



**Columbia Center**  
on Sustainable Investment  
A JOINT CENTER OF COLUMBIA LAW SCHOOL  
AND THE EARTH INSTITUTE, COLUMBIA UNIVERSITY



World Association of  
Investment Promotion  
Agencies

## **WAIPA Certification Course on International Investment, Investment Promotion, and Sustainable Development**

The World Association of Investment Promotion Agencies (WAIPA) helps enable and empower investment promotion agencies (IPAs) around the world to effectively perform their roles in attracting FDI, and ensure that such FDI meets their domestic policy interests. WAIPA serves as an essential resource and platform for IPAs and other partners to access and share information and experiences, identify best practices, and develop means of collaboration.

In order to maximize the effectiveness of WAIPA, it is important for WAIPA executives to stay abreast of recent developments in FDI trends, policies, and implications. This certification course, organized by the Columbia Center on Sustainable Investment (CCSI), will provide the means to do so, condensing vital content into an intensive 3,5-day executive training covering 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 instructors will include CCSI staff and external experts covering disciplines and issues including international business, economics, law, and sustainable development. CCSI proposes that the course take place near WAIPA's offices so as to minimize the time and expense of travel, but in a location "off-campus" so as to enable participants to concentrate on the course and engage with each other and the course faculty.

CCSI proposes that the course take place over 3.5 days, with approximately seven hours of class time each day. We anticipate that 5 trainers will deliver the course content. If less than five trainers deliver the course, travel expenses will be reduced accordingly. An outline of the structure is provided below.

### **DAY 1: FDI AND SUSTAINABLE DEVELOPMENT; FDI FLOWS**

#### **9:00 am – 10:00 am: Introductions and Overview**

**Presenter: Brooke Güven**

FDI can be of great benefit to both host and states. It has the ability to foster transfers of technology, creation of jobs and injections of capital, among other advantages. However, FDI is also not without risks to both home and host states. For example, certain kinds of FDI may be highly mobile, transient, or volatile, making it difficult to design policies to ensure economic and social benefits from such FDI. Similarly, FDI may result in job losses, and corporate structuring used to effect FDI may result in difficulties enforcing liabilities or assessing taxes.

This brief introductory discussion will set the scene, considering terminology and analyzing the various kinds of FDI that will be the subject of the training module.

**10:00 am – 10:15 am: Return to Work Project**

Participants will be invited to join in a “Return to Work” project in which they will plan how to apply to their own work the rich training modules and discussions from this course.

**10:15 am – 10:30 am: Break**

**10:30 am – 12:30 pm: The Sustainable Development Goals and Their Connection to FDI**

In 2015, countries universally agreed on the Sustainable Development Goals (SDGs), 17 Goals representing [“a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.”](#) In this session, we will discuss the SDG, the commitments, targets and indicators under them and their connections to FDI, including such issues as the opportunities and challenges the SDGs present for multinational enterprises, and their relevance for investment promotion strategies.

**12:30 pm – 1:30 pm: Lunch**

**1:30 pm – 2:30 pm: Where Does FDI Go? Recent patterns in FDI flows**

The session will set the scene for later discussions by looking at FDI empirical data:

- Where are companies investing, in terms of location, sector and activity? How has that been evolving in recent years?
- What are the implications of such phenomena as rapid technological change and automation, digitization, the “internet of things”, and global value chains.
- Caveat: How is FDI measured? What are the limitations of existing measurement (e.g. significance of roundtripping, intra-company payments, corporate structuring, special purpose vehicles)?

**2:30 pm – 5:00 pm: Drivers and Determinants of FDI: Applying traditional concepts to modern trends**

(includes short break)

During this session, participants will consider different drivers of FDI: asset-seeking, market-seeking; natural resource-seeking; efficiency-seeking. This session will explore the factors that shape firms’ decisions to invest abroad, and will also discuss why, when firms decide to conduct overseas activities, they might do so through FDI as opposed to investing through other strategies such as contracting with foreign firms. Additionally, we will examine theory and evidence regarding firms’ location decisions: why, when deciding to invest abroad, they might choose a particular location. When examining these issues, we will also discuss why and how these decisions by firms are relevant for governments, and how government policies and practices may impact these corporate decisions.



Building on the first part of this session, participants will focus on investment determinants that governments are able to influence, and those that governments cannot influence. For example, governments can't change certain factors impacting investment (e.g. whether or not the country has natural resources, or a large domestic market); but there government are able to influence other factors, such as trade networks that can make a location an export manufacturing hub, or investment in infrastructure and workforce education, factors which can make a country an attractive business destination.

This session will end with a discussion of various sectors and sector-specific investment determinants, including in areas of: natural resources, infrastructure; manufacturing (traditional and impacts of increasingly robotic manufacturing); services; and the impacts of digital trade.

## **DAY 2: HOW DO WE MEASURE FDI'S IMPACTS? IN FOCUS: INVESTMENT INCENTIVES AND PPPs.**

**9:00 am –12:00 pm: Assessing the Expected and Actual Impacts of FDI**  
(includes short break)

This session will involve a close look at methodologies that different government entities, intergovernmental organizations, investment consultants, financial institutions and academics have employed to try to predict, measure, and shape the impacts that FDI can have in host countries and home countries.

The first part of this session will focus on “pre-investment” tools and approaches, considering, for example, use of and experiences with frameworks for inward and outward investment screening, and tools used to determine whether a project will produce positive impacts sought by the host country and warranting fiscal, financial, regulatory, or other support.

The second part of this session will focus on investments “post-establishment,” and will consider strategies and techniques employed by governments, financial service providers, academia, civil society organizations, and other stakeholders to assess impacts of FDI.

**1:00 pm – 3:00 pm: Focus on Investment Incentives: Whether, why, to whom, and how to grant them**

In the first of two afternoon sessions that will build on earlier discussions in areas of policy and practical importance, this session will offer an in-depth look at, investment incentives.

This focus on investment incentives will build on issues addressed thus far in the course, including the factors shaping investors' decisions, the ability of and strategies for governments to affect those decisions, the potential impacts of FDI (positive and/or negative), and overarching importance of aligning FDI with the SDGs. Participants will consider:



- The different types of incentives, including fiscal, financial, and regulatory;
- Targets of investment incentives;
- the effectiveness of incentives in shaping investment decisions and/or conduct, and related costs of providing incentives;
- Strategies and tools for evaluating the costs and benefits of incentives;
- The “race to the bottom” and ways in which jurisdictions can manage; and
- Questions of power and process:
  - who determines whether to grant and how?
  - who determines whether to terminate (or modify) and how?
  - through what processes are they offered/negotiated/approved?
  - what policy implications are raised by different answers to these questions?

**3:00 pm – 3:15 pm: Break**

**3:15 pm – 5:00 pm: Focus on PPPs: value, risks, and how to structure them**

The second of the afternoon’s two practical sessions will focus on public-private partnerships. Governments often, and increasingly, seek investments through PPPs. These PPPs can involve, for example, engagement on research and development, initiatives to develop natural resources, and efforts to design, build, and/or operate public infrastructure. With reference to the concepts, issues, and considerations discussed in previous sessions, this session looks at PPPs, examining how governments might seek to attract foreign investors, understand their investor-partners, and design the legal frameworks governing PPP projects. Issues to be considered include:

- How PPPs can advance strategic, beneficial investment?
- How common are PPPs in different sectors and activities and in different jurisdictions? Evidence and examples
- Risks of PPPs: How do governments balance investment attraction and risk management? What practices can be used to assess and manage contingent and off-balance sheet liabilities; what risks are unique to contracting with a foreign private partner?
- How might governments structure PPPs to maximize value and mitigate risks?

### **DAY 3: HARNESSING FDI: A ROLE FOR GOVERNMENTS**

**9:00 am – 12:00 pm: Influencing FDI: Costs and Benefits of Various Strategies**  
(includes short break)



In this session, participants will examine in detail a number of strategies that governments and intergovernmental organizations have used to try to shape investment decisions. Topics will include tax policies adopted by home and host countries, international investment treaties, and insurance and other financial risk-reduction products (such as guarantees). This session will analyze these measures and discuss costs and benefits of each approach, considering the investors, home and host governments, and other stakeholders.

**12:00 pm – 1:00 pm: Lunch**

**1:00 pm – 5:00 pm: Shaping the Impacts of FDI: A role for host and home country governance**  
(includes short break)

This intensive afternoon session will overview the crucial role that governments and IPAs within host countries and home countries, as well as at the international level, can play in shaping the impacts of FDI. It will also look at corporate policies and practices and their impact on relevant sustainable investment outcomes. Topics considered include:

- The essential role of host country governance in attracting and retaining FDI
  - Attracting, leveraging and regulating FDI
- Investor conduct
  - Know your investor! Understanding beneficial ownership, performance track-records, long-term objectives, and corporate structure and accountability
  - Key corporate responsibility standards for MNEs
  - MNEs and tax planning – how the multi-jurisdictional nature of firms can impact tax assessments and payments
- Relevance of the home country, financial providers, and other investment supporters
  - Extra-territorial requirements and firm governance
  - Performance standards as a condition of home-country incentives or support

#### **DAY 4: STRATEGIES AND PRACTICES OF IPAS[: CLASS EXERCISE]**

**9:00 am– 12:00 pm: Focus on IPAs**  
(includes short break)

The final morning is dedicated to IPAs. It provides examples of the diverse functions played by, powers of, and tools used by IPAs at national and subnational levels. Issues covered include:

- Roles:
  - What are IPAs' mandates in the jurisdictions where they operate? How are they evaluated?
  - Do the IPAs address outward as well as inward investment?



- Are IPAs to focus on pre-investment? Do they also play a role in terms of post-investment aftercare?
- **Power:**
  - where are IPAs situated in their respective governments?
  - How much latitude do they have to identify types of investments/investors/sectors/activities/locations?
  - How much latitude to offer/modify/terminate incentives?
- **Effective strategies and tools:**
  - In understanding and identifying investment opportunities
  - In identifying, targeting, and attracting investors
  - In keeping investors and encouraging reinvestment through modernization and expansion
  - In engaging with other government entities at the national and subnational level
  - In developing strong linkages with the local economy (including other foreign-owned companies)
  - In developing training programs
  - In regional cooperation
  - In partnering with international institutions and organizations to attract and benefit from FDI (e.g., Green Climate Fund; UNIDO, etc.)

**12:00 pm – 1:00 pm: Lunch and Presentation of Certificates**