KenInvest
PROMOTING INVESTMENTS IN KENYA

In Collaboration with Strategic Business Advisors (Africa)

WORLD ECONOMIC FORUM

Sustainable Investment in Kenya: Increasing the Quantity and Quality of Investment Flows

COMMUNITY REPORT

AUGUST 2021

Images: Getty Images

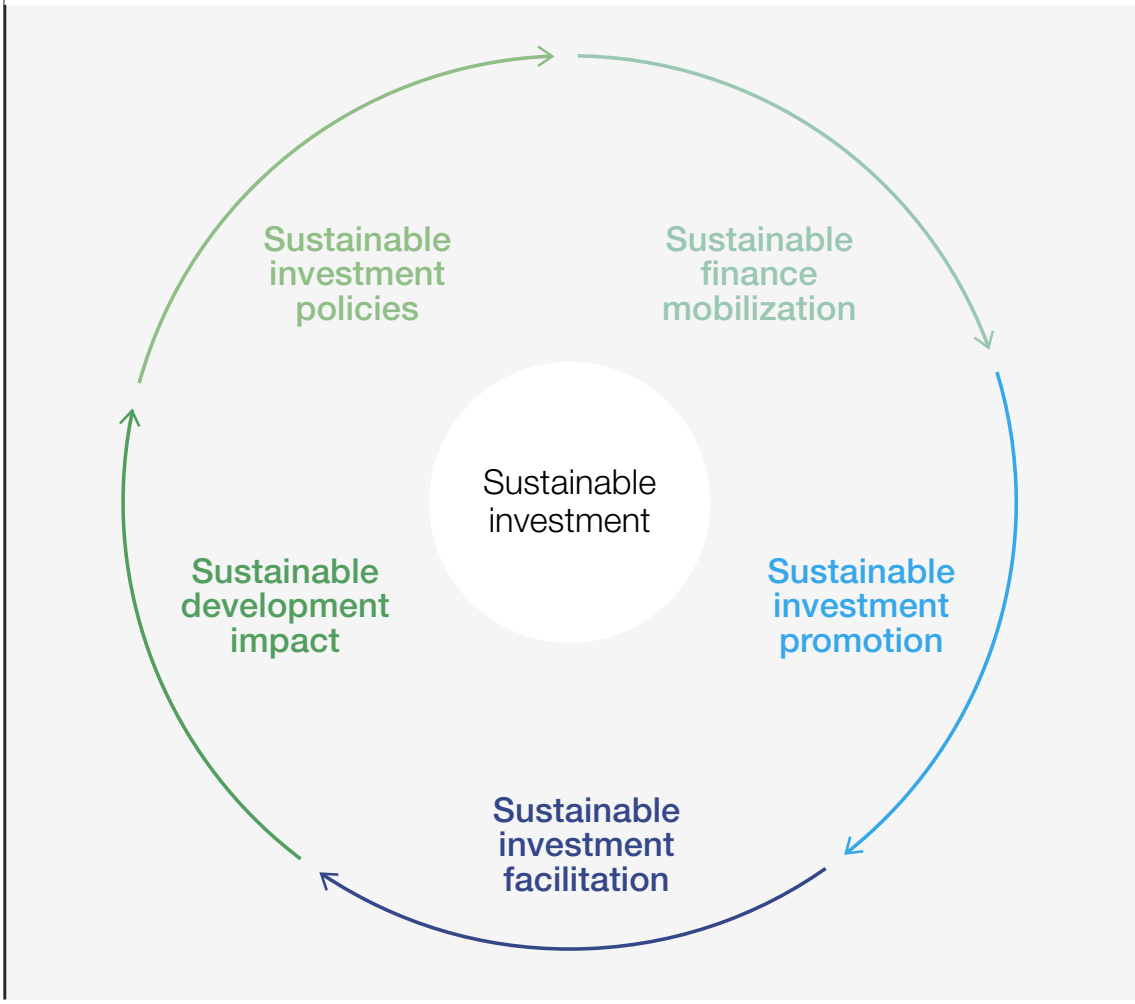
Contents

Introduction and project objective

The Kenya Sustainable Investment Project, developed by the World Economic Forum in partnership with the Kenya Investment Authority (KenInvest), has sought to understand the role of government (national and subnational institutions) in Kenya on investment policies and measures that support inward and outward Foreign Direct Investment (FDI). The key components of the project include analysis of Kenya's investment policy and regulatory dynamics, interviews with stakeholders, validation workshops and implementation of key policy measures. The project is guided by the Forum's Sustainable Investment Framework that includes five dimensions: policy, promotion,[1] facilitation,[2] finance and development impact. The aim is to generate positive impact across four areas: economic, social, environmental and governance.

The project also builds on the Kenya Investment Policy (KIP) 2019, which outlines a comprehensive list of policy intervention areas to improve the business climate in the country. The goal is to link the indicative reforms first presented in that document with bottlenecks and possible solutions identified by the multistakeholder community participating in the project as well as with innovative measures identified or developed by the Forum in other sustainable investment pilots. Strategic Business Advisors (SBA) Africa has supported the implementation of the project in Kenya, which was made possible through support from partners of the World Economic Forum and the governments of Denmark and the Netherlands.

FIGURE 1 **World Economic Forum Sustainable Investment Framework**



Source: Elaborated from UNCTAD WIR14 and consultations with James Zhan, Director, Investment and Enterprise, UNCTAD

Project methodology

At inception, the project team conducted an analysis of the investment landscape in Kenya focusing on the policy and regulatory environment. The senior leadership of select institutions was invited to be part of the project. These institutions included government entities, Business Member Organizations (BMOs), and foreign and domestic companies investing in Kenya. The project team administered a questionnaire which was followed by virtual interviews with the key stakeholders, usually at the C-suite level or appointed executive representatives of the participating organizations.

1 Findings from the Kenya Sustainable Investment Project

Project interviews led to quantitative and qualitative findings, including 30 policies and measures to help increase sustainable investment

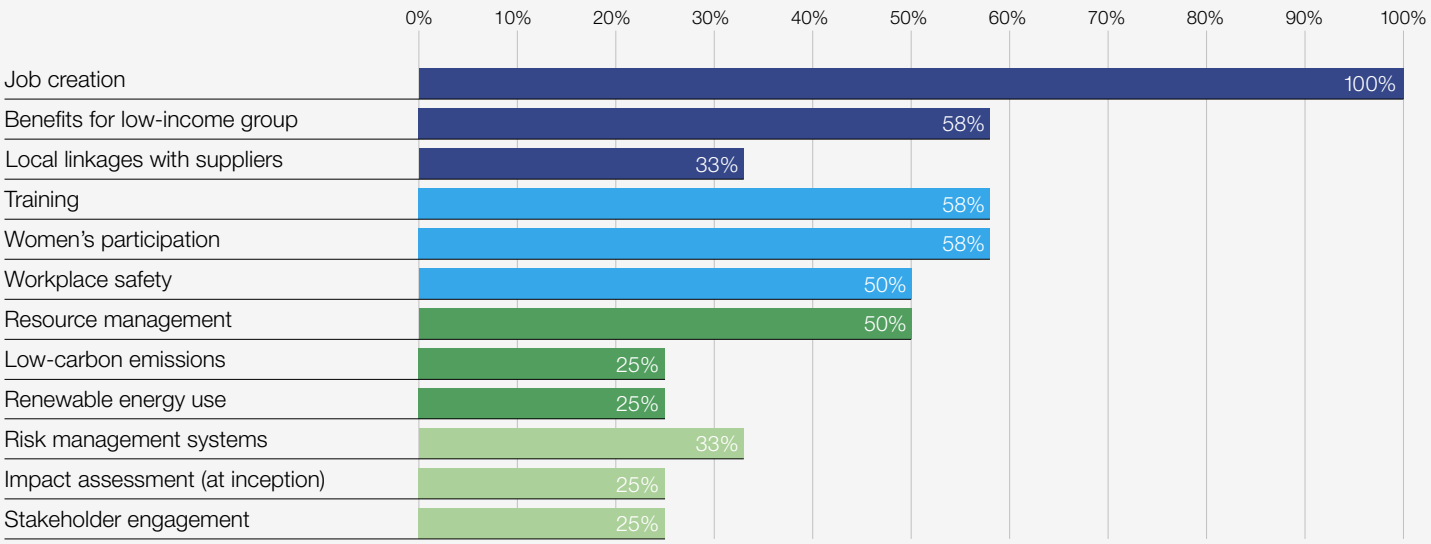
The findings are presented in the following order: impact of COVID-19 and recovery measures; potential economy-wide measures for sustainable investment in Kenya; future agenda for key economic fields (agribusiness, tourism and the digital economy). In this report, economy-wide measures for sustainable investments take place across five dimensions: policy, promotion, facilitation, finance and development impact. A total of 34 policies and measures are presented as possible tools to increase sustainable investment and its developmental contributions in Kenya: 30 across the different dimensions of sustainable investment (section 3.3), and five as part of a future agenda within specific sectors (section 3.4).

1.1 Top development benefits from investment

To ensure that the project focused on increasing the development impact of investment, interviews began by asking stakeholders to identify from their experience the top five sustainable development benefits from investment across four dimensions (economic, social, environmental and governance).[3]

This was an important step as it can orient reforms and measures to help achieve these priority development benefits. The three top development benefits from each development dimensions identified by stakeholders can be seen in Figure 2.[4]

FIGURE 2 **Top development benefits from investment**

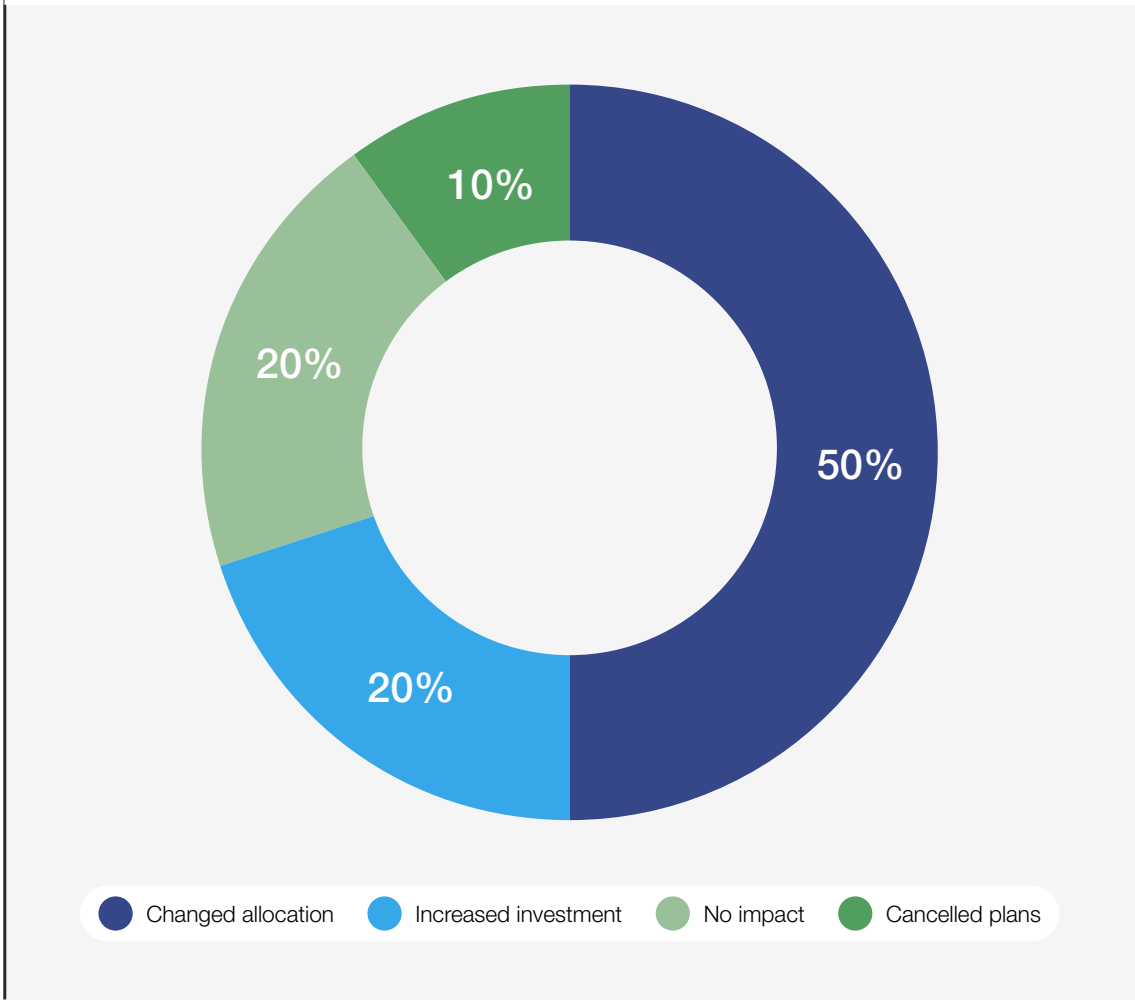


Source: Questionnaire answered by project participants

1.2 Impact of COVID-19 and the opportunity to build back better

The COVID-19 pandemic broke out in late 2019 and spread quickly around the world. As with virtually every other region in the globe, COVID-19 impacted investment flows in Kenya. Half (50%) of investors participating in the project have responded to related uncertainties by changing their allocation of investment to new portfolios. One-fifth (20%) increased investments into less impacted sectors such as health, digital and manufacturing of pharmaceutical products. Another fifth (20%) claimed that the pandemic had no impact on their business, while a tenth (10%) cancelled/postponed investment plans.

FIGURE 3 **How has COVID-19 impacted your investment plans?**



Source: Questionnaire answered by project participants

During the pandemic, the country announced a containment protocol, which included improved hygiene practices, physical distancing, implementing curfews and lockdowns. These measures imposed by the health situation restricted the movement of goods and people into the country as well as within the Kenyan borders and affected business causing loss of incomes and jobs. To cushion Small and Medium Enterprises (SMEs) as well as large firms from adverse effects of COVID-19, the government, financial institutions and development partners set up emergency interventions, including injecting cash into the economy (offering fiscal relief and moratoriums on business loans, among other interventions).

Despite acknowledging these efforts, the interviews with key industry leaders in the country revealed that more can still be done to recover from the pandemic and improve the business environment in Kenya, while at the same time seizing this opportunity to drive a transition to sustainability. Kenyan companies participating in the project especially highlighted that the adoption of sustainable practices, including high Environmental, Social and Governance (ESG) standards, has become paramount to operate globally and attract international finance.

> **The private sector is more and more aware of sustainability because they source money from around the world, so they have to consider ESG.**
>
> – Project Interview

In addition to the need for support in the transition to sustainability, project participants shared how COVID-19 has impacted their businesses. Many of them reported that their strategic focus had shifted from planning for long-term investment projects to short-term business continuity. They expressed challenges in mobilizing financing for business-related projects in the COVID-19 period. Most of them reported a downturn in demand for products and services in the global market coupled by delays in supply chains due to movement restrictions that affected their businesses performance and subsequently growth projections.

Sectors such as tourism, agriculture and manufacturing were hit hard by the impact of COVID-19 on the economy. On the other hand, sectors including health and those linked to the digital economy reported minimal disruptions or even growth. The overall economic scenario, however, became more challenging as a substantial amount of resources will have to be catalysed to bring the economy back to life to pre-pandemic levels. The crisis, however, brings with it an opportunity to integrate sustainability in recovery efforts and tackle both the sustainability imperative and economic growth at the same time.

The prioritization of sustainable finance and policies is needed. In the report "The landscape of Climate Finance in Kenya: On the road to implementing Kenya's NDC", the National Treasury and Planning found that only half of financing that Kenya needs to meet the targets defined in the Paris agreement were actually invested in climate-related activities in 2018. To get to the envisaged reduction of 30% in its greenhouse gas (GHG) emissions submitted in its nationally determined contribution (NDC), both the private and the public sector will have to scale up their green commitments and practices.[5] To allow them to do so, a climate-friendly regulatory environment is key.

In the light of these challenges, the participants of the project suggested impactful measures that can help boost the recovery of investment flows, as well as long-term sustainable growth. Below is a non-exhaustive list of proposed measures identified by the project team as worth bringing to the attention of public and private actors – for further discussion – given their potential impact. Following such multistakeholder discussion, the subset that is considered by participants as the most relevant ones will be recommended for adoption and implementation.

> **We have reached a tipping point. Applying ESG practices is becoming mainstream because you raise capital faster through impact investing.**
>
> – Project Interview

2 Potential policies and measures

This section sets out measures that could be applied across sustainable investment policies, sustainable finance mobilization, sustainable investment promotion and sustainable investment facilitation.

TABLE 1 **Summary of cross-sectoral recommendations and measures**

Sustainable Investment Policies	Sustainable Finance Mobilization	Sustainable Investment Promotion	Sustainable Investment Facilitation
– Adopt sustainable investment guidelines on measurement and reporting for specific industries – Operationalize the National Investment Committee – Establish a mandate and allocate resources for digitization of business licensing systems – Strength county capacity to implement public-private partnerships – Boost technical skills in trade – and investment negotiation – Ease the issuance of work permits and visas – Embrace principles of responsible business conduct (RBC) – Leverage the cooperative movement to support smallholder farmers with sustainable business practices	– Encourage sustainability reporting and use of common standards – Provide matching funds and first-loss guarantees – Make additional or existing fiscal incentives conditional on ESG practices – Set up impact bonds to fund sustainable enterprises – Promote challenge impact funds	– Create a category of recognized sustainable investor (RSI) – Develop and promote virtual deal sourcing platforms for sustainable investment projects – Create and promote a "sustainability ambassadors" programme – Support data-driven lending for sustainable enterprises – Use sustainability as a tool for securing exit deals – Provide an online sustainability course for regulators – Provide cloud-access to open datasets – Eliminate duplicate business licensing requirements – Adopt a risk-based approach to administrative approvals – Support entrepreneurial mentorship	– Develop a sustainable investment metric at the county level – Implement a Customer Relationship Management (CRM) system shared between national and subnational governments – Develop County Investment Units or leverage the role of Huduma centre – Establish credit guarantee schemes for sustainable investments, especially for SMEs – Support the role of Business Member Organizations in facilitating sustainable investment – Develop a supplier database with sustainability dimensions (SD2) – Orient special economic zones to sustainability

2.1 Sustainable investment policies

Participants considered a mix of policies that are required to support sustainable investments. At the top of the ranking emerged industry-specific guidelines, national laws and regulations, international guidelines developed by governments (e.g. from the OECD, UN and ILO), and impact assessments of investment projects.

FIGURE 4 **Important policies identified by stakeholders in support of sustainable investment**

Source: Questionnaire answered by project participants

Consider adopting sustainable investment guidelines on measurement and reporting for specific industries

Sector-specific guidelines on sustainability measurement and reporting could make sustainability real and practical for companies of different sizes and business operations in different sectors. For example, Safaricom's sustainability matrix incorporates a diverse set of financial and non-financial impact indicators.[6] Such simplified reporting tools may support adoption of sustainable business practices by all, including small and medium enterprises.

Kenya could consider adopting or adapting guidelines that have already been developed. Participants highlighted that even theoretically simple documents, such as one-pagers with the main sustainability standards applied to that industry, would be of great support. Companies may also engage directly in the discussions on sectoral ESG standards and disclosure practices and pioneer their applications in the national level.[7]

> **I don't think the government is clear on sustainability... tax breaks can incentivize firms but what parameters can be set to measure sustainability?**
>
> – Project Interview

> **(It is necessary to) use SDGs and contextualize for Kenya and then make sector-specific indicators in the interest of sustainability (…). Then entities like banks or any other firms in Kenya can interpret what the indicators mean to their impact measurement.**
>
> – Project Interview

> **A simple checklist (with sectoral sustainable standards) with not more than a one-pager can help – we don't want to overwhelm our stakeholder with difficult requirements to participate in the revolution. We can then embed this tool into a digital template – even on their phones.**
>
> – Project Interview

Consider operationalizing the National Investment Committee

The Kenyan Investment Promotion Act of 2004,[8] in its Section 26.1, provided for the establishment of a National Investment Council (NIC) as an unincorporated body, with the chairman being the president of the country or a minister designated by the president. As highlighted in the KIP 2019, the NIC would advise the government and government agencies on ways to increase investment and economic growth in Kenya and promote cooperation between the public and private sectors in the formulation and implementation of government policies relating to the economy and investment.

However, the NIC has not yet been established. The establishment of such a body, with inter-ministerial participation, would be a foundational way to improve investment coordination in the country. Indeed, senior executives interviewed in the project considered that different policies and sometimes even objectives among the policy entities within the government can be a challenge to investments in Kenya.

Rwanda was mentioned by participants as a good example of inter-government coordination. The Rwanda Development Board brings together all institutions dealing with investment, with direct reporting to the president and the cabinet. According to interviewees, this allows the country to define a clear strategy of which investments they want to attract and leads investors to have a positive impression of the country. The NIC in Kenya could build on this example and follow both the structure and have the mandate suggested in the KIP 2019. It could also institutionalize open channels and consultations with other stakeholders, in addition to investors.

Consider mandate and resources for digitization of business licensing systems

The KIP 2019 acknowledges the importance of digitalization and recommends that the government "embrace ICT and develop a digital platform to enhance investment information sharing". To reach this goal, a policy mandate should be considered for all business licensing services to be digitized. This would encourage transparency among government institutions, support compliance by micro, small and medium enterprises across the country, thus assuring sustainability of their businesses and increasing the ability to attract sustainable finance. Resources to allow this digitization to happen will be needed. These resources fall into software and hardware as both are required for digitalization to take place in practice.

The successful conclusion of negotiations for an Investment Facilitation for Development Agreement (IFDA) at the World Trade Organization (WTO) with strong technical assistance provisions may help direct international resources to this end. Developing countries, including Kenya, could play an active role in the discussions to ensure those and other measures which can maximize the development impact of the agreement will be reflected in the text.[9]

> **Streamlined and automated process with limited human intervention would speedy up some of the process requirements faced when investing and conducting business.**
>
> – Project Interview

> **It is unclear to us how many licenses you need to operate legally. It all comes by a knock at the door, surprisingly asking for this and that license.**
>
> – Project Interview

Consider strengthening county capacity to implement public-private partnerships

Kenyan counties are administrative units with unique investment opportunities. The investment and sustainability agenda of each county should therefore be aligned to relative capacities and competitiveness. A review of the five-year County Integrated Development Plans (CIDP) is required to incorporate tactical plans for sustainable investments in the counties.

As suggested in the KIP 2019, dedicated County Investment Units (CIUs) could be created in each county as well. In partnership with KenInvest, the CIUs would help develop the counties' value proposition to investors based on their competitive advantage and create promotional literature that could be shared with potential investors. Another alternative is to develop the needed capabilities in the local Huduma centres, which could provide such services (see item 9 in section 3.3.3).

An effective framework is also needed to guide investment promotion policies at the county level. Specifically for public-private partnership (PPP) projects, the proposal to repeal and amend the Public Private Partnerships Act No. 5 of 2013[10] is in advanced stages through the PPP Act of 2021.[11] This follows its gazettement with a report tabled in May 2021. The new law is anticipated to stimulate private sector participation in public procurement, by streamlining the regulatory framework for county governments' contracting mandate, reducing approval steps, and providing that the National Treasury issues credit guarantees and other support to facilitate county-level PPP projects. Despite these promising developments, further steps could be welcome to build technical capacity in county governments to effectively implement this instrument and for county assemblies to review PPP proposals.

> **Public-private partnerships are a great opportunity. We are already going into [reaching out] to the counties. For example, if a county wants to do a stadium, they provide the land and that is where we come in to finance.**
>
> – Project Interview

Consider boosting technical skills in trade and investment negotiation

Participants suggested that Kenya could increase qualified trade and investment negotiators. This finding comes at a time when the Africa Continental Free Trade Area (AfCFTA) is at the centre of the agenda in the African continent and when the country is negotiating trade agreements with the United Kingdom and the Unites States ahead the expiry of the Africa Growth and Opportunity Act (AGOA). This means that Kenya may require capacity building for trade and investment negotiation at regional, continental and multilateral levels.

One welcome initiative to provide such capacity building was provided by the United Nations Conference on Trade and Development (UNCTAD) and the Government of the United Kingdom. The parties developed a digital learning platform that seeks to empower National Trade Facilitation Committees (NTFCs) to successfully undertake their mandate to implement trade facilitation reforms in a coordinated manner. Similar initiatives could be created for investment facilitation and include Kenyan officials as the country is not yet among the participants in UNCTAD's platform. Again, an active participation in the IFDA negotiations and the achievement of a high-quality agreement could increase the likelihood of securing solid technical assistance provisions and related resources.

> **Kenyan professional expertise may not have the depth required on international trade.**
>
> – Project Interview

Consider easing the issuance of work permits and visas

The difficulty to receiving visas or work permits for foreign workers was a common topic in interviews. According to interviewees, this is a substantial constraint to investing in Kenya. First, it prevents foreign entrepreneurs, especially start-ups, to open businesses in the country as the issuance of visas is conditional to $100,000 as a minimum capital requirement, which is often not available in the early stages of a company.

More consolidated companies, on the other side, find it difficult to hire specialized workforce in the country. They mentioned that such professionals could even support the training of the local workforce. This is the case of human resource practitioners or other professionals specialized in professional training. It was suggested that reforms on visa and work permits could be linked to benefits to the Kenyan economy. For instance through a direct link between the professional hired and the training of local staff or related to the company being certified as a Recognized Sustainable Investor (RSI) – a concept explained in section 3.3.3.

Facilitating the emission of visas to foreigners could also increase the willingness of other countries to reciprocate and expedite permits to Kenyan workers. Difficulties to staff being allowed to work abroad, including in other countries in the region, was flagged as a limitation to the international expansion of Kenyan companies. With the AfCFTA providing the possibility of Kenyan firms to expand across Africa, the government could consider supporting visa and work permits both in the IFDA discussions as well as within the Sustainable Investment Protocol that is being negotiated in within the AfCFTA.

> **Talent is a bigger problem than capital.**
>
> – Project Interview

> **Permits (including work ones) are a magnificent and confusing beast in Kenya.**
>
> – Project Interview

> **No one is sure which permits are needed.**
>
> – Project Interview

> **An entrepreneur needs as much as $100,000 to obtain a work permit. The government should consider the benefits of job creation and revenue generation that comes from entrepreneurship outcomes by foreign firms.**
>
> – Project Interview

> **Maybe we can link a reform on work permits to bring in talents to training local Kenyans, and thus create knowledge transfer and skills upgrading.**
>
> – Project Interview

The KIP 2019 acknowledges the hurdles associated with the current process of obtaining work visas and suggests important steps. For example, it proposes the duration of work permits to be three years from the date of issuance, with the possibility of extension thereafter, and to set up a monitoring mechanism to facilitate automatic renewals. Also, it suggests the introduction of "an automatic incentive of five permanent residencies awarded every year to the owners/ CEOs of economically impactful investments".

This idea is in line with new, cutting edge thinking on "behavioural incentives". One possible addition is to also consider sustainable impactful investments under the categories allowed to be awarded more flexible visa treatment, considering both the positive externalities of sustainable investments and the fact that sustainable practices commonly require a specialized workforce that might not be easily available in the country in a first moment. By allowing such qualified workforce to enter the country, the chances of having this knowledge shared with the local workforce might increase substantially – especially when compared with a scenario where that business opts to investment elsewhere due to the challenges associated with hiring qualified staff.

Consider embracing principles of responsible business conduct

Consider encouraging firms to invest sustainably by following principles of responsible business conduct (RBC), such as complying with the law, respecting rights and protecting the environment.[12] Policy-makers can encourage this in different ways. First, they can include international guidelines in their guidance and regulations to suggest how firms should carry out investment, such as those from the International Chamber of Commerce (ICC), Organisation for Economic Co-operation and Development (OECD), United Nations (UN) and International Labour Organization (ILO).[13] Second, policy-makers can partner with firms that seek to invest according to RBC principles, combining public- and private-sector resources. One way to operationalize this is through the recognized sustainable investor (RSI) measure discussed in section 3.3.3.

Consider leveraging the cooperative movement to support smallholder farmers with sustainable business practices

The government could transform Kenya's farmer cooperative societies as agents for facilitating sustainability promotion through helping train smallholder farmers on sustainable practices such as planting trees, eliminating child labour, switching from fossil fuels by applying renewable energies and optimizing farm enterprises. This can be done through agricultural extension services, which will also ensure that farmers gain access to quality inputs. Cooperatives can also share farmer-level data related to productivity and sustainability practices with financiers and index insurers to help the development of de-risking mechanisms.

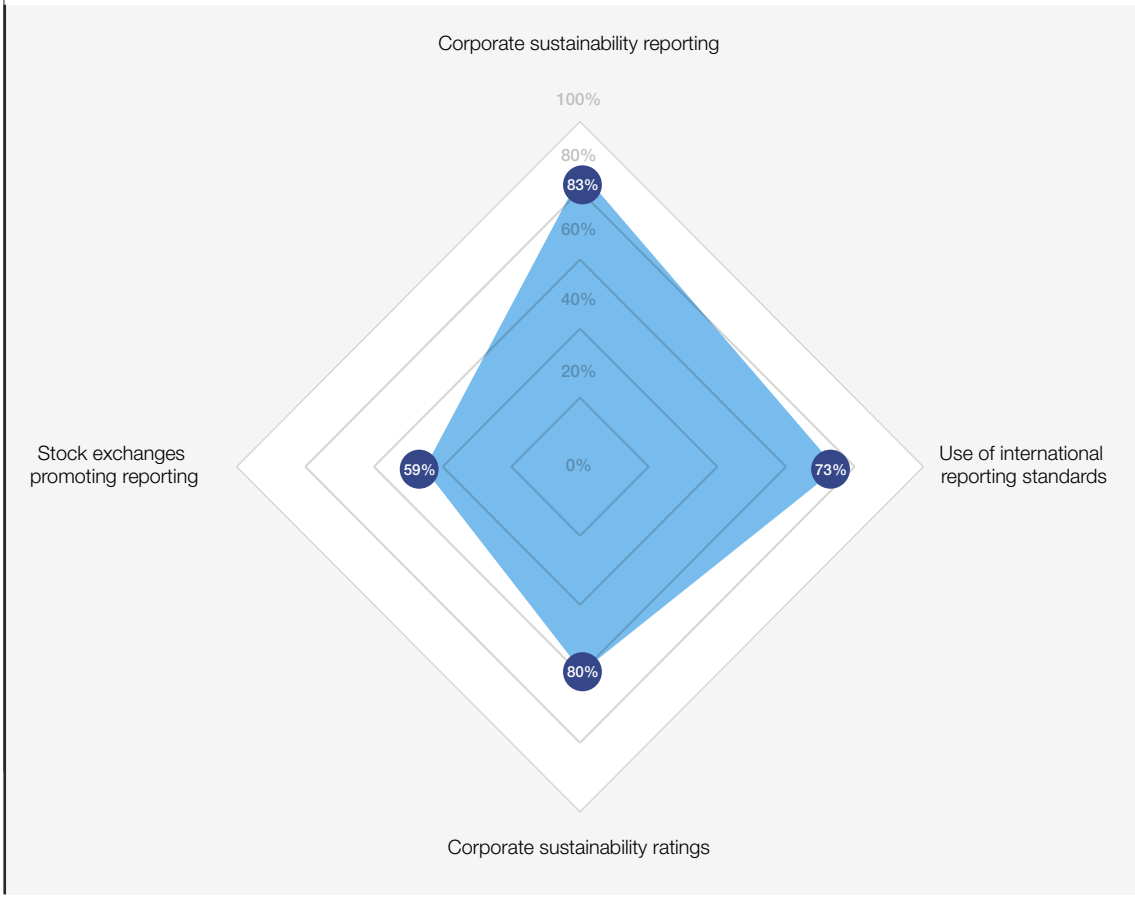
> **As part of our corporate social responsibility, we are supporting smallholder farmers access quality farm inputs.**
>
> – Project Interview

> **Agricultural cooperatives have a lot of farmer data that can be leveraged by insurers to de-risk the financing by banks, the government could also provide credit guarantees.**
>
> – Project Interview

2.2 Sustainable finance mobilization

Unlocking sustainable finance is one of the main goals of sustainable investment reforms. According to participants in the project, corporate sustainability reporting and rating are two of the main steps that have to be taken to help unlock sustainable capital. Based on this finding, the policy options below suggest actions that can encourage such practices.

FIGURE 5 **Important measures identified by stakeholders in support of sustainable finance mobilization**



Source: Questionnaire answered by project participants

Consider encouraging sustainability reporting and use of common standards

Consider encouraging the increase in sustainability reporting by firms. This could be done either through incentives, soft guidelines or hard requirements, for example, for firms or investments above a certain size. Sustainability reporting enables actors to make informed decisions on the impact of investments on sustainability outcomes. Two simple but efficient ways to increase the number of companies' sustainability reporting is to make relevant standards available on government websites accessed by investors as well as to promote cases of pioneer companies (i.e. see the "sustainability ambassadors" programme in section 3.3.3). Given the proliferation of standards and ensuing confusion, the World Economic Forum has worked with companies to create a framework of common metrics and consistent reporting. This project, developed within the International Business Council (IBC), a community of over 120 global CEOs, seeks to improve the ways that companies measure and demonstrate their contributions towards creating more prosperous, fulfilled societies and a more sustainable relationship with the planet. Companies wishing to leverage this approach can use as a resource the report "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation,[14] which presents 21 core and 34 expanded metrics and disclosures.

Consider providing matching funds and first loss guarantees

Funding and risk-sharing mechanisms that encourage financing of sustainable companies or activities should be provided to firms through first-loss guarantees. Such an approach can especially focus on start-ups and new product development to enable them to attain proof of concept status. This will open room for such firms to attract a wider portfolio of partners later in their life cycle. For example, the Green 4 Access first-loss facility provides blended finance for first-loss instruments to support renewable energy access lending. The African Guarantee Fund (AGF) and GuarantCo provide a first-loss portfolio guarantee facility to increase access to financing by SMEs focused on infrastructure.

> **All investors we have spoken to are interested in our idea but require track record and input/offtake agreements before they are willing to commit capital. (…). There is, therefore, a desperate need for low interest, first loss loans that allow qualifying start-ups to prove their concept.**
>
> – Project Interview

Consider making additional or existing fiscal incentives conditional on ESG practices

Many participating companies said that providing tax incentives are one of the main incentives to encourage business to move in a desired direction. Therefore, linking existing or new incentives, for instance tax breaks, to sustainability can be a major factor to allow a swift transition. Such incentives are aligned with the policy measures suggested in the KIP 2019 to mobilize green investment. Particularly, it would "provide market incentives for low-carbon, climate-resilient investment to steer investments over time to least-cost mitigation options". It would also encourage companies to develop and integrate corporate social responsibility practices into their core business activities.

> **A solution to promote ESG would be to offer tax incentives for companies that develop those practices and social enterprises in general. These companies often solve the problems that the government should be solving, like water, health, and education. Consequently, it's fair that they are given tax holidays and other tax incentives.**
>
> – Project Interview

Consider setting up impact bonds to fund sustainable enterprises

Development impact bonds and green financing ecosystem in Kenya is nascent with a few financiers such as KCB Bank being accredited by the United Nations Green Climate Fund.[15] Similarly, payment-for-results models for development impact bonds by Village Enterprises[16] have reported early success.

Public-private partnerships and sustainability-focused government bonds (i.e. green and blue bonds) are required to finance viable public infrastructure projects that would unlock sustainable investments. Such facilities should contain sustainability-linked interest discounts or green investment guarantees. Also, programmes that build capacities of financial institutions and businesses to raise sustainable finance should be implemented.

Consider promoting challenge impact funds

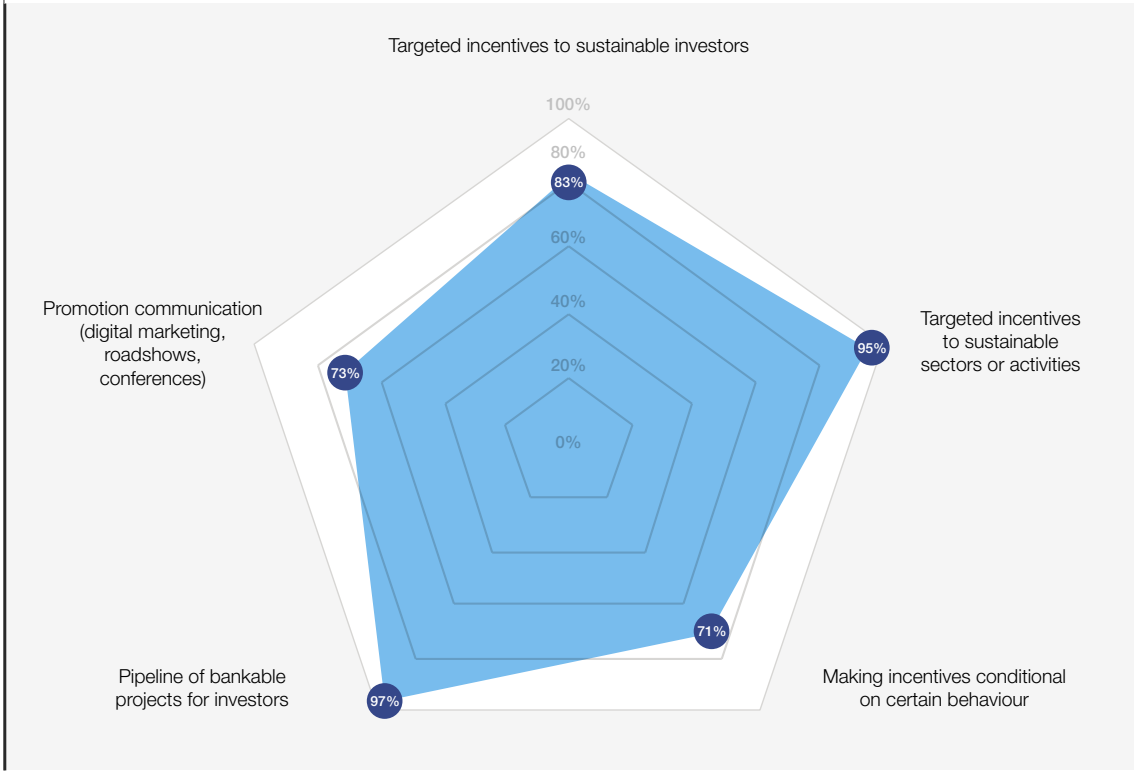
Due to their ability to generate commercially viable ventures alongside measurable social outcomes, challenge funds have promoted sustainable development and enhanced innovation as well as product development capacity among businesses. Participants suggested the establishment of COVID-19 resilience challenge funds that can have sustainability-oriented themes. Challenge funds can be a useful solution to support start-ups with sustainable technologies/approaches. Beneficiaries of the challenge funds could further be provided with mentorship support.

2.3 Sustainable investment promotion

Promoting sustainable investment is key to make the existing opportunities identifiable as well as to encourage more actors to develop such endeavours. In this regard, project participants identified the development of a pipeline of bankable project as one key promotion measure.

The development of targeted incentives to sustainable sectors or activities was also highlighted by almost all the business leaders interviewed. The options that follow aim at tackling gaps in relation to those actions and others highlighted by participants.

FIGURE 6 **Important measures identified by stakeholders in support of sustainable investment promotion**



Source: Questionnaire answered by project participants

Consider creating a category of recognized sustainable investor

Consider identifying and recognizing sustainable investments by creating a category of investors who are acknowledged as operating according to international RBC standards[17] and who commit to making specific contributions to Kenya's national development goals (i.e. jobs, training, environmental management). The KIP 2019 paves the way for such special category by suggesting the creation of Custom Investment Certificates "granted only for projects that make an exceptional contribution to the economy" based on published criteria.

These criteria could include sustainable indicators and firms that meet them could be designated "recognized sustainable investors" (RSIs) and receive additional support whether in the form of incentives, fast-tracked approvals or lighter regulatory reviews – the government could determine what types of additional support they wish to provide.[18] There is precedent for such an approach in trade facilitation, which recognizes certain traders as authorized economic operators (AEOs) when they demonstrate their commitment to good practices in trading and are thus provided with additional support and fast-tracking mechanisms. Also, Ghana has been pioneering the application of the RSI and the rewarding of such investors (see box below).

> **Recognition is the most powerful thing, as it will really move the needle towards sustainable investment.**
>
> – Project Interview

The World Economic Forum's Platform Shaping the Future of Trade and Global Economic Interdependence (TGEI) and the Ghana Investment Promotion Centre (GIPC) launched a sustainable investment pilot project in March 2019. Following the launch of a final toolkit with policy recommendations, the Government of Ghana agreed to implement two sustainable investment measures in 2020, with the support of the Forum. An event took place on 4 March 2020 in Accra, in addition to bilateral consultations, to carry out additional outreach and discussion with key stakeholders.

One of the measures implemented was the creation of category of Recognized Sustainable Investor (RSI) to provide greater support to investors that commit to investing sustainably. In May 2021, GIPC announced that the RSI was included in the new exemptions bill for tax reform. The proposal has received wide coverage of the local and international media and has been praised by the investor community.[19]

Consider developing and promoting virtual deal sourcing platforms for sustainable investment projects

In the wake of COVID-19, disruptions took place in traditional business fora such as investor pitching events, conferences and trade shows. Hence, there is a need for alternative deal sourcing options. There is a need to enhance ecosystem connectedness virtually, say through matchmaking platforms, and business support while assuring the involvement of stakeholders ranging from investment bank to venture capitalists, digital platform owners, in-house business development teams, intermediaries and networks.

There is a need to promote platforms designed specifically to Kenya as well to plug Kenyan entrepreneurs into international platforms where they could share their ideas. An example of the latter is the e-opportunities platform developed by the Kenya Investment Authority (KenInvest) with the United Nations Conference on Trade and Development (UNCTAD). The platform was developed to link investors with investment opportunities in the country and provides a great opportunity to fill the gap between available capital and tangible opportunities.[20]

Another example is the UpLink Platform, developed by the World Economic Forum, Deloitte, and Microsoft LinkedIn.[21] Launched during the World Economic Forum Annual Meeting 2020, it is a digital crowd-engagement platform that connects entrepreneurs and champions of the Sustainable Development Goals (SDGs) and its community contains more than 20,000 users.

The UpLink platform could support Kenyan entrepreneurs in the earlier stages to have further access to seed capital, while more established companies would benefit from updated information and developments on international finance, for instance, from development banks or foundations. The government could support this through providing information on such platforms on its websites.

> **Not many locals get funded, not many funds for investing (are made) in people from Kenya. The foreigners and those who had education abroad (are the ones who) know where the money is.**
>
> – Project Interview

Consider creating and promoting a "sustainability ambassadors" programme

Participants shared that one of the main challenges to spreading sustainability practices across the private sector is to make other firms see the long-term economic viability of sustainable businesses. In this regard, it can be transformational to share the practices developed by sustainability "champions" and pioneers. One original idea suggested during the interviews was for the government to establish a "sustainability ambassador" programme.

Chosen "ambassadors" could be given visibility opportunities both in their very selection as well as in future events where they could be invited to share and showcase their approaches. The group of ambassadors could be reviewed and expanded every year and the maintenance of the recognition should be subject to the continuation of the reason for the initial selection and/or the development of further sustainable initiatives.

> **The biggest challenge to mobilizing sustainable finance is the limited evidence of attractive financial returns from sustainable financing models in Africa.**
>
> – Project Interview

> **When you talk about climate in some regions of the world, a graduate student knows about it. In other regions, it is different. You need some ambassadors to speed up the process, you need more individuals and more companies (involved) to shorten the process.**
>
> – Project Interview

> **A main challenge to promoting sustainable investment is the lack of awareness on sustainable finance. More awareness is needed to drive the uptake.**
>
> – Project Interview

> **The most important elements to help mobilize sustainable finance are to make the case for the sustainable business and the long-term financial viability of the business.**
>
> – Project Interview

Consider supporting data-driven lending for sustainable enterprises

Increasing financing for sustainable projects in Kenya may require local commercial banks to verify enterprises' claims of sustainability as part of the loan appraisal process. However, deserving sustainable firms may be locked out from such financing if there is adequate data to ascertain suitability. Participants suggested that an appropriate model for data-driven financing of sustainable investments be developed to ensure that the required data are gathered from the beginning.

> **Business is not only an economic activity but a life activity... Additionally, acquiring reporting data from clients is a challenge as most are hesitant to report to the bank on the net-zero footprint.**
>
> – Project Interview

Consider using sustainability as a tool for securing exit deals

ESG practices were commonly required by investors, especially foreign ones, to acquire firms when local investors were exiting businesses. Therefore, participants encourage providing a framework of sustainability indicators that make an investment attractive for these kinds of exits and business transitions.

> **We call it the 'Vanilla ESG'. This is a kind of hygiene sustainability. If you don't do these things, you will have a hard time exiting an investment or will have to take a big discount. Our approach is to front load sustainability requirements so that when we exit, we are at world standards which will facilitate a successful partnership.**
>
> – Project Interview

Consider providing an online sustainability course for regulators

It is important to ensure that policy design is moving at the pace of innovations in sustainability and this requires constant knowledge and skills building amongst staff throughout government bodies in Kenya. Knowledge building on sustainability could be promoted by the government, international organizations and development agencies through an online course on sustainability.

> **(A major challenge is) low awareness levels on sustainable finance among the players in the financial services sector.**
>
> – Project Interview

> **The private sector has been at the front of the sustainability effort. The government has to catch up.**
>
> – Project Interview

> **Many officials do not understand the importance of risk, what about sustainability? (…) Once they understand what it is, then it becomes a matter of identifying how they could change and implement (sustainable incentives) (…). A buy-in from high-level bodies and the issuance of directives would be fundamental for this awareness building process to take place.**
>
> – Project Interview

Consider providing cloud-access to open datasets

The lack of available data is one reason for the high cost of innovation in Kenya as start-ups rely on data generated by experimenting with their business models. Despite being well-positioned regionally in the digitalization of some procedures, Kenya lacks repositories for different datasets that are easily accessible by entrepreneurs and their venture investors. This can be addressed through coordination to provide greater access to robust data by investment stakeholders on different sectors. However, it is important that any endeavour in this regard should try to avoid the pitfalls of data localization.[22]

> **Data on agribusiness is not domiciled at any specific database – you have to visit different parties to get the information you are looking for, what becomes very expensive for business.**
>
> – Project Interview

Consider eliminating duplicative business licensing requirements

The high cost of doing business is hurting Kenya's economy more than the economic costs of the COVID-19 pandemic, according to the Central Bank of Kenya Governor's brief at the launch of a CEO's survey report in April 2021.[23] Individuals participating in the project identified multiple licenses and redundant safety standards as important reasons for such high costs. Both the federal and the counties' governments may therefore wish to review – and where relevant streamline – licenses.

In this regard, any move towards the vision of free movement of goods and services across counties through a single permit is welcome. One example is the announcement of plans to eliminate inter-county distribution fees by the Council of Governors together with the National Development Implementation and Communication Cabinet Committee (NDICCC), announced on 1 July 2021.

> **It would be very ideal and important for businesses if all they need is a single CESS or permit receipt that allows them to move goods freely across counties.**
>
> – Fred Matiang'i, Cabinet Secretary for the Ministry of Interior and Coordination of National Government in Kenya[24]

Consider adopting a risk-based approach to administrative approvals

The government may wish to consider adopting a risk-based approach to administrative approvals. The Kenyan government would determine the criteria for risk and those investments that were not high risk could enjoy an expedited review. It is worth noting that the adoption of a risk-based approach to issuing business permits across the country was highlighted as a relevant reform to be undertaken in the country by the World Bank Group in its last subnational report on "Doing Business in Kenya".[25]

Participants highlighted that development agencies and international organizations could support these efforts by providing technical assistance for a thorough review and implementation of the licensing frameworks and standards at the national and county levels. The successful conclusion of an IFD Agreement at the WTO, containing clauses related to the simplification of administrative procedures as well as related technical assistance provisions, could help creating momentum for making such foreign support available.

> **Counties charging multiple fees, duplication of costs, and irregular implementation of policies drive up the cost of production.**
>
> – Project Interview

Consider supporting entrepreneurial mentorship

As the field of sustainability grows, there could be an effort to build a network of peer mentors to guide sector-specific entrepreneurs. Capacity building of the entrepreneurs and mentorship would be embedded in all forms of financing to make it accessible to local entrepreneurs, especially start-ups in sustainable activities.

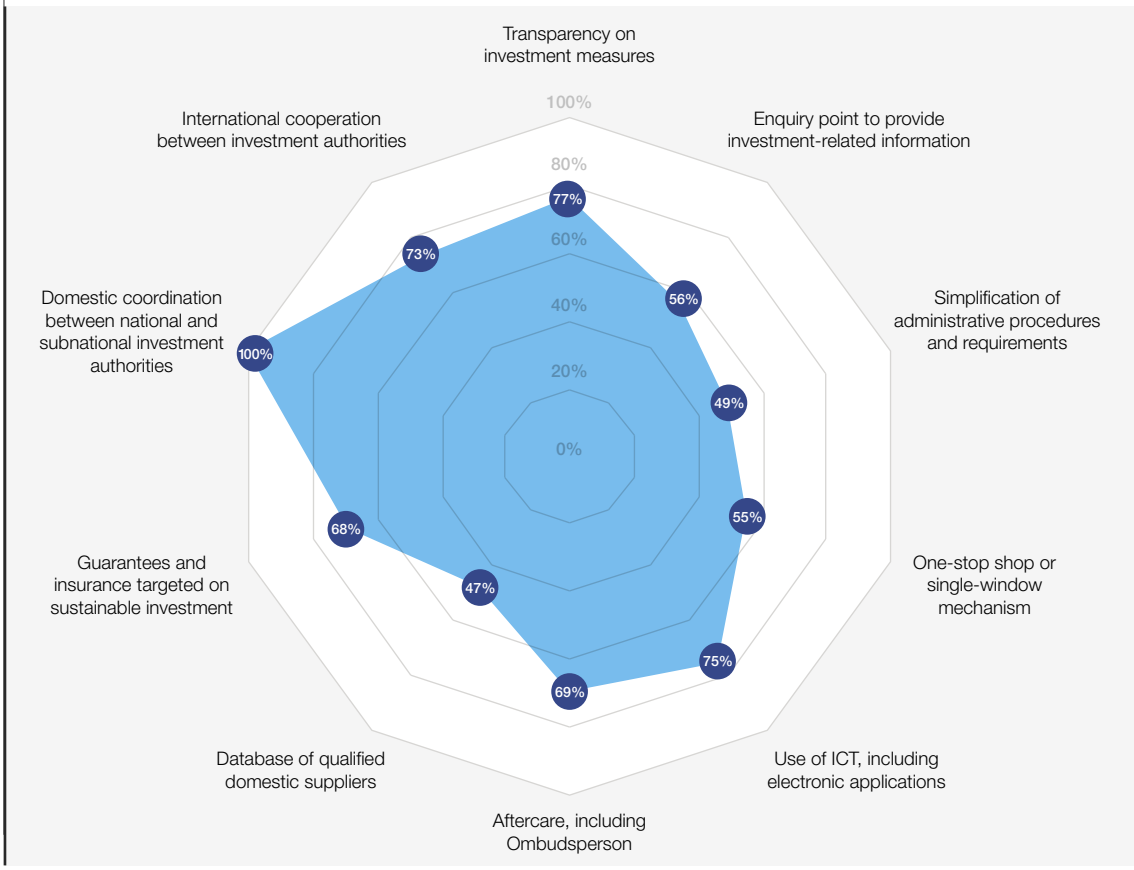
> **Foreign capital follows foreign entrepreneurs based in Kenya or a Kenyan national with multinational experience or global education.**
>
> – Project Interview

> **Our investment selection criteria look at the entrepreneurial and managerial skills more than anything else, because even a business model can be pivoted when you have a skilled team.**
>
> – Project Interview

2.4 Sustainable investment facilitation

Counties play an important role in the Kenyan economic environment. As a result, coordination between the federal and subnational authorities is key to facilitating investments. Project participants confirmed this importance by ranking it the single most significant measure for facilitating sustainable investments. Other measures highlighted were transparency on investment measures, digitization of application processes and international cooperation between investment authorities. The options below offer potential pathways to strengthening these areas.

FIGURE 7 **Important measures identified by stakeholders in support of sustainable investment facilitation**



Source: Questionnaire answered by project participants

Consider developing a sustainable investment metric at the county level

The Government of Kenya aims to make counties investment hubs for investors. Initiatives such as the County Investment Handbook[26] and the KIP 2019 are geared towards ease of doing business and attracting investors to the counties. These materials reveal that a robust metric that evaluates counties across important investment indicators embedding sustainability can be useful.

A metric can also help investors compare sustainable investment climates across counties. In this way, the tool will create conditions for "competitive federalism", since counties will be rated and ranked on a number of indicators, including investment promotion, sustainability and ease of doing business. This will encourage reforms to attract more investors, who in turn can create jobs and bring in more tax revenues, among other benefits. This friendly competition will therefore nudge county governments to develop supportive policies to attract and facilitate sustainable investments. It will also provide investors with complete and comparable information to increase and diversify their investment portfolios in Kenya and possibly grow the development impact of their investment.

> **The counties and the federal government have not been talking the same language in terms of investment.**
>
> – Project Interview

> **Coordination of county governments is a challenge with each county having a fragmented approach to investment.**
>
> – Project Interview

Consider implementing a Customer Relationship Management (CRM) system shared between national and subnational governments

The KIP 2019 emphasizes the need to have a CRM system operationalized in Kenya. This could be a very effective way to coordinate interactions with stakeholders, especially potential and existing investors. While the management of the system at the federal level can be carried out by KenInvest, counties may wish to ensure there will be one or more officer in charge of entering the interactions with investors that take place at the sub-national level to ensure the system is updated and thus effective.

Until the CRM is fully in place, other steps can be taken using other tools. For example, the KIP 2019 suggests maintaining an information management system and assigning unique identification numbers for all companies and private investments for data collection and monitoring.

Consider developing County Investment Units or leveraging the role of Huduma centres

When asked about what prevented their businesses from expanding both in Kenya and outside the country, participants highlighted the lack of market information as one key aspect and encouraged the creation of a government entity to help provide this. The idea is aligned with the KIP 2019 suggestion to have "County Investment Units (CIUs)". One option to develop such units would be by leveraging Huduma centres that already exist in counties. This could be achieved, for example, by training the staff in the centres to provide market information.

The information could include both details on how to invest in the respective county and some basic information about the possibilities to invest in other counties, as well as in neighbouring nations. As suggested in the KIP 2019, when presenting the idea of the CIUs, useful information that could be provided includes "finding commercial space, staff recruitment, training, identification of local suppliers, and developing collaboration between local institutions and investors".

The provision of advisory services on investment opportunities and requirements in other counties as well as abroad would require both exchange of information between the actors involved as well as the training of staff on the best way to advise companies. In the end, all the counties could benefit from these enhanced opportunities as investment would be aligned with each counties' competitive advantage. In the medium and long term, this would also ensure the realization of further investments for all the parties involved, including through supporting two-way investment flows.

> **There is poor coordination among government agencies, various programmes trying to achieve different objectives and generating independent market intelligence. We need coordination about business environment in Kenya. Having to go to different places to get the information you are looking for is very costly.**
>
> – Project Interview

Consider establishing credit guarantee schemes for sustainable investments, especially for SMEs

Small and Medium Enterprises (SMEs) are at the centre of Kenya's sustainable development agenda as they create the majority of jobs despite inherent informality challenges which risks locking them out of a financial ecosystem that can be risk averse. Participants of the project recommended the provision of credit guarantee schemes for sustainable investments in order to encourage lending to SMEs as a mechanism to de risk foreign and local investment. Kenya launched a Sh10 billion Credit Guarantee Scheme to mitigate the impact of COVID-19 on SMEs. Other similar schemes could be issued that have a focus on sustainability.

Consider supporting the role of Business Member Organizations in facilitating sustainable investment

Given their large network of member companies and enterprises that can help drive national development, participants encouraged Business Member Organizations (BMOs) to play a key role on sustainable investment facilitation. One example would be by complementing government efforts and providing capacity building through training on sustainable business practices. They might also support government initiatives that involve measuring private sustainability practices by gathering such information from their members.

Consider developing a supplier database with sustainability dimensions (SD2)

The KIP 2019 suggests promoting FDI local content "by encouraging backward and forward linkages in various value chains to grow the SMEs capacity and productivity as they transition to medium and large companies". This idea resonates with the needs shared by participants in the project, who consider that actions to further domestic firm visibility and capabilities in the eyes international investors could lead to greater investment.

Therefore, the government could consider creating a database of qualified domestic suppliers so that investors can easily contract with suppliers and vendors that follow sustainable practices. Including sustainability dimensions in the database can help investors who wish to invest according to ESG principles more easily find firms that operate according to these criteria; at the same time, given growing capital earmarked for ESG opportunities, domestic firms will have an incentive to shift operations to become more sustainable to qualify for such capital. This can create a virtuous, sustainable investment cycle.

> **There is not really a single database where I can find a list of firms that are the right fit [to partner with].**
>
> – Project Interview

Supplier database with sustainability dimensions (SD2) in Cambodia

Following project interviews, validation workshops and the publication of a final toolkit in February 2020, the Government of Cambodia agreed to implement five sustainable investment measures, with the support of the World Economic Forum. These included creating a supplier database with sustainability dimensions (SD2). In partnership with the Council for the Development of Cambodia (CDC) and local experts, the SD2 was launched in Cambodia in May 2021. The launching event gathered more than 100 participants, many of which were domestic and international investors, and was covered by the media.[27]

The database will help foreign investors match with sustainable domestic firms, while also incentivizing these firms to increase their sustainability operations to receive contracts – what can be called a "sustainable investment cycle". SD2 in Cambodia is housed in and maintained by the CDC, which ensures its long-term continuity and updating, providing credibility in the eyes of investors.

Sok Chenda Sophea, Minister attached to the Prime Minister of Cambodia and Secretary-General of the Council for the Development of Cambodia, officially launching the SD2 in Cambodia.

Consider orienting special economic zones to sustainability

Special economic zones (SEZs) are important tools for testing innovative measures to both attract inward FDI and to promote outward FDI. At the same time, they should not lead to negative externalities, for example with respect to the environment. The KIP 2019 subscribes to this view by pointing out that "the Government of Kenya shall not encourage investment by relaxing or waiving domestic environmental legislation in line with the national constitution and regional agreements that Kenya is party to". On the contrary, the government could consider orienting SEZs to include a focus on sustainability through high ESG standards, including through creating SDG-model zones.

This is a new idea that was presented in UNCTAD's 2019 World Investment Report.[28] Such zones would aim to attract investment in SDG-relevant activities, adopt the highest levels of ESG standards and compliance, and promote inclusive growth through linkages and spillovers. This could both increase investment flows and support further development impact. In a recent survey examining how SEZs can be play a role in making the AfCFTA successful, UNCTAD found that SEZs in Africa are beginning to adapt to such sustainable approaches. Almost half of the interviewees consulted by UNCTAD identified that the zones have more strict compliance on environmental laws and regulations, and two-thirds reported providing at least one environmental service in the zone. Such sustainable orientation could also be promoted in Kenyan SEZs.[29]

3 Potential future agenda for select sectors and activities

In addition to cross-industry sustainable investment suggestions, project participants shared insights on agriculture, tourism and the digital economy.

In addition to the horizontal (cross-sector) measures presented above, project participants shared insights on actions that could be considered in three specific areas: agriculture, tourism and the digital economy. The two first have historically been key sectors for the Kenyan economy and their modernization is important to maintain the country's competitive advantage. The tourism sector requires particular attention at this moment as it was severely hit by the COVID-19 pandemic and will require attention for a successful recovery. Finally, encouraging digitally related sectors is essential for any country seeking to plug into the potential of the Fourth Industrial Revolution. The pandemic accelerated the transition to the digital economy, making adaptation and modernization even more important.

3.1 Future agenda: Agriculture sector

Consider encouraging investment in R&D

The sustainability of Kenya's leading agricultural value chains, such as coffee, require more research and development (R&D) investments in order to maintain a competitive position at the global stage.

Participants shared that support in this area would be helpful as the country risked lagging behind when compared to some of its competitors.

> **Kenya's coffee fetches a premium price in the global coffee market – it is the Rolls Royce of the global area – however investment in research and development is negligible compared to its counterparts producing countries, such as Costa Rica, Brazil and Colombia.**
>
> – Project Interview

Consider improving inter-agency coordination through a lands committee

Participants suggested the need to have improved management of land in Kenya. This was also acknowledged in the KIP 2019, which stated that "often, the process has been hampered by heavy bureaucracy and uncertainty". To help tackle the issue, the KIP 2019 proposes the constitution of "a land committee comprised of relevant institutions to handle investment related matters from inception of the project to dispute resolution where it may arise". The operationalization of such committee could represent an important sign for investors of the government's willingness to improve access to land. In addition to dispute resolution, the committee could also help support improvements in current legislation after consultation with investors and other stakeholders.

3.2 Future agenda: Tourism sector

Consider carbon-credit incentives and rewards for the tourism sector

There is potential to partner with international bodies to earn carbon credits and ensure the outcomes from these partnerships benefit tourism sector. For example, Wildlife Works has a carbon trading site that can provide inspire further applications in the Kenyan context.[30]

Consider an open skies policy to help support recovery

Kenya has been moving towards an open skies aviation policy in order to especially open the country to Africa states in terms of trade and tourism flows. For example, airlines from neighbouring Ethiopia and Uganda now fly directly to Mombasa on the Kenyan coast. Continuing in this direction could help support recovery and boost the tourism sector following COVID-19.

3.3 Future agenda: Digital economy

Consider investor engagement in digital policy design and implementation

There may be room for more engagement to promote investment enabling and encouraging policies in the digital economy. Unclear digital regulation, especially concerning taxation and the regulation of emerging technologies, was identified as a key challenge for mobilizing financing to sustainable innovations and spreading digital adoption across the country. As with sustainability, domestic and international stakeholders could consider supporting online courses for regulators on the emerging digital technologies and its policy implications. Public-private cooperation projects could also lead to knowledge and trust building between the government and firms in this area.

> **The EMF regulation is unclear and is an emerging concern as the industry goes to 5G technology.**
>
> – Project Interview

> **A retrospective of how policy development for the digital sector may affect sustainability spotlights that investors are not adequately engaged, and the process is to the most part uncoordinated.**
>
> – Project Interview

Facilitation 2.0 in Papua New Guinea

With the support of the Government of Australia, the World Economic Forum launched Facilitation 2.0 in Papua New Guinea, a first-of-its-kind project aimed at blending e-commerce, trade and investment facilitation actions for economic development. The project approach could serve as a model for action elsewhere, including in Kenya. For instance, a Digital FDI working group was created to consult with private-sector representatives to identify the top reform actions they would like to see to increase the likelihood of investment in the digital economy. The project also supported the enactment of e-commerce legislation in the country, as well as an effective digital payments ecosystem.[31]

Abbreviations and acronyms

AEO	Authorised Economic Operator
AfCFTA	African Continental Free Trade Area
AGF	African Guarantee Fund
AGOA	Africa Growth and Opportunity Act
AVCEA	Association of Venture Capital Association of East Africa
BMO	Business Member Organization
CAPI	Computer-Assisted Personal Interview
CAWI	Computer-Assisted Web Interview
CBK	Central Bank of Kenya
CCI	County Competitiveness Index
CEO	Chief Executive Officer
CGT	Capital Gains Tax
CIDP	County Integrated Development Plan
CIMES	County Integrated Monitoring and Evaluation System
CIU	County Investment Unit
CoG	Council of Governors
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DDI	Domestic Direct Investment
DST	Digital Services Tax
EMF	Electromagnetic Frequency
ESG	Environmental, Social and Governance
EPZA	Export Processing Zones Authority
FDI	Foreign Direct Investment
G2P	Government to Persons
GHG	Greenhouse Gas
GIPC	Ghana Investment Promotion Centre
IBC	International Business Council
ICC	International Chamber of Commerce
ICDC	Industrial & Commercial Development Corporation
IDB	Industrial Development Bank
IFD	Investment Facilitation for Development
IFDA	Investment Facilitation for Development Agreement
ILO	International Labour Organization
KAM	Kenya Association of Manufacturers
KeBS	Kenya Bureau of Standards
KenInvest	Kenya Investment Authority
KEPSA	Kenya Private Sector Alliance
KIE	Kenya Industrial Estates
KIP	Kenya Investment Policy
KIPI	Kenya Industrial Property Institute
KNCCI	Kenya National Chamber of Commerce and Industries
MTT	Minimum Turnover Tax
MSEA	Micro and Small Enterprises Authority
MSME	Micro, Small and Medium Enterprise
NDC	Nationally Determined Contribution
NDICCC	National Development Implementation and Communication Cabinet Committee
NGO	Non-Governmental Organization
NIC	National Investment Committee
NTFC	National Trade Facilitation Committee

OECD	Organisation for Economic Co-operation and Development
OFDI	Outward Foreign Direct Investment
PPP	Public Private Partnership
PRI	Principles for Responsible Investment
RBC	Responsible Business Conduct
R&D	Research and Development
RSI	Recognized Sustainable Investor
SBA	Strategic Business Advisors Africa
SD2	Supplier Database with Sustainability Dimensions
SDG	Sustainable Development Goal
SEZ	Special Economic Zone
SME	Small and Medium Enterprise
TGEI	Trade and Global Economic Interdependence
TPA	Tax Procedures Act
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
VC	Venture Capitalist
WTO	World Trade Organization

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Endnotes

1. The OECD and UNCTAD define "investment promotion" as activities aimed at promoting a location as an investment destination. See: OECD, "Update of the Policy Framework for Investment. Draft Chapter: Investment promotion and facilitation", 2014. Available at: https://www.oecd.org/daf/inv/investment-policy/PFI-update-investment-promotion-and-facilitation.pdf; UNCTAD, "Global action menu for investment facilitation", 2016. Available at: https://unctad.org/system/files/official-document/tdb63crp2_en.pdf.
2. According to the OECD (*ibid.*) and UNCTAD (*ibid.*), "investment facilitation" is about making it easier for investors to establish or expand their existing investment. In practice, some measures can both promote and facilitate investment, but they are kept as separate dimensions in the framework to make options clearer and more easily actionable.
3. Karl P. Sauvant and Howard Mann, "Towards an Indicative List of FDI Sustainability Characteristics", October 2017, International Centre for Trade and Sustainable Development and World Economic Forum. Available at: https://e15initiative.org/publications/towards-an-indicative-list-of-fdi-sustainability-characteristics.
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8. Available at: http://kenyalaw.org/kl/fileadmin/pdfdownloads/Acts/InvestmentPromotionActCap485B.pdf.
9. Examples of investment facilitation measures, including those related to technical assistance, can be found in the publication "An Inventory of Concrete Measures to Facilitate the Flow of Sustainable FDI: What? Why? How?". Available at: http://www3.weforum.org/docs/WEF_IF_Inventory_2020.pdf.
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14. World Economic Forum, "Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", September 2020, White Paper, https://www.weforum.org/reports/measuring-stakeholdercapitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation.
15. UNGCF's accreditation paves way for the Bank to receive funds from the Green Climate Fund (GCF) for on-lending to beneficiary institutions involved in the development of green-climate resilient investment assets/projects in Kenya as well as in the region where the bank operates as the implementing entity.
16. Village Enterprises' "payment-for-results model, is where" the outcome payers (i.e. USAID DIV, FCDO) agree to pay back Village Enterprise and its investors the original investment plus a financial return if the agreed-upon outcome targets (increases in consumption and net assets, including savings) are delivered by Village Enterprise. The outcomes will be assessed through an independent randomized controlled trial (RCT). Further information is available at: https://villageenterprise.org/what-we-do/development-impact-bond/.

17. The main ones being the UN Guiding Principles on Business and Human Rights (available at: https://www.ohchr.org/Documents/ Publications/GuidingPrinciplesBusinessHR_EN.pdf); the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/ publication/wcms_094386.pdf); and the OECD Guidelines for Multinational Enterprises (available at: http://www.oecd.org/investment/mne/1922428.pdf).

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28. UNCTAD's World Investment Report 2019 lists special economic zones is among the most important instruments for attracting investment. The number of zones around the world has grown rapidly in the last decade to more than 5,000, with many more planned. The report is available at: https://unctad.org/webflyer/world-investment-report-2019.

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