UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

INVESTMENT POLICY REVIEW

IMPLEMENTATION REPORTS

LESSONS LEARNED

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IMPLEMENTATION REPORTS
LESSONS LEARNED

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THE INVESTMENT POLICY REVIEW – A MULTI-STAGE PROCESS

The initial report – the Investment Policy Review

To support developing countries in their efforts to diversify their economies, attract higher levels of FDI and promote sustainable development, UNCTAD conducts diagnostic studies of the legal, regulatory, institutional and operational environment for investment: the Investment Policy Review (IPR). The IPR programme has been running since 1999 and has so far covered 49 economies, including a regional review.[1] The income level of the countries reviewed range from least developed countries (LDCs), such as Benin, with per capita GDP of less than a $1000, to upper middle-income economies, such as Mauritius, with per capita GDP of almost $10,000.

The development challenges faced by the countries are therefore highly varied. The reviews contain country-specific and concrete recommendations on how to improve the investment climate in order to put in place a sound regulatory framework and encourage greater, and better-quality investment inflows. The reviews usually include an action plan that spells out short, medium and long-term objectives tailored to the specific needs of the country. The IPRs focus on the key development sectors most relevant to the country. They may therefore cover a broad variety of sectors, including investment in agriculture, mining, manufacturing, financial services, tourism and infrastructure, among others.

IPR-recipient countries across different regions have experienced marked increases in FDI inflows in the post-review stage. While these increases partly reflect the ongoing internationalization of production, they were also driven by a greater openness towards foreign investment and, importantly, by an improved investment framework derived from effective national reforms aligned with IPR recommendations. Since the introduction of UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD), all IPRs are conducted with reference to the framework's guiding principles.

The framework underpins the reviews' contribution to the Sustainable Development Goals (SDGs) in the countries that are benefiting from the programme.[2]

Follow-up assistance and the Implementation Report

Following an IPR, UNCTAD and frequently also partner organizations involved in the report, such as the United Nations Development Programme (UNDP) or the World Bank, provide short to medium-term technical assistance to help countries implement the report's recommendations. Some years after the completion of the review, and at the request of the reviewed country, UNCTAD assesses the implementation of the IPR's recommendations and makes proposals for further and longer-term technical assistance. The Implementation Report presented to the government evaluates the country's implementation rate of the IPR recommendations and reflects any strategic changes in development policy made by the government.

UNCTAD has so far conducted Implementation Reports for 15 countries, which are the specific focus of this paper. They provide a panel of IPR countries, with the first Implementation Report published in 2006 and the most recent one in 2017. The countries in question represent a wide range of development experiences, and economic and political conditions, including post-conflict countries and least developed countries (LDCs). These countries are: Benin, Botswana, Colombia, the Dominican Republic, Egypt, Ethiopia, Ghana, Kenya, Lesotho, Mauritius, Morocco, Rwanda, the United Republic of Tanzania, Uganda and Zambia. They are referred to as "Beneficiary countries or economies" in this paper.

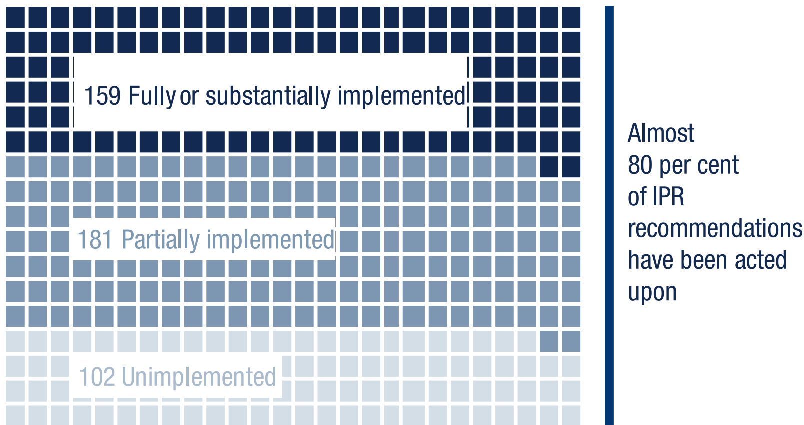
IPR IMPLEMENTATION RATES

Countries have shown a commitment to reform

Beneficiary countries have been active reformers, with all 15 countries fully, substantially or partially implementing almost 80 per cent of the recommendations contained in their IPR. In some economies, this figure rises to 96 per cent. Given that almost half of the Implementation Reports were published more than four years ago, the total number of implemented reforms is likely to be higher today (figure 1).

But the nature of recommendations varies from country to country. Some recommendations implied long-term institutional changes requiring political commitment and financial resources; others proposed legal and regulatory changes that might have been relatively easier to implement. It is also important to acknowledge the impact of shocks that might have disrupted the reform process, such as political instability or economic downturns, or the dynamic and evolving nature of investment policymaking.

Figure 1.
Beneficiary countries have made efforts to implement 340 of 442 total recommendations



Source: UNCTAD
Note: One square = one recommendation

Another indicator of countries' commitment to reform is their progress in international business rankings, which assess the operational environment for the private sector.[3] Two-thirds of the 15 Beneficiary economies have featured among the top ten reformers in the Doing Business rankings since 2006. Of these, six economies featured in multiple years. The rankings also provide an index of countries' distance from best regulatory practice among all economies and across time – called the distance to frontier score. Of the 15 Beneficiary economies, 13 improved their distance to frontier score by an average of 5.37 points, propelling the average score of all 15 economies from the fifth to the fourth decile of all economies globally between 2010 – the first year for which comparable data is available – and 2018.

FDI TRENDS IN BENEFICIARY COUNTRIES, BEFORE AND AFTER THE IPR

An increase in foreign investment accompanies policy reforms

As mentioned above, it is difficult to assess the statistical relationship between the implementation of an IPR's recommendations and an increase in FDI flows, although this is one of the principle objectives of the requesting country. Another objective of the review is to improve the quality of FDI and ensure that it contributes more effectively to sustainable development. In this respect, countries could experience a decline in flows but an improvement in the development impact of FDI and the operations of investors. Nevertheless, all 15 of the Beneficiary countries saw their average annual FDI inflows increase by 206 per cent in the five years following the IPR compared to average annual inflows in the five years before the IPR (figure 2 – for individual country trends, see annex 2).

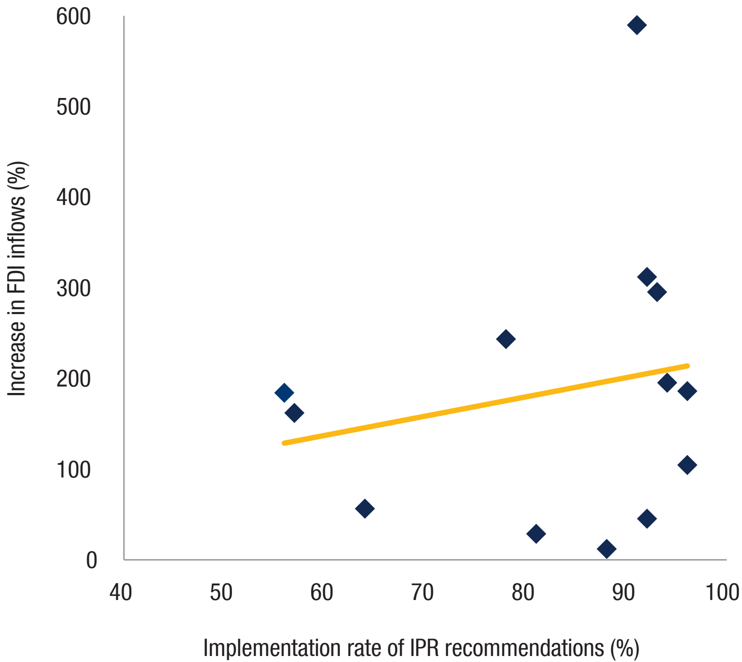
Figure 2.
Average annual FDI inflows more than tripled in IPR countries

Source: UNCTAD
Notes: Average annual flows for the 15 Beneficiary economies. The post-IPR average is calculated from three years after the publication of the IPR to allow for a minimum of implementation time.

It would be difficult to compare the FDI performance of the 15 Beneficiary countries, which range widely in geographic location, income level and political context, against a similar panel of economies that had not received an IPR. But within the group of 15 economies, it is possible to discern a positive relationship between the increase in FDI flows and the rate of implementation of IPR recommendations: that is, countries that implemented more, experienced a greater increase in FDI (figure 3). Strikingly, the World Investment Report 2018 showed that, on average, FDI flows to the 15 Implementation Report countries rose by 29 per cent between 2016 and 2017,

compared with a 23 per cent drop globally. Out of the 15 countries, 10 of them experienced a rise in FDI.[4] Also, while FDI flows to Africa declined by 21 per cent overall, in the African countries included in this study they rose, on average, by 21 per cent.

Figure 3.
A positive relationship between implementation rates and FDI inflows in IPR countries



Source: UNCTAD
Notes: Analysis based on 13/15 Implementation Report countries: Colombia and Ghana were removed from the analysis because their FDI attraction increased by 3500 per cent and 1600 per cent respectively, effectively making them outliers. The increase in FDI inflows is measured as the pre-IPR 5-year average over the post-IPR 5-year average.

LESSONS LEARNED

The following analysis is based on the experience of the 15 Implementation Report countries. It is important to underline that no single model emerged from these economies' application of the IPR and that each of them ultimately approached the IPR with sensitivity to the specific conditions of their own economic and social context. Having said this, the 15 economies do exhibit some commonalities with respect to the implementation of recommendations, both in terms of what they did and how they did it. This can be instructive for other countries seeking to improve their business climate and attract foreign investment.

Most countries followed a common approach which, in general terms, involved different features. First, most Implementation Report economies created or acted upon a pre-existing investment strategy and/or development plan. Second, countries devoted resources and attention to institutional capacity and support in the areas of investment attraction and business facilitation. Third, regulatory reform was instrumental to business climate improvements. And fourth, most countries made efforts to address infrastructure gaps and skills shortages in order to attract more FDI of the type which could assist in diversifying their economies.

1. Strategic investment attraction requires commitment at the highest level of government

In common with many developing economies, most of the 15 Implementation Report countries have a development plan which sets out targets for economic development and diversification. Several economies have also instituted strategic investment policy documents to support their development plans through FDI. In several cases, the IPR recommended the formulation of an investment policy, which comprehensively sets out the government's framework on investment, as in the case of Benin, Kenya and Lesotho. The process of defining a policy can galvanize and sensitize the various stakeholders involved in investment attraction. It can also foster coordination where disparate policies and laws under different ministries and agencies have been passed but not implemented, and consequently remain ineffective.

Drive and vision to foster reforms need to be in place within the Beneficiary government at a high, if not the highest, level. The institutional response is most commonly located in one of two places: either at the cabinet level, reporting directly to the Head of State or government, or in the investment promotion agency (IPA), often with a direct link to the Head of State or government. Both scenarios reveal the importance of a direct line of communication with the executive authority, as in the case of Uganda. Some countries, such as Botswana, Kenya, Mauritius and Morocco, have also established a specialized task force with a mandate to attract foreign investment and improve the investment regime. They have support from the highest level of government and can coordinate reforms across ministries and other associated institutions.

2. Institutional capacity is key to translating vision into results

The institutional response to the IPR is decisive for the success of its recommendations. All Implementation Report countries are distinguished by a strong IPA or have taken measures to strengthen their IPA following the review stage. For example, in 2014, Botswana established business facilitation services, including an online portal, within its national IPA, the Botswana Investment and Trade Centre. The Centre also works with its diplomatic missions abroad to target investors and promote investment opportunities. Several countries, such as Colombia and Egypt, have also strengthened their investment promotion institutions, by removing regulatory functions, and restructuring their agencies to equip them for professional investor targeting.

As IPAs mature, they also move beyond purely promotional activities and develop a range of other investor services. Among these, countries, such as the Dominican Republic, Ethiopia, Rwanda, the United Republic of Tanzania, and Zambia, have successfully implemented aftercare services to help retain long-term investors who are likely to reinvest in the economy.[5] In the Dominican Republic, additional resources were put into hiring more staff with private sector experience to help with the development of aftercare services. Outward investment promotion activities also become more relevant as the private sector grows and domestic (and foreign affiliates) look abroad. In Colombia, the IPA helped position the country as a regional export hub and now supports outward investment by Colombian firms and affiliates.

Another important area of institutional capacity common to Implementation Report countries is the adoption of a competition framework, including the creation or strengthening of a competition agency. Many countries have introduced efficient and effective competition frameworks, including not only a competition law, but also, importantly, an independent authority to enforce it. Colombia's competition authority has put an emphasis on good governance and corporate social responsibility, thereby helping to facilitate the contribution of FDI to sustainable development objectives. Kenya, Mauritius, Rwanda, Uganda, the United Republic of Tanzania, and Zambia have also introduced reforms to strengthen their competition regime and/or introduce independent regulatory bodies.

Often, the development of institutional capacity in Implementation Report countries has been helped by the advocacy activities of the IPA within government. Several IPAs have successfully lobbied for more resources as well as for key reforms that could positively impact the investment climate. One lesson in this respect is the collection of data on FDI attraction and specific projects to show the added value of, for example, an IPA's activities. Good data collection is not only useful for advocacy purposes but is also essential for investor targeting, aftercare and evaluation: Morocco and Mauritius have both developed customer relationship management systems to ensure the quality of their data and track investments.

3. Regulation and facilitation go hand in hand

One of the key challenges for policymakers is how to balance the rights and obligations of States and investors in the interest of development for all. Getting the right balance is key to successful investment policymaking. Over many years and based on repeated interactions with member States through the IPRs and other technical assistance, UNCTAD has collected findings on key investment policy issues, which it has distilled into its Investment Policy Framework for Sustainable Development – IPFSD – for countries. Several regulatory reforms implemented by Implementation Report countries largely correspond with UNCTAD's investment policy framework and with global best practice on investment regulation. Among these, a few are highlighted below.

A common area of reform for Implementation Report countries is the scope of ownership restrictions and entry limitations. UNCTAD findings show that ownership restrictions or limitations on the entry of foreign investment should be justified by legitimate national policy objectives, and not be influenced by special interests. As frequently recommended in IPRs, limitations and restrictions on investment in national laws should be clearly specified in a published list and should also be devised efficiently, and periodically reviewed. The experience of Implementation Report countries shows that negative lists, clarifying sectoral restrictions on FDI, are more transparent tools than positive lists that cite only open sectors. Among the countries that formalized a negative list approach to FDI entry are Botswana and Colombia.

With regards to their treatment and protection, foreign investors should not be discriminated against vis-à-vis national investors in the post-establishment phase and with regard to the enforcement of contracts. Also, the Implementation Reports generally recommended a more effective use of alternative dispute resolution (ADR) mechanisms, in addition to the enhanced commercial specialization of national courts and longer-term judiciary reforms. Colombia, Kenya, the United Republic of Tanzania, and Zambia have made great strides to modernize the judiciary and improve case administration, while Morocco stands out in reforms to enhance the use of ADR.

Another common area of reform revolves around business facilitation measures to speed up business operations and reduce costs.[6] One-stop shops, particularly web-based portals and online business registration processes, have proved particularly effective, as they provide access to administrative systems in real-time at low cost, reducing the possibilities for rent-seeking, increasing accountability and introducing an evaluation mechanism to help improve service delivery. E-Government services for the registration of land titles and online cadastres can also facilitate business operations and improve transparency. UNCTAD's eRegulations programme, which contributes to the IPR process, has mapped and streamlined business procedures in over 30 countries around the world, eight of which are Implementation Report economies. After introducing the eRegulations system, the United Republic of Tanzania reduced the number of steps needed to create a company from 20 to two and the time it took from 30 days to a

maximum of 10. Similarly, in Benin, it now takes only two days to register a business, and only one day in Zambia. Kenya eliminated 70 per cent of business licences, simplified remaining ones, and published clear guidelines on obtaining them. Ghana streamlined land administration and introduced a land bank portal to ease land identification and access.

Likewise, automated customs procedures can improve trade facilitation and reduce the costs of trade – a big concern for export-oriented investors and local businesses. UNCTAD's automated customs administration system (ASYCUDA) is used in over 90 countries and territories, eight of which are Implementation Report economies. Benin introduced the ASYCUDA system in the Port of Cotonou, which has contributed to the development of its port infrastructure. And landlocked Lesotho, which faces significant trade costs, managed to ease business facilitation with the introduction of ASYCUDA. The simplification of procedures fosters business registrations and trade, and stimulates business formalization, which in turn contributes to increased fiscal and customs revenues, and better government services and infrastructure.

A recurring regulatory challenge in all Implementation Report countries was fiscal reform. IPRs do not seek to recommend a specific level of tax and try to discourage beneficiaries from engaging in a harmful race to the bottom. Recommendations to countries therefore follow the principles of simplification (reducing the number of different corporate taxes and procedures), non-discrimination (between domestic and foreign firms), and the rationalization of special regimes and tax incentives, which are more effective if performance-based, time limited, and if their costs and benefits can be assessed. In this area, Mauritius stands out for simplifying the tax regime and reducing the number of incentive schemes, with a positive impact on tax revenue and administration. Botswana reduced its corporate income tax rate from 25 to 22 per cent, and avoided a proliferation of special rates, making fiscal compliance simple and transparent. In Zambia, incentive schemes were rationalized to encourage investment in a few strategic sectors. Similarly, Colombia introduced tax incentives linked to an investor's propensity to invest in research and development.

Labour and environmental legislation can determine the impact of investment on sustainable development. While labour market flexibility is important for investor attraction, it is not the main determinant. It is essential that countries adopt clear procedures for hiring personnel and termination of labour contracts and, at the same time, promote labour protection and rights, including paid leave, maternity benefits, freedom of association, collective bargaining, and dispute settlement mechanisms when implementing labour market reforms. In this area, countries such as Ghana and Kenya revised their labour legislation to introduce more effective labour dispute settlement frameworks. The IPR also examines environmental regulations to ensure that an effective framework to minimize the negative environmental impact of investment exists. This includes the design and implementation of adequate environmental impact assessments of investment projects and efficient monitoring regimes to ensure compliance with regulations. Among Beneficiary countries, the Dominican Republic carried out significant reforms in this area, and increased the human and technical capacities of the environmental evaluation unit.

4. Infrastructure gaps and skills shortages hinder FDI and economic diversification

Competition for FDI is increasing as countries become more sophisticated in their investment promotion efforts and as global FDI inflows languish below their pre-financial crisis average.[7] Attracting and benefiting from investment, especially the type that contributes to sustainable development, is a function of several variables, including the policy environment, political stability, market size and, critically, the quality of infrastructure and skills.

Beyond public investments in infrastructure, several Beneficiary countries have sought to leverage private investment in selected infrastructure projects through the use of public-private partnerships (PPPs), particularly in the energy and telecommunications sectors. To ensure the success of this form of private finance and protect the public interest, countries have had to establish a robust legal framework, through an adequate PPP law, and develop administrative capacity in the area of tendering and contracting. In Colombia, a PPP law was implemented and the National Infrastructure Agency (API) was strengthened to improve its capacity to evaluate, prepare and put out to tender PPP projects. The increasing use of private finance in the electricity industry in Zambia and the reduction in licensing fees for telecoms required the introduction of regulatory bodies in both the energy and communications sectors, which has helped improve the transparency of pricing. Kenya, which has also seen a substantial influx of private investment in infrastructure, introduced a benchmarking tool to measure its progress and the quality of its infrastructure against South Africa.[8]

When it comes to addressing skills shortages in Beneficiary countries, one message stands out: public spending on education is essential but its effects take time to impact the labour market. Effective regulatory changes are also needed in the short term to remedy skill mismatches and make up for shortfalls in the quality and relevance of education. Botswana, for example, spends nine per cent of its GDP on education – one of the highest rates in the world – but the skills developed are not always aligned with the requirements of the labour market. Skills needs assessments and the simplification of procedures in sectors with acute shortages could prove useful. Together with active diffusion policies, such an approach could ensure that the requisite expertise is transferred to the local workforce. Several countries were reluctant to revise the labour and migration rules that could facilitate the entry of scarce skills – perhaps because of the political sensitivities in many countries surrounding migration. However, in the case of Rwanda, the IPR proposed a Skills Attraction and Dissemination Programme which aimed to fill gaps in technical, managerial, entrepreneurial and professional skills not easily closed by the formal education system. A revised expatriate employee scheme was proposed to ensure employers have access to the skills they need whilst simultaneously making permits conditional to prevent abuse, such as minimum capital requirements and the introduction of training and localization obligations.

Beyond general education, technical and vocational education and training (TVET) should also receive emphasis. In Kenya, while the entry and employment regime for foreigners remains a bottleneck, investment in skills upgrading and TVET has been successful. Mauritius established the Human Resources Development Council to ensure that skills development keeps pace with private sector needs and actively promotes TVET. In Lesotho, two skills centres were established for the apparel and textile industry, managed by a combination of industry and government representatives.

In addition to the role that foreign firms can play in training and transferring knowledge, most of the 15 Beneficiary economies have also been successful at encouraging links between foreign investors and local firms to further leverage the impact of FDI on the local economy. This has been achieved through a combination of policy change and institutional support. For example, the United Republic of Tanzania, and Zambia introduced proactive programmes to support linkages between foreign investors and the domestic private sector. Other means to support linkages, such as government procurement preferences, have proved less effective in the absence of sufficient domestic capacities: to be fully effective, business linkages need a local private sector that has reached a minimum level of development.

CONCLUSION AND NEXT STEPS

To summarize, the 15 Beneficiary countries have a strong record of implementation of IPR recommendations. Associated with this, all 15 economies have experienced average annual increases in their FDI inflows following the IPR – in the region of three times their pre-IPR average. And countries with a higher rate of implementation tended to attract more FDI. In addition to this, almost all Beneficiary economies have improved their business environment.

The main catalyst for business climate improvements and FDI growth has been institutional change and the commitment and vision of staff in agencies that work with foreign investors, in particular strong and dynamic IPAs. Regulatory reform, both of the general regulatory framework and of FDI-specific regulations, as well as the adoption of business facilitation tools have been further catalysts for these improvements. Linked to this, have been the 15 Beneficiary countries' investment promotion and facilitation efforts, to which a chapter of every IPR is generally dedicated. This involved infrastructure upgrading and addressing the critical issue of skills, as well as the careful targeting of investors, the use of online tools to facilitate investment, the intelligent use of incentives, and policies to encourage linkages.[9] All these factors typify Beneficiary countries and helped the majority of them become investment success stories, not only by attracting higher average annual levels of FDI but, equally importantly, by ensuring that FDI contributes to their development objectives.

The world has changed considerably since 2008 – the year of the most recent IPR for which an implementation report was conducted (see annex 1). New challenges have come to dominate the national and international development agendas, and they bear significant impact on investment policymaking for all countries. One of the challenges, related to the adoption of the SDGs, is how to find the means and identify the policy levers to attain them, as well as assess progress towards their implementation. A second challenge is how to participate in the new industrial revolution, addressing the costs and opportunities related to the increasing automation and robotization of manufacturing and services activities, as well as the transformational impact on economic and social development.

UNCTAD first made the link between investment and the SDGs in its *World Investment Report 2014*.[10] Estimations contained in the Report showed that the gap between the current levels of investment and those needed to attain the SDGs was $2.5 trillion annually in developing countries alone. The Report proposed the *Action Plan for Investing in the SDGs* to channel global investment into the sectors most relevant to the SDGs, such as infrastructure and agriculture, and to maximise its contribution to sustainable development. In addition to the Action Plan, UNCTAD also uses a practical framework to help countries align their investment policy with their development objectives: the Investment Policy Framework for Sustainable Development (IPFSD).

The IPR programme is at the sharp end of translating both the Action Plan and the IPFSD into government policies and actions at the national and sub-national levels that have a direct impact on the SDGs (see the box).

In 2018, UNCTAD also examined the resurgence of industrial policy across the world and the way countries are using it to adapt to changing economic and technological processes.[11] The analysis found that a crucial condition for successful industrial policies is effective interaction with investment policies. Countries need to ensure that their investment policy instruments are adequate to addressing these new challenges, including by reorienting investment incentives, modernizing special economic zones, retooling investment promotion and facilitation, and designing smart foreign investment entry mechanisms – all of which typify the 15 Beneficiary countries. The new industrial revolution, in particular, requires a strategic review of investment policies for industrial development.

IPRs and the Implementation Reports already make an assessment of how FDI contributes to development in countries as well as how well investment and other policies, including industrial policy, interact. The Implementation Reports offer a sound methodology for assessing the progress of a country against its own benchmark (the initial IPR) and against regional comparators on all areas of the investment climate and its impact on development. Looking ahead, it would therefore be feasible to use the IPR programme as a mechanism for evaluating progress towards a number of relevant SDG-related investment targets, and such a dimension could be integrated into the initial review as well as the Implementation Report.

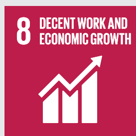
The attraction of FDI is not an end in itself but a way of accelerating the development process and securing benefits associated with the presence of foreign companies and global value chains. The approach and format of the IPRs have helped Beneficiary countries to secure these benefits and have arguably accelerated development through foreign investment and private sector development. Governments now face new challenges and opportunities, including the attainment of the SDGs and how to respond to rapidly changing modes of production that require an agile policy response. Since its inception in 1999, the IPR programme has adapted its content, structure and process to reflect new investment trends and thinking, to improve its relevance as well as provide follow-up support. For the next decade, UNCTAD looks forward to continuing its technical assistance work with developing countries on the role of FDI for development, as the Investment Policy Review programme further evolves to meet the requirements of the 2030 Development Agenda and the new industrial revolution.

Box.

Sustainable Development Goals and Investment Policy Reviews

Consistent with the SDGs, IPRs encourage official development assistance and investment in countries where needs are greatest. The IPR recommendations are in line with countries' national development plans and focus on key development sectors, including agriculture, mining, manufacturing, tourism and infrastructure. By helping countries in this manner, the IPR programme contributes to:

SDG 1 target b: "*to create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions*"



SDG 8 target 2: to "*achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors*"

SDG 10 target b: "*to encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes*"

SDG 17 target 3: "*to mobilize additional financial resources for developing countries from multiple sources*".

Source: UNCTAD

NOTES

1. A full list of beneficiary countries can be found in annex 1.

2. The IPFSD provides guidance for policymakers based on UNCTAD's extensive research and analysis, including IPRs, the World Investment Report and its work on international investment agreements (IIAs). The Framework consists of a set of core principles for investment policymaking, guidelines on national investment policies and the design and use of IIAs. The IPFSD policy recommendations embed sustainable development principles, which help harness investment policy to Agenda 2030 and its set of SDGs. See UNCTAD (2015). *Investment Policy Framework for Sustainable Development. United Nations: New York and Geneva.*

3. Governance and business-related indices from several organizations abound. Despite the inadequacies and limitations intrinsic to such indices and rankings, their publication means that countries are exposed to global scrutiny to an unprecedented extent. Most countries have internalized the need for quality regulations but what remains problematic, most of the time, is proper implementation. UNCTAD's advice has been to prioritize reforms, not chasing a higher ranking but more effective regulations, as well as their implementation. For more information see, for example: UNCTAD (2011). *Investment Policy Reviews: Shaping Investment Policies around the world. United Nations: New York and Geneva.*

4. See UNCTAD (2018). *World Investment Report 2018: Investment and New Industrial Policies*. United Nations: New York and Geneva.

5. An UNCTAD study found that more than 30 per cent of FDI in developing countries is reinvestment by existing investors; in developed countries reinvestment linked to the existing investment base can, in certain periods, account for up to 70 per cent of FDI. UNCTAD (2007). "Aftercare: a core function in investment promotion". *Investment Advisory Series A*, number 1. United Nations: New York and Geneva.

6. To guide policymakers on options for successful investment facilitation, UNCTAD has prepared a Global Action Menu, available at: http://investmentpolicyhub.unctad.org/Publications/Details/148

7. See UNCTAD (2018). *World Investment Report 2018: Investment and New Industrial Policies*. United Nations: New York and Geneva.

8. See UNCTAD's Investment Policy Hub for more details on IPR beneficiary country experiences with PPPs at: goo.gl/zC79Na

9. UNCTAD has prepared a comprehensive series of advisory studies, available at goo.gl/RWCHbw for more information on these and other aspects of investment promotion.

10. See UNCTAD (2014). *World Investment Report 2014: Investing in the SDGs – an Action Plan*. United Nations: New York and Geneva.

11. See UNCTAD (2018). *World Investment Report 2018: Investment and New Industrial Policies*. United Nations: New York and Geneva.

ANNEX 1. LIST OF IPRs AND IMPLEMENTATION REPORTS

46 IPRs (YEAR), 15 IMPLEMENTATION REPORTS [YEAR] – 49 ECONOMIES BENEFITTING FROM IPR WORK

Egypt (1999), [2006]

Uzbekistan (1999)

Uganda (2000), [2007]

Peru (2000)

Mauritius (2001), [2017]

Ecuador (2001)

Ethiopia (2002), [2011]

United Republic of Tanzania (2002), [2011]

Botswana (2003), [2016]

Ghana (2003), [2010]

Lesotho (2003), [2014]

Nepal (2003)

Sri Lanka (2004)

Algeria (2004)

Benin (2005), [2016]

Kenya (2005), [2013]

Colombia (2006), [2014]

Rwanda (2006), [2012]

Zambia (2007), [2014]

Morocco (2008), [2015]

Viet Nam (2008)

Dominican Republic (2009), [2016]

Nigeria (2009)

Mauritania (2009)

Burkina Faso (2009)

Belarus (2009)

Burundi (2010)

Sierra Leone (2010)

El Salvador (2010)

Guatemala (2011)

The former Yugoslav Republic of Macedonia (2011)

Mozambique (2012)

Djibouti (2012)

Mongolia (2013)

Bangladesh (2013)

Republic of Moldova (2013)

Republic of the Congo (2015)

The Sudan (2015)

Bosnia and Herzegovina (2015)

Kyrgyzstan (2015)

Madagascar (2015)

Tajikistan (2016)

The Gambia (2017)

South East Europe (Albania, Bosnia and Herzegovina, Montenegro, the Republic of Moldova, Serbia and the former Yugoslav Republic of Macedonia, as well as Kosovo[§]) (2017)

Cabo Verde (2018)

Lebanon (2018)

[§] United Nations Administrative Region, Security Council resolution 1244 (1999).

ANNEX 2. FDI INFLOWS TO BENEFICIARY COUNTRIES, 1995–2017

(Millions of dollars, linear trendline and date of IPR)

Benin

500 400 300 200 100 0
1995 **2005** 2017

Botswana

1400 1200 1000 800 600 400 200 0
1995 **2003** 2017

Colombia

15000 10000 5000 0
1995 **2006** 2017

Dominican Republic

3000 2500 2000 1500 1000 500 0
1995 **2008** 2017

Egypt

11500 9500 7500 5500 3500 1500 -500
1995 **1999** 2017

Ethiopia

3000 2500 2000 1500 1000 500 0
1995 **2002** 2017

Ghana

3500 3000 2500 2000 1500 1000 500 0
1995 **2003** 2017

Kenya

1400 1200 1000 800 600 400 200 0
1995 **2005** 2017

Lesotho

150 100 50 0
1995 **2003** 2017

Mauritius

570 470 370 270 170 70 -30
1995 **2000** 2017

Morocco

3500 3000 2500 2000 1500 1000 500 0
1995 **2008** 2017

Rwanda

400 300 200 100 0
1995 **2006** 2017

Uganda

1200 1000 800 600 400 200 0
1995 **2000** 2017

United Republic of Tanzania

2000 1500 1000 500 0
1995 **2002** 2017

Zambia

2000 1500 1000 500 0
1995 **2006** 2017

Source: UNCTAD FDI/MNE database.

IMPLEMENTATION REPORTS

LESSONS LEARNED

Layout and Printing at United Nations, Geneva – 1823915 (E) – September 2018 – 635 – UNCTAD/DIAE/PCB/2018/3