



IsDB & ICDT Cooperation in OIC Investment Promotion Agencies 2nd Policy Dialogue Forum

Concept Note

30 November 2024

A. Background

1. As part of their collaborative efforts, the Cooperation and Capacity Development (CCD) Department of the Islamic Development Bank (IsDB), the Islamic Center for Development of Trade (ICDT) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) and the Bureau of Investment of Pakistan (BOI) have partnered to organize an OIC Policy Dialogue Forum. This event was originally set for June 18, 2023, alongside the 18th OIC Trade Fair in Lahore, Pakistan. However, it has now been rescheduled for 30 November 2024, while still retaining its location in Lahore. This forum is a key part of the annual agenda for promoting regional cooperation and integration, highlighting the dedication of both ICDT and IsDB to enhance dialogue and collaboration on investment promotion among OIC member countries.
2. The 2022 Annual Report on the Investment Climate and Opportunities, prepared by the ICDT and IsDB emphasizes the need for OIC countries to work together more effectively. The report recommends that member countries increase their collaborative efforts to implement investment reforms, enhance the overall conditions for attracting investments, and strengthen their competitiveness in the global market. The reports also calls for :
 - Member countries should prioritize the implementation of comprehensive investment reforms that improve the business environment. These reforms should focus on simplifying regulations, streamlining processes, and enhancing transparency to attract foreign direct investment.
 - Member countries must enhance the overall conditions that affect investment attractiveness, including infrastructure development, access to finance, and a stable business environment. Improvements in these areas will create a more favorable climate for both domestic and foreign investors.
 - Member countries should actively work on policies that boost their international competitiveness, positioning themselves as attractive destinations for investment. This includes identifying and promoting key sectors for growth and development.
 - Member countries are encouraged to develop and agree on joint investment promotion strategies and activities. This unified approach can amplify their efforts in attracting investment and promote a coherent brand for the region.
 - Investment Promotion Agencies (IPAs) in OIC countries should continue to engage with the global market by participating in international exhibitions, fairs, and roadshows. These activities will help showcase their investment opportunities and climates to potential investors.
 - IPAs must leverage their websites and social media channels to effectively communicate investment opportunities, legislation, incentives, and procedures for foreign investors. This digital engagement is crucial for reaching a wider audience of prospective investors.
 - Member countries should invest in capacity-building initiatives to train professionals working in IPAs, enhancing their skills and knowledge of investment policies and strategies.

- To address the various challenges facing IPAs, OIC countries should seek to enhance intra-OIC cooperation in investment promotion and facilitation. By sharing resources and expertise, member nations can collectively improve their investment environments and attract more foreign direct investment.
3. In conclusion, implementing the above recommendations outlined in the 2022 OIC annual report on investment climate and opportunities, can enable OIC member countries to establish a more cohesive and supportive framework for investment promotion, yielding significant benefits for all participating nations. By enhancing intra-OIC cooperation in investment promotion and facilitation, member states can share valuable resources and best practices while creating a unified presence in the global market. This collaborative approach will not only help attract larger and more diverse investments that benefit multiple countries but also streamline regulations and procedures, making it easier for foreign investors to navigate the region. Ultimately, building a robust and coordinated investment landscape, as highlighted in the report, will enhance each member state's individual investment climate and contribute to mutual economic growth and sustainable development throughout the OIC region. Such efforts will position OIC nations to thrive amid global competition, fostering a more prosperous future for all member countries.

B. Police Dialogue Rationale and Significance

4. This OIC Policy Dialogue Forum is timely and significant, particularly in the context of current economic uncertainty and evolving investment patterns. As global markets experience shifts due to geopolitical tensions, changing consumer preferences, and emerging technologies, it has become increasingly crucial for countries to collaborate effectively to adapt to these changes.
5. Enhanced cooperation among OIC member countries can pave the way for a deeper understanding of the unique challenges and opportunities each country faces. By sharing insights and best practices, member countries can collectively develop policies that are not only more effective in promoting FDI, but also aligned with regional goals for sustainable economic growth. The forum provides a unique opportunity for stakeholders to engage in open dialogue, fostering an environment where innovative ideas and strategies can emerge.
6. Moreover, the collaborative nature of the forum will encourage member states to pool their resources and knowledge, allowing for the formulation of comprehensive, coherent investment strategies tailored to the specific contexts and needs of OIC countries. Such a strategy is essential for addressing the barriers to investment and for capitalizing on the strengths of each member countries.
7. The OIC Policy Dialogue Forum will act as a catalyst for improving the overall investment landscape within OIC member countries. By fostering a culture of collaboration and knowledge sharing, the forum can help member states create a more favorable business environment that

attracts both domestic and foreign investment. This initiative has the potential to stimulate economic growth, create jobs, and drive progress across the region, positioning OIC countries to thrive in an increasingly competitive global market.

C. The Policy Dialogue Objectives

8. The primary objective of the Policy Dialogue Forum is to create an interactive space where participants can share experiences related to FDI, including the various incentives and obstacles encountered in OIC member countries. This platform will enable member states to engage in discussions that refine and align their investment promotion strategies to better suit their specific contexts.
9. Furthermore, the forum is intended to enhance coordination among Investment Promotion Agencies (IPAs) from OIC member countries, providing them with an opportunity to discuss and collaborate on investment promotion issues. Given the current challenges faced by IPAs, as they play a critical role in investment attraction and supply chain management, this forum will facilitate the exchange of insights and best practices to strengthen their operations and effectiveness.
10. The Dialogue Forum aims to discuss the possibility of establishing a platform for meaningful discussions among OIC member countries, focusing on generating recommendations that will assist IPAs in attracting investments for vital developmental projects, such as infrastructure, healthcare, and education. By facilitating knowledge sharing and collaboration among IPAs, the forum seeks to address common challenges and encourage the exchange of experiences and best practices. This coordinated approach will leverage the strengths and resources of different member countries, ultimately contributing to a stronger investment environment across OIC countries. A more robust investment climate is essential for attracting foreign direct investment and ensuring funds are directed toward projects that significantly impact economic growth and development. The forum will thus enhance the capacity of member countries to secure the necessary investments for achieving their development goals.
11. To maximize the outcomes, it is important for OIC IPAs to use this forum to proactively coordinate efforts to enhance the investment climate, both domestically and internationally. This can include discussions on improving business environments, upgrading critical infrastructure—particularly in transportation and energy—promoting intra-OIC trade and investment, and adopting effective investment promotion policies. Through this platform, member countries can effectively explore the challenges and seize opportunities in the evolving global economic landscape.

D. Expected Outcomes

- The forum is expected to promote the establishment of a robust network among investment officials from participating OIC member countries. This network will facilitate the ongoing exchange of ideas, best practices, and suggestions among participants, fostering collaboration and synergy in investment promotion efforts.

- Participants will enhance the policy advocacy capabilities of their respective Investment Promotion Agencies (IPAs). By strengthening these functions, IPAs can more effectively bridge the gap between investors and policymakers, leading to significant improvements in the overall investment climate within their countries.
- The forum will deepen discussions on key elements of the investment promotion agenda, including policy advocacy, necessary administrative reforms, and the interconnections between bilateral, regional, and international investment instruments. Additionally, it will explore the strategic use of incentives to attract investment.
- An important outcome will be the identification and assessment of the status of policy reform and development in key areas related to international investment. This process will provide insights into existing barriers and opportunities for further improvement in investment policies.
- The forum will pave the way for establishing regular policy dialogue meetings to address emerging issues in investment policy and promotion. These ongoing discussions will ensure that member countries remain informed and proactive in tackling upcoming challenges in the investment landscape.
- Finally, the forum will contribute to building a collective knowledge base that will enable IPAs to scale up their investment promotion efforts effectively. By leveraging shared experiences, participants can identify innovative strategies and best practices to attract investment in a rapidly evolving global economy.
- By achieving these outcomes, the Lahore Policy Dialogue Forum will play a pivotal role in fostering collaboration and strengthening the capabilities of IPAs across OIC member countries, ultimately enhancing their effectiveness in attracting foreign investment.

E. Topics for Discussion & Event Format

12. As OIC member countries enhance their investment promotion efforts, establishing an association or a framework of cooperation among Investment Promotion Agencies (IPAs) offers a valuable opportunity for collaboration. This part outlines essential topics to guide discussions that will create a strong framework to foster synergy among member states. By exploring these areas—governance structures, strategic objectives, knowledge sharing, and joint marketing initiatives—stakeholders can improve investment climates and coordinate efforts effectively. Engaging in these discussions will ultimately contribute to regional economic growth and integration among OIC members.

- **Establishment of Governance Structures:** Discuss the necessary governance frameworks for the proposed platform/association, including leadership roles, decision-making processes, and membership criteria. This ensures clear guidelines for operation and accountability among member IPAs.

- **Sharing Best Practices and Resources:** Explore mechanisms for sharing successful strategies, best practices, and resources among IPAs. This can include case studies, training programs, and joint initiatives to enhance the effectiveness of investment promotion efforts across OIC member countries.
 - **Joint Marketing and Promotion Strategies:** Develop collaborative marketing initiatives to promote the collective investment opportunities within the OIC region. This would involve creating a shared branding strategy that highlights the unique advantages of investing in various member countries.
 - **Capacity Development and Professional Development:** Identify training and capacity-building needs for IPA staff to ensure they are equipped with the skills and knowledge required to attract foreign investment. This could include workshops, seminars, and exchange programs focused on investment policies, negotiation skills, and client servicing.
 - **Integration of Digital Tools and Technology:** Discuss the role of digital technology in enhancing investment promotion efforts, including the establishment of an online platform for communication and resource sharing among member IPAs. This could also cover the use of digital data analytics to identify investment trends and opportunities.
 - **Monitoring and Evaluation Framework:** Establish a system for monitoring and evaluating the effectiveness of the association's initiatives and the overall impact of investment promotion strategies in member countries. Regular assessments can provide insights for continuous improvement and adaptation to changing market dynamics.
13. By addressing these topics, member countries can lay a strong foundation for an effective association or cooperation framework that enhances the coordination and impact of their investment promotion agencies.
14. Participants will be organized into small groups of 4 to 6 representatives from various Investment Promotion Agencies (IPAs). Each group will be guided by facilitators from the Islamic Development Bank (IsDB), the Islamic Center for Development of Trade (ICDT), the Bureau of Investment of Pakistan and possibly external consultants. The groups will engage in focused discussions on the establishment of an association of IPAs and the framework for cooperation among member countries.

F. Target Audience

15. The main partners in this Policy Dialogue will be Officials of Investment Promotion Agencies in OIC Member Countries.

G. Draft Agenda

9:30-10:00	Registration
10:00-10:30	<ul style="list-style-type: none"> ▪ Welcoming address of the Director-General of BOI of Pakistan ▪ Speech of the IsDB Representative ▪ Speech of the Director-General of ICDT ▪ Photo of participants
10:30-11:00	Coffee Break
11:00-12:30	<p>Session I: Status of Investment Flows and Institutional Needs related to Investment Promotion in OIC Member Countries <i>Chair: BOI Representative</i></p> <ul style="list-style-type: none"> ▪ OIC FDI Outlook and Opportunities (by ICDT Representative) ▪ Role of Investment Agreements in Enhancing Policy Dialogue between OIC IPAs (by UNCTAD Representative) ▪ Role of WAIPA in Capacity Development and Policy Dialogue for OIC IPAs (by WAIPA Representative) ▪ Q & A
12:30-13:00	<p>A Presentation on the Proposal of Establishing a Framework for OIC IPA Collaboration <i>Presenters: IsDB and ICDT Representatives</i></p>
13:00-14:30	Lunch Break
14:30-16:00	<p>Session II: Policy Dialogue among OIC IPAs on the Proposal of Establishing a Framework for OIC IPA Collaboration <i>Facilitators: IsDB and ICDT Representatives</i></p>
16:00-16:30	<p>Closing Ceremony</p> <ul style="list-style-type: none"> ▪ Announcement of the Policy Dialogue Recommendations ▪ Closing remarks by ICDT, IsDB, and BOI

16. The below table presents details of the budget for organizing the Second Policy Dialogue Forum in Lahore, Pakistan.

H. Implementation Arrangements

17. The Policy Dialogue Forum will be implemented in coordination with ICDT as an implementing agency and in consultation with the relevant IsDB Regional Hub.

18. The target audience in this program will be investment promotion agencies (IPAs) selected from IsDB Member Countries, depending on the location and ability to travel. The application process will apply for first come, first served roles.