

# Investment Facilitation for Development (IFD) Agreement



# Origin, objectives, and state-of-play of the Agreement

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- Initiative launched by a group of developing countries in 2017. Preparatory work and negotiations lasted over six years. Bottom-up, inclusive negotiations.
- **125 IFD Members parties (over ¾ of WTO Membership)** have finalized the Agreement in February 2024 and requested its incorporation as an Annex 4 agreement under the WTO. **Plurilateral** agreement, open to all WTO Members, based on Most-Favoured Nation treatment.
- **First global agreement on investment facilitation**, establishing global benchmarks for best practices on transparency of investment measures; streamlining and enhancing the governance of investment authorization procedures; building strong and effective relationships with investors (focal points); fostering MNC-supplier relationships; and facilitating **sustainable investments**, including RBC and measures against corruption.

# Investment facilitation for Development (IFD) Agreement

## Article: 1 Objectives

“The purpose of this Agreement is to improve the transparency of measures, streamline administrative procedures, adopt other investment facilitation measures and promote international cooperation, **as a means of** facilitating the flow of foreign direct investment between the Parties, **particularly to developing and least-developed country Parties**, with the aim of **fostering sustainable development.**”

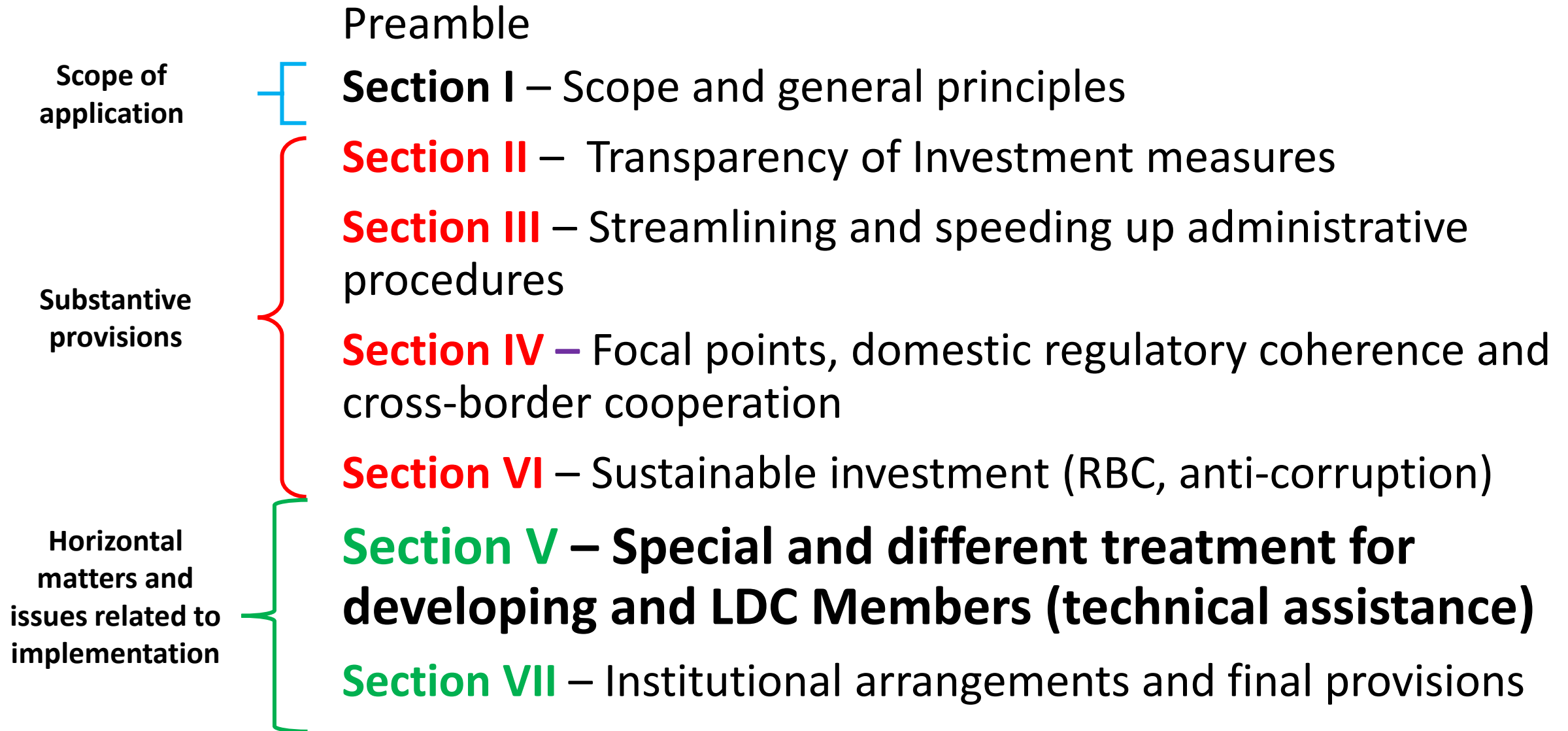
- **Focus: ground-level obstacles** when investing abroad such as lack of easily accessible information on investment laws, regulations, procedures, and practical steps to invest; lack of predictability of regulatory environment; opaque, overly complex investment authorization procedures.
- Nothing in the Agreement shall create any new or modify existing commitments or rules on **market access, investment protection, ISDS: excluded from the scope.**
- **Covers pre- and post-establishment** (“investment activities”) **in all sectors**

# IFD Members parties (June 2024)

**125 co-sponsors of the request** to incorporate the IFDA into the WTO, from all regions, great majority are developing countries (89) including **27 LDCs**

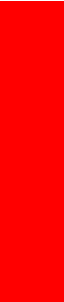
**Afghanistan**; Albania; **Angola**; Antigua and Barbuda; Argentina; Armenia; Australia; Austria; Kingdom of Bahrain; Barbados; Belgium; Belize; **Benin**; Bolivia; Brazil; Bulgaria; **Burkina Faso**; **Burundi**; Cabo Verde; **Cambodia**; Cameroon; Canada; **Central African Republic**; **Chad**; Chile; China; Congo; **Democratic Republic of Congo**; Costa Rica; Côte d'Ivoire; Croatia; Cyprus; Czech Republic; Denmark; **Djibouti**; Dominica; Dominican Republic; Ecuador; El Salvador; Estonia; European Union; Finland; France; Gabon; **Gambia**; Georgia; Germany; Greece; Grenada; Guatemala; **Guinea**; **Guinea-Bissau**; Honduras; Hong Kong, China; Hungary; Iceland; Indonesia; Ireland; Italy; Japan; Kazakhstan; Korea, Republic of; the State of Kuwait; Kyrgyz Republic; **Lao People's Democratic Republic**; Latvia; **Liberia**; Lithuania; Luxembourg; Macao, China; **Malawi**; Malaysia; Maldives; **Mali**; Malta; **Mauritania**; Mauritius; Mexico; Moldova, Republic of; Mongolia; Montenegro; Morocco; **Mozambique**; **Myanmar**; Netherlands; New Zealand; Nicaragua; **Niger**; Nigeria; North Macedonia; Norway; Oman; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Romania; Russian Federation; Kingdom of Saudi Arabia; Seychelles; **Sierra Leone**; Singapore; Slovak Republic; Slovenia; **Solomon Islands**; Spain; Suriname; Sweden; Switzerland; Tajikistan; Thailand; **Togo**; Turkey; **Uganda**; United Arab Emirates; United Kingdom; Uruguay; Vanuatu; Bolivarian Republic of Venezuela; **Yemen**; **Zambia**; Zimbabwe

# Structure of the IFD Agreement



# Benefits of IFD Agreement

- **Establishes global benchmarks of good practice** → reduces regulatory & policy uncertainty as well as transaction costs (notably for MSMEs), makes it easier for investors to invest. In today's integrated global economy, expanding investment flows depends on **simplifying, speeding up and coordinating processes**, not just on liberalizing policies.
- **Anchoring** domestic investment facilitation reforms in **shared international commitments** → strengthens Members' reform efforts and sends a positive signal to investors.
- **Provides a global forum** to facilitate investment for home and host governments to work cooperatively; fosters cross-border regulatory cooperation, improves transparency and information exchanges; prevents potential disputes from escalating.
- Links investment facilitation reforms to **Members' ability to implement them** → make sure developing countries obtain the **TACB support** they need to implement and benefit from the Agreement.



Documents and information available on the dedicated IFD portal on the WTO webpage:

[https://www.wto.org/english/tratop\\_e/invfac\\_e/invfac\\_e.htm](https://www.wto.org/english/tratop_e/invfac_e/invfac_e.htm)

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