Fias

2022

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES

IFC International Finance Corporation
WORLD BANK GROUP

With support from:

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1818 H Street NW
Washington, DC 20433
Telephone: 202-473-1000
Internet: *www.worldbank.org*

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.

Acknowledgments
This report was written and edited by IFC staff. Contributors: Julia Louise Breit, Anna Brown, Syed Estem Dadul Islam, Cynthia Mene, Geoffrey Mercer, Obed Pandit, Devangi Rathod, Emma Lawson-De Roeck.
Editor: John Diamond

Cover Photo
Djenebou Bagayogo works in a greenhouse near Bamako, Mali, growing watermelons, sweet peppers, tomatoes and other vegetables. Photo: Dominic Chavez/World Bank

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Message from the Director

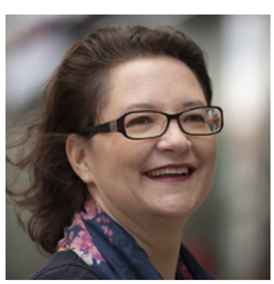
New economic challenges require new approaches, so it is timely that fiscal year 2022 marked the beginning of a new five-year strategy cycle for the Facility for Investment Climate Advisory Services (FIAS) partnership. COVID-19, Russia's invasion of Ukraine, and the devastating earthquake in Türkiye and Syria have delivered a series of economic aftershocks, including inflation, food shortages, and trade disruptions, falling especially hard on emerging markets and developing economies.

This is the arena in which FIAS operates. IFC Advisory and Upstream Services supported by FIAS combine crisis response with strategic vision to help client countries build durable and inclusive private sector growth. The FIAS strategy for F22–26 combines continuity with innovation. FIAS continues to prioritize IDA, Sub-Saharan Africa, and fragile situations while testing and scaling new approaches: helping clients expand promising business sectors, advance opportunities for women, address climate change, and participate in the digital economy.

Much of the project activity detailed in the *FIAS 2022 Annual Review* is new, so the report is inherently forward-looking. Yet the results already achieved in FY22 indicate that the strategy is well-positioned to achieve FIAS results targets.

The need for FIAS-supported work has never been greater. The January 2023 edition of the World Bank Group's *Global Economic Prospects* (GEP) projects a sharp drop-off in global growth—to 1.7 percent, the third weakest pace in nearly three decades. GEP also tracked investment in 60 emerging markets and developing economies from 1984 to 2020 and found a strong correlation between spurts in investment climate reform and investment growth. This is important confirmation of the value of work supported by FIAS.

FIAS is a trust fund and a program, but first and foremost I view it as a partnership, developed with our clients and 12 Development Partner countries (and we expect additions to the roster of FIAS donors soon). Today's economic turbulence underscores the value of a program that not only delivers much-needed services but enables us to pursue thematic work in gender, climate change, and digitalization, track and measure results, and pilot approaches in job creation, affordable housing, smallholder farming, and other areas that can inform longer-term IFC interventions. This is why we are both optimistic and grateful as we move through the five-year strategy cycle.



Anastasia Gekis
Director
IFC Operations Management Department

Introduction

Fiscal year 2022 (from July 1, 2021, through June 30, 2022) marked a significant transition for the FIAS development partnership. As the first year of the new five-year FY22–26 strategy cycle, the FIAS portfolio began a process of innovation and renewal.

Roughly half of the IFC Advisory Services (IFC AS) projects supported by FIAS were new to the portfolio in FY22. Through a new allocation process, FIAS began to rapidly expand its roster of projects with activities geared toward improving economic opportunity for women and addressing the economic challenges of climate change. The FIAS Program, part of IFC's Operations Management Department (OMD), is shifting focus to generating concrete and measurable economic benefits, from new domestic and foreign investment to increased investment retention and facilitation of financing. Despite the relative newness of much of the FIAS portfolio, strong results are coming in. Through the end of FY22, FIAS-supported projects generated $29.7 million in investment and $22.3 million in value of financing facilitated (VFF).

The new allocation process developed by the FIAS team and fielded at the midpoint of FY22 incentivizes IFC AS teams to include gender and climate change elements in their project proposals. In several cases, proposed projects that lacked these elements were amended to include them following dialogue with the FIAS team. The new process is a key tool helping FIAS deliver on its strategy cycle goal of doubling the percentage of projects with gender and climate change components as compared to IFC corporate-wide targets for Advisory Services.

At the end of the first year of the strategy cycle there are signs the approach is working. Nearly two-thirds of FIAS projects funded through the Core trust fund include gender components as part of their deliverables; 58 percent have climate components; and nearly one-third of the Core projects have both gender and climate components. The makeup of new projects coming online in FY23 give reason for optimism that FIAS will reach its strategy cycle target of 80 percent of Core projects including gender and 70 percent including climate change.

FIAS is a key part of the IFC 3.0 Creating Markets agenda to mobilize private capital through what IFC calls a "continuum" of effort that includes economy-wide advisory with deep analytics and reform work geared toward the most promising business sectors. The Upstream approach aims to address the shortage of bankable deals in many of the world's emerging markets and developing economies (EMDEs) where IFC works—particularly in the FIAS priority areas of IDA, Sub-Saharan Africa, and fragile conflict-affected situations (FCS). FIAS supports this agenda through projects aimed at "creating markets through sector interventions" that facilitate private sector investment in which IFC is a potential financing partner along with private investors.

The effects of the COVID-19 pandemic continue to buffet the global economy, with added pressures from the from the Russian invasion of Ukraine, inflation, and the threat of recession. These combined impacts are likely to pose continuing challenges through much of the strategy cycle. As client government priorities shift, this may slow progress in implementing reforms.

As the *FIAS 2022 Annual Review* details, IFC AS and FIAS are determined to meet these shifting challenges with agility, thanks in no small part to the continuing support of the FIAS Development Partners. For this support, IFC and the FIAS Program team are deeply grateful.

Man working at a food cart in Istanbul, Türkiye. *Photo: Said/Pexels*

01

Main Achievements and Milestones

$29.7M in investment generated or retained

via FIAS-supported projects

$22.3M in value of financing facilitated

via FIAS-supported projects

63% of FIAS Core projects gender flagged

58% climate flagged;

nearly a third have climate and gender elements

Lima Metro Line 2 station under construction. *Photo: Yayo López/World Bank*

01

A New Era for FIAS

The FIAS Program for FY22–26 supports the IFC 3.0 Creating Markets agenda while helping developing countries recover from pandemic impacts and gird against new challenges ranging from conflict to climate change. IFC Advisory Services supported by FIAS increasingly combine economy-wide reform work with sector-specific and firm-level advisory that can help move client country economies toward new investment and inclusive job creation. The new strategy cycle began on July 1, 2021—the start of FY22—with the FIAS Program team focused on building a new portfolio emphasizing investment generation and finance facilitation. The new projects will have clearer correlations to measurable economic benefits on the ground, such as new investment benefits in the areas of gender and inclusion and climate change mitigation and adaptation.

FIAS Results at a Glance

Many projects in the FIAS portfolio are too new to have begun producing beneficial impacts. Yet the shift in focus of the FIAS Program is still evident in the results generated in FY22 (July 1, 2021, to June 30, 2022). Investment generated and retained for FY22 represents modest progress toward the five-year FIAS target of $1 billion but, in combination with more recent results, gives reason for optimism that FIAS-supported projects are delivering:

Emphasis on New Investment, Finance

New Investment

Investment generated

$29,733,755 in new investment generated and retained through FIAS-supported projects in **Bosnia and Herzegovina** and **South Africa**

$29.7 million

Value of financing

$22.3 million in value of financing facilitated via the Global Housing Advisory Platform project and the Invest West Africa Regional Warehouse Receipts Program

$22.3 million

World Bank, IFC synergies

35 of 73 FIAS projects had ties to IFC or World Bank policy and investment operations (28 IFC; 5 World Bank; 2 IFC and World Bank)

Business cost savings

Regulatory streamlining in **Bosnia and Herzegovina** generated $296,707 in direct compliance cost savings to private businesses in FY22

Reforms

Markets and Competition Policy Project in **Peru** generated one investment climate reform in FY22, helping enact first economy-wide merger control law

01

Greater Efforts in Gender and Climate Change

Gender components

63% of FY22 projects funded from FIAS Core (15 of 24 projects) include gender components, solid progress toward the FIAS strategy target of 80 percent — FY22 **FIAS Core**

47% of all FIAS projects (34 of 73) include gender components, ahead of 40 percent target — All FIAS **Projects**

Climate change components

58% of FIAS Core projects (14 of 24) include climate change components, progressing toward the FIAS target of 70 percent — FIAS **Core**

26% of all FIAS projects (19 of 73) include climate components; as older projects close and are replaced by new projects, FIAS anticipates meeting the 35 percent target — All FIAS **Projects**

Both gender and climate

29% of FIAS Core projects (7 of 24) have *both* gender and climate components; 11% of all portfolio projects (8 of 73) have both — FIAS **Core**

Continuity in FIAS Priorities: IDA, Africa, FCS, Streamlined Business Regulations

Share of FIAS FY22 client-facing spending in **IDA**, **Sub-Saharan Africa**, **FCS**

58% IDA
↓ below target

44% Sub-Saharan Africa
↓ below target

33% FCS
↑ ahead of target

Spending levels will more closely align with targets as the portfolio expands

FIAS Scorecard

STRATEGIC THEME	INDICATOR*	FY17–21 CUMULATIVE	FY22	FY22–26 CUMULATIVE	FY22–26 STRATEGY TARGET
1. Focus on Priority Clients	% FIAS client-facing project implementation spend in IDA countries	63%	58%	**58%**	**70%**
	% FIAS client-facing project implementation spend in Sub-Saharan Africa	46%	44%	**44%**	**50%**
	% FIAS client-facing project implementation spend in FCS	28%	33%	**33%**	**25%**
2. Delivering Significant Business Results	Number of Reforms supported by FIAS	204	1	**1**	**200**
	% reforms supported by FIAS in IDA countries	58%	0%	**0%**	**70%**
	% reforms supported by FIAS in Sub-Saharan Africa	43%	0%	**0%**	**50%**
	% reforms supported by FIAS in FCS countries	24%	0%	**0%**	**25%**
3. Client Satisfaction and Development Effectiveness	Overall client satisfaction: FIAS client survey results	94%	96%	**96%**	**90%**
	Development Effectiveness: % FIAS-supported projects rated satisfactory for DE	72%	100%	**100%**	**80%**
4. Measuring Impact	Direct Compliance Cost Savings (USD)	$196.2M	$296,707	**$296,707**	**$200M**
	Investment Generated/Retained (USD)	$999.1M	$29,733,755	**$29,733,755**	**$1B**
5. Measuring Impact (New Indicator)	Value of financing facilitated (USD)		$22,300,000	**$22,300,000**	**TBD**
6. Measuring Impact (Jobs)	Number of Jobs Pilot impact assessments		TBD	**TBD**	**10–15**
7. Leverage (New Indicators for tracking and reporting)	Number of IFC investment operations informed and enabled by FIAS	106	30	**30**	
	Number of IBRD Development Policy and Investment operations informed by FIAS	28	7	**7**	
8. Thematic Impact (New indicators)	% projects gender flagged (FIAS Core)		63%	**63%**	**80%**
	% projects gender flagged (FIAS total program portfolio)		47%	**47%**	**40%**
	% projects with climate related activities (FIAS Core)		58%	**58%**	**70%**
	% projects with climate related activities (FIAS total program portfolio)		26%	**26%**	**35%**

Blank boxes in FY17–21 indicate the value was not part of Scorecard for that cycle; in Target column, blank boxes indicate targets are not being calculated for IFC, IBRD linkages.

01

FIAS Portfolio at a Glance

In January 2022 FIAS launched a new allocation process designed to incentivize IFC project teams to step up their work in gender and climate change and to gear projects toward producing new private investment in client countries and enabling them to retain more investment. As of June 30, 2022, the end of FY22, about half the FIAS portfolio of 73 projects was less than two years old. The FIAS portfolio contains projects carried over from the FY17–21 cycle and new additions geared to the FY22–26 strategy. The share of the portfolio delivering sector-specific advisory will increase. As shown below, 14 projects deliver sector advisory exclusively (19 percent); 28 projects (38 percent) do so with enabling environment advisory. In all, 42 projects (58 percent) include sector-level work.

PROJECT TYPE	ENABLING ENVIRONMENT	SECTOR-LEVEL ADVISORY	ECONOMY-WIDE AND SECTOR-LEVEL ADVISORY	TOTAL
Client-facing Projects	27	14	24	65
Share of Client-facing Projects (%)	42%	22%	37%	100%
Global Knowledge Projects	4	0	4	8
Share of Global Knowledge Projects (%)	50%	0%	50%	100%
Total Projects	31	14	28	73
Share of Total Projects (%)	43%	19%	38%	100%

In FY22–26, FIAS is transitioning to sector-oriented work aimed at helping client countries attract and retain investment leading to inclusive job creation. Sectors covered by FIAS-supported advisory include agriculture and agribusiness, tourism, manufacturing, finance, and infrastructure. As agreed under the new FIAS strategy, any IFC unit, working in areas ranging from manufacturing to finance to infrastructure to enabling environment advisory, is eligible to seek FIAS funding for project activity provided it can demonstrate adherence to the strategy.

While FIAS moves in new directions it maintains its well-established priorities. These include support for projects in borrowing countries of the International Development Association (IDA)—countries that struggle with low per capita income levels (the limit was $1,255 in FY23) and require concessional funding. FIAS allocation decisions also prioritize countries in the Sub-Saharan Africa region, and countries in fragile and conflict-affected situations (FCS) facing high levels of institutional and social fragility, and violent conflict. Some FIAS client countries fall into all three of these categories.

The longstanding priorities of the FIAS Program—work in IDA, Sub-Saharan Africa, and FCS, and a client-focused approach supported by deep regional and global analytics—remain intact as detailed below:

Client-Facing Engagements

Share of FIAS FY22 client-facing projects in **IDA**, **Sub-Saharan Africa**, **FCS**[1]

48%	48%	35%
IDA	Sub-Saharan Africa	FCS

Global Engagements

- Of the 73 FIAS FY22 projects, 59 (81 percent) are specific to a country or set of countries; 14 (19 percent) are global projects
- Of the 14 global projects, 8 are knowledge development products (KDPs) advancing knowledge and expertise in areas relevant to the FIAS agenda and applicable across the portfolio
- 6 of the global projects are considered client-facing because they are developing activities to be rolled out in client countries; all will eventually support projects in Africa, for example:
  - The Global Food Safety Platform will benefit clients in IDA and Africa
  - The Sustainable Banking Network Global project will develop clients in IDA, Africa, and FCS
  - The Global Microfinance Initiative will develop projects in IDA and Africa

Development Effectiveness, Client Satisfaction

- 45 clients of FIAS-supported projects responded to the client satisfaction survey, 43 positively, or 96 percent (strategy cycle target: 90 percent)
- During FY22, 4 of 4 closed projects received positive ratings for Development Effectiveness, or 100 percent (strategy cycle target: 80 percent):
  - Europe and Central Asia Agri-Finance Project; closed 2022, DE rating: Successful
  - Vietnam Private Sector Competitiveness; closed 2022, DE rating: Mostly Successful
  - Doing Business Mozambique; closed 2020, DE rating: Mostly Successful
  - ECA Green Banking Academy; closed 2021, DE rating: Mostly Successful

1 The three FIAS priority categories—IDA, Sub-Saharan Africa, and FCS—include many of the same countries.

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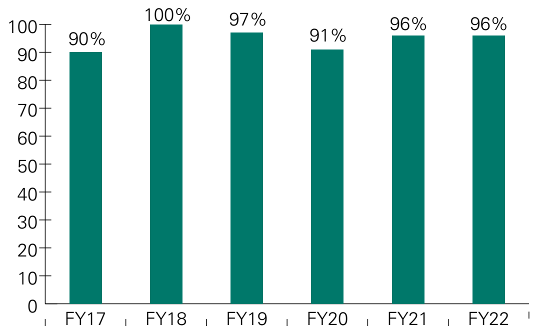
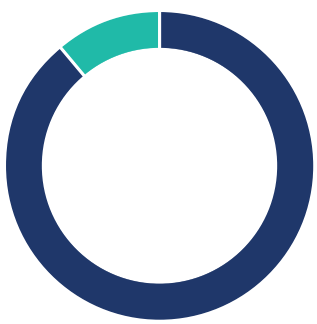


FIAS CLIENT SATISFACTION, FY17–22
Share of positive client responses from FIAS supported projects

FIAS FY22 Expenditures

- FIAS FY22 project expenditures totaled $11.7 million, with $10.4 million, or 89 percent, client-facing (FY21: 88 percent), $1.1 million, or 9 percent, for non-client facing global projects, and $204,052, or 2 percent, for program management and general and administrative costs
- Of $10.4 million in FIAS FY22 client-facing expenditures, 58 percent supported IDA (target 70 percent); 44 percent supported Sub-Saharan Africa (target 50 percent); 33 percent supported FCS (target 25 percent)



PERCENT OF FIAS FY22 FIAS EXPENDITURES
100% = $11.7 Million

- Client-Facing (89%)
- Non-Client Facing (11%)

FIAS EXPENDITURE BY REGION, FY22
100% = $11.7 Million

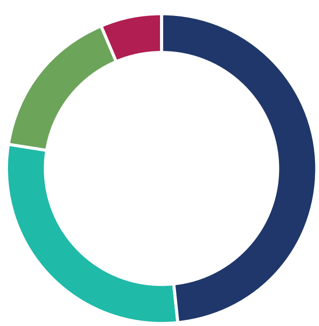
- Sub-Saharan Africa (44%)
- Europe and Central Asia (19%)
- World (12%)
- East Asia and Pacific (7%)
- Middle East and North Africa (7%)
- Latin America and Caribbean (5%)
- South Asia (4%)

FIAS Fundraising

FIAS FY22–26 Fundraising (as of November 2022)

- Through the first quarter of FY23 FIAS secured contributions of $137 million for FY22–26, 69 percent of the way to the five-year $200 million FIAS fundraising goal
- $56.3 million (41 percent) was for FIAS Core, the trust fund account that enables the FIAS Program team to direct funding to priority areas (IDA, Sub-Saharan Africa, FCS, gender, climate change)
- $80.9 million (59 percent) was raised for programmatic activity in which a donor or donors set priorities within the framework of the FIAS strategy
- The ratio of about $4 out of every $10 going to FIAS Core is in line with the FY17–21 cycle
- For FY22, FIAS gross receipts from donor contributions and the World Bank Group totaled $31.4 million, with just under half representing donor support for programmatic programs and 45 percent in combined donor and World Bank Group support for FIAS Core
- The $11.7 million in direct project expenditures out of $31.4 million in gross receipts reflects the early stage of many of the projects in the developing FIAS FY22 portfolio

FIAS Core Contributions	$56,266,507
FIAS Programmatic Contributions	$80,879,017
Total Combined Contributions	$137,145,524
Funding Gap	($62,854,476)



FY22 DONOR CONTRIBUTIONS (GROSS RECEIPTS)
100% = $31.4 Million

- Programmatic (48%)
- Core (29%)
- World Bank Group (16%)
- Project Specific (6%)

01

FIAS FY17–21 and FY22 Funding and Expenditure

CONTRIBUTIONS (SOURCES OF FUNDS)	IN US$ (FY 2017-21)	SHARE OF TOTAL (FY 2017-21)	IN US$ (FY 2022)	SHARE OF TOTAL (FY 2022)
WORLD BANK CONTRIBUTIONS	**38,661,111**	**26%**	**5,000,000**	**16%**
Core	**35,000,000**	**24%**	**5,000,000**	**16%**
IFC [1]	28,661,111	19%	5,000,000	16%
World Bank	10,000,000	7%	-	0%
DONOR CONTRIBUTIONS	**109,336,867**	**74%**	**26,395,751**	**84%**
Core	24,640,465	17%	9,181,888	29%
Programmatic	54,665,942	37%	15,219,839	48%
Project Specific	30,030,459	20%	1,994,024	6%
TOTAL CONTRIBUTIONS	**147,997,978**	**100%**	**31,395,751**	**100%**
Less Trust Fund Administration Fees	4,853,929		1,220,086	
TOTAL NET CONTRIBUTIONS	**143,144,049**		**30,175,664**	

EXPENDITURES (USES OF FUNDS) [2]				
Staff Costs	62,728,065	48%	4,831,751	41%
Consultants /Temporaries & Contractual services	48,612,622	37%	6,053,773	52%
Operational Travel Costs	13,744,863	10%	474,982	4%
Other expenses	6,715,699	5%	329,517	3%
TOTAL EXPENDITURES	**131,801,249**	**100%**	**11,690,024**	**100%**

1 IFC's annual contribution to the FIAS FY22-26 funding cycle is $5.0 million each year. FY2017-21 IFC contributions includes $3.6 Million in project specific contributions.

2 Includes contributions from all sources of funds that support the FIAS FY22-26 strategic agenda. FIAS FY22-26 funding cycle contributions and expenses (previously reported) have been adjusted for comparative purposes.

02

Special Topic: FIAS Support for Climate Change-Related Advisory

19 Projects in the FIAS FY22 Portfolio Include **Climate Change Components,** 8 of which also **Deliver Gender Advisory**

Most of the FIAS Projects Offering **Climate-Related** Advisory are **New as of FY22**

FIAS Allocation Process Incentivizes Teams to **Include Climate & Gender in Project Design**

02

The world is still **dangerously off-track** when it comes to slowing down **global climate change.** The **cost** of failing to address this crisis is already **immense and growing**

The world is still dangerously off-track when it comes to slowing down global climate change. The cost of failing to address this crisis is already immense and growing. The impact of rising global temperature falls heavily on developing countries, which is why the World Bank Group is investing heavily in efforts to reverse negative trends. The private sector has a vital role in this effort—both in changing methods of production to reduce climate impact and in seizing on huge market opportunities associated with responding to climate change. This is why IFC is playing a big part in the Bank Group's approach to climate change, and why FIAS, supporting IFC Advisory Services that advance the climate agenda, can be a catalyst for leveraging IFC's investment in this work.

Historically, industrialized countries have been the largest contributors to global emissions, but today emerging markets and developing economies (EMDEs), given their huge development needs and growing energy demand, are seeing a steady growth in greenhouse gas emissions, and are set to account for the largest source of emissions unless sufficient action is taken. EMDEs are also the most heavily impacted by climate change, which could push an additional 132 million people into poverty in the next decade.

While low-carbon solutions are gaining traction, a January 2022 study by McKinsey Global Institute estimates that transitioning to net-zero by 2050 will require an extra $3.5 trillion per year in capital spending on energy and land-use systems alone. Public budgets, already strained by the COVID-19 pandemic, cannot begin to cover these needs. Private funds and investors, which hold 900 times the budget of development finance institutions, will need to step in to fill that gap. From solar energy and climate finance to relatively new areas such as hydrogen or carbon capture, IFC is uniquely placed to create investable opportunities and mobilize private capital for the decarbonization of economies.

In June 2021, the World Bank Group Board endorsed the World Bank Group Climate Change Action Plan 2021–2025, (CCAP). Under the plan, IFC is focusing its efforts on five key systems responsible for over 90 percent of global greenhouse gas emissions: agriculture; food, water, and land; cities; transport; and manufacturing. IFC is committed to growing its climate-related investments to an average of 35 percent of its own-account long-term commitment volume between 2021 and 2025 and working with financial institutions to finance projects that support mitigation and adaptation. The IFC strategy calls for aligning 85 percent of new operations with the goals of the Paris Agreement starting July 1, 2023, and 100 percent starting July 1, 2025, screening all projects for physical climate risk by FY23, and advancing private sector solutions for climate adaptation and the protection of biodiversity.

During FY22, the World Bank Group continued its dramatic expansion of financing to address climate disasters such as flooding in **Pakistan**, and financing for climate adaptation and mitigation. In FY22 the Bank Group reached $32 billion in climate financing, a record that exceeded its Glasgow target. In November 2022, President Malpass unveiled a new fund called SCALE, for Scaling Climate Action by Lowering Emissions. The fund provides an avenue for global action on climate change and funding for greenhouse gas emissions reduction. SCALE will pool funding from the global community and provide grant payments on a results basis to client countries for lowering GHG emissions. The fund will also help countries build a track record of projects that unlock private sector funding through international carbon markets. The Bank Group has published Country Climate and Development Reports (CCDRs) in more than 20 countries, identifying pathways to climate action and impact.

IFC projects in the climate finance space have included a subscription opportunity for a Blue Bond to be issued by BDO Unibank, Inc., the largest bank in **the Philippines**. The investment will help BDO develop a Blue Finance Framework, allowing it to fund projects that support the country's blue economy. IFC also published the Guidelines on Blue Finance, drawing attention to a new asset class which sees increased interest from investors, financial institutions, and issuers globally. In addition, IFC invested in Egypt's first private sector green bond, issued by the Commercial International Bank (CIB) in **Egypt** to help unlock finance for climate-smart projects and support the country's transition to a greener economy. And in terms of value chains, IFC is working with multinational brands like Microsoft, McCormick, and Levi's to help green their supply chain in emerging economies and support local vendors in reducing their carbon footprint.

FIAS Supporting Climate-Focused Advisory

As in IFC Investment Services, IFC Advisory Services (IFC AS), including those supported by FIAS, are advancing a climate change agenda geared toward helping client countries manage economic transformation aligned with the climate change agenda. IFC AS aims to have 35 percent of its projects include climate-related components. The FIAS FY22–26 strategy seeks to double the IFC corporate-wide target by having 70 percent of its Core portfolio projects tagged as including climate change advisory. This is possible because the FIAS Program team manages project selection for Advisory Services funded by FIAS Core. Other FIAS-supported work is funded through programmatic or project-specific approaches in which donors select the projects to receive funding. Climate change is a key thematic area for FIAS and a priority for FIAS Development Partners. In mid-FY22 (the beginning of calendar 2022), the FIAS Program team launched a new allocation process designed not only to increase the amount of gender- and climate-related work in the FIAS Core project portfolio but to interact with teams at the pipeline stage to modify projects, when possible, to include these components.

The approach is paying dividends. Nearly two-thirds of FIAS projects funded through the Core trust fund (63 percent) include gender components as part of their deliverables; 58 percent have climate components. Nearly one-third of the Core projects (7 out of 24) have both gender and climate components. The makeup of new projects coming online in FY23 give reason for optimism that FIAS will reach its strategy cycle target of 80 percent of Core projects including gender and 70 percent including climate change.

FIAS FY22 Climate Projects Include Global, Country Approaches

Most of the 19 projects in the FIAS FY22 portfolio that include climate change-related work are new to IFC and to FIAS as of FY22. This reflects both the intensified corporate prioritization of climate-related work across all IFC AS and the new FIAS FY22–26 strategy for gender and climate, supported by an allocation process that incentivizes project teams to include these components in their plans. Of the 19 projects with climate elements, 14 are funded out of the FIAS Core account, which gives the FIAS Program management team the most latitude in terms of selecting projects that include gender and climate activities. The portfolio includes global projects, such as Global Housing Advisory and Sustainable Infrastructure of the Future, and client-facing projects in areas such as special economic zones in **Nigeria** and a textile value chain project in **Egypt**. Of FIAS Core projects, 7 of 24, or 29 percent, have both gender and climate components; of the overall portfolio, 8 of 73, or 11 percent, have both.

FIAS FY22 Portfolio: Gender/Climate Summary

	# GENDER	% GENDER	TARGET	# CLIMATE	% CLIMATE	TARGET	# GENDER/ CLIMATE	% GENDER/ CLIMATE
Core (24 projects)	15	63%	80%	14	58%	70%	7	29%
All (73 projects)	34	47%	40%	19	26%	35%	8	11%

02

Sustainable Banking and Finance Supports Green Finance

The goal of the Sustainable Banking and Finance Network (SBFN) is to increase and deepen uptake and implementation of international environmental, social, and governance (ESG) standards and international best practices across emerging market financial markets, through engaging financial and banking regulators and industry associations. This is achieved through improved awareness, knowledge, and skills among financial regulators and banking associations on ESG standards, and by advising members on developing strategy, plans, and guidelines.

The project is performing well. Four new members joined SBFN during the reporting period, including Kosovo Banking Association, Central Bank of the Republic of **Azerbaijan**, Bank of **Jamaica**, and Securities and Exchange Commission of **Central Africa**.

In FY22, the FIAS-supported team contributed technical support and global knowledge sharing to assist the National Treasury in launching the **South Africa** Green Finance Taxonomy in April 2022. The Taxonomy is designed for investors, issuers, lenders, and other financial sector participants to track, monitor, and demonstrate the credentials of their green activities in a more confident and efficient way. In May 2022, the Central Bank of **Sri Lanka** launched the Green Finance Taxonomy, along with a taxonomy background report and frequently asked questions facilitated by SBFN. The taxonomy was a key milestone for implementing the sustainable finance roadmap. SBFN also supported **Indonesia** and **Colombia** with Green Taxonomy launches. The team also organized five workshops with over 780 participants attending the events.

The coming year will see the Sustainable Finance Instruments Working Group map the status and lessons learned from national, regional, and global taxonomy development, utilization, governance, and diversification, with a focus on SBFN countries. The sustainable finance taxonomy tool and case studies will be published in FY23.

Europe and Central Asia Green Banking Addresses Green Finance Potential

The ECA Green Banking project, which is not in the FIAS FY22 portfolio but closed successfully in FY21 with a Mostly Successful Development Effectiveness rating, built on the success of the Green Banking Academy (GBAC), launched in 2018 in the Latin America and Caribbean region. The FIAS-supported Europe and Central Asia (ECA) GBAC project aims to address the region's vast green finance potential. ECA GBAC is a one-stop-shop platform with access to materials, training, and knowledge, enabling IFC clients to integrate climate and development, and grow investment with climate business lines.

The project launched the ECA GBAC monthly newsletter with expert articles on the current topics of climate finance, client stories, resources/publications, and upcoming events, as well as a website, www.ecagbac.org, linking to the Online Learning Campus on climate finance, a climate finance roadmap, and a self-evaluation tool. The project organized executive round tables and facilitated sessions exploring climate issues per priority. In the first half of FY22, the FIAS team organized four sessions: Reinventing Climate Finance, Green Bond Facilitation, Battery Storage, and the Implications for Financial Institutions in ECA of COP26. GBAC also offered financial institutions free participation in GB-TAP Green Bonds training program tailored for emerging markets.

New Additions to the FIAS Portfolio

In the new strategy cycle, FIAS is supporting several innovative projects as part of IFC's climate change agenda. Most of the new additions to the portfolio are from FIAS Core, validating the FIAS allocation process instituted in January 2022 and geared toward securing the maximum possible alignment of the FIAS project portfolio with the FY22–26 strategy. These projects had only just got under way as of the end of FY22 and so have not yet generated results. Here are some examples of how FIAS is strengthening the climate activity in its portfolio:

A project in Luxor, Egypt, creating short-term employment opportunities for unskilled and semi-skilled workers and providing access to basic infrastructure services. *Photo: Dominic Chavez/World Bank*

Egypt Green Building

The Government of **Egypt** issued a green building code for residential buildings in 2005 and for commercial buildings in 2009, and a local certification framework called Green Pyramid Rating System (GPRS) in 2010. The Egypt Green Building Council (Egypt GBC) was established in 2009 under the Housing and Building Research Center (HBRC). However, the green building market has not taken off. According to HBRC, there are only 3 green buildings certified based on the GPRS since 2017, and 22 green buildings certified by the LEED (Leadership in Energy and Environmental Design) rating system since 2008, while EDGE (Excellence in Design for Greater Efficiencies) is almost unknown in the country.

Launched in FY22, the Egypt Green Building (GB) project aims to contribute to an increase in the stock of EDGE-certified green buildings and thus improve resource utilization and reduce carbon footprint. In FY22 IFC's team held the first engagement with local EDGE experts and engaged internally with IFC industry teams to identify potential GB clients. The project team undertook business development activities, meeting new clients and building relations with interested participants from several sectors, including real estate, financial institutions, and universities. A key initial step was to increase awareness of the project in the Egyptian market by holding its first public in-person event focused on the EDGE program in Egypt. The project provided technical green building support for the launch by the Commercial International Bank (CIB) of a Green Built Environment Program under its Sustaining Sectors Program.

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Solid progress was achieved with the first two EDGE certifications in Egypt for two university buildings: New Giza University, a CIB client, and the I-Hub Innovation and Entrepreneurship Center at the Ain Shams University. IFC also discussed with the client the importance of developing and enforcing an incentives program for green buildings and shared global good practices. HBRC is taking it forward with the government team.

Central Europe (CEU) Agriculture Finance Digital Platform

Micro, small and medium enterprise (MSME) agriculture is a major driver of jobs and growth in the rural economy in **Albania**, **Bosnia and Herzegovina**, **Kosovo**, **Montenegro**, **North Macedonia**, **Serbia**, and **Ukraine**. Yet, agriculture sector growth is hampered by small farm size, lack of scale production and distribution, and lack of production modernization, which results in low productivity in agricultural production. Lack of access to finance is the main obstacle for agriculture growth in the region, influenced by high-risk perception of financial institutions to the sector. It is estimated that financial institutions cover 15 percent of the agricultural sector's working capital needs. Innovative **digital** solutions, such as cashflow-based lending and alternative collateral instruments, provide an effective solution to increase competitiveness and bankability of agricultural producers.

To address these market failures and to contribute to the mitigation of negative effects of the COVID-19 pandemic on the agribusiness sector, the **CEU Agriculture Finance Digital Platform** project aims to de-risk agri-finance, reduce transaction costs associated with agricultural lending, increase financial institutions' participation in the sector, and enhance outreach to under-banked agri-MSMEs and farmers. The **digital agriculture finance platform** will address information asymmetry between lenders and small farmers by consolidating finance, **climate**, pricing, and other information based on **digital** data. In addition, focusing on **climate-smart** agriculture lending will increase the resilience of local farmers to the effects of **climate** change, thus stabilizing the production and profitability of farmers. Increased and stable incomes will also reduce financing risks for financial institutions. The project aims to facilitate access to at least $100 million of finance through loans disbursed to agri-MSME and farmers in the market.

UPSEZWA Nigeria (Upstream Special Economic Zone West Africa)

The 1992 Nigeria Export Processing Zones Authority Act suffers from several deficiencies which prevent Nigeria from efficiently leveraging the private sector through zone development and constitute the principal reasons for launching the UPSEZWA (Upstream Special Economic Zones West Africa) **Nigeria** Project.

The goal of this Upstream project is therefore to address and eliminate (or at least reduce) the market and government-regulatory failures in Nigeria by facilitating inclusive economic growth and equitable social development through the adoption and implementation of competitive Special Economic-Social Zone (SEZ) legal, regulatory, and institutional frameworks that align with Chapter 14 of the Economic Community of West African States (ECOWAS) Investment Policy and the Paris Agreement. The project is expected to achieve the following impact: (1) private SEZ investments (including potentially private green investments and private IFC investments) of at least $150 million, and (2) 10,000 direct/indirect jobs created in respect of any of the SEZs in Nigeria. The project will also promote the creation of new markets in the following sectors: healthcare; aeronautics; manufacturing; agribusiness; petrochemical; and infrastructure.

In FY22, the FIAS-supported team successfully drafted the entire IFC Cooperation Agreement. The team reviewed and proposed modifications to a draft Nigeria SEZ Bill/Law. The aim of the revised legislation is to align with the Paris Agreement and with ECOWAS Investment Policy regulations relating to land use and site selection criteria. The project also aims to help establish an SEZ Law Stakeholder Working Group.

the FIAS-supported team **successfully drafted** the **entire IFC Cooperation Agreement**

Circular Economy Knowledge Development Product (KDP) Aims at Waste Reduction, Resource Management

The circular economy is a model of production and consumption which involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials, assets, and products as long as possible. The life cycle of products is extended, and the use of assets is increased and optimized. In practice, this implies reducing waste generation and use of resources to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible. These can be productively used again and again thereby creating further value.

This approach to the maximization of the use of a resource can be applicable to assets as well, through sharing, leasing, and renting business models. This is a departure from the traditional, linear economic model, which is based on a take-make-consume-throw away (or own and underuse) pattern. A circular economy is regenerative by design and aims to gradually decouple growth from the consumption of finite resources. Countries globally, from the European Union to Southeast Asia and Africa, have started to adopt the circular economy to propel growth and strengthen resilience. The planning and implementation of circular economy approaches at the industry level is a valuable opportunity to increase competitiveness while meeting sustainability considerations.

The Circular Economy project, supported by FIAS, aims to develop an evidence-based approach to circular economy that can leverage policy, regulatory, and other Upstream enablers for industries. This will help develop circular economy solutions in specific IFC industries and value chains, and foster mechanisms that can sustain and improve the economics and competitiveness of circular economy options. The expected outcomes are two new IFC projects that use the tools and resources to design, develop, and operate client-facing projects.

IFC has partnered in numerous countries to identify recycling opportunities and circular economy opportunities related to plastics (Ghana, Morocco, Nigeria, Thailand, and Vietnam, among others) with varying approaches to analyzing circularity for this input product. The FIAS team will review the various analytical work across the World Bank and IFC for plastics and design a standardized approach to analyzing the value chain and investment potentials.

Scaling Biodiversity Finance

There are ever-increasing global financial and climate risks associated with biodiversity loss and far too little funding is being committed to address these risks through positive biodiversity-related impact generation. Impact investors may be willing to engage early in the market for nature performance outcomes given their focus on investments that generate positive environmental and social returns. Mainstream investors also have a strong interest in investments or projects related to nature if they can deliver a commercial return. If blended finance can be used to create instruments which meet their risk return needs, significantly larger sources of capital could be leveraged.

The objective of this project is to assess options and partnerships for IFC and/or IFC clients to invest in opportunities that directly contribute to biodiversity co-benefits at a landscape level, thereby significantly scaling IFC's potential biodiversity-positive impacts. The focus will be specifically on areas where the World Bank Group could add value, unlock barriers to entry, and accelerate and scale possible solutions. The team, with support from FIAS, will produce an upfront synthesis and framing report that covers an assessment of the types of capital/investors that are interested to invest in biodiversity conservation, and two detailed case study examples that explore, with the IFC teams on the ground, options for scaling positive biodiversity-related impacts through IFC (and other) finance.

In FY22, terms of reference were finalized after extensive consultation with IFC and World Bank colleagues, UNDP, and SANParks. An Expression of Interest was published, and

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12 firms or consortia responded; a shortlist of 6 was agreed on by IFC and UNDP. The team received 5 qualifying proposals and selected the winning consortium. The team also had an introductory meeting with the consultants, UNDP, and SANParks.

Global Housing Building Client Capacity to Develop Sustainable Communities

This multi-region Upstream project seeks to increase clients' business and design capacity to develop quality projects with a view to creating affordable, quality, inclusive, secure, sustainable, and healthy residential communities. The project seeks to develop, customize, and pilot the READ (Real Estate Assessment of Developers) and ASHA (Affordable Socially sustainable Housing Application) housing tools, while also developing each tool's capacity-building curriculum. In FY22 the project progressed according to plan. All key target results for this project cycle have been met. For READ, the project completed the pilot tests in **Mexico** and **South Africa** and the tool customization and pilots in **India**. For ASHA, it completed tool customization and pilots in all three pilot countries, India, Mexico, and South Africa. In addition to other social sustainability areas, ASHA examines a project's provisions to adapt to the impact of climate change and increase resilience to environmental risks. Likewise, it reviews various requirements related to the reduction of GHG emissions, such as the use of energy efficient systems, passive thermal comfort measures, and sustainable wastewater management, as well as a project's accessibility to public and non-motorized transportation, employment hubs, and social amenities such as health care and education.

FIAS FY22 Climate-Tagged Projects

Responsible Financial Inclusion and Innovation *

Global Housing Advisory Platform Implementation (Child) *

Sustainable Banking Network Global *

Scaling Biodiversity Finance *

Colombia Productivity and Jobs

SOE and State in the Economy *

Gender-Inclusive Infrastructure & Natural Resources *

UPSEZWA Nigeria *

Colombia Productivity

Central-America Sustainable Banking Initiative *

Housing for Pakistan Initiative *

Global Housing Microfinance Initiative *

Egypt Textile Value Chain Project

CEU Agriculture Finance Digital Platform

Egypt Green Building

SL Climate Smart Agri Finance *

Circular Economy Knowledge Development Product *

Sustainable Infrastructure of the Future Platform *

Advisory to Axis Bank on Climate and ESG *

Projects listed in **orange** text with * are funded through FIAS Core

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Operational Highlights

As the FIAS partnership enters a new five-year strategy cycle, the focus is on recovering and rebuilding from the economic devastation caused by the COVID-19 pandemic.

FIAS FY22 Portfolio

73 projects

of which…

65 projects

are client-facing and…

31 projects

benefit IDA

In the FY22–26 strategy cycle, FIAS-supported Advisory Services have shifted emphasis from supporting economy-wide reform efforts to focusing on sector-specific reforms in the manufacturing, tourism, agribusiness, supply-chain, and digital financial services to lead client countries, key private sector firms, and investors in the direction of investments, jobs, and income generation. The sharp increase in the proportion of sector-specific projects further complements the IFC's 3.0 Creating Markets Upstream agenda to build the private sector's potential in client countries.

FIAS has set ambitious targets for advancing the economic prospects of women and the green economic development agenda, advancing IFC's strategic priorities to expand the work in gender and climate change. Advancing digitalization in developing economies is another thematic focus that is an integral part of the strategy. Along with these priorities, FIAS continues to focus on countries in IDA, the Sub-Saharan Africa region, and FCS, which is reflected in its FY22 portfolio.

Overview of the Portfolio

As of June 30, 2022, the end of FY22, the FIAS portfolio consisted of 73 projects, of which 65 were client-facing (59 country- and region-specific; 6 global platforms with client-facing components); 8 were global projects spanning knowledge, product, and program development.

Among the 59 projects focused on country and regions, 27 benefit IDA countries, 26 prioritize the Sub-Saharan Africa countries, while 23 are concentrated in FCS.

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PROJECT TYPE	ENABLING ENVIRONMENT	SECTOR-LEVEL ADVISORY	ECONOMY-WIDE AND SECTOR-LEVEL ADVISORY	TOTAL
Client-facing Projects	27	14	24	65
Share of Client-facing Projects (%)	42%	22%	37%	100%
Global Projects	4	0	4	8
Share of Global Projects (%)	50%	0%	50%	100%
Total Projects	31	14	28	73
Share of Total Projects (%)	43%	19%	38%	100%

More than half of the projects in priority areas help single countries; the others work in regions which include IDA, FCS, and/or Africa countries, such as FIAS-supported work in the Organization for the Harmonization of Business Law in Africa (OHADA) and the Women, Business and the Law – Africa Initiative.

The table above provides a breakdown of the 73 FIAS-supported projects across the full spectrum of Advisory Services: Enabling environment advisory, sector-level advisory, and interventions targeting both.

Enabling environment AS aims to improve client country business environments to unlock a broad range of new private sector investment opportunities. Sector level AS seeks to create markets via sectoral or market-wide intervention that will facilitate private sector investment and for which IFC could be a potential financing partner. The shift in focus to sector-specific work reflects the FIAS alignment with the IFC 3.0 Creating Markets Upstream Agenda geared toward unlocking more private investment and helping developing countries retain more of the investment they have already secured.

As the table indicates, enabling environment advisory continues to represent a substantial portion (nearly half) of the FIAS portfolio. But this share is expected to decline as the strategy cycle progresses and older projects carried over from the previous cycle phase out. Already, projects devoted to sector-level advisory, or those that include sector-level advisory, make up more than half the portfolio (42 of 73 projects, or 58 percent). This is true across both the client-facing and global projects.

As detailed in the FIAS FY22–26 strategy, the increased emphasis on sector-specific reform work will be reflected in terms of budget as well as portfolio. From a 30 percent share of total planned work (in budget terms) during the FY17–21 cycle, sector-specific advisory supported by FIAS is expected to grow to a share of between 60 and 70 percent in FY22–26.

Progress on Gender and Climate Change

As planned in the FIAS FY22–26 strategy, the FIAS Core portfolio is surpassing the IFC Advisory Services overall portfolio in the proportion of gender- and climate-related work. With the FIAS portfolio still under development the program has not yet hit its targets for the five-year cycle of doubling IFC corporate targets in the proportion of FIAS Core projects with gender and climate components. But the trend is in the right direction and FIAS anticipates meeting the targets. Through FY22, nearly two-thirds of projects funded from FIAS Core include gender components, solid progress toward the FIAS strategy target of 80 percent; nearly half of all FIAS projects include gender components, ahead of the 40 percent target. FIAS is progressing toward the target of 70 percent of the Core portfolio including climate change components: through FY22, 58 percent of FIAS Core projects include climate change elements; 26 percent of all FIAS projects include climate components, reflecting the lack of climate-related activity in projects carried over from the previous strategy cycle. As legacy projects phase out and new projects launch, FIAS anticipates meeting the 35 percent target for the full portfolio, which includes Core, programmatic, and project-specific work. Nearly a third of FIAS Core projects (7 of 24, or 29 percent) have *both* gender and climate components. Of the total portfolio, 8 of 73 projects, or 11 percent, have both components.

FIAS Strategy Emphasizing Investment Generation, Retention

As a key financial source for IFC AS and the IFC 3.0 Creating Markets agenda, FIAS is emphasizing projects with the potential to help clients attract and retain greater private sector investment. The IFC Monitoring & Evaluation (M&E) team helps evaluate project proposals seeking FIAS funding support, analyzing their potential to make good on their targeted results for investment generation. M&E also plays a key post-factor role in validating the results claimed by project teams, applying a rigorous methodology that determines how much new and retained investment can be reliably attributed to the FIAS-supported work. As a result of this conservative approach, FIAS is reporting significantly less investment generated and retained for FY22 than the Program team anticipates will eventually be validated. Even so, the results to date are considerable:

- The Subnational Investment Climate project in **Bosnia and Herzegovina** generated $3,587,651 in new investment in FY22.
- The **South Africa** Private Sector Competitiveness project generated $26,146,104, bringing the total investment generated in FY22 by FIAS-supported projects to $29,733,755.
- The Global Housing Advisory Platform Implementation project recorded $20,400,000 in value of financing facilitated (VFF); Invest West Africa Regional Warehouse Receipts recorded $1,900,000 VFF.
- FIAS-supported regulatory streamlining in **Bosnia and Herzegovina** and **Kosovo** generated $296,707 in direct compliance cost savings to private businesses in FY22.

Value of financing facilitated (VFF) is a longstanding measure in IFC but new to the FIAS Scorecard. It refers to the investment or financing that a client was able to receive as a result of the Advisory Services provided. **Investment Generated (IG)** is the actual investment made by investors in a location, including re-investments and expansions by existing investors, that can be attributed to the World Bank Group's support to the country through a specific project. The project should have carried out activities to support reforms that contributed to improving the investment climate and to fostering private investment. **Investment retained** captures work related to managing investor grievances. IFC counts the total value of investment (i.e., assets from a balance sheet) of existing foreign and domestic investors endangered by severe or high-risk grievances that benefit from investor grievance mediation and management or through the intervention of an investment promotion agency supported by IFC AS. **Direct compliance cost savings (DCCS)** quantify the reductions in monetary costs (official fees, lawyers, notary, unofficial payments, etc.) and labor costs (staff time spent on completing procedures) associated with regulatory reforms contributed to by IFC projects.

Strong Results for Development Effectiveness and Client Satisfaction

IFC annually surveys Advisory Services clients on the performance of advisory projects. In FY22, 45 clients of FIAS-supported projects responded to the client satisfaction survey, 43 positively, or 96 percent, ahead of the strategy cycle target: 90 percent, and generally in line with client satisfaction results over the previous five years.

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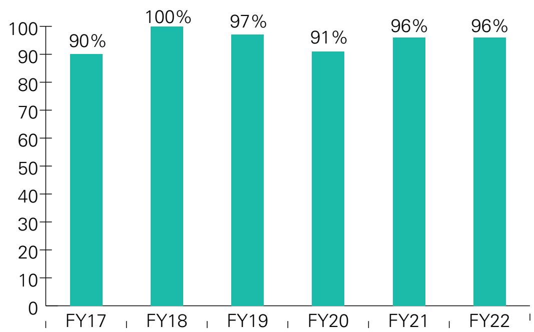

FIAS CLIENT SATISFACTION, FY17–22
Share of positive client responses from FIAS supported projects

During FY22, 3 of 3 closed projects received positive ratings for Development Effectiveness, or 100 percent (strategy cycle target: 80 percent). The **Europe and Central Asia** Agri-Finance Project closed in FY22 with a DE rating of Successful; the **Vietnam** Private Sector Competitiveness project closed in FY22 with a Mostly Successful DE rating. The Doing Business **Mozambique** project closed in 2020; its Mostly Successful DE rating was confirmed by the M&E team during FY22.

FIAS Reform Activity Lagged in FY22

For years the FIAS Program has emphasized investment climate reforms as one of the key measurable outcomes from IFC AS supported by the trust fund. FIAS continues to work with client governments on legal and regulatory reform designed to streamline business regulation and make it easier to start and grow domestic firms and to attract greater domestic and foreign investment into developing economies. Over the previous two strategy cycles, FIAS-supported projects generated an average of 55 reforms per year; in FY22, the FIAS portfolio produced 1 reform. The Markets and Competition Policy project in **Peru** helped the government enact the country's first economy-wide merger control law and related regulations.

Passage and implementation of the Peru reform closes a long-lasting public debate and introduces the last missing piece of Peruvian competition policy which now covers all major areas needed to prevent anticompetitive practices and concentrations. The law and its regulations introduce a well-developed framework within which to assess mergers that is consistent with relevant international experience to address all key elements of merger control design. In line with international experience, only mergers above an objectively defined threshold will need to be notified, and a fast-track mechanism will enable efficiency-enhancing concentration to move forward swiftly. The authority will, hence, be able to focus on those transactions most at risk of harming consumers without deviating resources from enforcement actions against anticompetitive practices or other initiatives to promote competition.

Several factors contributed to the disappointing reform results in FY22. Significant turnover in the FIAS portfolio meant that about half the portfolio is less than two years old; close to half is new as of FY22; these projects were too new to be producing reforms, which generally involve drafting and passage of legislation and follow-up evaluation to ensure adequate reform implementation. Two years of pandemic-related business closures and travel restrictions, as well as changes in policy priorities in client governments, brought reform activity in older FIAS projects to a temporary halt. Still other projects in the portfolio are closing in on completion and have already been credited with the reforms they set out to achieve. In addition to these factors, two months into FY22 the World Bank Group decided to discontinue the Doing Business report following the discovery of irregularities in the DB reports for 2018 and 2020. This decision, and the uncertainty that had hovered over Doing Business for the two years leading up to it, constrained IFC-supported reform work geared toward the Doing Business indicators in areas such as starting a business, getting electricity, and taxation.

IFC teams continue to work with clients on reform agendas. IFC defines reforms as changes implemented by a client that significantly improve the investment climate in a country, region, or sector. These changes are tangible achievements brought about with IFC advisory assistance and for which there is wide technical and expert consensus regarding their relevance in private sector-led development. The M&E team continues to work with client-facing teams on new or revised reform categories to replace the indicator-based reforms linked to Doing Business.

Agility and Continuity: FIAS Supports IFC Crisis Response in Afghanistan and Ukraine

Confronting an unprecedented global economic challenge, the FIAS partnership helps IFC respond with agility to meet urgent client needs while continuing to support the core mission of improving the climate for private sector growth in some of the world's most vulnerable countries. In the FY22–26 strategy cycle, FIAS continues to support efforts in **Afghanistan** and **Ukraine**. The FIAS-supported work underscores IFC's determination to continue working even in some of the most challenging conflict-affected environments. The foundational idea is that FCS countries cannot wait until all instability ends to begin the work of repairing and rebuilding economies; the work must begin now in the context of conflicts in client countries.

The **Afghanistan** political crisis has led to a significant economic contraction, increasing food insecurity, and widespread deprivation, due to the change of government in August 2021. The World Bank Group, in close coordination with the international community, development partners, and the Afghanistan Reconstruction Trust Fund (ARTF) donors, is unlocking ARTF funds to support the Afghan people and deliver critical health, education, and livelihood support. Private businesses are adjusting to the new operating environment and are gradually starting to resume operations, albeit well below capacity. According to the latest Private Sector Rapid Survey conducted in June 2022, more than three-quarters of the firms were operational, compared to two-thirds in November 2021 at the time of the first round. Through the Afghanistan Business Enabling Project (completed in FY20), Afghanistan Export Competitiveness Project (ongoing), Afghanistan Competitiveness Study Project (ongoing), and Afghanistan Business Licensing Project (ongoing), Afghanistan has been a key FIAS client in South Asia. IFC continues to engage with the private sector and mitigate critical economic challenges.

In FY22, FIAS-supported activities developed new strategies engaging with the Afghan private sector as the lead counterpart rather than the government, an approach aligned with IFC's overall strategy for re-engagement in Afghanistan. The ongoing Afghanistan Competitiveness Study Project, for example, had relied on government counterparts to implement envisioned studies. The project aims to identify Afghanistan's comparative advantages, major bottlenecks, policy gaps, and investment opportunities and lead to the development of an investment pipeline. The government-facing emphasis became untenable, delaying contract negotiations with the selected vendor and the tendering process was put on hold for the two intended studies. IFC responded with flexibility and restructured implementation activities to focus on private sector interventions. In FY22, the FIAS-supported team reinitiated the procurement of a firm to carry out one of the sector studies delayed in early 2021 due to the change in government. While some firms remain on the ground in Afghanistan and can carry out this work, there is limited capacity to carry out studies. The FIAS partnership will

In FY22, FIAS-supported activities developed **new strategies** engaging with the **Afghan private sector** as the lead counterpart rather than the **government**

continue to support private-sector partners and implement new activities to enhance economic growth and stability.

The ongoing Russian invasion of **Ukraine** continues to inflict substantial economic and social damage due to extensive destruction of productive assets and infrastructure, limited market access, and labor force dislocations. Throughout the FIAS partnership, Ukraine has remained a key client in the Europe and Central Asia (ECA) region. FIAS has helped IFC deliver four advisory and diagnostic projects in Ukraine, covering agri-finance, financial inclusion and consumer protection, private sector competitiveness, and a project to identify barriers to private sector investments. Some project examples include the Country Private Sector Diagnostic (CPSD) project, the Ukraine Competition Project, and the ECA Agri-Finance Project. Ukraine's markets remain concentrated, as government interventions and regulatory barriers, combined with the dominant role of state-owned enterprises and politically connected firms, limit entry and distort competition.

To respond to the private sector's immediate needs, IFC is adapting its approach to meet current challenges. IFC adjusted its services to its client needs in Ukraine and in other countries affected in various ways by the Russian invasion of Ukraine. IFC is implementing a comprehensive response to the impacts of the Russian invasion of Ukraine for Ukraine and its neighbors. In Ukraine, IFC will continue providing short-term liquidity in the near term to help preserve businesses, especially in agribusiness and technology, and to ensure the supply of critical goods such as food and fuel. It will also seek to support housing solutions for displaced people. In the medium- to longer-term, IFC's focus will shift to supporting Ukraine's reconstruction. In the affected neighboring countries, IFC seeks to support capital markets amid increased risk aversion while helping address supply chain bottlenecks through investments in retail and logistics. It also aims to scale up investment in energy security and transition. FIAS anticipates continuing to play an integral role in supporting IFC AS in Ukraine.

Amid New Initiatives, FIAS Maintains Focus on IDA, Africa, FCS

The FIAS FY22–26 strategy combines innovation with continuity. The shift toward more sector-focused advisory, support for IFC 3.0 Creating Markets Advisory, emphasis on investment generation and retention, and procedures to ensure strategic alignment to the FIAS Scorecard results, including gender and climate, are among the innovations in the new strategy cycle. At the same time, FIAS continues to prioritize IDA borrowing countries (with significant concessional funding needs and low per-capita income), Sub-Saharan Africa, and FCS (countries affected by institutional and social fragility and violent conflict). This work often proceeds amid highly volatile political and security circumstances and in economies that faced serious obstacles to attracting new investment even before the onset of the COVID-19 pandemic. In addition to activities already described in these priority areas, below are some examples of this highly challenging—and potentially rewarding—FIAS-supported work.

South Africa Private Sector Competitiveness Project Marks Successes

Despite COVID-19's tremendous impact on project activity and client priorities, the Private Sector Competitiveness project in **South Africa** achieved significant results in FY22, reporting on key indicators. These include investment generation and job creation stemming from new investments brought about with the help of the project. Almost all the business environment and investment policy and promotion (IPP) outcomes and output targets set by the project have been achieved and, in many cases, exceeded. The exceptions are installation of the SCADA system (supervisory control and data acquisition) in iLembe, and the issuance of title deeds, which are still in progress. The project has achieved reforms, as reported in prior years, in IPP, construction permitting, and getting electricity, and continues to work to deepen their implementation. More reforms are expected to be submitted for validation in FY23.

Reform activity to date over the life of the project includes reducing the time required to obtain construction permits, register property, and obtain approval for small projects, strengthened institutional capacities of the South African investment promotion agency, and improved services to investors. Through FY22 the project has recorded $26,146,104 in investment generated. A survey developed by the project team and IFC's Monitoring & Evaluation (M&E) team and conducted by Invest Durban determined that investments generated as a direct outcome of IPP reform contributed to the creation of 8,000 new jobs attributable to project activities. The project delivered at least $15 million in consumer cost savings stemming from competition reform resulting in reduced data costs and $60,000 in compliance cost savings (CCS) to the private sector through regulatory reform. These numbers are expected to increase as additional surveys are rolled out to additional leads in Durban as well as other subnational investment promotion agencies.

OHADA Strengthening Credit Infrastructure for MSME Growth Program

This is a five-year advisory services markets and enabling regional environment program to promote access to credit for MSMEs and women-owned businesses in four member states of **OHADA**: **Burkina Faso**, **Côte d'Ivoire**, the **Democratic Republic of the Congo**, and **Gabon**. The program focuses on responding to economic pressures created by the COVID-19 pandemic. It is expected to trigger significant market movement by introducing and scaling movable asset-based lending and implementing the provisions of the recently adopted OHADA Insolvency Law to help counteract COVID-19-induced bankruptcies and unemployment. It seeks to enhance the business enabling environment, optimize usage of the digital credit infrastructure (credit reporting systems, secured transaction and collateral registry, and insolvency regimes), and encourage product innovation. In June 2022, the scope of the project was expanded to include 17 other OHADA member states.

Mali IC4 Project Proceeds Amid Political Turmoil

The **Mali** Investment Climate Phase 4 Economy-Wide project aims to support government institutions in attracting private investment that will create jobs. Through studies, workshops, and advisory services to API Mali, the investment promotion agency, the project is working to build a pipeline of 27 new private investment commitments in priority sectors, including agribusiness and energy. An operational single window for women will help in the creation of women-owned businesses and provide advice to women-led businesses. The work during FY22 unfolded amid political instability, including postponement of presidential elections and the announcement in January 2022 of sanctions and the suspension of transactions between Mali and ECOWAS. Government focus shifted from economic development to urgent questions of purchasing power, food, and constitutional and electoral reform.

An agreement with ECOWAS was reached shortly after the end of FY22 and sanctions were lifted. Despite these challenges during FY22, the project team completed studies examining potential in the textile sector and the cotton and meat value chains and developed marketing plans relating to these and other products for use by API Mali, the country's investment promotion agency. Other project activities during FY22 included drafting a business retention and expansion strategy, developing an investment tracking tool, conducting workshops with private sector representatives, developing a pre-pipeline linked to businesspeople in the Malian diaspora interested in investing in Mali, working on land title transaction streamlining, and assessing Mali's current investment code with an eye to recommending changes. The project also produced an updated draft of a Mali Special Economic Zones (SEZ) law to better align with draft ECOWAS SEZ guidelines. Expected results three years after the end of the project include $15 million in new and expanded private sector investment and $2.7 million in investment retained.

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78%
of Uganda's exports are **agriculture**

Uganda MSME Access to Finance Seeks to Expand MSME Access to Finance

Agriculture is the backbone of **Uganda**'s economy, contributing more than 24 percent of the gross domestic product (GDP) and over 78 percent of the country's exports. Smallholder farmers represent 85 percent of the total farming community, and employ 65 percent of Uganda's workforce, with women constituting 75 percent of that amount. Despite their importance to employment and economic growth, however, IFC (2018) estimates that 37 percent of the MSMEs were fully credit-constrained with women facing a higher finance gap. Women own about 40 percent of Uganda's private enterprises but receive only 9 percent of the credit. Furthermore, only 10 percent of farm households have access to credit. Uganda's formal MSME financing gap of $4.9 billion (18 percent of Uganda's GDP) increases to $8 billion if the informal MSME sector demand is included. Unstructured value chains, high-interest rates, limited credit information, and stringent collateral requirements are among the key constraints to accessing credit.

The program aims to expand access to finance for smallholder farmers, MSMEs, and refugees by piloting and scaling inclusive financial products and technologies in targeted value chains within a strengthened enabling environment. The program will also develop and nurture relationships that allow the deployment of an appropriate mix of IFC credit and risk-sharing instruments as well as advisory services for industrial/agribusiness and participating financial institutions to improve the bankability of marginalized actors, and to create new investment opportunities. To promote access to finance for the 'underserved,' the program will improve data availability for financial institutions to improve financier acceptance of alternative forms of collateral which are more readily available to agricultural and MSME borrowers. Adopting **digital** and financial technologies, financial institutions can leverage the collateral registry and WRS to help to bridge the 'rural last mile,' and to serve a fragmented and small-scale borrower base.

Africa Leasing Seeks to Build New Leasing Market

The project aims to build the foundation for a future viable leasing market by enhancing the legal and regulatory framework in **Burkina Faso**, **Cameroon**, **Côte d'Ivoire**, and **Gabon**. The project will introduce knowledge-based market tools in collaboration with business associations and leasing stakeholders to train and improve skills and product expertise. At the policy/macro level, the program will support improvements in the national legal and regulatory environment for leasing in two of the four program countries to support future Upstream potential. At the industry level, the program team will engage with relevant leasing stakeholders on the ground (business associations, government officials) to educate leasing practitioners and introduce transaction related market tools. A kick-off mission took place in each country, and the team delivered country-specific national leasing market studies, serving as the basis for the national leasing action plan. In Côte d'Ivoire a Cooperation Agreement was signed, followed by one leasing training for small and medium enterprises (SMEs) with 74 participants. Additionally, 104 participants attended two leasing trainings for SMEs and financial institutions, held by IFC's leasing expert in partnership with Côte d'Ivoire Enterprises Confederation.

Trade Facilitation West Africa Improving Movement of Goods Across Borders, Along Trade Corridors

The objective of the Trade Facilitation West Africa (TFWA) program is to improve the efficient and reliable movement of goods in the region and internationally through the reduction of time and increased transparency and predictability for the private sector in West Africa, and by strengthening the ability of regional trading networks to take advantage of these improvements. There are three components to this program:

Component 1 – Improve and more efficiently implement trade facilitation measures - this includes capacity building to strengthen the **ECOWAS** and the **West African Economic and Monetary Union (WAEMU)** Commissions' ability to effectively carry out regional policy dialogue, design regional trade facilitation policies, and monitor these policies at both the national and regional levels.

Component 2 – More efficient movement of goods along selected corridors - this component aims to create an enabling environment for trade in the legal, regulatory, and procedural areas. It will address how laws, policies, procedures, capacity building, technology, and consultations can make these trade corridors more efficient.

Component 3 – Reduce barriers for small-scale traders with an emphasis on improving conditions for women traders - this supports small-scale traders, including women and other key stakeholders in trade facilitation reforms and programs. It aims to institute a regional and national support and sensitization system, increase logistics and transport operator professionalization, and promote private sector associations and Civil Society Organizations (CSOs) to be more effective stakeholders and partners in trade facilitation policymaking.

The TFWA program continued to deliver on its planned activities during the reporting period as in-person meetings and international travel resumed to near pre-COVID-19 levels. However, insecurity and instability in some TFWA countries have impacted the timelines for some deliverables, notably in Burkina Faso and Mali.

A high-level summary of key activities undertaken during the reporting period include:

- Key stakeholders were updated on implementation progress through two technical committee meetings (December 2021 and July 2022) and one steering committee meeting (in December 2021). The TFWA is undergoing a Mid-Term Review, which is led by the European Union.
- Technical activities over all three components continued to progress and included capacity building across several areas which had been delayed during the pandemic: gender mainstreaming and integrated project management for National Trade Facilitation Committees (NTFC), risk management for Customs (**Togo**), sanitary and phytosanitary measures (**Burkina Faso**, **Côte d'Ivoire**, **Togo**), and advocacy for CSOs. Additionally, the project supported simplification of border procedures in Burkina Faso and Togo with revisions to their respective customs codes, and improved customs connectivity with the deployment of the Interconnected Transit Freight Management System (*Système interconnecté de Gestion des Marchandises en Transit*/SIGMAT) along the Abidjan-Ouagadougou corridor.
- The comprehensive diagnostic reviews of four Small-Scale Cross-Border Trade (SSCBT) support centers in **West Africa** were completed and socialized with key stakeholders in the region.
- TFWA improved coordination among gender stakeholders and continued to work closely with gender units of both ECOWAS and WAEMU by providing technical assistance and supporting the regular convening of the Joint Technical Working Group on Trade and Gender.

The TFWA program's communication team continued to advance the program's communications efforts by developing and disseminating program materials to external audiences. This included three factsheets and several comprehensive briefs and reports, including publication of the *SSCBT reports*. The program also featured progress of its work in the *TFWA quarterly newsletters* and *program website* and produced several informative and *interactive videos*.

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Firm Surveys Assessments to Focus on Africa

The Firm Surveys Global Knowledge Development Product aims to assess the effects of COVID-19 on firms in the manufacturing, agribusiness, services, and other sectors, and inform project design and policy actions to support economic recovery, with emphasis on African countries. Initiated in the second half of FY22, the project will be structured in two pillars: (1) firm survey data collection, and (2) analysis of the effects of COVID-19. Pillar 1 will support development of new approaches to collect and harmonize high-quality firm-level data to understand firm dynamics and the impact of public policies. Pillar 2 will lead to two analytical notes assessing the impact of COVID-19 on SMEs and examining strategies for improving policy support to firms.

The outputs of the project are expected to inform the design of advisory and investment or Upstream projects as well as policy actions undertaken by governments. Advisory projects that support business development services by providing training, consulting, and SME financing, for example, may use the findings to adapt their design to specific gaps identified through the surveys. Investment or Upstream projects may use the findings in their due diligence.

Mangoes in a Senegalese Market.
Photo: Emma Lawson-De Roeck, IFC

And governments may use the findings to inform policy actions about programs that support firms through the pandemic. Firm-level data will be valuable for Upstream teams to identify specific issues and needs to be addressed in the post-COVID period. The project builds on extensive experience, particularly in Africa, in using similar surveys to inform projects across the World Bank Group. Surveys conducted in **Comoros**, **Ghana**, **Malawi**, **Nigeria**, and **Somalia** have been applied in a variety of ways to develop World Bank and IFC projects and assist clients in supporting client country private sectors recover and grow.

Strengthening the Mango Supply Chain and Advancing in Senegal's Agribusiness Sector

Mangos are emblematic of Senegal and contribute to 15 percent of the country's expanding horticultural exports. A major effort to promote mango exports, particularly from the greener regions of Casamance and Sine-Saloum, began in the early 2000s and helped Senegal gain a foothold in the European Union market. The work is part of a larger IFC effort supporting growth across Senegal's agribusiness sector and generating investment opportunities in crops such as cashews, rice, onions, potatoes, and coconuts.

During eight weeks of the year, Senegal is the lone country producing mangos, and its relative proximity to Europe makes Senegalese mangos an attractive option for European buyers. However, fruit fly infestation poses a major challenge, rendering the mangos inedible and leading European phytosanitary inspectors to reject entire container loads of the fruit. IFC Advisory Services, with FIAS support, has worked with counterparts in Senegal to address this persistent problem. In 2021, for example, Senegal achieved the best performance among West African exporters for the volume of mangoes exported versus the number of containers rejected by EU inspectors due to fruit fly contamination. IFC helped the Directorate of Vegetative Protection (DPV) to reassure the EU as to quality control and lower the number of rejected mango containers.

DPV's leadership credited IFC support with helping assure access to the EU market, an achievement made more significant by the additional challenges imposed by the COVID-19 pandemic.

To date, the project has recommended seven procedures, standards, or practices that have helped 52 agricultural-related businesses and organizations make changes which improved their competitiveness and efficiency. For example, strengthening the export certification system was key to securing EU market access. As 90 percent of the country's mango crop is intended for export, reliable certification was critical to maintaining investor interest in expanding mango production in Senegal. Through facilitation of public-private dialogue, the project improved collaboration between DPV and mango exporters and brought about structural procedural changes.

Through FY22, the project has reached 6,265 farmers, helped secure and improve their revenue, and provided 16 investor or private partnership leads to IFC Upstream and Investment Services teams. The Upstream-tagged project is well on its way to meeting and exceeding its $19 million investment generated target. An investor survey organized by the project team received responses from 17 firms that benefited from IFC technical assistance. The survey found that total investment realized by these companies since 2018 was more than $12 million. Access to the EU market was essential to securing additional investment commitments in industrial mango plantations. Also in FY22 the team shared three investment leads with IFC's Manufacturing, Agribusiness and Services (MAS) team, two in the cashew sector and one in the horticulture sector.

A digital application called Commango, set up in 2018 with IFC support, has contributed to the growth in Senegal's mango sector. The application helps connect smallholder farmers with key market players, including exporters, processors, local distributors, and financial institutions. Commango provides detailed information on mango availability and shares data on local suppliers and product quality, connectivity that became vital when COVID-19 disrupted travel.

The mango value chain represents opportunities for work and employment, particularly for women and young people, brings additional revenue to rural communities, especially to family farms, and adds value to rural employment in terms of skills development and certification. The mango sector employs an estimated 20,000 people and generates about $6.6 million (4 billion CFA) annually.

Building a Pipeline of Upstream Projects

In FY22, FIAS started building a project portfolio that aligns with the IFC 3.0 Creating Markets—Mobilizing Private Capital agenda and that asserts FIAS's role as the funding mechanism of choice for Upstream-related advisory. Upstream is intended to be a seamless continuum that seeks to harness World Bank Group-wide engagement; FIAS functions as a seed fund to kickstart activities which, as they scale up, may tap other funding sources. The FY22 portfolio included 14 Upstream projects, described below. The roster of Upstream projects is steadily increasing through FY23 and will continue to do so through the cycle as the allocation process proceeds.

Zimbabwe Warehouse Receipt System Opening Doors to Agricultural Credit

In **Zimbabwe** the agricultural sector is the largest economic sector. Thus, the success of the sector is vital. Unfortunately, productivity growth is constrained by several factors, not least, limited access to finance partly because the recent economic downturn of the country negatively impacted on the activities of the 19 operational banking institutions, 16 licensed asset management companies, and 178 micro-finance institutions resulting in the shrinking of domestic savings. Low inflows of foreign investment and acute shortage of finances combined with perceived high risk of the sector led to limited lending in general and the agricultural sector (mainly farmers, rural agro-dealers and rural enterprises, medium and large-scale buyers, processors, and exporters) in particular.

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The overall objective of the FIAS-supported project is to expand access to finance in the agricultural sector in Zimbabwe by supporting the development of a regulated warehouse receipt system (WRS). Specific objectives of the project include providing support to the government through the Reserve Bank of Zimbabwe to amend the Warehouse Receipt Act 2007 and develop implementing regulations for warehouse receipts financing by December 2019; supporting the sensitization, training, and capacity building of stakeholders on structured trade financing; and providing technical assistance to the government to strengthen the WRS ecosystem.

In FY22, the team supported the launch of the Zimbabwe Mercantile Exchange on August 18, 2021 to facilitate the trading of warehouse receipts of agricultural commodities. However, the COVID-19 pandemic continued to have negative impacts on project implementation, namely: delaying stakeholder awareness creation on WRS through regional workshops, delaying capacity building/training of stakeholders, and delaying a benchmarking tour of stakeholders to selected countries.

UPSEZWA Nigeria Project Combines Gender and Climate Components

As noted in the previous chapter, the UPSEZWA (Upstream Special Economic Zones West Africa) **Nigeria** project aims to address and eliminate identified market and government-regulatory failures in Nigeria by facilitating inclusive economic growth and equitable social development through the adoption and implementation of competitive SEZ legal, regulatory, and institutional frameworks, including climate-smart approaches to manufacturing and construction and green development strategies. These competitive best-practice frameworks are expected to allow downstream private investments in the health care, aeronautics, manufacturing, agribusiness, petrochemical, and infrastructure sectors, among others. This project is Upstream, IDA, FCS, and climate focused.

Promoting Inclusive Growth in Comoros through Private Sector Development

A difficult and burdensome business regulatory environment in the **Comoros** impedes private investment. There is very low financial inclusion with only 9 percent of the adult population having a bank account and 32 percent with an MFI account. Additionally, Comoros suffers from underdeveloped financial infrastructure such as collateral registry, use of credit bureau, and capital markets. In 2020, Comoros's GDP shrunk by 1.4 percent, a culmination of a gradual trend of declining growth, as well as due to significant external shocks (cyclones in 2019; COVID in 2020).

The objective of this Upstream project is to conduct the initial scoping work needed to identify potential reform and engagement opportunities, with an aim to develop child projects with appropriate counterparts that can help improve the business environment and strengthen the financial sector in Comoros in the short term, and eventually enable stronger participation in the formal economy, more private sector investment, and greater financial inclusion.

This is as an umbrella program that got under way in FY22 with FIAS support, with the aim of producing extensive diagnostics, scoping, and market studies to identify specific and credible reform opportunities and roadmaps, as well as potential financial sector partners. Such a programmatic approach is needed in Comoros where IFC has limited engagements and is in the process of building relations and capacities in the government. Given the challenging operating context and the significant capacity constraints, the team will be selective and will need to rely on detailed diagnostics during pre-implementation to identify the most high-impact interventions.

Based on the findings of the pre-implementation work, the team will then design implementation plans in a phased approach depending on the client's absorption capacity and funding availability.

Central America Sustainable Banking Initiative Fostering Regional Climate Finance

Central America is one of the regions of the world which is most exposed to the climate phenomenon, and its societies and ecosystems are particularly vulnerable to the adverse effects of climate change. It is exacerbating socioeconomic vulnerabilities in the region and will increasingly affect its economic progress.

The overall objective of this project, therefore, is to foster climate finance in at least three of five countries with the creation and development of a green taxonomy guide to enable green financing. The guide is a tool to support the development of a green taxonomy and define green asset classes and instruments nationally according to international standards, and to stimulate incentives to go green. The primary countries for project implementation will be **Costa Rica**, **El Salvador**, **Guatemala**, **Honduras**, and **Nicaragua**.

The FIAS-supported team will produce a report of the identification of relevant actors and reference models of good international practices in the field of green finance taxonomy, and a report of the position for the participating countries on green taxonomy. Workshops, feedback sessions, and training events are planned for the development of the guide with the interest groups in each country. They will also map FIs' green portfolio as a demonstrative pilot in each selected country to identify target opportunities (sectors, investment volumes, product types) for green financing.

In this reporting period, the project focused on developing a strong governance and collaborative structure. The team also began the initial desktop review to identify climate finance-related strategies and initiatives that are ongoing in the five countries. In March 2022, the team conducted a training and workshop in El Salvador with the participating countries on sustainable finance, focused on the concept, trends, and examples of green taxonomies. The interactive workshop engaged the participants to identify the challenges or barriers that could hinder project implementation in their respective markets.

Housing for Pakistan (H4P) Initiative Addresses Affordable Housing Deficit

Pakistan faces a substantial affordable housing deficit, driven by rapid urbanization, inadequate urban planning, atomized and undercapitalized residential development industries, lenders with limited capacity to reach low-income households, and a lack of long-term funding.

The Upstream creation of an effective housing market in Pakistan holds tremendous potential for improvements to quality of life and economic development through increased availability of jobs for both skilled and poorer, unskilled workers. According to IFC research, a total of five jobs are created for every new housing unit built.

H4P is a two-phase joint IS-AS project aimed at building the primary market for housing finance in Pakistan through investment facilitation, and capacity-building measures at financial institutions and developers. The target groups are households from the affordable segment, whose household incomes (both formal/documented and informal/undocumented) range from $500 to $1,200 per month. H4P builds on previous and current World Bank Group programs and initiatives, especially its support to the Pakistan Mortgage Refinance Corporation, as well as the PAK Housing Program. Another important element is the Government of Pakistan's recently established Naya Pakistan Housing Program, which supports the construction of five million affordable homes.

With support from FIAS, the team aims to improve capacities (e.g., know-how to originate, process, and manage mortgage loans to the affordable segment) in partner banks, developers, and the Pakistan Mortgage Refinance Corporation; compile and disseminate market information; and show market catalyzation and demonstration effect: other financial institutions should offer housing loans to the affordable segment and increase lending activities to them.

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Mongolia Meat Exemplifies Multi-Level Upstream Approach

The agriculture sector remains central to the economy of **Mongolia**, providing the largest source of employment and offering significant potential for growth. The Upstream Mongolia Meat project aims to improve the enabling environment of the Mongolian meat sector to create private investment opportunities with a focus on addressing some of the key bottlenecks limiting the sector's growth, focused on the processor/exporter segment, and to increase food safety and decrease processing risks to enable firms to meet international standards and expand market access.

To achieve the objective, the FIAS-supported team has adopted a two-phased approach – phase 1 focuses on key regulatory and policy level issues as well as relevant institutional capacity building targeting improved service delivery and procedures; and phase 2, based on the successful implementation of phase 1, will focus on market outreach and proactive investor targeting and promotion, aiming for private sector investment facilitation. The project will align with activities discussed/planned both with MAS Upstream, which is looking at investments in processors in the meat sector, and INFRA Upstream, which is looking at potential investments in storage/transports/logistics related to the meat sector.

The project is on track. The team organized an online meeting for Upstream infra team with the Mongolian transport companies. The team will also explore opportunities to engage with Chinese freight forwarders and Customs to analyze transit barriers. The project will engage with MCS (Mongolian Consulting Service), the potential IFC agribusiness client for Upstream MAS, in the areas of livestock and poultry, and will provide necessary support to unlock entry barriers for an enabling business environment.

In June 2022, the team organized a workshop on coordination of government agencies for streamlining exports, attended by 22 officials. Also in June, the team provided training for 66 representatives of the General Agency for Specialized Inspections, Customs, and the General Authority for Veterinary Services. The training related to registration of overseas meat processors and compliance checklists used by authorities to do inspections.

Sri Lanka Climate Smart Agri-Finance Focusing on Empowering Financial Institutions

Although **Sri Lanka** is a fertile tropical land with the potential for cultivation and processing of a variety of crops, issues such as productivity, profitability, poor product quality, and climate change hamper the growth of the agricultural sector. The contribution of the sector to the GDP has declined from 30 percent in 1970 to 6.9 percent in 2020, due to shifting of focus toward industry, climatic conditions, lack of investments in modern agriculture, and lack of formal financing.

This Upstream project began in FY22 with interventions focused on enabling markets. The project aims to empower financial institutions (FIs) with informed decision-making capabilities while extending climate-smart agricultural (CSA) financing solutions to foster a climate-resilient agriculture sector in Sri Lanka. The two-phased project will adopt a holistic approach to developing the sector by enabling FIs to provide CSA financing solutions to multiple players across selected agricultural value chains i.e., producers, smallholder farmers, aggregators, logistic providers, storage providers, processors, and SME agribusinesses, based on a) profitability; b) market/export potential or import substitution; c) total area of cultivation/growth potential; and d) productivity.

Supporting the development of an ecosystem to facilitate CSA financing by building strategic alliances with technology and machinery vendors, agriculture departments, agritechs, fintechs, FIs, agribusinesses, and other players in the value chain will lead to a commercially viable business model for refinancing, reduce operational costs and credit risks, improve farm-market linkages, and facilitate the adoption of CSA technologies.

Women at work on a farm field in Sri Lanka. *Photo: Lakshman Nadaraja/World Bank*

The FIAS-supported team intends to perform a diagnostic assessment to identify the gaps and challenges faced by the banks/FIs to implement climate-smart technologies in the identified agri value chains. The diagnostic will be carried out in collaboration with two to three selected banks/FIs. Based on the findings from the diagnostic, innovative client-centric CSA financial solutions and implementation models for the FIs would be designed.

Global Food Safety Addressing Food Safety Risks and Contributing to Sector Capacity

The Global Food Safety Platform was designed to reduce food safety risk for private-sector clients while contributing to industry sector capacity. The platform is working toward this goal in two dimensions: advisory to firm-level agribusiness and building capacity and thought leadership in food safety by partnering with stakeholders, including the Bank Group's Global Food Safety Initiative and Global Good Agricultural Practices, an organization that provides training and standard-setting for good agricultural practices. Platform clients include food-processing companies, retailers, farms, and SME suppliers to retailers.

The six-year $4.5 million Upstream advisory project will help clients build capacity in food safety globally. The project was funded in the previous FIAS cycle, focusing on IDA and digitalization. The team continued implementing the Food Safety Platform, with a broader scope, focusing on food loss and waste and its impact on climate change, as well as food safety in IDA and FCS.

The project is on track. In FY22, the FIAS-supported team developed an eLearning Course, "Food Safety Reforms, Learnings from the Best: New Zealand Food Safety System in Case Studies," launched during a webinar in June. After the event, the **Kenya** Parliament and the Food Safety Task Force for Kenya participated in the course.

Also in this reporting period, 13 new products were developed and, with support from the global food safety team, a concept note for a

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Bangladesh Food Safety Diagnostic project was approved in August 2021. The team also contributed to the IFC's **Vietnam** Food Safety and Food Loss and Waste project's concept note development, which was approved in October 2021.

Gender-Inclusive Infrastructure and Natural Resources Focused on Strengthening Gender Expertise

This product development project (PDP) aims to strengthen IFC's advisory role and gender expertise by (i) piloting gender-smart solutions with IFC clients in the power and cities sector to improve their operational performance, generate new opportunities for women and proactively mitigate any adverse impact of its operations on the same target group, and (ii) developing tools and guides for core infrastructure (INR) sectors. The pilots, tools, knowledge products, and learnings derived through this PDP will also contribute to achieving IFC's gender commitments.

The FIAS-supported team seeks to develop new approaches/offerings and build capacity of INR investment and advisory clients to design and implement gender-smart solutions into their operations. As companies acknowledge that gender inequity negatively impacts their bottom line and social license to operate, there is an expressed need for expertise and a growing demand to understand how the private sector can effectively integrate gender into their operations. This also points to a need to build capacity of INR staff to pitch and design gender-smart solutions, to meet the demands of INR clients. In addition to responding to external client demand for gender-smart solutions, this project will respond to internal demands of achieving IFC's corporate gender commitments.

Based on INR pipeline projections and expressed client demand, power and cities will be the sectors of primary focus in this PDP's pilot activities; addressing gender-based violence will be a cross-cutting theme.

Global Housing Microfinance Seeks to Reduce Housing Poverty Across Multiple Regions

With nearly 70 percent of Africans living on less than $60 a month, formal housing is far out of reach for most of the population. Most low-income people build and improve their own houses informally, in gradual steps. The objective of this multi-region, five-year Upstream umbrella project is to reduce housing poverty by expanding the innovative IFC-designed Housing Microfinance (HMF) product that will enable local FIs to finance home improvements and home expansions for the poor through IFC investment and advisory support. At least 80 percent of the work is expected to be conducted in Africa and 90 percent in IDA countries.

Loans of this type are traditionally provided to male customers, but this project will strive to change this and to increase the share of women borrowers for loans related to home improvements and incremental construction. The project is expected to create at least three child implementation projects with at least six FIs. Under these projects, at least 150,000 low-income households will improve their housing conditions.

In the pre-implementation phase, the team, with support from FIAS, will identify IDA and FCS countries of operation and potential counterparts as well as assess the key specifics of the product development and approximate cost of the operation in these countries. Introduction of the HMF product will be conducted during project implementation. The product has already generated several investment opportunities and enabled more than 45,000 low-income households to improve their living conditions. By drawing on its experience from Central Asia, IFC FIG Advisory Services is well positioned to expand the product globally. Expansion of the HMF will help FIs and IFC investees create strong value propositions for their clients and will generate investment opportunities for IFC to provide liquidity for HMF operations.

70 percent of Africans live on less than **$60 a month**

Teresa del Carmen, in Buga, Colombia, works seasonally for the passion fruit producer's alliance.
Photo: Charlotte Kesl/World Bank

IFC is active in housing finance and introducing mortgage markets in the countries where it practically does not exist (**Uzbekistan**), by providing housing finance through capital markets solutions (**Georgia**, **India**, and **Indonesia**), building mortgage refinance companies (**Kenya** and **Pakistan**), promoting green, energy efficient, and disaster resilience housing (**Caribbean**), and developing housing finance solutions for women (**Colombia**). However, the volume of housing finance operations that target low-income people is rather limited, despite the need for such operations. IFC is well positioned to expand the HMF product globally.

Sustainable Infrastructure of the Future Platform Explores New Avenues in Infrastructure Financing

The market for sustainable finance, including green, social, blue, sustainability, and sustainability-linked bonds and loans, is expected to reach over $1.5 trillion globally in 2021. Demand for these financial instruments has created an opportunity for IFC to help catalyze and develop sustainable financing solutions in emerging markets. The FIAS-supported Upstream project will work with clients to develop a sustainable infrastructure through asset-level financing, sustainable advisory, and Upstream platforms and initiatives that seek to catalyze specific technologies or new business models in particular countries.

The team will seek to play a key role in supporting clients to: (i) enhance their corporate sustainability strategies; (ii) identify specific sustainability goals, key performance indicators (KPIs), and targets; (iii) structure a sustainable financing around those targets; and (iv) support them to achieve those sustainability targets through concrete interventions at the project level.

The platform, which got under way in FY22, will be structured as a global umbrella that can: (i) provide resources and expertise for specific client engagements; and (ii) articulate a centralized approach to industry benchmarking and knowledge sharing, as well as client mapping, marketing, and external branding. This platform will support any specific sustainable sector initiative and will seek to complement existing initiatives

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by Sustainable Infrastructure Advisory (SIA), Climate Business Department (CBD), and Mainstream, while avoiding potential duplication in terms of client engagement. SIA work will be key to delivering our platform strategy services to clients, therefore SIA and Upstream will join forces under this platform, as well as joining with CBD (including for staffing and funding resources) to strengthen and expand sustainable services for our clients.

The scope of the platform will expand to include an increasingly wide range of sustainability targets (e.g., decarbonization targets in the energy sector are expected to be key but also in other infra sectors such as mining, shipping, water, logistics, etc.). The platform will host knowledge sharing from market mapping and lessons learnt from deals created across regions and clients.

Scaling Biodiversity Finance KDP

As noted in the previous chapter, the objective of this FIAS-supported knowledge development product is to assess options and partnerships for IFC and IFC clients to invest in opportunities that directly contribute to biodiversity co-benefits at a landscape level, thereby significantly scaling IFC's potential biodiversity-positive impacts. There is a clear role and rationale for IFC to explore the potential for this new asset class and possibly catalyze the creation of a market.

The team aims to produce an upfront synthesis and framing report that covers an assessment of the types of capital and investors that are interested in biodiversity conservation, and two detailed case study examples that explore, with IFC teams on the ground, options for scaling positive biodiversity-related impacts through IFC and private finance. Teams will prepare a long list of 15 to 20 landscapes that have the potential to raise biodiversity-related finance but need further bundling and structuring to connect to IFC business lines and investments. Examples include a landscape in Gorongoza National Park, **Mozambique**, a sector-specific investment client—Nespresso coffee—in multiple landscapes.

Global Housing Advisory Platform Implementation Aims to Advance IFC Affordable Housing Investment

The Global Housing Advisory Platform is the first proposed child project of the approved Global Housing Umbrella. This project will implement short-term client-facing advisory engagements with housing developers aimed at triggering a change in behavior that will result in a measurable improvement in performance. The client engagement will be in the form of deployment of the Rapid Assessment tools, targeted capacity building that will enable the client to implement recommendations, followed by re-assessment using the Rapid tool to measure performance improvement. The overall goal of this global project is to facilitate or support $20 million of IFC investment in affordable housing through its short-term client advisory engagements.

The project will complete the work already started during the pre-implementation phase to develop, customize, and pilot the READ (Real Estate Assessment of Developers) and ASHA (Affordable Socially sustainable Housing Application) housing tools, while also developing each tool's capacity-building curriculum.

The project is progressing according to plan. In this FY, the FIAS-supported team developed 12 tools and online training content for them. With assistance from IFC and vendor subject matter experts, the team finalized the development of 27 self-study eLearnings for ASHA Rapid, Comprehensive, Coaching, and Outcome Areas learning paths, and 23 self-study eLearnings for READ Rapid, Comprehensive, Coaching, and Outcome Areas learning paths. The team also developed another 17 webinars to supplement the self-study learning.

Additionally, the team carried out the READ Rapid pilot in April and used the results and feedback to plan the READ Comprehensive, an ASHA Rapid and Comprehensive, and Coaching Pilots more efficiently. 11 people participated in the pilot training, of which 8 have been further selected to continue the training through the Comprehensive READ Tool Assessment & Coaching.

State Owned Enterprises Project to Identify Barriers to Private Sector Investment

State-owned enterprises (SOEs) play a key role in global and domestic markets. The presence of SOEs is not restricted to sectors where there is a clear economic rationale for their operation, but they also operate in commercial sectors (e.g., manufacturing, chemicals, transport) where they compete vis-à-vis private investors posing risks for distorting markets and crowding-out private investment.

In the COVID-19 context, the state is expanding its role as a market player, which affects the structure of markets and private sector in the course to recovery. SOE and state aid policy trackers indicate that government support to mitigate the pandemic effects has targeted private sector operators and SOEs. In some ECA countries, SOEs act simultaneously as market player with regulatory functions (e.g., licenses for competitors), lack separation of commercial and non-commercial functions (public service obligations), with higher risks of cross-subsidization, and are still prominent in commercial sectors competing vis-à-vis the private sector. State aid, bailouts, and nationalizations pose market challenges for the private sector, especially when those are not fully aligned with the competition principles to ensure a level playing field.

The new way forward in the IFC strategy is also aiming to expand in terms of the sectors of involvement beyond infrastructure and traditional sectors with high SOE presence and explore opportunities also in fully commercial sectors (e.g., manufacturing) where SOEs are still present. Contributing to Pillar II of the IFC 3.0 strategy in creating markets and opportunities, this project aims to strengthen the identification of barriers for private sector development and provide guidance on opportunities and reform options to enable investment in sectors with SOE presence.

The project is advancing at a good pace. In this reporting period, with support from FIAS, the team conducted a stock-taking of the IFC investment portfolio targeting SOEs, developing a database whose analysis resulted in a note which included the key findings. The team also prepared a literature review looking at investment criteria and benchmarking those to the IFC principles. This assessment studies where multilateral organizations invest in SOEs, which are the guiding principles as well as the sectors in which multilateral organizations invest in SOEs, and how those investments are analyzed from a perspective of private sector development to mitigate the risks of market distortions and displacing private investment. This analysis provides new evidence to inform the development of the tool for IFC SOE investments during FY23.

FIAS Supporting Expansion of IFC's Gender Agenda

In concert with IFC's overall strategy, FIAS is playing an important role ensuring robust inclusion of gender components in advisory and Upstream projects. Through the new FIAS allocation process, the FIAS Program interacts with teams, evaluating funding requests and working with teams to add gender components when possible and strengthen those already included in project implementation plans. As noted, 63 percent of the projects funded through FIAS Core have gender components, solid progress toward the FIAS strategy cycle target of 80 percent, as do 47 percent of the projects in the overall FIAS FY22 portfolio, ahead of the IFC corporate target of 40 percent. In addition to projects already described, below are examples of some of the FIAS-supported initiatives working with clients on gender-related aspects of private sector-led economic development.

Women, Business and the Law Advisory Initiative for Africa Piloting Gender Reform Implementation

The Women, Business and the Law (WBL) Advisory Initiative is expanding the support for gender equality throughout Africa by increasing the participation of women in the economy. The project aims to achieve this goal by co-designing gender-neutral laws with the governments. The FIAS-supported projects for piloting reform implementation

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Binta uses her tablet to record sales and manage her vegetable stand in Dakar, Senegal. *Photo: Vincent Tremeau/World Bank*

are ongoing in **Côte d'Ivoire** and **Rwanda**, whereas preparatory client engagement is in progress in **Gabon**, **Mauritania**, **Senegal**, **Sierra Leone**, **Somalia**, and **Togo**. The work through World Bank lending operations is ongoing in **Cameroon**, **Chad**, **Senegal**, **Sierra Leone**, and **Uganda.**

In Côte d'Ivoire, the team delivered an initial country-level assessment, including a scorecard, WBL action plan, and reform memoranda. The team is advising on draft amendments to the Labor and Penal Codes, resulting in the enactment of legislation protecting women against violence. In Rwanda, the project delivered reform memoranda, an action plan, technical assistance and legal drafting proposals, and a legal review of the Consumer Protection Law and Ministerial Order Establishing the List of Gross Misconduct. In Gabon, four laws adopted by Parliament incorporated IFC's recommended gender reforms such as: 1) Protecting women from domestic violence; 2) Eliminating gender-based discrimination in access to credit; 3) Allowing women to equally be head of household, choosing where to live, work outside the home, open bank accounts, own and manage the property, and removing the duty of wifely obedience; and 4) Eliminating restrictions on women's work in industrial jobs and mandating equal remuneration for work of equal value. Lastly, in Mauritania, the draft law on protecting women and girls against violence was reviewed and a legal drafting proposal was delivered, including proposed amendment texts to the labor code and personal status law.

Côte d'Ivoire Legislative Reform for Women's Economic Inclusion

Côte d'Ivoire ranks in the bottom 25 economies globally (134th of 156 countries) on the Global Gender Gap Index 2021 and ranks 43rd out of 56 countries measured by the African Development Bank's Africa Gender Inequality Index. A World Bank Group economic update illustrated the impact of gender discrimination, estimating that the benefits of reducing gender discrimination are between $6 billion to $10 billion, or between one-third and half of the country's current revenues. It further shows that inequalities in the private sector and agriculture are also evidenced by productivity differences between men and women, resulting from women's unequal access to means of production, financing, and commercial networks, among other issues. In this context, this project was developed in **Côte d'Ivoire** to increase women's economic empowerment.

The project aims to reduce gender legal inequalities and discrimination against women to facilitate access to jobs and employment opportunities across all sectors, access to finance, and protection from domestic violence. This engagement, which came in response to the discussions at the level of the Prime Minister's Office and the Ministry of Justice and Human Rights, will offer advisory services on laws identified as regulatory constraints to women's economic participation. A preliminary assessment of Côte d'Ivoire's legal framework indicated lagging performance, thus presenting reform opportunities. In accordance, the project will advise and support the government on legal amendments and reforms in four areas – removal of restrictions for women to work in certain types of jobs and industries, prohibition of gender-based discrimination in access to credit, the introduction of parental leave, and domestic violence legislation. The project will work with the private sector to identify and support champions for implementing these reforms. It also envisions analyzing the government data collection system to assess and recommend improvements to gender-disaggregated data subject to buy-in from the government.

Enhancing Women Economic Participation in Egypt Project

The WBL project for **Egypt** was approved in March 2021. The project experienced minor delays due to government security approvals. As the COVID-19 restrictions and travel limitations eased, the project team resumed face-to-face meetings with the client and related stakeholders and delivered a capacity-building workshop to multiple government stakeholders on the "Women, Business and the Law Index" (WBL-Index) methodology, a tool developed by the World Bank Group. As this index forms the basis of all project activities, the workshop was a key milestone for government engagement and undertaking further activities. The project team also developed an implementation plan in partnership with the National Council for Women, the Ministry of Labor, and the Financial Regulatory Authority. IFC's team provided WBL-related reform recommendations on the draft labor law that are still under discussion in parliament. Furthermore, the project supported the World Bank's Development Policy Operation's gender pillar, the first of its kind in the region.

Women & Insurance Phase II Improving Women's Access to Affordable Insurance Products

Building on the momentum of the Women and Insurance project that produced the "SheforShield: Insure Women to Better Protect All" report, the second phase of the project emphasizes improving women's access to affordable and tailored insurance products, and employment opportunities as agents or distributors. The report found that the untapped market representing women presents a $1.7 trillion opportunity for the insurance industry, with half of it flowing from 10 emerging economies. As women play a multifaceted role in society and have varying financial needs and preferences at different stages of their lives, the report advocates identifying and targeting women based on their socioeconomic segments to realize this market potential.

Through this initiative, the project plans to apply insights generated from the first phase to develop an insurance advisory product offering for women. As IFC is the only development financial institution with a special focus on women's access to insurance, this product will further help in positioning IFC as a thought leader in the women and insurance landscape. In the end, the project expects to (i) Increase awareness in the insurance industry of the business case for targeting women as a segment, and stimulate demand for women's insurance programs; (ii) Increase IFC's institutional capacity to deliver women's insurance programs; and (iii) Increase understanding of life cycle risks faced by women by conducting new research on women's risk across emerging markets.

Strengthening Tourism Sector Competitiveness in Peru

The hospitality and tourism sector in **Peru** has been severely impacted by the pandemic. The sector, in which women account for a substantial portion of employment, has recovered merely 20 percent of its pre-pandemic tourism levels, with no hint of bouncing back until 2025. In addition, social unrest in the tourist region and the lack of health services have kept visitor entry low. In this light, the project aims to strengthen the institutional capacity of the tourism sector to attract and retain sustainable and inclusive investments in target destinations. This goal will be achieved by improving Peru's regulatory environment, building an institutional framework for investment promotion, and supporting the development of strong data collection on behalf of the Peruvian Government.

The project expects to create direct and indirect employment as well as generate $20 million in investments and at least two leads on potential infrastructure projects. While all the project outputs have been delivered, the project is now focusing on supporting the achievement of outcomes. To mitigate the low investment appetite from the private sector, the project is closely working with the Ministry of Foreign Trade and Tourism (MINCETUR – *Ministerio de Comercio Exterior y Turismo*), PromPeru, municipalities, regional authorities, and the private sector to disseminate the findings of the Destination Assessment of Arequipa. Based on the findings, MINCETUR reached out to the World Bank to finalize a sectoral loan to develop Arequipa as a key destination to secure financing for the infrastructure investments identified in the assessment. The project also assisted MINCETUR in leading a series of workshops to discuss the draft regulations on online home rentals with local, national, and municipal officials as well as private sector representatives.

Competitiveness Policy Evaluation Lab Informs Improvement in Growth-Oriented Policies

The primary objective of the Competitiveness Policy Evaluation Lab (ComPEL) is to generate high-quality evidence to inform policies that aim to improve firm productivity, create jobs, and generate investment. ComPEL aims at improving operations and country programs continuously and systematically by strategically using impact evaluation and other research to: (i) compare the value-added of various interventions or implementation modalities; and (ii) develop and rigorously pilot new policy instruments to expand the offerings of interventions related to private sector development.

ComPEL supports the design and implementation of impact evaluations around thematic clusters through technical advice, academic reviews, funding, workshops, and seminars. The thematic clusters are:

(i) Targeting firms with high growth potential: Aims at understanding how to identify firms with high growth potential and what kind of policies would better assist them in achieving growth.

(ii) Connecting businesses to improve market access and promote spillovers: Aims at exploring the role of interventions that connect business to the demand side and those that reduce search and enforcement frictions.

(iii) Improving regulatory efficiency to benefit firms: Focuses on understanding what specific types of regulatory interventions have shown to have positive impact on firm outcomes and what type of interventions have shown to alleviate firms' burdens.

(iv) Improving technology adoption: Focuses on how to encourage firms at different stages of capabilities to adopt technologies. Central to these impact evaluations will be their approach to measuring technology adoption and its spillovers.

(v) Improving access to SME finance: Aims at addressing the SME finance gap. Interventions may target SMEs or informal entrepreneurs and be related to the direct provision of finance (guarantees, collaterals, loans, equity, grants, crowdfunding, etc.) through schemes that reduce transaction costs, financing costs, information asymmetries, and/or risks. Interventions may also be related to the adoption of digital payment systems and other financial technologies.

Impact evaluations advanced during the reporting period with 11 reports produced, 6 data collection initiatives (5 surveys and 1 round of administrative data) completed, and 1 workshop—the Flagship Impact Evaluation Workshop—delivered with the World Bank Group's Europe and Central Asia region team to 109 participants from 14 project teams.

Regarding the 11 reports produced, 6 reports analyzing impact evaluation data were finalized, 1 each for **Georgia**, **Kenya**, **Mexico**, and 3 for **Peru**; 2 implementation reports were completed for **Kenya**; 2 baseline reports were completed for **Burkina Faso** and **Ghana**; and 1 report was prepared with insights from impact evaluation activities in **Ethiopia**.

Other research knowledge products were also completed, including four notes analyzing data from Business Pulse Surveys and the identification of data collection companies and other partners to conduct additional surveys in six countries across Africa, as well as the publication of the systematic review on technology adoption.

During the reporting period, the USAID grant continued to support two projects: the main ComPEL project that generates and disseminates cutting-edge evidence in partnership with client governments and donors through systematic reviews of global evidence and original research, including firm-level impact evaluations of programs that grow the private sector; and the Firms and Analytics project which includes national business pulse surveys on pandemic impacts and response, and firm-level impact evaluations of programs that grow the private sector and support the Sustainable Development Goals. Although the ComPEL project ended in June 2022, the remaining grant will be used to continue the work on the wider Ghana survey.

Central America Investment Climate Achieves Objectives in Sanitary Registration

The project's objective was to streamline and automate procedures for sanitary registration for processed food and beverages in **Costa Rica**, **El Salvador**, **Guatemala**, **Honduras**, and **Nicaragua**. These procedures would include a first-time registry as well as a regional automated system for mutual recognition of sanitary registries among all five Central American Customs Union participant countries. Specifically, the project aimed to reduce the average number of days and the cost to register a processed food product, reduce the number of documents required to trade for mutual recognition registration, and increase the number of product registries that are mutually recognized.

From inception to completion, the project has achieved its objectives to streamline and automate procedures for sanitary registration for processed food and beverages in the five client countries, including the establishment of the regional automated system for mutual recognition of sanitary registries among them. Modules were developed for the national sanitary registration systems in El Salvador, Guatemala, Honduras, and Nicaragua, which have streamlined and automated the sanitary registration process in each country, thereby increasing private

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sector competitiveness by making it easier, faster, and less costly to trade. The project also achieved key regional regulatory changes during implementation, including the reduction of documentary requirements for mutual recognition which has further harmonized procedures and eliminated courier and transport costs.

High-level results achieved to date include:

- Reduction in first-time registrations from 70 to 41 days (vs. target 52); with an average reduction in registration costs from $334 to $236 (vs. target $250);
- Reduction in the average number of days to register a processed food product for mutual recognition from 5 to 2.78 business days.
- Reduction in the average cost to register a processed food product for mutual recognition from $536 to $320, a 40 percent reduction (vs. target 25 percent).
- Reduction from 4 to 2 of the number of documents required to trade for mutual recognition registration.
- Increase in the number of product registries mutually recognized from 4,581 to 15,910 (vs. target 6,948).

Based on current data, the different pace of reforms in the countries, and continued automation and regional integration, the project impact is projected to generate $9.7 million in compliance cost savings for first-time registration and $8.1 million in private sector savings for mutual recognition three years after the project end.

Kyrgyz Republic Investment and Growth Project Progressing Toward Objectives

The project in **Kyrgyz Republic** continued progressing well in FY22 and is on track to achieve its objectives. The project received SECO approval for a cost extension until December 31, 2023, to fully implement the recently added digital infrastructure component with a budget hike of $550,000.

In FY22, the project attained achievements in setting up and institutionalizing the investor grievance mechanism to prevent or limit the escalation of investor grievances to courts and arbitration. Secondly, the project successfully established a single online portal/e-registry (*www.elicense.gov.kg*) to increase transparency and accountability for businesses. The e-registry currently contains 200 licenses and permits and has recorded over 11,500 individual visits by businesses, exceeding the target of 10,000. As a result, a presidential decree issued in June broadened the scope of the e-registry and established the platform as the single portal for all permissive documents in the country, surpassing the team's expectations and confirming the government's strong commitment to the reforms.

The project showcased significant progress on digital infrastructure with the identification of three new regulations (Law on Roads, Law on Electrical Communications, and Law on Licensing), which are in the adoption process, to address key barriers to digital infrastructure development. In February, the Cabinet of Ministers adopted the resolution, "On Digital Infrastructure Development of the Kyrgyz Republic for 2022–23," introducing a roadmap of information and communication technologies (ICT) infrastructure development that the project previously supported.

Tajikistan Competitiveness Enhancement Project Focused on Post-Pandemic Recovery

In **Tajikistan**, the project aims to enhance SME resilience and support the post-pandemic recovery in the service and real sectors. The project has attained substantial progress in implementing reforms in the tourism sector to enhance competitiveness and enable post-COVID-19 recovery and resilience.

As a result, the project reported $300,000 in investments generated, achieving 8.6 percent of its target, and 145 jobs created, exceeding the target by 145 percent. The project achieved another milestone with the government's introduction of a unilateral visa-free regime, with 52 countries for a period of 30 days. In addition, the first round of the Tailored Advisory Program for SMEs in tourism commenced with 11 participating companies, leading to the creation of 145 jobs (9 permanent and 136 seasonal workers in 2022). Additionally, the project contributed to the design of a new World Bank Development Policy Operation (DPO) aimed at supporting the Government of Tajikistan to increase economic and social resilience to external shocks and sustainable growth. Furthermore, the signing of a cooperation agreement with the government in FY22 facilitated the intensification of most activities. This included the completion of the bidding and selection process for the development of the e-Services for Business System (e-portal for inspection management and online application for licenses/permits).

Egypt Private Sector Development Program Completes Key Pre-Implementation Activities

The **Egypt** PSD program is considered a comprehensive reference for other World Bank Group teams working on investment climate reform in Egypt. The team's experience from this vast and versatile engagement with multiple line ministries and government agencies will benefit all other project teams working on the reform agenda in Egypt. During FY22, the Egypt PSD program successfully concluded all planned pre-implementation activities, and as a result, all five child projects are now active and reporting independently.

Egypt Textile Value Chain Project Creating Linkages to Value Chains

Significant opportunities exist for expanding participation by **Egypt** in the emerging global and regional technical textiles (TT) value chain. It is expected that $650 million to $800 million in new foreign investment could be attracted to Egypt's TT sector over the next five years.

The overall goal of this project is to expand the positioning of **Egypt** as an emerging manufacturing and export base for TT by attracting more foreign investment and supporting local firm integration into the emerging local and regional TT value chain. The project aims to line up two foreign investors with expressed interest in expanding operations in Egypt and at least one investment commitment secured. It also aims to help bring about a 10 percent improvement in operational performance in key export competitiveness indicators by working with local firms participating in a supplier development pilot project. Two years post-completion, the project aims to generate at least $50 million in new investment.

Since the approval of the implementation plan in January 2021, the project has faced a series of incidents delaying implementation, including a one-year delay in receiving security clearance from the governmental authorities to conduct implementation activities, project restructuring, and a lengthy handover process with the changing of the project's

A woman employee at Egypt's Rich Factory carefully sewing a garment.
Photo: Dominic Chavez/World Bank

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team leader. These issues were eventually resolved during the reporting period: the project received its security clearance, restructuring was completed, and the new team leader was onboarded. Additionally, the impact of COVID-19 combined with the global political/economic landscape, and the effects of Russian invasion of Ukraine, has significantly affected Egypt's economic growth. The foreign currency shortages and a series of regulations and fiscal policies affecting the importation of key production inputs, also led to a major slowdown in the manufacturing sector due to a lack of imported raw materials. Currently, the government is working on a series of executive decisions that should positively impact the importation of components for the production process in key strategic industries, including technical textiles.

Colombia Productivity and Jobs Achieves Key Objectives

The project in **Colombia** achieved all outcome targets for FY22, and despite COVID-19 disruptions and social unrest, is on track to achieve overall targets as planned. In addition, the project exceeded inception-to-date targets, including five outputs, surpassing cumulative targets.

A key project milestone was reached with the enactment of two reforms derived from the previous ex-post reviews delivered in the first half of FY22. The Colombian Agricultural Institute (ICA - *Instituto Colombiano Agropecuario*) approved Resolution 824 on agricultural activities related to the export of fresh produce and MinSalud/Invima enacted Decree 334 on the registry, licensing, quality control, and surveillance of drugs and related health products. Both reforms incorporate recommendations included in the ex-post evaluations conducted by the project. The team continues to monitor progress of potential reforms related to project recommendations, mainly the ex-post reviews.

To promote export growth and science, technology, and innovation (STI) investment, the team completed the Colombia Productiva impact evaluation report to assess the pilot program's impact on SMEs with strong export potential. Overall, the impact evaluation of the Government of Colombia program indicates that the program improved general management practices, but the impact was weak on exports, employment, and sales. The disseminated results and lessons learned from the impact evaluation will allow the government and other partners to improve their programs supporting firms.

Man working outside his workshop, India. *Photo: Nishant Meenah/Pexels*

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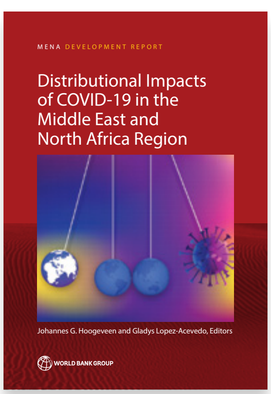
Knowledge Management, Publications, and Learning Highlights

Each year IFC and the World Bank publish many outputs, including real-time tools, policy technical notes, and global flagships, that help inform FIAS advisory work and provide the analytical basis for policy advice on critical topics related to the private sector. Highlights include:

FY22 Publications

Women's Economic Participation and the Impact of Regulatory Barriers: The Women, Business and the Law team published an insight paper that considers the impact of legal discrimination and the absence of protective legislation on women's economic outcomes, namely employment, and earnings. The paper explores the various pathways or channels through which laws and regulations affect those outcomes and concludes that although legal reform is not enough to bring about change, it is a critical first step in initiating social change and promoting women's economic participation and women's employment in the formal sector.



Distributional Impacts of COVID-19 in the Middle East and North Africa Region: In the decade following the Arab Spring, the Middle East North Africa (MENA) region has confronted war, oil price volatility, economic slowdowns, and COVID-19, crises that have torn at the social fabric of the region and contributed to high unemployment, high levels of informality, and low growth. This report investigates how COVID-19 changed the welfare of individuals and households in the region. Through phone surveys and micro-simulation exercises, the report assesses the impact of COVID-19 on jobs, income, poverty, and inequality. The results show that in the short run, poverty rates in MENA will increase significantly and inequality will widen. A group of "new poor" is likely to emerge that may have difficulty recovering from the economic consequences of the pandemic.

IFC Scan Guide: Policy and Regulatory Dimension of Food Safety, Food Loss and Wastes, Food Fortification: IFC Scan Guide is a new tool developed by the IFC Food Safety Advisory team to support the analysis of the policy and regulatory dimensions of four aspects of a country's national food system: food safety, food fortification, food loss and waste, livestock production (animal welfare and use of antibiotics). The publication provides a list of assessment questions in these four areas to allow users to identify challenges and transformations. Doing so could increase efficiency in protecting consumers, improving national food safety while supporting and creating a sustainable food industry.

Social Contracts for Development: Bargaining, Contention, and Social Inclusion in Sub-Saharan Africa: This report focuses on the impacts of and adjustments to climate change in developing countries and on how future trade opportunities will be affected by both the changing climate and the policy responses to address it. The authors argue that policies that reflect the demands and expectations of the people lead to more stable and equitable outcomes than those that do not. Their focus is on how social contracts are forged in the region, how they change and why, and how a better understanding of social contracts can inform reform efforts.

The Inclusion of Women in the Digital Economy in Jordan and Lebanon: Many factors explain the absence of Middle Eastern women in the digital economy: the workforce gender gap across the region extends online; women often lack digital literacy and awareness of opportunities online; and legal frameworks are needed to support online work. The lessons learned report provides a wealth of lessons on the best pathways for development organizations and other stakeholders to pursue in their efforts to increase women's participation in online marketplaces.

Women, Business and the Law 2022: Women, Business and the Law 2022 is the eighth in a series of annual studies measuring the laws and regulations that affect women's economic opportunity in 190 economies. The project presents eight indicators structured around women's interactions with the law as they move through their careers. Amid a global pandemic that threatens progress toward gender equality, 'Women, Business and the Law 2022' identifies barriers to women's economic participation and encourages reform of discriminatory laws.

Africa in the New Trade Environment: Market Access in Troubled Times: Sub-Saharan Africa represents only a small share of global production and trade while hosting half of the extreme poor worldwide. To catch up with the rest of the world, the continent has no alternative: it must undertake reforms to scale up its supply capacity while better linking its production and trade to the global economy. This report provides a comprehensive, state-of-the-art analysis by a team of renowned trade economists who present a strategy to bolster Sub-Saharan Africa's market access in the current global environment.

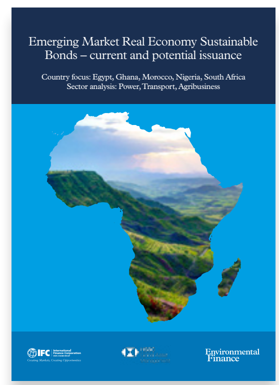
Transforming Agribusiness in Nigeria for Inclusive Recovery, Jobs Creation, and Poverty Reduction: Policy Reforms and Investment Priorities: Nigeria has for decades placed enormous emphasis on diversifying its economy beyond oil and into sectors such as agribusiness and manufacturing. The report illustrates the potential of the agribusiness sector to accelerate inclusive growth, create jobs, and reduce poverty.

Accelerating Sustainable Finance Together: The IFC-supported Sustainable Banking Network (SBN)'s second Global Progress Report documents the accelerated progress of SBN members in translating policy innovations into practical implementation. It includes 30 country reports that capture sustainable finance market transformation across 38 emerging markets, representing $43 trillion, or 86 percent, of emerging markets banking assets.

Unmasking the Impact of COVID-19 on Businesses: Firm-Level Evidence from Across the World: This paper provides a comprehensive assessment of the short-term impact of the COVID-19 pandemic on businesses worldwide with a focus on developing countries. The results are based on a novel data set collected by the World Bank Group and several partner institutions in 51 countries covering more than 100,000 businesses.

Inclusive Distribution: Advancing Gender Equality in the Fast-moving Consumer Goods Sector: This learning brief introduces how gender equality can be advanced within the distribution activities of the FMCG sector. It presents an emerging business case, the challenges, and recommendations to address these challenges. The brief is based on IFC projects in Egypt, Indonesia, Nigeria, Philippines, and Sri Lanka; desk research; and interviews with market participants.

Emerging Market Real Economy Sustainable Bonds – current and potential issuance: Together with Environmental Finance and HSBC, IFC issued a report to survey the five focus countries of Egypt, Morocco, Ghana, Nigeria, and South Africa which have issued 20 sustainable bonds. This report reviews the challenges and opportunities in each country for future sustainable bond issuance across three key sectors: power, transport, and agribusiness.



Short Term Effects of COVID-19 on Digital Infrastructure in Emerging Markets: This note leverages data from industry sources and an IFC survey of digital infrastructure companies to assess the short-term effects of COVID-19 on digital infrastructure in emerging markets. The note concludes with a discussion of emerging trends and their implications for public policy and corporate and investment strategies in support of the development of the digital infrastructure sector in emerging markets.

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FY22 Events

Setting the Tone for Gender Equality—How the GCC Gender Reforms Sparked a Regional Movement: As a part of GCC knowledge week—a series of knowledge-sharing events organized by the World Bank's Gulf Cooperation Council (GCC) Country Management Unit in February 2022, the session focused on historic reforms enacted with the technical support of the Finance Competitiveness and Innovation (FCI) Business Regulations for Gender Equity team in the GCC countries (Saudi Arabia, Kuwait, and the UAE) to create more economic opportunities for women as employees and entrepreneurs. The aim of the session was to share experiences on the unprecedented reform initiatives, including the political economy, challenges in enacting and implementing the changes, and lessons learned, as well as the way forward based on national agendas.

Viewing Sustainability Through a Food Safety Lens Master Class: The masterclass in April 2022 aimed to help food safety professionals better understand the broader aspects of sustainability and their intersection with food safety. IFC's food safety team explored how the successful management of sustainable and safe food practices can create value for a business—all while contributing to the Sustainable Development Goals.

Marrakech Investor Day: Hosted by the Morocco Business Environment and Subnational Competitiveness project, the event showcased potential and new investment opportunities in the region, recent FDI, global and regional economic trends, and the role of data in investment promotion from the location and investment promotion agency's (IPA) perspectives. The IFC team presented the key achievements of the CRI and the new investment promotion mandate supported by the project, with testimonials from investors on competitiveness. The event took place on April 6, 2022, and was professionally broadcasted on multiple streaming platforms and local television.

Regulatory Impact Assessment and the Importance of Evidence-Based Regulations: The webinar, held on September 21, 2021, was co-organized with Colombia Productiva and the IFC team to present the Regulatory Impact Analysis. Speakers included the President of Colombia Productiva and SECO's Chief of Regulatory Policy and Analysis, followed by a panel discussion with representatives from the Colombian private sector and the United Nations Industrial Development Organization (UNIDO).

Competition Policy: International Event and Workshop on Mergers: In June 2022, the Peru Growth Program team organized an international event and workshop on mergers to build capacity for the assessment of mergers from a competition standpoint. The event was attended by leading experts from international competition authorities from the USA, EU, Mexico, UK, OECD, and Chile. Feedback from the client was overwhelmingly positive.

Egypt V-LAB Summit: On June 18, 2022, the V-LAB Summit signaled the close of the Spring 22 acceleration cycle, which included panel discussions, interactive workshops, and impressive startup pitches. The event also marked the completion of IFC's support to AUC Venture Lab, Egypt's first university-based accelerator, providing critical acceleration services, key to investment readiness of entrepreneurs, and creating a pipeline of fintech startups that could launch innovative financial products and leverage private sector financing to scale their businesses. This support resulted in over 40 new financial products developed by fintech startups that reached over 230,000 users through those newly developed products and services. Through CMA's support fintech startups also managed to generate over $1 million in revenue and leverage more than $1.5 million in investment.

Digital Disruption in Tourism Forum Brings Innovative Digital Solutions to the Sector in Ethiopia: On May 16, 2022, the forum aimed to catalyze creation of a digital ecosystem for the travel and tourism sector in Ethiopia that could deploy innovative technologies for increased competitiveness and sustainability of the sector. The forum was a result of a collaboration between the Prime Minister's Office Digital Transformation Team, Ministry of Tourism, Ministry of Innovation and Technology, selected private sector partners, and IFC's CMA. The forum included panel discussions, presentations, a series of workshops, and a hackathon. More than 10 innovative digital solutions under the theme 'Tour Operation Management and Support', 'Exploring Addis Ababa', and 'Tourism Marketplace' were presented as part of a 48-hour hackathon, and three were awarded during the forum.

Public-Private Dialogue in Tunisia to Promote the Entrepreneurial Ecosystem in the Maghreb Region: IFC has been helping the Maghreb region mobilize investments in startups and venture capital funds, through improving the business enabling environment and strengthening key players in the entrepreneurial ecosystem. In May 2022, IFC conducted a public-private dialogue on the sector's sustainable growth. The event presented the first results of the regional study that allowed to learn about the developments of the entrepreneurial ecosystem and provided an opportunity to discuss possible solutions to existing challenges that could be implemented by all parties involved. This PPD served as a starting point for eliminating key barriers the ecosystem players are facing in the region. Better access to markets and finances were named as the most critical that need to be addressed.

Affordable Housing Workshop in Nigeria: In June 2022, IFC and the World Bank hosted the housing workshop in Lagos. The workshop initiated a dialogue on how sustainable housing could be developed and scaled for individuals, families, and students. It highlighted potential regulatory and legal reforms that might eliminate challenges, discussed land management and land allocation, supply and demand issues, access to finance and innovative solutions for the development of a sustainable and affordable housing market in the country. The stakeholders agreed that a holistic approach should be undertaken to tackle some of the most critical issues in the sector, where close and continuous collaboration between all parties involved is key.

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Financial Results and Resource Use

Activities covered in the *FIAS 2022* Annual Review were co-financed via a set of FIAS trust funds. Financial results reported in this section cover the donor and World Bank Group funds managed under the FIAS trust fund structure as well as supplemental funds earmarked for the implementation of the FIAS strategy.

FY22 FIAS Contributions

$31.4M

total

of which:

$14.2M

to Core

$9.2 million from donors
$5 million from IFC

$11.7M

expenditures

Pace of spending is accelerating as new projects begin implementation

These funds are provided by IFC and the World Bank for FIAS-related activities and to cover sustaining costs associated with the management of FIAS. 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 FY22, **FIAS donors and the World Bank Group contributed a total of $31.4 million** (including trust fund administration fees of $1.22 million) to the various FIAS trust funds, supporting the implementation of a broad-based investment climate reform effort under the FIAS program. 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 *(see details in Table 1: Sources and Uses of Funds).*

World Bank Group core contributions totaled **$5.0 million** in FY22. The $5.0 million from IFC was supplemented by in-kind support from the World Bank. The World Bank Group contribution represents 16 percent of total FY22 FIAS contributions.[2]

Core contributions received from donors amounted to **$9.2 million** in FY22, representing 29 percent of total contributions. As in the FY17–21 strategy cycle, some donors agreed to roll over the unused portions (i.e., fund balances) of their contributions to the FY17–21 funding cycle into the new FY22–26 cycle. **Programmatic contributions** from donors made available through thematic and regional FIAS trust funds totaled **$15.2 million** in FY22, or 48 percent of total contributions. **Project-specific contributions** from donor partners amounted to **$2.0 million** in FY22, or 6 percent of total contributions. This was down from $5.9 million in FY21, an expected decrease as older projects close and FIAS focuses on new additions to the project portfolio. The **$26.3 million in total donor contributions** in FY22 represented 84 percent of the $31.4 million in total contributions.

Use of Funds

In FY22 (from July 1, 2021, through June 30, 2022), FIAS expenditures for client-facing and non-client-facing projects as well as program management and general and administration costs totaled **$11.7 million.** This represents a 37 percent rate of spending against cash receipts of $31.4 million for the year. The relatively low burn rate stemmed from the late entry in the fiscal year of many of the new projects in the FIAS portfolio and their modest spending levels in the initial months of activity. Staff and consultant costs represented the largest share of total FY22 FIAS expenditures (41 and 52 percent, respectively). Travel expenses were three times higher in FY22 than the previous year as COVID restrictions eased, reaching $474,982, or 4 percent of all expenditures. This was still low compared to the $3 million to $5 million per year during the first three years of the previous strategy cycle. Indirect costs (infrastructure, office occupancy, and other miscellaneous costs) remained relatively low in FY22 at 3 percent *(see Table 1, Sources and Uses of Funds).*

Direct project expenditures for FY22, including country- and global-level client-facing, were $10.4, or 89 percent of total expenditures of $11.7 million. In FY22, $1.1 million, or 9 percent of total FIAS expenditures, covered indirect project costs including program support such as global knowledge development products (KDPs), monitoring and evaluation (M&E), and knowledge sharing. Program management and general and administration costs, including operational support such as administrative expenses, donor relations, public relations, and other costs, totaled $204,952, or 2 percent of total expenditures *(see details in Table 2: Expenditures by Advisory Services Activity).*

FIAS funding contributes substantially to the advisory services projects it supports. The $10.4 million in FIAS support for client-facing projects represented 66 percent of total FY22 spending on those projects. FIAS contributed an average of $159,912 to the 65 client-facing projects it supported in FY22. FIAS provided 41 percent of total FY22 spending by the 8 global knowledge projects in the FIAS portfolio, with an average contribution of $112,344 per project.

In FY22, FIAS expenditures in priority areas were in line with the strategic spending targets outlined in the FIAS FY17–21 strategy. Of the $10.4 million in client-facing project expenditures, 58 percent supported IDA borrowing countries (target 70 percent), 44 percent went to projects in Sub-Saharan Africa (target 50 percent), and 33 percent supported projects in FCS (target 25 percent).

Travel expenses were **three times higher** in **FY22** than the previous year as **COVID restrictions** were lifted

2 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 to cover sustaining costs associated with the management of FIAS. 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.

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Among regions, Sub-Saharan Africa made up the largest share of client-facing expenditures with 44 percent. Europe and Central Asia received the next largest share of client-facing expenditures with 19 percent, followed by client-facing global projects at 12 percent, East Asia and Pacific and the Middle East and North Africa each made up 7 percent, Latin America and Caribbean at 5 percent, and South Asia 4 percent.[3]

Administration fees are collected by IFC to cover trust fund administration costs and are deducted from donor contributions at the time of receipt. In FY22, IFC collected trust fund administration fees of $1.2 million from FIAS donor contributions.[4]

In FY22, FIAS received $30.2 million in cash receipts (net of administration fees) and expended $11.7 million for the same period, or 39 percent of total cash receipts.

Overall spending levels for IFC regional and global Advisory/Upstream Services projects are determined by IFC senior management through the Country-Driven Budgeting process. In FY22, FIAS Program management instituted a new system to determine eligibility of project funding requests in relation to the FIAS strategy. This ensures that resource distribution aligns with IFC priorities in developing countries and the FIAS FY22–26 strategy.

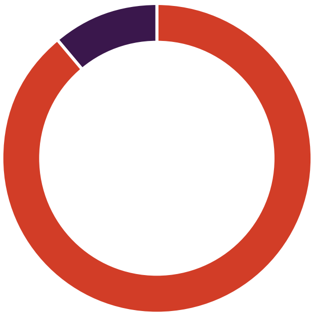
Fundraising Update

Total contributions (secured and commitments) from the World Bank Group and donors for FY22 through FY26 reached $137.1 million through October 2022. Of this amount, $56.3 million (41 percent) comes from contributions by donors and IFC and goes toward FIAS Core. This account is under the direct management of the FIAS Program, enabling FIAS to prioritize areas such as IDA, Africa, gender, and climate change. FIAS programmatic and project-specific contributions amounted to $80.9 million, or 59 percent. These contributions fund programs developed in consultation with individual donors that combine FIAS and IFC priorities with those of the contributing countries. *(See Table 1: Sources of Funds for a list of contributors to the FIAS Core, programmatic, and project-specific accounts.)*

FIAS has once again set an aspirational target of $200 million in fundraising for FY22–26. With the funds raised to date, FIAS is 69 percent of the way toward that goal, with a $62.9 million funding gap to be filled. Discussions with existing and potential new donors are ongoing. The FIAS Program is profoundly grateful for the support received to date.

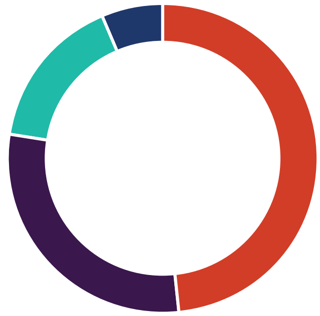
3 World Bank Group regions have been reconfigured and are shown in Annex 2. Because FIAS prioritizes Sub-Saharan Africa, and for ease of comparison with previous FIAS Annual Reviews, this summary provides spending per the old regional definitions.

4 FIAS 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 and Uses of Funds.



PERCENT OF FIAS FY22 FIAS EXPENDITURES
100% = $11.7 Million

- Client-Facing (89%)
- Non-Client Facing (11%)



FY22 DONOR CONTRIBUTIONS (GROSS RECEIPTS)
100% = $31.4 Million

- Programmatic (48%)
- Core (29%)
- World Bank Group (16%)
- Project Specific (6%)

FIAS EXPENDITURE BY REGION, FY22
100% = $11.7 Million

- Sub-Saharan Africa (44%)
- Europe and Central Asia (19%)
- World (12%)
- East Asia and Pacific (7%)
- Middle East and North Africa (7%)
- Latin America and Caribbean (5%)
- South Asia (4%)

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Table 1: Sources and Uses of Funds

DONOR / PARTNER	FY17-21 (FY17-21 CYCLE)	FIAS CORE ROLLOVER FROM FY21 TO FY22 (FY22-26 CYCLE)	FY22 (FY22-26 CYCLE)
WORLD BANK GROUP CONTRIBUTIONS			
Core Contributions			
IFC	28,661,111		5,000,000
IBRD	10,000,000	2,722,944	-
Subtotal World Bank Group Contributions	**38,661,111**	**2,722,944**	**5,000,000**
CORE DONOR CONTRIBUTIONS			
Austria	1,045,800		2,251,000
Ireland	3,426,900	886,833	-
Luxembourg	3,594,312	958,535	1,996,800
Netherlands	5,000,000	1,213,308	-
Norway	-	82,785	1,103,509
Sweden	6,573,453	1,834,972	3,830,579
Switzerland	5,000,000	-	-
Canada	-	571,461	-
Subtotal Core Donor Contributions	24,640,465	5,547,894	9,181,888
TOTAL CORE CONTRIBUTIONS	**63,301,576**	**8,270,838**	**14,181,888**
PROGRAMMATIC DONOR CONTRIBUTIONS			
Austria	6,692,249	-	3,376,500
Australia (Fiji and Vietnam)	712,073	-	4,062,300
Switzerland (MCICP I)	34,400,000	14,255,804	1,890,000
Switzerland (MCICP II)	-		3,800,000
Mali (DANIDA)	-		1,141,441
Norway (WBL)	906,844	403,953	949,598
EU (Including ECOWAS IP, Balkans IP)	6,596,362		-
United Kingdom (BEED/SIRMS)	5,358,414		-
Subtotal Programmatic Donor Contributions	**54,665,942**	**14,659,758**	**15,219,839**
PROJECT SPECIFIC DONOR CONTRIBUTIONS			
France (OHADA)	6,692,767	4,760,895	-
USAID	22,987,692	1,694,832	1,994,024
Trademark East Africa	350,000		
Subtotal Project Specific Donor Contributions	**30,030,459**	**6,455,727**	**1,994,024**
TOTAL PROGRAM & PROJECT SPECIFIC DONOR CONTRIBUTIONS	**84,696,401**	**21,115,484**	**17,213,863**
TOTAL RECEIPTS	**147,997,978**	**29,386,322**	**31,395,751**
Trust Fund Administrative Fees*	4,853,929		1,220,086
TOTAL (NET) RECEIPTS	**143,144,049**	**29,386,322**	**30,175,664**

* An amount of $29 million was carried forward from FY17–21 to the FY22–26 FIAS cycle. Out of the $29 million, $8 million (including prior contributions from Canada and Ireland) was carried forward in FIAS Core; $21 million was carried forward in programmatic and project-specific trust funds..

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

Table 1: Sources and Uses of Funds *(continued)*

USES OF FUNDS	FY17-21 USD $	FY17-21 %	FY22 USD $	FY22 %
Staff Costs	62,728,065	48%	4,831,751	41%
Consultants /Temporaries and Contractual services	48,612,622	37%	6,053,773	52%
Travel	13,744,863	10%	474,982	4%
Other expenses	6,715,699	5%	329,517	3%
TOTAL USES OF FUNDS	**131,801,249**	**100%**	**11,690,024**	**100%**

Table 2: Expenditures by Advisory Services (AS) Activity

STANDARD AS ACTIVITY EXPENDITURES	FY17-21 ACTUAL USD $	FY17-FY21 ACTUAL %	FY22 ACTUAL USD $	FY22 ACTUAL %
PROJECT RELATED EXPENDITURES				
of which: Direct Project Expenditures [1]	114,747,915	87%	11,485,072	98%
of which: Indirect Project Expenditures [2]	16,094,282	12%	204,952	2%
TOTAL PROJECT RELATED EXPENDITURES	**130,842,197**	**99%**	**11,690,024**	**100%**
GENERAL & ADMINISTRATION COSTS [3]	**959,051**	**1%**	**-**	**-**
TOTAL STANDARD AS ACTIVITY EXPENDITURES	**131,801,249**	**100%**	**11,690,024**	**100%**

1 Direct Project Expenditures include project preparation, implementation, and supervision costs of client-facing projects.

2 Indirect Project Expenditures include program support costs such as product development, M&E, knowledge sharing, etc.

3 Program Management and General & Administration Costs include operational support costs such as administrative expenses, donor relations, public relations, and other costs.

Annex 1: FIAS Scorecard and Results Methodology

FIAS FY22 Scorecard

STRATEGIC THEME	INDICATOR*	FY17–21 CUMULATIVE	FY22	FY22–26 CUMULATIVE	FY22–26 STRATEGY TARGET
1. Focus on Priority Clients	% FIAS client-facing project implementation spend in IDA countries	63%	58%	**58%**	**70%**
	% FIAS client-facing project implementation spend in Sub-Saharan Africa	46%	44%	**44%**	**50%**
	% FIAS client-facing project implementation spend in FCS	28%	33%	**33%**	**25%**
2. Delivering Significant Business Results	Number of Reforms supported by FIAS	204	1	**1**	**200**
	% reforms supported by FIAS in IDA countries	58%	0%	**0%**	**70%**
	% reforms supported by FIAS in Sub-Saharan Africa	43%	0%	**0%**	**50%**
	% reforms supported by FIAS in FCS countries	24%	0%	**0%**	**25%**
3. Client Satisfaction and Development Effectiveness	Overall client satisfaction: FIAS client survey results	94%	96%	**96%**	**90%**
	Development Effectiveness: % FIAS-supported projects rated satisfactory for DE	72%	100%	**100%**	**80%**
4. Measuring Impact	Direct Compliance Cost Savings (USD)	$196.2M	$296,707	**$296,707**	**$200M**
	Investment Generated/Retained (USD)	$999.1M	$29,733,755	**$29,733,755**	**$1B**
5. Measuring Impact (New Indicator)	Value of financing facilitated (USD)		$22,300,000	**$22,300,000**	**TBD**
6. Measuring Impact (Jobs)	Number of Jobs Pilot impact assessments		TBD	**TBD**	**10–15**
7. Leverage (New Indicators for tracking and reporting)	Number of IFC investment operations informed and enabled by FIAS	106	30	**30**	
	Number of IBRD Development Policy and Investment operations informed by FIAS	28	7	**7**	
8. Thematic Impact (New indicators)	% projects gender flagged (FIAS Core)		63%	**63%**	**80%**
	% projects gender flagged (FIAS total program portfolio)		47%	**47%**	**40%**
	% projects with climate related activities (FIAS Core)		58%	**58%**	**70%**
	% projects with climate related activities (FIAS total program portfolio)		26%	**26%**	**35%**

Blank boxes in FY17–21 indicate the value was not part of Scorecard for that cycle; in Target column, blank boxes indicate targets are not being calculated for IFC, IBRD linkages.

M&E note on reforms and updated impact indicators' methodologies

This note provides an update regarding Monitoring and Evaluation (M&E) work in the areas of the three indicators of the FIAS Scorecard: number of reforms, value of financing facilitated, and investment generated.

1. Reporting on reforms

Traditionally many of the reforms reported by IFC related to the reforms spurred by the Doing Business report. Although the report was discontinued in 2021, a limited number of legacy projects with DB-related reforms continue. FIAS results reflect the declining trend of DB-related reforms.

As IFC moves toward enabling market creation and furthering its IFC 3.0 strategy, many projects are reporting reforms in new topic areas beyond traditional DB indicators. These new areas are more targeted to sector policies in line with IFC 3.0, thus, in FY22 the IFC M&E team developed criteria to validate reforms for implementation and regulatory work in two new topics, *electronic payment system (e-payment)* and *climate finance,* and updated reform criteria for *agribusiness*. The new reform criteria were approved and are being used across IFC AS operations.

All investment climate reforms are defined as legislative and/or administrative/institutional changes. These changes are only validated if they have a positive effect on private sector beneficiaries as confirmed through surveys, administrative data of the government, or rapid assessments. Summaries of how reforms are validated in three new topics are outlined as follows.

Guidance notes along with relevant criteria and indicators to report reforms for each of the new topics were circulated to operations teams, while several more reform criteria for new sectors are currently being developed to meet the changing dynamics of IFC Advisory work.

1.1. Agribusiness

A reform in agribusiness is counted when both qualitative changes (legislative or administrative or institutional changes) and quantitative elements (captured via quantitative indicators) result in benefits to key stakeholders such as off-taker firms, farmers etc. Qualitative elements involve outcomes such as enactment of legislation related to the agribusiness sector or implementation or improvement of industry-specific procedures, policies, and practices.

Quantitative elements of agribusiness reforms capture interventions that:

- Facilitate investment in agricultural/ agribusiness sectors
- Reduce average cost/time and number of procedures to comply with agri-trade regulations
- Improve food safety practices, standards, and performance of firms & Smallholder Farmers (SHFs)
- Increase access to inputs, markets, finance, and services for firms/SHFs
- Improve linkages and participation in the agribusiness value chain through contractual arrangements
- Increase export of agri-products
- Improve food loss and waste management practices
- Improve food fortification policies

E-payment

Electronic payment and settlement systems are electronic mechanisms established to facilitate the clearing and settlement of monetary and other financial transactions. Secure, affordable, and accessible electronic payment systems and services promote development, support financial stability, and help expand financial inclusion.

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A reform in electronic payment systems is counted when **at least one** of the following criteria is met:

(I) Changes to primary and secondary legislation meet the positive criteria and have led to:

1. 10% increase in number of transaction account holders/users; OR

2. 10% decrease in the remittance service fees and/or time (applicable to projects working on domestic as well as cross-border/international remittance service)

(II) Changes to administrative procedures or institutional changes meet the positive criteria and have led to:

1. 10% increase in number of transaction account holders/users; OR

2. 10% decrease in the remittance service fees and/or time (applicable to projects working on domestic as well as cross-border/international remittance service).

1.3 Climate Finance
Programs that improve the enabling environment for climate finance aim to help the financial sector to scale up private sector financing for climate-related projects in line with international standards. These include engagements to:

(i) Develop and adopt a national sustainable taxonomy aligned to international standards

(ii) Develop, strengthen, and implement policies and regulations to facilitate financing of green-eligible activities and assets

(iii) Develop and implement green bond guidelines or frameworks aligned to international standards

(iv) Review existing national building codes, and draft and implement green building regulations.

A reform in climate finance is counted when:

(I) Changes to primary and secondary legislation and/or administrative procedures, and/or institutional changes have led to: At least one financial institution (FI) using the reform/legislation developed to increase access to climate finance

Updates on impact indicator's definition and monitoring

2.1. Value of Financing Facilitated
Three financing facilitated (FF) indicators have been used within the IFC since 2014 on Advisory projects. Given the evolution of AS delivery in IFC, including the recent introduction of Upstream approach, the value of financing facilitated will explicitly differentiate between the value of IFC financing facilitated and non-IFC financing facilitated. A new indicator "Value of (non-IFC) Financing Facilitated" is proposed to separate the non-IFC financing facilitated from IFC Advisory Services, which will be applied to all projects including Upstream tagged AS projects. All projects approved in FY23 (from July 1, 2022, onwards) are expected to apply the new FF methodology for results reporting. The systems development for this change is being awaited.

2.2 Investment Generated (IG) is the actual investment made by investors in a location, including re-investments and expansions by existing investors, that can be attributed to the World Bank Group's support to the country through a specific project. The project should have carried out activities to support reforms that contributed to improving the investment climate and to fostering private

Taking delivery of store merchandise in Ghana. *Photo: Arne Hoel/World Bank*

investment. The IFC M&E team has refined and improved the methodology for the calculation of IG indicators during FY22. Notable improvements include:

- All projects tracking IG as an impact indicator are required to run investor surveys to measure results. A standard investor survey questionnaire was developed to make it easier for project teams to administer investor surveys.

- The World Bank global team has developed criteria to assist project teams with assigning contribution rates to IG results.

- An improved target setting methodology for IG was developed. Three options, depending on data availability, have been developed to assist project teams with target-setting.

- The Investment Policy and Promotion (IPP) product results framework was updated to further align and clarify indicator definitions.

IFC aims to roll out these changes via training sessions to all regions between January and June 2023.

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Annex 2: Portfolio of FIAS-Funded Projects in FY22

2.1 FY22 FIAS-Funded Client-Facing Projects

REGION (REGION CODE)	COUNTRY	PROJECT NAME	TOTAL FUNDS MANAGED BY IFC	TOTAL FYTD EXPENDITURES
NORTH AFRICA (AFR)	**Egypt, Arab Republic of**	Egypt Green Building	$73,174	$49,329
	Egypt, Arab Republic of	Egypt Textile Value Chain Project	$389,266	$300,723
	Egypt, Arab Republic of	Enhancing Women Economic Participation in Egypt Project	$89,500	$64,383
	Egypt, Arab Republic of	WRS ecosystem development in Egypt	$79,640	$14,824
	Morocco	Improving the Competitiveness of Marrakech-Safi	$76,208	$194,728
	Morocco	Morocco Business Environment Project	$61,200	$-
	Tunisia	Attracting FDI in Tunisia	$64,260	$141,129
	Tunisia	Tunisia Investment Climate Reforms Program II	$100,000	$62,628
SUB SAHARAN AFRICA (AFR)	**Africa Region**	Africa Leasing	$270,076	$400,642
	Africa Region	OHADA Strengthening Credit Infrastructure Project	$200,000	$718,835
	Burkina Faso	TFWA Risk Management Benchmarking	$137,041	$100,203
	Comoros	Inclusive Growth in Comoros through Private Sector Development	$10,000	$9,167
	Côte d'Ivoire	Côte d'Ivoire Legislative Reform for Womens Economic Inclusion	$146,000	$89,635
	Côte d'Ivoire	Trade Facilitation West Africa Corridor CI-BF	$553,467	$513,437
	Ghana	Ghana Investment Climate Program	$500,000	$667,490
	Ghana	Ghana-Burkina Trade Facilitation Diagnostic	$60,000	$56,568
	Ghana	TFWA KM for component 3	$13,513	$8,362
	Mali	MALI IC4- Economy Wide	$386,363	$363,854
	Mali	Mali Investment Climate phase 4	$24,348	$40,688
	Mozambique	Doing Business in Mozambique	$-	$(23,357)
	Mozambique	Mozambique Investment Climate Project 2	$415,841	$376,215
	Nigeria	UPSEZWA Nigeria	$44,000	$26,126
	Rwanda	Rwanda Legislative Reforms for Womens Economic Inclusion Advisory	$146,000	$31,662
	Rwanda	Women Business and the Law Advisory Initiative for Africa	$147,401	$85,213
	Senegal	Invest West Africa - Senegal Agribusiness Competitiveness Advisory	$87,824	$86,877
	Senegal	Piloting Psychometric Scoring to increase MSME Access to Finance in Senegal and UEMOA	$149,916	$149,916
	South Africa	South Africa Private Sector Competitiveness Project	$517,924	$400,469
	Togo	Trade Facilitation Lome-Ouaga Corridor	$434,185	$426,414
	Uganda	Uganda MSME Access to Finance	$-	$15,234
	Western Africa Region	Invest West Africa Regional Warehouse Receipts Program	$151,944	$79,174
	Western Africa Region	TFWA scoping for activities to support small scale cross border traders	$300,000	$275,735
	Western Africa Region	TFWA Umbrella Trade Facilitation West Africa	$250,000	$191,141
	Western Africa Region	West Africa Trade Facilitation - Ghana-Burkina Corridor	$344,500	$-
	Zimbabwe	Zimbabwe Warehouse Receipt System Project	$50,000	$20,878

2.1 FY22 FIAS-Funded Client-Facing Projects *(continued)*

REGION (REGION CODE)	COUNTRY	PROJECT NAME	TOTAL FUNDS MANAGED BY IFC	TOTAL FYTD EXPENDITURES
CENTRAL ASIA & TÜRKIYE (CAT)	**Kyrgyz Republic**	Kyrgyzstan Resilience and Growth Project	$530,000	$507,025
	Tajikistan	Tajikistan Competitiveness Enhancement Project	$450,000	$413,671
EAST ASIA & PACIFIC (EAP)	**Indonesia**	Indonesia Investment Climate Competitive Sectors and Competition MCICP	$625,000	$396,213
	Mongolia	Mongolia meat	$77,000	$73,544
	Vietnam	Vietnam Private Sector Competitiveness	$413,348	$289,723
EUROPE (EUR)	**Azerbaijan**	Azerbaijan Investment Climate and Agribusiness Competitiveness Project	$474,859	$96,852
	Bosnia and Herzegovina	Bosnia and Herzegovina Sub-national Investment climate project	$838,000	$219,169
	Georgia	Georgia Trade, Investment and Agricompetitiveness Project	$148,591	$111,713
	Kosovo	Kosovo Investment Climate II	$660,680	$599,586
	Serbia	CEU Agriculture Finance Digital Platform	$158,334	$-
	Ukraine	Competition Ukraine	$145,750	$113,008
	Ukraine	Europe and Central Asia Agri-Finance Project	$214,253	$214,064
LATIN AMERICA & CARIBBEAN (LAC)	**Central America Region**	Central-America Sustainable Banking Initiative	$19,771	$13,155
	Colombia	Colombia Productivity	$106,390	$91,948
	Colombia	Colombia Productivity and Jobs	$1,237,698	$51,918
	Peru	Markets and Competition Policy Peru	$151,069	$172,250
	Peru	Peru Investment Policy and Promotion	$172,585	$195,149
	Peru	Programmatic Approach for Private Sector Growth in Peru	$768,325	$-
	Peru	Strengthening Tourism Sector Competitiveness in Peru	$54,102	$67,702
MIDDLE EAST (MER)	**Afghanistan**	Afghanistan Business Enabling Project	$293,000	$273,376
	Afghanistan	Afghanistan Competitiveness Study	$220,000	$-
	Afghanistan	Afghanistan Export Competitiveness Project	$334,000	$252,293
	Pakistan	Housing for Pakistan Initiative	$64,000	$-
SOUTH ASIA (SA)	**India**	Advisory to Axis Bank on Climate and ESG	$50,000	$-
	Sri Lanka	SL Climate Smart Agri Finance	$114,540	$-
GLOBAL CLIENT FACING (WLD)	**Africa Region**	Global Housing Advisory Platform Implementation (child)	$210,000	$33,640
	Africa Region	Global Housing Microfinance Initiative	$40,000	$-
	World Region	Firm Surveys and Analytics	$570,000	$42,739
	World Region	Global FS Platform (child)	$125,000	$124,822
	World Region	Sustainable Banking Network Global	$80,000	$41,274
	World Region	Sustainable Infrastructure of the Future Platform	$71,163	$69,592

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2.1 FY22 FIAS-Funded Client-Facing Projects *(continued)*

REGION (REGION CODE)	COUNTRY	PROJECT NAME	TOTAL FUNDS MANAGED BY IFC	TOTAL FYTD EXPENDITURES
GLOBAL KNOWLEDGE DEVELOPMENT (WLD)	**Africa Region**	Scaling Biodiversity Finance	$60,000	$10,841
	East Asia and Pacific Region	Circular Economy Knowledge Development Product	$24,000	$21,405
	World Region	SOE and State in the Economy	$40,000	$1,453
	World Region	Competitiveness Policy Evaluation Lab 1	$1,093,553	$667,821
	World Region	Gender-Inclusive Infrastructure & Natural Resources	$17,380	$17,215
	World Region	Responsible Financial Inclusion and Innovation	$100,000	$-
	World Region	Trade Facilitation and Border Management PDP	$775,312	$177,022
	World Region	Women & Insurance Phase II	$50,000	$-

Annex 3: Abbreviations

ARTF	Afghanistan Reconstruction Trust Fund
AS	Advisory Services
ASHA	Affordable Socially Sustainable Housing Application
BR	business regulation; business regulatory
CBD	Climate Business Department, IFC
CCAP	Climate Change Action Plan
CCDR	Country Climate and Development Report
CCS	compliance cost savings
CEMAC	Central African Economic and Monetary Community
CEU	Central Europe
CIB	Commercial International Bank
C-JET	Competitiveness for Jobs and Economic Transformation
CMA	Creating Markets Advisory
ComPEL	Competitiveness Policy Evaluation Lab
CPSD	Country Private Sector Diagnostics
CRI	Regional Investment Center (Marrakech-Safi region)
DB	Doing Business, World Bank Group
DCCS	direct compliance cost savings
DE	development effectiveness
DEC	Development Economics Vice Presidency, World Bank
DPL	Development Policy Loan
DPO	Development Policy Operation
DPV	Directorate of Vegetative Protection, Senegal
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 Vice Presidency, World Bank Group
EMDEs	emerging markets and developing economies
e-payment	electronic payment system
ESG	Environmental, Social, and Governance standards
FCI	Finance, Competitiveness and Innovation Global Practice, World Bank Group
FCS	fragile and conflict affected situations
FDI	foreign direct investment
FF	financing facilitated
FI	financial institution
FIAS	Facility for Investment Climate Advisory Services
FMTAAS	Funding Mechanism for Technical Assistance and Advisory Services, IFC
G20	Group of 20 leading economies
GB	Green Building
GCC	Gulf Cooperation Council
GDP	gross domestic product
GPRS	Green Pyramid Rating System
GVC	global value chain

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H4P	Housing for Pakistan
HMF	Housing Microfinance
IBR	Indicator-Based Reform
IBRD	International Bank for Reconstruction and Development (World Bank)
IC	Investment Climate
ICT	information and communication technology
IDA	International Development Association
IFC	International Finance Corporation
IFC AS	IFC Advisory Services
IG	investment generated
IGM	investor grievance management mechanisms
INR	Infrastructure unit, IFC
IPA	Investment Promotion Agency
IPP	Investment Policy and Promotion
JET	Jobs and Economic Transformation initiative, World Bank Group
KDP	Knowledge Development Product
KM	knowledge management
KPI	key performance indicator
LAC	Latin America and Caribbean Region, World Bank Group
LEED	Leadership in Energy and Environmental Design
LLC	limited liability company
MAS	Manufacturing, Agribusiness and Services unit, IFC
MCICP	Multi-Country Investment Climate Program
M&E	Monitoring and Evaluation
MENA	Middle East North Africa Region, World Bank Group
MIGA	Multilateral Investment Guarantee Agency
MINCETUR	Peru Ministry of Foreign Trade and Tourism
MSMEs	micro, small, and medium enterprises
NTFC	National Trade Facilitation Committee
OECD	Organisation for Economic Cooperation and Development
OHADA	Organization for the Harmonization of Business Law in Africa
OMD	Operations Management Department, IFC
OSS	one-stop shop
PDP	Product Development Project
PPE	personal protective equipment
READ	Real Estate Assessment of Developers
SBFN	Sustainable Banking and Finance Network
SBN	Sustainable Banking Network
SCADA	Supervisory Control and Data Acquisition
SCDs	Systemic Country Diagnostics
SDP	Supplier Development Program
SEZ	special economic zone
SHF	smallholder farmers
SIA	Sustainable Infrastructure Advisory, IFC

SIRM	Systemic Investor Response Mechanism
SMEs	small and medium enterprises
SNDB	Subnational Doing Business
SOE	state-owned enterprise
SSCBT	small scale cross-border trade
TFWA	Trade Facilitation West Africa
TT	technical textiles
UNIDO	United Nations Industrial Development Organization
UPSEZWA	Upstream SEZ Project in West Africa
VFF	value of financing facilitated
WAEMU	West African Economic and Monetary Union
WBL	Women, Business and the Law
WRS	warehouse receipt system
WTO	World Trade Organization

About the Facility for Investment Climate Advisory Services (FIAS): Through the FIAS program, the World Bank Group and Development Partners facilitate investment climate and sector reforms in emerging markets and development economies (EMDEs) 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.**

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