

**Development Policy Analysis Division, DESA/Economic Cooperation and
Integration Division, UNECE
International Conference
2- 4 April 2008, Geneva
“Strengthening integration of the economies in transition into the world
economy through economic diversification”**

Round table 5. Investment promotion strategies and their evaluation

Participants in the panel:

Malinka Koparanova, *Economic Affairs Officer (UN-DESA) - moderator*

Sergey Afontsev, *Institute for World Economy and International Relations (The Russian Federation)*

Carlos Griffin, *UNCTAD*

Dmytro Lyapin, *Vice President, Institute for Competitive Society (Ukraine)*

Gulnur Rakhmatulina, *Chief Researcher, Institute for Strategic Studies (Republic of Kazakhstan)*

Dragana Zoric, *FDI Advisor, Serbia Investment and Export Promotion Agency (Serbia)*

The *objective* of this round-table is to discuss investment promotion activities undertaken in the region and evaluate their overall efficiency and impact on FDI inflows. There is no consensus on the efficiency of investment promotion programs, as the empirical evidence is contradictory. Therefore, the participants, both from the countries in the region and from the specialized agencies, may share their unique experience and have practical suggestions on how to improve investment promotion activities.

The participants may present examples of successful programmes and analyze the reasons behind their success.

The following *main questions/issues* will be the focus of the discussion.

- Examples of best practices (what institutions, programmes and for which sectors) undertaken in the country/region to promote investment activities
- What type of FDI you consider most beneficial to your country in particular in view to integrate into the world economy through diversification and what are the policies related to attract relevant investors in this field?
- Proposals on specific activities to be undertaken by UN agencies to facilitate both inward and outward investment to and from economies in transition

The panelists are expected to provide specific details of investment promotion activities and their importance, such as creation of specialized agencies, programs to cover investment risks, elaboration of mechanisms to disseminate information, including use of the web, and participation in global databases. The participants should also discuss the effectiveness of government designing policies aimed to attract FDI as well as the complementarity of other policies.

Also, the participants may discuss the effect of lowering taxes and providing tax breaks to attract foreign investment. Based on the experience of their economies, they may wish to evaluate the impact of lower taxes on the overall competitiveness of the

economy, domestic wealth, as well as government budgets and ability to finance domestic development needs.

Structure of the panel discussion:

- the moderator introduces the topic and objectives of the roundtable; the panelist and asks the main questions (5 minutes)
- each panelist provides country experience and policy discussion on the three questions (10 minutes per participant)
- the moderator takes questions from the audience (5 minutes)
- the panelists answer to those questions (10 minutes)
- the moderator summarizes the discussion and may ask the following wrap up question:

Given the policy and institutional reforms (agreed upon here) that are viewed as important for promoting diversification, especially those that require regional or global participation, are these initiatives already in the Monterrey Consensus Financing for Development document, or if not what you consider as necessary to be added to the Doha Review document so that the issues raised here would be properly addressed?

Expected outcome of the discussion: based on the discussion and evaluation of investment promotion activities, the participants should express their proposals on the specific actions to be undertaken by the UN agencies in order to facilitate both inward and outward investment for the transition economies.