



How can IPAs in ACP countries adjust their offer in light of COVID-19?

Webinar

Implemented by

Agenda

| | Welcome | Steffen Felix, GIZ |
|----|--|--|
| 1. | Information on the ICR Facility | Stefanie Khan, ICR Facility |
| 2. | Other support to IPAs through Intra-ACP Funds | |
| 3. | Welcome by WAIPA | Bostjan Skalar, WAIPA |
| 4. | How can Investment Promotion Agencies in African, Caribbean and Pacific States adjust their offer in light of COVID-19 | Bjoern Vogler, Vogler Economic Development Consultants |
| 5. | Questions and Answers | |
| 6. | Information on 1-on-1 Clinics | Stefanie Khan, ICR Facility |

Implemented by



1. Investment Climate Reform (ICR) Facility

Stefanie Khan, Project Manager

Implemented by



1. Investment Climate Reform (ICR) Facility

| | |
|------------------|--|
| Funding | 11th EDF under the ACP-EU Partnership Agreement, together with BMZ and BC |
| Objective | Support the countries and regional institutions in Africa, Caribbean and Pacific countries in their public-private dialogue process to create a more conducive and sustainable investment climate. |

Technical assistance with up to 90 days for interventions:

- **Business Environment Reform** 
- **Business Environment for Sustainability** 
- **Public-Private Dialogue (PPD)** 

Requests must:

- aim at improving the business and investment climate in an ACP country
- be part of a wider strategy, reform process, or PPD mechanism
- involve a PPD component 
- handed in by governmental organisations, business associations, development financial institutions (DFIs), and EU delegations in ACP countries

Implemented by

2. Other support to IPAs through Intra-ACP Funds

| | |
|----------------|---|
| Funding | 11th EDF under the ACP-EU Partnership Agreement, together with BMZ and BC |
| Titel | Programme to Support Business Friendly and Inclusive National and Regional Policies and Strengthen Productive Capacities and Value Chains |

Capacity building support to investment promotion institutions

➤ Informed FDI Monitoring by IPAs

➤ Improved Investment Promotion practices and enhanced inter-institutional coordination

Implemented by



3. Welcome by WAIPA

Bostjan Skalar, Executive Director – CEO

Implemented by





World Association of
Investment Promotion
Agencies

Bostjan Skalar, CEO, WAIPA

17 June 2020 | Webinar: “How can Investment Promotion Agencies in African, Caribbean and Pacific States adjust their offer in light of COVID-19?”

Work of WAIPA



World Association of
Investment Promotion
Agencies



Capacity building



Advocate
empowerment of IPAs



Enable IPAs to
expand their reach



Promote understanding
and cooperation



Advising on investment
promotion policies and strategies



Research

Consultative Committee



World Association of
Investment Promotion
Agencies



UNITED NATIONS
UNCTAD



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL



International Labour Organization



OECD

BETTER POLICIES FOR BETTER LIVES

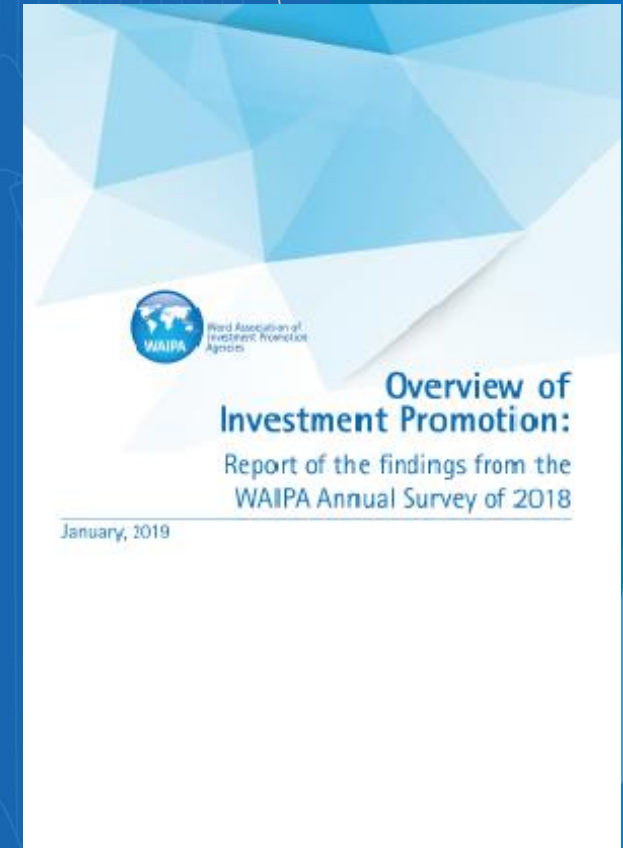


WORLD BANK GROUP

Publications



World Association of
Investment Promotion
Agencies



COVID-19 Platform



World Association of
Investment Promotion
Agencies

WAIPA COVID-19 Platform
"All you need to know about the potential effects of COVID-19 pandemic on FDI"

<https://waipa.org/covid-19-platform/>

COVID-19 PLATFORM

Currently, the spread of coronavirus (COVID-19) is the main concern across the globe. It shaped the way we perform our everyday activities and caused major disruptions in global economy, flows of investment, global value chains (GVCs), and many more. Putting the pandemic under the control requires effective action by governments, individuals and businesses. This page is providing all major resources regarding the COVID-19 that can help Investment Promotion Agencies (IPAs) to cope with the pandemic.

Note: As information on the COVID-19 are changing daily, there is possibility that some information on this page are not up to date. We are doing everything in our power to keep all information updated.

WHAT IS COVID-19?

STATISTICS

COVID-19 IMPACT

WHAT IPAs CAN DO?

COVID-19 SURVEY RESULTS

WAIPA COVID-19 INTERVIEWS

WAIPA PRESIDENT MESSAGE

WAIPA COVID-19 Interviews

Due to COVID-19 IPAs found themselves in challenging situations. To see how practitioners all over the world tackle the crisis we are conducting a series experience sharing interviews, which are listed below. Stay tuned for more!

Yofi Grant, CEO of the Ghana Investment Promotion Centre (GIPC)



Pilar Medrigal, Director, Investment Advisory, CINDE





World Association of
Investment Promotion
Agencies

For more information visit:
www.waipa.org



4. How can IPAs in ACP countries adjust their offer in light of COVID-19?

Björn Vogler, Vogler Economic Development Consultants

Implemented by

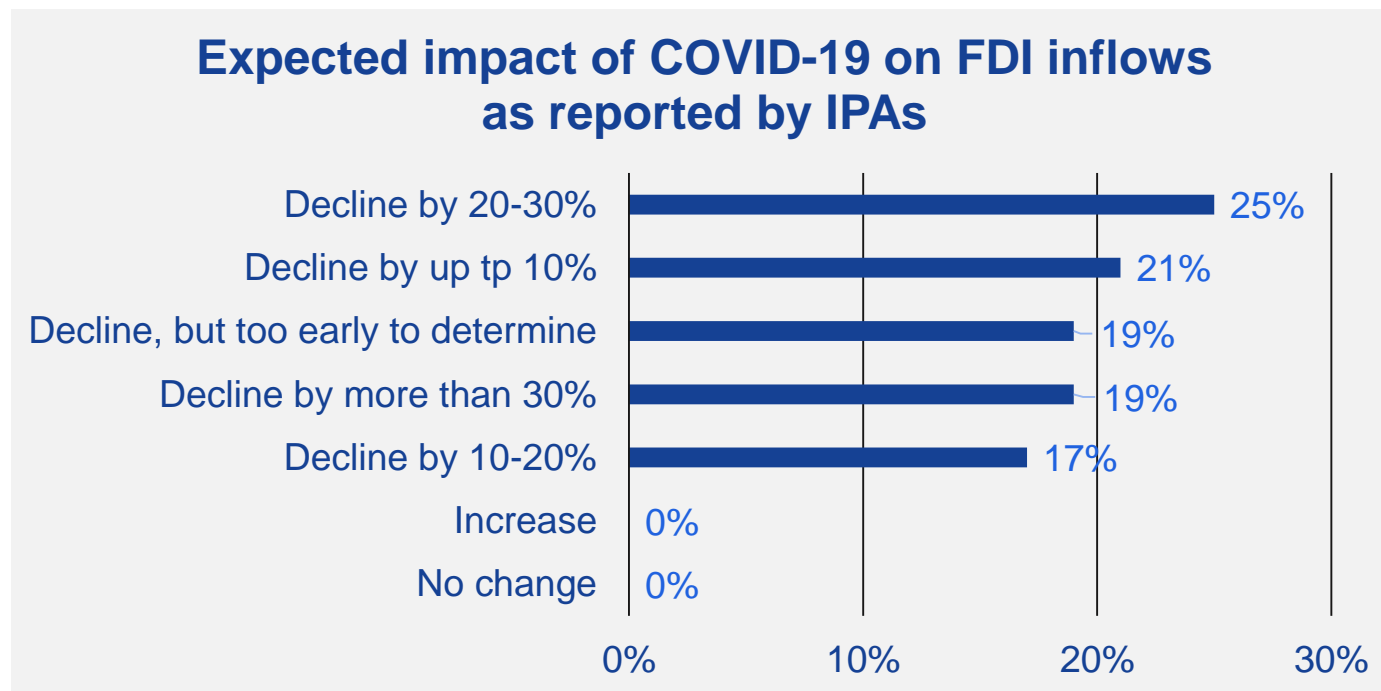
Overview

- (1) Impact of the COVID-19 pandemic on FDI flows in the ACP region**
- (2) Reviewing initial responses of IPAs**
- (3) Opportunities for further adjustments and actions throughout the investment attraction cycle**
- (4) Concluding remarks**

1. Impact of the COVID-19 pandemic on investment flows

While overall there will be considerably less FDI available in the near future, the impact of the pandemic varies markedly across different countries

- Global FDI is expected to fall by at least 30% in 2019 according to UNCTAD and OECD projections
- fDi Report 2020 forecasts 40% drop in global greenfield FDI in 2020
- WAIPA survey of IPAs confirms decline – indicating different impact across countries at the same time



Source: WAIPA 2020

1. Impact of the COVID-19 pandemic on investment flows

The impact depends upon the duration and severity of the pandemic crisis as well as on the composition of FDI inflows in each economy

- Traditional sources of FDI are experiencing severe disruptions (e.g. tourism, oil & gas, automotive, textile & apparel)
- At the same time, a number of tech-driven industries are showing robust investment dynamics

Expected impact of COVID-19 crisis on FDI in selected industries

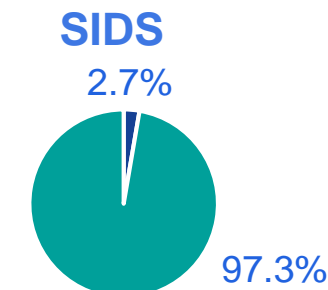
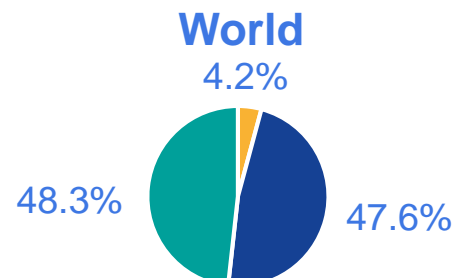
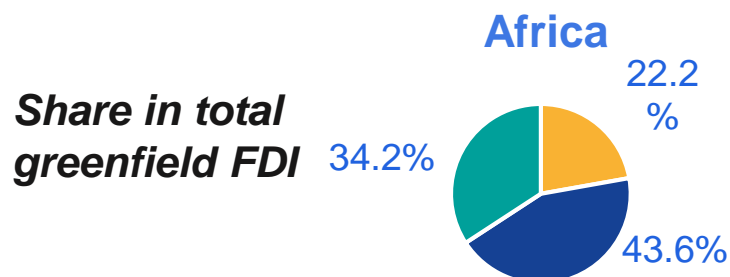
- Tourism
 - Mining, coal, oil and gas
 - Automotive
 - Metal
 - Textile & apparel
-

- Renewable energy
 - Energy efficiency
 - Food & beverages
 - Pharmaceutical industry
 - BPO
-

- Health care & biotech
 - Ecommerce & retail tech
 - Educational technologies
 - Cybersecurity
 - Advanced manufacturing
-

1. Impact of the COVID-19 pandemic on investment flows

The composition of FDI inflows into Africa and Small Island Developing States (SIDS) differs significantly from global investment patterns



■ Primary ■ Manufacturing ■ Services

| Top 5 industries in Africa | Share |
|-----------------------------------|--------|
| Mining, quarrying & petroleum | 22.2 % |
| Chemicals & chemical products | 14.6 % |
| Coke & refined petroleum products | 8.6 % |
| Electricity, gas & water | 7.5 % |
| Business services | 7.0 % |

| Top 5 industries in SIDS | Share |
|-------------------------------------|-------|
| Hotels & restaurants | 60,0% |
| Business services | 15,5% |
| Transport, storage & communications | 9,6% |
| Construction | 5,6% |
| Finance | 5,3% |

Implemented by

Source: UNCTAD 2019

1. Impact of the COVID-19 pandemic on investment flows

When assessing the impact of the pandemic, also differences in investment flows and target industries between ACP countries should be considered

Implemented by

1. Impact of the COVID-19 pandemic on investment flows

Furthermore, the pandemic is likely to lead to or accelerate changes in investment patterns affecting different countries to varying degrees

As companies are reviewing their operations and value chains, amongst others the following trends can be expected entailing both opportunities and risks for countries / IPAs:

- Increasing re- and nearshoring
- Stronger focus on regional strategies and value chains
- Accelerated automation of processes and deployment of digital and advanced manufacturing solutions
- More emphasis on sustainable operations and supply chain management



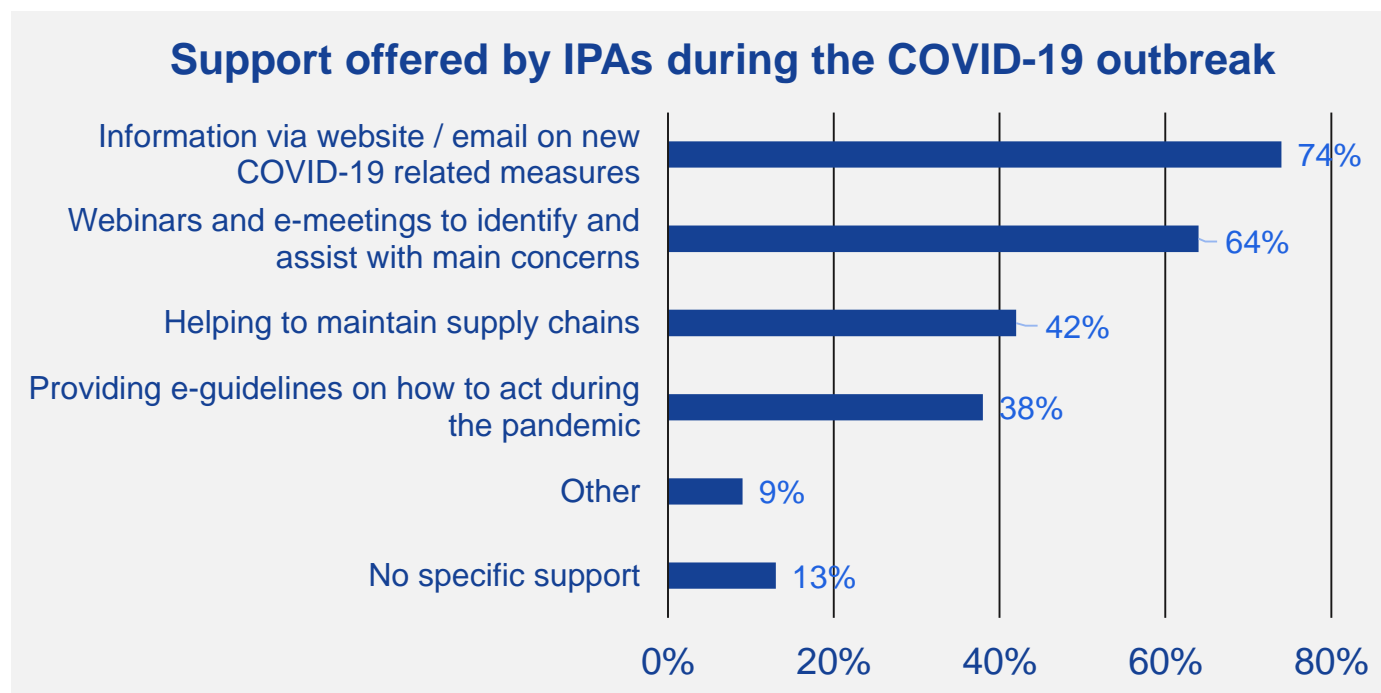
Audience Poll

Which of the following measures have been taken by your IPA in response to the COVID 19 pandemic?

2. Reviewing initial responses of IPAs

The economic disruptions caused by the pandemic have forced IPAs to shift the focus from investment promotion to aftercare

Engaging and maintaining close contact with existing investors are now the immediate priorities of IPAs, focusing on:



Source: WAIPA 2020

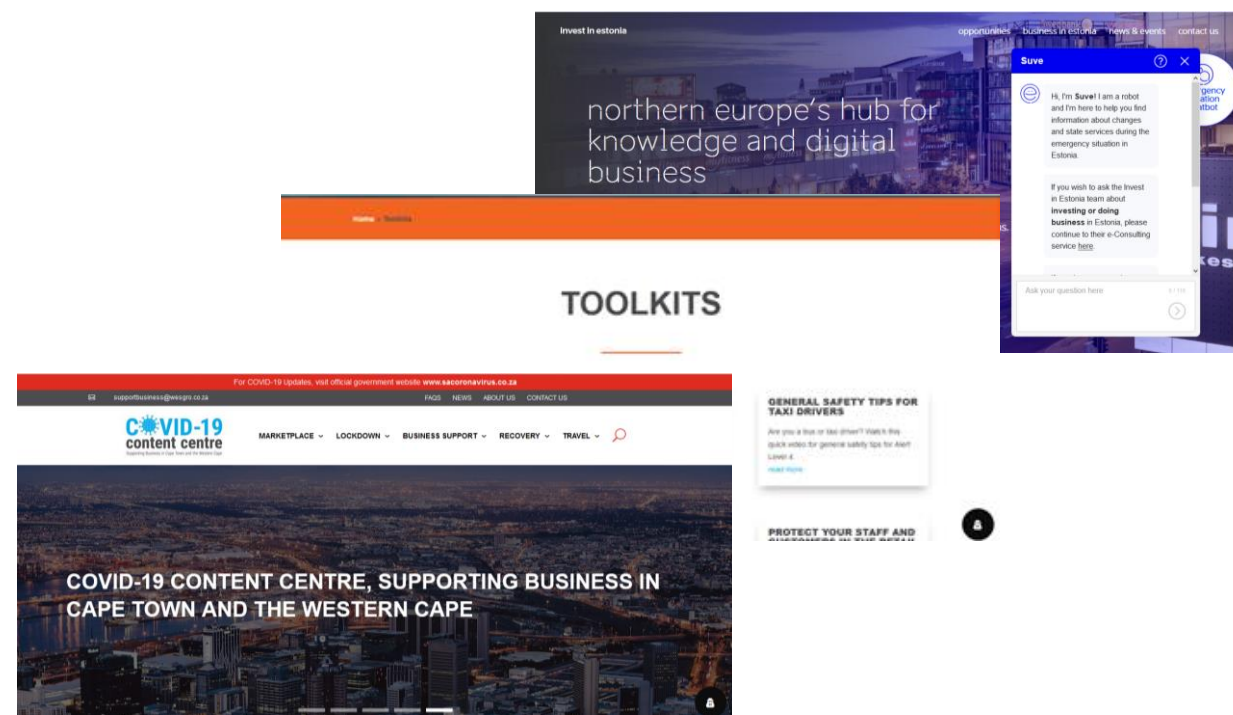
Implemented by

2. Reviewing initial responses of IPAs

The majority of IPAs has created dedicated information platforms on their websites

Good practice examples include:

- Online platform “COVID-19 Content Centre” initiated by the IPA WESGRO in South Africa including a “Support Finder” and “Toolkit”
- Chat robot “Suve” developed at a hackathon with private tech companies facilitated by Invest in Estonia



Implemented by

2. Reviewing initial responses of IPAs

Online surveys, webinars and e-meetings are used to find out more about investors' needs and provide assistance in securing or retooling operations

For instance, the Ethiopian Investment Commission (EIC) is ...

- Regularly conducting online surveys to understand the impact on investors' operations and gather feedback on support provided by government
- Feeding the results into government planning processes
- Assisting investors in finding new suppliers and shifting production lines towards personal protection equipment
- Using a weekly newsletter and social media channels to inform investors on new initiatives and good practice

| | Have not faced this challenge | Low impact on my operations | Medium impact on my operations |
|---|-------------------------------|-----------------------------|--------------------------------|
| Demand - lower demand | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Supply - difficulty in securing inputs | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Financial - insufficient cash flow to continue operations | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Operational - difficulty in worker transportation, new restrictions | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Productivity - increased worker absenteeism | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Ethiopia Investment Weekly
May 4, 2020
Top News Selected For You, Frequently Asked Information, Communication on EIC initiatives.

Implemented by

3. Opportunities for further adjustments and actions

Aftercare can provide solid groundwork for further adjustments and actions throughout the investment attraction cycle

- The COVID-19 crisis has brought aftercare to the top of the agenda of most IPAs
- IPAs have quickly responded to changing needs introducing new services to support existing investors
- A structured aftercare approach can form the starting point for further actions addressing ...
 - the entire investment attraction cycle
 - challenges and opportunities during and beyond the crisis



Implemented by

3. Opportunities for further adjustments and actions

Naturally, aftercare was driven so far in many cases by a rather ad hoc and reactive approach. A structured aftercare approach ...

- Plays a critical role for maintaining operations during the crisis and attracting reinvestments in the recovery phase
- Helps secure supply chains in the short term and foster forward and backward linkages in the medium term
- Provides insights into investors' perceptions of investment potentials and further policy tools
- Allows to better understand changes in value chains and to refine IPAs' strategies accordingly

Key steps for designing a structured aftercare programme

Understanding the investor landscape

Identify strategic partners

Clarify objectives

Segmentation and selection

Design aftercare services

Organisational integration

Assess and secure resources

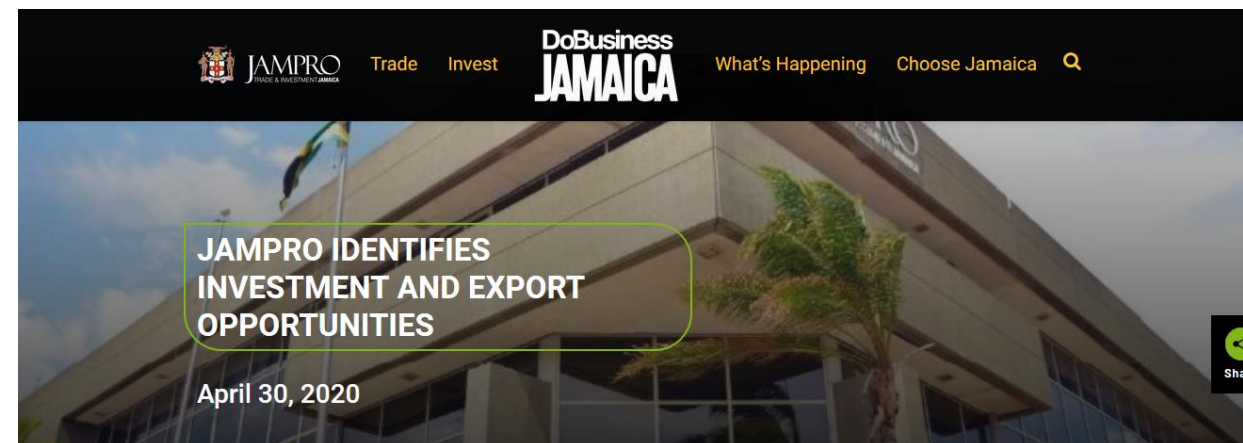
Develop necessary tools

Implemented by

3. Opportunities for further adjustments and actions

The information gathered as part of a systematic aftercare can be used by IPAs as a starting point for reviewing their target groups and markets

- It is always important for an IPA to regularly update its target group definition – it is of particular importance in this period of time
- As shown, not all industries are negatively affected – some offer growth opportunities
- Some IPAs have already started to review their target groups – e.g. JAMPRO Jamaica Promotions Corporation
- A realistic and strategic approach is essential

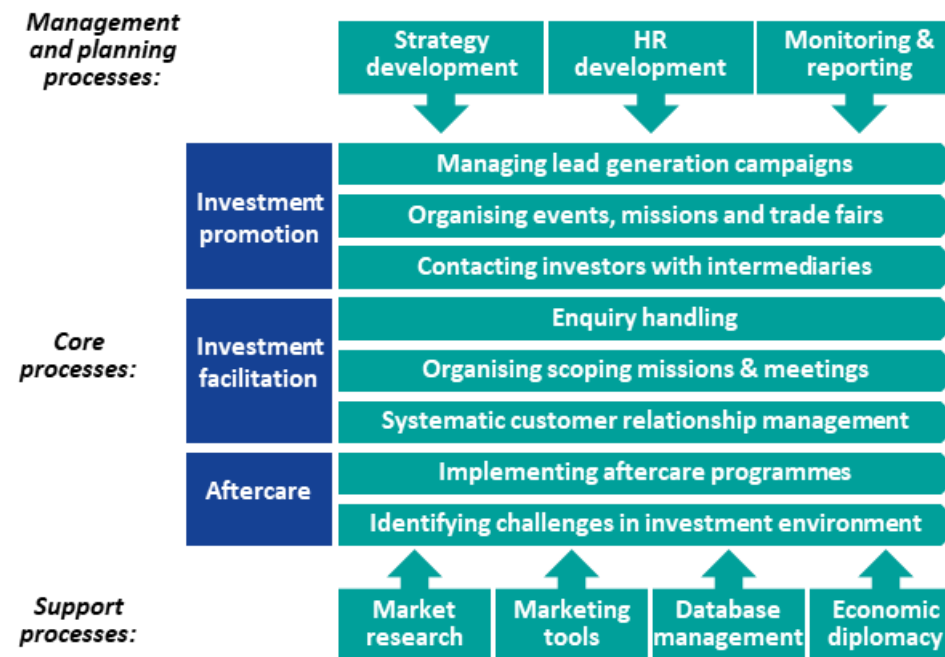


Implemented by

3. Opportunities for further adjustments and actions

Building upon the updated target group focus and mix of tasks, IPAs could revise their strategic framework as well as organisation, focusing on ...

- Refining the strategic objectives and go-to-market strategy
- Aligning the organisation to the new tasks and target groups – e.g. integrating aftercare
- Documenting critical processes to assess the potential for digital solutions
- Adjusting and upgrading monitoring systems
- Strengthening the team's skills



Implemented by

3. Opportunities for further adjustments and actions

The trend towards digital promotion will be accelerated and IPAs can use the time to refine and extend their tools and instruments, e.g.:

- Upgrading the website and strengthening social media interactions
- Preparing and testing new tools such as virtual events and lead generation solutions
- Closely monitoring activities of other IPAs, e.g. virtual investors forum “Austria – Open for New Businesses”
 - Focus on potentials of life sciences innovation eco-system
 - Livestream event complemented by pre-scheduled 1:1 meetings
 - Attracted approximately 300 participants from 40 countries

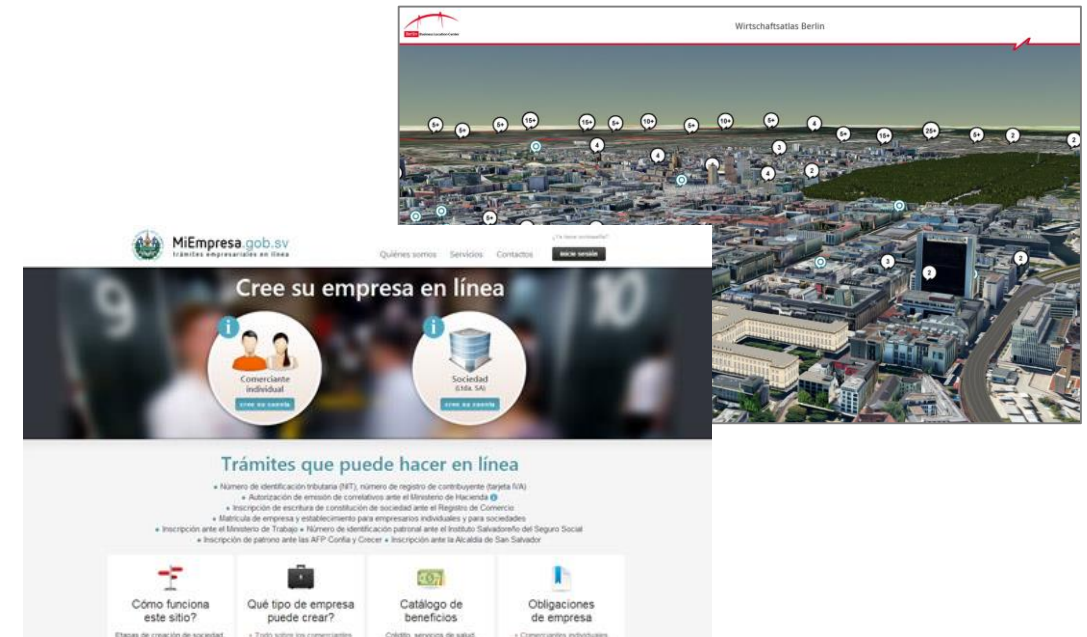


Implemented by

3. Opportunities for further adjustments and actions

Finally, smart investment facilitation services offer promising opportunities for differentiation – also beyond the current crisis

- Investment facilitation services often play a decisive role in securing projects
- COVID-19 crisis highlights the importance of providing more services online, e.g.:
 - Solutions for virtual site selection – such as the Berlin Business Location Center allowing users to explore investment opportunities in a 3-D model of the city
 - One-stop-shop platforms combining relevant regulatory services (e.g. registration and licensing in El Salvador)



Implemented by

4. Concluding remarks

- Besides dramatic health and social implications, the COVID-19 crisis has caused severe disruptions of the global economy and FDI flows
- However, the impact on FDI flows varies markedly across industries and countries
- Not all industries are negatively affected
- IPAs in ACP countries have quickly responded to changing needs and made an essential contribution to maintaining investors' operations and securing jobs
- Structured aftercare helps to mitigate current risks and to prepare for a rebound in FDI
- Evidence from past crises indicates that FDI can play an important role in the recovery phase, in particular in developing economies



5. Questions and Answers

Please type your questions or points for discussion into the question window.

Implemented by



6. Information on 1-on-1 Clinics

Implemented by



5. ICR Facility 1-on-1 Clinics

Targeted support virtual, individual support sessions around 1-2 hours



- **Eligibility:** public or private organization based in ACP country
- **Slots** will be granted based on availability.
- **Support** will respect a regional balance across the ACP.

Exchange directly
with us and get
support for your
organisation

- Register your interest until 24th of June 2020 via icrfacility@giz.de
- Indicate your organization and the questions you want to pose



Implemented by