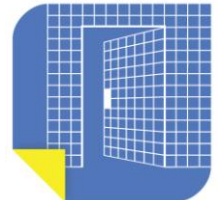




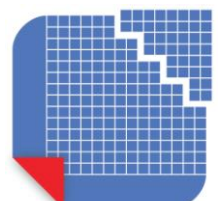
INVESTMENT POLICY



PROMOTION AND FACILITATION



TRADE POLICY



TAX POLICY



COMPETITION POLICY



CORPORATE GOVERNANCE



INFRASTRUCTURE



HUMAN RESOURCES



RESPONSIBLE BUSINESS CONDUCT



PUBLIC GOVERNANCE

To assist governments in using the Policy Framework for Investment, a PFI User's Toolkit has been developed. The Toolkit responds to a need for specific and practical implementation guidance in the ten policy chapters of the PFI. The Toolkit builds on the experience of countries that have already used the PFI. It is web-based in order to be able to incorporate rapidly the feedback from PFI users.

The Toolkit is more than just a technical manual. It also highlights how the core principles of the PFI influence investment, how the various chapters of the PFI relate to one another and how the PFI can assist in an on-going and iterative process of reform and in fostering public/private dialogue.

About the Toolkit

For each question in each of the ten policy chapters, the Toolkit provides:

- an explanation of how policies, laws and regulations influence investor decisions;
- advice in analysing the most significant investment bottlenecks which is essential when setting priorities for reform;
- specific detail on what constitutes good policy and practices in the areas that bear on the investment climate;
- information that PFI users need to scrutinise in order to assess how their country or region performs vis-à-vis good practice;
- help in designing policy and practices which improve the balance between policy objectives and take into account the impact of policy decisions on investment conditions and the wider national interest;
- methodologies for measuring progress in improving investment conditions; and
- links to websites and references to a wealth of additional information and tools that offer more in-depth policy guidance for each PFI question.

The Policy Framework for Investment

The Policy Framework for Investment (PFI) is the most comprehensive and systematic approach for improving investment conditions ever developed. It was developed by a task force representing some 60 economies, as well as business, labour, civil society and international organisations and launched in 2006.

The PFI covers ten policy areas and addresses some 82 questions to governments to help them design and implement policy reform to create a truly attractive, robust and competitive environment for domestic and foreign investment. The ten policy areas are widely recognised, including in the Monterrey Consensus, as underpinning a healthy environment for all investors, from small- and medium-sized firms to multinational enterprises.

The PFI is neither prescriptive nor binding. It emphasises the fundamental principles of rule of law, transparency, non-discrimination and the protection of property rights but leaves for the country concerned the choice of policies, based on its economic circumstances and institutional capabilities.

One size does not fit all.

Who will find the Toolkit useful?

The PFI is a flexible instrument and hence this Toolkit has been designed to meet the needs of multiple PFI applications. Governments might use the Toolkit to assist in any of the following:

- self-assessments by a country or region of its policies for investment;
- peer reviews of the investment climate at the national or provincial level;
- an examination of how policies and practices in a selected area bear on the investment climate;
- thematic assessments, such as an evaluation of how to mobilise investment by SMEs;
- public-private dialogue on investment issues involving all stakeholders;
- a tool for bilateral and multilateral development agencies funding aid programmes in this area; and
- communication of reform efforts.

The Toolkit also discusses how potential users can get the most out of the PFI, including how to determine the scope, type and structure of a PFI assessment.

How has the Toolkit been developed?

The Toolkit has been developed under the auspices of the OECD Investment Committee and its non-OECD partners. It draws on expertise from the following OECD bodies: Trade, Competition, Fiscal Affairs, Public Governance, and Education Committees, as well as the Steering Group on Corporate Governance and the Working Group on Bribery in International Business Transactions.

The Toolkit has also benefited from extensive comments and reactions from pilot users in several international forums, such as the OECD Global Forum on International Investment and through the NEPAD-OECD Africa Investment Initiative. These meetings help to vet the user-friendliness, relevance and practicality of specific parts of the guidance in different economic and geographical contexts. Further events of this sort are planned for those areas of the Toolkit which have not yet been “road-tested”.

Much of the guidance for the ten policy chapters is already available on the Toolkit website, and the rest will appear before the end of 2008. ■

