LEVERAGING IBEP’S GLOBAL WINDOW FOR RAPID GLOBAL EVIDENCE AND POLICY RESPONSE ON COVID-19 ECONOMIC CRISIS AND RECOVERY

IBEP’s Global Window – officially titled Global Influence Initiative—is designed as a global innovation, thought leadership, and knowledge management effort with four core objectives:

- Fill existing gaps in business environment data and research;
- Advance thought leadership by shaping frontier business environment topics;
- Reinforce the analytical foundation of various business environment reform areas; and
- Strengthen the design and implementation of business environment reforms in the middle-income countries and other developing countries.

Since the outbreak of the COVID-19 pandemic, the IBEP-supported WBG team has been working with more than 50 developing countries on more than 80 initiatives on COVID-19 response or recovery. Key areas have included:

1. **FDI retention and sustaining key supply chains**;
2. **regulatory flexibility** (keeping the lights on); and
3. **competition measures** to ensure critical inputs and supplies.

To provide just-in-time technical assistance, and to contribute to global knowledge and thought leadership, the team has leveraged the IBEP Global Window to rapidly develop and maintain a set of global data, evidence, and policy guidance initiatives. This note highlights some of the key ones, including a global policy guidance note on business environment and investment climate policies, global trackers on subsidies, investment climate policies, and FDI entry measures, a global pulse survey of multinational corporations in developing countries, a survey of investment promotion agencies, and various blogs, among other initiatives.

FOR MORE INFORMATION

worldbank.org/en/topic/competitiveness/coronavirus

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Supporting Businesses and Investors: Investment Climate Policy
As the COVID-19 pandemic spreads and its economic impact deepens, supporting businesses and investors requires not only fiscal and financial stimulus, but also complementary investment climate policies and programs in the areas of investment policy and promotion, business regulation, and competition policy.

Safeguarding Healthy Competition: Competition Policy Options for Emergency Situations
This note lays out a series of policy measures that governments are adopting and provides guidance on pro-competitive solutions to address the intended policy objective. Temporary measures should avoid locking in behaviors or market structures that would permanently lower competition. Allowing price fixing cartels or implementing price controls can facilitate collusion and lower consumer welfare even after the measures are lifted.

Investment Promotion Agency (IPA) Responses to COVID-19 Pandemic
This note summarizes COVID-19 related impacts and the responses of Investment Promotion Agencies (IPAs) based on the findings of the April 2020 rapid survey of IPAs. IPAs should prioritize retention services, which include keeping investors informed, solving their operational emergencies, and advocating for critical reforms not only for investors to survive the crisis but also to recover quickly.

Impact of COVID-19 on Foreign Investors: Early Evidence from a Global Pulse Survey
More than two-thirds of multinational investors in developing countries are reporting disruptions in supply chains, declines in revenues, and falls in production as a result of COVID-19, and the impacts are projected to worsen in the coming months. Businesses point to three high-priority areas of rapid-response policy support, namely: providing tax relief; catalyzing financial support to counter the liquidity crunch; and relaxing labor or business regulations.

Investment Climate Policy Measure Tracker
This global database provides an overview of policy measures taken by countries around the world in some of the core investment climate areas, including:
- Supporting FDI retention and preserving supply chains
- Waiving, freezing, reducing or delaying license renewals and fees
- Accessing critical inputs and supplies
- Monitoring price gouging

Subsidy and State Aid Tracker
This tracker aggregates subsidy and state aid programs introduced by governments across all continents in the context of COVID-19. The measures address a variety of sectors, notably those particularly hit (e.g. tourism, transport, etc.) and all types of beneficiaries (large companies, SMEs, state-owned enterprises, or self-employed.) Many measures employ multiple instruments.

FDI Entry Tracker
A global monitor of FDI restrictive and liberalizing measures, including screening and restrictions on land ownership, work visas, and permits.

COVID-19 FDI Exposure Tool
This tool assesses FDI’s contribution to individual countries’ economies and the extent to which the COVID-19 pandemic may affect FDI inflows at the country and regional levels. It is not meant to forecast FDI inflows; rather, it seeks to assess countries’ sensitivity to various FDI risk factors associated with the pandemic in order to inform policymaking.

Blogs
- How will global value chains look like post COVID-19? A three-part blog series summarizes the literature and our latest thinking:
  1. Multinational corporations and their suppliers are being hit hard
  2. Lead firms of GVCs continue to make agile adjustments
  3. Governments should prepare for the “new normal” in GVCs—here is how
- The key do’s and don’ts of current government subsidy programs are outlined in the blog: Flatten the coronavirus curve, but don’t flatline competition.
- The positive impact of business environment reforms focused on women is highlighted in the blog on Women reformers making it easier to do business around the world.