2017-18
WAIPA
REPORT OF
ACTIVITIES
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The objectives of WAIPA, as broadly reflected in Article II of the Association’s Statutes are to:

**PROMOTE UNDERSTANDING**
Promote and develop understanding and cooperation amongst IPAs.

**SHARE EXPERIENCES**
Share countries’ and regional experiences in attracting foreign investment and enhancing outward investments.

**FACILITATE ACCESS TO DATA**
Strengthen information gathering systems, promote the efficient use of information and facilitate access to data sources.

**ASSIST IPAs IN ADVERTISING**
Assist IPAs in advising their respective governments on the formulation of appropriate investment promotion policies and strategies.

**PROMOTE TRAINING**
Facilitate access to technical assistance and promote training of IPAs.
MESSAGE FROM THE PRESIDENT

ARDA ERMUT

President,  
World Association of Investment Promotion Agencies

President,  
Investment Support and Promotion Agency of Turkey

We are sincerely delighted that each year our organization is becoming an increasingly important actor in the world of foreign direct investment and a true advocate for our member agencies. WAIPA in its central role is addressing its members’ agenda and helping valuable participatory mechanisms take root through effective linkages. These linkages include not only our Consultative Committee members UNCTAD, UNIDO, ILO, ICC, OECD, IEDC, and the World Bank, but also numerous other valued partners. Looking back over the years at our members and partners, impressive number of achievements gives us hope for the even greater added value to come.

Our goal is straightforward. We bring together our member agencies from across the globe, engage them in improving understanding and cooperation, and offer them capacity building programs to support their FDI related works. Our reach across multi-level stakeholders and influential global institutions is the core of a network that enhances information gathering and facilitates access for global investment flows. Our aforementioned consultative committee provides us with incredible structural competency.

Moreover, contributing to a new era for FDI, our theme at the World Investment Conference 2018, is a central objective for us. Ambitious though it is, we intend to achieve it through expanding trade facilitation and investment promotion linkages as well as channeling business impacts through technology. This latter point will be particularly crucial, for we need to leverage these impacts as they will prove to be enormously beneficial for both developing and developed countries alike. The role of investment promotion agencies in this process is vital. Therefore, my ultimate leadership strategy with WAIPA has always been to empower our members with knowledge and to improve investors’ access to investment promotion agencies. In short, I strive to make our association an increasingly beneficial organization and partner. In our presidency we focused particularly on the crucial importance of capacity building. We are all aware that IPAs face increasing competition, thus, trainings and capacity building programs where we also encourage our members to share their best practices and experiences for the benefit of all our members are vital. Last year we opened our Training Center in Istanbul, and through this we reached the next level in our development, making it possible for us to provide, conduct, and manage on-site the opportunity to exchange best practices and capacity building in investment promotion. In fact, due to this development we had the honor to host a UNIDO training earlier this year as well as a World Bank Training last year. Additionally, we launched our FDI Excellence Series where we hold practical trainings that cover FDI related topics such as “Attraction”, “Facilitation”, and “Aftercare”. Hence, the pillar of capacity building will become stronger, more concrete, and more established over the years.

Finally, I would like to use this opportunity to sincerely thank our members for the trust they put in my agency at our previous 22nd WAIPA World Investment Conference in Dubai, where they gave us the opportunity to hold the Presidency for one last, and hopefully equally successful and work-filled, term together with our members and partners.
This report presents the year we supported and strengthened investment initiatives all over the globe. The 2030 Agenda for Sustainable Development (SDG) is dependent on all entities committed to FDI, coming together to ensure both impact and results. We need to economically uplift local communities in Least Developing Nations and developing nations most of all and even economically marginalized communities in the developed world. Investment promotion brings together government, local, regional and international institutions and investment partners to work in realizing SDGs. We have created space for investment promotion activities at each level of engagement to deepen understanding and cooperation. In achieving these objectives, it is crucial to engage all stakeholders. Therefore WAIPA had over 25 FDI and economic development related engagements this year. We are at the center of global and regional experience sharing and are enhancing technical assistance to investment promotion. We are doing this through our trainings. I am very proud to link with some of the world’s leading Academic institutions that develop their curriculum from industry and bring their experience to grow our intellectual and strategic capacities. WAIPA’s presence at all high-level deliberations on how to connect, collaborate and create at global, local, state and regional economies allows us a chance to present the case of IPAs in investment for sustainable development. WAIPA is leading the way in encouraging reforms to ensure an enabling environment for investment by promoting international good practices. Best practices cannot be created in silos. They need to be adopted from academia, especially those institutions that develop their curriculum from industry.

We know that there is now a case to improve financial inclusion through FDI. We are also being thought leaders – pushing the FDI agenda on all forums. With our global partners, we are shaping the global policy dialogue on investment built on sustainable development principles. This year WAIPA has taken on other initiatives for its partners with higher added value. The FDI Excellence Series offers six groundbreaking training courses on investment promotion in cooperation with internationally renowned FDI expert Andreas Dressler. It is incredibly private sector driven and empowers governments to think like the people they are meant to serve - investors. The focus is also on best practice sharing from our members according to topic discussed. These courses were organized throughout 2018 and will continue next year. One reason for this enhanced focus of capacity building is that IPAs have to cover many tasks. In fact, our annual survey revealed that 87% of our members have more than one mandate, while an average has four. Also, while four-fifths are governmental institutions, more than half of the respondents indicated that they lack support and understanding from their government, thus it is crucial to equip them with the right skill sets for their daily work.

In last year’s general assembly meeting, WAIPA launched a new strategy to incorporate a sustainable model to operate. This business model makes WAIPA significantly more financially independent and linked with its partners. We have begun to achieve this independent model by implementing, above mentioned trainings for members and wider investment community. In the upcoming year WAIPA is establishing a pool of experts on FDI, including dedicated to peer-to-peer advisory services, a closer linkage of IPAs with the private sector and also facilitating more business to government linkages. Inspired by the growing Impact Investing movement and its potential to drive new resources and new thinking to investment promotion stakeholders prompting social change in respective countries, WAIPA with UNIDO and TIKA jointly organized Executive Training Program for Investment Promotion Agencies (IPAs). More than 20 high-level participants from 17 selected developing countries of Africa and Central Asia & Caucasus convened at the WAIPA Training Center in Istanbul to discuss innovative approaches to investment promotion for attaining the SDGs. A new Steering Committee for the 2017-2019 term was elected at the WAIPA General Assembly, which was convened on the first day of the 22nd WAIPA World Investment Conference in Dubai in November 2017. I heartily welcome them and hope that we can leverage their experience to grow our intellectual and strategic capacities.

Similarly, more training series and common research project with World Bank will assist IPAs in developing the vocabulary to better brand their region and also effectively serve their investors. WAIPA contributes significantly to the Investor Reforms Network established by the World Bank by articulating IPA challenges and policies through WAIPA's research and education partnership with Columbia University USA for instance, is the first of its kind in the FDI eco-system. One reason for this enhanced focus of capacity building is that IPAs have to cover many tasks. In fact, our annual survey revealed that 87% of our members have more than one mandate, while an average has four. Also, while four-fifths are governmental institutions, more than half of the respondents indicated that they lack support and understanding from their governments, thus it is crucial to equip them with the right skill sets for their daily work.

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MESSAGES FROM CONSULTATIVE COMMITTEE

JOHN W.H. DENTON AO
Secretary-General, International Chamber of Commerce (ICC)
www.iccwbo.org

CRAIG RICHARD
Board Chair, International Economic Development Council (IEDC)
www.iedconline.org

GUY RYDER
Director-General, International Labour Organization (ILO)
www.ilo.org

ANGEL GURRIA
Secretary-General, Organisation for Economic Cooperation and Development (OECD)
www.oecd.org

DR. MUKHISA KITUYI
Secretary-General, United Nations Conference on Trade and Development (UNCTAD)
www.unctad.org

LI YONG
Director-General, United Nations Industrial Development Organization (UNIDO)
www.unido.org

CAROLINE FREUND
Director of Trade, Regional Integration and Investment Climate, The World Bank
www.worldbank.org
Trade and investment are today at a decisive crossroads. Trade growth, having finally overcome the deleterious impact of the global financial crisis, is rising at its fastest rate in six years and many barriers to trade and investment implemented in times of economic crisis are now being reversed. However, a simple glance at the headlines shows that the future of trade growth and our international trading system is now far from certain, with recently-imposed tariffs bringing the world closer to a prolonged global trade war than at any time since the 1930s. How we respond to the twin challenges of rising protectionism and adapting world trade rules for the 21st century will determine the future openness of the global economy, or how meaningful it is to speak of a ‘global economy’ at all.

Cross-border investment is also an area of concern, as 2017 saw a sharp drop in flows, with only a modest recovery predicted this year. Sustained increases in international investment will be vital to achieving a range of urgent sustainable development goals in the years to come, from battling climate change to connecting a greater swath of the world population to the digital economy. Investment facilitation should thus be a top priority for policymakers around the world. Just as the essential role played by foreign direct investment (FDI) is well-documented, so are many drivers towards facilitating cross-border investment around the world. The most oft-cited policy driver of FDI is the investment climate—a sometimes elusive combination of business regulations and government support. For business, predictability, transparency and efficiency are all crucial criteria for FDI, as companies seek to assess and mitigate their risk when investing abroad.

ICC has a long history of working to promote balanced international investment frameworks—dating back to the publication of the ICC International Code of Fair Treatment for Foreign Investments in 1949—and has laid out a series of the most critical principles for developing an attractive investment climate in our 2016 Investment Guidelines. These are guidelines compiled by ICC’s international business network—the largest and most representative in the world—setting out principles for both investors and governments on a range of issues (ownership and management, finance, fiscal policies, anti-corruption, technology). We encourage all governments to adopt these principles as a means of encouraging responsible and sustainable investments.

At this moment where international investment has perhaps never been more crucial and challenged by protectionist trends, WAIPA continues to play a much-needed role in convening investment promotion agencies to share best practices and determine how to best facilitate FDI on a global scale. WAIPA’s renowned network and efficient information-sharing help support and facilitate the access to international commerce for many private sector operators. I am proud to serve as a member of WAIPA’s consultative committee and look forward to collaborating in our organisations’ shared mission in the years to come.
MESSAGE FROM
CONSULTATIVE
COMMITTEE

CRAIG RICHARD
Board Chair,
International Economic
Development Council (IEDC)

Dear WAIPA members,

As Board Chair this year of the International Economic Development Council (IEDC), I congratulate WAIPA and its leadership on a fruitful past year of relationship building, trainings, events, and promotion of FDI. IEDC, an association of more than 5,000 economic developers worldwide, is proud of our partnership and collaboration with WAIPA since our relationship was formalized almost 15 years ago. In these years, our partnership has grown stronger through exchange and promotion of ideas throughout the membership of both organizations that are helping our communities grow. IEDC is proud to continue to support WAIPA’s Consultative Committee and we look forward to the upcoming year and its many opportunities for collaboration.

Foreign Direct Investment (FDI) is a critical tool for growth in economies and in the field of economic development. According to the FDI Report 2017 from the United Nations Conference on Trade and Development (UNCTAD), FDI continues to be the largest and most consistent external source of financing for communities of all types across the world, especially for developing nations. Developed economies in fact saw their share of the global FDI inflows increase significantly and accounted for 59 percent of global FDI inflows in 2017, the highest since 2007. The global economy also continues to grow. According to the World Bank’s Global Economic Prospects report from June 2018, global growth rose to 3.1 percent in the years 2017 and 2018, showing an increase from 2.4 percent from 2016. This growth has allowed the global economy to finally stabilize for the first time in ten years. Both WAIPA and IEDC, along with partner organizations, have a responsibility to ensure that the current growth continues and is sustained.

Although difficult political decisions in the US will be made in the coming several months, the economic development community is committed to work with international partners and peers throughout the world to find solutions and develop strategies that help our communities grow. The work of WAIPA in promoting and educating its member countries on the value of FDI is therefore even more critical now. Collaboration among economic development professionals at all levels and across all regions remains crucial to accelerate collective, inclusive, sustainable growth for all economies.

IEDC looks forward to the continued sharing of representatives to foster the collaborative dialogue and the dissemination of knowledge to our respective members. IEDC is looking forward to WAIPA’s CEO Boštjan Skalar taking the time to come and speak at our Annual Conference in September/October 2018 in Atlanta, Georgia. This year’s theme is inclusive economic development and how we as a profession make sure that those that have historically not benefited from rising economic growth are also brought into the fold. And we will continue the tradition of sending a representative to the World Investment Conference (WIC), being held in Xiamen, China this year. The Secretary/Treasurer of our board, Kenny McDonald, is looking forward to joining you there.

I congratulate WAIPA again on a successful past year and look forward to continued partnership and cooperation. Together we can strengthen both organizations and strive to help everyone and all communities throughout the globe prosper.

As Board Chair this year of the International Economic Development Council (IEDC), I congratulate WAIPA and its leadership on a fruitful past year of relationship building, trainings, events, and promotion of FDI. IEDC, an association of more than 5,000 economic developers worldwide, is proud of our partnership and collaboration with WAIPA since our relationship was formalized almost 15 years ago. In these years, our partnership has grown stronger through exchange and promotion of ideas throughout the membership of both organizations that are helping our communities grow. IEDC is proud to continue to support WAIPA’s Consultative Committee and we look forward to the upcoming year and its many opportunities for collaboration.

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Dear WAIPA members,

The ILO has long recognized the important role of Foreign Direct Investment (FDI) in stimulating and advancing decent work, inclusive economic growth and sustainable development. Unique in the UN system, the ILO is tripartite—comprised of governments and representatives of employers and workers in its 187 member States. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) provides guidance to governments on policies to maximize the positive contribution of FDI and to minimize and resolve challenges which may arise. It also speaks directly to the investors, providing recommendations on how to enhance their contribution to sustainable development by observing sound social practices, including through linkages with local enterprises. The 2030 Agenda for Sustainable Development advocates the attraction of the right kind of investment that stimulates sustainable development and inclusive growth. IPAs are the critical liaison between investors and policy makers to maximize this positive contribution. In 2018 the ILO and WAIPA continued a fruitful collaboration in supporting IPAs. The ILO-WAIPA course “Effective investment facilitation and sustainable development”—held last March in the ILO’s International Training Centre in Turin, Italy—provided an opportunity for IPAs from various parts of the world to learn from leading experts and exchange experiences on topics such as increasing the contribution of FDI to SDG 8 “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” and SDG 9 “inclusive and sustainable industrialization”; facilitating greater linkages with local enterprises, in particular SMEs; and encouraging spillovers of skills and technology.

At the 2018 World Investment Forum ILO, WAIPA and UNCTAD will co-organize a roundtable discussion on “Creating More and Better Jobs through Investment” where IPAs will have the opportunity to exchange on strategies and experiences in seeking FDI with greater potential to foster decent work. This year the ILO published two case studies documenting such experiences of IPAs: “Colombia investment, export promotion and workers’ rights” and “Factors affecting technology spillovers from Multinational Enterprises (MNEs) in backward linkages in the Turkish manufacturing sector: lessons for Investment Promotion Agencies”.

The ILO continues its work on supporting governments to more accurately assess the impact of their investment promotion strategies on decent work, with involvement not only of national statistics offices and central banks but also IPAs. And the ILO is partnering with numerous international organizations to enhance capacities of IPAs in the least developed countries to attract FDI in order to accelerate progress towards attaining the SDGs. A recent ILO Meeting of Experts representing governments, employers and workers acknowledged the constructive relationship between the ILO and WAIPA and proposed further collaboration in relation to decent work in export processing zones (EPZs).

All these illustrate the very promising development of our collaboration. I would like to thank President Arda Ermut and CEO Bostjan Skalar for their leadership and continued commitment to the central importance of decent work in investment promotion. We look forward to a continued fruitful partnership with WAIPA.

GUY RYDER
Director-General,
International Labour Organization (ILO)
In this very space last year, I talked about the headwinds facing international investors and their impact on global investment flows, which were down 7% in 2016. Unfortunately, these headwinds are strengthening, with global flows falling a further 18% in 2017. There are many explanations for this downward trend, including rising interest rates in the developed economies, mounting corporate debt in the developing economies, growing trade and investment protectionism, and political and economic turbulence in major markets around the world. Worryingly, the protectionism, and political and economic turbulence developing economies, growing trade and investment declines in cross-border flows magnified by declines in domestic business activity. Domestic mergers and acquisitions, a good measure of business vibrancy, have fallen 60% over the past five years in the developing economies. This comes at a time when the globalised and interconnected multilateral system which was built to enable global integration and promote human progress is being tested. In the face of this critical situation, we need to pull every policy lever we have at our disposal. The OECD is working across multiple fronts to promote a rules-based globalisation that works for all and to rebuild the foundations of multilateralism for more responsible, effective and inclusive outcomes.

This was the focus of the OECD’s Ministerial Council Meeting in May 2018, chaired by France and opened by President Macron. Investment promotion and facilitation go to the heart of this effort. Important discussions and initiatives on these issues have been launched at key global fora like the G20, as well as by international organisations such as the WTO, UNCTAD and the World Bank. The OECD has established its own Investment Promotion Agency Network, regularly attended by partners in WAIPA. As you are all aware, investment promotion in these challenging times is about a lot more than IPAs. They could help ensure that “one-stop shops”, although these remain important. Today investment promotion agencies (IPAs) are much more actively engaged in the policy processes of countries and this is a welcome development. The OECD identifies three specific policy areas where IPAs can harness the potential of these opportunities to support healthier global investment flows for more inclusive and sustainable growth: “cent” spent is critical. Considerable Advocacy. The global rules for trade and investment clearly need to be improved and made to work better to level the playing field and ensure an open, rules-based global economy. One of the greatest threats for all countries would be the widespread outbreak of protectionist trade and investment measures which could accelerate what to-date has been a significant but measured retreat by international investors. An escalation of trade tensions will not bring investment. Rather, it would hurt growth and harm jobs. The OECD has estimated that in a scenario where China, Europe and the United States all raise trade barriers against all partners on all goods (but not services) by 10 percentage points, global GDP could fall by around 1.5 per cent in the medium-term. And the regions imposing trade restrictions would suffer the biggest losses. IPAs need to help reverse these escalating policy trends by telling their stories about what protectionism is doing to real firms, real societies and real people. IPAs can also support the promotion of credible commitment mechanisms that foster open international investment, Co-ordination. All government ministries to varying degrees contribute to achieving a sound policy framework for investment, but a lack of coherence and coordination between them can undermine government efforts. Given their proximity to the markets where the lack of coordination is ultimately felt, IPAs could play a more active role in supporting and facilitating better coordination. They have a wealth of OECD tools at their disposal to inform their work, such as the Policy Framework for Investment (PFI) and the country-specific OECD Investment Policy Reviews. In particular, the OECD identifies three specific policy areas where trade and investment policies are coherent and reflect the complexities of production in a world of global value chains.

Impact. Private investment has been declining, but continues to play a critical role in helping countries to develop critical infrastructure, to generate employment, and to foster innovation. Maximising the societal benefits for every “cent” spent is critical. Considerable.

In this very space last year, I talked about the headwinds facing international investors and their impact on global investment flows, which were down 7% in 2016. Unfortunately, these headwinds are strengthening, with global flows falling a further 18% in 2017. There are many explanations for this downward trend, including rising interest rates in the developed economies, mounting corporate debt in the developing economies, growing trade and investment protectionism, and political and economic turbulence in major markets around the world. Worryingly, the protectionism, and political and economic turbulence developing economies, growing trade and investment...
MESSAGE FROM CONSULTATIVE COMMITTEE

Dr. MUKHISA KITUYI
Secretary-General, United Nations Conference on Trade and Development (UNCTAD)

Dear WAIPA members,

The recovery of global investment has been slow, with foreign direct investment (FDI) flows in 2017 falling by 23%, to US$1.43 trillion, after an increase in 2015 and a slump in 2016. While FDI flows to developed countries declined by 37% in 2017, FDI to developing economies remained the same and developing Asia once again became the largest FDI recipient region. Although FDI flows to Latin America and the Caribbean rose for the first time in six years, FDI flows to Africa registered a decline of 21%.

These figures are troublesome, because FDI is the largest external source of finance for developing economies and substantial increases in investment are needed to achieve the Sustainable Development Goals (SDGs). In striving to attract FDI, investment promotion agencies (IPAs) will face intense competition—both in promotion efforts abroad and in securing resources for their institutions at home. Through partnerships, IPAs should be better able to meet these challenges, particularly when targeting investment in SDG-related projects.

In addition to working closely with ministries at the country level, national IPAs should collaborate with local IPAs, economic development agencies, and city governments to develop and promote SDG-related projects. Furthermore, the business community and civil society are valuable sources for insights on investment conditions, opportunities, and how to ensure that FDI has the desired sustainable impact.

At the regional level, we are encouraged by partnerships that have already been established among IPAs, including through associations and enhanced collaboration in Africa, Asia, and Latin America and the Caribbean. Such collaboration enables the exchange of best practices and coordination of regional promotional initiatives.

IPAs should also actively seek to collaborate with outward investment agencies and institutions, including outward investment promotion agencies, development finance institutions, and insurance guarantee schemes. With a mandate to invest and contribute to overseas development, these entities are natural partners for inbound promotion and facilitation efforts.

Over the past year, WAIPA has collaborated with UNCTAD in regional seminars on the preparation and marketing of pipelines of bankable SDG projects. Partnerships were a central theme in these events, in which inward and outward investment agencies and institutions participated. International fora such as UNCTAD’s World Investment Forum and WAIPA’s World Investment Conference provide many opportunities to pursue partnerships for investment promotion and facilitation to achieve the SDGs. This October, I look forward to seeing many WAIPA members at our World Investment Forum in Geneva, Switzerland.

I wish WAIPA and its members a productive conference in Xiamen, China. UNCTAD stands ready to continue to partner and collaborate in mobilizing investment for sustainable development.
MESSAGE FROM CONSULTATIVE COMMITTEE

LI YONG
Director-General,
United Nations Industrial Development Organization (UNIDO)

The large disparities in income and social development between developed and developing countries are often rooted in considerable differences in their industrial development and use of technology, resulting in productivity gaps. With the onset of the new industrial revolution or better known as Industry 4.0, these gaps are likely to widen further. However, effective utilization of innovation enables sustainable solutions for inclusive economic development. To achieve transformative changes and to transfer and deploy technology for entrepreneurship, innovation needs to be scaled-up globally. Within this context, responsible investment and sustainable technology can play a key role in Industry 4.0 through its contribution to technological innovation and upgrading, and to the transfer of know-how. Evidence shows that increased investment and technology flows create new jobs, generate income and help diversify the economy by expanding the production base while improving market access and infrastructure development. There is also a global shift in the criteria of becoming a desirable manufacturing location with Industry 4.0. Companies once influenced by the prospect of inexpensive labour costs are beginning to favour locations that can effectively take advantage of new technologies. The traditional path to development for developing countries, often driven by manufacturing, may be at risk due to this shift in criteria. This is likely to require special attention in the coming years.

UNIDO is the specialized agency of the United Nations mandated to promote industrial development. UNIDO addresses the challenges posed by Industry 4.0 by boosting innovation, mobilizing responsible investment and sustainable technologies, and promoting quality and standards. With regard to the promotion of foreign direct investment, UNIDO’s interventions focus on capacity-building services and networking. In particular, since 1976, UNIDO has operated a Network of Investment and Technology Promotion Offices (ITPOs), strategically located in industrialized and developing countries. The mandate of the ITPO Network is to provide matchmaking services for companies in host and developing countries; promote technology transfer, with a focus on green industries; and to strengthen the institutional capacity of public and private partners, in particular investment promotion agencies (IPAs), by hosting delegates from developing countries.

To this end, UNIDO’s partnership with WAIPA is a success story in cooperation. Since the signature of a Memorandum of Understanding between the two parties in 2016, many initiatives have taken shape. UNIDO is an active participant in WAIPA’s yearly World Investment Conference with WAIPA contributing regularly to UNIDO global forum events and expert group meetings. Most recently, UNIDO and WAIPA jointly organized training for IPAs, inspired by the concept of “impact investing” in Turkey. I am confident that the UNIDO-WAIPA collaboration will be further strengthened as the future drives the development and need for new innovative projects and forms of cooperation to achieve the 2030 Agenda for Sustainable Development, specifically SDG 9, on infrastructure, inclusive and sustainable industrialization and innovation. I would like to take this opportunity to congratulate Mr. Arda Ermut, President of WAIPA, for his strong leadership in carrying out WAIPA’s vision, and to commend the members of the Consultative Committee for their commitment in implementing WAIPA’s Strategy and Action Plan.
MESSAGE FROM CONSULTATIVE COMMITTEE

CAROLINE FREUND
Director of Trade, Regional Integration and Investment Climate, The World Bank

For many developing countries foreign direct investment (FDI) is the largest source of external finance, providing more capital than official development assistance, portfolio investment and remittances combined. In 2017, nearly half of global FDI flows went to developing countries. Beyond being an important source of funding, FDI can provide additional benefits to the local economy. Research shows that multinational corporations (MNCs) pay higher wages and offer more benefits to their employees than indigenous firms. The presence of MNCs can also help countries upgrade their technical, managerial and organizational skills, and provide access to new technology and foreign markets. They can also help diversify a country’s exports by enhancing insertion into global value chains. However, generating FDI is becoming more challenging. Last year FDI fell by nearly a quarter from $1.87 trillion in 2016 to $1.43 trillion in 2017, and FDI growth in 2018 is expected to be tenuous. As a result, countries are increasingly competing for FDI and this competition is especially heated for those high-quality projects that will bring not only much needed capital but also add value to the local economy. Research and experience have shown that economic upgrading and transformation come from attracting a few key investors in a strategic industry. This type of targeted investment has the power to transform an industry and shift the revealed comparative advantage of an economy. Key to attracting this type of transformational FDI is having a proactive and efficient investment promotion agency (IPA) that not only promotes investment but also advocates on behalf of investors on ways to improve the host country’s competitiveness. Indeed, empirical analysis has shown that strong IPAs are correlated with higher FDI flows. When IPAs actively target specific sectors, FDI flows to those sectors double. These potential payoffs are significant and support the idea that if economies want to succeed within the fierce global competition for FDI they must have a proactive IPA that offers highly specialized investor services focused on priority sectors. IPAs must treat investors as customers and provide high-quality services throughout the entire investment lifecycle of attraction, entry and establishment, retention and expansion of investment, linking FDI with local enterprises and taking advantage of the positive spillovers MNCs offer. The World Bank Group (WBG) is engaged in countries across the globe in helping IPAs improve their investor-focused services. The WBG supports the design and implementation of better-performing service programs in four key areas (marketing, information, assistance and advocacy) across the four different stages of the investment lifecycle (attraction, entry, retention/expansion and linkages with the local economy). In its engagements, the WBG applies an innovative 4X4 service approach (built on the dimensions mentioned above) to move beyond the traditional focus on investment attraction, to a more comprehensive, service oriented and investor centric approach emphasizing the importance of providing services to the investor at every stage of the investment cycle. In doing so IPAs can achieve higher levels of impact. WAIPA is a global convener for IPAs to network, learn, and cooperate. The WBG and WAIPA have worked together to deliver cutting-edge training courses and peer-to-peer learning opportunities that allow IPAs to gain knowledge and share insights on best practices in investment policy and promotion. We look forward to continuing our partnership to help IPAs in the developing world build capacity and improve the effectiveness of their services to investors, to maximize the benefits FDI and allow economies to achieve their development goals.

For many developing countries foreign direct investment (FDI) is the largest source of external finance, providing more capital than official development assistance, portfolio investment and remittances combined. In 2017, nearly half of global FDI flows went to developing countries. Beyond being an important source of funding, FDI can provide additional benefits to the local economy. Research shows that multinational corporations (MNCs) pay higher wages and offer more benefits to their employees than indigenous firms. The presence of MNCs can also help countries upgrade their technical, managerial and organizational skills, and provide access to new technology and foreign markets. They can also help diversify a country’s exports by enhancing insertion into global value chains. However, generating FDI is becoming more challenging. Last year FDI fell by nearly a quarter from $1.87 trillion in 2016 to $1.43 trillion in 2017, and FDI growth in 2018 is expected to be tenuous. As a result, countries are increasingly competing for FDI and this competition is especially heated for those high-quality projects that will bring not only much needed capital but also add value to the local economy. Research and experience have shown that economic upgrading and transformation come from attracting a few key investors in a strategic industry. This type of targeted investment has the power to transform an industry and shift the revealed comparative advantage of an economy. Key to attracting this type of transformational FDI is having a proactive and efficient investment promotion agency (IPA) that not only promotes investment but also advocates on behalf of investors on ways to improve the host country’s competitiveness. Indeed, empirical analysis has shown that strong IPAs are correlated with higher FDI flows. When IPAs actively target specific sectors, FDI flows to those sectors double. These potential payoffs are significant and support the idea that if economies want to succeed within the fierce global competition for FDI they must have a proactive IPA that offers highly specialized investor services focused on priority sectors. IPAs must treat investors as customers and provide high-quality services throughout the entire investment lifecycle of attraction, entry and establishment, retention and expansion of investment, linking FDI with local enterprises and taking advantage of the positive spillovers MNCs offer. The World Bank Group (WBG) is engaged in countries across the globe in helping IPAs improve their investor-focused services. The WBG supports the design and implementation of better-performing service programs in four key areas (marketing, information, assistance and advocacy) across the four different stages of the investment lifecycle (attraction, entry, retention/expansion and linkages with the local economy). In its engagements, the WBG applies an innovative 4X4 service approach (built on the dimensions mentioned above) to move beyond the traditional focus on investment attraction, to a more comprehensive, service oriented and investor centric approach emphasizing the importance of providing services to the investor at every stage of the investment cycle. In doing so IPAs can achieve higher levels of impact. WAIPA is a global convener for IPAs to network, learn, and cooperate. The WBG and WAIPA have worked together to deliver cutting-edge training courses and peer-to-peer learning opportunities that allow IPAs to gain knowledge and share insights on best practices in investment policy and promotion. We look forward to continuing our partnership to help IPAs in the developing world build capacity and improve the effectiveness of their services to investors, to maximize the benefits FDI and allow economies to achieve their development goals.
OVERVIEW OF ACTIVITIES

SIXTH ROUNDTABLE - INVESTMENT FOR SUSTAINABLE DEVELOPMENT TRAJECTORY
GENEVA-SWITZERLAND,
30 OCTOBER 2017

THE WORLD ENTREPRENEURS INVESTMENT FORUM (WEIF 2017)
MANAMA-BAHRAIN,
31 OCTOBER - 2 NOVEMBER 2017

UNCTAD LATIN AMERICA SEMINAR ON THE PROMOTION OF SUSTAINABLE DEVELOPMENT GOAL PROJECTS
MEXICO CITY-MEXICO,
07 - 08 NOVEMBER 2017

THE INAUGURAL TOBIAS CENTER CONFERENCE: VISIONS OF DEVELOPMENT
INDIANAPOLIS-UNITED STATES OF AMERICA
10 - 11 NOVEMBER 2017

22ND WAIPA WORLD INVESTMENT CONFERENCE
DUBAI-UNITED ARAB EMIRATES,
27 - 28 NOVEMBER 2017

FDI EXCELLENCE SERIES: FDI ESSENTIALS
ISTANBUL-TURKEY,
16 - 18 JANUARY 2018

WAIPA & UNIDO INNOVATIVE APPROACHES TO INVESTMENT PROMOTION TRAINING PROGRAMME FOR INVESTMENT PROMOTION AGENCIES (IPAs)
ISTANBUL-TURKEY,
20 - 22 FEBRUARY 2018

FDI EXCELLENCE SERIES: FDI ATTRACTION
ISTANBUL-TURKEY,
13 - 15 MARCH 2018

WORLD ECONOMIC FORUM ON LATIN AMERICA 2018
SÃO PAULO-BRAZIL,
13 - 15 MARCH 2018

ISDB GROUP PRIVATE SECTOR FORUM
TUNIS-TUNISIA,
3 APRIL 2018

ANNUAL INVESTMENT MEETING 2018
DUBAI-UNITED ARAB EMIRATES,
9 - 11 APRIL 2018

WAIPA & ILO TRAINING: EFFECTIVE INVESTMENT FACILITATION AND SUSTAINABLE DEVELOPMENT
TURIN-ITALY,
9 - 13 APRIL 2018

FDI EXCELLENCE SERIES: FDI MARKETING
HELSEINKI-FINLAND,
22 - 24 MAY 2018

UNCTAD REGIONAL SEMINAR ON THE PROMOTION OF BANKABLE SUSTAINABLE DEVELOPMENT GOAL PROJECTS
BANGKOK-THAILAND,
30 - 31 MAY 2018

WTO TRADE DIALOGUES 2018: BREAKOUT SESSION ON INVESTMENT FACILITATION
GENEVA-SWITZERLAND,
7 JUNE 2018

INVESTMENT PROMOTION AGENCIES: EMPOWERING INNOVATIVE EUROPE ON THE OCCASION OF BULGARIAN PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION
SOFIA-BULGARIA,
20 JUNE 2018

WAIPA CERTIFICATION COURSE WITH THE COLUMBIA CENTER ON SUSTAINABLE INVESTMENT, COLUMBIA UNIVERSITY
ISTANBUL-TURKEY,
2 - 5 JULY 2018
WAIPA CEO Bostjan Skalar participated in the Sixth Roundtable – Investment for Sustainable Development Trajectory: Facilitating Investment for Sustainable Development II. This workshop was the sixth in the 2016/2017 series of investment policy dialogues, jointly organized by the World Economic Forum and ICTSD, with the support of the Government of the Netherlands.

At the previous Roundtable on 5 July 2017, participants discussed the meaning of investment facilitation for sustainable development, the role of sustainability characteristics in addressing the qualitative element of investment facilitation and explored supporting mechanisms. This dialogue focused on investment facilitation agreements and share of best practices on facilitating sustainable investment.

The roundtable participants discussed the rationale of supporting investment facilitation programs in developing countries; examined the necessary elements of a model investment facilitation agreement, drawing on lessons from regional and bilateral trade agreements and addressing sustainability concerns; examined how sustainability criteria could be used in an investment facilitation agreement; shared examples of developing country experiences in facilitating sustainable investment and thus identify best practices. They also discussed actions governments should be undertaking to identify, create and support sustainable investment projects, as well as investment facilitation policies they need to implement; identified challenges, especially for developing countries, in carrying out investment facilitation policies and practices; and last but not least, discussed what could be done to assist developing countries in this regard, including institutional capacity building, sharing of best practices and multilateral/plurilateral action.

WAIPA CEO underlined two main issues on the topic of “Facilitating Investment for Sustainable Development”, namely strategy or definition and coordination. “It can be argued that all investments are positive, as they ideally create beneficial spillovers, and for some countries or regions it is indeed more difficult than for others to merely receive investments let alone the desired sustainable investments. However, in order to meet the challenges ahead there must be a deepened focus on sustainable FDI” he said.
WAIPA CEO Bostjan Skalar participated at UNCTAD’s seminar on the promotion of Sustainable Development Goal projects for Latin America and the Caribbean. Hosted by WAIPA’s member ProMexico, the seminar focused on developing and marketing bankable SDG investment project proposals which investment promotion agencies (IPAs) can use in their promotional work. Experts from UNCTAD, outward investment agencies and institutions, best practice IPAs from the region, and the private sector presented and shared lessons learned.

WAIPA CEO Bostjan Skalar was panelist at International partners for promoting investment in the SDGs session where panelists discussed the role that different type of organizations can play at multilateral, global and regional level to support the work of investment promotion agencies (IPAs) in their quest to generate and effectively promote and implement investment projects related to the SDGs. WAIPA CEO underlined that joint efforts to strategically promoting SDG investment opportunities can ensure better positioning of projects.

WAIPA CEO Bostjan Skalar was invited to contribute as a speaker to the session on “Incentivizing Sustainable Development,” moderated by SGIS Assistant Professor Sarah Bauerle Danzman. “Reaching SDGs is dependent on each stakeholder at every level of global development committing to these goals in a true sense. The private sector is indispensable” he said. The conference also featured a keynote speaker who has been influential in international development. Panels included lessons learned from fifteen years of U.S. nation-building in Afghanistan as well as expert discussion on the main research clusters of the Tobias Center: measuring development; private investment for development; climate change and the environment, and development; and global public health. By bringing together key stakeholders in development study and practice, conference participants developed an agenda for collaborative research, best practices, and outreach in these areas moving forward.
The 22nd WAIPA World Investment Conference (WIC17), the annual flagship event of World Association of Investment Promotion Agencies (WAIPA) hosted by Dubai Investment Development Agency (Dubai FDI), an agency of Dubai Economy and WAIPA Steering Committee Member, was held in Dubai, UAE. The two-day event that included the General Assembly, began on 27 November and brought together leading investment promotion agencies (IPAs) from all around the world; other government officials, development sector leaders, private sector representatives and academics relevant to FDI policy and strategy.

The first day of the conference was dedicated to WAIPA Members. In the morning, member IPAs had the opportunity to network and share best practices in investment promotion as well as to listen to best practices workshop conducted by Andreas Dressler, FDI Advisor; David Evans, Head of Data and Insight, CNBC; Ian Bowen-Morris, Director of the Invest GREAT campaign, Department for Trade and Industry DTI (United Kingdom); Tomohiro Takashima, Director General, Invest Japan Department, Japan External Trade Organization – JETRO and M. Onur Partal, Senior Expert, Invest in Istanbul.

The WAIPA General Assembly, which was convened on the first day, re-elected Investment Support and Promotion Agency of Turkey (ISPAT) to hold the presidency of the Steering Committee for the 2017-2019 term. The Azerbaijan Export and Investment
could greatly benefit by empowered IPAs attracting quality FDI and thus contributing to prosperity and growth.

Global Value Chain: Growth and Entrepreneurship through Linkages

Under the moderation of Wim Douw from the Trade and Competitiveness Global Practice Investment Climate of the World Bank Group the second panel of the day looked at the following rationale: In our globalized world products are often manufactured and assembled in more than one country. This also means that know-how is shared, creating beneficial added value. Therefore, the global value chain also can generate higher productivity through linkages. In this sense FDI can be instrumental to bring access to the GVC.

Corporate Investment Drivers, Challenges and the Future of FDI

Under the moderation of Lucia Cartini, Senior Industrial Development Officer and Coordinator for the UNIDO Investment and Technology Promotion Offices (ITPOs) the following rationale was discussed in the last session. FDI driven by multinational enterprises may be one mean that can help to achieve inclusive and sustainable industrialization and growth as well as improvement of the overall investment climate. The conference featured a notable line-up of keynotes by Oussama A. Kaissi, CEO of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC); as well as Vic van Vuuren, Director of Enterprises Department at the International Labour Organisation (ILO) and Michael Langley, Chair of the IEDC Board of Directors, two Consultative Committee members of WAIPA.

Promotion Foundation (AZPROMO) and Dubai Investment Development Agency (Dubai FDI) were elected by the General Assembly to hold the vice-presidencies.

At last year's WIC in Istanbul (2016), it was emphasized that WAIPA has the crucial role as an informative intermediary between IPAs and governments to help increase the FDI score for countries, and between private sector businesses and IPAs to address key economic challenges and create a Global Investment Policy Narrative to enhance and promote inclusive investments. These sustainable investments should create decent jobs and should help the technology transfer. The fight against investments that are exploitative or inequitable cannot be won singlehandedly by IPAs alone, but collectively as a global community.

That is why WAIPA continued to put full effort on empowerment of IPAs and their corporate development with the support of other international bodies and global community and created this year together with its Consultative Committee Members programs and projects to enhance IPAs capacities, for them to use FDI as a driving force for sustainable development, our overarching theme for this conference. It guided the discussions in the different sessions of #WIC17.

WAIPA #WIC17 Dubai debate sessions focused on the following topics:

- Empowering IPAs in developing countries and LDCs and the creation of a positive investment environment to achieve the SDGs
- Global Value Chain: Growth and Entrepreneurship through Linkages

Led by moderator Felipe Sandoval, Senior Advisor, Trade Law and Negotiations, International Centre for Trade and Sustainable Development the panel discussed the following rationale: WAIPA advocates the empowerment of IPAs as often the legal status and institutional anchoring for some IPAs is still inadequate. Particularly developing and least developed countries
WAIPA WIC 2017 Dubai Elected Steering Committee for 2017-2019 term

Mr. Arda Ermut
President
Investment Support and Promotion Agency of Turkey (ISPAT)

Mr. Rufat Mammadov
Vice-President
AZPROMO, Azerbaijan

Mr. Ken Poonooosamy
Sub-Saharan Africa
Board of Investment Mauritius

Mr. Wojciech Fedko
European Union
Polish Investment & Trade Agency, Poland

Mr. Gordan Milinić
Eastern Europe
Foreign Investment Promotion Agency of Bosnia and Herzegovina

Mr. Adalberto Netto
South America
APD Parana Development Agency, Brazil

Ms. Mona Zobaa
Middle East and North Africa*
General Authority for Investments and Free Zones (GAFI)

Mr. Fahad AlGergawi
Vice-President
FDI, UAE

Ms. Pilar Madrigal
Central America and the Caribbean
Costa Rican Investment & Development Board (CINDE)

Mr. Paulo Carreño King
North America
ProMexico, Mexico

Mr. Deepak Bagla
South Asia
Invest India

Mr. Yong Kook Kim
East Asia and South East Asia
Invest KOREA, Republic of Korea

Mr. Saparbek Tuyakbaev
Central Asia
KAZAKH INVEST National Company JSC , Kazakhstan

Mr. Gelpen Silas
Oceania*
Vanuatu Investment Promotion Authority (VIPA)

* The regional directorships for MENA and Oceania were co-opted by the Steering Committee on 9th April 2018.

WAIPA organized The FDI Essentials training, which was the first out of six separate FDI Excellence Series courses organized throughout 2018. Participants from the EU, South America, MENA and Sub-Saharan Africa Steering Committee Regions convened at the WAIPA Training Center in Istanbul to gain knowledge from Andreas Dressler, who is one of the world’s leading advisors in the field of foreign direct investment, as well as from other selected FDI practitioners and professionals, such as Natalia Guerra from UNCTAD, David East from Bureau van Dijk and John Rutherford OBE.

The course covered following topics:
• Definitions and types of FDI – what are the key modes of foreign investment? What are the benefits and risks of FDI for host locations?
• Drivers of FDI and location choices – what drives international investment decisions and how do companies choose where to locate?
• Global FDI trends – where are companies investing today and why? Where is investment coming from? What factors are influencing global investment flows?
• National investment policies – what policies can governments put in place to attract more and higher quality investment?
• International investment regulations and agreements – how do international agreements affect the flow of FDI?
• Role and functions of IPAs – what are the key functions of IPAs and what they require to be successful? What other stakeholders are important in FDI attraction?
• The FDI market – who are the key players in the global market for FDI? What opportunities exist for IPAs to position themselves in this market?
• Competition among locations – how do locations compete with one another? What methods and tools can IPAs use to compete effectively?
• Key success factors – what are the factors that determine how successfully IPAs and locations can attract investment? What can IPAs do differently from their competitors?
• Global best practices – who are the most successful locations and IPAs around the world and what makes them the best?

The training helped IPAs to strengthen foundations of the FDI world, covering the key concepts, trends, investment drivers and success factors that all investment professionals must understand to be effective in a dynamic and competitive global environment.
Inspired by the growing Impact Investing movement and its potential to drive new resources and new thinking to investment promotion stakeholders prompting social change in respective countries, WAIPA and UNIDO, in collaboration with TİKA jointly organized Executive Training Programme for Investment Promotion Agencies (IPAs).

More than 20 high-level participants from 17 selected developing countries of Africa and Central Asia & Caucasus convened at the WAIPA Training Center in Istanbul to discuss innovative approaches to investment promotion for attaining the Sustainable Development Goals (SDGs).

The objectives of the training were to:

• sensitize investment promotion agencies (IPAs) on the relevance of Impact Investing in working towards attaining the SDGs;

• expand global outreach on UNIDO’s and WAIPA’s technical assistance activities and foster linkages with developing countries;

• highlight UNIDO impact maximizing capacity building measures and main tools pertaining to:
  • monitoring of FDI activity in developing countries;
  • investment networking through the Subcontracting and Partnership Exchange (SPX) Programme and ITPOs;
  • promotion of Public-Private Partnerships (PPP), COMFAR and Investment Learning Centre
  • expose IPAs to best practices in investment promotion as showcased by the Turkish International Cooperation and Development Agency (TİKA), the Investment Support and Promotion Agency of Turkey (İSPAT) and the Istanbul Development Agency (İSTKA);
  • provide networking opportunities, sensitization and information exchange

This 3-day training programme aimed to help participants to gain better understanding about the approach of UNIDO and WAIPA for investment promotion while gaining new insights in new trends of international investments, in particular with regards to Impact Investing.

Participants from 12 countries, Vanuatu, Hungary, Mauritius, Cote d’Ivoire, South Africa, UAE, Niger, Mauritania, China, Northern Ireland, UK and Turkey have come together to gain real skills and proven techniques for winning projects and attracting more investment.

The FDI Excellence Series is a training program for investment promotion agencies organized by the World Association of Investment Promotion Agencies (WAIPA) in collaboration with Andreas Dressler, who is one of the world’s leading advisors in the field of foreign direct investment, as well as other selected FDI practitioners and professionals.

Experience sharing is one of the important pillars of WAIPA trainings. Speakers from leading investment promotion agencies provided participants with the insight into their investment attraction strategies and activities. Peta Conn from Invest Northern Ireland talked about their strategy to open new offices around the world. Anisa Muhammad Ali from Dubai Airport Freezone (DAFZA) shared her experience of managing a global network of lead generation consultants. Abbey Heffer from Foshan Investment Promotion Agency (FIPA) presented investment attraction in the Chinese context. Participants had an opportunity to network and learn from the best practices also from Michel Lemagnen, and Can Gurlek from the Ministry of Economy of Turkey.

The training provided participants with the know-how knowledge and skills they need to proactively identify, approach and attract investors, as well as to compete successfully for investment projects using different business development methods and tools.
World Economic Forum on Latin America brought together global and regional leaders from government, business and civil society around the world. WAIPA CEO Bostjan Skalar participated as a Fire Starter in highly interactive session on “Maximizing the Benefits of Trade Facilitation in Latin America” which aimed to:

- Exchange best practices and lessons learned from trade facilitation efforts in the region by government, private sector and other regional stakeholders;
- Discuss concrete examples from the Global Alliance for Trade Facilitation’s projects in Latin America. The Alliance is a public-private platform that supports trade facilitation reforms by leveraging private sector expertise.

The IDB Group Private Sector held annual meeting to discuss development issues and institutional matters. The Private Sector Forum showcased activities, services and initiatives in OIC countries and provided unique platform for participants to network and establish business relations and partnerships with other leading representatives and counterparts from local business community and to share related experiences, success stories and best practices.

The main theme “Catalyzing strategic alliances between export credit agencies and MDBs to address commercial and political risks” provided a comprehensive overview of the state of investment and trade in the OIC member countries, with a view to identifying existing opportunities, investment climate challenges, perceptions of investor and traders, while shedding the light on the role of Governments, MDBs, ECAs and Private Sector Business Partner on the linkages and drivers of investment and trade.

WAIPA CEO Bostjan Skalar participated as one of the lead speakers in the second sub-session on “The role of ECAs and Banks in securing domestic and regional trade flows”. The session focused on the following topics:

- Building capacity in OIC ECAs to provide new tools and services to boost trade and investment
- Where ECA demand will come from in the future in terms of countries and sectors
- Challenges in assessing investment and trade risks and opportunities, particularly in Africa and in energy sector
- Co-operation and partnership between banks, ECAs and others to accelerate intra-OIC trade and investment

Skalar in his speech highlighted that WAIPA’s aim is to equip its members with the right skill so that they can convince their decision makers. He shed a light on importance of WAIPA working together with various stakeholders, such as their Consultative Committee members: UNCTAD, UNIDO, World Bank, ICC, IEDC, OECD and ILO, as well as other partners such as the World Economic Forum, ITC and ICIEC.
Investors, delegates, government officials and participants from more than 140 countries convened at the Dubai World Trade Center in United Arab Emirates for the Annual Investment Meeting. The annual forum is one of the leading regional events on foreign direct investments (FDI) in Middle East and North Africa and is organized by the UAE Ministry of Economy under the patronage of H.H. Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai.

The 8th edition of the Annual Investment Meeting focused on Driving sustainable development through FDI; Investment in the Fourth Industrial Revolution; How technology is changing the future of productivity and growth; Public-private partnerships for infrastructure projects, Sovereign Wealth and Private Equity Funds and their role in investment.

One of the official pre-events was a full-day series of capacity building workshops for investment promotion officials. WAIPA as an official knowledge partner of AIM hosted a workshop on 8 April. Participants from all over the globe gathered at this training to learn how IPAs can contribute to create a sound investment climate for attracting and promoting emerging technologies, as well as how these emerging technologies can be used to further attract investment. Best practices were shared by Chris Knight, Global Commercial Director of fDi Intelligence; Antti Aumo, Head of Invest in Finland and Yong Kook Kim, Head of Invest Korea.

WAIPA CEO Bostjan Skalar participated in the plenary session “Incentives Policies for the Benefit of Nations” to discuss whether or not Sustainable Development has the answers on how incentives policies can change. Panelists in this session under the moderation of Henry Loewendahl, Founder and CEO of Wavteq discussed among other how incentives can be used to ensure they actually make a difference and maximize benefits for the country – not just the company.

**REGION** | **IPA NAME** | **TYPE** | **COUNTRY**
--- | --- | --- | ---
Central Asia, Caucasus & Russia | Kazakh Invest | Winner | Kazakhstan
| Uzbekistan, Committee of Investment | Runner Up | Uzbekistan
Central, Eastern Europe & Turkey | Vojvodina Development Agency | Winner | Serbia
| Slovak Investment and Trade Development Agency | Runner up | Slovakia
East Africa | Ethiopian Investment Commission | Winner | Ethiopia
| Kenya Investment Promotion Commission | Runner up | Kenya
Europe | Flanders Investment & Trade | Winner | Belgium
| Department for International Trade | Runner up | United Kingdom
Latin America & the Caribbean | Invest Saint Lucia | Winner | Saint Lucia
| Invest in Nicaragua | Runner up | Nicaragua
Middle East and North Africa | Moroccan Investment and Export Development Agency | Winner | Morocco
| GAD General Authority for Investment Egypt | Runner up | Egypt
South, East Asia and Oceania | Invest in India | Winner | India
| Vietnam Trade Promotion Agency | Runner up | Vietnam
South Africa | Invest in South Africa | Winner | South Africa
| Economic Development Board of Manitoba | Runner up | Manitoba
West and Central Africa | Ghana Investment Promotion Centre | Winner | Ghana
| Nigerian Investment Promotion Commission | Runner up | Nigeria
Following the successful first two editions of the Investment Facilitation Course jointly organized by WAIPA and the International Training Centre of ILO in May 2016 and March 2017, a third edition was held from 9-13 April 2018 at the ILO International Training Centre in Turin, Italy. Foreign Direct Investment (FDI) is vital to maintain and strengthen economic growth, integrate countries into the global economy, boost technological innovation and know-how, enhance skills transfer and contribute to the creation of decent work. But not all investments have the same development impacts.

This three-day course focused on “Effective investment facilitation and sustainable development” and helped investment promotion officials from various countries around the world to strengthen their investment promotion and facilitation capacities, expand their after-care services and enhance the development impacts of FDI flowing into their countries, particularly as regards the creation of more and better jobs and the overall contribution of FDI in achieving the Sustainable Development Goals. Furthermore, participants learned about:

- The latest trends and opportunities regarding sustainable development, decent work and investment facilitation
- Positive links between FDI, sustainable development and decent work
- The dominant development frameworks concerning sustainable development and decent work relevant for investment facilitation and
- How to implement a system of aftercare services and investment promotion measures in the framework of sustainable development and decent work.

Sessions were led by Ismail Ersahin, WAIPA Deputy Executive Director, Karl Pfeffer, Programme Officer MNE and Global Supply Chains at the International Training Centre of the ILO; Johannes Weiss, Technical Officer at ILO; Emily Sims, Senior Specialist and Manager at ILO and best practices were shared by Samet Akyuz, Project Director at Investment Support and Promotion Agency of Turkey (ISPAT) Stefan Kratzsch, Industrial Development Officer at UNIDO and Arkadiusz Tarnowski, Private Sector Liaison Officer to the World Bank Group, Economic Development Department at Polish Investment and Trade Agency (PAIH).

The FDI Marketing training course was held in cooperation with the renowned FDI Advisor Andreas Dressler as part of the FDI Excellence Series and hosted by WAIPA member Invest in Finland. Participants from Chile, Cote d’Ivoire, Australia, Greece, Cayman Islands, United Kingdom, Marshall Islands, Germany, Korea and Denmark gathered in Helsinki to learn from marketing and investment promotion specialists as well as representatives of leading investment promotion agencies how to:

- Select the right target groups and develop effective value propositions as a basis for successful marketing
- Use social media to increase visibility and generate leads
- Develop an overall brand for your location
- Create a website that reflects your location’s strengths and contributes to attracting investment
- Find the optimal mix of marketing channels that reflect your budget
- Use cutting-edge digital market tools
- Manage integrated marketing campaigns in key target sectors

The training program covered the latest digital techniques and tools for investment promotion and how these can be used to generate real investment outcomes. It also focused on location branding, media communications, advertising and other marketing channels. Investment promotion officials had an unique opportunity to hear from leading IPAs and gain practical insights on topics that are not usually addressed in other FDI training programs. Best practices were shared by Liisi Toots from the Estonian Investment Agency who presented how to develop and leverage a successful country brand; Hetta Huitinen and James O’Sullivan from Business Finland shared their insights on how positive news about different aspects of a location can be used to raise awareness and enhance the location’s image as an investment destination; Karin Lachner from CINDE – Costa Rica Investment Promotion Agency focused on how to integrate your digital assets for enhanced results; WAVTEQs Chris Knight shared how to make the most of advertising and Louise Juhl from Copenhagen Capacity spoke about how to build a leading business hub through digital marketing.
Hosted by the International Institute for Trade and Development of Thailand, the seminar focused on developing and marketing bankable SDG investment project proposals which investment promotion agencies (IPAs) can use in their promotional work. Experts from UNCTAD, outward investment agencies and institutions, best practice IPAs from the region, and the private sector presented and shared lessons learned.

WAIPA CEO Bostjan Skalar was invited to speak on the promotion of partnership for financing the SDGs. In his speech he highlighted joint efforts to strategically promoting SDG investment opportunities to ensure better positioning of projects. He said that WAIPA stands to bring together all international partners from developing and developed countries to cooperate for promoting investment in the SDGs.

WAIPA CEO Bostjan Skalar was invited to speak on the promotion of partnership for financing the SDGs. In his speech he highlighted joint efforts to strategically promoting SDG investment opportunities to ensure better positioning of projects. He said that WAIPA stands to bring together all international partners from developing and developed countries to cooperate for promoting investment in the SDGs.

WAIPA CEO Bostjan Skalar participated at the WTO Trade Dialogues to share his insights at the Breakout session on Investment Facilitation. Mr. Skalar highlighted the role of Investment Facilitation and the work that IPAs are doing regarding these issues. Furthermore, he underlined that in order to properly facilitate investments, a sound facilitation in terms of clear regulations and transparency is crucial. Building on this Informal Dialogue at the 11th WTO Ministerial Conference held in Buenos Aires in December 2017 (MC11), 70 WTO members co-sponsored a Joint Ministerial Statement calling for the start of structured discussions to develop a multilateral framework on investment facilitation. Participating Members are focusing on identifying and developing the elements of a framework for facilitating foreign direct investments, with development at the core of the initiative.
INVESTMENT PROMOTION AGENCIES: EMPOWERING INNOVATIVE EUROPE ON THE OCCASION OF BULGARIAN PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION

Sofia
Bulgaria
20 June 2018

WAIPA Executive Director Bostjan Skalar took part at the event “Investment Promotion Agencies: Empowering Innovative Europe!” on 20 June 2018 in the National Palace of Culture in Sofia, Bulgaria organized by WAIPA Member Invest Bulgaria Agency on the occasion of the Bulgarian President of the Council of the European Union.

The event focused on the following topics:
• Innovation policy: the basis for competitiveness and sustainability in the EU
• Focusing the investments for the development of the innovation potential in Bulgaria according to ISIS 2
• European practices and models for funding and promoting innovation
• Horizon 2020
• Innovators and prospects ahead of them at European and international level

The meeting was attended by representatives of a large number of investment agencies to discuss how their work promotes innovation in the business sector.

WAIPA CERTIFICATION COURSE WITH THE COLUMBIA CENTER ON SUSTAINABLE INVESTMENT, COLUMBIA UNIVERSITY

Istanbul
Turkey
2 – 5 July 2018

From July 2 until July 5 2018 investment promotion officials assembled in the WAIPA Training Center in Istanbul, Turkey for the first WAIPA Certification Course on “International Investment, Investment Promotion and Sustainable Development”. This 3,5 day executive training, organized by our partner Columbia Center on Sustainable Investment (CCSI), Columbia University covered key trends and issues relevant for understanding FDI – and the role of IPAs in shaping it – in an era that is linked to an unprecedented degree through global value chains, experiencing rapid technological transformations, and that must pay much more serious attention to the environmental, social and economic sustainability of international business activity.

Course covered disciplines and issues including international business, economics, law and sustainable development:
• SDGs and Their Connection to FDI
• Where Does The FDI Go? Recent Patterns in FDI Flows
• Drivers and Determinants of FDI: Applying traditional concepts to modern trends
• Influencing FDI: Costs and Benefits of Various Strategies
• Focus on Investment Incentives: Whether, why, to whom and how to grant them
• Shaping the Impacts of FDI: A role for host and home country governance
• Assessing the Expected and Actual Impacts of FDI
• Focus on PPPs: value, risks, and how to structure them
• Focus on IPAs

This certification course helped participants to gain skills and knowledge in FDI. They developed a better understanding of FDI flows and sustainable development, how to measure FDI impact and gained knowledge about harnessing FDI and the role of government, strategies and practices of IPAs.

Instructors included Lise Johnson and Brooke Guven from the Columbia Center on Sustainable Investment, Sarah Bauerle Danzman, an assistant professor of International Studies at Indiana University, Ellen Harpel from Smart Incentives and Douglas Van den Bergh from Investment Consulting Associates.
How would you rate WIC 2017 effectiveness when it comes to networking and learning latest trends in investment promotion?

Would you like to have more participants from private sector included in the upcoming WAIPA events and conferences?
Would you like WAIPA to assist in facilitating meetings between IPAs and investors?

Yes 80% No 10%

Are you satisfied with the overall quality of WAIPA’s activities?

- Very satisfied: 37%
- Satisfied: 27%
- Somewhat satisfied: 8%
- Somewhat dissatisfied: 3%
- Dissatisfied: 5%
- Very dissatisfied: 0%
- Neither satisfied nor dissatisfied: 55%
According to you, in which way WAIPA can improve its services?

- Hold regular events and trainings at your location: 51%
- Organize events with private sector participation: 59%
- Promotion of IPAs through social media channels and website: 60%
- Highlight and feature success stories your IPA facilitated: 29%
- Increase research activities in domain of IPAs and FDI: 60%
- Establishing certificate programs for successful IPA practices: 41%
- Creating member section on our website (restricted area for members where shared information will not be available for public): 27%

Which of the following topics you would like to be covered by WAIPA’s future training courses?

- Why the battle for investments is digital: 16%
- How to leverage the diaspora for investment: 25%
- How to improve regional Investment: 20%
- Latest investment trends: 39%
- Tools for undertaking cost/benefit analyses of investments: 29%
- Conducting competitive positioning (setting investment promotion strategy and targets): 41%
- Importance of policy advocacy: 16%
- Emerging technologies and investment promotion: 41%
- Making investments sustainable: 28%
- New types of FDI: Sovereign Wealth Funds, Venture Capital, Corporate Ventures etc.: 35%
- Why the battle for investments is digital: 16%
- Conducting competitive positioning (setting investment promotion strategy and targets): 41%
- Importance of policy advocacy: 16%
Which of the following functions are included in your IPA’s mandate?

- Foreign investment promotion (Inward investment)
- Domestic investment promotion (Outward investment)
- Export promotion
- Special economic zone (SEZ) or industrial park administration
- Investment climate reform
- Incentive administration
- Negotiation of international investment agreements (IA)
- Incentive administration
- Special economic zone (SEZ) or industrial park administration
- Export promotion
- Domestic investment promotion (Outward investment)
- Foreign investment promotion (Inward investment)

Which of the following social media tools is your IPA using for promoting its activities?

- LinkedIn: 67.19%
- Twitter: 68.75%
- Facebook: 50.00%
- Google+: 12.50%
- Youtube: 0%
- Others: 20%
Which of the following forms of investment does your agency consider the most important?

Responses

- Greenfield FDI: 51.11%
- Merger and Acquisitions: 33.56%
- Expansion FDI: 8.89%
- Joint Venture: 2.22%

On a scale 1-10, how important do you think the Sustainable Development Goals (SDGs) are for your role?

0% 0% 0% 0% 0% 7% 7% 13% 13% 22% 31%
As global uncertainty continues to prevail, WAIPA plays an integral role in the collaboration with investment Promotion Agencies (IPAs) policy development and investor engagement thereby enhancing global Foreign Direct Investment (FDI). However, FDI is undergoing a fundamental shift where investor’s decisions are impacted, not only by profit levels, but also by the ability to deploy their investments in sustainable projects, thus changing the way investor’s process and make investment decisions. Through extensive stakeholder engagements, with Global Thought Leaders, NGO’s and Investors; WAIPA ensures that IPAs are ready, and enables them to react, with key proven policy measures as well as be proactive in their hunt for FDI. WAIPA’s ambition is in line with helping IPAs align the needs of their country with investors and Sustainable Development Goals (SDG’s). These engagements have continued to strengthen and attract more members, while increasing their capacity to continuously deliver. Continued sharing of expertise amongst IPAs ensures a more competitive landscape is challenging, particularly for new emerging countries in the African region, that seek long-term quality and sustainable investment that are capable of unlocking growth, enhance standard of livings and reduce inequality.

Being a member of the steering committee is indeed an opportunity for me to ensure the region’s sustained progress and push the agenda for a genuine, equitable, and sustainable economic transformation. If we want to achieve this objective it cannot be business as usual. Africa must become an attractive investment destination in the world and for this to happen, we will need to increase private sector investment, embark on industrialization, development and modernization of key infrastructure, which will in turn help to unlock the potential for job creation and poverty reduction in African Countries.

As the Regional Director, my vision is to create a multi-disciplinary platform that will bring together collaborative leadership for the purpose of creatively and strategically transforming economic and social development of Africa. I am determined to contribute to these visionary efforts through partnerships and consistent work through WAIPA. I am hopeful that through joint initiatives, we can work towards achieving an inclusive and sustainable industrial growth.

I am also looking forward to further improve our relationships and reinforce our engagement through intensified collaboration for better investment strategies and to gear up for an improved ease of doing business in the region. Together, we should all work to offer the world a collective deal for investment in and the development of Africa.

To help us in this endeavor, we will undoubtedly need the support of WAIPA. WAIPA’s consultative committee which regroups representatives from Organization for Economic Co-Operation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD) & United Nations Industrial Development Organization (UNIDO) offers an ideal structure for capacity building and build necessary networks and linkages to make Investment Promotion Agencies (IPAs) among the best in the world.
It is my great honor and pleasure to convey the warmest of greetings from Egypt’s IPA, GAFI, the General Authority for Investment and Free Zones. GAFI is the principal governmental body promoting, facilitating and regulating investment in Egypt, in line with Egypt’s Vision 2030 goals and political and economic policy directives and targets. Our mission is to support Egypt’s path to integrated, sustainable and equitable economic growth and prosperity through the promotion, facilitation and advocacy of an investor friendly business environment for investors regionally and internationally. We are well aware that achieving such national objectives requires an outward looking, cooperative and interactive role within valued organizations like WAIPA.

Investment is a core determinant of economic growth, the private sector is its engine and a stable and conducive business environment is fundamental. We look forward to working closely through WAIPA to meet the challenges of achieving UN SDG goals through greater regional cooperation, matchmaking between regional private sectors as well as in-country collaboration and coordination. We look forward to developing greater channels regionally for the exchange of information, identification of regional technical cooperation areas and utilizing WAIPA’s collaborations with development partners to enhance investment capabilities regionally and the wider WAIPA membership.

GAFI and Egypt have made significant strides to enhance the investor experience In this respect, we created Investor Services Centers (ISCs); single bodies for approvals and procedures with clear processes and online functionality. Furthermore a series of legal, administrative and financial reforms to protect investments and robust dispute resolutions mechanisms are in place. We hope to share these experiences during our tenure through enhanced information sharing mechanisms, robust and structured networking and strengthened coordination regionally and globally as we meet our challenges together.

MONA ZOBAA
Executive Director of Egyptian General Authority for Investment and Free Zones (GAFI), WAIPA Regional Directorship of Middle East and North Africa

MONA ZOBAA
Executive Director of Egyptian General Authority for Investment and Free Zones (GAFI), WAIPA Regional Directorship of Middle East and North Africa

WOJCIECH FEDKO
Executive Vice President of the Polish Trade and Investment Agency (PAIH), WAIPA Regional Directorship of European Union

As a Steering Committee member representing European Union it is my distinct pleasure to address you briefly on behalf on the Polish Investment and Trade Agency (PAIH). Since the election time in November 2017, I have experienced a very challenging task of contributing to WAIPA’s work as a regional director. I am very glad I have been given this opportunity to add to the global network of IPA’s efforts for effective promotion of sustainable economic growth at political and business levels. Also, I am very committed to the organizational development effort of WAIPA itself in order to make our organization more meaningful and more effective to the global investment community. Let’s emphasize the value of our collective knowledge base at the political level all around the globe. And let’s get more business initiatives in our business. I am sure that we can bring this increased effectiveness through training, promotional/political, fundraising events and various regional initiatives that WAIPA is implementing in 2018.

Representing Poland that is the 6th largest EU and one of the fastest growing economies in the region, I have a fairly comprehensive perspective on the development of FDI in the Europe. Poland has had a double digit year-on-year growth in FDI with flagship investments by Volkswagen, Mercedes Benz, Lufthansa, Miele, JP Morgan and LG Chem. However, many countries are now experiencing turbulent times, as we all facing a lot of political and economic instability. The advent of CETA on one hand as well as the tariff squabbles between the United States and the European Union, and China for that matter, along with the “overhaul” of NAFTA -they all clearly demonstrate the need for WAIPA’s role in the world. I am very committed to joining with you in keeping a careful eye on “deglobalization” threats and opportunities as we all promote our national interests in the global marketplace.

Giving that in 2017 PAIH has joined the European Trade and Promotion Organization (ETPO) and I have personally established close to fifty trade offices of PAIH worldwide, I believe I have a valuable vantage point to share in the implementation of WAIPA’s objectives for the next few years.

I am looking to seeing you all at the upcoming 2018 World Investment Forum in China and I am very excited to tackle collectively the challenges that lay ahead of WAIPA.
LEADERSHIP
VISION

GORDAN MILINIC
CEO of Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA BIH), WAIPA Regional Directorship of Eastern Europe

Foreign Investment Promotion Agency of Bosnia and Herzegovina is a State Agency. The core FIPA goals are the securing of the investment and economic progress for the Bosnia and Herzegovina. With this in mind, I believe that by working together, we can develop the best value for investors in our country as well as in the region. As the CEO of FIPA BIH, I have been working closely with many IPAs and WAIPA representatives, regional and international peers and International organization. As part of the region of Southeast Europe, we always emphasize the importance of cooperation among neighbors and we are not considered as frontal competition. We cooperate at the regional level and we connect each other through development and investment projects. Our development relies on the neighborhood and we see the region of Southeast Europe as one whole. FIPA was the initiator of establishing the Network of Southeast Europe IPAs Cooperation in 2009 by signing a Memorandum of Understanding in Vienna in June 2009 with the aim to promote the SEE region as a whole. This was one of the steps to promote the region, its positioning and attractiveness for investments in global frameworks. I believe that WAIPA’s activities and support has grown thanks to its active members and a dedicated Steering committee. I also strongly believe that moving forward, the success of WAIPA’s members will further strengthen WAIPA’s global standing. That is why, FIPA BIH is looking to actively participate in shaping the future of WAIPA to better serve the success of all its members. As a member of the Steering Committee I will be devoted to promoting understanding and cooperation amongst IPAs and long-term business relationships.

PAULO CARREÑO KING
Director General of ProMexico, WAIPA Regional Directorship of North America

“Economic uncertainty” has been one of the most repeated term on the news and social media in the last decade. More often than we can possibly like to, we learn of new financial crises, natural disasters, economic shocks and a wide array of disruptions that have presented some of the main challenges that most economies, if not all of them, have faced in the last years. It seems like economic strain has become the “new normal”.

This has inevitably posed a new challenge to investment and trade promotion agencies, like ours, devoted to fostering economic growth and commercial integration in the entire world. In fact, according to UNCTAD, global foreign direct investment fell by a staggering 16% just in 2017; a figure that clearly illustrates the extent of the problem we have in our hands.

Our job has undoubtedly become both increasingly challenging and relevant in a constantly changing world. In addition, forums for cooperation have become a fundamental tool for fulfilling our tasks.

Bringing our efforts and voices together is one of the most valuable endeavors WAIPA has undertaken. During the past 23 years, WAIPA has provided every one of its members with a unique platform for sharing best practices, understanding new global trends and allaying our goals.

To this day, we have been able to build a network 170 Members from 130 countries committed to common growth and prosperity; all starting from a common premise: international trade and investment is not a “zero-sum-game”.

In the near future, partnerships will be our clue mechanisms for adapting and transforming our uncertain reality. I am confident that, together, we will be able to turn these challenges into opportunities. As the proud representative of the North American Region and on behalf of all in ProMéxico, it is my great honor and privilege to work hand-in-hand with such distinguished colleagues towards achieving sustainable development.

All the best and warmest regards!
On behalf of APD Invest in Parana, it gives me great pleasure in addressing our members of WAIPA and share recent highlights from our region. According to UNCTAD, FDI to South America increased by 10 per cent last year as recession in the region ended. However, investment flows to and from the region are expected to stagnate or decline marginally, due to the growing global uncertainty.

To progress towards attracting more investment, further dialogue, integration and cooperation among IPAs is required. This was the consensus built by more than 54 IPAs during the last Latin America Investment Conference (CLAIN), created by APD and promoted with APEX Brasil and the Interamerican Development Bank, with the support of WAIPA. WAIPA plays a pivotal role towards this goal. We have further strengthened the dialogue and connection among South American IPAs. We run an inventory of all IPAs in the region, launched a South America IPAs Social Network group at LinkedIn bringing together more than 100s IPAs at all levels. We also helped to promote Latin America as a destination for FDI by taking part at ECLACs panel Invest In: Latin America and the Caribbean at the Annual Investment Meeting in Dubai. A further IPA research is in progress to profile IPAs and identify their needs. We believe in the relevance and unique opportunities offered by South America to global investors.

Working together with other Steering Committee members and WAIPAs management, we will continue to foster networking, exchange and collaboration among members to strength the role of IPAs in South America as an instrument for growth and prosperity. We wish a very successful 2018 World Investment Conference at Xiamen, a milestone of the evolution of the work performed by the association.
FINANCIAL STATEMENTS
WORLD ASSOCIATION OF INVESTMENT PROMOTION AGENCIES
Geneva

Report of the statutory auditor on the limited statutory examination to the general assembly of the financial statements for the year ended December 31, 2017

REPORT OF THE STATUTORY AUDITOR ON THE LIMITED STATUTORY EXAMINATION TO THE GENERAL ASSEMBLY OF THE WORLD ASSOCIATION OF INVESTMENT PROMOTION AGENCIES, GENEVA

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of the World Association of Investment Promotion Agencies, Geneva, for the financial year ended December 31, 2017.

These financial statements are the responsibility of the Steering Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law. An employee of our company assisted in the bookkeeping during the reporting year. This individual was not involved in the limited statutory examination.

We conducted our examination in accordance with the Swiss Standards on the Limited Statutory Examination. This standard requires us to plan and perform a limited statutory examination to address material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements, disclosing accumulated reserves of USD 819,367, do not comply with Swiss law and the association’s statutes.

Yours faithfully,

[Crowe Borney SA]

[Subscribers’ Report]

[Licensed Audit Report, Auditor in charge]
**WORLD ASSOCIATION OF INVESTMENT PROMOTION AGENCIES, Geneva**

**BALANCE SHEET AS OF DECEMBER 31, 2017**

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**WORLD ASSOCIATION OF INVESTMENT PROMOTION AGENCIES, Geneva**

**INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017**

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<td><strong>OPERATING EXPENSES</strong></td>
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1 GENERAL

The World Association of Investment Promotion Agencies (hereinafter WAIPA) is a Swiss association, established in 1995 and registered as a non-governmental organization in Geneva, Switzerland. WAIPA acts as a forum for investment promotion agencies to provide networking opportunities and facilitate the exchange of best practices in investment promotion and capacity building.

WAIPA has no capital and is not registered in the Geneva Trade Register.

The seat of WAIPA is in Geneva - Switzerland. The administrative offices of WAIPA are located in Turkey. All employees of this association are based in Turkey.

The financial statements have been prepared in accordance with the Swiss law and in particular with articles 997 to 993 of the Swiss Company Law dealing with the commercial accounting and the presentation of financial statements.

2 ACCOUNTING PRINCIPLES

The main accounting and valuation principles used, which are not explicitly specified by the Code of Obligations, are described as follows:

2.1 Revenue recognition

Membership fees and conference-related fees are recorded on an accrual basis. Membership fees and conference fees not collected at the time of the preparation of the financial statements are not accrued for.

Other revenues such as grants and financial revenues are recorded on an accrual basis.

Donations are recorded on a cash basis except for donations for specific projects which are recognized as income when the related project expenses are actually incurred.

2.2 Foreign currency

The currency in which WAIPA operates is the US dollar. Transactions in foreign currencies are converted into the currency in which the association operates at the exchange rate on the day the transaction takes place.

The assets and liabilities in foreign currencies are converted into the currency in which the association operates at the exchange rate on the balance sheet date. Any profits or losses resulting from the exchange are recorded in the income statement.

3 CONTRIBUTION WITH RESPECT TO THE AVERAGE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES

The average number of full-time equivalent employees for the year 2017 is lower than 10 (2016: <10).

4 INCOME AND CAPITAL TAX, SOCIAL TAXES

WAIPA does not pay any income or capital taxes as it benefits from a tax exemption, which is renewed every five years. WAIPA employees are subject to personal income and social charges in Turkey.

5 RENTAL AGREEMENT

WAIPA has entered into a rental agreement for its Geneva office from April 1, 2015 through March 31, 2020. Under this agreement, the non-cancellable lease amount due in CHF 37'078 (US$ 39'737).

6 DUBAI RESTRICTED FUNDS

In 2010, WAIPA received a sponsoring income of USD 65'000 from Dubai to finance a specific project. Such project did not materialize. Part of the funds was used in 2012 for organizing an event in Dubai. The remaining funds, i.e. USD 65'000, were released in 2017 as decided by the Steering Committee.

7 SPONSORING FUNDS AND SPONSORSHIP RECEIVABLE

In 2017, WAIPA received a sponsoring income of USD 90'050 from Invest in Turkey to finance the running expenses of WAIPA. Invest in Turkey paid USD 75'000 in 2017 and the remaining amount, i.e. USD 15'050, at the beginning of 2018.

In 2016, WAIPA received a sponsoring income of USD 80'050 from Invest in Turkey to finance the running expenses of WAIPA. Invest in Turkey paid USD 60'000 in 2016 and the remaining amount, i.e. USD 20'050, at the beginning of 2017.

8 DETAILED INFORMATION ON SELECTED ACCOUNTS

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<tbody>
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<td>CHF</td>
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<td>UBS Swiss francs accounts</td>
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<td>UBS US dollars accounts</td>
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<td>UBS Swiss francs - guarantee for rental agreement</td>
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<td>Total</td>
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The UBS Swiss francs - guarantee for rental agreement is pledged as a guarantee for the rental commitments of WAIPA.
### 8.2 Fixed assets

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<td>Office renovation costs and furniture</td>
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<td>5'092</td>
<td>(9'897)</td>
<td>11'594</td>
</tr>
<tr>
<td>Total</td>
<td>16'399</td>
<td>5'092</td>
<td>(9'897)</td>
<td>11'594</td>
</tr>
</tbody>
</table>

### 8.3 Accrued liabilities

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Accrued professional fees</td>
<td>26'929</td>
<td>10'045</td>
</tr>
<tr>
<td>Accrued office expenses and travel expenses</td>
<td>12'005</td>
<td>8'000</td>
</tr>
<tr>
<td>Accrued social taxes</td>
<td>31'541</td>
<td>27'000</td>
</tr>
<tr>
<td>Accrued audit and accounting fees</td>
<td>11'000</td>
<td>10'955</td>
</tr>
<tr>
<td>Total</td>
<td>81'475</td>
<td>56'000</td>
</tr>
</tbody>
</table>