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World Association of
Investment Promotion
Agencies



▶ The contribution of IPAs to achieving SDG 8

Report of the ILO-WAIPA Survey of
Investment Promotion Agencies
on inclusive economic growth and decent work

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INTERNATIONAL LABOUR OFFICE GENEVA

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Part I

Background

- ▶ The ILO - WAIPA Survey of Investment Promotion Agencies
- ▶ The role of IPAs in helping countries to achieve SDG 8 on inclusive economic growth and decent work
- ▶ The importance of FDI for sustained, inclusive economic growth and the impact of the Covid-19 pandemic on FDI flows to non-OECD countries
- ▶ Global post-pandemic economic recovery and projected challenges for the future
- ▶ The 2030 Agenda as a blueprint for sustainable growth and post-pandemic recovery

The mission of the Enterprises Department of the ILO is the promotion of sustainable enterprises to achieve the ILO goal of decent work. The Multinational Enterprises and Enterprises Engagement Unit (MULTI) contributes to this mission through the promotion of the ILO Tripartite Declaration on Multinational Enterprises and Social Policy (MNE Declaration) to governments, enterprises (multinational and national) and the social partners (employers and workers organisations). It provides policy advice, tools and technical support for the effective implementation of these principles and recommendations at the global, regional and country levels.

As part of its work in promoting the MNE Declaration, MULTI has developed a work stream to support investment promotion agencies (IPAs) to maximize the contribution of foreign direct investment (FDI) to the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goal (SDG) 8 on Decent work and inclusive economic development. This is part of a wider discussion on quality FDI or Sustainable FDI, in this case the alignment of FDI with national development and decent work priorities and as a source of finance for achieving a wide range of Sustainable Development Goals (SDGs).

In carrying out its work on closer connecting FDI attraction/facilitation with national development and decent work priorities, ILO partners with a range of inter-governmental organizations, including the UN Conference for Trade and Development (UNCTAD) and the UN Industrial Development Organization (UNIDO). ILO also partners with the World Association of Investment Promotion Agencies (WAIPA), the lead agency supporting IPAs to attract more and better investment. Recognizing the important role investment promotion agencies play in attracting quality or Sustainable FDI, the ILO and WAIPA signed a cooperation agreement to support investment promotion agencies in attracting FDI that leads to the creation of quality jobs and decent work, sustainable enterprises and more inclusive growth, particularly in developing countries.

An important part of these efforts involves supporting the implementation of, and tracking progress on SDG 8, whose aim is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.¹

1 UNDESA, <https://sdgs.un.org/goals>, <https://sdgs.un.org/goals/goal8>; World Bank, list of SDGs and targets, <https://datatopics.worldbank.org/sdgsatlas/targets/>

► Box 1.1. The ILO Tripartite Declaration on Multinational Enterprises and Social Policy (MNE Declaration)

The MNE Declaration sets out principles in the fields of general policies, employment, training, conditions of work and life, and industrial relations which governments, employers' and workers' organisations and multinational enterprises (MNEs) are recommended to observe on a voluntary basis. In doing so, it acknowledges the prominent and critical role of MNE in the process of social and economic globalisation, noting both their valuable contributions and the potential negative effects of certain actions or omissions by MNEs that may violate the rights of workers.

The MNE Declaration guides MNEs in fulfilling their role as important actors in promoting economic, social and environmental goals. It makes clear reference to SDG 8 and underscores the contributions of MNEs to the efficient utilisation of capital, technology and labour. The MNE Declaration also highlights the role and responsibility of governments in creating an enabling environment necessary to ensure decent work for all and inclusive and sustainable economic growth.

It is against this background that ILO and WAIPA are collaborating to examine the role and work of IPAs to determine how best to further support their efforts to use FDI to promote economies that prioritize healthy, mutually-beneficial, collaborative relationships between governments and the private sector to achieve SDG 8.

Over the past 5 years, the ILO and WAIPA have collaborated in jointly designing and delivering successful programmes to build the capacity of investment promotion agencies on investment facilitation for sustainable development and decent work to achieve the SDGs as outlined in the Addis Ababa Action Agenda on Financing for Development. Special attention goes to capacity building of IPAs in the least developed countries (LDCs) to help them attract FDI that will support the country's socio-economic development and decent work priorities and the SDGs. ILO and WAIPA are working together in this area with UN-OHRLLS, UNCTAD and UNIDO in contribution to the Istanbul Programme of Action on LDCs. ILO's work with WAIPA and IPAs complements the promotion of responsible business – promoting the alignment of corporate policies and practices with the recommendations of the MNE Declaration to achieve inclusive economic growth and decent work for all in host countries of MNEs.

This survey is a joint endeavour between ILO and WAIPA. WAIPA's main goal is to highlight the importance of IPAs in attracting Foreign Direct Investment (FDI) and achieving the SDGs worldwide.² WAIPA pursues the following objectives:

- ▶ Promote and develop understanding and cooperation amongst IPAs.
- ▶ Strengthen information gathering systems, promote the efficient use of information and facilitate access to data sources.
- ▶ Share country and regional experiences in attracting foreign investment and enhancing outward investments.
- ▶ Assist IPAs in advising their respective governments on the formulation of appropriate investment promotion policies and strategies.
- ▶ Facilitate access to technical assistance and promote training of IPAs.

WAIPA partners with international organisations, multilateral agencies, non-governmental organisations, think tanks, consultancies and universities to deliver training and technical assistance to its members. WAIPA also conducts research on FDI and sustainable development. In 2019, it outlined a research strategy to promote the SDGs. The purpose of this strategy is to:

- ▶ Maintain an up-to-date comprehensive online library on the topics of investment promotion best practices, globalization and sustainable development for our member IPAs.
- ▶ Measure IPAs capacity, empowerment and output efficiency.
- ▶ Clarify the role of IPAs in the achievement of SDGs, quality education and human capital accumulation.³

² WAIPA Research Strategy Working Paper, 2019. <https://waipa.org/waipa-content/uploads/2019/07/WAIPA-Research-Strategy-Working-Paper.pdf>

³ Ibid.

▶ The ILO-WAIPA Survey of Investment Promotion Agencies

The present report summarises the findings of a survey that was jointly conducted by ILO and WAIPA, which included sixty-eight respondent IPAs. The purpose of the survey was to identify current practices in investment promotion, identify the needs of IPAs, and gauge the level of interest among IPAs in defining a future investment promotion agenda aligned with SDG



A critical insight provided by the survey results is that on a scale of 1 – 10, IPAs rated the importance of SDG 8 for their work at 9, and 88% of IPAs confirmed that SDG 8 is likely to become more important for their work.

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However, the survey also reveals certain challenges faced by IPAs in terms of their ability to provide the services required by both investors and local firms to attract and retain FDI in the context of SDG 8. Many such challenges



Many such challenges relate to the lack of resources required to perform certain functions, such as surveying investors on FDI impacts on employment creation skills development.

relate to the lack of resources required to perform certain functions, such as surveying investors on FDI impacts on employment creation skills development.

This report does not attempt to provide an economic analysis of the survey responses. While the questions and the data extracted from the responses permit valuable inferences and assumptions to be drawn, the main purpose of the survey is to ascertain the approaches, methods and needs of IPAs in performing their functions. This information is intended to help ILO and WAIPA determine how best to support IPAs to use the resources at their disposal and to access new tools and information to assist them in performing their functions; as well as to potentially secure additional donor resources to improve their efficiency and effectiveness in identifying quality FDI with greater positive impacts on decent work and inclusive economic growth.

► The role of IPAs in helping countries to achieve SDG 8 on inclusive economic growth and decent work

IPAs are at the forefront of national efforts to attract FDI in strategic sectors to boost productivity, enhance overall competitiveness and support sustainable economic growth. They undertake a variety of activities to attract inward investment to spur job creation, trade integration, and the transfer of technology and know-how. They play an important dual advisory role to both governments and businesses.

Due to their close proximity to local businesses, IPAs are able to identify both opportunities and potential challenges that may impact their home economies. This proximity also positions IPAs to take swift actions in advising governments on measures to address challenges and avoid or mitigate potential risks. IPAs understand the priorities and concerns that shape investors' decisions,⁴ such as helping local businesses to understand the factors that motivate foreign investors as well as the types and composition of FDI ("horizontal" or "market seeking" FDI vs "vertical" or "input seeking"; or other forms) which is important for shaping the most effective and sustainable investment promotion strategy. They promote awareness of important FDI determinants such as market size, openness, infrastructure, return on investment, human capita, real labour cost, fiscal policies, political risk, and the kinds of government incentives that are most effective to attract and retain foreign investments with the greatest positive impacts on sustainable development of the country, including SDG 8.⁵

Moreover, IPAs serve as trusted partners of government policy makers in helping to shape policies to promote decent work and sustainable, inclusive economic growth. In addition to their usual investment promotion-related activities, during the pandemic, IPAs in many countries have assisted both public institutions and local businesses in dealing with supply issues, helping to increase resilience and preparedness in managing and containing the spread of the pandemic. Such efforts, mainly by developed countries, provided valuable lessons for IPAs in emerging countries on how to effectively respond to the challenges related to reducing the spread of the pandemic.⁶

4 Andrea Andrenelli, Iza Lejárraga, Sébastien Miroudot and Letizia Montinari, Micro-Evidence on Corporate Relationships in Global Value Chains The Role of Trade, FDI and Strategic Partnerships, April 2019, OECD Library, <https://www.oecd-ilibrary.org/docserver/f6225ffb-en.pdf?expires=1644839090&id=id&accname=guest&checksum=9CD2BF0FFEB6A04D5384B-1147CBDC2B>

5 OECD, Business Insights on Emerging Markets, 2021, <https://www.oecd.org/dev/Business-Insights-Emerging-Markets-2021.pdf>

6 WAIPA, The Impact of Covid-19 from the Perspective of IPAs, 2020, <https://waipa.org/announcements/waipa-research-paper-the-impact-of-covid-19-from-the-perspective-of-ipas/>

► The importance of FDI for sustained, inclusive economic growth and the impact of the Covid-19 pandemic on FDI flows to non-OECD countries

In its special report in 2021, “Impact of the Covid-19 Pandemic on Trade and Development”⁷, UNCTAD reported that in addition to causing the deaths of more than 1 million people, the Covid-19 pandemic engendered a contraction of the global economy by approximately 4.3 per cent. Its unprecedented impact on the everyday lives of people around the world, and on trade, investment and development has had more devastating impacts than the global financial crisis of 2008.⁸

Overall, the lockdowns and other restrictive measures associated with efforts to manage the global spread of Covid-19 led to a decrease in FDI flows of between 40-42 per cent in 2020, bringing FDI to below \$1 trillion for the first time since 2005.⁹ The decline in FDI flows across developing regions was uneven. Latin America and the Caribbean experienced a decrease of 45 per cent in, while Africa's flows decreased by only 16 per cent. In contrast, flows to Asia rose by 4 per cent, with the region absorbing half of global FDI in 2020. Transition economies experienced a massive decrease in inward FDI, which plummeted by 58 per cent, largely due to the decline in inward FDI to the Russian Federation.¹⁰

The pandemic led to a further decrease of FDI flows to structurally weak and vulnerable economies caused by significant slowdowns

in the movement of goods and services to and from those countries. Covid-19-related export bans and trade restrictions on essential goods deepened the impact of economic shocks experienced by poor countries, whose resilience and preparedness to manage such shocks were already weak.

LDCs experienced a decline in much-needed greenfield investments, which fell by half and international project finance deals which dropped by one-third. FDI flows to small island developing States (SIDS) also fell by 40 per cent, as did those to landlocked developing countries (LLDCs), by 31 per cent.¹¹ The structural weaknesses of LLDC economies due to their small domestic markets, a weak private sector capacity, and geographical remoteness from major trading partners compounded the severity of the shocks caused by the pandemic. Moreover, the drastic fall of prices and demand for commodities in the least developed countries due to the pandemic, the loss in key sectors such as tourism, aviation, manufacturing, and others have impacted the LLDCs' balance of payments and increased their debt vulnerability, which may severely impact their post-pandemic recovery.¹²

7 UNCTAD, Impact of Covid-19 Pandemic on Trade and Development, 2020, https://unctad.org/system/files/official-document/osg2020d1_en.pdf

8 Ibid, page 12, and <https://unctad.org/programme/covid-19-response/impact-on-trade-and-development-2021>. The pandemic has affected all types of investment, namely, greenfield projects (-35 per cent), cross-border mergers and acquisitions (-10 per cent) and international project finance (-2 per cent). The value of cross-border mergers and acquisitions reached \$456 billion in 2020, a decrease of 10 per cent compared within 2019. The number of mergers and acquisitions fell sharply in North America but increased in Europe, due to one major deal. In developing economies, the number of mergers and acquisitions in Asia increased (by 31 per cent), but fell in Africa, the Caribbean and Latin America. The value of greenfield projects reached an estimated \$547 billion in 2020, a decline of 35 per cent compared within 2019. Recorded declines were concentrated in developing economies (-46 per cent), mainly in the Caribbean and Latin America. International project finance declined by only 2 per cent due to a rally in the final months of 2020.

9 Ibid, page 17.

10 Ibid, page 18.

11 Ibid, page 19, https://unctad.org/system/files/official-document/wir2021_overview_en.pdf

12 UNOHRLLS, International Think Tank for LLDC, Impact of Covid-19 and Responses in Landlocked Developing Countries, 2021, https://www.un.org/ohrrlls/sites/www.un.org.ohrrlls/files/impact_of_covid19_and_responses_in_llcds.pdf

▶ Global post-pandemic economic recovery and projected challenges for the future

In March 2021, UNCTAD undertook to assess the prospects for global recovery from the impact of the Covid-19 pandemic. The assessment projected that the number of cases would continue to rise while access to vaccines remained a challenge for developing countries. Uneven access continues to negatively affect the ability of developing countries to recover from the pandemic and has revealed deep inequalities in the Covid-19 public health landscape.¹³

UNCTAD conveyed a set of key messages designed to promote a better understanding of the factors that will affect success in managing post-Covid recovery. It outlined, among others, the following issues, which are particularly pertinent to non-OECD countries:¹⁴

- ▶ **Covid-19 cases and deaths:** The pandemic is far from over. In every region of the world, the underlying trend is of increasing rates of infection.
- ▶ **Economic growth:** Following a deep dive in 2020, economic growth is recovering faster worldwide than initially expected. It is important to maintain supportive fiscal and monetary policies until growth is well entrenched.
- ▶ **Unemployment:** In 2020, the equivalent of 255 million full-time jobs was lost due to the pandemic. Irrespective of a region or income group, women have been affected by employment losses to a greater extent than men.
- ▶ **Human development:** The pandemic has had negative consequences for human development. In 2020, the human development index declined for the first time since its introduction.
- ▶ **Poverty:** Extreme poverty estimates for 2020 and 2021 have had to be revised upwards. Extreme poverty is expected to increase in particular in South Asia.
- ▶ **Investment:** In 2020, FDI fell by 42 per cent, with Europe and North America recording the steepest declines. This decline, especially in Goals-relevant sectors, is of particular concern in developing countries, including the least developed countries.
- ▶ **Trade:** After steep declines in the first half of 2020, global merchandise and services trade bounced back in the third quarter of 2020, and this trend continues. Services, however, continue to lag behind, due to the impacts on the tourism and travel industry.
- ▶ **Trade policy:** Trade policy instruments were frequently used to restrict exports and facilitate the imports of essential goods. However, given the negative repercussions on supply chains, States have terminated nearly 40 per cent of trade-restricting measures.
- ▶ **Tourism:** Tourism has taken a heavy toll, with losses in the industry at 11 times the losses experienced during the global financial crisis of 2008/09.
- ▶ **Commodity prices:** In February 2021, the index of all commodity groups was 14 per cent higher than the level directly before the pandemic. The recovery of the economy in China and its strong demand for imports is the key driver of price increases.
- ▶ **Small and medium-sized enterprises:** SMEs have been more affected by the crisis than large enterprises. It is important to continue and further strengthen support measures for SMEs, to help alleviate the impacts of the pandemic.

¹³ UNCTAD, Impact of the Covid-19 pandemic on trade and development, Recovering, but unevenly, Situation as of 31 March 2021, <https://unctad.org/programme/covid-19-response/impact-on-trade-and-development-2021>

¹⁴ Ibid

In 2021, ILO adopted the *Global call to action for a human-centred recovery from the COVID-19 crisis*¹⁵ that is inclusive, sustainable and resilient. This comprehensive agenda commits countries to ensuring that their economic and social recovery from the crisis is “fully inclusive, sustainable and resilient.” It also aims to expedite progress towards the achievement of the 2030 Agenda, the Paris Agreement of the United Nations Framework Convention on Climate Change and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

The document calls for international cooperation and strengthened collaboration between multilateral institutions to increase the level and coherence of their support for national “human-centred” pandemic recovery strategies through, *inter alia*:

- ▶ supportive macroeconomic, fiscal, and industrial policies that also foster equity and stability
- ▶ appropriate public and private investment in sectors hit hardest by the crisis and those with strong potential to expand decent work opportunities
- ▶ support for business continuity and an enabling environment for innovation, productivity growth and sustainable enterprises, including micro, small and medium-sized enterprises, recognizing the important role of sustainable enterprises as generators of employment and promoters of innovation and decent work
- ▶ support quality education, training and decent work for young people and strengthen public and private investment in skills development and lifelong learning
- ▶ promote the protection of and respect for human rights in line with the UN Guiding Principles on Business and Human Rights and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and supported by sustainable international trade and investment.



Underlining the importance of multilateralism, particularly in addressing the COVID-19 crisis’ impacts on the world of work, the ILO will strengthen cooperation with relevant multilateral and regional organizations and processes to achieve a strong and coherent global response in support of national recovery strategies...to coordinate decent work objectives and capacity-building assistance more closely with international trade and investment policies to widen the benefits of international trade and investment and promote decent work.

An excerpt from the Call to action for a human-centred recovery from the COVID-19 crisis

¹⁵ Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient, ILO, 2021 <https://www.ilo.org/infostories/en-GB/Campaigns/covid19/globalcall>

► The 2030 Agenda as a blueprint for sustainable growth and post-pandemic recovery

SDG 8 highlights the central role of decent work as a necessary condition to achieve sustainable development and a means for sustainable post-pandemic recovery. The targets linked to SDG 8 advance a rights-based approach to job creation, entrepreneurship, creativity and innovation, and the formalisation and growth of micro-, small- and medium-sized enterprises. It articulates the premise that SMEs, when operating under favourable conditions, foster working conditions that empower women and men and their families to pursue stable livelihoods by accessing opportunities for decent work. Social protection for workers also contributes to stronger, more resilient, sustainable economies.

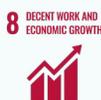
Due to their synergetic interrelationships, the SDGs provide an effective blueprint for post-pandemic recovery. All SDGs provide opportunities to create jobs; and decent work and inclusive economic growth is a prerequisite for achieving numerous goals, such as elimination of hunger, access to quality education, eliminating gender inequality and reducing inequalities more generally.



► **Table 1.1. Selected SDGs and targets that are particularly relevant to, and indicative of the cross-cutting nature of decent work in the SDGs framework**

SDG Goal	SDG Target
Goal 1: End poverty in all its forms everywhere	
 <p>1 NO POVERTY</p>	<p>1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p>
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
 <p>2 ZERO HUNGER</p>	<p>2.4 End hunger and food insecurity and promote health. It proposed that, by 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.</p>
Goal 3: Ensure healthy lives and promote well-being for all at all ages	
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>A list of the Goal 3 targets focus on access professional health services, as outlined in</p> <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
 <p>4 QUALITY EDUCATION</p>	<p>Most of the Goal 4 targets relate directly to decent work. However, Targets 4.3, 4.7 and 4.a are particularly relevant in addressing the need for equal access to education and training.</p> <p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.</p> <p>4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.</p>
Goal 5: Achieve gender equality and empower all women and girls	
 <p>5 GENDER EQUALITY</p>	<p>5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p> <p>5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.</p> <p>5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.</p>

SDG Goal SDG Target

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

All targets and indicators are relevant to the other SDGs to enable all individuals, families, communities, and countries to a better and more sustainable future.

8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.

8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

9.2 Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.

SDG Goal

SDG Target

Goal 10: Reduce inequality within and among countries

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

10.b Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

16.6 Develop effective, accountable and transparent institutions at all levels.

16.b Promote and enforce non-discriminatory laws and policies for sustainable development.

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

17.5 Adopt and implement investment promotion regimes for least developed countries.

17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.

17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology.

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability.

17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.

Part II

Main findings of the Survey

- ▶ The profiles of surveyed IPAs
- ▶ Similarities in the scope of IPAs' activities
- ▶ Differences in IPA approaches from the regional perspective
- ▶ IPAs attach great importance to SDG 8
- ▶ The survey results from an SDG 8 perspective

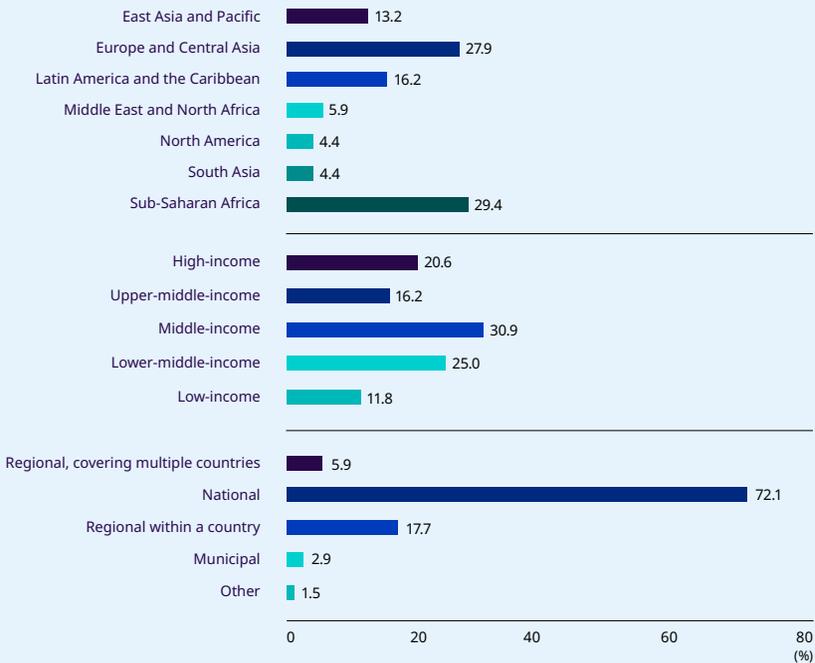
► The profiles of surveyed IPAs

During the 2021 World Investment Conference, the survey was distributed through WAIPA social media accounts to its members. The full questionnaire is reproduced in the Annex. The respondents include sixty-eight IPAs with very wide geographical representation, including IPAs from Africa, Asia, Central and Eastern Europe, Latin America and the Caribbean and the Middle East (survey question 1). The large majority of respondents came from IPAs in Sub-Saharan Africa (29%) and Europe and Central Asia (28%). Latin America and the Caribbean followed, with 16% of the replies. The respondents also represented a wide range of levels of development: 30% identified as from middle-income; 25% as lower-middle income; 20% as high-income; 16% as upper-middle income and 12% as low-income. Concerning territory covered, 72% responded that their activities were national in scope while 22% focused on more concentrated geographical levels within the country; and 6% covered multiple countries.

68

responding IPAs with very wide geographical representation

► **Figure 2.1. IPAs by region, country income level and territory**



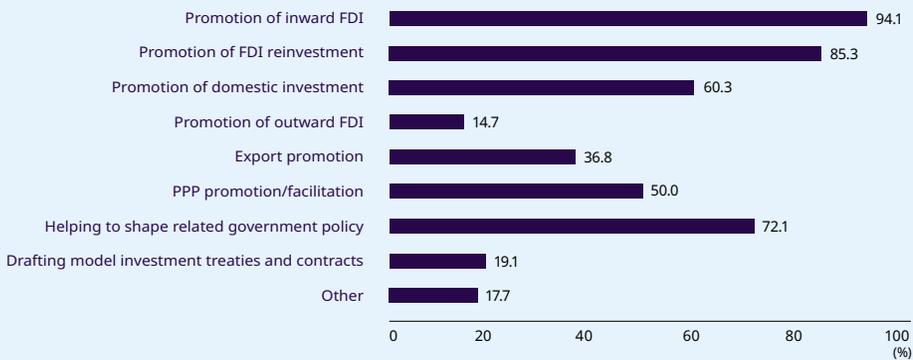
Notes: See Annex for the ILO - WAIPA survey questions 1, 2 and 3.

► Similarities in the scope of IPAs' activities

The majority of respondents perform similar functions in promoting FDI (survey question 4). Among the top-ranking activities are the promotion of inward FDI (94%), the promotion of FDI reinvestment (85%), helping to shape related government policy (72%), and promotion of domestic investment (60%). In contrast, despite their knowledge and experience in securing inward investment, relatively few IPAs (19%) helped to draft investment model agreements and contracts.

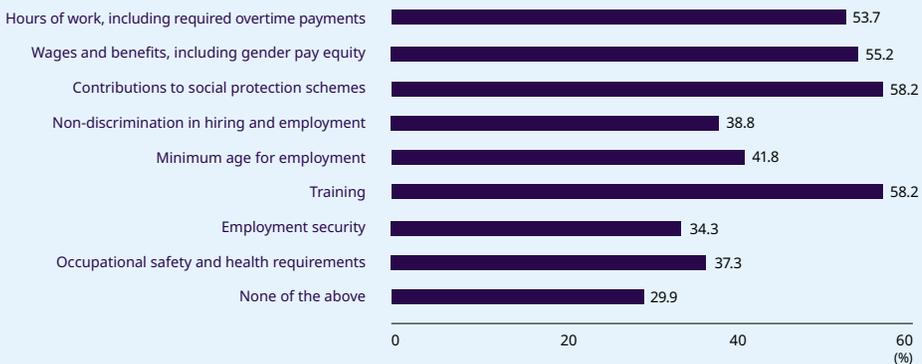
IPAs across regions also provide similar advice to facilitate investors' efforts to learn about national law and practice (survey question 14). IPAs' efforts target facilitating investors' knowledge of national laws governing contributions to social protection schemes (58%); training (58%); wages and benefits, including gender pay equity (55%); and hours of work, including overtime payments (54%).

► **Figure 2.2. Scope of IPA activities**



Notes: See Annex for the ILO - WAIPA survey question 4.

► **Figure 2.3. IPA advice on national law and practice**



Notes: See Annex for the ILO - WAIPA survey question 14.

For the most part, IPAs across regions also target the same sectors that are considered to have greater potential to create more and better-quality jobs. Of the 12 sectors proposed (survey question 12), the most frequently cited are renewable energy (69%); pharmaceuticals, biotechnology and medical devices (65%); food and beverages manufacturing (61%); and agriculture, fishing and forestry (58%).

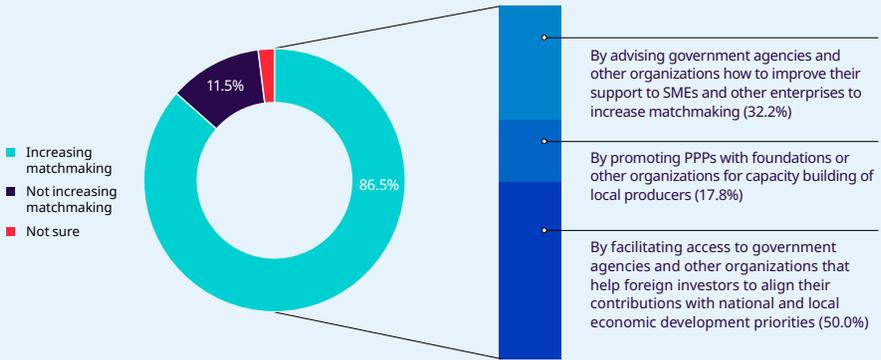
The overwhelming majority of IPAs (69%) also facilitate investors' access to government agencies and other organisations to help them align their contributions with national and local economic development priorities (survey question 23). Similarly, the majority (63%) target their efforts toward providing support to local

enterprises with a view to creating an enabling business environment (survey question 24).

A lower, but still significant, portion (37%) provides incentives for MNEs to help build capacity of potential local suppliers, which can increase employment opportunities; while (25%) also promote public-private partnerships (PPPs) with local organizations for capacity-building of local producers.

► **Figure 2.4. Matchmaking and the focus of support to local enterprises**

Matchmaking between investors and local enterprises



Focus of support to local enterprises



Notes: See Annex for the ILO - WAIPA survey questions 23 and 24.

► Differences in IPA approaches from the regional perspective

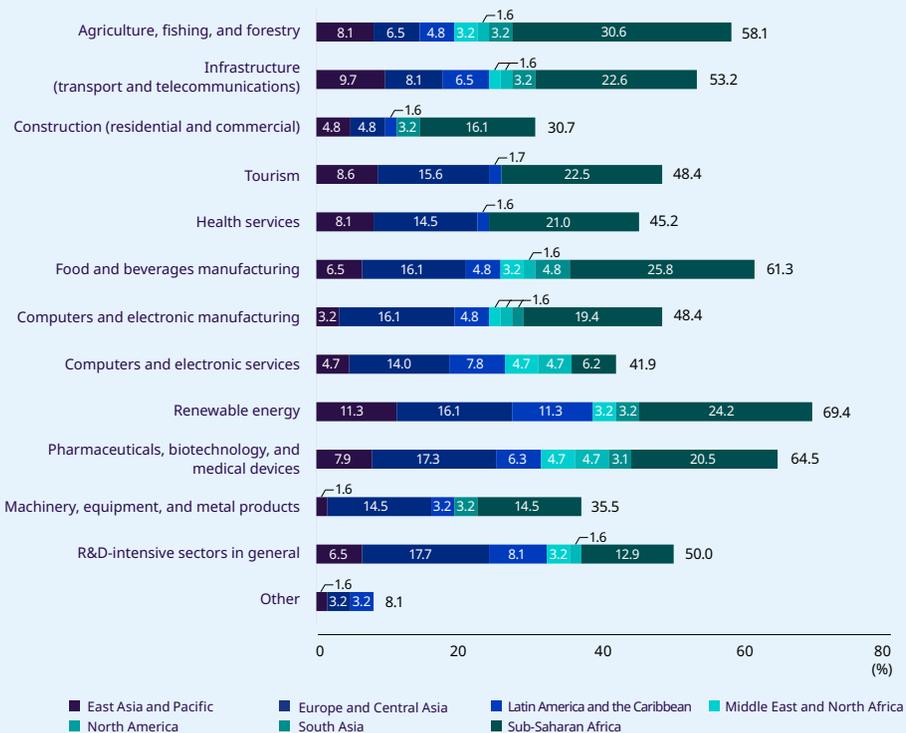
Despite the similarities in their functions and activities undertaken, when analysed from a regional perspective, the survey responses tell a different story – one that reveals a divergence among regions in the prioritisation of sectors for investment promotion (survey question 12).

For example, whereas only 21% of IPAs from the Eastern Europe and Central Asia (ECA) region targeted agriculture, fishing and forestry, 100% of the IPAs from Sub-Saharan Africa (SSA) targeted this same sector for FDI promotion. Conversely, 63% of IPAs from the ECA region prioritise the R&D sector, whereas only 40% of IPAs from the SSA region consider it a priority among sectors

for FDI promotion. After agriculture, fishing and forestry, 80% of IPAs from SSA ranked the food and beverages manufacturing sector as a priority versus 53% of IPAs in the ECA region. Finally, a stark difference is also observed in relation to the computers and electronic services sector, which 47% of ECA IPAs target as a priority sector as compared with only 25% of IPAs from SSA.

These differences in sector focus likely reflect different levels of resources available to invest in the infrastructure and skills development required to attract investment to particular sectors.

► **Figure 2.5. Target sectors for creating more and/or better quality jobs, by region**



Notes: See Annex for the ILO - WAIPA survey question 12.

► IPAs attach great importance to SDG 8

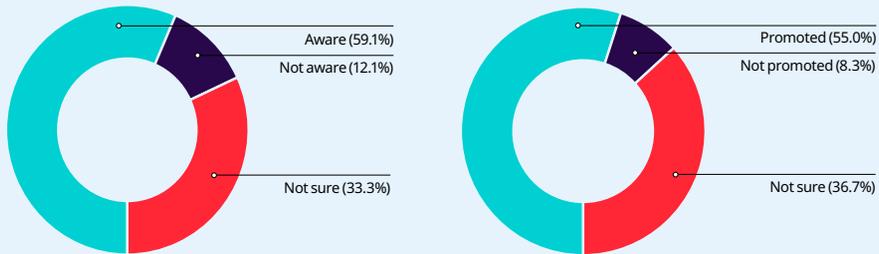
IPAs across regions expressed overwhelming consensus that SDG 8 is likely to become more important to their work in the next five years (survey question 10), with a positive reply of 88%. Their responses also indicated a high level of awareness of international standards used to promote responsible business practices were high (survey question 15).

Respondents promote such standards by facilitating investors' knowledge of national law and practice concerning labour regulations (survey question 14); and by collecting relevant data on FDI impacts on employment creation and investors' contributions to skills development; and by engaging with a range of stakeholders within and outside of government to promote SDG 8 (survey question 27).

In order to increase their effectiveness in attracting/facilitating FDI that contributes to SDG 8, IPAs have expressively requested support in providing more training or guidance on best practices, access to tools for increasing SDG 8 contributions of project offerings, and support in identifying a set of key performance indicators that link investment attraction and facilitation to SDG 8 (survey question 30).

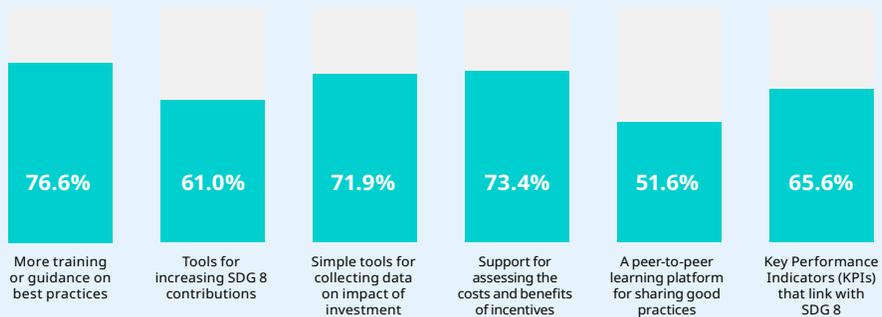
Regarding other suggestions for support, one proposal was for ILO and WAIPA to facilitate the joint collaboration of IPAs to develop strategies to collect and/or verify information from the investor after the investment is made.

► **Figure 2.6. Awareness and promotion of international standards on responsible business practices**



Notes: See Annex for the ILO - WAIPA survey questions 15 and 16.

► **Figure 2.7. Types of support that IPAs find useful**



Notes: See Annex for the ILO - WAIPA survey question 30.

► The survey results from an SDG 8 perspective

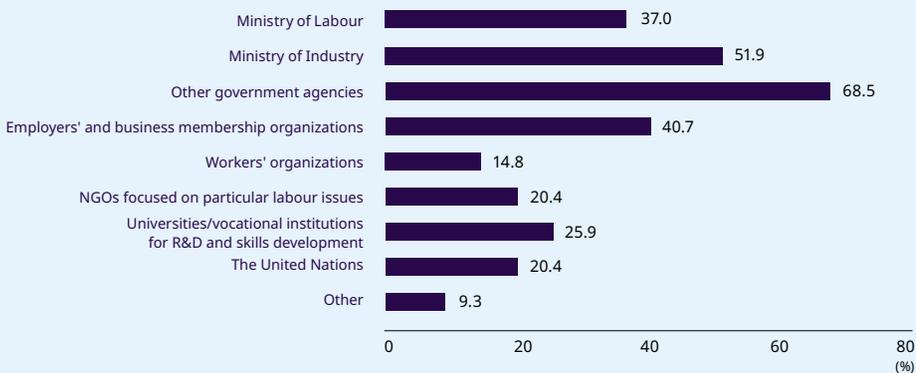
The results of the survey tell an equally meaningful story when analysed in the context of SDG 8. It is noteworthy that on a scale of 1 – 10, the responding IPAs rated the importance of SDG 8 at 9 (survey question 9), and 88% of IPAs confirmed that SDG 8 is likely to become more important for their work (survey question 10). Moreover, 59% of IPAs indicated that they are aware of international standards used by their governments to promote responsible business practices (survey questions 15, 16), of which 55% promote responsible business practices in line with such international standards (e.g. the ILO MNE Declaration, the OECD MNE Guidelines or the UN Guiding Principles on Business and Human Rights).

The survey responses also reveal that a majority of IPAs employ a whole-of-government approach in promoting SDG 8. In their responses, 52% of IPAs indicated that they collaborate with Ministries of Industry and 37% collaborate with Ministries of Labour in promoting SDG 8, while 69% of IPAs collaborate with other government agencies (survey question 27). The next highest level of collaboration is between IPAs and Employers' organisations, as reported by 41% of surveyed IPAs. By contrast, only 15% of IPAs collaborate with Workers' organisations, 20% with NGOs, 25% with universities or vocational institutions, and 20% with United Nations agencies.

9/10
Importance of SDG 8
for the responding IPAs

88%
of IPAs confirmed that
SDG 8 is likely to
become more important
for their work

► **Figure 2.8. Key engagement partners to promote SDG 8**



Notes: See Annex for the ILO - WAIPA survey question 27.

IPAs responded positively to questions on a role for them in promoting awareness of national labour laws and responsible business practices, which are highly relevant to the realization of decent work for all (survey question 14). IPAs facilitate investor awareness of hours of work (SDG 8.5.1); wages and benefits, including gender pay equity (SDG 8.5.1); contributions to social protection schemes (SDG 8.3.1, SDG 8.8), non-discrimination in hiring and employment; the minimum age for employment (SDG 8.6.1, SDG 8.b.1); employment security (SDG 8.3.1), and occupational safety and health requirements (SDG 8.8.1). However, nearly one-third of IPAs indicated that this was not part of their mandate, noting that other agencies are responsible for providing such information. Importantly, none of the IPAs replied that they advised investors about freedom of association, collective bargaining and industrial relations.

To effectively service both foreign investors and local enterprises, IPAs must rely on various types of information and data. Likewise, policy makers rely on data to introduce policies that advance their countries' strategic interests and objectives. As demonstrated above, data collection takes on particular importance in the context of SDG 8, as evidenced by the formulation of its indicators, which measure, *inter alia*, growth rates of real GDP per capita or per employed person; proportions of informal employment in total employment; unemployment; the proportion and number of children aged 5–17 years engaged in child labour, by sex and age; the level of national compliance with labour rights (including freedom of association and collective bargaining), disaggregated by sex and migrant status.¹⁶

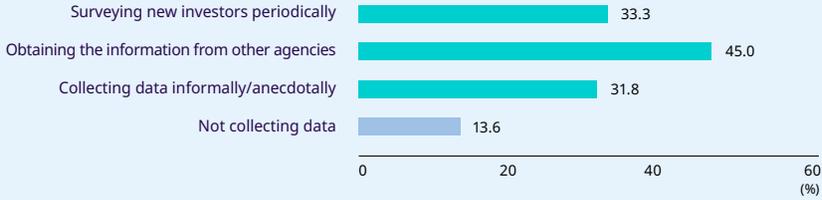
The ILO-WAIPA survey results underscore the importance of data collection in attempting to ascertain the kinds of information IPAs seek out and how they access such information. One-third of IPAs (33%) indicated that they have in place formal systems to periodically survey new investors, to collect data on FDI impacts on employment creation for local staff (survey question 17). In the absence of formal systems, 47% of IPAs obtain the information from other agencies mandated to gather this information, while 32% collect such information informally and anecdotally. Only 14% of IPAs indicated that data collection was not part of their mandate.

However, there was a stark difference in the rate and the nature of responses when IPAs were asked to indicate whether they collect data on investors' contribution to skills development for locals working in positions of various degrees of responsibility; on labour-related issues such as average hourly earnings and gender pay gaps; or concerning the percentage of workers belonging to trade unions or who are covered by collective agreements (survey question 19). These responses contrasted significantly with the responses they provided on facilitating investors' efforts to learn about national law and practice relating to similar issues. While on the one hand, IPAs diligently seek out data and information on issues that affect the quality and conditions of work generally, they appear to take a significantly more reserved approach in securing similar information directly from investors.

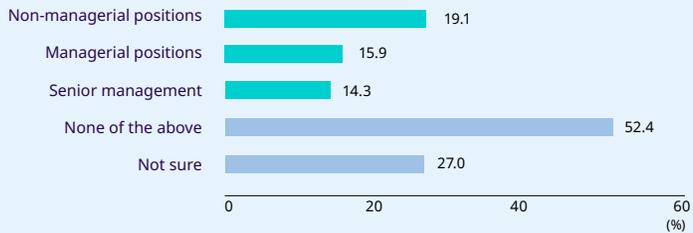
16 UN Statistics Division, SDG Indicators, Metadata repository, <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=>

► **Figure 2.9. Data collection on employment creation for local staff**

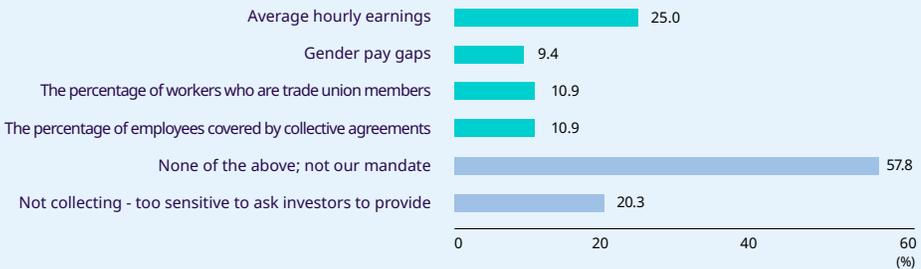
Data collection method



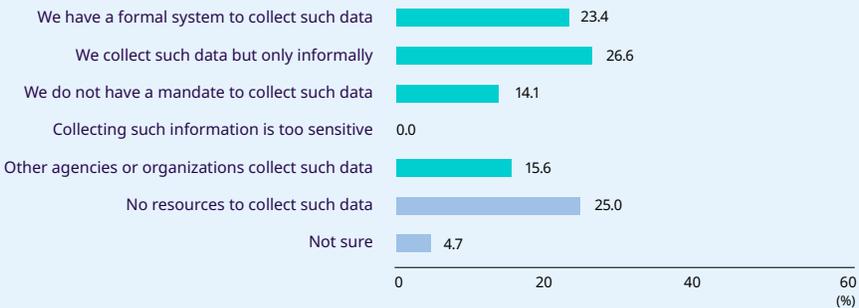
Data collection on investors' contribution to skills development for locals working in



Data collection on



Data collection on business linkages between investors and local enterprises



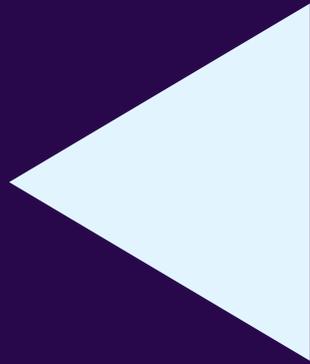
Notes: See Annex for the ILO - WAIPA survey questions 17, 19, 20 and 21.

Part III

Conclusions and Recommendations

▶ Conclusions

▶ Recommendations



► Conclusions

The responses to the survey questions provide deep insights on the similarities in the operations of IPAs across regions. Although they represent countries with varying degrees of economic development, due to the globalised nature of business and the generalised rent-seeking or resource-seeking nature of FDI, they pursue similar opportunities aimed at boosting the competitiveness of their home enterprises, and they face similar challenges in attracting FDI. Consequently, they tend to promote and target similar economic sectors for inward FDI and they attach similar degrees of importance to providing aftercare services to investors. Moreover, IPAs across regions adopt similar practices of responsible business and promote an understanding of decent work principles.

IPAs have differing levels of resources available to carry out their work; consequently, they have differing success rates in attracting FDI into critical sectors. In certain cases, the lack of capacity of some IPAs is indicative of an unequal bargaining position vis-à-vis foreign investors, particularly in terms of access to information, which is vital to IPAs' operations. This inequality in turn may adversely impact the bargaining positions of local enterprises and/or workers' organizations vis-a-vis foreign investors. As previously mentioned, this assumption is based on responses relating to the capacities of and resources available to IPAs to collect data on FDI impacts on local employment creation. In a global economy driven by knowledge and technology, where access to information is vital for decision-making, the lack of capacity to collect data represents a major impediment to formulating appropriate strategies to attract and retain FDI, and to ensure that foreign investors act in compliance with international standards for business in relation to decent work.

Similarly, when asked whether IPAs collect data (through surveys or from other organisations that collect such data) on investors' contribution to skills development for locals working in positions with varying degrees of responsibility (survey question 19), 52% indicated that they do not collect data on investors' contributions to skills development in non-managerial positions, managerial positions and senior management positions. Another 27% indicated that they were

not sure about whether they collected such information.

The absence of such data makes it difficult for the host country to determine whether foreign investors are providing opportunities for quality job creation, skills development and linkages with the local economy. Skills development is vital to ensure career mobility, advancement and the transfer of skills to others within the workforce. Unequal access to opportunities for skills development for locals may result in foreign investors reaping the benefits of growth and competitiveness of their enterprises, without creating positive spill-over effects in terms of the quality of jobs performed by local workers and employees. For example, in its response to survey question 31, one IPA from Latin America indicated the following:



...regarding information from the investor after the investment is made, we face serious difficulties. When we try to gather data from investors, we usually face lack of responses (for example, we ran an investor' survey last year. Our goal was to reach 100 answers, but we could only reach 75), sensitivities regarding the information provided, and a lack of means to verify the information provided. For example, if an investor tells me that its investment created 2,000 jobs, from which 50% were destined to females, we currently don't have any tools to verify this information. We have to fully rely on what is being told by the investors. This is something we could work collaboratively with other IPAs to try to solve.

The lack of resources was either cited directly or was implied. In its response to survey question 31, an IPA from the MENA region emphasized the complexity involved for IPAs in accessing, analysing and using data due to their lack of capacity:

It is not easy to measure the actual impact of IPA's role in attaining the targets and indicators of SDG 8. For example, Target 8.3: Promote policies to support job creation and growing enterprises. Indicator 8.3.1 is the proportion of informal employment in non-agriculture employment, by sex. covers informal employment so we cannot enter our data collected through our aftercare team because it measures informal employment and we focus on direct formal employment and indirect job creation.

Unequal bargaining power of IPAs in relation to foreign investors might also be reflected in IPAs' responses to questions on providing information vs. tracking impacts. The responses confirmed that IPAs do facilitate investors' knowledge of national law and practice concerning a variety of elements of decent work including, but not limited to, working hours, wages, and contributions to social protection schemes (survey question 14). However, when asked whether IPAs collect data through surveys or from other organisations on similar matters falling under national law and practice (survey question 20), the rate of responses was significantly lower, with 58% of IPAs indicating that the collection of this type of data is not within their mandates. Another 20% indicated that they do not collect this information, which is too sensitive to ask investors to provide – despite the existence of national laws that may require the disclosure of such information.

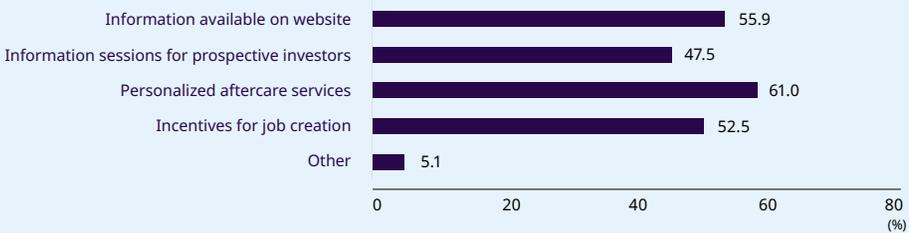
Finally, one of the most telling issues that emerged from the survey is the near-total absence of IPA efforts to promote investor understanding of freedom of association, collective bargaining, and industrial relations (survey question 14), even though indicator SDG 8.8.2 specifically calls for collecting data on national compliance with labour rights (freedom of association and collective bargaining), by sex and migrant status. None of the respondents indicated that they facilitate investors' efforts to learn about national law and practice governing freedom of association, collective bargaining and industrial relations. This represents a major impediment to IPAs' ability to promote SDG 8.8.2, and therefore further weakens the ability of host countries to monitor compliance with target 8.8 to protect labour rights and promote safe and secure working environments for all workers.

The lack of, or insufficient access to data by IPAs on critical issues that affect working conditions not only impacts local businesses, but also impairs the ability of IPAs to provide critical aftercare services to investors, thereby endangering the possibility of retaining such investment. In its response to survey question 28, one IPA from the LATAM region indicated that:

We are building, trying to fill in the information gaps the prospective investors may have.

When asked to indicate the tools they use to promote SDG 8 (survey question 25), 61% of IPAs ranked personalised aftercare services as the main tool, followed by making information available on website (56%) and incentives for job creation (53%). "Other" tools specified by

► **Figure 3.1. Tools to promote SDG 8**



Notes: See Annex for the ILO - WAIPA survey questions 25.

respondents include tax incentives, embedding decent work in broader ESG principles being promoted, including such information in aftercare services and organizing seminars/webinars. This again confirms that IPAs adopt a more investor-focused approach, perhaps to the detriment of appropriately responding to the needs and interests of local enterprises.

The somewhat reserved approach of certain IPAs risks further diminishing the negotiating position of local enterprises vis-a-vis foreign investors. To overcome such a possibility, it is important for IPAs to secure the critical data they require to formulate successful investment promotion activities. The data-driven focus of SDG 8 indicators confirms the massive importance of data to measure gaps in decent work at the local level, and for the formulation of national strategies and actions to protect and promote decent work. When requested to select the types of support they would find useful, most IPAs' responses indicate the importance of obtaining data and measurement tools in helping them to be more effective and efficient.

Their responses may also be indicative of their desire to strengthen their negotiating position with investors by adopting tools and processes that can help them to objectively assess the role of FDI in promoting decent work in line with SDG 8, notably through the formulation of a set of key performance indicators (KPIs) that link investment attraction and facilitation to SDG 8 (survey question 30). The use of objective KPIs would provide an objective standard through which IPAs can pursue their efforts, linked to globally-accepted principles aimed at promoting decent work.

► Recommendations

The analysis of the ILO-WAIPA survey responses and the conclusions articulated in the previous section provide ample food for thought about the capacities and needs of IPAs. The perceived imbalance in the negotiating positions of IPAs relative to investors offers a good starting point to evaluate a possible course of action to strengthen, enable and empower IPAs to carry out their functions with access to appropriate resources, for optimum efficiency.

The following recommendations are therefore designed to build the capacities of IPAs not only operationally, but in terms of their ability to influence policy making in relation to decent work and promoting SDG 8:

- 1 IPAs require additional financial resources to carry out their functions. A good number of the survey responses indicated that many do not have the resources to perform certain functions, notably in the area of data collection (or the ability to access data from National Databases and Statistical Agencies). Consequently, this impairs their ability to act in an informed manner to secure data from investors. Governments that do not already allocate funding in their national budgets to support IPA activities should consider doing so. Also, development partners, notably donors, should help by mobilising resources for targeted IPA projects that facilitate data collection. In addition, international partners, including UN agencies and WAIPA, should consider expanding their offer of technical assistance activities to IPAs, notably through training and the design of tools to facilitate SDG 8 implementation.
- 2 There is a need to re-position IPAs at the national level to give them more visibility and influence in implementing national investment strategies and priorities. IPAs should be viewed not only as entities that promote FDI, but as having authoritative leadership in facilitating investors' awareness and compliance with national labour laws. This can be achieved through closer collaboration between IPAs and local governments (as suggested in a response to survey question 31). This level of collaboration, and both the actual and apparent authority it may confer on IPAs, can help them to access data more effectively. The response of an IPA from Latin America to survey question 28 articulates

this well, and related responses by another IPA from the Sub-Saharan Africa region to survey questions 31 and 33 emphasise the usefulness of collaboration between IPAs and local governments:



It is not in our mandate to ensure the SDGs, but local governments, in the facilitation part of the FDI cycle, they have the power to guide the investor towards local SDGs.

(Question 28 LATAM)



Promotion of SDGs tends to be neglected at the central government level, so there is a need for more collaboration.

(question 31 SSA)



Capacitation of how to spot good or bad practices and not having to rely on information provided by companies.

(question 33 SSA)

- 3 There is significant scope for strengthened collaboration between IPAs and United Nations agencies in promoting the 2030 Agenda for Sustainable Development. The survey responses reveal that 69% of IPAs primarily engage with other government agencies in promoting SDG 8. This includes Ministries of Labour and Ministries of Industry. They also collaborate extensively with employers and business organisations (41%), and to a lesser degree with universities and vocational institutions (26%). However, only 20% of IPAs indicated that they partner with UN agencies, which suggests that greater efforts must be undertaken by concerned UN agencies to support IPAs in promoting SDG 8 and its targets.

When asked whether they would be willing to participate in a small group follow-up discussion to dig deeper into some of the issues raised by the survey respondents, the overwhelming majority of IPAs (75%) confirmed interest in doing so. Their

openness to engage in further dialogue represents a valuable opportunity for ILO and WAIPA to further explore the importance of SDG 8 for IPAs' efforts to promote FDI. Their willingness, together with many of the assumptions, indications and inferences drawn from the survey responses can help ILO, WAIPA, donors and other partners to identify possible actions and initiatives to accelerate progress in the implementation of SDG 8 to promote decent work for all.

More concretely, in response to survey question 32, an IPA from Sub-Saharan Africa articulated a very specific request to demonstrate the willingness of IPAs to collaborate more extensively with the UN in promoting and implementing SDG 8:



I would like to see how ILO can assist our IPA in improving our collection of data especially on SDG 8 as this will be ground-breaking for the Agency.

Similarly, an IPA from East Asia and the Pacific responded to survey question 32, noting the following:



If ILO can develop a kind of framework that will help IPAs evaluate their impacts on SDG 8, that will be a great product.

4 Finally, ILO and WAIPA should work together to facilitate the delivery of the support requested by the surveyed IPAs in question 30, which requests them to select among the types of support they find useful. **The rate of responses indicated an overwhelming need for all the support proposed, as indicated in the bullet points.** ILO and WAIPA should work diligently to engage donors to provide the financial resources required to support the delivery of these services.

- ▶ More training or guidance on best practices with respect to promoting decent work (more and better local jobs) to prospective and new investors
- ▶ Tools for increasing SDG 8 contributions of project offerings
- ▶ Simple tools for collecting basic data on the impact of investment on the quantity and quality of jobs created
- ▶ Support for assessing the costs & benefits of incentives aimed at attracting FDI for more and better jobs
- ▶ A peer-to-peer learning platform for sharing good practices
- ▶ A set of key performance indicators (KPIs) that link investment attraction/facilitation to SDG 8

Methodology

This report was commissioned by ILO to evaluate the responses provided by 68 participating IPAs to a survey jointly conducted by ILO and WAIPA. It was written by Marie-Hélène Joseph-Vanderpool, an independent consultant. The main purpose of the survey was to ascertain the needs of IPAs, especially in non-OECD countries, which can benefit the most from FDI, with a view to formulating future ILO-WAIPA support to strengthen their capacities.

The survey responses were analysed against desk research conducted on several thematic FDI-related issues such as FDI flows to non-OECD countries, the impact of the Covid-19 pandemic on FDI flows, and projections for post-pandemic recovery. The research also considered the cross-cutting treatment of decent work in, and the guidance provided by, the 2030 Agenda for Sustainable Development and the 17 SDGs. Significant use was made of published resources from ILO, WAIPA, UNCTAD, UNDESA (UN Statistics Division), OECD, the World Bank and WHO.

Research was also conducted to evaluate best practices in FDI promotion, in the context of promoting SDG 8. Together, the responses to the survey questions and the results of the research conducted aim to identify any gaps in awareness by IPAs, and to generate a better understanding by IPAs and the international community of how SDG 8 and its indicators can guide global, regional and national efforts to facilitate a speedier, more robust and sustainable post-pandemic recovery.

Finally, the report considers the needs of international stakeholders, partners and donors to access accurate, first-hand information on the capacity gaps and needs of IPAs. This is intended to assist in ensuring that IPA needs are appropriately matched with future funding commitments.

Annex. The ILO-WAIPA Survey questionnaire

► ILO-WAIPA Survey: The contribution of IPAs to achieving SDG 8 on inclusive economic growth and decent work

Dear colleagues,

Continuously improving our support services to you is a high priority for WAIPA. This is especially so in the current circumstances where there are huge opportunities and challenges for your IPA to facilitate investment that advances the SDGs, in particular inclusive economic growth and decent work (SDG 8).

WAIPA and the International Labour Organization (ILO)—the lead UN agency supporting countries around the globe to achieve SDG 8—have partnered over the years to support IPAs to create more and better jobs in their respective country or region.

The objective of this survey is to improve our services to your organization and document current practices among IPAs to enhance the positive impact of investment on SDG 8. It will take approximately 15 minutes of your time.

Your inputs will help ILO and WAIPA identify areas to further develop in support of IPAs in their strategies and activities to better link investment to job creation, skills development, improved working conditions and more inclusive growth. Based on your inputs, we also plan to develop a report that we can present in a joint session during the upcoming World Investment Forum where we also hope to showcase some innovative practices.

Please tell us a bit about your IPA.

1. In which geographic region is your IPA located?

- East Asia and Pacific
- Europe and Central Asia
- Latin America and the Caribbean
- Middle East and North Africa
- North America
- South Asia
- Sub-Saharan Africa

2. What income level does your country fall in?

- High-income
- Upper-middle-income
- Middle-income
- Lower-middle-income
- Low-income

3. What territory does your IPA represent?

- Regional, covering multiple countries
- National
- Regional within a country
- Municipal
- Other

4. What are the responsibilities of your IPA? (Please select all relevant options)

- Promotion of inward FDI
- Promotion of FDI reinvestment
- Promotion of domestic investment
- Promotion of outward FDI
- Export promotion
- PPP promotion/facilitation
- Helping to shape related government policy
- Drafting model investment treaties and contracts
- Other

5. If you indicated 'Other' to question 4, please specify.**Please tell us a bit about you.****6. What position do you occupy in your IPA?**

- CEO
- Senior management
- Promotional services
- Aftercare services
- Research
- Communications
- Other

7. How long have you been working in your IPA?

- 0-3 years
- 4-6 years
- More than 6 years

The following questions concern your IPA's view of Sustainable Development Goal (SDG) 8 on inclusive economic growth and decent work.**8. On a scale of 1-10, how important is SDG 8 currently for the work of your IPA?**not important extremely important

1	2	3	4	5	6	7	8	9	10
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9. On a scale of 1-10, how important should SDG8 be for the work of your IPA?not important extremely important

1	2	3	4	5	6	7	8	9	10
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10. Is SDG8 likely to become more important for the work of your IPA in the next 5 years?
- Yes
 - No
 - Not sure
11. Does your IPA target any particular sector(s) that has/have been identified as having great(er) potential to create more and/or better quality jobs?
- Yes
 - No
 - Not sure
12. If your answer was YES to question 11: Which sectors? (Please select all relevant categories)
- Agriculture, fishing, and forestry
 - Infrastructure (transport and telecommunications)
 - Construction (residential and commercial)
 - Tourism
 - Health services
 - Food and beverages manufacturing
 - Computers and electronic manufacturing
 - Computers and electronic services
 - Renewable energy
 - Pharmaceuticals, biotechnology, and medical devices
 - Machinery, equipment, and metal products
 - R&D-intensive sectors in general
 - Other

The following questions seek to understand the role of your IPA in helping investors to improve their contribution to SDG8 within the region where your IPA operates.

13. Does your IPA raise awareness among investors (existing and potential) of how they could further contribute to... (Please check all which are relevant)
- Employment creation?
 - Skills development and human resources?
 - Local supplier development, especially among SMEs?
 - Support of women entrepreneurs?
 - Youth employment promotion?
 - None of the above
 - Not applicable

- 14. Does your IPA facilitate investors' efforts to learn about national law and practice (provide links on the IPA website or hand out guides of where to find information, etc.) concerning... (Please check all which are relevant.)**
- Hours of work, including required overtime payments?
 - Wages and benefits, including gender pay equity?
 - Contributions to social protection schemes?
 - Non-discrimination in hiring and employment?
 - Minimum age for employment?
 - Training?
 - Employment security?
 - Occupational safety and health requirements?
 - Freedom of association, collective bargaining and industrial relations?
 - None of the above. Other agencies are responsible for providing such information.

A growing number of governments are using international frameworks to ensure a coherent inter-ministerial approach to promote responsible and inclusive business practices.

The following question seeks to identify any of the major international instruments guiding your IPA in promotion of SDG8.

- 15. Is your IPA aware of any international standards that your government might be using to promote responsible business practices (e.g. the ILO MNE Declaration, the OECD MNE Guidelines or the UN Guiding Principles on Business and Human Rights)?**
- Yes
 - No
 - Not sure
- 16. If your answer was YES to question 15: Does your IPA promote responsible business practices in line with any of these international standards?**
- Yes
 - No
 - Not sure

In adopting the SDGs, the United Nations recognized the importance of collecting data to be able to track progress in reaching the goals. Accurate data is essential for identifying which policies and practices need to be improved. FDI is widely recognized as a key mechanism for countries, especially less industrialized ones, to achieve SDG 8. Sections VI, VII and VIII seek to understand the extent to which IPAs are playing, or could play, a role in collecting data on the impact of FDI on SDG 8 and using such data to help improve policies and practices concerning FDI promotion.

Inclusive economic growth in host countries occurs mainly through job creation and skills development.

This includes not only entry-level jobs, but also opportunities for local staff to advance to management positions, which can help good management practices to spread to local enterprises and improve a country's productivity and market competitiveness. The following questions seek to understand what data IPAs are collecting concerning job creation for nationals at various levels, including workers who might face discrimination.

17. **Does your IPA collect data (directly or through other governmental or non-governmental sources) on FDI impacts on employment creation for local staff? (Please check all which are relevant)**
- Yes, we have a formal system to periodically survey new investors.
 - Yes, we obtain the information from other agencies mandated to gather this information.
 - Yes, but only informally/anecdotally.
 - No, this is not our mandate.
18. **If your answer was YES to question 17: Which of the following data is collected? (Please check all which are relevant)**
- Overall job creation for local staff
 - Non-managerial positions for local staff
 - Managerial positions for local staff
 - R&D staff for local staff
 - Jobs created for particular categories of local workers (e.g., youth, women, workers with disabilities, minorities)
19. **Does your IPA collect data (through surveys or from other organizations that collect such data) on investors' contribution to skills development for locals working in... (Please check all relevant staff levels)**
- Non-managerial positions?
 - Managerial positions?
 - Senior management?
 - None of the above
 - Not sure

SDG 8 on decent work refers to not only the quantity of jobs created, but also the quality.

The following question seek to understand the role of your IPA in collecting data on the quality of jobs created.

20. **Does your IPA collect data (through surveys or from other organizations) on ... (Please check all which are relevant)**
- Average hourly earnings?
 - Gender pay gaps?
 - The percentage of workers who are trade union members?
 - The percentage of employees covered by collective agreements?
 - None of the above; it is not within our mandate.
 - No. This information is too sensitive to ask investors to provide.

SDG 8 stresses the importance of inclusive economic growth.

A key aspect of inclusiveness is enterprise development. FDI can contribute to local enterprise development through sourcing inputs and services locally where possible. These questions examine the extent to which IPAs are collecting data on linkages with local enterprises, including SMEs and enterprises managed by people from economically disadvantaged groups.

21. Does your IPA collect data on business linkages between investors and local enterprises? ... (Please check all which are relevant.)

- Yes. We have a formal system to collect such data.
- Yes. We collect such data but only informally.
- No. We do not have a mandate to collect such data.
- No. Collecting such information is too sensitive.
- No. Other agencies or organizations collect such data.
- No. We do not have the resources to collect such data.
- Not sure

22. If your answer was YES to question 21: The data collected is disaggregated by... (Please check all which are relevant)

- Size of enterprise (SMEs, large).
- Ownership (foreign-owned vs. national).
- local women-owned or led enterprises.
- local enterprises whose owners have been historically discriminated against.

IPAs are the principle organizations engaging directly with investors. Consequently, they have an important role to play in supporting government efforts to promote responsible business practices in the host country, particularly concerning SDG 8. The questions in Sections IX and X seek to understand how IPAs currently support investors to align their operations with the government's approach to achieving SDG 8.

IPA aftercare services typically facilitate matchmaking.

However, local enterprises, particularly SMEs, often face challenges in doing business with foreign investors, who often have high standards concerning quality, timeliness of delivery, etc. IPAs can play an important role in shaping policies and services (governmental and other) to support local enterprises, especially SMEs, to compete effectively for contracts with foreign-owned enterprises. The following questions seek to understand current practices of IPAs to support enterprise development for more effective matchmaking.

23. Does your IPA increase matchmaking between investors and local enterprises by any of the following approaches? (Please check all which are relevant.)

- Yes, by facilitating access to government agencies and other organizations that help foreign investors to align their contributions with national and local economic development priorities (e.g., programmes for promoting youth employment).
- Yes, by promoting PPPs with foundations or other organizations for capacity building of local producers.
- Yes, by advising government agencies and other organizations how to improve their support to SMEs and other enterprises to increase matchmaking.
- No, it is not part of our mandate.
- No, we do not have the resources.
- Not sure

24. If your answer was YES to question 23: What is the focus of support to local enterprises? (Please check all which are relevant)

- The creation of an enabling business environment (streamlining registration, regulations, etc.)
- Capacity building programmes
- Linkages programmes
- Matchmaking platforms
- Partnering with or supporting other institutions on SME development programmes
- Providing incentives for MNEs to help build local capacity

25. If your IPA promotes SDG 8, which tools do you use? (Please check all which are relevant.)

- Information available on website
- Information sessions for prospective investors
- Personalized aftercare services
- Incentives for job creation (in general, or for targeted sectors and/or regions)
- Other

26. If your answer was OTHER to question 25: Please specify.

27. If your IPA promotes SDG 8, who does it engage or partner with? (Please check all which are relevant.)

- Ministry of Labour (for labour issues)
- Ministry of Industry (e.g., for promotion of linkages with local enterprises)
- Other government agencies
- Employers' and business membership organizations
- Workers' organizations
- NGOs focused on particular labour issues (e.g., child labour, gender equality)
- Universities and/or vocational institutions for R&D and skills development
- The United Nations (ILO, UNIDO, UNCTAD, ...)
- Other

28. If your answer was OTHER to question 27: Please specify.

These survey results will be collected into a short report. We kindly invite you to share any interesting practices in relation to achieving more and better jobs that might inspire other IPAs.

29. Please share a brief description and/or links to websites, policies, reports, etc. that you think might be of interest to others.

As mentioned, the intent of this survey is to identify ways in which ILO and WAIPA could further support IPAs to enhance the contribution of investment to inclusive economic growth and decent work. The following question seeks to identify which sorts of activities are of most interest to IPAs.

30. Which of the following types of support would your IPA find useful? (Please check all which are relevant)

- More training or guidance on best practices with respect to promoting decent work (more and better local jobs) to prospective and new investors
- Tools for increasing SDG8 contributions of project offerings
- Simple tools for collecting basic data on the impact of investment on the quantity and quality of jobs created
- Support for assessing the costs & benefits of incentives aimed at attracting FDI for more and better jobs A peer-to-peer learning platform for sharing good practices
- A set of key performance indicators (KPIs) that link investment attraction/facilitation to SDG8
- Other suggestions

31. If your answer was OTHER SUGGESTIONS to question 30: Please list any other suggestions.

Thank you for taking the time to fill out this survey that will help us to identify the current activities of IPAs to integrate SDG 8 into their work; and to identify the types of support that would be most useful to them. The last two questions provide an opportunity for you to add any further comments.

32. Any other comment or suggestion?

33. Would your IPA be willing to participate in a small group follow-up discussion to dig a bit deeper into some of the issues raised by the survey respondents?

- Yes
- No

34. If your answer was YES to question 31, please specify the name of your IPA and the appropriate contact person.



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