FEEDBACK LOOPS BETWEEN THE GLOBAL INFLUENCE WINDOW AND COUNTRY PROJECTS

The IBEP Program comprises two windows – the Country Engagement Window focused on assisting policy reforms in the program countries, and the Global Influence Window, the program's global innovation, thought leadership, and knowledge management initiative. These two windows are designed to be mutually re-enforcing and synergistic through feedback loops.

**Thought Leadership**

IC Global Team members play a dual role: they are co-leads of the country projects and simultaneously lead architects and/or authors of the publications and tools produced under the Global Influence Window.

Through this mechanism, the feedback loop goes both ways – from the global to the country level and vice versa.

**Country Projects**

Through P2P learning events and other knowledge exchanges, country projects provide feedback on their initiatives being designed and delivered under the Global Influence Window;

If a country project requires data, research, or knowledge solutions that do not yet exist, the Global Influence Window examines ways to develop them. Based on the demand of country programs, new activities are included under the Global Influence Window every six months.

Country projects experience becomes inputs to our global inventory of good practices, lessons learned or data points for benchmarking.

These feedback loops are a critical element of how the Global Influence Window delivers on its four-prong strategic objectives of:

- Reinforce the analytical foundation of various business environment reform areas
- Advance thought leadership by shaping frontier business environment topics
- Strengthen the design and implementation of business environment reforms in the middle-income countries and other developing countries
- Fill existing gaps in business environment data and research
OBJECTIVE #1: RE-ENFORCING THE ANALYTICAL FOUNDATION OF BUSINESS ENVIRONMENT REFORM AREAS

SAMPLE ACTIVITY: Doing Business Reform Advisory: Ten Years of Results

The Doing Business indicators have served as a trigger for countries to identify and implement business environment reforms. In response to client demand for technical assistance in the areas measured by Doing Business, the WBG launched the Doing Business Reform Advisory unit (DBRA) in 2007. In the subsequent decade, the team assisted 117 governments with 664 reforms. The team recently took stock of these results and identified key lessons learned through a new publication examining 10 years of its operations.

The report identifies key features of successful reformers, which include adopting a high-level, long-term vision to improve the business environment, leading reform programs at the highest level of government, promoting evidence-based policies and data-driven decision-making, and involving the private sector for reform design, accountability and impact. These are among the key principles that underpin the design of the IBEP Country Programs and its reforms. In fact, two thirds of the reforms that have been achieved to date through the IBEP Country Programs are linked to technical assistance related to Doing Business reforms. The report also highlights the value of regional-global team collaboration as well as cross-product synergies to leverage both WBG’s global expertise and country-specific knowledge. It further illustrates how the adaptability and capacity to evolve into new areas have been essential in the face of growing client demand, and how Doing Business-related reforms open doors to other business environment reforms.

OBJECTIVE #2: ADVANCING THOUGHT LEADERSHIP BY SHAPING FRONTIER BUSINESS ENVIRONMENT TOPICS

SAMPLE ACTIVITY: Global Investment Competitiveness Report Series

The Global Investment Competitiveness Report Series is IBEP Program’s flagship thought leadership initiative. The reports provide novel analytical insights, empirical evidence, and actionable recommendations for governments seeking to leverage FDI for development. The inaugural GIC 2017-2018 report has been downloaded more than 50,000 times by users in more than 190 countries, and was featured in dozens of news outlets, including The Economist.

Topics for GIC reports’ individual chapters are identified in part through feedback loops. During the conceptual development of each GIC report, the global team assesses its strategic dialogue with the country programs to identify topics that are most demanded by the client governments. Through this process, the GIC reports have focused on topics such as:

- The effect of corporate tax incentives on FDI in developing countries
- Increasing the development impact of investment promotion agencies
- The effects of FDI on high-growth firms in development countries
- Regulatory risk and FDI
OBJECTIVE #3: STRENGTHENING THE DESIGN AND IMPLEMENTATION OF BUSINESS ENVIRONMENT REFORMS

SAMPLE ACTIVITY: FDI In Services Reform Impact Simulation Tool (FDI-RIST)

Country programs use a variety of approaches to influence policy reform. Evidence from other countries’ case studies, international best practices, competition driven by cross-country benchmarks, or norms of regional blocks or international organizations that a country aspires to join can all trigger or foster reform processes. Appreciating that numbers often speak louder than words, the IBEP global team has been developing new quantitative, data-based tools to influence reforms. An example is the new FDI-RIST tool that estimates the future economic impact of specific policy reforms.

For example, application of this tool in Jordan showed how full liberalization to FDI of select services sectors would far outweigh the benefits of the government-proposed partial liberalization. The estimation model showed that full liberalization would create jobs in tourism, transport, as well as manufacturing sectors. Export would increase in wholesale and retail trade, transport, finance, and tourism. In contrast, none of these benefits would be realized through partial services liberalization.

OBJECTIVE #4: FILLING EXISTING GAPS IN BUSINESS ENVIRONMENT DATA AND RESEARCH

SAMPLE ACTIVITY: COVID-19 Economic Policy Trackers

The outbreak of the coronavirus globally sent governments searching for policy responses to address the health and economic implications of the pandemic. Within weeks of the outbreak the World Bank’s global investment climate team received requests from dozens of governments seeking to understand what other countries around the world were doing to mitigate the impact of the crisis and to identify emerging best practices among the policy actions.

The World Bank responded by building several global trackers of policy responses to COVID-19. The Investment Climate Policy Measure Tracker provides an overview of policy measures taken by countries around the world in the core investment climate topics. The Subsidy and State Aid Tracker aggregates information on fiscal support measures by country, sector, type of beneficiary, and other dimensions. The FDI Entry Tracker is a global monitor of FDI restrictive and liberalizing measures including screening and restrictions on land ownership, work visas, and permits.
SPECIAL FEATURE: PEER-TO-PEER LEARNING AND KNOWLEDGE SHARING EVENTS

The functioning of feedback loops is particularly evident through the peer-to-peer learning and knowledge sharing events organized by the IBEP program. They provide opportunities for exchanges and sharing of experiences and insights among WBG regional and global teams as well as client governments. The following are two examples of such events:

Peer-to-Peer and Gender Learning Event, Johannesburg, South Africa, March 2019

This event brought together more than 75 representatives from governments, WBG staff, and UK’s Foreign and Commonwealth Office officials to showcase and discuss investment climate reform efforts. The event fostered learning by sharing reform experiences, challenges, and best practices in the core thematic areas of the IBEP program: business regulation, investment policy and promotion, and competition policy. In addition, it explored ways to increase the inclusion of gender-informed and gender-targeted initiatives in the IBEP country programs.

Supporting Businesses and Investors during the COVID-19 Crisis: Dialog with Investment Climate Policy Makers, global webinar, May 2020

This global webinar – organized as part of World Bank’s COVID-19 Response Series – brought together nearly 200 WBG staff and client governments to share case studies and experiences of different countries in mitigating the economic fallout of the COVID-19 pandemic. It focused on the following three core challenges:

- In order to maintain business vitality and investor confidence, what are governments doing to provide support without distorting markets?
- How do they help sustain and strengthen economic activities for when economies reopen, build domestic private sector’s resilience without weakening its future competitiveness?
- How do they support strategically important investors and preserve key supply chains?

The seminar highlighted that as the COVID-19 pandemic spreads and its economic impact deepens, supporting businesses and investors requires not only fiscal and financial support, but also complementary investment climate policies and programs.

CONNECT WITH US

Christine Qiang, Practice Manager, cqiang@worldbank.org
Peter Kusek, Senior Economist, pkusek@ifc.org