

## TC Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Strategic support for investment facilitation in Latin America and the Caribbean
▪ TC Number:	RG-T4770
▪ Team Leader/Members:	Ocampo Sanchez, Fernando Jose (PTI/TIN) Team Leader; Delgado Ojeda Queila (PTI/TIN) Alternate Team Leader; Robert, Carolyn (VPC/VPC) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Dorantes Gomez, Angela Carmelia (PTI/TIN); Pazos Viladegut , Jose Efrain (PTI/TIN)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A.
▪ Date of TC Abstract authorization:	09 Apr 2025
▪ Beneficiary:	Ministry of Foreign Affairs of Suriname, the Ministry of Investment of Honduras, and the Ministry of Economic Transformation of Belize
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Integration(W2D)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months.
▪ Required start date:	August 2025
▪ Types of consultants:	Individual consultants.
▪ Prepared by Unit:	PTI/TIN-Trade and Investment Division
▪ Unit of Disbursement Responsibility:	PTI/TIN-Trade and Investment Division
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631). 2024-2030:	Productive development and innovation through the private sector; Regional integration

### II. Objectives and Justification of the TC

2.1 The **general objective** of this Technical Cooperation (TC) is to provide strategic support to Suriname, Belize and Honduras in the implementation of the Investment Facilitation for Development (IFD)<sup>1</sup> Agreement of the World Trade Organization (WTO). This support aims to enhance the countries capacity to attract and retain high-quality foreign direct investment (FDI) by aligning national policies and practices with the provisions of the IFD Agreement. The TC has **two specific objectives**: (i) to assist LAC countries<sup>2</sup> in conducting their IFD Agreement self-assessment; and (ii) to

<sup>1</sup> [https://www.wto.org/spanish/tratop\\_s/invfac\\_public\\_s/invfac\\_s.htm](https://www.wto.org/spanish/tratop_s/invfac_public_s/invfac_s.htm).

<sup>2</sup> The operational manual developed will be disseminated to LAC countries and specific technical support to carry out the self-assessment will be provided to the direct beneficiaries of this TC: Suriname, Belize and Honduras.

generate knowledge exchange and dissemination of best practices in the implementation of investment facilitation measures.

- 2.2 Global and regional decline in FDI and the need for more competitive investment environments.** The justification for this TC lies in the urgent need to improve the investment climate in Latin America and the Caribbean (LAC), a region that has experienced a significant decline in FDI inflows. In the context of slowing global FDI, which fell globally by 8% in 2024 (excluding investments in European transit economies) and in LAC decreased by 9%, with the region receiving only 12.55% of global FDI.<sup>3</sup> Particularly, in Suriname, where FDI inflows tend to be negative –0.8% of Gross Domestic Product (GDP) in 2024,<sup>4</sup> reflecting persistent macroeconomic instability. In Belize, FDI represented 3.6% of GDP in 2024—well below its 2010 peak of 10.2%—due to limited market size and regulatory challenges;<sup>5</sup> Meanwhile, Honduras recorded FDI inflows of 3.5% of GDP in 2024, constrained by infrastructure gaps and political risk.<sup>6</sup> This data underscores the importance of adopting proactive policies to enhance competitiveness and reduce barriers to investment.<sup>7</sup>
- 2.3 Investor priorities in LAC align closely with the IFD Agreement’s provisions.** A 2022 survey<sup>8</sup> conducted by the Inter-American Development Bank (IDB), the International Trade Centre (ITC), and the German Development Institute (DIE) revealed that investors in LAC prioritize transparency, access to information, and the availability of single-window services as critical factors in investment decisions. The WTO has conducted studies showing empirically relevant gains associated with the removal of investment barriers and the expected increase in global welfare ranges between 0.63% and 1.73% of global GDP depending on the depth of implementation of the Agreement, with the largest gains accruing to developing and least-developed countries.<sup>9</sup>
- 2.4 The IFD Agreement represents a landmark multilateral effort to modernize the global investment environment.** The WTO’s IFD Agreement, finalized in 2023, provides a multilateral framework to streamline and simplify investment-related administrative procedures, improve transparency, and strengthen institutional coordination. The Agreement focuses on measures that directly impact the entire lifecycle of foreign direct investment, including establishment, operation, and expansion. It emphasizes transparency (Section II), streamlined administrative procedures (Section III), and institutional coordination (Section IV), all of which are central to the TC’s design. Notably, the Agreement includes provisions for the creation of single information portals, electronic processing of investment authorizations, and mechanisms for stakeholder consultation and regulatory coherence.
- 2.5 Support IFD implementation in LAC by conducting institutional diagnostics.** The purpose of the IFD Agreement is to provide countries, particularly developing countries, with practical tools to help them attract more and better investments and move toward a more sustainable economy by assessing current investment facilitation practices and delivering targeted capacity-building support across the region. The

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<sup>3</sup> [UNCTAD’s Global Investment Trends Monitor No. 48 \(2025\)](#).

<sup>4</sup> [Foreign direct investment, net inflows \(% of GDP\) - Suriname | Data](#).

<sup>5</sup> [Foreign direct investment, net inflows \(% of GDP\) - Belize | Data](#).

<sup>6</sup> [Foreign direct investment, net inflows \(% of GDP\) - | Data](#).

<sup>7</sup> [Global Economic Prospects -- Chapter 3 -- Foreign Direct Investment -- June 2025](#).

<sup>8</sup> [What Foreign Investors Want: Findings from an Investor Survey of Investment Facilitation Measures in Latin America and the Caribbean](#). Geneva: International Trade Centre.

<sup>9</sup> WTO (2023). [Fact Sheet: Investment Facilitation for Development](#). WTO.

Agreement also includes a dedicated section on Special and Differential Treatment (Section V), which allows developing countries and LDCs to implement obligations based on their capacities and receive technical assistance—further justifying the need for this TC.

- 2.6 This TC will provide a comprehensive manual to support LAC countries broadly while offering specific technical assistance to direct beneficiaries. The subsequent phase involves the implementation of measures. By identifying best practices and sharing experiences, institutional capacity for decision-making can be significantly enhanced. This approach will enable better preparation for determining technical and resource requirements necessary for effective implementation. Additionally, it will mitigate potential errors by incorporating lessons learned from past experiences.
- 2.7 **Strategic alignment:** This TC is consistent with the - IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and is aligned with the objective of bolstering sustainable regional growth by strengthening the investment climate and institutional frameworks in LAC. It is also aligned with the operational focus areas of: (i) productive development and innovation through the private sector, by identifying and addressing investment-related bottlenecks, promoting best practices, and supporting the design of strategic reforms that enhance competitiveness and innovation; and (ii) regional integration, by promoting harmonization of investment procedures and facilitating regional dialogue through a dissemination event that brings together LAC countries to share lessons learned and replicate successful practices.
- 2.8 In terms of **funding**, the TC is financed through Ordinary Capital Strategic Development Program (GN-2819-14) Window 2 Integration (W2D). It supports the fund's objectives by (i) promoting the harmonization of policies and procedures for greater productive integration; (ii) strengthening the institutional capacities of borrowing member countries to participate in regional initiatives; and (iii) deepening knowledge on global and regional integration. This TC aims to support countries in improving their institutional capacities, institutional frameworks, and investment facilitation programs through self-assessment and the sharing of good practices. This will also facilitate their participation in WTO agreements.
- 2.9 At the country level, the TC aligns with the most recent **Country Strategies** of the three beneficiary countries. In Suriname, the 2021–2025 strategy (GN-3265) with the priority area of promoting private sector competitiveness, specifically with strengthening transportation connectivity and resilient infrastructure. Alignment with the Belize Country Strategy 2022-2025 (GN-3086), which identifies as a priority area private sector productivity and sustainable growth of the private sector, with a focus on MSMEs, more specifically improving Belize's connectivity with regional and global markets, including export promotion, investment attraction, trade facilitation through a Single Window for key FDI sectors, trade agreements, and support services for exporting companies. In Honduras, the most recently approved 2019–2022 strategy (GN-2944) <sup>10</sup> focuses with the priority area expansion of sustainable production opportunities by improving logistics performance. The TC supports these objectives through investment facilitation and institutional strengthening.
- 2.10 The TC is also aligned with the **regional initiative “América en el Centro”**, particularly with its first pillar “Productivity and Economic Integration”, which seeks to enhance participation in global value chains through investment promotion. The TC

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<sup>10</sup> This strategy has been updated until December 31, 2026, in accordance with document GN-2944-3.

contributes to this pillar by supporting cross-border trade facilitation, investment promotion, and market access. It also contributes by supporting the assessment and advancement of the implementation of the WTO's Investment Facilitation for Development Agreement. These efforts are expected to reduce trade costs, improve the investment climate, and foster regional economic integration.

- 2.11 Furthermore, it aligns with the regional initiative "One Caribbean" in the "Sustainable Development with Private Sector Participation" pillar by identifying the need to improve regulation and create an enabling environment to foster private sector development, facilitating investment. Additionally, the TC supports the **Integration and Trade Sector Framework Document** (GN-2715-11) by promoting high-quality trade and investment services and fostering regional cooperation.

### III. Description of activities/components and budget

- 3.1 This TC is structured around two main components aimed at strengthening the institutional and technical capacities of LAC countries to carry-out their self-assessments and to implement the WTO's Investment Facilitation for Development (IFD) Agreement.
- 3.2 **Component 1: Support countries in conducting the IFD Agreement's self-assessments (US\$125,000).** The outcome of this component is to disseminate the methodology and to produce country-specific IFD self-assessments. The self-assessment is a diagnostic undertaken by the countries to assess their current status and baseline conditions related to the measures outlined in the IFD Agreement, along with a prioritization of actions and indicative timelines for implementation. To achieve this, three types of activities are planned: (i) elaboration of an operational manual, in Spanish and English, to guide countries in the implementation of the self-assessment. This manual aims to build institutional awareness and create institutional capacity to undertake self-assessment;<sup>11</sup> (ii) an individual consultant will be hired to provide technical assistance in conducting the self-assessments, to coordinate national workshops with relevant institutions in the direct beneficiary countries and elaborate the draft diagnostic reports; and (iii) the organization of two national workshops in each of the countries for in-person attendance with online arrangements available.<sup>12</sup>
- 3.3 **Expected results:** the completion of IFD self-assessments in Suriname, Belize, and Honduras, supported by a bilingual operational manual and national workshops. These assessments will identify gaps and priorities, while also building institutional capacity and coordination for future implementation efforts, also suitable for other countries.
- 3.4 **Component 2: Increase institutional capacity in LAC for the IFD Agreement implementation (US\$125,000).** This component focused on how LAC countries can implement the provisions of the IFD Agreement to promote more quality FDI. The expected outcome is to create institutional capacity through knowledge, regional dialogue and good practices dissemination. Three activities will be financed with this component: (i) An individual consultant will be hired to develop a technical note on IFD Agreement implementation focusing in the expected challenges for LAC countries and good practices already in-place; (ii) an individual consultant will be hired to create

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<sup>11</sup> The intellectual property of the product belongs to the Bank, which may use it to benefit other beneficiary countries in the future.

<sup>12</sup> Video recordings will not be available on a website; only a link to join the live session will be provided.

content<sup>13</sup> for workshops and a regional dissemination event; and (iii) a regional in-person workshop will be organized to bringing together representatives from LAC countries to share findings, lessons learned, and encourage the replication of successful experiences.

- 3.5 **Expected results:** An enhanced institutional capacity across LAC to implement the IFD Agreement. This will be achieved through an operational manual, a technical note on good practices, a regional workshop for knowledge exchange, and the dissemination of lessons learned to support replication and regional alignment in investment facilitation.
- 3.6 **Intellectual Property.** All knowledge products generated from this TC (including any platforms, tools, or materials developed) will be the intellectual property of the IDB and may be made available to the public under a Creative Commons license. The IDB will maintain ownership of all outputs to ensure consistency and alignment with our funding objectives. However, at the request of a beneficiary, by the provisions of AM-331, the intellectual property of said products may also be licensed to one or more beneficiaries through specific contractual commitments that shall be prepared with the advice of the Legal Department.
- 3.7 **Budget:** The total budget for this TC is US\$250,000, fully financed by the Ordinary Capital Strategic Development Program (GN-2819-14) Window 2 Integration (W2D) in a period of 36 months which includes the execution and disbursement period. No counterpart funding is associated with this operation.

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<sup>13</sup> Technical content will be developed on international best practices in investment facilitation, including case studies on investment single windows, aftercare programs, and supplier development initiatives.

### Indicative Budget (US\$)

Activity/Component	Description	IDB/W2D	Total Funding
<b>Component 1:</b> Support countries in conducting the IFD Agreement's self-assessments.	Operational Manual for IFD self-assessments.	25,000	25,000
	Technical support for conducting self-assessments in three selected countries.	75,000	75,000
	National workshops to implement self-evaluation processes among relevant institutions.	25,000	25,000
	<b>Subtotal</b>	<b>125,000</b>	<b>125,000</b>
<b>Component 2:</b> Increase institutional capacity in LAC for the IFD Agreement implementation.	Technical note on IFD Agreement implementation.	25,000	25,000
	Creation of content for workshops and a regional dissemination event.	25,000	25,000
	Regional event to share best practices, findings, and lessons learned.	75,000	75,000
	<b>Subtotal</b>	<b>125,000</b>	<b>125,000</b>
<b>Total</b>		<b>250,000</b>	<b>250,000</b>

#### IV. Executing agency and execution structure

- 4.1 This TC will be executed by the Trade and Investment Division (PTI/TIN) of the Productivity, Trade and Innovation Sector (PTI/PTI) of the Bank in accordance with the Bank's Policy for TC (GN-2470-2) and the corresponding Operational Guidelines (OP-619-4) and (GN-2629-1). This arrangement was formally requested by the beneficiary countries—via letters of request and non-objection, which are included in **Annex I** of the TC Document Package. This TC will be executed by the Bank due to the following reasons: (i) extensive experience in managing regional and national TC projects, particularly in the areas of trade, investment facilitation, and institutional strengthening; (ii) given the regional scope of this TC and the absence of a single regional entity with the legal and operational capacity to execute the project, Bank execution is justified under the criteria outlined in OP-619-4, Annex II; and (iii) the Bank's technical leadership, neutrality, and ability to coordinate across multiple countries make it the most suitable executing entity for this operation.
- 4.2 **Beneficiaries:** The direct beneficiaries of this TC are the Ministry of Foreign Affairs of Suriname, the Ministry of Investment of Honduras, and the Ministry of Economic Transformation of Belize.
- 4.3 **Procurement arrangement.** All procurement to be executed under this TC has been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the Regulation on Complementary Workforce (AM-650); and (b) Contracting of services provided by consulting firms and contracting of non-consulting services, in accordance with the Corporate Procurement Policy (GN-2303-33) and its Guidelines.
- 4.4 **Supervision:** The supervision for this TC will be carried out by the PTI/TIN Trade Lead Specialist.
- 4.5 **Monitoring and reporting arrangements.** The monitoring and reporting activities for this TC will be managed by PTI/TIN under the responsibility of the Project Team

Leader. Monitoring of the planned activities in this TC will follow the TC Monitoring and Reporting System–TCM (OP-1385-4). Deliveries will require IDB approval before payment.

## **V. Major issues**

- 5.1 While the overall risk level of this TC is considered low, several potential challenges have been identified: (i) The heterogeneity among the participating countries in terms of institutional capacity and readiness to implement the self-assessments. This could lead to uneven progress or delays in some countries. To mitigate this, the TC will adopt a phased approach, allowing each country to proceed at its own pace while benefiting from shared regional knowledge; and (ii) The heterogeneity among the participating countries in terms of institutional capacity, regulatory frameworks, and readiness to implement the IFD Agreement. To mitigate this risk the selection of good practices, recommendations and roadmaps will be selected from different level of sophistication and readiness emphasizing the development of realistic, phased action plans and engagement with stakeholders early in the process of building ownership and commitment.

## **VI. Exceptions to Bank policy**

- 6.1 This TC does not contemplate any exceptions to Bank policy.

## **VII. Environmental and Social Strategy**

- 7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the IDB's Environmental and Social Policy Framework (ESPF).

### **Required Annexes:**

[Request from the client\\_21664.pdf](#)

[Results Matrix\\_81574.pdf](#)

[Terms of Reference\\_50214.pdf](#)

[Procurement Plan\\_1306.pdf](#)