

**Examples of  
Capacity-building programmes  
in the area of  
Investment and Enterprise for  
Development**

**COVID-19**

## Business Facilitation

Countries are using UNCTAD's e-government platform to continue providing essential services and new COVID-19 fiscal rescue measures to businesses while offices are closed.

Examples include Benin, where 182 businesses created online during first week of closure. In Kenya, export registration certificates are delivered online with payment by phone. In Mali, plans are being developed to roll out online social security and tax registration.

COVID-19 rescue measures, for which the platform, called eRegistrations, can be used, include social security administration for temporarily retrenched workers, business grant requests, handling of tax relief or late payment applications, and post-crisis recovery of state aid through tax systems.

During the crisis, UNCTAD staff have worked remotely with governments to develop new online services using the platform. Simple online services can be created within two days, with more complex services (involving multiple governments offices) up and running within a week.

## Investment Promotion and Facilitation

UNCTAD's investment promotion capacity-building programme helps countries to improve policies and institutional capacity for attracting and retaining foreign direct investment for sustainable development.

Assistance is provided through advisory services and training. In the context of the COVID-19 pandemic, the investment

promotion programme has focused its efforts on assisting investment promotion agencies (IPAs) in dealing with the crisis. In March 2020, web-based research was carried out to monitor national IPA responses to COVID-19, including continuity in investor service delivery and the provision of emergency support. On 7 April, UNCTAD held a virtual high-level brainstorming on the COVID-19 crisis and IPA response actions.

Outcomes from the IPA survey and high-level brainstorming session were published in an advisory report entitled "[Investment Promotion Agencies: Striving to Overcome the COVID-19 Challenge](#)" for dissemination to IPAs and other stakeholders.

UNCTAD will continue to monitor the response of governments and IPAs to COVID-19 and will facilitate information exchange on best practices. ^

## Investment Guides

The investment guides produced by UNCTAD and the International Chamber of Commerce are designed to help governments build their capacity to attract foreign and local investment. They provide investors with essential information on policies, procedures and opportunities that are otherwise scattered across many different websites or outright not available.

The ongoing impact of COVID-19, including the closure of certain borders and the disruption of international travel and transport, has shown the risks of economic concentration in certain sectors and demonstrated the renewed importance of strengthening domestic value chains,

ensuring food security and improving infrastructure.

Being online and easily updatable, staff in investment promotion agencies are able to adapt the guides, while working from home, to refocus promotion efforts to key sectors such as agriculture, agro-processing, manufacturing and infrastructure as they seek to make their economies more resilient and stimulate job creation.

### **COVID-19 State policy responses and International Investment Agreements (IIAs)**

Governments have recently adopted measures to mitigate the economic impact of COVID-19. These include for e.g. stimulus packages to assist struggling companies, subsidising SMEs, and the cancellation or reduction of taxes on companies. While these measures are taken for the protection of the public interest and for mitigating the negative impact of COVID-19 on the economy, they could potentially result in investor-State dispute settlement (ISDS) proceedings initiated by foreign investors under IIAs. UNCTAD provides technical assistance to countries wishing to reform IIA provisions that could come into friction with such State measures. More specifically, UNCTAD's assistance aims at empowering States with the necessary policy options to reform their IIAs to allow them to better respond to severe crisis of global magnitudes affecting e.g. public health, economic stability and/or the environment without risking expensive ISDS proceedings. This can be done through:

- Review of a country's IIA network with a view to foster provisions on

the right to regulate in the public interest while maintaining effective investment protection.

- Review of model IIAs for future negotiations and/or reform of existing treaties.
- Virtual face-to-face advisory services on specific IIA provisions.

### **Entrepreneurship for Sustainable Development**

Small and medium-sized enterprises (SMEs) are key engines of sustainable and inclusive growth. In most countries, they account for over half of the total share of GDP and for the vast majority of registered companies. The SME sector is being hardly hit by lockdowns and other restrictions imposed by countries across the globe to contain the spread of the coronavirus, resulting in declining demands in several sectors, broken supply chains and logistics.

Lower levels of resilience in developing countries are expected to prolong these negative effects over an extended period, with entrepreneurs from vulnerable backgrounds and micro, small and medium-sized businesses at the forefront of this recession.

With its globally recognized role in the area of entrepreneurship promotion, UNCTAD assists policymakers and other stakeholders in its member states in their efforts towards supporting SMEs and entrepreneurship in the aftermath of the Covid-19 crisis.

In particular, UNCTAD through its network of Empretec centres in more than 40 countries in Africa, Asia, Europe, Latin America and Middle East, accelerates the outreach and accessibility of its technical assistance by online piloting its Empretec

tools to help entrepreneurs in identifying and tapping new business opportunities in a post-Covid-19 scenario, aimed at securing an immediate positive effect on their businesses and well-being. Such tools include training sessions on most urgently needed entrepreneurial competencies such as opportunity seeking, self-confidence and resilience; experience-sharing and B2B networking session; training of trainers on the use of such tool. As a concrete immediate action, UNCTAD in collaboration with other UN agencies and Regional Commissions is establishing a virtual online knowledge hub where policy tools, training material and capacity building toolkits to support SMEs addressing COVID -19 related challenges, are made available.

### **Investment and Public Health**

COVID-19 illustrates two fundamental weaknesses of the pharmaceutical sector: (1) The vulnerability of the international production chain, and (2) the limited production capacity of the originator companies to satisfy global demand in mass production of urgently needed novel treatments, diagnostics and vaccines.

The production of most pharmaceutical key ingredients is concentrated in a few countries. Some of them recently introduced temporary export bans, while others are experiencing serious disruptions of their supply chains for potential COVID-19 treatments and personal protective equipment (PPE). In addition, concerns have been voiced whether companies involved in COVID-19-related R&D will have sufficient production capacity to supply resource for poor developing countries at affordable prices.

UNCTAD is working with the World Health Organization, local producers, foreign investors and host governments to enable partnerships for scaling up manufacturing capacities in developing countries to diversify production and contribute to increased global manufacturing capacity. These partnerships require the handling of intellectual property (IP) rights in existing and future treatments.