

Rethinking Incentives for Sustainable Investment



International Institute for
Sustainable Development



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Are tax incentives effective at attracting sustainable investment in your country?

Is your country rethinking the use of tax incentives or tax rules for special economic zones?

Will the global minimum tax impact the design and use of corporate tax incentives in your country?

Is your country reviewing its investment law or investment treaty network or their role in attracting sustainable investment?

Are you concerned about the legal implications of reforming the tax incentive regime in your country?

Will tax incentives play a role related to the energy transition in your country?

Tax incentives and investment treaties have, for many years, been considered essential investment promotion tools. However, policymakers are increasingly questioning their effectiveness and considering alternative approaches.

IISD provides governments in developing and emerging economies with in-depth, multi-disciplinary support to evaluate and reform tax incentives and investment treaties for investment promotion. Our goal is to equip policy-makers with the information and legal and fiscal tools to attract high-quality investments that deliver inclusive and equitable growth, strengthen domestic revenues, and contribute to a just energy transition.

How do we help governments?

We help countries undertake review and reform tax incentives and investment frameworks. We do this through long-term bilateral technical assistance programs, working with government institutions at national and regional levels involved in the design, implementation, and monitoring of incentives, as well as managing disputes related to incentives.

Our advice is grounded in IISD's experience of what drives investment in key sectors such as mining, agriculture, fisheries, infrastructure, and energy – and what role incentives should play, if any. We combine this sector-specific approach with guidance on how developing countries can understand, adapt to, and influence the changing global tax rules and investment legal and policy frameworks.

What do we offer?

We tailor our technical assistance to each country's unique circumstances, needs, and priorities. We offer our services free of charge for developing countries. Our support typically includes:



Economic modelling to understand investment decisions and impacts in key sectors.



Legal analysis of incentives in tax and investment laws, sectoral laws, and investment contracts.



Advice on reform of investment laws and policies to support the changes to incentives.



Stakeholder mapping of the institutions with incentive granting authority and advice on setting up coordination mechanisms



Advice on the design and use of incentives, including benchmarking against other countries



Hands-on assistance to monitor and strengthen the implementation of incentives



Identification and evaluation of potential disputes and development of prevention measures.



How to request support?

To inquire about receiving technical assistance on incentives for sustainable investment, please contact:

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About the International Institute for Sustainable Development (IISD)

IISD is an award-winning independent think tank working to accelerate solutions for a stable climate, sustainable resource management, and fair economies. Our work inspires better decisions and sparks meaningful action to help people and the planet thrive. We shine a light on what can be achieved when governments, businesses, non-profits, and communities come together. IISD's staff of more than 200 experts come from across the globe and from many disciplines. With offices in Winnipeg, Geneva, Ottawa, and Toronto, our work affects lives in nearly 100 countries.