

CASE STUDIES: INVESTMENT LAWS & PROMOTION

Collaboration Increases Impact

FIAS collaborates with MIGA to help countries develop and implement strategies to compete for international investment

Investment promotion is fundamentally about marketing a country as a location for investment. FIAS provides assistance in improving the product offered by countries by providing business enabling environment and investment policy advice and assistance in designing institutional frameworks for investment promotion. The technical assistance arm of the Multilateral Investment Guarantee Agency (MIGA) assists investment promotion agencies in developing and implementing investment promotion strategies.

FIAS and MIGA often collaborate to provide a seamless package of investment promotion policy advice and investment promotion strategy design and implementation assistance. Beginning in 1994, there have been regular meetings between FIAS and MIGA management and staff, leading to cooperation on a project by project basis. In 2005, a Memorandum of Understanding was developed to formalize the mode of collaboration between FIAS and MIGA. The following examples show how FIAS and MIGA collaborated in FY06:

- **Cambodia:** In anticipation of the enactment of the Law on Investment and the associated implementing sub-decrees, FIAS collaborated with MIGA in assisting the Cambodian Investment Board (CIB) to prepare a strategic investment promotion plan. We facilitated a strategic planning workshop to assist CIB staff in the development of options for engaging in investment promotion and a framework for decision making. FIAS will assist the CIB to implement its strategic plan of investor servicing in FY07.
- **China:** FIAS and MIGA have been collaborating to assist the Ministry of Commerce in developing a national investment promotion strategy. In FY05, they co-organized several regional workshops to discuss sub-national investment promotion and to strengthen investment climate in China's economically disadvantaged western and central provinces. A planned Memorandum of Understanding between the Government of China, FIAS, and MIGA will confirm a multi-year collaboration to strengthen the operation of provincial IPAs. In this next phase of partnership, the project will capitalize on MIGA's experience in building the organizational capacity of local IPAs to implement strategies for attracting foreign and domestic investment.



- **Philippines:** FIAS assisted the Philippines Board of Investment (BOI) in developing a retention, expansion and diversification (RED) program. The program focused on the 'aftercare' of foreign investors to maintain the satisfaction of current investors and where possible to persuade investors to strengthen and expand their activity. In addition, FIAS identified the need for an enhanced advocacy role for the BOI and more effective coordination between government agencies responsible for servicing investors. MIGA is assisting the BOI in implementing the RED program and FIAS recommendations.

- **Africa:** In Africa FIAS and MIGA have developed a joint strategy and review their work programs on a weekly basis, together with that of PEP-Africa, to ensure that they capture maximum opportunities for synergy. Numerous joint programs are or have been in implementation in Ethiopia, South Africa, Namibia, Sierra Leone, Liberia and Madagascar, among others, and similar integrated programs are being developed in another six countries at present. As new requests are received, both agencies discuss them to prepare a response offering the most appropriate package from both agencies to meet the client's needs.

ABOVE: Derick Aihari, head of the Solomon Islands Investment Division, hands an investment certificate to Australian investor Wendal Salmon and local partner Peter Likai.

Photograph courtesy of **Solomon Star**