
Policy Advocacy Function of the Investment Promotion Agencies, Business Association and Chambers of Commerce in MENA

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Main Themes

- **Investment Climate**
- **Background on policy advocacy and its importance**
- **Investment Promotion Agencies (IPAs) and role of policy advocacy**
- **Features of policy advocacy**
- **Key organisational measures for establishing policy advocacy function**
- **Role of business organisations**
- **Key issues to tackle in enhancing policy advocacy**

Investment Climate

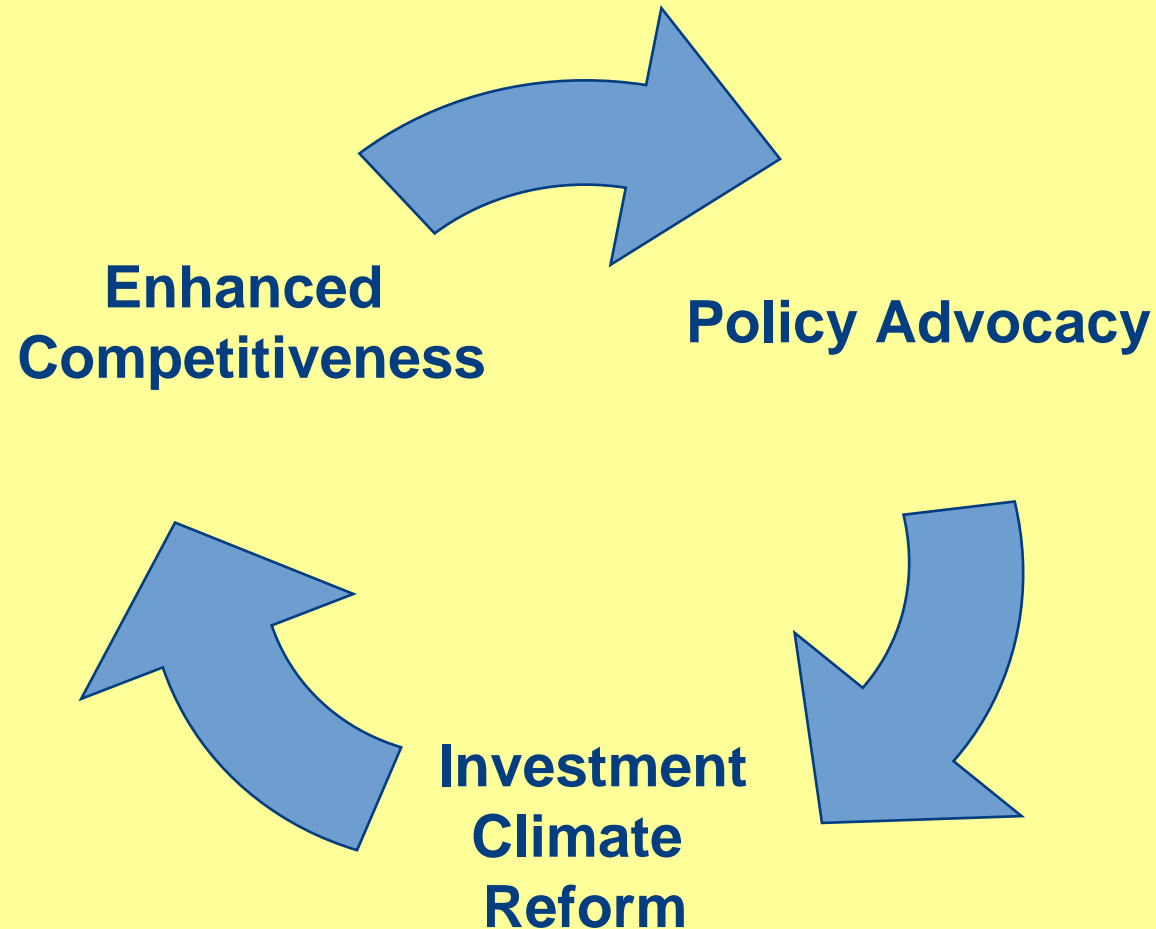
“Investment Climate is the set of location specific factors shaping the opportunities and incentives for firms to invest productively, create jobs, and expand”

“A good investment climate improves outcomes for society as a whole”

“Progress remains slow and uneven...the gap between policies and implementation can be huge”

World Development Report 2005

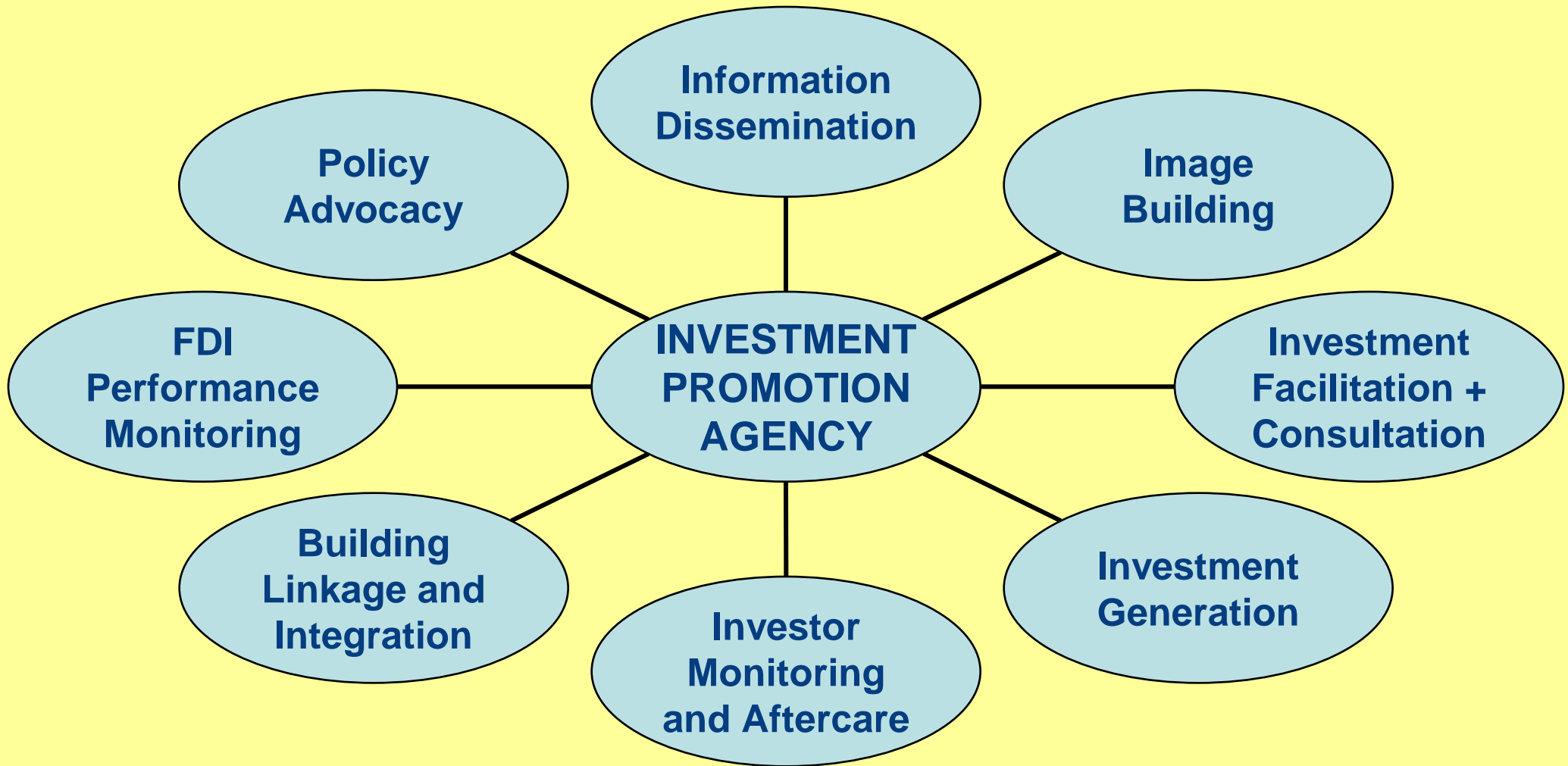
Policy Advocacy underpins Investment Climate Reform and Competitiveness



Policy Advocacy

- ❖ **Identifying issues that inhibit investment or that may open new streams of investment, acting as catalyst for experience sharing and informed advice on costs/benefits of policy change needed, and taking initiatives and action to instigate and support policy change and reform.**
- ❖ **Translating, communicating and constructively presenting investor needs (e.g. on infrastructure, on regulatory procedures, on people and skills needs). Multitude of issues and ways it can be done.**
- ❖ **Using methodological tools and approaches (surveys, policy task forces, preparing policy and legal proposals for consideration, and constructive presentation of issues for consideration).**
- ❖ **Ensuring credibility and communications at highest levels to inform and advance issues.**

IPA Functions



IPA Typology

Typology of agency can influence scope of policy advocacy

- ❖ **Information providers** – primary focus on information dissemination, limited in mandate, scale and budget/resources available, limited policy advocacy.
- ❖ **Information and selected service providers** – focus on information dissemination, some targeting of investors and facilitation, doing some limited policy advocacy.
- ❖ **Development partners** – active in all IPA functions, innovative in approaches and building links with both policy makers and investors, and forward looking in policy advocacy.
- ❖ **Industry Architects** -- determining industry structures, policies and allocating resources to selected players.

Some 'Building Block' Principles

- Research suggests that policy advocacy influences FDI inflows more than other IPA functions (Morisset and Andrews-Johnson, FIAS, 2004).
- Effective policy advocacy can build credibility and status of IPA.
- Policy advocacy process... methodology and tools important.
- Fundamental dimensions of public advocacy (a) working with public sector (b) working with private sector: building constructive relationships.

Organising a Policy Advocacy Function

- ❖ Policy advocacy should not be an appendix to other functions (image building, investor facilitation, etc.) in an IPA or other organisation – it should have its own goals, methods, tools..... and continuous process.
- ❖ Ideally dedicated resources to play meaningful role (e.g. ‘planning division’, skills/expertise, budget/resources to undertake analysis).
- ❖ Policy advocacy activities by IPA should network...network...network strongly with related bodies (e.g. State Planning Organisations, Ministries, Competitiveness Councils, etc.)
- ❖ IPAs, business organisation, chambers can help to capture and document reality case experience, assess validity and communicate issues and proposals for resolution.
- ❖ No single model...

Organising Effective Policy Advocacy

- **CAPACITIES:** People, resources/budget, mandate
- **CAPABILITIES:** Research skills, technical expertise to analyse, assess and write, presentation skills
- **COOPERATION, COLLABORATION, COMMITTEES:** Partnership and networking with public and private sector, with political level, with civil society groups... using committees/joining committees
- **COMMUNICATIONS:** Professional and quality approach needed.... and regular messages, press releases, annual reports
- **CREDIBILITY:** In quality of work, in robust assessment, in creative approach, for example in future vision... e.g. people skills/availability
- **CONTINUITY:** Policy advocacy is not an event... it's a persistent process

Mobilising Supporters and Partners

■ Public Sector

- Prime Minister or Senior Government Minister
- Key Ministries: Finance, Economy, Foreign Affairs, Education...
- Regional Agencies
- Universities, research institutions

■ Private Sector

- Foreign Investor Councils (FICs), e.g. YASED in Turkey, Regional Network of FICs in S.E. Europe, Business Advisory Council for SE Europe, OECD BIAC, Arab Business Council in MENA countries, other Chambers and Financial Institutions.

■ NGOs and media

- Unions, Sectoral or local development organisations, research bodies, media, etc.

Role of Business Organisations, Chambers

- **Business organisations can and do play role...**
- **Same principles apply to their approach...No single model...**
- **Independent approach e.g. YASED + ‘Reform Programme for Improvement of Investment Environment in Turkey’, Foreign Investor Councils and Chambers in South East and Central Europe.**
- **Expert contributions on sectoral and cross cutting issues (e.g. ICT, Pharma/Biotech, regulatory, HR and skills, border crossing procedures, infrastructure, etc.)**
- **Joint approach through participation in working groups and committees organised by IPAs or business organisations**

Advocating Policy Change + Competitiveness

IPA/Policy Board in Ireland



Policy Advocacy: Summary of Key Issues

- ❖ Institutional strategy and organisation set up.
- ❖ Internal policy advocacy capacity and capabilities.
- ❖ Communication + network + dialogue with key actors.
- ❖ Vision/future opportunities (e.g. emerging sectors).
- ❖ Highlight examples of good policy advocacy.
- ❖ Build capacities/capabilities/tools/methodologies.