

INVEST & ACHIEVE

IPA Toolbox

A practical guide to support Investment Promotion Agencies





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INTRODUCTION

The image features a solid yellow background. At the top, there is a white V-shaped graphic that points downwards. Below this, there are several thin, white, wavy lines that create a layered, abstract effect across the middle and lower portions of the page.



Introduction

Background and rationale of the toolbox

Investment is central to growth and sustainable development. It drives job creation and income growth and contributes to increasing and diversifying exports, technology and innovation transfer and skills development. FDI has also the potential to bring social and environmental benefits to host countries by disseminating good practices of responsible business conduct (OECD, 2018). Against this background, most countries have established investment promotion agencies (IPAs) to attract and grow investment and maximise its benefits for the local economy.

Recognising the importance of investment for achieving the Sustainable Development Goals (SDGs), many international organisations have recently intensified their activities in the area of investment attraction and have strengthened their support for IPAs. For the German Development Cooperation, the promotion of investment projects to foster sustainable development is of high relevance amongst others in the context of the Marshall Plan for Africa and G20 Compact with Africa.

At the same time, the current conditions for attracting investment are very challenging, with global FDI declining since 2016. In addition, the COVID-19 pandemic and the mitigation measures governments were forced to impose had a dramatic impact on investment flows and patterns. In such a situation, it is of critical importance that IPAs are as effective as possible in particular in developing and transition economies which are more dependent on FDI as source of capital investment than developed economies.

To facilitate a more structured approach towards the design and implementation of joint projects with IPAs and to avoid that field staff have to start from scratch each time, the IPA Toolbox has been developed. It provides a framework for understanding the agencies' different activities and a practical guide for GIZ projects and staff of other partners on how to work with IPAs based on an integrated approach ...

- › building upon existing tools, trainings and good practice
- › reflecting the needs of IPAs and international partners supporting them
- › focusing not only on the tasks and instruments of IPAs, but also integrating the organisational and financial dimension
- › not looking at IPAs in isolation, but also considering interrelations/synergies within the policy and institutional framework.



The emphasis of the toolbox is not only on enhancing the quantity, but in particular the quality of investments considering their contribution towards achieving the SDGs (e. g. in terms of social and environmental impact).

The task was a joint effort. The IPA Toolbox has been developed for and with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the World Association of Investment Promotion Agencies (WAIPA).

Several experts from further international organisations and networks such as United Nations Industrial Development Organization (UNIDO), the European Bank for Reconstruction and Development (EBRD), the UK funded Invest Africa project, the ANIMA Investment Network, from IPAs in Germany and partner countries such as Germany Trade and Invest (GTAI) and Ghana Investment Promotion Centre (GIPC) as well as from within GIZ have contributed to this toolbox. Other donor or implementing agencies are invited to join this initiative and to use the toolbox for their projects.

A first glance at IPAs and their strategic focus

The term “Investment Promotion Agency” goes back to the original focus of IPAs: promoting investment mainly by disseminating information on the advantages of a country as an investment location. Over time, in light of increased competition not only between countries but also between IPAs, the range of tasks has been extended.

Today, international experience shows only minor differences in the scope of core investment attraction tasks between IPAs. Most agencies cover the same core tasks – but with a different focus and intensity:

- › Investment promotion to create awareness, improve the image and generate interest from potential investors
- › Investment facilitation to secure and fast track investment projects
- › Aftercare to scale up investments and their impact and to improve the investment environment

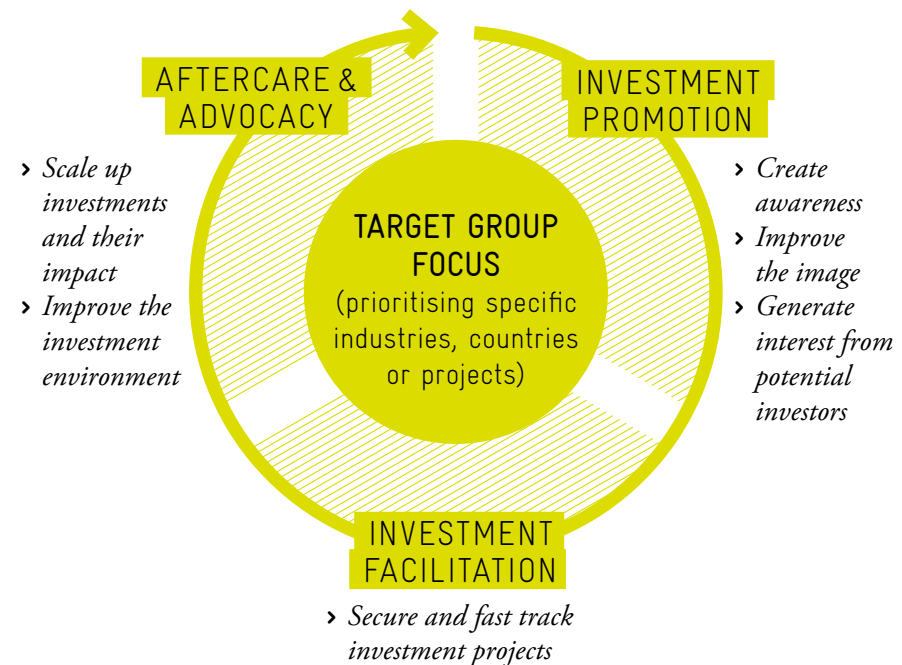


Those tasks are closely intertwined and form the investment attraction cycle. In practice, a clear distinction can be in some cases quite difficult as often similar tools and services are used and investors are requesting a continuous support and systematic customer relationship management throughout all stages.

The intensity and composition meaning which weight and resources are allocated to each task vary across countries and IPAs depending on the country-specific strengths and weaknesses and competitive position as an investment location as well as the policy and institutional framework. For instance, an IPA might place more emphasis on the promotion task and in particular on image building measures if the level of awareness within the investor community is rather low. On the other end of the spectrum, if a country has a strong base of existing investors it might focus more on aftercare to attract reinvestments.

Next to the composition of tasks, the target group focus is shaping the strategic framework of IPAs. Most agencies prioritise specific industries, activities, countries or even individual investment projects. Increasingly sophisticated segmentation approaches are used throughout all stages of the investment attraction cycle to increase not only the quantity but also the quality and impact of investment projects.

FIGURE 1: The investment attraction cycle shaping IPAs' strategic frameworks



(Source: Own research)



Structure of the toolbox

The structure of the toolbox follows the outlined integrated approach. **Modules A / B / C / D** address the dimensions tasks and target groups that play a critical role in shaping an IPA's strategic focus.

As mentioned above, most IPAs cover the same core tasks – but with a different focus and intensity. **Modules A / B / C** break down the tasks investment promotion, investment facilitation and aftercare into services, activities and corresponding instruments placing particular emphasis on synergies and qualitative aspects offering a chance for differentiation.

The target group focus plays a critical role not only for the strategy and operations of an IPA but also for the calibration of the entire investment policy package. It allows to generate synergies between different investment policy tools such as investment attraction, incentives, special economic zones and investment regulation as well as with related policy areas affecting the attractiveness of an investment location, e. g. education and skills, science and innovation, infrastructure and taxation. Against this background, this module reviews how IPAs can target specific groups of (potential) investors to increase the quantity and in particular the quality and impact of investments.

The design and implementation of investment attraction efforts and related cooperation projects critically depend upon adequate organisational structures, processes, capacities and resources of an IPA. **Module E** assesses how the organisational and financing model of an IPA can be aligned to its core tasks and target groups. When cooperating with IPAs, it should be taken into account that multiple organisations are involved in the area of investment attraction and efficient cross organisational cooperation and coordination is of essential importance. **Module F** shows how IPAs can develop a professional partner relationship management taking into account the role of international partners within agencies' networks. Monitoring systems form the focus of the concluding **Module G**. It explores organisational settings, common key performance indicators (KPIs), tools and methodologies used by IPAs placing particular emphasis on the alignment of the monitoring system with the strategic framework, core tasks and processes of agencies. An **annex** with GIZ internal documents and resources is also available.



FIGURE 2: Modules of the toolbox

Core tasks	Modules A Creating awareness and generating interest with effective investment promotion measures	Module B Providing needs-oriented facilitation services to secure and fast track investment projects	Module C Combining systematic aftercare with advocacy and further business development services	ANNEX: Living document integrating further GIZ internal resources
Target groups	Module D Defining and refining target groups for investment attraction efforts			
Organisation & financing	Module E Aligning the organisational and financing model to the core tasks and target groups			
	Module F Exploring opportunities for cooperation with strategic partners – cross-organisational perspective			
Monitoring	Module G Designing monitoring systems reflecting the key objectives and tasks			

Structure of the modules

Each module commences with an introduction outlining the relevance of the topic for the success of an IPA taking into account recent changes in the investment environment and emerging trends. The introductory section also comprises a set of guiding questions that will be addressed by the module and an overview of interrelations with other modules that are of particular relevance for ensuring effective interventions. The main part of each module describes in detail commonly used

tools, methodologies and structures as well as key steps and challenges at the design and implementation stage. Taking into account that there is no one-size-fits-all solution on how to operate and structure an effective IPA, different options and criteria for selecting the adequate approach are presented. Practical examples from both developed and developing economies illustrate the different routes. Key success factors are highlighted in a “What works vs. What does not work” table.



Each module concludes with a section sketching out ideas and providing recommendations and hands-on tips on how to design future cooperation projects with IPAs in the relevant area. Once again, practical examples derived from local projects

implemented by GIZ or further international partners are used to illustrate the recommendations. Lists of further sources of information on relevant tools and approaches are provided at the end of each module.

The IPA Toolbox is by intention a living digital-only document

Several experts from within GIZ as well as from IPAs, specialised consulting firms and further international partners have contributed to this toolbox. Hence, it reflects a variety of experiences within the investment attraction landscape.

Since new tools and approaches are constantly arising, users are encouraged to provide feedback and input if they come across important aspects, instruments or good practice examples that should be integrated.

Before diving into the individual modules ...

Given the daily workload typical within international cooperation projects, only few colleagues will be able to peruse the entire toolbox. With this in mind, the toolbox is designed in a modular way, allowing for selective reading. However, users are encouraged to consider the key interrelations between the different modules – in particular those pointed out at the beginning of each module. This way, the different tools are not used for stand alone measures but form part of an integrated approach reflecting the key challenges and opportunities of an IPA that often span across the different dimensions.

Finally, users should bear in mind that success in attracting investments depends upon concerted efforts of various institutions and the effective interaction of several policy tools. Consideration should be given to the policy and institutional context, when planning and implementing joint activities with IPAs.

MODULE

A



Module A: Creating awareness and generating interest with effective investment promotion measures

A

The core task of investment promotion includes all activities geared towards generating interest from potential investors. In order to do so, IPAs have to create awareness of the value that the location can offer to investors by means of different marketing activities and instruments. Online marketing has increased in importance in the past decade and in light of the COVID-19 pandemic IPAs have become even more resourceful in reaching out to potential investors virtually. Experience shows that – whether on- or off-line – a key to success lies in building a long-term relationship with a potential investor.

This module introduces the main activities and instruments that IPAs deploy in order to create awareness of and generate interest in the investment location. A focus is on how to combine the different tools and measures to create an effective marketing mix.

This module is closely related to defining and refining target groups (**Module D**), as the target group selection should directly inform the content and focus of all marketing activities and instruments. Furthermore, investment promotion and investment facilitation activities (**Module B**) should be closely aligned and coordinated to make sure that potential investors that have been reached through promotional activities will receive the services they need in order to further consider the location for investment.



BOX 1:
GUIDING QUESTIONS

- What are the basic investment promotion tools that an IPA should develop?
- How can IPAs generate synergies between the different marketing activities and tools?
- How can IPAs align investment promotion activities to their target group focus?
- Why is lead generation more cost effective than broad image campaigns?
- How can international organisations help IPAs in developing and carrying out investment promotion activities?



The development impact of investments is key for IPAs to understand, including the environmental characteristics. This photo shows a sewage plant for textile production in Bangladesh.

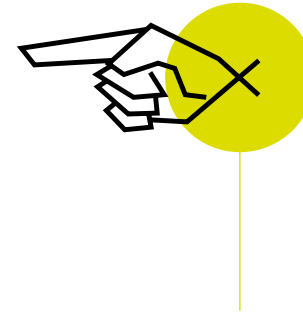


Overview of key activities and instruments

On average, IPAs spent more than 50% of their total budgets on the task of investment promotion (WAIPA, 2018). Commonly, an IPA's marketing activities and instruments include the following:

- 1 Online marketing
- 2 Marketing materials
- 3 Events and trade fairs
- 4 Lead generation campaigns
- 5 Intermediaries networking
- 6 PR activities

The right mix of these instruments and activities highly depends on the strategic approach, target groups and the IPA's budget. An additional important factor when designing the marketing mix is whether the country or region is already known as an established investment location. In this sense, if the level of awareness in the investor community is rather low, an IPA might place more emphasis on image building measures – for instance in the context of PR activities and advertising.



Before diving into the individual activities and instruments, it should be noted that investment promotion is a long-term task that requires consistency and endurance.

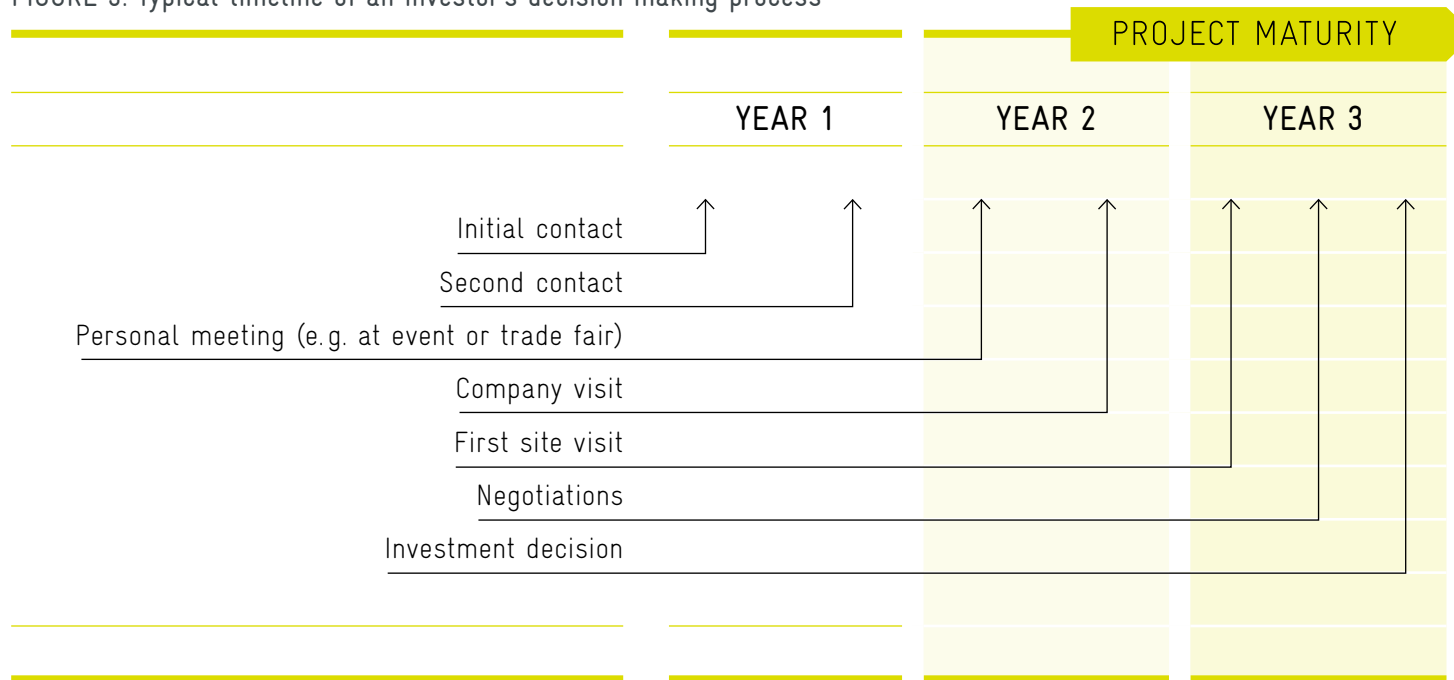


The figure 3 shows the typical time frame and interactions in the course of an investor's site selection process. Usually there are multiple interactions and meetings between the IPA and a potential investor before a decision is made.

IPAs can boost their success rate by using the full spectrum of instruments ranging from providing target-group-specific marketing materials with key information, reaching out at trade fairs and building a relationship and keeping in touch through systematic follow-up procedures.

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FIGURE 3: Typical timeline of an investor's decision making process



(Source: Own research)



1

Online marketing

An IPA’s website – including industry-specific microsites – is a critical component of targeted investment promotion. Having a website is a cost-effective way to offer up to date and key information to a wide audience. Furthermore, a visit to the website is often a potential investor’s first interaction with an IPA.

The more relevant information is provided, the more likely potential investors are to engage further. In this sense, a microsite allows potential investors who are usually most interested in information specific to their industry or business to find all information they need in one place. Providing useful industry-specific information online, allows the IPA to show potential investors that the IPA understands their needs and is a way of demonstrating competence. Dedicated contacts displayed on each microsite provide a natural point of entry for potential investors to engage with the IPA directly.

Some IPAs choose to provide additional interactive tools on their websites such as geographical information systems (GIS). For instance, GIZ is supporting the local partners in Tunisia in developing a GIS on available industrial sites. Another feature are chatbots, as implemented by Invest in Estonia. When contemplating the use of these kinds of tools and features, IPAs should consider the cost and benefit of such additions.

The **table 1** provides a checklist on what to keep in mind, when building or reviewing an IPAs website. In any case, IPAs should make sure to dedicate appropriate resources to maintain and update the website at a regular basis.

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TABLE 1: Checklist for building an effective IPA website

Focus on content	The focus should be on content and not on fancy designs – investors are looking for information and hard facts and won’t buy into a glossy façade, if the content isn’t right
Update	Data and information should be up to date at all times – resources for maintenance are required
Provide contact info	Email addresses and phone numbers of dedicated contacts for the specific industry should be displayed prominently
Simplify navigation	The site should be easy to navigate – key information should be accessible in one click
Provide downloads	Providing pdf downloads of information allows users to save, print and distribute information at their convenience
Use graphics	Figures, graphs and maps can be an attractive and useful tool to visualise information

(Source: Own research)



In addition to a website, IPAs are increasingly starting to use social media as an additional tool to boost their online presence. The usefulness highly depends on the target group and the level of engagement. For example, an IPA targeting companies from creative IT industries will be more likely to be able to reach and engage with potential investors via social media than IPAs targeting traditional industries.

However, as online communication and social media platforms such as Twitter and LinkedIn are starting to become a widely used and accepted fixture in the business world, IPAs should not lose touch and keep with current trends.

Content generated for social media activities including blogs can provide additional up to date content that can be shared on the website as well. When deciding whether to establish a social media presence, IPAs should be aware that while the costs of creating a profile is low, the time and dedication it takes to maintain an active profile can be much higher than expected.

It should be noted that in light of the COVID-19 pandemic, online engagement with potential investors has increased in importance. IPAs around the world are upgrading their websites and social media engagement and preparing and testing new tools such as webinars and virtual events to reach out and keep in touch in a time where international travel and events are not an option.

The [table 2](#) shows an overview of the social media presence of selected African IPAs.

TABLE 2: Social media presence of selected African IPAs

COUNTRY	Twitter	Facebook	LinkedIn	YouTube	Flickr	Instagram
Côte d'Ivoire	x	x	x	x		
Egypt	x	x		x		
Ethiopia		x	x	x		
Ghana	x	x	x	x		
Guinea	x	x	x			
Kenya	x	x	x			
Mali	x	x	x			
Mauritius	x	x	x	x		
Morocco			x	x		
Nigeria	x	x		x		x
Rwanda	x	x		x	x	
Senegal	x	x		x		
Tunisia	x	x		x		
Uganda	x	x	x	x		
Zambia		x				

(Source: Own research)

2

Marketing materials

Marketing materials – digital and in print – are a key tool for various investment promotion activities. In order to support activities such as events, trade fairs or direct contacting of potential investors, IPAs may choose to prepare different sets of marketing materials including:

- › A general (cross-cutting) image brochure to provide an overview on the investment location as a whole
- › Target-group-specific sales presentations that can be used for events, company visits or in-house presentations
- › Target-group-specific fact sheets that can be used as hand outs at trade fairs or mailed out as part of a lead generation campaign
- › Information packages on the facilitation services offered by the IPA (see [Module B](#))

The [box 2](#) shows a practical example of industry-specific fact sheets with key content relevant to potential investors developed by the Tunisia Investment Authority with assistance from the local GIZ project. A similar approach has been taken in Moldova yielding several target-group-specific brochures as listed in [table 6](#).

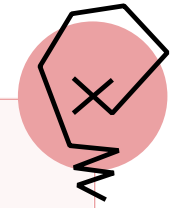
A



Men working at a production plant in Nouadhibou, Mauretania.



BOX 2: Practical example – Industry-specific fact sheets provided by Tunisia Investment Authority



A

AERONAUTICS

In line with a newly refined target group focus, the Tunisia Investment Authority supported by the local GIZ project has developed and released fact sheets on its key target industries in 2020.

PHARMACEUTICAL INDUSTRY

- Each 4 page brochure includes:
- › Industry-specific reasons on why to choose Tunisia
 - › Success stories from existing investors
 - › Key data on market structure, suppliers, labour availability, geography etc.
 - › Contact information



In some countries, IPAs also promote specific investment opportunities and projects within the targeted industries. In these cases the IPA will also need to prepare project profiles detailing the specifics of the investment opportunity (see **box 3**). These materials can be provided to potential investors for whom the project may be of particular interest. Such profiles will typically also be made available in an online database embedded in the website.

Experience shows that it may be advisable to choose an easy to adapt format such as PowerPoint for marketing materials that will allow the IPA to make necessary updates and changes at anytime. For the same reason, only a limited number of copies should be printed at a time. Marketing materials can be made available for download on the website, making it easy for potential investors to save and share the information.

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BOX 3: Practical example – Building capacity for investment opportunity profiling

The United Nations Industrial Development Organisation (UNIDO) supports its member states in building capacity for investment opportunity profiling. As an example during 2017 and 2018, a series of capacity building interventions, based on UNIDO's established investment promotion methodologies, were implemented in Ethiopia to scale up the capacity of relevant officials in matters related to investment project profiling and enterprise benchmarking assessment.

In this context, capacity building support was provided to Government officials from the Ministry of Trade and Industry, from the Ethiopian Food and Beverage Industry Development Institute, from the Ethiopian Meat and Dairy Industry Development Institute, as well as other representatives from public and private sector investment promotion stakeholders. Following the capacity building, teams of government officials reached out to undertake investment project profiling and/or analysis of newly identified enterprises in the targeted industries. As part of the envisaged work plan, by end of June 2019, some 168 investment project profiles had been prepared by the respective teams. Following a further round of qualitative assessment, 125 investment projects were selected for presentation in the publication entitled "Agro Industry Investment Opportunities Directory Ethiopia".



3

Events and trade fairs

Events such as conferences, seminars and trade fairs are an opportunity for IPAs to meet and directly engage with potential investors.

IPAs can either attend relevant events as guests or participants or host their own investment forums or conferences. Own events can be held locally in order to prompt potential investors who are already interested to visit the region or country or can be held in target regions. In the latter case, embassies, commercial offices or other partners in the region often serve as co-hosts. Another option is to host a short information session or seminar as a side event at a trade fair.

In the past, many IPAs have relied heavily on events and industry specific trade fairs as a means to identify, contact and qualify potential investors often in combination with lead generation campaigns as detailed in the [next section 4](#).

However, in light of the COVID-19 pandemic, this practice is starting to change and IPAs develop and test alternatives. For example, following the travel restrictions imposed due to COVID-19, Invest in Austria has held a virtual investor forum for the life sciences industry via livestream complemented by pre-scheduled 1:1 meetings between staff and interested companies and was able to attract approximately 300 participants from 40 countries.

A



Understanding your country's competitive position and workers' skills as well as the development impact of investments is key. Here, Syrian refugees are trained as plumbers in a vocational school in Jordan.

4 Lead generation campaigns

Lead generation refers to the process of identifying potential investors and contacting them directly in order to create awareness of the region or country as an investment location and generate interest. A so-called “lead” is a potential investor that has expressed genuine interest in the location and is to be further contacted and engaged by the IPA with the goal of turning the initial interest into an actual investment.

Targeted lead generation has proven to be a very promising approach to develop personal relationships with potential investors in anticipation of future investments. While lead generation is considered more cost-effective than broad based marketing activities, it is time consuming and requires dedicated resources.

The figure 4 provides an overview of the basic steps of carrying out a lead generation campaign.

FIGURE 4: Process of carrying out a lead generation campaign



(Source: Own research)

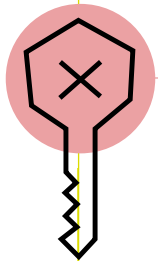




Lead generation campaigns are often carried out in the context of trade fairs or conferences. In these cases the goal is to identify (e.g. from the trade fair directory) and contact potential investors in advance in order to set up meetings at the trade fair

or conference to establish a first personal contact. Other potential sources for identifying companies to be included in a lead generation campaign include commercial databases or member directories of clusters and associations.

A



The key to successful lead generation very much lies in a systematic approach and consistent customer relationship management. There are different tools and good practices that can be helpful throughout the process:

› **Developing a database of the companies that have been identified as targets:**

Key facts on the identified companies should be kept in a structured way and in one place, ideally in a customer relationship management (CRM) system. The **table 3** lists the minimum of information that should be gathered.

› **Doing additional research:**

When contacting a potential investor, it is important to have a basic understanding of the company background and needs. A quick online search and a look at the website can provide valuable insights. Various commercial providers offer databases with company-specific information.

TABLE 3: Exemplary company profile

Company name
Location/Headquarter
Contact person/Contact information
Description
› Number of employees
› Segments/products
› Additional facilities
› Main clients/export markets
› Strategic changes/recent investments

(Source: Own research)



› **Communicating target-group-specific messages and value propositions:**

Based on the information gathered on the company the contact email should include key sales triggers and arguments why the location should be considered.

› **Keeping track of and scheduling contacts:**

All interactions with a potential investors should be recorded and timelines for follow-ups should be scheduled.

› **Thinking of lead generation as a long-term task:**

Investment decisions take time and it is highly unlikely that a potential investor is interested and ready to invest upon first contact. Establishing a long-term relationship and building trust for when the time is right, should be the goal.

If successful, lead generation as well as the other marketing activities and instruments discussed in this module will eventually feed into investment facilitation as described in **Module B**.

A



The manager of a solar plant inspecting this investment project in the Atacama Desert, Chile.



5

Intermediaries networking

Intermediaries often are an overlooked source of valuable contacts to potential investors. There is a wide spectrum of different intermediary organisations and actors that an IPA may be able to partner up with as indicated in the [table 4](#) and further discussed in [Module F](#) as part of the cross-organisational perspective in order to reach potential investors.

Opportunities for collaboration include joint events, articles and announcements in the organisations’ newsletters and vice versa as well as jointly identifying and approaching potential investors.

A great benefit of contacting potential investors via intermediaries is that they usually already have a relationship that the IPA can build upon. In addition, intermediaries know the companies within their contact network and are thus more likely to identify contacts that may be interested in the location. In the same sense, joint events such as investment seminars can be a great way to reach a highly relevant audience.

A

TABLE 4: Potential partners for intermediaries networking

INDUSTRY AND CLUSTER ORGANISATIONS	FINANCE/LEGAL SERVICE PROVIDERS	AGENTS/CONSULTANTS	OTHER
<ul style="list-style-type: none"> › Industry associations › Cluster organisations › Industry experts 	<ul style="list-style-type: none"> › Investment and promotional banks › Venture capital companies › Auditors/tax advisors › International lawyers 	<ul style="list-style-type: none"> › Site selection consultants › Real estate agents › Engineering service providers › HR service providers 	<ul style="list-style-type: none"> › IPAs, ministries, embassies › FEZ, industrial parks › Existing investors

(Source: Own research)

6

PR activities

In the context of investment promotion, PR activities are typically supplemental and carried out in coordination with other activities. Articles should only be placed in target-group-relevant publications especially if costs or fees are involved. Broad-based advertising in general newspapers or publications is not advisable, as only few readers will fall within the target group of an IPA.

Occasions for PR activities may include:

- › Announcements of new investment projects
- › Completion of infrastructure projects especially if these affect the investment and business climate
- › Launch of new support or incentive programmes
- › Events

INTEGRATION AND ALIGNMENT OF MARKETING ACTIVITIES AND INSTRUMENTS

The different instruments and activities discussed in the previous sections should not be viewed as stand-alone measures, as a smart mix and sequencing can create powerful synergies. For example, lead generation campaigns should be complemented by current marketing materials and reinforced by coordinating the timing with press releases on current developments in the target industry, social media blasts and engagements with relevant intermediaries.

The figure 5, shows how the different measures have been combined as part of a pilot investment promotion strategy for the automotive industry in Namibia that was designed as part of a comprehensive mentoring programme for the Namibia Investment Centre.

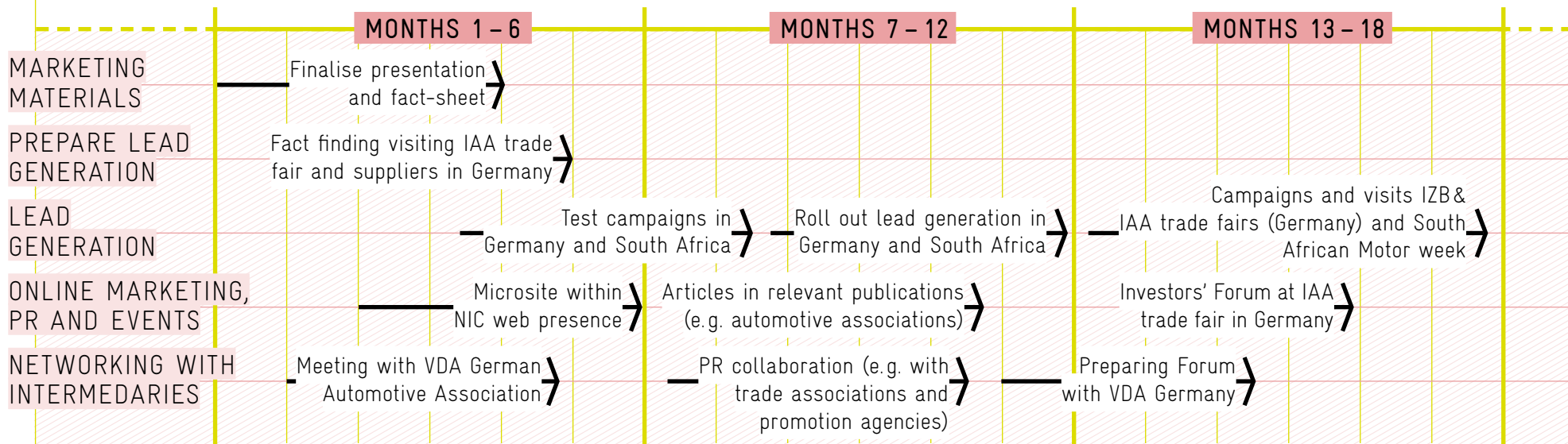
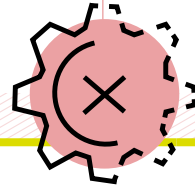


FIGURE 5: Marketing plan for a pilot investment promotion strategy for the automotive industry (Source: Own research)



TABLE 5: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none">+ Taking a targeted approach by aligning all promotional activities and tools to the IPA's target group focus	<ul style="list-style-type: none">- Taking a general approach to investment promotion that doesn't reflect investors' needs
<ul style="list-style-type: none">+ Developing marketing activities and instruments in line with the IPA's budget and resources	<ul style="list-style-type: none">- Dedicating the entire budget towards broad-based advertising
<ul style="list-style-type: none">+ Taking a long-term approach and building trust with potential investors for when the time is right	<ul style="list-style-type: none">- Expecting immediate results and disregarding the investors' timeline and concerns
<ul style="list-style-type: none">+ Coordinating different promotional activities and instruments in order to generate synergies	<ul style="list-style-type: none">- Considering promotional activities as one-off measures

(Source: Own research)

A



SUPPORTING IPAS IN CARRYING OUT TARGETED INVESTMENT PROMOTION ACTIVITIES

Developing effective promotional activities and instruments can be tricky for an IPA, especially when staff members have little experience in engaging with the private sector – be it at the national or international level. While there are specialised service providers that can be hired to carry out activities such as lead generation or of course creating the content for marketing materials, an IPA will benefit from having a good understanding of what to pay attention to with regard to these core activities.

Against this background, the support rendered by international organisations should focus on building the necessary

capacities within the IPA. While there is a myriad of training programmes, handbooks and guides for IPAs out there, standardised support and capacity building measures can only go so far. A successful approach that has been carried out by GIZ in the past, puts an emphasis on mentoring. By working together in teams with specialised experts that provide guidance and support hands-on, it is much easier to identify the skills, tools and resources that may be missing and develop lasting solutions and capacities together with the IPA's staff.

The exemplary work programme (figure 6) details mentoring support measures that cover a combination of the different marketing activities and instruments covered in this module.

FIGURE 6: Exemplary work programme for mentoring support in the area of investment promotion

SUPPORT AREA A	SUPPORT AREA B	SUPPORT AREA C
<p>Marketing materials, online marketing and intermediaries networking</p> <ul style="list-style-type: none">› Development of target-group-specific marketing materials› Development of industry-specific microsite› Briefing on PR&intermediary networking opportunities including suggested publications and article themes› Meeting with intermediaries to discuss collaboration opportunities› Introduction to Social Media options and preparation of targeted twitter activities	<p>Lead generation test campaign in the context of a trade fair</p> <p>Support for the preparation, implementation and follow-up of a test campaign, including:</p> <ul style="list-style-type: none">› Comprehensive training session› Research guides and identification of databases› Company research and profiling› Sending out contact emails and conducting follow-up based on phone guides› CRM solution	<p>Preparation of an industry-specific information session at an investment forum</p> <ul style="list-style-type: none">› Preparation of presentation› Preparation of potential questions and answers for Q&A session› Drafting invitations for selected panellists› Invitation of target companies

(Source: Own research)



TABLE 6:
FURTHER TOOLS & RESOURCES

The comprehensive IDB training programme *Towards the next generation of investment promotion agencies* covers investor targeting in the third training module.

→ <https://cursos.iadb.org/en/indes/towards-next-generation-investment-promotion-agencies>

UNIDO provides targeted capacity building for investment opportunity profiling.

→ <https://www.unido.org/news/new-publication-boost-agro-industry-investment-promotion-activities-ethiopia>

The IDB publication *Innovations in Foreign Direct Investment Attraction* includes good practices in the area of investment promotion.

→ <https://publications.iadb.org/en/innovations-foreign-direct-investment-attraction>

The World Bank paper *Strengthening Service Delivery of Investment Promotion Agencies* provides an overview of core marketing services and their relevance in the investment attraction cycle.

→ <https://openknowledge.worldbank.org/handle/10986/33498>

The *Computer Model for Feasibility Analysis and Reporting (COMFAR)* offered by UNIDO facilitates short and long term analysis for financial and economic analysis for industrial and non industrial projects to support the profiling of potential investment opportunities.

→ <https://www.unido.org/resources/publications/publications-type/comfar-software>

With assistance by the local GIZ project in Moldova, target-group-specific brochures have been developed amongst others for the automotive, electronics, ICT&BPO and agriculture&food processing industry.

→ <http://www.invest.gov.md/sectors>

MODULE

B



Module B: Providing needs-oriented facilitation services to secure and fast track investments

Investment facilitation is one of the core tasks that makes or breaks the success of an IPA. Investment facilitation services include various support areas ranging from providing information to assisting in the process of site selection or navigating administrative procedures. While most IPAs focus a large part of their efforts and resources on promotional activities and successfully generate leads and opportunities, many fail when it comes to handling enquiries and providing effective support services. As investors are quick to lose confidence and interest in a location when basic information and support is not available, it is even argued that IPAs with small budgets should focus more on investment facilitation than on promotional activities.

This module highlights the core range of facilitation services that can set an IPA apart in competing for investment projects. The first section takes a close look at the enquiry handling process and the different measures an IPA may take to improve service delivery. The second section introduces facilitation packages as a means for IPAs to build, structure and promote an attractive and effective facilitation service portfolio. The last section is dedicated to discussing ways in which international organisations may help IPAs in developing, prioritising and improving effective facilitation services.

Investment facilitation is of course closely related to several other modules of the toolbox. Many of the resources and tools developed as part of the task of investment promotion (**Module A**) will serve as a basis for investment facilitation. Furthermore, as investment facilitation activities and services must be tuned to the specific needs of the respective target groups, there is a close correlation with **Module D** (Defining and refining target groups). Last but not least, the type and mode of provision of facilitation services also needs to be reflected in the organisation and financing model (**Module E**).



BOX 4: GUIDING QUESTIONS

- What facilitation services do investors need and require?
- How can IPAs improve their handling of investor enquiries?
- What tools and good practices can help an IPA improve the efficiency of enquiry handling?
- How can an IPA effectively structure and promote its facilitation services?
- What options do IPAs have to assist investors throughout administrative processes?
- How can international partners assist IPAs in providing needs-oriented facilitation services?

THE ROLE OF FACILITATION SERVICES IN THE INVESTMENT ATTRACTION CYCLE

Investment facilitation is at the core of investment attraction. It is one of the most important opportunities – in particular for developing countries – to influence perceptions about a location, turn leads into investment projects, satisfy investors and, thus, encourage reinvestment.

Investment facilitation is all about making it easy for investors to establish investment projects. Especially when an investor is new to a location and has little experience with the local business and investment climate as well as public administration and policies, an IPA's services can make a difference by reducing transaction costs and alleviating the burden on the investor.

HANDLING ENQUIRIES AND ESTABLISHING RESEARCH CAPACITIES AND INFORMATION MANAGEMENT

Information plays a key role in the investment decision-making process and should, thus, form a top priority for any IPA. Empirical studies confirm that information asymmetries constitute an important constraint on foreign direct investment (World Bank Group, 2020). IPAs can play a key role in alleviating said asymmetries by assisting potential investors in getting the information they need.



As discussed in **Module A** a core set of information materials on priority industries and the general business and investment climate will already be developed and provided as part of the investment promotion tools and activities. This information is commonly provided on the website as well as in the information packages potential investors would receive upon first contact. However, once the location has sparked serious interest from a potential investor, more specific questions may arise. Common requests for information relate to:

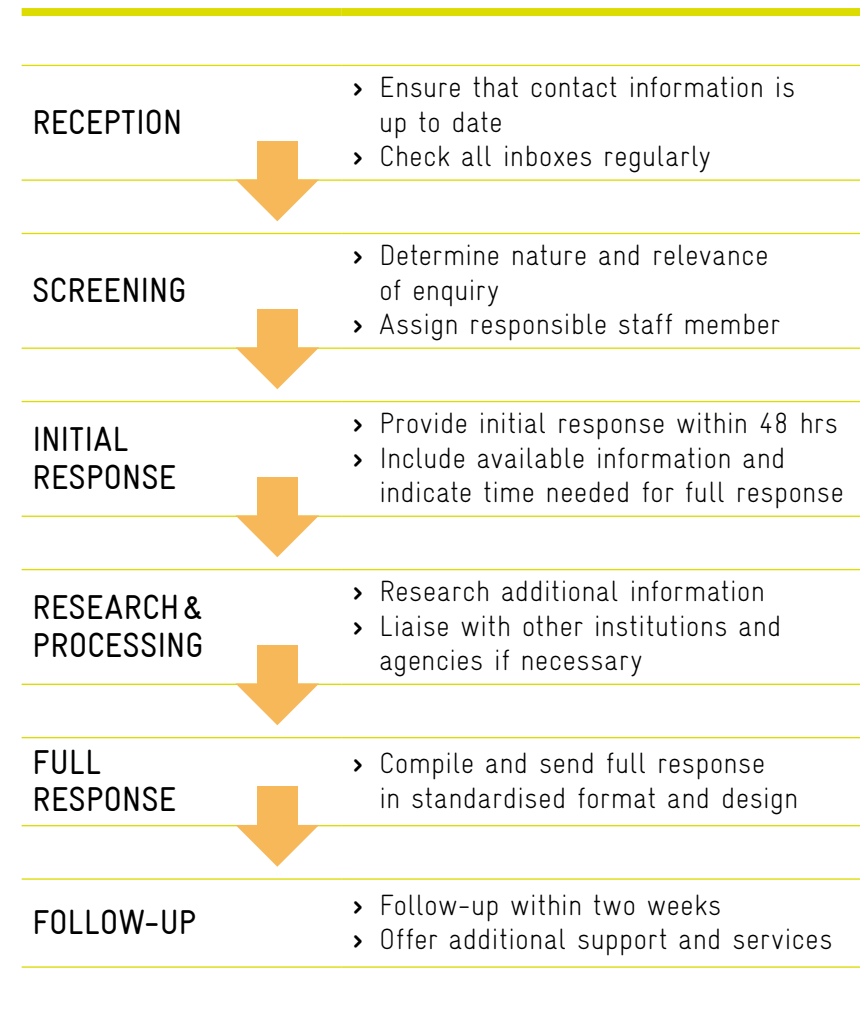
- › The legal and regulatory regime for investment
- › Costs of doing business and set-up procedures
- › Government support such as fiscal, financial and administrative services
- › Available logistics, utilities and infrastructure
- › Available labour, land, facilities and essential inputs
- › Local markets, competitors, suppliers and service providers

Providing comprehensive, accurate and relevant answers to these questions is a key aspect of investment facilitation.

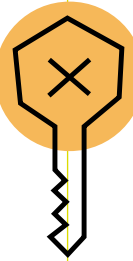
When potential investors contact an IPA for the first time, they often have a set of questions that they seek answers to in order to determine whether the location is an option for their project or future plans. Therefore, a timely and effective enquiry handling is of utmost importance.

The **figure 7** depicts the main steps of handling a potential investor's enquiry from the reception to the full response and follow-up.

FIGURE 7: Enquiry handling



(Source: Own research)



There are a number of tools and good practices that can help an IPA handle enquiries effectively and efficiently.

These include:

› **Establishing standards for reaction times:**

In accordance with private sector practice, successful IPAs commonly react with a first response within 1–2 days. Making sure that phones are answered and inboxes are checked is the most basic requirement for keeping quick reaction times.

› **Developing research capacities and a network of resource contacts:**

Potential investors may have very specific questions that will require information that the IPA does not have on hand. Knowing how and where to get that information fast is of key importance. Establishing a good working relationship with relevant public and private sector institutions (business registration authorities, chambers and associations, industrial park managements, etc.) ensures that the right answer is often only a phone call away.

› **Curating an information database:**

Potential investors from the same target group are likely to require similar or related information throughout their decision-making process. It has proven helpful for IPAs to establish an information management system that holds all information and data that has been gathered over time.

› **Provide a personal contact:**

Building trust and a long-term relationship with potential investors can make a big difference. Assigning a dedicated staff member helps to streamline communication, avoid confusion or duplication and can be the first step towards building a relationship with a potential investor.

› **Using standardised templates:**

Using an easy to use and adapt template in PowerPoint or Word format allows staff to adhere to the same standards when structuring and formatting the requested information. Using a consistent design, font, footer and header conveys professionalism.

› **Request additional information on the investor and / or investment project:**

When answering an enquiry, IPAs may choose to include a standardised questionnaire or specific questions to find out more about the needs and requirements in order to provide the best possible service.

› **Use a customer relationship management (CRM) system:**

A CRM system will help an IPA to record and track all contact and correspondence with a lead or potential investor. Furthermore, modern CRM systems can be helpful to schedule regular follow-up dates and, thus, ensure that contact is maintained regularly.



DEFINING AND COMMUNICATING A SERVICE CATALOGUE

There is a very wide scope of potential services to assist investors in planning and implementing their projects. IPAs provide contacts, make introductions and connect investors with government officials and other stakeholders in the economy, arrange site visits and join and facilitate meetings etc.



Women stitching bags with their hands at Afar textiles in Ethiopia.

The services that a specific investor requires and needs will vary greatly. To provide investors with an overview of the exact services they may need, IPAs have started to organise their facilitation services in so-called service packages that are structured along different service areas or topics.

Typical service packages include:

- › **Location package**
- › **Financing package**
- › **Recruiting package**

An overview of the key content IPAs tend to provide in these packages is given in the [table 7](#).



TABLE 7: Typical service packages for investment facilitation

LOCATION PACKAGE	FINANCING PACKAGE	RECRUITING SERVICE
<p>Location information</p> <ul style="list-style-type: none"> › Information on the commercial (and residential) real estate market <p>Research for suitable locations</p> <ul style="list-style-type: none"> › Support in creating a search profile › Research for suitable locations, irrespective of ownership › Online information on currently available sites and properties <p>Site visits</p> <ul style="list-style-type: none"> › Organisation of location tours and site visits including introduction to owners and agents › Information on infrastructure, transport connections and housing around the site 	<p>Information on incentive and funding schemes</p> <ul style="list-style-type: none"> › Overview of available funding programmes and incentives relevant to the specific project › Assistance in the application process <p>Scoping financing options</p> <ul style="list-style-type: none"> › Information on financing by means of loans, guarantees, venture capital, private equity etc. › Contacts to potential financing partners such as commercial and promotional banks 	<p>Recruiting service</p> <ul style="list-style-type: none"> › Data on availability of potential employees with specific skill sets and levels, salaries, relevant university courses and vocational training providers › Support in the recruitment strategy and process <p>Immigration and welcome service</p> <ul style="list-style-type: none"> › Assistance in application for residence permits and work permits › Support for the arrival and integration of newly arrived staff members and their families <p>Training service</p> <ul style="list-style-type: none"> › Information on training measures and relevant support schemes for local staff

(Source: Own research)

As bureaucratic and administrative procedures are not always clear and differ greatly from country to country, helping investors navigate government procedures is a key facilitation service offered by IPAs along the different service packages or topics.

Many IPAs – in cooperation with the relevant government agencies and units – have started to establish so-called „one-stop-shops“ that allow investors to handle all administrative necessities such as permit applications and business registration in one place. One-stop-shop services can be offered as online portals or on site at the IPA’s premises.



It should be noted that one-stop-shops are a service that is jointly offered by the different agencies and units involved and can not be established or run by an IPA itself. While one-stop-shops have become quite popular, offering hands-on support throughout bureaucratic processes as needed by the investors can be just as effective.

Furthermore, international investors commonly hire local agents and attorneys to handle administrative requirements.

B



BOX 5: Service packages of the IPA of the German Federal State of Brandenburg

The IPA of the German Federal State of Brandenburg (WFBB) offers six different services packages to potential investors and companies in the region.

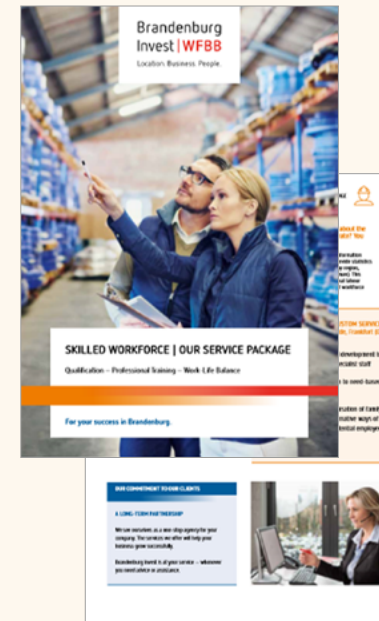
The services packages are each summarised in a four-page brochure detailing exactly what type and range of support can be expected. In addition, each brochure includes links on where to find additional information and self-services (including, for example, an interactive site and real estate database) on the IPAs website as well as contact information.

www.wfbb.de/en/Our-services-for-you

INVESTMENT PACKAGE



WORKFORCE PACKAGE

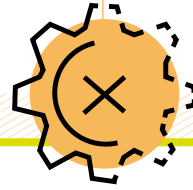


ENERGY PACKAGE





TABLE 8: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none"> + Using investor enquiries as an opportunity to make a first impression and starting point for building trust and a professional relationship 	<ul style="list-style-type: none"> - Neglecting enquiries, referring investors to other sources and contacts to find information on their own or only providing the bare minimum of information
<ul style="list-style-type: none"> + Actively promoting and offering facilitation services geared towards the needs of (potential) investors 	<ul style="list-style-type: none"> - Waiting and hoping that (potential) investors will ask for the support that they need
<ul style="list-style-type: none"> + Building a service portfolio that is designed to provide effective support at every stage of investment facilitation 	<ul style="list-style-type: none"> - Providing confusing, misleading or no information on the facilitation services offered
<ul style="list-style-type: none"> + Taking ownership of the investors journey and maintaining close contact with a one-face-to-customer approach 	<ul style="list-style-type: none"> - Only providing partial support and information and handing investors over from staff member to staff member

(Source: Own research)

ASSISTING IPAS IN ESTABLISHING EFFECTIVE FACILITATION SERVICES

The support provided to IPAs by international organisations is often strongly focused on the core task of investment promotion. Yet, as discussed, all efforts put into promotional activities

evaporate, if an IPA is unable to deliver support and assistance in the pre-investment and investment phase by providing needs-oriented facilitation services.



Experience shows that a hands-on approach geared towards assisting IPAs in developing the necessary skills and tools is most effective. As described in the practical example in **box 6**, support should go beyond workshops and training sessions and include mentoring support that is rendered over time and based on needs.

Piloting tools and resources for a single selected target industry can form a blue print for the IPA to subsequently model the same set of resources after.

B

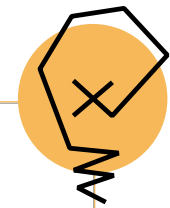
BOX 6: Practical example – Investment facilitation mentoring for the Namibia Investment Centre

Over the course of two years, the local GIZ project has assisted the Namibia Investment Centre (NIC) in adopting a targeted approach to investment attraction.

The support rendered to NIC was structured in the form of a mentoring programme. As a first step, NIC staff participated in interactive training sessions on the different activities and processes of investment facilitation. The training sessions helped to identify the skills and tools that NIC was lacking and, thus, formed the basis for providing hands-on mentoring and capacity development support. Furthermore, the project team jointly with NIC developed a number of tools and templates.

Mentoring activities included:

- › Introductory sessions on key facilitation services and tools
- › Development of an enquiry response template and structure
- › Review of NIC's enquiry handling process and identification of challenges
- › Support for handling incoming enquiries and building an information database
- › Introduction to the concept of customer/investor relationship management
- › Research and recommendations of appropriate software solutions



Content	
1	Introduction x
2	Reasons for your investment in Namibia x
3	Your questions answered: x
	Question A x
	Question B x
	Question C x
4	Investment facilitation and after-care services x
6	Your contact at Namibia Investment Centre x



TABLE 9:
FURTHER TOOLS & RESOURCES

The comprehensive IDB training programme *Towards the next generation of investment promotion agencies* covers facilitation services in the third training module.

→ <https://cursos.iadb.org/en/indes/towards-next-generation-investment-promotion-agencies>

The OECD has recently published the report *Mapping Investment Promotion Agencies* (2018) providing insights into the type and scope of facilitation services provided by IPAs in OECD countries amongst others.

→ <http://www.oecd.org/investment/Mapping-of-Investment-Promotion-Agencies-in-OECD-Countries.htm>

The IDB publication *Innovations in Foreign Direct Investment Attraction* includes good practices in the area of facilitation services.

→ <https://publications.iadb.org/en/innovations-foreign-direct-investment-attraction>

The World Bank paper *Strengthening Service Delivery of Investment Promotion Agencies* provides an overview of core facilitation services and their relevance in the investment attraction cycle.

→ <https://openknowledge.worldbank.org/handle/10986/33498>

MODULE





Module C: Combining systematic aftercare with advocacy and further business development services

Aftercare comprises a wide range of interconnected services to retain investment, encourage and fast-track reinvestment and anchor investors in the local economy maximising the impact. For a long time, aftercare did not play a prominent role within the strategies and service portfolio of IPAs. However, there have been significant changes in the last decade. A growing number of IPAs in developed as well as in developing and transition countries has introduced a systematic approach towards aftercare realising its potential beyond pure investment retention. More recently, in the COVID-19 pandemic, aftercare has risen to the top of the agenda of most IPAs.

As a starting point, this module takes a closer look at the objectives and benefits of a structured approach towards aftercare. The second section provides an overview of key features of aftercare programmes and the process of designing and integrating them into the existing organisation and service portfolio of IPAs.

Widening the perspective, the third section describes how aftercare can be combined with advocacy efforts and further business development services enhancing the local benefits. The final section outlines how international organisations can emphasise aftercare more strongly in their projects with IPAs

and how they can partner up and jointly support a comprehensive and integrated approach towards aftercare.

There are strong interrelations with other modules in this toolbox. Aftercare comprises a range of services, tools and instruments that are quite similar to those used in the context of investment facilitation (**Module B**). An efficient integration into the organisational structure and processes (**Module E**) and coordination with strategic partners (**Module F**) represent key success factors. Finally, as a core task, aftercare should be adequately reflected in the monitoring system of an IPA (**Module G**).



BOX 7:
GUIDING QUESTIONS

- Why does aftercare matter and why has it moved up the agenda recently?
- What are key features and components of aftercare programmes?
- How can aftercare be integrated into existing structures and processes of IPAs?
- What is the link between aftercare and advocacy?
- How can aftercare be contextualised with other investment and industrial development tools?
- How can international organisations partner up in order to increase the impact of aftercare?

OBJECTIVES AND BENEFITS OF A STRUCTURED APPROACH TOWARDS AFTERCARE

The original focus of aftercare was on retaining investment by solving individual problems encountered by investors. However, aftercare has also proven a very cost-effective way to attract and secure additional investment projects. As confirmed by practical experience, up to 70 % of foreign direct investment projects are expansions or reinvestments. The conventional marketing wisdom, that it is much easier to sell to an existing customer than to acquire a new client, also applies in the context of investment attraction. Systematic aftercare helps IPAs understand and influence decisions on follow-on investments that could also involve higher value activities contributing towards an upgrading of the industrial structure. Aftercare demonstrates commitment towards the investor community. It signals to corporate headquarters that the presence of the investor is appreciated and the country or region is a good place to invest (ECORYS, 2013).

In addition, aftercare allows IPAs to gain insights into investors' perceptions of the investment climate, investment potentials and further policy tools, e. g. incentives or special economic zones. Those insights can be translated into refinements of the IPAs' strategies (e. g. integrating new target groups) as well as into advocacy efforts and policy advice for investment climate reforms. Finally, aftercare can be used to foster forward and

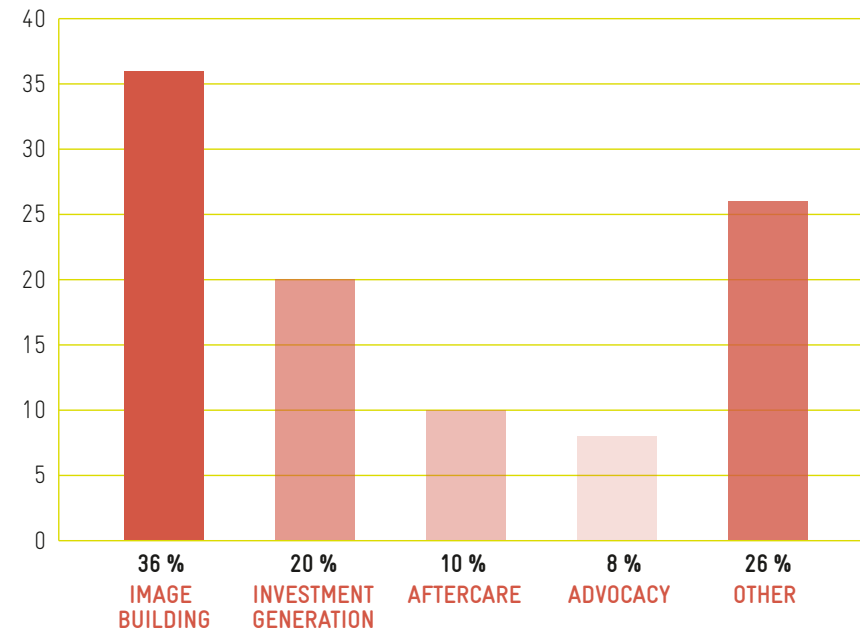


backward linkages with the local economy increasing the impact of investment projects. Thus, aftercare is based on a concept that should be mutually beneficial to the investors and the host country.

The role of aftercare as well as advocacy has been recently reinforced during the pandemic crisis. Agencies all over the world have been changing their modus operandi quickly responding to the fast-changing needs of their clients and reassuring investors that they are there to support them. They have assisted investors in coping with challenges related to the pandemic crisis, e.g. finding new suppliers or sources of finance. IPAs have been at the forefront of efforts to shift production lines of existing investors towards health equipment and materials based on innovative partnership initiatives that promote innovation and cooperation between stakeholders. In some countries, they have been relaying the needs of the private sector and feeding into government response measures and policies (UNCTAD, 2020).

The support and preparedness of IPAs throughout the crisis may have a lasting effect on their relation with investors as well as on the role of aftercare and advocacy within IPAs strategies and budgets. In a survey of IPAs carried out by the World Association of Investment Promotion Agencies (WAIPA), aftercare accounted for 10% and advocacy for 8% of the agencies' total budgets (see figure 8). Those shares are most likely to increase in the future, as many IPAs are shifting resources from promotion to aftercare and advocacy.

FIGURE 8: Budget allocation of IPAs



(Source: WAIPA, 2018)

DESIGNING AND INTEGRATING A STRUCTURED AFTERCARE PROGRAMME

The process of planning and setting up an aftercare programme or unit in an IPA which is summarised in the steps listed on the next page (figure 9) is much the same as for many marketing activities.



It includes an understanding of the market and the needs of the customers, the definition of objectives, a segmentation and targeting strategy, the design of services and organisational solutions, resource planning and the development of the necessary tools.

However, there is a number of specific success factors and challenges that should be considered in the design of an after-care programme or unit of an IPA.

FIGURE 9: Key steps for designing an aftercare programme





First of all, it is important to be aware of the importance of a proactive and individual approach. Direct contacts, direct relationships, direct advice and support to individual investors are at the core of aftercare. Support needs and services will differ greatly depending on the specific situation and plans of investors.

This needs to be reflected by the services as well as the modes of communication. Currently, in the light of the COVID-19 pandemic, there is a strong focus on online marketing and services – e. g. setting up specific internet platforms that provide information on support measures and good practice or organising virtual business breakfasts, corporate days and facilitating webinars.

Those offer very important and helpful information to investors. However, no matter if aftercare services are provided off- or online, it is important to keep the focus on proactive, individual contacts and direct engagements with investors to discuss individual projects and problems and find solutions how to tackle them, e. g. via video-calls.

Furthermore, IPAs must be very clear about what services they offer to existing investors. Otherwise, investors won't see the benefit and it will be difficult to establish a lasting customer relationship. Another key success factor relates to efficient cross-organisational cooperation and coordination, as usually

a range of institutions is offering support to existing investors. Subsequently, the key steps for designing an aftercare programme are discussed in closer detail.

1 Developing a thorough **understanding of the investor landscape** forms the starting point of the design process: what are the structural characteristics of the investor community, what is the role of different investors with respect to value chains, employment, exports and innovation dynamics, who are the decision makers at the different levels and what are the core needs. Gathering this initial information requires desk research which can be complemented by interviews and surveys.

2 The next step is about **identifying and integrating strategic partners**. IPAs are part of a broad landscape of institutions that are offering support services for investors or play an important role for the delivery of those (e. g. chambers, associations, cluster networks, industrial or special economic zones, public administration and institutions). As demonstrated in the practical example in **box 8**, IPAs should design and implement aftercare programmes in close cooperation with strategic partners to avoid duplication and confusion among existing investors (see **Module F** for further information on exploring opportunities for cooperation with strategic partners).



Against this backdrop, **the programme's objectives should be defined** based on stakeholder consultations.

While some IPAs focus exclusively on increasing the volume of reinvestment and corresponding number of jobs secured, other agencies have a wider spectrum of objectives,

including collaborative projects with local companies, universities and R&D institutions, and place more emphasis on qualitative aspects of follow-on investments – e. g. higher value added activities and quality jobs. Once objectives are identified, targets can be set for the monitoring system.

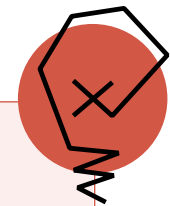
BOX 8: Practical example – Aftercare of Berlin Partner (Germany)

Berlin Partner fuer Wirtschaft und Technologie GmbH, the IPA of the Federal State of Berlin, introduced a structured aftercare programme in 2010. The agency recruited four specialised key account managers who were integrated into the existing industry teams and additional specialists for sites, HR and finance who joined a project support unit.

The aftercare services were defined in close cooperation with strategic partners, including local administration, chambers and associations, the technology foundation, employment agency and cluster initiatives. Approximately 400 strategic investors (foreign and domestic) were selected based on defined criteria – such as size, employment potential, contribution towards innovation dynamics and industrial development. As part of a systematic key account management, regular meetings were organised with each strategic investor in order to discuss previous and planned projects as well as challenges and support needed.

The support offered by the key account management integrated the agency's own as well as the services of the strategic partners. The joined service portfolio comprised areas – such as sites&real estate, finance&incentives, recruitment&training, permits&administrative processes, clusters&networks, technology&innovation, internationalisation&trade.

During the first five years of its operation, the aftercare team could secure reinvestment projects with a volume of EUR 1.5 billion.



C



Segmentation plays a critical role for the success of aftercare. Usually, IPAs do not have the resources to service all existing investors with an equal level of attention. So, there is a need for a segmentation and for defining priorities and service levels for different groups of investors.

Popular segmentation criteria include the size and industry of the investor. More sophisticated approaches integrate additional criteria – such as export-intensity and local content, employment structure and potential, role for supply chain development and innovation dynamics or risk of relocations (see exemplary selection grid, [table 10](#)).

TABLE 10: Exemplary selection grid for aftercare clients

CRITERIA	WEIGHTING	COMPANY 1		COMPANY ...	
		Points 1 – 10	Assessment Weighing × Points	Points 1 – 10	Assessment Weighing × Points
Size (number of employees)	15				
Quality of jobs provided	15				
Employment growth potential	10				
Contribution towards innovation dynamics	5				
Forward and backward linkages	10				
Reinvestment potential	15				
Risk of relocations	10				
Relevance of aftercare services for company	15				
Role of company as opinion leader	5				

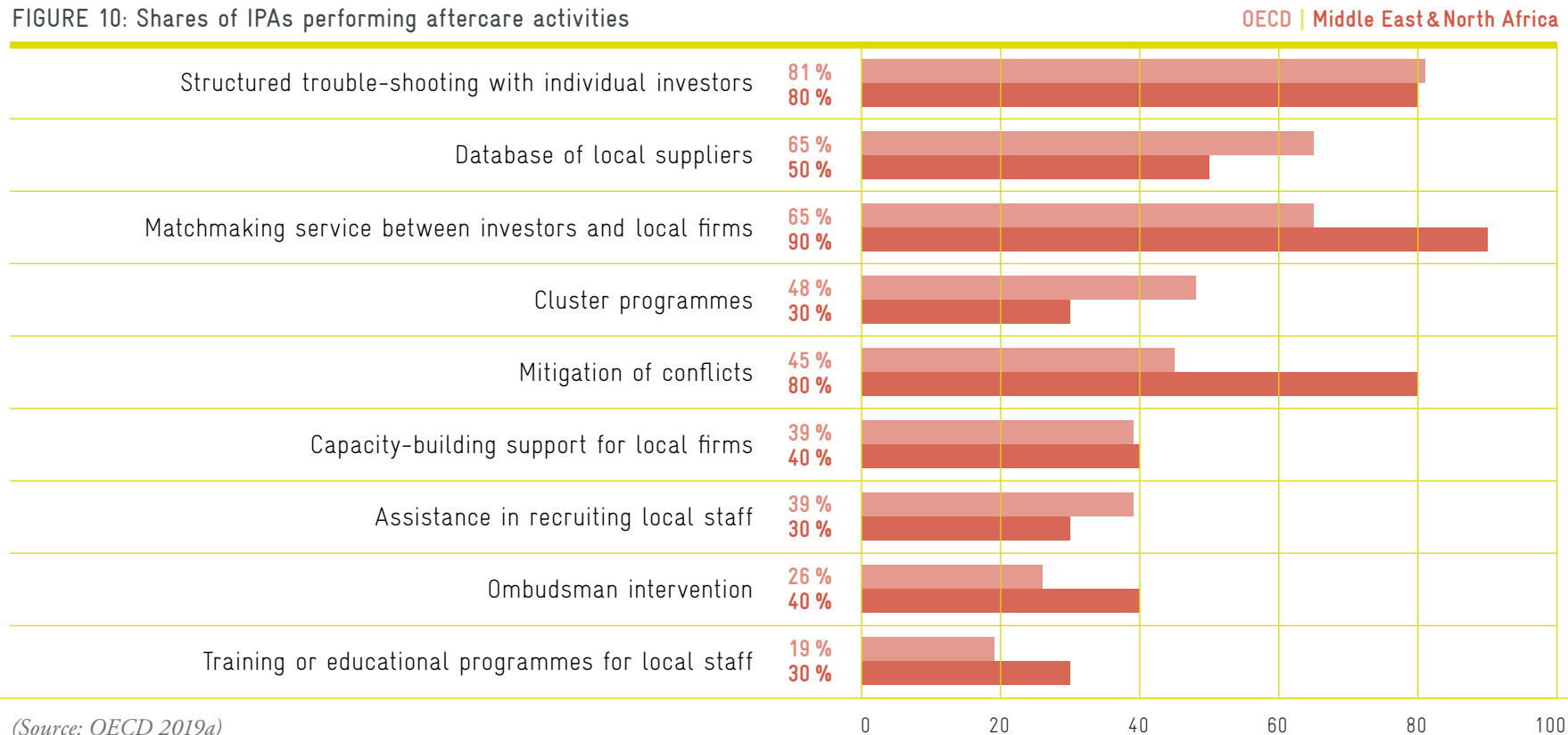
(Source: Own research)



Many IPAs find it hard to **define and communicate what services they offer** for existing investors. However, it is important that IPAs avoid vague statements referring to “flexible support” and are as clear as possible about their aftercare services. Otherwise, it will be difficult to get into contact and build up relationships with investors. As discussed in the context of investment facilitation (**Module B**), the definition of service packages – e.g. sites & premises, finance & incentives, recruitment & training – has proven helpful, in particular for communication purposes. This approach could be easily adapted and extended to aftercare.

Regardless of the scope of their service portfolio, most IPAs place strong emphasis on direct engagements with investors assisting them with problems related to their investment projects (e.g. administrative procedures), helping them expand their activities (e.g. finding sites and staff for additional sites). In the results of OECD surveys displayed in **figure 10**, those activities are captured under “structured trouble-shooting with individual investors” and are covered by about 80% of IPAs both in OECD countries and the Middle East and North Africa region.

FIGURE 10: Shares of IPAs performing aftercare activities



(Source: OECD 2019a)



As shown by the OECD surveys, business development services – such as identifying suppliers or matchmaking with local partners – constitute further important components of the aftercare services, in particular in developing countries. Cluster programmes, capacity-building for local firms, assistance in recruiting and training are covered by a smaller but increasing share. IPAs do not have to deliver all those services on their own, but often cooperate with strategic partners in order to offer an integrated service portfolio to investors.

6 When **integrating aftercare into the existing organisational set-up**, it is important that responsibilities are clearly allocated and communicated. An ad hoc approach with changing responsibilities has proven less effective, as long-term customer relations and mutual trust play a strong role for the success of aftercare. An increasing number of IPAs is introducing account management systems for the delivery of aftercare services. They assign dedicated account managers who regularly follow-up with defined clients (see example, **box 8**).

At the same time, cross-organisational coordination needs to be addressed. Many IPAs use cooperation agreements to clarify the division of tasks as well as the information and communication processes (see also **Module F**).

7 Based on the defined objectives, services and segmentation, **the necessary resources can be determined**. If there are not enough resources available, the objectives, size or scope must be modified. It is important to ensure a systematic follow-up and needs-oriented support. A phased approach is a good option. Once structures and processes are established, they can be scaled-up at a second stage.

8 Finally, before an aftercare programme is rolled-out, **a basic set of tools should be developed**. Those include on- and offline communication tools (e. g. a dedicated micro-site addressing challenges of investors and introducing aftercare, service packages including webinars explaining the services in closer detail, success stories pointing out the benefits from the perspective of investors). Like the other core tasks, aftercare requires an effective customer relationship management (CRM) system. If necessary, the existing system should be adjusted.

Furthermore, guidelines and templates for key activities should be developed to ensure a consistent approach, in particular in case of larger teams. Amongst others, guidelines for personal- and video-meetings as well as templates for the introduction should be prepared.



COMBINING AFTERCARE WITH ADVOCACY AND FURTHER BUSINESS DEVELOPMENT SERVICES

By combining systematic aftercare with advocacy and further business development services – in particular in the area of supplier and cluster development – IPAs can enhance the impact of investment projects and, at the same time, increase the attractiveness of a location for further investment. The COVID-19 crisis has clearly shown that IPAs have unique insights into the needs of investors and can translate those into ideas and recommendations for policy measures to address key challenges.

With respect to advocacy, the legal mandate and the scope of activities vary considerably between countries. While almost all IPAs provide informal feedback to the government on the investment climate and meet with the private sector to gather their views, some agencies have a very structured process and dedicated teams.

According to the already mentioned OECD mapping of IPAs in the Middle East and North Africa, more than half of the agencies in the Mediterranean countries is charged with reviewing laws and regulations related to investment and proposing reforms. The agencies in Egypt and Jordan, for example, have the authority to draft investment legislation, while the Lebanese, Palestinian and Tunisian IPAs have dedicated units/divisions for advocacy. The Tunisian IPA produces yearly re-

ports on the main challenges of investors and proposes reforms to a Strategic Investment Council, chaired by the Prime Minister. On average, Mediterranean IPAs perform more advocacy activities than agencies in OECD countries (OECD, 2019a).

CINDE, the IPA of Costa Rica, constitutes another example of an agency placing strong emphasis on combining aftercare and advocacy. In 2015, a Department of Corporate Development and Investment Climate has been created. Both within the aftercare services and advocacy activities, there is a strong focus on skills development. Amongst others, CINDE's aftercare services comprise job fairs, digital recruitment platforms and training programmes in collaboration with educational institutions. At the same time, CINDE is organising information seminars and consultations with the investor community to identify key needs. Based on the findings, the agency is providing policy advice, e. g. to the Presidential Council on Innovation and Human Talent.

In many countries, IPAs closely cooperate with other institutions in the area of advocacy, e. g. industry or foreign investors' associations and chambers. Such a cooperation allows IPAs to focus on bringing in investors' needs into relevant consultation processes while other institutions take the lead in organising public-private dialogues (PPDs) and further advocacy-related activities.



International partners play an important role in this context. For instance, the European Bank for Reconstruction and Development (EBRD) has supported the establishment of Investment Councils in several countries (see the practical example, [box 9](#)).

BOX 9: Practical example – Establishment of Investment Councils with the support of the European Bank for Reconstruction and Development (EBRD)



C

Over the last decade, the EBRD has prioritised establishing and strengthening platforms for public-private dialogue where businesses and policymakers can come together to tackle investment climate-related challenges in a systematic and results-oriented fashion. Currently the EBRD supports 12 Investment Councils across Eastern Europe and Caucasus, Western Balkans, Central Asia and Southern and Eastern Mediterranean. They operate in Albania, Armenia, Belarus, Georgia, Kosovo, the Kyrgyz Republic, Moldova, Montenegro, Tajikistan, Tunisia, Ukraine and Uzbekistan. In many of these countries it is the President or Prime Minister who chairs the Investment Council.

Investment Councils are not meant to replace the activity of any government ministry, agency or institution. Instead, they are designed to provide a platform for dialogue between the private sector and the authorities, with the ultimate aim of leveraging the private sector's experience to enhance the content and prioritisation of policy reforms creating the right business environment for entrepreneurship, businesses and investments. The Investment Councils also strengthen the private sector's and civil society's role in monitoring the effectiveness of the Government's activity in the area of governance reform.

For instance, in the Kyrgyz Republic, the Council contributed to the adoption and amendment of more than 100 critical laws and regulations since its inception in 2007. In Armenia, the country's platform for public-private dialogue supported the authorities in the reform process of the inspection system, which led to the improvement of the country's performance in the World Bank's Doing Business ranking. In Moldova, the Council provided a forum at which the authorities and private businesses agreed on the reforms to simplify the procedures for obtaining business permits and for amendments to the labour code.

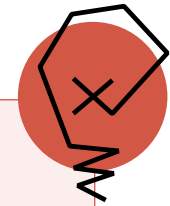
(Source: EBRD)



Supplier development programmes represent another promising option to widen the scope of aftercare programmes and generate synergies. They focus on upgrading the capacities of local suppliers in line with the needs of large investors. The aim is to increase the local content and spill over effects and to embed investors more strongly in the region reducing the risk of relocations.

Typically, comprehensive business reviews are combined with mentoring and upgrading programmes to strengthen linkages between local suppliers and international investors. The approach can be illustrated by the Subcontracting and Partnership Exchanges (SPXs) that have been established by the United Nations Industrial Development Organization (UNIDO) in various countries (see **box 10**).

BOX 10: Practical example – UNIDO's Subcontracting and Partnership Exchanges (SPX)



C

UNIDO establishes Subcontracting and Partnership Exchanges (SPXs) with the objective of helping local enterprises to take advantage of emerging subcontracting, outsourcing and supply chain opportunities. The SPX Programme approach involves active engagement with the procurement and local sourcing departments of large enterprises, identifying and mapping requirements and generating needs analysis emanating from these procurement strategies and plans. Potential local suppliers, in turn, benefit from rigorous profiling and benchmarking assessments which can be used to develop specific upgrading and investment plans required to become competitive suppliers.

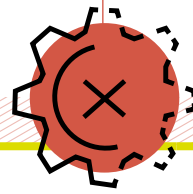
Depending on the institutional set up of each country, the SPX Centre is located either in a private sector association (chamber of commerce, business association etc.) or a public sector institution (IPA, SME development agency etc.).

For instance, SPX Mozambique was set up in 2012 at the former Centro de Promocao de Investimentos (CPI) which then transformed into the Agência para a Promoção de Investimento e Exportações (APIEX) in 2017. In keeping with the decision of the Council of Ministers to support SPX as an important instrument for linkage creation in the country, APIEX has continued to play its role as SPX host, which includes a dedicated annual budget. The SPX has profiled 505 enterprises and benchmarked 167 enterprises. With regards to enhanced business linkages, the matchmaking activities led to 49 sub-contracts/outsourcing agreements. An analysis done with CPI on the local content expenditure of six main buyer firms over the 2013–2016 period, suggests that SPX serviced suppliers accounted for around 5% of the total supplier pool of the assisted buyers and for 6% of total local expenditure.

(Source: UNIDO)



TABLE 11: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none">+ Moving aftercare onto a proactive footing combining different online and offline communication instruments with a strong focus on individual engagements (e.g. personal and virtual meetings)	<ul style="list-style-type: none">- Waiting for enquiries without any information provided about the services offered to existing investors
<ul style="list-style-type: none">+ Aftercare based on a long-term, systematic approach with a dedicated team and clearly allocated responsibilities	<ul style="list-style-type: none">- Ad hoc aftercare activities with changing responsibilities when investment activities are slowing down
<ul style="list-style-type: none">+ A focus on building up mutually beneficial relationships with existing investors	<ul style="list-style-type: none">- Asking too many favours of existing investors (providing testimonials, filling in forms etc.) without offering a benefit to them
<ul style="list-style-type: none">+ A realistic spectrum of services and customers allowing a systematic follow-up and needs-oriented support	<ul style="list-style-type: none">- A too ambitious programme that is not in line with the available resources
<ul style="list-style-type: none">+ Coordinating and sharing resources with strategic partners making use of synergies and available competences	<ul style="list-style-type: none">- Entering into a competition with other institutions duplicating their activities

(Source: Own research)

Many countries have also successfully leveraged **cluster development programmes** to increase the effectiveness of their aftercare efforts. For instance, in Moldova, an automotive cluster has been initiated integrating international investors – such as Dräxlmaier, Fujikura, Coroplast and Confezione Andrea. In addition to collaborative innovation and vocational training projects, a supplier development programme forms part of cluster-related activities.

Supplier and cluster development require substantial resources. Therefore, IPAs often do not carry out those programmes themselves but cooperate with other organisations and take over the role of a facilitator integrating the investors into relevant schemes and initiatives.



ASSISTING IPAS IN SETTING UP AFTERCARE PROGRAMMES OR UNITS

In the past, aftercare did not play a very prominent role in the support provided by international organisations to IPAs. A recent study on international cooperation experience in the area of investment attraction showed that the majority of GIZ projects focused on the beginning of the investment attraction cycle and did not include or emphasise aftercare (Vogler, 2018). As IPAs are currently shifting resources and attention from investment promotion towards aftercare, international partners should do the same.

The COVID-19 crisis has brought aftercare to the top of the agenda of most IPAs forcing them to quickly develop and introduce tools and services to support existing investors. International partners can make an important contribution by assisting IPAs in developing a systematic approach towards aftercare in the medium term building upon those initiatives.

International partners can offer or provide access to specialised training programmes focusing on aftercare. Peer learning which is facilitated, amongst others, by the ANIMA Investment Network constitutes another promising approach. As the number of professionals with practical experience in designing and implementing aftercare programmes has increased at the international level, there is now also a pool of potential integrated experts available who could be seconded to IPAs in need of support.



Man working in a automotive factory in Moldova. Encouraged by the positive experience during a previous investment in the capital Chisinau, the company expanded its operations, becoming one of the biggest employees in Moldova's growing automotive sector.



Furthermore, as a starting point for systematic aftercare, international partners can assist IPAs in carrying out structured assessments of investors' needs. As shown in the practical example on the next page (box 11), such a type of assessment can also provide a solid groundwork for other tasks of IPAs (e. g. aligning the target group definition to changes in the investment environment), for refining further investment policy tools (e. g. incentives) or developing investment climate reforms.

Finally, international partners can make an important contribution by partnering up to support an integrated approach. As shown in the previous sections, interfaces between aftercare and advocacy as well as complementary business development services in the context of supplier and cluster development offer a promising potential to enhance the impact and local benefits.

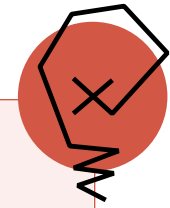
Typically, various international organisations are supporting activities in those areas and have built up valuable expertise and contact networks. For instance, as shown in the practical examples on the previous pages, EBRD is supporting Investment Councils in a range of countries taking up investors' challenges and initiating investment climate reforms. UNIDO has developed a wide spectrum of tools and experience in the area of supplier linkage support in the context of IPAs' aftercare or investment promotion functions. Intensifying cooperation and coordination between the international organisations offers a promising potential for increasing the effectiveness of aftercare.

However, it is also important to take a realistic approach that considers the mandate and resources of IPAs as well as their institutional context. It should be avoided to overload the portfolio of IPAs. This relates in particular to advocacy activities. In many cases, IPAs do not have the mandate and the specialised capacities (e. g. legal) to cover all the advocacy activities that might be expected by international partners.

At the same time, there might be other institutions, such as chambers or foreign investors' associations, that are better positioned to take a leading role with respect to advocacy. In such a constellation, IPAs and their support by international organisations should focus on identifying challenges and reform priorities of investors as part of systematic aftercare work feeding those into relevant planning and consultation processes that are facilitated by other institutions.



BOX 11: Practical example – Assessment of investors’ needs carried out by the local GIZ project in Albania in close collaboration with the Albanian Investment Development Agency (AIDA)



As part of the assessment that was carried out in collaboration with the Albanian Investment Development Agency (AIDA), about 50 existing investors (foreign and domestic) were interviewed, focusing on their initial investment decisions and expansion plans, potential target groups, perception of incentives and aftercare services, investment challenges and reform priorities.

The objective of the assignment was to effectively support the investment policy design process and to refine the IPA’s service portfolio at the same time. While most investment climate surveys use questionnaires with closed-ended questions, the assessment was based on semi-structured face-to-face interviews with a strong focus on open-ended questions.

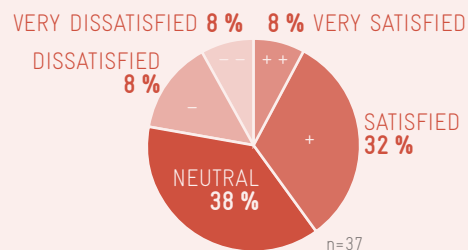
This approach ensured an open and implementation-oriented discussion allowing the respondents to specify their experience and requirements e.g. regarding the introduction of new investment facilitation and aftercare services or reforms improving the business environment.

The assessment provided valuable insights into reinvestment potentials and needs with respect to aftercare services. Approximately 85 % of the existing investors surveyed reported on planned expansion projects. At the same time, the results showed that the reinvestment potential could only partly be tapped. Challenges in the investment environment, uncertainty with respect to the future development and gaps within the investment facilitation and aftercare service portfolio negatively affected the implementation rate of planned investment and expansion projects.

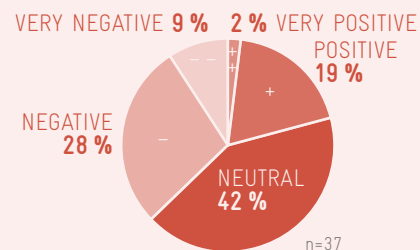
MOST IMPORTANT REFORMS

- 1 Improve legal/regulatory environment (for investments)
- 2 Reform of tax system/administration
- 3 Streamline and fast track investment-relevant processes
- 4 Fight informal economy (practices)
- 5 Extern investment support (services)
- 6 Improve access to land
- 7 Improve infrastructure, including (costs of) utilities
- 8 Strengthen capacities
- 9 Increase policy continuity and reliability
- 10 Invest in skills/reform of educational system

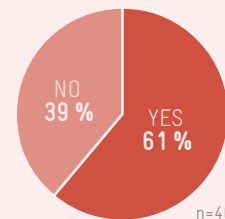
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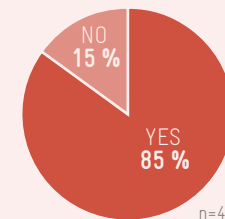
Satisfaction with Support



Coordination between different Institutions and Organisations



Albania Recommended as Investment Location



Planned Expansions

(Source: GIZ)



TABLE 12:
FURTHER TOOLS & RESOURCES



The IDB is offering an online training course *Towards the Next Generation of Investment Promotion Agencies* which includes a module on aftercare and advocacy.

→ <https://cursos.iadb.org/en/indes/towards-next-generation-investment-promotion-agencies>

Further international organisations regularly organise training seminars that often also cover aspects related to aftercare and advocacy. Amongst others, WAIPA and UNIDO provide relevant trainings.

→ <https://waipa.org/the-fdi-excellence-series-registration-page/>

→ <https://www.unido.org/our-focus/advancing-economic-competitiveness/investing-technology-and-innovation/investment-and-technology/investment-learning-centre>

ILO has published a working paper examining how IPAs can foster backward linkages between foreign investors and local suppliers based on experience in the Turkish manufacturing sector.

→ https://www.ilo.org/empent/Publications/WCMS_646464/lang--en/index.htm

Case studies describing aftercare and supplier development programmes, amongst others in the Czech Republic and United Kingdom, form part of the IDB publication *Innovations in foreign direct investment attraction*.

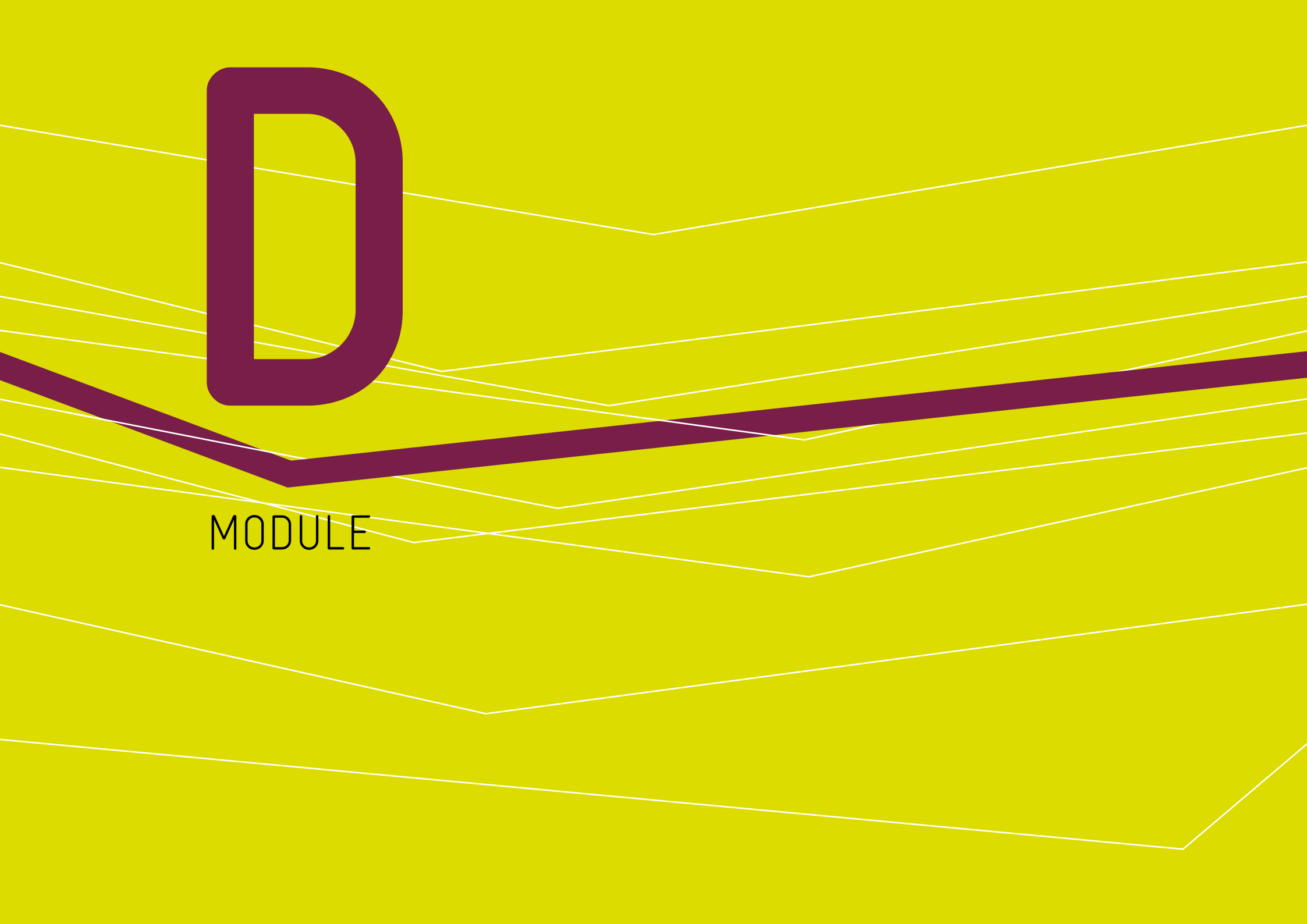
→ <https://publications.iadb.org/publications/english/document/Innovations-in-Foreign-Direct-Investment-Attraction.pdf>

The World Bank Group has published a note *Promoting Technology Transfer and Productivity Spillovers from Foreign Direct Investment (FDI)* providing an overview of incentive schemes and further tools – including supplier development programmes – to promote backward linkages.

→ <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/354781589316916550/investment-linkages-and-incentives-promoting-technology-transfer-and-productivity-spillovers-from-foreign-direct-investment-fdi>

The website of the EBRD provides further information on public-private dialogues and other activities of the Investment Councils supported by the bank as well as links to the websites of the platforms in the different countries.

→ <https://www.ebrd.com/what-we-do/sectors-and-topics/investment-councils.html>



D

MODULE



Module D: Defining and refining target groups for investment attraction efforts

In a competitive landscape, most IPAs – in both OECD and developing countries – focus on specific target groups of investors. The prioritisation of target groups can ensure that limited resources are channelled towards the most promising promotional activities and has proven to yield better results regarding both the quantity and quality of FDI inflow. Aligning the target group selection to the overall development strategy of a country (e.g. the sectoral focus of the national development plan, industrial or innovation policy) can generate further synergies and spill-over effects increasing the development impact.

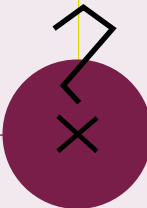
This module starts with an introduction to the main motivation for targeting specific groups of investors. Before detailing the key steps of the process of defining and refining target groups for investment attraction efforts, the main motivation and guiding principles are provided in separate sections.

Commonly used diagnostic methods and indicators as well as criteria for the selection and segmentation of target groups are provided throughout the module. A special emphasis is placed on the key dimensions of target group analyses comprising the investment location, investment potential, competitive position and the development impact.

The closing section discusses good practice approaches as to how international organisations can support IPAs in defining and refining target groups.

The selection of target groups has a direct impact on the core tasks (**Module A** / **B** / **C**) of an IPA. The range of target groups selected will inform the design and adaptation of instruments and activities to the needs of customers including target-group-specific marketing materials and the types of promotional activities deemed most promising with regard to the specific segments.

The target group definition will further inform the specific competencies and knowledge that an IPA will need to build. In light of this, many IPAs choose to align their organisational structure (**Module E**) to their target group strategy.



BOX 12:
GUIDING QUESTIONS

- What are the key benefits of a targeted approach to investment attraction?
- What are the key dimensions of target group analyses?
- How should the SDGs be reflected by the target group selection of an IPA?
- What are effective tools to structure and simplify the process of defining target groups?
- How can international organisations take a hands-on approach to assisting IPAs in the process of defining and refining target groups?

MAIN MOTIVATION FOR TARGETING SPECIFIC GROUPS OF INVESTORS

Practical experience shows that IPAs can increase their effectiveness and the quality of investments attracted significantly by defining and actively approaching the most promising target groups of investors (*ECORYS, 2013; Harding/Javorcik, 2010*).

Investors have imperfect information and decisions are affected by perceptions. Alleviating these information asymmetries and influencing the investment decisions of potential investors through well-focused promotion and facilitation services are a key objective of any IPA.

Experience shows that investors respond best to marketing materials and services that are tailored to their needs. As IPAs can not satisfy those needs for tens of thousands of companies that may invest in a particular country or region, resources have to be focused on target groups with the highest potential.



MAIN PRINCIPLES OF DEFINING AND REFINING TARGET GROUPS

Target group analyses should take into account the following dimensions:

› **Investment location:**

The location dimension of target group analyses is concerned with answering the question for which types of investors the location is most attractive or suitable.

› **Investment potential:**

This dimension is focused on analysing the demand side by gauging from current trends and developments in investment patterns which groups of investors from which sectors are likely to seek new locations or investment opportunities.

› **Competitive position:**

The aim is to identify key competitor locations and to determine how the location can stand out in comparison.

› **Development impact:**

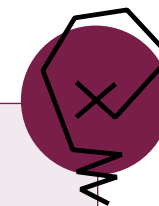
The assessment of the development impact is concerned with the likelihood of an investment from a potential target group to make a desirable and sustainable impact with regard to the country's development goals.

It should be noted that when defining and refining target groups, IPAs rarely have to start from scratch, but can rather draw on existing studies, strategies, data and assessments as well as experience.

Furthermore, as smart targeting approaches often focus on specific niches as well as gaps and investment opportunities in existing value chains, qualitative diagnostic methods and country-specific sources of information (e.g. consultations and interviews with local industry experts and existing investors) play an important role and often take precedence over complex quantitative analysis.

While a focus on qualitative research is strongly recommended, the exemplary quantitative indicators in the **box 13** may be considered to confirm or back up initial findings in the process of defining and refining target groups as detailed in the next section.

Defining and refining target groups is a dynamic process and target group definitions should be regularly updated to reflect changes in the investment environment and maximise the development impact of investment attraction efforts. In this sense, the economic and social consequences of the COVID-19 pandemic crisis are an example of drastic changes in the investment environment that had to be addressed by IPAs all over the globe. One of the key actions that has been taken by many agencies is a review and refinement of their target group selection.



BOX 13: Examples of quantitative indicators used in target group analyses

Commonly used diagnostic methods focus on Location Quotients, Revealed Comparative Advantage, Location Benchmarking and Direct Investment Demand Indicators.

- › **Location Quotients (LQ)** are used in target group analyses to identify sub-sectors with a strong presence in an area. The LQ compares the concentration of a sub-sector in an area or state with a larger comparison region, typically using employment data. Location Quotients can also be analysed in different time periods to identify industry trends. Data sources include the International Labour Organization's Database (ILOSTAT) and United Nations Industrial Database (INDSTAT) as well as databases of National Statistical Offices.
- › The underlying concept of **Revealed Comparative Advantage (RCA)** is similar to that of LQ. However, RCA focuses on export data while LQ use employment data. The RCA index compares the share of a specific sub-sector in a country's exports to the share of this sub-sector in world exports. UNCOMTRADE can serve as a source of data.
- › **Location Benchmarking Indicators** are used to assess the competitive position of an area reflecting corporate investment decision processes and site selection criteria. The EQuIP (Enhancing the Quality of Industrial Policies) toolbox published by GIZ and UNIDO already comprises a range of relevant indicators based on publicly available data – in particular indicators measuring the production, technological, innovation and infrastructure capabilities. However, publicly accessible data sources only allow a rather general assessment of a location's competitiveness. Commercial platforms (e.g. fDi Benchmark) offer datasets for target group specific benchmark analyses also covering location determinants – such as size of clusters or cost levels for labour, property and utilities.
- › **Investment Demand Side Indicators** are used to assess the overall FDI attraction performance and to identify which sub-sectors exert the biggest demand from investors. They measure the share of sub-sectors in the country's FDI inflows as well as their growth in comparison to the regional and global level. The local analysis shows the track record of a country identifying the largest and fastest growing sub-sectors. The regional analysis outlines the relevant investment potentials. Depending upon the data sources, FDI inflows, number of projects, jobs or capital investment can serve as variables. Data on FDI inflows at the sub-sector level is available from the ITC Investment Map Database and from UNCTAD's World Investment Reports. FDI greenfield data is published by fDi intelligence, however only at the global and regional level. Country-specific greenfield data would need to be purchased.



THE PROCESS OF DEFINING AND REFINING TARGET GROUPS

The figure 11 provides an overview of the process of defining and refining target groups ranging from the assessment of the

location and investment potential to the segmentation and operationalisation of the final target groups.

FIGURE 11: Key steps of defining and refining target groups





1 The first step is typically **the assessment of the investment location** from the perspective of potential investors. In this step, IPAs will largely be able to draw from available studies, surveys and statistics. In addition, interviews and focus groups with local experts and stakeholders from both the public and private sector will help to update information and reflect changes in the business and investment climate.

It is helpful to summarise the findings in a SWOT-analysis that reflects the perspective of potential investors and allows to quickly identify the strengths and weaknesses of the location as well as potential opportunities and threats that may arise.

The assessment of the location should also take into account the regional perspective in order to reflect opportunities for the development of regional specialisation, cross-border value chains and market integration.

2 Based on this initial research and review of the location profile, the first step towards identifying target groups should be the establishment of **a short list of potential target groups** of investors that appear promising with regard to the key characteristics of the location. Experience shows that stakeholder and expert workshops can provide helpful input to quickly establish a viable short list.

3 The next step dives deeper into **the dimension of investment potential**. After a review of industry-specific studies on investment patterns and trends, expert interviews commonly form the core element of the assessment. Interview partners may include national and international industry associations and chambers, local companies from within the potential target groups as well as recent investors.

Commonly, such interviews are structured around the following guiding questions:

- › In what industries, from what regions and for which types of activities are investments most likely?
- › What are key needs and location criteria of potential investors?

4 The next step, **the assessment of the competitive position**, is usually carried out in tandem with the assessment of the investment potential, as the core interview partners are largely the same. In this sense, the interviews with the aforementioned types of experts should also be utilised to answer the following questions:

- › Which are the core competing locations?
- › How does the country/region perform in comparison?
- › Which target groups seem most promising considering the competitive environment?



It has proven insightful to also examine the location decision of investors who initially considered the country or region as an option but ultimately located elsewhere. More general information on the competitive environment can be drawn from location rankings and industry surveys.

5 Once the assessment of the investment potential and competitive position has verified the economic viability of the potential target groups, the dimension concerning the **development impact** comes into play.

When assessing the contribution potential investments can make to the economic development goals of a country, not only the quantity but also the quality of projects matters. As investment is considered a key instrument to meet the SDGs, IPAs have started to focus on sustainability criteria when gauging the development impact that investments from certain target groups may have.

Sustainability characteristics of FDI can be grouped into the following categories:

- › **Economic**, e. g. employment, local linkages, equitable distribution of wealth
- › **Environmental**, e. g. low carbon footprint, resource management, waste reduction, biodiversity protection, renewable energy
- › **Governance**, e. g. transparency, supply chain standards, anti-corruption
- › **Social**, e. g. labour rights, workplace safety, skills enhancement, indigenous rights, gender equality

6 When the assessment of all dimensions has been completed, the previously established short list should be assessed and compared along the different dimensions of the target group analysis in order to make **the final selection of target groups**.



The **table 13** provides an example of a comparative assessment with regard to the investment potential, location / competitive position and development impact. The two target groups of investors in the example have been considered in the process of developing an investment promotion strategy for the automotive industry in Namibia. Based on the assessment, they were given different priorities as indicated in the bottom row of the table.



The final assessment and selection is often discussed and refined in the setting of focus groups, expert panels or workshops. Along with the final selection of target groups, expert workshops at this point in the process typically also cover the **segmentation of the selected target groups**. Joint brainstorming sessions and focus groups may yield surprising yet very promising niches.

TABLE 13: Example of a comparative assessment of potential target groups

	TIER 2 AND 3 METAL COMPONENT SUPPLIERS <i>e.g. Metal pressing and welding assemblies, metal stampings</i>	TESTING <i>e.g. Setting up a test track for heat testing of passenger and commercial vehicles</i>
INVESTMENT POTENTIAL	<ul style="list-style-type: none"> › Attractive potential (size of target group, increasing internationalisation) + › Companies are seeking to optimise their cost structure utilising the potential of different locations 	<ul style="list-style-type: none"> › Various OEMs already use Namibia's road network for testing activities + › European OEM already plans test track + › Project should be supported before new investors are approached
LOCATION / COMPETITIVE POSITION OF NAMIBIA	<ul style="list-style-type: none"> › Presence of NPT in Namibia and various suppliers in region indicate competitiveness + › Labour costs and logistics are advantages + › At tier 2 and 3 level proximity to customers is less important than for tier 1 suppliers 	<ul style="list-style-type: none"> › Namibia offers distinct benefits for testing activities, e.g. climate, road infrastructure, altitude levels, low visibility + › At the same time, Namibia can benefit from congestion at Upington in South Africa +
DEVELOPMENT IMPACT	<ul style="list-style-type: none"> › Positive employment effects due to labour-intensive operations + › At the same time potential for upgrading + › Domestic metal companies could benefit from linkages and spill over effects 	<ul style="list-style-type: none"> › Direct impact in terms of jobs rather limited › But considerable spill over effects, e.g. with respect to local hospitality industry + › Furthermore, positive impact on image and awareness of Namibia
PRIORITY	>>> 1	>>> 2 (due to already existing investment plans)

(Source: Own research)



While the target group definition often starts with a focus on industries, the segmentation typically also includes ...

- › geographic origin
- › investment type and activity
- › size
- › regional experience of the potential investors

The segmentation of target groups by region/geographic origin is very common. The example in the **table 14** shows how different priorities may be given to different regions and countries. The priorities inform the type and intensity of promotion activities that will be carried out regarding the specific target group and region.

TABLE 14: Matrix of target groups and regions

	AMERICA			ASIA		
	USA	CANADA	SOUTH AMERICA	CHINA	JAPAN	INDIA
Automotive	*	?	?	***	*	?
Railway technology	?	*	?	*	?	-
Aviation industry	*	*	-	*	?	-
Telematics/logistics	*	?	?	*	*	-
Clean technologies	***	*	-	*	***	?

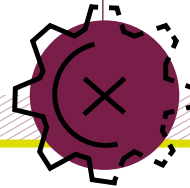
- *** Priority 1: highest potential, targeted lead generation campaigns, at least one mission p.a. comprising individual meetings with investors, target-group-oriented events
- * Priority 2: high potential, focus on collaboration with intermediaries, missions depending upon market response
- ? Potential still unclear, focus on market intelligence/preparation
- Currently no potential, no pro-active measures

(Source: Own research)



The last step in the process of defining and refining target groups is the **operationalisation of the selected target groups and segments**. As discussed, target groups often include very specific niches and activities that may be easier to grasp by providing examples of suitable target companies.

TABLE 15: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none"> + Defining and refining target groups based on expert and stakeholder input and a review of the locations strengths and weaknesses reflecting the realities of the investment market 	<ul style="list-style-type: none"> - Selecting target groups based on “wishful thinking” without taking into account country-specific advantages and disadvantages
<ul style="list-style-type: none"> + Selecting target groups that will make a contribution to meeting the sustainable development goals for the domestic economy 	<ul style="list-style-type: none"> - Selecting target groups that may yield high levels of investment, without considering sustainability criteria
<ul style="list-style-type: none"> + Taking a hands-on approach focusing on qualitative research, expert consultations and test marketing campaigns 	<ul style="list-style-type: none"> - Over-analysing and focusing too much on quantitative research and indicators
<ul style="list-style-type: none"> + Regularly reviewing the target group mix and focus in light of changes in the investment environment 	<ul style="list-style-type: none"> - Considering defining and refining target groups a one-off activity

(Source: Own research)





The figure 12 provides exemplary company profiles for specific target segments of the automotive industry.

The company profiles identify:

- › Main activities
- › Size and indication of market share
- › Number and location of subsidiaries
- › Recent investments and further plans
- › Relevance with regard to the location

This form of operationalisation provides staff members such as researchers and promotional officers with hands-on information on what to look for when identifying potential target companies within the selected target industries, rather than having to solely rely on ambiguous technical descriptions.

FIGURE 12: Exemplary company profiles as a tool for target group operationalisation

METAL COMPONENT SUPPLIERS	VEHICLE TESTING	WIRING SYSTEMS/COMPONENTS
<p>ALLGAIER GROUP</p> <ul style="list-style-type: none">› Main activities include manufacture of pressed parts, fuel tanks and other components in the body segment› Based in Germany, approximately 2,000 employees worldwide› Recent investments include a new production site in Mexico and a joint venture company in India	<p>AUDI AG</p> <ul style="list-style-type: none">› Leading car manufacturer in the premium and sports car segment› About 80,000 employees and a turnover of above 50 billion EUR› Recent investments in Indonesia, Mexico and Brazil and further plants in Western and Eastern Europe and China› Audi frequently carries out testing activities in Namibia	<p>DRAEXLMAIER GROUP</p> <ul style="list-style-type: none">› Specialist for developing and manufacturing wiring harness systems, exclusive interiors and central electrical and electronic components› Turnover of about 3 billion EUR, approximately 55,000 employees› 60 locations in 20 countries (in Africa: Tunisia, Egypt and South Africa)› High investment dynamics, new sites opened in China and Moldova
<p>www.allgaier.de ALLGAIER GROUP</p>	<p>www.audi.com </p>	<p>www.draexlmaier.com </p>

(Source: Own research)



ASSISTING IPAS IN DEFINING AND REFINING TARGET GROUPS

The definition of an IPA's target groups has an immediate impact on the overall strategic approach. A study on international cooperation experience in the area of investment attraction has shown that only a third of the examined GIZ projects was involved in the selection of target groups (Vogler, 2018).

Thus, international organisations can increase the effectiveness of their support by putting a stronger focus on rendering assistance in this step of the investment attraction cycle than has been the case so far. Furthermore, assisting IPAs in the process of defining target groups early on provides opportunities to sharpen the focus on sustainability criteria in line with the SDGs.

Experience shows that a hands-on approach is most promising. Defining target groups is a dynamic process and the selection should be regularly reviewed taking into account results achieved, changes in the investment environment and the potential for upgrading of the target group mix and focus. Thus, the process of defining target groups is not a one-off activity that can be carried out with temporary external support, but rather requires capacity building within the IPA in order to be effective and sustainable.

Therefore, IPA staff should always be included in the process. Forms of support that have been proven successful include:

- › Taking a phased approach by piloting individual target industries and then building on the tools and skills that have been acquired in the process
- › Supporting the development of target-group-specific expertise through study tours and participation in relevant conferences and trade fairs
- › Introducing new methods and approaches to structure and simplify the process of defining and refining target groups including expert workshops and rapid assessments for the shortlisting of target groups



Women learning metal work in Vietnam.

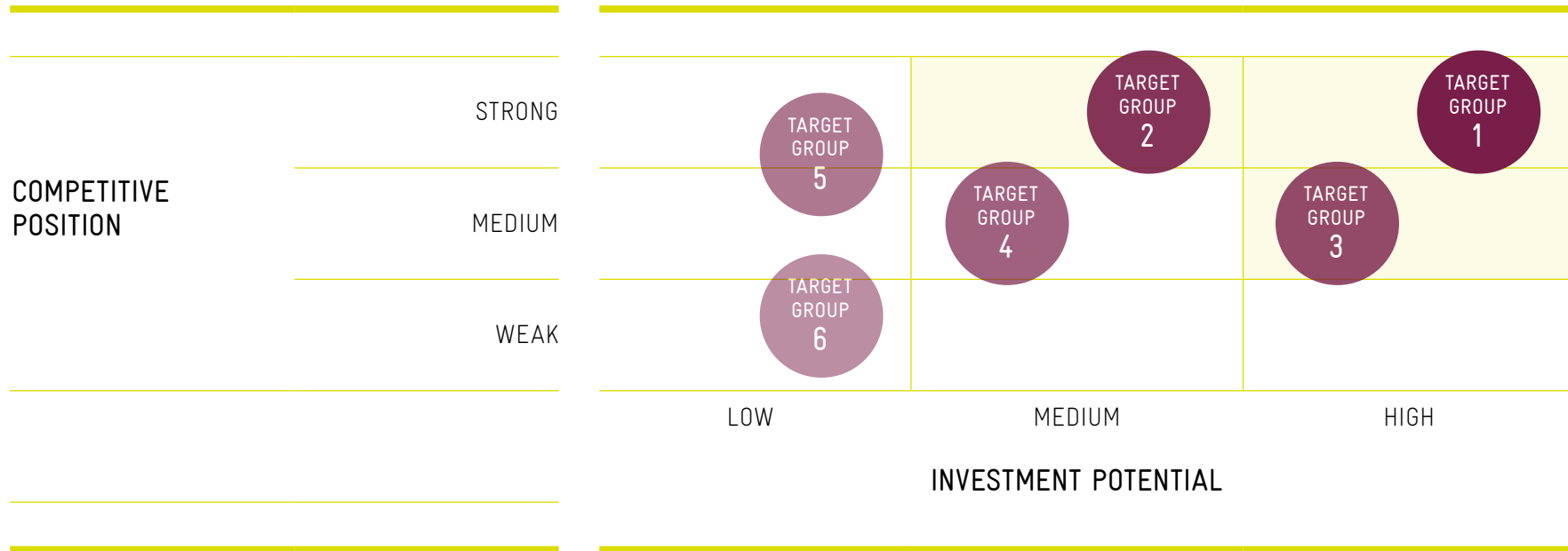


The figure 13 shows an exemplary matrix for a rapid assessment that rates and plots potential target groups with regard to the competitive position and investment potential and could be used in an expert workshop.

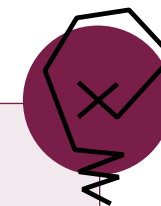
Furthermore, international partners can help IPAs gain access to international contacts and partners including industry experts and organisations in potential target regions as a resource network for interviews and market intelligence.

As explained in **Module F**, international partners can also facilitate peer-to-peer learning and twinning initiatives integrating IPAs from their home countries. German IPAs can bring in a wide range of tools and experience with respect to selecting target groups and segments for investment attraction efforts.

FIGURE 13: Matrix for rapid assessment of target groups



(Source: Own research)



BOX 14: Practical example – Pilot investment promotion strategy (Namibia)

In order to assist the Namibia Investment Centre (NIC) in adopting a targeted approach to investment promotion, the local GIZ project rendered support for the development of a pilot investment promotion strategy for the automotive industry. The automotive industry had been selected for the pilot initiative because it formed part of the targeted industries defined in the “Growth at Home Strategy”, Namibia’s industrial policy implementation strategy, and had already been investigated to a certain extent.

While the project aimed at covering the entire investment attraction cycle, the analysis, selection and segmentation of potential target groups within the automotive industry formed a core element. In order to maximise opportunities for capacity building, a project team with two staff members of NIC was formed in order to jointly carry out the project.

The project was kicked-off with a workshop that was open to the full NIC staff and geared towards introducing the participants to the process of defining and refining target groups. Building upon the results of the workshop, the project team jointly ...

- › identified and interviewed local experts and stakeholders from the automotive industry
- › reviewed the local and regional automotive industry and market
- › conducted additional interviews via phone and skype with regional and international experts including Germany Trade and Invest (GTAI) and the Southern African – German Chamber of Commerce and Industry
- › carried out a second expert workshop – with NIC staff as well as representatives from Namibia’s commercial offices in the Embassies in Germany and South Africa – with a focus on rapid assessments of target segments and regions yielding important input on opportunities and niches, e.g. in the automotive after-market including parts and accessories such as bull bars and camping canopies with high regional demand.

Departing from a SWOT-analysis summarising the findings in the different dimensions, a set of target groups has been prioritised. In subsequent steps the target groups have been further defined to include criteria such as regional origin (e.g. German OEMs carrying out automotive testing, aftermarket producers from South Africa) and operationalised.

The phased and capacity-building-oriented approach has proven helpful, as experiences made during the pilot initiative could be taken into account in the process of developing a fully fledged targeted investment promotion strategy. The support has been continued in the form of an on-demand mentoring project with additional trainings, workshops as needed and a joint study tour to meet German companies and associations.

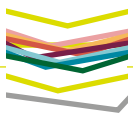


TABLE 16:
FURTHER TOOLS & RESOURCES



The comprehensive IDB training programme *Towards the next generation of investment promotion agencies* covers the selection of target groups in the second training module.

→ <https://cursos.iadb.org/en/indes/towards-next-generation-investment-promotion-agencies>

ILO and WAIPA are offering a five-day training course *Effective investment facilitation and sustainable development* with a strong focus on the interrelations between FDI attraction, sustainable development and decent work.

→ https://www.ilo.org/empent/Eventsandmeetings/WCMS_731476/lang--en/index.htm

→ <https://waipa.org/waipa-content/uploads/ILO-WAIPA-flyer-2020.pdf>

The ANIMA Investment Network has launched a webinar series on *Impact Investment and Sustainable Development* in the framework of the EBSOMED project in partnership with Union for the Mediterranean, GIZ, Expertise France and the Region Provence Alpes Côte d'Azur.

→ <https://anima.coop/en/our-projects/ebsomed/>

On behalf of the European Commission's Directorate-General for Enterprise & Industry, ECORYS has conducted a study *Exchange of Good Practice in Foreign Direct Investment Promotion* that includes an assessment of the effectiveness of a targeted approach of European IPAs.

→ <https://ec.europa.eu/docsroom/documents/4669>

The German Economic Team has published a policy study *Identifying promising target groups and key arguments for investment attraction measures of the Republic of Armenia* that illustrates the process of assessing and prioritising promising target industries, segments and markets.

→ <https://www.german-economic-team.com/de/blog/2019/05/19/policy-study-01-2019/>

The Tool 2 of the *EQuIP Enhancing the Quality of Industrial Policies* toolkit published by GIZ and UNIDO in 2017 holds a number of indicators that may be applied in the process of identifying suitable target groups.

→ <http://www.equip-project.org/toolbox/>

E

MODULE



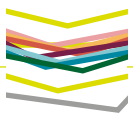
Module E: Aligning the organisational and financing model to the core tasks and target groups

The organisational model – the legal status, structure and the way core processes are organised – and the financing model affect how well an IPA is able to carry out the core tasks that have been introduced in **Module A**, **B** and **C**. An OECD study (2018) has found that over 80 % of IPAs in its member countries have restructured their organisation at least once in recent years to reflect changes in their strategic approach and environment. Thus, as IPAs around the globe are adopting a target-group-oriented approach to investment promotion, the need for aligning the organisational structure becomes more apparent.

This module takes a closer look at how IPAs are commonly organised and financed and how the overall organisational model is affecting day to day operations.

The module commences with an overview of common types of the legal status and the organisational structure of IPAs and how these relate to the mandate and strategic approach. The middle section then introduces the main processes of an IPA and highlights how these enable the performance of an IPA's main tasks. The last section is dedicated to the financing needs and common funding sources of IPAs and how these affect the structural and operational options of an IPA.

As indicated by the title, this module is strongly related to **Module A / B / C / D** as the goal is for the organisational structure and financing model to be designed and implemented in a way that it reflects and supports the effective and efficient operation throughout the different functions and core tasks of an IPA.



BOX 15:
GUIDING QUESTIONS

- How can an IPA's strategic approach to the core tasks be reflected and integrated into the organisational model?
- What are the main processes of an IPA and how can they be captured and structured?
- What are common financing sources of an IPA and how do they relate to its tasks and ability to perform?
- How can international partners help facilitate the strategic alignment of an IPA's tasks/ target groups, organisation and financing?



Woman assembling wire harnesses at the automotive supplier Fujikura in Comrat, Moldova. Together with the Moldovan Investment Agency and the regional Investment Agency of Gagauzia, GIZ facilitated the 10.000 sqm brownfield investment, creating more than 1000 jobs.



LEGAL STATUS

IPAs are typically established as a legal entity through a government law that will determine several functional and institutional aspects such as the mandate and institutional relationship.

Commonly, IPAs are created with the core mandate to promote and attract inward investment. While IPAs can be fully dedicated to investment attraction, many have additional mandates such as export promotion, innovation and technology transfer, cluster or SME development. In OECD countries, the most common mandates in addition to investment attraction are export and innovation promotion. The combination of mandates ideally reflects the related goals and priorities. For example, governments seeking to attract export-oriented investors are likely to combine investment attraction and trade promotion in one agency, while governments looking to generate technology transfer and spill-over effects in the local economy may benefit from assigning innovation promotion or SME development as an additional mandate.

With regard to the institutional relationship, there are essentially two key formats: autonomous or tied. Autonomous public agencies are typically allocated a budget and operate independently, whereas tied or governmental agencies operate as a department or unit within a ministry. Other models such as public-private-partnerships (PPP) or fully private agencies are far less common.

Whether autonomous or tied, IPAs need a clear reporting structure (and clearly communicated targets – see **Module 6**) ideally linked to the relevant minister or even prime minister. Direct access to the top level of government can be an important asset when concerted efforts across different departments and agencies are necessary to attract and secure an investment.

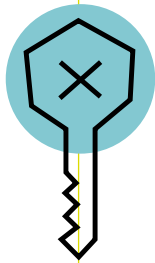
In addition to the institutional relationship and reporting line, the proper governance structure of an IPA typically includes a board that has a steering function and advisory role. Typically, the board is made up of both public and private sector stakeholders but may also include representatives from academia or the civil society. Besides the role in strategic planning, oversight and review processes, the board can also play an important role in establishing or reinforcing relationships with actors, agencies and institutions relevant to the investment attraction process.

Clear institutional relationships, reporting lines and governance structures can further help reduce the risk of corruption by establishing checks and balances within the system.



ORGANISATIONAL STRUCTURE

Moving on from the legal status, the next key aspect of the organisational model of an IPA is the organisational structure. The organisational structure – such as the number of units and how they are divided – can take various forms independently of whether the IPA is autonomous, tied or private.



As the mandate, core tasks and strategic approaches of IPAs differ, so will the optimal structure. However, there are a few key success factors that should be kept in mind when designing or restructuring the organisational model of an IPA:

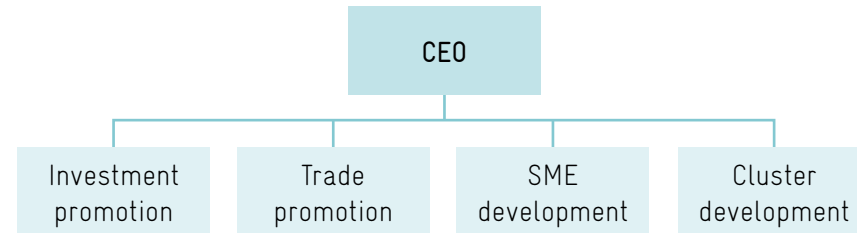
An effective organisational structure ...

- 1 reflects the core tasks and strategic approach of the IPA
- 2 clearly allocates responsibilities and is transparent for investors, staff and stakeholders alike
- 3 facilitates the use of synergies and avoids the duplication of competencies
- 4 consistently adheres to guiding organisational principles

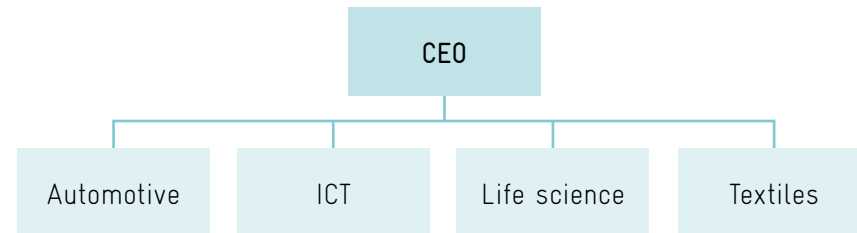
Ideally, an IPA's structure will reflect the strategic approach in which it aims to carry out its core tasks. While there is no clear-cut recommendation or one-size-fits-all solution, a common design principle among IPAs is the divisional structure where the focus is on specialisation by mandate or service area, by target industry or by region as depicted in figure 14.

FIGURE 14: Different types of divisional organisational structures

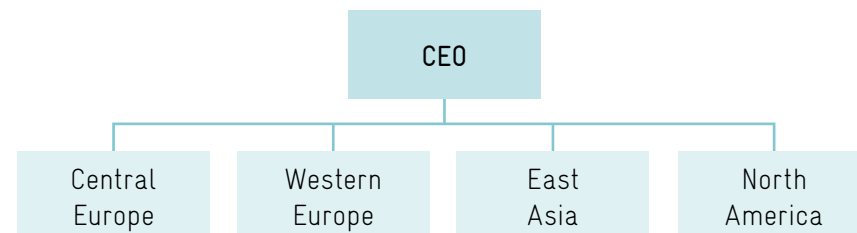
by mandate/service area:



by target industry:



by region:



(Source: Own research)



For example, an IPA that is taking a target-group-oriented approach – as recommended in **Module D** – will benefit from an organisational structure that establishes teams, units and cross-organisational relationships that enable specialisation where needed (e. g. providing target-group-specific services) while making use of synergies where possible (e. g. consolidating rather than duplicating general tasks and services).

When an IPA has multiple mandates, a division by service areas or mandates is often advisable. Even if the IPA is following a target-group-oriented approach to investment attraction, this might not extend to the other mandates. A division by region is far less common.



Students work and learn at the Mercedes Benz Service Center in Cairo, Egypt.



MAIN PROCESSES OF AN IPA

The main processes of an IPA form another critical part of the organisational model. The range of processes that an IPA has

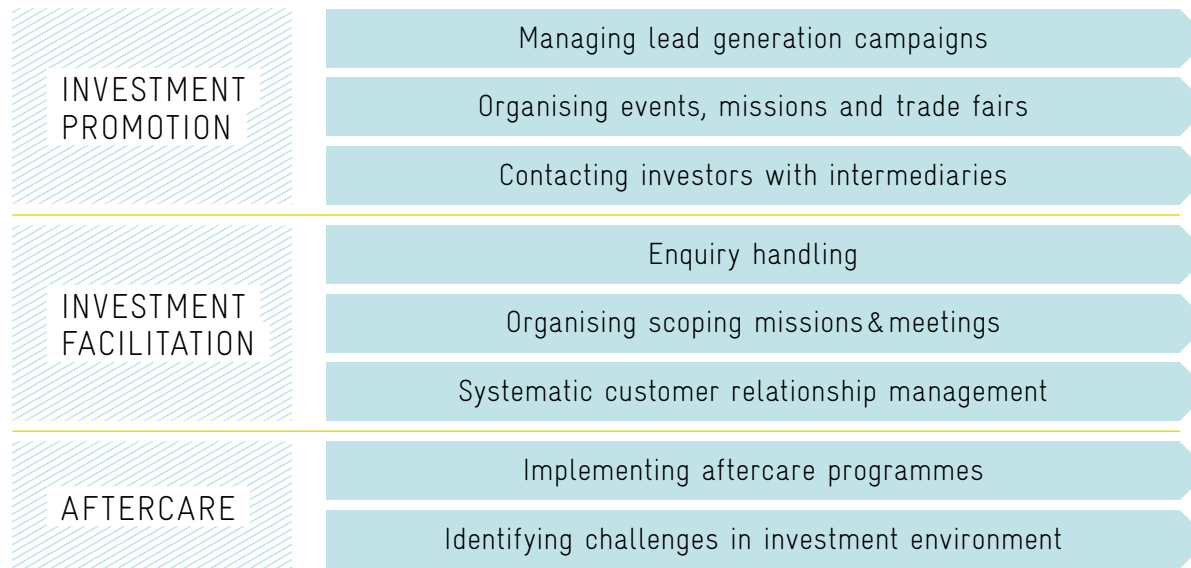
to perform will differ with its mandate, core tasks and size, but will always include the three categories of core, management, and support processes.

FIGURE 15: Exemplary overview of the main processes of an IPA

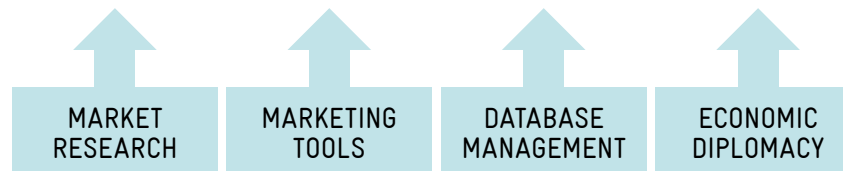
Management and planning processes:



Core processes:



Support processes:



(Source: Own research)



Core processes are the sequences of activities necessary to achieve the organisations' goals such as attracting and retaining sustainable investment projects. The core processes therefore reflect the core tasks of the IPA. The core processes in the overview in [figure 15](#) on the previous page feature an exemplary break-down of basic tasks involved in investment promotion, investment facilitation and aftercare in line with the

Module A / B / C.

Core processes need to be reviewed and adjusted over time, as priorities and circumstances change. For example, in light of the COVID-19 pandemic, processes surrounding events, missions and trade fairs require adjustments in order to reflect the switch to online solutions and tools that has taken place in many IPAs.

Management processes are designed to plan, monitor and control the organisations' activities.

Support processes on the other hand are geared towards providing the necessary infrastructure and resources that are needed to carry out the IPA's core processes. For example, the provision and maintenance of a modern customer relationship management (CRM) system has become an important support process of IPAs.

Specialised CRM systems are an important tool designed to capture and record all interactions with investors, potential investors or any other contact of an IPA. The software can assist in structuring lead generation activities as well as facilitation and aftercare by sequencing, scheduling and recording all contacts and interactions, therefore improving investor relationships and retention.

When designing or reviewing an IPA's main processes, the following aspects should be kept in mind:

- › The flow of processes should not run counter to the way the organisation is structured.
- › All processes should have a clear starting and end point with well-defined roles and responsibilities.
- › Processes should be adjusted and refined in light of the day-to-day experience and feedback of those who carry them out.
- › Activities that need to be coordinated with other organisations should be reflected in the processes.

It has proven helpful to document an IPAs core processes in a so-called diagram of functions. An example for the process of participating in trade fairs is shown in the [table 17](#).



The diagram of functions lists all key activities that are related to a particular process along with a short description of the individual activities and corresponding deliverables. Furthermore,

the diagram of functions defines roles and responsibilities of staff members as well as the time frame and sequence in which the activities have to be completed.

TABLE 17: EXEMPLARY DIAGRAM OF FUNCTIONS

DIAGRAM OF FUNCTIONS: PARTICIPATION IN TRADE FAIRS					
ACTIVITIES	TIME FRAME	PARTICIPANTS/FORMS OF PARTICIPATION			
		<i>Industry expert</i>	<i>Industry assistant</i>	<i>Team leader</i>	<i>Management</i>
Selecting trade fairs (e.g. based on presence of target industries, costs, presence of competitors)	End of each year	Prepare proposal	Research support	Supervision	Decision
Logistical arrangements	8 weeks before	Supervision	Arrange		
Identify target companies at trade fair (considering profile, size, location pattern etc.)	8 weeks before	Supervision & decision	Prepare proposal		
Prepare email for approach (and attachments as needed)	4 weeks before	Prepare email			
Ensure availability of marketing material (brochures, flyers etc.)	4 week before	Supervision	Check/order		
Send out emails and follow-up to arrange appointments	3-1 week before	Supervision	Send out, follow-up	Information	
Prepare meeting schedule and research on companies	2-1 week before	Information	Schedule, research		
Carry out meetings and approach additional companies	At trade fair	Contact companies	Support		
Follow-up	1 week after	Follow-up			
Documentation and reporting	2 weeks after	Supervision	Draft report	Information	Information

(Source: Own research)



Diagrams of function are a quite simple tool, but help to ensure that standard processes can easily be tracked and repeated without starting from scratch and provide orientation for all staff members involved. They can also be viewed as a way to set service and quality standards by laying out the ideal manner of completing a task. Diagrams of functions should be reviewed and updated regularly in order to reflect changes in the process, roles and requirements.

FINANCING MODEL

An IPA's financial resources impact various aspects – ranging from the scope of activities to the quantity and quality of staff – and, hence, need to be in alignment with the core tasks and organisational model.

FIGURE 16: Budget size of IPAs



(Source: WAIPA 2018)

The budget size of IPAs around the world varies substantially. For instance, in a survey conducted by WAIPA in 2018, 58 % of responding IPAs have indicated that they operate on an annual budget of 5 million US dollars or less. On the other end of the spectrum are 9 % of respondents with a budget higher than 20 million US dollars per year.

There is a broad range of financial models used by IPAs around the globe. The most common funding source consists of institutional funding from public budgets. Additional sources include revenue generated from services offered by the IPA, private capital provided by the partners in a PPP model or project grants from national and international programmes.

It should be noted that adequate public funding is necessary in order for IPAs to be able to carry out their core tasks and activities. The additional funding sources named above are always in some way conditional and tied to specific activities. This includes fee-based services that companies are willing and able to pay for (e.g. participation in a joined trade fair booth), general services and benefits for private partners in a PPP model (e.g. representation or networking activities) or very specific activities defined in project or programme grants (e.g. cluster development).



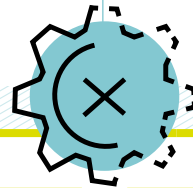
In any case, the organisational and financial model need to be closely aligned in order to ensure that core tasks are adequately funded and activities that are taken on to generate or raise additional funding fit with the IPA's structure and status. It should be noted that inadequate resources are often named as the key constraints that limit an IPA's ability to attract investment.

An IPA's human resources are closely related to the budget. On average, IPAs spent 51 % of their total budget on personnel

(OECD, 2018). The quantity, quality and motivation of staff are prerequisites for the success of an IPA. In order to attract and retain adequately skilled staff, IPAs often offer salaries that are above the general public sector level.

Thus, an adequate and sustainable financing especially with regard to budgeting for labour intensive long-term activities – such as developing and maintaining investor relations – is vital for the performance of an IPA.

TABLE 18: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none"> + Taking an integrated approach addressing the three dimensions of tasks/target groups, organisation and financing and aligning them to the strategic objectives and frameworks 	<ul style="list-style-type: none"> - Reforms addressing only one dimension in isolation without considering interdependencies
<ul style="list-style-type: none"> + Taking a systematic approach starting with a review of the strategic framework and alignment of core tasks, before refining the organisational and financing model 	<ul style="list-style-type: none"> - Purely politically driven reorganisations and mergers that do not consider the overall strategic framework and internal processes of the IPA
<ul style="list-style-type: none"> + Implementing an organisational structure that adheres to consistent organisational principles and clearly allocates roles and responsibilities 	<ul style="list-style-type: none"> - Operating an IPA with an incoherent organisational design that is intransparent to customers, stakeholders and staff alike
<ul style="list-style-type: none"> + Clearly defining processes and laying out the relevant activities, time lines and responsibilities in a regularly updated diagram of functions 	<ul style="list-style-type: none"> - Carrying out tasks and activities in an undefined and ad hoc manner and starting repetitive processes from scratch every time
<ul style="list-style-type: none"> + Ensuring that the financial footing of the IPA is sustainable and in line with the goals and the portfolio of tasks 	<ul style="list-style-type: none"> - Relying on short-term or irregular funding sources to finance long-term activities such as aftercare

(Source: Own research)



ASSISTING IPAS IN ALIGNING THEIR ORGANISATIONAL AND FINANCING MODEL

There are strong interdependencies between the three strategic dimensions tasks / target groups, organisation and financing. The alignment of these dimensions is of critical importance for the success of IPAs – in particular in the light of frequent mergers and reorganisations that are often driven by politically motivated decisions.

Not only financing, but also the organisational dimension has proven a key bottleneck in many joint projects with IPAs in the context of international cooperation. For instance, it is quite challenging to introduce a target-group-oriented investment attraction approach without anchoring it in the organisational structure and processes. The same applies to a focus on SDGs.

International partners can make an important contribution towards increasing the effectiveness and impact of investment attraction measures by placing more emphasis in their support for IPAs on the dimensions organisation and financing and their alignment to the tasks and target groups of agencies.

Facilitating tailored trainings, e. g. on organisational options or on raising funding from international programmes or the private sector, are one option.

Comprehensive reviews of the organisational and financial models involving external experts are another one. However, most important is an approach that pays attention to the interdependencies of the three dimensions throughout the entire process of designing and implementing joint projects with IPAs.

Success lies in a structured approach, assisting IPAs in developing the ideas and tools necessary to take on reform or restructuring processes themselves. For instance, as shown in the example from Moldova on the next page (box 16), a joint strategy design or planning workshop can make an important contribution towards defining organisational principles that facilitate a target-group-oriented approach. Once those principles are agreed upon, it is much easier to devise follow-on activities refining the organisational and financing model of IPAs.



BOX 16: Practical example – Support for the reorganisation of the Moldovan Investment Agency by the local GIZ project

In order to assist the Moldovan Investment Agency (MIA) with the development of a strategic plan for the period 2020–2024, the local GIZ project organised a joint two-day workshop. As a starting point, strategic objectives as well as core tasks and target groups were defined. Building upon the interim results, main processes for the tasks investment promotion, investment facilitation and aftercare as well as corresponding KPIs were identified and discussed. As a final step, key organisational principles were derived and a first draft of the future organisational structure was developed.

The participants came to the conclusion that a target-group-oriented organisational design offers the most promising potential. It is foreseen that target-group-oriented teams (e.g. ICT/BPO, Automotive, Creative Industries, Agrofood, Tourism) will be complemented by units in which cross-functional competences and activities are pooled. This relates, amongst others, to branding and communication, investment facilitation services as well as to economic diplomacy, market research and monitoring.

According to the results of the discussion, the developed target-group-oriented design offers, amongst others, the following benefits:

- › It allows to generate considerable synergies between investment-, trade- and tourism-related activities of the agency.
- › Valuable contact networks and specific expertise reflecting the needs of the customers (e.g. industry-specific expertise) can be built up.
- › The organisational design is transparent and easy to understand for employees, customers and stakeholders.
- › A duplication of responsibilities and expertise can be avoided.

The workshop concluded with a reflection of the proposed organisational design in light of the previously defined main processes. The discussion has shown that the organisational design provides a sound basis for efficient processes from the perspective of the IPA. Amongst others, a “one face to the customer” approach can be implemented. The industry teams can take over the responsibility for the targeted investment attraction processes integrating the expertise of the cross-functional units, e.g. for specific investment facilitation services.

Based on the workshop results, the details of the organisational design – such as job descriptions – are developed by a local consultant contracted and financed by the agency. Furthermore, a range of follow-on activities with the GIZ project were agreed as part of the workshop, e.g. with respect to refining the target group definition and developing tools for the implementation and monitoring of the strategic plan.



TABLE 19:
FURTHER TOOLS & RESOURCES

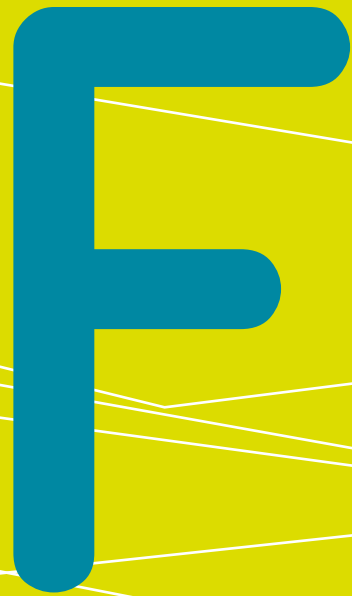
The OECD has published the report *Mapping Investment Promotion Agencies in OECD countries* (2018) providing insights into the institutional choices and organisational characteristics of IPAs in OECD countries.
→ <http://www.oecd.org/investment/Mapping-of-Investment-Promotion-Agencies-in-OECD-Countries.htm>

The IDB publication *How to Solve the Investment Promotion Puzzle* takes a similar approach and provides a study of the organisational models of Latin American, Caribbean and OECD countries.
→ https://publications.iadb.org/publications/english/document/How_to_Solve_the_Investment_Promotion_Puzzle_A_Mapping_of_Investment_Promotion_Agencies_in_Latin_America_and_the_Caribbean_and_OECD_Countries.pdf

The comprehensive IDB training programme *Towards the next generation of investment promotion agencies* covers organisational aspects in the first training module.
→ <https://cursos.iadb.org/en/indes/towards-next-generation-investment-promotion-agencies>

The WAIPA training programme *FDI EXCELLENCE SERIES* addresses the topic of structuring investment attraction activities organisationally to make the most of existing resources.
→ <https://waipa.org/the-fdi-excellence-series-registration-page/>

The German Economic Team Moldova has published a policy study *Supporting the Reorganisation of the Investment Agency of the Republic of Moldova* which comprises a comparison of tasks, organisational and financing models of selected IPAs as well as cross-cutting success factors and recommendations for the reorganisation process.
→ <https://www.german-economic-team.com/moldau/de/policy-study-01-2019/#more-3112>



MODULE



Module F: Exploring opportunities for cooperation with strategic partners – cross-organisational perspective

IPAs are part of a broad landscape of institutions and entities operating and interacting in the area of investment attraction. Efficient cross-organisational coordination and cooperation represents a critical success factor for IPAs. In the recent past, private sector involvement plays an increasing role. Managing the complex stakeholder and partner network requires specific skills, mechanisms and processes. Forming part of the institutional network of IPAs, international partners can make an important contribution assisting agencies in developing a professional partner relationship management.

The first part of this module provides an overview of the partner networks and cooperation dynamics of IPAs – with respect to the types of institutions and administrative / geographic levels involved as well as the areas of cooperation covered. Based on this introduction, the middle part outlines main steps and tools for developing a professional partner relationship management. The module concludes with a review of options for assisting IPAs in this process taking into account the role of international partners within agencies' networks.

Users of the toolbox should be aware that there are multiple interrelations with other modules. IPAs' core tasks entail a wide range of activities involving third parties. As shown in

Modules A / B / C, there is a promising potential for cooperation in the area of investment promotion (e.g. partnering up with intermediaries to reach out to potential investors), investment facilitation (e.g. organising scoping missions or developing service packages together with partners) and aftercare (e.g. integrating supplier or cluster development programmes).

Furthermore, partners can be involved in all strategic dimensions including the organisational (e.g. integrating partners as shareholders) and financing dimension (e.g. securing funding for specific activities or the overall budget) which are covered in **Module E**.



BOX 17:
GUIDING QUESTIONS

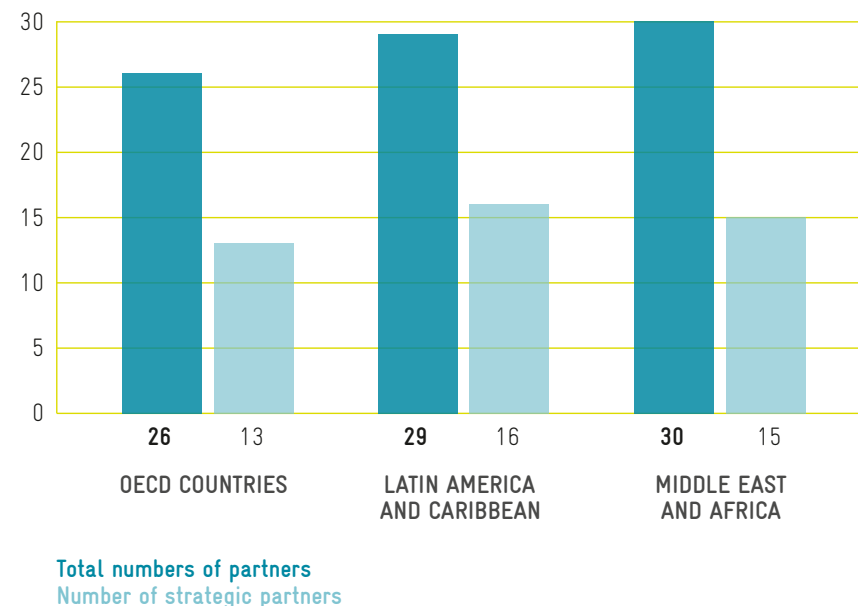
- With what type of institutions do IPAs cooperate at the different geographic/administrative levels?
- Which areas and dimensions offer promising opportunities for cooperation?
- How can IPAs develop a strategic partner relationship management?
- Which tools and modes of cooperation can be used to increase the effectiveness of investment attraction measures integrating additional expertise and resources?
- What are the implications for the organisation of an IPA?
- Being part of the institutional network, how can international partners assist IPAs in unlocking the potential of cross-organisational cooperation and coordination?

OVERVIEW OF THE PARTNER LANDSCAPE AND COOPERATION DYNAMICS OF IPAS

IPAs cooperate and coordinate with a wide array of organisations and entities, including government bodies, the private sector, academic and research institutions, civil society and international organisations (see overview in [table 20](#)).

Recent mappings carried out by OECD and IDB provide interesting insights into the patterns of IPAs' institutional interactions and the density of their networks (OECD, 2019a; OECD/IDB, 2019).

FIGURE 17: Number of organisations with which IPAs interact



(Source: OECD 2019a, OECD/IDB 2019)



TABLE 20: Overview of partner landscape of IPAs

	PUBLIC INSTITUTIONS	CHAMBERS AND ASSOCIATIONS	FURTHER PARTNERS
NATIONAL LEVEL	<ul style="list-style-type: none"> › Ministries (e.g. of Economy, Foreign Affairs, Finance, Education) › Agencies (e.g. Employment, Free Economic Zones, Customs) › Central and development banks › Universities and research institutions 	<ul style="list-style-type: none"> › Chambers of commerce › Foreign investors' associations › Industry associations 	<ul style="list-style-type: none"> › Existing investors › Real estate companies › Banks/financial service providers › Tax and legal advisors › HR service providers › Civil society organisations
SUB-NATIONAL LEVEL	<ul style="list-style-type: none"> › IPAs at sub-national level › Local administration and development agencies › Industrial parks 	<ul style="list-style-type: none"> › Cluster and industry networks 	
INTERNATIONAL LEVEL	<ul style="list-style-type: none"> › Embassies › IPAs in neighbouring countries and target markets › International organisations (e.g. UNIDO, EBRD, OECD, GIZ) 	<ul style="list-style-type: none"> › WAIPA › Regional associations and networks of IPAs › Chambers, associations and cluster networks in target markets 	<ul style="list-style-type: none"> › Headquarters of existing investors › International site selection consultants, engineering companies, auditors, tax and legal advisors

(Source: Own research)

According to the surveys, IPAs cooperate and coordinate with a varying – but overall quite high – number of organisations. The actual number of entities they interact with ranges from very few (e.g. Japan, Finland and Estonia) to more than 40 (e.g. Germany, Mexico and Switzerland). On average IPAs in OECD countries interact with 26 different organisations, in Latin America and the Caribbean with 29 and in the Middle East and North Africa with 30.

The findings indicate that IPAs are setting priorities within their networks. Approximately half of the organisations are considered strategic partners, while others are subject only to occasional interactions. The vast majority of IPAs' top strategic interactions relate to public institutions. This can be partly explained by the organic link between IPAs and governments as most of them are public organisations and depend on government funding.



International organisations play a more important role as strategic partners in the Middle East and North Africa as well as in Latin America and the Caribbean compared to OECD countries. In contrast, OECD IPAs interact more with partners from the private sector.

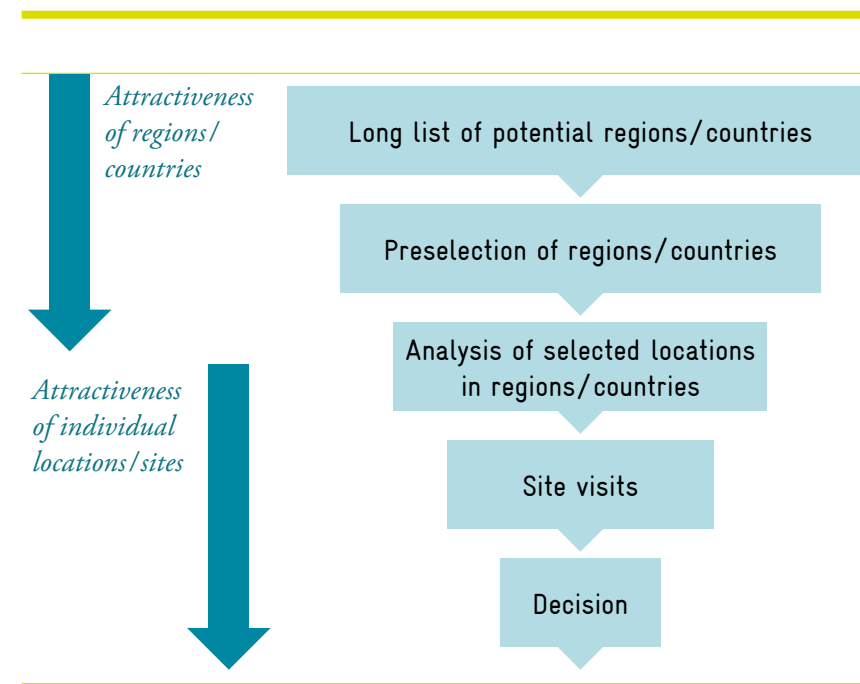
The patterns of IPAs' institutional interactions are related to their mandates and strategies. For instance, IPAs placing more emphasis on a target-group-oriented approach collaborate with a broader range of organisations as more specialised expertise and contact networks are required to provide needs-oriented services for different segments (for further information on how to define target groups and design target-group-specific promotional measures refer to **Modules A** and **D**).

IPAs cooperate and coordinate with partners at three different geographical levels: international, national and sub-national. To reach out and interact with foreign investors, IPAs need an international network. While some agencies have own overseas offices or closely collaborate with embassies, others rely more strongly on other organisations in the target markets, e. g. associations, cluster networks, etc.

Regional cooperation is gaining in importance from the perspective of IPAs. As the screening of regions often forms the starting point of site selection processes before individual countries or locations are assessed, regional cooperation in-

creases the chances for an IPA to get on the long or short list of investors. For instance, an investor from Europe might decide first if the focus of the site selection process is on East or Southern Africa before looking at specific countries and locations.

FIGURE 18: Typical site selection process



(Source: Own research)



Furthermore, the COVID-19 crisis will most likely accelerate the trend that investors are focusing more strongly on regional strategies. Mapping out value chains in each region of strategic relevance can help investors balance risks.



Women working at a textile plant in Cambodia. © GIZ/Sabrina Asche

Against this background, integrating the regional perspective into value propositions and partnering up with IPAs in neighbouring countries provides a promising opportunity for agencies to enhance the effectiveness of their investment attraction efforts.

The national level traditionally plays an important role for IPAs to align with the overarching investment and industrial policy agenda, to secure funding and to coordinate with other institutions involved in investment attraction.

A large share of IPAs also frequently interacts with local governments and agencies in the framework of investment facilitation and aftercare, e. g. for scoping missions. Worldwide, many embarrassing examples exist of how investment projects are lost due to controversy and competition between different locations within a country leaving investors confused. Against this background, many agencies have strengthened their networks at the sub-national level to ensure a consistent approach.

The COVID-19 pandemic has dramatically increased the importance of aftercare. As the sub-regional level plays a critical role for the success of structured aftercare initiatives, IPAs are inclined to put further emphasis on the sub-regional level in their institutional interactions.



DEVELOPING A STRATEGIC PARTNER RELATIONSHIP MANAGEMENT

The mappings have shown that IPAs operate in a dense and complex institutional network. Unlocking the potential of this network requires strong cooperation and coordination skills as well as adequate tools, mechanisms and processes.

IPAs increasingly consider the management of the partner network a strategic priority.

There is no one-size-fits-all approach. But from international experience, a number of critical steps for developing a strategic partner relationship management can be derived that are summarised in the **figure 19** and are explained hereinafter.

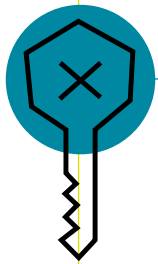
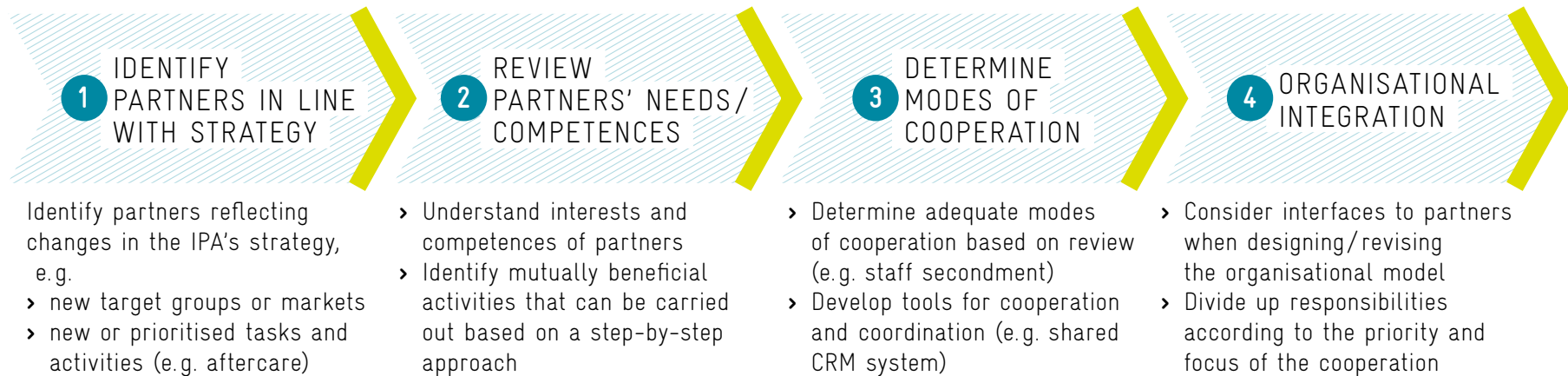


FIGURE 19: Key steps for developing a strategic partner relationship management



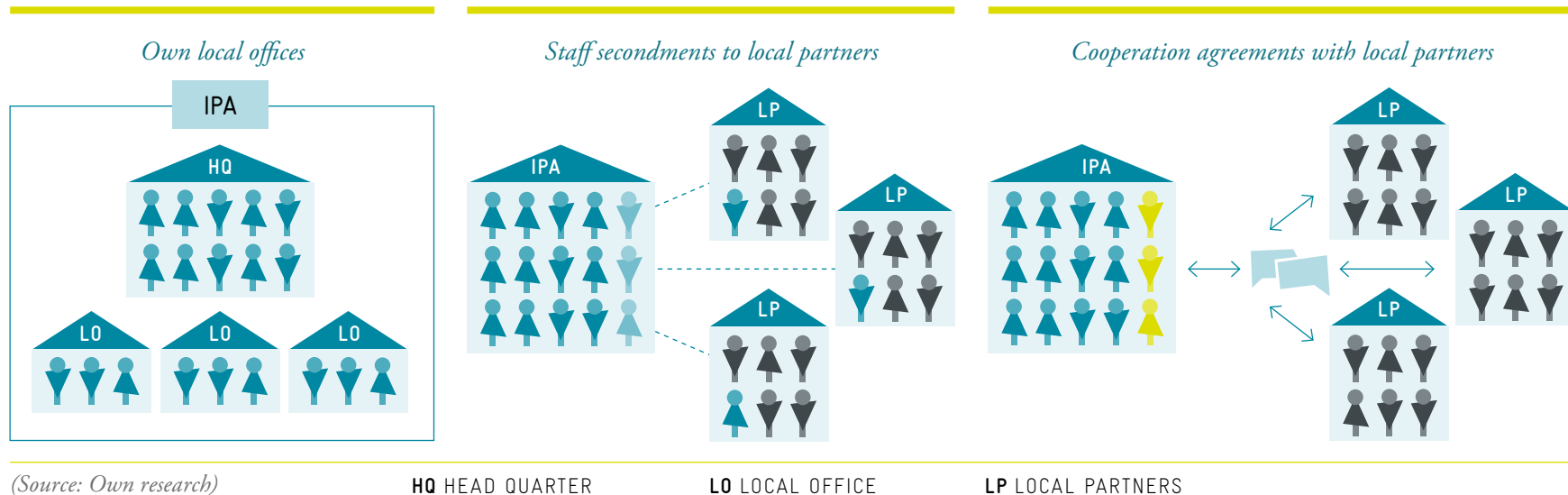
(Source: Own research)



1 **Identifying and prioritising potential partners** forms the point of departure for developing a strategic partner relationship management. As described above, the patterns of IPAs' institutional interactions are related to their strategies. IPAs' strategies should be regularly revised reflecting changes in the investment environment. Equally, the partner network needs to be adjusted in line with the revised strategy. For instance, if an IPA plans to prioritise aftercare, most likely additional partners will need to be involved (e.g. management of special economic zones or cluster initiatives). If an IPA is focusing on new target groups or markets, this should also be reflected by the partner network (e.g. integrating associations abroad).

2 It is of critical importance for IPAs to **review the needs and competences of (potential) partners**. It is not the core task of associations to generate investment enquiries for IPAs in other countries. Equally, local and regional development agencies do not regard themselves as service providers for national IPAs. Thus, IPAs should take the time to understand the interests and priorities of (potential) partners in order to identify cooperation areas and activities that are mutually beneficial. A step-by-step approach starting with smaller joint initiatives has proven helpful. For instance, German associations or IPAs are often rather reluctant when comprehensive cooperation agreements are already proposed in the first meeting.

Figure 20: Models used by IPAs of German federal states for reaching out and interacting with the local level



(Source: Own research)



Appropriate modes of cooperation need to be determined based on the review of interests and competences of the partners. IPAs use a wide array of tools to manage their partner network. While some relationships are formalised, in other cases, IPAs interact with partners in the absence of any formal relationship.

In Germany, there is a wealth of experience available in particular with respect to coordination and cooperation between the different geographic and administrative levels, as IPAs can be found at the national, federal state, regional and district/municipal level. Amongst others, the following tools and modes of cooperation are commonly used and will be subsequently discussed:

- › Cooperation agreements
- › Integrating partners as shareholders or members of supervisory and advisory boards
- › Establishing working groups and associations of IPAs
- › Providing technical assistance and seconding staff to partners
- › Shared customer relationship management (CRM) systems

Cooperation agreements between IPAs at the different levels or between IPAs and further partners – such as chambers, associations, cluster organisations, the employment service or public real estate companies – are commonly used to clarify the division of tasks, define joint activities, project management functions, information and reporting processes.

Many German IPAs integrate key partners from the public and private sector as **shareholders or members of supervisory and advisory boards** into their organisational and financing models. Furthermore, several working groups or associations of IPAs within federal states have been set up to facilitate information transfer and initiate collaborative activities – e. g. joint participations in trade fairs or events.

A number of IPAs at the federal state or regional level **provide technical assistance** to agencies of districts or municipalities fostering cooperation between the partners. Typical areas covered by the technical assistance comprise the development of industrial and technology parks or applications for EU programmes and projects. In some cases, this type of cooperation involves also permanent **staff secondments** which are used as an alternative to own local offices. In such a constellation, employees of the IPA at the federal / regional level are based at the offices of agencies at the district / local level and carry out tasks agreed upon between the parties. The model has proven helpful in improving stakeholder alignment and enhancing the efficiency of investment facilitation and aftercare processes.

Shared customer relationship management (CRM) systems constitute another frequently used tool to support cross-organisational coordination throughout various tasks of IPAs. With assistance of the local GIZ project, such a system has also been developed for the Moldovan Investment Agency. The Ministry



of Economy and Infrastructure and the Ministry of Foreign Affairs and European Integration have also access to the system which helps to use the potential of economic diplomacy for investment attraction efforts.

Furthermore, in the recent past, private sector involvement has been reemphasised by many IPAs in Germany. The busi-

ness community is involved in all strategic dimensions – tasks (e. g. cooperating in specific promotion and facilitation activities), organisation (e. g. integration into governance structures) and financing (securing funding from the private sector).

The PPP model of the IPA of the Federal State of Berlin described in the **box 18** represents an innovative example in this respect.

BOX 18: Practical example – Private sector involvement in the IPA of the German Federal State of Berlin

Based on a PPP model, Berlin Partner fuer Wirtschaft und Technologie GmbH – the IPA of the German Federal State of Berlin – places strong emphasis on stakeholder management and has developed strong ties with the private sector throughout all strategic dimensions. Main tasks of the agency include investment attraction, trade promotion, talent attraction, cluster management, innovation and start-up support. In addition, the agency manages the city brand and runs communication campaigns.

Berlin Partner raises a third of its budget from the private sector. Companies as well as universities and research institutions can choose from different licence categories. The shareholder structure of the IPA which is organised in the form of a private limited company comprises the IBB State Promotion Bank (31,5%), the Berlin Technology Foundation (30%), chambers/business associations (10,5%) and a holding company representing the business community (28%). As a main shareholder, the private sector appoints two members of the supervisory board. A special unit is organising a wide range of events and networking opportunities for the more than 250 licensees/partners.

Building upon the established network, a range of projects has been initiated in collaboration with the private sector supporting core tasks of the IPA. For instance, the Berlin Business Location Center constitutes an innovative investment promotion and facilitation tool comprising, amongst others, a 3-D virtual model of the city, a real estate portal, an economic and infrastructure atlas as well as legal, financial and HR services. The Berlin Business Location Center which is co-financed by the private sector offers its services in a showroom as well as via an online platform allowing virtual site visits.





Finally, when **integrating the relationship management into the existing organisation** of an IPA, the need for interfaces to partners should be considered. Setting up and maintaining an efficient partner relationship management has some challenging implications for the organisation of the IPA. It requires clearly allocated and communicated responsibilities.

There is a tendency to centralise the partner management. Often, one person – in many cases the CEO – takes over this function which is not realistic considering the complexity of the network and the multitude of interactions involved.

A promising option is to divide up responsibilities according to the priority and focus of the cooperation with a specific partner. For instance, a target-group-oriented cooperation could be coordinated by the relevant industry team.

It has proven helpful – e. g. in the context of planning workshops – to summarise the priorities for the strategic relationship management in a table as illustrated in the example below (table 21).

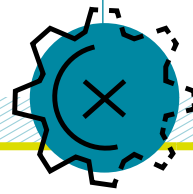
TABLE 21: Exemplary overview of the priorities for a strategic relationship management

STRATEGIC PARTNERS	PRIORITY	RELEVANT INTERESTS OF THE PARTNERS	AREA OF COOPERATION	TOOLS/MODES OF COOPERATION	RESPONSIBLE STAFF MEMBER
Local IPAs	High	Fostering the growth of existing investors and backward linkages	Joint aftercare programme	Staff secondment, shared CRM system	Head of Aftercare Department
ICT industry association in country xyz	Medium	Supporting the internationalisation of member companies	Joint matchmaking events	Revised cooperation agreement	Director of ICT Division
...

(Source: Own research)



TABLE 22: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none">+ Regularly reviewing and adjusting the partner network reflecting changes in the IPA's strategy	<ul style="list-style-type: none">- Considering the development of the partner network a one-off matter
<ul style="list-style-type: none">+ Developing a partner network covering the entire investment attraction cycle including investment facilitation and aftercare	<ul style="list-style-type: none">- Focusing solely on partners for investment promotion neglecting other critical processes requiring effective coordination
<ul style="list-style-type: none">+ Partnering up with IPAs in neighbouring countries and integrating the regional perspective into value propositions	<ul style="list-style-type: none">- Ignoring the regional context when developing the institutional network and strategic framework for attracting investment
<ul style="list-style-type: none">+ Developing partner relations step-by-step focusing on mutually beneficial activities to build up trust	<ul style="list-style-type: none">- Approaching new partners with comprehensive cooperation agreements in the first meeting
<ul style="list-style-type: none">+ Dividing up and clearly defining responsibilities for specific strategic partners according to the priority and focus of the cooperation	<ul style="list-style-type: none">- Overburdening one person with the responsibility for managing the entire partner network

(Source: Own research)

ASSISTING IPAS IN STRENGTHENING THEIR NETWORKS AND DEVELOPING AN EFFICIENT PARTNER RELATIONSHIP MANAGEMENT

International partners form an important part of the institutional networks of IPAs. At the same time, they have networks of their own – at the international level as well as within their home countries – which can be of high relevance for IPAs.

This constellation opens up promising opportunities to assist IPAs in strengthening their networks and developing an efficient partner relationship management.

First of all, international partners can help IPAs to build up relevant skills and processes to strengthen cooperation and coordination with partners. Amongst others, this involves assistance in the relevant review and planning processes.



For instance, they can integrate the cross-organisational perspective into planning or strategy workshops – as shown in the example from Moldova in **box 19** – and provide guidance and advice on relevant partners, areas of cooperation and necessary tools. Further needs-oriented support for the development of a structured approach could entail mentoring measures or the development of specific tools – such as shared CRM systems.

In addition, they can help IPAs to strengthen their international networks. In particular, they can assist IPAs in finding suitable partners in their home countries. For instance, GIZ can link up IPAs with relevant German organisations, e. g. associations, chambers or IPAs for joint investment attraction or capacity building measures.

BOX 19: Practical example – Workshop to support the reorganisation of the Moldovan Investment Agency



In 2018, the Moldovan Investment and Export Promotion Organisation (MIEPO) was transformed into the Moldova Investment Agency, a central public authority subordinated to the Prime Minister, which was merged with the Tourism Agency of the Republic of Moldova. To reflect the status of the reorganisation process and identify needs and options for refinements, the local GIZ project has facilitated a workshop with the entire team of the agency.

The workshop which focused on organisational issues included a dedicated session on opportunities for cooperation with strategic partners. Building upon presentations of international good practice examples, opportunities for cooperation and prerequisites were discussed from the perspective of the agency. Participants identified (potential) strategic partners and prioritised fields of cooperation. The concluding part of the session focused on organisational implications (e.g. allocation of responsibilities) and further measures to foster cross-organisational cooperation and coordination.

The discussion has shown that the potential for cooperation, in particular, with donor financed projects and international partners, other public agencies, free economic zones as well as business representative organisations was only partly used. Various cooperation areas/opportunities could be identified (e.g. joint participation in exhibitions and B2B formats, organisation and facilitation of scoping missions, training programmes and participation in international calls and projects). As a next step, it has been agreed that the agency should develop and implement a concept for cross-organisational cooperation and stakeholder management building upon the results of the workshop.

(Source: Own research)



Amongst others, this can be facilitated as part of delegation visits – as shown in the example from Tunisia in **box 20**. The network of “EZ Scouts” based in various German associations,

chambers of commerce and industry, regional associations and foundations provides a helpful access point.

BOX 20: Building up partnerships as part of a study tour of the Tunisian Investment Authority (TIA) and Foreign Investment Promotion Agency Tunisia (FIPA)



A key objective of the study tour that was organised by the local GIZ project was to build up partnerships with German organisations for future investment attraction measures. Furthermore, the tour was used to increase the visibility and awareness of Tunisia as an investment location and of TIA/FIPA in the eyes of German intermediaries and companies. The one week programme comprised workshops and meetings with:

- › **IPAs of German Federal States** – such as WFBB Brandenburg Invest and WFS Saxony Economic Development Corporation – as well as GTAI Germany Trade and Invest, the economic development agency of the Federal Republic of Germany with its network of 50 offices in Germany and abroad
- › **Associations** – such as EMA Euro-Mediterranean-Arab Association and German-African Business Association – and umbrella organisations, e.g. DIHK Association of German Chambers of Commerce and Industry, representing the network of German chambers abroad (140 offices in 92 countries).

In addition, site visits and roundtables with German companies formed part of the programme to better understand the needs of the business community and establish contacts to potential investors.

A wide spectrum of opportunities for cooperation could be identified, including:

- › Participation of the Tunisian agencies in planned events of the associations
- › Joint matchmaking events between company delegations from Tunisia and Germany in the context of major international trade fairs
- › Target-group-specific delegation visits for members of German associations to Tunisia
- › Sourcing platforms to facilitate access for Tunisian suppliers to German customers
- › Further collaborative activities to raise awareness of Tunisia as an investment location and informing member companies in Germany on relevant activities and services
- › Twinning concepts and further capacity building formats

At the same time, the discussions clearly showed that a systematic follow-up is of critical importance in order to unlock the cooperation potential and develop lasting partnerships.

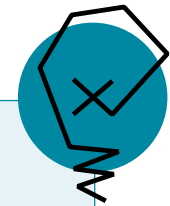
(Source: Own research)



The Investment and Technology Promotion Offices (ITPOs) of the United Nations Industrial Development Organization (UNIDO) constitute another helpful platform for developing institutional networks at the international level (see [box 21](#)).

In this context, international partners can also facilitate peer-to-peer learning and twinning initiatives integrating IPAs from their home countries. The local GIZ project in Tunisia mentioned above has initiated such a partnership between the Tunisian Investment Authority (TIA), the Foreign Investment Promotion Agency Tunisia (FIPA) and the WFS Saxony Economic Development Corporation.

BOX 21: UNIDO's Investment and Technology Promotion Offices (ITPOs)



The UNIDO Network of Investment and Technology Promotion Offices (ITPOs) is contributing to reducing development imbalances, by brokering investment and technology agreements between developed, developing countries and countries with economies in transition. Located in both hemispheres, the specialised network of UNIDO ITPOs opens up opportunities for investors and technology suppliers to find potential partners and offers unique services to both entrepreneurs and business institutions.

ITPOs guide potential investors from their host countries and from developing countries at each stage of the investment cycle, from project identification through appraisal to implementation. In doing so, ITPOs offer a full package of up-to-date information on screened and validated investment opportunities, including manufacturing facilities, and technology supply sources. There are currently nine ITPOs, namely in Bahrain (Manama), China (Beijing, Shanghai), Germany (Bonn), Italy (Rome), Japan (Tokyo), Nigeria (Lagos), the Republic of Korea (Seoul) and Russian Federation (Moscow).

The UNIDO ITPO Germany was established in 2017 based on an agreement between UNIDO and the German Federal Government. Its mandate is to mobilise and promote responsible and impact investments and transfer of green technologies from Germany towards developing countries and economies in transition, with focus on SMEs. The service portfolio also comprises capacity building for institutional partners in developing countries, e.g.:

- › Promoting market and investment opportunities in Germany through strategic partnerships with IPAs and other business development organisations
- › Trainings, investment promotion, trade show participations and company visits in Germany (ITPO Delegate Programme).

(Source: Own research)



A number of further German IPAs – such as GTAI Germany Trade and Invest or bw-i Baden-Wuerttemberg – also have relevant experience in the context of international cooperation.

Furthermore, international partners can help IPAs to reach out to potential or existing investors. Some German IPAs regularly carry out campaigns visiting selected global headquarters of important foreign investors present in their region to discuss opportunities for further projects. GIZ could support IPAs from countries with a presence of German investors to organise similar campaigns in Germany.

Finally, forming part of the IPAs' institutional networks, international partners can make an important contribution by reemphasising donor coordination. In the context of international cooperation, IPAs are typically supported by more than one international organisation at the same time. According to the interviews carried out for the toolbox, the Ethiopian Investment Commission constitutes an extreme example currently cooperating with 17 international partners. By better coordinating amongst each other, international partners can effectively support the network management of IPAs.



Control center of a power plant investment project in Ulaanbaatar, Mongolia.



TABLE 23:
FURTHER TOOLS & RESOURCES



The OECD and IDB have carried out mappings of IPAs in OECD countries, the Middle East and North Africa, Latin America and the Caribbean providing also a helpful overview of the agencies' cooperation networks and institutional interactions.

- <http://www.oecd.org/investment/Mapping-of-Investment-Promotion-Agencies-in-OECD-Countries.htm>
- <http://www.oecd.org/daf/inv/investment-policy/mapping-of-investment-promotion-agencies-med.htm>
- <http://www.oecd.org/industry/inv/investment-policy/how-to-solve-the-investment-promotion-puzzle.htm>

As part of its programme *FDI Excellence Series*, WAIPA has organised a training covering a range of cross-organisational topics, e.g. *Working successfully with partners from the private and public sector* and *Managing key stakeholders*.

- <https://waipa.org/the-fdi-excellence-series-registration-page/>

The policy study *Supporting the Reorganisation of the Investment Agency of the Republic of Moldova by the German Economic Team Moldova* outlines options for intensifying the cooperation between the IPA and strategic partners which have been developed in a workshop with the agency.

- <https://www.german-economic-team.com/mol dau/de/policy-study-01-2019/#more-3112>

In order to assist IPAs in developing partnerships with German organisations, projects can utilise the network of *EZ Scouts* who are based in various German associations, chambers of commerce and industry, regional associations and foundations.

- http://www.bmz.de/en/zentrales_downloadarchiv/themen_und_schwerpunkte/wirtschaft/KontaktDaten_EZ-Scouts_en.pdf

Further information on the services and activities of the *Investment and Technology Promotion Offices (ITPOs)* can be found on UNIDO's website and in the annual report of the German office.

- <https://www.unido.org/investment-and-technology-promotion-offices-itpos>
- <https://itpo-germany.org/en/publications/>

A large, stylized, dark green letter 'G' is centered in the upper half of the image. The 'G' has a thick, rounded stroke and a small hook at the top right. The background is a vibrant yellow-green color with several thin, white, wavy lines that create a sense of motion or a network. A thick, dark green line runs horizontally across the middle of the image, with a slight dip in the center, positioned just below the 'G'.

MODULE

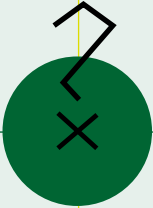


Module G: Designing monitoring systems reflecting the strategic objectives, core tasks and processes

Monitoring systems are of critical importance to ensure that IPAs attain their objectives – in the most efficient way. They help increase transparency and accountability in the use of public resources and facilitate evidence-based decisions on changes and refinements of activities throughout the entire investment attraction cycle. At the same time, practical experience shows that monitoring systems should not only measure efficiency, but should also be kept efficient themselves taking into account the workload and resources of an agency. International partners can make a valuable contribution in this respect.

The module starts by exploring the organisational setting, common key performance indicators (KPIs), tools and methodologies used by IPAs for monitoring purposes drawing on available surveys and research. It then describes – illustrated by practical examples – how monitoring systems for IPAs can be designed. The concluding remarks focus on identified key success factors for cooperation projects highlighting the importance of compact and efficient monitoring systems and their alignment with the strategic framework, core tasks and processes of an IPA.

Against this background, there are obviously interrelations with most modules of the toolbox. As monitoring entails a strong organisational dimension reflecting core processes and requiring a clear allocation of responsibilities, [Module E](#) is of particular relevance.



BOX 22:
GUIDING QUESTIONS

- What are common monitoring practices and key performance indicators (KPIs) of IPAs?
- How are monitoring results used to improve performance?
- What are key steps for designing a monitoring system for an IPA?
- What tools are available to track and process the relevant data?
- Where does the information on activities and outcome come from?
- What are preconditions for designing an effective and efficient monitoring system for an IPA?

COMMON MONITORING PRACTICES OF IPAS

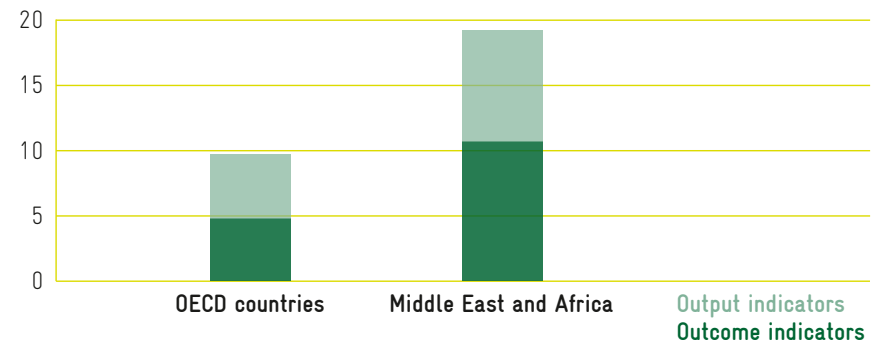
Recent research shows that although there are some overall trends and common practices, the nature of the specific monitoring activities as well as the methodologies, tools and processes vary greatly. According to an OECD note, approximately 60 % of IPAs in OECD countries have a dedicated monitoring and evaluation unit reporting to the IPA's head, board or management (OECD, 2019b). In most cases, these evaluation units consist of one or two dedicated employees. In comparison, monitoring and evaluation units are more prevalent in agencies in the Middle East and North Africa.

Interestingly, OECD IPAs rely upon considerably less key performance indicators (approximately 10) compared to their counterparts in the Middle East and North Africa (approximately 19). OECD IPAs use on average close to 5 output indicators (such as number of firms assisted, client satisfaction) and 5 outcome indicators (such as number of realised investment projects, number of jobs and the total value of FDI). The large difference between IPAs in OECD countries and in the Middle East/North Africa is mainly due to the quantity of outcome indicators used. IPAs in the Middle East and North Africa use twice as many outcome indicators compared to their counterparts in OECD countries. They also rely on significantly more output indicators as shown in the [figure 21](#) on the next page.



The OECD research shows that customer relationship management (CRM) systems are commonly used by IPAs to monitor their activities. Close to 95 % of IPAs in OECD countries and 70 % of agencies in the Middle East and North Africa rely on CRM systems to track their interactions with investors. Typically, IPAs combine different quantitative and qualitative methodologies to assess the effectiveness and efficiency of their interventions. In particular, customer satisfaction surveys, benchmarking and consultations with relevant stakeholders are widely used by IPAs to gauge their performance.

FIGURE 21: Number of indicators used by IPAs



(Source: OECD 2019a)



Worker at a rice mill in Birnin Kebbi, Nigeria.

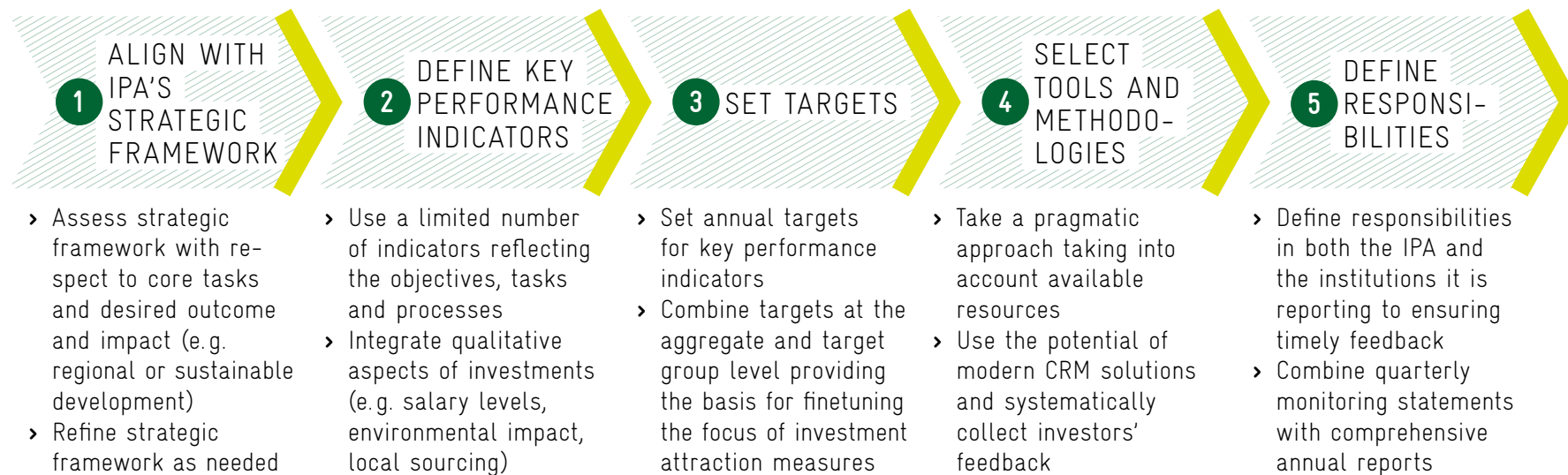


THE PROCESS OF DESIGNING A MONITORING SYSTEM FOR AN IPA

The process of designing a monitoring system for an IPA which is summarised in the [figure 22](#) is quite the same as for any other type of organisation or project. Nevertheless, a number of specific aspects can be pointed out that are of particular relevance in the context of international cooperation.

First of all, the IPAs' strategic framework should form the point of departure for designing monitoring systems. In many cases, IPAs as well as international partners tend to dive directly into a discussion of KPIs. However, before one starts to track anything, there needs to be clarity and a consensus on what is worth tracking (OECD, 2018). The information gathered and assessed by IPAs' monitoring systems does not always correspond well to their mandates and strategic objectives. Equally, often IPAs do not have a coherent strategic framework with clear and unambiguous goals and objectives a monitoring system can relate to.

FIGURE 22: Key steps for designing a monitoring system for an IPA



(Source: Own research)



1 Against this background, as a first step it should be assessed if and how the monitoring can be **aligned with the strategic framework of the IPA**. The strategic framework should provide guidance not only on core tasks and activities of the IPA, but also on the desired outcome and impact of investment attraction efforts, e. g. in terms of contributing to regional and sustainable development, which should be reflected by the monitoring system. If an IPA does not have a coherent strategic framework providing this type of guidance, this should be addressed first before continuing the design of the monitoring system.

Furthermore, before proceeding to the next steps, consideration should be given to the needs of the different recipients of monitoring information. Typically, monitoring serves for internal purposes – e. g. as a basis for decisions on refining instruments and activities – as well as for reporting to government bodies, further stakeholders and to the public.

2 Next, the **KPIs can be defined** drawing on the (refined) strategic framework, core tasks and processes of the IPA. When designing the monitoring system, it is recommended to use a limited number of indicators in order to manage the workload and costs of monitoring. In addition to the strategic objectives, the indicators should reflect the core tasks and processes of the agency.



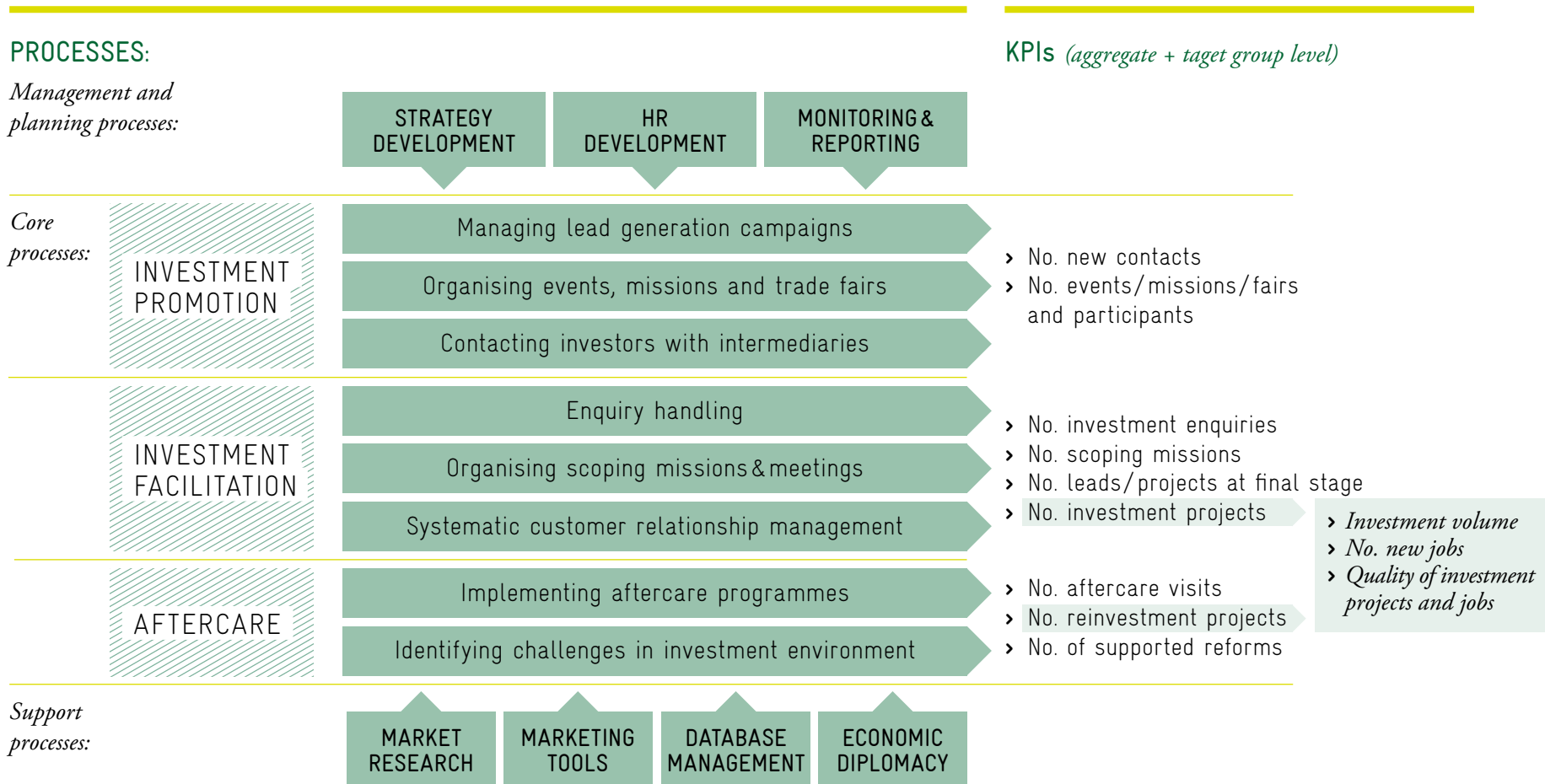
Rwanda tea pickers on a plantation.



The figure 23 shows how KPIs can be tied to the different processes combining output indicators (e.g. number of scoping missions) and outcome indicators (e.g. number and quality of jobs created). Investment decision processes often take years.

Against this background, building up and managing the “investment pipeline” plays a critical role for the success of IPAs and is typically reflected by the chosen indicators (e.g. number of new contacts to potential investors, number of leads / projects at the final stage).

FIGURE 23: Aligning key performance indicators to core tasks and processes of an IPA





In light of the sustainability agenda, IPAs around the globe increasingly place emphasis on qualitative aspects of investments integrating indicators such as salary levels, environmental impact or technology intensity into their monitoring systems. For

instance, the strategy and KPIs of CzechInvest (see [table 24](#)) have a strong focus on so-called “smart investments” fulfilling criteria such as local sourcing, positive effect on human capital development and a contribution to innovation transfer.

TABLE 24: Key performance indicators used by CzechInvest

TASKS	INDICATORS
Assistance with localisation of higher value added projects and “smart” investments in the Czech Republic	<ul style="list-style-type: none"> › Volume of higher value added projects › Volume of “smart” investments › Number of newly created highly skilled jobs › Number of new projects
AfterCare – qualitative growth and development of investors	<ul style="list-style-type: none"> › Number of AfterCare clients › Number of AfterCare events for clients and attendance rates thereof › Volume of expansions in the form of “smart” investments › Volume of expansions in the form of higher value added projects › Number of newly created highly skilled jobs
Support for cooperation and partnership with local entities and increased involvement of investors in the regions	<ul style="list-style-type: none"> › Number of mediated projects of cooperation between investors and local business entities, R&D institutions and universities › Number of mediated projects of cooperation with local authorities
Expert analytical activities	<ul style="list-style-type: none"> › Regular analyses of the business and investment environment down to the level of municipalities with extended competence › Number of strategies with contributions from CzechInvest › Analysis of trends in priority sectors and territories
Development of business infrastructure	<ul style="list-style-type: none"> › Number of trained representatives of local authorities › Number of projects involving construction of technical infrastructure for business receiving support from programmes administrated by CzechInvest

(Source: CzechInvest 2019)



3 Once the indicators are defined, **targets can be set.** Typically, IPAs have annual targets for KPIs while strategic objectives are determined for a five year period. More and more IPAs set targets and measure KPIs not only at the aggregate but also at the target group level. Comparing the performance between different target groups helps to finetune the focus of investment attraction measures.

4 Building upon the previous steps, **appropriate monitoring tools and methodologies can be selected.** As shown by the OECD surveys mentioned above, IPAs rely on a wide array of approaches including benchmarking, customer satisfaction surveys and stakeholder consultations. In some cases, even complex econometric analyses are deployed. A pragmatic approach that takes into account the resources of an IPA is recommended. Modern CRM systems can significantly increase the efficiency of monitoring processes of IPAs.

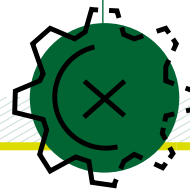
Many IPAs in Germany systematically collect investors' feedback together with information still needed for the outcome indicators in a compact format after a project is implemented. Once again, this process is supported by CRM systems. More comprehensive customer satisfaction surveys or impact analyses are used in the context of evaluations that are typically not carried out at an annual basis.

5 Finally, **responsibilities for the monitoring and reporting need to be defined and communicated.** As indicated by the surveys mentioned above, the majority of IPAs has a dedicated unit. However, in particular in the case of smaller IPAs with a narrower mandate, a dedicated position or person might be sufficient.

Experience shows that there is often also a need to clarify responsibilities within the ministries and bodies to which the IPA is reporting in order to ensure timely and competent feedback and guidance. In many cases, IPAs are reporting to various institutions with different formats and in varying intervals resulting in a high administrative burden. The monitoring system should make explicit who is responsible on both sides. It has proven useful to combine quarterly monitoring statements with more comprehensive annual reports.



TABLE 25: What works/What does not work



WHAT WORKS	WHAT DOES NOT WORK
<ul style="list-style-type: none">+ Assessing first if the IPA has a coherent strategic framework the monitoring system can relate to	<ul style="list-style-type: none">- Diving directly into a discussion of key performance indicators
<ul style="list-style-type: none">+ Using a focused set of key performance indicators reflecting the strategic objectives, core tasks and processes	<ul style="list-style-type: none">- Overloading the monitoring system with a wide array of indicators that provide a limited added value
<ul style="list-style-type: none">+ Integrating qualitative aspects of investments (e.g. salary levels, environmental impact, local sourcing)	<ul style="list-style-type: none">- Focusing solely on the quantitative dimension of attracted investment projects
<ul style="list-style-type: none">+ Comparing the performance between different target groups to finetune the focus of investment attraction measures	<ul style="list-style-type: none">- Focusing only on the aggregate level without comparing the performance between different target groups
<ul style="list-style-type: none">+ Using the potential of modern CRM solutions to increase the efficiency of monitoring processes	<ul style="list-style-type: none">- Relying on outdated or inappropriate CRM systems that do not allow to track the performance
<ul style="list-style-type: none">+ Streamlined reporting processes with clearly defined institutional responsibilities, formats and intervals	<ul style="list-style-type: none">- Reporting to various institutions with varying indicators and intervals resulting in a high administrative burden

(Source: Own research)

KEY SUCCESS FACTORS FOR COOPERATION PROJECTS SUPPORTING MONITORING SYSTEMS

International partners frequently assist IPAs in designing and implementing monitoring systems. Considering the critical role of monitoring systems as a management tool for IPAs and their potential for facilitating improvements over time, this focus

should be maintained. Drawing on practical experience as well as available research, in particular the importance of compact and efficient monitoring systems and their alignment with the strategic framework can be highlighted as key success factors which should be considered in planning cooperation projects. Integrating more strongly the employee perspective into monitoring system represents a further promising option for future efforts.



Monitoring systems should not only measure the efficiency of processes and activities. They should be efficient themselves. The OECD studies mentioned above have shown that IPAs in the Middle East and North Africa rely on twice as many KPIs as their counterparts in OECD countries.

In part, this can be explained by differences in mandates – IPAs in the Middle East and North Africa tend to focus more strongly on advocacy and regional development in comparison – and requirements by the boards to measure the socio-economic impact with respect to development goals, e. g. in terms of R&D and innovation, wages and sustainability (OECD, 2019b). However, another explanation could be that international partners supporting the design of the monitoring systems might have contributed to the extension of indicators.

In this context, it is worth mentioning that also the previously cited study on international cooperation experience in the area of investment attraction identified a need for more compact and efficient monitoring systems based on interviews with local projects. International partners can provide valuable assistance to IPAs in defining KPIs, e. g. with respect to integrating qualitative aspects of investments. However, it is important to use a focused set of indicators that takes into account the resources and capacities of the agencies. The key to success lies often in the first word of key performance indicators.

Another valuable contribution international partners can make relates to helping IPAs to use the potential of modern CRM systems. International partners are frequently supporting the procurement of CRM solutions which can significantly increase the efficiency of monitoring processes. It is important to consider the monitoring requirements when CRM systems are procured or customised ensuring that the defined indicators and processes can be covered.

Furthermore, international partners should reemphasise the alignment between IPAs' monitoring systems and strategic frameworks. In many cases, both IPAs and international partners tend to dive directly into a discussion of indicators or technical issues. It might take some time and persistence, but it is worthwhile to start the design of a monitoring system with a closer look at the strategic framework and to ensure that the monitoring system is aligned with the objectives, core tasks and processes of the IPA.

New target groups and priorities should be introduced as part of an IPA's strategy and not its monitoring system. For instance, a focus on SDGs requires more than a green investment tracker. It needs to be reflected by the strategic objectives, the target group focus and the organisation of an IPA. The exemplary workshop programme in [figure 24](#) illustrates the outlined approach of aligning the monitoring system and key performance indicators with the strategic framework of an IPA.



FIGURE 24: Exemplary workshop programme for designing a monitoring system in the context of an IPA's strategic framework

WORKSHOP SESSIONS

- 1 **Reviewing the strategic framework for investment attraction efforts**
 - › Reviewing strategic goals and objectives for the investment attraction function and reflecting possible implications for the vision/mission statement
- 2 **Revising core tasks and target groups for investment attraction**
 - › Revising the core tasks related to investment attraction as well as the corresponding target groups in light of the refined strategic objectives
- 3 **Defining main processes and key performance indicators for investment attraction**
 - › Breaking down tasks into processes and defining activity and performance indicators measuring progress towards respective goals and targets
- 4 **Shaping an efficient monitoring system**
 - › Selecting appropriate methodologies/tools and clarifying responsibilities for the monitoring activities

(Source: Own research)

Integrating the employee perspective more strongly into monitoring approaches could be an option for future support. In Germany, agencies increasingly place emphasis on HR development and employee satisfaction. For instance, the IPA of the Federal State of Brandenburg has included employee satisfac-

tion in its KPIs based on a comprehensive evaluation. Employee surveys are regularly carried out to assess needs and requirements (e. g. with respect to training) as well as to identify ideas for improving processes and services.

In many countries, IPAs face difficulties in recruiting and retaining adequately skilled employees. Fluctuation represents a major impediment for building up the necessary capacities and contact networks. Tasks such as investment promotion take time (on average 2–3 years between the first contact and investment decision) and rely on trust, expertise and customer relationships that require continuity. Investment agencies stand out from other Government institutions with respect to the required skills sets. They rely upon highly qualified employees who are able to work and negotiate at the interface between the top level of the public and private sector in an international environment.

Against this background, it seems reasonable to place more emphasis on the employee perspective. The Tunisia Investment Authority – assisted by the local GIZ project – is already moving in this direction by using a monitoring tool for capacity development. IPAs seeking to emulate this practice should ensure that the employee perspective is also reflected in the strategic framework of the IPA.



TABLE 26:
FURTHER TOOLS & RESOURCES



A number of IPAs provide information on their KPIs as part of published strategic plans or annual reports, e.g. Invest in Estonia and CzechInvest
→ https://www.eas.ee/wp-content/uploads/2019/01/EAS_Strateegiline_Kava_ENG.pdf
→ <https://www.czechinvest.org/de/About-CzechInvest/Download/General-materials/Strategy-de>

The OECD has published a note exploring monitoring and evaluation (M&E) practices of investment promotion agencies (IPAs) in OECD countries. It provides a brief overview of the main M&E practices across agencies as well as explains how impact evaluation can be conducted in the context of investment promotion.
→ <http://www.oecd.org/investment/Monitoring-and-evaluation-a-brief-guide-for-investment-promotion-agencies.pdf>

The ANIMA Investment Network, a multi-country cooperation platform for economic development in the Mediterranean, has launched in 2020 as part of the EBSOMED project in close collaboration with several partners the initiative *Impact Invest* focusing on the promotion of investments that contribute to sustainable development. The creation of a common frame of reference for monitoring the impact of investments linked to the SDGs forms part of the project activities.
→ <https://anima.coop/en/our-projects/epsomed/>

The manual *Cooperation Management for Practitioners – Managing Social Change with Capacity WORKS* comprises a tool that describes how a results-based monitoring system is structured and used. It provides practice-oriented, methodological guidance on operationalising an results-based monitoring system.
→ <https://www.giz.de/expertise/html/60619.html>

UNIDO is conducting surveys as an instrument for IPAs to track the dynamics of foreign direct investments at the firm-level. Examples are included in the *Africa Investor Survey Report*, the *Viet Nam Industrial Investment Report* and the *Tanzania Investor Survey Report*.
→ https://www.unido.org/sites/default/files/2013-02/AIS_Report_A4_0.PDF
→ https://www.unido.org/sites/default/files/2012-08/VIIR%20print_0.pdf
→ https://www.unido.org/sites/default/files/2015-12/Tanzania_investor_survey_report_0.pdf

The background consists of several thin, white, wavy lines that create a sense of movement and depth. These lines are layered, with some appearing in front of others, and they generally trend downwards from left to right, then upwards from right to left, forming a series of overlapping, shallow valleys. The overall effect is a dynamic, organic pattern against the solid black background.

LISTINGS

Listings

List of abbreviations

AIDA	Albanian Investment Development Agency
APIEX	Agência Para a Promoção de Investimento e Exportações/Invest in Mozambique
BPO	Business Process Outsourcing
CEO	Chief Executive Officer
CINDE	Costa Rican Investment Promotion Agency
COMFAR	Computer Model for Feasibility Analysis and Reporting
CPI	Centro de Promocao de Investimentos
CRM	Customer Relationship Management
DIHK	Deutscher Industrie und Handelskammertag/Association of German Chambers of Industry and Commerce
EBRD	European Bank for Reconstruction and Development
EMA	Euro Mediterranean Arab Association
EQulP	Enhancing the Quality of Industrial Policy
EZ	Entwicklungszusammenarbeit/Development cooperation
FDI	Foreign Direct Investment
FEZ	Free Economic Zone
FIPA	Foreign Investment Promotion Agency Tunisia
GIPC	Ghana Investment Promotion Centre
GIS	Geographical Information System



GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GTAI	Germany Trade and Invest
HR	Human Resources
HQ	Headquarter
IAA	Internationale Automobil Ausstellung/International Motor Show Germany
ICT	Information and Communications Technology
IDB	Inter American Development Bank
ILOSTAT	International Labour Organisation's Database
INDSTAT	United Nations Industrial Database
IPA	Investment Promotion Agency
ITPO	Investment and Technology Promotion Offices
IZB	Internationale Zuliefererbörse/International Suppliers Fair
KPIs	Key Performance Indicators
LO	Local Office
LP	Local Partner
LQ	Location Quotient
MIA	Moldovan Investment Agency
MIEPO	Moldovan Investment and Export Organisation
NIC	Namibia Investment Centre
OECD	Organisation for Economic Co-operation and Development
PPD	Public Private Dialogue



PPP	Public Private Partnership
PR	Public Relations
RCA	Revealed Comparative Advantage
R&D	Research and Development
SDGs	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SPX	Subcontracting and Partnership Exchange
SWOT	Strengths, Weaknesses, Opportunities, Threats
TIA	Tunisia Investment Agency
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organisation
USD	United States Dollars
VDA	Verband der Automobilindustrie e.V./German Association of the Automotive Industry
WAIPA	World Association of Investment Promotion Agencies
WFBB	Wirtschaftsförderung Land Brandenburg GmbH
WFS	Wirtschaftsförderung Sachsen GmbH

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INTERNAL
ANNEX



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An annex with GIZ internal documents and resources (such as terms of reference, workshop programmes etc.) is available under the TOPIC “**investments**” for GIZ staff:

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