



## **Report on the 7th capacity building workshop on “Making use of the WTO’s Investment Facilitation for Development Agreement for attracting sustainable and inclusive FDI”**

**27 February 2024**

**The 7th capacity building workshop on making use of the WTO’s Investment Facilitation for Development Agreement for attracting sustainable and inclusive FDI** took place on 27 February 2024 at the International Institute for Sustainable Development (IISD)’s Trade and Sustainability Hub during the WTO’s 13th Ministerial Conference (MC13). The workshop, organized within the framework of ITC’s [Investment Facilitation for Development project](#), hosted 25 participants, reaching the room’s maximum capacity.

The workshop focused on raising awareness of the WTO Investment Facilitation for Development (IFD) Agreement which was finalized in November 2023. The workshop highlighted the objectives and key elements of the IFD Agreement. It also focused on the benefits the Agreement can bring to countries to enhance their business climate, attract sustainable investment, boost economic growth and advance inclusive development. Importantly, the workshop pointed out how countries can benefit from technical assistance and capacity building support that must be provided, in a first phase, to conduct investment facilitation needs assessments and, in a second phase, address the identified needs through the implementation of the Agreement.

The workshop was thus organized to facilitate joint learning among WTO Members, as well as the public, regarding the IFD Agreement and its benefits.

The workshop’s programme is annexed to this report, and the full recording of the workshop can be accessed [here](#).

### **Summary of the main outcomes of the workshop**

#### **1. Plans for the IFD Agreement at the MC13**

After a bit more than three years of negotiations, participants finalized the Agreement on Investment Facilitation for Development in [November 2023](#). [On 25 February 2024](#), ministers representing more than three-quarters of WTO Members endorsed the finalization of the Agreement through [a Joint Ministerial Declaration](#). The final text of the IFD Agreement is now published and annexed to this Declaration in the three WTO official languages ([English](#), [French](#), [Spanish](#)).

At the ministerial event on 25 February 2024, ministers also presented a request to incorporate the IFD Agreement as a stand-alone agreement under Annex 4 of the Marrakesh Agreement Establishing the World Trade Organization (the "WTO Agreement"). Annex 4 of the WTO Agreement contains plurilateral agreements of the WTO, such as the Government Procurement Agreement. While the IFD Agreement would be a plurilateral agreement (binding only on those Members that participate), it is open for all WTO Members to join. Incorporation of the IFD Agreement into the WTO is important to deliver its benefits through activating the mechanisms of technical assistance and capacity building that are built into the Agreement, particularly essential to developing and least developed country Members.

## **2. The economic benefits of the IFD Agreement**

The German Institute of Development and Sustainability (IDOS) conducted empirical research on investment facilitation. The study focuses on the current level of adoption of investment facilitation measures at the country level and compares this to what investment facilitation measures countries would have to implement if they are part of the IFD Agreement.

The key finding is that the gaps between these two levels (equivalent to the reform efforts needed) are higher in developing and least developed countries than in developed countries. The implication is that these countries need the most support, but also stand to gain the most from implementing investment facilitation measures in the IFD Agreement. This leads to the quantitative benefits of the Agreement being highest for low- and middle-income countries, including many African countries. In addition, the benefits for all countries increase when more countries join the Agreement: the higher the coverage of countries, the larger the benefits. The study also shows that, if India were to join the Agreement, welfare gains would rise strongly by 4.52%. Importantly, the study points out that countries would benefit most when they implement not only the binding and conditional provisions, but also the best-endeavour provisions.

### **3. The role of the IFD Agreement in helping countries attract sustainable FDI**

Key points mentioned at the workshop include:

- The IFD Agreement aims to increase transparency of investment measures and streamline administrative procedures which are key to facilitate increased FDI and sustainable development. Thus, putting in place relevant measures would make countries become more attractive and address impediments to foreign investors considering to invest into those countries.
- Flexibilities provided through the special and differential treatment (S&DT) provisions of the Agreement allow countries – particularly developing and least developed countries – to implement the Agreement according to their capacity and readiness. This is done through the categorization of provisions by the countries themselves into three categories: category A (ready to implement), category B (needs more time to implement) or category C (needs more time as well as technical assistance and capacity-building support to implement).
- Donors will provide technical assistance and capacity-building support to developing and least-developed countries for conducting self-assessments and implementing provisions of the Agreement.
- The IFD self-assessment process allows developing and least developed countries to obtain clarity about their current state of implementation of the measures contained in the Agreement, and thus to identify any transitional periods and technical assistance support they need to fully implement investment facilitation measures included in the Agreement.
- The benefits of the Agreement in attracting FDI will accrue most to countries that fully implement the Agreement. In addition, the higher the implementation level and quality, the higher the benefits of the Agreement.
- Support from international organizations such as ITC and WEF can be provided to developing and least-developed countries that are interested in conducting IFD self-assessments and implementing the Agreement, contingent on the provision of the needed resources by donors.

### **4. Ecuador's experience in conducting an IFD self-assessment**

The IFD Agreement aligns with Ecuador's vision about inclusive and sustainable growth, as it contributes to poverty alleviation and job creation, among other key national objectives. The inclusion of provisions containing responsible business conduct and anti-corruption measures marks a historic moment, as it is the first time that such provisions are included in a WTO agreement. These elements are not

simply compliance checkboxes, but catalysts for contributing to broader social objectives, allowing countries to pursue commercial objectives without abandoning social objectives such as human rights and environmental protection that contribute to the sustainable development of a country.

Ecuador conducted its IFD self assessment with the support from the WTO, ITC and IDB. The assessment took place from June to October 2023 and included participants from around 30 national competent authorities. Three key points were highlighted:

- First, investment management is excessively segmented which does not allow for a climate of investment attraction that helps companies seeking to invest in the country. Therefore, it is urgent to advance initiatives such as the establishment of a single investment window in order to simplify the management of the FDI regulatory process.
  - Second, it is crucial to align investment attraction policies with a country's sustainable development objectives. The term "investment" must be more closely linked to better labour and environmental conditions. In general, it is important to focus on creating win-win situations for host countries and foreign investors through investment policy and measures.
  - Third, the challenges for developing countries in achieving sustainable development cannot be solved without the benefits that come from FDI. It is impossible to have sustained results in the fight against poverty, the growth of resilience and tackling climate change if countries do not have a sustained flow of FDI. Thus, facilitating FDI should be on the top of all countries' priorities.
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**Invitation: a session on Investment Facilitation for Development  
at the IISD's Trade and Sustainability Hub at MC13**

**“Making use of the WTO’s Investment Facilitation for Development  
Agreement for attracting sustainable and inclusive FDI”**

**27 February 2024**

Dear Colleagues,

On behalf of the International Trade Centre (ITC) and the World Economic Forum, we cordially invite you to a workshop on:

**“Making use of the WTO’s Investment Facilitation for Development  
Agreement for attracting sustainable and inclusive FDI”**

**27 February 2024, 5:00 pm - 6:00 p.m. Abu Dhabi time**

**in-person at Pearl Rotana Capital Centre, Abu Dhabi**

This workshop is being held in the framework of the [project](#) on Investment Facilitation for Development.

**Participation in the workshop is free of charge.**

**It is necessary to register to attend the workshop in person, please [click here](#) to register to attend the workshop.**

The text negotiations for an Investment Facilitation for Development (IFD) Agreement, participated by almost 120 WTO Members, have [concluded in July 2023](#). The participants aim to announce this new Agreement and make the final text publicly available at MC13. The Agreement seeks to help Members improve investment climates and facilitate FDI flows, particularly to developing and least developed country (LDC) Members, in the interest of fostering sustainable and inclusive development. This new Agreement, with development at its center, also contributes to creating a fairer trading system that works for all countries.

The workshop aims to raise awareness of the IFD Agreement by highlighting the objectives and key pillars of the Agreement. It will discuss benefits that the Agreement can bring to the WTO Members, and how countries can make best use of the Agreement to enhance their business climate, attract sustainable investment and boost economic growth and inclusive development. The workshop will also discuss technical assistance and capacity building support to countries in anchoring domestic reforms, conducting investment facilitation assessments and implementing the IFD Agreement.

The workshop will be conducted in English, in an interactive manner, and allow for questions by participants.

The workshop will have the following agenda and speakers:

**Moderator: Matthew Stephenson**, Head, Investment and Services, World Economic Forum

#### **17:00 – 17:10 Keynote address**

- **Maria Sonsoles García León**, Minister of Production, Foreign Trade, Investment and Fisheries of Ecuador – *“How can the IFD Agreement help developing countries attract high quality FDI that delivers on their sustainable development objectives?”*

#### **17:10 - 17:55 Making use of the Investment Facilitation for Development Agreement for attracting sustainable and inclusive FDI**

- **Sofia Boza**, Ambassador, Permanent Representative of Chile to the WTO, co-Coordinator of the Structured Discussions on Investment Facilitation for Development – *“What is the state of play and future of the IFD Agreement?”*
- **Escipion Joaquin Oliveira Gomez**, Director, Division of Enterprise Competitiveness and Institutions, ITC – *“Why does the IFD Agreement matter?”*

- **Axel Berger**, Deputy Director (interim), IDOS – “*What do the data show regarding the economic impacts of the IFD Agreement?*”
- **Q&A and free flow discussions**

### **17:55 - 18:00 Concluding remarks**

#### **Focus of the session:**

The text negotiations for an Investment Facilitation for Development (IFD) Agreement, participated by almost 120 WTO Members, have [finalized in November 2023](#). The participants aim to announce this new Agreement and make the final text publicly available at MC13. The Agreement seeks to help Members improve investment climates and facilitate FDI flows, particularly to developing and least developed country (LDC) Members, in the interest of fostering sustainable and inclusive development. This new Agreement, with development at its center, also contributes to creating a fairer trading system that works for all countries.

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We look forward to welcoming you to the workshop!

With kind regards,

Quan Zhao, Senior Programme Officer (Trade Policy), International Trade Centre

Matthew Stephenson, Head, Investment and Services, World Economic Forum

#### **Bios:**

##### **Axel Berger**

Axel Berger is Deputy Director (interim) at the German Institute of Development and Sustainability. He works on the design, effects and diffusion patterns of international trade and investment agreements, with a focus on emerging markets and developing countries. His other areas of research include the effects of an international investment facilitation framework, impact of free trade agreements on upgrading within global value chains, and role of the G20 in global governance. He teaches international political economy at the

University of Bonn and regularly advises developing countries, development agencies and international organizations on trade and investment matters.

### **Sofia Boza**

Sofía Boza is the Ambassador of Chile to the World Trade Organization since July 2022. She has also taken over the co-Coordination of the Structured Discussions on Investment Facilitation for Development. Prior to that, she was an Associate Professor and Chief at the Department of Rural Management and Innovation at the University of Chile and Professor at the Institute of International Studies at the same University. She holds a bachelor's degree in economics from the University of Seville and a PhD in Economics from the Autonomous University of Madrid.

### **Maria Sonsoles García León**

Maria Sonsoles García León is the Minister of Production, Foreign Trade, Investment and Fisheries of Ecuador. Throughout her professional career, she served as director of the Ecuadorian Federation of Exporters (FEDEXPOR). She was also director of the AEO Program in the National Customs Service of Ecuador (SENAE) and of the Association of Ecuadorian Fruit and Vegetable Producers. She was president of the Foreign Trade, Customs and Investment Policy Commission of the International Chamber of Commerce (ICC) - Ecuador and she taught law and commerce at universities in Quito and Guayaquil.

### **Escipion Joaquin Oliveira Gomez**

Oliveira-Gómez is the Director of the Division of Enterprises Competitiveness and Institutions of ITC. He has over 30 years of experience in drafting, managing, supervising, and evaluating multi-donor programmes and projects. His work has focused on the creation, strengthening and internationalization of Small and Medium-sized Enterprises (SMEs) and strengthening of Business Support Organizations (BSOs) in developing and transition countries. He has, among others, served as Assistant Secretary General for Structural Economic Transformation and Trade of the Organisation of African, Caribbean and Pacific States; Deputy Executive Director of the Caribbean Export Development Agency; and Deputy Minister in charge of Development Cooperation of the Dominican Republic.

### **Matthew Stephenson**

Matthew Stephenson is Head, Investment and Services, at the World Economic Forum, which includes the Global Investment Policy and Practice Initiative. Previously, he worked at the IFC, where he led the workstream on outward FDI. He has also worked at the OECD on Africa and investment and served as a diplomat for the U.S. Department of State, leading the economic team on Afghanistan and managing economic programmes in the Middle East. He has a PhD from the Graduate Institute in Geneva, a master's from the Harvard Kennedy School and a bachelor's from Oxford University.