an annual investment gap of \$2.5 trillion for developing countries...
- In key SDG-sectors: the pandemic has undone the progress of investment, particularly for DCs and LDCs...

3

Systemic policy **gap**



- Few countries have a full program of IF in their national investment policy framework, with sustainable development integrated.
- In over 90% of international investment agreements, facilitation is absent or weak

Source: ©UNCTAD

# How does IF fit in the wider investment policy **CONTEXT**



Source: ©UNCTAD

# UNCTAD's Investment Facilitation: **COMPACT**

## Investment for Sustainable Development

1

### Policy Framework

- Guidelines: **UNCTAD Global Action Menu for Investment Facilitation**
- Expert design: based on decades of experience and good practices, in line with **UNCTAD's Investment Policy Framework for Sustainable Development**
- Flexibility: options for national and international policymaking to adapt and adopt; feedback of lessons learned through implementation

2

### Consensus deliverables

- Multi-levels: engagement at national, regional, international levels; endorsed by UNCTAD 14<sup>th</sup> Ministerial Conference (2016)
- Multi-stakeholders: extensive consultations and endorsement at 2016 World Investment Forum
- Consensus: a series of **guiding principles**

3

### Capacity-building instruments

- Diagnostic: Investment Policy Reviews (**IPRs**), Investment Facilitation Scan
- Technical support: **eRegulations, Investment Portals, iGuides, advisory services and training**
- Peer learning and needs assessment: **GER.co** (the Global Enterprise Registration Portal)

Source: ©UNCTAD

# UNCTAD's Investment Policy Framework for Sustainable Development

## Core Principles

“Design criteria” for investment strategies, policies and treaties

National investment policy guidelines	IIA guidance: policy options	Action Menu: promoting investment in sustainable development	Global Action Menu for Investment Facilitation
Concrete guidance on how to formulate investment policies and ensure their effectiveness	Framework and toolkit for designing and negotiating international investment treaties	Strategic initiatives to mobilize funds and channel investment towards sectors key for sustainable development	10 Action Lines for policymakers to adapt and adopt for facilitating investment and benefitting from it



# UNCTAD's Global Action Menu for Investment Facilitation: **CONTENT**

## 10 Action Lines and 43 Actions

### **Action Line 1**

Promote accessibility and transparency in investment policies and regulations and procedures relevant to investors

### **Action Line 2**

Enhance predictability and consistency in the application of investment policies

### **Action Line 3**

Improve the efficiency of investment administrative procedures

### **Action Line 4**

Build constructive stakeholder relationships in investment policy practice

### **Action Line 5**

Designate a lead agency, focal point or investment facilitator

### **Action Line 6**

Establish monitoring and review mechanisms for investment facilitation

### **Action Line 7**

Enhance international cooperation on investment facilitation

### **Action Line 8**

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

### **Action Line 9**

Enhance investment policy and proactive investment attraction in developing country partners

### **Action Line 10**

Complement investment facilitation by enhancing international cooperation for investment promotion for development, including through provisions in IIAs

Source: ©UNCTAD

# Guiding principles jointly developed with UNCTAD: **CONSENSUS DELIVERABLES**

Economic groupings have adopted guiding principles and instruments for investment policymaking. The principles are typically informed by the Core Principles set out in UNCTAD's Investment Policy Framework for Sustainable Development and reflect the importance of policies for investment facilitation.

Combined, **the Principles cover 156 countries**. Guiding principles and instruments **elaborated in collaboration or jointly with UNCTAD** include:

- **G20** Guiding Principles for Global Investment Policymaking (2016)
- **BRICS** Outline of Investment Facilitation (2017)
- Joint African, Caribbean and Pacific Group of States (**ACP**) – UNCTAD Guiding Principles for Investment Policymaking (2017)
- Organization of Islamic Cooperation (**OiC**) Guiding Principles for Investment Policymaking (agreed at expert level, 2018)
- Joint **D-8** Organization for Economic Cooperation – UNCTAD Guiding Principles for Investment Policymaking (2020)

These principles converge to a large extent on the need to facilitate investments without compromising sustainable development; and to address ground-level obstacles to investment.

## Key UNCTAD Outputs on IF for Sustainable Development

- Implemented elements of the compact in over 100 countries, including most LDCs
- Provided tailored investment policy advice and follow-up technical assistance to over 55 countries and regions through the **Investment Policy Reviews** ([unctad.org/ipr](http://unctad.org/ipr))
- Prepared **online investment guides** in 38 countries and regions ([theiGuides.org](http://theiGuides.org))
- Implemented **eGovernment tools** in 57 economies, including 94 one-stop-shops on investment and trade ([businessfacilitation.org](http://businessfacilitation.org))
- **Benchmark/needs-assessment** on online single windows for investment and information portals across the globe (covering 133 countries) ([ger.co](http://ger.co))
- Provided technical assistance and **capacity building on investment facilitation provisions in IIAs** for over 60 countries and REIOs



## Selected **impact** of UNCTAD's IF Programme

- **IPRs:** Close to 500 IPR recommendations implemented, 40 per cent them with UNCTAD's assistance. Two thirds of IPR countries featured as top ten reformers in international business rankings\*
- **eRegulations/Trade Portal systems:** A total of 7,002 procedures documented in national, with 20,348 steps (interactions between a user and a public entity), 52,164 forms, 7,444 norms and laws accessible online and over 5,700 civil servants and entities with contact data
- **eRegulations:** 2,7 million people visited national and regional websites worldwide during the first 3 months of 2021
- **Training:** Over 1000 investment promotion officials and investment policy makers (50% women) were trained on investment promotion and facilitation for sustainable development
- **Pandemic response:** Governments' operations and business registration have been going through online platforms in many developing countries using UNCTAD instruments (next slide)

\* Based on 15 countries for which an assessment of the implementation of IPR recommendations has been conducted

# Impact of UNCTAD's e-Government platform during the pandemic

UNCTAD's digital government platform helps governments simplify and automate administrative procedures. It brings government services closer to their populations and promotes sustainable development.

Our digital tools can be customized for any procedure and level of government. Using state-of-the-art technology we are helping developing countries win the digital government and investment facilitation race.

## Online single windows

Place online and automate any administrative procedure  
*e.g. Business registration, work permits*

## Step-by-step information portals

Display complex administrative procedures step-by-step online  
*e.g. Import and export permits, construction permits*

## Online fiscal services

Provide businesses with online tax and social security calculation and payment services

## Digital government documents

Issue verifiable government documents in digital format  
*e.g. company certificates, work permits*



# Impact of UNCTAD's e-Government platform during the Pandemic



**Business continuity in 37 countries:** Entrepreneurs could continue to obtain operating licenses, pay taxes, and access Covid-19 rescue packages.

**Protected jobs and livelihoods:** Enabled those who lost jobs to access social security or set up their business.

**Take-up doubled during Covid:** 7.6 million visits over past 12 months compared to 3.8 million visits in 2019.

## Online single window, [Benin](#)

**Fast:** Two hours to start a business, a world record.

**Accessible:** 48% of entrepreneurs under 30, one third women and 50% outside capital.

**Boosts MSMEs:** Businesses registered increased 43% in first year (2020).

## Online fiscal services, [El Salvador](#)

**Automatic:** Businesses registered with 12 tax and social security departments.

**Simpler:** Integrated accounting tool generates annual and monthly filings.

**Accessible:** 56% of online applicants for Covid business assistance are women.

# Impact of UNCTAD's e-Government platform during the COVID-19 pandemic (Examples)

## Step-by-step information portal, [Kenya](#)

**Widely used:** 10,000 visitors a month.

**Universal:** Covers 1,000 export and import procedures.

**Cuts SME export bill:** Steps and time to register each coffee consignment halved and costs cut by \$230.

## Step-by-step information portal, [Baghdad](#)

**Simpler:** Steps to create a business halved to 18.

**Less paperwork:** Required documents cut by a third to 31.

**Affordable for SMEs:** Fees cut by 80% to \$450

## Online single window, [Cameroon](#)

**Boosts MSMEs:** 25,000 new businesses registered in 3 province pilot.

**Endorsed by donors:** Government and EU to roll out system to 4 more provinces.

## Online single window, [Lesotho](#)

**Revenue generating:** Drop in missing fee payments.

**Productive:** Officials spend less time looking for files and more time advising users.

# UNCTAD's Global Platform for Peer Learning and Needs Assessment in Business Facilitation

**GER.co**

Global Enterprise Registration

Global website for evaluating information portals and online single windows for enterprise registration (in 133 countries).

Promotes the use and improvement of business registration services worldwide. Facilitates the exchange of experience and best practices among governments.

## Benefits

- Businesses can discover, rate and suggest improvements to national enterprise registration information portals and online single windows.
- Governments can assess their sites and receive assistance to improve the online services they offer entrepreneurs.

The screenshot displays the GER.co website interface. At the top, there is a navigation menu with links for Home, About, How it Works, Governments, Businesses, Schools, and Go Green Campaign. A search bar and a language selection dropdown are also present. The main heading reads "Make Business Registration Easy, Everywhere" with a subtext encouraging users to join the effort to improve online business registration processes. A prominent red button says "Governments, Assess Your Website!". Below this is a world map with green highlights indicating active regions. A section titled "Entrepreneurs, Find Where To Register Your Business! Begin here" includes filters for "Show all Regions", "Find Country/Economy", and "Country/Economy Not Listed?". The main content area shows a list of countries under the heading "Online Single Windows (33)". Each country entry includes a "Rate Website" button, a progress indicator (a row of green and white circles), and a "User Experience" rating (a row of five stars). The countries listed include Armenia, Benin, Cameroon, Canada (2), Chile, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, France, and Guatemala. On the right side of the interface, there are vertical labels: "GER.co rating system" and "Icons explanation".

Visit [www.ger.co](http://www.ger.co)

# THANK YOU!

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