

## World Bank Group – Australia – APEC Investment Policy Reform Workshop June 18- 19 2019

*Le Méridien Hotel, Kuala Lumpur, Malaysia*

The World Bank Group Investment Policy and Promotion (IPP) Team, in partnership with the Australian Department of Foreign Affairs and Trade (DFAT) and APEC will co-host a peer-to-peer learning event on June 18-19, 2019, in Kuala Lumpur, Malaysia. The event will bring together government representatives of the APEC Investment Experts Working Group, private sector representatives from the Asia-Pacific region, WBG IPP specialists, and participants from other relevant regions to foster peer-to-peer learning by sharing reform experiences in the core thematic areas of investment policy. The event will focus on new trends in investment policy and promotion and the WBG's work with governments within APEC and abroad to improve their investment competitiveness. The event aims to showcase cutting edge work in the areas of investment policy and promotion and generate knowledge and the sharing of best practices to facilitate peer-to-peer learning.

### Day 1: June 18 (Tues)

Time	Session
08:00-09:00	Registration
09:00-09:10	Opening Remarks <b>Mr Michael Grower</b> <i>Australian Deputy High Commissioner</i>
09:10-10:00	Session 1: The Central Role of FDI in Development and Multidisciplinary Approaches to Reform  This session will introduce the WBG's work on IPP and discuss the practical underpinnings of IPP work with governments worldwide to improve their investment competitiveness. Topics to be explored include the central role of FDI in economic growth and development, new patterns of FDI, including rising protectionism, the impact of technology, sustainable investment, and examples of effective policy and regulatory reforms that improve investment climates and help attract FDI. This introductory session will set up the discussion for deeper dives on key topics at the forefront of global investment.
10:00-10:30	Coffee Break

10:30-12:00	<p><b>Session 2: Measuring the Dimensions of Investment Competitiveness</b></p> <p>This session will present analytical and diagnostic tools used to measure barriers to investment competitiveness, including work on FDI restrictions and new methods of estimating the economic impact of liberalizing services on investment, output and employment. Topics to be explored include data collection and standardization, financing, and guidelines for multinational enterprises on responsible business conduct.</p> <p><u>Objectives:</u></p> <p>The session will present tools to help answer questions such as:</p> <ul style="list-style-type: none"> <li>- What are the country's FDI trends, and their implications for jobs, productive structures, GVC participation, and productivity?</li> <li>- Which sectors are most appropriate for investment promotion?</li> <li>- What are the binding constraints for FDI attraction in sectors and activities along the value chain?</li> <li>- What is the effect of investment policies and regulations on investors' investment decisions?</li> <li>- What are the main implementation gaps in countries' investment policy frameworks?</li> <li>- What is the role of the Investment Reform Map in identifying and prioritizing reforms?</li> </ul>
12:00-13:00	Lunch Break
13:00-14:30	<p><b>Session 3: How to Make Investment Policy Gender Responsive</b></p> <p>The session will discuss the role of FDI in promoting women economic empowerment and the role of investment policy in maximizing the benefits to women workers and entrepreneurs. It is well recognized that women economic empowerment is not only a moral imperative but an economic necessity in ending extreme poverty and increasing shared prosperity. FDI as an increasingly important source of development finance has a role to play. Like other sought-after benefits from FDI, making FDI work for women empowerment will not happen automatically it will require evidence-based policy interventions.</p> <p><u>Objectives:</u></p> <p>This session will present current evidence and new tools developed by the WBG on how to make investment policy gender responsive. This will include: the role of investment promotion agencies; the impact of sector-targeted strategies in investment promotion; the use of incentives to promote different aspects of women empowerment; and approaches to linking women to large corporate buyers. The WBG will present its newest research and operational work on this topic including:</p> <p>Assessing the women-economic empowerment potential of FDI in priority sectors: A tool to gender-inform your investment promotion sector scan.</p> <p>Using incentives to promote women empowerment: A literature review and survey of country approaches.</p>

	Linking women to markets through FDI: Findings from Enterprise Survey Analysis and operational approaches.
14:30-15:00	Coffee Break
15:00-16:30	<p>Session 4: Strengthening the Value Proposition for FDI: Practical Strategies for Upgrading Entry, Retention and Protection Frameworks</p> <p>The session will discuss salient issues and recent trends in investment entry and protection, which are two critically important dimensions of investment regimes. Many countries, as part of their effort to attract and retain FDI, continuously try to improve both the entry regime and investment protection. The session will provide an in depth discussion of the typology of investment restrictions and economic case for reducing entry barriers, best practices in investment protection, and an introduction of the Systemic Investment Response Mechanism (SIRM).</p> <p><u>Objectives:</u></p> <p>This session will provide an in depth discussion of the following topics:</p> <p>Investment Entry:</p> <ul style="list-style-type: none"> <li>- The typology of restrictions</li> <li>- The economic case for reducing restrictions to entry</li> <li>- How to reduce the level of restrictions through the use of negative lists</li> </ul> <p>Investment Protection:</p> <ul style="list-style-type: none"> <li>- What is considered best practice investment protection: the core guarantees</li> <li>- De jure vs. de facto protection</li> <li>- The respective importance and role of domestic laws (such as Investment Codes) and International Investment Agreements (IIA's) and the interaction among them</li> <li>- A novel instrument: The Systemic Investment Response mechanism (SIRM) to detect and resolve investor grievances and retain investment.</li> </ul>
17:00-19:00	Networking Reception @ Pool Bar & Grill (Level 8)

## Day 2: June 19 (Wed)

Time	Session
08:30-10:00	<p><b>Session 5: Improving the Cost-Effectiveness of Investment Incentives</b></p> <p>Developing countries are increasingly relying on investment incentives to attract investors and influence their activities. At the same time, tax incentives can impose significant costs on countries in the form of fiscal losses. This session will discuss approaches to help policymakers strike a balance between offering an attractive incentives regime to investors while at the same time optimizing public revenue collection and the benefits to the host economy.</p> <p><u>Objectives:</u></p> <p>The session will cover guidelines and international experiences of how countries can improve the governance, design and targeting of their incentives regime to improve the value for money of these instruments. The speakers will provide examples of pragmatic approaches to evaluate the costs of tax incentives against their marginal impact and will draw on country experiences that are undertaking or considering reforms to transition their regimes to more cost-effective practices.</p>
10:00-10:30	Coffee Break
10:30-12:00	<p><b>Session 6: Trends in Institutional Arrangements and Solutions for Investment Policy and Promotion</b></p> <p>Cross-border investments are being influenced by contemporary global investment trends such as the new direction of FDI flows (south-south, south-north) with new investment players, changing global value chains related to Industry 4.0, and changing investment motivations and modalities (e.g. non-equity modes of entry). Consequently, many countries have been rethinking the role of investment promotion agencies (IPAs). This session will explore the role of IPAs in attracting and retaining FDI.</p> <p><u>Objectives:</u></p> <p>The aim of this session is to showcase perspectives IPAs, investors and the WBG on the latest FDI trends, empirical evidence and best practices regarding institutional aspects, IPA mandates (e.g. in some instances include export promotion, public private partnerships and outward FDI), their governance and positioning within the machinery of government, their strategic focus, and the services they should offer to investors for maximum impact.</p>
12:00-13:00	Lunch Break

13:00-14:30	<p><b>Session 7: FDI qualities: How investment supports sustainable development?</b></p> <p>Investment is vital to reach the Sustainable Development Goals (SDGs). Building on available instruments to guide governments in their efforts in promoting investment for sustainable development, such as the Policy Framework for Investment and the Guidelines for Multinational Enterprises, the OECD is working on FDI Qualities Indicators. The indicators will include new economy-wide measures to assess how FDI is associated with SDG-aligned development outcomes. It equips policymakers with an actionable instrument, guiding them to mobilise FDI that maximises sustainable growth and supports progress towards the SDGs.</p> <p><u>Objectives:</u></p> <p>This session will present preliminary FDI Qualities Indicators for selected APEC and other economies in the area of job quality, skills, gender inclusion, productivity-innovation and greening of industrial production. This benchmarking will illustrate what sustainability benefits and trade-offs FDI may involve and to what extent linkages with domestic firms may support positive spillovers. The session will seek feedback from workshop participants and starts exploring policy solutions to maximise the role of investment as a catalyst for sustainable development.</p>
14:30-15:00	<b>Coffee Break</b>
15:00-16:30	<p><b>Session 8: Promoting Productivity and Domestic Value Addition from FDI</b></p> <p>A key objective for successful investment policy is to maximize the benefits of FDI for the host country. Since these benefits usually don't materialize automatically, targeted policies that help bridge the market failures and foster linkages between FDI and domestic firms are required. Creating these linkages can have a myriad of positive spillover effects such as technology and knowledge transfer, increasing domestic value added within exports, integrating and moving up in regional value chains, and supporting the overall economic diversification agenda. What's more, a strong local supplier base can help attract and anchor FDI and drive local firm productivity and standards improvement.</p> <p><u>Objectives:</u></p> <p>The session will discuss recent analytical and operational work of the WBG that help governments with identification of linkage opportunities to designing the appropriate market and competitiveness-based policy solutions and programs to succeed in this area.</p>
16:30-16:40	<b>Closing Remarks</b>