

Fias

2017

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES



WORLD BANK GROUP

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TRADE MARK EAST AFRICA
Growing Prosperity Through Trade

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About the Facility for Investment Climate Advisory Services (FIAS)

Through the FIAS program, the World Bank Group and donor partners facilitate investment climate reforms in developing countries to foster open, productive, and competitive markets and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction. The FIAS program is managed by the Equitable Growth, Finance & Institutions Practice Group of the World Bank Group. For more information, visit www.worldbank.org/fias.

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With the FY17–21 strategy cycle well under way, we are proud to present the FIAS 2017 Annual Review, outlining our achievements in a growing roster of client countries.

Message from the Senior Directors

Fiscal year 2017 marked the beginning of a new chapter in the FIAS partnership with the World Bank Group with the launch of the new FY17–21 strategy cycle developed in consultation with our FIAS Development Partners. Our work is organized under three strategic pillars: improving the business environment, expanding market opportunities, and increasing firm-level competitiveness.

The FIAS-supported program is marked by both continuity and innovation. The core mission of FIAS remains unchanged: to help client countries institute and implement reforms that foster open, productive, and competitive markets and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction. So too are the priority countries of FIAS: borrowing countries of the International Development Association, countries in Sub-Saharan Africa, and states in fragile and conflict-affected situations.

Within this well-established framework, FIAS and the joint Global Practices are helping the World Bank Group carry forward approaches to development and advisory work aligned with IFC's Creating Markets initiative. This work leverages advisory services in investment climate, competition policy, and competitive sectors to develop markets in poor and fragile areas that are competitive, sustainable, inclusive, and resilient.

With the FY17–21 strategy cycle well under way, we are proud to present the *FIAS 2017 Annual Review*, outlining our achievements in a growing roster of client countries. The Review provides data on reforms and expenditures, a special topic chapter on gender initiatives, as well as narratives of the client-facing work being done by our country and global teams.

Going forward FIAS will continue to be critical in helping achieve development impact in a way that better aligns with the Bank Group's approach to development finance, creating markets, and maximizing finance for development.

We would like to convey our heartfelt thanks to our FIAS donors and partners for continuing their strong support for the FY17–21 work program.



C. Felipe Jaramillo
Senior Director
Macroeconomics, Trade and
Investment



Ceyla Pazarbasioglu
Senior Director
Finance, Competitiveness
and Innovation

01 Main Achievements and Milestones

FIAS is supporting implementation of reforms in more fragile states than ever.

62 reforms

achieved in 32 client countries and one territory in the first year of the FY17–21 strategy cycle (76 reforms in 42 countries in FY16).

FIAS-supported projects generated

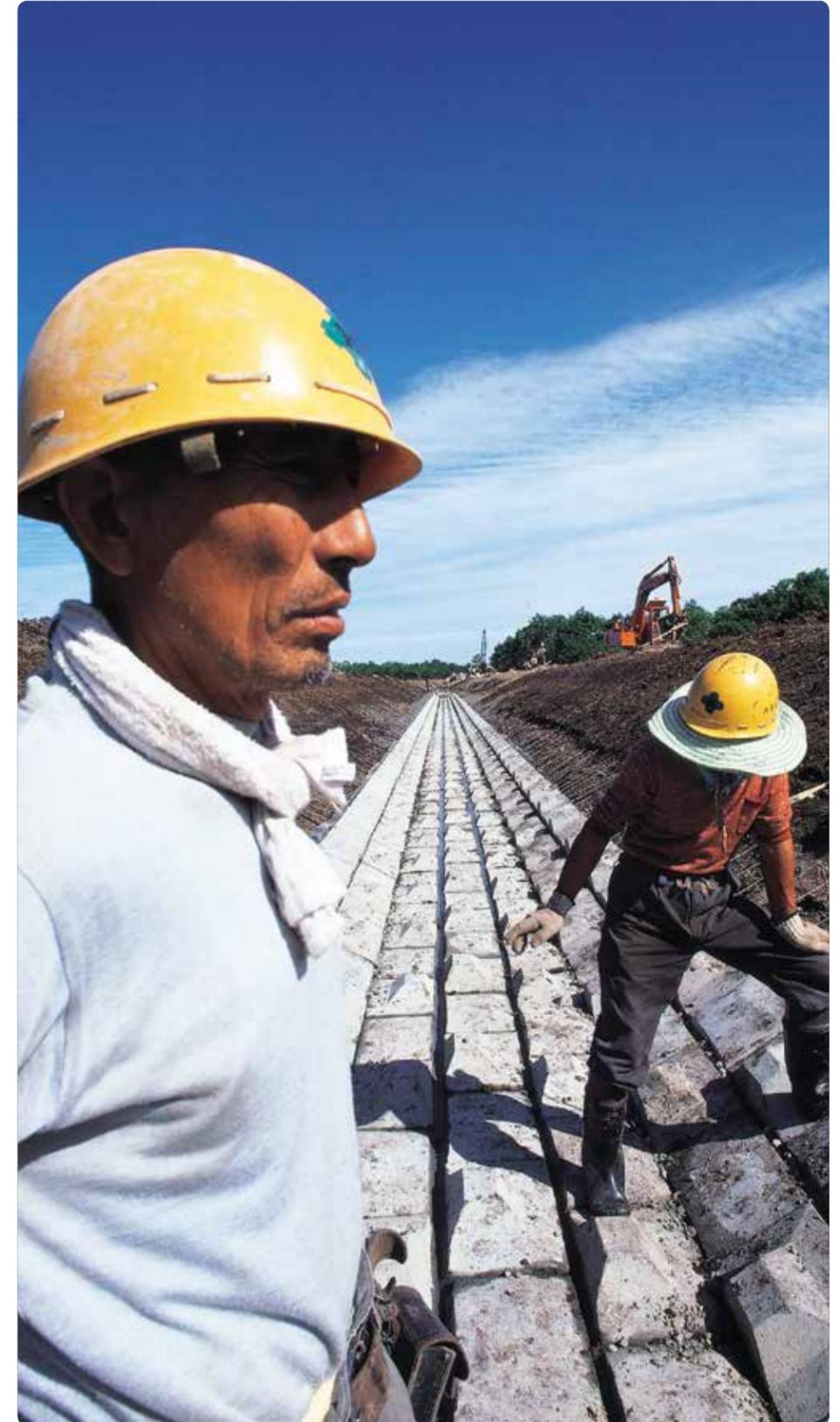
\$153.2 million

in new investments in four client countries—**Bosnia and Herzegovina, Haiti, Mali, and Nepal**; all are FCS states; all but Bosnia are IDA.

FIAS-supported projects generated

\$8.7 million

in direct compliance cost savings (CCS) in FY17, reflecting lower business costs due to streamlined regulations and permitting processes. Substantial additional CCS is anticipated following validation.



Construction workers building reinforcement wall.
Photo: Bigstock

of FY17 FIAS-Supported Operations



Target Exceeded

62

reforms

FY17 FIAS-supported reforms exceeded the yearly target of 55 reforms in the strategy cycle.

Total Reforms

51%

FIAS-supported projects delivered 51 percent of the 119 reforms achieved in FY17 by the Trade & Competitiveness Global Practice (T&C).

Reforms in FIAS-supported projects

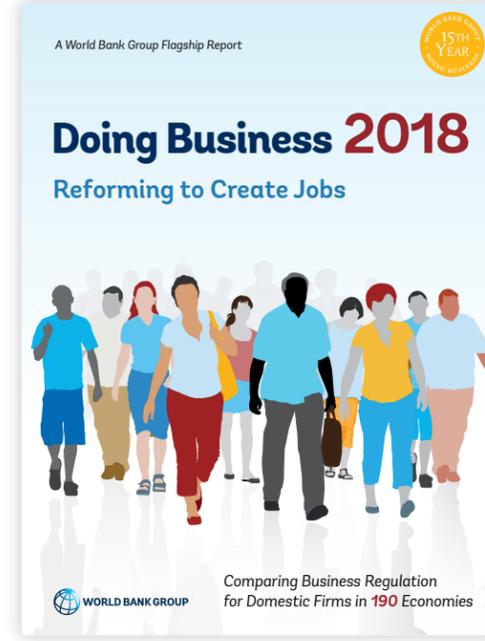
Favorable Comparisons

32

countries

FY17 results compare favorably to the 46 reforms in 30 countries in FY12, the first year of the FY12-16 strategy cycle.

FY12-16 direct compliance



Doing Business 2018

87 percent

Doing Business 2018 reports that 54 of the 62 FY17 FIAS reforms, or 87 percent, were relevant to DB topics (in FY16: 87 percent).

20 percent

of the 264 DB reforms recorded in FY17 were achieved with the help of FIAS-funded advisory services.

10 countries most improved

Doing Business 2018 lists 10 countries as most improved in terms of reforms undertaken; 6 of these—**El Salvador, India, Kosovo, Malawi, Uzbekistan, and Zambia**—recorded reforms in FY17 from FIAS-supported projects. India and Malawi made the top-improvers list for the first time.

01

Reforms Achieved

Focus on Priority Client Groups

58%

58 percent of reforms were achieved in IDA countries (78 percent in FY16).

32%

32 percent of reforms were achieved in Sub-Saharan Africa (66 percent in FY16).

56%

T&C reform work showed strong results

Although the proportion of FIAS reforms in Sub-Saharan Africa was lower than usual, overall T&C reform work showed strong results in the region, with 67 national and subnational reforms for FY17 out of 119 total, or 56 percent. Reform work in Sub-Saharan Africa is being funded increasingly through country-specific projects, and FIAS Core funding has diminished.

21%

21 percent of reforms were achieved in FCS (29 percent in FY16).

FIAS-supported projects

23 countries

FIAS supported projects in 23 of the world's 40 FCS states or territories in FY17, or 58 percent (23 of 35 countries, or 66 percent, in FY16).¹

99 projects

FIAS portfolio consisted of 99 projects in FY17 (112 in FY16), with 79 client-facing (87 in FY16) and 20 non-client-facing in product development (25 in FY16).

Total FIAS direct project expenditures

\$26.1 million

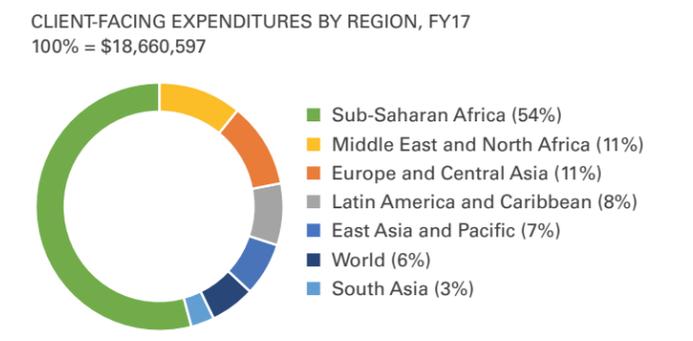
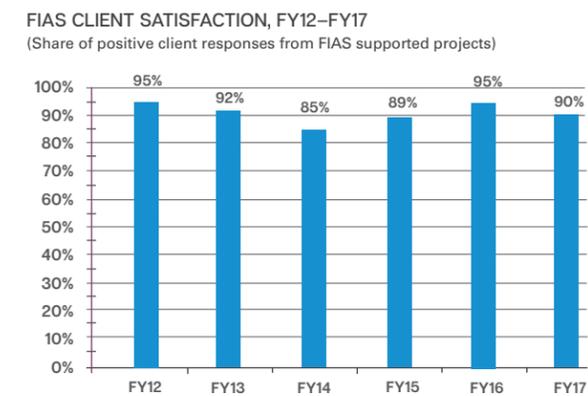
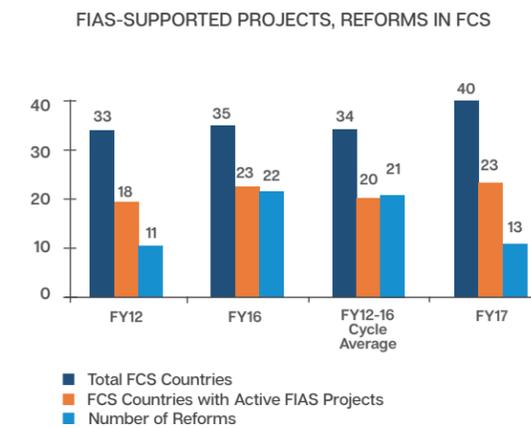
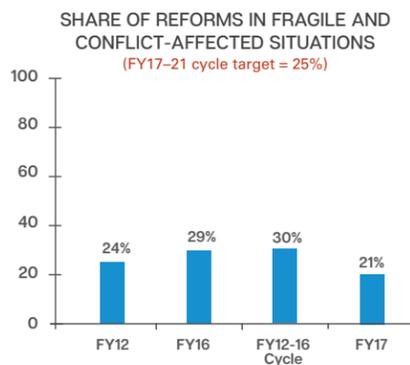
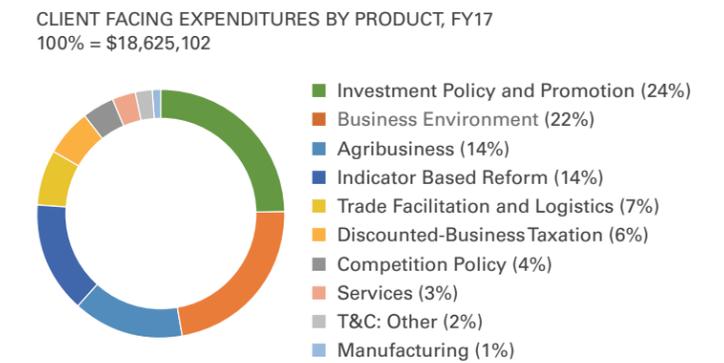
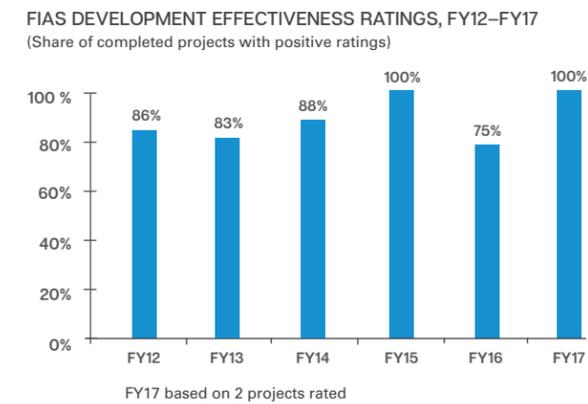
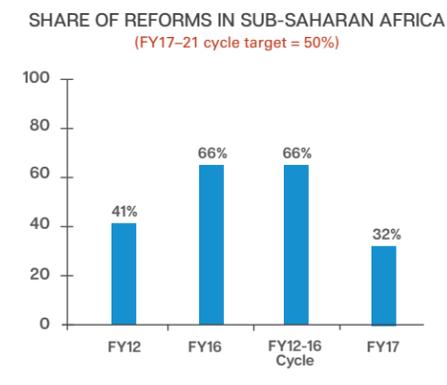
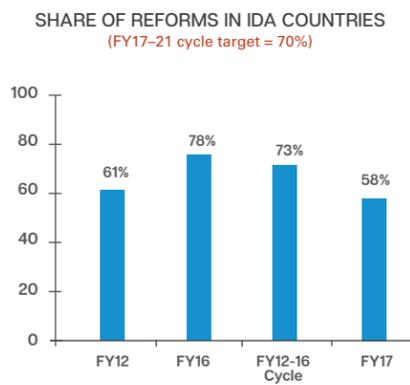
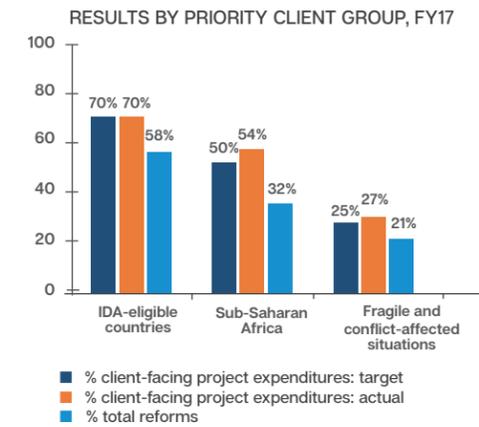
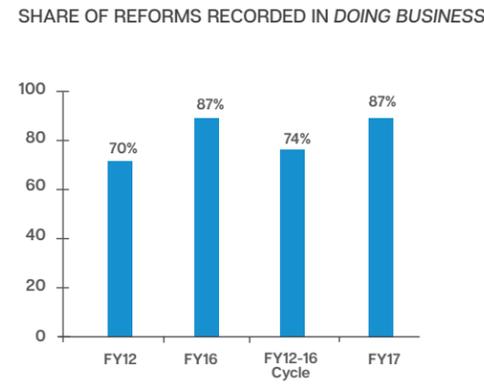
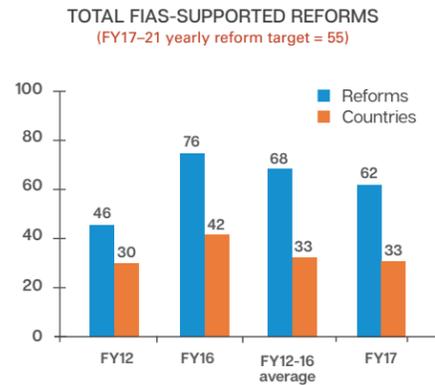
Total FIAS direct project expenditures in FY17 were \$26.1 million (\$35.6 million in FY16), with \$18.7 million, or 72 percent, client-facing (59 percent in FY16) and 28 percent non-client facing (41 percent in FY16).

FIAS Program Continues Under Restructured Global Practices

The Equitable Growth, Finance and Institutions (EFI) vice presidency manages a cluster of related Global Practices (GPs) that work to promote stable, equitable, efficient, and dynamic markets, institutions and economies. This practice group has consisted of five Global Practices: Finance and Markets (F&M), Macroeconomics and Fiscal Management (MFM), Trade and Competitiveness (T&C), Governance, and Poverty. As of January 1, 2018, T&C, F&M, and MFM are reorganized into two GPs: **Finance, Competitiveness and Innovation (FCI)** and **Macroeconomics, Trade and Investment (MTI)**. Both are joint organizations made up of World Bank and IFC teams. The global and regional teams that have implemented FIAS-supported projects—Investment Climate, Competitive Sectors, and Competition Policy—remain intact and continue with their project portfolios, with EFI providing unified management. The new structure better aligns EFI with the World Bank Group's evolving approach to development finance and supports the IFC 3.0 objectives of maximizing finance for development and creating markets. EFI will continue to support foundational reforms that help to “de-risk” countries along the macro, business climate, and financing dimensions.

¹ For FY17, the *Annual Review* is using the World Bank Group's combined FCS list, which includes the Harmonized List of Fragile Situations (35 countries) plus five additional countries considered FCS by IFC.

The charts below show FIAS results in priority areas. Since FY17 is the first year of the five-year strategy cycle, the charts compare FY17 results to FY12, the first year of the FY12–16 cycle, along with FY16 and FY12–16 cumulative results.



FY12–16 and FY17 FIAS Funding and Expenditures

	2012-16		2017	
	In US\$, Thousands	Share of Total	In US\$, Thousands	Share of Total
Contributions (Sources of Funds) ^a				
WORLD BANK GROUP CONTRIBUTIONS	51,336,475	28%	9,599,341	26%
Core Contributions	37,788,000	20%	7,000,000	19%
IFC ^a	23,388,000	13%	5,000,000	13%
MIGA	5,600,000	3%	-	0%
World Bank	8,800,000	5%	2,000,000	5%
Project Specific/Other Contributions (IFC)	13,548,475	7%	2,599,341	7%
Donor Contributions	134,480,300	72%	27,950,198	74%
Core	47,516,000	25%	4,601,820	12%
Programmatic	55,913,000	30%	16,009,590	43%
Project-Specific	31,051,300	17%	7,338,788	20%
Client Contributions	699,000	0.4%	-	0.0%
Total Contributions	186,515,775	100%	37,549,539	100%
<i>Less Trust Fund Administration Fees</i>	7,151,000		1,099,899	
Total Net Contributions	179,364,775		36,449,640	
Expenditures (Uses of Funds) ^b				
Staff Costs	80,745,922	50%	15,724,142	48%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%
Operational Travel Costs	26,315,588	16%	5,053,184	15%
Indirect Costs (including office and operating costs)	11,886,379	7%	1,604,318	5%
Total Expenditures	160,092,902	100%	32,884,715	100%

^a Includes contributions from all sources of funds that support the FIAS FY17–21 strategic agenda. FIAS FY12–16 funding cycle contributions (previously reported) have been adjusted for comparative purposes.

^b Includes expenditures from all sources of funds that support the FIAS FY17–21 strategic agenda. FIAS FY12–16 funding cycle expenditures (previously reported) have been adjusted for comparative purposes.

FIAS-Supported Reforms by Region and Country, FY17

Region	Country	Construction Permits	Enforcing Contracts	Getting Credit	Inspections	Investment Policy - Entry	Investment Policy - Incentives	Investment Policy - Promotion	Licenses and Permits	Property Transfers	Protecting Investors	Resolving Insolvency	Starting a Business	Tax Simplification and Compliance Management	Trade Logistics	Grand Total	
AFRICA	Cabo Verde	1*													1*	2	
	Cameroon ^a			1*												1	
	Gabon	1*														1	
	Ghana ^a	1*														1	
	Guinea ^a					1										1	
	Madagascar ^{a, b}			1*										1*		2	
	Malawi ^a	1*		1**								1*				3	
	Mali ^{a, b}							1								1	
	Mauritius	1*								1*				1*		3	
	Seychelles	1*								1*						2	
	Zambia ^a														1*	1*	2
	Zimbabwe ^{a, b}													1*		1	
	AFRICA TOTAL		6	3	3	1	1	1	2	2	1	3	1	2	2	20	
EAST ASIA AND PACIFIC	Mongolia ^a					1										1	
	Myanmar ^{a, b}					1										1	
EAST ASIA AND PACIFIC TOTAL						2										2	
EUROPE AND CENTRAL ASIA	Albania													1**		1	
	Armenia				1		1									2	
	Azerbaijan ^a		1*								1*					2	
	Bosnia and Herzegovina ^b						1		1							2	
	Croatia ^a									1*						1	
	Kazakhstan ^a		1*							1*	1*					3	
	Kosovo ^{a, b}			1*								1*	1*			3	
	Kyrgyz Republic ^a			1*										2**		3	
	Serbia ^a	1**	1*										1*	1*		3	
	Tajikistan ^a												1*	1*		2	
	Uzbekistan ^a	1*									1*		1*	1*		4	
EUROPE AND CENTRAL ASIA TOTAL	2	3	1	1	2	2	1	2	3	1	4	5	5	26			
LATIN AMERICA AND CARIBBEAN	El Salvador	1*														1	
	Guyana ^a									1*						1	
	Panama											1*				1	
	St. Kitts and Nevis														1*	1	
LATIN AMERICA AND CARIBBEAN	1								1	1				1	4		
MIDDLE EAST AND NORTH AFRICA	Egypt, Arab Rep.										1*					1	
	Iraq ^b			1*									1*			2	
	West Bank and Gaza ^b			1*												1	
MIDDLE EAST AND NORTH AFRICA TOTAL			2							1	1				4		
SOUTH ASIA	India	1*	1*	1*						1*	1*	1*				6	
SOUTH ASIA TOTAL		1	1	1						1	1	1				6	
GRAND TOTAL		10	4	8	1	3	2	1	1	5	5	4	9	6	3	62	
Reforms captured by <i>Doing Business</i>															54	87%	
FIAS Total of which in IDA															36	58%	
FIAS Total of which in FCS															13	21%	
FIAS Total of which in Africa															20	32%	

^aInternational Development Association (IDA)

^bFragile or conflict-affected situation (FCS)

* Of the 54 reforms under *Doing Business* topics, 49 were validated by *Doing Business 18*

** 5 reforms were reported retroactively and were validated by DB17.

10 pilots under way

Testing new approaches to gender-informed policy and sectoral reform

Online membership has risen steadily and currently encompasses

85 active members

in T&C-founded Gender Community of Practice Group

FIAS-supported projects generated

27 gender indicators

in some 200 countries tracked by TCdata360 data portal



Gender equality is central to the World Bank Group Twin Goals of ending extreme poverty and boosting shared prosperity. There is much work to do.

Female labor force participation lags globally. Women are half as likely to have a full-time wage job and are often paid less than their male counterparts for the same work. Female-owned businesses face greater obstacles to growth due to limitations in sector choice and scarcity of critical inputs such as networks, training, markets, and financial services. In most economies, legal and regulatory barriers further limit women's full economic engagement.

The World Bank Group has an important role to play in supporting women's economic participation and gender equality to foster inclusive, productivity-led growth. FIAS-supported programs can enhance women's capacities as entrepreneurs and employees through skills, networks, asset control, and production inputs, among other things. The results are an improved business environment through reform of discriminatory laws and regulations and removal of implementation gaps. All of this translates into longer term benefits of increased income and productivity.

The programs supported by FIAS incorporate gender dimensions in their operations. To do this work effectively, a new gender team was established at headquarters in FY17 to improve gender programming and project-related activities. The program seeks to raise awareness of gender issues among staff and incentivize gender-sensitive project design and encourage embedding and piloting gender-related elements into the project portfolio. Activities during FY17 entailed implementation of gender activities within FIAS-financed projects, with a range of results already emerging at the country-level. The gender team includes a dedicated senior-level gender specialist. Overarching initiatives were undertaken in areas such as strategy, knowledge management, outreach, results measurement and data sharing. These will underpin and solidify ongoing gender activities, lay a foundation for interventions, and position the joint IBRD-IFC global practices as key delivery units for gender within the Bank Group.

The gender team logged several key strategic achievements in FY17:

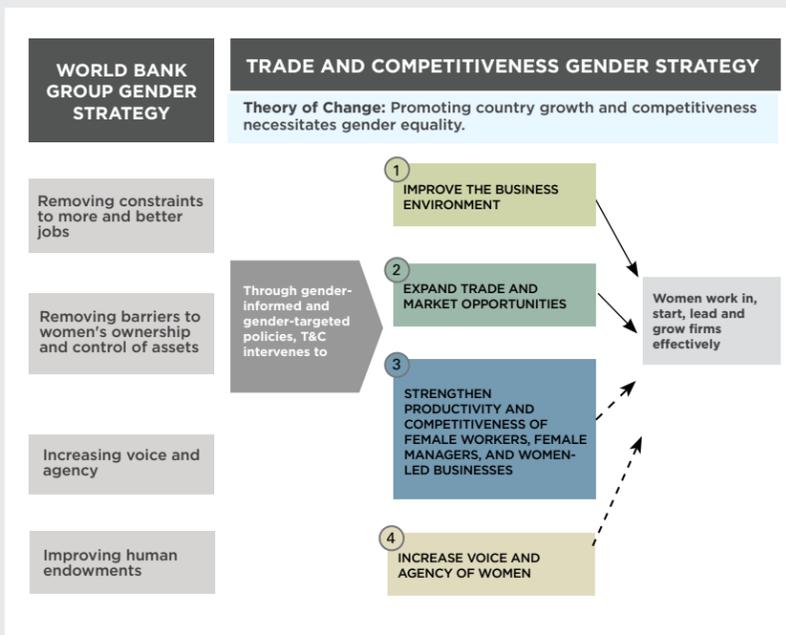
- Dissemination of T&C's Gender Practice Note contributed significant substantive support to the World Bank Group Gender Strategy. The Note outlines an ambitious program of gender-focused and gender-informed projects and initiatives. A detailed business plan will guide implementation through the end of FY18. Complementing the Note, the team issued a Gender Brochure to support outreach to both donors and internal audiences and to increase awareness of the design and implementation of gender-related programs and projects.
- Establishment of a **Gender Community of Practice (CoP)** and set-up of a dedicated **online Gender portal** have helped spread the message of the team's approach to gender, increased staff awareness, and enabled project teams to embed gender elements meaningfully into the portfolio. Online membership has risen steadily, and the CoP currently encompasses 85 active members. Four CoP sessions were convened featuring external speakers from Oxford's Said Business School, the Center for Global Development, World Bank management, and front-line staff. Discussions brought out insights and experiences on such topics as female entrepreneurship, cross-border trade, and gender-based violence, and presented findings and learnings from knowledge pieces and impact evaluations.
- To further develop the capacity and knowledge of project leads, the gender team worked with the Africa Gender Innovation Lab of the Gender Cross-Cutting Solutions Area (CCSA) to conceptualize and convene a **workshop on best practices** for incorporating evidence-based gender design into projects. The goal of the workshop was to foster women's economic empowerment. Participants used case studies to identify gender gaps, discussed where to look for evidence to address constraints, brainstormed solutions, and identified the best way to measure results of specific solutions. Research teams from the Innovation Lab and T&C also offered lightning talks on gender elements of core themes—investment climate, entrepreneurship, competitive sectors, and trade.

The gender team logged several key strategic achievements in FY17:

(continued)

> The development of a **Gender Results Framework** in FY17 provides a set of indicators to track gender activities that is in line with both the wider monitoring and evaluation (M&E) framework and the Practice Note's strategic objectives. The indicator set provides the basis for staff to operationalize gender priorities as articulated in the Practice Note and tracks progress toward meeting corporate targets and donor partner objectives by providing project teams with measures to track the effectiveness of gender-related project components, designed to close identified gaps. The Gender Results Framework applies to both advisory and lending projects and captures both economy-wide and firm- and individual-level results. Gender-related indicators derived from the underlying root causes and resulting constraints that are addressed by T&C projects were identified through broad consultation within the Global Practice and are grouped within the four "solution areas" set out in the Practice Note to guide gender interventions. Conceptually, the Framework was developed via the following steps:

- The most prevalent underlying root causes of major constraints faced by women were identified for each of the four thematic solution areas.
- Typical project activities designed to address the constraints were compiled.
- Indicators capturing and tracking these activities were identified and mapped to the thematic solution areas which relate to the full spectrum of work that addresses gaps in access to more and better jobs, ownership and control of assets, and voice and agency.



A key result of this work is a wider and deeper incorporation of gender considerations in FIAS-supported projects and activities. Operational teams can reposition themselves as needed to meet the needs and demands of our clients. The set of results indicators and accompanying guidance for project teams set forth in this document will serve as an adaptable tool to track the effectiveness, relevance and ultimate impact of gender-related interventions. Indicators are being piloted in several operations already, and complete roll-out of the results framework will commence shortly, following outreach and dissemination events as well as direct support and assistance for project teams.



Professor (on the left) teaching cell biology and biochemistry to students at the University of Lomé, Togo. Photo: Stephan Gladieu/World Bank

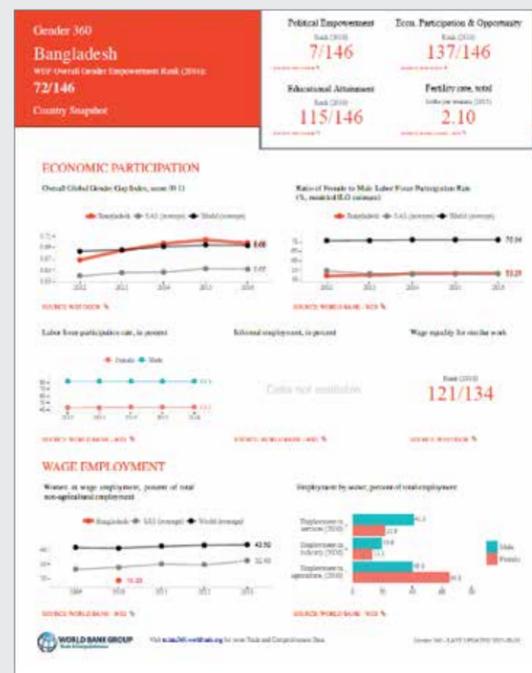
In FY17, the gender team partnered with the data team to develop a gender data tool to provide staff with easy-to-access, comprehensive overviews of country data tracking women's participation in economic activity.

The gender team logged several key strategic achievements in FY17:

(continued)

> Launch of **Gender360 Data** has added a new gender dimension to T&C's open trade and competitiveness data portal, TCdata360, which compiles open data on trade and competitiveness in an easily accessible online platform. The site aggregates and visualizes data from multiple sources and presents it in tandem with other knowledge and resources. In FY17, the gender team partnered with the data team to develop a gender data tool to provide staff with easy-to-access, comprehensive overviews of country data tracking women's participation in economic activity. Gender360 Data went live in October 2017 and contains gender-related information on some 200 countries, combining and visualizing data along some 27 indicators in a range of categories.

> The T&C gender team provided significant support and guidance toward the establishment of **The Women Entrepreneurs Finance Initiative (We-Fi)**, a global initiative to address financial and non-financial constraints faced by women-owned and led small and medium firms in IDA- and IBRD-eligible countries. We-Fi aims to mobilize more than \$1 billion in commercial and international financial institution finance. Funding will support entities that provide women entrepreneurs with access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets. We-Fi will also help governments to improve the business environment for women-owned and led small and medium firms. The gender team has played an instrumental role, working with the Bank Group's Gender CCSA to develop the scope of eligible activities under the We-Fi public-sector window. As outlined in the Gender Practice Note, in conceptualizing the We-Fi, the team



draw from the range of interventions which close critical gaps for women entrepreneurs and have been tested at the project level. The team is now working across regions with the World Bank, IFC and partner organizations to

solicit and assist in the design of project ideas. Significant funding will greatly enhance the team's capacity to deliver on women's economic empowerment at the country, regional, and global level.

We-Fi

A global initiative to address financial and non-financial constraints faced by women-owned and led small and medium firms in IDA- and IBRD-eligible countries.

Project-Level Initiatives in Gender

During FY17, implementation activities continued in 10 FIAS-supported advisory projects that were launched in FY16 and demonstrated tangible progress in measurable areas. These areas include: improving implementation gaps; enhancing voice and agency; collecting, tracking, and reporting gender-disaggregated data; and improving cross-sector participation of women and their working environment.

A project in **Mexico** is measuring the performance of female employees and women-owned firms in terms of productivity, sales, job creation, and innovation within a government program that targets high-growth entrepreneurs with the potential to compete globally and generate economic, social, and environmental impact. The project evaluation demonstrates how gender-focused data collection can transform an otherwise gender-neutral program.

A project in the Punjab province of **Pakistan** includes a range of gender-informed lending operations, analytics, and advisory services designed to support women's participation in the region's growth, development, and competitiveness. For example, a business facilitation hub for female entrepreneurs will provide gender-informed services for business registration, skills development, and linkages to financing.



Building hospital gurneys at the Tautmann factory in Turkey. Photo: Simone D. McCourt/World Bank

The Mainstreaming Gender-Focused Legal Reform in Togo

Following significant amendments to its Family Code in 2012 and 2014, Togo's laws now grant substantially-enhanced rights to women in the areas of tax and property, as well as protection against gender-based discrimination in employment and education. These legal reforms have wide-ranging impact on women's decision-making capacity, ownership and control of assets, and improved employment prospects. This project aims to raise awareness, among female citizens but also among government officials, non-governmental organizations (NGOs), and Togolese men, of the new rights granted to women, to ensure implementation and enforcement. This fiscal year, a national awareness campaign was launched, including the creation and dissemination of 3,500 promotional materials, 2,000 posters, 400 legal guides, as well as skits and radio/TV advertisements that reached an estimated 200,000 people. High-level information round-tables and training modules for officials were held, and the project reached out via Facebook and Twitter to some 600 people. The project expects to continue this intensive outreach and to have informed a target of 2 million Togolese next fiscal year.

FY17 marked the first year of the FIAS FY17–21 strategy cycle. The strategy, produced in consultation with the development partners, sets out a roadmap for projects and global programs closely aligned with IFC’s private sector-focused strategy and the World Bank Group themes of crowding in private sector finance and maximizing the role of the private sector in achieving the Sustainable Development Goals.

58%

of FIAS reforms in IDA countries

As described in this and the next chapter, the strategy rests on three strategic pillars buttressed by four programmatic themes.

The pillars are:

- Improve the business environment;
- Expand market opportunities;
- Increase firm-level competitiveness.

Operations relating to the three pillars are described in this chapter. The four themes are:

- Gender and inclusion;
- Transparency, political economy, and sustainability of reforms;
- Green competitiveness; and
- Targeting high-growth business.

FIAS-supported activities and client-facing projects relating to these themes are described in Chapter 4 (along with the Special Topic Chapter 2 focused on gender).

The core concepts underlying the FIAS program remain unchanged: to facilitate reforms in developing countries to foster open, productive, and competitive markets and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction. These priorities—along with the FIAS focus on IDA countries, Sub-Saharan Africa, and fragile and conflict-affected situations—are reflected in the FIAS portfolio of 99 projects in FY17 (112 in FY16). Of these, 79 were client-facing (87 in FY16) and 20 were non-client facing in product development (25 in FY16). FIAS-supported work generated 62 reforms in FY17 (76 in FY16). Of those, 36 reforms, or 58

32%

reforms in Sub-Saharan Africa

21%

reforms in FCS

percent, were in IDA countries (59 reforms or 78 percent in FY16); 20 reforms, or 32 percent, were in Sub-Saharan Africa (50 reforms or 66 percent in FY16); and 13 reforms, or 21 percent, were in FCS (22 reforms or 29 percent in FY16).

FIAS support for the advisory services portfolio has continued to contribute to the development impact of the IFC agenda as it has evolved. The traditional approaches reflected in IFC 1.0 and IFC 2.0 involve working with companies seeking to invest in developing countries and advising those countries on making their economies more conducive to investment. **IFC 3.0** seeks to go beyond waiting to support investment opportunities as they come along and to proactively create markets by supporting the enactment and implementation of policy reforms that enhance market efficiency. The **creating markets** strategy seeks to stimulate more investment activity, particularly in low-income countries and FCS states. The IFC strategy allows for support to clients in riskier markets combined with proactive work in these countries to create, deepen, and expand the markets themselves. As opportunities are unlocked, IFC will invest, bringing best practices to clients, demonstrating viability, and **mobilizing private capital**. Success in attracting new and greater numbers of private investors in these higher-risk countries will be essential to advancing the “Billions to Trillions” agenda.

FIAS Focus on FCS

The World Bank Group’s institutional focus on countries in **fragile and conflict-affected situations (FCS)** is strongly reflected in first-year results for the FIAS FY17–21 strategy cycle. Of the 40 states and territories on the World Bank Group’s FCS list for FY17, 23, or 58 percent, had FIAS-supported projects (23 countries in FY16).² In addition, FIAS support helped bring about reforms in 8 FCS countries (11 countries in FY16). Of the 62 reforms achieved with FIAS support in FY17, 13, or 21 percent, were in FCS (22 of 76 reforms,

or 29 percent, in FY16). These results during the early stages of the strategy cycle, when new reform projects are just getting under way, reflect both the high priority of FCS in the FIAS agenda and the results of concerted research into the dynamics of reforming economies saddled by conflict. Research by the FIAS-supported Investment Climate team is shedding light on promising new approaches to advisory work in FCS.

During FY17, the team worked on a flagship report release in October 2017, the *Global Investment Competitiveness Report 2017–2018*. It includes a chapter on issues relating to foreign direct investment (FDI) in fragile states that outlines a **market-creation approach to investment climate reform in FCS**. This approach is grounded in an understanding of the patterns of FDI in these sensitive environments and seeks to seize the most readily available investment opportunities while reducing political risk through targeted investment climate reforms.

Quick-win reforms in *Doing Business* areas are important first steps for building investor confidence in an FCS country. In FY17, for example, Iraq made starting a business easier by combining multiple registration procedures and reducing the time to register. Access to credit information improved with the launching of a new credit registry. But, as the report notes, “It is now clear that investment climate reforms must go well beyond simplifying procedures and must respond more clearly to the challenges and characteristics of FCS.” Reforms in FCS must aim for long-term institution and capacity building, while also delivering benefits such as job creation in the near term.

The FIAS-supported team’s approach starts with investment retention strategies and investor aftercare systems to encourage existing investors, both domestic and foreign, to stay and expand. The reform effort goes on to build an investment promotion function tailored

Quick-win reforms in *Doing Business* areas are important first steps for building investor confidence in an FCS country. In FY17, for example, Iraq made starting a business easier by combining multiple registration procedures and reducing the time to register.

² For FY17, the *Annual Review* is using the World Bank Group’s combined FCS list, which includes the Harmonized List of Fragile Situations (35 countries) plus five additional countries considered FCS by IFC.

to the country's resources and institutional capacity. Investment promotion efforts are geared towards regional investors, diaspora investors, and investors in FCS-friendly sectors such as extractives, construction, and services.

Accurate data is critical to the kind of research reflected in the *Global Investment Competitiveness Report*. During FY17, the Investment Climate team, working with the Strategy and Operations team, launched **FCS Investment Climate 360 Data**. It compiles 50 indicators over 10 years clustered by key country characteristics to help project teams analyze the economic, institutional and business environment context of FCS countries. The dataset also allows project teams to identify comparators and study countries affected by conflict and fragility as a group. The team also developed tools that allow teams to incorporate conflict and fragility considerations in their project design. Considering the important role of regional actors in recovery, the team also compiled a new dataset that allows project teams to assess the fragility of the neighborhood in which the FCS is situated. Such tools are now being deployed in the design of projects in **Afghanistan, Somalia, and Sudan**.

FY17 FIAS-Supported Project Work in FCS

During FY17, the **Malawi** investment climate IFC Advisory project, with FIAS funding, supported the government in implementing five *Doing Business* indicator reforms. The project helped operationalize the new insolvency and company laws and revise the credit reference law. The team provided technical assistance to draft revised regulations and laws, conducted stakeholder validation meetings, supported public-private dialogue, and funded capacity building activities for lawyers, bankers, private sector players, and other stakeholders.

Considering the important role of regional actors in recovery, the team compiled a new dataset that allows project teams to assess the fragility of the neighborhood in which the FCS is situated.

The project also provided funds to improve processes to obtain clearances for starting businesses. These activities introduced key reforms including streamlining processes for registering companies and enhancing protections for minority investors. They also improved procedures for insolvency and guaranteed protection for secured creditors during insolvency proceedings.

In **Sudan**, \$100,000 in FIAS funding supported a public-private dialogue scoping exercise relating to business registration reform work, *Doing Business* reforms, and agricultural sector advisory services. Sudan is seeking to diversify its economy in response to falling oil revenues. The lifting of economic sanctions has stimulated interest in the investment climate reform agenda, and FIAS support has enabled the team to scale up its work. In FY17 the effort included preparation of a reform roadmap for Sudan and a concept note for the Sudan Investment Climate Reform program. The team also supported training for *Doing Business* reform champions to attend a peer-to-peer learning event in Dubai, and an investment policy and promotion training program in Singapore. The project shared the roadmap with donors, who have now committed to provide about \$350,000 for implementation.

The investment climate reform project in **Madagascar** introduced substantive improvements in the local regulatory framework in FY17. The project supported the adoption of two reforms, relating to starting a business and getting credit. The team also assisted in the implementation of two *Doing Business* recommendations. One streamlined the process of obtaining construction permits. The other supported Madagascar's economic development board implement a proactive communications campaign for both print and broadcast media on reforms achieved. The Bank

Group team recommended the campaign to fill an evident gap in public and stakeholder understanding of the reforms achieved and the reasons behind them.

The central Bank of **Madagascar** has merged its different credit databases so that all commercial banks and the majority of microfinance institutions are covered. As of the end of FY17, the coverage rate had reached 5 percent of the adult population, the threshold to receive points in the *Doing Business* getting credit indicator. In another move designed to stimulate investment, the website of the Economic Development Board of Madagascar has been recognized to carry legal advertisements for business creation. This eliminates the need to publish notice of company incorporation in newspapers.

The FIAS-supported investment climate project in the **Democratic Republic of Congo** seeks to sustain reform momentum and foster enterprise creation and growth through targeted investment climate reform. With FIAS support, the government made dealing with construction permits easier by improving building quality control and reducing the time it takes to obtain the permit. The advisory program thus achieved a key objective—to support three investment climate reforms in the *Doing Business* categories within the project cycle. As part of the action plan prepared with the project's support, the government has enacted two regulations aimed at easing business startup and construction permit delivery.

The first phase of the **Kosovo** investment climate project aims to improve the country's climate for both domestic and foreign investors, with reduced compliance costs for businesses and increased FDI inflows. In FY17 the project mapped administrative procedures at central and local levels, supported development and implementation of a new law on permits and licenses, assisted the government in preparing a strategy for better regulation, and helped the Kosovo Business Registration Agency develop an online business registration system. The FIAS-supported

\$100k

In **Sudan**, \$100,000 in FIAS funding supported a public-private dialogue scoping exercise relating to business registration reform work, *Doing Business* reforms, and agricultural sector advisory services.

\$42m

In **Kosovo**, the streamlining of procedures for work permits for foreign employees contributed to an estimated (but not yet confirmed) increase of \$42 million in FDI.

team helped deliver an investment reform map and inventoried investment incentives in the region. The streamlining of procedures for work permits for foreign employees contributed to an estimated (but not yet confirmed) increase of \$42 million in FDI.

The second phase of the investment climate initiative in Kosovo follows up on the subnational component to ensure the knowledge base can be used in the long term. In FY17 the team held three meetings on better regulation with the Prime Minister and Sida (the Swedish International Development Cooperation Agency), and planned for activities to be supported at subnational levels. The project helped with reform of inspections, collected data for an FDI strategy, and made improvements in a draft of a strategic investment law that better aligns it with international best practices. Also in FY17, Kosovo made starting a business easier by simplifying the process for registering employees. Based on the initiative by the Ministry of Finance, as of the beginning of FY17, companies no longer had to separately register employees but could do so through their regular monthly payroll and tax returns.

In **Myanmar**, the Investment Policy and Promotion team worked with the government to enact a new investment legal framework applicable to both domestic and foreign investors that opened a significant number of sectors to investment, significantly streamlined investment entry procedures, and improved investment protection guarantees. The proposed investment legal framework was subject to wide public consultation prior to passage. In its first year in effect, the new law contributed to a doubling in the amount of FDI flowing into the country, from \$4.1 billion in 2014 to \$9.5 billion in 2016.

The **West Bank and Gaza** strengthened access to credit by introducing a new secured transactions law and by setting up a new collateral registry. The new law implemented a functional secured transactions system. It allowed for general description of single categories of assets and of debts and obligations. The collateral registry is operational, unified geographically, searchable by a debtor's unique identifier,

modern, and notice-based. The new law gave priority to secured creditors outside insolvency procedures and allowed out-of-court enforcement.

The **Afghanistan** investment climate program responds to the government's request for support in strengthening of the business-enabling environment and addressing policy, institutional, and regulatory challenges faced by the private sector. The program outlines several engagements designed to address key impediments to economic growth. These are aimed at tackling key investment climate issues in Afghanistan; they build on the ongoing investment climate reforms achieved previously with the help of the FIAS-supported team in such areas as business licensing reform and reform measurement through *Doing Business*. The program also aims to remove bottlenecks and obstacles to expansion and facilitation of trade activities, particularly exports, of the private sector.

Striving to Secure Hard-Won Gains in Burundi

After 10 years of slow economic recovery, **Burundi**, still one of the world's poorest countries, is at risk of losing hard-won economic gains due to political instability and the threat of renewed conflict. A long list of challenges includes friction among different societal groups (including the public and private sectors), low government capacity, deterioration in the business environment, high levels of corruption, and inadequate infrastructure.

After 18 months of inactivity due to the unrest, the Bank Group's Burundi investment climate team in FY17 restructured the investment climate program to adjust to new realities on the ground and better address the enormous challenges. The core focus of the project remains to move ahead with economy-wide business climate reforms and implement sector-level reforms that will unlock investment in coffee, agribusiness, and construction. These improvements will help bring about another of the project's key goals: enhancing access to regional and international markets.

In FY17 a study and workshop initiated by the FIAS-supported team found that a limited currency reserve made it difficult to export raw materials and that businesses—particularly small and medium enterprises—faced a liquidity problem as a result of the crisis.

In August 2016 Burundi promulgated a new code on construction, urbanization, and a new law on the use of movable collateral. In early 2017 the team supported the Directorate-General for Urban Planning and Housing in drafting nine implementing regulations on construction permits. The regulations have been validated by stakeholders and transmitted to government for approval. The government also adopted a proposal developed by the team for improved building permit procedures. The team also conducted two training sessions for key stakeholders on the new construction code.

Finally, the team supported the government in organizing 20 public-private dialogue meetings involving four private sector working groups representing the fruit, fish, building materials, and construction sectors. The exercise enabled each working group to come up with a list of 10 key constraints to the development of private firms in these sub-sectors.



Nursing students in training, Yogyakarta, Indonesia. Photo: Nugroho Nurdikiawan Sunjoyo/World Bank

Pillar 1

Improve the Business Environment

The FIAS support for projects under Pillar 1 in the FY17–21 strategy cycle seeks to improve the legal and regulatory environment, reduce the cost of doing business, signal to domestic and foreign investors a welcoming attitude toward business growth, and ease business uncertainty as much as is possible in sometimes volatile political and economic environments.

Regulatory reform can produce quick wins in reducing business costs and saving time spent on licensing and permitting. It can also protect society and stimulate business activity, not only through simplification but through increasing transparency, consistency, and effectiveness of business regulation. FIAS-supported work under Pillar 1 thus focuses both on the design of regulatory reform and on effective implementation.

Clearing Regulatory Obstacles to Private Sector Growth

Well-designed business regulations can create a level playing field among firms to promote competition and innovation, address market failures and information asymmetries, and mitigate any adverse effects of business activity on individuals, organizations, or the environment. Yet reform efforts often founder due to unclear objectives, poor accountability, and weak coordination. Client governments and the private sector increasingly raise concerns that, particularly in developing countries, such rules lack traction on the ground. From the entrepreneur's perspective, predictability and consistency in government to business interactions, and the way regulations are interpreted and applied, matter substantially. The FIAS-supported **Business Environment (BE) and Indicator-Based Reform (IBR)** teams help client governments take on these challenges by developing laws, policies, and strategies that encourage risk-taking, stimulate business activity, spark private sector growth, create jobs, and spread the benefits across societies.

In broad terms, IBR work emphasizes improving the functioning of governments. Specifically, the teams help clients improve inter-government coordination. Many IBR projects help clients launch or improve the provision of online services useful to entrepreneurs, businesses and other stakeholders not only for greater ease of doing business and improved transparency but also as a tool for reducing corruption. IBR work also involves targeted regulatory consultation with the private sector to address bottlenecks, regulatory redundancies and other issues that government may have overlooked.

The IBR team has developed a new approach to support policymakers in improving predictability and promoting equal treatment of entrepreneurs in business regulation. The approach seeks to discover the causes of regulatory uncertainty and to pinpoint whether the problem lies in the need for better enforcement or for revised laws and regulations. In some cases, this approach determines that laws and regulations are irrelevant, given the wide implementation gaps between the laws on the books and their application. The approach helps policymakers improve the predictability of public-private interactions and ensure a level playing field on the books as well as on the ground. The original methodology was developed in a pilot project as part of a capacity-building program for government entities in **Morocco**. It has since been further developed to become a major component of programs in other countries such as **Belarus, Brazil, and Togo**.

As part of the team's response to client governments seeking to improve implementation of regulatory and institutional reform aimed at job creation, an operational note on Institutional Mechanisms for Business Environment Reforms was developed. The note reviewed the experience of countries that introduced broad reform programs to improve their business environment with an eye to identifying and illustrating common success factors. The focus was on the "how" to reform rather than on the "what." The approach focuses on identifying reform priorities and coordinating their implementation. Several project teams are already applying these experiences, for example, in **Nigeria and Sri Lanka**, among other countries. Key findings have also been shared with **Brazil, India, and in Sub-Saharan Africa**.

As of FY17, the regional IBR umbrella projects in Sub-Saharan Africa, Latin America, the Middle East and North Africa, and Europe and Central Asia have supported governments in 50 countries in making it easier to do business. Thanks to the regional engagement platform, the team responded swiftly to high-level client requests allowing governments to use narrow windows of opportunity for reform. In addition, 32 country-specific programs supported IBR regulatory business reform programs. The FIAS-supported team continues to emphasize supporting fragile and conflict-affected states, including **Afghanistan, Côte d'Ivoire, the Democratic Republic of Congo, Haiti, Myanmar, and Togo**.

The IBR project for Sub-Saharan Africa continued to provide technical assistance to governments in the region with an appetite for the business environment reform agenda. The project reached 31 governments by providing short-, medium-, and long-term reform recommendations. These were conveyed through reform memoranda or action plans or in-country visits to explain the *Doing Business* report methodology and best practice in the reform process. In addition to supporting country reform efforts, the team also helped client governments submit their reform descriptions to the *Doing Business* team. This work entailed organizing in-country visits and video conferences to clarify reform efforts and show evidence of reform implementation. This effort had a concrete and positive impact on clients seeking to improve their *Doing Business* ratings and ensured official recognition of scores of reforms across the region. The project contributed to information exchange among the region's top reformers through technical events such as the *Doing Business* Technical Deep Dive as well as the Ease of Doing Business Initiative conference.

50 countries

As of FY17, the regional IBR umbrella projects in Sub-Saharan Africa, Latin America, the Middle East and North Africa, and Europe and Central Asia have supported governments in 50 countries in making it easier to do business.

Completed Kenya Project Delivers Strongly Positive Impact



Kenya

The **Kenya Regulatory Reform 2** project, supported by FIAS, closed successfully at the end of FY17, reporting significant economic benefit. The project developed in response to Kenya's declining ranking in *Doing Business*, an overreliance on paper transactions in fulfilling regulatory requirements, and limited competition in key sectors that constrained business entry and participation.

Over four years of the project, Kenya has moved up 56 places in the Bank Group's *Doing Business* ranking of countries, from 136th out of 190 countries in *Doing Business 2015* to 80th place in the just-released *Doing Business 2018* report. The project set a goal of \$55 million in compliance cost savings (CCS), reflecting lower business costs due to streamlined regulations and permitting processes. An IFC CCS review determined that cost savings of \$81.4 million have been achieved two years ahead of schedule due to automation of business services, property transfer reform, and streamlining of electricity connections. (These reported savings are undergoing validation review.) Some 230 government services have been automated on Kenya's E-Citizen portal, including business registration, land information, and drivers' licenses.

In addition to the compliance cost savings, the work done under the project by the Competition Policy team contributed to an estimated \$37 million in annual consumer savings. A competition policy initiative that created a new market for Kenyan purple tea yielded higher crop prices for farmers, increased tea exports, and five new business entrants that created more than 2,000 jobs.

The project produced unanticipated benefits. A social impact analysis of investment climate reforms was conducted for this project on a pilot basis. It found that reforms produced positive impacts for building safety and security. A sample survey of 30 architects found that automation of construction permitting processes had cut paper usage almost in half. A separate analysis found that automation of a single construction permit saved the equivalent of 2,997 trees in reduced paper usage.

In the Latin America and Caribbean region (LAC), FIAS support has helped deliver the Regional LAC Indicator-Based Reform project. In FY17, the project helped **Brazil, Dominica, and Nicaragua** on issues relating to Doing Business reforms. In **Brazil**, the project team organized a high-level workshop in November 2016 to launch the Doing Business 2017 report and build momentum for implementing reforms related to investment climate indicators. Following the event, authorities in Brazil announced plans for extensive business regulation reform and requested a \$500 million development policy loan (DPL) for improving the business environment. In addition, with support of the team, Brazil has drafted a new insolvency bill that will go before the Brazilian Congress. As is often the case with reform work, advances take time to move to implementation phase. In **Panama**, work done by the IBR LAC team came to fruition in January 2017 as a new law relating to resolving insolvency came into effect. A reform note delivered in FY16 to the government of **Guyana** provided diagnostic findings and recommendations across a variety of Doing Business indicators, including Registering Property. Follow-up work on this initiative continued into FY17 on property registration issues with the focus on increasing transparency and efficiency at the property registry. High-level discussions are under way to allocate more resources to improving operations, supported by expertise from the Bank Group team.

Firms face a complex and uncertain business environment in many countries in Europe and Central Asia (ECA). There is wide variation among country business environments—from **Latvia and Georgia**, which ranked 14th and 16th, respectively, globally in *Doing Business 2017*, to **Kosovo** (81st), **Uzbekistan** (87th), and **Tajikistan** (128th), where the business environment is lagging in multiple areas. The FIAS-supported IBR-ECA project achieved several successes in FY17. In **Albania**, the project supported creation of an inter-ministerial working group on Doing Business and shaped the business environment reform agenda. In **Kazakhstan**, the project assisted in simplifying the process for enforcing commercial disputes, improved corporate governance regulations relating to minority shareholders, and upgraded land dispute resolution mechanisms. In **Kosovo**, the project helped streamline business registration by simplifying the process to register employees.

The Indicator Based Reform project in the MENA region responds to client demand for assistance in addressing issues encompassed in international investment climate indicators. In FY17, the project supported the governments of **Djibouti, the Arab Republic of Egypt, Iraq, and Jordan** in the design and implementation of reforms in areas measured by *Doing Business*. The reforms improve and streamline the regulatory environment for starting a business, getting construction permits, getting credits, resolving insolvency, enforcing contracts, registering property, protecting minority investors, paying taxes, and trading across borders. Additionally, the team produced three reports, organized two workshops, and funded preparatory activities relating to the investment climate reform assessment for Egypt.



Morocco

In **Morocco**, public contracts account for 17 percent of GDP. However, late payments can have a stifling effect on firms, particularly for small and medium enterprises (SMEs). With FIAS support, the IBR team completed an innovative project to address implementation gaps and payment delays related to public procurement contracts. The team worked with public and private actors to assess the payment process in four pilot cities: Kenitra, Ksar el Kebir, Marrakech, and Rabat. The project team developed an evidence base detailing what was happening at the point of service delivery. This led to the design of actionable performance indicators and tracking of real cases, which revealed regulatory loopholes. The team then supported the client in designing and implementing an evidence-based solution. These reforms were passed in July 2016, allowing Moroccan SMEs to benefit from more predictable and timely payments.

Authorities in Brazil announced plans for extensive business regulation reform and requested a **\$500 m** development policy loan (DPL) for improving the business environment.

Substantial Progress in India on Doing Business Reform

In 2014 the government of **India** embarked on an ambitious Ease of Doing Business program as part of its “Make in India” campaign, which seeks to significantly increase manufacturing investments in the country. The investment climate team has been working closely with India to promote business reforms in India through streamlining regulations, policies, procedures, and practices, with the objective of drastically reducing the burden on business of complying with regulation. Because of India’s federal make-up, business regulation is implemented at multiple levels of jurisdiction—federal, state, and municipal. Therefore, the Ease of Doing Business program consists of two pillars:

- Reforms to improve India’s performance in the World Bank Group’s annual *Doing Business* report at the level of the central government, the Government of the National Capital Territory of Delhi, and the Government of Maharashtra.
- A wider set of reforms covering 50 state-level licenses, permits, procedures, inspections and policies, across all states of India.

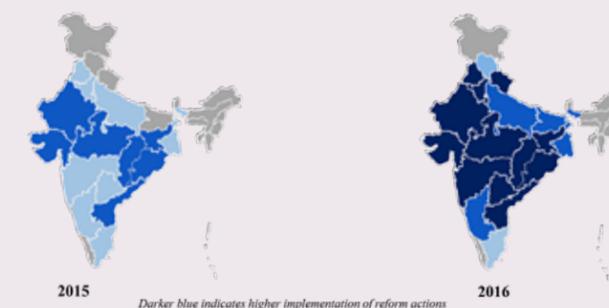
On October 31, 2017, the World Bank Group launched the *Doing Business 2018* report, which takes stock of business regulation in 190 countries and reforms implemented in the period during the previous fiscal year. This year’s report has been widely covered in Indian media, with a focus on India’s improved rank, from 142 in *Doing Business 2015* to 100 in *Doing Business 2018*. India was recognized as one of the top 10 reformers over the past year and was the only South Asian and BRICS country included in the list. These achievements are the result of a sustained reform effort by India, supported by the Investment Climate team, over the past three years. In FY17, India’s notable reforms include:

- Introduction of a simplified form for company incorporation.
- Launch of online systems that have streamlined construction and occupancy permitting in Delhi and Mumbai.
- Introduction of a new insolvency and bankruptcy code with a new reorganization procedure for corporate debtors, enabling these businesses to continue operations during insolvency proceedings.
- Launch of an online mandatory payment mechanism for employers to pay contributions for the Employee Social Insurance Corporation and the Employee Pension Fund Organization.

- Increase in the mandatory minimum length of paid maternity leave.

Many of India’s central business regulations are administered at the state level, imposing a significant additional regulatory burden on business throughout the business lifecycle. Industries may be required to register under as many as 44 labor laws and 6 environmental laws and rules, depending on the nature and size of the business. Each require separate applications and registrations; some may also require a separate annual compliance inspection. Businesses in India have long demanded that this “inspector raj” be demolished, and that states should promote single-window systems that let businesses register under various laws quickly and seamlessly.

In designing the Ease of Doing Business program, the Government realized that simply improving on the *Doing Business* indicators would not suffice, but that reforms needed to be implemented across the country by states and municipalities as well. This led to an extensive Reform Action Plan, implementation of which would be tracked on a state-by-state basis, with states being ranked based on speed and effectiveness of implementation. This competitive approach to reform stimulated active participation by the state governments. As shown in the graphic below, implementation of reform progressed markedly from 2015 to 2016, moving beyond major metropolitan areas to span the vast heartland of India.



FIAS and the Government of Japan have been working with India throughout this endeavor. This support has included: training on *Doing Business* methodology and on understanding the results in the context of India; development of reform recommendations and action plans for each of the 10 indicators; technical assistance on inter-agency coordination of reform; production of feedback surveys and stakeholder interviews to determine the response to reforms on the ground; sharing of best regulatory practices; and expanding the scope of the effort from Delhi and Mumbai across the entire country.

Technical Expertise Bolsters IBR Work

Country-specific support provided by the IBR team was bolstered by learning and technical assistance events. In March 2017, the team organized a **Doing Business Technical Deep Dive** in Dubai attended by more than 100 technical experts, representatives of 17 Sub-Saharan Africa countries, as well as observer delegations from Jordan and Pakistan. This first-of-its-kind event responded to strong and increasing client demand to better understand the latest research and good practice embedded in the Bank Group's revised *Doing Business* indicators. The discussions covered the practical tools necessary to design, implement, and monitor reforms and allowed delegations to brainstorm with peers on reform measures and incorporate new ideas into their country action plans. Client response to the event was overwhelmingly positive; they expressed appreciation for the opportunity to directly engage with peer experts and Bank Group specialists. Interest in the sessions was strong across all subject areas covered. The discussions led to important commitments for many of the delegations. **Lesotho**, for example, announced the establishment of a *Doing Business* unit anchored in the prime minister's office; the representative from **Pakistan** debriefed cabinet secretaries following the deep dive to gain their endorsement of the country's action plan.

In May 2017, the Ministry of Commerce, Trade and Industry of **Zambia** and the Bank Group's Africa team jointly organized the eighth edition of the **Ease of Doing Business Initiative** annual conference. This peer-to-peer learning event shares knowledge on *Doing Business* reforms through a client-led platform. Reforming countries showcase and replicate best practices in implementing reforms that will encourage private sector expansion and attract increased investment flows to Sub-Saharan Africa. The 2017 conference focused on reforms for industrialization, value addition, and job creation. Twenty countries participated, including members of the East African Community (EAC), the Economic Community of West African States (ECOWAS), the Economic Community of Central African Countries (CEMAC), the Common Market for Eastern and Southern Africa (COMESA), and the Indian Ocean Commission. This level of participation made a clear statement that the Ease of Doing Business Initiative is a fully continental platform.

Over 100 technical experts were brought together in Dubai to implement the *Doing Business* reform agenda in 17 countries in Sub-Saharan Africa.

Streamlining Toward a Better Business Environment

A fair, predictable and efficient **business environment (BE)** helps governments reach key development objectives such as opening markets, strengthening the competitiveness of firms, and increasing investment. The FIAS-supported reform work conducted with clients of the Business Environment team focuses on areas such as business entry, regulatory compliance (licensing and inspections), quality infrastructure, and construction regulation. To enable reforms in these areas, the team uses a variety of tools including integrated government services, consultation and feedback mechanisms, information communications technology (ICT) solutions, process reengineering, and risk-based approaches. The business environment reform offering has been developed over several years and is supported by experts and practitioners working with client governments worldwide. Below are summarized some of the FY17 results of this work

Armenia

The government of **Armenia** committed to inspections reform to achieve better inspections outcomes and reduced burdens for businesses. The legal, regulatory and institutional reforms helped reduce the number of inspection organizations, eliminate potential overlaps and duplicating roles of inspectorates and other state agencies, clarify their roles in dealing with specific types of risks, as well as introduce a proper notification and information system for business to be fully aware of requirements and expectations from inspectors. As a result, inspectorates shifted to a risk-based inspection system. Checklists for all inspections were adopted by the government; new inspectorates were created; and the number of inspections bodies reduced.

Bosnia and Herzegovina

In **Bosnia and Herzegovina**, BE project work was instrumental in streamlining licenses and permits related to business operations. The improvements followed a systematic review that led to proposed simplification and elimination of regulations in six subnational governments. The task involved review of 594 business licenses and permits in these localities. The reforms reduced processing time, lowered costs and fees, eliminated or reduced documentation requirements, and improved online access to these licenses and permits. Over 85 percent of business procedures were improved or eliminated; the average reduction of costs compared to the baseline in these six localities was 27.7 percent; waiting time was reduced by 22.43 percent; and average taxes and fees in these six localities were reduced by 10.57 percent. As a major institutional change, the project established six electronic registries of licenses and permits that reduced the risks created by unclear legal requirements for businesses. All relevant information related to each single administrative procedure—including relevant department, documentation and information needed, stamp duties, fees, deadlines, and contacts—can now be found on these e-registries. Other improvements include availability of electronic submission forms and deadlines for government officials to act. These reforms provide transparency and predictability for businesses in Bosnia and Herzegovina.

Kyrgyzstan

In **Kyrgyzstan**, the Business Environment team made significant progress supporting the government in inspections reforms, including adoption of standard checklists for inspectors to use on site, improved risk-based inspections to effectively target regulatory compliance control, and introduction of feedback mechanisms to receive inputs from the private sector on the effectiveness of reform implementation.



With a loan from a local bank, this new biscuit company got off the ground in Bosnia and Herzegovina. Photo: Almin Zrno/World Bank

Regional Approaches Leverage FIAS Support

The FIAS-supported investment climate program for the **Central African Economic and Monetary Community (CEMAC)** is a new initiative in pre-implementation that seeks to improve the business environment in a region encompassing six states: **Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon**. All but Equatorial Guinea and Gabon are IDA borrowing countries; the Central African Republic and Chad are also in fragile and conflict-affected situations. These countries are home to 37 million people covering an area roughly the size of India. The project seeks to reform laws and regulations that hinder private sector growth and the development of small and medium enterprises. The project is leveraging existing country-specific IFC Advisory projects in the investment climate sphere as well as World Bank IDA lending operations to drive business reforms. In Gabon, the project is supporting implementation of RCCM (*Registre du Commerce et du Crédit Mobilier*), the commercial registry software system developed for the Organization for the Harmonization of Business Law in Africa (OHADA). The team also developed a *Doing Business* action plan in preparation for the Bank Group's 2018 report.

Trade, taxation, and insolvency projects have migrated out of FIAS over the past few years, but due the structure of some projects, FIAS continued to support some work in these areas into FY17. The **Central Asia Trade Logistics Project (CATLP)**, supporting trade facilitation work in the **Kyrgyz Republic** and **Tajikistan**, provided advisory services relating to World Trade Organization agreements. Specifically, the project supported the establishment of the National Trade Facilitation Committee (NTFC), a public-private organization mandated by member states under the World Trade Organization's Trade Facilitation Agreement (WTO TFA). The effort included implementation of a time release study in Tajikistan to help customs and other agencies inspect and clear goods more efficiently. Kyrgyz and Tajik customs received assistance in developing risk management practices. The project also contributed to the 6th Central Asia Trade Forum, with presentations on the World Bank's *Doing Business* report and Logistics Performance Index. Transition of this trade-related work to other trust funds was completed during FY17.

The FIAS-supported Kyrgyz investment climate project helped roll out a new systematic investors response mechanism. The mechanism promotes effective problem-solving for investors and helps prevent grievances from escalating into domestic and international disputes. The

State Agency for Investment and Export Promotion (SAIEP) was assigned to serve as lead agency. The project has established important regulatory frameworks, and the team advised on necessary processes and procedures. Implementation of the mechanism quickly delivered results in which businesses' problems were resolved through effective dialogue with state agencies and local communities. The project continues to work with SAIEP to improve its capacity to implement the mechanism, introduce further amendments to the country's investment law, and to expand the agency's authority in resolving investor grievances.



Georgia

FIAS support for tax-related work in **Georgia** continued into FY17. The team helped the government adopt and implement new transfer pricing rules that resulted in the collection of \$775,000 in new revenue and helped the government comply with principles concerning the exchange of tax information maintained by the Organisation for Economic Cooperation and Development (OECD); Georgia has now been recognized as compliant with these transparency standards. Also in FY17, new results data has come in on work done in previous years in Georgia. Based on project recommendations, a new customs risk management policy adopted by Georgia in December 2015 based on recommendations by the FIAS-supported team has improved the process of development, amendment, and application of risk profiles. During 2016, at least 6,162 companies that submitted more than three customs import declarations benefited from improved risk management procedures. The new risk management policy also enabled Georgia to increase customs revenues. This reform was also recognized by *Doing Business 2017*.



Customs controls on the border check point in Armenia. Photo: Vigen Sargsya/World Bank

Pillar 2

Expand Market Opportunities

Pillar 2 in the FIAS strategy encompasses advisory work focused on sectors, including manufacturing, tourism, and agribusiness, as well as investment policy and promotion work, and advisory services in areas relating to competition policy.

Pillar 2 engages FIAS-supported teams and their clients in projects aimed at reducing or removing barriers to creating or entering markets. The work of FIAS in this area spans a broad range of economic activity and strategic approaches. In some cases, FIAS-supported teams are helping clients diversify their economies in response to declines in commodity prices. As prices have improved more recently, teams are helping clients identify the most promising areas for growth in their economies and working with them to get the most out of those sectors. The investment policy work helps economies not only generate investment but retain it. Competition policy work can involve advisory services focused on specific market sectors—such as the work done in Kenya to create a new market for purple tea—or it can involve economy-wide reforms that create level business playing fields for a broad range of market participants.

Manufacturing Project Gains Momentum in FY17

The **Manufacturing Product Development Project (PDP)** launched a new Bank Group approach to advisory and implementation services to help clients enhance their most promising manufacturing sectors. The approaches codified and tested over FY16 received high levels of buy-in with a wide range of Global Practice and IFC Manufacturing, Agribusiness, & Services (MAS) staff through several regional events. FY17 focused on deploying the approach through country engagements, as well as further refining the thinking behind the initiative. This included:

- › Supporting the design and launch of advisory projects in **Bangladesh**, **Côte d'Ivoire**, and **Vietnam**, and one regional project in **Southeastern Europe**.
- › Peer review of lending operations in **Bangladesh** and **India**, both of which received Board approval.
- › Providing additional support in **Kenya** on special economic zones linkages, oil and gas supply development, and textile-apparel investment promotion; in **Croatia** on an automotive and rail sector strategy; and in **Egypt** on local solar photovoltaic manufacturing.
- › Undertaking research in **Vietnam** on firm-level linkages and globally on SME diagnostic tools.

In **Kenya**, the team supported the design and implementation of new projects focused on local content supplier development in manufacturing and service delivery areas linked to Kenya's newly developing oil and gas sector. In collaboration with the Energy & Extractives Global Practice, the project aims to deliver firm-level capacity building to support product development, increase productivity, and open new business opportunities.

The project in **Southeastern Europe** builds on a scoping exercise undertaken in FY16 in partnership with IFC Cross-Cutting Advisory Services (CAS) focused on automotive sector linkages. The project is currently soliciting further donor support, and has started analytics in **Serbia**. A reimbursable advisory services (RAS) project in **Croatia** is under way focused on the automotive and rail sectors.

In **Bangladesh**, the FIAS-supported team contributed to the design and implementation of a manufacturing diversification IFC Advisory project, supporting the process of sector prioritization through public-private dialogue. Ongoing support will continue over the next four years of implementation.

In **Egypt**, the project supported the Energy & Extractives Global Practice in guiding the government on options for supporting the growth of a local solar photovoltaic manufacturing sector.

The Manufacturing PDP team worked with the Investment Climate team on scoping and design of a project to assist the government of **Vietnam** in addressing the challenge of low levels of manufacturing linkages. The IFC Advisory project was successfully funded and implementation launched in FY17. The team also worked with local counterparts on writing linkage case studies. These are being finalized and published in FY18.

A new sector prioritization and manufacturing strategy project was launched in **Côte d'Ivoire**, led by the Manufacturing PDP team, with implementation slated to run over four years. Input for a similar project was provided to the team in **Tanzania**, with implementation launch in FY18.

Also in FY17, the Manufacturing PDP's task-team leader peer reviewed two concept notes for new manufacturing-related lending projects in **Bangladesh** and **India**. The team leader was a member of a winning Small and Medium

Enterprise Launchpad team that undertook research on SME diagnostic tools. Findings resulting from the research are informing firm-level capacity building interventions in the manufacturing portfolio in FY18.

The Bangladesh Investment Climate Fund supported the drafting of the legal and regulatory framework for economic zones and the establishment of the Bangladesh Hi-Tech Park Authority in 2010. This allowed the country to move from an export processing zones model to special economic zones. Subsequently, the Bank Group's Private Sector Development Support Program was extended to help the government operationalize the new law. Up to August 2017, \$1.22 billion of private investment has been committed in economic zone development. The project has opened greenfield opportunities for potential investment in special economic zone (SEZ) development, operations, utilities and industrial units of various sectors. The IFC investment team is in discussion with international and national SEZ developers such as Sumitomo, Itoucho and Sembcorp.

In knowledge management, a **manufacturing toolkit** was uploaded, building off a draft developed in FY16. The textile and apparel community-of-practice Spark page was maintained, with coverage expanded to include the IFC's Better Work projects and related resources. A case study was published online on the rise of the Turkish appliance manufacturer Arcelik.

The **Creative Industry** Product Development Project (PDP) aims to boost the competitiveness of client country creative industries in the fashion and home accessories market, media and entertainment, and the fashion industry. During FY17, the team has worked on knowledge pieces and activities as well as on operational pilots.

On the knowledge front, the team drafted a best practice report on fashion and home accessory exporters. The team is preparing a report on the competitiveness of the music industry in **Senegal**, and intellectual property rights in the creative industries. On the operational front, creative industry pilots are under way in the Middle East North Africa region and in Sub-Saharan Africa. The team is leading an artisan component in a competitiveness and economic diversification project in **Lesotho**. In **Mali**, the team has worked on an assessment of the artisan sector in the Timbuktu Integrated Territorial Development Technical Assistance. In Latin America, the team is discussing initiatives on creative cities with the government of **Argentina**. A multilateral development bank working group on creative industry has been organized in cooperation with the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the Caribbean Development Bank.

\$1.22b

The Bangladesh Investment Climate Fund supported the drafting of the legal and regulatory framework for economic zones—up to August 2017, \$1.22 billion of private investment has been committed in economic zone development.

\$153.2m

FIAS-supported teams help bring about specific investments by firms in client countries. For FY17, confirmed investment generated impact reached \$153.2 million.

IPP Work Continues Momentum in Investment Generation

FIAS-supported work in **Investment Policy and Promotion (IPP)** is recording gains using a new, more conservative methodology for measuring investment generated through the direct liaison work of FIAS-supported teams linking client governments with private firms. The methodology employs a conservative contribution rule that varies based on an assessment of the level of contribution the project made to generating the resulting investment. The formula is designed to more accurately capture the results of the FIAS-supported team in helping to bring about specific investments by firms in client countries. For FY17, confirmed investment generated impact reached \$153.2 million:

- › **Haiti** investment policy project, \$137.6 million and 10,790 additional jobs (70 percent contribution rate).
- › **Mali** investment climate project, \$3.9 million (40 percent contribution rate).
- › **Bosnia and Herzegovina**, Local Investment Friendly Environment (LIFE) project, \$2.2 million.
- › **Nepal**, post-earthquake advisory in the tourism sector, \$9.5 million.

Haiti



The now-closed **Haiti Investment Generation** program, supported by FIAS, reported in FY17 an additional \$137.6 million in investment generated and 10,790 jobs created. This investment total was calculated under the new formula developed by the IPP team for reporting investment generated. The Haiti project, which ran from 2009 to 2013, implemented an innovative approach that focused on special economic zones (SEZs) and investment promotion. The team engaged with government, the private sector, and international investors to attract and consolidate new investment in the garment sector. The program also provided technical assistance for the development of a national SEZ strategy, leading to the creation of Haiti's first SEZ—the Lafito Integrated Economic Zone. As a result of Haiti's regulatory reform work brought about with the help of the project, a new regulatory framework for SEZs was adopted in 2012, increasing the number of approved free zones from one in 2012 to 10 in 2017. Over the course of the project, the Haiti initiative contributed to creating more than 15,800 jobs, some 70 percent of which went to women, and generated \$202.8 million in investments through 17 different projects.

\$137.6 m → **10,790 jobs**

The Haiti Investment Generation program reported in FY17 an additional \$137.6 million in investment generated...

...leading to 10,790 jobs created in FY17 and...

15,800 jobs → **70% jobs**

...15,800 total new jobs over the course of the project, of which...

...70 percent went to women, and...

↓
\$202.8 m

...a total of \$202.8 million in new investments were generated through 17 different projects in 10 SEZs.

Nepal



The Competitive Sectors global team and the **Nepal** country team coordinated for post-crisis advisory work following the country's devastating earthquake in 2015. The natural disaster compelled a restructuring of a tourism advisory project to meet the post-quake demands. Based on project support to the government of Nepal to improve tourism planning, support critical reforms, and facilitate new investments the project generated 225 investment leads that have already contributed to generating three investments totaling \$81 million. The largest, a \$70 million investment in the Kathmandu Sheraton, was reported previously. For FY17, \$9.5 million in additional investments have resulted from support to a regional investor in Western Nepal at the Manasarovar Resort, with an investment of \$8 million, and an IFC investment in Everest Lodges of \$1.5 million.

Mali



In **Mali**, the IPP team collaborated with the African Development Bank on the third phase of an ongoing investment climate project to carry through initiatives to strengthen the Mali Investment Promotion Agency. In FY17 these included establishment of a one-stop shop, completing a formal assessment of the agency and developing a business plan, conducting training and capacity building in investment promotion skills, support for an investor forum, and coaching and support for investor facilitation. A consultant engaged through the project reports that the investment promotion agency has been instrumental in realizing 14 investment projects in the agribusiness sector. The value of these investments, as calculated under the Bank Group's monitoring and evaluation method, comes to \$3.9 million for FY17. These have created 223 jobs, half of which went to women. Investors report that the agency, known as API Mali (for *Agence pour la Promotion des Investissements au Mali*) provided guidance on business plan development, registration, investment licensing, and obtaining necessary exceptions. The quality of the agency's assistance was rated at an average of 4.2 out of 5 by the investors surveyed; 13 out of the 14 companies said that API Mali provided valuable assistance during their establishment process; 5 companies said that API Mali was the most helpful agency they dealt with during the business establishment process.

Bosnia and Herzegovina



In **Bosnia and Herzegovina**, the FIAS-supported LIFE project involved working with cities, municipalities, and other local authorities to help develop and improve investor servicing, aftercare, and outreach. The project also assisted in investment generation, helping to attract new investment and reinvestment in the localities. For FY17, investment generated as a result of the project reached \$2.2 million. As with much of the Bank Group's advisory work, the project in Bosnia and Herzegovina revolves around regulatory streamlining and simplification to ease the process of forming and licensing businesses and business expansion. Improving the transparency of regulatory service delivery is a second key component. Both of these steps then serve as prerequisites for the effort to attract and retain investment. The FIAS-supported IPP team engages with clients to better engage with investors, facilitate new investment, and resolve investor grievances. The team works with localities to prepare investor briefs and profiles that highlight the business-friendly environment. And the project employs before and after analysis to establish an investment baseline and track how much new investment has been generated and retained, and how many jobs created as a result of this work.

The World Bank Group has been working closely with the Group of 20 of the world's leading economies, or **G20**, on a range of development priorities. Germany held the presidency of the G20 in 2017 and directed much energy toward supporting developing countries, particularly in Africa. This led to the **Partnership with Africa** initiative, which included as one its key elements the **Compact with Africa (CwA)** focused on promoting private investment on the continent. The FIAS-supported Investment Climate, Investment Policy and Promotion, Competitive Sectors, and Competition Policy teams have been engaged in supporting this initiative. Most of the countries in the first wave of Compact countries—**Benin, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, and Tunisia**—have, or have had, FIAS-supported projects.

The Bank Group, International Monetary Fund, and the African Development Bank jointly produced the *Compact with Africa Report* submitted to the G20 Finance Ministers and Central Bank Governors in March 2017. The report provided a set of principles and tools to inform policy assessments to be conducted by African governments supported by partner countries and international organizations. FIAS-supported teams with expertise in analysis of investment policy, generation of FDI, business environment policies, and access to finance contributed to the report.

A tool developed by the Bank Group team and described in the report is making an important contribution to attraction and retention of FDI. The **Systematic Investor Response Mechanism (SIRM)** is a business-to-government feedback channel that helps governments identify and address critical constraints on investors. Increasingly common investor-state disputes drag on for years, often ending in costly damage awards. These disputes have the potential to seriously damage a country's long-term relations with investors. SIRM was designed to address this problem. SIRM enables governments to identify, track, and manage grievances between investors and public agencies before they escalate into legal battles. SIRM helps countries collect data and identify patterns in government-generated grievances affecting investments. It also quantifies investment retained or increased because grievances were addressed, as well as investment lost because grievances escalated. SIRM enables a lead government agency to alert high-level government officials to emerging problems affecting investments so the issues can be addressed before they escalate further.



Ethiopia

In **Ethiopia** the Bank Group is providing technical assistance on *Doing Business* reforms, including trade logistics, implementation of an electronic single window, automation of business registration and licensing, and extensive work in investment policy and promotion. The IPP team worked closely with Ethiopia in developing, passing, and implementing significant reforms relating to investment entry and promotion. While not a FIAS project, the effort benefits from the work of FIAS-supported teams.

Ethiopia seeks to transition from a subsistence-level agriculture-based economy to a manufacturing-led economy to achieve middle-income status by 2025. A key component of the initiative entails attracting FDI to certain targeted business sectors and supporting the development of industrial parks (see box below). The Bank Group's IPP project is working in tandem with a Bank Group competitiveness and job-creation initiative. The Ethiopian Investment Commission has restructured in pursuit of its mandate to encourage and expand investment and become "a world-class one-stop investment gateway." The project has provided capacity building and developed a draft investor aftercare and retention strategy. The approach recognizes the importance of reinvestment by existing investors and investment expansion involving new players. Ethiopia's sector strategy focuses on textile and garments, leather, agriculture and agribusiness, chemicals and pharmaceuticals, and engineering. The regional team estimates that this approach has generated \$20 million in new investment.

New Textile Industrial Park Draws PVH, Other Major Investors, to Ethiopia

On July 13, 2016, Ethiopian Prime Minister Hailemariam Desalegn officially inaugurated the Hawassa Industrial Park (HIP), Africa's largest specialized textile and apparel park in Africa. Among the attending dignitaries, investors, and citizens were executives of **PVH**, one of the world's largest apparel companies—and the anchor investor in HIP. The Prime Minister highlighted the historic significance of the project in opening a new chapter in Ethiopia's industrialization efforts.

"The Hawassa Industrial Park," the Prime Minister said, "is significant both because of the promise it holds in and of itself and the precedent it sets—as a pilot eco-friendly, green industrial park—for a series of planned future industrial parks across the country."

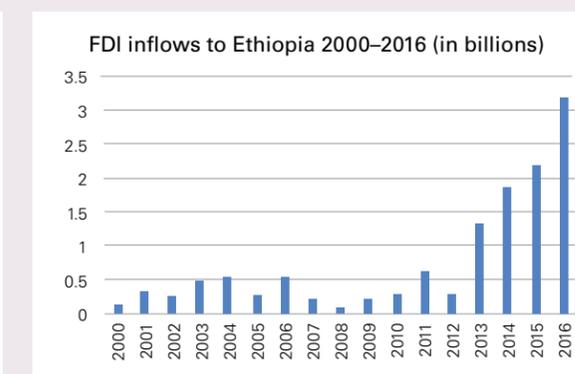
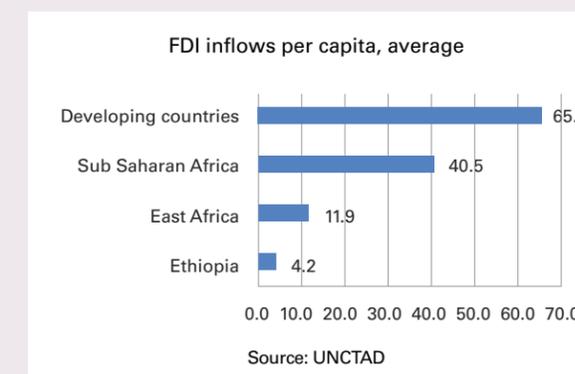
Until recently, FDI had largely avoided Ethiopia. Per capita FDI for Ethiopia stood at \$4.2 on average from 2000 through 2010. This as compared with \$66 per capita for developing countries and \$40 for Africa. Over the past 30 years, Ethiopia's manufacturing sector has generated only 250,000 jobs, a disappointing result in a country of 103 million people.

By comparison, HIP alone is expected to generate close to 60,000 jobs and \$1 billion in export revenue once park operations reach full potential. PVH is bringing in 15 of its suppliers, part of a strategy focused on apparel, agribusiness, and engineering among several sectors targeted for investment growth. As Prime Minister Desalegn said, the HIP

initiative seeks to "usher in a New Frontier—an experimental program that will ensure a shift to a productive manufacturing sector through similar initiatives, while protecting the environment." In recognition of the IFC-World Bank effort in Ethiopia, Prime Minister Desalegn awarded a certificate of appreciation to the project team. A working paper, meanwhile, provided a case study of PVH's commitment to the industrial park.

The IPP project in Ethiopia is helping the government pursue its strategic objective of transforming to a manufacture-based economy by 2025. The effort involves reducing or removing barriers to foreign investment in various sectors and to bolstering the ability of the country's investment promotion agency to help attract, retain and expand investment. Ethiopia's legal and regulatory frameworks for investment were among the most restrictive in the region. Investment-related procedures lacked predictability, transparency, and efficiency. Lead public agencies operated with little inter-agency coordination or strategic vision. Investment promotion initiatives to attract new FDI were largely lacking, as was post-investment support to retain investment.

Over the last five years, this has begun to change. FDI has begun to flow into the country in response to the investment policy reform effort and moves to strengthen the investment institutional structure.





Egypt

Egypt approved an investment policy reform initiative in FY17. The IPP team worked with the Ministry of Investment and International Cooperation under the Bank Group's Egypt Competitiveness Program to improve the draft version of the investment law, particularly in areas concerning investor rights, incentives, protection, guarantees, and transparent land allocation. The work was completed on a tight time frame and was well received by the client. The investment law was ratified in May 2017 and included most of the recommendations put forward by the team. The IFC-T&C team also worked with Egypt's *Doing Business* Committee, housed within the ministry, to support a reform program designed to improve Egypt's DB ranking for FY19. IFC's Middle East North Africa (MENA) region recognized the T&C team for its work.



Guinea

Guinea is seeking to develop and expand local supply chains, increase the competitiveness of domestic firms, and adapt educational and vocational training to current market demands. In April 2017, the Ministry of Mines adopted a local content policy in support of these aims. The first step involved setting up a Department of Community Relations and Development of Local Content within the ministry. The department focuses on agreements and conventions relating to local content and promoting local employment and the hiring of domestic companies. Data collected on existing levels of local content among mining operators and subcontractors in Guinea led to a report providing survey results and interviews with officials of 12 mining operators and 138 local subcontractors. The ministry is using the report in support of developing effective implementation regulations. Another step involves creation of a National Suppliers Database, with a first pilot in the mining sector benefiting from Bank Group support. A call for proposals has been published and the team is reviewing submitted proposals.



Georgia

The IPP team is anticipating continued robust results as its investment generation efforts go forward. In **Georgia**, for example, the IPP project team worked closely with the Georgian National Investment Agency on a targeted investor aftercare program to increase retention and expansion of existing investors. The team met with about 10 investors to discuss their problems. These interactions are expected to generate about \$18 million in investments and reinvestments in addition to the \$7 million in investment generated claimed in the previous reporting period.



Armenia

The **Armenia** investment climate reform project provides advice to the government on improving the country's investment climate through investment policy changes and improving business inspections. In FY17 the project helped finalize a new law on FDI designed to provide investor protection guarantees in line with international best practice. The draft law has been approved by the government and is ready to be sent to parliament for adoption. The project also helped develop an inventory of incentives for foreign investors which was posted on the website of Armenia's Ministry of Economic Development and Investments, providing concise information on the types of incentives available, the awarding process, and the terms. The team also carried out two reviews focused on the agriculture sector.



Albania

In **Albania**, a FIAS-supported investment climate and agribusiness competitiveness intervention aims to support government reform priorities by reducing regulatory bottlenecks, facilitating investments, and increasing market access. A \$70 million development policy lending (DPL) intervention is supporting Albania's efforts to enhance competitiveness by improving the investment regime. During FY17 the team assisted the government in adopting an investment policy statement and reviewed the country's strategic investment law, providing recommendations for improvement. This led to a government initiative to develop a new investment law and harmonize all investment related regulation. The team also supported the Albanian Investment Development Agency in taking steps designed to encourage investment and bring new investors to Albania. The Agency established links with municipalities and involved them in investor servicing and aftercare. The effort has already generated several investments as a direct result of Bank Group intervention.

\$18million

In **Georgia**, the project and investor teams generated about \$18 million in investments and reinvestments.

\$70million

In **Albania**, a \$70 million development policy lending (DPL) intervention is supporting efforts to enhance competitiveness by improving the investment regime.



Construction of a new drinking water pipeline in the gorge over Hrazdan River in Yerevan, Armenia. Photo: Armine Grigoryan/World Bank

Report and Investor Survey Delves into Factors in Attracting FDI

The *Global Investment Competitiveness Report 2017/2018*, launched in October 2017 in Vienna, stemmed from extensive work done by the Investment Policy and Promotion (IPP) team during FY17. The report and investor survey published by the Bank Group concluded that, on balance, foreign direct investment (FDI) benefits developing countries, bringing in technical know-how, enhancing work force skills, increasing productivity, generating business for local firms, and creating better-paying jobs. The report examined when and under what circumstances these benefits of FDI are most likely to occur.

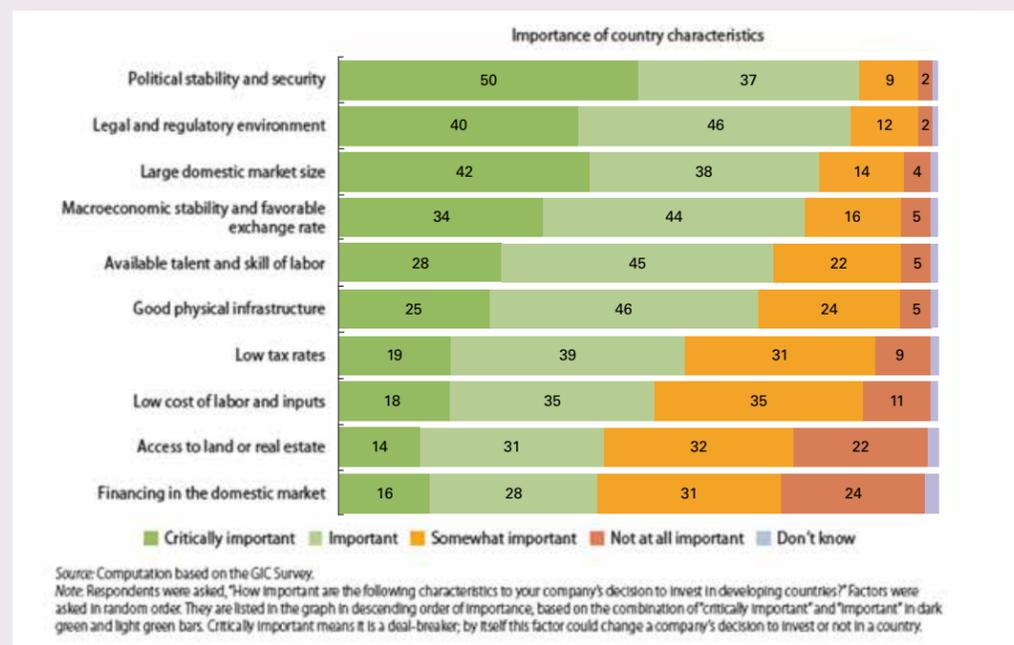
Co-authored by the IFC and T&C, the report examined developing countries as both sources and recipients of FDI. Results of the investor survey showed that political stability and security along with a stable legal and regulatory environment are the leading country characteristics considered by executives in multinational corporations before they commit capital to a new venture. These considerations far outweigh such issues as low tax rates and labor costs.

Investment incentives may help attract FDI but are generally effective only when investors are wavering between similar

locations as a new base for their exports. When investment is motivated by a desire to access a domestic market or extract natural resources, incentives are generally ineffective.

Of far greater importance, the report found, is the level of legal protections against political and regulatory risks, such as expropriation of property, currency transfer and convertibility restrictions, and lack of transparency in dealing with public agencies. Reducing these risks at the country level is a foundation without which reducing project-level risks will not lead to increased investment and growth in developing countries.

Both the report and survey found that while investors in developing countries weigh similar factors in their decision-making, investors from developing countries are more willing to target smaller and often higher-risk regional economies as part of a stepping-stone strategy. This is a key consideration, particularly for countries coping with conflict and fragility looking to attract more and more diversified investment.



Expanding Competition Policy Portfolio Delivers Impact

The **Markets and Competition Policy Assessment Tool (MCPAT)**, developed by the Competition Policy team with FIAS funds, was applied to assess competition in **Haiti, the Philippines, Mauritania, Senegal, and Ukraine**. MCPAT builds on lessons learned from pilot reforms and knowledge projects supported by FIAS. It provides a framework to identify obstacles to competition and market performance, considering market dynamics, and to design and prioritize actionable policy recommendations. In Africa, the FIAS-supported team followed up on a comprehensive report on competition policy reform and remaining challenges across the continent with a series of capacity-building workshops to advise public officials and other stakeholders on how to break down barriers to competition. The team has further standardized and replicated sector-specific MCPAT applications in agribusiness, transport, and telecommunications in Mauritania and Senegal, in Sub-Saharan Africa, Haiti, and **Peru**, in Latin America and Caribbean, **Pakistan** in South Asia, and the Philippines and **Vietnam** in East Asia and the Pacific. This work has involved the development of tools to identify pro-competition reforms at the subnational level. These assessments inform Bank Group dialogue with client countries and have enhanced the direct advice provided to government authorities, including competition authorities and better regulation bodies.

Applied as a pilot project in **Mexico**, MCPAT has helped identify more than 50 priority reforms. In Tabasco, the team has agreed with the governor and sector-specific authorities to a roadmap to open the road freight sector by eliminating restrictions on private transport permits. Part of the initiative involves sensitizing market players to antitrust rules and cartel offenses. In 2016 the State of Mexico replaced an administrative procedure seen by the private sector as particularly discretionary and burdensome, with a simplified procedure that limits officials' discretion and eases a binding constraint on the retail and housing sectors. The FIAS-supported team is assisting in the design of bylaws that ensure transparent, consistent, and non-discretionary implementation of the new procedure. The implementation of the MCPAT at the subnational level and follow-on technical advisory to the municipality of Oaxaca de Juarez on pro-competition regulation in retail has resulted in tangible effects. Firms can now expand operations and compete by offering new services.

In an example of the impact of this work on the ground, a convenience store chain with nationwide presence announced its plans to open 24 new outlets in Oaxaca. The innovative business model of this chain—the "super pharmacies" that combine services of a regular pharmacy with a convenience-store—depends on the ability to stay open 24 hours a day and was only viable after the reform in late 2015. In 2016, between



Unloading at the docks in Mexico. Photo: Guiseppe Franchini/World Bank

January and August, 26 companies extended their shop opening hours in comparison with only one case in 2015. The national government fully embraced the initiative to reform regulations that restrict competition and is now applying MCPAT nationally in all 32 states.

At Mexico's Better Regulation Authority, the competition policy team has concluded training of some 40 additional staffers in the application of the subnational MCPAT as the government brings a sector-oriented competition policy reform agenda nationwide. These trained officials have already applied the tool to four priority states with minimal Bank Group supervision, demonstrating the high degree of sustainability achieved. Moreover, the subnational application of the MCPAT is now being adapted and applied to the **Colombian** and **Peruvian** context under a country-specific project funded under the Multi-Country Investment Climate Program (MCICP) funded by the Swiss State Secretariat for Economic Affairs (SECO). Officials in **Kenya**, **the Russian Federation**, and **Ukraine** have also benefited from learning about the Mexican experience to promote competition at the subnational level.

MCPAT marks the first application of a methodology that combines competition and regulatory reform tools to identify reforms based on their impact on markets. This methodology also helps address anticompetitive behavior such as cartels that increase the prices for consumers. The project team won an EFI VPU Award for the initiative.

In **Kenya**, the competition authority (CAK) has launched a framework, developed with FIAS support, to evaluate the impact of government laws and regulations on competition that has triggered requests for CAK's advisory opinions. CAK approved an outreach strategy to prevent anticompetitive practices and government interventions that restrict competition. The strategy is based on an innovative stakeholder survey of perceptions and knowledge about competition policy designed by the competition policy team. Similarly, in **Zambia**, a competition survey was designed and conducted to support the Competition Authority in developing a communication strategy, an anti-cartel strategy, and structuring feedback loops for competition. The team is also supporting the Common Market for Eastern and Southern Africa (COMESA) in designing an anti-cartel strategy to prevent cross-border cartels in the region.



Only the best tea leaves are harvested for the export market. The Kitabi Tea Processing Facility in Kitabi, Rwanda, has a capacity of 48,000 tons of green leaf per day. The facility employs 200 people during its peak season. Photo: A'Melody Lee/World Bank

Creating New Markets in Kenya: The Purple Tea Story

The rich soils in the Great Rift Valley region of **Kenya** have nourished thousands of acres of traditional black tea plantations for over 100 years. These plantations sustain millions of Kenyan farmers and their families, and generate Kenya's second highest foreign income earnings. The FIAS-supported Competition Policy team has been working to help Kenya create a market for a new product: purple tea.

This new specialty variety is thought to have even greater health benefits than green tea. But initial resistance among producers prevented purple tea production factories from opening. The Bank Group helped the Competition Authority of Kenya make the case that purple tea could boost income for farmers by fetching higher prices than other tea varieties.

"We have benefitted from purple tea a lot, because we sell purple tea at \$1 per kilogram, compared to \$0.14 for regular tea," said tea farmer Anthony Mwangi. From no purple tea

producers a few years ago, the industry now boasts five producers that directly employ over 2,000 workers. These producers include small and medium sized enterprises (SMEs). Purple tea now appears on supermarket shelves and café tables from Kenya to China, Japan, the United States, and Europe.

In Kenya and in client countries throughout the developing world, the Competition Policy team is helping governments understand the economic benefits that can flow from expanding markets, fair competition, and level playing fields for businesses.

"We appreciate the support we have received from the World Bank," said Francis Kariuki, Director General of the Competition Authority of Kenya (CAK), "and we expect that this support will continue as we endeavor to dismantle regulatory obstacles which are hindering economic growth."



*WBG estimate based on Kenya Tea Development Board projections

The **Competitive Neutrality Framework**, developed and piloted by the Competition Policy team, was first applied to the State-Owned Enterprise (SOE) Reforms and Competitive Neutrality project in **China**. It has supported similar engagements in **the Philippines** and **Ukraine** throughout FY17. In practice, this line of work involves ensuring all enterprises, public or private, domestic or foreign, face the same set of rules. When competitive neutrality principles hold, government's contact with ownership or involvement in the marketplace—in fact or in law—does not confer an undue competitive advantage on any actual or potential market participant. Typically, competitive neutrality interventions tackle distortive measures in the markets through rules and tools restoring competitive neutrality. Alternatively, the interventions can address anti-competitive distortions by enforcement of competition law. Competitive neutrality solutions complement not only competition law enforcement but also investment, trade and innovation policies that provide a level playing field for SOE and private sector entities.

IFC investment strategies and new IFC engagements in the SOE space are benefiting from inputs provided by the Competition Policy team on the detrimental impact SOEs have on competition and competitive neutrality. IFC incorporated the Competitive Neutrality framework into its approach to engaging with SOEs operating outside of their home markets. Market and competition diagnostics are informing IFC investments in **Latin America** and have yielded initial success in **Argentina**. Initiation of the diagnostics followed several presentations to colleagues from IFC's Latin America and Caribbean (LAC) team on competition policy work program results relevant to IFC investments. As a result, competition policy has been added as a new topic in the IFC-IBRD memorandum of understanding in LAC. The team has expanded the partnership with the **Organisation for Economic Cooperation and Development (OECD)** to produce a work agenda for updating the product market regulation (PMR) indicators to account for the particular needs and concerns of Bank Group client countries identified while producing and using the OECD-Bank Group PMR database. Specifically, it has delivered inputs for the 2018 update of the OECD PMR questionnaire to capture additional critical issues identified by the Bank Group in collecting PMR in more than 20 developing economies related, for example, to competitive neutrality, subnational restrictions, and competition advocacy.

The 2016 edition of the **Advocacy Contest**, held in collaboration with the International Competition Network (ICN), was launched and awarded in FY17. The team co-hosted the Pre-ICN conference and held an awards ceremony in May 2017 at the conference in Porto, Portugal. The team produced a video on a winning story to communicate the success in an effective way: eliminating rules that protected incumbents allowed the purple tea market to develop in **Kenya**.

With FIAS support, the team published a high-level joint report with the **OECD on Competition Policy, Shared Prosperity and Inclusive Growth** in June 2017. The document has already been downloaded more than 2,600 times on the Bank Group website and was mentioned in more than 20 tweets (without retweets), including by the Ministry of Finance in Ukraine.

The FIAS-supported **Competition Policy** team continues refining its assessment framework and systematizing information on government constraints to competition, market dynamics, and anticompetitive practices. Data collection in line with the anti-cartel enforcement assessment framework has been completed in 10 countries in the Latin America and Caribbean region, an initiative which was officially endorsed by the Regional Center for Competition Authorities of Latin America at its General Assembly in Nicaragua in April 2017. The team finalized the data collection on market and competition issues in transport and logistics in three selected Asia-Pacific Economic Cooperation (APEC) economies. This sector-specific MCPAT application is already being used in **Jordan** and will inform a study in **Kenya**. The team has amplified the set of countries (in the Europe and Central Asia, East Asia and Pacific, and South Asia regions) covered in the database with information based on the Bank Group Competition Policy Checklist to identify gaps in the competition policy frameworks. The team has systematized methodologies to assess the effects of weak competition and the impact of competition reforms. These techniques have been applied to assess the effect of a FIAS-supported reform in **Honduras** on opening markets for fertilizers: Prices for different agribusiness inputs dropped by between 4 and 8 percent on average, and by up to 23 percent in some of the most commonly used inputs. These quantitative methodologies have also been used in Bank Group flagship reports for **Argentina** and **China** and to inform systematic country diagnostics.

- Overall, the FIAS-supported Competition Policy team held 10 workshops for external client governments and other relevant stakeholders in the competition eco-system in **Kenya, Mexico, the Philippines, Senegal, Ukraine, and Zambia**, with a total of 400 participants and highly satisfactory feedback.
- The team developed an **analytical framework and gathered cross-country data** on the interplay between antitrust merger review and foreign investment review, and presented first results at the **International Bar Association Annual Conference 2016**, held in Washington, D.C., September 18–23, 2016, sparking substantial interest in the competition community with specific interest from developing countries.

As part of a T&C wide Learning Event with more than 500 Bank Group staff, the team trained colleagues—especially in the regions—on competition policy tools developed with FIAS support, especially the MCPAT, in deep-dive sessions, master classes, and several lightning talks.

The agriculture sector in **Ukraine** has been hampered by cumbersome regulations that raise costs and slow down productivity growth, leading to inefficient over-regulation and high logistics costs and port tariffs. The FIAS-supported advisory project in Ukraine helped enact legislation that simplifies the conditions for agribusinesses to develop and increase exports and unleash investments. Abrogation of compulsory registration of all export contracts for agriculture commodities saved agribusiness \$11 million in compliance costs. State regulated port tariffs were set to decrease by 20 percent beginning in January 2018, increasing the competitiveness of ports. In June 2017, IFC provided \$100 million to Nibulon, Ukraine's largest grain trader, to help strengthen agri-related infrastructure, reduce crop losses, and boost global food security.

Agribusiness Initiatives Combine Global Expertise with Hands-On Interventions

FIAS-supported work in the agribusiness sector has made significant contributions to the IFC's **Creating Markets** strategy. The work of the global team, in concert with country teams, helps producers and traders access financing to expand operations, opening new export markets to

farmers in developing countries, and supporting country efforts to maximize economic gain from what their farmers produce. In **Senegal** and **Ghana**, a warehouse receipts program has enabled smallholder farmers and traders to collateralize agricultural product to access finance where none was available before. Advisory services in **Ukraine** have enabled that country to access markets in the European Union; a similar project is under development in **Georgia**. In **Tajikistan**, the team supported the regional team in its assessment of the agribusiness sector and helped identify opportunities to raise the productivity and returns of traditional agribusiness activities, as well as new segments with good market potential and strong employment-generation linkages.

In Odisha State in **India**, more than 83 percent of the population resides in rural areas and 62 percent of the working population is engaged in agricultural activities. However, most farmers derive minimal gains due to the many actors along the supply chain and limited market access. Through the Odisha Inclusive Growth Partnership project, the FIAS-supported team has played a critical role in helping small and marginal farmers gain greater access to markets, by facilitating private investments and streamlining regulations. The close link between farmers and final buyers facilitates information flow on buyers' needs and quality standards. This encourages farmers to improve quality control to realize better prices. The expanded high quality production is expected to boost national and international exports while attracting more investments.



Wheat harvest in central India—part of the Development 360 project. Photo: Scott Wallace/World Bank

A Challenging Agribusiness Project in Guinea-Bissau

In July 2017, IFC announced a \$3.5 million investment in **Guinea-Bissau**, one of Africa's poorest and most politically unstable countries. The investment supports the expansion of *Frutas e Legumes*, a local producer of organic fruits and vegetables seeking to expand its exports. In addition to creating jobs, the investment will help the company provide smallholders with credit, training, and market access, leading to increased productivity, resilience, and incomes. The initiative came about with the help of the FIAS-supported agribusiness team's work in FY17.

T&C's program in Guinea-Bissau focuses on supporting the development of agribusiness and improving the business environment, with emphasis on enhancing the cashew value chain. Guinea-Bissau's cashew sector is central to achieving the country's poverty reduction goals; it provides the main source of income to two-thirds of households. Since 2014, the Private Sector Rehabilitation and Agribusiness Development project (PRSPDA), a joint project of the Trade & Competitiveness Global Practice (T&C) and Agriculture IDA, has provided investments and technical assistance to the cashew sector. Project impacts include increasing the productivity and bargaining power of cashew producers, generating investments in cashew processing, and developing entrepreneurship across the economy. Advisory services provided under IFC's Cashew Sector Development project, approved in 2016, are delivered in coordination with the IDA operation to improve social, environmental, and trade standards among cashew

stakeholders and improve the business environment. The focus is on commercial, property and collateral registration. Overall, the work in Guinea-Bissau aims to enable greater value addition and increase access to higher-value markets in the cashew sector.

The T&C team worked with IFC's Manufacturing, Agribusiness & Services (MAS) team early on to share market knowledge and experience in Guinea-Bissau. This collaboration has continued throughout the project cycle, helping to frame the potential IFC investment in the context of a solid World Bank Group engagement to support agribusiness—especially in the cashew sector—and regulatory improvements. Collaboration of this kind helps leverage the beneficial impacts of Bank Group programs and mitigate the risks associated with the fragile institutions in Guinea-Bissau.

Ongoing work on environmental, social, and trade standards will provide more ground for replicating and leveraging the example of *Frutas e Legumes*, the first bio-certified cashew and fruit producer in the country. IFC Advisory Services, in collaboration with PRSPDA, is helping to develop produce traceability systems and an origin label signaling good environmental and social practices. This will enhance opportunities for *Frutas e Legumes* and future investors to source sustainably from local producers. For producers, it can promote more stable relationships with off-takers that opens access to more demanding markets, helping them obtain a better price for their product.



Food products for sale in Central Market, Maputo, Mozambique. Photo: Bigstock

Country-level projects are enhanced by the expertise and tools developed by the global agribusiness team. Knowledge products developed by the team include a diagnostic toolkit on promoting the growth of small and medium enterprises in agribusiness; a policy guidance note on linking large firms with agriculture-processing SMEs; and a guide to warehouse receipt financing reform, now available in English and French. Work in the agribusiness sector is a key part of World Bank Group efforts to help developing countries diversify their economies. Since the sustained decline in global crude oil prices starting in 2014, **Azerbaijan** has faced serious economic challenges, including negative GDP growth, a significant decrease in exports and foreign trade, and currency devaluation. Its position in the *Doing Business* reports declined from 33rd in 2009 to 65th in 2017. An investment climate and agribusiness competitiveness project getting under way in Azerbaijan seeks to assist the government in carrying out its economic diversification strategy by improving the overall investment climate and increasing the competitiveness of the agribusiness sector.

Tourism Sector Important to Shared Prosperity

FIAS support for projects and global knowledge initiatives in the tourism sector touch upon several World Bank Group global priorities. The high proportion of women in tourism-related jobs ties in with Bank Group goals in bridging gender-based economic gaps. Projects that encourage greater formalization in the tourist trade have the effect of creating markets, as has happened in Cusco, **Peru**, in line with IFC's Creating Markets strategy. The highly labor intensive nature of the tourism industry feeds into the Bank Group's ambitious goals for job creation over the next two decades.

A FIAS-supported project in Indonesia helped design support for tourism-related SMEs to increase their online presence by leveraging World Bank global-level partnerships with online platforms such as TripAdvisor.com and Booking.com. In Peru, FIAS support help broaden the Cusco tourism project to four other regions while at the same time designing support on investment facilitation, wider regulatory reform, and sector-level public-private dialogue programs. The Global Team assisted regional teams in developing project-level theories of change that produce an attributable link between project interventions and outcomes and impacts. In FY17 these efforts focused particularly on outcomes beneficial to women and youth.

During FY17, the global team, with FIAS support, produced a paper, *Tourism for Development: 20 Reasons Sustainable Tourism Counts for Development*, examining the benefits of tourism that "takes full account of its current and future economic, social, and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities." These benefits include stimulating GDP growth, increasing international trade and investment, infrastructure development, efficient job-creation, inclusive growth, strengthening of rural communities, benefits for women, protection of cultural sites, and aiding in post-conflict recovery. A preparatory World Bank Group paper on women and tourism explains the rationale for integrating a gender lens into tourism projects. It also includes a set of resources designed to help project managers get started and find necessary data. This paper paves the way for more in-depth operational research on what works for empowering women in the tourism sector.



Plaza Mayor in Historic Center, Lima, Peru. Photo: Bigstock

Ground-Level Work in St. Lucia's Tourism Industry Paying Off

FIAS-supported work in **St. Lucia** is poised to report significant investment generated following the scale-up of tourism-focused projects. Following the global financial crisis, St. Lucia was losing market share and not attracting the level and type of new investment needed to remain competitive. In 2012, visitor numbers were still 8 percent below the 2005 level. In a tourist-dependent economy, this declining competitiveness had a direct effect on the overall economy, threatening incomes and jobs. Several tourism assets were languishing in receivership or not adequately prepared to attract investor interest.

The tourism team was asked to support the government by examining the key causes of St. Lucia's declining competitiveness among both tourists and investors. It followed this by recommending a program of regulatory reforms and policy changes to diversify product development and developed a strategy to generate investment in a series of specific projects designed to revitalize the destination. The investment strategy was developed in partnership with Invest St. Lucia and involved building a systematic approach to investment generation across several key government agencies. The team assessed investment opportunities and developed a short list of target properties most closely

aligned with the recommended strategic direction for tourism. The properties selected were judged to have the best chance of attracting investment. This led to development of an investor outreach strategy.

The Smugglers Cove project was identified as a high-priority investment opportunity. Having ceased operations in 2013, it was sold a year later, demolished, rebuilt, and is now a candidate for IFC financing that is up for approval during FY18. The total investment of \$140 million has generated 1,300 direct jobs during construction, and the property currently employs 900 people for its operations, of which about 50 percent are female. At the same time, Bank Group support to the government of St. Lucia continues through the Organization of Eastern Caribbean States (OECS) Regional Tourism Competitiveness loan. It provides \$26 million to Grenada, St. Lucia, and St. Vincent and the Grenadines. The Bank Group is also encouraging inter-island tourism through new transport links, improvements to attractions and sites within the countries, and—in a recommendation that was highlighted in the IFC Advisory project—strengthened implementation capacity for regional tourism market development.



Tourist enjoying the beach in Saint Lucia. Photo: Bigstock

\$140m

investment

The Smugglers Cove project in St. Lucia, with a total investment of \$140 million has generated 1,300 direct jobs during construction, and the property currently employs 900 people, of which about 50 percent are female.



Beautiful white sand beach in Saint Lucia, Caribbean Islands. Photo: Bigstock

Pillar 3

Increasing Firm-Level Competitiveness

Under Pillar 3, FIAS supports projects aimed at helping client countries improve manufacturing competitiveness through design and implementation of private sector-oriented resource efficiency laws, regulations, standards, and financing to promote green and low-carbon growth.

Work in developing **quality infrastructure (QI)** helps define and implement quality standards required for internal and external market growth. Hardware, systems, laboratories, and technical standards are among the elements required to strengthen sector standards in developing countries, enabling leading firms to compete in international markets. **Skills** development, and improvements by firms in resource efficiency are also encompassed in Pillar 3. Projects in **climate competitive industries (CCI)** focus on improving competitiveness and sustainability in industries, a priority that stems from the urgency of climate action and demand from clients. Project work in this area combines industry reforms with sustainability and climate action.

FIAS funding is not necessarily used directly in all projects that relate to these areas, yet it allows the World Bank Group to develop a center of excellence to ensure the technical soundness of the design and implementation of related reforms through quality control and knowledge management. This global expertise can be shared in a variety of ways, from client-facing projects to toolkits to knowledge publications and learning events.

In **Egypt**, the **Smart Technology & Energy Efficient Production (STEP)** project helps promote cleaner technology manufacturing and energy efficiency standards on electric motors. The FIAS-supported project launched findings from its market analysis in an event with the **Korea Energy Agency (KEA)**, which has provided support to the program and will guide the government in the development of standards. Establishing energy efficiency standards on electric motors benefits Egyptian manufacturers while easing demand on the power grid. The team delivered a techno-economic analysis and national impact analysis model to the Ministry of Trade & Industry. The model is being used to help monitor the progress and effectiveness of the country's standards program. In May 2017, the Egyptian Organization for Standardization and Quality completed the process of defining efficiency classes for motors. Technical standards for motors in Egypt now align with those used in all major economies, notably the European Union. This opens the door to establishing transparency of performance information labels for motors in Egypt and makes it possible for the government to refer to efficiency levels to set mandatory performance standards.

Bangladesh

As noted earlier in Chapter 3, a joint T&C-IFC project in **Bangladesh** has helped promote cleaner textile production, lowered the cost of sustainable technologies, and made it less likely that harmful chemicals would be used in manufacturing. The advisory work was combined with a government lending offering for sustainable textiles. These and other efforts have saved an estimated 6.2 million cubic meters of water so far.



Mauritania

In **Mauritania**, the CCI project helped develop reforms that promote sustainability in the country's fishing industry. With the help of the Bank Group's intervention, nine companies shifted away from harmful practices, ensuring that the available fish stock is used more responsibly and sustainably. The project also helped generate interest in a common wastewater treatment plant which will improve water quality and living conditions in the Nouadhibou Free Zone.



Through the **Climate Competitive Industries Product Development Program**, a new flagship publication on a "Greener Path to Competitiveness" was released highlighting the link between manufacturing productivity improvements and competitiveness. The project has helped generate new and innovative projects in **Kazakhstan** on improving resource efficiency in industries. To support

South-South knowledge exchange, the PDP has worked closely with KEA to provide advanced technical assistance and practical knowledge to its projects in **Egypt, Pakistan, and Turkey**. This has helped countries learn first-hand how to combine industrial competitiveness with sustainability and provided a proven case of success for clients.

QI Initiative Leverages Global Knowledge on Infrastructure, Trade, GVC Reforms

The Competitive Sectors team is overseeing a portfolio of

42
QI projects in
33
countries,
with an average
completion
timeline of
5.5 years.

The **Quality Infrastructure (QI) initiative** is not about infrastructure in the traditional sense—roads, bridges, dams, etc.—but about the technical and administrative infrastructure countries and business sectors need to assure the quality of their products and services. QI enables producers and providers to offer proof that products and services adhere to requirements of governments, major trading regions, and companies. QI is thus a critical element of the effective functioning of global value chains (GVCs). World Bank Group research has shown that 44 percent of firms were conducting significant duplication of testing to meet foreign requirements after domestic requirements had been met; that nearly one-third of firms had to conduct complete duplication of testing; and that two-thirds cited testing and certification costs as an important reason for not exporting.

FIAS-supported work in QI helps clients ensure that products and services in their business sectors meet international standards for measurement, that formally accredited testing labs and inspection facilities are available to certify relevant products and services, and that published standards exist for products and services. The Competitive Sectors team is overseeing a portfolio of 42 projects in 33 countries, with an average completion timeline of 5.5 years. The work involves analyzing and consolidating the existing knowledge and expertise on QI reforms and developing a coherent offering to clients to support their reforms.

Core elements of QI work are:

- **Metrology:** Ensuring that any measurement made in a country can be traced to the International System of Units via international standards, thus helping facilitate acceptance of products, processes, measurements, and testing in local and foreign markets.
- **Accreditation:** Giving formal recognition that laboratories of various specialties (testing calibration, pathology, etc.) as well as certification and inspection bodies, proficiency scheme providers, and good laboratory practice test facilities are competent to carry out specific tasks.
- **Standardization:** Developing and publishing a formal document by a recognized body, generally by consensus, containing the requirements that a product, process, or service needs to include in order to comply.
- **Conformity assessment:** Offering assurance that a product, process, or service fulfills the requirements specified in standards or technical regulations. Conformity assessment service providers verify that a product, process, or service meets stated requirements through testing, inspection, and certification.

Among other activities, the program has established a QI Community of Practice to share knowledge and foster collaboration on QI-related topics; prepared and published a QI factsheet defining the team's value proposition; and established partnerships with UNIDO, the National Metrology Institute of Germany (Physikalisch-Technische Bundesanstalt, or PTB), and the UK Regulatory Delivery directorate with the goal of cooperating on knowledge sharing, organizing events, and providing operational support to clients. PTB assigned a technical adviser to work full time at Bank Group headquarters for 18 months to produce a joint QI toolkit. Case studies have been drafted describing successful implementation of QI reforms in **Ethiopia, Germany, the Kyrgyz Republic, Pakistan, South Africa, Turkey, and the East African Community**.

200m

Worldwide more than 200 million people of working age remain unemployed.

In **Kosovo** and **Ethiopia**, T&C is helping implement QI reforms through projects aimed at easing access for domestic producers to external markets. This is accomplished by enabling the needed supply of quality services as well as by building institutional capacity and introducing modern regulations. The team leveraged its expertise with external organizations such as ISO, PTB, and UNIDO to offer more comprehensive reform solutions to clients. In Ethiopia the QI project identified three priority sectors for the export growth, i.e., (i) leather and leather products; (ii) textile and garments; and (iii) agro processed products, particularly fruits and vegetables. The team is assisting the country to meet developed markets requirements through strengthening the QI institutions' capacity to deliver effective and efficient quality assurance services to enterprises in the targeted sectors, and enhance the private sector demand for QI services.

Ramping Up Product Development and Client-Facing Work on Skills

This work is crucial. Worldwide more than 200 million people of working age remain unemployed. By 2030, 600 million additional jobs are needed to maintain current employment rates. Addressing 'upskilling' will also be important to support economic and sectoral transformation given that the shortage of high- and middle-skilled workers is expected to reach 85 million workers by 2020.

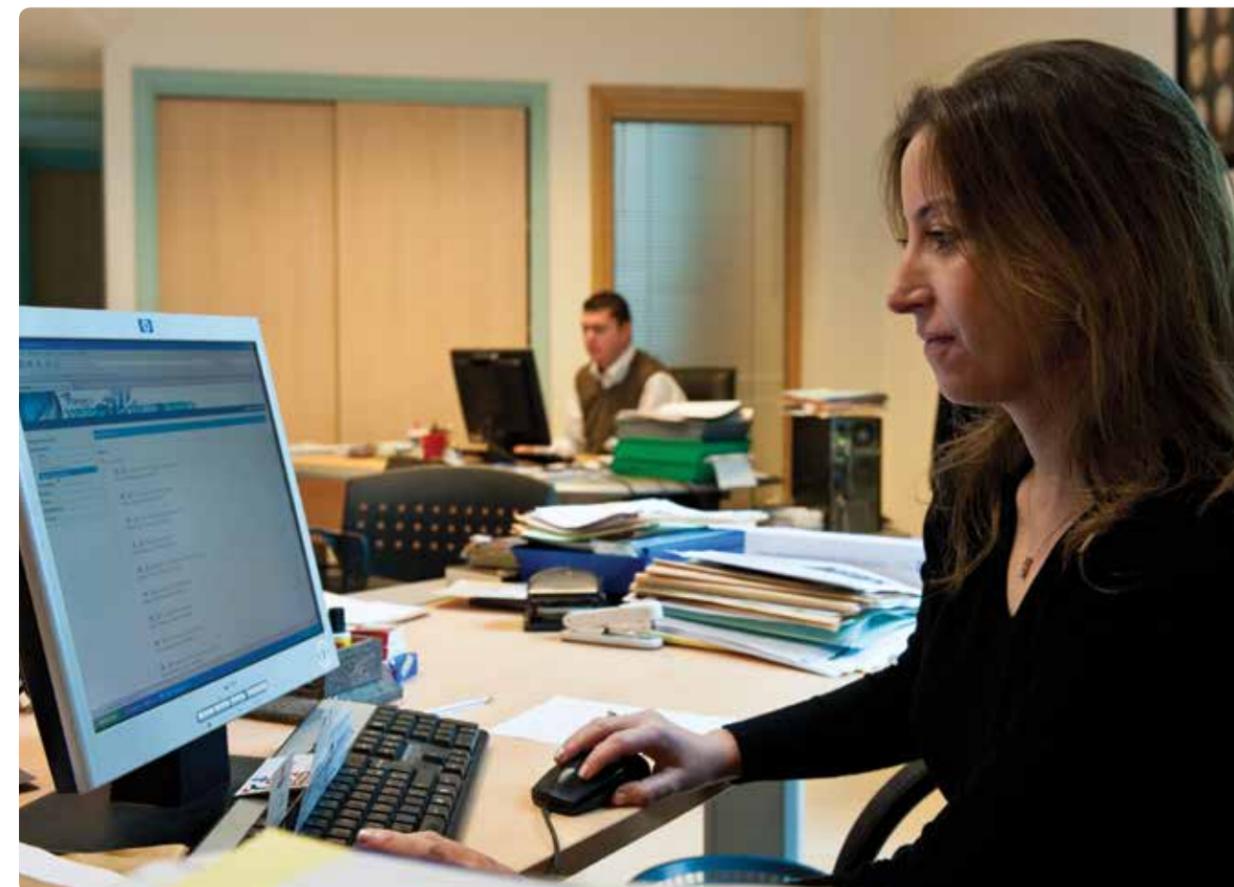
This work complements efforts in other areas of the World Bank Group by focusing on private sector engagement on skills with a heavy emphasis on sector level solutions for growth and job creation. It helps clients strengthen firm productivity and boost employment by improving public-private coordination to better identify the sector skills needed for current and future needs. These needs can be addressed through appropriate policy and sector-level development programs. Change is sustained by institutionalizing public-private coordination and increasing the private sector's role.

FIAS support for skills takes place at the global level through product development, thought leadership, and project piloting support where innovative approaches are applied country-specific scenarios. This has included preliminary work to develop a skills-for-doing-business indicator program that is undergoing initial concept review in FY18 and then to pilot execution in 10 to 15 countries later in the year. The program will seek to present comparable indicators measuring policy and regulatory factors that affect private sector engagement in skills development.

Recent examples of client-facing engagements in skills taking place in **Cambodia** and **Moldova** highlight the collaborative nature of the work across the Bank Group and the importance of sector-level solutions that engage the private sector as a beneficiary but also an important agent of change. In Cambodia, T&C contributes to the skills analysis for Bank Group country diagnostic elements—the systematic country diagnostic and programmatic advisory services and analytics on future jobs. The analysis and policy recommendations will be crucial to helping Cambodia develop options to grow and diversify its industrial base. T&C is also delivering skills solutions through IFC's advisory services to support FDI and investment linkages. These skills interventions target strategic sectors and work to strengthen ties between industries and training institutes to identify and develop relevant skills for growth and diversification.

In Moldova, where skills development has been identified as a priority, the skills initiative supports the Bank Group's development of the systematic country diagnostic and the country partnership framework. The team undertook a rapid private sector skills diagnostic involving mapping of stakeholders, assessing skills demand, and evaluating prevailing human resource practices. The private sector skills assessment will inform the Skills for Jobs lending project, led by the Education Global Practice, and create the reform and technical assistance activities for a parallel IFC Advisory Services project on skills for competitiveness for three priority sectors. The goal of the advisory project is to expand reach by targeting and strengthening the capacity of the skills intermediaries (public and private) to deliver skills development programs to SMEs.

Finally, skills are likely to figure heavily in the solution design that follows the country private sector diagnostic (CPSD) process being rolled out in selected countries across all Bank Group regions. It has already factored heavily in the first CPSD that took place in **Ghana** this year. The objective was to identify the main opportunities for the private sector that will have a strong development impact in Ghana and to highlight the key constraints—both cross-cutting and sector-specific—hampering private sector growth. Three sectors were identified for deep-dives research: agriculture, ICT, and education and skills. With funding support from the global product development project, the skills team is now working to identify ways to ramp up private sector-informed and private sector-delivered solutions for skills in Ghana.



Consultant for an export promotion agency at Maison d'Exportateur in Tunis, Tunisia. Photo: Arne Hoel/World Bank

Skills Initiative in Tunisia Uses Online Platforms to Link Candidates with Jobs

In the information and communications technology space, a FIAS-supported project in **Tunisia** has helped consolidate data on job qualifications, employment match-making, and labor market information into a single national portal called Digital Talent. The initiative was driven by the private sector, with just over half of the representation of the initiative composed of private sector officials and the rest from the public sector. This consolidation, accomplished in FY17, brings together in a single platform all three project components (qualifications, match-making, and labor market).

The Qualifications Framework was adopted jointly by 11 educational institutions and eight companies. Thirty human resources managers were trained to use the Framework, and the job descriptions of 264 employees were updated to better align with the Framework. The Labor Market Information Portal was validated by Tunisia's ICT Federation—the Bank Group client for this project. Content for the platform went live in the first quarter of FY18. The match-making platform was launched in October 2017.

FIAS-funded work under the three strategic pillars supported global, regional, and country-specific initiatives under **programmatic themes**.

The FIAS FY17–21 strategy identifies these as **Gender and Inclusion; Transparency, Political Economy, and Sustainability of Reforms; Green Competitiveness; and Targeting High-Growth Business**. Along with the special topic on gender in Chapter 2, this chapter outlines FY17 efforts under these themes, along with a summary of work in **monitoring and evaluation (M&E), knowledge management (KM), and communications** and a partial listing of **team awards**.



Gender & Inclusion



Transparency, Political Economy, Sustainability of Reforms



Green Competitiveness



Targeting High-Growth Business

Gender and Inclusion

Women participate as owners or co-owners in 27 percent of companies and firms, according to various studies conducted by the European Bank for Reconstruction and Development, the United Nations, and the World Bank Group. Nevertheless, the same analyses show that women-owned companies are less competitive and less likely to grow even though they are operating under the same regulatory framework. The problem is not the regulations themselves but a gap in how they are implemented, depending on who owns the company. Stereotypes, biases, and entrenched views contribute directly to women-led businesses being more vulnerable to regulatory unfairness, exposing them to inconsistent implementation and regulatory unpredictability in permitting processes. Additionally, limited knowledge of different public policies, legal frameworks, and compliance prerequisites discourage initiatives for more active participation of women-led businesses in regulatory making processes. This impacts the overall representation as well as the growth prospects for women-led businesses. Therefore, integrating gender-related activities into the overall project approach could immediately contribute to deepening knowledge and achieving the project's objectives.

As detailed in Chapter 2, the **gender team**, in close collaboration with the M&E team, identified a set of indicators that provides the basis for staff to operationalize gender priorities and track progress toward meeting corporate targets and donor partner objectives. The team is also working with operational and regional units on ways to incorporate gender components into advisory projects.

In **Bosnia and Herzegovina**, the FIAS-supported team is working to increase the awareness of female-owned businesses of legal frameworks, proceedings, and opportunities. The initiative seeks to address the gender angle embedded within business environment issues, focusing particularly on the regulatory implementation gap as a critical obstacle for private sector growth. The project seeks to ensure the input of women business owners is considered in the drafting and implementation of business regulations. In addition to increasing awareness of new and improved administrative procedures, the project seeks to enhance the capacity of female entrepreneurs' associations and women's groups through operational business feedback mechanisms established at project localities. In May 2017, the team shared global knowledge of the relevant issues at a meeting of women entrepreneurs.

The large and highly diverse artisan sector is unusual among business sectors in that it has at least as many female entrepreneurs as male. The Bank Group's **Creative Industry** team's best-practice report on artisan-based fashion and home accessories exporters showed that the female-to-male ratio in these firms, which employ some 4,800, is about four to one. The study covered aggregator firms on four continents and showed how they are successfully managing value chain and management functions using modern information technology to create high growth. In cooperation with IFC, other Bank Group Global Practices, the United Nations High Commission on Refugees (UNHCR), and outside expert organizations, the team is working on a supplier development program for a large global retailer which will bring artisanal products into global value chains. Some of the pre-selected artisans have refugee and internally displaced people status in countries in fragile and conflict-affected situations. In terms of global industry size, the United Nations Conference on Trade and Development (UNCTAD) estimated that global sales of artisan products were \$34 billion in 2011. Country-specific data provides an idea of the importance of the artisan sector in developing countries. In 2015, handicraft exports from **India** were an estimated \$4.5 billion, up 15.4 percent from the previous year. In **Vietnam**, handicrafts generated an export revenue of \$2.8 billion in 2011 and were exported to more than 100 countries.

Gender Bias, Stereotyping Limit Access to Finance for Women Entrepreneurs

A FIAS-funded pilot study on **gender and entrepreneurship** focused on **Dominica and St. Lucia** in the Latin America and Caribbean (LAC) region aimed to identify gender-specific barriers to business entry and financing and propose responsive investment climate reform. The study also addressed the relative lack of gender-disaggregated data in Organization of Eastern Caribbean States (OECS) member countries, combining quantitative surveys of female and male business owners in Dominica and St. Lucia with qualitative interviews of government officials, policymakers, successful female business owners, and other key stakeholders. Study results revealed no significant institutional barriers discriminating against female entrepreneurs in either country that would inhibit women from registering or accessing finance for business start-up. Rather, what emerged is that laws and policies are gender neutral and as such they do not consider the different circumstances or challenges that women face. This speaks to gender operating at a subjective level and the fact that gender roles, responsibilities and status have positioned women differently from men.

The survey and interviews brought to light an overwhelming view that stereotyping, implicit bias, and constrained networks continue to operate against women seeking financing and credit for business startup. The prevalence of this view strongly suggests that implementation and enforcement of new legislation remains inconsistent. The findings also indicate that key challenges operate at ideological and cultural levels; gender issues such as power dynamics, gender roles, and status, often operate at a subjective level. These challenges require interventions geared toward behavioral change in the medium to long term.

Recommendations, therefore, focus on interventions at the individual, institutional, and macro levels to change gender norms and perceptions that affect business practice. The aim is to create a model for gender analysis and mainstreaming of processes and policies within related organizations. Specifically, at the business-owner level, the study recommended regular training workshops, rebranding, and niche marketing, best practice sharing, and increased participation in business-related networks. At the institutional level, the study recommended improving the quality of data collection and analysis at financial institutions, increasing data sharing among agencies and organizations, avoiding duplication of activities among agencies, and mainstreaming of gender policies.

In the medium-to-long term, the study recommended that the government support female students early in fields such as agriculture and sciences, host trade shows or business start-up competitions, develop cultural interventions to encourage gender-neutrality in business operations. The study also recommends that government actively promote a culture of savings at credit unions and cooperatives, as well as an equal representation of gender in financial institutions.



Transparency, Political Economy, and Sustainability of Reforms

The FIAS FY17–21 strategy pulls together three programmatic themes that are integrally related: transparency realized through simplified regulations and higher degrees of public disclosure relate directly to the importance of recognizing the political economies of client countries when undertaking reform programs. Due attention to these concepts, in turn, contributes significantly to whether reforms undertaken will be thoroughly implemented and sustained over time.

The investment law reform work undertaken in **Myanmar** was an example of the importance of these three themes working together in support of a reform that has taken hold after initial resistance from a variety of stakeholders. Amid concern that increased FDI would weaken domestic businesses, the Bank Group team worked closely with government officials, private sector stakeholders, and civil society in a process that emphasized transparency, consultation, and public engagement. Extensive consultations were held with civil society and non-governmental organizations before, during, and after a national election campaign. The draft investment law was posted on the government website and interested parties encouraged to submit comments. Non-governmental organizations, civil society, private law firms, and other interested parties contributed more than 200 pages of written comments on the draft law. The result was a new investment legal framework applicable to both domestic and foreign investors alike that opened a significant number of sectors to investment, significantly streamlined investment entry procedures, and improved investment protection guarantees. The new legal framework has already contributed to more than double the amount of FDI flowing into the country, from \$4.1 billion in 2014 to \$9.5 billion in 2016.

Myanmar's new legal framework has already contributed to more than double the amount of FDI flowing into the country, from

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in 2014 to

\$9.5b

in 2016.

Ghana is one of the most open economies to investment on the African continent. Almost all business sectors are open to FDI, a posture that has produced domestic economic benefits. Nevertheless, the economy is underperforming due to a number of factors, including weak trade logistics, non-tariff trade barriers, perceptions that red tape is slowing commerce, and a less-than-optimal investment climate. The FIAS-supported team is working with Ghana to boost sustainable economic growth and attract private sector investment by improving the transparency, accessibility, and quality of business regulation as well as strengthening the investment policy and promotion framework. It also aims to increase Ghana's competitiveness in specific sectors.

During FY17, Ghana made information on the process to obtain a construction permit more accessible. The Department of Town and Country Planning uploaded relevant laws and information on procedures to obtain a construction permit in Ghana on its website, increasing accessibility and transparency of procedures, fees, and laws related to the construction permitting process. Going forward, the Bank Group effort in Ghana focuses on two key components:

- › In investment climate, help the government regain business reform momentum; improve and integrate government-to-business (G2B) online service delivery to increase transparency and accountability and reduce the compliance burden on businesses; upgrade the legal and regulatory framework; and strengthen the country's investment policy and promotion strategy.
- › In agribusiness competitiveness, improve regulations that will generate incentives for firms to grow and compete, especially across the cashew and palm oil value chains to strengthen compliance with international trade standards and facilitate market access.

On the knowledge front, the Competitive Sectors team published a *Public-Private Dialogue Stakeholder Mapping Toolkit* (see publications listings) that provides a hands-on resource for World Bank Group teams and PPD practitioners. It enables them to design dialogue platforms and determine participants at concept stage, insert a dialogue element into an ongoing project, ensure the right participants are participating, and deepen understanding of political economy obstacles to reform processes. It also shows how PPD can be used to bridge the divide between different partners of the dialogue. The toolkit provides a guide for designing a strategic reform communications plan and for catalyzing reforms by building knowledge and capacity of the right people.

Bhutan is part of the global Good Regulatory Practices program where it is one of seven countries implementing business feedback on a reform under a FIAS-supported pilot program. A citizen portal and upgraded online land registration system were soft launched in November 2016 on a pilot basis in Thimphu municipality. During a mission in April 2017, the project team organized a focus group discussion with users of the automated land registration system, which helped identify the main reasons for the under-utilization of the citizen portal and the online registration system. A technology-based feedback mechanism is now being designed and will be grafted to the online land registration system. Interactive Voice Response (IVR) is being used as an innovative medium for business feedback.

In **Bosnia and Herzegovina**, FIAS support helped increase information sharing on incentives with the public, in the form of an openly accessible online inventory. Accordingly, the project has made an online inventory of incentives for 10 municipalities. The incentives are further accessible in English in addition to the local language. This new online access to the inventory of incentives available to investors is improving the transparency and governance of incentives for foreign and domestic investors, and changes legislating governing incentives, thereby improving the overall system of governance for investment incentives.



A curbside seamstress in Chin State, Myanmar. Photo: Tom Cheatham/World Bank



Construction site. Photo: Bigstock

During FY17, **Ghana** made information on the process to obtain a construction permit more accessible. The Department of Town and Country Planning uploaded relevant laws and information on procedures to obtain a construction permit in Ghana on its website, increasing accessibility and transparency of procedures, fees, and laws related to the construction permitting process.



Green Competitiveness

In Punjab, **Pakistan**, FIAS has helped develop a new domestic market for energy efficient fans by working with local authorities, national regulators, and large, medium and small manufacturers on the initiative. Fans are how Pakistanis keep cool, whether ceiling fans, window fans, area fans, or more sophisticated ventilation systems. The use of energy efficiency labels, and a public awareness campaign on the ability of new fans to deliver high quality while also saving energy, is creating a new market for one of Pakistan's most widely used appliances. In the early stages alone, wide use of fans that meet the energy efficiency standard will save the country an estimated 800,000 kilowatt hours—the equivalent of the annual energy use of about 600 domestic refrigerators—and reduce greenhouse gas emissions by about 400 tons per year. With the success of this pilot program, the project is now working with the regional government to put an additional one million fans into service.

Turkey's industrial park framework is regularly viewed as a success due to its contribution to job creation and manufacturing led growth. The government has engaged with the World Bank Group to develop a national framework for green industrial zones. The project has attracted the initial interest of six top-performing industrial zones in Turkey which see the framework as a potential to differentiate themselves from other zones and offer investors an added service. This will promote the development of industrial symbioses, improved waste water management and uptake of renewable energy. The project is part of a global Climate Competitive Industries initiative to develop an international framework for eco-industrial parks.

In **Kenya**, as part of the **Manufacturing PDP**, the team supported an IFC Advisory investment policy and promotion (IPP) project with a focus on the textile-apparel sector. One goal of the effort was to explore

opportunities for cleaner production techniques to target green apparel market opportunities. The FIAS-supported team completed a report on green apparel market opportunities for the Kenyan sector. The team also supported the special economic zones (SEZ) team in discussing **SEZ linkages** at a government retreat for a flagship textile zone. (See also Chapter 3.)

In **Bangladesh**, an IFC Advisory Services project supported by FIAS has helped the crucial textile industry to adopt stronger water conservation and pollution control measures. In partnership with the Embassy of the Kingdom of the Netherlands and other international partners, the project introduced an initiative called the Water PaCT (Partnership for Cleaner Textiles). PaCT engages with textile buyers, factories, communities, government, and civil society to leverage dialogue as a key ingredient to more eco-friendly textile production. From 2013 to September 2016, PaCT has catalyzed several actionable solutions related to water sustainability:

- › Saved 18.4 billion liters (4.9 billion gallons) of fresh water per year.
- › Developed environmentally safe sourcing guidelines for global brands.
- › Provided guidance to 215 textile factories on how to implement cleaner production.
- › Conducted a first ever feasibility study for a central effluent treatment plant in the Konabari cluster.
- › Generated investments of \$31 million.
- › Generated \$12.4 million per year in factory savings resulting from resource efficiency.

In September 2016, Levi Strauss & Co. announced the rollout of PaCT's environmental guidance at six facilities across Bangladesh, **India**, **Sri Lanka**, and **Vietnam**, with plans to expand the program.

"We are pleased to be the first IFC partner to pilot its PaCT program in additional countries," Levi's vice president of sustainability Michael Kobori said in the announcement. "Our goal is to scale the practices globally to achieve greater reductions in water, energy and chemical use across our supply chain."

There is no doubt that the apparel industry is critical to Bangladesh. In 2012 when PaCT began, the apparel industry accounted for 83 percent of the country's exports and is poised to be a key creator of jobs in the years ahead. Today the ready-made garment industry accounts for 45 percent of all industrial employment in the country and contributes 5 percent of total national income. In almost every category in the textile industry, prices of Bangladesh-made goods are the lowest on global markets. Success has brought with it a variety of problems that threaten to limit

growth and foreign direct investment (FDI), including issues relating to compliance, quality, reliability, and worker safety. The role of textile production in polluting water is among these problems. Industrial pollution accounts for 60 percent of pollution in the Dhaka watershed area, and the textile industry is the second largest contributor after tanneries.

"It really is in the interest of textile producers to contribute to water sustainability," notes Alexios Pantelias, Green Competitiveness Global Solutions Lead for T&C. "Gradually reducing factories' water consumption and reducing the levels of pollution not only benefit the environmental outlook for Bangladesh, but would also contribute to the competitiveness and economic health of the entire textile sector."

Creating Markets in Energy Efficiency in Punjab

Although **Pakistan** has a large electric fan market, it has been largely inefficient and uncompetitive. Not coincidentally, the fans themselves are inefficient in terms of energy usage. The FIAS-supported team has been supporting the government of Punjab—Pakistan's most populous state—promoting a more efficient market and more efficient products through an energy-efficiency labeling program. The government has committed to procuring 20,000 energy-efficient fans for public buildings, all produced in Pakistan and all marked with the Pakistan Energy Label (PEL). This initiative is expected to jump start a new market for energy efficient fans. On its own, the installation of the new fans will save the country's over-stretched power grid 800,000-kilowatt hours per year. The project has created a new market segment for manufacturers of more efficient fans, nine of whom have received certification for the PEL from the National Energy Efficiency and Conservation Authority. Four of these are small and micro-sized enterprises. This is a positive indication of wider acceptance of this standards and labeling initiative. The government of Punjab has launched a comprehensive marketing campaign to promote PEL fans.



Manufacturing energy efficient fans, Punjab, Pakistan. Photo: World Bank



Targeting High-Growth Business

The FIAS FY17–21 strategy seeks to support projects aimed at identifying sectors and firms that have exceptional growth potential. Unfortunately, start-up firms do not wear signs saying, “future high-growth firm,” so the challenge is to find ways to pick future job-creators out of the start-up crowd. This work unfolds on several levels, from individual firms to sectors with high-growth potential in particular developing countries, to regions that have the conditions in place to support robust growth.

The FIAS-supported **Competitiveness Policy Evaluation Lab (ComPEL)**, successor of the Impact Program, focuses on defining three programmatic clusters of impact evaluations strategically aligned to FIAS, and supporting related impact evaluations through advice, academic reviews, workshops, and other events. The clusters are: (1) targeting firms with high-growth potential; (2) connecting businesses to improve market access and promote spillovers; and (3) improving regulatory efficiency to benefit firms. The selection of the programmatic clusters was based on an extensive consultation with T&C management and staff, researchers from the World Bank and academia, and donor partners.

This preparatory work was followed by a flagship workshop held in Mexico City in February 2017. Initially 46 teams expressed interest, showing an increasing interest in impact evaluation compared to previous years. Of these, 19 were selected to attend based on technical feasibility, intervention timeline, and client engagement. The objectives were to assist teams in designing their impact evaluations, disseminate findings of the latest research, enhance technical capacity of policymakers, and strengthen networks within the stakeholders. In total, 100 participants attended, including 17 external researchers from academia and 36 country clients. Three out of four attending client policymakers indicated that the workshop influenced how they will measure program success.

The impact evaluations focused on targeting firms with high-growth potential aimed at understanding how to identify these firms and what kind of policies would better assist them in achieving growth. Two impact evaluations, in **Georgia** and **Mexico**, were endorsed by ComPEL to assess the value of government and private sector scoring schemes for allocating innovation grants to small and medium enterprises and of SME support based on performance benchmarks. Forthcoming studies are being assessed in **Argentina, Brazil, Colombia, Kenya, Nigeria, and Senegal** to measure the value of business competitions and managerial scores to signal firm performance.

The impact evaluations on connecting businesses to improve market access aimed at exploring the role of interventions that connect business to the demand side and those that reduce search and enforcement frictions. Forthcoming studies are being assessed in **Ethiopia, Kosovo, Mexico, Tunisia, Vietnam, and Zambia** to measure the value added of creating productive alliances and supplier development programs that connect firms to their demand.

The ComPEL impact evaluations on improving regulatory efficiency to benefit firms focused on understanding what specific types of regulatory intervention benefit firm outcomes and what type alleviate firm burdens. A paper published under the **Western Balkans Trade Logistics Impact Evaluation** supported by ComPEL found limited evidence of the impact of a trade facilitation reform on trade outcomes or improvements in targeting risky shipments in **Macedonia**. An impact evaluation in **Peru** was endorsed by ComPEL to assess how to implement business inspections to improve compliance and safety and reduce firm burden by comparing different frequencies of inspector visits and assessing the value added of compensating inspectors based on their performance. A forthcoming study is being assessed for support by ComPEL in **Bangladesh** to measure the value added of the use of information and communication technology and improved monitoring in a single-window process for firm registration.

Monitoring & Evaluation, Impact

Results and impact from FIAS-supported projects are measured and assessed by the **Monitoring & Evaluation (M&E)** team. This is, however, more than a scorekeeping operation. The M&E team interacts throughout the fiscal year with the investment climate, competitive sectors, and competition policy teams that implement FIAS programs. The interaction ensures program leaders are aware of the FIAS strategic priorities, the protocols for validating results, and the progress being made by the teams toward achieving year-by-year benchmarks for reforms, compliance cost savings and other measures of positive impact. The team applies a comprehensive results chain based on a theory of change. Customized and sequenced efforts to enhance the investment climate, improve sector competitiveness, and foster innovation and entrepreneurship provide incentives for expanding market opportunities and enabling private initiative. Resulting benefits include lower costs of doing business, and new investment generated, and reduction of barriers to competition. Ultimately, these reforms contribute to productivity gains, growth, job creation, and rising incomes, all of which contribute to the Bank Group’s Twin Goals of eliminating extreme poverty and boosting shared prosperity.

This results chain is supported by an integrated results management system that builds on the best of World Bank and IFC approaches. At the project level, standardized indicators derived from the results chain are used to measure and verify data on inputs, outputs, and outcomes. M&E support is provided to project teams during the design and implementation of their operations. At completion, project performance evaluations are conducted in a large sampling of projects, while impact evaluations are conducted in a subset of projects. These are periodically aggregated into program evaluations and systematic reviews to test causal links, assess the relevance of program objectives and design, and review the achievement of discrete objectives.

The M&E team is leading an effort to comprehensively strengthen the measurement apparatus around **jobs impact**. The effort includes development of a collaborative tool to assess whether interventions generate empirical evidence that can be evaluated, and of an integrated framework within the project life-cycle to measure the impact on jobs. Together these resources and methodological approaches enhance accountability to project goals, improve intervention effectiveness, and serve as policy-evidence guideposts. These and other innovations are included in draft guidance for a **Design and Measurement for Impact on Jobs** on how advisory work contributes to the jobs agenda and on which interventions target jobs impact. This guidance will be a living document that is revised as projects venture into designing and measuring the impact of job-related interventions.

Knowledge Management, Publications and Learning Highlights

Strengthening the foundation: In FY17, T&C continued to expand the base of knowledge that supports its teams in their work, addressing topics important to FIAS-funded projects such as investment competitiveness, sector diversification, productivity, manufacturing-led development, job creation, and entrepreneurship. Publishing activities in FY17 reflected T&C’s focus on **analytics and applied research**—supported by links with academia, development partners, and the private sector—to develop and deliver client solutions and extend the empirical basis for reform advocacy. T&C released two comprehensive regional reports, the *Africa Competitiveness Report 2017: Addressing Africa’s Demographic Dividend* and *South Asia’s Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse*, 20 World Bank *Policy Research Working Papers*, and numerous country-specific reports and policy notes. Several FY17 publications add to the body of literature on policies and models for “green” industry, including the policy guidance note, *A Greener Path to Competitiveness*, the practitioner’s

handbook, *Climate Competitive Industries*, and six notes in the new Climate Technology Program in Brief series. (See Annex 3: Key FY17 Publications and Events.)

Leveraging knowledge and expertise: FIAS support contributed to an expanded roster of events to encourage knowledge sharing, peer-to-peer learning, and the exchange of best practices and lessons learned. More than 87 events took place and attracted more than 3,000 participants (in-person and online)—including government officials and practitioners, private sector representatives, development partners, researchers and technical experts, Bank Group staff, and other stakeholders.

In February, T&C held the Knowledge Management team's inaugural **Learning Week**. The event, though not funded by FIAS, brought together more than 500 staffers from the more than 80 T&C offices worldwide to headquarters for a series of seminars, discussion groups, deep-dives, and other learning events. Much of the discussion involved FIAS-supported work

and teams. T&C plans to organize a Learning Week every other year to strengthen the capacity of its staff in meeting client demand and delivering high-quality projects.

Channeling big data: In January 2017, T&C launched **TCdata360**, a new open-data platform that features more than 2,000 trade and competitiveness indicators from 30+ data sources inside and outside the World Bank Group. Users of the website can compare countries, download raw data, create data visualizations, display data on maps, share charts on social media, print reports, copy charts, connect through an application programming interface, and more. The site's launch drew the attention of users around the world and very positive feedback. In June, TCdata360 received a **Vice Presidential Unit Team Award** from the Equitable Growth, Finance and Institutions (EFI) Global Practice Group. A complementary report, *Harnessing the Power of Big Data for Trade and Competitiveness Policy*, highlights T&C data-driven projects and applications for big data in development.

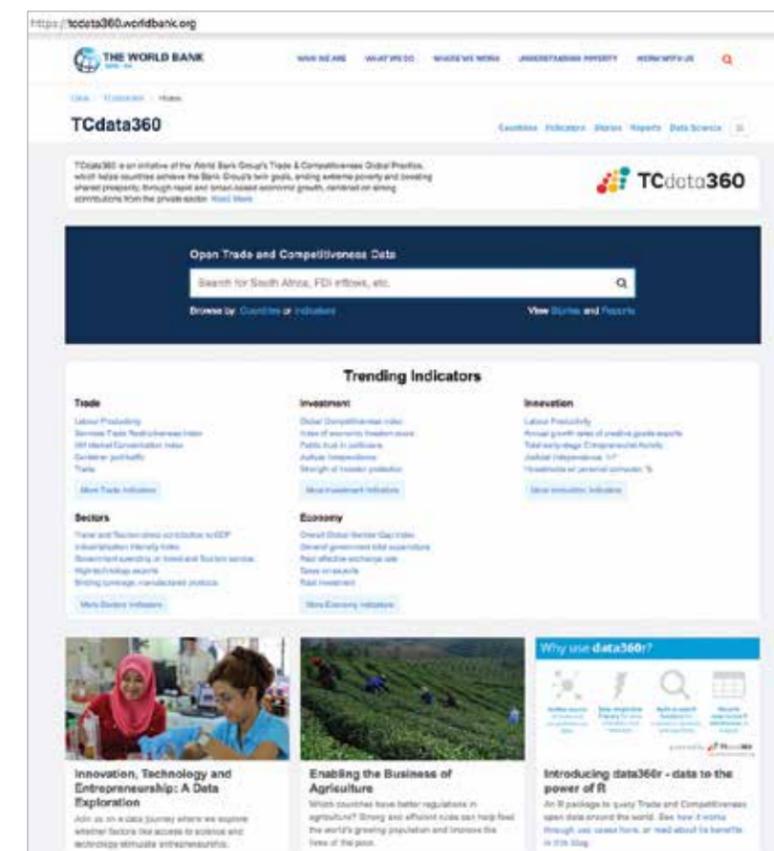
Since its launch, TCdata360 has attracted more than 44,000 unique visitors. Recent updates include new data stories and curated country reports on entrepreneurship and tourism. The platform was also used to develop a new GovData360 website, which features more than 3,000 indicators of governance at the country level—in areas such as public sector management, citizen engagement, private sector interface, political accountability—from 20+ data sources.

Communications

World Bank Group communications support for FIAS programs in FY17 ranged from major report launches to project-related videos to results stories documenting the economic impact of the FIAS program. On the operations side, the communications team worked with the T&C gender team on production of the T&C Gender Practice Note and an accompanying brochure for use by operational teams, clients, donor representatives, and key stakeholders. On the donor relations side, communications support included production of the *FIAS 2016 Annual Review*, which provided data not only on project accomplishments during FY16 but also summed up FIAS-supported activity for the FY11–16 strategy cycle. Work under the new strategy cycle went forward in FY17 with the help of a strategy document and summary brochure designed to ensure T&C's World Bank and IFC teams worldwide understood the goals and approach of the new FIAS strategy, the strategic pillars, and thematic priorities.

At the beginning of calendar year 2017, the communications team coordinated a major outreach effort in support of the TCdata360 open-source data portal. The site's launch drew the attention of users around the world and strongly positive feedback. Through the end of FY17, TCdata360 had attracted 123,609 page views and 46,834 unique visitors, making it one of T&C's most visited information portals.

World Bank Group communications rely increasingly on social media channels to



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T&C held the Knowledge Management team's inaugural Learning Week seminar.

reach beyond long-established audiences. During FY17, the T&C Newsletter had 18,500 online subscribers and 26,300 Twitter followers, a 17 percent increase from FY16. Those followers generated 3.2 million impressions and 143,000 engagements along with 3,620 retweets. The Competitiveness topic page, which encompasses FIAS and related programs, drew 45,114 page views and 25,330 unique visitors in FY17; Investment Climate drew 22,090 page views and 14,315 unique visitors (low totals due to the mid-year relocation of that site); Competitive Sectors drew 857 page views and 717 unique visitors; Competition Policy drew 1,263 page views and 732 unique visitors.

Other significant communications milestones during FY17 included a major effort in support of the launch of the *Africa Competitiveness Report*, a joint publication and launch event co-sponsored by the Bank Group, the World Economic Forum, and the African Development Bank. The communications team similarly worked during FY17 on the launch (in October 2017) of the *Global Investment Competitiveness Report 2017–2018*, a new flagship publication examining policy issues related to foreign direct investment (FDI) in developing countries.

Support for investment climate, competitive sectors, and competition policy projects—at the donor, client, partner, and team levels depends upon solid data combined with storytelling that gets to the human level of project activity and impact. The communications team supported this effort with results stories and feature stories on a broad range of topics, many in countries that have benefited from FIAS-supported projects. These included reporting on business regulation improvements to help the tourism industries in **Peru** and **Mozambique**, investment climate reform in **Nepal**, creation of a new market for purple tea in **Kenya**, agribusiness reforms in **Mali** and **Côte d'Ivoire**, and initiatives toward cleaner textile industries in **Bangladesh**.

Team Awards

Work by T&C teams won recognition in several areas in FY17. Some of these are mentioned in context throughout the *Annual Review*. Other significant awards and recognition are described below.

The collaborative **Program for Results for Jordanian and Syrian Refugees (Jordan P4R)** won a President's Award for Excellence and an EFI Vice Presidential Unit Award for work in FY17. This complex project involved collaboration across the Bank Group. The effort is employing technical and financial tools in new and innovative ways to address an extremely challenging political economy stemming from the conflict in Syria. The program has provided important lessons learned for a second generation of projects addressing refugee challenges. The project was completed quickly, overcoming several obstacles, including new financing issues. Collaboration was extensive—with some six Global Practices involved, as well as IFC. Bank Group leadership and the international community have been following the P4R's progress closely.

TCdata360 was a finalist and, ultimately, runner up in the Bank Group's 2017 **KNOWbel** awards contest, in the *Increasing Efficiency* category. In all, five T&C projects were recognized out of 73 nominations in the 2017 Vice Presidential Unit Awards; three of these were from FIAS-funded projects: Economic Opportunities for Jordanians and Syrian Refugees; TCdata360; and Competition & Market Regulation in Mexico—From Analytics to Action. The other two were the South Asia Competitiveness Flagship Report and the Morocco Power of Information in Improving Unequal Public Service Delivery.

Investment climate work in Punjab, **Pakistan**, won MENA Region recognition. The investment climate advisory team engaged at the highest levels in the government of Punjab, including the Chief Minister, and identified key investment climate reforms needed for fostering growth. The

engagement paved the way for a World Bank loan of \$100 million in FY16–17. The P4R aims to improve the investment climate and promote private investments, job creation, and sustainable industry.

The South Asia Competitiveness Flagship Report, *South Asia's Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse*, won an EFI VPU award for leadership and innovation in analytical work in the region. The report combines quantitative and qualitative methods to identify new, underappreciated drivers of competitiveness and productivity in the region: urbanization, global value chains, and innovation. The report develops an evidence-based case for the urgency of boosting productivity if the region is to create the more than one million quality jobs per month it requires to eliminate extreme poverty and boost shared prosperity. The report and its accompanying industry case studies have been downloaded more than 100,000 times since the launch in October 2016, placing the flagship among the top 15 most downloaded reports ever by the World Bank.

The government of **Zambia** awarded a Certificate of Reform Champion to the Zambia Investment Climate Program II for its success in supporting private sector reforms. The government expressed appreciation to the team for work in promoting market competition and trade facilitation. Zambia recorded two FIAS reforms in FY17, in tax simplification and compliance and trade logistics.

The Morocco Power of Information in Improving Unequal Public Service Delivery project was led by T&C in close cooperation with the Governance Global Practice. It developed a methodology to increase transparency and predictability in public service provision. In a country where public contracts account for 17 percent of GDP, late payments can have a stifling effect on firms, particularly small and medium enterprises. The team identified uneven regulatory implementation and wide variations in how firms were treated, then helped government design and implement solutions.



The South Asia Competitiveness Flagship Report, *South Asia's Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse*

FIAS-supported activities covered in the *FIAS 2017 Annual Review* were co-financed via a set of trust funds managed by a joint World Bank-IFC global practice under the Equitable Growth, Finance & Institutions Practice Group (EFI).

\$37.5m

total contributions for FY17 from all sources

\$32.9m

in FY17 project expenditures

\$18.7m

total for client-facing project expenditures in FY17

Financial results reported in this section cover the funds managed by T&C under the FIAS trust fund structure as well as supplemental funds earmarked for the implementation of the FIAS strategy. In administering the FIAS program, T&C followed IFC's standard accounting policies and procedures as noted below.³ FIAS financial reports use cash-based reporting in alignment with the quarterly financial reports on IFC's donor-funded operations.

Funding

Core, Programmatic and Project-Specific Contributions

In FY17 FIAS donors, clients, and the World Bank Group contributed a **total of \$37.5 million** (including trust fund administration fees of **\$1.1 million**) to the various FIAS trust funds, supporting the implementation of a broad-based investment climate reform program under the FIAS umbrella. Contributions from IFC in the form of allocations from the **Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS)** are treated as an additional source of funding for FIAS-related activities and are included in total FY17 FIAS contributions of \$37.5 million. In FY17 IFC's FMTAAS allocation totaled \$2.6 million (see details in *Table 1: Sources and Uses of Funds*). Overall, FY17 contributions were slightly below the annualized fundraising target of \$40.0 million based on the five-year funding goal of \$200 million as set out in the FIAS FY17–21 strategy document.

World Bank Group core contributions totaled \$7.0 million in FY17, including \$5.0 million from IFC and \$2.0 million from the World Bank. As

³ The FIAS Annual Review is prepared as a reporting tool for FIAS donors and management, utilizing management account principles.

noted, IFC's total contribution (\$5.0 million) was in the form of a direct contribution of \$2.0 million to a FIAS trust fund account and \$3.0 million as administrative budget to cover sustaining costs associated with the management of FIAS and IFC's advisory services global business. In addition, IFC contributed **\$2.6 million** from **FMTAAS** to support a range of global knowledge management and product design and development projects implemented under the FIAS umbrella. T&C uses FIAS core funds to supplement these global product activities. The total FY17 World Bank Group contribution to FIAS is \$9.6 million, or 25.6 percent of all FY17 FIAS contributions.⁴

Core contributions received from donors amounted to \$4.6 million in FY17. While most donors who supported FIAS during the FY12–16 strategy cycle provided consent to roll over the unused portions (i.e. fund balances) of their FY12–16 contributions to the new FY17–21 funding cycle, core donor contributions are well below expected fundraising targets. The total amount of core funding received in FY17 from the World Bank Group and donors amounted to approximately \$11.6 million, consisting of \$4.6 million in contributions from donors and \$7.0 million from the World Bank Group.

Programmatic contributions from donors made available through thematic and regional FIAS Trust Funds totaled approximately **\$16.0 million** in FY17. Lower-than-expected programmatic contributions from donors in the first year of a strategy cycle are not unprecedented, particularly in FY17 as large programs such as tax and trade were transferred to other implementing Global Practices.

In FY17, **project-specific contributions** from donor partners amounted to **\$7.3 million**, compared to \$6.0 million in FY16, reflecting strong donor interest in client-facing investment climate reform interventions and the trend among some donors to decentralize aid budgets to their local delegations or embassies.

⁴ Annual contributions from the World Bank are treated in the same manner as core donor funds and are co-mingled with other donor funds in the FIAS Parent Trust Fund account, as terms and conditions allow. Annual contributions from IFC are received as a direct contribution to a FIAS-dedicated trust fund and in the form of regular administrative budget for certain Advisory Services mainstreamed positions. Together they comprise IFC's annual contribution to the FIAS FY17–21 strategy cycle. Contributions received from IFC in the form of allocations from the Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS) are treated as an additional source of funding for FIAS-related activities.

The ability to generate **client contributions** is constrained due to the high concentration of FIAS activities in International Development Association (IDA) countries as well as countries in fragile and conflict-affected situations (FCS). In the case of FIAS co-financed projects managed by IFC regional units, client contributions typically are accounted for under the regional programs and are therefore not included as part of the financial results reported in the *FIAS Annual Review*.

In-Kind Support Via Staff Exchanges and Secondments

Throughout the previous strategy cycles the FIAS program has benefited from in-kind resources that several donors have made available in the form of secondments and staff exchanges. In FY17, a senior staff member from the Korean Ministry of Trade, Investment, and Energy was seconded to work on FIAS-funded activities. Such staff exchanges and secondments offer a way for FIAS partners to be directly involved in the program and establish direct connections between their respective private sector development programs and FIAS.

\$9.6m

the total FY17 World Bank Group contribution to FIAS is \$9.6 million

Financial Results 2017

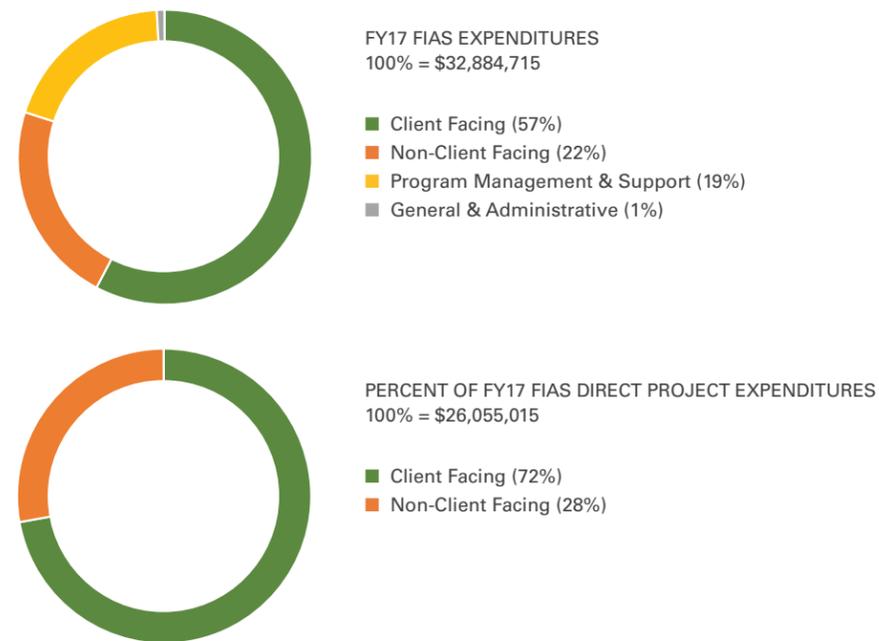
Use of Funds and Fund Balance

In FY17, FIAS expenditures for investment climate reform activities reached \$32.9 million, a 92 percent rate of spend against a strategic spending target of \$35.7 million in the first year of the FY17–21 funding cycle. While staff and consultant costs represent the largest share of total FY17 FIAS expenditures (48 and 32 percent, respectively), indirect costs (infrastructure, office occupancy, and other miscellaneous costs) remain relatively low at 5 percent (see *Table 1, Sources and Uses of Funds*).

In FY17, direct and indirect project-related expenditures accounted for 99 percent of total FIAS expenditures. The remaining 1 percent covered general and administration costs. To capture total project cost, general and administration costs such as office occupancy, communications and IT, equipment, etc. are accounted for as direct costs to the project. Administration fees are collected by IFC to cover trust fund administration costs and are deducted from donor contributions at the time of receipt. In FY17, IFC collected trust fund administration fees of \$1.1 million from FIAS donor contributions.⁵

At the end of FY17 fund balances in the various FIAS trust funds totaled **\$23.5 million**,⁶ including \$9.5 million of core funds and about \$14.0 million of program- and project-specific funds received under multi-year donor agreements. This amount is significantly lower than the fund balances in the various FIAS trust funds (\$37.2 million) reported at the end of FY16 due in large part to a shift in strategic focus and the exit of two product lines (Tax Transparency and Trade Facilitation). As noted above, the TFSP trust fund now stands on its own, independent of FIAS.

In line with prudent financial management principles, FIAS resources are strategically



⁵FIAS trust funds are subject to the standard IFC trust fund administration fee of 5 percent. Trust fund administration fees collected by IFC are included in *Table 1, Sources of Funds*.

⁶FIAS trust fund cash balances less outstanding consultant commitments and balances refunded to donors.

managed to avoid liquidity and cash-flow issues. The transition into the new FIAS FY17–21 strategy cycle presented specific challenges given the ambitious agenda undertaken in the first year.

FY17–21 Cycle: Fundraising Challenges

Between spring and summer 2016, all development partners supporting the FIAS Core FY12–16 trust fund provided consent to rollover their pro-rata share of the unused balance as of June 30, 2016. IFC and IBRD, which contributed to the trust fund, also provided consent. The total rollover amounted to \$10.6 million and facilitated a smooth transition between cycles. Indeed, thanks to this funding, FIAS commenced its operations as of the very beginning of the new cycle.

The FIAS-supported team is in the process of consolidating trust funds and once again encourages donors to make a portion of their contribution to FIAS available as core funding in support of the overall strategy. While overall fundraising results for the strategy cycle are strong, development partners are increasingly pledging resources toward a specific set of activities covered in the FIAS agenda. As of June 30, 2017, donor contributions to FIAS FY17–21 Core equal a yearly average of \$4.8 million, against the yearly average of \$9.5 million in the FY12–16 cycle. FIAS core donor support provides the needed flexibility to allocate FIAS funds to support the implementation of FIAS strategic priorities in the regions, including the ability to provide rapid response to emerging challenges faced by clients. In addition, core funding supports the design and development of global knowledge products which inform and facilitate the development of innovative client-facing solutions. The management team welcomes a continued engagement with development partners on this matter.

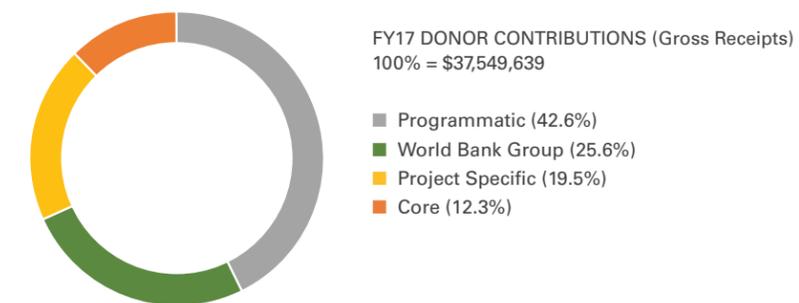


Table 1: Sources and Uses of Funds^a – In US\$ Thousands

SOURCES OF FUNDS	FY12–16 CYCLE	FY17–21 CYCLE	
		FY12–16 FUND BALANCE	FY17 RECEIPTS
WORLD BANK GROUP CONTRIBUTIONS			
Core Contributions			
IFC ¹	23,388,000	2,003,875	5,000,000
IBRD	8,000,000	1,221,162	2,000,000
MIGA	6,400,000		
Subtotal Core Contributions	37,788,000	3,225,037	7,000,000
Project-Specific and Other Contributions²			
IFC AS - Other Contributions - Project-Specific	9,939,000		1,882,864
IFC AS - Other Contributions - Business Development	478,000		
IFC AS - Other Contributions - Administration	3,132,000		716,477
Subtotal Project Specific and Other Contributions	13,549,000	-	2,599,341
Subtotal World Bank Group Contributions	51,337,000	3,225,037	9,599,341
CORE DONOR CONTRIBUTIONS			
Austria	3,205,000	463,349	1,045,800
Canada	17,377,000	2,354,970	
Ireland	1,186,000	224,319	632,130
Luxembourg	2,250,000	355,090	673,890
Netherlands	2,620,000	-	1,000,000
Norway	3,843,000	576,550	
Sweden	7,063,000	988,405	
Switzerland	1,500,000	1,316,406	1,250,000
United Kingdom	8,472,000	-	
Subtotal Core Donor Contributions	47,516,000	6,279,089	4,601,820
PROGRAMMATIC DONOR CONTRIBUTIONS			
Austria (IC Cooperation Program)	11,368,000	2,783,512	3,137,400
Australia (Investment Policy and Promotion)	1,449,000	681,147	712,073
EU (ECOWAS Investment Policy)	5,330,000	1,543,029	3,457,608
EU (Investment Policy and Promotion)			209,080
Ireland (Africa)	2,876,835	-	
Korea (Industry)	125,000	-	
Switzerland (Industry)	2,000,000	-	-
Switzerland (MCICP)		-	6,000,000
United Kingdom (BEED)		1,212,355	2,493,429
United States (Doing Business)	2,160,000	-	-
Subtotal Programmatic Donor Contributions	25,308,835	6,220,043	16,009,590
EXITED/EXITING PRODUCT LINES			
Australia (Trade Facilitation)	3,217,000		
Canada (Trade Facilitation)	1,821,000		
EU (ECOWAS Trade Logistics)	2,423,000		
EU (Trade Facilitation)	4,338,000		
Korea (Trade Logistics)	550,000		
Luxembourg (Tax Transparency)	989,000		
Netherlands (Investing Across Borders)	200,000		
Netherlands (Tax Transparency)	300,000		
Norway (Trade Facilitation)	5,504,000		
Norway (Trade Logistics)	1,000,000		
Switzerland (Tax Transparency)	3,100,000		
Switzerland (Tax)	2,500,000		
Switzerland (Trade Facilitation)	1,300,000		
United Kingdom (Tax Transparency)	2,133,000		
United Kingdom (Trade Facilitation)	754,000		
Subtotal Exiting Product Lines	30,129,000	-	-

Table 1: Sources and Uses of Funds^a – In US\$ Thousands (continued)

SOURCES OF FUNDS	FY12–16 CYCLE	FY17–21 CYCLE	
		FY12–16 FUND BALANCE	FY17 RECEIPTS
PROJECT SPECIFIC DONOR CONTRIBUTIONS			
European Commission	2,318,000	-	-
France	4,960,000	1,246,430	1,044,950
Gates Foundation	2,742,000	2,069,253	-
Kauffman Foundation	211,000	-	
Korea	200,000	-	
Trade MDTF	225,000	-	
Trademark East Africa	10,665,000	673,943	
USAID Legacy	10,205,000	1,334,850	1,424,353
USAID New		2,505,804	4,869,485
Subtotal Project Specific Donor Contributions	31,526,000	7,830,280	7,338,788
TOTAL WBG AND DONOR CONTRIBUTIONS	185,816,835	23,554,449	37,549,539
CLIENT CONTRIBUTIONS			
	699,000		
TOTAL RECEIPTS	186,515,835	23,554,449	37,549,539
<i>Trust Fund Administrative Fees³</i>	7,151,000		1,099,899
TOTAL (NET) RECEIPTS	179,364,835	23,554,449	36,449,640

	FY12–16 \$	FY12–16 %	FY17 \$	FY17 %
USES OF FUNDS⁴				
Staff	80,745,922	50%	15,724,142	48%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%
Travel	26,315,588	16%	5,053,184	15%
Indirect Costs	11,886,379	7%	1,604,318	5%
TOTAL USES OF FUNDS	160,092,902	100%	32,884,715	100%

1 Annual contributions from IFC are received as a direct contribution to a FIAS-dedicated trust fund account and in the form of Advisory Services (AS) administrative budget to cover staff costs of a number of mainstreamed positions related to FIAS. IFC's FY17 annual contribution to the FIAS FY17–21 funding cycle is \$5.0 million, \$2.0 million as a direct trust fund contribution and \$3.0 million as AS administrative budget.

2 Contributions received from IFC in the form of allocations from the Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS) are treated as an additional source of funding for FIAS-related activities.

3 Administration fees collected by IFC to cover the cost of trust fund administration.

4 Uses of Funds table includes expenditures from all sources of funds that support the FIAS FY17-21 strategic agenda. FIAS FY12-16 funding cycle expenditures (previously reported) have been adjusted for comparative purposes.

Table 2: Expenditures by Advisory Services (AS) Activity

STANDARD AS ACTIVITY EXPENDITURES	FY12–16 ACTUAL	% FY12–16 ACTUAL	FY17 ACTUAL	% FY17 ACTUAL
PROJECT RELATED EXPENDITURES				
of which: Direct Project Expenditures ¹	113,898,894	71%	26,055,015	79%
of which: Indirect Project Expenditures ²	38,121,978	24%	6,398,555	19%
TOTAL PROJECT RELATED EXPENDITURES	152,020,872	95%	32,453,570	99%
GENERAL & ADMINISTRATION COSTS³	8,072,031	5%	431,145	1%
TOTAL STANDARD AS ACTIVITY EXPENDITURES	160,092,902	100%	32,884,715	100%

1 Direct Project Expenditures include project preparation, implementation and supervision costs.

2 Indirect Project Expenditures include program management and operational support costs i.e. product development, M&E, knowledge sharing & staff development, donor relations, public relations and other non-overhead costs such as administrative and back-office support staff.

3 General & Administration includes overheads such as rent, communications, equipment, etc.

06 Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.1 FIAS / T&C GP Scorecard - Summary

STRATEGIC THEME	INDICATOR	Cumulative FY12–16	FY17	FY18	FY19	FY20	FY21	CUMULATIVE FY17–21	FY17–21 STRATEGY TARGET
1. Focus on Priority Clients	% of FIAS client-facing project implementation spend in IDA countries	75%	70%					70%	70%
	% of FIAS client-facing project implementation spend in Sub-Saharan Africa	55%	54%					54%	50%
	% of FIAS client-facing project implementation spend in FCS	29%	28%					28%	25%
2. Delivering Significant Business Results	Number of IC Reforms supported by FIAS	341	62					62	275
	% of IC reforms supported by FIAS in IDA countries	73%	58%					58%	70%
	% of IC reforms supported by FIAS in FCS countries	30%	21%					21%	25%
3. Client Satisfaction and Development Effectiveness	% of IC reforms supported by FIAS in Africa	66%	32%					32%	50%
	Client satisfaction: FIAS supported projects (results from IFC Client survey)	92%	90%					90%	90%
4. Measuring Impact	Development Effectiveness: FIAS supported projects (% of projects rated satisfactory in terms of development effectiveness)	88%	100%					100%	80%
	Direct Compliance Cost Savings	\$208M	\$8.7M					\$8.7M	\$250M
	Investment Generated via facilitation of FDI in priority sectors*	\$1.59B	\$153.2M					\$153.2M	\$1B
5. Leverage	Productivity**								TBD
	Jobs**								TBD
	IBRD and IFC investment operations informed and enabled by FIAS**								TBD

10/25/17

* The \$1 billion target for investment generated is derived using an improved methodology. Using the previous methodology, the comparable investment generated target would be \$2 billion for FY17–21, or double the target of the previous cycle.

** Methodology for setting targets for these indicators to be developed during FY17–21 cycle.



Reform Totals
FY17



Reforms By
Region



Publications,
Events



Funding Received
Per Projects



Spending
Per Project

Annexes

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
AFRICA			20	
Cabo Verde	Construction permits	Cabo Verde made dealing with construction permits easier by publishing all regulations related to construction online free of charge.	1	DB18
Cabo Verde	Trade logistics	Cabo Verde made exporting and importing easier by implementing an automated customs data management system, ASYCUDA World.	1	DB18
Cameroon	Getting credit	The Central Bank of Cameroon created a database with information on financial transactions through banks and other financial institutions, streamlining the process of accessing credit by making it easier to check information on the creditworthiness of borrowers.	1	DB18
Gabon	Construction permits	Gabon made dealing with construction permits easier by publishing all the procedures, costs, laws, and regulations pertaining to getting a construction permit on a government website.	1	DB18
Ghana	Construction permits	Ghana made information on obtaining construction permits more accessible by uploading relevant laws and information on procedures and fees to a government website.	1	DB18
Guinea	Investment policy - Entry	In April 2017 the Ministry of Mines adopted a policy on local content development focused on developing and expanding local supply chains, increasing the competitiveness of domestic firms, and adapting educational and vocational training to current market demands. The first step involved setting up a Department of Community Relations and Development of Local Content within the ministry. The work of the department focuses on agreements and conventions relating to local content and on promoting local employment and the hiring of domestic companies and non-governmental organizations. An external consulting firm was hired to collect data on existing levels of local content among mining operators and subcontractors in Guinea. A resulting report produced data from surveys and interviews with 12 mining operators and 138 local subcontractors. This data is being analyzed by the ministry to adopt appropriate implementation regulations. Another step towards the implementation involves creation of a National Suppliers Database, with a first pilot in the mining sector benefiting from Bank Group support. A call for proposals has been published and the team is reviewing submitted proposals.	1	DB18
Madagascar	Getting credit	The central bank has merged different credit databases covering all commercial banks and the majority of microfinance. Coverage has reached 5 percent of the adult population, the threshold to receive points in the <i>Doing Business</i> Getting Credit Indicator.	1	DB18
Madagascar	Starting a business	The government's economic development website now carries legal advertisements for business creation, eliminating the need to go to a local newspaper agency for publishing.	1	DB18
Malawi	Construction permits	The project supported the formation of Sector Working Groups and provided technical assistance in support of reforms. Among other steps, the Blantyre City Assembly published updated fees for services provided by the city council. Fees to obtain a building permit were halved from 0.8 per cent to 0.4 per cent of development costs.	1	DB18
Malawi	Getting credit	Secured creditors receive an automatic stay on enforcement when data is entered into a court-supervised reorganization procedure. Secured creditors may continue to enforce security with permission of the court before tax claims and employee claims. This provides the secured creditors with highest possible priority in insolvency proceedings. The implementation effort involved engagement with banks to follow up on submission of data to credit bureaus, and training of insolvency practitioners and registrar general staff.	1	DB17
Malawi	Resolving insolvency	In insolvency proceedings, new regulation of insolvency practitioners protects creditor rights. The reform streamlined the insolvency process by introducing a reorganized procedure and enabling debtors to remain in business during insolvency proceedings.	1	DB18
Mali	Investment policy - Promotion	API Mali, the country's investment promotion agency, has played an important role in the launch of 14 agribusiness investments with a total estimated value of \$9.7 million. Using the team's 40 percent attribution rate, this works out to \$3.9 million in investment generated that can be claimed by the project. These investments have also already created 223 jobs, with more than half going to women. Investors credit API with guiding business plan development, registration, licensing, and issuing exemptions. In a survey of investors, 13 of 14 companies said that API provided valuable assistance during their establishment process; 5 said that API was the most helpful agency they dealt with during their establishment process.	1	
Mauritius	Construction permits	Mauritius made dealing with construction permits easier by reducing the number of days to obtain a sewage connection through an online application, reducing the number of days to obtain a building and land use permit from 21 to 18 days, streamlining process to obtain building and land use permits	1	DB18
Mauritius	Property transfers	Mauritius made registering property easier by publishing service standards on its website, improving on transparency of the information index, and increasing the reliability of the infrastructure and land dispute resolution index. The reform reduced the number of days to register property from 2 to 0.5.	1	DB18
Mauritius	Starting a business	Mauritius made starting a business easier by updating its online business registration platform, reducing the time needed to incorporate a company after payment to two hours, eliminating the procedure to re-register with the social security office for starting a business, reducing the number of procedures for women to register a business by reducing the need to provide an identity card, and reducing the cost of starting a business by eliminating trade fees.	1	DB18

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects (continued)

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Seychelles	Construction permits	The Seychelles Planning Authority made building regulations available online, updating the website to include this information in May 2017. The reform has improved transparency by making legislation related to the construction industry easily available to the public.	1	DB18
Seychelles	Property transfers	In February 2017, the Seychelles launched a complaint mechanism for dealing with problems at the land and property registry. Complaints may now be filed online via a dedicated webpage.	1	DB18
Zambia	Tax simplification and compliance management	Zambia made paying taxes easier by introducing an online platform for filing and making payments. The government also reduced the property transfer tax rate.	1	DB18
Zambia	Trade logistics	Zambia made exporting and importing easier by implementing a web-based customs data management platform, ASYCUDA World.	1	DB18
Zimbabwe		Zimbabwe made business start-up more efficient by decreasing the time needed to register with the National Social Security Authority (NSSA) and by removing a requirement to publish the license application in a local newspaper. The Ministry of Local Government waived the need to advertise for businesses operating in designated areas. The Bank Group team provided technical support in business regulation reform. As part of the technical support provided to a number of government agencies, the Harare City Council, and a technical working group on starting a business, the team provided a granular reform action plan that identified issues hindering business start-up in Harare and making recommendations to streamline and eliminate a number of procedures. Specific focus was given to automation and reduction of time and cost to launch. The team facilitated a study visit to New Zealand (ranked No 1 in this <i>Doing Business</i> Indicator) for the working group on starting a business. Bank Group automation experts visited Harare to review ongoing efforts and advise on the best practices. The team prepared a number of technical notes addressing various components of the reform, including licensing simplification and one-stop-shop models. Zimbabwe has used the granular action plans and technical advice to design and prioritize reforms.	1	DB18
EAST ASIA AND THE PACIFIC			2	
Mongolia	Investment policy - Entry	The project provided technical assistance to the government and private sector resulting in abrogation of the Strategic Entities Foreign Investment Law and adoption of a new investment law. Under the old law, government had power of discretionary approval and takeover of any existing foreign investment in mining, the financial sector, and media. The new Investment Law eliminated arbitrary screening of FDI by private entities in these three sectors and other business sectors as well.	1	
Myanmar	Investment policy - Entry	The Bank Group worked with government to enact a new investment legal framework applicable to both domestic and foreign investors. The landmark reform opened a significant number of sectors to investment, significantly streamlining investment entry procedures and strengthening investment protection guarantees. The proposed legal framework was subject to the widest public consultation in the country over the last decade. The new law has already contributed to more than doubling the amount of FDI flowing into the country, from \$4.1 billion in 2014 to \$9.5 billion in 2016.	1	DB18
EUROPE AND CENTRAL ASIA			26	
Albania	Tax simplification and compliance management	Albania introduced an online system for filing taxes and making payments. Since 2007, Albania has been working on an online system for filing corporate income and value-added taxes, labor contributions, and payroll taxes. The platform first started for VAT declarations and for large taxpayers. In 2012 it was expanded to other types of taxes and taxpayers. However, the online system was not user-friendly. Under the upgraded system, business are required to file online.	1	DB17
Armenia	Inspections	Beginning in 2015, Armenia committed to inspection reform improve inspection outcomes and reduce burden for businesses. Resulting reform helps reduce the number of inspection bodies, eliminates potential overlaps and duplicating roles of inspectorates and other state agencies, clarifies their roles in dealing with specific types of risks, and focuses on risks in planning inspections. The new inspection regime also introduces a notification and information system to alert businesses of requirements and expectations from inspectors. Inspectorates have shifted to a risk-based inspection system; the government adopted checklists and created new inspectorates while reducing the overall number of inspections bodies.	1	
Armenia	Investment policy - Incentives	To increase the transparency and create a comprehensive incentives inventory, the government published a comprehensive mapping of all incentives provided to investors across the different legislations and levels of government. The inventory is available in English and Armenian, with each incentive linked to additional information on relevant legal frameworks, eligibility criteria, administrative and monitoring bodies, and policy objectives. All agencies offering incentives to foreign and domestic investors are instructed to participate in this process. The inventory, with supporting documents, is published at the Ministry of Economic Development and Investments website.	1	
Azerbaijan	Enforcing contracts	Azerbaijan made enforcing contracts easier by introducing a system that allows users to pay court fees electronically. Court fees are regulated by the Law On Stamp duties, which contains a series of provisions on the electronic payment of fees. The law has been under implementation since November 2016. Court fees can now be paid electronically for the Baku Administrative Commercial Court through a government payment portal.	1	DB18

Continued on next page

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects (continued)

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Azerbaijan	Protecting investors	Azerbaijan strengthened minority investor protections by increasing shareholder rights and roles in majority corporate decisions, clarifying ownership and control structures, and requiring greater corporate transparency.	1	DB18
Bosnia and Herzegovina	Investment policy - Incentives	The reform increased information sharing on incentives via an open online inventory. An inventory of incentives has been made available for 10 municipalities, with incentives accessible in English and the local language. This new online access is improving the transparency and governance of incentives for foreign and domestic investors.	1	
Bosnia and Herzegovina	Licenses and permits	The team's intervention combined work in several subnational localities (municipalities and cantons) into one reform. Project work was instrumental in streamlining licenses and permits related to business operations through a system review that proposed ways to simplify and eliminate regulation at the municipal level. Five municipalities and the Sarajevo canton were involved in an effort that began in the fall of 2015 and finished in December 2016. Results have been verified on the ground independently since then, enabling the team to report as of the end of FY17. The effort involved review of 594 business licenses and permits in these localities. The review led to streamlining of licenses and permits, reducing processing time, costs and fees, and documentation. It also led to improved online access to these licenses and permits. Over 85 percent of business procedures were improved or eliminated; related costs declined by 28 percent from the pre-reform baseline in these six localities. Waiting time was reduced by approximately 22 percent, and average taxes and fees were reduced by 11 percent. Each locality had a minimum of three business-related regulations that were significantly changed, for example, local administrative stamp duties and local fees for businesses, local permits and licenses and administrative deadlines for processing requests. The improvements were verified by the Europe and Central Asia monitoring and evaluation team. In addition, the project helped establish six electronic registries of licenses and permits that reduced the risk of unclear legal requirements for businesses. All relevant information related to each single administrative procedure can be found on these e-registries along with submission forms. The online system provides transparency and clearly sets out the required steps. Officials must meet specific deadlines for processing submissions; the deadlines are publicly available and included on all submission forms.	1	
Croatia	Property transfers	Croatia made it easier to transfer property by decreasing the real estate transfer tax from 5 percent to 4 percent.	1	DB18
Kazakhstan	Enforcing contracts	Kazakhstan made enforcing contracts easier by introducing additional time standards for key court events that are respected in the majority of cases. A law passed in February 2017 included amendments relating to banking and improving conditions for entrepreneurial activity. Among the changes in the civil procedure code, the law sets additional time standards for key court events in civil cases.	1	DB18
Kazakhstan	Property transfers	1. Kazakhstan made it easier to transfer a property by improving transparency and land dispute resolution mechanisms of the land administration system. Under the reform, land registration plans were made available in Almaty on a government website. Citizens can access the information by creating an account on the website using their identification number. 2. In February 2017, the government of Kazakhstan started publishing statistics on the number of land disputes in the first instance.	1	DB18
Kazakhstan	Protecting investors	Kazakhstan strengthened minority investor protections by increasing shareholder rights and roles in major corporate decisions, clarifying ownership and control structures, requiring greater corporate transparency, and allowing greater access to corporate information during trials. The new law, which took effect in March 2017, directly addresses shareholders rights, ownership and control structure, corporate transparency, and the ease of shareholders suits. In relation to limited liability companies, the amendments introduced an optional external audit for medium-sized LLCs and mandatory external audits for large LLCs when certain thresholds are satisfied. Regarding joint stock companies, the law clarified the procedure and set time limits for payment of dividends and introduced a requirement that shareholder approve issuance of new shares. The reform also clarified the right of parties in corporate disputes to request documents relevant to a case without identifying each specific document.	1	DB18
Kosovo	Getting credit	Getting credit Kosovo strengthened access to credit by adopting a new law that establishes clear priority rules inside bankruptcy for secured creditors and clear grounds for relief from a stay for secured creditors in reorganization procedures.	1	DB18
Kosovo	Starting a business	Kosovo made starting a business easier by simplifying the process to register employees. The reform changed the process to register employees so that separate registration of employees is no longer required, and companies register new employees through their regular monthly payroll tax return.	1	DB18
Kosovo	Resolving insolvency	Kosovo made resolving insolvency easier by introducing a legal framework for corporate insolvency, making liquidation and reorganization procedures available to debtors and creditors.	1	

Continued on next page

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects (continued)

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Kyrgyz Republic	Getting credit	The Kyrgyz Republic improved its credit information system by adopting a new law on exchanging credit information. The law, which entered into force on July 16, 2016, fully regulates the activities of credit bureaus, establishing a procedure for sharing information between data users, data providers, credit bureaus, and public authorities. Businesses and individuals have the right to receive a credit report from a licensed credit bureau free of charge once a year. Additionally, the law guarantees borrower rights to inspect their own credit data. A related bylaw outlines which documents the prospective credit bureaus need to submit to the National Bank of the Kyrgyz Republic in order to be licensed. A further provision which went into force in October 2016 sets out specific requirements for activities of a credit bureau such as ensuring reliability and safety of data, providing credit reports, managing changes in credit history, organizing internal audit of the activities of the credit bureau, and supervising the activities of the credit bureau.	1	DB18
Kyrgyz Republic	Tax simplification and compliance management	The government introduced innovative methods of making tax payments for small and medium businesses. Electronic tax payment options through point-of-service terminals, ATM machines, Internet banking, and mobile banking and electronic purse are available in eight banks, enabling taxpayers to save money and time, eliminate direct contact between an entrepreneur and tax inspector, and enhance the tax transparency. To increase the awareness among stakeholders, informative materials were developed and made available online. The State Tax Service reports that the amount of non-cash payments has significantly increased from 2013 to 2016.	1	
Kyrgyz Republic	Tax simplification and compliance management	A revision to the tax code reduces tax filing frequency for small and medium enterprises from monthly to quarterly. The project provided assistance in drafting and promoting amendments. It will reduce tax compliance costs of a majority of businesses. As of the end of 2016, nearly 33,000 taxpayers had benefited from the improved tax administration.	1	
Serbia	Construction permits	Serbia made dealing with construction permits faster by implementing an online system and streamlining the process of obtaining technical conditions for building permits. The reform was made possible due to the implementation of a new Law on construction permitting which significantly simplified permitting and introduced electronic permits. The project provided training for local governments to assure successful implementation. The newly developed e-permitting software received and processed 35,000 applications in the first eight months of 2016, of which 90 percent were resolved. Serbia was able to reduce the time for construction permitting from 272 days and 18 procedures to 150 days and 12 procedures.	1	DB17
Serbia	Enforcing contracts	Serbia adopted a law to broaden and clarify the competence of enforcement agents and the powers of the courts in enforcement proceedings. The law entered into force in July 2016. Its main purpose is to eliminate deficiencies of the previous enforcement regime by broadening enforcement officer powers, increase judicial oversight of the work of enforcement officers, improve the appeals mechanism against enforcement decisions, provide clearer definitions of legal solutions in order to avoid ambiguities in their application, and include a clearer definition of the status and role of enforcement officers.	1	DB18
Serbia	Starting a business	Serbia made starting a business easier by reducing the signature certification fee and increasing the efficiency of the registry, reducing the time for business registration.	1	DB18
Tajikistan	Starting a business	Tajikistan made starting a business easier by doubling the revenue threshold for mandatory VAT registration under a new law adopted in November 2016.	1	DB18
Tajikistan	Tax simplification and compliance management	The tax authority approved a new risk-based audit system throughout the country. The measure ensures that data is shared between the regions and the center in electronic form, thus enabling risk-based auditing and also clearing the way for subsequent reforms such as VAT and e-filing. A single risk-based audit system is used nationwide, ensuring consistency and quality in audit selection and allowing government to adjust the model if needed. Under the measure, local tax offices effectively lose their discretion in selecting audits, removing a source of potential corruption and abuse. The number of tax audits has decreased from 2,026 in 2015 to 1,883 in 2016, while tax revenues increased by 34 percent from 2015 to 2016.	1	
Uzbekistan	Protecting investors	Uzbekistan strengthened minority investor protections by increasing corporate transparency requirements. In December 2016, the Ministry of Justice of Uzbekistan amended rules relevant to the <i>Doing Business</i> Protecting Minority Investors indicator. The reform affects disclosure requirements for listed companies and now includes information regarding executive and supervisory board member remuneration and compensation.	1	DB18
Uzbekistan	Starting a business	Uzbekistan made starting a business easier by rolling out a new platform for business registration, starting with name verification as the first step.	1	DB18
Uzbekistan	Tax simplification and compliance management	Uzbekistan made paying taxes easier and less costly by introducing an electronic system for filing and paying VAT, land tax, unified social payment, CIT, infrastructure development tax, environmental tax, personal pension fund contributions, and cumulative pension contributions.	1	DB18
Uzbekistan	Construction permits	Uzbekistan made dealing with construction permits easier by streamlining the process of obtaining approvals of land plot allocations from various agencies.	1	DB18
LATIN AMERICA AND THE CARIBBEAN			4	
El Salvador	Construction permits	El Salvador initiated reforms in construction permitting and implemented an automated system that has decreased the number of procedures needed to obtain a construction permit from 24 to 23 and gained three points in the Building Quality Index.	1	DB18

Continued on next page

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects (continued)

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Guyana	Property transfers	The team provided the government with diagnostic findings and recommendations across a variety of <i>Doing Business</i> indicators, including Registering property. A followup mission in 2017 engaged key stakeholders related to property registration and the Ministers of Business and Finance to discuss reform in this area. The efforts to increase transparency and efficiency at the property registry are ongoing under this engagement. The effort began with high-level decisions to allocate more resources to improve operations. This reform decreased the time needed for registering property from 75 to 45 days.	1	DB18
Panama	Resolving insolvency	The team delivered a <i>Doing Business</i> Memorandum to Panama, which updated the previous memo from 2014. Both included reform recommendations in the area of resolving insolvency, including comments to the draft insolvency law which was passed in March 2016 and became effective in January 2017. As recorded by <i>Doing Business</i> , the new legislation has increased the strength of the insolvency framework index by 2 points.	1	DB18
St. Kitts and Nevis	Trade logistics	St. Kitts and Nevis made trading across borders easier by updating its website and implementing ASYCUDA, the automated customs data management system, reducing documentary compliance time for exports and imports. The project supported the customs department in developing a guide for import and export procedures now available on its website.	1	DB18
MENA			4	
Egypt, Arab Rep.	Protecting investors	Egypt strengthened minority investor protections by increasing shareholder rights and roles in major corporate decisions. In 2016, the team prepared a reform recommendations matrix that included short-, medium-, and long-term recommendations on how Egypt can improve the regulatory environment for businesses in line with global good practices. The matrix included recommendations on protecting minority investors. All recommendations for this indicator were implemented over the last <i>Doing Business</i> reporting cycle.	1	DB18
Iraq	Starting a business	The team supported Iraq's business environment reform effort beginning in March 2017. Tax identification numbers are now issued with the certificate of incorporation. Entrepreneurs are no longer required to register separately with the tax authority. In addition, since January 2017, the time to register a company has declined due to an increase in resources at the registry and improvement of the online registration system. Iraq made starting a business easier by combining multiple registration procedures and reducing the time to register a company.	1	DB18
Iraq	Getting credit	The project team helped Iraq establish a new credit registry, managed by the Central Bank of Iraq. First legally established in October 2014, the registry listed 234,967 consumers and 4,877 commercial borrowers as of January 2017, with information on their borrowing history over the past five years.	1	DB18
West Bank and Gaza	Getting credit	The Bank Group team traveled to Ramallah in December 2015 to meet with relevant public and private stakeholders in response to a request from the Ministry of National Economy for assistance in improving the investment climate in 8 of the 10 areas covered by the <i>Doing Business</i> report, including the Getting credit indicator. A reform recommendations matrix was prepared with short-, medium-, and long-term recommendations on how the Palestinian Authority can improve the regulatory environment for businesses in line with global good practices, including recommendations in the area of Getting credit. The West Bank and Gaza strengthened access to credit by introducing a new secured transactions law and by setting up a new collateral registry. The new law implemented a functional secured transactions system.	1	DB18
SOUTH ASIA			6	
India	Starting a business	India made starting a business faster by merging the applications for permanent account number and the tax account number, and by improving the online application system. This reform applies to both Delhi and Mumbai. Mumbai also made starting a business faster by merging the applications for the value-added tax and the profession tax.	1	DB18
India	Protecting minority investors	India strengthened minority investor protections by increasing the remedies available in cases of prejudicial transactions between interested parties. This reform applies to both Delhi and Mumbai.	1	DB18
India	Enforcing Contracts	India made enforcing contracts easier by introducing the National Judicial Data Grid, which makes it possible to generate case measurement reports on local counts. This reform applies to both Delhi and Mumbai.	1	DB18
India	Getting credit	India strengthened access to credit by amending the rules of priority of secured creditors outside organizations proceedings and by adopting a new law on insolvency that provides a time limit and clear grounds for relief to the automatic stay for secured creditors during reorganization proceedings. This reform applies to both Delhi and Mumbai.	1	DB18
India	Construction permits	India made dealing with construction permits less cumbersome by implementing an online system that has streamlined the process in New Delhi and Mumbai. The online system has streamlined the process of obtaining a building permit, thereby reducing the number of procedures and the time required to obtain a building permit in India.	1	DB18
India	Resolving Insolvency	India made resolving insolvency easier by adopting a new insolvency and bankruptcy code that introduced a reorganization procedure for corporate debtors and facilitated continuation of a debtor's business during insolvency proceedings. This reform applies to both Delhi and Mumbai.	1	DB18
Grand Total			62	

Annex 2: PORTFOLIO OF FIAS-FUNDED PROJECTS IN FY17

2.1 FIAS-Funded Client-Facing Projects Mapped to the World Bank Group Trade and Competitiveness Global Practice

REGION CODE	COUNTRY	PROJECT NAME	TOTAL FUNDING	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURES	PROJECT STATUS
EAST ASIA AND THE PACIFIC						
EAP	Timor-Leste	Timor-Leste Investment Policy and Promotion	182,450	87,143	82,663	ACTIVE
EAP	Cambodia	Cambodia investment diversification	2,016,229	371,691	177,061	ACTIVE
EAP	Solomon Islands	Pacific Investment Climate Rapid Response	2,088,528	551,178	192,234	ACTIVE
EAP	Lao People's Democratic Republic	Lao PDR Investment Climate Reform	2,068,694	203,446	203,446	ACTIVE
EAP	Myanmar	Myanmar Investment Policy	2,162,133	586,730	40,983	ACTIVE
EAP	Mongolia	Mongolia Investment Policy and Agribusiness Investment Promotion Project	2,050,467	483,525	287,718	ACTIVE
EAP	Vietnam	Vietnam Private Sector Competitiveness	4,638,081	373,513	373,513	ACTIVE
EUROPE AND CENTRAL ASIA						
ECA	Albania	Albania Investment climate and agribusiness competitiveness	2,485,640	505,430	501,843	ACTIVE
ECA	Eastern Europe Region	Indicator Based Reform Advisory in ECA	1,344,523	208,059	208,059	ACTIVE
ECA	Kosovo	Kosovo Investment Climate II	2,564,045	69,660	69,660	ACTIVE
ECA	Kyrgyz Republic	Central Asia Tax Project	5,083,691	719,986	79,119	ACTIVE
ECA	Georgia	Georgia IC Project	1,834,000	372,372	105,193	ACTIVE
ECA	Kyrgyz Republic	Central Asia Trade Logistics Project	4,604,448	504,582	162,740	ACTIVE
ECA	Azerbaijan	Azerbaijan Agribusiness Competitiveness	3,350,000	248,217	248,217	HOLD
ECA	Georgia	Georgia Trade and Investment Project	2,020,000	55,669	55,669	ACTIVE
ECA	Armenia	Armenia Investment Climate II	1,508,451	632,152	178,838	ACTIVE
ECA	Bosnia and Herzegovina	Bosnia and Herzegovina Local Investment-Friendly Environment (LIFE)	8,226,202	635,346	18,103	ACTIVE
ECA	Kyrgyz Republic	Kyrgyz Republic Investment Climate	2,826,762	706,614	42,219	ACTIVE
ECA	Belarus	Belarus: National Quality Infrastructure and Business Regulatory Reform Program 2014 - 2016	3,431,041	836,672	391,303	ACTIVE
LATIN AMERICA AND THE CARIBBEAN						
LAC	Latin America Region	Pacific Alliance Intra-regional investment facilitation initiative	29,143	29,385	29,385	ACTIVE
LAC	Latin America Region	Investment Promotion in Pacific Alliance	382,872	43,350	43,350	ACTIVE
LAC	Latin America Region	Services Trade in the Pacific Alliance	337,985	57,131	57,131	ACTIVE
LAC	Peru	Supporting Peru Raise to OECD Standards	935,367	97,957	97,957	ACTIVE
LAC	Latin America Region	Promoting Competition in Latin America and the Caribbean	250,000	140,021	140,021	ACTIVE
LAC	Latin America Region	Indicator Based Reform Advisory in LAC	3,168,899	738,994	436,138	ACTIVE
LAC	Colombia	Investment Policy Colombia	775,163	37,353	32,393	ACTIVE
LAC	Latin America Region	Central America Regional Agribusiness Trade Logistics Project	2,959,029	656,960	603,057	ACTIVE
LAC	Latin America Region	Taxation Knowledge Management in LAC	943,661	156,872	56,261	ACTIVE
MIDDLE EAST AND NORTH AFRICA						
MENA	Egypt, Arab Rep.	ICT Investment Policy in Egypt	1,820,298	42,350	42,350	HOLD
MENA	Tunisia	Tunisia E4E ICT	1,116,969	330,635	55,878	ACTIVE
MENA	Egypt, Arab Rep.	E4E ICT Sector Egypt	1,548,118	567,675	96,489	ACTIVE
MENA	Egypt, Arab Rep.	Egypt Competitiveness Program	1,870,701	431,858	431,858	ACTIVE
MENA	Jordan	Jordan Investment Reform Project	732,094	565,041	565,041	ACTIVE
MENA	Tunisia	Value Chains for Growth Jobs and Economic Inclusion	2,000,000	78,705	78,705	ACTIVE
MENA	MENA Region	IBRA Project in the MENA Region	1,384,205	164,308	164,308	ACTIVE
MENA	Morocco	Morocco Quality of Public Service Delivery and Transparency to Improve the Investment Climate	517,601	67,628	49,995	CLOSED

Continued on next page

Annex 2: PORTFOLIO OF FIAS-SUPPORTED PROJECTS IN FY17

2.1 FIAS-Funded Client-Facing Projects Mapped to the World Bank Group Trade and Competitiveness Global Practice

REGION CODE	COUNTRY	PROJECT NAME	TOTAL FUNDING	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURES	PROJECT STATUS
SOUTH ASIA						
SA	Nepal	Nepal Investment Climate for Industry	2,784,213	372,596	123,656	ACTIVE
SA	India	Buddhist Circuit Tourism: Facilitating Growth Corridors in UP and Bihar	2,377,748	29,018	21,722	ACTIVE
SA	Southern Asia Region	Rapid Response IC for Investments	140,563	58,569	58,569	ACTIVE
SA	Southern Asia Region	SARTI Investment Policy	3,002,000	542,849	337,314	ACTIVE
SA	Bhutan	Financial Infrastructure Project Bhutan	1,322,686	374,825	26,493	ACTIVE
SA	India	India Ease of Doing Business	2,742,638	574,198	56,694	ACTIVE
SA	Afghanistan	Afghanistan Investment Climate Program	289,756	101,539	101,539	ACTIVE
SA	Afghanistan	Afghanistan Business Registration and Licensing Reform Phase II Project	2,000,000	328,678	328,678	ACTIVE
SA	Afghanistan	Afghanistan Construction Permits Reform Project	1,012,000	144,630	144,630	ACTIVE
SUB-SAHARAN AFRICA						
SSA	Somalia	Somalia Investment Climate Reform Program	2,515,873	1,224,874	800,642	ACTIVE
SSA	Madagascar	Madagascar Investment Climate Reform Program	2,650,000	714,707	107,592	ACTIVE
SSA	Africa Region	SSA IBRA 3	2,000,000	12,597	12,597	ACTIVE
SSA	Guinea	Guinea Investment Climate Phase 2 Mining Linkages	2,173,001	342,570	27,810	ACTIVE
SSA	Swaziland	Swaziland Investment Climate Program	2,290,000	157,565	29,714	ACTIVE
SSA	Angola	Angola Investment Climate Reform	650,000	45,698	45,698	ACTIVE
SSA	Africa Region	IC Rapid Response III	2,628,598	693,100	385,771	ACTIVE
SSA	Lesotho	Lesotho Investment Climate Program	1,395,864	253,767	54,740	ACTIVE
SSA	Guinea-Bissau	Guinea-Bissau Cashew Sector Development Project	1,195,000	451,423	58,214	ACTIVE
SSA	Senegal	Warehouse Receipts System Development in Senegal	1,234,588	379,958	60,030	ACTIVE
SSA	Mozambique	Mozambique Investment Climate Program 2	4,500,000	73,645	73,645	ACTIVE
SSA	South Sudan	South Sudan Phase 3 (Client Engagement)	890,123	115,872	80,549	HOLD
SSA	Cote D'Ivoire	Cote d'Ivoire Investment Climate Program - Phase 2	1,790,000	84,535	84,535	ACTIVE
SSA	Central Africa Region	Improved Investment climate in the CEMAC	600,000	88,499	88,499	ACTIVE
SSA	Africa Region	IC Gender program in SSA	1,700,000	97,274	97,279	ACTIVE
SSA	Sudan	Sudan Investment Climate Program	2,550,000	100,470	100,470	ACTIVE
SSA	Western Africa Region	Invest West Africa - regional	2,310,000	608,515	543,441	ACTIVE
SSA	Malawi	Promoting competition in SSA	1,309,251	210,534	154,477	ACTIVE
SSA	Malawi	Malawi IC - PSD	400,000	193,992	193,992	ACTIVE
SSA	Burundi	Burundi Industry Competitiveness Support Program	1,191,226	379,214	209,564	ACTIVE
SSA	Congo, Democratic Republic of	Improving DRC's Investment Climate at National and Provincial Levels	1,600,000	568,576	305,924	ACTIVE
SSA	Africa Region	Indicator-Based Reform in Sub-Saharan Africa	2,067,938	436,105	350,715	ACTIVE
SSA	Zambia	Zambia Investment Climate Program III	3,273,926	516,350	403,856	ACTIVE
SSA	Cameroon	CAMEROON COLLATERAL REGISTRY PROJECT	160,000	113,723	113,723	ACTIVE
SSA	Western Africa Region	OHADA Uniform Acts Reform Phase 2	4,709,027	1,306,620	1,306,620	ACTIVE
SSA	Western Africa Region	Investment Policy Reform for West Africa Regional Organizations	10,350,000	2,294,550	2,294,550	ACTIVE
SSA	Eastern Africa Region	East African Community IC Phase 2	6,527,056	764,148	667,276	ACTIVE
SSA	Ethiopia	Livestock Micro Reforms for African Agribusiness	619,636	156,969	158,173	ACTIVE
SSA	Tanzania	Tanzania Livestock MIRA	2,100,000	337,255	337,255	ACTIVE
SSA	Ethiopia	Ethiopia - Livestock - MIRA	2,100,890	531,353	531,353	ACTIVE
SSA	Zambia	Zambia Investment Climate Program II	2,847,380	449,934	55,458	ACTIVE
SSA	Mali	Mali Investment Climate Program Economy Wide	2,187,590	338,170	328,059	ACTIVE
WORLD						
WLD	World Region	Competition Policy for Investment Climate	2,439,946	465,642	463,645	ACTIVE
WLD	World Region	Good Regulatory Practices Pilots in T&C and GGP	2,535,830	577,740	501,044	ACTIVE

Annex 2: PORTFOLIO OF FIAS-SUPPORTED PROJECTS IN FY17

2.2 FIAS-Funded Knowledge Management and Product Development Projects Mapped to the World Bank Group

Trade and Competitiveness Global Practice

REGION	PROJECT NAME	TOTAL FUNDING	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURE	PROJECT STAGE
World	Investment Climate Applied Research PDP	\$2,216,744	753,599	731,362	PORTFOLIO
World	Investment Policy and Promotion Product Development	\$755,335	489,320	489,320	PORTFOLIO
World	Improving MNE-domestic firm linkages for DVA	\$300,000	287,483	287,483	PORTFOLIO
World	Investment Climate Indicator Based Reform	\$360,000	316,362	316,362	PORTFOLIO
World	Business Environment Reforms	\$500,000	457,165	457,165	PORTFOLIO
World	T&C Skills for Competitiveness PDP	\$590,000	228,371	228,371	PORTFOLIO
World	Creative Industries PDP	\$236,368	118,294	118,294	PORTFOLIO
World	Gender in Trade and Competitiveness	\$805,982	558,096	640,558	PORTFOLIO
World	Spatial Solutions PDP	\$350,000	337,925	337,925	PORTFOLIO
World	Good Regulatory Practice Program — Governance GP components	\$535,000	224,328	98,548	PORTFOLIO
World	Agribusiness PDP	\$2,925,000	946,479	946,479	PORTFOLIO
World	Competitiveness Policy Evaluation Lab 1	\$1,139,329	797,689	797,689	PORTFOLIO
World	Supporting High-Growth Businesses	\$273,295	189,289	189,289	PORTFOLIO
World	Good Regulatory Practices Program in T&C GP	\$776,047	341,957	341,957	PORTFOLIO
World	Tourism PDP T&C	\$410,000	379,608	379,608	PORTFOLIO
World	Global Competition Policy PDP II	\$418,750	287,965	287,965	PORTFOLIO
World	National Quality Infrastructure	\$450,000	255,543	255,543	PORTFOLIO
World	IT Enabled Services PDP	\$128,254	60,702	60,702	PORTFOLIO
World	T&C Manufacturing Product Development Project	\$820,148	133,341	133,341	PORTFOLIO
World	Climate Competitive Industries 2	\$309,850	307,007	291,682	PORTFOLIO

Annex 3: KEY FY17 PUBLICATIONS, EVENTS

3.1 Publication Highlights

In FY17, FIAS funding supported T&C's development of a wide range of publications to help guide government policymakers and practitioners (within client governments and inside the World Bank Group), present new research findings and their policy applications, and provide diagnostic tools and hands-on resources for implementing reforms. All publications are available at www.worldbank.org unless otherwise indicated.

Global and Regional Reports, Toolkits, and Guidance

The Africa Competitiveness Report 2017: Addressing Africa's Demographic Dividend, a biennial publication jointly produced by the World Economic Forum, the African Development Bank, and the World Bank Group, finds that the ability of Africa's economies to generate enough jobs for its young and growing population rests on the successful implementation of urgent structural reforms to boost productivity. (May 2017)

Automotive in South Asia: From Fringe to Global, a case study about one of the most important industries globally and in South Asia, identifies both reasons for success and limits on the growth of automotive in South Asia and recommends policies to enhance the sector's growth. (2016)

Climate Competitive Industries: A Practitioner's Handbook provides step-by-step guidance on how to design, develop, and implement reform programs that can help governments improve the competitiveness of their manufacturing industries by adopting cleaner technologies and more efficient practices. (January 2017)

Global Trade Watch – Trade Developments in 2016: Policy Uncertainty Weighs on World Trade addresses three questions concerning recent trade developments—What is happening? Why? Does it matter?—and reviews 2016, the fifth consecutive year of sluggish trade growth and the year with the weakest trade performance since the aftermath of the 2008 global financial crisis. (February 2017)

A Greener Path to Competitiveness: Policies for Climate Action in Industries and Products helps chart a path to industrial competitiveness through policy and technology interventions that improve industrial operations. It explores how industrial products can become greener through public standards, while companies and countries maintain, and even increase, competitiveness. (July 2016)

A Guide to Warehouse Receipt Financing Reform: Legislative Reform provides technical advice and guidance on aspects related to the implementation of the law and regulations governing the operation of warehouses, warehouse licensing and supervision, and the issuance and role of documents of title in emerging market countries. (October 2016)

Harnessing the Power of Big Data for Trade and Competitiveness Policy, prepared in collaboration with Deloitte Consulting LLP, highlights T&C data-driven pilot projects under way and shares compelling cases of how big data is changing the way the development community looks at the challenges countries are facing and how they can best be supported. (March 2017)

How to Make Grants a Better Match for Private Sector Development reviews 106 matching grant projects implemented by the World Bank since the 1990s and assesses nine design and implementation features and their links with project outcomes. (2016)

Mainstreaming Eco-Industrial Parks, based primarily on a global conference, provides recent thinking on eco-industrial parks, compiling experiences from different countries and providing a vision on how these initiatives can be scaled up or mainstreamed. (July 2016)

Making Trade an Engine of Growth for All: The Case for Trade and for Policies to Facilitate Adjustment stresses the role of supporting domestic policies and prompt attention to individuals and communities at risk of being left behind from the past several decades of global economic growth that has lifted incomes across advanced, emerging, and developing countries. Together with domestic policies, further trade integration and strengthening of the rules-based trading system will be essential to achieve inclusive global growth. (March 2017)

Maximizing Potential Benefits of FDI for Competitiveness and Sustainable Development: World Bank Group report on investment policy and promotion diagnostics and tools aims to serve as a guide for governments in setting priorities and policies that lead to concrete and measurable results in FDI attraction, retention, and benefits to the local economy. (May 2017)

Annex 3: KEY FY17 PUBLICATIONS, EVENTS

3.1 Publication Highlights (continued)

Mobilizing the Middle East and North Africa Diaspora for Economic Integration and Entrepreneurship advocates for the need to rally the Middle East and North Africa professional and skilled diaspora, discusses the findings of a unique outreach exercise to the MENA diaspora, and provides policy recommendations. (*Foreign Trade, FDI, and Capital Flows Study*, December 2016)

Public-Private Dialogue Stakeholder Mapping Toolkit: A Practical Guide for Stakeholder Analysis in PPD Using the Net-Map Method provides an option for stakeholder mapping that helps practitioners design and implement dialogue platforms as part of their reform projects, including a step-by-step approach to anticipate and address issues that may arise at various project stages. (July 2016)

Reaping Digital Dividends: Leveraging the Internet for Development in Europe and Central Asia investigates the barriers that are holding back the broader adoption of the internet in Europe and Central Asia. It identifies the main bottlenecks and provides policy recommendations tailored to economies at varying levels of digital development. (*Europe and Central Asia Studies*, March 2017)

South Asia's Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse examines three critical and relatively understudied drivers of competitiveness: economies of agglomeration; participation in global value chains; and firm capabilities. It focuses on four case studies in the critical industries of apparel, automotive, electronics, and agribusiness. (*South Asia Development Matters*, October 2016)

Towards a G20 Strategy for Promoting Inclusive Global Value Chains analyzes the focus of the G20 Trade and Investment Working Group and elaborates priority actions in the areas of priority policies for improving SME and developing country participation in GVCs, primarily in the key areas of trade and investment; targeted capacity building initiatives for better GVC integration in developing countries; and priority actions to expand data and analytical capacity. (July 2016)

Research Studies (published as World Bank Policy Research Working Papers)

All These Worlds Are Yours Except India: The Effectiveness of Export Subsidies in Nepal evaluates the effect on firm-level export outcomes of Nepal's Cash Incentive Scheme for Exports program. The findings suggest that although the cash subsidy has not produced a significant increase in

exports, it has achieved a positive impact on export diversification for firms that were already satisfying the scheme's eligibility criteria. (Policy Research Working Paper no. 8009, March 2017)

Can Enhancing the Benefits of Formalization Induce Informal Firms to Become Formal? Experimental Evidence from Benin discusses a randomized experiment based around the introduction of the entrepreneur legal status in Benin, which is used to provide evidence from an African context on the willingness of informal firms to register after introducing a simple, free registration process. (Policy Research Working Paper, no. 7900, November 2016)

"Create" or "Buy": Internal vs. External Sources of Innovation and Firm Productivity considers the possibility that "creating" and "buying" substitute for each other in Tunisia, where resources are limited, assuming the effect of innovation is not linear or requires a certain amount of investment (threshold) to positively affect productivity. The findings suggest that innovation policy in Tunisia should emphasize adoption and adaptation, rather than creation and innovation. (Policy Research Working Paper no. 8121, June 2017)

Disaggregating the Impact of the Internet on International Trade shows the Internet has a positive, nuanced impact on international trade: bilateral exports are more affected by increases in the exporter's Internet adoption than by that of the importer. (Policy Research Working Paper no. 7785, August 2016)

Does the Elimination of Export Requirements in Special Economic Zones Affect Export Performance? Evidence from the Dominican Republic exploits the staggered removal of export requirements across products and over time in the special economic zones of the Dominican Republic to evaluate whether the importance of exports originating from the zones was affected by the elimination of export requirements. (Policy Research Working Paper no. 7824, October 2016)

Economic Upgrading through Global Value Chain Participation: Which Policies Increase the Value Added Gains? uses two panel data sets of developing and industrialized countries at the sectoral level to relate global value chain participation as a buyer and seller to domestic value added. The study finds that global value chain integration increases domestic value added, especially on the selling side, which holds across all income levels. (Policy Research Working Paper, no. 8007, March 2017)

The Effect of Local Governance on Firm Productivity and Resource Allocation: Evidence from Vietnam examines how changes in the provincial administration of national business regulations affect firms through two channels (within-firm productivity levels and resource allocation across firms), showing that a better overall business environment has a positive impact on firm productivity, and this effect is driven by a reduction in corruption levels, the risks of land expropriation, and entry regulations. (Policy Research Working Paper no. 8118, June 2017)

The Effects of Innovation on Employment in Developing Countries: Evidence from Enterprise Surveys sheds light on the direct impact of technological as well as organizational innovation on firm-level employment growth. The results highlight innovation's positive direct role on the quantity of employment but at a decreasing rate as firms transition to the technological frontier. (Policy Research Working Paper, no. 7775, August, 2016)

Export Competitiveness and FDI Performance across the Regions of the Russian Federation suggests that foreign orientation is an important determinant of socioeconomic development and could be an important item on Russia's regional policy agenda. (Policy Research Working Paper no. 7821, September 2016)

Firms' Export Decisions: Demand Trumps Financial Shocks studies the relationship between access to credit, demand shocks, and export market adjustments using firm-level panel survey data for 24 economies in the Eastern Europe and Central Asian region. (Policy Research Working Paper no. 7953, January 2017)

The Heterogeneous Growth Effects of the Business Environment: Firm-Level Evidence for a Global Sample of Cities, which uses firm-level data covering 709 cities in 128 countries, examines the role of a comprehensive list of business environment variables at the subnational level in explaining firm employment and productivity growth. The analysis finds basic protection, access to finance and infrastructure, and the existence of a strong agglomeration environment to be critically important. (Policy Research Working Paper, no. 8114, June 2017)

How Do Cities in Ethiopia Create Jobs? reviews city-based industrialization across Ethiopia to understand its importance in driving net job creation, and the factors that determine the success of high-growth industries and cities. (Policy Research Working Paper, no. 7866, October 2016)

ICT Use, Innovation, and Productivity: Evidence from Sub-Saharan Africa examines the links between firm usage of information and communications technology, innovation, and productivity, for the Democratic Republic of Congo, Ghana, Kenya, Tanzania, Uganda, and Zambia. The results suggest ICT use is an important and robust enabler of product, process, and organizational innovation across all six countries. (Policy Research Working Paper, no. 7868, October 2016)

On-the-Job Training: Returns, Barriers to Provision, and Policy Implications, a background paper for the World Development Report 2018, confirms a significant and positive return from on-the-job training on wages and productivity, as well as the presence of positive externalities from on-the-job training. It reviews and validates the presence of market failures such as information asymmetries within the firm as a result of low-quality management practices that dampen firm demand for on-the-job training. (Policy Research Working Paper, no. 8090, June 2016)

Opportunity versus Necessity: Understanding the Heterogeneity of Female Micro-Entrepreneurs provides evidence on the differences between entrepreneurs that voluntarily choose to start a business because they can identify a good business opportunity and act on it (opportunity entrepreneurs) and those forced to become entrepreneurs because of lack of other alternatives (necessity entrepreneurs). It exploits a unique data set covering a wide array of characteristics, including cognitive skills, non-cognitive skills, and managerial practices, for a large sample of female entrepreneurs in Mexico. (Policy Research Working Paper, no. 7636, 2016)

The Role of Exchange Rate and Non-Exchange Rate Related Factors in Polish Firms' Export Performance analyzes the export performance of Polish manufacturing firms. It focuses on the extensive and intensive margins of exports, on the decision to enter export markets and the intensity of exports, given participation, examining price and non-price determinants of export performance. (Policy Research Working Paper, no. 7899, November 2016)

Russian Federation, the World Trade Organization, and the Eurasian Customs Union: Tariff and Non-Tariff Policy Challenges assesses issues relating to tariffs and nontariff measures related to Russia's World Trade Organization and Eurasian Customs Union commitments. The analysis finds that full implementation of Russia's WTO tariff schedule through 2020 would raise goods imports by about \$3.5 billion (1.1 percent) compared to 2012, with estimates of welfare gains to Russian consumers

Annex 3: KEY FY17 PUBLICATIONS, EVENTS

3.1 Publication Highlights (continued)

equal to approximately \$370 million. (Policy Research Working Paper, no. 7748, July 2016)

Services and Innovation for the Competitiveness of the Ecuadorian Economy examines how services and innovation can play a role in transforming the Ecuadorian economy from one based on natural resources to one based on knowledge and services. (Policy Research Working Paper, no. 7767, July 2016)

Services in the European Union: What Kind of Regulatory Policies Enhance Productivity? is the first paper to show the effects of services regulations on downstream firms in the goods and services sectors in a multiple-country setting using firm-level data. (Policy Research Working Paper no. 7919, December 2016)

Taxing the Good? Distortions, Misallocation, and Productivity in Sub-Saharan Africa uses comprehensive and comparable firm-level manufacturing census data from four Sub-Saharan African countries to examine the extent, costs, and nature of within-industry resource misallocation across heterogeneous firms. Policy Research Working Paper no. 7949, January 2017)

Country-Specific Reports and Policy Notes

An Assessment of the Short-Term Impact of the ECOWAS-CET and EU-EPA in Senegal presents an analysis of the impact of the Common External Tariff for ECOWAS and the European Union-Economic Partnership Agreement on protection levels, trade flows and state revenues, changes in the price of the consumption bundles for households, and impact on firm profits. It underlines key elements of an accompanying policy agenda. (October 2016)

Belarus: Enhancing Border-Crossing Time Release Studies to Support Trade Facilitation Reforms details the design and implementation of a Bank Group border-crossing time release study for commercial cargo that applied a customized, hybrid methodology, combining elements from the Time Release Study of the World Customs Organization and driver-based surveys, with modifications and additional elements. (June 2017)

Contemporary Aquaculture Technologies, Fish Markets and Export – Armenia highlights new technologies, access to markets, and the major complications associated with intensive and cost-efficient fish farming in Armenia. (May 2017)

Export supply chain of greenhouse crops – Armenia aims to identify issues in the greenhouse crop export supply chain, including market

imperfections and legal and regulatory obstacles; develop recommendations to resolve challenges to improving the business and investment environment and increasing productivity and product competitiveness; and contribute to enhancing the investment attractiveness of the sector. (May 2017)

A Firm-Level Productivity Diagnostic for Kenya’s Manufacturing and Services Sector implements a firm-level productivity diagnostic using the census of manufacturing firms and a large services survey in Kenya. The information presented in this diagnostic supports evidence-based policy-making. (July 2016)

Special Economic Zones in the Dominican Republic: Policy Considerations for a More Competitive and Inclusive Sector empirically assesses the implications of regulatory reforms aimed at complying with WTO disciplines on the elimination of incentives conditioned on export performance for SEZ firms; the extent to which SEZs participate in global value chains; and their linkages with domestic suppliers. (November 2016)

Strengthening Competitiveness In Bangladesh—Thematic Assessment: A Diagnostic Trade Integration Study, the second of a three-volume publication on Bangladesh’s trade prospects, identifies actions centered around four pillars to sustain and accelerate export growth: breaking into new markets; breaking into new products; improving worker and consumer welfare; and building a supportive environment. (July 2016)

Suriname Sector Competitiveness Analysis: Identifying Opportunities and Constraints to Investment and Diversification in the Agribusiness and Extractives Sectors seeks to inform the government of Suriname about strategies to diversify the economy, with a focus on increasing private investment and removing constraints to competitiveness in agriculture and extractives. (2017)

Upgrade Uganda: Insights from the Private Sector analyzes and identifies the obstacles to private sector development in Uganda and provides policy recommendations to aid the government in its reform agenda. (July 2016)

Vietnam at a Crossroads: Engaging in the Next Generation of Global Value Chains, based on a compilation of studies, supports Vietnam’s path to economic prosperity by identifying policies and targeted interventions that will drive development through leveraged global value chain participation and that take major shifts in trade policy and rapid advances in ICT into account. Readers will learn about

strategic GVC policy tools that can help developing countries achieve economic prosperity in the context of compressed development. (*Directions in Development*, March 2017)

Brief Notes and Journal Articles

Adapting Global Entrepreneurship Acceleration Models to Clean Tech in Developing Countries: The Ghana Climate Innovation Center highlights lessons from the experience of the Ghana Climate Innovation Center, which adapted the developed-country model of a business accelerator with a focus on IT and applied it to clean tech. (Climate Technology Program *In Brief*, no. 4, May 2017)

Bringing Climate Opportunities to Entrepreneurs: Lessons Learned from the Caribbean Climate Innovation Center draws lessons from the center’s operation, focusing on how its “idea generation” sessions were essential in seeding local companies with climate-related business opportunities and introducing new ideas to local markets. (Climate Technology Program *In Brief*, no. 5, May 2017)

Connecting Green Technology Entrepreneurs: Implications for Public Program Design, based on a literature review and an analysis of 14 case studies of different programs in more than 80 countries, discusses a strategy giving prominence to technology absorption and adaptation of existing business models as a path to help green firms grow in developing countries. (Climate Technology Program *In Brief*, no. 3, August 2016)

Creating a Hub, Creating a Buzz: How to Attract the Best and Brightest for Climate Innovation in Developing Countries examines lessons from the Bank’s seven Climate Innovation Centers in building and creating their brand and developing a thriving innovation hub. (Climate Technology Program *In Brief*, no. 6, May 2017)

Crowdfunding for Green Business: Lessons from East African Startups suggests crowdfunding offers a new alternative to address the financing needs of capital-intensive, clean technology businesses in developing countries. (Climate Technology Program *In Brief*, no. 1, August 2016)

Establishing a National Trade Facilitation Committee: Lessons Learned from Montenegro describes how Montenegro has been moving to establish, with donor support, an effective National Trade Facilitation Committee and provides an example for its neighbors in the region. (*SmartLessons*, January 2017)

Expediting Trade: Impact Evaluation of Serbia’s In-House Clearance Program summarizes research about the impact of the program, which allows qualifying firms to clear customs from within their own warehouses rather than at the customs offices. (*Viewpoint*, June 2017)

Innovation by Design: Conducting a Border-Crossing Time-Release Study in Belarus describes how the project team customized a standard survey methodology to gather a wider range of data as well as to overcome time and other resource constraints. (*SmartLessons*, May 2017)

The Kenya Climate Innovation Center: How It Operates and Lessons from Clean Technology Innovation provides an overview of how the Kenya Climate Innovation Center (KCIC) operates and extracts lessons from the KCIC model that could guide the development of similar clean technology incubation centers in developing countries. (Climate Technology Program *In Brief*, no. 2, August 2016)

Learning from the Journey to New Markets: One Product at a Time outlines key approaches and lessons from a Bank Group project in Ukraine that is helping poultry and dairy sector companies diversify their markets and start selling and exporting to the European Union, China, and the Middle East, thus boosting exports to those markets. (*SmartLessons*, June 2017)

Trade Investment Links Get Increasingly Intricate presents a new multinational enterprise decision-making framework within GVCs to help policymakers understand the changing linkages between trade and foreign investment (a journal article in *Trade Insight*, Volume 12, No. 2, 2016)

Walking the Last Mile: Operationalization of Albania’s Authorized Economic Operators Program outlines shortcomings in the adoption of AEO provisions under the European Community Customs Code as well as obstacles the government faced in establishing complementary reform measures to ensure practical effectiveness. (*SmartLessons*, February 2017)

Working with Tajikistan to Develop Its First National Commodity Nomenclature of Foreign Economic Activities discusses how the Central Asia Trade Logistics Project helped Tajikistan’s Customs Administration Republic develop its first national commodity nomenclature, which provides a definition of all goods subject to foreign trade. (*SmartLessons*, February 2017)

Annex 3: KEY FY17 PUBLICATIONS, EVENTS

3.2 T&C FY17 Event Highlights

In FY17, T&C teams organized or were involved in a number of conferences, seminars, and knowledge-sharing events, including the following highlighted events (organized by general topic):

Women-led Businesses

Three seminars in the **Gender and Development Series** for Bank Group staff presented findings and baseline evidence from case studies exploring the questions: What works in promoting women-led SMEs? (**Sierra Leone, Pakistan**); How can training be made more effective for women-led SMEs? (**Mexico, Peru**); Can building non-cognitive skills and providing childcare services empower women farmers? (**Mozambique, the Democratic Republic of Congo**). The events were presented by T&C and the Bank's Gender practices and supported by the Women's Leadership in Small and Medium Enterprises, a trust fund partnership with USAID (September 7, September 27, December 14; Washington, D.C.).

At the D.C. premiere of the documentary film, "**She Started It**" (November 15, Washington, D.C.), a panel discussed opportunities and constraints for women entrepreneurs. The film portrays the story of Thuy Truong and four other women entrepreneurs as they build their companies in a startup world that usually lacks female role models.

During the **III Euro-American Conference of Women Leaders: Women Entrepreneurs as Development and Wealth Generators** (February 2, San Jose), T&C Senior Director Anabel González addressed questions on women's economic empowerment and key policies to promote it, the importance of improving the business environment and expanding trade and market opportunities for women entrepreneurs. She also described illustrative interventions and projects. The conference, jointly organized by INCAE Business School and Vital Voices, is a platform for dialogue that brings together some 400 public and private sector leaders from Europe and the Americas.

At the "Tourism Knowledge Exchange 2017 – Delivering on Inclusion through Tourism," a dynamic, peer-to-peer conference highlighting the latest innovations in sustainable tourism development, key industry players joined Bank Group specialists to discuss the **integration of women in tourism**, models of tourism value chain linkages, how data informs tourism decisions, and other enablers of sustainable tourism destination development and competitiveness (June 21, Washington, D.C.). Participants included representatives from Airbnb, Chemonics International, George Washington

University, the government of Jamaica, Harvard University, the World Economic Forum, and the World Trade Organization.

Promoting Market Competition

The FIAS-supported Competition Policy team held **13 workshops for external client governments** and other relevant stakeholders in the competition ecosystem in **Kenya, Kuwait, Mexico, the Philippines, Ukraine, and Zambia**, with a total of more than 400 participants and highly satisfactory feedback.

The team developed an analytical framework and gathered cross-country data on the interplay between antitrust merger review and foreign investment review, and presented first results at the **International Bar Association Annual Conference 2016**, sparking substantial interest in the competition community with specific interest from developing countries (September 18–23, Washington, D.C.).

Business Environment Reform

The five-day, peer-to-peer learning event, "**Reforming Business Regulation in India: 2016 Reform Champions Workshop**" (September 22–23, New Delhi), brought together Central and State representatives involved in the India Ease of Doing Business Reform program and reform champions from Australia, Canada, Mexico, Saudi Arabia, and the United Kingdom. In-depth technical sessions focused on topics as varied as effective property management and land registry reform to introducing a unique company identifier and implementing effective construction regulations across states.

Two events featured moderated discussions on business environment reform in Africa: "**Supporting the Resurgence of Africa's Elephant: How the World Bank Group Is Helping Improve the Business Environment in Côte d'Ivoire**" (October 6, Washington, D.C.), with guest of honor, H.E. Daniel Kablan Duncan, Prime Minister of Côte d'Ivoire; and "**The Faster Lions: How African Countries Are Using Doing Business Reforms to Spur Their Growth**" (October 7, Washington, D.C.). At the latter, a panel of ministers and other key officials from Cameroon, Kenya, Mauritania, Nigeria, and Rwanda discussed the impact of reforms on attracting investment and encouraging growth.

The international conference, "**Shaping Business Environments for Global Growth and Prosperity**," was attended by a delegation of T&C staff and client governments among 250 participants from 60 countries (October 11–13, London). The event was

organized by the Regulatory Delivery Unit under the United Kingdom's Department for Business, Energy and Industrial Strategy in collaboration with the Foreign and Commonwealth Office, the Investment Facility for Utilizing UK Specialist Expertise (IFUSE), T&C, and OECD.

Attracting and Retaining Investment

The first annual **Investment Policy and Promotion Forum** (November 1, Washington, D.C.) brought together more than 100 representatives from the private sector, government (the European Union, the United States, Mexico, and Australia, and client countries), and the development and diplomatic communities to discuss the political economy of regulatory conduct affecting the retention and expansion of FDI.

A training event, "**Positioning Punjab for Growth and Competitiveness: Executive Training on Investment Climate Fundamentals**" (November 19, Lahore), was facilitated by T&C to help build the government's capacity to implement reforms in Pakistan's largest province, for more than 40 senior GoPunjab officials.

More than 100 private sector leaders gathered at an event, "**Transforming Investment Risk**," co-hosted by Bank Group President Jim Yong Kim and U.K. Secretary of State of International Development Priti Patel, to focus on what it will take for the private sector to invest in infrastructure and manufacturing projects in difficult markets, particularly in Africa (March 16, London). Representing T&C, Anabel González participated in a plenary panel discussion on impediments and potential approaches to facilitating investment into manufacturing in East Africa.

The Bank Group hosted the Pacific Alliance Working Group on Services and Capital (May 16–18, Washington, D.C.). As part of the regional integration initiative for Chile, Colombia, Mexico, and Peru, the Working Group discussed findings from investor consultations in each country, conducted by the Bank Group, and agreed on next steps to implement a **regional investment facilitation mechanism**.

At the peer-to-peer, interactive event, "Promoting Investment Policy & Promotion Reform in Times of Uncertainty," government representatives shared stories of recently implemented **investment policy and promotion reforms** and learned about trends in diagnostics and tools, good practices, and investor perspectives (June 1–2, Singapore). Discussion topics included: the role of FDI in economic and export diversification and development; the relationship

between trade and investment; how to translate investment policy and promotion strategies into concrete reform agendas; and specific cases in Indo-Pacific countries.

Building Competitive Sectors and Cities

A peer-to-peer learning event, "**Wanted: Access to Agricultural Credit and Storage in Sub-Saharan Africa! The Tale of Warehouse Receipt Financing Reform Initiatives in Côte d'Ivoire, Kenya, Malawi, and Senegal**" (October 5, Washington, D.C.) brought together government reformers and Bank Group staff to share their experiences and offer concrete examples of how a warehouse receipt system can impact the lives of thousands and increase agricultural sector competitiveness.

The **Competitive Sectors** team organized a study tour of the warehouse receipt system (WRS) in the United States, October 3–4, 2016, for public and private sector counterparts from four Sub-Saharan African countries (**Côte d'Ivoire, Kenya, Malawi, and Senegal**). Participants had the chance to meet with representatives from the U.S. Department of Agriculture, the National Grain and Feed Association, CME Group, and AgriBank. The study tour was combined with a workshop (October 5, Washington, D.C.) focusing on the ways in which warehouse receipt financing reform Initiatives can help improve access to agricultural credit and to professional storage in Sub-Saharan Africa.

A one-day regional dissemination workshop was held by the "Seeds for All" Community of Practice (June 27, Hanoi, Vietnam). It brought together about 100 participants from the **Vietnam Ministry of Agriculture and Rural Development**, the private sector, and agricultural policymakers from **Cambodia, the Lao People's Democratic Republic, and Myanmar**.

T&C conducted an **Executive Development Program** for 30 participants from government, academia, and the private sector in support of city planning in Ecuador (December 1–2, Guayaquil). The training event, which followed a successful event in Quito in June, was designed to help Guayaquil develop a growth plan (including unique positioning in the region, diversity, and innovation) despite limited nationwide tools, such as monetary policy. After the training, the city organized itself and appointed a leader to act on proposals provided in the training.

T&C held the second in a series of seminars on challenges and lessons in designing **supplier development programs** (June 12, Washington, D.C.).

Annex 3: KEY FY17 PUBLICATIONS, EVENTS

3.2 T&C FY17 Event Highlights (continued)

The panel, including Procurement Director Juan Carlos Miralles of Mars Latin America and T&C staff experts, discussed the implementation of a program in a less developed region of Mexico, where large investors are being attracted to special economic zones through a mix of fiscal and non-fiscal incentives.

Global and Regional Trade

The second and third Conferences on **Global Value Chains, Trade, and Development** were organized by the Centre for Economic Policy Research and the World Bank Group (September 22–23, Geneva; May 19–20, Singapore). The second conference focused on improving tools and approaches to tackle key challenges GVCs pose for firms and identifying ways to empower governments in setting policies that help firms access GVC opportunities. The third explored global value chains analysis and mapping.

During the World Bank Group Annual Meetings, T&C hosted a high-level event, “**Making Trade an Engine of Growth for All**,” with Bank Group President Jim Yong Kim, IMF Managing Director Christine Lagarde, and WTO Director-General Roberto Azevedo, which helped solidify the three organizations’ joint commitment to promoting an open and fair global trading system (October 7, Washington, D.C.).

T&C represented the Bank Group at the **G20 Trade and Investment Working Group** meeting (February 6–7, Berlin). Senior Director Anabel González delivered the opening presentation highlighting work under way at the Bank Group, IMF, and WTO on the benefits of trade and the costs of adjustment.

The **South Asia Regional Trade and Integration Conference** showcased recent research findings

of young scholars from Bangladesh, India, and Pakistan, who were awardees in a Bank Group program designed to increase the availability of nationally produced high-quality evidence to inform policy making and public debate. The scholars were mentored by Bank Group specialists in conducting research on regional value chains, production sharing, and the impact of alternative preferential trade agreements in the region. (June 28, Washington, D.C.)

Innovation

A panel discussion, “**Israel Innovates in Response to the 4th Industrial Revolution**,” introduced by Bank Group President Jim Yong Kim and chaired by T&C Senior Director Anabel González, featured a presentation on how Israeli policy is responding to global technology evolution by Avi Hasson, Chief Scientist of Israel’s Ministry of Economy and head of the new Israel Innovation Authority (February 27, Washington, D.C.).

New Tools and Resources

At the World Bank and IMF 2017 Spring Meetings, T&C and the World Economic Forum hosted a joint workshop on the new **World Economic Forum Global Competitiveness Index** (April 20, Washington, D.C.). The authors of the Global Competitiveness Report and leading experts discussed the methodology, framework, and indicators of the 2017 report, which can be leveraged as a tool to monitor progress on competitiveness, identify policy priorities, facilitate structured public-private dialogue and policy coordination, and track policy progress.



Worker making industrial valves in Tekirdag, Turkey.
Photo: Simone D. McCourtie/
World Bank

Annex 4: ABBREVIATIONS

AEO	authorized economic operator
APEC	Asia-Pacific Economic Cooperation
API Mali	<i>Agence pour la Promotion des Investissements au Mali</i> (Mali Investment Promotion)
AS	advisory services
B2G	business to government
CAK	Competition Authority of Kenya
CAS	cross-cutting advisory services
CATLP	Central Asia Trade Logistics Project
CCI	Climate Competitive Industries
CCS	compliance cost savings
CCSA	Cross-Cutting Solutions Area
CEMAC	Economic Community of Central African Countries
CIIP	Competitive Industries and Innovation Program
COMESA	Common Market for Eastern and Southern Africa
ComPEL	Competitiveness Policy Evaluation Lab
CoP	Community of Practice
CwA	Compact with Africa
DB	<i>Doing Business</i> , World Bank Group
DPL	development policy loan
EAC	East African Community
ECA	Europe and Central Asia Region, World Bank Group
ECOWAS	Economic Community of West African States
EFI	Equitable Growth, Finance and Institutions Global Practice, World Bank Group
FCI	Finance, Competitiveness and Innovation Global Practice, World Bank Group
FCS	states in fragile and conflict-affected situations
FDI	foreign direct investment
FIAS	Facility for Investment Climate Advisory Services
F&M	Finance & Markets Global Practice
FMTAAS	Funding Mechanism for Technical Assistance and Advisory Services, IFC
FY	fiscal year
G20	Group of 20 leading economies
G2B	government to business
GDP	gross domestic product
GP	Global Practice
GVC	global value chain
HIP	Hawassa Industrial Park
IBR	Indicator-Based Reform
IBRD	International Bank for Reconstruction and Development
IC3	Mali Investment Climate 3 project
ICN	International Competition Network
ICT	information and communication technologies
IDA	International Development Association
IFC	International Finance Corporation
IPP	Investment Policy and Promotion
IRM	investment reform map; investment reform memo
ISO	International Organization for Standardization
KEA	Korea Energy Agency
LAC	Latin America and Caribbean Region, World Bank Group

Annex 4: ABBREVIATIONS (continued)

LLC	limited liability corporation
M&E	monitoring and evaluation
MAS	Manufacturing, Agribusiness and Services, IFC
MCICP	Multi-Country Investment Climate Program
MCPAT	Markets and Competition Policy Assessment Tool
MFM	Macroeconomics and Fiscal Management Global Practice, World Bank Group
MIGA	Multilateral Investment Guarantee Agency
MSE; MSME	micro and small enterprises; micro, small, and medium enterprises
MTI	Macroeconomics, Trade and Investment Global Practice, World Bank Group
NGO	non-governmental organization
NTFC	National Trade Facilitation Committee
OECD	Organisation for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OHADA	Organization for the Harmonization of Business Law in Africa
P4R	Program for Results
PaCT	Partnership for Cleaner Textiles
PDP	product development project
PMR	product market regulation
PPD	public-private dialogue
PEL	Pakistan Energy Label
PRSPDA	Private Sector Rehabilitation and Agribusiness Development project
PTB	National Metrology Institute of Germany
QI	quality infrastructure
RAS	Reimbursable Advisory Services
RCCM	<i>Registre du Commerce et du Credit Mobilier</i> , online commercial registry
SAIEP	State Agency for Investment and Export Promotion
SEZ	special economic zone
SECO	Swiss State Secretariat for Economic Affairs
SIDA	Swedish International Development Cooperation Agency
SIRM	systemic investor response mechanism
SME	small and medium enterprises
SOE	state-owned enterprise
STEP	Smart Technology & Energy Efficient Production
T&C	Trade & Competitiveness Global Practice
TFA	Trade Facilitation Agreement
TFSP	Trade Facilitation Support Program
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
VAT	value-added tax
VPU	vice presidential unit (World Bank Group)
We-Fi	Women Entrepreneurs Finance Initiative
WEF	World Economic Forum
WRS	warehouse receipt system
WTO	World Trade Organization

Through the FIAS program, the World Bank Group and donor partners facilitate investment climate reforms in developing countries to foster open, productive, and competitive markets and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction. The FIAS program is managed by the Equitable Growth, Finance & Institutions Practice Group of the World Bank Group. For more information, visit www.worldbank.org/fias