

ROUNDTABLE

# Investment Facilitation for Development

Advancing least developed countries  
and small-island developing  
states priorities

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Friday, February 27, 2026

9:00 a.m. to 2:00 p.m. Geneva



IISD Roundtable

# Investment facilitation for development: Advancing LDCs and SIDS priorities

27 February 2025

**Dr. Amelia U. Santos-Paulino**  
Chief, Investment Research  
Division on Investment and Enterprise  
UN Trade and Development

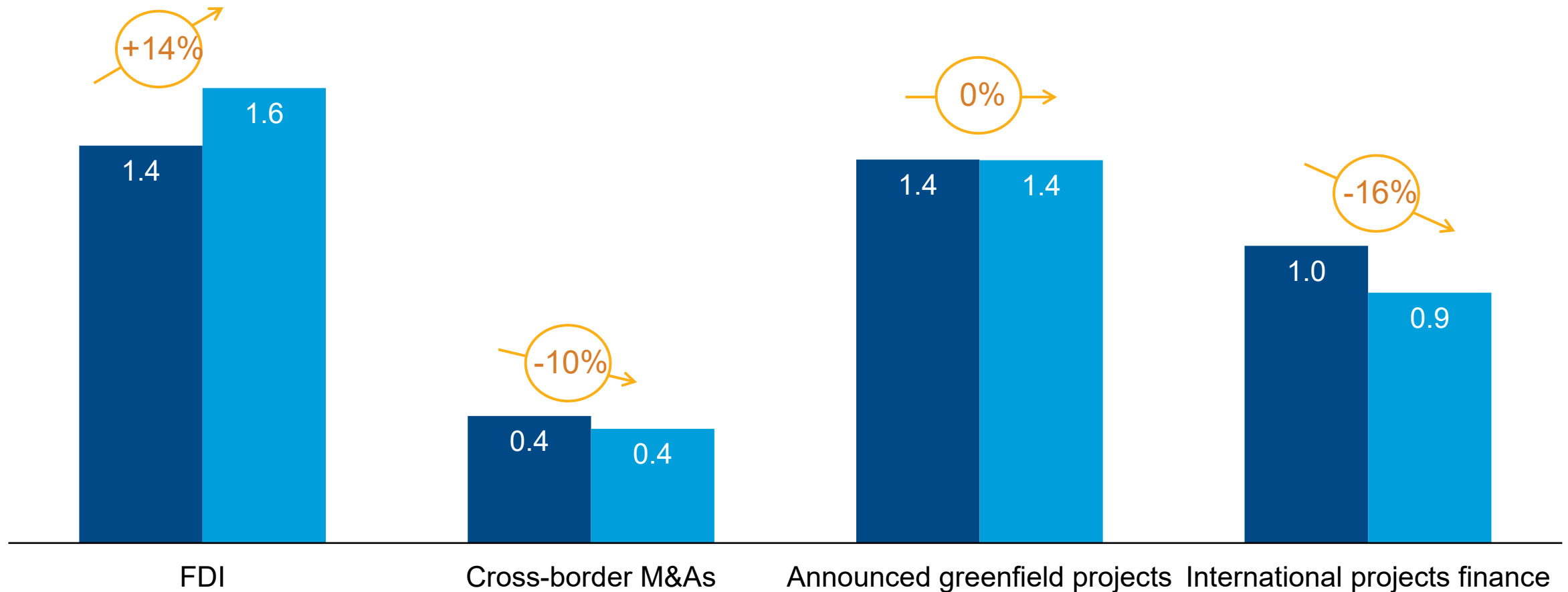
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1. International investment trends
2. Trends in LDCs and SIDS
3. Role of investment facilitation

# Global FDI up 14% in 2025; mostly in developed economies

Global investment trends, 2025 vs 2024  
(Trillions of dollars)

■ 2024 ■ 2025

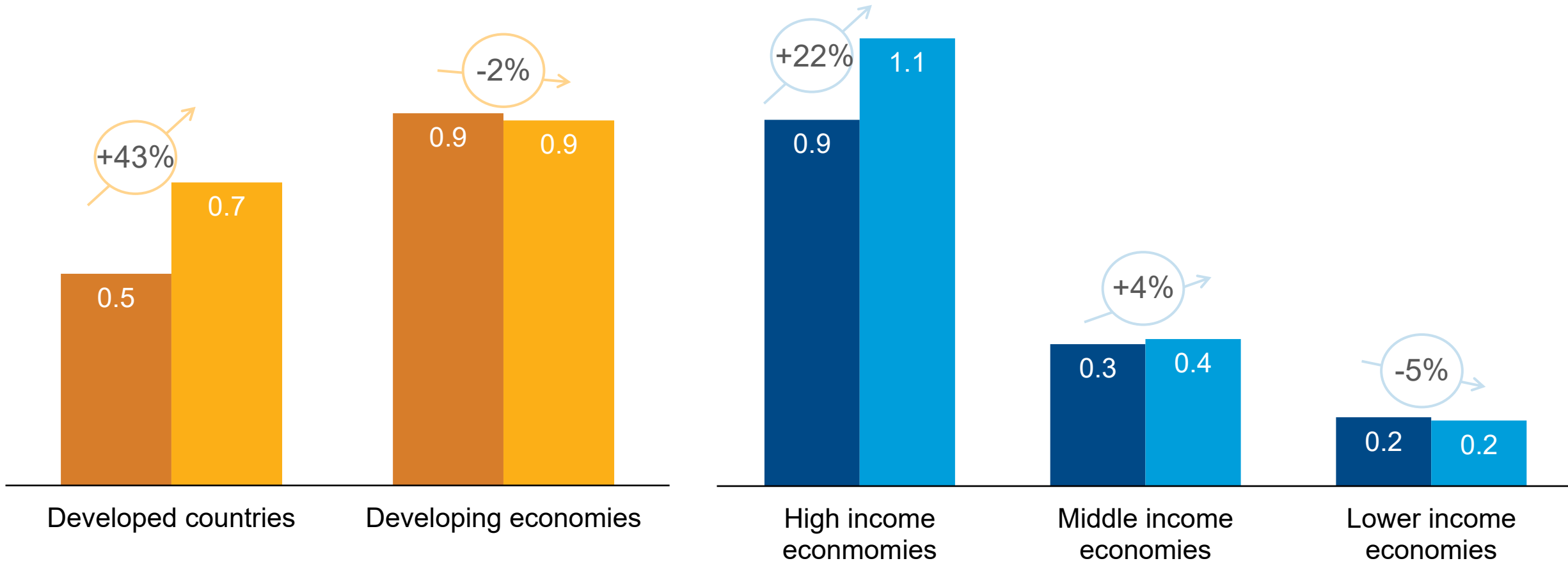


# ➤ FDI flows to developed economies increased by 43% and declined sharply by 5% in low-income economies

FDI trends, by regional groups, 2025 vs 2024  
(Trillions of dollars)

■ 2024 ■ 2025

■ 2024 ■ 2025



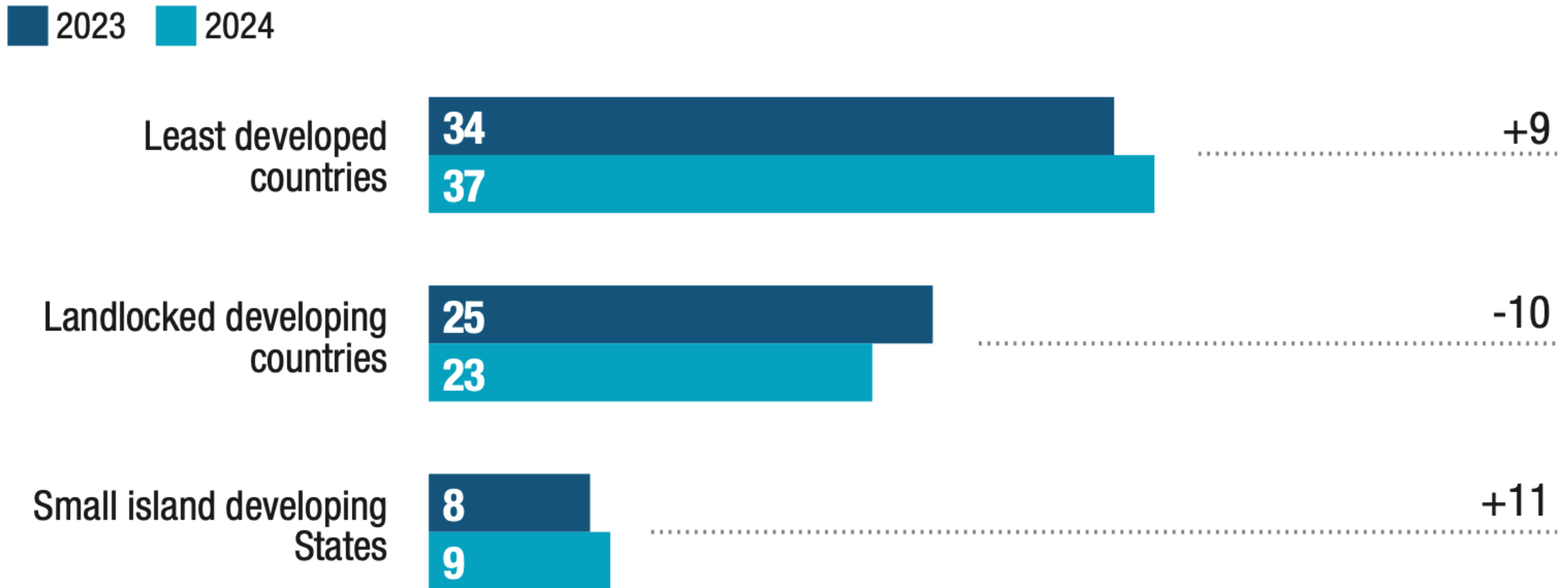
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# Inflows increased in structurally weak, vulnerable and small economies

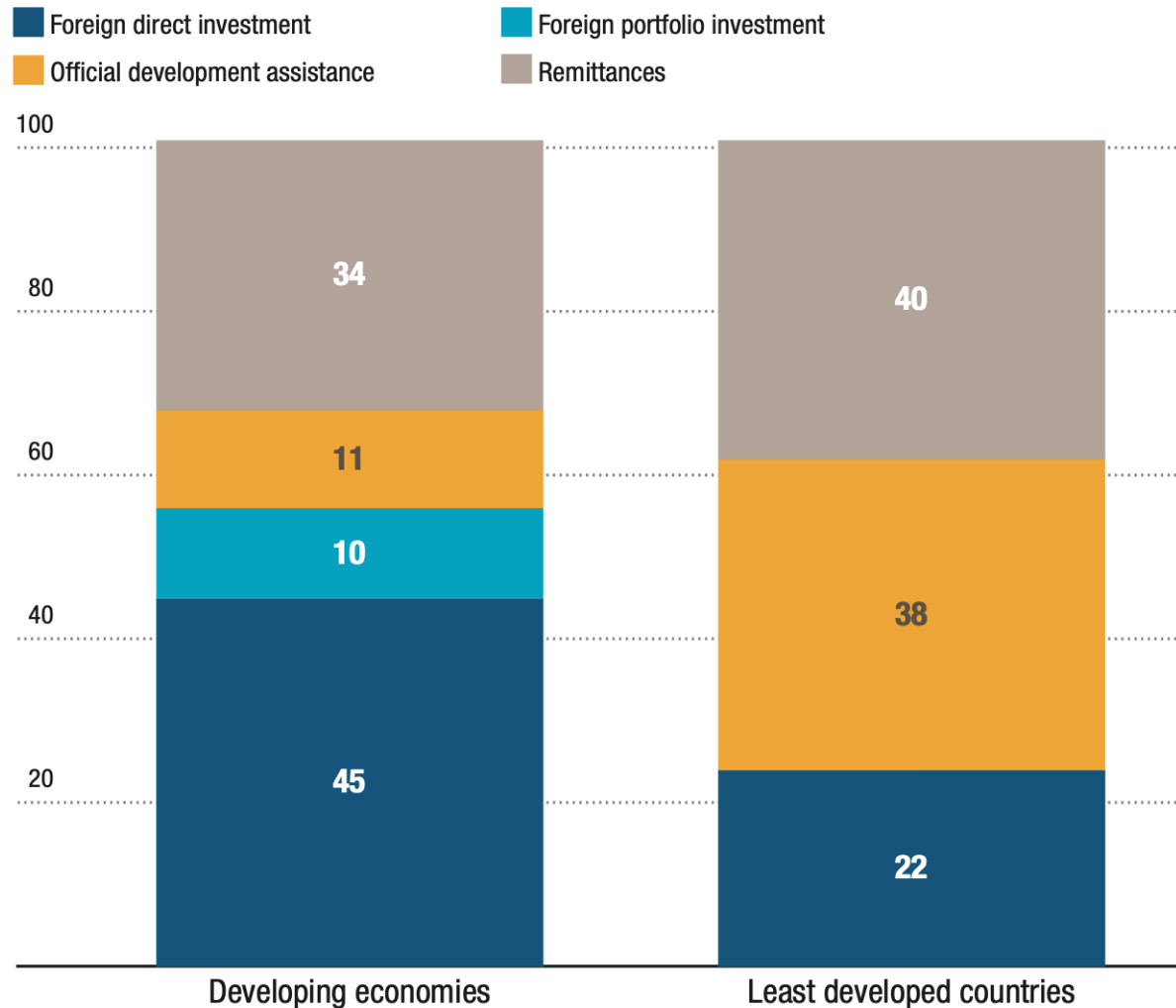
Inflows to least developed countries, landlocked developing countries and small island developing States  
(Billions of dollars and percentage change)





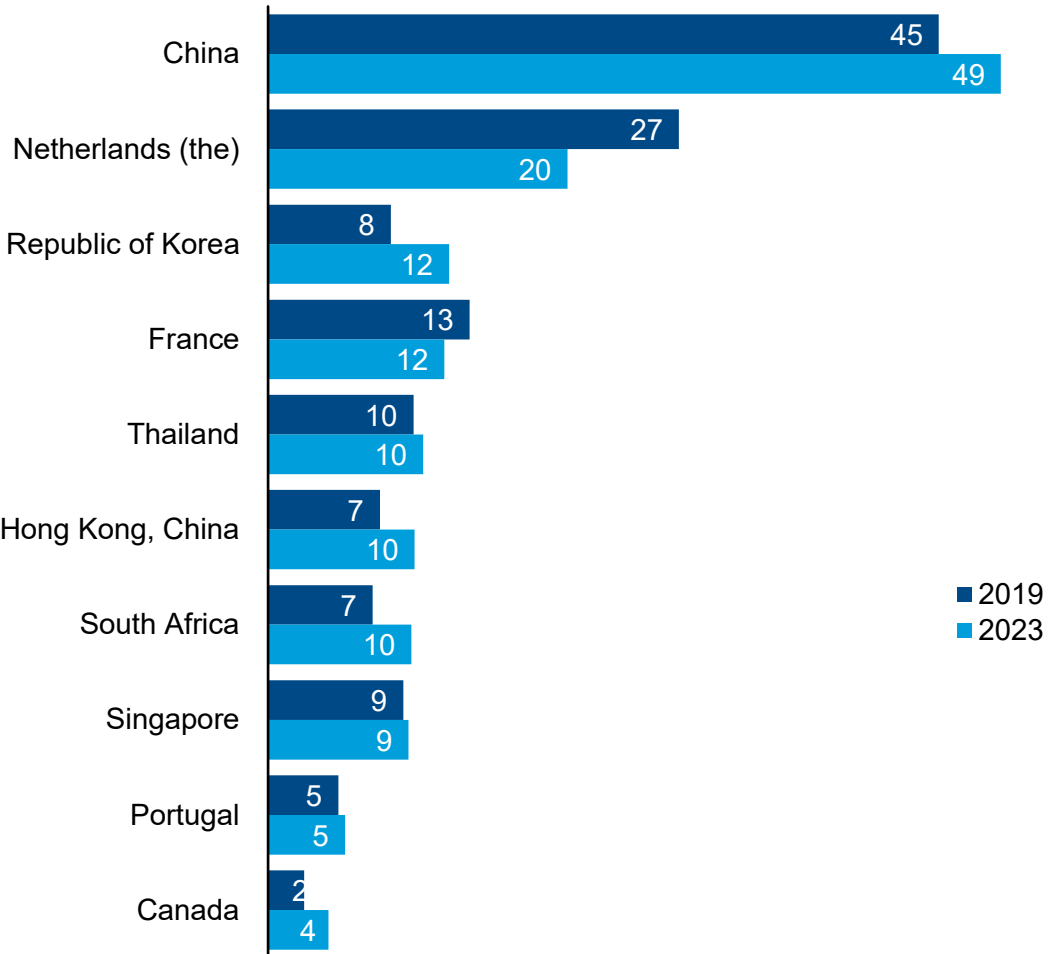
# FDI remains a critical part of external financing resources for developing economies

Share of external financial flows by category, 2024  
(Percentage)

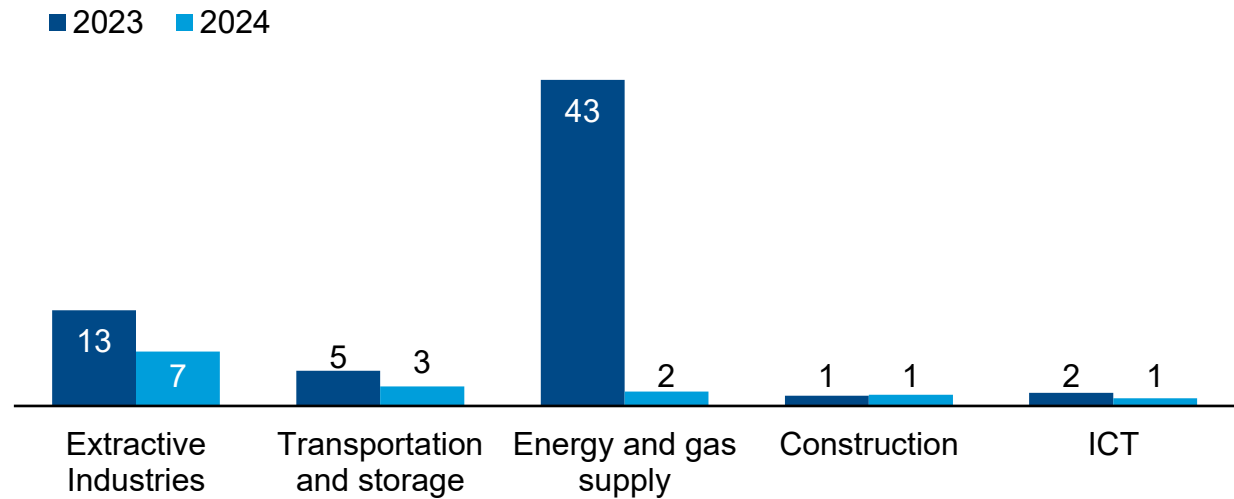


# FDI flows in least developed countries, 2024

LDCs: top 10 investor economies by FDI stock (Billions of dollars), BOP



Announced greenfield projects by industry: Top five in 2024 (Billions of dollars)

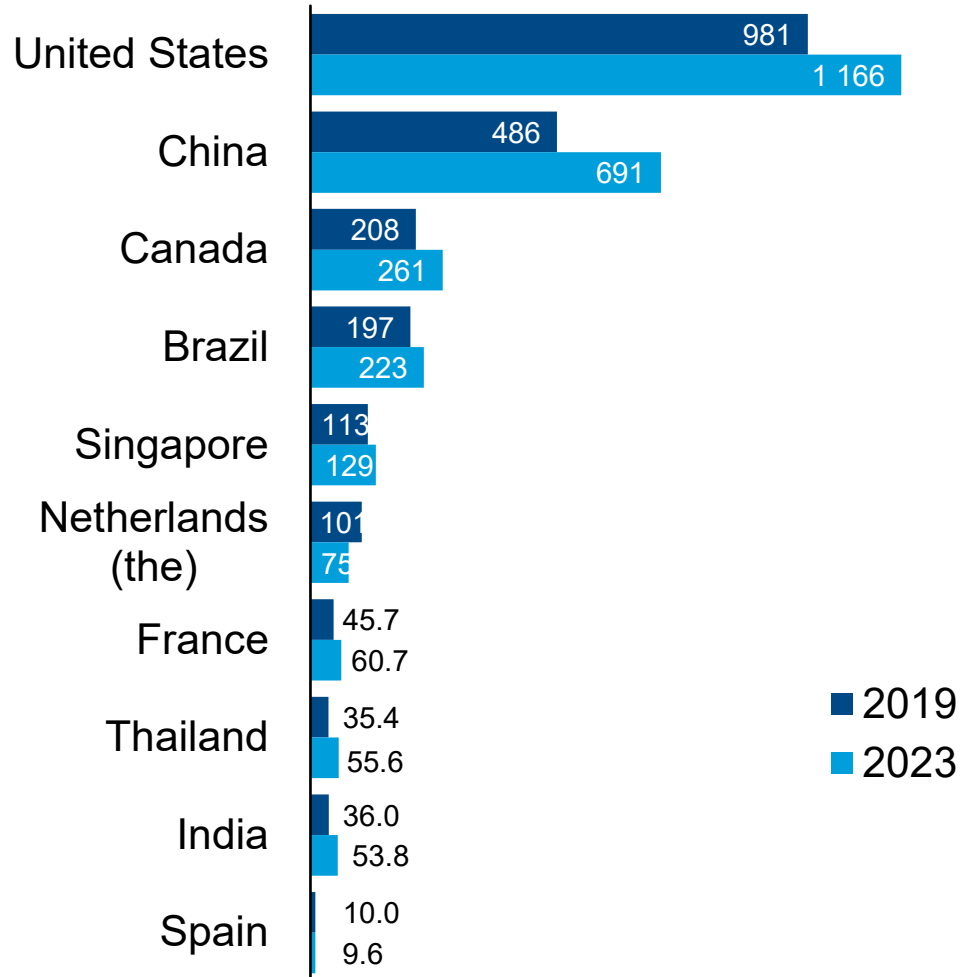


Announced greenfield projects **\$ 21 billion** 2024 -19%

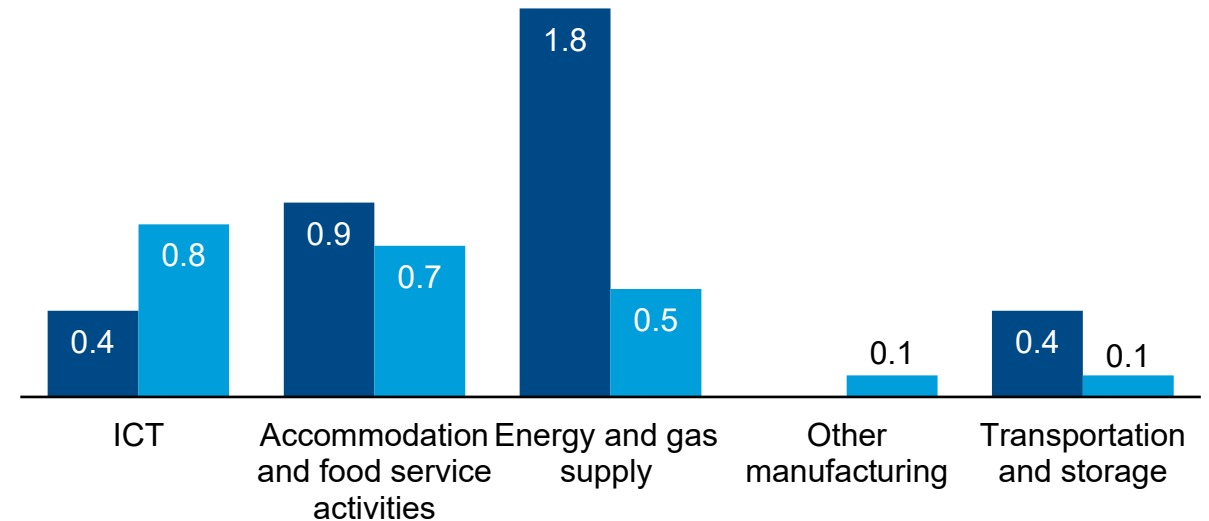
International project finance **\$ 8.3 billion** 2024 -22%

# FDI flows in small island developing States, 2024

SIDS: top 10 investor economies by FDI stock (Billions of dollars)



Announced greenfield projects by industry: Top five in 2024 (Billions of dollars)








Announced greenfield projects **\$ 3 billion** 2024 -31%

International project finance **\$ 5.3 billion** 2024 +14%

# Investment in sectors relevant to the SDGs

Growth rate, 2015-2024  
(Percentage)

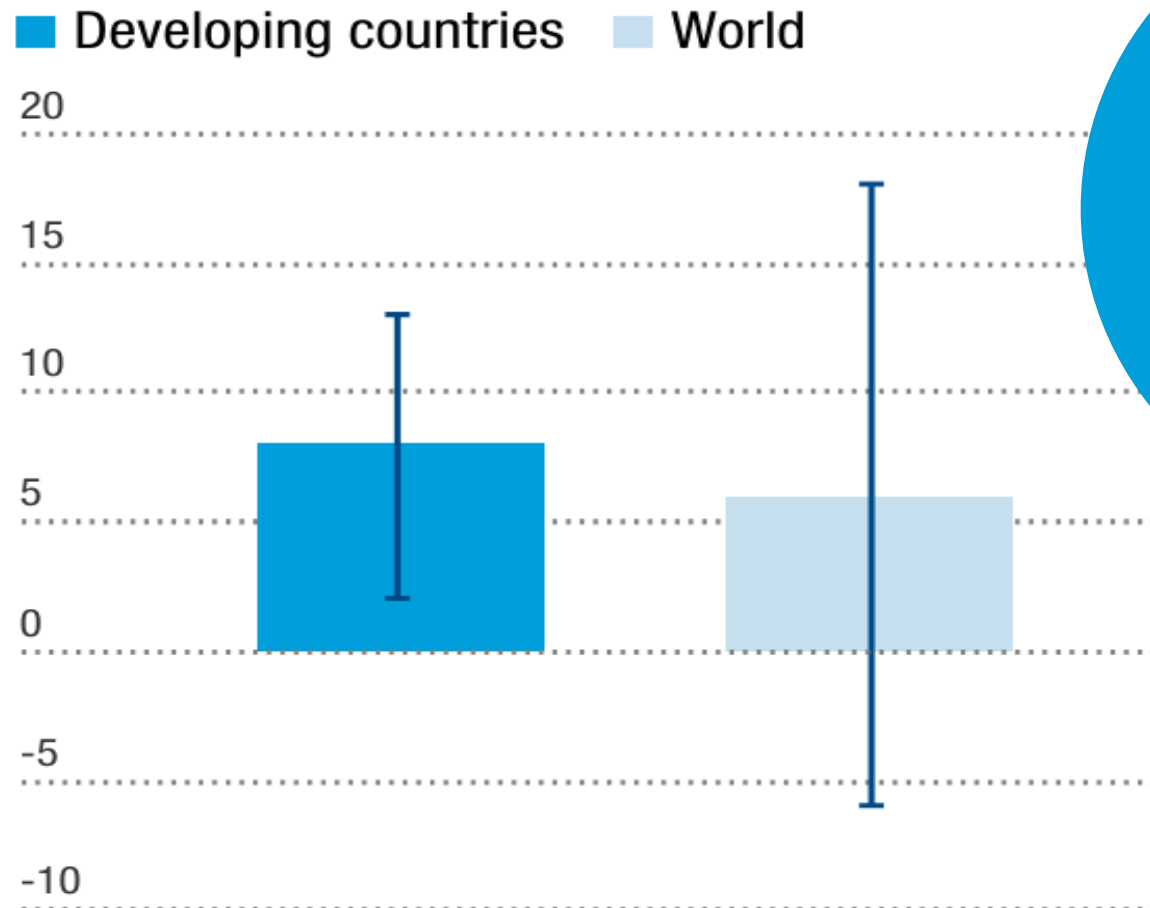
	Developing economies	LDCs	SIDS
 Infrastructure	-6%	-	-
 Renewable Energy	+143%	+51%	+67%
 Water, Sanitation, and Hygiene (WASH)	+13%	--	--
 Agrifood Systems	+5%	-	--
 Health and Education	+38%	-	--

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# ➤ Higher-quality digital investment facilitation is associated with more investment

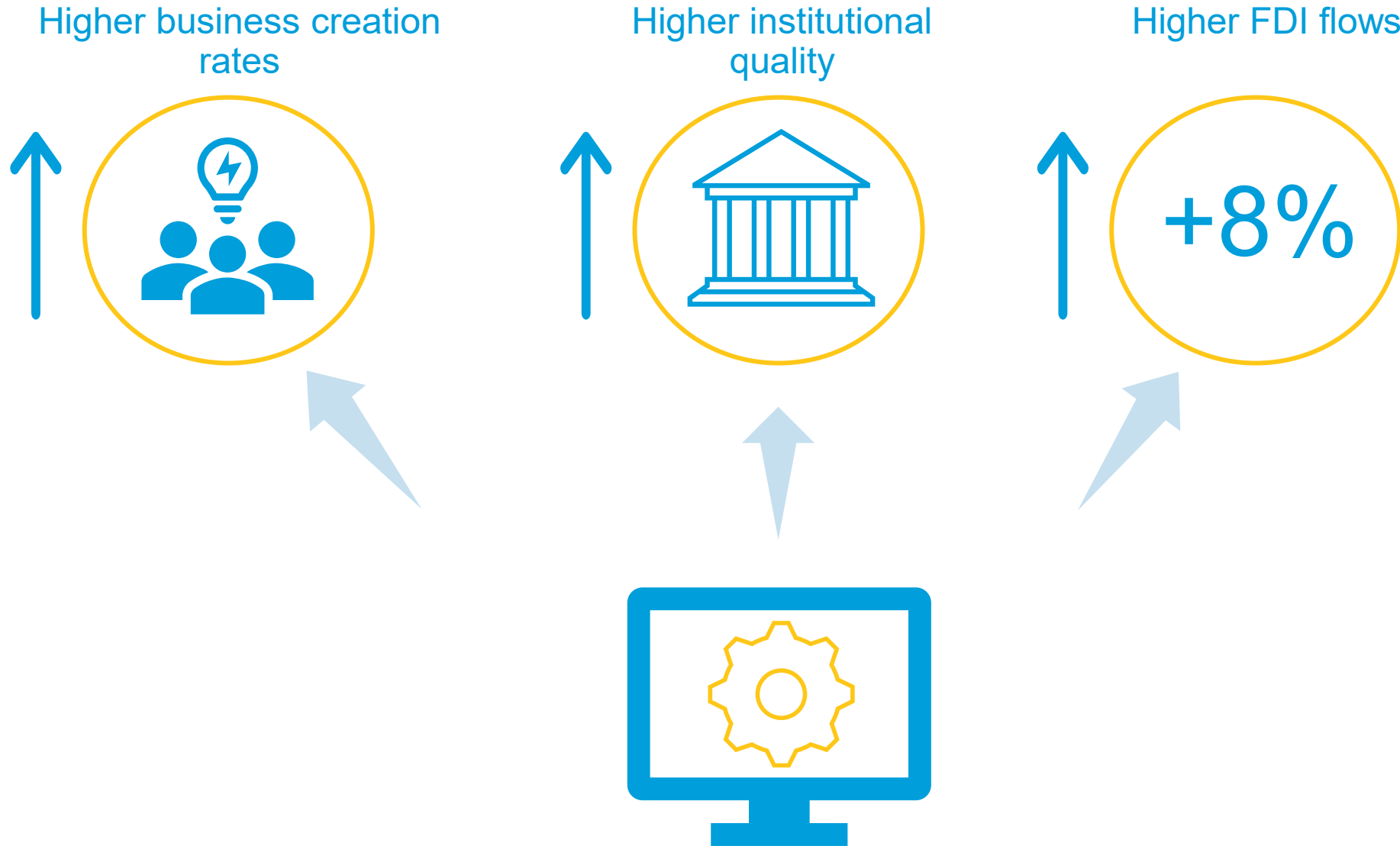
Impact of gains in GER ratings on inflows, average 2021-2023



Each additional point in the GER score is associated with **8%** more FDI.

# ➤ Digitalization has broad benefits

Countries with better digital government solutions...



## ➤ Conclusions and policy implications



Developing countries can be at an advantage in establishing **digital government tools** for business and investment facilitation.



Governments should adopt a **comprehensive approach** to digital investment facilitation, avoiding dedicated processes solely for investment authorization.



International agreements can be **catalyst** not only for investment facilitation but also for digital tools for that purpose.

# Thank you





# WTO Investment Facilitation Joint Statement Initiative

## An Overview

Presenter: Rashmi Jose, Senior Policy  
Advisor, IISD

Date: February 27, 2025

# Presentation Outline

**1) Participation dynamics**

**2) Negotiating process**

**3) High-level overview of Agreement**

**4) Key considerations**



A photograph showing a long, receding line of tall, silver flagpoles. Each pole is topped with a golden globe and holds a different national flag. The flags are flying in the breeze. In the background, a multi-story brick building with many windows is visible under a clear blue sky. The overall scene suggests a formal or international setting, possibly a government building or a university campus.

# 1) Participation dynamics

# Strong Global Participation in WTO Plurilateral Initiative on Investment Facilitation

## Types of WTO Members Participating

- **Developed Countries:** Very high participation  
(United States not a participant)
- **Developing Countries:** High participation
  - Latin America & Asia: Very high
  - Africa: 30 out of 42 countries
  - Small Island Developing States: 16 out of 28 countries
- **LDCs:** High participation (27 out of 37 countries)

**Co-coordinators:** Chile and South Korea

**Current  
participation:  
128 of 166 WTO  
members**

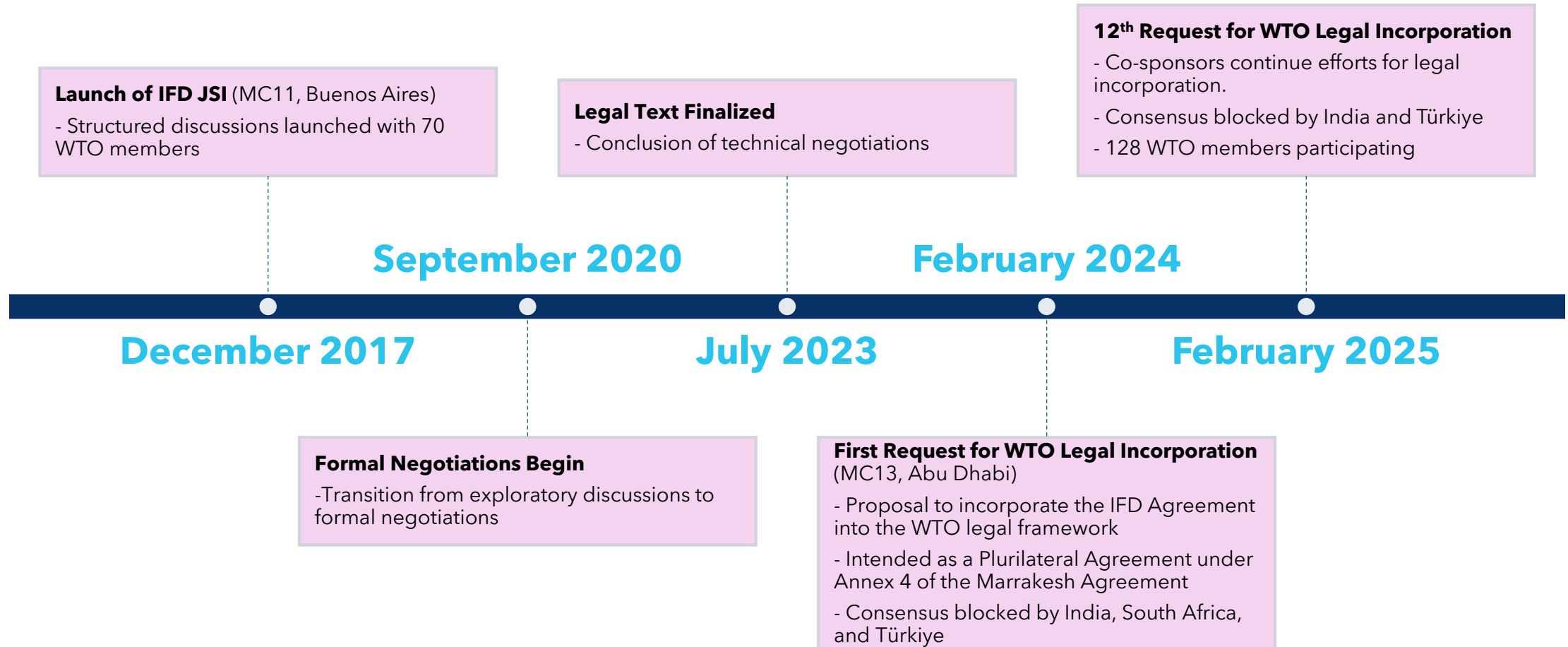
Status as of February 2026  
Assuming TFA designations



## 2) Negotiating process

A photograph of a meeting room with large windows. A person is standing at the front, presenting to a group of people seated at tables. The room has a modern, professional feel with recessed ceiling lights and a whiteboard. The text '2) Negotiating process' is overlaid in white on the left side of the image.

# IFD JSI Negotiating Process - Key Milestones



# Legal incorporation debate: Key points

## What's at stake?

- Incorporating the Investment Facilitation for Development Agreement (IFDA) into the WTO treaty framework requires consensus of all WTO members.

## Who objects?

- Currently: India and Turkey (Status: February 2026).

## Arguments against:

- **Legal mandate:** Negotiations launched without multilateral approval; inconsistent with 2004 decision to drop investment as a WTO issue.
- **Systemic concerns:** Risks distracting from multilateral agenda, capacity challenges, and weakening developing country influence.

## Counter-argument:

- Plurilaterals deals consistent with WTO practice
- WTO must evolve. Plurilateral agreements within the system are preferable to negotiations happening entirely outside WTO, especially for developing countries.

A close-up, shallow depth-of-field photograph of a fountain pen with a textured black barrel and a silver nib, resting on an open book. The book's pages are filled with faint, illegible text. In the background, a wooden gavel is visible, resting on the book. The entire scene is set against a dark, moody background, creating a professional and legal atmosphere.

### **3) High-level overview of Agreement**

# Main Pillars of the IFD Agreement



Source: WTO IFD Factsheet:

[https://www.wto.org/english/tratop\\_e/invfac\\_public\\_e/2025\\_05\\_14\\_ifd\\_factsheet\\_english.pdf](https://www.wto.org/english/tratop_e/invfac_public_e/2025_05_14_ifd_factsheet_english.pdf)

# Special and differential treatment (Section V)

## Implementation Flexibility


Developing countries & LDCs can set their own timelines:


- **Category A** - Implemented immediately
- **Category B** - Implemented after additional time
- **Category C** - Implemented with capacity-building support

## Needs Assessments


Essential for S&DT scheduling.

### Defines:

 Time required for implementation

 Type & level of capacity-building support needed

## Capacity Building

 **Support is not automatic** – depends on mutually agreed terms with donor countries.

Members must be proactive in mobilizing support from donors.

No formal Technical Assistance and Capacity Building (TACB) mechanism in the Agreement (as yet).

## 4) Key considerations



# Key considerations



## Expected Benefits

- Instigator for domestic governance reforms
- Signals stability and a low-risk investment environment



## Implementation Burden: A key concern

- Requires reforms of measures across the entire FDI lifecycle
- Demands a whole-of-government approach-reforms across different ministries, agencies and levels of governments
- Especially challenging in poorly resourced or complex political systems



## Importance of Needs Assessments

- Essential to get right for successful implementation
- Important to identify *all* capacity gaps/needs and to schedule it.

# Resources



**Reader's Guide** on the  
Investment Facilitation for  
Development Agreement



# Thank You!

**For more information:**

Email: [rjose@iisd.org](mailto:rjose@iisd.org)

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