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ADVANCING GENDER EQUALITY, DISABILITY, AND SOCIAL INCLUSION IN FOREIGN DIRECT INVESTMENT IN ASEAN

PART I

GENDER EQUALITY, DISABILITY, AND SOCIAL INCLUSION GAP ANALYSIS IN FOREIGN DIRECT INVESTMENT IN ASEAN

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Advancing Gender Equality, Disability, and Social Inclusion in Foreign Direct Investment in ASEAN

PART 1: GENDER EQUALITY, DISABILITY, AND SOCIAL INCLUSION GAP ANALYSIS IN FOREIGN DIRECT INVESTMENT IN ASEAN

United Nations Publication
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ESCAP / 2-TR / 60

For further information on this publication, please contact:
Trade, Investment, and Innovation Division
United Nations ESCAP
Rajadamnern Nok Avenue
Bangkok 10200, Thailand
Fax: (+66-2) 288-1027, 288-3066
E-mail: escap-tiid@un.org

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Acknowledgments

This report was prepared under the guidance of Rupa Chanda, Director of Trade, Investment and Innovation Division (TIID) of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP); and Jonathan Wong, Chief of Innovation, Enterprise, and Investment Section, TIID. The report was prepared by Lisa Maria Braun, international consultant, with inputs and guidance from Heather Taylor-Strauss, Economic Affairs Officer, TIID.

The report was designed by Duygu Cinar, Media and Communications Consultant, TIID, ESCAP.

This publication is a knowledge product of the ASEAN Green Investment Catalyst (AGIC) programme, funded by the United Kingdom Mission to ASEAN under the ASEAN-UK Green Transition Fund.

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Executive Summary

This publication is the first of a two-part series on advancing gender equality, disability inclusion and social inclusion (GEDSI) in foreign direct investment (FDI), with particular attention to how Investment Promotion Agencies (IPAs) can influence outcomes. Part 1 sets out the analytical baseline, identifying where current investment promotion practices reinforce exclusion and where institutional entry points exist for more inclusive outcomes.

FDI is a major source of external development finance for ASEAN. In 2024, inflows rose by 8 per cent to USD 226 billion against an 11 per cent global decline, with ASEAN remaining the largest recipient among developing regions for the fourth consecutive year. Annual inflows have averaged above USD 200 billion since 2021, well above the pre-pandemic decade average. The composition of those flows is uneven. Internationally financed infrastructure and renewable energy investment in ASEAN declined by two-thirds in 2024, twice the average decline across developing economies, which sharpens the policy question of what kind of investment the region attracts, not only how much.

The policy shift from how much investment to attract to what kind has gained the most traction on the environmental side of the sustainable development agenda. Green growth and a low-carbon transition feature in regional and national investment strategies, including the ASEAN Regional Investment Promotion Action Plan (RIPAP) 2025-2030, and a substantial body of policy and academic work examines how incentives and promotion tools can attract green and climate-aligned FDI. GEDSI has not received the same level of explicit attention. It sits within the broader frame of FDI for sustainable development, but it is not yet treated as a distinct, tracked policy priority in the way that green and climate-aligned FDI are.

To examine where that gap arises, Part 1 applies four diagnostic lenses (access, agency, institutional norms and structural barriers) at each stage of the FDI cycle: promotion, attraction, facilitation and aftercare. The analysis draws on ESCAP's engagement with IPAs in the Asia-Pacific region, particularly in ASEAN. Given limited disaggregated data across the region, the findings should be read as patterns where challenges are likely to arise rather than as uniform results across all ASEAN Member States.

Across all four stages, the same gaps surface in different forms. GEDSI exclusion tends to cluster around four recurring issues: which enterprises and communities are visible to IPAs; who has a voice in shaping investment priorities and processes; what gets measured when agencies assess performance; and whether commitments made early in the cycle are followed through. These patterns reinforce each other, and a change at any single stage can be undone if the others remain unchanged. Aftercare is where this matters most. It is the stage where commitments on inclusion, employment quality and community benefit either get tracked or do not, and it is the most under-resourced of the four IPA functions globally. Where aftercare is thin, monitoring is thinner, and the long-term distributional effects of FDI become difficult to assess.

The action space for IPAs and governments extends across mandates, performance frameworks, monitoring systems, consultation processes, partnerships, capacity building, infrastructure design and incentive structures. Several of these need to move in parallel for change to take hold. Part 2 takes one of these levers forward in depth, starting with incentive design as one of the most direct points where investment policy and IPA practice intersect. The choice to focus on incentive design

reflects the gap in current practice, where green and climate FDI incentives have advanced while GEDSI-aligned incentive design has not, and the leverage that thoughtful incentive design can carry across the cycle. Incentives are one lever among several, and the analytical case for working on each is established in Part 1.

Both parts together provide a foundation for embedding GEDSI in FDI governance, and a practical agenda for IPAs seeking to promote investment that delivers equitable and sustainable development outcomes across the region.

Glossary of Terms

Aftercare refers to the structured engagement that Investment Promotion Agencies maintain with investors after the initial investment decision is made. It typically includes ongoing facilitation, problem-solving, performance monitoring and support for investor expansion or reinvestment.

Disability Inclusion refers to the process of identifying and removing barriers that restrict the full and effective participation of persons with disabilities in economic, social and political life. It involves ensuring equal access to opportunities, resources, and services, while promoting environments that are accessible, inclusive, and responsive to diverse needs. Disability inclusion requires proactive measures to address discrimination, strengthen participation and guarantee the rights of persons with disabilities on an equal basis with others.[1]

Foreign Direct Investment (FDI) refers to a cross-border investment in which an investor resident in one economy establishes a lasting interest in, and a significant degree of influence over, an enterprise resident in another economy. For statistical purposes, this relationship is generally identified when the investor owns at least 10 per cent of the voting power of the enterprise. FDI differs from portfolio investment because it is associated with a longer-term relationship and influence over the enterprise, rather than passive ownership of financial assets. FDI may include equity capital, reinvested earnings and intra-company debt.[2]

Foreign Direct Investment for Sustainable Development refers to cross-border investment that contributes to sustainable development in the host country. It should be economically viable, environmentally sound, socially inclusive and supported by good governance. In practice, this can mean investment in sectors that directly support the SDGs, such as renewable energy, sustainable infrastructure, or waste management. It can also mean investment in any sector that is carried out responsibly, including through decent work, respect for human rights, environmental safeguards and responsible business conduct. For this report, the term is used in a practical sense. FDI for sustainable development is not defined only by the sector in which investment takes place. It also depends on how the investment is designed, implemented and monitored, and whether it contributes to development outcomes without shifting social or environmental costs onto workers, suppliers or communities.

Gender Equality can be defined as the absence of discrimination on the basis of gender in opportunities, in the allocation of resources or benefits, or in the access to services, such that all individuals can enjoy equal standards of well-being. It is the full and equal exercise by all, of their human rights, regardless of their gender identity.[3]

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[1] Foreign, Commonwealth & Development Office (2025). Checklist for Integrating Gender Equality, Disability and Social Inclusion (GEDSI) Across Economic Development Programmes. London: UK Government, FCDO Work and Opportunities for Women (WOW) Helpdesk. https://assets.publishing.service.gov.uk/media/67f3a06bd3f1efd2ce2ab885/WOW_Checklist_on_GEDSI_across_programme_cycle.pdf

[2] ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

[3] Foreign, Commonwealth & Development Office (2025). Checklist for Integrating Gender Equality, Disability and Social Inclusion (GEDSI) Across Economic Development Programmes. London: UK Government, FCDO Work and Opportunities for Women (WOW) Helpdesk. https://assets.publishing.service.gov.uk/media/67f3a06bd3f1efd2ce2ab885/WOW_Checklist_on_GEDSI_across_programme_cycle.pdf

Gender Equality, Disability and Social Inclusion (GEDSI) comprise three closely related and equally important concepts. The purpose is to understand the social context in which projects operate, delivering equitable outcomes for all, especially women and girls, Indigenous Peoples, people with disabilities, those living in poverty, and other marginalized groups, while minimizing any potential negative impacts.

Green Transition refers to the process of shifting from a traditional, fossil-fuel-based economy to one that is environmentally sustainable.

Green Transition Sectors under RIPAP refer to specific industries selected for intensified regional investment promotion to accelerate ASEAN's transition toward a low-carbon, and climate-resilient economy. The current priority sectors are carbon capture and storage, biofuels, medical devices, solar PV production, and smart grid integration. Additional sectors may be added in the future.

Investment Facilitation refers to the practical support that IPAs and partner agencies provide to help investors navigate administrative, regulatory and operational processes. This includes guiding investors through licensing, permits and approvals, coordinating with relevant authorities, and addressing barriers that arise during establishment and operations.

Investment Promotion refers to the policy function of attracting, retaining and steering foreign direct investment, typically led by an IPA. It includes outreach to potential investors, facilitation of administrative processes, the administration of investment incentives, aftercare, and engagement with domestic enterprises through linkage and supplier development programmes.

Investment Promotion Agency (IPA) refers to a public or quasi-public body responsible for promoting, facilitating and retaining foreign direct investment in a jurisdiction. IPA functions typically include investor outreach, facilitation of administrative processes, aftercare, and the administration or coordination of investment incentives. IPAs are the primary institutional interface between investors and incentive systems.

Social Inclusion can be defined as the removal of institutional barriers (formal and informal) and the enhancement of incentives to increase the access of diverse individuals and groups to development opportunities.[4]

Sustainable Development Goals (SDGs) are the seventeen goals adopted by United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. They set out shared global priorities across economic, social and environmental dimensions of development.

[4] Foreign, Commonwealth & Development Office (2025). Checklist for Integrating Gender Equality, Disability and Social Inclusion (GEDSI) Across Economic Development Programmes. London: UK Government, FCDO Work and Opportunities for Women (WOW) Helpdesk. https://assets.publishing.service.gov.uk/media/67f3a06bd3f1efd2ce2ab885/WOW_Checklist_on_GEDSI_across_programme_cycle.pdf

Foreign Direct Investment in ASEAN: The case for gender quality, disability inclusion and social inclusion

Foreign direct investment (FDI) has become a defining feature of ASEAN's development trajectory. It funds factories and infrastructure, connects domestic firms to global value chains, and shapes the labour market that workers, suppliers and communities encounter day to day. As FDI grows in scale and ambition across the region, so does the question of who participates in the opportunities it creates and who is left outside them. That question sits at the centre of this report.

In 2024, FDI inflows to ASEAN rose by 8 per cent to USD 226 billion, even as global FDI declined by 11 per cent. ASEAN remained the largest recipient among developing regions for the fourth year running, accounting for 15 per cent of global inflows.[5] Inflows have averaged above USD 200 billion since 2021, well above the pre-pandemic decade average of USD 130 billion.[6] FDI is a major source of external development finance for the region, although the composition is uneven. In 2024, internationally financed infrastructure and renewable energy investment in ASEAN declined by two-thirds, twice the average decline across developing economies.[7]

For ASEAN member states (AMS), the policy question has shifted from how much investment to attract to what kind. Investment that supports environmental sustainability, social equity and good governance, referred to in this report as FDI for sustainable development, is increasingly seen as essential to delivering the Sustainable Development Goals (SDGs) and national development objectives. ASEAN investment promotion agencies (IPAs) are beginning to follow this shift, with the SDGs identified as a key factor shaping investment promotion priorities across the region.[8]

The shift has gained the most traction on the environmental side of the sustainable development agenda. Green growth and a low-carbon transition feature prominently in regional and national investment strategies, including the ASEAN Regional Investment Promotion Action Plan (RIPAP) 2025-2030[9] (Info Box 1). A substantial body of policy and academic work examines how incentives and promotion tools can attract green and climate-aligned FDI.[10,11]

[5] ASEAN Secretariat (2025). ASEAN Investment Report 2025: Foreign Direct Investment and Supply Chain Development. Jakarta: ASEAN Secretariat. https://asean.org/book/asean-investment-report-2025-foreign-direct-investment-and-supply-chain-development/

[6] ASEAN Secretariat (2025). ASEAN Investment Report 2025: Foreign Direct Investment and Supply Chain Development. Jakarta: ASEAN Secretariat. https://asean.org/book/asean-investment-report-2025-foreign-direct-investment-and-supply-chain-development/

[7] ASEAN Secretariat (2025). ASEAN Investment Report 2025: Foreign Direct Investment and Supply Chain Development. Jakarta: ASEAN Secretariat. https://asean.org/book/asean-investment-report-2025-foreign-direct-investment-and-supply-chain-development/

[8] OECD (2023a). Enabling Sustainable Investment in ASEAN. OECD Business and Finance Policy Papers, No. 23. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/eb34f287-en

[9] ASEAN (2024). ASEAN Launches Regional Investment Promotion Action Plan 2025-2030: Attracting FDI in the Green and Health Economy in ASEAN. Jakarta: Association of Southeast Asian Nations. https://asean.org/asean-launches-regional-investment-promotion-action-plan-2025-2030/

[10] UNCTAD (2023c). World Investment Report 2023: Investing in Sustainable Energy for All. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/world-investment-report-2023

[11] OECD (2022). FDI Qualities Policy Toolkit. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/7ba74100-en

Info Box 1. Regional Investment Promotion Action Plan

The ASEAN Regional Investment Promotion Action Plan (RIPAP) 2025-2030,[12] "Attracting FDI in the Green and Health Economy in ASEAN," was launched at the ASEAN Investment Forum in Vientiane on 7 October 2024, following adoption in-principle by the ASEAN Economic Ministers-ASEAN Investment Area (AIA) Council on 16 September 2024. RIPAP is a joint initiative of the ASEAN Coordinating Committee on Investment (CCI), the ASEAN Secretariat, and ESCAP.

The RIPAP is a non-binding framework that shifts ASEAN from individual-country investment promotion to coordinated regional promotion across the value chain. The aim is to attract FDI to sectors with high potential for green and sustainable growth, responding both to climate action and to ASEAN's competitiveness as an investment destination. AMS investment promotion agencies remain the lead implementing agencies, working with sectoral bodies and line ministries to align investment promotion with national development strategies.

The current focus is on six priority sectors selected for their growth prospects and regional value chain relevance: carbon capture and storage, biofuels, medical devices, solar PV production, smart grid integration, and one further sector to be identified. Implementation is phased. Phase I (2025-2027) targets three sectors with detailed action plans; Phase II (2026-2030) will expand on the basis of new analysis and emerging opportunities. At the third ASEAN Investment Forum in Kuala Lumpur in October 2025, investment ready projects in biofuels and solar power were showcased as the first investment-ready sectors.[13]

Implementation includes coordinated investor outreach, sector-specific marketing, event participation, and the development of investment-ready projects showcased through the ASEAN Investment Forum and online platforms such as the Invest in ASEAN website. ESCAP, with the support of the ASEAN Secretariat, provides technical assistance, sector research, capacity-building and resource mobilisation.

The RIPAP is designed as a living document, updated in response to changing market conditions, implementation feedback and ASEAN's development needs. It also embeds GEDSI into the region's investment promotion approach. Operational integration is at an early stage, but the RIPAP signals intent through indicators that track progress on GEDSI dimensions, with a dedicated set of key performance indicators (KPIs) under development to support consistent monitoring and accountability across AMS.

Gender equality, disability inclusion and social inclusion (GEDSI) refers to the conditions that allow women, persons with disabilities and other marginalized groups to participate in and benefit from economic activity on equal terms. In the context of FDI, this means looking at who is hired, who supplies, who is consulted, and who shares in the gains of investment over time. GEDSI has not received the same level of explicit attention. It sits within the broader frame of FDI for sustainable development, but it is not yet treated as a distinct, tracked policy priority in the way that green and climate FDI are. The available evidence points to an implementation gap rather than an absence of intent. Only three of the ten AMS IPAs use sustainability-related indicators to monitor the firms

[12] ASEAN Secretariat (2024). ASEAN Launches Regional Investment Promotion Action Plan 2025–2030. Jakarta: Association of Southeast Asian Nations. https://asean.org/asean-launches-regional-investment-promotion-action-plan-2025-2030/

[13] ESCAP (2025b). Third ASEAN Investment Forum 2025. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/events/2025/third-asean-investment-forum-2025

they attract.[14] Across IPAs more broadly, indicators on productivity, innovation and job creation are the most common selection criteria, while indicators on job quality and gender equality are rarely used.[15]

Practice is starting to shift. Thailand's Board of Investment, the Philippines' Board of Investments and the Malaysia Digital Economy Corporation are among the signatories of the Pledge Amongst Investment Promotion Agencies, Economic Development Boards and Ministries of Investment to Advance Gender Equity in Foreign Direct Investment *(the Gender Pledge),* which commits signatories to embed gender considerations in internal operations and across the investment cycle (Info Box 2). The frameworks to attract FDI into green sectors are in place. The mandates, instruments and implementation tools to ensure that women, persons with disabilities and other marginalized groups benefit from that investment on equal terms are not yet in place at the same level in most AMS.

[14] OECD (2023a). Enabling Sustainable Investment in ASEAN. OECD Business and Finance Policy Papers, No. 23. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/eb34f287-en

[15] OECD (2022). FDI Qualities Policy Toolkit. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/7ba74100-en

Info Box 2. The Gender Pledge: Advancing Gender Equity in Foreign Direct Investment

Across ASEAN member states, governments treat gender equality, disability inclusion and broader social inclusion (GEDSI) as part of the sustainable development agenda. Investment policy lags behind. Gender appears in some IPA strategies. Disability and wider inclusion are largely absent. Few investment frameworks set clear mandates, indicators or accountability mechanisms. In a 2022 OECD survey of nine AMS IPAs, all used productivity, innovation and job-quality indicators to select priority investors. Only 38 per cent used gender-equality indicators[16]. Where progress happens, it tends to rest on individual champions, donor-funded initiatives or pilots.

Gender is moving faster than the other inclusion dimensions. In May 2024, ESCAP and the FDI Center launched the Pledge Amongst Investment Promotion Agencies, Economic Development Boards, and Ministries of Investment to Advance Gender Equity in Foreign Direct Investment (*the Gender Pledge*) at the second Feminist Finance Forum in Bangkok.[17]

At launch, seven institutions signed: Invest in Canada, Investment Fiji, Invest Bhutan, the Board of Investment of Thailand, the Board of Investments of the Philippines, the Board of Investment of Sri Lanka, and the Malaysia Digital Economy Corporation (MDEC). Three of these seven are AMS IPAs.

The Gender Pledge is non-legally binding and runs for an initial three-year period (May 2024 to April 2027), after which it may be reviewed, revised or renewed. Signatories commit to advance at least three actions from a menu of nine action areas:

- setting gender-responsive criteria for project selection (for example, evaluating the number and quality of jobs for women, and women's supplier linkages);
- facilitating more inclusive supply chains (for example, promoting women-owned businesses as suppliers);
- closing gender skills gaps through training partnerships;
- supporting women's entrepreneurship, including women-focused investment missions;
- integrating gender data collection and monitoring, including gender-disaggregated indicators in reporting; and
- instituting internal gender equality measures, including auditing hiring practices, setting targets for representation, and supporting women-friendly workplace policies.

In May 2026, ESCAP and the FDI Center marked the Gender Pledge's second year with six additional signatories: Invest Lithuania, Invest Estonia, PROCOMER (Costa Rica), ApexBrasil, the Foreign Investment Promotion Agency of Tunisia, and the Uganda Investment Authority.[18] The Gender Pledge now has 13 signatories spanning six continents.

[16] OECD (2023a). Enabling Sustainable Investment in ASEAN. OECD Business and Finance Policy Papers, No. 23. Paris: OECD Publishing. https://doi.org/10.1787/eb34f287-en

[17] ESCAP (2024). ESCAP and FDI Center Launch Pledge to Advance Gender Equality in Foreign Direct Investment. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/news/escap-and-fdi-center-launch-pledge-advance-gender-equality-foreign-direct-investment

[18] ESCAP (2025a). ESCAP and FDI Center Mark One-Year Anniversary of Gender Pledge with Six New Signatories. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.asiapacificgender.org/news/escap-and-fdi-center-mark-one-year-anniversary-gender-pledge-six-new-signatories

IPAs sit at the interface between governments and investors. They decide which investors are prioritised, which sectors and projects are positioned in country value propositions, what facilitation and aftercare services are delivered, and how performance is measured.[19] These decisions, taken across the four stages of the FDI cycle of promotion, attraction, facilitation and aftercare, shape who participates in FDI as employees, as suppliers and contractors, as residents of communities affected by investment projects, and as participants in wider labour market and policy shifts. Without targeted action, the benefits of FDI can bypass women and marginalized groups, and its impacts can reinforce existing inequalities.

This report identifies where GEDSI outcomes are most likely to fall short across the FDI cycle, and where opportunities exist to embed inclusive practices within existing IPA mandates and service delivery models. It applies four diagnostic dimensions at each stage of the cycle: access (who can participate), agency (who has voice in decisions), institutional norms (which rules and practices shape outcomes) and structural barriers (which underlying conditions reproduce inequality). The findings draw on ESCAP's engagement with IPAs in the Asia-Pacific region in recent years, particularly in ASEAN.

The next chapter sets out who FDI reaches, who it bypasses, and the entry points through which investment shapes outcomes for women, persons with disabilities and other marginalized groups. That analysis is the foundation for the FDI lifecycle assessment in the chapters that follow.

Understanding who is affected by FDI Investment through a GEDSI Lens

FDI shapes outcomes for individuals, enterprises and communities through a set of identifiable entry points. The table below sets out the main pathways through which it does so, the type of impact involved, the marginalized groups most likely to be affected, and examples of the issues identified in practice. These pathways often overlap rather than operate in isolation. A single investment can affect a community as employer, supplier purchaser, neighbour and source of environmental externalities at once. The examples are illustrative rather than exhaustive, and their relevance varies by country, sector and institutional setting.

[19] ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

Entry point	Type of impact	Marginalized groups most affected	Example of possible risks or issues identified
As employees within foreign-owned and operated firms	Hiring, pay equity, promotion, training, workplace safety, leadership opportunities	Women, persons with disabilities	Gender wage gaps widening even as jobs expand; persons with disabilities facing inaccessible workplaces or lack reasonable accommodations; promotion pathways biased by implicit discrimination; training programs designed without inclusive criteria
Within enterprise supply chains linked to foreign firms	Procurement, supplier development, inclusive contracting	Women-led, disability-led, small community enterprises	Exclusion from supplier databases; inability to meet accreditation or certification thresholds; opaque tendering criteria; competition dominated by large incumbents; lack of capacity to scale to investor expectations
At the level of community engagement	Infrastructure, land use, resource access, benefit-sharing	Rural communities, Indigenous Peoples, ethnic minorities	In greenfield investments, where companies must secure land, weak or tokenistic consultation processes can lead to dispossession or displacement without fair compensation. Marginalized communities are especially vulnerable to being excluded from decisions, losing land or resources, or suffering environmental harms from projects imposed without proper engagement. [20,21]
Within broader labour market transformation	Job creation or displacement, automation, sectoral shifts	Informal workers, youth, low-income populations	Risk of job losses among low-skilled workers; skills mismatches that exclude marginalized groups; underrepresentation in growing sectors; migration pressures on marginalized groups
Cross-border influence	Transfer of corporate norms and culture	Host country workforce	Inclusive norms may not diffuse to local firms due to weak incentives or institutional barriers; tokenistic adoption without substantive shift; lack of awareness or resistance to change in domestic enterprises
Access to finance and capital	Investment readiness, credit access, eligibility for investment support	Women entrepreneurs; small-scale and informal	While IPAs generally do not have the mandate to address issues such as enterprise formalization or access to finance, these barriers limit the ability of marginalized enterprises to participate in FDI-related supply chains. Women-led, disability-led and small community enterprises

[20] United Nations (2007). United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). New York: United Nations General Assembly, A/RES/61/295. https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html

[21] OHCHR (2011). Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework. Geneva: Office of the United Nations High Commissioner for Human Rights. https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

		enterprises; persons with disabilities	often lack collateral, credit history or certification, making it difficult to qualify as suppliers for foreign firms.
Participation in policy and decision-making	Shaping incentives and strategy	Civil society, women's organizations, organisations of persons with disabilities	Limited consultation; weak representation in advisory bodies; ad hoc inclusion mechanisms
Access to skills and technology transfer	Training, technical capacity, digital inclusion	Women, rural youth, persons with disabilities	Exclusion from training programs; gender gaps in STEM fields; lack of accessible learning modalities
Indirect multiplier effects in local economy	Income spillovers, backward linkages	Small communities, informal enterprises, women micro-entrepreneurs	Weak backward linkages, where foreign firms bypass domestic suppliers and rely on external sourcing, can reduce multiplier effects in the local economy - that is, the income and employment gains that would reach communities through supply chains. As a result, small and marginalized firms may be excluded from the indirect economic benefits of FDI, particularly where they lack the scale, certifications or absorptive capacity required to qualify as suppliers.
Environmental and health impacts	Pollution, resource stress, exposure	Low-income communities, marginalized groups near project sites	Negative externalities disproportionately affect marginalized groups; exclusion from environmental decision-making

*The examples presented in this table are illustrative and do not represent a comprehensive or exhaustive list of all possible risks or issues across FDI entry points. Their relevance may vary by country, sector or institutional setting.

These effects are not experienced equally. Women, persons with disabilities, Indigenous Peoples and other historically marginalized groups engage with FDI in different roles. They engage with FDI as workers, as entrepreneurs in supply chains, as residents of affected communities, and as members of households where changes in employment, income and workplace norms shift decision-making and responsibilities. Intersectional factors of gender, disability, geography, income and ethnicity compound these inequalities. Technology adoption can show how unevenly the risks fall. Foreign investors drive much of Southeast Asia's automation and digital uptake, and exposure to displacement does not land evenly across the workforce. An ILO study covering Cambodia, Indonesia, the Philippines, Thailand and Viet Nam found that 137 million workers, or 56 per cent of salaried employment, face high automation risk over the next two decades. Women in the Philippines and Viet Nam are roughly twice as likely as men to hold those jobs.[22]

Enterprises led by or serving marginalized groups are often underrepresented in FDI pipelines. Many operate outside the formal economy, at small scale, or in livelihood-based sectors that do not satisfy conventional investment thresholds, despite generating environmental or social value. Empirical evidence on how these enterprises engage with FDI is limited, and disaggregated data on the intersectional impacts of FDI remain scarce.[23] This data gap weakens the capacity of governments, including IPAs, to design inclusive and evidence-based investment strategies. Without reliable disaggregated data, mandates and coordination across government actors are difficult to align, and policymakers cannot determine which actors benefit from investment and which are excluded.

This is the kind of implementation gap described earlier. Some IPAs are already addressing it through low-cost adjustments to existing systems. The Philippine Board of Investments, working under the country's Gender and Development agenda, has integrated sex-disaggregated employment questions into investor reporting forms already used for compliance and performance monitoring (Info Box 3). The change does not require new data systems and produces evidence on how FDI affects women's employment that the agency can use in policy dialogue and investor engagement.

Info Box 3. Gender-responsive investment data in the Philippines

The Philippines provides an example of how a whole-of-government approach to gender equality can shape investment promotion practice. The country's Gender and Development (GAD) agenda requires all government agencies to mainstream gender in planning, operations and monitoring. Acting on this mandate, the Board of Investments (BOI), the country's national IPA, has integrated sex-disaggregated employment questions into an investor reporting form already used for compliance and performance monitoring. The adjustment uses an existing reporting channel, which avoids creating new administrative burden on either the agency or investors. The result is a steady flow of evidence on how FDI affects women's employment and participation. BOI uses the data to inform policy development and investor engagement. The case shows that GEDSI integration can be advanced by adjusting existing systems, without the need to build new ones from scratch.[24]

[22] ILO (2016). ASEAN in Transformation: The Future of Jobs at Risk of Automation. Bureau for Employers' Activities Working Paper No. 9. Geneva: International Labour Organization. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_dialogue/@act_emp/documents/publication/wcms_579554.pdf

[23] UNCTAD (2023a). Investment Promotion and its Impact on Gender Equality: Moving the Needle on SDG 5. IPA Observer No. 12. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/investment-promotion-and-its-impact-gender-equality-moving-needle-sdg-5

[24] ESCAP (2025c). Using Compliance Tool as an Initiative to Promote Gender and Development Program. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://hdl.handle.net/20.500.12870/8425

FDI can also support more inclusive outcomes. On average across developing countries, foreign affiliates employ about 5 percentage points more female administrative workers than local firms, and they can introduce non-discrimination policies, gender-inclusive workplace practices and inclusive supply-chain norms, with spillover effects to local firms through supply chain relationships, competition, demonstration and labour mobility.[25] These spillovers are not automatic. UNCTAD's evidence from Viet Nam shows that higher FDI in technology-intensive sectors is associated with rising female employment, but most of the employment gain accrues at the bottom 10 per cent of the wage distribution.[26] The extent of positive spillovers depends on the policy and institutional environment in both home and host country, including enforceable regulation, labour market institutions and social norms that support equality. Where these are weak, investment can entrench rather than reduce disparities.

This chapter has set out highlight who FDI affects and how. The next chapters look at where the gaps and opportunities sit across the IPA cycle of promotion, attraction, facilitation and aftercare. Closing the gaps takes a whole-of-government effort. Several of the relevant levers, such as enterprise formalisation, investment thresholds, regulation and access to finance, fall outside the immediate mandate of IPAs. However, IPAs are still central to ensuring FDI effect GEDSI positively. As IPAs sit between national priorities and investor decisions, this gives them influence at every stage of the cycle. To use that influence for GEDSI, IPAs need a defined mandate, the policy tools to act on it, and institutional backing to enforce what they commit to.

Analysing GEDSI across the FDI cycle

Governments and investment promotion agencies (IPAs) undertake a range of activities to attract, facilitate, retain and expand foreign direct investment in line with national or subnational priorities. Although often presented as a linear sequence, the FDI lifecycle is iterative. Investors do not move through it once and exit. They reinvest, expand or relocate, and IPAs maintain ongoing relationships with established investors alongside outreach to new ones. The lifecycle begins with strategic sector prioritisation and investment planning aligned with government mandates, national development strategies and policy frameworks. Investment promotion is most effective when it is anchored in these strategic priorities rather than treated as a series of standalone interventions.[27] Drawing on established practice across UN system[28] and OECD analysis[29], the FDI lifecycle is commonly described in four stages (Figure 1). Each stage is shaped by the same set of overarching factors: national priorities, the Sustainable Development Goals, the country's investment strategy and its sectoral strategies.

[25] UNCTAD (2021). Multinational Enterprises and the International Transmission of Gender Policies and Practices. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/multinational-enterprises-and-international-transmission-gender-policies-and-practices

[26] UNCTAD (2021). Multinational Enterprises and the International Transmission of Gender Policies and Practices. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/multinational-enterprises-and-international-transmission-gender-policies-and-practices

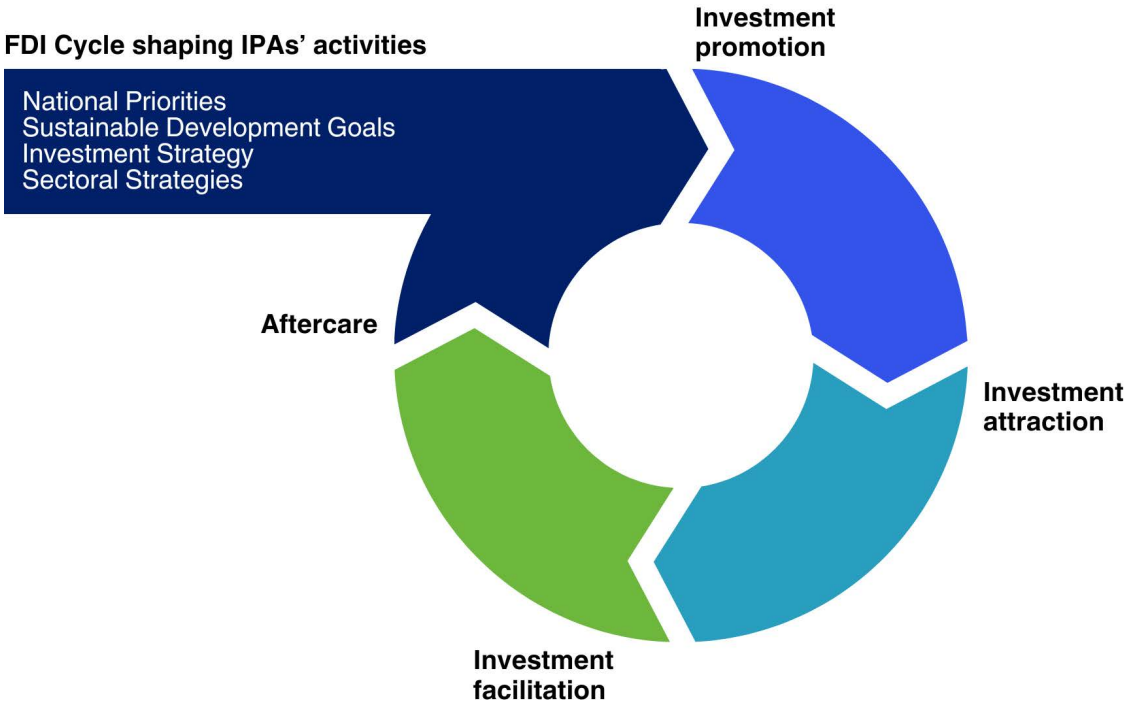
[27] ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

[28] ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

[29] OECD (2018). Mapping of Investment Promotion Agencies in OECD Countries. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/9789264304642-en; ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

- **Investment promotion** builds awareness of investment opportunities and positions sectors or locations as attractive to foreign investors. It includes image building, investor outreach, and the promotion of specific projects or opportunities.
- **Investment attraction** focuses on engaging investors and converting interest into actual commitments. This includes site visits, project packaging, and investor support during the decision-making phase.
- **Investment facilitation** supports investors to establish and operationalise their projects. It covers administrative support, regulatory navigation, and coordination with national and local authorities.
- **Aftercare supports** existing investors after project establishment. The aim is to retain investment, encourage reinvestment and expansion, and build linkages with local suppliers and communities.

Figure 1. The FDI cycle and the factors that shape IPAs' activities



The scope and intensity of these activities vary across countries, reflecting national priorities, institutional mandates, organisational capacity and sectoral strengths. Resource allocation across the four stages is also uneven, and the imbalance is front-loaded. The 2020 WBG-WAIPA Global Investment Promotion Agencies Survey found that investment generation, the work used to bring in priority investors, receives the largest share of IPA promotion budgets, while policy advocacy receives the smallest. Across the four stages of the investor life cycle, IPAs report stronger service delivery at the attraction stage than at any stage that follows.[30] UNCTAD's 2007 survey put aftercare at only about 10 per cent of total IPA resources, despite the high return potential of working with established investors to expand reinvestment and local linkages.[31] More recent evidence confirms that aftercare under-resourcing persists, particularly in developing-country

[30] World Bank Group and WAIPA (2020). State of Investment Promotion Agencies: Evidence from WAIPA-WBG's Joint Global Survey. Washington, DC: World Bank Group. https://documents1.worldbank.org/curated/en/499971594008431029/pdf/State-of-Investment-Promotion-Agencies-Evidence-from-WAIPA-WBG-s-Joint-Global-Survey.pdf

[31] UNCTAD (2007). Aftercare: A Core Function in Investment Promotion. Investment Advisory Series A, No. 1. Geneva: United Nations Conference on Trade and Development. https://unctad.org/system/files/official-document/iteipc20071_en.pdf

IPAs.[32] This asymmetry has implications for how inclusion outcomes are tracked and supported across the cycle, particularly in aftercare, where the long-term distributional effects of FDI on workers, suppliers and host communities become visible. IPAs also apply segmentation strategies to target specific sectors, activities or investor profiles. When designed with attention to GEDSI, segmentation can improve the visibility and participation of underrepresented groups across the cycle.

To analyse where exclusion arises across the FDI cycle and where institutional entry points exist for more inclusive outcomes, this report applies four interrelated lenses at each of the four stages. The lenses draw on established gender and inclusion analysis frameworks, adapted for the investment promotion context:

- **Access** refers to the ability of individuals, enterprises and communities to obtain the information, networks, skills and resources needed to benefit from FDI.
- **Agency** concerns the capacity of different actors to participate in and influence investment decisions, policies and processes.
- **Institutional norms** describe the formal and informal rules, incentives and practices that shape the behaviour of IPAs, investors and other public institutions.
- **Structural barriers** encompass the broader legal, economic and social systems that sustain inequality and limit participation in FDI-related opportunities.

The chapters that follow apply these lenses to each stage of the FDI cycle in turn, identifying where exclusion is generated and where it can be addressed.

GEDSI gaps and opportunities across the FDI cycle: Investment Promotion Stage

Investment promotion is a central function of most IPAs, and it does not take place in isolation. Effective promotion requires alignment with broader national and sectoral strategies that define a country's investment priorities and development objectives. These include national investment policies, industrial or sectoral strategies, sustainable development frameworks and regional commitments such as RIPAP. IPAs depend on broader policy direction, coordination and support from line ministries to deliver on these priorities.[33]

While mandates and institutional structures vary across geographies, most IPAs are tasked with positioning their country or region as an investment destination. The promotion stage is primarily concerned with building investor awareness, generating interest and marketing priority sectors through targeted outreach, campaigns and participation in industry events. Activities such as investment roadshows, trade fairs and promotional missions also contribute to investment attraction, illustrating that the lifecycle stages are best understood as analytical categories rather than strict sequential phases. Many activities serve multiple purposes depending on how they are designed and implemented.

[32] UNCTAD (2023b). Investment Promotion in LDCs: A Needs Assessment. IPA Observer No. 13. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/investment-promotion-ldcs-needs-assessment-ipa-observer-13

[33] ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

Increasingly, governments use geographically targeted investment promotion strategies, identifying specific regions or localities as priority zones for foreign investment and offering location-based incentives to attract investment to those areas.[34] Across OECD economies, two-thirds of countries specifically target remote or less-developed regions through their incentive regimes, reflecting the scale of regional disparities in investment: the top 10 per cent of regions attract on average 700 times more FDI than the bottom 10 per cent.[35] In ASEAN, the Philippine BOI maintains a list of less-developed areas (LDAs) eligible for additional incentives[36], while the Malaysian Investment Development Authority (MIDA) operates 12 regional offices across Malaysia in addition to its overseas network to target all regions.[37] Limited infrastructure and connectivity can constrain the attractiveness of priority locations. Geographic targeting can produce inclusive outcomes when designed with that aim, by linking investment to local supply chains, prioritising employment for residents, and tailoring incentives to community development outcomes. Part 2 returns to these incentive design choices.

Effective investment promotion shapes both the perception of investment opportunities and the types of investors that are ultimately drawn in. It determines whose projects are amplified, what kinds of business models are projected internationally and what narrative is presented about a country's development priorities. Integrating GEDSI considerations at this stage influences who is visible, who benefits and whose business models are perceived as credible and investable. Without attention to GEDSI, investment promotion can reinforce existing inequalities by favouring established, urban-based firms and overlooking enterprises led by women, persons with disabilities or underrepresented communities. GEDSI-sensitive investment promotion is essential to define what kinds of enterprises and development outcomes are positioned as part of a country's investment value proposition.

The following section identifies key gaps and barriers to GEDSI in the investment promotion stage by examining four dimensions: access, agency, institutional norms and structural barriers.

Access	Within investment promotion, access determines who is visible, included and positioned to benefit from FDI. It includes access to information, networks, promotional platforms, investor matchmaking events and capacity-building opportunities. These access points serve as the gateway through which enterprises become eligible for targeted outreach or entry into formal investment pipelines. Across priority sectors such as manufacturing, digital services, agribusiness, infrastructure and renewable energy, access to FDI opportunities is uneven. Many of these sectors require specialised technical knowledge, certifications and compliance with environmental or quality standards that can be difficult for smaller or less-resourced enterprises to meet. This is particularly evident in green transition sectors, where investors increasingly expect adherence to sustainability and reporting standards.[38] These standards are expanding beyond climate disclosure to encompass workforce composition, human rights due diligence and supply chain practices,

[34] OECD (2023b). Subnational Investment Promotion and Decentralisation in the OECD. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/ffd0927d-en
[35] OECD (2024). The Role of Incentives in Investment Promotion. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/e3338264-en
[36] Board of Investments of the Philippines. Less-Developed Areas (LDAs) Investment Priorities Plan. Manila: BOI. https://boi.gov.ph/
[37] Malaysian Investment Development Authority. About MIDA: Regional Offices. Kuala Lumpur: MIDA. https://www.mida.gov.my/
[38] UNCTAD (2023c). World Investment Report 2023: Investing in Sustainable Energy for All. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/world-investment-report-2023

	signalling that GEDSI-related dimensions are gradually becoming material to investor expectations rather than peripheral.[39, 40] Such requirements can create disproportionate barriers for women-led businesses, organisations of persons with disabilities and community-based enterprises, many of which operate at smaller scale and lack the finance, networks or technical capacity needed to meet investor expectations. Promotional efforts can be further skewed by the criteria used to select featured opportunities. Requirements such as minimum capital needs, large job creation potential or prior export experience unintentionally disadvantage smaller-scale actors, even when these actors generate strong environmental and social value. Centralised databases, elite business networks and a focus on high-growth firms leave many rural, informal and community-based ventures outside the promotional ecosystem. Language barriers and the lack of accessible formats for persons with disabilities further limit participation. Most investor-facing materials are prepared in dominant languages, without translation or adapted communication formats. As a result, large parts of the economy remain invisible to international investors, and the potential of green FDI to advance GEDSI is significantly narrowed.
Agency	Within investment promotion, agency refers to the ability of different groups to influence how investment narratives are constructed and which sectors, regions or business models are positioned as strategic. In practice, promotional strategies are developed by national institutions with limited consultation beyond government and large private-sector actors. Local communities, women's networks, youth organisations and organisations of persons with disabilities are rarely engaged in shaping investment priorities. This limited participation means that promotion efforts can reflect national ambitions but overlook local realities. High-tech, export-oriented and capital-intensive sectors are frequently prioritised without considering how they align with the resources, knowledge or needs of underrepresented communities. Decisions on what to promote and how to frame value propositions can affect land use, livelihoods and supply chains, yet those most affected are often excluded from dialogue. The absence of mechanisms to include diverse perspectives in investment promotion reinforces existing power structures and results in missed opportunities to promote local initiatives, build trust and identify new sectors with potential to advance GEDSI.
Institutional norms	Governments may not directly regulate investor behaviour on workplace gender equality, but they can shape norms and expectations through public messaging, policy instruments and incentive structures. National awards or recognition schemes can reinforce responsible investment practices and set standards for inclusion. Institutional norms at the investment promotion stage influence how IPAs define success, allocate resources and prioritise sectors. These norms are reflected in mandates, key performance indicators and internal incentives. In most ASEAN countries, investment promotion is assessed mainly by investment volume and job creation.[41] These metrics are important, but they rarely consider who benefits, how employment is distributed

[39] Global Reporting Initiative (2025). GRI Standards: Topic Standards 401-412 (Social Topics). Amsterdam: GRI. https://www.globalreporting.org/standards/

[40] European Commission (2022). Corporate Sustainability Reporting Directive (CSRD), Directive (EU) 2022/2464. Brussels: European Union. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022L2464

[41] OECD (2023a). Enabling Sustainable Investment in ASEAN. OECD Business and Finance Policy Papers, No. 23. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/eb34f287-en

	or whether investments contribute to long-term social outcomes. Few mechanisms exist to recognise or reward GEDSI-aligned business practices, and inclusion is not always viewed as an economic issue within investment governance. The pattern is wider than ASEAN. Data shows that across OECD economies, gender equality and social inclusion are not considered primary objectives behind investment incentive regimes.[42] Most agencies do not disaggregate performance data by gender, age, disability or location, making it difficult to assess whether their strategies reinforce inequalities or promote inclusive growth.[43] Qualitative indicators such as job quality, access to training and advancement opportunities for marginalised groups are often absent. Inclusion is still treated as an optional rather than integral component of investment promotion. Staff may lack training on how to assess inclusion impacts or support projects that advance GEDSI.
Structural Barriers	At the investment promotion stage, structural barriers determine who is in a position to benefit from visibility, outreach and investor interest. These barriers are not procedural but embedded in the broader legal, economic and social systems that shape business environments across the region. In many ASEAN countries, legal and regulatory systems make it difficult for women and persons with disabilities to meet the baseline requirements for engaging with IPAs. Business registration systems may require formal land titles, financial statements or proof of tax compliance, which many small and informal enterprises do not possess. This affects women disproportionately, as they are more likely to operate home-based or unregistered businesses. Persons with disabilities face additional barriers in accessing digital platforms, public offices and training sessions that form part of promotional outreach. The centralisation of investment promotion activities in capital cities further compounds the issue. Enterprises operating in secondary cities or rural regions are often excluded from promotional platforms, trade missions and matchmaking events. Some countries have addressed this through subnational presence. For example, the Philippine BOI has provincial coverage through the Department of Trade and Industry's regional offices, and MIDA operates 12 regional offices in Malaysia.[44] These mechanisms can create entry points for enterprises outside capital cities, although their reach and resources remain modest compared with national efforts. Investor-facing materials also often omit data on social and environmental value. Few IPAs present opportunities using indicators related to gender equality, disability inclusion or local community impact. This reinforces the message that GEDSI is not material to investment decisions and limits the visibility of projects that could align with investor expectations if appropriately framed.

[42] OECD (2024). The Role of Incentives in Investment Promotion. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/e3338264-en

[43] UNCTAD (2023a). Investment Promotion and its Impact on Gender Equality: Moving the Needle on SDG 5. IPA Observer No. 12. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/investment-promotion-and-its-impact-gender-equality-moving-needle-sdg-5

[44] Board of Investments of the Philippines. Less-Developed Areas (LDAs) Investment Priorities Plan. Manila: BOI. https://boi.gov.ph/; Malaysian Investment Development Authority (n.d.). About MIDA: Regional Offices. Kuala Lumpur: MIDA. https://www.mida.gov.my/

GEDSI gaps and opportunities across the FDI cycle: Investment Attraction Stage

Investment attraction is the stage of the FDI lifecycle where investor interest generated through promotion translates into concrete engagement. IPAs respond to inquiries, prepare sector-specific data and project briefings, develop project pipelines, run matchmaking, and support site visits and feasibility assessments. The work is transactional and project-specific as it bridges visibility and implementation by converting investor interest into commitment.

The quality and inclusiveness of engagement at this stage shape which investors enter the market, the standards they apply, and the types of projects they pursue. Integrating GEDSI considerations into attraction influences which investors are prioritised, what projects are considered strategic, and how expectations are framed around inclusion and sustainability. Without GEDSI considerations, investor screening and project selection tend to default to conventional metrics such as capital inflows, job numbers and export potential.

This stage also offers a structured opportunity to align investor priorities with national development objectives. Investor inquiries open a direct channel through which IPAs can communicate national expectations on inclusion alongside fiscal and sectoral priorities. The following section examines key gaps and barriers to GEDSI integration in the investment attraction stage across four dimensions: access, agency, institutional norms and structural barriers.

Access	At the attraction stage, access determines which enterprises are identified, supported and positioned as viable partners when foreign investors engage. Current targeting strategies favour large-scale, export-focused and capital-intensive firms with established networks, international certifications and the capacity to respond rapidly to investor requests. Enterprises led by women, persons with disabilities or community-based actors are frequently absent from the project pipelines and matchmaking pools that IPAs use to respond to investor inquiries. This exclusion is partly structural and partly informational. Few IPAs maintain disaggregated project databases that allow them to identify women-led, disability-led or community-based enterprises when a foreign investor expresses interest in a specific sector or value chain. Without searchable or segmented pipelines, IPA staff default to the firms they already know, which reinforces existing exclusion patterns.
Agency	Agency at the attraction stage refers to who participates in shaping investor engagement strategies, the screening criteria applied to incoming investors, and project selection. These decisions are typically centralised within ministries or national investment authorities. Women-led cooperatives, organisations of persons with disabilities and community-based networks are rarely included in screening or project selection, even when investors are interested in sectors where these groups are economically active. This matters in concrete terms. In ASEAN, agriculture is the largest source of informal employment, with services second, and the patterns vary by country.[45] Women in the region face higher exposure to informal employment in most low- and lower-middle income

[45] ASEAN Secretariat (2019). Regional Study on Informal Employment Statistics to Support Decent Work Promotion in ASEAN. Jakarta: ASEAN Secretariat. https://asean.org/wp-content/uploads/2021/08/Regional-Study-on-Informal-Employment-Statistics-to-Support-Decent-Work-Promotion-in-ASEAN.pdf

	countries, and are more often found in the most vulnerable employment situations.[46] In Asia and the Pacific, 472 million people of working age have a disability. Gaps relative to people without disabilities are large across labour force participation, employment-to-population ratios, and the share of workers in formal employment.[47] Where women are present in FDI-receiving sectors, gender pay gaps persist. In the garment, textile and footwear sector across nine developing Asian economies, including Cambodia, Indonesia, the Lao People's Democratic Republic, the Philippines, Thailand and Viet Nam, women earn on average around 18 per cent less than men in raw terms, and remain underrepresented in supervisory and management roles.[48] Sectors such as sustainable agriculture, renewable energy, waste management and eco-tourism, all of which are priorities for green FDI, are often rooted in local knowledge and labour-intensive models where women and persons with disabilities are already active. Screening and prioritising projects without considering these patterns limits the ability of FDI to generate positive impacts and to mitigate negative ones.
Institutional norms	Institutional norms at the attraction stage shape the criteria used to screen and prioritise investment leads. In most ASEAN countries, these norms emphasise short-term capital inflows, job creation and technology transfer.[49] These goals are important, but they are typically applied in ways that overlook the distributional effects of investment. GEDSI-sensitive screening criteria are rarely used. Investor screening frameworks do not commonly include questions about firm-level gender equality practices, disability inclusion in supply chains or community engagement. IPAs rarely require investors to outline their commitments to inclusion, nor are such commitments weighted in investor prioritisation. This pattern extends beyond ASEAN, as data shows that across OECD economies, gender equality and social inclusion are not considered primary objectives behind investment incentive regimes.[50] Few IPAs have internal guidelines or staff capacities to assess the inclusiveness of proposed investments. The absence of training, checklists or social impact indicators at the screening stage reinforces the perception that inclusion is not relevant when an investor first engages.
Structural Barriers	Structural barriers refer to systemic inequalities that affect which enterprises and communities are positioned to benefit from incoming investment. These include unequal access to land, finance, digital tools and infrastructure. At the attraction stage, such barriers determine who is ready to respond when IPA outreach connects with an interested investor, who can engage with foreign investors directly, and who is able to meet pre-screening requirements. Women-led and disability-inclusive enterprises often face multiple entry barriers, including limited early-stage financing to prepare investment

[46] ILO (2018). Women and Men in the Informal Economy: A Statistical Picture (Third Edition). Geneva: International Labour Organization. https://www.ilo.org/publications/women-and-men-informal-economy-statistical-picture-third-edition

[47] ESCAP (2021). Disability at a Glance 2021: The Shaping of Disability-Inclusive Employment in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/kp/2021/disability-glance-2021-shaping-disability-inclusive-employment-asia-and-pacific

[48] ILO (2022). Moving the Needle: Gender Equality and Decent Work in Asia's Garment Sector. Bangkok: International Labour Organization Regional Office for Asia and the Pacific. https://www.ilo.org/publications/moving-needle-gender-equality-and-decent-work-asia%E2%80%99s-garment-sector-0

[49] OECD (2023a). Enabling Sustainable Investment in ASEAN. OECD Business and Finance Policy Papers, No. 23. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/eb34f287-en

[50] OECD (2024). The Role of Incentives in Investment Promotion. Paris: Organisation for Economic Co-operation and Development. https://doi.org/10.1787/e3338264-en

proposals, lack of exposure to investor networks, and exclusion from the formal registries IPAs use to build project pipelines. Available evidence suggests women entrepreneurs are slightly more likely than men to prioritise sustainability and social impact in their business strategies [51], yet these business models are often undervalued in IPA evaluation criteria because they emphasise community benefit, environmental sustainability or informal employment rather than the metrics IPAs conventionally use. Where IPAs concentrate attraction efforts on industrial zones, special economic zones or urban hubs, enterprises in rural or remote areas are systematically overlooked. These spatial patterns of investment attraction reinforce existing development gaps.

GEDSI gaps and opportunities across the FDI cycle: Investment Facilitation Stage

Investment facilitation refers to the support provided to investors during the establishment and operation of their investments. It includes assistance with regulatory approvals, licensing, site development, permits and coordination with national and subnational agencies. Compared with promotion and attraction, which focus on generating interest and building investor pipelines, facilitation is process-oriented and centred on implementation. It requires sustained engagement with investors and regulatory institutions to ensure that administrative and logistical requirements are met.

The WTO's Investment Facilitation for Development (IFD) Agreement reflects growing recognition of the need for transparent, predictable and inclusive administrative processes. Section VI of the Agreement introduces novel WTO text on sustainable investment, including provisions on responsible business conduct and anti-corruption, affirming that facilitating investment and safeguarding sustainable development objectives are complementary rather than competing aims. [52] Eight ASEAN Member States are parties to the IFD Agreement, namely Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore and Thailand. Their participation underscores both the relevance of investment facilitation to regional development priorities and the importance of strengthening implementation at the national level. [53] At the facilitation stage, the question is where policy intent meets practice. Administrative procedures, infrastructure gaps and institutional practices may unintentionally exclude women-led enterprises, persons with disabilities and actors in rural or underserved areas. Integrating GEDSI considerations into facilitation helps ensure that systems, services and procedures are inclusive and responsive to diverse needs. It also creates opportunities to identify and address procedural barriers through continuous feedback and institutional learning.

[51] Global Entrepreneurship Monitor (2024). Women's Entrepreneurship Report 2023/24: Reshaping Economies and Communities. London: Global Entrepreneurship Research Association, London Business School. https://www.gemconsortium.org/report/202324-womens-entrepreneurship-report-reshaping-economies-and-communities-2

[52] World Trade Organization (2024a). Investment Facilitation for Development Agreement. Geneva: World Trade Organization. https://www.wto.org/english/tratop_e/invfac_public_e/invfac_intro_e.htm

[53] World Trade Organization (2024b). Joint Ministerial Declaration on the Investment Facilitation for Development Agreement. WT/MIN(24)/17/Rev.1, 29 February 2024. Geneva: World Trade Organization. https://www.wto.org/english/tratop_e/invfac_public_e/invfac_intro_e.htm

The following section examines key gaps and barriers to GEDSI integration in the investment facilitation stage across four dimensions: access, agency, institutional norms and structural barriers.

Access	At the facilitation stage, access refers to the ability to navigate the administrative and regulatory steps required to establish an investment. This includes securing permits, registering land use, meeting compliance requirements and engaging with government agencies. These processes are often centralised in one-stop centres or online platforms, yet they are not always designed with diverse users in mind. Women and persons with disabilities may face barriers that standard facilitation services do not address, including limited access to transport or childcare, absence of legal or financial documentation, and physical or digital inaccessibility of administrative systems. Transparent and predictable procedures alone are not sufficient if they are not also accessible and responsive to different user needs. Without targeted support and reasonable accommodation, these groups may be unable to complete the establishment process, even when their projects meet formal requirements and align with national development priorities. Online facilitation systems are expanding in many ASEAN countries. They improve efficiency for some users but often require high levels of digital literacy, internet access and proficiency in English or official national languages. Persons with disabilities may face difficulties with inaccessible digital forms. As IPAs adopt more sophisticated digital tools, including AI-assisted matchmaking, virtual site selection and big data analytics for investor targeting, the same access patterns are likely to reappear unless inclusion is built into platform design from the outset.[54, 55] Some ASEAN IPAs have used facilitation services to extend opportunity to local enterprises through supply chain linkage programmes. In Malaysia, MIDA's supply chain facilitation programme connects multinational and large local corporations with domestic suppliers through business matching, vendor development and capability building.[56] In April 2025, MIDA, the Federation of Malaysian Manufacturers and Bintang Capital Partners signed a Memorandum of Understanding to support the Bintang Semiconductor Impact Fund I, a MYR 200 million ($47 million) gender-lens fund investing in growth-stage semiconductor companies. The fund pursues carbon transition objectives and women's career development, applies B Corp certification standards, and uses a "carry-at-risk" model that ties carried interest to impact performance.[57] The case shows how supply chain facilitation can go beyond purely economic objectives to embed gender equality and environmental sustainability in supplier development.

[54] OECD (2021). Investment Promotion in the Digital Economy. Investment Insights, OECD/WBG/WAIPA. Paris: Organisation for Economic Co-operation and Development. https://www.oecd.org/en/publications/investment-insights-investment-promotion-digital-economy-oecd_5c840788-en.html

[55] UNCTAD (2022). The Digital Transformation of Investment Promotion Agencies. Geneva: United Nations Conference on Trade and Development. https://unctad.org/publication/digital-transformation-investment-promotion-agencies

[56] Malaysian Investment Development Authority. Supply Chain Facilitation Programme. Kuala Lumpur: MIDA. https://www.mida.gov.my/enhancing-supply-chain-sustainability-building-malaysian-global-companies/

[57] Malaysian Investment Development Authority (2025). MIDA, FMM, and Bintang Capital Unite to Transform Malaysia's Semiconductor Industry. Press release, 28 April 2025. Kuala Lumpur: MIDA. https://www.mida.gov.my/media-release/mida-fmm-and-bintang-capital-unite-to-transform-malaysias-semiconductor-industry/

Agency	Agency at the facilitation stage refers to who has a say in how investments are implemented and how facilitation services are structured. Most facilitation systems are designed to respond to investor needs. Few mechanisms exist for affected communities, women-led groups or organisations of persons with disabilities to participate in shaping these systems. This results in decision-making that reflects the priorities of large investors while overlooking how projects may affect or exclude underrepresented populations. The establishment of investment projects often intersects with land use, environmental impact and infrastructure development. These processes directly affect gender roles, disability access and community livelihoods. In many ASEAN Member States, consultation with affected communities is required through environmental and social impact assessments. The Philippines provides one example: under the Environmental Impact Statement System, investors are required to engage local communities and obtain clearances from relevant local government units before securing land permits. These processes help promote community participation and local awareness in investment decision-making. The standards are higher where Indigenous Peoples are affected. Under Article 32 of the United Nations Declaration on the Rights of Indigenous Peoples, States are required to consult and cooperate in good faith with the Indigenous Peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent (FPIC) prior to the approval of any project affecting their lands, territories and resources, particularly in connection with the development, utilisation or exploitation of mineral, water or other resources.[58] In ASEAN, there have been cases where Indigenous Peoples have been disproportionately affected by FDI in extractive industries, palm oil and large-scale infrastructure, where weak recognition of customary tenure and inconsistent application of FPIC have led to dispossession, displacement and environmental harm.[59, 60] For consultation to be genuinely inclusive, it must go beyond procedural compliance. This includes accessible information, translation into local languages, outreach to underrepresented groups and feedback loops that show how community inputs are reflected in final decisions. The lack of representation in site planning, infrastructure design or mitigation measures can have long-term effects. If women or persons with disabilities are not consulted during the design of new energy or transport infrastructure, their mobility, safety or economic participation may be affected. This stage presents an opportunity to institutionalise more participatory practices, not only for investor satisfaction but also for public accountability and long-term social benefit.
Institutional norms	Institutional norms at the facilitation stage reflect how public agencies interpret and implement rules, and how they prioritise different forms of support. Facilitation teams are typically measured by efficiency - how quickly licences are issued, how many steps are streamlined, how easily investors receive

[58] United Nations (2007). United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), Article 32. New York: United Nations General Assembly, A/RES/61/295. https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html

[59] Asia Indigenous Peoples Pact (2020). Extractive Industries and Energy Projects and Their Impacts on Indigenous Peoples in Asia. Chiang Mai: AIPP. https://aippnet.org/wp-content/uploads/2020/02/21.-AIPNEE-Briefing-Paper.pdf;

[60] ASEAN Working Group on Social Forestry (2022). ASEAN Guidelines on Recognition of Customary Tenure in Forested Landscape. Jakarta: ASEAN Secretariat. https://asean.org/wp-content/uploads/2022/11/12.-ASEAN-Guidelines-on-Recognition-of-Customary-Tenure-in-Forested-Landscape.pdf

	assistance. These metrics matter for reducing administrative burden, but they rarely include indicators on equity, accessibility or the diversity of those served. Frontline staff are often not trained to recognise or address barriers faced by women, persons with disabilities or other marginalise groups. There may be no protocol for offering accessible formats of information, no guidance on engaging with community leaders, and no flexibility in applying requirements that are difficult for smaller actors to meet. This is particularly relevant in green transition sectors, where investors are often entering new markets with novel technologies or business models. Without institutional capacity to accommodate diversity, facilitation services risk reinforcing exclusion and discouraging participation from those who may already be marginalised.
Structural Barriers	Structural barriers at the facilitation stage relate to broader legal, physical and procedural systems that shape who can establish and operate an investment. Many women-led and disability-led enterprises face constraints that go beyond paperwork, including lack of land ownership, limited access to finance and absence of formal recognition. Some countries require land titles or long-term leases as prerequisites for infrastructure permits, yet many women and persons with disabilities do not hold land in their own names due to legal or customary practices. FAO data show that men have greater ownership or secure tenure rights over agricultural land than women in 40 of 46 countries with available data, and that legal protections for women's land rights are weak in half of the countries reporting on the respective SDG indicator (indicator 5.a.2).[61] The infrastructure linked to new investments, including roads, energy connections and buildings, is often designed without universal access. This affects not only investors but also workers and communities meant to benefit from the project. Persons with disabilities may find that facilities are physically inaccessible. Women may face safety concerns in construction zones or transport routes that are not well lit or served by public systems. These design choices are made during the facilitation stage and can have lasting effects on who participates in and benefits from the investment. Green transition sectors often require technical expertise or standards that are not widely available in rural or underserved areas. Without targeted training or support, the requirements introduced at this stage may exclude local actors, deepen spatial inequality and limit the social reach of environmentally sustainable investments.

[61] FAO (2023). The Status of Women in Agrifood Systems. Rome: Food and Agriculture Organization of the United Nations. https://www.fao.org/documents/card/en/c/cc5343en

GEDSI gaps and opportunities across the FDI cycle: Investment Aftercare Stage

Investment aftercare refers to the support provided to investors after their operations have been established. Where promotion and attraction generate interest and convert it into commitment, and facilitation supports establishment, aftercare is concerned with sustaining investment and shaping its long-term development impact. It includes resolving operational challenges, facilitating expansion, encouraging reinvestment, connecting investors with local suppliers and training institutions, and gathering feedback to improve the investment climate. The principal purpose of aftercare is to build investor confidence and trust, retaining investors who reinvest and act as ambassadors for the host economy.[62]

Aftercare services fall into three overlapping categories. Administrative services help investors meet regulatory, licensing and compliance requirements. Operational services address ongoing needs, including workforce development, supplier integration, access to infrastructure and grievance management. Strategic services guide the long-term direction of firms by supporting diversification, innovation and capability development. UNCTAD estimates that reinvested earnings account for around 32 per cent of inward FDI globally, with some economies recording higher proportions.[63] Effective aftercare can turn initial projects into long-term partnerships that drive reinvestment, technology upgrading and deeper domestic linkages.

Aftercare is also where GEDSI commitments are tested in practice. Earlier stages of the FDI cycle set expectations on inclusion, employment quality and community benefit. Aftercare is where those commitments either get tracked or do not. The focus shifts from removing entry barriers to monitoring outcomes. That means asking whether the benefits of investment are equitably distributed, whether employment practices are fair and accessible, and whether reinvestment decisions reflect the needs of underrepresented groups.

The following section examines key gaps and barriers to GEDSI integration in the investment aftercare stage across four dimensions: access, agency, institutional norms and structural barriers.

Access	At the aftercare stage, access refers to the ability of investors and the workers, suppliers and communities connected to them to engage with government agencies after a project is established. Aftercare services typically prioritise larger investors, particularly those in strategic sectors or with reinvestment potential. Smaller firms, women-led enterprises and disability-inclusive businesses connected to FDI projects as suppliers or service providers often have less direct access to these channels. Most IPAs do not collect disaggregated data on who receives aftercare services, making it difficult to assess whose needs are being met and whose are not. Without intentional outreach and inclusive design, aftercare can reinforce existing exclusions rather than addressing them.

[62] ESCAP (2022). Handbook on Policies, Promotion and Facilitation of Foreign Direct Investment for Sustainable Development in Asia and the Pacific. Bangkok: United Nations Economic and Social Commission for Asia and the Pacific. https://www.unescap.org/sites/default/d8files/knowledge-products/FDI%20Handbook%202022%3D1%20%281%29_5.pdf

[63] UNCTAD (2007). Aftercare: A Core Function in Investment Promotion. Investment Advisory Series A, No. 1. Geneva: United Nations Conference on Trade and Development. https://unctad.org/system/files/official-document/iteipc20071_en.pdf

Agency	Agency at the aftercare stage concerns the ability of investors, workers and affected communities to provide feedback on investment performance, shape reinvestment decisions and influence ongoing engagement with institutions. Most aftercare services remain investor-facing, with limited opportunities for other stakeholders to participate. Workers, especially women, persons with disabilities and other marginalised groups, are rarely included in aftercare consultations. Few mechanisms exist to gather data on employment quality, retention, safety or career progression disaggregated by gender, disability or geography. This limits the ability of governments to assess whether investments are delivering equitable development outcomes over time. Aftercare programmes also often overlook the supply chain linkages and local partnerships through which underrepresented groups could benefit. Without consultation with local chambers of commerce, organisations of persons with disabilities or women's business associations, agencies risk missing the chance to align reinvestment with national development priorities.
Institutional norms	Institutional norms at the aftercare stage are shaped by performance metrics and internal mandates. In many ASEAN countries, IPA aftercare functions are measured by reinvestment volume, speed of issue resolution and investor satisfaction. Social and environmental dimensions are rarely integrated, creating a gap between national development goals and day-to-day IPA operations. Few agencies have guidance, tools or training on how to assess or support gender equality or disability inclusion in established investments. IPA staff often lack access to checklists on inclusive employment practices, frameworks to evaluate the accessibility of supplier engagement strategies, or surveys to assess inclusion within investor operations. Fragmented or decentralised aftercare structures make it difficult to align efforts and ensure consistent attention to GEDSI priorities. When responsibilities are divided across multiple institutions, integration requires strong coordination mechanisms and clear top-level direction to embed inclusion as a shared objective across the investment ecosystem. The absence of institutionalised monitoring limits accountability. Commitments made during the attraction or facilitation stages, such as job creation for women, training for local youth or local supplier integration, are rarely followed up. IPAs often collect projected social and economic outcomes during investor dialogues, yet few have systems to verify whether these outcomes are achieved. In many cases, the gap lies between dialogue and data. Some countries lack the capacity to collect or disaggregate information, while others have relevant data that is not shared between agencies responsible for policy and those collecting it. Without formal mechanisms to track and report on these results, governments cannot assess whether investment has delivered on its commitments or take corrective action to improve GEDSI outcomes.
Structural Barriers	Structural barriers at the aftercare stage reflect institutional and systemic conditions that limit which investors continue to receive support and who benefits from reinvestment. Aftercare is the most under-resourced of the four IPA functions.[64] This asymmetry has direct GEDSI consequences. With limited staff and budget, aftercare teams tend to focus on the highest-value or most active investors, leaving smaller actors, rural enterprises and supply chain

[64] UNCTAD (2007). Aftercare: A Core Function in Investment Promotion. Investment Advisory Series A, No. 1. Geneva: United Nations Conference on Trade and Development. https://unctad.org/system/files/official-document/iteipc20071_en.pdf

participants outside routine engagement. The same resource constraint makes it difficult to invest in the monitoring systems, training and partnerships needed to track inclusion outcomes systematically. Aftercare also rarely includes tailored support for navigating regulatory changes, accessing public programmes or adapting to evolving standards in green transition sectors. This affects enterprises and workers with fewer resources disproportionately, particularly in rural areas, where green sector transitions can introduce new technical requirements that small actors are not positioned to meet. Without targeted aftercare support, established firms with capacity advance, while smaller firms and the communities connected to them fall further behind. The structural under-resourcing of aftercare is therefore not only an efficiency question but a distributional one. It shapes who is supported and who is left to navigate without institutional backing. This is the point in the FDI cycle where the design of incentives, performance frameworks and monitoring systems can do the most to lock in inclusive outcomes, a theme returned to in Part 2.

Reflections on the gaps and the path forward

Part 1 has examined how GEDSI considerations interact with each stage of the FDI cycle in ASEAN, applying four diagnostic lenses (access, agency, institutional norms and structural barriers) to identify where exclusion is generated and where institutional entry points exist for more inclusive outcomes. The analysis is intended as a baseline rather than a prescriptive map, and the findings should be read as patterns where challenges are likely to arise rather than as uniform results across all AMS.

Several cross-cutting findings stand out. GEDSI gaps cluster around four issues that recur at every stage of the cycle:

1. who is visible in the pipelines and matchmaking pools that IPAs use;
2. who has a voice in how investment priorities;
3. screening criteria and facilitation systems are designed;
4. what is measured when IPAs assess success; and whether commitments made early in the cycle are tracked through to delivery.

These four issues map closely to the four diagnostic lenses, but they reappear in different forms at each stage, which is what makes the cycle the right level of analysis. A change at any single stage can be undone if upstream and downstream stages remain unchanged.
The analysis also surfaces stage-specific entry points where IPA practice can shift toward more inclusive outcomes.

At the promotion stage, the practical entry points include adapting investment promotion materials and roadshows to feature diverse enterprises and social impact alongside financial metrics, building partnerships with women's business associations and organisations of persons with disabilities to extend the reach of promotion beyond established firms in capital cities, and reforming IPA performance frameworks to include qualitative as well as quantitative indicators on inclusion. Geographically targeted promotion, supported by location-based incentives, can also be designed with GEDSI considerations in mind to extend benefits to less-developed regions where marginalised communities are often concentrated.

At the attraction stage, the entry points centre on expanding investor screening frameworks to include inclusion-related criteria such as gender equality policies, disability inclusion policies, local hiring practices and community partnerships. Pre-screening support services and targeted matchmaking can connect socially responsible investors with enterprises led by or benefiting marginalised groups. The data foundation matters here. Disaggregated project pipelines allow IPA staff to identify women-led, disability-led and community-based enterprises when investor interest emerges in a sector or value chain, rather than defaulting to the firms they already know.

At the facilitation stage, the entry points include developing facilitation guidelines that incorporate accessibility standards and gender-responsive service protocols for frontline IPA staff, adapting digital facilitation platforms to meet universal design principles, and embedding GEDSI elements into environmental and social impact assessment procedures. Supply chain linkage programmes that connect investors with domestic enterprises can be designed to extend opportunity to women-led, disability-led and community-based suppliers. Infrastructure linked to investment projects

should adhere to universal access standards, ideally with the participation of women and persons with disabilities in design decisions.

At the aftercare stage, the entry points include developing national aftercare strategies that explicitly integrate GEDSI alongside reinvestment and competitiveness objectives. Multi-stakeholder reviews involving women's groups, organisations of persons with disabilities and local community actors can support post-establishment monitoring. Institutionalising follow-up on commitments made earlier in the cycle, including employment targets, training programmes and community benefit agreements, is a central finding of the report. Aftercare is the moment when GEDSI commitments either become real or fade. Closing the data gap, through GEDSI-sensitive aftercare monitoring tools and disaggregated reporting, is the foundation for everything else at this stage.

The range of entry points is wider than any single instrument. Mandates, performance frameworks, monitoring systems, consultation processes, partnerships, capacity building, infrastructure design and incentive structures all contribute, and several need to advance in parallel for tangible change to occur. IPAs are not expected to act on all fronts simultaneously. The entry points nevertheless span the institutional system as a whole, and a coordinated approach is more likely to deliver results than action taken at any single point.

Part 2 takes one of these levers forward in depth. Starting with incentive design as one direct point where investment policy and IPA practice intersect, the second part of this series examines how investment incentives can be structured to support inclusion across the investment cycle. Incentives are not the whole agenda. They sit alongside the other instruments identified here, and the analytical case for working on each is established in Part 1. The choice to focus on incentive design in Part 2 reflects both the gap in current practice, where green and climate FDI incentives have advanced while GEDSI-aligned incentive design has not, and the leverage that thoughtful incentive design can carry across promotion, attraction, facilitation and aftercare. Addressing the broader institutional reforms named in Part 1 will require sustained work across multiple instruments and institutions, of which incentive design is one important piece.

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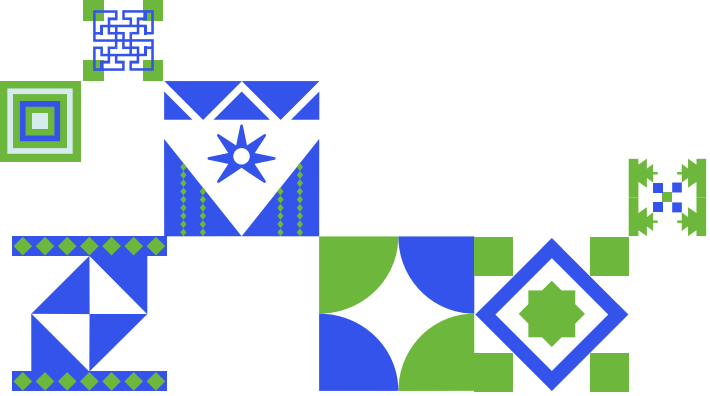
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