Brazil’s Experience on Investment Facilitation

Secretariat of Foreign Trade
Ministry of Industry, Foreign Trade and Services
Brazil
Brazil’s Experience on Investment Facilitation

1. The road to investment agreements

2. Brazil’s investment facilitation initiatives

3. Multilateral instrument for investment facilitation?
1. THE ROAD TO INVESTMENT AGREEMENTS

Overview of the road

- 1990s: 14 BITS signed – none approved
- First FDI recipient in Latin America (US$ 59 billion in 2016)
- 2000s: Brazil emerges as a capital exporter
- International expansion of Brazilian companies
- Renewed interest towards investments agreements

CFIA: Cooperation and Facilitation Investment Agreement
1. THE ROAD TO INVESTMENT AGREEMENTS

Building an Agreement: main sources

- **Recommendations from the private sector**
  - Greater institutional support
  - Focal Points
  - Access to information
  - Reduction of barriers to investment
  - Positive investment agendas

- **Studies from International Organizations**
  - UNCTAD: strengthening the promotion clauses
  - OECD: one-stop-shop services, communication channels

- **International best practices**
  - Korea: Ombudsman
  - USA: Select USA - active investment promotion
2. BRAZIL’S INVESTMENT FACILITATION INITIATIVES

CFIAs: Cooperation and Facilitation Investment Agreements

➢ **Main pillars:**

1) Risk mitigation and dispute prevention
2) Enhanced institutional governance
3) Agendas for investment cooperation and facilitation
2. BRAZIL’S INVESTMENT FACILITATION INITIATIVES

CFIAs: Enhanced Institutional Governance

- **Ombudsperson or Focal Point** (in each country)
  - Facilitator between investors and governments
  - Information sharing on investment policies and regulatory issues
  - Addressing of specific difficulties and complaints from investors

  **Brazil:** Ombudsperson >> CAMEX

- **Joint Committee**
  - Mechanism for dialogue (parties / investors)
  - Monitoring of the implementation of the agreement
  - Sharing of investment opportunities
  - Dispute prevention and solution of disagreements
2. BRAZIL’S INVESTMENT FACILITATION INITIATIVES

CFIAs: Agendas for Cooperation and Facilitation

- Facilitation of business visas
- Technical and environmental regulations
- Logistics and transportation
- Supply chain
- Cooperation between monetary authorities

CFIAs: Other Elements

- Transparency and access to information
- Corporate social responsibility
- System of dispute prevention
2. BRAZIL’S INVESTMENT FACILITATION INITIATIVES

Network of Investment Agreements

- CFIAs signed with 10 countries
- 7/10 main destinations for Brazilian companies

- **Bilateral CFIAs**
  - Angola
  - Chile
  - Colombia
  - Malawi
  - Mexico
  - Mozambique
  - Peru

- **Regional Agreement**
  - Mercosur

- **Other Negotiations**
National Investment Facilitation Initiatives

- **National Investment Committee (Coninv)**
  - Reviews of domestic investment policies
  - Harmonization of domestic investment policies
  - Consultation with the private sector on the efficiency of procedures

- **Invest & Export Brazil (investment portal)**
  - Trade and investment guide
  - Information on investment opportunities
  - Domestic legislation
  - List of institutional contacts for support
3. MULTILATERAL INSTRUMENT FOR INVESTMENT FACILITATION?

Possible elements of a WTO Instrument

✓ **Scope of application**
  - Excludes: investment protection and dispute settlement
  - Includes: FDI for production of *goods* and *services*

✓ **Goals**
  - Improving *transparency* and *predictability*
  - Making *investment procedures* more efficient
  - Strengthening *international cooperation*
  - Promoting a more *friendly environment* for investments
  - Stimulating *capacity building* and *technical assistance*
### 3. MULTILATERAL INSTRUMENT FOR INVESTMENT FACILITATION?

#### Possible elements of a WTO Instrument

<table>
<thead>
<tr>
<th>Transparency</th>
<th>National Institutional Arrangements (Omb/FPs)</th>
<th>S&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Electronic Window</td>
<td>Cooperation among National Focal Points</td>
<td>Implementation</td>
</tr>
<tr>
<td>Formalities and Doc. Requirements</td>
<td></td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>Acceptance of copies</td>
<td>Multilateral Institutional Arrangements</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>Processing of applications</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you!