Launch of the IPA Toolbox

A practical guide to support Investment Promotion Agencies (IPAs)

Online Event, 25.11.2020, 12:00 CET

This event is being recorded!
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Agenda

1. Welcome and Updates from WAIPA
2. GIZ’s work with IPAs
3. The IPA Toolbox
4. Panel Discussion and Q&A
5. Wrap Up and Satisfaction Survey

Moderator: Ismail Ersahin, WAIPA
QUICK GUIDELINES

• You can ask any questions you would like through the chat box.

• We will collect these questions and ask the presenters to respond in our panel discussion round

• Finally we would like to ask you to rate your satisfaction with the webinar before we close the webinar.

• This online event will be recorded. Names of participants will not be visible but if anyone still disagrees with the recoding, we would need to ask you to kindly leave now.
Welcome and Updates from WAIPA
Why WAIPA?

WAIPA serves as a platform for its members and provides the opportunity for investment promotion agencies (IPAs) to network and exchange best practices in investment promotion.

Promotes and develop understanding and cooperation among IPAs and facilitates access to technical assistance and capacity building of IPAs.

We assist IPAs together with partners in advising their respective governments on the formulation of appropriate investment promotion policies and strategies.
Global Reference Point for FDI

WAIPA frequently publishes papers and research results on its website: https://waipa.org/publications/. On WAIPA’s blog section: https://waipa.org/blog/, FDI experts and IPA practitioners regularly share their insights and expertise.

WAIPA’s FDI overview section: https://waipa.org/fdi-overview/ and State of IPA’s dashboard: https://waipa.org/state-of-investment-promotion-agencies/ provide IPAs and practitioners with interactive tools on the current situation of FDI and IPAs.

To support IPAs, WAIPA created on its website a COVID platform: https://waipa.org/covid-19-platform/, a collection of information, interviews, and material on the subject and central point to the most relevant insights on the effects of the pandemic on FDI published by the international community. It showcases data, analysis, policy efforts and best practices related to the COVID-19 and FDI at one place.
GIZ’s work with IPAs
Who is GIZ?

We support the German Government in achieving its objectives in the field of **international cooperation for sustainable development**.

As a **public-benefit federal enterprise** we uphold German and European values.

We work with our partners on more than **1,600 ongoing projects** in about **120 countries**.
Where does GIZ work with IPAs and how?

**Ghana:**
- Strengthen business development division
- Set up Customer Relationship Management System

**Tunisia:**
- Preparation of manuals, M&E system, target sector identification
- Development of partnerships with German investment agencies
- Digital platform for accessing Covid-19 support measures for businesses and investors; webinars and after-care services

**Moldova:**
- Training of staff on how to attract investors
- Linkages platform for Small and Medium Enterprises
- Set up regional IPA in Gagausien
- Database for Green- and Brownfield investment sites
- Digital business matching events

**GIZ Services: Worldwide Experience**
- Ghana
- Tunisia
- Ethiopia
- Moldova
- Senegal
- Namibia
- Caribbean
- Western Africa (Cashew)
- Rwanda
- Mongolia
- Rwanda
- Caribbean
- Western Africa (Cashew)
- Rwanda
- Mongolia
- Rwanda
- Caribbean
How can IPAs collaborate with us?

- In the countries listed above, your IPA should be in contact with GIZ already.

- See if there is a GIZ-programme working on sustainable economic development in your country (www.giz.de/en). Contact the person listed on the website.

- To partner with German associations contact for example EZ-Scouts, German Chambers of Commerce Abroad (ExperTS); or Business and Cooperation Desks

- Seek short-term support through the Investment Climate Reform Facility for ACP countries: https://www.icr-facility.eu/
The IPA Toolbox
The IPA-Toolbox has been developed based on an integrated approach …

Reflecting the needs of both IPAs and international partners

Focusing not only on the main tasks of IPAs, but also the organisational and financing dimension

Not looking at IPAs in isolation, but also considering interrelations within the institutional and policy framework

Building upon existing tools and good practices
Against this background, the toolbox covers the following modules:

<table>
<thead>
<tr>
<th>Category</th>
<th>Module A</th>
<th>Module B</th>
<th>Module C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core tasks</td>
<td>Creating awareness and generating interest with effective investment promotion measures</td>
<td>Providing needs-oriented facilitation services to secure and fast track investment projects</td>
<td>Combining systematic aftercare with advocacy and further business development services</td>
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<tr>
<td>Target groups</td>
<td></td>
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<tr>
<td>Module D</td>
<td>Defining and refining target groups for investment attraction efforts</td>
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</tr>
<tr>
<td>Organisation &amp; financing</td>
<td>Module E Aligning the organisational and financing model to the core tasks and target groups</td>
<td>Module F Exploring opportunities for cooperation with strategic partners – cross-organisational perspective</td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td>Module G Designing monitoring systems reflecting the key objectives and tasks</td>
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Audience Poll

In what areas does your IPA currently cooperate with international partners (e.g. WAIPA, GIZ, UNIDO, EBRD etc.)?

- Investment promotion and facilitation measures
- Aftercare and advocacy
- Defining / reviewing target groups
- Designing / refining the organisational and financing model of the IPA
- Monitoring
Each module of the toolbox comprises:

**Introductory section**
- Relevance of the topic for the success of an IPA
- Recent changes in the investment environment
- Guiding questions
- Overview of interrelations with other modules

**Aligning KPIs to core tasks and processes**

**Core processes:**
- INVESTMENT PROMOTION:
  - Managing lead generation campaigns
  - Organising events, missions and trade fairs
  - Contacting investors with intermediaries
- INVESTMENT FACILITATION:
  - Enquiry handling
  - Organising scoping missions & meetings
  - Systematic customer relationship management
- AFTERCARE:
  - Implementing aftercare programmes
  - Identifying challenges in investment environment

**Support processes:**
- MARKET RESEARCH
- MARKETING TOOLS
- DATABASE MANAGEMENT
- ECONOMIC DIPLOMACY

**KPIs (aggregate + target group level):**
- No. new contacts
- No. events/missions/fairs and participants
- No. investment enquiries
- No. scoping missions
- No. leads/projects at final stage
- No. investment projects
- No. aftercare visits
- No. reinvestment projects
- No. of supported reforms

**Processes:**
- STRATEGY DEVELOPMENT
- HR DEVELOPMENT
- MONITORING & REPORTING
Each module of the toolbox comprises (cont.):

**Key steps for designing relevant measures and structures**

<table>
<thead>
<tr>
<th>UNDERSTAND THE INVESTOR LANDSCAPE</th>
<th>IDENTIFY STRATEGIC PARTNERS</th>
<th>CLARIFY OBJECTIVES</th>
<th>SEGMENTATION AND SELECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess structural characteristics of investor community (e.g. activities, linkages)</td>
<td>Identify strategic partners (e.g. associations, chambers) in line with the needs of investors</td>
<td>Define objectives (e.g. securing reinvestments, increasing value addition, fostering linkages)</td>
<td>Define priorities (e.g. industries, size, employment/export potential, linkages and impact in case of relocation) and identify investors</td>
</tr>
<tr>
<td>Analyse key needs of investors (e.g. based on a survey or interviews)</td>
<td>Understand the roles and service portfolio of partners</td>
<td>Derive targets for monitoring and evaluation accordingly</td>
<td>Formulate service standards</td>
</tr>
</tbody>
</table>

**Key steps for developing a structured aftercare programme**

<table>
<thead>
<tr>
<th>DESIGN AFTERCARE SERVICES</th>
<th>ORGANISATIONAL INTEGRATION</th>
<th>ASSESS RESOURCES</th>
<th>DEVELOP NECESSARY TOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design service portfolio (e.g. administrative services, finding sites, support programmes – such as supplier/cluster development)</td>
<td>Allocate responsibilities and decide on how to integrate aftercare into existing organisational structures</td>
<td>Determine necessary resources – in particular human resources – and align approach as needed</td>
<td>Design communication instruments (e.g. webinars, service packages, success stories, presentations)</td>
</tr>
<tr>
<td>Integrate services of strategic partners</td>
<td>Define core (cross-organisational) processes</td>
<td>Assess options for sharing resources with partners</td>
<td>Develop/adapt tools (e.g. CRM system, guidelines for meetings, templates)</td>
</tr>
</tbody>
</table>
Each module of the toolbox comprises (cont.):

Commonly used tools and methodologies incl. alternative options

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>WEIGHTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size (number of employees)</td>
<td>15%</td>
</tr>
<tr>
<td>Quality of jobs provided</td>
<td>15%</td>
</tr>
<tr>
<td>Employment growth potential</td>
<td>10%</td>
</tr>
<tr>
<td>Contribution towards innovation dynamics</td>
<td>5%</td>
</tr>
<tr>
<td>Forward and backward linkages</td>
<td>10%</td>
</tr>
<tr>
<td>Reinvestment potential</td>
<td>15%</td>
</tr>
<tr>
<td>Risk of relocations</td>
<td>10%</td>
</tr>
<tr>
<td>Relevance of aftercare services for company</td>
<td>15%</td>
</tr>
<tr>
<td>Role of company as opinion leader</td>
<td>5%</td>
</tr>
</tbody>
</table>

Exemplary selection grid for aftercare clients

Different types of divisional structures
Each module of the toolbox comprises (cont.):

Ideas and hands-on tips for future cooperation projects

Over the course of two years, the local GIZ project has assisted the Namibia Investment Centre (NIC) in adopting a targeted approach to investment attraction. The support rendered to NIC was structured in the form of a mentoring programme. As a first step, NIC staff participated in interactive training sessions on the different activities and processes of investment facilitation. The training sessions helped to identify the skills and tools that NIC was lacking and, thus, formed the basis for providing hands-on mentoring and capacity development support. Furthermore, the project team jointly with NIC developed a number of tools and templates.

Mentoring activities included:

- Introductory sessions on key facilitation services and tools
- Development of an enquiry response template and structure
- Review of NIC’s enquiry handling process and identification of challenges
- Support for handling incoming enquiries and building an information database
- Introduction to the concept of customer/investor relationship management
- Research and recommendations of appropriate software solutions
Audience Poll

With how many international partners (e.g. WAIPA, GIZ, UNIDO, EBRD etc.) does your IPA currently cooperate?

- Currently no cooperation with international partners
- 1 partner
- 2 – 4 partners
- 5 or more partners
Each module of the toolbox comprises (cont.):

**Practical examples**

<table>
<thead>
<tr>
<th>Practical examples</th>
<th>Selected practical examples in the toolbox</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piloting targeted investment promotion in Namibia</td>
<td>Investment facilitation service packages of the IPA of the Federal State of Brandenburg</td>
</tr>
<tr>
<td>Assessment of needs of existing investors in Albania</td>
<td>Aftercare and private sector involvement of the IPA of the Federal State of Berlin</td>
</tr>
<tr>
<td>Establishment of Investment Councils with the support of the EBRD</td>
<td>UNIDO’s Subcontracting and Partnership Exchanges (SPX)</td>
</tr>
<tr>
<td>Defining target groups for the Namibia Investment Centre</td>
<td>Support for the reorganisation of the Moldovan Investment Agency</td>
</tr>
<tr>
<td>Building up partnerships as part of a study tour of the Tunisian Investment Authority</td>
<td>Key Performance Indicators used by CzechInvest</td>
</tr>
</tbody>
</table>
Each module of the toolbox comprises (cont.):

Tables “What works vs. What does not work” summarising success factors

<table>
<thead>
<tr>
<th>WHAT WORKS</th>
<th>WHAT DOES NOT WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Assessing first if the IPA has a coherent strategic framework the monitoring system can relate to</td>
<td>- Diving directly into a discussion of key performance indicators</td>
</tr>
<tr>
<td>+ Using a focused set of key performance indicators reflecting the strategic objectives, core tasks and processes</td>
<td>- Overloading the monitoring system with a wide array of indicators that provide a limited added value</td>
</tr>
<tr>
<td>+ Integrating qualitative aspects of investments (e.g. salary levels, environmental impact, local sourcing)</td>
<td>- Focusing solely on the quantitative dimension of attracted investment projects</td>
</tr>
<tr>
<td>+ Comparing the performance between different target groups to finetune the focus of investment attraction measures</td>
<td>- Focusing only on the aggregate level without comparing the performance between different target groups</td>
</tr>
<tr>
<td>+ Using the potential of modern CRM solutions to increase the efficiency of monitoring processes</td>
<td>- Relying on outdated or inappropriate CRM systems that do not allow to track the performance</td>
</tr>
<tr>
<td>+ Streamlined reporting processes with clearly defined institutional responsibilities, formats and intervals</td>
<td>- Reporting to various institutions with varying indicators and intervals resulting in a high administrative burden</td>
</tr>
</tbody>
</table>
Each module of the toolbox comprises (cont.):

Lists of further sources of information on tools and approaches

A number of IPAs provide information on their KPIs as part of published strategic plans or annual reports, e.g. Invest in Estonia and CzechInvest

→ https://www.czechinvest.org/de/About-CzechInvest/Download/General-materials/Strategy-de

The OECD has published a note exploring monitoring and evaluation (M&E) practices of investment promotion agencies (IPAs) in OECD countries. It provides a brief overview of the main M&E practices across agencies as well as explains how impact evaluation can be conducted in the context of investment promotion.


The ANIMA Investment Network, a multi-country cooperation platform for economic development in the Mediterranean, has launched in 2020 as part of the EBSOMED project in close collaboration with several partners the initiative **Impact Invest** focusing on the promotion of investments that contribute to sustainable development. The creation of a common frame of reference for monitoring the impact of investments linked to the SDGs forms part of the project activities.

Panel Discussion and Q&A

Please type your Questions into the Chat box
Wrap up and Satisfaction Survey