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# Quantifying Investment Facilitation at Country Level

## Introducing a New Index

*Axel Berger*  
*Ali Dadkhah*  
*Zoryana Olekseyuk*

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## Abstract

This article introduces a new and unique dataset for measuring the adoption of investment facilitation measures at country level. The Investment Facilitation Index (IFI) covers 117 individual investment facilitation measures, clustered in six policy areas, and maps their adoption for 86 countries. This article presents the conceptual and methodological background of the IFI and provides a first analysis of the level of adoption of investment facilitation measures across countries participating in the investment facilitation for development negotiations in the World Trade Organization (WTO). Our dataset reveals novel insights. Countries which have lower levels of adoption belong to the low-income and lower-middle-income country group and are often located in Africa, the Middle East and to some extent Latin America and the Caribbean. The strong correlation between FDI and the IFI score shows that countries with the lowest levels of FDI, and thus in need of policy tools to attract FDI, have the lowest levels of adoption when it comes to investment facilitation measures. Our dataset has direct relevance for current policy discussions on investment facilitation for development in the WTO but also for domestic-level policy-making. Furthermore, the IFI provides the basis for a future research agenda to assess the design and impact of a future WTO agreement.



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Abstract

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## Abbreviations

APEC	Asia-Pacific Economic Cooperation
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
FDI	Foreign Direct Investment
G20	Group of Twenty
GATS	General Agreement on Trade in Services
ICT	information and communication technologies
IFD	investment facilitation for development
IFI	Investment Facilitation Index
ISDS	investor–state dispute settlement
JSIs	Joint Statement Initiatives
OECD	Organisation for Economic Co-operation and Development
RCEP	Regional Comprehensive Economic Partnership Agreement
SMEs	small- and medium-sized enterprises
STRI	Services Trade Restrictiveness Index
TFA	Trade Facilitation Agreement
TFI	Trade Facilitation Index
UNCTAD	United Nations Conference on Trade and Development
USMCA	United States–Mexico–Canada Agreement
WTO	World Trade Organization

## 1 Introduction<sup>1</sup>

In 2017, groups of World Trade Organization (WTO) members launched three so-called Joint Statement Initiatives (JSIs) on e-commerce, investment facilitation and micro-, small- and medium-sized enterprises (see WTO, 2017). In addition, another group of members has been negotiating new rules on domestic regulation disciplines for trade in services (see WTO, n.d.). The initiation of such plurilateral negotiations among sub-groups of WTO members has attracted criticism, in particular from some developing countries.<sup>2</sup> However, such negotiations represent an important option for reviving the negotiating function of the WTO and adapting its rulebook in the light of current and future global challenges. The plurilateral negotiations on investment facilitation for development are particularly interesting as they are the most inclusive of the four JSIs – involving around two thirds of the WTO membership – driven mainly by developing-country members and covering a subject matter that is new to the WTO.<sup>3</sup>

In the area of investment facilitation, WTO members are entering uncharted territory. So far, the WTO rulebook covers investment to a lesser extent, mainly in the Agreement on Trade-Related Investment Measures (TRIMs) and the General Agreement on Trade in Services (GATS). As with trade facilitation, the WTO negotiations on investment facilitation for development, involve a turning away from the establishment of rigid rules in the form of investment protection or liberalisation enshrined in a dense network of more than 2,600 international investment agreements (IIAs) currently in force (UNCTAD, 2020). The focus of investment facilitation is on improving regulatory processes and domestic institutions and frameworks, defining good policy practices for the attraction and retention of foreign direct investment (FDI), and on establishing cooperative frameworks among governments as well as investors, in particular between developing countries (Hoekman, 2021). Beyond economic fundamentals such as market size, infrastructure and labour endowment, important enabling factors for FDI attraction in developing countries include the predictability, transparency and ease of regulatory environments (Kusek & Silva, 2017). The proponents of investment facilitation believe that binding multilateral commitments to investment facilitation can help to promote investment flows and enhance cooperation, with the ultimate goal of contributing to development (Hees & Cavalcante, 2017).

Despite the dynamic policy processes and the high hopes attached to multilateral rules on investment facilitation, a number of important questions remain unanswered. A key

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1 For their useful comments on the previous versions of the paper, we would like to thank Clara Brandi, Bernhard Hoekman, Frederik Stender, Armin von Schiller and Heather Lynne Taylor-Strauss. We would also like to thank Florian Gitt for excellent research assistance.

2 India and South Africa put forward a communication to the WTO's General Council arguing that plurilateral agreements are not consistent with WTO rules if they are not agreed consensually (WTO, 2021). In addition to this opposition in principle, other developing country members fear that plurilateral agreements may restrict their policy space or undermine their development strategies.

3 A key feature of the WTO negotiations on investment facilitation is that they are driven by a group of predominantly middle-income developing countries, the "Friends of Investment Facilitation for Development" (including Argentina, Brazil, China, Kazakhstan, Russia) as well as the MIKTA grouping (Mexico, Indonesia, Korea, Turkey and Australia) (Berger, Gsell & Olekseyuk, 2019). The traditional trade powers have played a rather passive role. The EU and Japan have recently engaged more actively in the negotiations at the WTO, while the USA has not been participating in the negotiations.

question relates to the scope of the concept – and hence the negotiation objectives – of investment facilitation. Often, it is defined in a negative way by distinguishing it from investment protection, liberalisation and investor–state dispute settlement (ISDS). What, however, are the elements that should be considered as a part of the investment facilitation concept? What is the potential shape of a future agreement on investment facilitation for development (IFD) at the WTO? Furthermore, while various investment facilitation reform initiatives are under way at the national, bilateral and regional level, often supported by international organisations (Calamita, 2020), we do not know the actual level of adoption at country level. How many investment facilitation measures have countries actually adopted and how large is the reform gap to a potential IFD agreement? And, finally, what is the potential economic impact of an IFD agreement, or different scenarios thereof? Which countries are benefiting the most from an agreement at the WTO on investment facilitation for development? Empirical research on all these questions is scarce, despite the fact that the WTO structured discussions on investment facilitation started in 2018 and entered into negotiation mode in 2020. One of the key impediments for empirical research on these questions is the lack of data on the scope and adoption of investment facilitation measures.

This article introduces a new and unique dataset that comprehensively measures the adoption of investment facilitation at country level as the basis for future empirical research.<sup>4</sup> The Investment Facilitation Index (IFI), introduced in this article, conceptualises investment facilitation along 117 measures, clustered in six policy areas, and documents their current adoption for 86 countries. The index covers the full spectrum of investment facilitation measures for most of the WTO members participating in the WTO negotiations on investment facilitation for development, representing different income levels, geographical regions, and levels of development.

Beyond the contribution of the IFI for research on the scope, substance and impact of international investment facilitation disciplines, the index is a valuable tool for investors and investment promotion agencies to navigate and compare the investment regime of a variety of countries. Furthermore, it allows governments and stakeholders to identify reform gaps in light of the negotiations of an IFD agreement and it can be used to tailor capacity-development initiatives in developing countries, which are supposed to form an integral part of an IFD agreement. The IFI provides the basis for analyses of the economic impacts of a potential WTO agreement and the costs associated with its implementation.

The remainder of the paper is structured as follows: Section 2 introduces the conceptual and methodological underpinning of the IFI as well as the results of an expert survey that informs our weighting strategy. Section 3 uses the IFI data to analyse the adoption of investment facilitation measures across countries. Section 4 provides an overview of the six policy areas as well as key investment facilitation measures, and Section 5 concludes with implications for policy-making and research.

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4 The country-level data are illustrated in Annex 1. More detailed country-level data are available upon request.

## 2 Methodology

### *Conceptualising investment facilitation*

The construction of the IFI follows the framework of the WTO negotiations on investment facilitation<sup>5</sup> but at the same time goes beyond it by also drawing on other sources, such as international non-binding conventions and guidelines, in order to develop a broad conceptualisation of investment facilitation. Investment facilitation builds conceptually on trade facilitation, which first became a topic at the WTO at the 1996 Ministerial Conference in Singapore and led to the conclusion of the Trade Facilitation Agreement (TFA) in 2013 (WTO, 2013). While the concept of trade facilitation is relatively clearly defined by now, referring to streamlining and simplifying of international customs procedures *at the border*, investment facilitation is conceptually broader, referring to various measures and frameworks *behind the border* that aim to promote, facilitate and retain investment (Novik & de Crombrughe, 2018). This becomes apparent when comparing the IFI to the Trade Facilitation Index (TFI) (OECD, 2018). While there are many conceptual overlaps – for example the availability of information, use of focal points, disciplines on fees and charges, the streamlining of procedures and the promotion of cooperation – the TFI is primarily focused on border procedures and the role of border or customs agencies. Investment facilitation touches upon a broader range of regulations and agencies and is therefore conceptually more complex. Another key difference is that trade facilitation focuses mainly on reducing times and costs of trade. Investment facilitation, by contrast, is not primarily focused on lowering standards and deregulating policy frameworks. While streamlining of procedures is certainly a key goal of investment facilitation, its main focus is on having more transparent, predictable and cooperative investment frameworks.

In view of the particular focus on investment facilitation, as discussed above, the IFI differs from other indices in terms of its conceptualisation (see Annex 2 for comparison). Existing indices on investment or business activity mostly focus on measures of restrictiveness rather than on facilitation. Golub (2003) examined the restrictiveness of FDI for Organisation for Economic Co-operation and Development (OECD) countries in 1998/2000 by examining rules on foreign equity, screening and approval procedure, and other restrictions including those on boards of directors, movement of people, and input and operational restrictions. On this basis the OECD developed the FDI Restrictiveness Index in 2003, which could be used on a stand-alone basis to assess the restrictiveness of FDI policies (see OECD Data, n.d.). The OECD updated the FDI Restrictiveness Index in 2010 by expanding the sectors covered and revising the way FDI measures are scored and weighted (Kalinova, Palerm, & Thomsen, 2010). Currently, this index measures statutory restrictions on FDI in 86 countries, including all OECD and G20 countries, and covers 22 sectors. In addition, OECD has also developed a Services Trade Restrictiveness Index (STRI) which also focuses on restrictiveness and provides information on behind-the-border regulations affecting trade in services for 48 countries (see Grosso et al., 2015, and OECD, n.d.).

Another widely cited index in this context is the Doing Business index that is published annually by the World Bank (World Bank, 2020). The Doing Business index measures

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5 For an overview of the elements of the agreement under negotiation at the WTO see Bernasconi-Osterwalder, Leal, & van der Ven (2020).

regulations affecting businesses in a broad range of countries. The Doing Business index to some extent conceptually overlaps with the IFI, in particular with regard to the procedures and times of regulations affecting business. It is, however, different to the IFI in that it also covers issues such as the paying of taxes or the protection of property rights. Most importantly, the Doing Business index follows the logic that less regulation is better for businesses; this is different from the focus of the IFI on enhancing transparency, predictability and cooperation, which requires not less but often *better* regulatory processes.

Investment facilitation covers the whole investment life cycle, from the pre-establishment phase during the entry process of foreign investments, including the streamlining and speeding-up of procedures, to the post-establishment phase, where the focus shifts to retaining and expanding investments, for example by mechanisms to prevent disputes and establish linkages between foreign investors and local companies. Investment facilitation builds on the specific role of investment promotion agencies, but it clearly goes beyond the marketing of an investment destination and involves various governmental agencies as part of a whole-of-government approach to provide investors with a transparent, predictable and efficient regulatory and administrative framework and to reduce or eliminate obstacles faced by investors in the host economy when investing or reinvesting.

It is important to note that most of the proposals submitted for investment facilitation during the WTO negotiations do not contain a clear definition of investment facilitation. In principle, two approaches could be taken to define the scope of investment facilitation. The first is a negative approach (Hees & Cavalcante, 2017). This negative approach has been adopted by WTO members during the negotiations of an IFD agreement as they made clear that issues of market access, investment protection, and ISDS do not fall within the scope of the envisaged agreement.

While we concur with the exclusion of measures that deal with market access, investment protection or ISDS from our index, we suggest a positive definition of investment facilitation as a concept that involves a variable set of measures, mechanisms and actions that contribute to a more favourable national investment environment, with a strong emphasis on procedural or functional aspects and commitments to enhance cooperation and dialogue. More specifically, investment facilitation can be understood as a set of practical measures concerned with improving the transparency and predictability of investment frameworks, streamlining procedures related to foreign investors, and enhancing coordination and cooperation between stakeholders, such as the host- and home-country governments, foreign investors, domestic corporations, and societal actors (Berger & Gsell, 2019).

In order to compose specific indicators for each investment facilitation measure or family of measures, we identified the key elements making up each policy area. The structure of the WTO process was followed closely in order to maintain the relevance of the resulting indicators for negotiators, implementing authorities and donors. In particular, our conceptualisation of investment facilitation follows six text proposals that were submitted by WTO members ahead of, or shortly after, the 11<sup>th</sup> WTO Ministerial Conference in 2017, which led to the adoption of the Joint Ministerial Statement on Investment Facilitation for

Development (WTO, 2017a).<sup>6</sup> While further proposals were submitted more recently during the negotiations that started in September 2020, these six proposals are the key sources for the conceptualisation of investment facilitation in the context of the WTO.<sup>7</sup>

Most of the proposals focus on host country measures. However, Sauvant and Hamdani (2015) indicate that, from the investors' perspective, transparency is not only important as far as host countries are concerned, but also in terms of the support offered to outward investors by their home countries. Home countries could facilitate outgoing FDI through various measures. Some of these measures include transparency measures, early support services or operational support (see Knoerich, Stephenson, & Taylor-Strauss, 2021, forthcoming). The development of the IFI therefore takes a wider perspective to include not only host-country measures but home-country measures as well. China's proposal, for example, contains a provision for the facilitation of outward investment in the form of investment insurance and guarantees as well as political-risk coverage.

The measures contained in the IFI are organised in six distinct policy areas in order to take into account similarities between measures, underlying shared components, and areas where further distinctions are warranted. The policy areas of the investment facilitation concept that underpins the IFI are summarised in Table 1.

The IFI includes fine-grained data about the adoption of 117 investment facilitation measures in 2019, aggregated around the above-mentioned six policy areas,<sup>8</sup> in 86 WTO members, most of which have signed the two Joint Ministerial Statements on Investment Facilitation for Development in 2017 and 2019.<sup>9</sup> The IFI also selectively includes important members not participating in the IFD negotiations at the WTO, such as India and the USA. Of 86 countries in our index, 53 are non-OECD and 33 OECD countries. Together, they broadly represent all regions and income groups in the world. In particular, 52% of countries represent high-income economies, while 41% and 7% are middle- and low-income countries, respectively. The full list of countries covered in the IFI can be seen in Annex 1.

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6 Proposals were submitted by Russia on 30 March 2017 (WTO, 2017b), by Mexico, Indonesia, Korea, Turkey and Australia on 4 April 2017 (WTO, 2017c), by China on 21 April 2017 (WTO, 2017d), by the Friends of Investment Facilitation for Development on 21 April 2017 (WTO, 2017e), by Argentina and Brazil on 24 April 2017 (WTO, 2017f) and by Brazil on 31 January 2018 (WTO, 2018).

7 Around 25 proposals on different elements of the WTO investment facilitation negotiations have been submitted so far, most of them not available to the public. A key exception has been the comprehensive proposals submitted by the EU on 25 February 2020 (WTO, 2020).

8 However, in exceptional cases we do not include all measures in the final construction of the indicators. This happens either due to lack of data (for separate measures in the case of Djibouti, Dominica, Gambia, Honduras, Kuwait, Mongolia, Myanmar, Nicaragua, Pakistan, Saudi Arabia, Togo, Uruguay, Zambia, Zimbabwe) or non-applicability of the measures to that country (only for G.108 in Hong Kong and Japan). In the case of countries where some measures or policies are not applied (for instance, in some countries, there is no visa required for the entry of the investors or there is no investment application required for investment and therefore no applicable fees), the related indicators are assigned top scores.

9 Our country sample is currently biased since the majority of covered countries participate in the ongoing negotiations. This focus was a deliberate choice in order to enhance the relevance of our dataset to the ongoing negotiations in the WTO. Guinea-Bissau, Macao and Paraguay are excluded from the IFI since there is insufficient publicly available data to construct their indices. We are working on an extension of the sample, preferably to all WTO members.

<b>Table 1: Description of policy areas of the IFI</b>	
Policy area	Description
Transparency & Predictability	Provide a full, clear and up-to-date picture of the investment regime, including advance notice of proposed changes.
	Promote legislative simplification including plain language drafting.
Electronic Governance	Establish a single window and use information and communication technology.
	Apply new technology to improve information, application and approval processes.
Focal Point & Review	Provide mechanisms to improve relations or facilitate contacts between host governments and relevant stakeholders.
	Receive complaints from investors and/or help them to solve difficulties or to carry out policy advocacy.
	Encourage the development of effective mechanisms at reasonable cost for resolving disputes, including private arbitration services.
	Provide framework to identify and address problems encountered by investors.
Application Process	Establish clear criteria and transparent procedures for administrative decisions, including investment approval mechanisms.
	Reduce the number and complexity of fees and charges.
Cooperation	Make use of international and regional initiatives aimed at building investment expertise, including information sharing.
	Provide an institutionalised mechanism to support domestic inter-agency coordination.
Outward Investment	Provide comprehensive information available to investors by home countries.
Source: Authors	

### *Coding scheme*

In order to validate the domestic adoption of investment facilitation measures in the IFI for each country, a manual in-depth analysis of the current investment regime for the respective countries was conducted. Data are drawn from publicly available sources, for example from government websites or those promoting investment, or from official publications such as investment acts and guides. In order to verify some of these data, a comparison has been made with the OECD TFI. Some of the measures in the IFI are similar to those in the TFI – usually horizontal measures that cover the entire regulatory system, including investment.<sup>10</sup>

After selecting the variables to enter into each indicator and studying their characteristics, we need to normalise the variables in order to make them comparable, given that the available raw data varies in nature and scale. We have selected a scoring strategy that is as simple and transparent as possible and that matches the characteristics of the variables and the objective of the index. As pointed out by Nordås (2010a; 2010b), the crucial factor for preserving variation among countries from the underlying data is the scoring. Considering the different nature and scale of our data, the number of binaries (yes/no) and the need to keep as

10 For instance, both the TFI and IFI have a measure dealing with judicial independence. This is a horizontal measure that is applicable to the entire regulatory system.

much variation as possible from the raw data, we adopt a multiple binary strategy with scores ranging from 0, 1 to 2. This is a simple and transparent method, and the loss of information when transforming continuous data to multiple binary data is limited (OECD, 2009). Also, this approach seeks to reflect not only the regulatory framework in the concerned countries but also the state of adoption of various investment facilitation measures.

However, the construction of binaries raises several challenges, depending on the nature of data (continuous or not), calling for the use of a threshold strategy in cases where no natural thresholds can be identified. Non-binary measures are broken down to multiple thresholds in order to reconcile the complexity of investment facilitation policies and implementation with the multiple binary scoring scheme. For variables that are numerical in nature, the score can be determined by percentile rank (e.g., below the 30th percentile of the country sample, between the 30th and 70th percentiles, on or above the 70th percentile of the country sample). Among the 117 measures of the IFI, 72% are coded according to a 0, 2 scale, 28% according to a 0, 1, 2 scale and 9% according to the thresholds. Most of the threshold variables are implemented in policy areas Application Process and in Focal Point and Review.<sup>11</sup>

### *Weighting scheme*

The next challenge is the aggregation of individual measures into the IFI. In this step, we assign weights to the policy areas. To that end, a number of weighting schemes were considered. Equal weights is the most common weighting scheme applied for constructing composite indicators. It is a transparent way of creating an index in the absence of any clear alternative. Equal weights as a scheme is not, however, free of judgement. The relative importance of each measure depends on how many measures are included and how individual measures are organised into sub-indicators, leaving rather a lot to subjective judgement or arbitrariness. Asking experts directly or indirectly involved in foreign investment is an alternative option for weighting investment facilitation measures. Such expert judgement has the advantage that relative importance can be captured in a more realistic and meaningful way. One objection to using expert judgement is subjectivity, which also applies to other methodologies and can be solved, for instance, by asking a large and diverse group of experts.

The weighting scheme used for the calculation of the IFI relies on expert judgment. A group of experts was asked to allocate 100 points among the six policy areas of the IFI. These are translated into weights by assigning the points experts allocated to the policy area to each measure that falls under it and correcting for differences in the number of measures under the policy areas. Such differences are not arbitrary but reflect the relative importance of

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11 For instance, measure D.81 under policy area Focal Point & Review deals with the efficiency of the legal framework in challenging regulations. The source of this measure is the World Economic Forum Global Competitiveness Report (WEF, 2018). The answers and the thresholds to this measure are defined as: “(0) “Answer” is set at or below 3 (30th percentile of the country sample); (1) “Answer” is set between 3 and 3.9; (2) “Answer” is set on or above 3.9 (70th percentile)”.

the policy category.<sup>12</sup> A total of 125 experts from international organisations, academia, private sector and governments participated in our survey.<sup>13</sup> Under the expert weights scheme, measures related to Transparency and Predictability and Electronic Governance contribute to almost half of the weight of the IFI (49%), which reflects the fundamental role of these two policy areas in investment facilitation. The weights for the other areas are lower, but proportionate to those under the equal weights scheme, which is reported only for comparison in Table 2.<sup>14</sup>

	<b>Equal weight</b>	<b>Expert weight</b>
Transparency & Predictability	23%	28%
Electronic Governance	19%	21%
Focal Point & Review	21%	19%
Application Process	20%	15%
Cooperation	10%	9%
Outward Investment	7%	8%

Source: Authors

### *Application and limitations*

In the previous sections we described the construction of the IFI and its underlying data. The index can be used to assess the level of adoption of a large number of investment facilitation measures at country level. Its fine-grained data makes the IFI a useful tool for researchers and policy-makers to assess a country's readiness to enter into an IFD agreement and to analyse gaps of adoption. The IFI can also be used in research on the benefits and challenges of an IFD agreement. The conceptualisation of the IFI follows closely the structure of the IFD negotiations at the WTO and therefore represents a useful tool for negotiators and policy-makers. The dataset is innovative and very detailed in its coverage of investment facilitation in a broad range of countries participating in the IFD negotiations.

It is, however, equally important to point to some limitations. First, the dataset reflects a snapshot of current practice for the year 2019. Since regulatory frameworks may change in the covered countries, or sources used to document the adoption of certain investment facilitation measures (e.g., links to specific websites) might become unavailable, regular checks or updates are necessary to keep the database relevant. Moreover, having a panel dataset over time would provide a better basis for empirical research, especially econometric estimations.

12 The weight for measure  $j$  under policy area  $i$  is calculated as following:  $w_{ji} = w_i/n_i$ , where  $n_i$  is the number of measures under policy area  $i$  and  $w_i$  is the share of the total number of points allocated to policy area  $i$  by the experts. Hereby, we assume similar weights for all measures within one policy area and the maximal overall score equals to  $\sum_i w_{ij} \cdot score_{ji} \cdot n_i = 2$ , with  $score_{ji} = 2$  as the maximal score for every single measure under the multiple binary scheme.

13 The responses of experts from international organisations, academia, the private sector and government were relatively evenly distributed with 24%, 24%, 26% and 25% respectively.

14 See also Annex 3 and 4 for weighting and coding details, including individual investment facilitation measures and corresponding answers.

Second, the dataset does not incorporate any bilateral commitments encapsulated in various trade and investment agreements. This is done on purpose since investment facilitation commitments are horizontal in nature and apply to all partner countries.

Third, we have focused on the adoption of investment facilitation measures and not on their implementation. In other words, while we are able to observe adoption of an investment facilitation measure we are not able to check whether the multitude of measures in a large number of countries are actually operating in such a way that actors comply with them. Furthermore, the reliability of publicly available official data might be also questioned.

Last, but not the least, the IFI incorporates a policy area on outward investment. This policy area has been integrated into the IFI to underline that investment facilitation measures can be adopted by both host and home countries. Nevertheless, researchers focusing on inward FDI in their estimation models should be aware of identification difficulties.

### **3 Adoption of investment facilitation measures across countries**

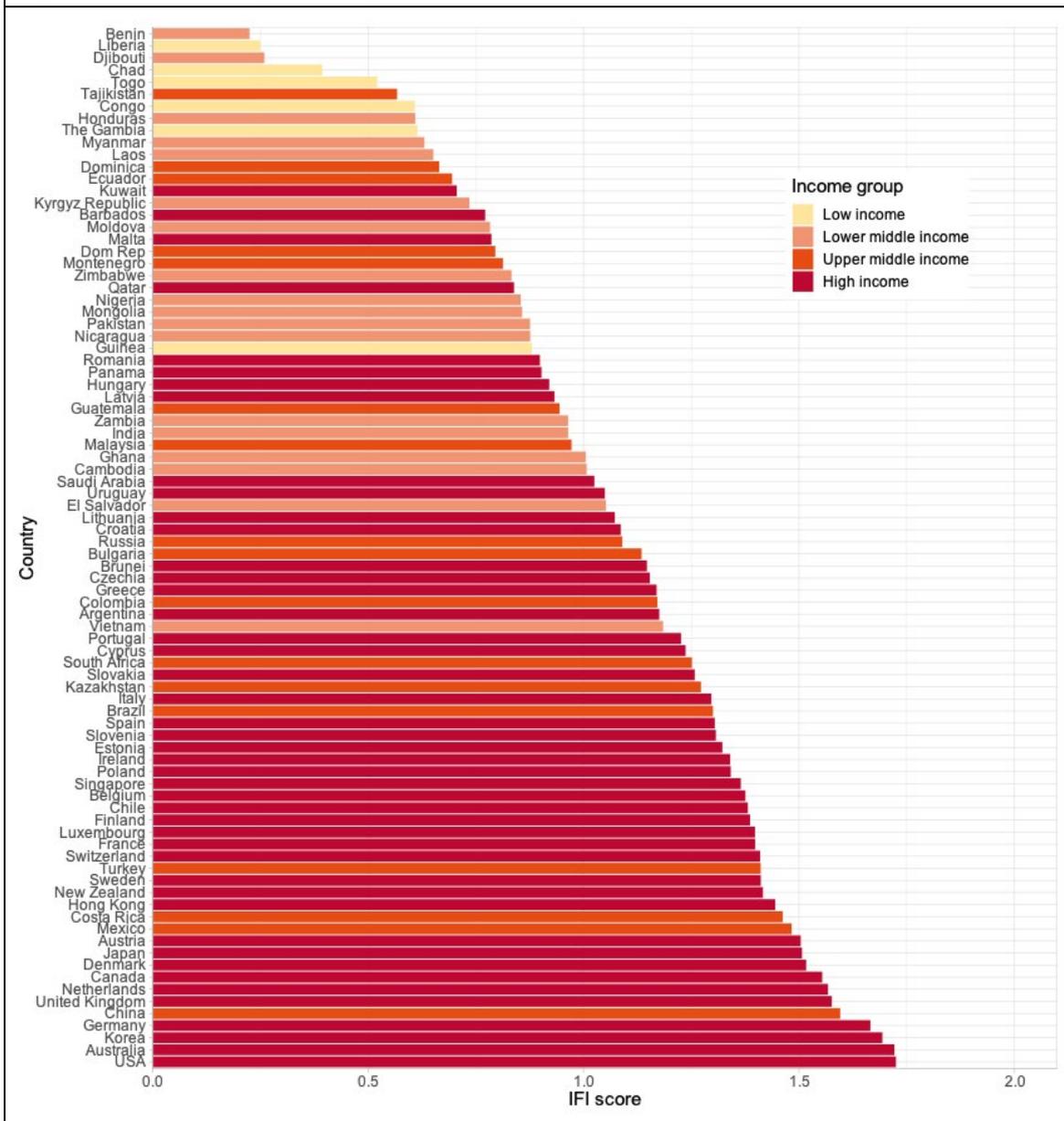
A first overarching analysis of the data included in the IFI makes clear that current level of adoption of investment facilitation measures at country level differs widely. Scores range between 0.23 for Benin and 1.73 for the USA, with an overall average of 1.09.<sup>15</sup> Figure 1 illustrates that developing countries, in particular, have fewer investment facilitation measures in place compared to developed countries. An important observation is that the level of adoption of the 117 measures included in the IFI for all countries is 57%, however this occurs with a wide variation. In particular, high-income countries have adopted over 65% of the included measures while low-income countries have adopted only 30%. Moreover, low-income countries in the sample achieve only 27% of the cumulated maximal score,<sup>16</sup> while the upper-middle and high-income countries reach 55% and 64% of the possible maximum, respectively. These numbers indicate that there is substantial room, even in case of high-income countries, to improve their investment facilitation frameworks.

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15 It is worth noting that the USA stays outside the IFD negotiations at the WTO, which may mainly be explained by the hostile policy stance of the Trump Administration towards the WTO, as well as the promotion of outward FDI.

16 The cumulated maximal score is the sum of maximal score of 2 for all countries in the respective income group. For example, the combined maximal score for low-income countries amounts to 12 (for 6 countries covered in the sample).

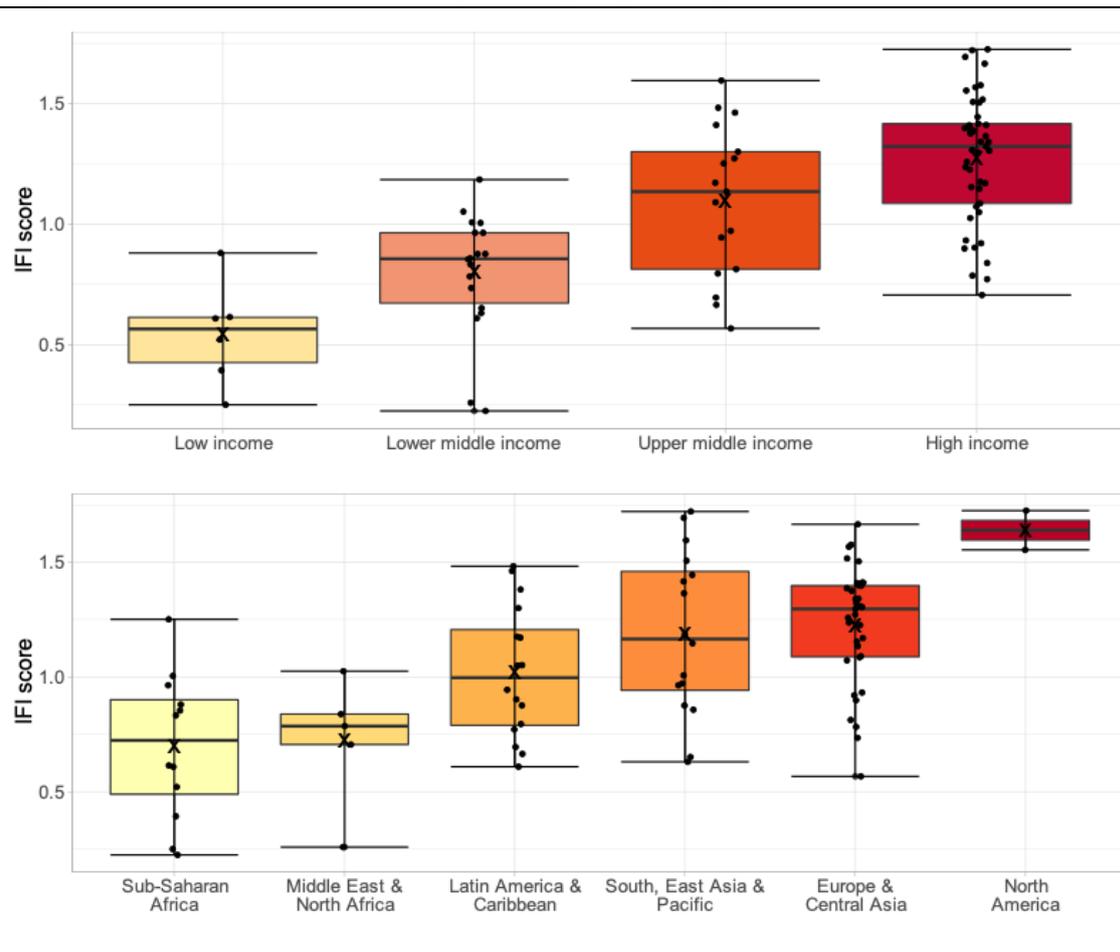
**Figure 1: IFI score per country**



Source: Authors, World Bank for income level

We also observe that the adoption of investment facilitation measures is highly correlated to a country’s stage of economic development. Figure 2 illustrates the distribution of IFI scores for different income groups. Our data suggest that low-income countries have the lowest average and median score (0.55 and 0.57, respectively), while high-income countries have the highest values, with an average score of 1.27 and a median of 1.32. The middle-income countries are in between, with averages of 0.80 (lower-middle-income) and 1.10 (upper-middle-income). At the same time, the spread indicates that some low-income countries, such as Guinea (score: 0.88), have higher scores compared to some high-income countries such as Kuwait (0.71), Barbados (0.77) or Malta (0.79).

**Figure 2: Distribution of IFI scores by income group and region**

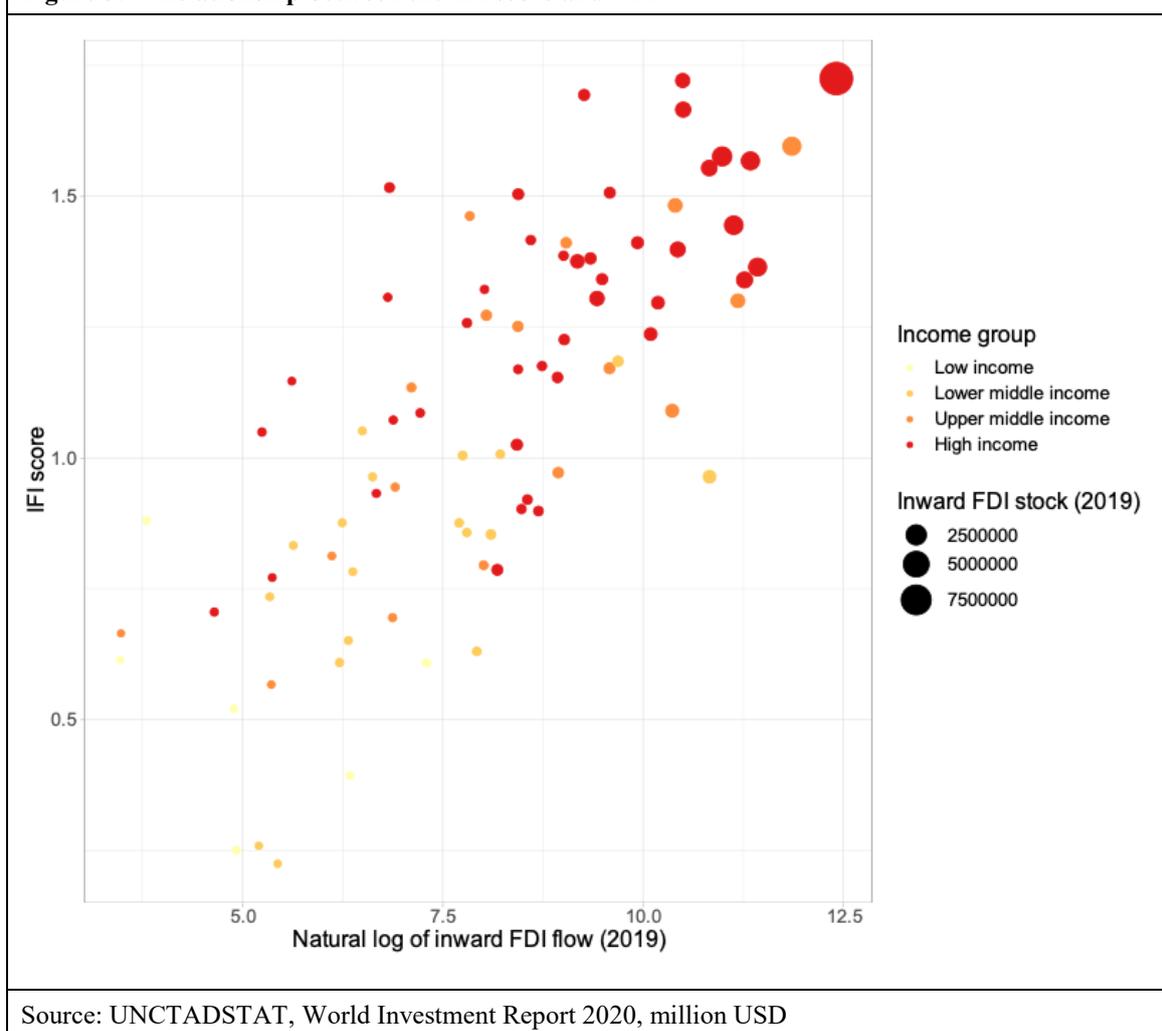


Note: Whiskers illustrate the min/max values, boxes show first to third quartile, horizontal bar represents the median, while x the average for respective group.

Source: Authors, income groups according to World Bank.

The distribution of IFI scores according to geographical regions also provides interesting insights (see Figure 2). The lowest values occur for Sub-Saharan Africa and for Middle East & North Africa countries, with averages of 0.70 and 0.72, respectively. Countries in the Latin America & Caribbean region perform somewhat better, with an average of 1.02. The Asian and European countries indicate quite a similar distribution, with an average of 1.19 and 1.23 respectively. Only for North America do we find quite high values (average and median of 1.64), which is not surprising since the two countries of the region, Canada and the USA, are amongst the top 10 highest scores. A similar picture arises if we compare the shares achieved by the regions according to the maximal regional score.<sup>17</sup> While North America reaches 82%, Sub-Saharan Africa and Middle East & North Africa achieve only slightly more than 35% of the possible maximum.

<sup>17</sup> Hereby, we calculate a share of achieved cumulated score (sum of IFI scores for all countries of the region) in the maximal regional score (sum of maximal score of 2 for all countries of the region).

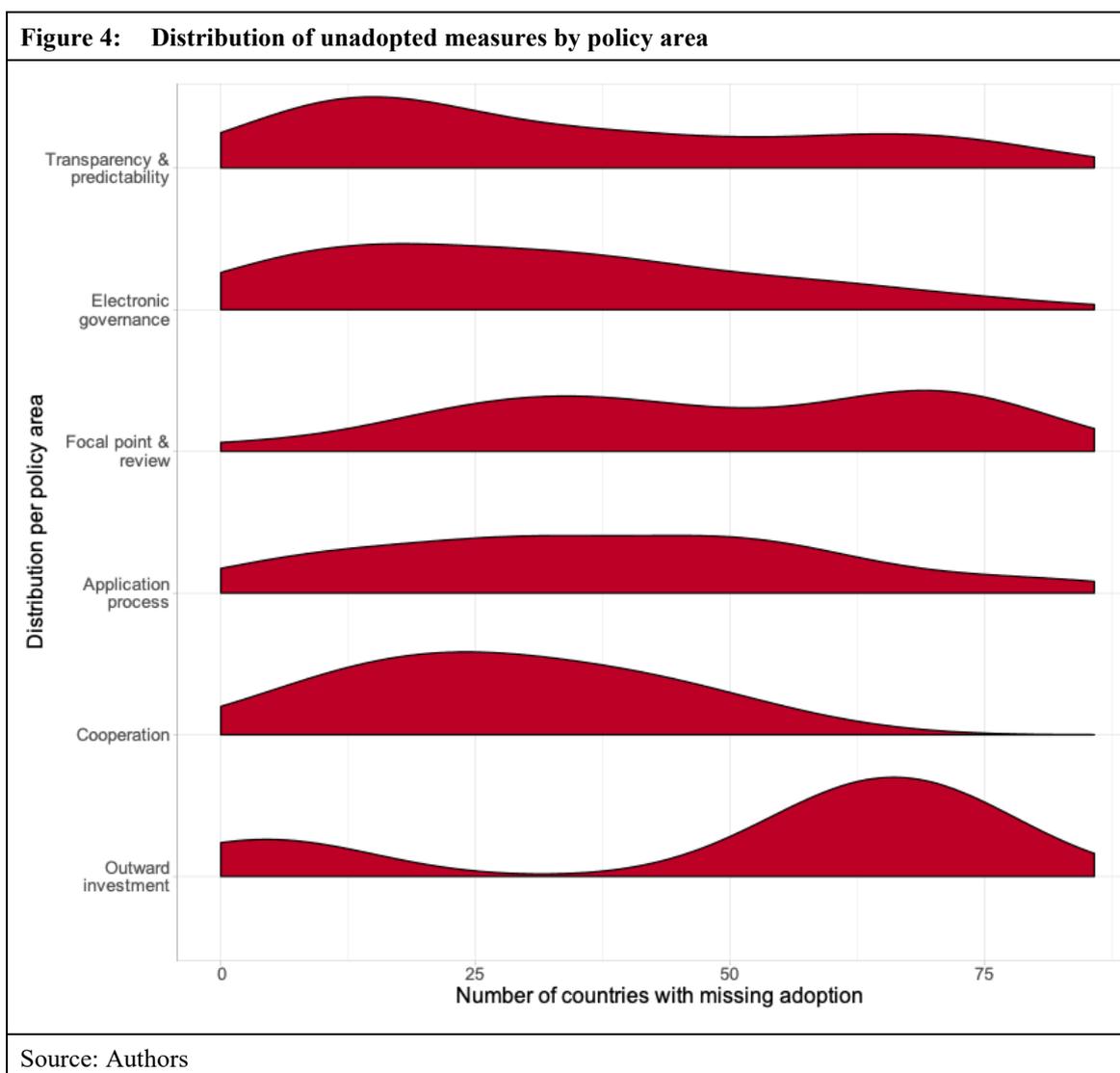
**Figure 3: Relationship between the IFI score and FDI**

The illustrated distribution of the IFI score by geographical regions hides lots of sub-regional disparities. For instance, for the Asia and Pacific region the average is driven up by the seven high-income countries (Australia, Hong Kong, Japan, Korea, New Zealand, Singapore) out of 16 in our sample. Moreover, even for the EU, with its high level of economic integration and the existence of a common market, we observe quite high variation in the total score, ranging from 0.79 for Malta to 1.67 for Germany. The only policy area with rather homogeneous adoption of investment facilitation measures is Cooperation. Thus, our results point to significant differences in the regulatory regimes of the 27 EU members and point to adoption gaps, which arise especially for Focal Point & Review (nine measures are not adopted in at least 21 EU countries) and for Transparency & Predictability (seven measures are not adopted in at least 21 EU countries).

Given that our country sample covers over 93% of FDI stock and over 90% of inward FDI flows in 2019,<sup>18</sup> it is interesting to have a look at the relationship between IFI scores and FDI. As illustrated in Figure 3, the IFI score increases, together with the FDI stock and flows, indicating a positive correlation between the two variables. On the one hand, this

18 Calculations are based on the FDI data from UNCTADSTAT, UNCTAD (2020).

could mean that countries with a higher level of current practice in investment facilitation are able to attract more FDI. On the other hand, it could also indicate that countries with higher levels of FDI have an incentive to improve their regulatory frameworks to retain and expand existing FDI. Furthermore, this figure also highlights that low-income and lower-middle-income countries are mainly situated in the bottom left quarter, with both low IFI scores and FDI inflows, while the opposite is generally valid for the high-income countries. This positive relationship is consistent with the results for the distribution of IFI score by income level.



Given the high variation of IFI scores among different regions and income groups, it is interesting to observe the adoption of investment facilitation measures at the level of policy areas. Figure 4 provides multiple density plots, displaying the distribution of the number of countries with missing adoption across all measures for every policy area. The typical distribution resembles an overturned bottle: the bulgy part of the bottle on the left side indicates that few countries have a high number of unadopted measures and the narrow neck of the bottle on the right side that many countries have actually implemented a high number of measures in the policy areas Transparency & Predictability, Electronic Governance, Cooperation and Application Process. There are two policy areas that deviate from this

general pattern. We observe that the highest share of unadopted measures for a high number of countries occurs in the Outward Investment policy area. The second policy area with quite high adoption gaps is Focal Point & Review. While our expert survey revealed a low importance for the outward investment area, the Focal Point & Review policy area has a rather high importance, and the adoption gaps in this area are thus more worrying.

The distribution of unadopted measures also differs depending on income levels. While low-income countries suffer from significant gaps in all policy areas, for high-income and upper-middle income countries this is mainly the case in Outward Investment and Focal Point & Review policy areas. These findings are supported by the share of achieved cumulated score in the maximal score of each policy area. In particular, for low-income countries this share reaches the highest value of 37% for Application Process, while for upper-middle and high-income countries the lowest shares occur in Outward Investment (42% and 50%) and Focal Point & Review (45% and 51%) policy areas. Moreover, these last two policy areas possess the smallest shares within every income group, confirming the highest adoption gap indicated by Figure 4.

For more details, Table 3 illustrates the measures in the dataset that are adopted the most or the least. Among the top unadopted measures, we find examples from all policy areas except for cooperation. However, the main gaps appear for a “silent yes” approach for administrative approvals (C.50, adopted by only three out of 86 countries, namely Denmark, Mexico and Myanmar), which considers an application as approved when no response from the competent authorities has been received within a specified timeframe. The adoption of such an approach requires well-developed administrative capacity of agencies responsible for the application of investment projects and it is thus no surprise that it is rarely implemented. A provision on a “silent is consent” principle, which is similar to the “silent yes” approach for administrative approvals, has been proposed during the negotiations and is being discussed by WTO members. The low occurrence of the “silent yes” measure in the IFI indicates that there is little convergence among members on this particular issue at the moment. The second most unadopted measure refers to the right of a focal point to urge and/or inspect the implementation of solutions for investment complaints by other governmental agencies (D.80, 80 missing observations). Only a few countries, Korea being one of the key exceptions, provide a focal point with such far-reaching ombudsperson-type functions. It is, therefore, no wonder that the current draft text does not feature such a provision.

<b>Table 3: The most frequently unadopted and adopted measures</b>				
<b>Measure</b>	<b>Description</b>	<b>Policy area</b>	<b>Number of countries</b>	<b>Percentage of the sample</b>
<b>Top unadopted measures</b>				
C.50	Adopting a silent “yes” approach for administrative approvals	Application Process	3	3%
D.80	Focal Point urges and/or inspects the implementation of the solutions for foreign investment complaints	Focal Point & Review	6	7%
C.36	Availability of an online checklist to assist applicants to complete applications	Application Process	9	10%
G.115	Notification to the WTO of places and URL of websites where relevant information concerning investment is made publicly available	Transparency & Predictability	9	10%
B.28	National contract rule for cross-border transaction deviates from internationally standardised rules	Electronic governance	10	12%
D.71	Frequent meetings with foreign-invested companies and relevant government officials to mitigate conflicts and facilitate their resolutions	Focal Point & Review	10	12%
G.116	Notification to the WTO of enquiry/focal/contact points	Transparency & Predictability	12	14%
D.79	Focal Point makes corrective recommendations and expression of opinions regarding illegal and unfair administrative measures	Focal Point & Review	13	15%
D.73	Mechanisms to improve relations or facilitate contacts between host governments and relevant stakeholders	Focal Point & Review	14	16%
F.89	Does the home country have institutional arrangements to manage OFDI policy and provide HCMs?	Outward Investment	14	16%
F.90	Collaboration between outward investment agencies (OIAs) and IPAs for the promotion and facilitation of investment projects as well as policy	Outward Investment	14	16%
G.94	Average time between publication end entry into force	Transparency & Predictability	14	17%
<b>Top adopted measures</b>				
D.59	Independent or higher-level administrative and/or judicial appeal procedures available	Focal Point & Review	86	100%
B.23	Applicable legislation published on internet	Electronic Governance	84	98%
C.44	Inform the applicant of the decision concerning an application	Application Process	84	98%
F.88	Are there home-country restrictions to OFDI?	Outward Investment	84	98%

G.96	Publication of information and procedures on laws, regulations and procedures affecting investment	Transparency & Predictability	83	97%
A.12	Public consultations between investors and other interested parties and government	Cooperation	81	94%
B.13	Establishment of a national investment website	Electronic Governance	81	94%
B.21	IT Systems capable of accepting and exchanging data electronically	Electronic Governance	81	94%
C.55	Fees for answering enquiries and providing required forms and documents	Application Process	81	94%
G.91	Establishment of enquiry points	Transparency & Predictability	81	94%
B.14	Use of e-mail by the competent authorities for exchanging information with investors	Electronic Governance	79	92%
F.87	Home country provides investment insurance and guarantees	Outward Investment	79	92%
Source: Authors				

In contrast, the only measure adopted by all countries in the sample is D.59, which foresees availability of independent or high-level administrative and judicial appeal procedures. The current negotiation text reflects this convergence and includes a provision that requires members to establish impartial and independent mechanisms to promptly review and, if necessary, remedy administrative decisions affecting foreign investors. Moreover, among the top adopted measures we find examples from the electronic governance policy area such as the publication of applicable legislation on the internet (B.23) and the establishment of a national investment website (B.13). From the application process area an often-adopted measure relates to the information of an applicant of a decision concerning an application (C.44) or measures from the Transparency & Predictability policy area, such as the publication of information and procedures on laws, regulations and procedures affecting investment (G.96) and the establishment of enquiry points (G.91). With the exception of the establishment of a national investment website all these measures are already part of the WTO negotiations.

## 4 Overview of the six policy areas

In this section we present the policy areas that make up the IFI, including the individual measures. Under each policy area we present examples of measures and their level of adoption at country level.

**Transparency & Predictability** is the most important policy area according to the survey of experts. This policy area incorporates 27 measures, and countries are scored from 0.01 (Benin) to 0.53 (Australia) with the maximum of 0.56.

The investment facilitation concept puts a strong focus on improving transparency and better involvement of stakeholders. This encompasses, for example, the publication of laws, regulations, judicial decisions and administrative rulings; the setting up of a centralised registry of laws and regulations and special enquiry points; and the provision of advance notice of proposed changes to laws and regulations. In addition, it includes proposals for setting up a requirement that interested parties, including the business community and investment stakeholders, will be provided with an opportunity to comment on proposed new laws, regulations and policies or changes to existing ones prior to their implementation. It is worth noting that a similar requirement was negotiated under the TFA.<sup>19</sup> Thus, this policy area covers information availability, involvement of the investor community and notification. According to our results, information on applicable legislation and investment screening, admission and licensing procedures is commonly available online across the database. Most countries (94% of the sample) have also established an enquiry point (G.91), which is mostly a similar website to that for investment promotion. On the other hand, far fewer countries publish penalties for non-compliance (60%, G.106), provide screening guidelines and clear definitions of criteria for assessing investment proposals (27%, G.103) as well as examples of judicial decisions (20%, G.99).

**Electronic Governance** entails 22 measures related to the use of information and communications technology (ICT) and to single-window mechanisms. According to our expert survey, this policy area is the second most important policy area in the IFI, with a possible maximum of 0.42. The countries are scored from 0.05 (Liberia) to 0.40 (Korea, Mexico, USA).

Our results suggest that almost all countries in the sample have a national investment website (B.13) that overlaps with their investment promotion agencies, and accordingly publish the applicable legislation on the internet (B.23).<sup>20</sup> The one-stop shop or single-window system that uses ICT as a means to support investors is often considered as the best solution to reduce the time and effort required in obtaining regulatory clearances and licences from governmental agencies in a host country. Such systems enable foreign

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19 Article 2 of the TFA: Opportunity to Comment and Information before Entry into Force “1.1 Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, provide opportunities and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit...” (WTO, 2013).

20 81 countries have adopted measure B.13; only Benin, Djibouti, Dominican Republic, Ecuador, and Malta do not provide any investment website. Regarding measure B.23, only Chad and Liberia do not provide their legislation online.

investors to seek information from, and submit all regulatory documents to, a single office. This office acts as a dedicated investment agency, dealing with approval of applications and keeping the investor informed about the legal and regulatory matters. Of the countries in our sample, 69% have some of the functions of a “single window”. Only 30 of them, however, are fully supported by information technology (B.30). Among the countries with a single window, there are only 27 countries that allow a request for all mandatory registrations simultaneously (e.g., business registry, tax identification number, social security and pension schemes; B.31) and only 23 with the possibility of paying all fees corresponding to the mandatory registrations through the single window (B.32). Finally, 87% of countries provide an electronic signature with the equivalent legal validity as handwritten signature (B.19), and most of the countries in the database (86%) accept authenticated copies (B.22). However, only 36% of the countries have interoperable electronic authentication (B.29).

The policy area *Focal Point & Review* covers 25 measures related to alternative dispute resolution, appeal procedures, cooperation and information-sharing mechanisms, as well as ombudsperson-type mechanisms. The countries are scored from 0.01 (Djibouti) to 0.36 (Korea) with the maximum of 0.38.

Some WTO members have submitted comprehensive proposals to include provision of a national focal point or ombudsperson-type mechanism in the agreement, which have the potential to improve investment-related institutional governance. In particular, such mechanisms are expected to improve the communication between investors and governments. Their functions can include the clarification of doubts on investment policies and other regulatory issues, addressing complaints by investors, assisting investors in resolving government-related difficulties, taking timely action to prevent, manage and resolve disputes. According to our results, most countries in the database lack a fully functioning focal point or ombudsperson-type mechanism dedicated to investment-related issues. Among the covered countries, 43 established a mechanism for coordination and handling of foreign investment complaints, while another two are in the process of establishing one (D.64). Among those with such a mechanism, 36 provide alternative forms of dispute resolution (D.58), 18 recommend to the competent authorities measures to improve the investment environment (D.78), and 13 make corrective recommendations and expression of opinions regarding illegal and unfair administrative measures (D.79).

Our results also suggest that only 19% of countries covered have dispute-prevention mechanisms in place that can help to manage grievances of investors about governmental conduct and thus reduce the risk of escalation of grievances into actual disputes (D.72). Across our sample, dispute-prevention mechanisms are scarce and often not easily accessible. Some information can be found in administrative codes, but almost never in a dedicated website. The scarcity of publicly available data for some countries points to the need for considerable improvements in this area. The core functionality of focal point or ombudsperson-type mechanisms (e.g., policy advocacy and corrective recommendations) is only used by a small group of countries (20% and 15% of countries, respectively).

The policy area of *Application Process* deals with formalities (documents, automation and procedures) as well as fees and charges. This policy area includes 23 measures, and countries are scored from 0.05 (Nicaragua) to 0.25 (Hong Kong), with the possible maximum of 0.29.

The notion of proportionality between fees and charges and rendered services is quite clear in legislative texts and the fees that most countries (90%) charge are commensurate with the administrative cost of services (C.51). Also, 58% of the countries in the IFI provide a comprehensive picture of the type and level of fees and charges that they apply (e.g., C.53 and C.54). Most of the time this information can be found in procedural and administrative regulations. Hong-Kong, Singapore, Denmark, Korea and Australia are among the countries that provide the highest level of access to this type of information.

This policy area also includes measures that facilitate entry and sojourn of investment personnel, a policy area which is still under discussion to be included in the WTO agreement. Our results suggest that on average it costs \$83, takes 10 days and requires eight documents to obtain a business visa among the countries in the sample.<sup>21</sup> Moreover, in 43% of countries investment agencies carry out periodic reviews of their documentation requirements and ensure that requirements that are no longer required are discontinued. More than a third (35%) of countries go beyond a simple periodic review and proceed to simplify requirements that are unduly time consuming or costly for investors (C.35).

The policy area **Cooperation** encompass 12 measures that deal with cooperation between different investment-related agencies at both national and international levels. The maximum contribution of the Cooperation policy area to the overall IFI score is 0.19. Within this the countries are scored between zero for Djibouti<sup>22</sup> and 0.19 for the USA. Also, the EU countries have very similar high scores (0.15–0.18) since they have already harmonised most of their internal and external coordination and cooperation procedures.

Regarding internal cooperation, far more than half the countries provide regular consultation and effective dialogue with investors (e.g., 63% in case of measure A.9 and 94% for A.12), and institutional mechanisms to support inter-agency coordination (e.g., 70% for A.10). The majority of the countries in the IFI are involved in extensive cooperation with neighbouring and third countries through accession to multilateral or regional agreements that feature investment promotion and facilitation provisions such as, for example, the USA–Mexico–Canada Agreement (USMCA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) or the Regional Comprehensive Economic Partnership (RCEP). Also, coordination of the activities for facilitating investment are quite widespread with neighbouring countries, as is the case with ASEAN countries in the framework of the ASEAN Comprehensive Investment Agreement (ACIA). However, many countries do not have any programmes to exchange staff with partner countries (50%, measure A.3) or to share best practices and information on investment facilitation (63%, measure A.7).

**Outward Investment** includes eight measures and has the lowest weight among the policy areas (8%). The countries in this policy area are scored from 0.02 (Togo, Myanmar, Liberia, Laos, Honduras, Benin, Argentina) to 0.16 (China, USA, UK), with the maximum of 0.16.

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21 The averages are based on available information for C.38, C.40 and C.52. The information entailed in measure C.38 is the number of days it takes on average to process a visa application for business visitors. The number of days may depend on the country of the applicant. In line with the OECD STRI approach, India has been chosen, since most countries in the OECD require a visa for Indian business travellers. To make the measure as comparable as possible across countries, information on the average number of visa processing days has been obtained from the concerned country's embassy website in India.

22 None of the measures in this policy area is adopted in Djibouti.

Home countries could make comprehensive information available to their foreign investors both to support or restrict outgoing FDI. Sauvart and Hamdani (2015) indicate that from the investors' perspective transparency is not only important as far as host countries are concerned, but also with the support offered to outward investors by their home countries. Such supportive home-country measures include information services, financial and fiscal incentives and political-risk insurance. Some of these measures are particularly important for small- and medium-sized enterprises (SMEs). Sauvart et al. (2014) offer a list of facilitation-related support services that are provided to outward investors by home countries. In the development of the IFI we followed a wide perspective to include not only measures related to host countries but to home countries as well. So far, China's proposal (WTO, 2017d) is the only one that contains a provision for the protection of outward investment in the form of investment insurance and guarantees, political-risk coverage and others. According to our results, the majority of countries provide investment insurance and guarantees (91%, F.87) and have no home-country restrictions to outward FDI (98%, F.88). However, only a few countries provide promotion services or have institutional arrangements to manage outward FDI policy (16%, F.89).

## 5 Conclusions

In this article we present the first assessment of the level of adoption of investment facilitation measures at domestic level for 86 countries at different stages of economic development. This assessment is based on an original dataset comprising 117 investment facilitation measures, clustered in six policy areas, the adoption of which is examined by a detailed mapping of domestic investment regimes. We introduce the conceptualisation and methodological background of the Investment Facilitation Index (IFI), including a weighting scheme that is informed by a survey of 125 experts from international organisations, academia, the private sector and governments. The survey reveals that the measures clustered in the Transparency & Predictability policy area have the highest importance for the attraction of FDI flows, followed by measures on Electronic Governance and Focal Point & Review. The measures on Application Processes are of mid-level importance. The expert survey also revealed that the policy areas of Cooperation and Outward Investment are of lesser importance for the attraction of FDI.

The analysis of the IFI illustrates that the adoption of investment facilitation measures differs strongly across the countries in our sample. We find that countries with the lower levels of adoption belong to the low-income and lower-middle-income country groups and are often located in Africa, the Middle East and to some extent Latin America and the Caribbean. The strong correlation between levels of FDI and the IFI score show that those countries with the lowest levels of FDI, and thus in need of policy tools to attract FDI, have the lowest adoption levels when it comes to investment facilitation measures. In contrast, upper-middle-income or high-income countries, in particular those from Asia-Pacific, Europe and North America have already adopted many of the measures included in our index. The general assessment, however, hides certain variations as there are some low-income countries that have higher levels of adoption than some high-income countries. There are also significant variations within the regions in terms of adoption of investment facilitation measures.

Our dataset has direct relevance for current policy discussions on investment facilitation. For domestic-level policy-making, our IFI can be used as a benchmarking tool to assess the current level of adoption of investment facilitation measures in comparison to a comprehensive set of possible investment facilitation reforms. It can be used to diagnose the areas in a country's practice that need improvement, and the changes to their rules and regulations that are needed. Investment facilitation has also become an important part of trade and investment agreements negotiated at the regional or multilateral level. The recent RCEP, which includes a whole section on investment facilitation (Schacherer, 2021), or the CPTPP and the USMCA are examples of the growing inclusion of investment facilitation provisions in regional trade agreements. Moreover, countries like Brazil and the EU are negotiating investment facilitation agreements on a bilateral basis. The key negotiations, however, are taking place in the WTO on an IFD agreement. Most of these discussions are undertaken without being informed by empirically grounded economic assessments of the benefits and challenges of investment facilitation reforms. The IFI introduced in this article provides the basis for a future research agenda, which we sketch out below, but also the analysis of the dataset itself already suggests some important policy conclusions.

First, in discussions about the added value of an IFD agreement under negotiation at the WTO it is often argued that investment facilitation reforms can be undertaken unilaterally, without the need to comply with binding internationally agreed commitments, often supported by policy guidance and technical assistance from donors and international organisations (Calamita, 2020). Our data shows that this argument is valid only for certain countries, in particular for the high-income and upper-middle-income country groups or those countries in Asia-Pacific, Europe and North America. For many developing countries, in particular those in Africa, the low level of adoption of investment facilitation measures shows that unilateral reforms alone do not lead to an improvement in the domestic investment facilitation framework for all countries.

Second, this empirical assessment does not, of course, mean that any kind of IFD agreement will lead to the intended policy reforms that help developing countries to attract FDI. Our IFI shows that the reform pressure from an IFD agreement will be higher for countries that have currently low levels of adoption. However, in view of the current level of (non)adoption of investment facilitation measures in these countries, reform pressure alone will not be sufficient to overcome existing hurdles. Many developing countries will need additional technical and financial assistance to adopt and implement investment facilitation measures (Berger & Sauvart, 2021). Such a technical and financial assistance framework can be modelled in a similar way to the TFA, which makes the implementation of certain trade facilitation measures by developing countries conditional on external support. Commitments to technical and financial assistance by high-income and upper-middle-income countries should therefore become an integral part of the agreement being negotiated at the WTO. A closer cooperation between the WTO and international organisations that are already actively supporting investment facilitation for the implementation of a future IFD agreement should also be envisaged. The IFI can play a valuable role in helping to identify adoption gaps and prioritise technical assistance and capacity-building needs.

Third, the high variation of adoption levels and the particular nature of investment facilitation measures imply challenges for the negotiation of an IFD agreement at the WTO. The political economy of investment facilitation reforms implies that most developing

(host) countries benefit from the policy reforms they undertake at home and not necessarily from the reforms of other countries. The principle of reciprocity that is, for example, linked to the exchange of market access for trade in goods or services, is therefore less relevant in the context of regulatory reforms such as in the case of investment facilitation. Furthermore, high-income and upper-middle-income countries have already adopted a large number of the potential provisions and the marginal effect of an IFD agreement on the attraction of additional inward FDI could be small. High- and upper-middle-income countries thus benefit mainly from the policy reforms undertaken in low- and lower-middle-income countries, which would potentially help to facilitate high- and upper-middle-income countries' outward FDI. This interest in promoting outward FDI should not only be another reason to commit to technical and financial assistance, but also a reason to include additional commitments on the facilitation of outward FDI which are currently not part of the IFD negotiations.

In view of the ongoing discussions and negotiations on investment facilitation, there is a need to ramp up empirical research. Such a future research agenda can be informed and enabled by the IFI. We would like to highlight several avenues of future research that build on the IFI.

First, the level of adoption of investment facilitation measures allows the identification and quantification of changes to the investment regulatory regimes of different countries as a result of the different designs or scenarios of an IFD agreement.

Second, the IFI enables econometric estimation of the investment facilitation impact on FDI, foreign affiliate sales and multinational activity as well as cost reductions of a potential IFD agreement, which can be used as an input in computable general equilibrium models to simulate the economic effects of the agreement.

Third, based on the different "policy shocks" of the various IFD agreement scenarios it is possible to assess the potential economic impact of a future agreement for the countries involved in the negotiations and to identify the most beneficial framework for all the partners as well as spillover effects for outsiders.

Fourth, the IFI gives a clear picture of where countries have adoption gaps, relative to a future WTO agreement, and thus provides the basis for needs assessments at country level that can be used to create targeted technical and financial assistance.

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## Annexes

<b>Annex 1: List of countries and corresponding IFI scores</b>			
<b>Country</b>	<b>Income group</b>	<b>Region</b>	<b>IFI Score</b>
<b>Liberia</b>	Low income	Sub-Saharan Africa	0,251
<b>Chad</b>	Low income	Sub-Saharan Africa	0,394
<b>Togo</b>	Low income	Sub-Saharan Africa	0,521
<b>Congo</b>	Low income	Sub-Saharan Africa	0,609
<b>The Gambia</b>	Low income	Sub-Saharan Africa	0,615
<b>Guinea</b>	Low income	Sub-Saharan Africa	0,880
<b>Benin</b>	Lower middle income	Sub-Saharan Africa	0,225
<b>Djibouti</b>	Lower middle income	Middle East & North Africa	0,259
<b>Honduras</b>	Lower middle income	Latin America & Caribbean	0,609
<b>Myanmar</b>	Lower middle income	East Asia & Pacific	0,631
<b>Laos</b>	Lower middle income	East Asia & Pacific	0,651
<b>Kyrgyz Republic</b>	Lower middle income	Europe & Central Asia	0,735
<b>Moldova</b>	Lower middle income	Europe & Central Asia	0,783
<b>Zimbabwe</b>	Lower middle income	Sub-Saharan Africa	0,833
<b>Nigeria</b>	Lower middle income	Sub-Saharan Africa	0,854
<b>Mongolia</b>	Lower middle income	East Asia & Pacific	0,858
<b>Pakistan</b>	Lower middle income	South Asia	0,876
<b>Nicaragua</b>	Lower middle income	Latin America & Caribbean	0,876
<b>Zambia</b>	Lower middle income	Sub-Saharan Africa	0,964
<b>India</b>	Lower middle income	East Asia & Pacific	0,964
<b>Ghana</b>	Lower middle income	Sub-Saharan Africa	1,005
<b>Cambodia</b>	Lower middle income	East Asia & Pacific	1,007
<b>El Salvador</b>	Lower middle income	Latin America & Caribbean	1,052
<b>Vietnam</b>	Lower middle income	East Asia & Pacific	1,185
<b>Tajikistan</b>	Upper middle income	Europe & Central Asia	0,567
<b>Dominica</b>	Upper middle income	Latin America & Caribbean	0,665
<b>Ecuador</b>	Upper middle income	Latin America & Caribbean	0,695
<b>Dom Rep</b>	Upper middle income	Latin America & Caribbean	0,795
<b>Montenegro</b>	Upper middle income	Europe & Central Asia	0,813
<b>Guatemala</b>	Upper middle income	Latin America & Caribbean	0,945
<b>Malaysia</b>	Upper middle income	East Asia & Pacific	0,972
<b>Russia</b>	Upper middle income	Europe & Central Asia	1,090
<b>Bulgaria</b>	Upper middle income	Europe & Central Asia	1,135
<b>Colombia</b>	Upper middle income	Latin America & Caribbean	1,171
<b>South Africa</b>	Upper middle income	Sub-Saharan Africa	1,252
<b>Kazakhstan</b>	Upper middle income	Europe & Central Asia	1,273
<b>Brazil</b>	Upper middle income	Latin America & Caribbean	1,300

<b>Annex 1: List of countries and corresponding IFI scores</b>			
<b>Turkey</b>	Upper middle income	Europe & Central Asia	1,411
<b>Costa Rica</b>	Upper middle income	Latin America & Caribbean	1,462
<b>Mexico</b>	Upper middle income	Latin America & Caribbean	1,483
<b>China</b>	Upper middle income	East Asia & Pacific	1,596
<b>Kuwait</b>	High income	Middle East & North Africa	0,706
<b>Barbados</b>	High income	Latin America & Caribbean	0,772
<b>Malta</b>	High income	Middle East & North Africa	0,786
<b>Qatar</b>	High income	Middle East & North Africa	0,839
<b>Romania</b>	High income	Europe & Central Asia	0,899
<b>Panama</b>	High income	Latin America & Caribbean	0,903
<b>Hungary</b>	High income	Europe & Central Asia	0,920
<b>Latvia</b>	High income	Europe & Central Asia	0,932
<b>Saudi Arabia</b>	High income	Middle East & North Africa	1,025
<b>Uruguay</b>	High income	Latin America & Caribbean	1,050
<b>Lithuania</b>	High income	Europe & Central Asia	1,073
<b>Croatia</b>	High income	Europe & Central Asia	1,086
<b>Brunei</b>	High income	East Asia & Pacific	1,147
<b>Czech Republic</b>	High income	Europe & Central Asia	1,154
<b>Greece</b>	High income	Europe & Central Asia	1,170
<b>Argentina</b>	High income	Latin America & Caribbean	1,176
<b>Portugal</b>	High income	Europe & Central Asia	1,226
<b>Cyprus</b>	High income	Europe & Central Asia	1,237
<b>Slovakia</b>	High income	Europe & Central Asia	1,258
<b>Italy</b>	High income	Europe & Central Asia	1,297
<b>Spain</b>	High income	Europe & Central Asia	1,305
<b>Slovenia</b>	High income	Europe & Central Asia	1,307
<b>Estonia</b>	High income	Europe & Central Asia	1,322
<b>Ireland</b>	High income	Europe & Central Asia	1,340
<b>Poland</b>	High income	Europe & Central Asia	1,342
<b>Singapore</b>	High income	East Asia & Pacific	1,365
<b>Belgium</b>	High income	Europe & Central Asia	1,376
<b>Chile</b>	High income	Latin America & Caribbean	1,381
<b>Finland</b>	High income	Europe & Central Asia	1,387
<b>Luxembourg</b>	High income	Europe & Central Asia	1,398
<b>France</b>	High income	Europe & Central Asia	1,398
<b>Switzerland</b>	High income	Europe & Central Asia	1,410
<b>Sweden</b>	High income	Europe & Central Asia	1,411
<b>New Zealand</b>	High income	East Asia & Pacific	1,416
<b>Hong Kong</b>	High income	East Asia & Pacific	1,445
<b>Austria</b>	High income	Europe & Central Asia	1,504

<b>Annex 1: List of countries and corresponding IFI scores</b>			
<b>Japan</b>	High income	East Asia & Pacific	1,507
<b>Denmark</b>	High income	Europe & Central Asia	1,517
<b>Canada</b>	High income	North America	1,554
<b>Netherlands</b>	High income	Europe & Central Asia	1,568
<b>United Kingdom</b>	High income	Europe & Central Asia	1,576
<b>Germany</b>	High income	Europe & Central Asia	1,666
<b>Korea</b>	High income	East Asia & Pacific	1,694
<b>Australia</b>	High income	East Asia & Pacific	1,721
<b>USA</b>	High income	North America	1,725
Source: Authors			

<b>Annex 2: Comparison of IFI with other indices</b>				
<b>Title and organisation</b>	<b>General description</b>	<b>Coverage</b>	<b>Policy areas</b>	<b>Weight and scores</b>
<b>Trade Facilitation Indicators, OECD</b>	To help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade, the OECD has developed a set of Trade Facilitation Indicators (TFIs) that identify areas for action and enable the potential impact of reforms to be assessed. The OECD TFIs primarily focus on procedures at the border and the role of border or customs agencies.	The data are updated every two years, which allows countries to monitor their progress since 2013, when the project was first launched. Currently, the index covers the border procedures of 163 countries.	The list of TFIs includes: (1) Information availability, (2) Involvement of the trade community, (3) Advance rulings, (4) Appeal procedures, (5) Fees and charges, (6) Formalities – documents, (7) Formalities – automation, (8) Formalities – procedures, (9) Internal border agency co-operation, (10) External border agency co-operation (11) Governance and impartiality.	The 11 TFIs take values from 0 to 2, where 2 designates the best performance. The variables in the TFI dataset are coded with 0, 1, or 2. These reflect not only the regulatory framework in the concerned countries, but dive, to the extent possible, into the state of implementation of various trade facilitation measure. The indicators have equal weight.
<b>FDI Regulatory Restrictiveness Index, OECD</b>	The OECD FDI Index measures statutory restrictions on FDI. The goal of the index is to capture the discriminatory measures affecting foreign investors, including market access restrictions and departures from national treatment. Implementation issues are not addressed and factors such as the degree of transparency or discretion in granting approvals are not taken into account.	Since its launch in 2003, this index has been revised and extended. The data are available for 86 countries for the following years: 1997, 2003, 2006, 2010–2020. The current index framework gauges the restrictiveness of a country's FDI rules across 22 economic sectors, including, e.g., agriculture, mining, electricity, different manufacturing and services sectors.	The policy measures are categorised under four areas: (i) Foreign equity restrictions, (ii) Screening or approval mechanisms, (iii) Restrictions on the employment of foreigners as key personnel, (iv) Operational restrictions, e.g. restrictions on branching, capital repatriation, land ownership.	The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector). The score for each sector is obtained by adding the scores for all four types of measures. Each policy area has been given an equal weight.
<b>Services Trade Restrictiveness Index, OECD</b>	The OECD STRI provides information on behind-the-border regulations affecting trade in services. The OECD's quantification of services regimes across countries and over time seeks to inform the decisions of policy makers and regulators, convey transparent and accessible information to exporters, and provide a source of data for academic research on drivers of and impediments to services trade.	The OECD STRI contains information on services trade restrictions across 22 major services sectors. The STRI indicators and database have been updated annually from 2014 to 2020 for all sectors. The update also involves further harmonisation of measures across sectors and the sharpening of some of the measures. The database currently covers 48 countries.	The policy measures are categorised under five policy areas: (i) Restrictions on foreign ownership and other market entry conditions; (ii) Restrictions on the movement of people; (iii) Other discriminatory measures and international standards; (iv) Barriers to competition and public ownership; and (v) Regulatory transparency and administrative requirements.	The STRIs are composite indices taking values between 0 and 1, with 0 representing an open market and 1 a market completely closed to foreign services providers. Thus, the scoring system is based on binary scoring. Each policy area has been given a different weight according to an assessment of its importance through a survey of experts.

<b>Annex 2: Comparison of IFI with other indices</b>				
<b>Doing Business Index, World Bank</b>	The Doing Business index measures regulations affecting businesses in a broad range of countries. The initial goal is to provide an objective basis for understanding and improving the regulatory environment for business around the world. The ease-of-doing-business score also helps assess the absolute level of regulatory performance over time. It captures the gap of each economy from the best regulatory performance observed on each of the indicators across all included economies.	The Doing Business project provides objective measures of business regulations and their enforcement across 190 countries and selected cities at the subnational and regional level since 2005. The World Bank updates the index each year.	The latest version of the index covers 10 indicator sets: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.	Calculating the score for ease of doing business involves two main steps. In the first step individual component indicators are normalised to a common unit using the linear transformation with worst and best regulatory performance across all economies (established every five years). In the second step, the scores for individual indicators for each economy are aggregated through simple averaging into one score (i.e., equal weights), first for each topic and then across all 10 topics.
<b>Investment Facilitation Index, DIE</b>	The DIE IFI introduces a new dataset that comprehensively measures the adoption of investment facilitation measures at country level as the basis for future empirical research. It allows governments and stakeholders to identify reform gaps in light of the negotiations of an IFD agreement and it can be used to tailor capacity-development initiatives in developing countries.	The index covers the full spectrum of investment facilitation measures for most of the WTO members participating in the WTO negotiations on investment facilitation for development, representing different income levels, geographical regions, and levels of development. The presented index refers to 2019 and includes 117 measures for 86 countries.	The 117 measures in the IFI are grouped under six policy areas: (i) Transparency & Predictability, (ii) Electronic Governance, (iii) Focal Point & Review, (iv) Application Process, (v) Cooperation, (vi) Outward Investment.	The measures are coded with 0, 1, or 2, where 2 designates the best performance. This multiple binary scheme reflects not only the regulatory framework in the concerned countries, but also, to the extent possible, the state of adoption/implementation of various investment facilitation measures. The weighting scheme relies on expert judgment.
<p>Sources:</p> <p>TFI: OECD. (n.d.) Introducing the OECD Trade Facilitation Indicators. Retrieved from <a href="https://www.oecd.org/trade/topics/trade-facilitation/documents/trade-facilitation-indicators-methodology.pdf">https://www.oecd.org/trade/topics/trade-facilitation/documents/trade-facilitation-indicators-methodology.pdf</a>; OECD. (n.d.) Trade Facilitation Indicators simulator. <a href="https://sim.oecd.org/default.ashx?ds=TFI">https://sim.oecd.org/default.ashx?ds=TFI</a></p> <p>FDI: Restrictiveness Index: Kalinova et al. (2010); <a href="https://stats.oecd.org/Index.aspx?datasetcode=FDIINDEX">https://stats.oecd.org/Index.aspx?datasetcode=FDIINDEX</a></p> <p>STRI: Grosso et al. (2015) and <a href="https://sim.oecd.org/">https://sim.oecd.org/</a></p> <p>Doing Business index: World Bank (2020) and <a href="https://www.doingbusiness.org/en/doingbusiness">https://www.doingbusiness.org/en/doingbusiness</a></p> <p>IFI: Authors</p>				

<b>Annex 3: Policy areas and weights</b>					
<b>Measure code</b>	<b>Policy area</b>	<b>Description</b>	<b>Number of measures</b>	<b>% Weight policy area</b>	<b>Individual measure weight</b>
<b>A</b>	Cooperation	<ul style="list-style-type: none"> <li>- Usage of international and regional initiatives aimed at building investment expertise, including information sharing.</li> <li>- Provision of an institutionalised mechanism to support domestic inter-agency coordination.</li> </ul>	12	9.33	0.00777
<b>B</b>	Electronic Governance	<ul style="list-style-type: none"> <li>- Establishment of single window and usage of information and communication technology.</li> <li>- Application of new technology to improve information, application and approval processes.</li> </ul>	22	20.87	0.00948
<b>C</b>	Application Process	<ul style="list-style-type: none"> <li>- Establishment of clear criteria and transparent procedures for administrative decisions including investment approval mechanisms.</li> <li>- Reduction of the number and complexity of fees and charges.</li> </ul>	23	14.66	0.00637
<b>D</b>	Focal Point & Review	<ul style="list-style-type: none"> <li>- Provision of mechanisms to improve relations or facilitate contacts between host governments and relevant stakeholders.</li> <li>- Reception of complaints from investors and/or provision of help to them in order to solve difficulties or to carry out policy advocacy.</li> <li>- Encouragement of the development of effective mechanisms at reasonable cost for resolving disputes, including private arbitration services.</li> <li>- Provision of framework to identify and address problems encountered by investors.</li> </ul>	25	19.07	0.00762
<b>F</b>	Outward Investment	<ul style="list-style-type: none"> <li>- Provision of comprehensive information and their availability to investors by home countries.</li> </ul>	8	7.99	0.00998
<b>G</b>	Transparency & Predictability	<ul style="list-style-type: none"> <li>- Provision of a full, clear and up-to-date picture of the investment regime, including advance notice of proposed changes.</li> <li>- Promotion of legislative simplification including plain language drafting.</li> </ul>	27	28.09	0.0104
Sources: Authors					

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
<b>Code</b>	<b>Measures</b>	<b>Coding</b>	<b>Scale</b>
<b>Cooperation</b>			
A.1	Cross-border cooperation and co-ordination of the activities of agencies involved in the management of cross-border trade, with a view to improving and facilitating investment	(0) There is no cross-border cooperation and coordination with investment agencies in neighbouring countries; (1) National legislation allows for cross-border cooperation, coordination, exchange of information and mutual assistance with investment authorities in neighbouring countries; (2) There is an explicit coordination strategy led at a high political level, or the concerned countries belong to a Customs Union	0 1 2
A.2	Accession to multilateral and/or regional investment promotion and facilitation conventions	(0) There is no accession to multilateral and/or regional investment promotion and facilitation conventions; (2) There is an accession to multilateral and/or regional investment promotion and facilitation conventions	0 2
A.3	Exchange of staff and training programmes at the international level (Technical Assistance)	(0) There are no programmes to exchange staff with partner countries; (1) There are occasional exchanges of know-how with neighbouring or third countries; (2) There are regular exchange programmes, as well as training seminars on best practices, with both neighbouring and third countries	0 1 2
A.4	Alignment of procedures and formalities with neighbouring countries where applicable	(0) Procedures and formalities are not aligned with neighbouring countries; (1) Local arrangements exist in order to facilitate investment; (2) Procedures and formalities are aligned with neighbouring countries	0 1 2
A.5	Harmonisation of data requirements and documentary controls	(0) Data requirements are not coordinated/harmonised with neighbouring countries; (1) Work is underway with neighbouring countries in order to identify strategies for coordination/harmonisation of data requirements; (2) Data requirements are coordinated/harmonised with neighbouring countries through common data definitions and types of information requested and mechanisms established to ensure timely exchange of information	0 1 2
A.6	Harmonisation of the different computer systems	(0) Computer language and systems are not coordinated/harmonised with neighbouring countries; (1) Work is underway with neighbouring countries in order to identify strategies for coordination/harmonisation of computer language and systems; (2) Computer language and systems are coordinated/harmonised with neighbouring countries	0 1 2
A.7	Sharing of best practices and information on the facilitation of foreign direct investments	(0) There is no programme to share best practices and information on the facilitation of foreign direct investments; (2) There is a programme to share best practices and information on the facilitation of foreign direct investments	0 2
A.8	Organisation of business–government networking events	(0) There are no programmes to organise business–government networking events with partner countries; (2) There are regular programmes to organise business–government networking events with partner countries	0 2
A.9	Regular consultation and effective dialogue with investors	(0) There are fewer than two stakeholder groups involved; (2) There are more than two stakeholder groups involved	0 2
A.10	Institutionalised mechanism to support inter-agency coordination*	(0) There is no inter-agency coordination body; (2) There is an inter-agency coordination body	0 2
	*List of features to which the body should meet the terms of: has established terms of reference and procedures for conducting its activities; has a permanent technical Secretariat; its decisions and recommendations are made publicly available on a dedicated webpage; has a Steering Committee which monitors the implementation of decisions; has clear provisions for its financing; includes at least 60% of relevant agencies.		
A.11	Domestic inter-agency coordination mechanisms meet regularly to develop strategy and oversee implementation of investment facilitation cooperation	(0) There are no meetings between the different public agencies involved in the investment facilitation or such meetings are only ad hoc; (2) Regular meetings are held to improve cooperation	0 2
A.12	Public consultations between investors and other interested parties and government	(0) There are no public consultations between investors and other interested parties and governments; (1) There are specific public consultations when introducing or amending investment-related laws, regulations and administrative rulings of general application; (2) There are one or more structures for regular public consultations	0 1 2

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
<b>Electronic Governance</b>			
<b>B.13</b>	Establishment of a national investment website	(0) There is no clearly identified investment website on the internet; (1) There is an official website; (2) The website makes available a minimum set of information (including licensing requirement, fees, charges, screening and approval) related to investment procedures in one of the official WTO languages	0 1 2
<b>B.14</b>	Use of email by the competent authorities for exchanging information with investors	(0) The competent authorities do not use email for exchanging information with investors; (2) The competent authorities use email for exchanging information with investors	0 2
<b>B.15</b>	Electronic payment system for the investor to pay all fees, charges and taxes associated to the admission, establishment, maintenance, acquisition and expansion of investments	(0) The electronic payment system is not available; (1) The electronic payment system is in the process of being integrated; (2) The electronic payment system is available	0 1 2
<b>B.16</b>	Availability of online platforms or portals in administrative procedures for the submission and processing of applications online	(0) There is no online platform or portal for administrative procedures related to the submission and processing of applications online; (2) There is an online platform or portal for administrative procedures related to the submission and processing of applications online	0 2
<b>B.17</b>	Availability of online business registration system	(0) There is no online business registration system in place; (2) There is an online business registration system in place	0 2
<b>B.18</b>	The ability to track the status of an applications online	(0) The applicant cannot track the status of an applications online; (2) The applicant can track the status of an applications online	0 2
<b>B.19</b>	Laws or regulations provide electronic signature with the equivalent legal validity as a hand-written signature	(0) There are no laws or regulations that provide electronic signature with the equivalent legal validity as a hand-written signature; (2) Laws or regulations provide electronic signature with the equivalent legal validity as a hand-written signature	0 2
<b>B.20</b>	Digital certificates and signatures in place	0) No use of electronic signatures; (2) Use of electronic signatures	0 2
<b>B.21</b>	IT Systems capable of accepting and exchanging data electronically	(0) IT systems are not ready for accepting and exchanging data electronically; (1) In the process of implementation, not yet fully operational; (2) IT systems are ready for accepting and exchanging data electronically	0 1 2
<b>B.22</b>	Copies of documents accepted	(0) The investment agencies do not accept copies of documents; (2) Copies are accepted although the original may need to be presented upon request	0 2
<b>B.23</b>	Applicable legislation published on internet	(0) There is no information on the website (no electronic links); (1) Investors can find the relevant legislation on the website; (2) There are quick references among the different pages of the website or user-friendly guidance on key issues	0 1 2
<b>B.24</b>	Regulations or administrative measures in place for the protection of personal information (confidential information)	(0) There is no protection of the information provided; (2) There are procedures for the protection of the information provided	0 2
<b>B.25</b>	The legal framework for protection of personal information takes into account principles and guidelines of relevant international bodies*	(0) The legal framework for protection of personal information does not take into account principles and guidelines of relevant international bodies; (2) The legal framework for protection of personal information takes into account principles and guidelines of relevant international bodies	0 2
	*Key principles include: limitation on collection; choice; data quality; purpose specification; use limitation; security safeguards; transparency; individual participation; and accountability. international bodies such as the APEC Privacy Framework and the OECD Recommendation of the Council concerning Guidelines Governing the Protection of Privacy and Trans Border Flows of Personal Data (2013).		
<b>B.26</b>	Online tax registration and declaration is available to non-resident foreign investors	(0) Online tax registration and declaration is not available to non-resident foreign investors; (2) Online tax registration and declaration is available to non-resident foreign investors	0 2
<b>B.27</b>	Restrictions on internet banking or insurance	(0) There are restrictions on internet banking or insurance; (2) There are no restrictions on internet banking or insurance	0 2

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
<b>B.28</b>	National contract rule for cross-border transaction deviates from internationally standardised rules*	(0) National contract rule for cross-border transaction deviates from internationally standardised rules; (2) National contract rule for cross-border transaction does not deviate from internationally standardised rules	0 2
	*Legal framework governing electronic transactions is consistent with the principles of the UNCITRAL Model Law on Electronic Commerce 1996		
<b>B.29</b>	Interoperable electronic authentication	(0) There is no interoperable electronic authentication; (2) There is interoperable electronic authentication	0 2
<b>B.30</b>	Single window and information technology	(0) There is no single window; (1) The single window is not supported by information technology; (2) The single window is fully supported by information technology	0 1 2
<b>B.31</b>	Single Window: Is it possible to request all mandatory registrations simultaneously (e.g. business registry, national and/or state/municipal tax identification number, social security, pension schemes)?	(0) It is not possible to request all mandatory registrations simultaneously (e.g. business registry, national and/or state/municipal tax identification number, social security, pension schemes); (2) It is possible to request all mandatory registrations simultaneously (e.g. business registry, national and/or state/municipal tax identification number, social security, pension schemes)	0 2
<b>B.32</b>	Single Window: Is it possible to pay all fees corresponding to the mandatory registrations?	(0) It is not possible to pay all fees corresponding to the mandatory registrations; (2) It is possible to pay all fees corresponding to the mandatory registrations	0 2
<b>B.33</b>	Single Window: Is it possible to receive the business registration certificates online (e.g. QR code, certificate number, PDF, etc.)?	(0) It is not possible to receive the business registration certificates online (e.g. QR code, certificate number, PDF, etc.); (2) It is possible to receive the business registration certificates online (e.g. QR code, certificate number, PDF, etc.)	0 2
<b>B.34</b>	Single Window: Does the site give phones or online contacts for complaints, for each mandatory registration?	(0) The single window website does not provide phones or online contacts for complaints, for each mandatory registration; (2) The single window website provides phones or online contacts for complaints, for each mandatory registration	0 2
<b>Application Process</b>			
<b>C.35</b>	Periodic review of documentation requirements	(0) Relevant investment agencies do not carry out a periodic review of their documentation requirements; (1) Relevant investment agencies carry out periodic reviews of their documentation requirements and ensure that requirements that are no longer required are discontinued; (2) Relevant investment agencies carry out periodic reviews of their documentation requirements and proceed to simplify requirements that are unduly consuming or costly for investors	0 1 2
<b>C.36</b>	Availability of an online checklist to assist applicants to complete applications	(0) There is no online checklist to assist applicants to complete applications; (2) There is an online checklist to assist applicants to complete applications	0 2
<b>C.37</b>	Availability of a set of guidelines on application requirements	(0) There is no set of guidelines on application requirements; (2) There is a set of guidelines on application requirements	0 2
<b>C.38</b>	Range of visa processing time for investors (days)	(0) more than 10 days; (2) fewer than 10 days	0 2
<b>C.39</b>	Multiple entry visa for business visitors	(0) Visas are not issued on a multiple entry basis; (2) Visas are issued on a multiple entry basis	0 2
<b>C.40</b>	Number of documents needed to obtain a business visa	(0) more than 8 documents; (2) fewer than 8 documents	0 2
<b>C.41</b>	Number of working days to complete all mandatory procedures to register a company*	(0) more than 9 days; (2) fewer than 9 days	0 2
	*World Bank Doing Business Indicators		
<b>C.42</b>	Number of mandatory procedures to register a company*	(0) more than 5; (2) fewer than 5	0 2
	*World Bank Doing Business Indicators		

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
C.43	Publication of timeframes to process an application	(0) The authorities do not publish timeframes to process an application; (2) The authorities publish timeframes to process an application	0 2
C.44	Inform the applicant of the decision concerning an application	(0) There is no requirement to inform the applicant of the decision concerning an application; (2) There is a requirement to inform the applicant of the decision concerning an application	0 2
C.45	Availability of information concerning the status of the application	(0) There is no procedure to provide applicant with information concerning the status of the application; (2) There are procedures to provide applicant with information concerning the status of the application	0 2
C.46	Inform the applicant that the application is incomplete	(0) There is no possibility to inform the applicant that the application is incomplete; (2) There is a possibility to inform the applicant that the application is incomplete	0 2
C.47	Provide the applicant with an explanation of why the application is considered incomplete	(0) There is no possibility to provide the applicant with an explanation of why the application is considered incomplete; (2) There is a possibility to provide the applicant with an explanation of why the application is considered incomplete	0 2
C.48	Provide the applicant with the opportunity to submit the information required to complete the application	(0) There is no possibility to provide the applicant with the opportunity to submit the information required to complete the application; (2) There is a possibility to provide the applicant with the opportunity to submit the information required to complete the application	0 2
C.49	Provide the applicant with the opportunity to resubmit an application that was previously rejected	(0) There is no possibility to provide the applicant with the opportunity to resubmit an application that was previously rejected; (2) There is a possibility to provide the applicant with the opportunity to resubmit an application that was previously rejected	0 2
C.50	Adopting a silent “yes” approach for administrative approvals	(0) The regulator has not adopted a silent “yes” approach for administrative approvals; (2) The regulator has adopted a silent “yes” approach for administrative approvals	0 2
C.51	Evaluation of fees and charges	(0) The value of fees and charges are not limited to the approximate cost of the services rendered on or in connection with the specific investment application; (2) The value of fees and charges are limited to the approximate cost of the services rendered on or in connection with the specific investment application	0 2
C.52	Cost to obtain a business visa (USD)	(0) above USD 94; (2) less than USD 94	0 2
C.53	Information on fees and charges is all-inclusive	(0) No information about fees and charges is available, on paper or online; (1) Available information does not account for all applicable fees and charges or does not include all information required; (2) All applicable fees or charges have been accounted for when providing information and it includes the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made	0 1 2
C.54	Total number of fees collected (number – diversity)	(0) The number is above 5 (above the 70th percentile of the sample for which data are available); (1) The number is equal to 4 (between the 30th and the 70th percentile of the sample for which data are available); (2) The number is below 4 (below the 30th percentile of the sample for which data are available)	0 1 2
C.55	Fees for answering enquiries and providing required forms and documents	(0) There are fees requested for answering enquiries and/or providing required forms and documents; (1) If any, these are limited to the approximate cost of services rendered; (2) There are no fees requested for answering enquiries and/or providing required forms and documents	0 1 2
C.56	Fees and charges periodically reviewed to ensure they are still appropriate and relevant	(0) There is no periodic review of fees and charges; (1) Fees and charges are reviewed periodically; (2) Fees and charges are reviewed periodically and adapted to changed circumstances	0 1 2

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
<b>C.57</b>	Total cost to complete all official procedures required to register a company (in % of income per capita)*	(0) the total cost to complete all official procedures required to register a company is more than 2.4%; (2) the total cost to complete all official procedures required to register a company is less than 2.4%	0 2
	*World Bank Doing Business Indicators		
<b>Focal Point &amp; Review</b>			
<b>D.58</b>	Focal Point provides parties with alternative forms of dispute resolution	(0) Focal Point does not provide parties with alternative forms of dispute resolution; (2) Focal Point provides parties with alternative forms of dispute resolution	0 2
<b>D.59</b>	Independent or higher level administrative and/or judicial appeal procedures available	(0) There is no possibility of independent or higher level administrative, or judicial appeal of investment-related decisions; (1) There is the possibility of an independent or higher-level administrative appeal of investment-related decisions and established policies/procedures for the processing of appeals; (2) There is in addition a possibility of a judicial appeal following, or independent of, the administrative appeal of investment-related decisions	0 1 2
<b>D.60</b>	Existence of time limit for deciding judicial appeals	(0) There is no time limit for deciding judicial appeals; (2) There is a time limit for deciding judicial appeals	0 2
<b>D.61</b>	Judicial independence*	(0) "Answer" is set below 3.3 (30th percentile of the country sample); (1) "Answer" is set between 3.3 and 4.7; (2) "Answer" is set on or above 4.7 (70th percentile)	0 1 2
	*World Economic Forum Global Competitiveness Report background data: score based on the reply to the question "To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms?" [1=heavily influenced; 7=entirely independent]		
<b>D.62</b>	Timeliness of the appeal mechanism – time available for lodging an appeal	(0) Time limits fixed for contesting a decision do not provide sufficient time to study the contested decision and prepare the appeal; (2) Time limits fixed for contesting a decision provide adequate time to study the contested decision and prepare the appeal	0 2
<b>D.63</b>	Timeliness of the appeal decision – avoidance of undue delays	(0) There are no set periods specified in the laws and regulations for providing a decision on appeal or review; (2) There are set periods specified in the laws and regulations for providing a decision on appeal or review	0 2
<b>D.64</b>	Establishment of a mechanism for coordination and handling of foreign investment complaints (focal point/Ombudsman)	(0) There is no Focal Point; (1) A Focal Point is planned or in the process of implementation; (2) There is a Focal Point	0 1 2
<b>D.65</b>	Focal Point provides guidance concerning related legislation, institutions, process, and responsible agencies	(0) Focal Point does not provide guidance concerning related legislation, institutions, process, and responsible agencies; (2) Focal Point provides guidance concerning related legislation, institutions, process, and responsible agencies	0 2
<b>D.66</b>	Focal Point accepts and/or forwards foreign investment complaints	(0) Focal Point does not accept and/or forward foreign investment complaints; (2) Focal Point accepts and/or forwards foreign investment complaints	0 2
<b>D.67</b>	Focal Point responds to enquiries of governments, investors and other interested parties	(0) Focal Point does not provide investors with relevant public information regarding investments; (2) Focal Point provides investors with relevant public information regarding investments	0 2
<b>D.68</b>	Focal Point assists investors in obtaining information from government agencies relevant to their investments	(0) Focal Point does not assist investors in obtaining information from government agencies relevant to their investments; (2) Focal Point assists investors in obtaining information from government agencies relevant to their investments	0 2
<b>D.69</b>	Possibility to provide feedback to Focal Point*	(0) There is no possibility to provide feedback; (1) There is a possibility by telephone or human contact only; (2) There are online means (email, forms) to provide feedback	0 1 2
	*This refers to the possibility for users to provide feedback on the organisation of the website (user-friendliness of the website, availability of information, explanation on new systems)		

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
<b>D.70</b>	Quality/user friendliness of the research/help function of the Focal Point website	(0) There is no research function or fewer than two positive matches to keywords searches; (1) There are positive matches for at least two keywords searches, but fewer than four; (2) There are positive matches for at least four keywords searches	0 1 2
<b>D.71</b>	Frequent meetings with foreign-invested companies and relevant government officials to mitigate conflicts and facilitate their resolutions	(0) There are no frequent meetings with foreign-invested companies and relevant government officials to mitigate conflicts and facilitate their resolutions; (2) There are frequent meetings with foreign-invested companies and relevant government officials to mitigate conflicts and facilitate their resolutions	0 2
<b>D.72</b>	Dispute prevention mechanism in place	(0) There is no dispute prevention mechanism in place; (2) There is a dispute prevention mechanism in place	0 2
<b>D.73</b>	Mechanisms to improve relations or facilitate contacts between host governments and relevant stakeholders	(0) There are no mechanisms to improve relations or facilitate contacts between host governments and relevant stakeholders; (2) There are mechanisms to improve relations or facilitate contacts between host governments and relevant stakeholders	0 2
<b>D.74</b>	Domestic institutional arrangements to enhance communication and coordination among relevant authorities at different levels of government	(0) There are no domestic institutional arrangements to enhance communication and coordination among relevant authorities at different levels of government; (2) There are domestic institutional arrangements to enhance communication and coordination among relevant authorities at different levels of government	0 2
<b>D.75</b>	Domestic mechanisms to share information with interested parties (such as investors, or the public)	(0) There are no domestic mechanisms to share information with interested parties (such as investors, or the public); (2) There are domestic mechanisms to share information with interested parties (such as investors, or the public)	0 2
<b>D.76</b>	Providing training sessions specialising in civil complaints and Ombudsman for relevant officials and organisations	(0) The government provides training sessions specialising in civil complaints and Ombudsman for relevant officials and organisations; (2) The government provides training sessions specialising in civil complaints and Ombudsman for relevant officials and organisations	0 2
<b>D.77</b>	Focal Point assists investors by seeking to resolve investment-related difficulties, in collaboration with government agencies	(0) Focal Point does not assist investors by seeking to resolve investment-related difficulties, in collaboration with government agencies; (2) Focal Point assists investors by seeking to resolve investment-related difficulties, in collaboration with government agencies	0 2
<b>D.78</b>	Focal Point recommends to the competent authorities measures to improve the investment environment (policy advocacy)	(0) Focal Point does not make recommendation to the competent authorities measures to improve the investment environment; (2) Focal Point recommends to the competent authorities measures to improve the investment environment	0 2
<b>D.79</b>	Focal Point makes corrective recommendations and expression of opinions regarding illegal and unfair administrative measures	(0) Focal Point cannot make corrective recommendations and expression of opinions regarding illegal and unfair administrative measures; (2) Focal Point can make corrective recommendations and expression of opinions regarding illegal and unfair administrative measures	0 2
<b>D.80</b>	Focal Point urges and/or inspects the implementation of the solutions for foreign investment complaints	(0) Focal Point does not urge and/or inspect the implementation of the solutions for foreign investment complaints; (2) Focal Point urges and/or inspects the implementation of the solutions for foreign investment complaints	0 2
<b>D.81</b>	Efficiency of legal framework in challenging regulations*	(0) "Answer" is set at or below 3 (30th percentile of the country sample); (1) "Answer" is set between 3 and 3.9; (2) "Answer" is set on or above 3.9 (70th percentile)	0 1 2
	*World Economic Forum Global Competitiveness Report background data: score based on the reply to the question "How efficient is the legal framework in your country for private businesses in challenging the legality of government actions and/or regulations?" [1=extremely inefficient; 7=highly efficient]		
<b>D.82</b>	Efficiency of legal framework in settling disputes*	(0) "Answer" is set at or below 3 (30th percentile of the country sample); (1) "Answer" is set between 3 and 3.9; (2) "Answer" is set on or above 3.9 (70th percentile)	0 1 2
	*World Economic Forum Global Competitiveness Report background data: score based on the reply to the question "How efficient is the legal framework in your country for private businesses in settling a dispute?" [1=extremely inefficient; 7=highly efficient]		

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
<b>Outward Investment</b>			
<b>F.83</b>	Promotion services – foreign offices: Home country uses foreign offices (Embassies) to facilitate OFDI	(0) Home country does not use foreign offices (Embassies) to facilitate OFDI; (2) Home country uses foreign offices (Embassies) to facilitate OFDI	0 2
<b>F.84</b>	Promotion services – foreign offices: Home country uses foreign offices (consulates and foreign offices that are staffed by investment professionals) to facilitate OFDI	(0) Home country does not use foreign offices (consulates and foreign offices that are staffed by investment professionals) to facilitate OFDI; (2) Home country uses foreign offices (consulates and foreign offices that are staffed by investment professionals) to facilitate OFDI	0 2
<b>F.85</b>	Promotion services – information: Home country provides information on investment opportunities abroad, investment climates and home-country measures	(0) Home country does not provide information on investment opportunities abroad, investment climates and home-country measures; (2) Home country provides information on investment opportunities abroad, investment climates and home-country measures	0 2
<b>F.86</b>	Promotion services – missions and matchmaking: Home country provides or organises business missions for OFDI and matchmaking for OFDI	(0) Home country does not provide business missions for OFDI or matchmaking for OFDI; (2) Home country provides or organises business missions for OFDI and matchmaking for OFDI	0 2
<b>F.87</b>	Insurance and guarantees: Home country provides investment insurance and guarantees	(0) Home country does not provide investment insurance and guarantees; (2) Home country provides investment insurance and guarantees	0 2
<b>F.88</b>	OFDI Restrictions: Are there home-country restrictions to OFDI?	(0) Home country measures restricts OFDI; (2) Home country measures do not restrict OFDI	0 2
<b>F.89</b>	Home country OFDI institutional arrangements: Does the home country have institutional arrangements to manage OFDI policy and provide HCMs?	(0) Home country does not have institutional arrangements to manage OFDI policy; (2) Home country has institutional arrangements to manage OFDI policy	0 2
<b>F.90</b>	OIA-IPA collaboration: Collaboration between outward investment agencies (OIAs) and IPAs for the promotion and facilitation of investment projects as well as policy	(0) There is no collaboration between outward investment agencies (OIAs) and IPAs for the promotion and facilitation of investment projects; (2) There is a collaboration between outward investment agencies (OIAs) and IPAs for the promotion and facilitation of investment projects	0 2
<b>Transparency and Predictability</b>			
<b>G.91</b>	Establishment of enquiry points	(0) There are no enquiry points to answer reasonable enquiries; (2) There are one or more enquiry points to answer reasonable enquiries	0 2
<b>G.92</b>	Adjustment of enquiry points' operating hours to commercial needs*	(0) Enquiry points' operating hours are not adapted to commercial needs (telephone centres operating less than the normal working hours / no possibility to submit enquiries online); (2) Enquiry points offer a full-time hotline (7/24). Enquiries may be submitted 7/24 and an answer will be provided within 24 hours on working days	0 2
	*This refers to the possibility for users to provide feedback on the organisation of the website (user-friendliness of the website, availability of information, explanation on new systems).		
<b>G.93</b>	Timeliness of enquiry points	(0) The administration's service charter does not indicate a standard time of response for the various means of enquiry (telephone, email or written correspondence), taking into account the nature or complexity of the enquiry; (2) The administration's service charter indicates a standard time of response for the various means of enquiry (telephone, email or written correspondence), taking into account the nature or complexity of the enquiry	0 2
<b>G.94</b>	Average time between publication end and entry into force*	(0) There is no interval between the publication of new or amended trade related laws and regulations and their entry into force, or the average time is below 20 days (below the 30th percentile of the sample for which data are available); (1) The average time is between 20 and 30 days (between the 30th and the 70th percentile of the sample for which data are available); (2) The average time is above 30 days (on or above the 70th percentile of the sample for which data are available)	0 1 2

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
	*The average time is the interval generally applied in the country, whether on the basis of applicable rules, such as an Information Act, or on the basis of practice (number of days).		
<b>G.95</b>	Publication of information on procedural rules for appeal and review	(0) No information on appeal procedures is provided online; (2) Information on appeal procedures is displayed online	0 2
<b>G.96</b>	Publication of information and procedures on laws, regulations and procedures affecting investment	(0) No information on investment procedures is provided online; (2) Information on investment procedures is displayed online	0 2
<b>G.97</b>	Publication of information on investment incentives subsidies or tax breaks	(0) The country does not publish information on investment incentives subsidies or tax breaks; (2) The country publishes information on investment incentives subsidies or tax breaks	0 2
<b>G.98</b>	Laws and regulations are available in one of the WTO official languages	(0) Laws and regulations are not available in one of the WTO official languages; (2) Laws and regulations are available in one of the WTO official languages	0 2
<b>G.99</b>	Publication of judicial decision on investment matters	(0) No judicial decisions on investment matters are published; (2) Judicial decisions on investment matters are published on the Focal Point website (or electronic link)	0 2
<b>G.100</b>	Publication of international agreements pertaining to foreign direct investment.	(0) There is no publication of international agreements pertaining to foreign direct investment; (2) International agreements pertaining to foreign direct investment are published	0 2
<b>G.101</b>	Publication of lists or catalogues indicating which sectors are allowed, restricted or prohibited for foreign investment.	(0) Lists or catalogues indicating which sectors are allowed, restricted or prohibited for foreign investment are not published; (2) Lists or catalogues indicating which sectors are allowed, restricted or prohibited for foreign investment are published	0 2
<b>G.102</b>	Information published on fees and charges	(0) Information on fees and charges imposed by governmental agencies on, or in connection with, admission, establishment, acquisition and expansion of investments is not published; (1) Information is available in paper publications (Gazette, Bulletin, Investment Act); (2) Information is displayed on relevant agencies' website (on a dedicated page)	0 1 2
<b>G.103</b>	Make screening guidelines and clear definitions of criteria for assessing investment proposals available	(0) There are no clear screening guidelines and criteria for assessing investment proposals; (2) There are clear screening guidelines and criteria for assessing investment proposals	0 2
<b>G.104</b>	Publication of investment guidebook	(0) Investment authorities do not publish an investment guidebook; (2) Investment authorities publish an investment guidebook	0 2
<b>G.105</b>	Publication of the information on competent authorities, including contact details	(0) Contact details of competent authorities are not published; (2) Contact details of competent authorities are published	0 2
<b>G.106</b>	Penalty provisions for breaches of investment procedures and regulation published	(0) There is no information on penalty procedures and the amount of penalties; (2) There is information available on penalty procedures and the amount of penalties	0 2
<b>G.107</b>	Publication of timeframe required to process an application associated to any specific investment decision	(0) The average time for the investment related decision is not published in a consistent manner on a periodic basis; (2) The average time for the investment related decision is published in a consistent manner on a periodic basis	0 2
<b>G.108</b>	Time limit for processing of applications for investment screening, admission and licensing*	(0) There is no time limit or the number of days is above 60; (1) The number of days is between 30 and 60 (the 30th and 70th percentiles); (2) The number of days is equal to or below 30	0 1 2
	*Time limit for processing of applications for investment screening, admission and licensing (number of days).		
<b>G.109</b>	An adequate time period granted between the publication of new or amended fees and charges and their entry into force	(0) Fees and charges may be applied even without being published or prior to their publication; (1) New or amended fees and charges enter into force immediately upon their publication; (2) There is a time period accorded between the publication of new or amended fees and charges and their entry into force	0 1 2
<b>G.110</b>	Information available on the motives of the administration's decisions	(0) There is no information on the motives; (2) Information about the motives of the administration's decision is provided	0 2
<b>G.111</b>	General notice-and-comment framework procedures in place,	(0) There are no notice-and-comment procedures in place; (1) There are notice-and-comment procedures but they do not apply to trade and investment issues and regulation; (2) Notice-and-	0 1 2

<b>Annex 4: Detailed description of measures and coding scheme of the IFI</b>			
	applicable to trade and investment issues	comment procedures apply to trade and investment issues and regulation	
<b>G.112</b>	Drafts of investment regulations and acts are published prior to entry into force	(0) Drafts are not published before the entry into force of a rule; (2) Drafts are available before entry into force of a rule and stakeholder comments are possible	0 2
<b>G.113</b>	Public comments taken into account	(0) Public comments are not taken into account; (1) Public comments are taken into account; (2) The administration explains how public comments have been dealt with online or in the legislation's final draft	0 1 2
<b>G.114</b>	Notification to the WTO of laws, regulations, and administrative procedures of general application.	(0) No notification is made to the WTO on laws, regulations, and administrative procedures of general application; (2) Notification is made to the WTO on laws, regulations, and administrative procedures of general application	0 2
<b>G.115</b>	Notification to the WTO of places and URL of websites where relevant information concerning investment is made publicly available	(0) No notification is made to the WTO on the investment websites where relevant information concerning investment is made publicly available; (2) Notification is made to the WTO on the investment websites where relevant information concerning investment is made publicly available	0 2
<b>G.116</b>	Notification to the WTO of enquiry/focal/contact points	(0) No notification is made to the WTO on the enquiry point; (2) Notification is made to the WTO on the enquiry point	0 2
<b>G.117</b>	Notification to the WTO of other relevant information (e.g. competent authorities)	(0) No notification is made to the WTO on the competent authorities; (2) Notification is made to the WTO on the competent authorities	0 2
Source: Authors			

Publications of the German Development Institute /  
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