

Finance & Investment for Resilient Growth

A Commonwealth Plan of Action



The Commonwealth



The Commonwealth

Contents

| | |
|--|-----------|
| Forewords..... | 4 |
| Summary | 6 |
| Section 1 - The Current Situation and Research Project Findings..... | 8 |
| Investing in the ‘Commonwealth Advantage’ - the current situation | 9 |
| Introduction..... | 9 |
| The Commonwealth Trade Review | 9 |
| The Sub-Action Group on Investment | 12 |
| Section 2 - Working Together to Deliver our Objectives | 14 |
| Introduction to Plan of Action Objectives..... | 15 |
| Objective 1: Enhancing technical support to build investment capacity and capabilities, and attractive enabling environments | 15 |
| Objective 2: Improving knowledge exchange and joint working, including sharing best practice | 19 |
| Objective 3: Deploying the Commonwealth convening power to bring in private sector stakeholders by building networks | 22 |
| Roadmap for delivery | 24 |

Forewords



This Commonwealth Investment Action Plan has been prepared for our Commonwealth Heads of Government at their meeting in Samoa, as mandated by our Trade Ministers in 2023. The theme for deliberation by our leaders is “One Resilient Common Future: Transforming our Common Wealth”. To build inclusive, sustainable and resilient economies and societies across our 56 member countries, access to additional finance and investment are indispensable.

Many Commonwealth countries, especially developing, small and vulnerable economies, struggle to secure the levels of investment required to achieve the Sustainable Development Goals (SDGs). It is now estimated that the overall investment gap across all SDG sectors has widened to US\$4 trillion, up from \$2.5 trillion in 2015.

Substantial capital outlays are required to address many of our member countries’ urgent development priorities, including to fund their efforts to narrow infrastructure gaps, combat climate change, accelerate clean energy transitions, develop resilient agri-food systems, and reduce poverty and inequality. They need to grow and diversify inward investment to meet these needs - a task which is made more difficult by the challenging conditions for investment worldwide.

Leveraging the Commonwealth advantage to increase intra-Commonwealth investment is key to overcoming these challenges and driving increased trade and investment. Our research finds that foreign direct investment (FDI) inflows to the Commonwealth have grown faster than the worldwide average since 2015 and were worth \$254 billion in 2023.

Intra-Commonwealth FDI inward stock has almost doubled since 2015 to US\$1.7 trillion in 2022, while FDI flows between Commonwealth countries more than quadrupled in value over the same period and totalled \$172 billion in 2022. New productive greenfield investments in Commonwealth countries were worth US\$355 billion in 2023, split between \$77 billion in intra-Commonwealth investment and \$278 billion from the rest of the world.

This progress is promising; and would not have been achieved without the leadership and ingenuity of our member states, and the outstanding technical assistance provided by the Commonwealth Secretariat. However, we must continue to do more to ensure that all our member countries - particularly the smallest and most vulnerable - attract the necessary finance and investment to transform their economies and build resilience to future shocks.

That is why the initiative of our Trade Ministers to develop this Action Plan is so important. It aims to mobilise investment where it is most urgently needed. This plan will complement our existing initiatives, including the Commonwealth Secretariat’s support for improved trade policy and competitiveness, sustainable debt management, the Commonwealth Connectivity Agenda, the Commonwealth Blue Charter, the Living Lands Charter, and the Commonwealth Climate Finance Access Hub.

I commend the outstanding collaboration of the member countries that contributed to this plan, under the stewardship of the United Kingdom and Malaysia. Now is the time for our governments, private sectors and development partners to implement this Action Plan, ensuring that we all benefit from our “Common Wealth.”

The Rt Hon Patricia Scotland KC

Secretary-General



The Commonwealth is a family which I am proud to call my own. And it is an organisation which I believe is vital to tackling the challenges before us today, including boosting sustainable economic growth for all.

The Commonwealth Advantage means that, thanks to shared language, cultural ties and comparable legal systems, Commonwealth members enjoy lower trading costs and higher investment flows with one another. On average, bilateral costs for trade are 21% lower between fellow Commonwealth members.

Together, we can do more to make the most of this, particularly for small and vulnerable members. In June 2023, Commonwealth Trade Ministers agreed to establish a Sub-Action Group on Investment that would produce an investment plan of action. Over the past year, the UK and Malaysia have co-chaired this group. With significant engagement from Commonwealth members and accredited organisations, we have developed this Plan to increase investment flows into and within the Commonwealth. Members need access to expert advice to increase capacity at both the individual and institutional levels to build an investment pipeline and enhance enabling environments. Small and vulnerable members face particular challenges increasing this capacity and accessing available finance.

The Commonwealth has a unique opportunity to unite its members around these shared challenges; enhancing coordination, information-sharing and access to expert advice. This Commonwealth Plan of Action is a ‘call to action’. A call to do more to share knowledge and learn from one another. A call to do more to smooth trade and investment pathways. A call to do more to pool our shared expertise.

The UK will support the ambitions of this Plan of Action by providing seed funding for a new Commonwealth investment-oriented function. This “Investment Network” will identify priority needs while bringing members together around shared challenges. It will use the convening power of the Commonwealth to enhance public:private partnerships.

Malaysia has welcomed the opportunity to participate in the development of this inaugural Commonwealth Plan of Action on Investment. After CHOGM, Malaysia will step down as co-chairs of the Sub-Action Group on Investment, but would like to continue to collaborate with members on sharing experience and best practice, particularly around digital investment. The UK welcomes St Kitts and Nevis as our new co-chair, and looks forward to working with them and the Commonwealth Secretariat on implementing this Plan of Action.

Our collective efforts must look to both the short and longer-term. This Plan of Action provides a roadmap for delivery. I am delighted to launch this Plan at CHOGM in Samoa, and look forward to working in partnership with all our members to increase investment across the Commonwealth in the run-up to our next CHOGM in 2026.

The Rt Hon Mr David Lammy, UK Foreign Secretary

Commonwealth Sub-Action Group on Investment

Summary

At the Commonwealth Heads of Government Meeting (CHOGM) 2022, Commonwealth “Heads recognised the crucial role of investment in transforming economies and creating inclusive economic growth and long-term prosperity. They acknowledged that high quality investment and infrastructure, both digital and physical, and notably clean, green infrastructure investment, is a cornerstone of sustainable economic growth”.

Heads discussed the significant shortfall in investment, particularly for small and vulnerable Commonwealth members. They also recognised the role that the Commonwealth family can play in helping to address this shared challenge. The “Commonwealth Advantage” - derived from our shared language, dynamic diaspora and relatively close legal and regulatory alignment - has significantly boosted both trade and investment among Commonwealth member countries (see page 9). These important links provide us all with an opportunity to work together to achieve our shared goals.

Findings of the Sub-Action Group

To consider how best to tackle this challenge together, Trade Ministers agreed to set up a Sub-Action Group on Investment to develop a Plan of Action to present at CHOGM 2024 in Samoa. The UK and Malaysia have co-chaired regular meetings of this group (with input from over 30 members). The work has been supported by an independent research study to identify priority needs, and the role the Commonwealth can play in addressing them.

The research project highlighted challenges around the lack of bankable projects at scale in small and vulnerable Commonwealth countries, and the lack of co-ordinated capacity building and expertise sharing to enable members to develop investment-ready projects (see page 13 and full report “*Investigating Investment in the Commonwealth: Opportunities for small and vulnerable members*”).



The Trade Ministers of the Commonwealth met on 5-6 June 2023 at Marlborough House in London to build upon the initiatives agreed by our Heads of Government in Kigali, Rwanda, in June 2022. Source: The Commonwealth Secretariat

Our Mission Statement

This Plan presents a strategic direction for our collective efforts over the next two years to CHOGM 2026. The overarching mission will be to **increase investment into and between Commonwealth members**. To support this mission, and drawing on the findings of the research project, the sub-action group has identified three core objectives for the next two years (see section 2 for more details):

1. Enhancing the provision of technical support to build capacity and capability
2. Improving knowledge exchange and joint working, including sharing best practice
3. Using Commonwealth convening power to bring in private sector stakeholders by building a network

How will this be delivered

The Commonwealth Secretariat will play a crucial role in delivering these objectives. The work aligns with Strategic Outcome 2 on sustainable and inclusive economic and social development of the Commonwealth Secretariat's Strategic Plan, and responds to Intermediate Outcome 2.1 on effective trade policy, increased competitiveness and cooperation on the Connectivity Agenda, to support trade and investment growth in the Commonwealth.

But these objectives are not (and cannot be) the sole responsibility of the Secretariat. This Plan acknowledges the breadth of work underway across the Commonwealth and beyond and sets a path to further collaboration between different institutions, partners, accredited organisations and members. This Plan showcases examples of work that will help deliver our collective objectives. It encourages organisations who think they could support the objectives of the Plan to talk to the Secretariat Trade and Investment team (tcs@commonwealth.int), and to co-chairs of the Sub-Action Group on Investment (CHOGM2024@fcdo.gov.uk).

In support of this Plan, the UK Government will announce seed funding at CHOGM 2024 for a new Commonwealth investment-oriented mechanism. This mechanism will support Commonwealth members, in particular small and vulnerable states, enhance their ability to access and attract investment through intra-Commonwealth coordination and collaboration. This will likely take the form of a new “Commonwealth Investment Network” and will work closely with the Secretariat to develop this offer (see page 22).

Progress against these objectives will be measured at quarterly meetings of the Sub-Action Group on Investment. A mid-way update to the Plan of Action will be considered in Q4 2025, with a fully updated Plan issued ahead of CHOGM 2026 (see roadmap on page 26).

Section 1 - The Current Situation and Research Project Findings

Investing in the ‘Commonwealth Advantage’ - the current situation

Introduction

The Commonwealth brings together a third of the world’s population, encompassing some of its fastest-growing cities and largest emerging markets. The sheer diversity of member countries, endowed with differential resources and factors of production, opens huge opportunities for trade and investment within the Commonwealth.

While the Commonwealth is not a formal trading bloc, trade costs between member-countries are 21% lower, on average, compared with trading with non-Commonwealth members (Commonwealth Secretariat, 2021). The ‘**Commonwealth Advantage**’ - derived from a shared language, aligned common law and regulatory environments as well as large and dynamic diaspora communities - reduces trade costs and contributes to the resilience of Commonwealth trade. This advantage contributed remarkable recovery in intra-Commonwealth exports following the COVID-19 pandemic.

Half of the world’s 20 fastest growing cities are in the Commonwealth: New Delhi, Mumbai, Nairobi, Kuala Lumpur, Bangalore, Johannesburg, Kolkata, Cape Town, Chennai and Dhaka, providing huge global markets. At the other end of the scale, the Commonwealth comprises 33 of the world’s smallest states and 25 Small Island Developing States (SIDS), where capacity to attract investment remains a major issue and a key barrier to achieving the Sustainable Development Goals. However, with the right level of investment, many SIDS have the potential to transform into resilient islands showcasing and sharing success stories around vibrant ocean economies.

The Commonwealth’s formidable trade advantage is evidenced by the ambitious calls of its members to grow intra-Commonwealth trade to US\$2 trillion by 2030 (Commonwealth Trade Ministers Meeting, 2023). However, whilst trade is the mainstay of globalisation, it is foreign direct investment (FDI) which is the means to sustainable economic development and long-term value-added jobs. With over 60% of its combined population under the age of 29, direct investment and job-creation are amongst the greatest challenges facing Commonwealth countries today.

These challenges are especially pronounced in the more vulnerable and smaller member countries, burdened as they are by limited financial, human, and technical resources to attract FDI. But with a heavy reliance on international trade, all Commonwealth countries have an interest in strengthening and broadening their supply-chains, mitigating against the increasing disruptive influences on the global system and spreading risks.

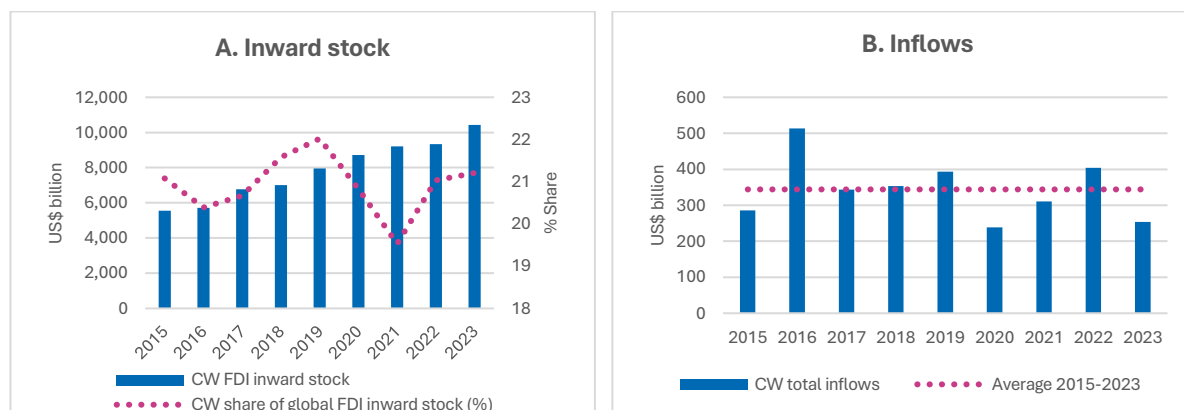
Moreover, technological advances can address many of the barriers faced by the smaller, more remote or vulnerable Commonwealth countries. Digitalisation is eroding limitations of geographic remoteness and low connectivity, enabling the better integration of these countries into global value-added chains, for example in finance, energy, the blue economy and tourism.

The Commonwealth Trade Review

Overall, the Commonwealth is a net recipient of global FDI flows. According to research undertaken by the Commonwealth Secretariat for the 2024 Commonwealth Trade Review, the Commonwealth’s share of global FDI inward stock stood at 21.2% (or US\$10.4 trillion) in 2023 (Figure 1). However, the distribution of this FDI stock is highly uneven across Commonwealth countries. Despite its importance for economic growth and development, vulnerable groups of Commonwealth countries face acute challenges in attracting and retaining investment, reflected in their relatively small shares of the overall Commonwealth inward stock. The 14 Commonwealth least developed

countries (LDCs) hosted just 1.4% (with a total value of US\$145.6 billion), while the 33 small states - five of which are also LDCs and 24 of which are SIDS¹ - held 9.4% (\$978 billion).

Figure 1: Global FDI inward stock and inflows to the Commonwealth, US\$ billion (2015-2023)

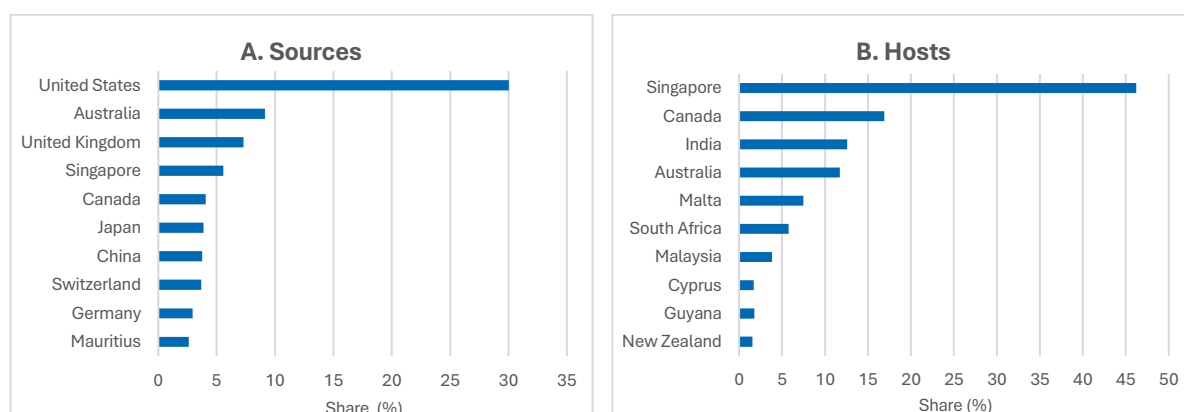


Note: CW denotes Commonwealth.

Source: 2024 Commonwealth Trade Review.

FDI inflows remain highly concentrated in a small number of Commonwealth countries, reflecting the pattern observed with inward stocks. On average for the most recent period (2021-2023), just five countries - Singapore, Canada, India, Australia and Malta - attracted nearly 95% of all inflows (Figure 2).

Figure 2: Top 10 sources and hosts of global FDI inflows to the Commonwealth (2021-2023, average)



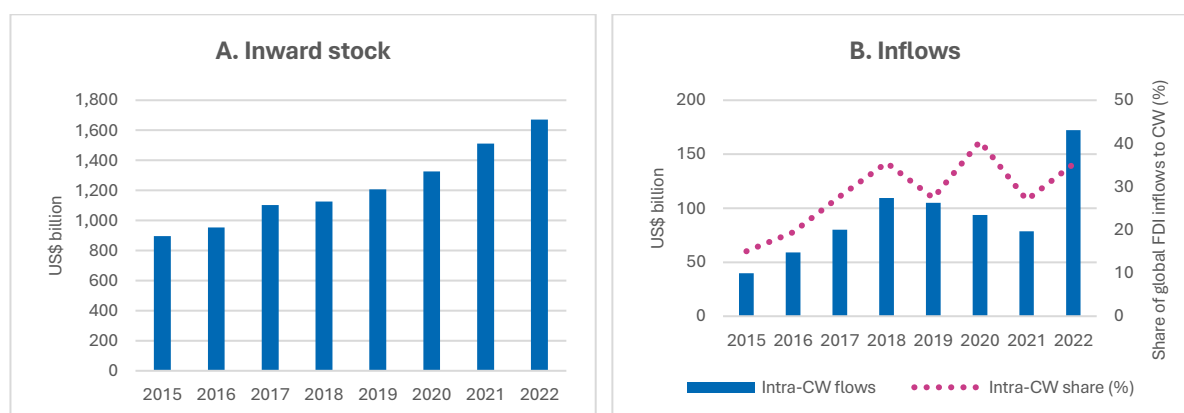
Source: 2024 Commonwealth Trade Review.

The value of intra-Commonwealth FDI inward stock reached nearly US\$1.7 trillion in 2022 (Figure 3). This has almost doubled since 2015, when it was US\$896 billion, and grew in each consecutive year up to 2022. Intra-Commonwealth FDI inward stock is also highly concentrated. In 2022, six countries - Singapore, India, the UK, Australia, Mauritius and Canada (ranked in order) - held 77% of this stock; and the top 10 hosts, also including Barbados, New Zealand, South Africa and Malta, accounted for nearly 91%. Vulnerable economies remain marginalised from the bulk of the investment. Commonwealth LDCs held less than 3% of intra-Commonwealth FDI inward stock in 2022 and the 31 developing small states (excluding Cyprus and Malta) hosted less than 16%. When Singapore is excluded, the remaining SIDS held a similar share (15%).

¹ Excluding Singapore.

The high level of concentration is also reflected in the sources of intra-Commonwealth FDI inward stock. As of 2022, seven investing countries - the UK, Canada, Australia, Singapore, Mauritius, India and Malaysia - collectively contributed nearly 90% of this stock.

Figure 3: Intra-Commonwealth FDI inward stock and flows, US\$ billion (2015-2022)

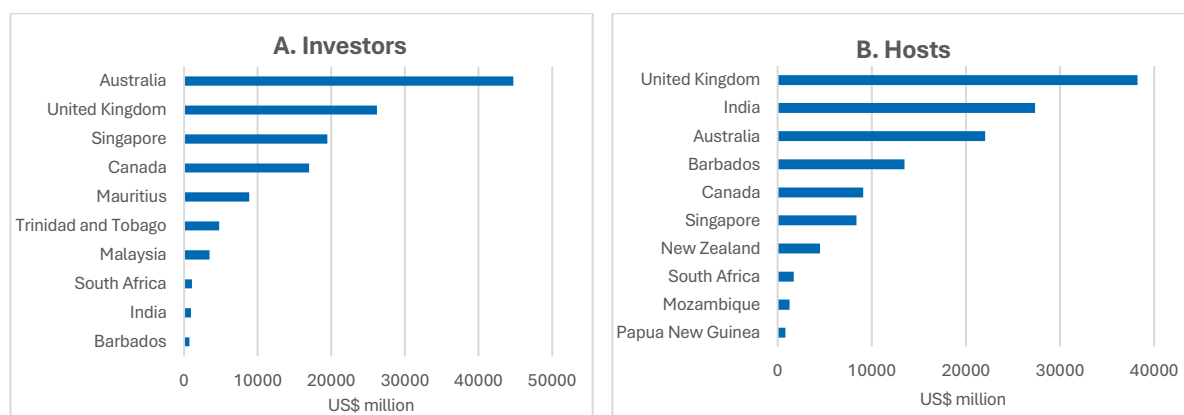


Note: CW denotes Commonwealth.

Source: 2024 Commonwealth Trade Review.

Intra-Commonwealth FDI flows are concentrated in a small number of recipient countries. On average, the top five hosts absorbed 89% of the inflows in 2021 and 2022 (Figure 4). The ‘Commonwealth Advantage’ affords opportunities in terms of investment as it does in trade. However, more can be done to harness that potential across the Commonwealth.

Figure 4: Top 10 investing countries and hosts of intra-Commonwealth FDI inflows (2021-2022, average)



Source: 2024 Commonwealth Trade Review.

Box 1. The Commonwealth Secretariat’s trade and investment research and analysis

The Secretariat’s International Trade Policy team undertakes research and analysis of investment trends in the Commonwealth, especially intra Commonwealth FDI flows. These findings are published and disseminated in publications like the Commonwealth Trade Review, International Trade Working Paper, and Trade Hot Topics

The Sub-Action Group on Investment

Work of the Sub-Action Group on Investment

At the last Commonwealth Heads of Government Meeting (CHOGM) in Rwanda in 2022, in the communique, Heads recognised the role that FDI plays in building resilient economies and called for more concerted efforts to increase investment across the Commonwealth, especially in small and vulnerable countries.

“Heads recognised the crucial role of investment in transforming economies and creating inclusive economic growth and long-term prosperity.

They acknowledged that high quality investment and infrastructure, both digital and physical, and notably clean, green infrastructure investment, is a cornerstone of sustainable economic growth.”

CHOGM 2022 Communique, paragraph 39

Following agreement at the Commonwealth Trade Ministers Meeting in June 2023, the United Kingdom and Malaysia have been co-chairing a Commonwealth Sub-Action Group on Investment. This group has been working to generate an investment plan of action, to be presented at CHOGM 2024 in Samoa.

The Sub-Action Group focussed its efforts on identifying needs, challenges and opportunities for enhancing private finance investment into and between Commonwealth members.



Findings of the Research Project

The UK, in its role as co-chair of the Sub-Action Group, commissioned a research project that was undertaken by DKMR Associates Ltd, an independent team of researchers from across the Commonwealth. Through extensive consultation and the completion of two literature reviews, a detailed research report highlights several key findings. The report notes that there is a no shortage of investment capital available globally but that four critical challenges are limiting effective investment within and between Commonwealth countries, particularly small and vulnerable members:

Firstly, one of the most significant challenges identified was the **shortage of bankable projects**. Despite the availability of capital, many Commonwealth countries struggle to present projects that meet investor criteria.

Secondly, it was found that **investment initiatives often lack join-up**, with isolated efforts leading to duplicated resources. Many stakeholders outlined their need for better coordination and a mechanism to align efforts.

Thirdly, many small and vulnerable states **lack the internal capacity and expertise** required to effectively attract and manage investment. This includes limited skills in project preparation, investment promotion, and policy implementation.

Finally, a clear **absence of a centralised mechanism for data collection and knowledge sharing** hinders informed decision-making and the ability to replicate successful investment models across different regions.

These findings, which can be found in more detail in a separate research report titled “*Investigating Investment in the Commonwealth: Opportunities for small and vulnerable members*” (<http://rb.gy/x2sfjg>), directly informed the objectives of this action plan (see below).

"The issue is not funding; it is the lack of bankable projects."

New Zealand Funding Body



Section 2 - Working Together to Deliver our Objectives

Introduction to Plan of Action Objectives

Building on the research findings, evidence review and contributions from members, this Plan focuses on facilitating greater investment into and between Commonwealth members. To support this overarching mission, we hope to build on existing activities and incentivise new ones around three key objectives:

1. Enhancing the provision of technical support to build capacity and capability
2. Improving knowledge exchange and joint working, including sharing best practice
3. Using Commonwealth convening power to bring in private sector stakeholders by building a network

These objectives are aligned with the Commonwealth Secretariat's overall strategy to boost economies and trade, and support small states. Delivery of these objectives will lean on, and be bolstered by, the Commonwealth's unique platform to easily facilitate sharing experiences between members as well as its wide-spread brand recognition. Their delivery will be supported by the ready and extensive network spanning the Commonwealth Secretariat, members and accredited organisations.

The sections below lay out the current situation on each of the three objectives, as well as showcase existing activities and provide an outline of planned activity over the next two years to CHOGM 2026.

The interventions align with Strategic Outcome 2 on sustainable and inclusive economic and social development of the Commonwealth Secretariat's Strategic Plan and responds to Intermediate Outcome 2.1 on effective trade policy, increased competitiveness and cooperation on the Connectivity Agenda, to support trade and investment growth in the Commonwealth.

Objective 1: Enhancing technical support to build investment capacity and capabilities, and attractive enabling environments

Context

Across Commonwealth members, and especially in the case of small and vulnerable countries, lack of capital is not usually the main problem. The real challenge, identified by the research project, is the shortage of bankable projects. The findings note that building the capacity of investment promotion authorities/officers to become more proficient and effective in identifying investment opportunities is critical. The infrastructure and energy sectors, in particular, offer a wealth of investment opportunities for sustainable and climate resilient growth, particularly in small and vulnerable countries. Investment promotion authorities need the skills to build attractive business cases focused on relevant sectors of the economy for consideration by investors.

"We do not have much technical capacity. There is one person to identify projects and help people with investment proposals. We need help to identify investment projects, get the right information, and write investment proposals."

Investment Officer, Pacific Small Island Developing State

Capacity-deficits are exacerbated by difficult enabling environments. In an era where many countries have limited scope to offer new competitive fiscal incentives to attract foreign investors, the quality of a country's investment policies and regulatory practices directly influences the

decisions of investors, be they small or large, domestic or foreign. Predictability, transparency, property protection and non-discrimination are core investment policy principles that underpin efforts to create a quality investment environment for investors. Governments need to ensure that the rules and procedures on investments are designed in a way that helps them achieve their economic development goals and objectives while imposing minimal cost on investors.

What will we do together?

The needs on capacity-building are therefore twofold; building both institutional and practitioner-level capacity to attract investment and build enabling environments.

This is a central focus of the Commonwealth Secretariat's Trade Competitiveness team. This team supports building institutional capacity through technical assistance projects (see Box 2 and 3 for details). This Plan aims to build on the Commonwealth Secretariat and others' initiatives in this space, and encourages further join-up and sharing of expertise and capacity-building resources between the Secretariat, accredited and partner organisations and member activities (see Box 4 and 5).

The Commonwealth Investment Network (see Box 8) will seek to work with the Secretariat's Trade and Investment teams, alongside capacity-building initiatives across members to address gaps in the provision of capacity-building programs, workshops, and technical assistance. In particular, it will focus on building the investment literacy and project management capabilities of local stakeholders. In time (cognisant of the need to evolve sustainably and aligned with need) it may develop a dedicated function to build members' capacity to develop and prepare investment-ready projects, ensuring they meet the standards required by private investors.

Box 2. Capacity building on investment promotion and facilitation in small states

The Commonwealth Secretariat's Trade Competitiveness team have supported the development and adoption of investment facilitation and promotion strategies in Tonga and Lesotho. It has also supported the embedding and promotion of open sector opportunities for investment in export strategies for Jamaica, The Gambia, Botswana and Grenada. The team provides support to members to develop the necessary policy tools to create an enabling environment for foreign investment in priority sectors of the economy.

Training and capacity building workshops are provided for public officials and investment promotion authorities on negotiating international agreements and contracts to integrate the country's sustainable development objectives. Working closely with partners such as UNCTAD, the International Institute for Sustainable Development (IISD) and the International Trade Centre, has enabled the leveraging of technical expertise from these institutions to support members.



Box 3. The Commonwealth Investment Facilitation programme: Improving the Business Climate in the Caribbean

The Commonwealth Secretariat's Investment Facilitation programme aims to help members design investment promotion policies and regulations that are embedded in their national trade and economic development objectives. It helps members identify potential sectors for investment and connects them with investors within the Commonwealth.

Regulatory reforms to improve investment competitiveness are integral to small states' strategies to improve their business climate and achieve significant increases in annual FDI inflows, employment growth and economic development. The quality of a country's investment policies directly influences the decisions of domestic and foreign investors. Predictability, transparency, property protection and non-discrimination are core investment policy principles that underpin efforts to create a quality investment environment.

The countries of the Caribbean share a number of characteristics that pose similar challenges to investment attraction. Their small domestic markets have led to relatively undiversified production and exports, which, when combined with their openness and geography, have resulted in high vulnerability to external shocks such as natural disasters and commodity price spikes further exacerbating their vulnerabilities.

The Caribbean Association of Investment Promotion Authorities (CAIPA) received support for developing action-oriented plans for reform of the business climate in the Caribbean through strengthening the procedures for starting a business to facilitate increased investment in the region. Country specific action plans for reform were developed for **Antigua and Barbuda; the Bahamas; Barbados; Belize; Dominica; Grenada; Guyana; Jamaica; St. Kitts and Nevis; Saint Lucia; St. Vincent and the Grenadines; and Trinidad and Tobago.**

The Caribbean Development Bank (CDB) has provided to the Caribbean Export Development Agency over US\$500,000 to support the implementation of the recommended reforms outlined in said Action Plans.



Box 4. Australia's Market Development Facility

Australia's Market Development Facility (MDF) works to reduce poverty in partner South Asian and Pacific Countries and Timor-Leste by stimulating economic growth in poorer populations. Partnering with both private and public sector entities, it has leveraged USD28 million in private sector investment since 2018, yielding USD166 million in net additional income.

In Fiji, MDF has enabled a local concrete manufacturer, Fiji Concrete, to replace costly imported agricultural lime with a local product. This benefits Fiji's 65,000+ farms through improving plant health in Fiji's highly alkaline soils and consequently growing farm profits. MDF support has also enabled Fiji's only chocolate manufacturer, ADI Chocolate, to substantially expand its artisan chocolate production and facilitated product export. Downstream, MDF's work with Fijian cocoa growers is improving the quality of locally-grown cocoa beans. Similar MDF programming in Sri Lanka has enabled the tripling of Sri Lanka's speciality coffee production, benefitting over 1,200 smallholder farmers.

As opposed to 'top down' private sector programs, MDF's success hinges on directly supporting individual SMEs to identify and realise profitable and scalable commercial opportunities that deliver social and environmental value. Partnerships identify and develop new products, services and/or new ways of doing business, and MDF funding shares the risk of new investments. Close to 50 per cent of MDF's beneficiaries are women. MDF advisors work with partners to understand how climate and natural disaster risk may impact their business, and to identify mitigation strategies. [MDF Now - Market Development Facility](#).

Box 5. Enhancing investment flows in Mauritius

Mauritius has demonstrated strong economic growth over the last 50 years. Alongside political stability and strong institutional frameworks, the country has focussed on building a favourable enabling environment to support sustainable trade and boost investor confidence. In 2023, foreign direct investment reached an all-time high of Rs 27 billion.

Various schemes administered by Mauritius' Economic Development Board have been introduced to attract investment. These have included incentives for enterprises in certain eligible sectors, as well as pioneering industries, innovative sectors and first movers. Other sectors such as financial services, real estate, health and education and tourism remain significant components of the country's economic growth and drivers of FDI.



Objective 2: Improving knowledge exchange and joint working, including sharing best practice

Context

One of the key opportunities identified for the Commonwealth is to enhance join-up, coordination, and knowledge-sharing between member countries. Investment initiatives across the Commonwealth often lack join-up, with isolated efforts leading to duplicated resources. Effective coordination can lead to better resource allocation, policy alignment, and collaborative efforts that maximise the impact of investments.

"There is an opportunity for a single agency which can gather and promote opportunities to the wider Commonwealth."

Credit Agency

In addition, the findings identified a clear need for a detailed, consistent, and easily accessible repository of data, information, and knowledge to support informed decision-making and effective investment planning. Such a repository can help identify opportunities, track progress, and share best practices across the Commonwealth.

"There is a lack of knowledge and information about the opportunities in small states. This is amplified by their small size and remoteness."

Credit Agency

What will we do together?

The Commonwealth Secretariat has already embarked on addressing this need through the Connectivity Agenda Business to Business and Regulatory clusters. They provide a platform for member countries to exchange best practices and experiences on trade and investment and undertake domestic reforms through digitalisation. This cross-fertilisation with digitalisation as an enabler, is expected to contribute to a further reduction in trade frictions among members and enable opportunities for expanding intra-Commonwealth trade and Investment.

The Commonwealth Investment Network (see Box 8) will learn from and work with the Connectivity Agenda to develop impactful mechanisms for knowledge exchange and joint working. Members' and partners' activities and actions will be particularly important in this regard. Contributions of best practice and key data will feed into the evolution of a reciprocal process of knowledge exchange and mutual development. Standards are a priority area where knowledge exchange and collaborative initiatives are essential to enhance investment into and between Commonwealth members, Box 6 presents information about the Commonwealth Standards Network and a success story from the British Standards Institute. Box 7 presents an example from the Pacific Agreement on Closer Economic Relations Plus (PACER Plus), showcasing how members have embarked on joint-working to enhance trade and investment opportunities across the Pacific region, and particularly for Pacific Island countries.

Box 6. The Commonwealth Standards Network

The Commonwealth Standards Network (CSN), which was launched at CHOGM 2018, supports governments in reducing barriers to trade and investment by providing education and support on meeting international standards. It does this by providing in-country technical assistance and sharing information and best practise throughout the Network via this Portal ([CSN Home - Commonwealth Standards Network \(CSN\)](#)) and via online and in-country training and engagement. It seeks to build on the long-standing Commonwealth Advantage by removing non-tariff barriers to Commonwealth trade and investment.

This programme is delivered by the British Standards Institution (BSI), and is supported by a wider Standards Partnership Programme which delivers in country support in 11 Commonwealth countries/regions that include Commonwealth countries (ASEAN, Bangladesh, Caribbean, Ghana, India, Kenya, Mozambique, Nigeria, Rwanda, Pacific, Pakistan)

The fourth phase of CSN will be launched at CHOGM. One of three objectives of the programme is focused around facilitating investment into the Commonwealth (and between members), in support of this overall Plan of Action.

To ensure that lessons from CSN work are shared throughout the Commonwealth, CSN is committed to sharing best practise widely. For example in 2021, CSN collaborated with experts from the Uganda National Bureau of Standards and the Rwanda Bureau of Standards to identify key “do’s” and “don’ts” aimed at supporting local farmers improve efficiency, profitability, and be more attractive for investment and expanded markets.

Following this, CSN then shared simplified Standards brochures via Commonwealth National Standards Bodies, enabling knowledge exchange across various communities. The brochures were produced for each value chain, educating farmers on growing, harvesting, packaging, labelling, storing, and transporting their products. They drew attention to the benefits of following Standards. This ultimately enabled Standards Bodies across the Commonwealth to support businesses in producing quality products, which are then able to be sold to larger markets.



Commonwealth Standards Network, working with local communities in Uganda and Rwanda 2021. Source: BSI

Box 7. Pacific Agreement on Closer Economic Relations Plus (PACER Plus)

Pacific Agreement on Closer Economic Relations Plus (PACER Plus) is a regional development-centred trade agreement designed to support Pacific Island countries to become more active participants in regional and global supply chains, in turn creating new opportunities for trade, investment and jobs.

PACER Plus entered into force in December 2020. Ten countries are Parties to the Agreement: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The Agreement encompasses a series of commitments agreed to by all Parties on trade in goods (rules of origin and verification procedures, customs procedures, biosecurity measures, and standards and conformance); trade in services; investment; institutional reform; labour mobility; and dispute settlement. These commitments are integral to fostering greater flows of goods, services and investment between Australia, New Zealand and the Pacific Island countries.

PACER Plus helps Pacific Island countries identify and prioritise their needs to fulfil their commitments under the Agreement. The PACER Plus Implementation Unit in Apia, supported by the Australian and New Zealand Governments, provides advisory and technical support to member countries in a range of regulatory, administrative and operational areas.

On entry-into-force of the Agreement, Australia and New Zealand bound (guaranteed) all tariffs on all Pacific Island countries goods imports at zero. In turn, PACER Plus supports Pacific Island countries to modernise their customs processes and procedures, reducing the cost of importing and exporting and increasing opportunities for intra-Pacific Island country and inter-regional trade.

In terms of fostering investment and business development, PACER Plus has a strong emphasis on transparency and accountability as well as regional alignment of administrative procedures. Streamlining and simplifying processes under PACER Plus will lift investor confidence, enabling the Pacific Island countries to benefit from increased inflows of FDI to develop their agricultural, mineral and marine resources, as well as develop unique offerings in exports such as tourism.



Tonga's Minister for Trade and Economic Development, Hon. Dr. Viliami Latu (second from left) holding the Tonga Standardisation Roadmap with Australia's High Commissioner to Tonga, H.E. Brek Batley (far right) and New Zealand's Deputy High Commissioner to Tonga, H.E. Leitu Sa (far left). Source: PACER Plus

Objective 3: Deploying the Commonwealth convening power to bring in private sector stakeholders by building networks

Context

The Commonwealth Secretariat already carries out capacity building (Objective 1) and knowledge exchange (Objective 2); however there remains a gap in establishing a more fluid public-private interface. Bringing individuals and institutions from both sectors to share needs and establish impactful projects is a key opportunity. This is especially important for early-stage investment, where building a network of relevant stakeholders, particularly from the private sector, is essential for establishing meaningful investor relationships, building trust and leveraging expertise.

What will we do together?

The Commonwealth provides access to extensive networks across its membership and accredited organisations. Existing initiatives within the Commonwealth bring together a wide range of stakeholders, including governments, private sector entities, and development partners. Tapping into these networks can foster partnerships, provide technical expertise, and open up new investment opportunities.

The Commonwealth Investment Network (Box 8) will establish this function as a central objective to its delivery. It will forge strategic partnerships with private sector organisations (e.g. the Sustainable Markets Initiative, see Box 9), accredited organisations (see Box 10), business associations, and entrepreneurial networks to establish a robust stakeholder pool. To deliver on Objective 3 of this Plan, it will connect small and vulnerable countries with commercial expertise, mentorship, and potential investors. The Network would facilitate exchanges and secondments, allowing individuals to gain first hand exposure to commercial practices and networks in developed countries or target markets. These partnerships would enhance knowledge sharing and create opportunities for collaboration and investment.

More information on how the Commonwealth Investment Network will contribute to the delivery of all three objectives of this Plan can be found in Box 8.

Box 8a. The Commonwealth Investment Network

In support of this Plan, the UK Government will announce seed funding at CHOGM 2024 for a new Commonwealth investment-oriented mechanism. This mechanism will support Commonwealth members, in particular small and vulnerable states, enhance their ability to access and attract investment through intra-Commonwealth coordination and collaboration. This will likely take the form of a new “Commonwealth Investment Network” and will work closely with the Secretariat to develop this offer.

Acknowledging that there are many initiatives and programmes already working in this space, the Commonwealth Sub-Action Group on Investment and associated research project have identified that there is a clear need for both an enhanced coordination function, and an entity that can enhance the public/private interface. Australia will support the development of the Network through a Partner Advisory Panel that will provide expertise, experience and insights from the Pacific region. Australia’s engagement will help ensure the Network builds on lessons to date and is aligned with existing initiatives in the Pacific region.

Box 8b. The Commonwealth Investment Network

This new offer will address these priority needs by focusing on four key functions:

- **Needs assessment:** this function will continue work of the research project, conducting market needs assessments in member states to identify investment opportunities. It will do this in close coordination with members including with existing national investment facilitation agencies.
- **Establish a private sector stakeholder group:** this will make up a core function of the Network's activities. By developing partnerships with private sector organisations either through formal or informal arrangements, the Network will be able to call upon a vast amount of technical expertise to engage in mentoring, coaching and capacity-building, as well as offer opportunities for partnerships and investments.
- **Evaluation and knowledge sharing:** activities will focus on working with the Commonwealth Secretariat, members and partners to evaluate investment project/programme impact, identify best practice and share knowledge across the Commonwealth.
- **Capacity-building:** this remains a core function of the Commonwealth Secretariat trade and investment teams, and the Network will support these ongoing efforts through information from needs assessments, and identifying expertise from across the Network's blossoming partnerships.

Early-stage funding for this Network over the first 6-12 months will define and design the scope of the network. This period will enable the development of delivery and governance structures, and ways of working with the Commonwealth Secretariat's trade and investment team. We anticipate that the Network will have both an element embedded within the Secretariat to utilise its deep expertise and trusted convening power, as well as an independent element that will enable objectivity and flexibility to establish partnerships and ways of working with the private sector. This early stage of development will focus on ensuring the sustainable and simple evolution of this Network is driven by the needs of members. In particular it will be important to build upon and not duplicate existing programmes, both those run by the Commonwealth Secretariat, like the Connectivity Agenda and the Climate Finance Access Hub, and those run by members and partner organisations.

Beyond developing governance structures and delivery mechanisms, this first stage will look to have an early offer of support available to Commonwealth countries, particularly small and vulnerable members. This will include working closely with the Secretariat on the delivery of in-country capacity-building needs assessment and **capacity-building workshops**, as well as the development of a **website for signposting** of existing initiatives and capacity-building materials.

This stage will also include working closely with the Sustainable Markets Initiative who will be a key partner in the establishment of a **formal network of private sector organisations**. This early stage will also enable the development of a robust monitoring and evaluation framework to assess the impact of the Network's activities. This monitoring framework will be tied to key milestones in the Plan of Action roadmap (see page 26).

The Commonwealth Investment Network is poised to play a transformative role in supporting the economic development of Commonwealth countries, particularly small and vulnerable members. By addressing the challenges identified through the research project, the Network will help unlock new opportunities for investment and growth across the Commonwealth.

Box 9. The Sustainable Markets Initiative

The Sustainable Markets Initiative (SMI) was launched by His Majesty King Charles III, then The Prince of Wales, in 2020. As the 'go-to' global private sector organisation on sustainable transition, the Sustainable Markets Initiative's power to convene top organisations from industry and the financial services, alongside governments, is key to innovating, accelerating and delivering on a just, sustainable and prosperous future.

The SMI recognizes the importance of aligning industry, financial and country roadmaps if we are to accelerate the transition at the scale and pace required. Since its inception, the SMI has been striving to create real world impact globally, including throughout the Commonwealth.

The SMI, through its Industry and Finance Hubs, has launched a number of projects that have supported Commonwealth countries, including an agribusiness project to transition basmati rice smallholder farmers to regenerative agricultural practices in India. This project has to date transitioned 30,000 acres in Northern India using a variety of regenerative practices, including water management, technological innovation, and direct seeded rice techniques. The project has brought together a number of agribusiness companies, both global and regional, to demonstrate both the power of collaboration and the convening power of the SMI.



Water management technology demonstrated on an SMI demonstration farm in Haryana State, North India, September 2024. Source: The Sustainable Markets Initiative

Box 10. A snapshot of accredited organisations that will help us deliver this Plan

The Commonwealth Enterprise and Investment Council

The Commonwealth Enterprise and Investment Council (CWEIC), is a not-for-profit, private organisation focused on promoting trade and investment across the Commonwealth. CWEIC harnesses the globe-spanning, and highly regarded convening power of the Commonwealth, and the proven utility of the Commonwealth Advantage to provide a platform for Commonwealth's business community to come together to achieve a future that is both prosperous and secure.

Founded in 2014, CWEIC has twelve offices throughout the Commonwealth and 150 strategic partners. These partners represent businesses, governments (both regional and national), business associations, and NGOs, and are drawn from all 5 regions of the Commonwealth, representing the diversity of the Commonwealth's business community. As well as providing opportunities for businesses to explore opportunities with their peers from across the Commonwealth, CWEIC also exists to share private sector perspectives with Commonwealth member countries.

CWEIC has co-hosted four of the most recent CHOGM Commonwealth Business Forums, deploying the expertise drawn from its network to convene panels of experts for Commonwealth Governments to share expertise and best practice across a variety of sectors and themes.

The Commonwealth Businesswomen's Network

The Commonwealth Businesswomen's Network (CBWN) was pioneered by the Charter of the Commonwealth (2013) and endorsed by the Commonwealth Heads of Government. CBWN is the only accredited organisation focused on women's economic empowerment and is recognized by all 56 governments.

The Commonwealth is home to 44% of the world's poorest women. Strengthened connections and empowering businesswomen is crucial for facilitating trade and investment and thereby raising living standards. CBWN focuses on providing the tools, economic opportunities and support necessary to ensure the growth and global reach of women.



Commonwealth Business Forum, 2022 Source: The Commonwealth Secretariat

Roadmap for delivery

The Commonwealth Plan of Action on Investment will be given strategic direction and drive by quarterly meetings of the Commonwealth Sub-Action Group on Investment. The Commonwealth Secretariat plays a key coordination role in this Group, and will remain engaged in the overarching delivery, ongoing engagement and updating of this Plan.

The Plan recognises that a wide range of work supports our collective mission and agreed objectives. To this end, the Plan is a call to action to members and partners to engage both in the short and longer-term. It is a synthesis and streamlining of existing actions and best practice, rather than reinventing the wheel. It must not be resource-intensive but rather must be needs-driven and sustainable. Progress against the Plan of Action will be formally reviewed at six-month intervals, with an updated Plan potentially issued after the first year. These stages will allow for members to contribute additional initiatives to showcase against agreed objectives. An updated Plan of Action will be agreed at CHOGM 2026.

| Date | Milestone |
|---------------------|--|
| October 2024 | At CHOGM in Samoa, agreement by Heads on the Commonwealth Plan of Action on Investment and launch of the Commonwealth Investment Network. |
| April 2025 | <p>Plan of Action: Outreach and dissemination of the Commonwealth Plan of Action, further identification of initiatives for inclusion in next iteration. Formal review with an update to members on progress.</p> <p>Investment Network: By April, establishment of core governance and delivery structure for Commonwealth Investment Network. Expansion of outreach and collaboration with stakeholders- formal coaching/mentoring network starts to develop.</p> |
| October 2025 | <p>Plan of Action: First year review. Continued outreach and identification of initiatives for inclusion in next iteration. Potential light touch update of the Plan.</p> <p>Investment Network: By October, establishment of fully functioning website for sign-posting, knowledge sharing and networking. Delivery of in-country investment support workshop(s). Conclusion of first year of delivery, concept proven and outreach for funding for longer-term sustainability.</p> |
| CHOGM 2026 | <p>Plan of Action: A refreshed Plan is launched at CHOGM 2026, building on lessons learned and agreeing objectives for the Commonwealth post-2026.</p> <p>Investment Network: Showcase of progress made under the Commonwealth Investment Network. Investment event delivered in the margins of CHOGM 2026. Continued outreach for funding for longer-term sustainability.</p> |

Commonwealth Secretariat
Marlborough House, Pall Mall
London SW1Y 5HX
United Kingdom

thecommonwealth.org

