

Fias

2020

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES

Executive Summary



With support from:



BILL & MELINDA GATES foundation



The FIAS 2020 Summary presents the results of FIAS-supported client-facing and global project activity, financial contributions and expenditures, and a Special Topic Chapter on COVID-related work and IFC Upstream.

Message from the Operations Manager

Helping developing countries rebuild and boost their private sectors has never been higher on IFC's agenda than now, amid a pandemic-induced global economic downturn. Working toward this end with governments and private sectors—especially in fragile and lower-income countries—is the core mission of the Facility for Investment Climate Advisory Services (FIAS), one of the World Bank Group's oldest and largest donor-supported partnerships. For more than 35 years, FIAS has supported IFC Advisory Services in some of the most challenging economic environments in the world.

In 2020 the challenge intensified with the onset of the global COVID-19 pandemic and resulting worldwide economic contraction. The COVID-related economic crisis has been particularly severe in the world's poorest countries, and the most vulnerable people within those countries—the very places and people the FIAS program aims to support. As described in the *FIAS 2020 Annual Review*, IFC Advisory Services teams that implement the FIAS Program have responded rapidly to the crisis, working with client countries to devise strategies for immediate relief, begin the process of recovery, and build resilience against future economic shocks.

The pandemic struck amid implementation of the IFC 3.0 Creating Markets Upstream initiative, which seeks to develop opportunities for investment in new markets and address the lack of bankable projects in developing countries. The launch of this Upstream approach has coincided with the planning for the next five-year FIAS Strategy Cycle, to begin in July 2021, and with the transition of FIAS from the Equitable Growth, Finance, and Institutions practice group (EFI) to IFC Corporate Operations. In this environment, the final years of the current FIAS cycle, FY20 and FY21, are serving as a springboard for the partnership to increase thematic work in gender and climate change as well as to expand the portfolio to include Upstream with a focus on creating the enabling environment to support the development of the much-needed bankable projects that drive access to energy, services, and finance, and create jobs and opportunity. FIAS plans not only to support economic recovery but to advance an ambitious and proactive agenda that includes a strong programmatic focus on gender themes and greatly increased emphasis on helping clients build green, supporting and enabling a resilient recovery in a post-COVID-19 era.

The FIAS partnership remains central to IFC's efforts to create investment opportunities where none existed, boost private sector investment and productivity, encourage green growth, advance economic opportunity for women, and spur inclusive job creation. Amid these dynamic developments, we proudly present the *FIAS 2020 Annual Review* and convey our heartfelt thanks to our FIAS donors and partners for their strong and continuing support.



A handwritten signature in black ink that reads "Anastasia Gekis".

Anastasia Gekis

IFC Corporate Operations Manager

Introduction

Countries in the lower-income tiers are grappling with falling demand, a sharp drop-off in investment, deteriorating credit conditions and liquidity, and rising uncertainty. Business closures have slowed production and disrupted global value chains. The World Bank Group's flagship *Global Economic Prospects* (GEP), January 2021 edition, reported that "COVID-19 caused a global recession whose depth was surpassed only by the two World Wars and the Great Depression over the last century and a half." The pandemic has reversed a decades-long trend of declining global poverty, and is projected to push more than 100 million people into extreme poverty. About one-third of this increase is expected to occur in Sub-Saharan Africa, a FIAS priority area, where four in ten people already live in extreme poverty. The region's GDP contracted by a record 3.7 percent in 2020; per capita income declined by 6.1 percent.

This was the environment confronting FIAS-supported teams and their clients through FY20, the fourth year of the five-year FIAS FY17–21 strategy cycle. Against these headwinds, the FIAS partnership has responded with agility to urgent and emerging client country needs. Project teams have adjusted diagnostics, analytics, and reform implementation to address specific problems brought on by the pandemic. Shifting to virtual connections with clients, FIAS-supported teams still were able to produce 20 investment climate reforms, nearly two-thirds of them in borrowing countries of the International Development Association (IDA) and Sub-Saharan Africa, and nearly one-third in countries affected by fragility, conflict, and violence (FCV).

FIAS contributed to 110 client-facing projects benefiting 83 developing countries, and supported 14 global knowledge projects advancing the quality and depth of IFC Creating Markets Advisory (CMA) across a range of topics including investment policy

and promotion, indicator-based reform, quality infrastructure, business linkages between domestic and multinational firms, and manufacturing technology. The FIAS Multi-Donor Trust Fund provided more than half the funding for the 124 projects in the FY20 portfolio, contributing an average of \$175,555 per client-facing project and \$205,690 per global project. As the reform results suggest, about half of the client-facing portfolio benefited IDA and Sub-Saharan African countries, and about a quarter benefited FCV.

In his foreword to GEP, World Bank Group President David Malpass said that to counter the collapse in private sector investment due to COVID-19, "there needs to be a major push to improve business environments," a core mission of the FIAS Program. Reflecting the importance of the private sector focus, FIAS management transferred from the Equitable Growth, Finance and Institutions Practice Group (EFI) to IFC at the end of FY20. The strategy for the FY22–26 cycle envisions close alignment with the IFC 3.0 Creating Markets Upstream initiative, which focuses on generating investment opportunities that IFC can support. This will involve extensive continuing work supporting COVID-related relief, restructuring, and resilient recovery, and a shift in emphasis toward sector-specific work while economy-wide investment climate advisory continues.

The *FIAS 2020 Annual Review* presents the results of FIAS-supported client-facing and global projects, financial contributions, and expenditures, and a Special Topic Chapter on COVID-related work and Upstream. IFC and the FIAS Program team wish to convey heartfelt thanks to the FIAS Development Partners for their continuing support.

The developing countries supported by the Facility for Investment Climate Advisory Services (FIAS) have been among the hardest hit by the economic fallout from COVID-19.

100 million people

are projected to be pushed into extreme poverty globally due to **COVID-19**.



Main Achievements and Milestones

FIAS-supported projects benefited 83 developing countries in FY20.

In FY20, FIAS-supported programs contributed to

20 reforms in
26 client countries

and one region in FY20; 60% in IDA; 60% in Sub-Saharan Africa;
30% in fragile states

91% client
satisfaction rating
in FY20

60 of 66 FY20 projects receive positive ratings from clients

\$8.8 million in
private sector
compliance cost
savings in FY20

Strategy Cycle total: \$52 million



Woman selling produce at a market in Ibadan, Nigeria. *Photo: Femi Komolafe/Shutterstock*

Highlights of FY20 FIAS-Supported Operations



FY17-20 Reforms

153 reforms

Through four years of the five-year FY17-21 strategy cycle, FIAS-supported work has generated 153 investment climate reforms toward the five-year target of 220 reforms.¹

¹ FIAS fund-raising from all sources for the FY17-21 strategy cycle is expected to total \$160 million, or 80 percent of planned fund-raising of \$200 million. Accordingly, FIAS targets for reforms achieved, compliance cost savings, and investment generated are being reduced by a proportional 80 percent factor. The target reform total for the cycle is thus reduced from 275 to 220.

FIAS five-year target is 220 reforms

FY20 Results



In FY20, FIAS-supported programs contributed to 20 investment climate reforms in 26 client countries (31 reforms in 18 client countries in FY19).

Fewer FIAS reforms in FY20 due to COVID

FIAS Priorities

IFC Advisory Services teams reported strong results for FIAS-supported projects in the FIAS priority areas—borrowing countries of the International Development Association (IDA), Sub-Saharan Africa, and countries affected by fragility, conflict, and violence (FCV).

- **60 percent** of the FY20 reforms were in IDA (in FY19 58 percent; target 70 percent).
- **60 percent** were Sub-Saharan Africa (in FY19 71 percent; target 50 percent).
- **30 percent** were in FCV (in FY19 35 percent; target 25 percent).

FIAS-supported projects in the FIAS priority areas

Total Cycle Savings

\$52.4
million

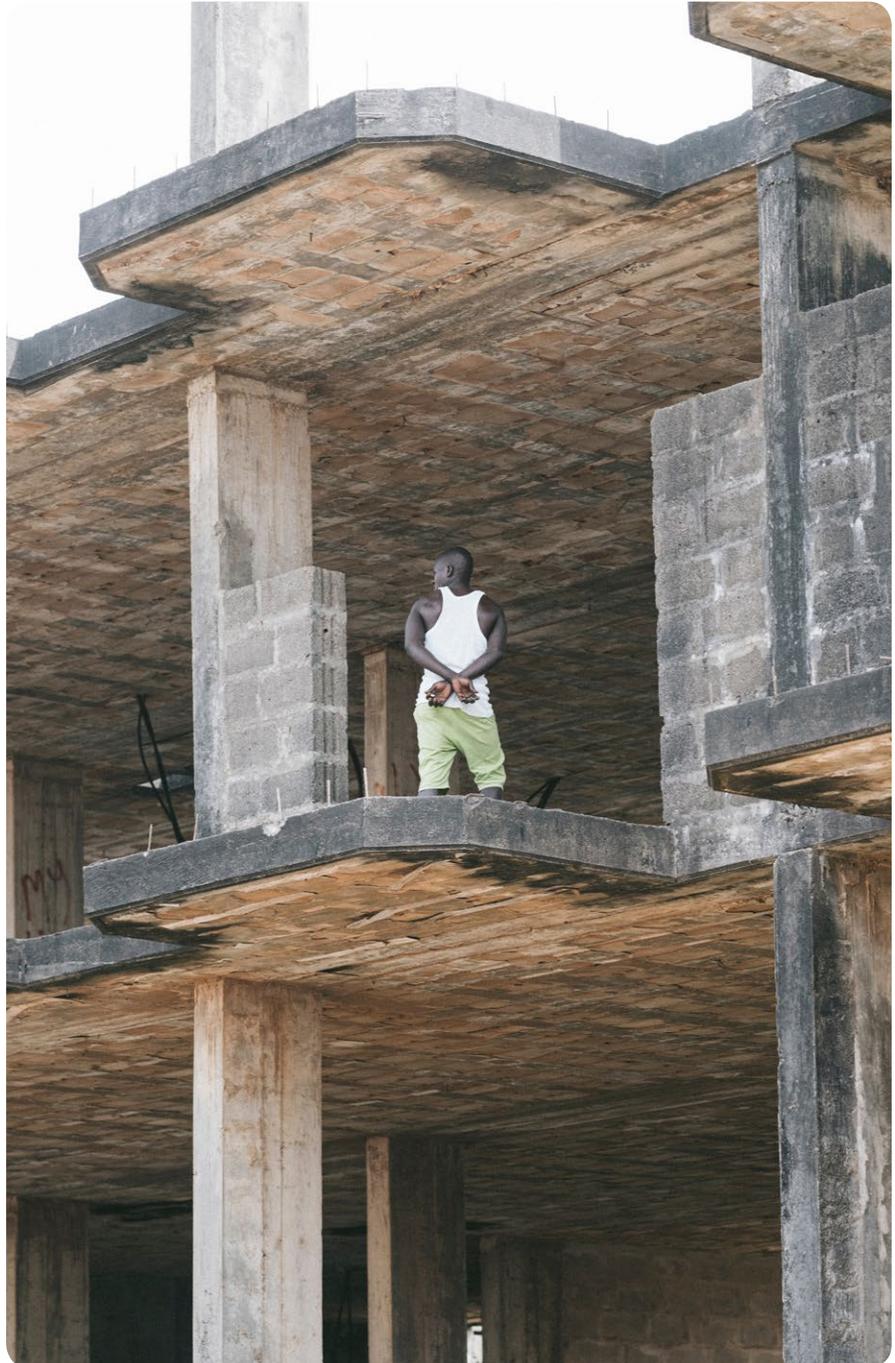
FIAS support generated \$8.8 million in compliance cost savings in FY20 (\$6.9 million in FY19), reflecting lower business costs due to streamlined regulations and permitting processes, bringing the total for the cycle to \$52.4 million toward the target of \$200 million.

FIAS compliance cost savings



Countries that achieved reforms:

Albania, Democratic Republic of Congo, Equatorial Guinea, Guatemala, Kosovo, Lao PDR, Macedonia, Mali, Nicaragua, Serbia, South Africa, Togo, and Vietnam. Two reforms were achieved in the 15 countries of the Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.



Man standing on construction site at Lumley beach in Freetown, Sierra Leone. Photo: Unsplash

Focus on Priority Client Groups



FY20 Project Portfolio

124 projects

The FIAS portfolio consisted of 124 projects in FY20 (106 in FY19), with 110 client-facing (85 in FY19) and 14 non-client-facing in product development (21 in FY19).

FIAS portfolio of projects in FY20



Project Implemented in FY20
IDA, Africa, FCV

55% IDA

60 projects, 55 percent of the client-facing portfolio, benefited IDA countries.

42% Africa

46 projects, 42 percent of the client-facing portfolio, benefited Sub-Saharan African countries.

30% FCV

33 projects, or 30 percent of the client-facing portfolio, benefited FCV states.

➔ FIAS-supported projects

83 countries

FIAS-supported projects benefited 83 developing countries in FY20 (87 in FY19).

- Of the roster of 83 client countries, 45 are IDA, 35 are in Sub-Saharan Africa, and 20 are FCV. (There is substantial overlap between those three groups: all the FCV client countries and most of the Sub-Saharan African countries are IDA).
- FIAS expenditures in priority areas were in line with the FIAS FY17–21 strategy targets:
 - Of \$19.3 million in client-facing project expenditures in FY20, 57 percent supported IDA borrowing countries (target: 70 percent).
 - 48 percent was spent in Sub-Saharan Africa (target: 50 percent).
 - 26 percent was spent in FCV countries (target: 25 percent).
- Of the 37 states and territories on the World Bank Group’s FCV list for FY20, 20, or 54 percent, had FIAS-supported country-specific or regional projects (22 countries, or 61 percent in FY19). The 20 are: **Afghanistan, Burundi, Burkina Faso, Central African Republic, Cameroon, Chad, the Comoros, the Democratic Republic of Congo, the Republic of Congo, Guinea-Bissau, Haiti, Kosovo, Mali, Niger, Nigeria, South Sudan, Sudan, Timor-Leste, Togo, and Zimbabwe.**
- FIAS helped achieve reforms in 4 FCV countries (3 in FY19). Of the 20 reforms achieved with FIAS support in FY20, 6 or 30 percent, were in FCV (11 of 31 reforms, or 35 percent, in FY19). FIAS supported 33 projects benefiting FCV countries directly or as part of regional projects, or 30 percent of the 110 client-facing projects (in FY19, 31 of 85 projects, or 36 percent).



Of the 20 FCV countries with FIAS projects in FY20, 16 were in Sub-Saharan Africa

FIAS FY20
Funding
for Client-Facing and Global
Knowledge Projects

\$22.19m

FIAS FY20 direct project expenditures consist of ...



\$19.31m

Client-Facing



\$2.88m

Non-Client-Facing

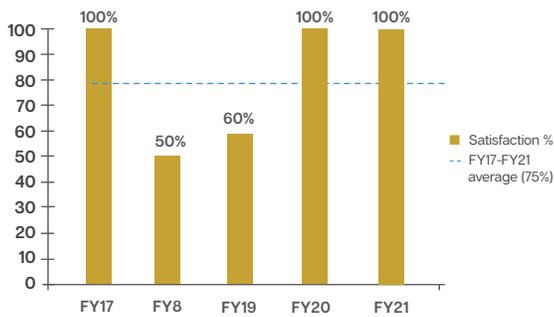
- FIAS FY20 direct project expenditures totaled \$22.19 million (FY19: \$21.9 million), with \$19.31 million, or 87 percent, client-facing (FY19: 84 percent) and \$2.88 million, or 13 percent, non-client facing (FY19: 16 percent). This leveraged \$38.89 million in total expenditures from all sources on projects that received FIAS support.
- FIAS FY20 funding of \$19.31 million for the 110 client-facing projects in the portfolio represented 58 percent of total spending from all sources on those projects for the year, with an average FIAS contribution of \$175,555 per project.
- FIAS FY20 funding of \$2.88 million for the 14 global knowledge projects in the portfolio represented 52 percent of total spending from all sources on those projects for the year, with an average contribution of \$205,690 per project.

Client Satisfaction and Development Effectiveness

- FIAS clients rated 66 projects in FY20, 60 of them positively, or 91 percent (30 of 31 rated positively in FY19, 97 percent). For the FY17–21 strategy cycle, clients have rated 128 of 138 projects positively, or 93 percent (client satisfaction rating for FY12–16 cycle: 92 percent).
- For FY20, 7 out of 7 completed projects supported by FIAS were rated successful or mostly successful for development effectiveness in internal Bank Group management reviews. For FY17–20, with one year to go in the strategy cycle, 15 out of 20 completed projects have received positive development effectiveness ratings.

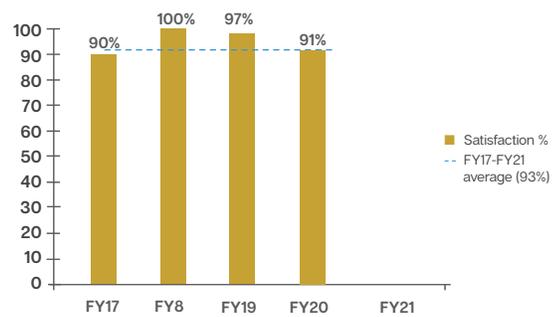
FIAS DEVELOPMENT EFFECTIVENESS, FY17-FY21

(Percent of completed projects receiving positive DE ratings in internal reviews.)

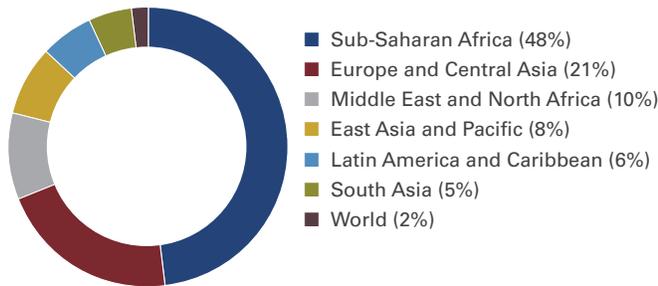


FIAS CLIENT SATISFACTION, FY17-FY21

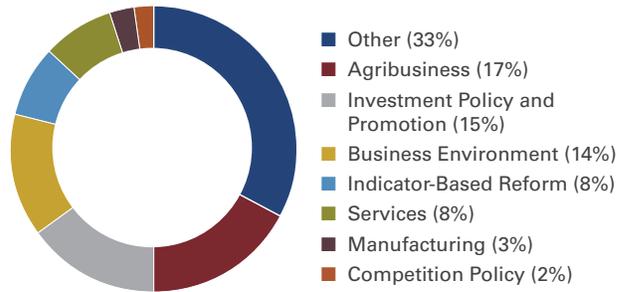
(Share of positive client responses from FIAS-supported projects)



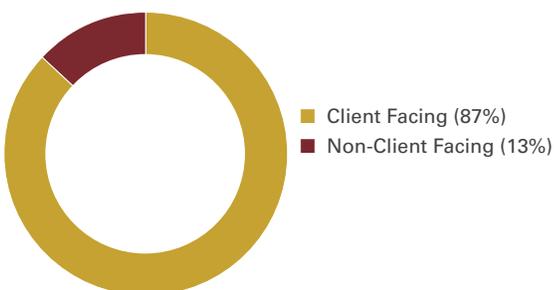
FY20 CLIENT-FACING EXPENDITURES BY REGION
100% = \$19,311,020



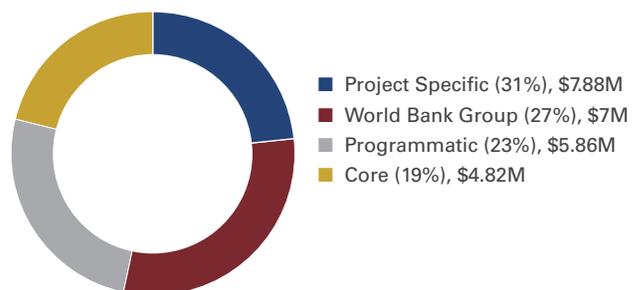
FY20 CLIENT-FACING EXPENDITURES BY PRODUCT
100% = \$19,311,020



PERCENT OF FY20 FIAS DIRECT PROJECT EXPENDITURES
100% = \$22,190,277

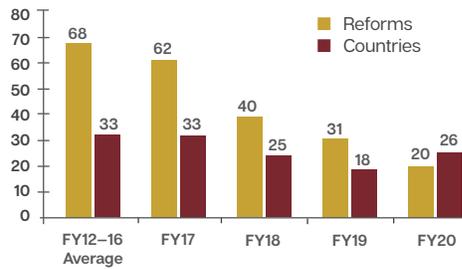


FY20 DONOR CONTRIBUTIONS (GROSS RECEIPTS)
100% = \$25,557,640

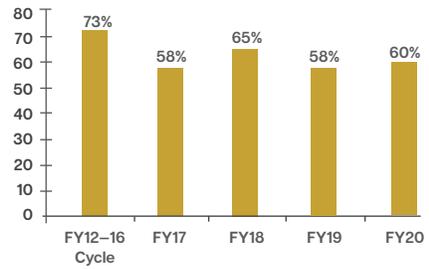


The charts below show FIAS FY17–20 results in priority areas (IDA, Sub-Saharan Africa, FCV) as measured against FY17–21 strategy cycle targets.

TOTAL FIAS-SUPPORTED REFORMS
 FY17–21 yearly reform target = 55
 Average

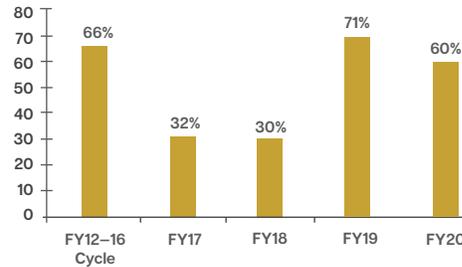


SHARE OF REFORMS IN IDA COUNTRIES
 FY17–21 Cycle target = 70%

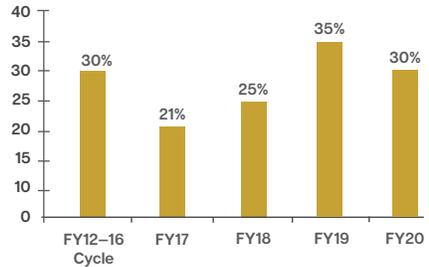


FY17–20 FIAS Funding and Expenditures

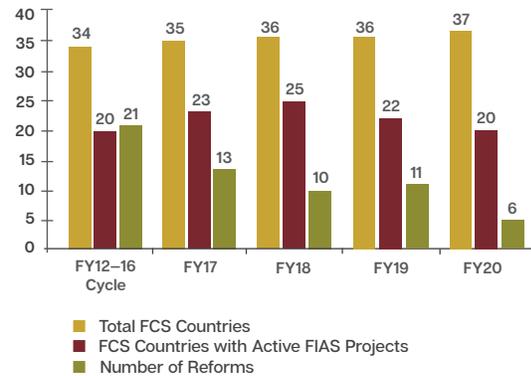
SHARE OF REFORMS IN SUB-SAHARAN AFRICA
 FY17–21 Cycle target = 50%



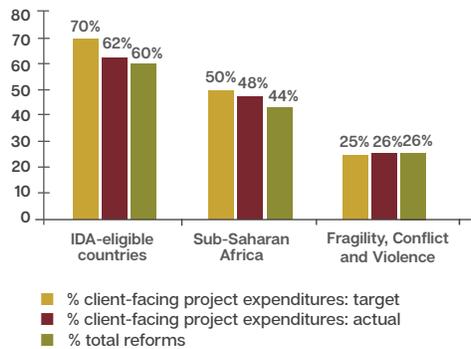
SHARE OF REFORMS IN STATES AFFECTED BY FRAGILITY, CONFLICT, AND VIOLENCE
 FY17–21 Cycle target = 25%



FIAS-SUPPORTED PROJECTS, REFORMS IN FCV



CUMULATIVE RESULTS BY PRIORITY CLIENT GROUP, FY17-20



Distribution of FIAS-Supported Projects by Pillar

An increasing portion of FIAS projects focuses on sector-specific reform, a trend that will continue into the FY22–26 FIAS strategy cycle. Projects seeking economywide reform (Pillar 1) make up 27 percent of the portfolio, the same as for sector-specific work (Pillar 2). Across all projects, including those covering multiple pillars, interventions that include Pillar 2 made up two-thirds of the FY20 portfolio.

PILLARS	PILLAR 1	PILLAR 2	PILLAR 3	PILLARS 1&2	PILLARS 2 & 3	PILLARS 1, 2 & 3
Client-Facing Projects (110)	28	29	6	14	18	15
Client-Facing %	25%	26%	5%	13%	16%	14%
Global Projects (14)	5	5	2	1	1	0
Global %	36%	36%	14%	7%	7%	0%
Total Projects (124)	33	34	8	15	19	15
Total Projects %	27%	27%	6%	12%	15%	12%

Pillar 1: Improve the Business Environment (economywide)

Pillar 2: Expand Market Opportunities (sector specific)

Pillar 3: Increase Firm-Level Competitiveness



Woman sells fruit in her stall on the streets of the suburbs of Dakar, Senegal. Photo: Agencia Gnews/Bigstock

FY12-16 and FY17-FY20 Funding and Expenditures

Fiscal Year	2012-16		2017		2018		2019		2020		2021		2017-21	
	In US\$ Thousands	Share of Total	In US\$ Thousands	Share of Total	In US\$	Share of Total	In US\$	Share of Total	In US\$ Thousands	Share of Total	In US\$	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%	8,061,770	25%	7,000,000	25%	7,000,000	27%	-	0%	31,661,111	26%
Core Contributions	37,788,000	20%	7,000,000	19%	7,000,000	22%	7,000,000	25%	7,000,000	27%	-	0%	28,000,000	23%
IFC ^b	23,388,000	13%	5,000,000	13%	5,000,000	16%	5,000,000	18%	5,000,000	20%	-	0%	20,000,000	16%
MIGA	5,600,000	3%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
World Bank	8,800,000	5%	2,000,000	5%	2,000,000	6%	2,000,000	7%	2,000,000	8%	-	0%	8,000,000	6%
Project Specific/Other Contributions (IFC)	13,548,475	7%	2,599,341	7%	1,061,770	3%	-	0%	-	0%	-	0%	3,661,111	3%
Donor Contributions	134,480,300	72%	27,950,198	74%	23,557,629	75%	21,397,458	75%	18,557,640	73%	-	0%	91,462,925	74%
Core	47,516,000	25%	4,601,820	12%	5,620,842	18%	5,600,853	20%	4,819,350	19%	-	0%	20,642,865	17%
Programmatic	55,913,000	30%	16,009,590	43%	8,880,887	28%	10,377,169	37%	5,861,827	23%	-	0%	41,129,473	33%
Project-Specific	31,051,300	17%	7,338,788	17%	9,055,900	29%	5,419,436	19%	7,876,463	31%	-	0%	29,690,587	24%
Client Contributions	699,000	0.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Contributions	186,515,775	100%	37,549,539	100%	31,619,399	100%	28,397,458	100%	25,557,640	100%	-	0%	123,124,036	100%
Less: Trust Fund Administration Fees	7,151,000		1,099,899		834,799		948,598		726,936		-		3,610,232	
Total Net Contributions	179,364,775		36,449,640		30,784,600		27,448,860		24,830,704		-	0%	119,513,804	

Expenditures (Uses of Funds) ^b	2012-16		2017		2018		2019		2020		2021		2017-21	
	In US\$ Thousands	Share of Total	In US\$ Thousands	Share of Total	In US\$	Share of Total	In US\$	Share of Total	In US\$ Thousands	Share of Total	In US\$	Share of Total	In US\$ Thousands	Share of Total
Staff Costs	80,745,922	50%	15,724,142	48%	14,114,087	52%	12,308,245	50%	10,195,172	45%	-	0%	52,341,646	49%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%	8,768,926	32%	7,838,159	32%	8,951,262	39%	-	0%	36,061,419	34%
Operational Travel Costs	26,315,588	16%	5,053,184	15%	3,006,936	11%	3,004,750	12%	2,526,105	11%	-	0%	13,590,976	13%
Indirect Costs (including office and operating costs)	11,886,379	7%	1,604,318	5%	1,506,396	5%	1,348,287	6%	1,102,123	5%	-	0%	5,561,124	5%
Total Expenditures	160,092,902	100%	32,884,715	100%	27,396,345	100%	24,499,442	100%	22,774,662	100%	-	0%	107,555,164	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, FY20

Region	Country	Agriculture	Competition	Construction Permits	Getting Credit	Investment Policy - Incentives	Investment Policy - Linkages	Investment Policy - Promotion	Investment Policy - Protection	Property Transfers	Starting a Business	Grand Total
East Asia and the Pacific	Laos ^a										1	1
	Vietnam ^a						1					1
EAST ASIA AND THE PACIFIC TOTAL							1				1	2
Europe and Central Asia	Albania					1						1
	Kosovo ^{ab}					1						1
	Macedonia					1						1
	Serbia							1				1
EUROPE AND CENTRAL ASIA TOTAL						3		1				4
Latin America and the Caribbean	Guatemala	1										1
	Nicaragua ^a	1										1
LATIN AMERICA AND THE CARIBBEAN TOTAL		2										2
Sub-Saharan Africa	Congo, Democratic ^{ab}										1	1
	Equatorial Guinea ^a										1	1
	Mali ^{ab}					1						1
	Regional- ECOWAS ^a				1				1			2
	South Africa		1	2*				1				4
Togo ^{ab}			1						1	1	3	
SUB-SAHARAN AFRICA TOTAL			1	3	1	1		1	1	1	3	12
GRAND TOTAL		2	1	3	1	4	1	2	1	1	4	20

^aInternational Development Association (IDA).

^bFragility, conflict, and violence situations (FCV).

* Reforms at subnational level

Total # of Reforms	20
of which in IDA	60%
of which in SSA	60%
of which in FCV	30%

1.1 FIAS FY17–21 Strategy Cycle 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%	69%	68%	57%	57%		62%	70%
	% of FIAS client-facing project implementation spend in Sub-Saharan Africa	55%	54%	47%	41%	48%		48%	50%
	% of FIAS client-facing project implementation spend in FCV	29%	29%	30%	23%	23%		26%	25%
2. Delivering Significant Business Results	Number of IC reforms supported by FIAS	341	62	40	31	20%		153	220
	% of IC reforms supported by FIAS in IDA countries	73%	58%	65%	58%	60%		60%	70%
	% of IC reforms supported by FIAS in Sub-Saharan Africa	66%	32%	30%	71%	60%		44%	50%
	% of IC reforms supported by FIAS in FCV countries	30%	21%	25%	35%	30%		26%	25%
3. Client Satisfaction and Development Effectiveness	Client satisfaction: FIAS-supported projects (results from IFC client survey)	92%	90%	100%	97%	91%		93%	90%
	Development effectiveness: FIAS-supported projects (% of projects rated satisfactory in terms of development effectiveness)	88%	100%	50%	60%	100%		75%	80%
4. Measuring Impact	Direct Compliance Cost Savings	\$208M	\$8.7M	\$28M	\$6.9M	\$8.8M		\$52.4M	\$200M
	Investment generated via facilitation of FDI in priority sectors*	\$1.59B	\$153.2M	\$33M	\$34M	\$0		\$220.2M	\$800M
5. Leverage	IBRD and IFC investment operations informed and enabled by FIAS**								TBD

* The FIAS FY17–21 strategy cycle targets were created on an assumption that \$200 million would be raised to finance the program; actual fundraising for the cycle totals \$160 million. Accordingly, targets for number of reforms achieved, compliance cost savings (CCS), and investment generated are reduced in this Scorecard by a factor of 0.8. Target reform total goes from 275 to 220; CCS from \$250 million to \$200 million; and investment generated from \$1 billion to \$800 million.

** Data for FIAS leverage is being compiled and will be provided for the entire FY17–21 cycle.

FIAS Results, FY20 and Cumulative

FIAS RESULTS GENERATED, FY20			
Number, % reforms	20	100%	Target %
of which IDA	12	60%	70%
of which SSA	12	60%	50%
of which FCV	6	30%	25%

FIAS CUMULATIVE RESULTS FY17–20			
Number, % reforms	153	100%	Target %
of which IDA	92	60%	70%
of which SSA	67	44%	50%
of which FCV	40	26%	25%

FIAS FY20
Special Topic:
IFC Upstream, FIAS, and COVID Response

IFC's Upstream Strategy

IFC has embarked on an ambitious strategy called Upstream, a new way of doing business, focusing on developing a pipeline of IFC-investable projects and on creating and expanding markets through country-level engagements and globally applicable platforms.

The aim is to leverage IFC Creating Markets initiatives (including FIAS-supported Advisory Services) to create conditions for private sector investment where they did not previously exist by applying innovative models around staffing, funding, indicators, and operations.

Upstream is highly relevant in framing our response to the severe economic impact of the COVID-19 pandemic around the developing world. In March 2020, FIAS leveraged its history of rapid response and its established relationships in client countries to mobilize support for dealing with the collapse in travel and tourism and helping countries manage the impact of restricted cross-border trade on business and food security. FIAS-supported teams crafted agile responses to enable client countries to help manufacturers shift rapidly to the production of personal protective equipment (PPE) and develop research and production in the pharma sector.

The Upstream strategy is already benefiting FIAS-supported projects in West Africa, Haiti, Bosnia and Herzegovina, and Georgia, among other places. Agribusiness projects are helping clients support their domestic agriculture industries amid severely restricted cross-border trade. FIAS-supported work in tourism—perhaps the hardest hit of all business sectors—has included advisory engagements in Côte d'Ivoire, Peru, South Africa, and Zimbabwe, helping tourism industries weather the immediate financial crisis, build resilience

against future economic shocks, and upgrade tourism.

In the manufacturing sector, FIAS is supporting sector-specific advisory services to governments and the private sector as firms retool to produce COVID-related products (e.g. Georgia, Haiti, Jordan) and/or shift to COVID-influenced manufacturing methods using enhanced safety and sanitation measures. FIAS-supported advisory is helping create the regulatory conditions conducive to opening up new manufacturing and research opportunities being

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Operations at the Guinea Alumina Corporation (GAC), one of the leading bauxite mining companies in Guinea. FIAS is supporting a supplier developing program linking local small businesses with major firms such as GAC. *Photo: IFC*

pursued in client countries in the bio-pharmaceutical, medical research, and protective equipment fields..

The FIAS-supported Competitiveness Evaluation Lab (ComPEL) was one of the first responders in the Bank Group's COVID effort, assisting with the COVID-19 Business Pulse Survey, which collected

data in 11 countries across five regions to support government response in boosting businesses during the crisis. The FIAS-supported Country Private Sector Diagnostics (CPSDs) have rapidly taken on board new analysis and diagnostic components geared specifically to COVID impacts, relief, and recovery.

Upstream
has never
been more
necessary.



Old man sells baskets in mask during Covid pandemic in Dar es Salaam, Tanzania.
Photo: Melissa Valente/Shutterstock.com

FIAS FY20 Advisory Teams Use New Data Sources Amid Doing Business Review

Investment climate advisory services are critical to helping developing countries facilitate private investment, foster competition, and stimulate business-led growth and jobs. In the COVID-19 context, investment climate reforms are a vital part of response strategies—including regulatory flexibility, insolvency and debt enforcement, and FDI retention.

Over many years, the *Doing Business* report has been a valued tool for countries seeking to improve their business climate. However, through internal reports the World Bank was made aware that some data changes to the *Doing Business 2018* and *Doing Business 2020* reports were made outside of the institutional review process.

As noted in a [statement](#) issued August 27, 2020, the World Bank Group conducted a systematic review and an audit to assure the integrity and impartiality of Doing Business data and analysis. Publication of the *Doing Business* report has been paused as the Bank Group conducted this assessment. In a [statement](#) on December 16, 2020, the Bank Group announced publication of a [full review](#) of the data irregularities and required corrections affecting the data for four countries: Azerbaijan, Saudi Arabia, the United Arab Emirates, and China. The Bank Group also published an [independent verification](#) of management's review of the data irregularities by the World Bank Group Internal Audit (GIA), and the findings of the [GIA Assurance Review](#) on Data Integrity in the Production Process of the *Doing Business* report, together with management actions that have been and will be taken to strengthen the overall control environment and address the underlying vulnerabilities. The Bank Group is launching an external review of the Doing Business methodology with the goal of strengthening the product and its usefulness to stakeholders worldwide, with findings expected in mid-2021. Arrangements are being completed

for publication of *Doing Business 2021* in the coming months, incorporating data corrections resulting from the review.

Azerbaijan is the only FIAS client country covered by the review through the Azerbaijan Agribusiness Competitiveness and Investment Climate project. The review of data irregularities found that Azerbaijan should have ranked 28th among all 190 countries for Ease of Doing Business (EODB) in the *Doing Business 2020* report instead of 34th. This would have placed Azerbaijan among the top 10 improvers in had the identified scoring irregularities not occurred.

Economy-wide advisory services, including those supported by FIAS and MCICP, emphasize EODB Indicators, such as the time and cost of starting a business and the ease of obtaining construction permits. In response, IFC Advisory Services has developed a guidance note to help teams adapt to the new circumstances. The note encourages teams to identify and use other credible data sources for setting targets, monitoring implementation progress, and reporting outcome and impact in real time.

IFC AS teams have access to several other data sources to assess the business environment in client countries. These include World Bank Enterprise Surveys, the World Economic Forum Competitiveness Index, and the Organisation for Economic Cooperation and Development's product market regulations.

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 International Finance Corporation (IFC), a member of the World Bank Group, and implemented by IFC Advisory Services teams. For more information, visit <https://www.thefias.info>

