



## **World Association of Investment Promotion Agencies**

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**WAIPA Executive Meeting  
Geneva, 28 – 29 January 2004**

### **REPORT**

The WAIPA Executive Meeting (WAIPA EM) took place at the Palais des Nations in Geneva, Switzerland, on 28 and 29 January 2004. The plenary sessions of WAIPA EM were devoted to the following topics: "Best Practices in IPAs Target Setting and Performance Evaluation", "ICT Industries, An Opportunity for FDI?" and "Strengthening the Role of IPAs in Policy Advocacy". This year, the Conference consolidated the format of plenary meetings on day one and workshops a la carte on day two, whose dynamism and openness has been greatly appreciated by WAIPA members.

268 delegates from 90 countries participated in the two-day event. 65 of whom were Heads of IPAs. This involves an increase of 30% from last year's event and confirms the success of the WAIPA Conference as an Executive Meeting for Heads of IPAs. WAIPA EM has also attracted numerous representatives of the private sector, ranging from service providers, business information professionals and economic media, as well as officials of international and multilateral organizations, NGOs and the academia. It is broadly acknowledged that WAIPA has consolidated its position as the world's largest annual gathering of senior investment promotion professionals.

In spite of the snow and adverse weather conditions, investment professionals from all over the world arrived in Geneva on the eve of the WAIPA Executive Meeting to participate in the pre-registration events. These events included a one-day training workshop facilitated by Pro-Invest - a programme of the European Union for IPAs in Africa, Caribbean and Pacific (ACP) - on maximizing the efficiency of the sales and marketing effort of investment promotion professionals, a "Brown Bag Lunch" organized by UNCTAD to present the IT product "The Investment Gateway" and to network at the cocktail sponsored by The World Free Zone Convention.

Ms. Patricia Francis, President of WAIPA, opened the Conference on 28 January 2004 together with Mr. Carlos Fortin, Deputy Secretary General of the United Nations Conference on Trade and Development (UNCTAD), which hosted the Conference. Ms. Francis welcomed the fifteen new members, which joined WAIPA in 2003 and thanked the sponsors of the WAIPA Executive Meeting that included Ernst & Young, IBM-PLI, OCO Consulting, IPAWorld, The Free Zone Convention, and Euromoney.

Substantive discussions started with Mr. William Pedder, Chief Officer of UK Trade and Investment and chairman of the session, setting the different macro and microeconomic parameters that should be considered for fixing FDI targets and evaluating IPAs performance, such as increases in the number of jobs or the number of projects facilitated. Furthermore, an IPA should decide whether its indicators of performance will encompass regional or national data, and more importantly, how it will motivate its staff in achieving individual performance targets. It is very important for any IPA to recruit qualified staff and compensate them according to their performance and contribution. In conclusion, he noted that in formulating indicators or performance, IPAs need to be clear on their objectives, beware of targets that can skew activities, and establish a range of key performance indicators.

Next, Mr. Kai Hammerich, Director-General of the Invest in Sweden Agency (ISA) presented his organization's "return on investment" performance evaluation, which utilizes several criteria for each project, including: size of investment (quantity), importance of the investment (quality), type of investment, location, potential for technology transfer, etc. He stressed that when measuring performance, it is very important to maintain a "team spirit" so that individual performance considerations will not override the overall interests. CzechInvest's methodology was presented by its CEO, Mr. Matin Jahn. Operating targets are set every two years and the results of the bi-annual performance evaluation are announced publicly. CzechInvest also maintains quality by adhering to ISO 9001/2000 standards and regularly benchmarking itself to IPAs in other countries. Once a year, an internal audit is performed by an external consultant and CzechInvest's employees undertake a regular assessment process every six months. Mr. Charles Jonker, Chief Executive Officer, Gauteng Economic Development Agency (GEDA) explained that GEDA's performance targets are established in collaboration with the provincial government and, after passing through an internal planning process, annual strategy and performance targets are elaborated for a three-year period. Further, GEDA's objectives are not only confined to quantifiably measurable targets, as the Agency also seeks to maximize employee satisfaction, become recognized as an active community member, and facilitate the flow of information between investment opportunities in the region and potential investors.

The second session of the WAIPA Executive Meeting focused on the role of Information and Communication Technologies (ICTs) in attracting FDI. The session was opened by Mr. Talal Abu Ghazaleh, ViceChair of the UN ICT TF, and Chair of the ICC Commission on E-Business, IT and Telecoms. Mr. Jan Smit, Senior Consultant at Ernst & Young – ILAS -, made a presentation on the evolution of the ICT value chain and implications for developing countries. Foreign investors in ICT are driven by the global fragmentation of the ICT value chain (R&D, rentals, repairs, media productions, end-users, wholesale and retail), such as in software application development and transaction processing. In ICT manufacturing investors are looking at offshoring manufacturing. Developing countries should ensure that their business environments are supportive of ICT activities and facilitate provision of suitable forward and horizontal linkages opportunities for foreign investors, rather than focus exclusively on production of hardware, software code or processing data.

Mr. Roel Spee from IBM Business Consulting Services – PLI -, delivered a presentation on trends and future outlook for the ICT industry. Most FDI in ICT in 2003 originated from the US and flew to Asia. Of these projects most went into sales and support, manufacturing, and software development. The last panellist in the second session was Mr. Mark O'Connell, Managing Director of OCO Consulting, who focused on the strategies developing countries can adopt in attracting FDI in ICT and identified opportunities in ISP, e-banking, LAN, wireless technologies, satellite communications, earth stations, and public access services, IT services, telecom & BPO and software development. Developing countries wishing to attract FDI in ICT also need to have appropriate legal and regulatory frameworks in place.

The joint high-level session with UNCTAD's Commission on Investment, Technology and Related Financial Issues focused on the role of IPAs in Policy Advocacy. The session was opened by Mr. Rubens Ricupero, Secretary-General of UNCTAD, and chaired by Mr. Karl Sauvart, Director of UNCTAD's Division on Investment, Technology and Enterprise Development.

The keynote speaker, Mr. Demian Fiocca, Secretary of International Affairs of the Brazilian Ministry of Planning, presented recent political and economic developments in Brazil and efforts by the government to improve the investment environment. He illustrated the government's efforts with examples on macro and microeconomic measures and the planning of infrastructure projects using public-private partnerships (PPPs). Mr. François de Laage de Meux, President of the French Committee of the International Chamber of Commerce, emphasized in his presentation the role of the business community in assisting governments to improve the investment environment, but he also underlined the importance of international agreements and called for the reopening of WTO talks. Mr. Peter Rashish from Kissinger McLarty Associates, a United States based think tank, highlighted the importance of partnerships between IPAs and the private sector and broadened the discussion to include a number of stakeholders in the policy advocacy process as IPA allies or constituents of IPA services, e.g., trade unions, policy foundations, the media, NGOs and national and regional politicians.

Two presentations were given by heads of IPAs, which have performed successfully in policy advocacy. Mr. Kai Hammerich, Director-General of the Investment in Sweden Agency (ISA), and Ms. Aminata Niane, Director of Senegal's Investment Promotion and Major Works Agency (APIX) stressed the importance for the IPA of having a clear political mandate and the difficulties that IPAs face in positioning themselves between their private sector clients and the government. The discussion was divided between proponents of an IPA that positions itself between the private and public sector, and those who highlighted the importance of being part of the government in order to influence policies.

In the closing session, Ms. Patricia Francis, President of WAIPA, gave a brief presentation on the programme of the WAIPA 2004 Annual Conference. She also gave the floor to Mr. Demian Fiocca, who on behalf of the Government of Brazil, invited participants to the Conference, which will be held from 15 to 16 June 2004 in Sao Paulo, Brazil.

The plenary sessions were followed by the welcome cocktail where WAIPA in partnership with Euromoney Ltd. launched the WAIPA Annual Magazine. The magazine will be released for the WAIPA Annual Meeting in Sao Paulo and will include the results of a survey conducted by UNCTAD on FDI prospects and the implications for IPAs.

WAIPA's Steering Committee met on two occasions during the Conference. Proposals were discussed to amend the WAIPA Statutes, in especial those articles dealing with the structure and size of the Steering Committee and the assets of the Association in case of dissolution [Articles VII and XXIV of WAIPA statutes].

On the second day of the WAIPA EM, delegates could choose from a menu of parallel activities, ranging from training workshops in topics such as tools for policy advocacy, strategic marketing and new trends in investment promotion, to individual tutorials on FDI statistics facilitated by the team of the World Investment Report. UNCTAD organized another "Brown Bag Lunch" to share with participants the "Investment Compass", a new web-based benchmarking tool, which reveals the competitiveness of each country's taxations system for FDI.

***WAIPA would like to thank UNCTAD for hosting the WAIPA Executive Meeting and for the support of its Investment Promotion Section (IPS) in the organization of the Conference.***