THE REPORT ARGUES THAT THE INVESTMENT CLIMATE plays a central role in growth and poverty reduction. This part shows why improving the investment climates of their societies should be a top priority for governments, and looks at how the necessary improvements can be made.

Chapter 1—The investment climate, growth, and poverty shows how governments influence the investment climate and how improving the investment climate drives growth and reduces poverty.

Chapter 2—Confronting the underlying challenges looks at why improving the investment climate can be difficult, and the sources of potential policy failure that governments must face.

Chapter 3—Tackling a broad agenda reviews international experience in making investment climate improvements and suggests practical strategies for accelerating and broadening progress.