



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



World Association of
Investment Promotion
Agencies



TİKA

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INNOVATIVE APPROACHES TO INVESTMENT PROMOTION

**Training Programme for Investment
Promotion Agencies (IPAs)**

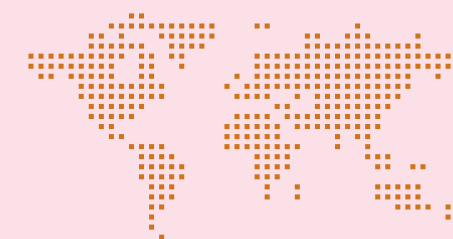
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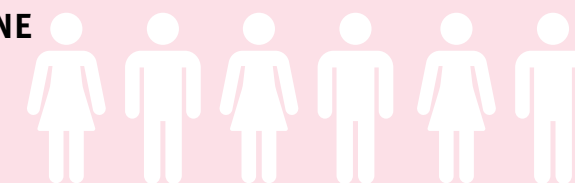
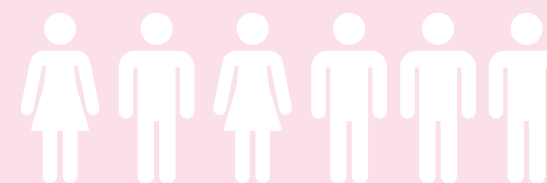
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EXECUTIVES FROM 17 COUNTRIES AND 1 REGIONAL AGENCY



COMESA SECRETARIAT
AZERBAIJAN
BOTSWANA
COMOROS
DEMOCRATIC REPUBLIC OF THE CONGO
GEORGIA
GHANA
GUINEA
KAZAKHSTAN
KENYA
MALI
MOZAMBIQUE
NIGER
NIGERIA
SIERRA LEONE
SUDAN
TURKEY
UGANDA



96%
of participants found
the training "useful"
or "very useful"



100% of
participants praised
the professional
organization of the training



31 participants



96% of
participants were satis-
fied or highly satisfied
with the Programme



96% of
participants would
recommend the training
to a colleague



Background

Concept & Training Design

Training Agenda

Opening Remarks and Panel Discussion

Technical Lectures

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 11

▶ 1

▶ 2

▶ 3

▶ 4

▶ 5

Visit

Impressions

Participants

PAGE 18

PAGE 20

PAGE 21

▶ 6

▶ 8

▶ 9

BACKGROUND

Responsible investment and sustainable technology contribute substantially to economic prosperity. A rapidly changing global investment landscape and revolutionary technical advancements, including the re-definition of industrial activity through automation and data exchange in manufacturing technologies, bring many opportunities as well as challenges to developing countries in their quest for industrial development.

The monitoring of investment activities along broadened dimensions of financial, social and environmental impacts is important so as to ascertain and augment the economic contribution of domestic and foreign direct investments in the host economy. Impact Investing is defined as investments made into companies, organizations and funds with the intention to generate social and environmental impact alongside a financial return. Impact investing and its potential to drive new resources and new thinking to investment promotion stakeholders driving social change in respective countries can play a crucial role in realizing the Sustainable Development Goals (SDGs).

UNIDO services provide tangible technical support to developing countries in mobilizing and maximizing the impact of investment flows in respective economies through targeted institutional cooperation and capacity building of public and private partners, in particular, Investment Promotion Agencies (IPAs).

The training programme enabled IPA representatives to gain new insights in new trends of international investments in particular with a better understanding about the advent of Impact Investing as a burgeoning growth area with potentially far-reaching impact on developing countries.

The Executive Training Programme was organized within the framework of the Memoranda of Understanding between UNIDO and the World Association of Investment Promotion Agencies (WAIPA) and the Turkish International Cooperation and Coordination Agency (TIKA) both signed in 2016. The programme was also organized in close cooperation with the Investment Support and Promotion Agency of Turkey (ISPAT) and the Istanbul Development Agency (ISTKA).



CONCEPT & TRAINING DESIGN

The objectives of the combined training and study tour were to:

- » Sensitize Investment Promotion Agencies (IPAs) on the relevance of Impact Investing in working towards attaining the SDGs;
- » Expand global outreach on UNIDO technical assistance activities and foster linkages with developing countries;
- » Highlight UNIDO impact maximizing capacity building measures and tools;
- » Expose IPAs to best practices in investment promotion as showcased by ISPAT and ISTKA;
- » Provide networking opportunities, sensitization and information exchange.

This specific programme targeted high-level representatives of the national Investment Promotion Agencies or peer investment promotion stakeholders coming from Africa, Central Asia and the Caucasus regions.

The 3-day training offered a dynamic mix of lecture and workshop sessions (Day 1 & 2); study visits to the Investment Support and Promotion Agency of Turkey (ISPAT) and to the Istanbul Technical University Technopark (ITU ARI Teknokent) (Day 3).

The training took a participatory approach ensuring exchange of information and sharing of experience of speakers, lecturers and participants. Speakers included executives and specialists from UNIDO, WAIPA, TIKA, ISPAT, the Ministry of Economy of Turkey, ISTKA as well as from selected national IPAs and regional organizations. Trainers from the company Investisseurs & Partenaires (I&P) specialized in Impact Investing presented latest research, toolkits and case studies on the theme.



TRAINING AGENDA

| | Day 1 | Day 2 | Day 3 |
|-------------|--|---|--|
| 09:00-10:00 | Opening Ceremony | <i>Lecture</i> Introduction to Impact Investment | <i>Lecture</i> Exchange of best practices in investment promotion - ISPAT |
| 10:00-11:00 | <i>Panel Discussion</i> Towards a New Era in Foreign Investment and International Cooperation | <i>Lecture</i> What is Impact investment? | <i>Lecture</i> Exchange of best practices in investment promotion- ISTKA |
| 11:00-11:30 | Coffee Break | Coffee Break | Coffee Break |
| 11:30-12:30 | <i>Lecture</i> The UNIDO approach in investment promotion | <i>Working Session</i> The potential role of IPAs in Impact Investment | Questions & Answers |
| 12:30-13:00 | Questions & Answers | | Networking Lunch |
| 13:00-14:30 | Networking Lunch | Networking Lunch | |
| 14:30-15:15 | <i>Lecture</i> Examples of UNIDO work (Part 1): Investment Learning Centre (ILC) & COMFAR and ITPOs | <i>Working Session</i> | Visit to ITU ARI Teknokent Incubation Center |
| 15:15-16:00 | <i>Lecture</i> Examples of UNIDO work (Part 2): Programme of investment promotion and SPX | Working Group Presentations | Presentation of ITU ARI Teknokent |
| 16:00-16:20 | Questions & Answers | | Presentation of Companies |
| 16:20-16:40 | <i>Lecture</i> Practical examples on promoting regional integration through investments | Summary & Wrap Up | |
| 16:40-17:00 | <i>Lecture</i> Practical examples for national partnership building for investment promotion | Handing over of certificates | Questions & Answers |
| 17:00-17:15 | Day 1 wrap-up | Closing remarks | |



OPENING REMARKS



The programme was officially opened by the Representative of UNIDO in Turkey and Director of the Centre for Regional Cooperation, Mr. Suleyman Yilmaz. Mr. Yilmaz welcomed all speakers and participant representatives from the various Investment Promotion Agencies (IPAs) to the 3-day event. Mr. Yilmaz emphasized the long standing collaboration between UNIDO and the host country of this international training programme, Turkey, and gave examples of ongoing technical assistance projects and activities. He expressed the willingness of UNIDO to strengthen its bilateral relationship with Turkey in new areas of cooperation including further international capacity building and training programmes.

Mr. Alican Kahya, expert in the Ministry of Economy of Turkey, General Directorate of Incentive Implementation and Foreign Investment, shared important information with regard to the FDI regime and the investment climate in the country. He highlighted that the topic of this training was very useful and timely given the fact that investment promotion and private sector development policies occupy a prominent place in the 2030 Sustainable Development Goals (SDGs).

Mr. Mehmet Yilmaz, Head of Department, Department of External Relations and Partnerships at the Turkish Cooperation and Coordination Agency (TIKA), highlighted that TIKA implements projects and programmes related to various sectors in more than 120 countries through its overseas offices. These projects are funded by Turkey's increasing official development assistance (ODA). He conveyed TIKA's institutional priorities which are to build stronger relationships with the private sector, supporting the creation of a favorable environment for the different economic partners and strengthening public-private partnerships (PPPs).

The Executive Director of the World Association of Investment Promotion Agencies (WAIPA), Mr. Bostjan Skalar presented WAIPA, being a non-governmental organization that brings together 173 members from 130 different countries and helps spread investment promotion best practices among IPAs, also through the organization of tailored training and capacity building activities. He emphasized the important collaboration being undertaken with UNIDO and highlighted the important role of investment, especially foreign direct investment (FDI) in the attainment of the SDGs.

The Director of Trade, Investment and Innovation Department of the UNIDO Mr. Bernardo Calzadilla-Sarmiento thanked WAIPA, ISPAT and TIKA for making this training possible. He highlighted the important work being undertaken by UNIDO in the area of investment promotion and the important objective to sensitize IPAs on the increasing importance of impact investing as a hitherto underestimated vehicle in achieving the SDGs.

PANEL DISCUSSION “TOWARDS A NEW ERA IN FOREIGN INVESTMENT AND INTERNATIONAL COOPERATION”

Mehmet Yilmaz (Head of Department, Department of External Relations and Partnerships, TIKA)

Bostjan Skalar (Executive Director, WAIPA)

Bernardo Calzadilla-Sarmiento (Director, Department for Trade, Investment and Innovation, UNIDO)

The overall objective of this panel discussion was to give participants an overview of the three organizations' contribution to SDGs, respective programmes and actions and how these organizations serve to facilitate the promotion of investment opportunities into developing countries. During the panel discussion it was repeatedly

noted that UNIDO is a key player with a critical role in spearheading the global response towards achieving the vision of inclusive and sustainable development, and providing leadership on how to achieve this vision at the country level.

All the parties agreed that there are innumerable opportunities for IPAs and the private sector in general to contribute to implementation of the SDGs through the combination of the realizing investment opportunities with commitments to finding solutions to common development challenges.



THE UNIDO APPROACH IN INVESTMENT PROMOTION

Stefan Kratzsch (Industrial Development Officer, UNIDO)

Brian Portelli (Senior Technical Advisor, UNIDO)

The overall objective of these sessions was to give participants an overview of the UNIDO's flagship programmes and tools in mobilizing responsible investment. The rapidly-changing global investment landscape and revolutionary technical advancements bring many opportunities and, at the same time, present new challenges. UNIDO's interventions in this area are based on monitoring (analysis and assessment of challenges and opportunities created by investment flows), learning (information sharing and knowledge dissemination for project identification, formulation and promotion) and networking (linkages to potential partners throughout the business partnership process).

Details of following programmes and tools were presented alongside the concept of responsible investment.

- » Foreign Direct Investment (FDI) monitoring tools and methodologies, including investor surveys, impact analysis for lead generation, informed investment promotion strategies;
- » The worldwide network of Subcontracting and Partnership Exchange Centres (SPXs);
- » The global network of Investment and Technology Promotion Offices (ITPOs);
- » The UNIDO Investment Learning Centre (ILC), including modules on project identification and validation as well as on the financial appraisal of feasibility studies through the Computer Model for Feasibility Analysis and Reporting (COMFAR) software.

The presentations triggered a lively debate on the day-to-day challenges of Investment Promotion Agencies to keep full track of the untapped potential of FDI in their respective countries through reinvested earnings or multiplier effects on domestic investments through joint venture formation or linkages with local suppliers.



PRACTICAL EXAMPLES FROM THE PRACTITIONERS' PERSPECTIVE

Thierry Mutombo Kalonji
(Director, Investment Promotion & Private Sector Development Division, COMESA Secretariat)

Laurenco Sambo (Director General, APIEX Mozambique)

Mr. Kalonji emphasized that partnerships are very important for developing countries because they foster development across the value chains in all aspects of the economic development process. He introduced the role of the Regional Investment Agency (RIA) which works closely with member states' IPAs to promote the COMESA

region as a Common Investment Area, and in building a positive image of the region and its member states for a worldwide audience.

Mr. Sambo of the Agency for Promotion of Investment & Export (APIEX) of Mozambique presented the perspective of a national IPA and reinforced the point made by COMESA that effective investment promotion requires inter-institutional partnerships at national as well as at regional level. Mr. Sambo shared some experiences about the long standing technical cooperation for investment promotion between APIEX and UNIDO.



INTRODUCTION TO IMPACT INVESTMENT AND WORKING SESSION

Cécile Carlier (Director, I&P Conseil)
Elodie Nocquet (ESG and Impact Director, I&P)

The training programme of the second day was delivered by Ms. Carlier and Ms. Nocquet from "Investisseurs et Partenaires (I&P)". I&P is an impact investing group entirely dedicated to the African continent. I&P brings together three funds representing 75 million euros and has accompanied some 60 small and medium-sized companies in 15 African countries.

The day included a lecture session in the morning and practical working session in the afternoon. In the lecture session, participants were introduced to the key aspects of Impact Investment. In 2016, the impact investing market consisted of USD 114 billion worth of assets, of which 44% refers to investment in developing countries. Latest figures for 2016 show that approximately 8,000 impact investments have been undertaken amounting to a total volume of USD 22.1 billion.

The introductory session underscored the growing importance of impact investment in the global investment market. A general introduction was also delivered to participants, presenting how impact investment funds operate, providing details of the various intervention modalities and the prevailing network structures at the local market and international level. Different examples of impact funds were presented to the participants, in different areas of intervention (agriculture, access to energy, social development, low income services, inclusive finance, etc.).

In the afternoon workshop session, participants were divided into three working groups tasked with the hypothetical development of an impact investing promotion strategy in various sectors such as in agro industry, renewable energy and infrastructure for subsequent presentation to the rest of the participants.



There was a general consensus among the workshop participants that international investment promotion is gradually shifting away from the mere financial side of international investments towards a more encompassing concept of impact which combines economic, social and environmental dimensions. IPA representatives also recognized that many challenges remain so as to properly identify and gauge impact investment projects, and called for further technical assistance to support developing countries and relative institutions for reaping the benefits of the various dimensions of impact investments of impact investments.

There was consensus that adverse business climate conditions, extensive social and environmental challenges, inadequate budgets dedicated to the promotion and limited investment monitoring mechanisms, exacerbate developing countries' efforts in attracting FDI and impact investments. It was highlighted that more technical assistance in the form of earmarked investment promotion capacity building is necessary to assist IPAs in their quest to find solutions and utilize Innovative approaches to attain SDGs.



CLOSING REMARKS

The workshop served to highlight that UNIDO services can continue to provide tangible technical support to developing countries in mobilizing and maximizing the impact of investment flows in respective economies

through targeted institutional cooperation and capacity building of public and private partners, in particular, Investment Promotion Agencies (IPAs).



EXCHANGE OF BEST PRACTICES FOR INVESTMENT PROMOTION - THE INVESTMENT SUPPORT AND PROMOTION AGENCY OF TURKEY (ISPAT)

Furkan Karakaya (Head of Department, Department of Investment Promotion Services, ISPAT)

A. Cuneyt Selcuk (Coordinator, ISPAT)

The Investment Support and Promotion Agency of Turkey (ISPAT) hosted the participants at their Istanbul office and contributed to the programme by sharing experiences and best practices in promoting Turkey's unique value proposition to existing or new foreign investors. ISPAT gave an account about the impressive growth in terms of FDI inflows over the past 15 years. Despite being a relatively young agency, established in 2006, its success reflects a high-level government commitment to attract and retain FDI in boosting Turkey's economic transformation. The presentation by ISPAT also underpinned the relevance to forge partnerships at inter-institutional level to enhance overall coordination and effectiveness of investment promotion services. The various IPAs benefited from the opportunity to learn more about their peer institution in Turkey through an interactive and lively Q&A session.



EXCHANGE OF BEST PRACTICES FOR INVESTMENT PROMOTION - ISTKA & INVEST IN ISTANBUL

M. Onur Partal (Project Director, ISTKA & Invest in Istanbul)

The Istanbul Development Agency (ISTKA) also shared its experiences with the training participants. ISTKA is a governmental non-profit organization whose main objective involves accelerating regional development, ensuring sustainability and reducing regional development disparities in accordance with the principles and policies set out in the National Development Plan. The presentation focused on ISTKA's "Invest in Istanbul"

Programme which was launched in 2017 in order to coordinate and bundle investment support services for the principal economic hub of Turkey – Istanbul. The participants took great interest in learning about the effective handholding services that "Invest in Istanbul" is providing for investors assisting them to swiftly navigate through the bureaucratic steps necessary for starting up their businesses in Istanbul.



TECHNOPARK VISIT

As part of the practical part of the Executive Training Programme, the participants visited the Early-Stage Incubation Centre, CEKIRDEK at the Istanbul Technical University (ITU) Technopark.

ITU CEKIRDEK was established by the ITU ARI Teknokent in 2012. It has funded more than 1,000 start-ups and to date it has helped support 3,450 entrepreneurs. ITU CEKIRDEK supports projects, mainly in the financial and health technology sectors to develop enhanced reality applications and hardware projects. Recently, it has been selected as the 2nd and 3rd best entrepreneurship incubator centre in Europe and globally, respectively.

Through the visit to ITU CEKIRDEK, the workshop participants gained insight in the International Start-

up Acceleration Program (INNOGATE), established by the ITU ARI Teknokent and supported by the Ministry of Development of Turkey and Istanbul Development Agency (ISTKA). INNOGATE offers a 360-degree program including access to international networks, market penetration, business modeling and strategy development opportunities together with benefits of training, mentorship, counseling, and access to business angels and institutions.

Two Turkish start-up companies *Compocket* (electronics sector) and *Scoutium* (sport sector) shared their success stories achieved through the ITU CEKIRDEK platform and its Entrepreneurship Competition, *Big Bang Start-up Challenge*. Cisco, one of the world-renowned IT companies delivered a presentation about the forthcoming Cisco Innovation Center in Istanbul. Located in ITU ARI Teknokent, the Cisco Innovation Center in Istanbul will be part of a network of Cisco Innovation Centers worldwide and aims to accelerate the pace of digital innovation in Turkey.



IMPRESSIONS

Impressions presented are based on information gathered from the training programme evaluation completed by 27 out of 31 participants.

Overall feedback was very positive

Feedback on all major aspects of the programme design and delivery was very positive.

“The two days programme was very well prepared and practical, cases very well presented.”

“The training has initiated new ideas and pathways that can help the work of IPAs in linkages.”

“The programme should be organized more frequently.”

“For the first time I participated in a training workshop that will change my point of view on investment. This training will help me to deepen my awareness on the role of investment in the development of my region.”

Technical lectures highly appreciated

96% of the participants rated the lectures to be either “useful” or “very useful”.

“Presentation material was highly informative and insightful, presenters delivered very valid information, special thanks to them.”

“Very good, fully appreciated the group discussions on impact funds and investors.”

Further trainings should follow

UNIDO received important feedback on the interest of IPAs in participating in follow-up training on specific impact investing themes to be developed as part of a larger UNIDO Impact Investing strategy. Some participants also requested for complementary e-learning and reading material to deepen their knowledge.

“I hope that this kind of trainings will continue and I will be able to attend to the future courses.”



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