Fias

2019

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES

IFC International Finance Corporation WORLD BANK GROUP

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About the Facility for Investment Climate Advisory Services (FIAS)

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

Acknowledgments
This report was written by the staff of the World Bank Group and edited by John Diamond.
Design Partner: Fathom Creative
Printing: District Creative Printing

Cover photo: Worker operating industrial valve machine in a manufacturing and assembly factory in Johannesburg, South Africa. *Bigstock Photo*

contents

Now in its 35th year, the FIAS partnership remains highly relevant **to the World Bank Group’s efforts to boost private sector investment and productivity, encourage inclusive growth, and spur the creation of better and more inclusive jobs.**

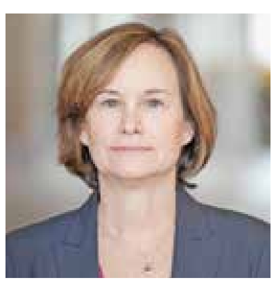
Message from the Global Director

Enabling developing economies to create more and better jobs through economic transformation depends on achieving results on the ground. Jobs and economic transformation, or JET, brought about by reforms targeted to country needs and backed by effective implementation, are central to the projects supported by the Facility for Investment Climate Advisory Services (FIAS). Now in its 35th year, the FIAS partnership remains highly relevant to the World Bank Group's efforts to boost private sector investment and productivity, encourage inclusive growth, and spur the creation of better and more inclusive jobs. Likewise, the emphasis on results on the ground reflects the client-facing focus of FIAS-supported programs.

During fiscal year 2019, the third year of the FY17–21 FIAS strategy cycle, FIAS contributed to projects benefiting 87 developing countries. Of the 77 lower-income countries of the International Development Association (IDA) and the 36 countries affected by fragility, conflict, and violence (FCV), 61 percent had FIAS-supported projects implemented by International Finance Corporation (IFC) teams. FIAS also supported work in virtually every country in Sub-Saharan Africa. Through three years of the cycle our clients have implemented 133 reforms making it easier for private sector firms to form, do business, and grow. Most of these reforms were achieved in IDA countries, about half in Sub-Saharan Africa, and nearly one-third in FCV. This year's report includes a Special Topic chapter on FCV, one of the high-priority fields for the World Bank Group and FIAS, since these are places where the private sector tends to be most reluctant to go. The chapter highlights extensive reform work in Afghanistan amid a volatile security environment, successful project completion in Mali that helped generate some $45 million in new investment, and dramatic improvement in the ease of doing business in Togo, for two years running one of the top-10 reformers in the Bank Group's annual *Doing Business* report.

Global value chains, which account for roughly half of international trade, offer developing countries new opportunities to integrate into the global economy—*if* they can offer business environments conducive to investment and growth. The advisory services and capacity building supported by FIAS, and the investment climate reforms that result, help integrate developing economies into global value chains.

As FIAS approaches the final year of the current strategy cycle and begins planning for the next five years, I am pleased to present the *FIAS 2019 Annual Review*, providing data on reforms and expenditures as well as narratives of the work being done by our country and global teams, and I send heartfelt thanks to our FIAS donors and partners for their strong and continuing support.



Caroline Freund
Global Director for Trade,
Investment & Competiveness

Introduction

The Facility for Investment Climate Advisory Services (FIAS) supports projects and programs to improve the business climate and strengthen private sector resilience in emerging and developing economies amid a global economic crisis.

The COVID-19 pandemic is both a global health emergency and an unprecedented economic crisis that is expected to push the global economy into recession. As the *FIAS 2019 Annual Review* goes to press the World Bank Group estimates that between 2019 and 2020, the global economy will shrink by $4.2 trillion, a contraction roughly equal to the combined size of the German and Belgian economies. The pandemic and its economic repercussions are likely to push an estimated 40 million to 60 million people into extreme poverty—marking the first increase in global poverty since 1998.

World Bank Group projections indicate that Sub-Saharan Africa, a priority region for the World Bank Group and for FIAS, will be the region hit hardest in terms of increased extreme poverty. Economic growth in Sub-Saharan Africa is projected to decline from 2.4 percent in 2019 to negative 2.1 to 5.1 percent in 2020, the first recession in the region in 25 years. Agricultural production—a priority sector for FIAS-supported advisory services—is likely to contract between 2.6 percent and 7 percent, raising the risk of growing food insecurity.

Relief, recovery and restructuring, and resilience are the three pillars of the IFC response to the pandemic. As an immediate response to provide relief, IFC is deploying $8 billion in fast-track financing to help clients weather the impact of COVID-19 and is developing means for disbursing funds rapidly. IFC is also working to prepare the next stage of its response. It will provide restructuring and recovery support as well as accelerate upstream engagement in market-creation activities, including sectoral reform to promote private sector investment to strengthen the resiliency of the private sector and develop the environment for more private sector-led investment projects.

The work FIAS supports will be instrumental in building client country resilience, ensuring that investment climate reforms are sustained and can withstand the pressures imposed by the pandemic. Projects supported by FIAS are particularly active in agribusiness, a sector central to the effort to prevent food insecurity, and tourism, one of the sectors hardest hit by the crisis. And the experience and lessons learned through FIAS-supported projects in countries affected by fragility, conflict, and violence (FCV)—the focus of the Special Topic Chapter—will prove valuable as more client countries grapple with extreme conditions brought on by the pandemic crisis.

FIAS has a strong foundation on which to build during the pandemic. Through three years of the five-year FY17–21 strategy cycle, FIAS-supported projects have helped bring about passage and implementation of 133 investment climate reforms in 55 client countries. Nearly two-thirds of the reforms have benefited borrowing countries of the International Development Association (IDA). The work continues in FY20, the fourth year of the five-year FIAS strategy cycle, thanks to the continued strong support of our Development Partners.

FIAS Partnership Ever More Relevant Amid Global Crisis

As this report goes to press, the world confronts a global pandemic that is exacting a mounting human toll and causing far-reaching economic disruption. The challenges are particularly severe in the emerging markets and developing countries where IFC and the FIAS partnership have been working together for 35 years. In response to the COVID-19 crisis, IFC is moving quickly on an approach organized around *relief, restructuring, recovery and resilience* that aims to sustain private sector firms so that markets can continue to function and deliver critical goods and services and maintain employment as part of the longer-term recovery. FIAS is a key component of the resilience and recovery focus of IFC's COVID-19 response. FIAS helps clients build the capacity and carry out the investment climate and sector-specific reforms needed to retain companies and attract private investment back to developing countries to repair and restore markets damaged by the pandemic. Our FIAS-supported teams are making full use of the resources at our disposal for working remotely while maintaining contact with and support for our clients and partners. Now more than ever we need to work together, and with FIAS support we can help ensure that emerging and developing economies will be equipped to sustain businesses through the crisis and work to accelerate recovery.

Karin Finkelston, IFC Vice President for Partnerships, Communication & Outreach

African construction workers building an office building in Kigali, Rwanda. *Photo: Bigstock*

01

Main Achievements and Milestones

FIAS-supported advisory services and capacity building in FY19, benefited the economic progress of the 87 client countries.

FIAS advisory work supported, and carried out by IFC advisory teams achieved

31 reforms in 18 client countries

in FY19; 58% in IDA; 71% in Sub-Saharan Africa; 35% in fragile states

97% client satisfaction rating FY19

30 of 31 projects receiving positive ratings from clients

FIAS-supported projects generated

$34 million

in new investments, bringing the total for the strategy cycle to $220 million

African farmer in her fields. *Photo: Bigstock*

01

FIAS FY17–FY19 Cumulative Results

Highlights of FY17–19 FIAS-Supported Operations

FY17–19 **Reforms**

133 reforms

In FY19, FIAS-supported programs contributed to 31 investment climate reforms in 18 client countries (40 reforms in 25 client countries in FY18). **Through the first three years of the five-year FY17–21 strategy cycle, FIAS-supported work has generated 133 investment climate reforms** against a three-year target of 165 reforms.

FIAS three-year target is 165 reforms

FY17–19 **Investments**

$34 million

FIAS-supported projects generated $34 million in new investments ($33 million in FY18) based on validations completed to date **(from the Philippines Agribusiness Trade and Competitiveness project)**, bringing the total for the strategy cycle to $220 million.

FIAS-supported projects generated investments

FY17–19 **Savings**

$43.6 million

Based on initial impact results, FIAS support generated $6.9 million in compliance cost savings in FY19 ($28 million in FY18), reflecting lower business costs due to streamlined regulations and permitting processes, bringing the total for the strategy cycle to $43.6 million.

FIAS compliance cost savings

Doing Business 2020

Top 10 countries most improved

Togo, one of the ten countries listed in ***Doing Business 2020*** as most improved, recorded three reforms in FY19 from FIAS-supported projects.

25 reforms

25 of the FY19 reforms, or **81 percent**, involve ***Doing Business*** indicator reforms that have been independently validated by ***Doing Business 2020.***

9 percent of *DB* reforms achieved

Of the **294 DB reforms** recorded in FY19, 9 percent were achieved in FIAS-supported projects.

FY19 Portfolio Information

Focus on Priority Client Groups

FIAS client-facing expenditures in priority areas were in line with the FIAS FY17–21 strategy targets:

FY19 Project Expenditures

$18.3 million

57 percent supported IDA borrowing countries (target: 70 percent).

- **41 percent** was spent in Sub-Saharan Africa (target: 50 percent).
- **23 percent** was spent in countries affected by fragility, conflict, and violence (target: 25 percent).

Reforms Achieved in FY19 IDA, Africa, FCV

58%

58 percent of reforms were achieved in IDA countries (65 percent in FY18).

71%

71 percent of reforms were achieved in Sub-Saharan Africa (30 percent in FY18).

35%

35 percent of reforms were achieved in FCV (25 percent in FY18).

FIAS-supported projects

36 states and territories

Of the 36 states and territories on the World Bank Group's FCV list for FY19, 22, or 61 percent, had FIAS-supported country-specific or regional projects (24 countries and one territory, or 69 percent in FY18).

The 22 are: Afghanistan, Burundi, Central African Republic, Chad, the Comoros, the Democratic Republic of Congo, the Republic of Congo, Côte d'Ivoire, The Gambia, Guinea-Bissau, Haiti, Kosovo, Liberia, Mali, Mozambique, Sierra Leone, Somalia, South Sudan, Sudan, Timor-Leste, Togo, and **Zimbabwe.**

106 projects

The FIAS portfolio consisted of 106 projects in FY19 (98 in FY18), with 85 client-facing (79 in FY18) and 21 non-client-facing in product development (20 in FY18).

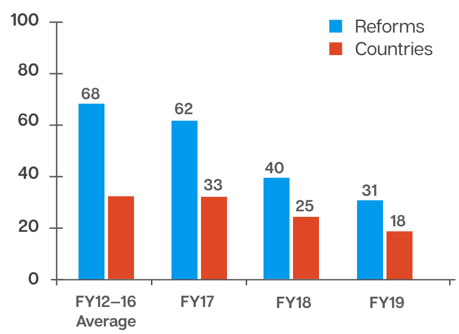
- FIAS helped bring about reforms in 3 FCV countries (5 in FY18). Of the 31 reforms achieved with FIAS support in FY19, 11 or 35 percent, were in FCV (10 of 40 reforms, or 25 percent, in FY18). FIAS supported 31 projects benefiting FCV countries either directly or as part of regional projects, or 36 percent of 85 client-facing projects (in FY18, 24 of 79, or 30 percent).
- For the 85 client-facing projects supported by FIAS in FY19, FIAS funding represented 64 percent of total spending, with an average contribution of $215,538 per project. For the 21 the global knowledge projects that received FIAS support, FIAS funding represented 54 percent of total FY19 spending, with an average contribution of $179,317 per project.
- FIAS clients rated 31 projects in FY19, 30 of them positively, or 97 percent (10 of 10 rated positively in FY18, 100 percent; 28 of 31 in FY17, 90 percent).
- For the first three years of the FY17–21 strategy cycle, clients have rated 68 of 72 projects positively, or 94 percent (client satisfaction rating for FY12–16 cycle: 92 percent).
- For the FY17–21 strategy cycle to date, 12 out of 18 completed projects supported by FIAS received positive development effectiveness ratings in internal World Bank Group management reviews. For FY19, 3 projects out of 5 were rated successful or mostly successful; development effectiveness ratings for 4 projects have come in so far during FY20; all 4 were rated successful or mostly successful. *(See the Monitoring & Evaluation section in Chapter 4 for details).*
- FIAS FY19 direct project expenditures totaled $21.9 million (FY18: $21.5 million), with $18.3 million, or 84 percent, client-facing (FY18: 77 percent) and 16 percent non-client facing (FY18: 23 percent). The $21.9 million in FIAS expenditures leveraged $33.5 million in total expenditures from all sources on projects that received FIAS support.

01

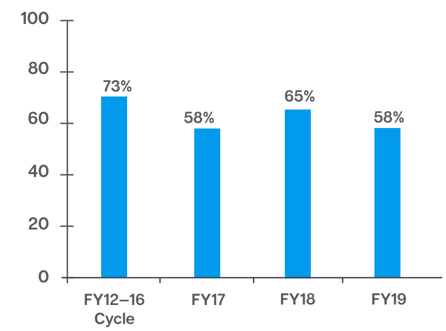
FIAS Strategy Cycle Metrics

The FIAS FY17–19 results in priority areas as measured against strategy cycle targets

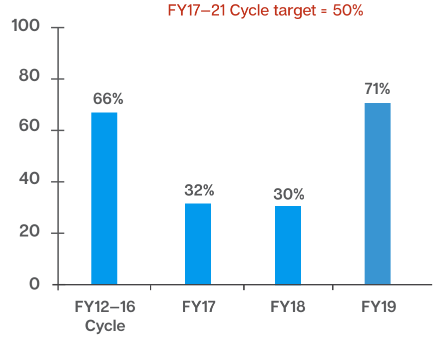
TOTAL FIAS-SUPPORTED REFORMS
FY17–21 yearly reform target = 55



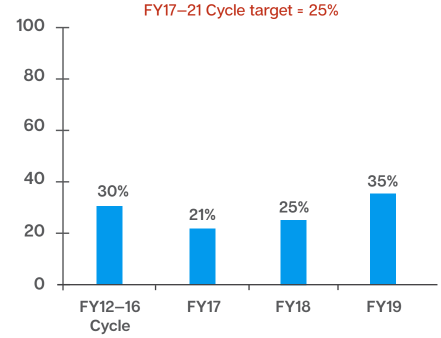
SHARE OF REFORMS IN IDA COUNTRIES
FY17–21 Cycle target = 70%



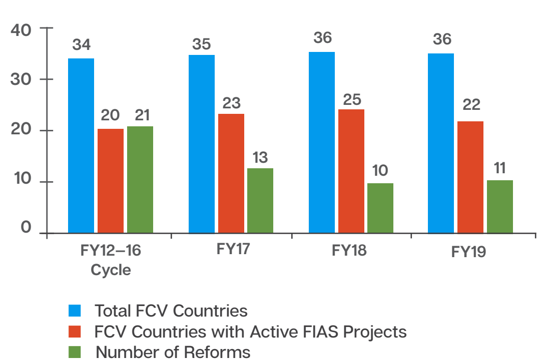
SHARE OF REFORMS IN SUB-SAHARAN AFRICA
FY17–21 Cycle target = 50%



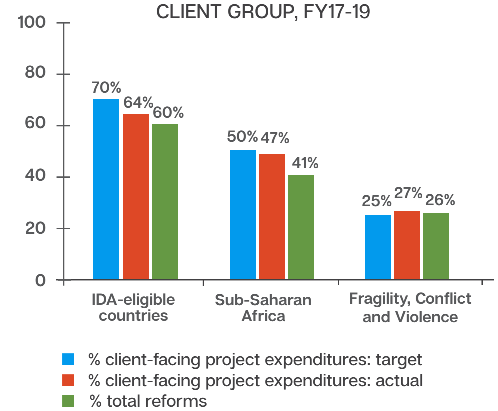
SHARE OF REFORMS IN STATES AFFECTED BY FRAGILITY, CONFLICT, AND VIOLENCE
FY17–21 Cycle target = 25%

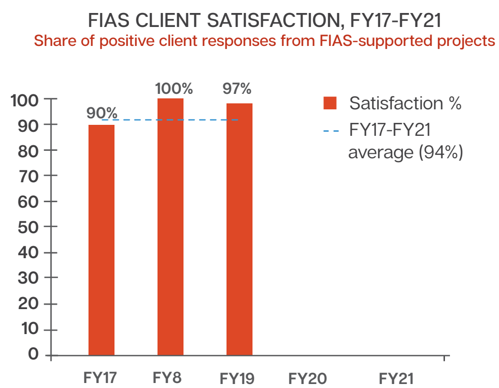


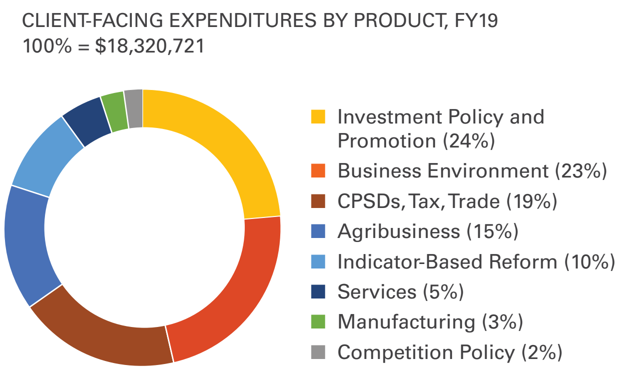
FIAS-SUPPORTED PROJECTS, REFORMS IN FCV

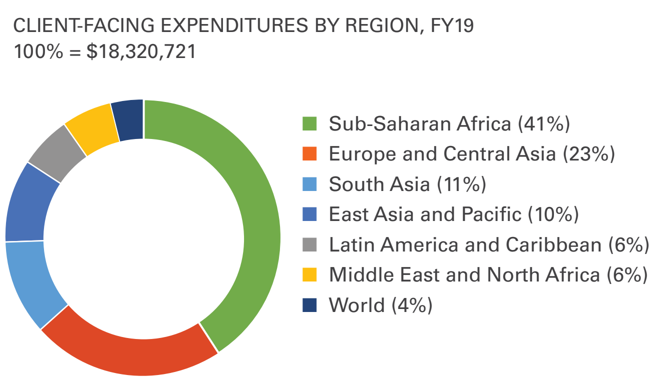


CUMULATIVE RESULTS BY PRIORITY CLIENT GROUP, FY17-19









Farmer harvesting wheat in South Africa. *Photo: Bigstock*

01

FY17–21 FIAS Funding and Expenditures

Fiscal Year	2017		2018		2019		2020		2021		2017-21	
Contributions (Sources of Funds) [a]	In US$	Share of Total	In US$	Share of Total	In US$	Share of Total	In US$	Share of Total	In US$	Share of Total	In US$	Share of Total
WORLD BANK GROUP CONTRIBUTIONS	9,599,341	26%	8,061,770	25%	7,000,000	25%	-	0%	-	0%	24,661,111	25%
Core Contributions	7,000,000	19%	7,000,000	22%	7,000,000	25%	-	0%	-	0%	21,000,000	22%
IFC[a]	5,000,000	13%	5,000,000	16%	5,000,000	18%		0%		0%	15,000,000	15%
MIGA	-	0%	-	0%	-	0%		0%		0%	-	0%
World Bank	2,000,000	5%	2,000,000	6%	2,000,000	7%		0%		0%	6,000,000	6%
Project Specific/Other Contributions (IFC)	2,599,341	7%	1,061,770	3%	-	0%		0%		0%	3,661,111	4%
Donor Contributions	27,950,198	74%	23,557,629	75%	21,397,458	75%	-	0%	-	0%	72,905,285	75%
Core	4,601,820	12%	5,620,842	18%	5,600,853	20%		0%		0%	15,823,515	16%
Programmatic	16,009,590	43%	8,880,887	28%	10,377,169	37%		0%		0%	35,267,646	36%
Project-Specific	7,338,788	20%	9,055,900	29%	5,419,436	19%		0%		0%	21,814,124	22%
Client Contributions	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Contributions	**37,549,539**	**100%**	**31,619,399**	**100%**	**28,397,458**	**100%**	-	0%	-	0%	**97,566,396**	**100%**
Less Trust Fund Administration Fees	1,099,899		834,799		-		-				1,934,696	
Total Net Contributions	**36,449,640**		**30,784,600**		**28,397,458**		-				**95,631,698**	

Expenditures (Uses of Funds)[b]												
Staff Costs	15,724,142	48%	14,114,087	52%	12,308,245	50%		0%		0%	42,146,474	50%
Consultants and Temporaries	10,503,071	32%	8,768,926	32%	7,838,159	32%		0%		0%	27,110,156	32%
Operational Travel Costs	5,053,184	15%	3,006,936	11%	3,004,750	12%		0%		0%	11,064,870	13%
Indirect Costs (including office and operating costs)	1,604,318	5%	1,506,396	5%	1,348,287	6%		0%		0%	4,459,001	5%
Total Expenditures	**32,884,715**	**100%**	**27,396,345**	**100%**	**24,499,442**	**100%**	-	**0%**	-	**0%**	**84,780,502**	**100%**

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

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

FIAS-Supported Reforms by Region and Country, FY19

Region	Country	Agribusiness	Construction Permits	Enforcing Contracts	Getting Credit	Getting Electricity	Investment Policy - Incentives	Investment Policy - Protection and Retention	Licenses and Permits	Property Transfers	Starting a Business	Grand Total
EUROPE AND CENTRAL ASIA	Georgia							✓				1
EUROPE AND CENTRAL ASIA								1				1
LATIN AMERICA AND THE CARIBBEAN	Argentina		✓*									1
	Dominican Republic			✓*							✓*	2
	Ecuador									✓*		1
	El Salvador	✓										1
	Jamaica			✓*						✓*		2
	Paraguay			✓*								1
LATIN AMERICA AND CARIBBEAN		1	1	3						2	1	8
AFRICA	Eswatini[a]									✓**		1
	Ethiopia[a]							✓				1
	Ghana[a]		✓**				✓					2
	Malawi[a]		✓**							✓**		2
	Mauritius									✓*	✓**	2
	Mozambique[ab]					✓**			✓			2
	Senegal[a]	✓										1
	Seychelles		✓**									1
	South Africa										✓**	1
	Togo[ab]		✓**							✓**	✓**	3
	Zimbabwe[ab]		✓** ✓*	✓**	✓**						✓** ✓*	6
AFRICA TOTAL		1	6	1	1	1	1	1	1	4	5	22
GRAND TOTAL		2	7	4	1	1	1	2	1	6	6	31
FIAS Total of which in IDA											18	58%
FIAS Total of which in FCV											11	35%
FIAS Total of which in SSA											22	71%
Reforms captured by *Doing Business*											25	81%

[a]International Development Association (IDA).

[b] Fragile or conflict-affected situations.

* Of the 25 reforms validated by *Doing Business*, 10 were validated by DB20.

** 15 reforms were reported retroactivley and were validated by DB19 (13) and DB18 (2).

02

Special Topic: Working in FCV Countries

31 FCV projects

or 36 percent of FIAS client-facing project portfolio

22 FCV
countries benefited from FIAS

supported projects

11 reforms
in FCV countries

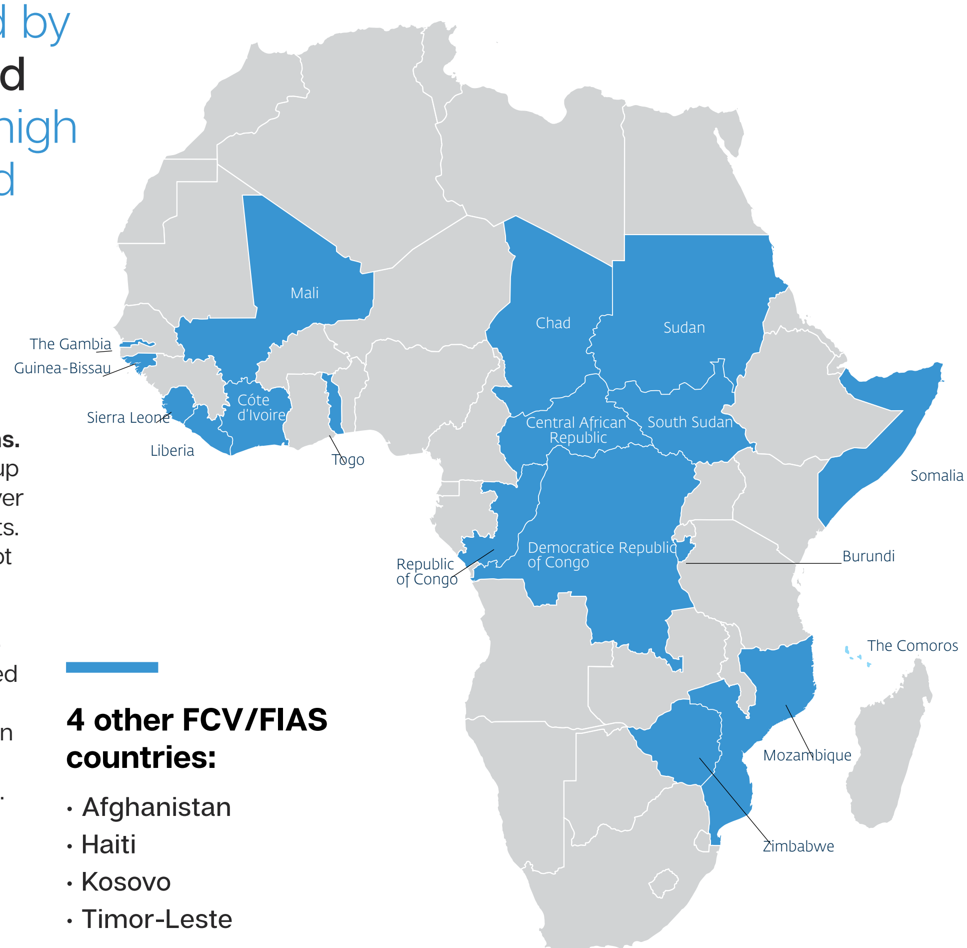
making it easier to do business

FIAS Supported Projects in 22 FCV Countries in FY19

Supporting development in countries affected by **fragility, conflict, and violence (FCV)** is a high priority for the World Bank Group.

World Bank lending, IFC advisory services, capacity building, and investment projects, and MIGA risk mitigation in these countries have higher risk factors for obvious reasons. But for those same reasons, Bank Group interventions have the potential to deliver more immediate and significant benefits. The idea is that development should not wait for a total cessation of unrest and instability before commencing. To the contrary, economic reform, sustainable and inclusive development, and targeted investment and private sector growth can be key ingredients in tamping down instability and political violence and stabilizing countries in fragile situations.

The World Bank Group's institutional focus on FCV is strongly reflected in third-year results for the FIAS FY17–21 strategy cycle. FCV is one of the three areas of targeted focus in the FIAS strategy, along with IDA countries and the Sub-Saharan Africa region. Of the 36 states and territories on the World Bank Group's FCV list for FY19, 22, or 61 percent, had FIAS-supported country-specific or regional projects (24 countries and one territory, or 69 percent in FY18). **The 22 are: Afghanistan, Burundi, Central African Republic, Chad, the Comoros, the Democratic Republic of Congo, the Republic of Congo, Côte d'Ivoire, The Gambia, Guinea-Bissau, Haiti, Kosovo, Liberia, Mali, Mozambique, Sierra Leone, Somalia, South Sudan, Sudan, Timor-Leste, Togo, and Zimbabwe.**



4 other FCV/FIAS countries:

- Afghanistan
- Haiti
- Kosovo
- Timor-Leste

31 projects, 22 FCV countries, all IDA FCV = 36% of FIAS portfolio 11 FY19 reforms in FCV (35%)

FIAS support helped bring about reforms in 3 FCV countries—Mozambique, Togo and Zimbabwe—in FY19 (5 countries in FY18). Of the 31 reforms achieved with FIAS support in FY19, 11, or 35 percent, were in FCV (10 of 40 reforms, or 25 percent, in FY18). FIAS supported 31 projects touching on FCV countries either directly or as part of regional projects, amounting to 36 percent of the 85 client-facing projects (24 of 79, or 30 percent in FY18).

02

FIAS support helped bring about reforms in 3 FCV countries—Mozambique, Togo, and Zimbabwe—in FY19 (5 countries in FY18). Of the 31 reforms achieved with FIAS support in FY19, 11, or 35 percent, were in FCV (10 of 40 reforms, or 25 percent, in FY18). FIAS supported 31 projects touching on FCV countries either directly or as part of regional projects, amounting to 36 percent of the 85 client-facing projects (24 of 79, or 30 percent in FY18).

This Special Topic chapter provides snapshots of some of the successes and challenges encountered in FIAS-supported projects in FCV during FY19. The levels of fragility and intensity of conflict and violence vary across this portion of the FIAS portfolio. Afghanistan and Sudan, for example, continue to grapple with open unrest, severe political fissures, and ongoing violence. FIAS-supported IFC advisory work was interrupted for three years in Mali following a 2012 coup d'état and resulting conflict. And as recently as fall 2019, the United Nations Security Council was issuing a statement expressing a concern about violence in Guinea-Bissau. Some FCV states, such as Côte d'Ivoire, Kosovo, and Togo, are well along on a positive trajectory. Kosovo is a candidate for membership in the European Union. Togo's economy has improved markedly in its *Doing Business* ranking. Côte d'Ivoire—the world's largest producer of cocoa and cashew nuts and an oil exporter with a substantial manufacturing industry—has enjoyed remarkable economic success since 2012 and is a major economic power in the sub-region. As the FIAS country project examples presented below indicate, creativity, flexibility, and adaptability are key ingredients of project success.

Afghanistan's violence continues to threaten the security of livelihoods and undermine economic activity in the country.

3,812

civilian casualties were recorded in Afghanistan between January and June of 2019; displacing more than 1.1 million Afghans.

Grappling with Development Challenges Amid Long-Term Conflict

Afghanistan has grappled with almost uninterrupted conflict, instability, and security challenges since the late 1970s. Violence continues to threaten the security of livelihoods and undermine economic activity in the country. The United Nations Assistance Mission in Afghanistan recorded 3,812 civilian casualties between January and June of 2019 and more than 1.1 million Afghans are internally displaced due to conflict. Business and investor confidence deteriorated significantly in the context of concern over the level and duration of international security assistance, the Afghan presidential elections held in September 2019, and peace negotiations with the Taliban. Poverty is estimated to have increased and deepened, with severe drought in 2018 exacerbating the already tenuous security situation.

Population growth has outpaced economic growth, leading to declining per capita incomes. Few Afghans have access to productive or remunerative employment. A quarter of the labor force is unemployed, and 80 percent of employment is vulnerable and insecure, comprising self- or own-account employment, day labor, or unpaid work. More than 400,000 people enter the job market each year. Roughly 25 percent of the population is between the ages of 15 and 30, a youth cohort of approximately 8 million people entering the labor market with little education and few employment opportunities.

This is the volatile economic and security context in which the World Bank Group has been undertaking intensive effort over the past decade. The Bank Group has positioned itself as a central development partner not only through the IDA Afghanistan Reconstruction Trust Fund of essential national programs, but in being an honest broker in terms of policy advice, analytics, and coordination of government-donor efforts. The Afghanistan Reconstruction Trust Fund (ARTF) is the World Bank Group's largest single-country multi-donor trust fund. ARTF provides grant support to Afghanistan based on a three-year rolling partnership framework and financing program. ARTF and IDA have provided more than $1 billion per year in grants to Afghanistan. IFC has committed a total of $54.5 million to Afghanistan. And the Bank Group's Multilateral Investment Guarantee Agency (MIGA), has provided guarantees worth $121 million for four projects in Afghanistan.

As is often the case in FCV countries, progress does not take place on a steady upward curve. The *Doing Business 2019* report listed Afghanistan as one of the top 10 reformers. However, Afghanistan recorded no reforms in *Doing Business 2020* and saw its global rank slip six places. Simply collecting basic economic data poses a major challenge in Afghanistan and other FCV countries. FIAS-supported advisory projects in Afghanistan recognize that the private sector has the potential to become the engine of sustainable growth and a vehicle for social inclusion in Afghanistan. IFC's FIAS-supported advisory services program in Afghanistan, which has been growing steadily since 2010, includes built-in flexibility to modify activities in response to changing circumstances. The FIAS-supported **Afghanistan Business Licensing Project**, launched in 2015 and completed successfully in FY19, demonstrated this flexible approach in an initiative that reduced the time and cost of business licensing and renewals.

$1b in grants

ARTF and IDA have provided more than $1 billion per year in grants to Afghanistan. **(ARTF provides grant support to Afghanistan based on a three-year rolling partnership framework and financing program.)**

$54.5m

IFC has committed a total of **$54.5 million to Afghanistan**.

$121m

The Bank Group's Multilateral Investment Guarantee Agency (MIGA), has provided **guarantees worth $121 million for four projects in Afghanistan.**

The FIAS-supported Afghanistan Business Licensing Project, launched in 2015 and completed successfully in FY19, demonstrated this flexible approach in an initiative that reduced the time and cost of business licensing and renewals.

02

The **Afghanistan Business Licensing project has already surpassed target compliance cost savings of**

$5m

The project provided the Ministry of Commerce and Industries (MoCI) with a modern data center with communications equipment linking Kabul to the provinces, and **delivered training to**

170

civil servants across the country.

Policy discussions between the IFC team and the Afghan government led to the merger of the Afghanistan Investment Support Agency (AISA) and the Ministry of Commerce and Industries (MoCI). The merger eliminated many overlapping license requirements and also led to a broadening of the project's scope in line with new government priorities. In addition to streamlining business licensing and renewal processes and establishing a one-stop shop that eliminated the need for multiple permits, the project also rolled out reforms initiated in Kabul to 21 MoCI provincial offices, increasing the number of firms that benefit from these cost-saving procedures. The project helped the government abolish the registration certificate, and significantly reduced the license fee from $424 to just $1.32. It also extended the validity of a business license from one to three years. These and other streamlining measures have led to validated compliance cost savings to businesses of $6.9 million.

"Institutionally, starting a business has become easier," said Matiullah Rahmaty, founder of BrightPoint Consulting Services, a Kabul-based firm that helps entrepreneurs and incubates start-ups. "Receiving a license is now easy. If you have all of your documents with you, you can get your license in one day."

The project provided MoCI with a modern data center with communications equipment linking Kabul to the provinces, and delivered training to 170 civil servants across the country. Reforms were communicated through radios, newspapers, social media, the Afghan Central Business Registry website, brochures, pamphlets, banners, and billboards. In helping to streamline business regulatory processes, the project helped bring about a reduction in the time required to obtain a new business license from seven days to two days. The project has already surpassed the target compliance cost savings of $5 million, reaching an estimated $6.9 million midway through FY19. Today, the business licensing system is unified across the country. Achievement of the project's revised goals and objectives has set the stage for continuing advisory work in Afghanistan under the FIAS-supported **Afghanistan Investment Climate Project**, which went into implementation phase at the end of FY19.

The project helped the government abolish the registration certificate, and significantly **reduced the license fee from $424 to just $1.32**. It also extended the validity of a business license from one to three years.

The FIAS-supported **Afghanistan Business Enabling Project**, which began implementation in the second half of FY18, seeks to catalyze *Doing Business* reforms with an emphasis on areas with the greatest potential to contribute to the improvement of investment climate and investment facilitation. Afghanistan has attracted only $1.5 billion in FDI over the past decade, compared to an average of nearly $6 billion for other FCV countries. The project aims to streamline the legal and regulatory framework for doing business in at least two of the doing business areas, strengthen inter-agency coordination mechanisms on investment climate reforms, establish effective public-private dialogue mechanisms, and implement a Systemic Investor Response Mechanism (SIRM) to increase investment retention. Specifically, the project is supporting the government-approved Private Sector Development National Priority Program strategy for 2018–2023. In FY19 the project met most of its objectives, maintaining close collaboration and partnership between IFC country teams and EFI global teams. The project is supporting the country's Private Sector Development Secretariat in launching an ambitious national and regional reform program.

[3] Leah Nosal and Valentina Saltane, "Harmonization Strikes a Chord of Success: *Doing Business* in OHADA Economies," in *SmartLessons*, (IFC, January 2016), p. 2.

Acting Minister of Finance *Mohammad Humayon Qayoumi*, World Bank Vice President for South Asia *Hartwig Schafer*, and *Nena Stoiljkovic*, IFC Vice President for Asia and Pacific, celebrate the inauguration of the new World Bank Group office building in Kabul in May 2019. Photo: *World Bank Group*

"Institutionally, starting a business has become easier," said *Matiullah Rahmaty*, founder of BrightPoint Consulting Services, a Kabul-based firm that helps entrepreneurs and incubates start-ups. "Receiving a license is now easy. If you have all of your documents with you, you can get your license in one day."

– Matiullah Rahmaty, *founder of BrightPoint Consulting Services*

Midway through 2019, the project has seen an estimated cost savings of

$6.9m

Afghan Business Leaders See Signs of Progress in a Challenging Environment

Matiullah Rahmaty founded BrightPoint Consulting Services in Kabul about two years ago, making the transition from business planning to entering the market. The firm, with its 10 employees, 4 of whom are women, provides professional services for entrepreneurs, engages in impact investing, and operates a pre-seed start-up accelerator and incubator service. Rahmaty's firm has gone through a recent growth period, and he has further plans to expand his business.This work has given Rahmaty a perspective on the prospects for business growth, and the importance of the kind of business regulatory streamlining supported by FIAS. He sees Afghanistan's young people as key to the country's business future.

"Young entrepreneurs are very innovative," Rahmaty said. "They are looking at gaps in the market and finding solutions. The business community is now focusing on the power of cooperation for increasing private sector success and building a network of professionals who can benefit from collaboration and the spreading of ideas with other entrepreneurs."

From his business consulting position, Rahmaty has become familiar with the FIAS-supported advisory services. "The World Bank Group work is important in Afghanistan," Rahmaty said. "We now have a streamlined process for obtaining business licenses and the cost for starting a business has been reduced."

Murtaza Edries, founder and editor of *Business DNA* magazine and CEO of Pearl Horizon Consulting, sees positive changes under way in Afghanistan. Pearl Horizon is a private consulting firm headquartered in Kabul, providing a range of management consulting services to small and medium-sized enterprises. *Business DNA* covers Afghanistan's business community with stories, business intelligence, statistics, and analysis. Edries has partnered with the Bank Group teams working in Afghanistan. Doing business in Afghanistan "is so much easier than before. It is a quick and pretty smooth process that has improved quite a lot," Edries says. In the "unique and dynamic economy of Afghanistan," Edries said the business licensing center gives him a sense of pride as he sees small and medium enterprises getting the help they need and having their concerns listened to.

Dr. Bashir Ahmad Muhsen, Director General of Kabul's municipal directorate for design and implementation and a professor of civil engineering notes the beneficial results of reforms in construction permitting, achieved with the help of a project that received FIAS support in FY17. The project helped establish a one-stop shop for construction permits, the first of its kind in Afghanistan.

Matiullah Rahmaty, founder and CEO of BrightPoint Consulting Services, speaks to a group of Afghan business people.
Photo: *World Bank Group*

"At first, we did not know what a one-stop shop was and how many parts of the government would come together in one office," Dr. Bashir said. The permitting center "not only shortened the construction permit procedure, it also affected other formality documents in other sectors." Besides streamlining procedures, the new system "was very important for building trust between the government and its citizens. This project brought trust because many people have said that at least now there is a system." Dr. Bashir said the transparency and relative consistency of the new permitting system have created a greater sense that businesses are competing on a level playing field.

The project has increased investor interest in the construction sector; Dr. Bashir's directorate issued more than 400 construction permits, mostly residential, during a two-month stretch in the summer of 2019, and some 60 building development projects are in process. Dr. Bashir believes that public awareness and further coordination of the laws and regulations could be improved upon in the years to come to further increase investor activity in the construction sector.

"The World Bank Group work is important in Afghanistan. We now have a streamlined process for obtaining business licenses and the cost for starting a business has been reduced."

—Matiullah Rahmaty, *founder BrightPoint Consulting Services, Kabul*

Mali Phase 3 Concludes Successfully

An extensive FIAS-supported IFC investment climate program in **Mali** was interrupted from March 2012 to May 2015 by a coup d'état and resulting conflict. Among other consequences, the unrest undermined progress in building the capacity of the Mali Investment Promotion Agency (API Mali) achieved during the initial phases of the investment climate project. Left to cope with very few financial resources during the period of unrest, API Mali sustained staff losses and an exodus of trained and experienced personnel. Phase 3 of the Mali investment climate program (Mali IC3), which reached completion during FY19 with a 'mostly successful' rating, sought to repair the damage to API Mali and to support enactment of business-friendly reforms to help the government achieve its policy goals of increased stability through increased economic prosperity.

The challenges confronted by the Mali IC3 team illustrate the difficulties of development work in states affected by fragility, conflict, and violence. Five government reorganizations, including four changes at the top of a key ministry, took place during Phase 3 against a backdrop of ongoing security difficulties in the north and central regions. Despite these challenges, the project exceeded delivery of outputs and accomplished most of its objectives. Supported by the IFC team, API Mali was able to restart its activities, including taking steps to rebuild Mali's image as a worthwhile investment destination and resuming analytical work on sectoral opportunities and value chains. Other accomplishments over the life of the project included progress in developing public-private partnerships, adoption of a competition policy law and related decree, and reforms in trade logistics, insolvency, starting a business, enforcing contracts,

Unloading sacks of onions at a market in Bamako, Mali. *Photo: Dominic Chavez/World Bank* and getting credit. Not all program objectives were achieved. Reforms of the commerce and credit registry and the commercial court, including installation of new IT systems, remain to be accomplished.

Nevertheless, an independent evaluation of the program found that it has delivered measurable impact on investment, employment, and cost saving. The evaluation estimated impact based on a survey of 52 investors. It found an attributable additional investment of $44.7 million (meeting the project's target) and more than 700 additional jobs. Further, trade logistics reforms under Mali IC3 have been estimated to generate $2.8 million in compliance cost savings to the private sector, besting the project target of $2 million in CCS.

Reform Challenges, Achievements in Guinea-Bissau

Guinea-Bissau is one of the world's poorest and most fragile countries, with a population of 1.8 million scattered across a coastal archipelago of more than 100 islands. Despite its small size, the country is host to a large variety of ethnic groups, languages, and religions and has been the scene of much political instability, including periodic military coups, some 20 since independence, four of which were successful, including one in 2012. In November 2019 the United Nations Security Council issued a "Statement on the Situation in Guinea-Bissau" expressing concern about recent violence and civil unrest. In this challenging environment, the IFC's FIAS-supported work in Guinea-Bissau is focused on sector-oriented interventions to address binding constraints to development. The team is working to enhance value addition of the cashew sector through investments in processing. International investors have considered investment opportunities in Guinea-Bissau but typically point to challenges such as political instability, poor productivity, and processing difficulties in explaining why they hold back. Cashew producers and processors are largely unaware of global standards regarding quality, hygiene, labor and safety conditions, and environmental impacts behind cashew products, a growing concern among European and American consumers. Government and partner programs to address this gap are limited, while private sector operators hesitate to invest in these skills if their competitors are not doing likewise. The project seeks to address these issues by assisting value chain actors in meeting environmental, social, and quality standards, strengthening market linkages, and supporting improvements in the business environment, particularly as regards property rights.

Among the project outcomes achieved in FY19, awareness meetings reached some 2,200 cashew producers, more than half of whom will be engaged to implement a quality and traceability system—well above the target impact figure of 650 producers. Three local consultants were engaged to help implement these activities. Planning for a Cashew Sustainability Charter got under way, with the launch of the charter expected to occur in FY20. These initiatives aim to address several specific market failures, including the lack of knowledge and poor adoption of environmental, social, and trade standards that are critical for meeting global standards and accessing higher value markets in Europe and elsewhere. The IFC team also delivered recommendations to improve property registration procedures, trained 16 government officials on the procedures, and provided recommendations to adopt OHADA (Organization for the Harmonization of Business Law in Africa) registration practices for commercial and movable collateral. The Council of Ministers approved new Land Law regulations, prepared with support from the UN Food and Agriculture Organization (FAO) and the project team. Activities related to the automation of the one-stop shop for the Center for the Formalization of Enterprises did not start in FY19 due to funding constraints. And political uncertainty delayed implementation of a regulatory reform setting a statutory delay of three days to issue a notary certification and property title certificate.

Instability Leads to Project Termination in Sudan

Development work in FCV states involves risk, and sometimes the risk factors outweigh the potential gains to be made when circumstances make it too difficult or dangerous to continue with a project. Such was the case in FY19 in **Sudan,** where a FIAS-supported project to support critical reforms to enhance private sector growth had to be terminated. The IFC team was able to achieve some results prior to closure of the program. These included laying the foundation for a public-private dialogue platform in the country, including preparation and validation of a public-private dialogue (PPD) concept note. The team helped form a joint PPD Secretariat and conducted capacity-building training to secretariat staff.

There had been some reason for cautious optimism in Sudan. Comprehensive U.S. sanctions, levied in 1997 and expanded in 2006, were lifted in October 2017. Initial optimism gave way, however, as foreign investors and commercial banks remained reluctant to reengage. Discussions were under way to remove Sudan's designation by the United States as a state sponsor of terrorism, but through FY19 it remained one of several factors severely limiting trade and financial transactions. Armed conflict in Sudan's westernmost region of Darfur has subsided, but many parts of the region remain precarious because of the proliferation of arms and banditry. Efforts to settle another conflict in South Kordofan and Blue Nile remain deadlocked.

The two most recent *Doing Business* reports illustrate the volatile nature of development work in FCV states. In *Doing Business 2019*, Sudan, with the help of the FIAS-supported IFC team, recorded reforms across five indicators: starting a business, getting credit, protecting minority investors, enforcing contracts, and resolving insolvency. Sudan ranked 162nd among the 190 countries covered in the report and had an Ease of Doing Business (EODB) score of 48.8, indicating its economy was about halfway toward the 'frontier' of best-possible Doing Business practices. In *Doing Business 2020*, Sudan achieved no DB reforms and was recorded as having made three changes that made it harder to do business—in the areas of getting electricity, access to credit, and resolving insolvency. Sudan's rank dropped to 171st and its EODB score declined to 44.8. A month after the end of FY19 the management team agreed that the project should be terminated. Donor concerns about the security situation in the country were hampering fundraising efforts, and the deteriorating political situation in the country—including ouster of the government in April 2019 by the military—brought project activity to a halt. A new project concept is under development that simultaneously recognizes the new realities in the country while building on the work initiated by the investment climate project, particularly in the area of PPD.

Zimbabwe: Successful Completion in a Challenging Environment

Between 1999 and 2008 **Zimbabwe** endured one of the deepest peacetime contractions of any economy. Real GDP fell by 49 percent during that time, along with a steep decline in social indicators and hyperinflation as fiscal excesses, corruption, uneven implementation of reforms, and other issues took their toll. As the FIAS-supported investment climate program entered implementation in 2015, the country was slowly emerging from a long period of political strife marked by widespread poverty. The program, which completed implementation successfully at the end of FY19, sought to design and implement policy, institutional, legal, and regulatory reforms to significantly improve access to finance and inspire greater confidence in the country as an investment destination. Against a target of 4 *Doing Business* reforms, the project team registered a total of 13, including 4 reported in this year's *Annual Review,* the most of any country with a FIAS-supported project.

Volatility in Sudan has hampered the progress of FIAS-supported projects. Donor concerns about the security situation in the country were hampering fundraising efforts bringing project activity to a halt.

13 reforms

In Zimbabwe, the FIAS -supported investment climate program entered into in 2015—to design and implement policy, institutional, legal, and regulatory reforms to significantly improve access to finance and inspire greater confidence in the country as an investment destination—the project team registered a total of 13 reforms—the most of any country with a FIAS-supported project—surpassing the target of 4 Doing Business reforms.

Despite enormous challenges encountered throughout the program, all targets and some outcomes in the original project plan were achieved. Zimbabwe streamlined and accelerated procedures for obtaining construction permits, enforcing contracts, gaining access to credit information, and starting a business. In 2016 the start-up waited 91 days to obtain a business license; as a result of the project team's reform work, that is now down to 32 days. Given past experiences with the Government of Zimbabwe, the project design built in flexibility to allow for the scope to be informed and adjusted according to the degree of stakeholder engagement. The team efficiently managed client expectations by staying engaged even while the client was undergoing difficulties amid severe economic and political strain.

Togo: A Leading Reformer in Africa

Economic reform developments in **Togo** show what can happen when a period of relative stability is combined with determined reform efforts. After an economic slowdown in 2017 due in part to political tensions, Togo has rebounded markedly, with growth of 4.9 percent in 2018 and two years of productive economic reform effort. The *Doing Business 2020* report placed Togo among the top 10 reforming countries in the world, the second consecutive year Togo made the top 10 list. Togo's *Doing Business* rank jumped from 137 to 97, and its EODB score of 62.3 placed the country nearly two-thirds of the way toward the frontier of excellence as a business-friendly economy.

After an economic slowdown in 2017 due in part to political tensions, Togo has rebounded markedly, with growth of 4.9 percent in 2018 and two years of productive economic reform effort.

There is room for improvement, and FIAS-supported IFC advisory work is trying to help Togo address a number of constraints to inclusive growth. Togo's private sector remains highly informal; micro, small, and medium enterprises generally have difficulty accessing capital for growth. High and often unpredictable compliance costs place burdens on formal businesses. The investment climate project seeks to increase the use of construction permits in Lome, increase the efficiency of administrative procedures for registering property and managing property-related information, decrease the time required for enforcing contracts, and increase the number of registered business by 1,000.

Project activities in FY19 included a study mission to Rwanda to enable Togolese officials to learn about implementation there of an online payment system for public services. The mission helped the Government of Togo select an option and initiate testing for online payment when registering a business. A Doing Business advisory mission in February and March 2019 supported the government in updating the country's Doing Business action plan. The IFC team has since provided technical assistance, helping bring about considerable progress in several DB categories, for example, introduction of a flat fee for registering property. Registration numbers doubled. In the area of construction permits, new building regulations with risk-based inspections and qualifications for professionals entered into force. In the area of business registration, entrepreneurs can now create their businesses online (www.cfetogo.org). In the area of enforcing contracts, the commercial court law was adopted. All these reforms were recognized by *Doing Business 2020*; in all, Togo has recorded 11 DB reforms in the past two years.

Mozambique Investment Climate II

The economy of Mozambique—an FCV and IDA country—is experiencing a downturn after a decade of robust growth averaging 7 percent annually. Despite recent economic challenges, the potential for growth remains

"As Mozambique emerges from a period of economic volatility, it will be important for the government to identify new drivers of economic growth. By shining light on bottlenecks and identifying best practices beyond the main business city, Maputo, this report provides a roadmap for policymakers."

– Mozambique Country Director, *Mr. Mark Lundell*

Views of Maputo, Mozambique. *Photo: John Hogg/World Bank*

strong. Mozambique's Doing Business ranking has remained relatively stable, ranking 139 of 189 countries in 2014 and 138 of 190 in the *Doing Business 2020* report. The FIAS-supported investment climate program provides technical assistance to improve the regulatory environment for doing business, introduce good practices around business inspections, and promote transparency and access to information. The IFC team also conducts analytical work to inform policy dialogue. Achievements to date include improved monitoring and regulation of power, reduced time to obtain an electricity connection, and reduced business costs by eliminating the $500 security deposit for power connections by large commercial clients. *Doing Business 2019* recognized the implementation of a new cost-free business license available at the one-stop shop for some types of economic activities. As a result, simpler types of businesses have benefited from a cost reduction of about $35 to start operating.

Highlights of activity in FY19 include:

- Approval in May 2019 of the country's Business Environment Action Plan.

Mozambique's economic ranking in the *Doing Business 2020* report was

138

out of 190 countries

The FIAS-supported Côte d'Ivoire Manufacturing Project, which began its implementation in FY19, seeks to increase private sector investment in Côte d'Ivoire's non-traditional sectors to support greater economic diversification.

The project goal is to generate

$15m

in additional investment in its target sectors.

- An insolvency reform roundtable in Maputo in October 2018 attended by some 100 policymakers, judges, regulators, practitioners, and lenders.
- Publication of the most recent enterprise survey in Mozambique.
- Training in early 2019 for some 30 government officials on the *Doing Business* indicators covering starting a business, registering property, resolving insolvency, and enforcing contracts.

Subnational Doing Business in Mozambique: Report Points Up Opportunities

The separate FIAS-supported project on subnational *Doing Business in* Mozambique, undertaken by the World Bank's Development Economics Vice Presidency (DEC) progressed to completion with the launch and dissemination of the subnational *Doing Business in Mozambique 2019* report in June 2019. At the beginning of the fiscal year, after conducting preliminary data collection, the team held consultative meetings in nine provinces to discuss findings with municipal and provincial officials, attended by more than 110 people. Analysis pointed up knowledge gaps relating to applicable procedures, weak enforcement of national laws and government reforms, and low local institutional capacity. Despite the number of good practices in place, the report documented that firms across Mozambique still face inefficient and complex procedures, especially in the area of starting a business. Entrepreneurs must take 11 steps to set up their business and start operations, roughly on a par with the 12 economies where starting a business is most complex worldwide. The report also identified significant gaps between the best- and worst-performing provinces in each area—suggesting there are important lessons that provinces can learn from one another to improve their business environments. If all provinces were to adopt best local practices, the report found that Mozambique could improve its *Doing Business* ranking by 22 places, from 135 to 113.

The dissemination event generated extensive coverage in television, print, and social media channels. More than 50,000 people were reached on Twitter and 12,500 on Facebook. A separate technical workshop in Maputo on trading across borders gathered 25 people, including representatives from USAID, the European Union, and Mozambican port authorities. The workshop aimed to mainstream the report's findings into the regional integration project for the Nacala corridor. *SNDB in Mozambique* sparked interest from local and national authorities to pursue a second round of benchmarking. An action plan for regional dissemination of the report is under way.

FIAS Supports Economic Diversification in Côte d'Ivoire

Though civil conflict in **Côte d'Ivoire** ended in 2011, the country is in a politically unstable period. A FIAS-supported project to foster reforms to encourage formation and growth of small and medium enterprises was dropped in FY19 due to uncertainty over continued support at the government level in the run-up to the country's presidential elections in 2020. The robust growth of recent years has not produced the expected results in terms of social inclusion and poverty reduction. In emerging and developing countries, metal and machinery and assembly account for 16 percent and 28 percent of manufacturing value added; in Côte d'Ivoire they are at 6 percent and 2 percent, respectively. Most of the country's economy is concentrated in agro-industry. Côte d'Ivoire is the world's largest producer and exporter of cocoa beans and cashew nuts. The FIAS-supported **Côte d'Ivoire Manufacturing Project**, which remains in implementation, seeks to increase private sector investment in Côte d'Ivoire's non-traditional sectors to support greater economic diversification. The project, which entered implementation at the beginning of FY19, is pursuing these goals by focusing on up to three non-traditional, high-potential light manufacturing sectors, understanding their binding constraints, and developing joint public-private initiatives to address and overcome them. The goal is to support expansion of manufactures in existing markets and growth into new markets, and open new opportunities for manufacturing investment in the target sectors. Within three years of post-implementation, the project goal is to generate $15 million in additional investment in its target sectors. Work in the rubber sector got under way, with the initial focus on stimulating financing, research into quality certification, and development of a project position brief on the rubber export tax. The project is also undertaking work in the plastics sector and initial exploratory work has examined possibilities in cotton, textiles, and apparel. Work in the automotive sector was considered but dropped due to lack of traction and potential at this point.

Kosovo Investment Climate II

Kosovo, both an IDA borrowing country and an FCV state, is taking steps to remove unnecessary burdens on enterprises. Kosovo is on the *Doing Business 2020* top 20 list of reforming countries, having recorded reforms in dealing with construction permits, getting electricity, protecting minority investors, and enforcing contracts. Kosovo ranked 75 in the *Doing Business 2015* report; in *Doing Business 2020* its rank improved to 57 (though that represented a drop of more than a dozen places from 2019). **Kosovo's EODB score has improved by 8.6 percentage points over the past five years to 73.2.** The FIAS-supported investment climate project seeks to (i) improve the competitiveness of small and medium enterprises (SMEs) by decreasing the cost of complying with regulations and getting licenses and permits, and (ii) help generate investments by strengthening the institutional, legal, and policy framework for investment attraction and retention. An update of Kosovo's central registry of licensing and permits added some new requirements but eliminated 74 license and permit requirements, or about 20 percent of all the business approvals issued at the central level. With project support, the Prime Minister's office has undertaken detailed analysis toward further simplification. Similar efforts are ongoing at the local level, and line ministries and municipalities have responded positively to the recommendations. Reforms are expected to generate significant cost savings for businesses and improve the overall business environment as Kosovo strives to accelerate growth while aspiring to join the EU.

Conclusion

The FIAS-supported strategy for promoting economic growth in countries affected by fragility, conflict, and violence recognizes the need for long-term strategies while also seeking near-term wins. EFI's Investment Policy & Promotion team touched on this point in its *Global Investment Competitiveness Report 2017–2018*, which included a detailed study of the dynamics of foreign direct investment in FCV states. The agenda for investment climate reform in fragile countries is long term, the report noted, but institutional capacity tends to be low in these countries, with patience for results limited. Reform programs should therefore be designed for the long-term goal of institution building while pursuing the shorter-term goal of job creation and investment generation. FIAS-supported work is helping advance the long-term effort of building institutions and developing regulatory capacity in FCV while also supporting country strategies that yield reforms on a faster timeline in priority sectors. As the report advised, sectors offering immediate promise should have priority in long-term interventions. In countries where post-war reconstruction is a priority, for example, country strategies would do well to prioritize reforms in construction permitting and regulatory streamlining to lower barriers to business entry. Targeted approaches to reform, thus, can be seen to have a greater influence on reforms in FCV. FIAS support is helping advance these approaches in fragile states.

FIAS-supported work is helping advance the long-term effort of building institutions and developing regulatory capacity in FCV while also supporting country strategies that yield reforms on a faster timeline in priority sectors.

03

Operational Highlights

The core concepts underlying the FIAS program are to facilitate reforms in developing countries to foster open, productive, and competitive markets and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction.

85 projects

85 FIAS projects in 87 developing countries

54 projects

54 FIAS projects in 47 IDA countries and 31 projects in 22 FCV countries

39 projects

39 FIAS projects in 40 Sub-Saharan Africa countries

The core concepts underlying the FIAS program are to facilitate reforms in developing countries to foster open, productive, and competitive markets, and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction. These priorities—along with the FIAS focus on IDA countries, Sub-Saharan Africa, and FCV—are reflected in the FIAS portfolio of 106 projects in FY19 (98 projects in FY18). Of these, 85 were client-facing (79 in FY18) and 21 were non-client facing in product development (20 in FY18). FIAS-supported projects served 87 client countries either individually or in regional projects. Of the 85 client-facing projects, 54, or 64 percent, were entirely or partly aimed at IDA countries; 39, or 46 percent, served countries in Sub-Saharan Africa; and 31, or 36 percent, were entirely or partly aimed at FCV countries. Of the 77 borrowing countries in IDA, 47, or 61 percent, had FIAS-supported projects in FY19. As noted in Chapter 2, of the 36 countries on the Bank Group's FY19 list of FCV countries, 22 had FIAS-supported projects; 10 of those were via multi-country projects; 12 were single-country projects. Virtually all the countries in Sub-Saharan Africa benefited from either country-specific or regional projects supported by FIAS.

FIAS-supported work generated 31 reforms (40 reforms in FY18): 18 reforms, or 58 percent, were in IDA countries (26 reforms, or 65 percent in FY18); 22 reforms, or 71 percent, were in Sub-Saharan Africa (12 reforms, or 30 percent in FY18); and 11 reforms, or 35 percent, were in FCV (10 reforms, or 25 percent in FY18). Overall, 73 Doing Business reforms were recorded for Sub-Saharan Africa in FY19 (down from a record high of 108 the year before), many of them in countries where FIAS has supported extensive work. FIAS contributes to a significant portion of the reform-oriented advisory work done by IFC Advisory Services teams. Within the Equitable Growth, Finance and Institutions Practice Group (EFI), the World Bank Group via International Bank for Reconstruction and Development (IBRD) and IDA supports 88 active lending projects that included business-enabling environment components (Innovation and Technology Policy, Investment and Business Climate, and Regulation and Competition Policy). These projects totaled $15 billion and benefited 60 client countries, 37 of which are IDA and 11 FCV. FIAS is leveraging that portfolio with parallel investment climate projects in 50 of those countries.

Independent FIAS Mid-Term Review Highlights Strengths, Problem Areas for Program

In January 2020, Economisti Associati submitted its **Independent Mid-Term Evaluation** of the FIAS strategy and program through the midpoint of the FY17–21 strategy cycle. The evaluation notes that results on the ground in FIAS client countries—notably IDA borrowing countries, fragile states, and countries in Sub-Saharan Africa—reflect the World Bank Group's emphasis on providing tailored solutions to client needs, building the capacity of client countries to foster economic growth, and creating the conditions to attract greater private sector investment and job creation. Likewise, the evaluation makes clear that the global knowledge projects supported by FIAS have generated considerable spin-off benefits that have boosted the effectiveness of hundreds of projects across the Bank Group portfolio. The evaluation found the FIAS program to be well aligned with current World Bank Group strategy as articulated in such recent documents as the World Bank Forward Look and the IFC 3.0 strategy. Multiple World Bank Group reorganizations over the last several years have prompted expressions of concern by donors about the impact on FIAS, the evaluation noted. FIAS fundraising at the midpoint of the cycle is not on pace to reach the five-year goal of $200 million. The FIAS program will have to accelerate client-facing activities to meet targets for investment climate reforms, compliance cost savings, and generated investment. A new FIAS management team was appointed at the end of FY19 and has worked closely with Economisti throughout its evaluation. Steps undertaken to respond to the evaluation's recommendations include more frequent direct interaction with development partners, a stepped-up fund-raising effort, stabilization of program management, establishment of a FIAS website to heighten program visibility, and finalization of a new jobs measurement pilot by the M&E team.

88 IDA-supported projects

Within EFI, the World Bank Group via IBRD and IDA supports 88 active lending projects that supported and included business-enabling environment components (Innovation and Technology Policy, Investment and Business Climate, and Regulation and Competition Policy).

$15 billion

These projects totaled $15 billion and benefited 60 client countries, 37 of which are IDA and 11 FCV.

The **Independent Mid-Term Evaluation** of the FIAS strategy makes clear that the global knowledge projects supported by FIAS have generated considerable spin-off benefits that have boosted the effectiveness of hundreds of projects across the Bank Group portfolio.

FIAS Results, **FY19 and Cumulative**

FIAS RESULTS GENERATED, FY19		
Number, % reforms	31	
of which IDA	18	58%
of which FCV	11	35%
of which SSA	22	71%
of which validated by DB	25	81%

FIAS CUMULATIVE RESULTS FY17-19		
Number, % reforms	133	
of which IDA	80	60%
of which FCV	34	26%
of which SSA	54	41%
of which validated by DB	111	83%

FIAS Project Distribution by Pillar, **FY19**

PILLARS	PILLAR 1	PILLAR 2	PILLAR 3	PILLARS 1&2	PILLARS 2 & 3	PILLARS 1, 2 & 3
Client-Facing Projects (85)	27	31	1	17	3	6
CF %	32%	36%	1%	20%	4%	7%
Global Projects (21)	7	7	5	1	1	0
Global %	33%	33%	24%	5%	5%	0%
Total Projects (106)	34	38	5	18	4	6
Total Projects %	32%	36%	5%	17%	4%	7%

Pillar 1: Improve the Business Environment

Pillar 2: Expand Market Opportunities

Pillar 3: Increase Firm-Level Competitiveness

Woman gathering wheat in Bukwo, Uganda. *Photo: Bigstock*

Pillar 1

Improve the **Business Environment**

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

Regulatory reform can produce quick wins in reducing business costs and saving time spent on licensing and permitting. It can also protect society and stimulate business activity, not only through simplification but through increasing transparency, consistency, and effectiveness of business regulation. FIAS-supported work under Pillar 1 focuses both on the design of regulatory reform and on effective implementation. The **FIAS-supported Business Regulation and Indicator-Based Reform (IBR)** programs help client governments take on these challenges by developing laws, policies, and strategies that encourage risk-taking, stimulate business activity, spark private sector growth, create jobs, and spread the benefits across societies.

Indicator-Based Reform

During FY19, the IBR team conducted a review of 10 years of IBR advisory work in terms of results and lessons learned. Here are some of the key highlights:

IBR has had a strong global footprint in terms of reach and results with focus on fragility, conflict, and violence (FCV), and IDA. In the decade since its creation in 2008, IBR supported 664 reforms in 117 countries. It has delivered technical assistance to all the regions and across all 10 topics covered by *Doing Business*. IBR has supported 53 percent of FCV countries in the world, implementing a total of 132 reforms in 20 FCV countries. Furthermore, **Doing Business Reform Advisory (DBRA)** supported 90 percent of IDA countries, implementing 408 reforms. IDA clients that have shown strong commitment implementing multiyear programs and making significant improvements over the decade include **Rwanda** (32 reforms), **Côte d'Ivoire** (20 reforms), and **Kenya** (18 reforms). Sub-Saharan Africa recorded the most reforms during the period, while client countries in Eastern and Central Europe saw the largest absolute improvement of their business environments. At the global level, DBRA supported all 10 of the countries that improved their business environment the most between 2008–2018.

Since its creation in 2008, IBR supported

664

reforms in 117 countries.

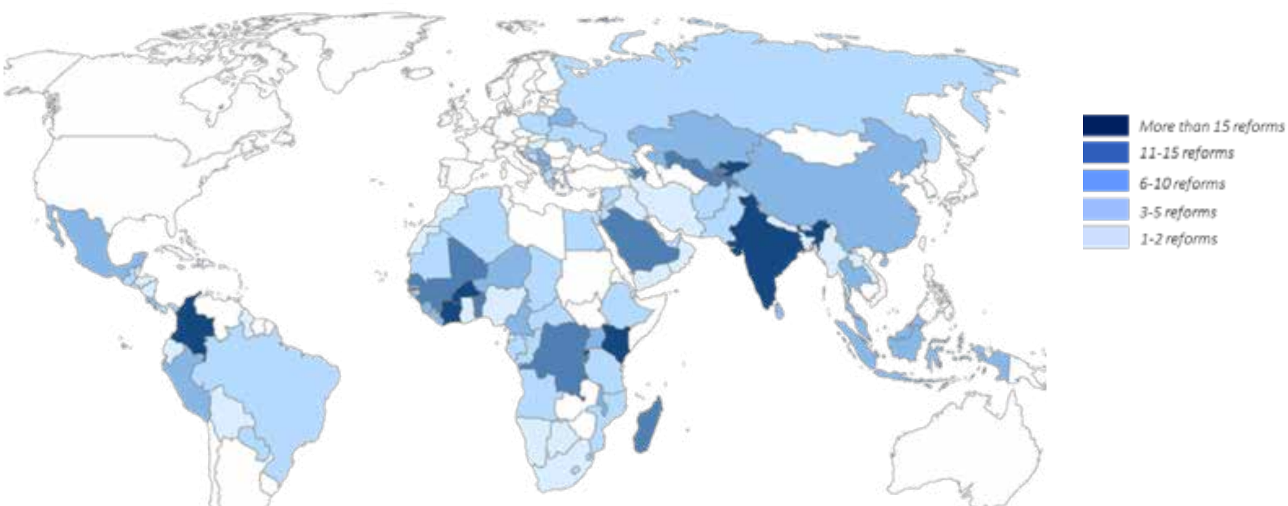
Global Footprint: IBR Work Supported 117 Countries Over Past Decade

FIAS priority groups–IDA, Sub-Saharan Africa, FCV–have benefited especially from IBR work. DBRA has supported 322 business environment reforms in Sub-Saharan Africa, representing one third of all the reforms in the region recorded by *Doing Business* since the inception of the report 15 years ago. Reform efforts have been the most focused in the areas of business start-up, construction permitting, protection of minority investors, property registration and the insolvency frameworks. DBRA has been a partner of FCV countries, engaging with 55 percent of the FCV states in Sub-Saharan Africa, and with 87 percent of the IDA countries in the region. Over the past 10 years, **Benin, Côte d'Ivoire, Kenya, Niger, Rwanda, Senegal**, and **Togo** have improved the most on the overall Ease of Doing Business score. All undertook ambitious medium- to long-term reform programs which received FIAS support.

The cost of doing business was reduced significantly among client countries. Business registration drew the most reform activity with IBR assistance. More than half of the countries that reformed in this topic over the past decade received assistance in their efforts from IBR. The cost to start a business in client countries decreased by 72 percent between 2008 and 2018, compared to a decrease of 23 percent in non-client countries. In 2008 the average time to obtain a construction permit in the Europe and Central Asia region was the longest in the world: 320 days. Twenty-five reforms cut the average time needed to obtain the permit to 156 days. The average cost to obtain the permit also decreased by 70 percent.

The reform agenda remains unfinished. The next frontier for reforms relates to the quality of regulation and institutions, and the use of risk-based approaches to regulation.

Reform programs have broadened and diversified across regulatory areas over time. In 70 percent of the countries,

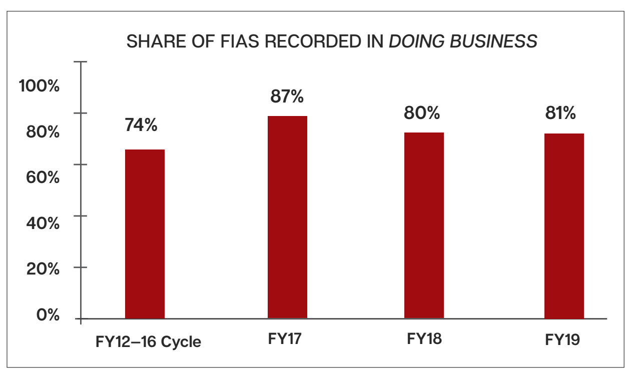


- 53% of FCV countries supported, implementing 132 reforms in 20 FCV countries
- 90% of IDA countries supported, implementing 408 reforms
- One-third of all Doing Business reforms in Sub-Saharan Africa were supported by IBR

DBRA's assistance contributed to reforms in three or more areas. One out of five countries have implemented 10 or more reforms. While between 2008 and 2013, more than half of supported reforms focused on streamlining business registration and construction permitting; and in 2014-2018, reforms in those areas represent about a third of reforms. In other words, the share of supported reforms in other areas, such as improving the quality of regulations governing property registration, investor protection, and insolvency frameworks, increased from one-half to two-thirds.

A key lesson from a decade of experience is that successful reforms rely more on institutional capacity, multiyear engagements, and political will than on financial capacity. Key features of successful reformers are a high-level and long-term vision to improve the business environment. Reform programs have the best chance of success when they are enthusiastically backed at a country's highest political levels. Private sector involvement is another key for ensuring sound reform design, accountability, and impact. Finally, successful reformers promote evidence-based policies and data-driven decision making.

IBR's unique delivery model relies on collaboration across regional and global teams as well as cross-product synergies that enable the teams to leverage the Bank Group's global expertise and country-specific knowledge. Regional IBR programs have been able to deliver support to clients in a timely fashion, taking advantage of often brief windows of opportunity for advancing the reform agenda. IBR has proved to be an effective platform for testing new and innovative technical assistance approaches in response to client demand, leading to the development of new advisory services on how to organize for reform programs, addressing implementation gaps, as well as increasing women's equity in economic participation by leveraging the Bank Group's *Women, Business and the Law* report.



Indicator-Based Reform in LAC: Overview

The **IBR Project in LAC** is designed to provide rapid-response technical assistance in the areas measured by *Doing Business* and to assist client governments in LAC with improving their business environment through better quality, simplified, transparent, and low-cost administrative processes. With its uniquely designed regional approach to business environment reform and a flexible operating mechanism, the IBR LAC project has successfully completed its implementation phase after five years, surpassing all its targeted outcomes and generating private sector cost-savings to improve the investment climate in economies throughout the region. The project was implemented as a continuation of a previous regional investment climate advisory project, in parallel to a mirror-project in the World Bank, and with participation of the global investment climate advisory teams.

In line with the objective strategy, the project provided varying levels of technical assistance to 18 countries across the region, including: **Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua**, and **Panama** in Central America; **Barbados, Dominica, the Dominican Republic, Guyana, Haiti, Jamaica**, and **St. Lucia,** in the Caribbean; and **Argentina, Colombia, Ecuador, Paraguay**, and **Peru** in South America. The IBR LAC team also delivered support to regional bodies such as the Organization of Eastern Caribbean States (OECS) with the support of the Eastern Caribbean Central Bank (ECCB). In total, 30 reforms were achieved, surpassing the project's target of 15 reforms in five countries, as well as 21 laws and regulations adopted and 13 procedures and standards either improved or eliminated. The reforms have been informed and supported by 71 reports delivered to the clients by the project team. The project also supported priority IDA borrowing countries in LAC, including Guyana, Haiti, Nicaragua, Paraguay, and OECS.

Over the five years of the project, the team received more than 20 requests for advisory related to improving the investment climate, indicating a high level of client demand. Often the request came from the highest-level officials and included a mandate to improve their country's business environment as part of a national strategy (for example, in Jamaica and Ecuador). This continuous demand reflects the ongoing need for support related to IC topics and that it remains a high-priority topic for governments in the region.

The uniquely designed regional approach to business environment reform and flexible operating mechanisms built into the project design allowed the team to respond to a variety of client demands. The project on several occasions acted as an early entry point for other advisory or policy engagements with a client (as in Argentina and

Workmen on the Pan American Highway in Chimaltenango, Guatemala. *Photo: Maria Fleischmann, World Bank*

Paraguay). This occurred especially in cases where there was not an existing project team ready to respond but in which it was strategic for the Bank Group to be involved. In several cases, this early engagement led to strategic Bank Group loans or larger and more focused advisory programs taken on by other teams. The project's early engagement and rapid response to demand led to several follow-on projects: Colombia and Costa Rica, for secured transactions and collateral registries; Brazil for productivity and shared prosperity; OECS for regional tourism competitiveness; St. Lucia for a component on investment climate; Argentina and Paraguay for improving the investment climate. The analytical and diagnostic work conducted under this project has fed into a number of other World Bank Group diagnostic and operational instruments. The team regularly gave inputs for country-level strategic documents such as Systematic Country Diagnostics (SCDs) and Country Partnership Frameworks (CPFs), including Peru, Ecuador, Jamaica, Paraguay, and others, as well as ad hoc inputs for other instruments such as Development Policy Loan (DPL) triggers, as in Argentina.

The outcomes for the project were strong. Targets have been surpassed in each of the five outcome indicators, including:

- number of entities that implemented recommended changes (18, target 5);
- number of procedures and practices improved (13, target 10);
- number of laws amended (21, target 10);
- number of Doing Business reforms implemented with support of the project (30, target 15);
- and number of follow-on projects (6, target 2).

The high number of reforms relative to targets is due to greater-than-expected demand for technical assistance in the course of the project. For this reason, the project received two extensions totaling two years, with additional funding from IFC's Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS) and other FIAS trust funds but did not adjust the targets as there was uncertainty regarding the length of the extension.

The high number of reforms was achieved following the project's rapid-response delivery model and investment climate reform recommendations, followed by extensive consultations and implementation support to clients. Outcomes achieved through the reforms include improved access to services for small and medium enterprises, better business regulations, closing implementation gaps, and increased transparency and accountability.

Indicator-Based Reform in Sub-Saharan Africa

The pace of reform in Sub-Saharan Africa has slowed slightly after a wave of regional OHADA reforms, and the region still lags other parts of the world in terms of its regulatory environment. According to *Doing Business 2020*, economies of the region enacted 73 reforms, after a record high of 108 the year before. The number of countries implementing at least one reform fell from 40 to 31. While reform efforts continued in many countries, much needs to be done on performance and ensuring the impact of the reforms. Only two Sub-Saharan African economies—Mauritius and Rwanda—rank in the top 50 in the world for ease of doing business, while most of the bottom 20 economies in the rankings are from the region. Since 2007, IFC advisory services in Sub-Saharan Africa have entailed extensive efforts to improve the investment climate in the region. FIAS-supported IBR work under Phases 1 and 2 played an important a role in these achievements. Many of the client countries during the first decade of this work have moved on to create stand-alone projects focusing on areas beyond the business environment such as investment promotion, sector-specific advisory, as well as lending operations to build new business regulatory and support institutions.

A new shopping mall in Kigali, Rwanda. *Photo: Bigstock*

However, some African countries have not yet attained the level of reform intensity necessary. The purpose of Phase 3 of the **Indicator-Based Reform project for Sub-Saharan Africa** is to focus on spurring the reform activity of these countries. Even after years of reform effort, the region continues to present private investors and businesses with a difficult regulatory environment, characterized by weak legal institutions and expensive regulatory processes. Businesses in some parts of the region face the world's highest delays and costs for business start-up and operation. Phase 3 seeks to build on the project's successful track record, addressing specific gaps in the region's business environment agenda and unlocking investment opportunities in key sectors. The project will focus on intervention in countries with no dedicated advisory or lending project mechanisms supporting the investment climate and business environment agenda. In this way the project aims to increase the number of reformer governments across the region. The project prioritizes FCV and IDA countries, where the operating environment and capacity issues pose huge constraints to starting and sustaining a reform agenda. Project teams are providing closer day-to-day supervision of reform activities, supporting them with setting-up and building capacity of their reform mechanisms. Finally, the project continues to support the peer-to-peer learning agenda for the region by contributing to regional learning platforms that enhance south-to-south knowledge exchange, promoting a healthy competition for reforms across the region.

Phase 3 went into implementation in September 2018 and recorded strong initial progress in the early stages. The FIAS-supported project delivered active technical advisory support to more than 20 reform-oriented governments in the region during FY19. Project teams helped with development and implementation of client business environment reform agendas focused on the actionable investment climate indicators included in the *Doing Business* report. Teams also advised governments on good practices in implementing reforms. Activities included two key regional peer-to-peer learning events that attracted more than 600 participants from across four regions and 35 economies, direct technical assistance to 10 economies on their *Doing Business 2020* action plans, liaison services between governments and the Bank Group's Development Economics–*Doing Business* team, significant fundraising for the project, and delivery of a knowledge product summarizing the beneficial impact of the first two phases.

> The FIAS-supported project delivered active technical advisory support to more than 20 reform-oriented governments in the region during FY19.

IBR projects are typically generators of investment climate reforms arising from IFC advisory services and FIAS-supported projects, and Sub-Saharan Africa is a priority area of focus for FIAS. With Phase 3 in pre-implementation during FY18 and part of FY19, the reform count is down compared to past years but expected to increase over the next two-plus years. Based on existing requests and ongoing engagements, the project will provide technical assistance to **Burkina Faso**, **Cameroon**, **Cabo Verde**, **Guinea**, **Malawi**, **Niger**, **Nigeria**, **Senegal**, **Sierra Leone**, **Tanzania**, and **Uganda**–all IDA countries. Other countries will likely be added as Phase 3 progresses. The project aligns technical assistance with corporate themes and priorities, including cross-cutting regional themes such as business-enabling reforms and gender, as well as country-level priorities that include unlocking barriers to investment in key sectors such as credit infrastructure, housing finance, and energy access.

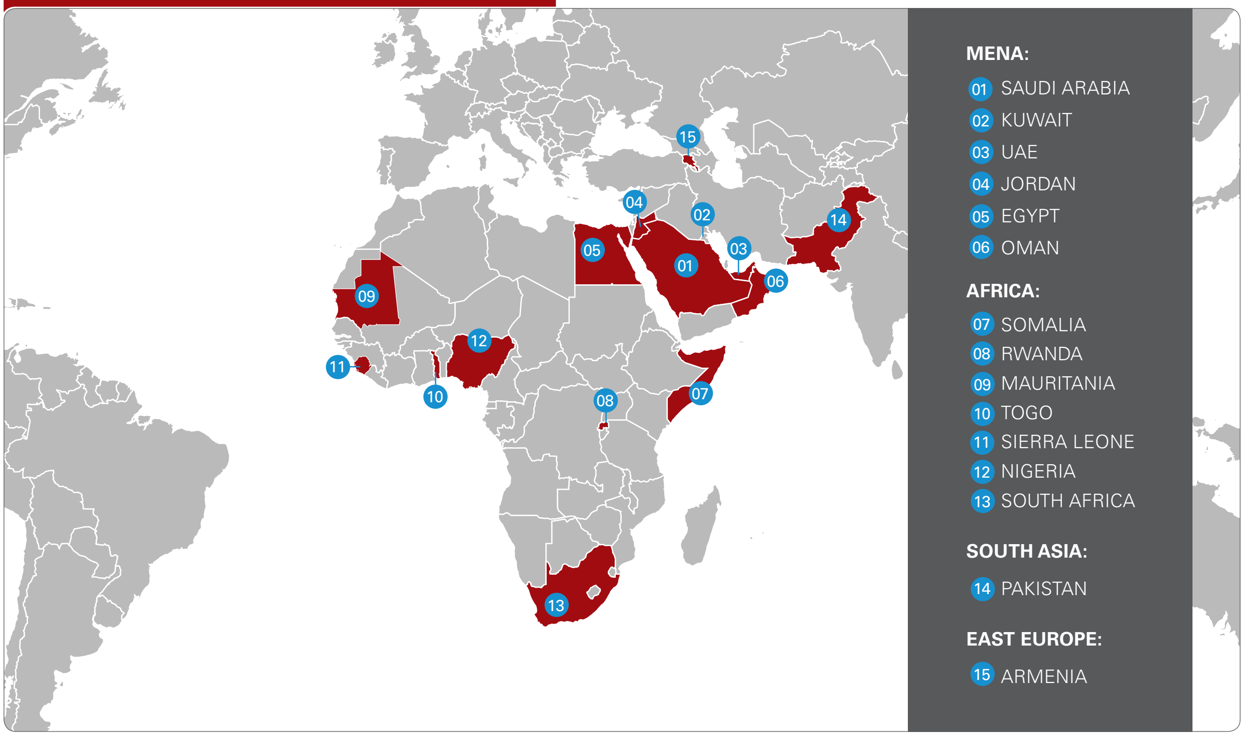
Advisory – Africa to Help Remove Legal and Economic Barriers to Women

A contribution to FIAS by Norway is enabling the World Bank Group's **Women Business & the Law (WBL)** team to launch the **Advisory – Africa initiative**. It will offer advisory services and technical assistance to up to five countries to remove legal obstacles to women's participation in the economy. A WBL survey of Sub-Saharan Africa identified several significant legal gaps affecting women's economic opportunities:

- **43 countries have rules posing obstacles to women starting and running a business.**
- **43 countries have no legal protections against gender-based creditor discrimination.**
- **31 countries bar women from working in certain industries.**
- **In 18 countries, women are not legally protected from domestic violence and have no legal right to remarry.**
- **16 countries have no legal protections against sexual harassment in the workplace.**

Selections to participate in Advisory – Africa will be based on a country's performance on the WBL index, the likelihood that the intervention will lead to reform, the availability of reform champions, and the country's track record of results. Client country demand and a country's status as an IDA borrowing state or a country affected by fragility, conflict,

Women Business & the Law Project Portfolio



and violence will also factor into the selections. So far, **Mauritania**, **Nigeria**, **Rwanda, Sierra Leone**, **South Africa**, and **Togo** have expressed interest.

Ghana Investment Climate

Strong potential for economic competitiveness in **Ghana** has gone unfulfilled due in large part to a poor business environment that has undergone few reforms over the past decade. In 2015, Ghana's Doing Business ranking was 70; in the most recent report it had dropped to 118 and its EODB score had declined by 5.24 percentage points. In 2017 the new government, seeking to fulfill its commitment to private sector development, launched an ambitious program of critical and deeply-rooted business environment reforms to strengthen institutions and leverage new technologies. The Ghana program seeks to boost sustainable economic growth in this IDA country and attract private investment by improving the transparency, accessibility, and quality of business regulation while strengthening the investment policy and promotion framework. It also aims to increase Ghana's competitiveness in agribusiness. The program focuses on investment climate and aims to:

- Support the government in regaining business reform momentum.
- Assist in improving and integrating government-to-business (G2B) online service delivery to increase transparency and accountability and reduce the compliance burden on businesses.
- Upgrade the legal framework and repeal or amend obsolete laws.
- Support the Ghana Investment Promotion Centre (GIPC) in reviewing and strengthening its investment policy and promotion (IPP) strategy.

Highlights of FY19 activity included delivery of five policy notes for key reforms to the Board of GIPC, as well as supporting four reforms recorded by the *Doing Business* report for 2018–2020. Ghana's EODB score improved by 2.8 percentage points over the past three years. The team also supported adoption of a new construction code in October 2018, a new Companies Act in May 2019, and progress on an insolvency bill which reached Parliament. Between November 2018 and January 2019, the team provided capacity-building opportunities by supporting participation of government delegations from reforming agencies in a Doing Business deep-dive workshop in Dubai, an EODB initiative in Abidjan, and the Regulatory Governance conference in London.

Strong FIAS Results in OHADA

OHADA countries fall squarely within the priority areas for the FIAS FY17–21 strategy cycle. Of the 17 member nations of OHADA—**Benin**, **Burkina Faso**, **Cameroon**, the **Central African Republic**, **Chad**, the **Comoros**, **Côte d'Ivoire**, the **Democratic Republic of Congo**, **Equatorial Guinea, Gabon**, **Guinea**, **Guinea-Bissau**, **Mali, Niger**, the **Republic of Congo**, **Senegal**, and **Togo**—all but two (Equatorial Guinea and Gabon) are IDA borrowing countries, and nine are FCV states. FIAS addresses a unique opportunity to collectively combat issues that local businesses in these countries face in their attempt to invest, find markets, and grow. OHADA represents a remarkable opportunity to advance business environment reform across a wide swath of central and western Africa. The changes undertaken by OHADA must be implemented and enforced at the country level, and the OHADA laws themselves need to be reviewed to ensure they continue to serve aspirational goals toward which all 17 OHADA members are striving.

Phase 2 of the FIAS-supported OHADA Uniform Acts Reform project provides an opportunity to substantially improve the investment climate across the member countries. Some of the OHADA *reforms pursued by the project are measured by five Doing Business* indicators on starting a business, protecting minority investors, access to credit, enforcing contracts, and resolving insolvency. The overarching objective is to bring the OHADA countries more in line with those in the OECD. The project is revising various laws from insolvency to company law, modernizing collateral and commercial registries, and rolling out a new program called *Entreprenant*. The work taking place demonstrates the power of collective action in developing economies and has resulted in more than 40 new reforms. New laws have allowed each member state to determine the role of the notary in business registration freely, and, as a result, many countries have made more legal reforms. These have helped to improve the EODB scores of member states, particularly in the Starting a Business Indicator.

Sustaining and Strengthening Reforms in India

A FIAS-supported advisory project on business environment reform in **India,** in pre-implementation during FY18, began its implementation on January 1, 2019. As an emerging global economic power, India's business reforms journey over the past four years has culminated in significant results. The country's *Doing Business* ranking has improved from 142 in 2014 to 63 today, due to reforms in 10 of the 11 indicators that have catapulted its EODB score from 54.05 to 71 in the *Doing Business 2020* report. India for the second year in a row was one of the top-10 reforming countries in terms of improvement across the areas measured by *Doing Business*, recording reforms in starting a business, dealing with construction permits, cross-border trade, and resolving insolvency. A proactive approach to reform among all Indian states has bolstered the central government's action plans, stimulating implementation of more than 7,000 reform actions at the state level. The private sector has indicated three reform priorities. First, although a host of central and state government reforms have been delivered, there remain several central government departments, independent regulators, and sector-specific authorities that have not been covered in the reform agenda. Second, many businesses continue to highlight regulatory uncertainty and unpredictability as one of their significant binding constraints. Third, most reforms have focused on licensing and other processes; meanwhile, the stock of business regulation has not been addressed, leading to inconsistencies and contradictions which affect businesses. Therefore, the objectives of the program are to sustain the momentum for reform and deepen the reform agenda to address broader systemic regulatory constraints to business, especially those which constrain IFC's investment clients. The objectives will be achieved through a combination of technical assistance, including capacity-building activities, reform diagnostics, design and implementation support, and broad investment climate reforms implemented over the next two years (2010–2021). The work is organized on two pillars: sustaining reform momentum and deepening the impact of reforms.

A young woman weaves a silk sari on a handloom in Kumbakonam, India.

India's EODB score in the *Doing Business 2020* report jumped to

71

from 54.05

India's *Doing Business 2020* report ranking has improved from

142

in 2014 to

63

today.

Construction workers build an apartment block in Bengaluru, formerly known as Bangalore. The city is expanding rapidly as the Indian economy grows. *Photo: Paul Maguire/Bigstock*

Jordan Business Environment Reform Project Entering Implementation Phase

A FIAS-supported advisory project on business environment reform in **Jordan** is about to be implemented. The project seeks to address private sector constraints stemming from complicated, unpredictable, and opaque business regulations, and a business environment burdened by overly complex procedures, poor inter-agency collaboration, and a lack of clarity of requirements. For example, SMEs remain significantly underserved; a majority of loans are directed toward the government or channeled to the real estate and construction sectors. The lack of a clear and sufficient legal framework has led to ineffective management of firms and loss of asset value. These and other factors hinder investors and businesses from setting long-term plans to establish and operate businesses. In some cases, businesses have closed, and investors moved to other countries as a result.

The program proposes to support the Government of Jordan in implementing three integrated reforms that address business constraints, reduce red tape, improve transparency, and enhance the quality and stability of business regulations. Project plan calls for reforming, streamlining, and automating the business registration and construction permitting process and implementing a national framework for good regulatory practices. These steps, in addition to legal reforms affecting the private sector, seek to help Jordanian producers overcome difficulties such as low quality of infrastructure, inability to access the market, and lack of competitiveness. A 2017 assessment by the Bank Group revealed significant shortcomings in regulatory design and delivery, such as lack of prior notice of new regulations, inadequate consultation mechanisms, insufficient time prior to the entry into force of new regulations, and difficulties in accessing information on regulations.

Tunisia Investment Climate Reform Program

Tunisia has traditionally been one of the strongest performers in the North Africa region in terms of competitiveness and ease of doing business. However, the country has not fared well in recent *Doing Business* rankings, dropping from 60 in 2015 to 78 in the latest report; its EODB score is essentially unchanged in that time. There is much to be done to make Tunisia an active global player. In FY19 the FIAS-supported investment climate program started initial reform work focused on the investment framework and simplifying business regulations. The project built the capacity of the *Institut Tunisien de la Compétitivité et des Études Quantitatives* to develop an assessment tool for regulatory simplification and its impact on sectoral performance. Analytic and quantitative tools were used, including High-level Computable General Equilibrium (CGE) modeling to measure the impact of streamlining investment-entry authorizations in agriculture and fisheries; trade; maritime and road transport; tourism; and education. The resulting analysis found that elimination of all authorizations in seven key sectors would boost Tunisian GDP by an estimated 3.59 percent, create 130,588 jobs, and increase investment levels by 22.5 percent, national consumption by 5.47 percent, exports by 1.85 percent, and government revenue by 5.35 percent.

The team helped finalize mapping and simplification of investment-entry restrictions. Progress realized so far included: six licenses simplified, eight licenses validated pending publication, one pending signature of a sectoral ministry, three pending finalization following inputs and comments from the Prime Minister's office, five pending finalization following inputs and comments from the Competition Council; and four specifications transmitted to the Management by Objective Unit. Project recommendations for *Doing Business* reforms were incorporated in a law adopted by the government in April 2019, and the project also supported the first Women, Business and the Law mission in the country, which will help with incorporating a gender angle into reforms. The project has helped create an inventory of business formalities for the first time in Tunisia and helped simplify or eliminate 338 procedures. This has increased public-private dialogue and initiated a new culture in government administration that recognizes that business formalities should be imposed only after consultation with the private sector. The second phase of the project will build on lessons learned and aims to deepen the reforms on investment entry, investment promotion, and business regulations.

In Tunisia the impact of streamlining investment-entry authorizations in agriculture and fisheries; trade; maritime and road transport; tourism; and education— as well as the elimination of all authorizations in seven key sectors would:

boost Tunisian GDP by an estimated

3.59%

create jobs

130,588

increase investment levels by

22.5%

FIAS Leverage

Tunisia

The World Bank Group is significantly ramping up development activity in Tunisia. At the end of FY18, the Bank Group launched three projects—covering energy sector improvement, innovative start-ups and SMES, and digital transformation for user-centric public services—totaling $326 million. A year earlier, the Bank Group launched the Tunisia Investment Competitiveness and Inclusion project, funded at $500 million. Combined with IFC investments and advisory, these initiatives further Tunisia's goals of building a new economy that encourages entrepreneurs and generates more opportunities, making government more responsive to the needs of citizens through the digital transformation of key public services. The World Bank and IFC are collaborating in an effort funded by the Women Entrepreneurs Finance Initiative (We-Fi) to make the business environment friendlier for women in Tunisia. A World Bank initiative in several countries in the Middle East North Africa (MENA) region, including Tunisia, seeks to help women entrepreneurs overcome barriers to increasing trade through use of e-commerce platforms. IFC, meanwhile, is providing seed funding to build the capacity of women entrepreneurs. A third We-Fi-funded project, the Women Business and the Law (WBL) team is producing reform memoranda identifying opportunities to increase women's participation in the Tunisian economy through changes in national laws and regulations measured by the WBL index.

$326m

At the end of **FY18, the Bank Group launched three projects—covering** energy sector improvement, innovative start-ups and SMES, and digital transformation for user-centric public services—**totaling $326 million.**

$500m

In **FY17, the Bank Group launched** the **Tunisia Investment Competitiveness and Inclusion project—funded at $500 million.**

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Woman sells second hand goods in the Medina quarter of Sfax, Tunisia. *Photo: Dmitry Chulov, Bigstock*

Morocco Business Environment and Subnational Competitiveness

From 1999 to 2017 **Morocco** experienced average annual GDP growth of 4.1 percent. The country's *Doing Business* ranking over the past decade has improved from 130 to 53 in *Doing Business 2020*. The country's EODB score has increased in each of the past five years, rising 8.34 percentage points to 73.4. The government is close to achieving its ambition of reaching the top 50 in *Doing Business* by 2021. However, a high level of public investment continues to overshadow private investment, and the private sector still struggles with acute business environment issues that hamper productivity and investment. The FIAS-supported business environment and subnational competitiveness project, in pre-implementation during FY19, seeks to improve Morocco's legal and regulatory business environment and enhance the subnational competitiveness of the Marrakech–Safi region. This will be addressed through business environment reform implementation at the national level and improved competitiveness of the Marrakech–Safi region. In collaboration with the Morocco Secured Lending Project, the business environment project has supported enactment of the Morocco Secured Transaction Law and implementation of a collateral registry. The project will also support design and implementation of regulations on non-performing loans, including capacity building of the Central Bank of Morocco in partnership with IFC's Distressed Assets Recovery Program (DARP). Working with the National Business Environment Reform Committee, this effort will also conduct firm-level surveys in partnership with the World Bank Enterprise Survey team to identify private sector constraints and propose reform areas for further exploration. Work in the Marrakech–Safi region will seek to bolster the region's competitiveness by improving the institutional governance mechanisms of the Regional Investment Center of Marrakech–Safi and by streamlining business environment procedures and improving the efficiency of a key industrial zone.

Morocco's EODB score increased

8.34% points

to 73.4

The government is close to achieving its ambition of reaching the top 50 in *Doing Business* by 2021.

Typical street market in the old medina of Fes, Morocco, Africa. *Photo: Bigstock*

Tajikistan Business Environment

Private sector growth in **Tajikistan** is hampered by high inspection compliance costs, the requirements of numerous permits and licenses, and lack of transparency. The government, with the help of FIAS-supported advisory services, is taking steps to address these issues. In the *Doing Business 2020* report, Tajikistan is among the top 10 reforming countries that made it easier to start a business, strengthened access to credit, and streamlined cross-border trade, while improving its EODB score by 5.7 percentage points over the previous year. In the past five years, Tajikistan has improved its *Doing Business* ranking from 166 to 106, and its EODB score by nearly 13 percentage points to 61.3. At the sector level, tourism is a growth industry in Central Asia. But this IDA borrowing country has yet to benefit from it. To maximize its potential, key market failures need to be addressed relating to regulatory barriers and market access. The Tajikistan Competitiveness Project, in pre-implementation in FY19, aims to make the Tajik economy more competitive by reducing the regulatory burden nationwide, removing entry barriers, and facilitating new investment—with a focus on enhancing the competitiveness of the tourism, dairy, and textile sectors. This will be achieved by reducing the cost of private sector regulatory compliance by $2.5 million and facilitating private sector investments and reinvestments in the tourism sector by $3.5 million by project completion. The project will achieve these results through a combination of sector-specific initiatives and economy-wide reforms focusing on inspection, permits, and licensing. The initial focus in FY19 was on conducting in-depth analytical work which the team expects to complete within the first year of implementation. This will inform the design of economy-wide and sector-specific interventions relatively early in the project cycle, ensuring adequate time for implementation. The team is working with the government to simplify the visa regime to encourage more tourists to the country. The project will also develop a comprehensive inventory of permit procedures to reduce regulatory burden and enable transparency.

Albania Investment Climate

A challenging political environment in **Albania** complicated the work of the team. Nevertheless, significant outcomes have been achieved despite delays in achieving impact targets, including streamlining procedures for obtaining Protected Designation of Origin and Geographic Designation for agriculture products and foodstuffs. In its business environment work, the team re-assessed its engagement in agriculture-related licenses and permits reform and decided to stay involved due to the sector's importance to the economy and government. To overcome delays, the team initiated an active dialogue with the main counterpart– the Ministry of Agriculture and Rural Development (MARD). This engagement has enhanced collaboration between the project team and government which has contributed to the modification and adoption of seven legal acts (one law, four Cabinet of Ministers decrees, one MARD Instruction, and one MARD Order). The government and MARD have developed

Tajikistan is among the top 10 reforming countries, having made it easier to start a business, strengthened access to credit, and streamlined cross-border trade while improving its EODB score by 5.7 percentage points over the previous year.

Tajikistan's EODB score increased

13% points

to 61.3

The **Tajikistan Competitiveness project**, in pre-implementation in FY19, aims to make the Tajik economy more competitive by reducing the regulatory burden nationwide, removing entry barriers, and facilitating new investment, **with a focus on enhancing the competitiveness of the tourism, dairy, and textile sectors**.

and approved norms related to: the Hazard Analysis Critical Control Point system (HACCP) for safety in food production; the internal phytosanitary certificate; immediate notification for a "suspect of poisoning contamination;" professional usage of poisoning or highly poisoning plant protection products; and phytosanitary inspection of exports at borders. These modifications will benefit food business operators, increasing customer confidence in their products.

Azerbaijan Investment Climate

Azerbaijan has experienced rapid economic growth over most of the past decade through heavy reliance on the oil sector. But since the sustained decline in global crude oil prices starting in 2014, Azerbaijan has experienced declining GDP, decreasing exports and foreign trade, currency devaluation, and turbulence that has been reflected in the Bank Group's annual *Doing Business* reports. Azerbaijan's Doing Business ranking dropped from 33 in 2009 to 65 in 2017. In *Doing Business 2019*, Azerbaijan's ranking improved to 25. In the just-released 2020 report, Azerbaijan ranked 34 out of 190 countries. The country's EODB score has improved substantially, rising 12.62 percentage points, from 64.08 in 2015 to 76.7 in the 2020 report. Azerbaijan is among the top 20 reformers in *Doing Business 2020,* recording reforms in registering property, getting credit, protecting minority investors, and enforcing contracts. But as a small open market, the country will need to grow and diversify exports to continue experiencing growth. The project team collaborated with the Azerbaijan Food Safety Agency on legislation to bring about a shift to risk-based inspections aligned with international recommendations and standards for risk-based controls of food business operators. The team also produced analytical materials and policy recommendations to improve construction permitting and apply risk-based approaches in zoning regulations and construction inspections. Based on the project's recommendations, a Presidential Decree on Simplifying the Construction Permit and Commissioning Permit Procedures for Selected Construction projects was approved on December 28, 2018. To ensure that excessive requirements and permissive documents are not introduced by the new draft laws on Tourism and on SMEs, the project is collaborating with two newly created agencies overseeing the tourism sector and small and medium enterprises to develop legislation on the respective sectors.

Pakistan Doing Business

Pakistan is at a pivotal moment in its economic development, with the potential to leverage important strategic endowments to its advantage. A growing youth population provides the country with a potential demographic dividend while at the same time presenting a challenge to provide adequate services and employment. To help Pakistan reach its development potential, the World Bank Group is instituting a sweeping development initiative with a focus on private sector growth and development. Current issues in Pakistan's private sector development include challenges to the entry, operation, and exit of SMEs. To tackle these issues and as part of the World Bank Group's broader undertakings in Pakistan, the FIAS-supported Pakistan Doing Business Project seeks to catalyze sustainable business environment improvements by enabling Doing Business reforms at both the federal and provincial levels. The project is introducing modernized and automated regulatory procedures and building the capacity of the critical reform institutions. The project started in 2016 and is scheduled to be completed in 2021. Several reforms across numerous agencies have been implemented, including changes to taxation and business registration which have allowed SMEs to work within the system rather than around it. Entrepreneur Surayya Ubaid described her experience with streamlined business registration: "Within an hour, everything that was required to be done, from name to incorporation steps, it was being done right away, and I got my paper the very next day at nine in the morning."

Azerbaijan's EODB score increased

12.62% points

from 64.08 in 2015 to 76.7 in 2020

Azerbaijan is among the top 20 reformers in *Doing Business 2020,* recording reforms in registering property, getting credit, protecting minority investors, and enforcing contracts.

Pakistan Doing Business

The Pakistan Doing Business Project, started in 2016—that seeks to catalyze sustainable business environment improvements by enabling Doing Business reforms at both the federal and provincial levels—is introducing modernized and automated regulatory procedures and building the capacity of the critical reform institutions.

Indonesia Investment Climate

The business environment of **Indonesia** suffers from complex and restrictive regulations and weak property rights. A government reform effort earned the country recognition as a top-10 improver in *Doing Business 2017* and reform progress continued the following year. In *Doing Business 2020*, Indonesia ranked 73 out of 190 countries, up significantly from 120 out of 189 countries in 2014. The EODB score has improved significantly, increasing by more than 10 percentage points from 59.15 in 2015 to 69.6. Indonesia has recorded five *Doing Business* reforms (starting a business, getting electricity, paying taxes, trading across borders, and enforcing contracts), but continues to trail regional peers in terms of country rank. Economic policy packages rolled out between 2015 and 2018 were limited in scope, failed to create regulatory certainty, and were not systematically implemented. In some cases, the reforms had a negative impact. For instance, the Online Single Submission System, which became operational on July 9, 2018, lacks legal basis. Indonesia has prioritized tourism development and expects that increased visitor spending can generate significant economic gains. While the country has experienced robust growth in foreign visitor numbers since 2006, it continues to lag regional competitors. Private investment in tourism is hindered not only by economy-wide investment climate constraints, but also by a lack of targeted and coordinated investment promotion strategies and reliable market data and analysis. IFC has provided comprehensive inputs to the Coordinating Ministry of Economic Affairs on a work plan to improve business regulations for registering property, getting credit, and resolving insolvency. Working with Indonesia's Ministry of Law and Human Rights, the team advised on revisions of the Bankruptcy Law and the Fiduciary Security Law, including supporting regulations, and among others, the regulations on insolvency practitioner supervision.

Tourists shopping at Ubud market in Bali for handcraft products such as traditional Bali style costumes and wooden souvenirs, Bali,Indonesia. *Photo: Bigstock*

Pillar 2

Expand
Market Opportunities

Pillar 2 in the FIAS strategy encompasses advisory work in **investment policy and promotion (IPP)** and **markets and competition policy (MCP)** as well as sector work in **industry solutions** in manufacturing, tourism, and agribusiness.

EFI and clients collaborate on projects aimed at reducing or removing barriers to creating or entering markets. The work spans a broad range of economic activity and strategic approaches that help client countries foster growth in their most promising economic sectors. The investment policy work helps economies not only generate investment but retain it. Competition policy work can involve advisory services and capacity building focused on specific market sectors, or it can involve economy-wide reforms that create level playing fields for a broad range of market participants.

Investment Policy and Promotion

The overall objective of the IPP product is to help client countries remove impediments to growing and retaining private investment, including FDI, as well as to improve the integration and spillovers of FDI in the local economy. It aims to use FDI to integrate the domestic private sector with international business by addressing policy and regulatory issues related to the investment strategy, attraction, entry, protection, retention, and linkages. The product has been on track in achieving its key developmental objectives and has been successful operationally. In FY19 the product delivered strong results across all pillars of its activities, including analytical tools, publications and outreach, and external partnerships. The product is exceeding the targets across all its indicators.

In June 2019, the global IPP team delivered a report on investment retention to the European Commission and held two peer-to-peer learning events in Kuala Lumpur. The first focused on investment policy reform and was held in partnership with the Australian Department of Foreign Affairs and Trade (DFAT) and the Asia-Pacific Economic Cooperation (APEC) Investment Experts Working Group. The second, held jointly with the European Commission, focused on investment retention and protection. A combined 140 officials from 22 countries attended the workshops. Discussions focused on new analytic and diagnostic tools that can be used to measure barriers to investment competitiveness, the role of FDI in promoting women's economic empowerment, new findings on the use of investment incentives, and how investment can support sustainable development. The team also showcased the **Systemic Investor Response Mechanism (SIRM)**, a tool designed to identify and resolve investor grievances early, before they negatively impact investment levels or escalate to costly disputes. Going forward, the focus of the project will be to continue to generate new tools, diagnostic approaches, and policy-oriented research of value to clients across the Bank Group portfolio.

> The Systemic Investor Response Mechanism (SIRM), is a new a tool designed to identify and resolve investor grievances early, before they negatively impact investment levels or escalate to costly disputes.

SIRM Helps Clients Retain, Expand Private Sector Investment

SIRM provides a system for monitoring and tracking investor grievances and resolving them before they escalate into international litigation or threaten existing or planned investment. It is a new tool in the Investment Policy and Promotion space, implemented by client-facing teams supported by the global teams in Washington and Vienna. SIRM activities are under way in countries around the world including: **Bosnia and Herzegovina**, **Ethiopia**, **Georgia**, **Colombia**, **Mongolia**, **Iraq**, **Rwanda**, and **Vietnam**. SIRM sets up a system for closely monitoring investment grievance cases and assessing if an issue is at high risk of escalating to a full-blown dispute or causing investors to curtail investment plans or withdraw altogether. SIRM entails the empowerment of a reform-oriented government agency and the establishment of an intergovernmental mechanism for systematically addressing grievances arising from government conduct. It offers the opportunity to measure investment and jobs impact in connection with high-risk grievances successfully resolved. A methodology for such an impact measurement is under discussion.

In global investor surveys, political risk relating to government conduct has consistently ranked as an important factor leading to FDI withdrawals and investment cancelations. These risks include expropriation, breach of contract, transfers and currency convertibility, lack of transparency and predictability in dealing with public agencies, and sudden adverse regulatory changes. The SIRM tool addresses the need for governments to have a minimum institutional infrastructure to—as early in the investment cycle as possible—identify, track, and manage conflicts arising between investors and public agencies. Currently, this type of infrastructure does not exist in many countries. SIRMs require country-specific customization but share several common elements. These include:

- The composition and positioning of the lead agency.
- Coordination protocols to ensure interagency coordination and collaboration in resolving investor-state grievances.
- Design and deployment of the tracking tool to register, follow up, and measure the impact of resolving, or failing to resolve, grievances.

As of November 2019, the eight SIRM pilot projects involving 61 grievance cases led to verified data concerning eight resolved cases which resulted in retention of $229 million in investment and $20 million in expanded investment.

South Africa Private Sector Competitiveness

The **South Africa** Private Sector Competitiveness project seeks to address key investment climate and structural challenges facing the South African economy, including regulations that discourage competition and negatively affect investor perceptions. The project was launched in anticipation of a more reform-minded business-friendly government emerging from the May 2019 election. This has been the case, but the narrowness of the reformist wing's victory has heightened uncertainty as to the new administration's ability to undertake reforms. As of July 2019, the new government was clarifying its reform policy to address private sector frustration (both domestic and foreign) over slow progress in delivering critical reforms promised by the government. South Africa has fared poorly in recent Doing Business rankings, dropping from 43 in 2015 to 84 in the most recent report. In 2019, however, the project achieved five improvements via streamlining procedures and increasing transparency for the *Doing Business* indicators on getting electricity, construction permits, and registering property. The reforms have led to direct annual compliance cost savings to the private sector of $30,000. The project team has delivered 35 workshops, reaching 675 people.

$30k

cost savings

The reforms have led to direct annual compliance cost savings to the private sector of $30,000.

The business environment remains a top priority as indicated by the President's declared wish to have South Africa move to the top 50 in the Ease of Doing Business ranking over the next three years. InvestSA and the presidency have been working closely with IFC to achieve relevant reforms. Work in the area of investment policy and promotion is on track to deliver its expected results through collaboration with subnational investment promotion agencies in the Western Cape region, Durban, and Johannesburg. The team delivered a series of national and subnational workshops, including a well-received three-day FDI strategy workshop attended by more than 150 national and subnational investment promotion agency practitioners to raise awareness of the overall FDI strategy. The team also engaged on competition policy and market reform, producing reports and recommendations that filtered further afield than initially anticipated. In collaboration with the African Competition Forum, IFC's team completed a first-round database on the institutional design of competition authorities across the rest of Africa. The team also launched a second-round survey to augment the database with information on case outcomes, budgets, and staffing.

Electricians in Johannesburg, South Africa working on high voltage power lines. *Photo: Bigstock*

Egypt Private Sector Development Program–Pre-Implementation

Recent reforms have provided macroeconomic stability in the **Arab Republic of Egypt**, but the private sector still faces major challenges. Constraints at the macro-level in the business environment, as well as low levels of competitiveness in key sectors, hamper private sector growth, limiting the economy's ability to attract and retain domestic and foreign investment. Some sectors, particularly those such as agriculture and textiles that source most raw materials locally, are well positioned to take advantage of Egypt's location, relatively low labor costs, and duty-free access to high-income markets. However, they are being held back by lack of policy coordination, capacity challenges, inefficient supply chains and difficulties in accessing finance. These circumstances have led to near stagnation in Egypt's formal private sector over the past 15 years. In the *Doing Business 2020* report, Egypt ranked 114 out of 190 countries. Egypt's EODB score has improved in each of the past four years, rising nearly 6 percentage points from 54.43 in 2016 to 60.1.

The main goal of the FIAS-supported private sector development program, which was in pre-implementation in FY19, is to simplify the regulatory complexities of the existing climate for trade and investment by tackling barriers to competition, predictability, and efficiency. The project also seeks to improve the competitiveness of high-potential sectors by unlocking barriers that inhibit investments and exports. IFC pre-implementation activities are proceeding in the enabling environment and sector competitiveness. Proposed work will seek to address key weaknesses in Egypt's investment climate by easing regulatory barriers affecting three Doing Business indicators: trading across borders, paying taxes, and construction permits. In competitive sectors, agribusiness and textiles are the focus of pre-implementation activities. The program aims to launch two to four interventions at a strategic level to help improve competitiveness of the textiles sector with demonstrable impact on investments, jobs, and productivity.

Egyptian farmer taking tomato harvest to waiting boat for transport. *Photo: Bigstock*

FIAS Leverage

FIAS Support for CPSDs Affirms Commitment to In-Depth Diagnostics

In-depth diagnostics are a foundational pillar of the FIAS FY17–21 strategy and will continue to be in the next strategy cycle. In FY19, FIAS began providing support to Country Private Sector Diagnostics (CPSDs), major analytic undertakings which assess economy-wide and sector-specific opportunities and constraints for private sector growth. The diagnostics produce recommendations for policy reforms and actions that can catalyze private sector investment. FIAS provided $598,634 toward CPSDs in six countries in FY19—**Angola, Ecuador, Jordan, Kazakhstan, the Philippines**, and **Ukraine**. All the funds come from **IFC's Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS)** contribution to the FIAS program. FIAS is also supporting the work of the global knowledge team that has developed and disseminated the CPSD methodology to project teams across IFC and the World Bank. In all, the World Bank Group is undertaking 45 CPSDs, 13 of them completed, 14 in the pipeline, and the rest in process. The roster of client countries includes 25 in Sub-Saharan Africa—a FIAS priority region—12 in the Latin America and Caribbean and Europe and Central Asia regions, and 8 in East Asia Pacific. Most of these CPSD countries have ongoing FIAS-supported projects. The diagnostics cover all critical sectors and combine the knowledge of the World Bank Group and Development Partners.

The Country Private Sector Diagnostic (CPSD)

CPSD Objective	CPSD Value Add
Identify main private sector-led growth opportunities	Covers all critical sectors (export locomotives and enabling sectors)
↓ Identify main constraints standing in the way (cross-cutting, sector specific)	Combines knowledge of WBG & Dvt Partners
	Informs SCD, IFC 3.0, CPF & Dvt Partner Programs
↓ Specify and motivate a critical mass of reforms	Informs and triggers new WBG operations

CPSDs inform preparation of World Bank Group Systematic Country Diagnostics (SCDs), which identify a country's most important challenges and opportunities in reaching the twin goals of eliminating extreme poverty and boosting shared prosperity. They also inform Country Partnership Frameworks and support the IFC 3.0 and Creating Markets strategy as well as Development Partner programs. Typically about 50 pages in length, CPSDs are Joint IFC-World Bank products, prepared and delivered by EFI's joint IFC-World Bank Global Practices under the leadership of Country Economics and Engagement department in IFC. Technical or policy notes are produced at a later stage, drawing on additional background material produced for the CPSD. Completed CPSDs are informing and triggering key reform initiatives, for example, a model land lease law in **Ghana** and the operationalization of the Competition Council in **Morocco**. The CPSD in **Côte d'Ivoire** is feeding directly into a new major World Bank operation supporting the Jobs and Economic Transformation (JET) initiative, a major policy commitment under IDA19. The diagnostic there points up higher-value agribusiness opportunities, specifically in horticulture and light and complex manufacturing, and identifies several constraints, including market distortions, gaps in specific infrastructure and skills, and low access to finance. For FY20, the IFC-funded FIAS contribution to CPSDs is expected to exceed $1 million.

Continued Momentum Behind the Compact with Africa

FIAS is supporting investment climate work in all 12 member countries of the G20 Compact with Africa (CWA). Formed in 2017 during Germany's presidency of the G20, the Compact has as one of its key goals increasing domestic and foreign investment in participating countries. The Bank Group, along with the International Monetary Fund and African Development Bank, partners with the G20 and the Compact countries on reform and investment projects geared toward stimulating inclusive private sector growth. Compact countries continue to implement business environment reforms and are seeing positive trends in economic growth while making gradual progress in investment generation, in spite of the slowdown in global investment flows. The basic premise of the Compact aligns well with the FIAS agenda: that macroeconomic stability, an investor-friendly business environment, and effective financial sector intermediation are necessary conditions to spur private investment. The 12 member countries of the Compact—**Benin, Burkina Faso, Côte d'Ivoire, the Arab Republic of Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Tunisia,** and **Togo**—have implemented 103 investment climate reforms over the past three years, an average of 2.9 reforms per country, as compared to a global average of 1.5 reforms. Longtime FIAS client countries Côte d'Ivoire and Togo have markedly improved their ease of doing business scores—by 7 and 13 percentage points, respectively, over the past three years.

EFI Vice President Ceyla Pazarbasioglu and IFC Vice President for Economics and Private Sector Development Hans Peter Lankes discuss the G20 Compact with Africa at the October 2019 Africa Advisory Group meeting. *Photo: World Bank Group*

Even following the end of the latest commodities super cycle, which had previously helped fuel FDI inflows to Africa, Compact countries have shown strong resilience in attracting investments. According to IFC, FDI volumes to Compact countries have remained remarkably stable over the past three years, in contrast to a declining global trend in investment flows. In 2018, FDI to Compact countries reached $21 billion, or around 46 percent of total FDI flows to the continent. Total FDI stock to Compact countries reached $295 billion in 2018, a 34 percent increase since 2014. This compares with a 21 percent increase for the rest of Africa, signaling higher rates of FDI accumulation in Compact countries over the past five-year period. In FY20 and FY21 the Covid-19 pandemic is expected to cause a dramatic reduction in FDI flows to Africa.

Helping Compact with Africa Countries Attract and Retain FDI

As examples of how FIAS is helping sustain and advance the CWA agenda, FIAS is supporting projects in Ethiopia and Rwanda—both CWA member countries—to improve the retention and expansion of FDI by setting up and using SIRM to better detect, manage, and track investor grievances in the post-establishment phase. FDI to Ethiopia has been rising steadily since 2012, recording growth of some 46 percent over a four-year period. The Ethiopia Investment Commission (EIC) estimated that nearly all the investment cancellations over the past 20 years have taken place in the establishment phase, following the grant of an investment permit but before issuance of a business license. The government has sought to remove impediments to entry and establishment of FDI, such as an industrial parks program and an improved EIC aftercare department. Having more projects and investment means that more investor grievances are likely, and as more projects become established, the nature of grievances is likely to evolve. The SIRM mechanism being implemented under the FIAS-supported project will support EIC in detecting, managing, and resolving these grievances. Changes in personnel at the cabinet level and at EIC and broader political stability issues have increased risk and uncertainty about getting the inter-agency and inter-regional cooperation needed for project success. To mitigate this risk, the team has been engaging closely with the necessary public stakeholders since the beginning of implementation to align interests and bring all on board. In Rwanda, the foundations of the SIRM project have been put in place and a relationship of trust has been established with the Rwanda Development Board (RDB), where the SIRM is hosted. Grievances are already being registered and tracked manually together with aftercare requests. The project team is assisting RDB's IT provider in developing the technology-based tracking tool. The impact indicator for the project, to be measured two to three years after completion, will be investment retained as a result of early detection and resolution of investor grievances.

Albania Investment Policy and Promotion

IPP activities in **Albania** progressed as planned and all inputs from IFC have been accepted by the Albanian Investment Development Agency (AIDA). Engagement between the project team and AIDA has yielded 52 investor and private partnership leads. Albania continues to solidify the institutional setup to ensure proper implementation, including through AIDA. IFC contributions to building AIDA's capacity to perform investment protection and aftercare services were critical for facilitating repeat investments. Through AIDA's help to investors to solve construction, taxation, and customs clearance issues, three firms (Albaco Shoes, Forscher automotive manufacturer, and Hesarence shoe manufacturer) have invested an additional $10 million, creating 2,000 new jobs, including for 1,580 women. The project continued to support the Ministry of Finance & Economy (MFE) in finalizing the draft Unified Investment Law, based on consultations and technical workshops with a wide range of stakeholders. The project conducted additional public consultations with business associations, private firms, law firms, and accredited embassies in Albania. Outcomes of these consultations were documented, and a final draft submitted to the MFE in June 2019.

$10m → **2,000** → **1,580**

Through AIDA's help, three three firms (Albaco Shoes, Forscher automotive manufacturer, and Hesarence shoe manufacturer) **have invested an additional $10 million**

new jobs created
with the $10 million investment

jobs went to women
of the new jobs created

Female worker in footwear factory using sewing machine to stitch on shoe component. *Photo: Bigstock*

Georgia Investment Policy and Promotion

The economy of **Georgia** has been one of the fastest growing in the Europe and Central Asia region over the past decade, with an average GDP growth rate of 3.9 percent. The government has achieved consistent macroeconomic stability and has implemented reforms that raised Georgia's position in the *Doing Business* rankings dramatically, from 112 in 2004 to 7 in *Doing Business 2020*. Georgia's EODB score has improved by 6.25 percentage points since 2016 and stands at 83.7, indicating it is more than 80 percent of the way toward the theoretical world's best for ease of doing business. Georgia recently faced a regional economic slowdown and currency depreciation brought about largely by external factors. Exports fell by an estimated 27 percent from 2013 to 2016 as a result of economic weakness in major trading partners, including Azerbaijan, Armenia, Russia, Turkey, and Ukraine. Exports gradually recovered, but the sharp depreciation of currencies in Russia and Ukraine imposed an additional drag on Georgia's economic performance and market certainty. FDI inflows have lagged expectations, declining in each of the past five years except 2017.

FIAS-supported IPP work assisted the Business Ombudsman (BO) of Georgia—who worked closely with Enterprise Georgia—to complete an institutional assessment report which helped to identify five priority sectors for investment promotion: aerospace and aircraft components; automotive components; business process outsourcing and business process management (BPO/BPM); electronic manufacturing services; and apparel and light manufacturing.

FIAS-supported IPP work assisted the Business Ombudsman (BO) of Georgia with implementation of SIRM, which aims to improve data gathering and keep the tracking system sustainable over the long term. Businesses reported that investments retained in 2018 amounted to $80 million, or 6 to 7 percent of the attracted investments in Georgia. The number of jobs retained was 3,208. Jointly with the BO office, the project organized a presentation for the business community in February 2019 to report portal results, attended by more than 200 individuals and business representatives. The project also organized a capacity-building event in May for the BO office, to help staff better analyze portal data, support the mediation process on behalf of businesses, strengthen problem-solving techniques, and improve dispute settlement practices. The project worked closely with Enterprise Georgia to complete an institutional assessment report, a sector scan, an inventory of incentives for investors, and a strategic operating and marketing action plan. This work helped identify five priority sectors for investment promotion: aerospace and aircraft components; automotive components; business process outsourcing and business process management (BPO/BPM); electronic manufacturing services; and apparel and light manufacturing.

Kyrgyz Republic Investment and Growth Project

Since independence from the Soviet Union, the economy of **the Kyrgyz Republic**—an IDA borrowing country—has depended on a limited number of sectors to provide growth and employment. The country has been making a concerted effort to reform, making the *Doing Business 2020* list of the top 20 reforming countries and logging improvements in the areas of getting electricity, getting credit, and paying taxes. Its latest *Doing Business* ranking is 80, up from 102 in 2015, and its EODB score is 67.8, an improvement of just over 7 percentage points in that time. Still, in recent years, growth in traditional sectors such as agriculture and manufacturing has dropped significantly. FDI dropped markedly in 2017 compared with 2015. In the Doing Business indicator on investor protection, the Kyrgyz Republic has the lowest ranking in the Central Asia region. The project's objective is to stimulate growth of the underexploited tourism sector by removing economy-wide and tourism sector-level impediments, strengthening the investor protection mechanism, and increasing transparency by closing the regulatory implementation gap. The project supported the Ministry of Economy in preparing recommendations for the investment law for consideration and started reviewing international investment agreements. The project assisted the ministry in establishing the legal ground for the creation of an e-registry on administrative procedures in tourism. The team also prepared an amendment to the Permit Law, which is a prerequisite for e-registry assessments, which increase transparency and develop clear regulatory frameworks related to administrative procedures. To prevent grievances from escalating into investment disputes, the Kyrgyz Government requested that the project review the Bilateral Investment Treaties and strengthen the Investor Grievance Mechanism.

Bread sellers in local market in Bishkek, capital of the Kyrgyz Republic. *Photo: Bigstock*

Peru Regional Growth

The economy of Peru has become less diverse and increasingly dependent on extractive industries. Over the past 30 years, extractives dependence as measured by contribution to GDP has increased by 52 percent. Extractives account for two-thirds of total country exports, half of foreign exchange, and 12 percent of GDP. The volatility in commodity prices, meanwhile, has made the outlook for this sector increasingly pessimistic. The challenges to diversification are threefold: regulatory, competition-based, and strategic. Peru remains a very difficult place to start a business, with a *Doing Business* rank of 114 of 190 economies for the ease of starting a business, comparing unfavorably to other countries in the region such as Colombia (96) and Chile (89). Peru's diversification strategies are designed at the national level and poorly coordinated at regional level. Peru's *Doing Business* ranking has declined from 35 in 2015 to 76 in the *Doing Business 2020* report.

IFC and World Bank teams, with FIAS support, are providing diagnostic and technical assistance at the national and regional levels, with a focus on assistance to selected pilot sectors and focal regions. The project will also support the strengthening of a coordinating government entity that can guide diversification efforts and serve as our main counterpart. The program focuses on tourism, Subnational Doing Business (SNDB), competition policy, and IPP. In tourism, after delays due to political adjustments, three cooperation agreements were signed on July 1, 2019, covering regulatory reform, investment promotion, and statistical improvements. In March 2019, an SNDB event in Lima was attended by mayors, municipal officials, and representatives from local and national public agencies and the judiciary. The National Council of Competitiveness and Formalization highlighted the contribution made by the SNDB study to advancing policy goals for national competitiveness and productivity and informing the design of regional competitiveness plans. Competition policy work continued with knowledge exchange and capacity building as part of pre-implementation activities. IFC organized a high-level virtual peer-to-peer workshop in March 2019 with six international authorities to exchange experiences of national competition policies. The IPP team conducted a second pre-implementation mission to finalize design of the project in January 2019. The areas of support agreed upon were creation of a unit in the country's tourism promotion commission to promote FDI in productive sectors, a diagnostic to identify constraints to attracting, retaining, and expanding private foreign investment, and drafting of a comparative technical note on investment incentives in the Pacific Alliance.

Double-decker bus passes in front of San Cristobal church with a panoramic view of Cusco City, Peru. *Photo: Bigstock*

Investment Generation and Improved Competition in the Philippines

The Philippines Agribusiness Trade and Competitiveness project completed implementation in March of 2019 having succeeded in enhancing agri-fisheries' trade connectivity through regulatory changes across two components and clients: domestic shipping under the Department of Transportation and agricultural quarantine under the Department of Agriculture. Through targeted reforms in eliminating competition constraints in domestic shipping licensing, and promoting risk management in agri-quarantine, the project generated $34 million in additional investments in domestic shipping (exceeding the project target of $17 million), and $3 million in private sector savings for agricultural importers (the latter still pending M&E validation). The project also laid the foundation for promoting competition policy and trade facilitation as important reform commitments for the Philippines. With the help of substantial FIAS support from FY13 through FY16, the project team helped improve competition in the transportation and logistics sectors through three interventions:

- Lowering the ability of incumbent firms to delay the entry of new competitors and promoting greater flexibility in the deployment of ships.
- Limiting the conflict of interest of the port authority as regulator and operator.
- Improving access to market information through the creation of a national database for maritime sector performance.

The primary reforms achieved for the project were more pro-competitive processing for shipping licenses for domestic firms due to changes in the licensing process that no longer allow incumbents to utilize economic criteria for opposing the entry of new firms, passage of the terminal management guidelines that promotes the Philippine Ports Authority's use of fixed concession fees to decrease benefits from port charge increases and allow for greater private participation in the ports sector, and the completion of the maritime database.

Beyond these reforms, the project also supported two pieces of landmark legislation in enhancing competition in the domestic shipping sector that go beyond the expected project reforms. The first was the Foreign Co-Loading Act that allows foreign-owned vessels to participate in the inter-island movement of imported and exported cargo. The second is the passage of the Philippine Competition Act, a landmark law that tackles and punishes anti-competitive behavior among firms. These two reforms enhance the overall results of the project by institutionalizing the implementation of pro-competition programs, not just in domestic shipping, but across all industries in the Philippines thanks to the creation of the Philippine Competition Commission.

Man carrying bundle of rice. Macalelon, Quezon, Philippines. *Photo: Danilo Pinzon/World Bank*

Agribusiness Product Development Project

During the year the Agribusiness PDP has continued to exceed its targets by actively contributing to strategy support work, development, and dissemination of knowledge and best practices, and to provide project support both operational and advisory. In terms of strategy work, the PDP contributed to the Maximizing Finance for Development agenda in agriculture, notably by publishing with IFC and the Agriculture Global Practice a working paper on The Future of Food: Maximizing Finance for Development in Agricultural Value Chains. Knowledge activities have been focused on disseminating the knowledge produced in FY17, notably the Agribusiness Gender Mainstreaming Guidelines, the Agribusiness SME Toolkit, and the Seeds for All Toolkit, and on developing the Food Safety Staff Training Course Toolkit.

94 projects

By the end of 2018, FCI agribusiness portfolio consisted of 94 advisory projects

- **32 leading operations,**
- **26 active, 6 pipeline,**
- **31 lending operations from Agriculture Global Practice**

$295m

of new investment

$227m

of private sector savings

Project support provided by the PDP has also contributed to an increasing number of agribusiness-related projects receiving a green light from Bank Group management. Already 11 projects have managed to clear key approval milestones after having received design inputs leveraging the knowledge produced by this PDP, namely the Agribusiness Gender Guidelines (2 projects), the Agribusiness SME Toolkit (7 projects), and the Seeds for All Toolkit (2 projects). An additional 44 projects managed to clear similar approval milestones after having received design support facilitated by the PDP.

As this project is about to close, great attention will be spent over the next six months on documenting the lessons learned during its successful implementation. Despite shortfalls in budget and staffing (see relevant sections), the PDP is on track to meet or exceed all its targets in terms of support to the agribusiness portfolio of the Finance Competitiveness & Innovation Global Practice (FCI) and to agribusiness projects across the Bank Group.

By the end of calendar year 2018, the FCI agribusiness portfolio consisted of 94 advisory projects (pre-pipeline, pipeline, and active), 32 lending operations (26 active, 6 pipeline), and 31 lending operations from the Agriculture Global Practice, receiving cross support from FCI. **From January 2016 until December 2018, the FCI agribusiness IFC Advisory portfolio alone achieved:**

- The opening of eight markets thanks to food safety reforms (exports from Bosnia and Herzegovina now possible for milk and potatoes to the European Union, exports from Ukraine to the EU for poultry and dairy, to China for frozen beef, Saudi Arabia for 80 types of food products, Turkey for beef; the ability of Senegal to export mangos to the EU was maintained).
- Warehouse receipt system (WRS) laws and regulations were adopted in four countries (Côte d'Ivoire, Malawi, Niger, and Senegal) contributing to the facilitation of about $64 million of lending against stored agricultural goods across the WRS project portfolio.
- $295 million of new investment generated by investment promotion activities in Albania, Bosnia and Herzegovina, India, Kosovo, the Kyrgyz Republic, Madagascar, Mauritania, and Pakistan, and 333 investor leads generated.
- 458,000 farmers reached through market linkages work, and more than $227 million of private sector savings for trade logistics and compliance cost savings in Armenia, Bosnia and Herzegovina, India, the Kyrgyz Republic, Liberia, Mali, Madagascar, Moldova, Pakistan, Ukraine, and Zambia.

Ghana Agribusiness

The **Ghana** investment climate project focuses on agribusiness and has made significant progress, with key outputs delivered including five policy notes advocating for key reforms of the investment code, providing input for a draft bill now before the cabinet for approval, as well as supporting capacity building of the Ghana Investment Promotion Centre (GIPC) in planning and participating in key investment promotion missions in Dubai, Malta, France, and Japan. Implementation is proceeding well albeit with some delays as a result of a policy change and budget reduction in the agricultural sector. The team has initiated restructuring to reflect these changes. Revised work plans were expected to be in place before the end of calendar year 2019. Originally, the team sought to deliver at least one reform to improve regulatory oversight and promote sustainability in the cashew and palm oil sectors. Revised plans seek one legal reform for the Ghana Tree Crop Development Authority (GTCDA) to improve regulatory governance and efficiency as well as promote diversification and sustainability in the agribusiness sector by establishing a new best-practice regulator for four priority crops. The restructured approach is part of an effort to diversify the agriculture sector through creation of the new GTCDA in lieu of proposed boards for cashew and palm oil. The project provided just-in-time support for stakeholder consultations in two workshops and input on the legislation establishing GTCDA. The team also supported Ghana's participation in a regulatory governance conference in the United Kingdom.

Factory workers producing fresh fruit drinks at Blue Skies, in Nsawan District, Ghana. *Photo: Dominic Chavez/World Bank*

Modernizing Senegal's Mango Market

The mango export industry, an important agribusiness sector for **Senegal**, has been under substantial pressure from authorities in the EU following increased interceptions of containers contaminated with fruit flies. Such seizures lead to the destruction or return of entire containers of produce. This not only has a devastating impact on the sector's profitability, but also damages the reputation of the exporting country in its ability to control the presence of forbidden pests. The FIAS-supported Invest West Africa–Senegal Agribusiness Competitive Advisory Project, which will continue into FY21, is working on several fronts to significantly improve the business climate and performance of the mango export sector and foster public-private collaboration.

Senegal has been among Africa's most stable countries, with three major peaceful political transitions since independence in 1960. Prior to the COVID-19 pandemic in 2020, Senegal's economy was growing by over 6 percent per year on average since 2014. Offshore oil and gas production is expected to commence in 2022. All sectors supported growth in 2018, but agriculture—bolstered by support programs, robust external demand, and large public infrastructure investments in the context of the country's Plan for an Emerging Senegal (*Plan Sénégal Emergent* or PSE)—remained the key driver.

In late 2017, following a steep increase in the number of mango containers found to be infested with fruit flies, the European Commission issued a warning to the Senegalese sanitary and phytosanitary authority, the *Direction de la Protection des Végétaux* (Crop Protection Services, or DPV), urging it to take bold measures to address this issue. The EU indicated that failing to do so would translate into restrictive import measures for mangoes originating from Senegal, threatening $13 million in annual export revenue and 12,000 jobs in the country. This access-to-markets challenge risked scaring away existing and potential investors. In response, the project supported DPV in facilitating a public-private dialogue platform to rapidly develop and validate new procedures to reassure the EU and lower the number of interceptions.

The efforts paid off. Regulatory reforms around the SPS certification system, with IFC technical assistance, have been adopted along with a stronger collaboration between private operators and the government. The number of mango interceptions in the EU decreased from 24 in 2017 to only 10 in 2018, despite a 7 percent increase in export volume, representing more than 21,000 metric tons. Thanks to these reforms, Senegal is now better equipped for the stricter EU regulations that entered into force in September 2019 and apply to all fresh fruit and vegetable suppliers. The project will continue supporting the DPV and private actors, notably by exploring how digitization can help secure market access for Senegalese horticultural exporters and improve the country's competitiveness in the sector.

Moving into FY20 and FY21, the project will take its concluding steps and deploy the Commango application, a practical solution that will connect smallholder farmers in poorer Casamance with market players, including exporters, processors, and local distribution networks, as well as financial institutions. Commango will not only provide detailed information on mango availability, but also share data on local suppliers (farmers and aggregators) and product quality. Finally, the project will promote agribusiness investment opportunities to local and international potential investors and financial institutions by developing a set of Agribusiness Strategic Briefs and associated Business Models, in close collaboration with APIX, the investment promotion agency of Senegal, which aligns with the FIAS objective of increasing private investments as well as exports.

6%

economic growth

Senegal's economic growth has been high, over 6 percent per year on average since 2014.

7.2%

economic growth

Senegal's economic growth accelerated to 7.2% percent in 2017.

6.8%

economic growth

in 2018

The FIAS-supported Invest West Africa–Senegal Agribusiness Competitive Advisory Project, which will continue into FY21, is working on several fronts to significantly improve the business climate and performance of the mango export sector and foster public-private collaboration.

Senegal's mango market brings in $13 million in annual export revenue and 12,000 jobs in the country.

Mango farmers in Senegal. *Photo: Bigstock*

ECA Agri-Finance in Azerbaijan

The ECA Agri-Finance Project is assisting **Azerbaijan** in fostering greater economic competitiveness and diversification in the agriculture sector—which employs nearly 40 percent of the workforce—by facilitating access to finance to improve the competitiveness of agriculture value chains. The project will increase yields, farmer incomes, and growth to diversify the economy and improve rural development. With respect to facilitating finance to the agriculture sector, the project wrote five value chain reports to identify highly profitable value chains with the potential to be regionally and globally competitive. Six value chains were identified: pomegranate, sweet cherry, apple, hazelnut, persimmon, and strawberry. These were further explored to tighten the value chain. Specific companies and farmers held three round tables to determine the financing and investments required to increase the quality, quantity, and delivery of products to the highest paying market. Specific financial products were identified to bring additional sales and higher prices to benefit members of the whole chain. To engage financiers, the project held two conferences involving 68 participants in discussions of agri-finance methodologies, tools, and produce design for banks and micro-finance institutions. The project launched a risk mitigation tool adapted to local market crops so financial institutions could make robust, standardized, and quick credit risk assessments of new agricultural clients. Six proposals were submitted to clients for agri-finance advisory services. It is anticipated that at least two banks and two value chains will commit to advisory services to facilitate lending to the sector.

Exploring the Potential of Tourism in West Africa

Tourism in West Africa has traditionally been a strong sector. However, following increased competition from North African destinations and several bouts of instability, the industry has seen a decline. The drop-off has been particularly pronounced in the leisure tourism segment, a trend contrary to global growth in leisure tourism over the past few years. The main barriers to growth for this segment, and for most destinations outside the capital cities, include poor image and promotion, access and infrastructure, reduced product development, undeveloped markets, poor quality and value for money, and weak regulation and enforcement in licensing and grading. Addressing these barriers will open new opportunities and markets for private investment, tourists, and local participation in tourism value chains. The objective of the Invest West Africa tourism project is to increase private sector investment and increase local content in selected tourism value chains in West Africa. The interventions aim to spur greater competitiveness of key tourism value chains demonstrated through at least three investments. The project also aims to promote greater inclusiveness of selected value chains and destinations demonstrated by a 5 percent revenue increase by local firms above baseline growth in Saly, Senegal, or in a selected supply chain. The value chains of focus are in international business tourism and Meetings, Incentives, Conferences, and Exhibitions. The project target is to contribute to the generation of $20 million in private sector investment. Since the project's initiation, there has been notable progress in Côte d'Ivoire and Senegal, where the governments have committed staff time to increase public-private dialogue in tourism value chains. The project is expected to provide linkages between intermediaries and tourism firms to strengthen and create new markets and chains. Tourism in these nations has the potential to affect vast change by bringing new income to these traditionally low-income countries and will allow this region to stay competitive with the rest of the continent. Where wildlife tourism is involved, improved management and enlargement of protected areas also deliver environmental benefits in the areas of greenhouse gas reduction and biodiversity protection.

FIAS-supported Global Agribusiness

80% increase

in Ukrainian poultry exports annually

In **Ukraine**, legal and regulatory reforms created new markets for poultry and dairy producers, enabling them to access EU markets for the first time. In the poultry sector, **the first round of reforms led to an 80 percent annual increase in Ukrainian poultry exports.**

$160 million

in annual compliance cost savings in the Ukrainian dairy sector

In the **Ukraine dairy sector**, the work has generated an estimated **$160 million in annual compliance cost savings for Ukraine's dairy producers**, as well as creating new export markets for Ukraine to both the EU and China.

Indonesia Tourism

The Bank Group shared international best practices in tourism investment promotion at a workshop on Attracting Better Investment in the Tourism Sector, which led to a more detailed proposal to support the Government of **Indonesia** on this topic. The team held the kick-off meeting with all stakeholders on March 29, 2019, including the Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*), the investment data service for foreign investors in Indonesia, the Ministry of Tourism, the tourism authority agencies, and local one-stop shop representatives. Participants concluded that there is a need for a paradigm shift in the way they work together to make tourism investment promotion more effective. In late FY19, the team prepared draft course material for the first series of workshops, initial reflections on stakeholder mapping, data analysis, and proposed cooperation arrangements and protocols for early FY20 delivery.

Kyrgyz Republic Tourism

The investment and growth project in **the Kyrgyz Republic** initiated two assessments in the tourism sector in FY19. A market segmentation study will provide practical and actionable information toward a specific investment plan to develop the identified and prioritized market segments. Second, a financing gap assessment in the tourism sector will measure demand for finance among SMEs and assess the financial products available for tourism SMEs. In addition, the team has started analysis of the voluntary star certification scheme for lodging services and is working closely with the Country Private Sector Diagnostic team on connectivity issues.

Helping Jordan Compete in Demanding Markets

The National Quality Infrastructure (NQI) project in Jordan has been in pre-implementation through most of FY19 and is about to enter the implementation phase. Adverse external shocks, most notably the Syrian civil war, have curtailed economic growth from 6.5 percent during the 2000–2009 period to 2.5 percent from 2010–2017. The loss of key markets in neighboring Iraq and Syria reduced exports from 58 percent of GDP in 2008 to 34.9 percent in 2017. Jordan is looking to find new markets. To do so it must compete in more demanding markets with stricter requirements for product quality and safety.

Jordan has benefited from relaxed rules of origin to gain access to EU markets for fresh agricultural products and pharmaceuticals. But overall, the quality of Jordanian products is insufficient to gain sustainable access to sophisticated markets. The private sector and government lack information on requirements in target markets in the EU, Asia, and the Gulf Cooperation Council countries. This puts them at a disadvantage on the global stage. The lack of information stems from the absence of an NQI policy. The existing NQI system is inefficient due to overlap, duplication, vague mandates, and non-transparent rules of standards and technical regulations. Another factor is the public sector's inability to support compliance with the requirements of crucial export markets because the system is not aligned with international best practices. The work of integration of standardization, conformity assessment, metrology, and market surveillance are concentrated in a single agency, which creates conflicts of interest and restrains effectiveness of work that can be done. The project seeks to improve the competitiveness of Jordanian producers in international markets and thus increase Jordanian exports. The approach involves improving the access of Jordanian producers to essential NQI services by modernizing NQI in line with international and regional practices, supporting international recognition of the state NQI system, and reducing the cost of private sector compliance with national regulations through implementation of best production and regulatory practices and standards by the public and private sectors. The project will focus on industrial products, agricultural and food products, and pharmaceuticals.

Pillar 3

Increase
Firm-Level Competitiveness

Under Strategic Pillar 3, FIAS supports work with clients to develop more productive and competitive firms that can seize opportunities in local, regional, and global markets, and drive economic growth. The work in this area supports economy-wide and market-level reforms by helping clients develop policies that help businesses invest in improved products, use climate-efficient technologies, modernize production processes, and enhance worker skills. Like much of the work of the global practices, initiatives that advance Pillar 3 touch on multiple themes and regions.

ComPEL Works to Deepen Effectiveness of Impact Evaluations

The FIAS-supported **Competitiveness Evaluation Lab, or ComPEL**, supports impact evaluation clusters in advancing the global knowledge frontier on how to achieve impact by building the capacity of client institutions and staff and improving the quality of project design and implementation. ComPEL measures impact *and* improves the quality of country programs by moving beyond Doing Business-level reforms to address constraints and design interventions, seeking both immediate and long-term benefits. In FY19 ComPEL continued the implementation of seven randomized control trials, piloting programs that identify firms with high-growth potential, programs that connect businesses to new markets and improve regulatory efficiency.

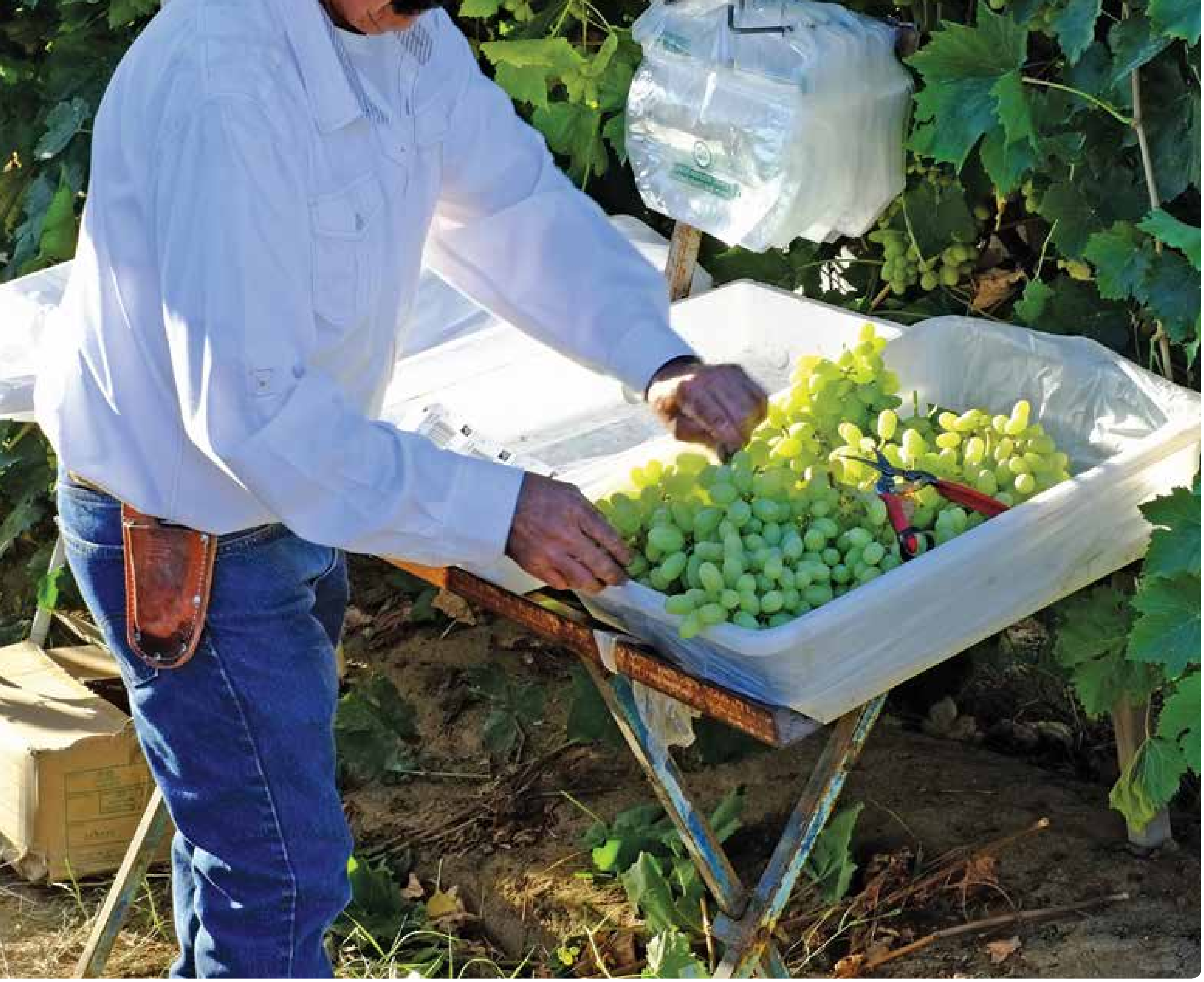
Identifying high growth potential: In **Mexico**, the baseline report was completed and 171 firms selected for matching grants are currently undertaking various investment activities. In **Georgia**, the e-commerce intervention has been adjusted to include in-situ training and a guaranteed online command as incentives to participate. The baseline report is currently being drafted. In **Kenya**, the business plan competition was launched following the completion of the management information system and the design of application forms. In **Nigeria,** a follow-up survey was completed on the intervention studying the impact of providing SMEs with outsourcing or insourcing of workers with certain skills.

Connecting business to access new markets: In **Ethiopia**, the team advanced the design of the pilot and started baseline preparations.

Improving regulatory efficiency: In Peru a group of inspectors was trained following the development and piloting of the system for electronic inspections in various municipalities. And in **Kenya**, a follow-up survey was completed for the safety inspections impact evaluation.

ComPEL also launched a call for expressions of interest for which 15 new potential impact evaluations were selected out of 34 applications. Those projects were invited to the Flagship Impact Evaluation Workshop planned for September 2019. Out of the 34 submissions received, 18 involved two new clusters launched earlier this year: access to SME finance and technology adoption. New impact evaluations are expected to be launched in FY20. ComPEL's systematic review on technology adoption is under way. The protocol of this review was published in July 2018. The abstracts of the 42,435 papers that resulted from applying the predetermined search were screened, and out of these, 1,610 were selected for in-depth review, with 154 ultimately being selected to be included in the analysis. Regarding the operationalization of research, ComPEL organized seven events including five conferences or seminars (in Panama, Lima, and Washington, D.C.) and two client workshops (in Lima).

Downtown Miraflores in Lima, Peru. *Photo: Bigstock*



Man harvesting grapes in one of Mexico's wine-producing vineyards. *Photo: Bigstock*

FIAS Leverage

Vietnam Private Sector Competitiveness

The **Vietnam** Private Sector Competitiveness project implementation plan was approved in June 2017. The objective is to enhance the competitiveness of Vietnam's private sector by fostering linkages between FDI and domestic firms. Vietnam's rapid growth over the past decade is moderating and requires new drivers. Vietnam ranked 70 in *Doing Business 2020,* up from 78 in 2015, with an EODB improvement of 5.38 percentage points over that time, to 69.8. Two major outcomes were achieved during FY19: (i) the Prime Minister endorsed the government proposal for FDI orientation by 2030 which integrates some of IFC's major recommendations to attract FDI with higher domestic value-added activities and increased FDI linkages and spillovers; and (ii) the Phase I Supplier Development Program was successfully completed with significant improvements in supplier performance as reflected by an average 20 percent improvement in the project's business review scores in key competitiveness areas.

The proposal to improve the quality and effectiveness of attracting and using FDI by 2030 focuses on reforming the investment incentive regime, modernizing investment promotion and proactively promoting targeted sectors, restructuring the Foreign Investment Agency to lead strategy implementation, opening sectors to FDI that underpin competitiveness and growth, establishing an investor-state dispute prevention mechanism, and improving the investment climate.

Key activities in the SIRM pilot included establishment by the Ministry of Planning and Investment (MPI) of an SIRM taskforce comprised of representatives from relevant MPI departments. The project is supporting the taskforce in tracking 25 grievance cases, identifying $1.1 billion at-risk investments, and conducting in-depth analysis of 14 cases with the highest risk of escalating to investor-state disputes. To strengthen FDI linkages with SMEs, the Vietnam Industry Agency developed a supplier database modeled on a concept developed by IFC and informed by feedback from multinational enterprises participating in the Supplier Development Program. IFC completed the first phase of the pilot Supplier Development Program, with two business reviews and three two-week trainings for a local supplier group of 45 firms. The trainings, attended by multinational enterprises, covered subjects critical for competitiveness improvements. After 10 months of implementation, the suppliers improved their performance significantly, with the top quarter of achievers improving their scores over 40 percent. To prepare for Phase II, which runs from August 2019 to August 2020, IFC selected the top 25 high-potential and committed firms from the Phase I companies. These will receive mentoring and customized coaching. Next steps in FY20 include strengthening the FDI policy framework to promote linkages and spillovers, assisting in the dissemination and implementation of the revised Law on Investment, continuing support for the SIRM taskforce, and continuing implementation of the SDP.

Vietnamese farmer harvesting mustard greens in agriculture field in Lâm Đông, Vietnam. *Photo: Bigstock*

Colombia Productivity and Jobs

The economy of **Colombia** relies heavily on extractives. While GDP growth has been steady for decades, productivity growth has been nil. Colombia's Doing Business rank has dropped from 34 to 67 over the past five years, and its EODB score has eroded by more than 2 percentage points. This poor performance can be explained by low firm productivity growth due to factors internal to firms, such as sub-optimal managerial and organizational practices, scarcity of talent, low levels of research and development, and resulting absence of innovations. External factors include government policies and regulatory issues. To address these constraints, the project aims to (i) improve capabilities of firms and national and subnational government to promote export growth and science, technology, and innovation (STI) investment; and (ii) strengthen the regulatory framework and reduce regulatory barriers at the national and subnational level. The project focuses on promoting export growth and STI investment through technical assistance to Colombia's development agency, *Colombia Productiva*, to improve the practices of SMEs with strong export potential. Baseline data was collected, with follow-up data to be collected in 2020. The team also supported private sector-driven STI investment by delivering all five products agreed upon in the Cooperation Agreement with Colombia's National Planning Department, with results and recommendations presented at a government event in December 2018. In January 2019, technical workshops were carried out to strengthen capacities at the subnational level as part of the monitoring and accompaniment phase of the project.

The second part of the project concerns improving regulatory and business environment and increasing competition through strengthening regulatory governance. Dialogue with the new government covered issues relating to improving the transparency, efficiency, and predictability of the regulatory environment. The discussions resulted in signing of a cooperation agreement in June 2019, with implementation beginning the following month. The team also works on Subnational Doing Business reform memos. They completed reform matrices with detailed action plans and recommendations for the cities of Pasto and Ibagué. Local authorities have begun using them to implement reforms and prepare action plans to be delivered to incoming administrations in January 2020.

Members of a passion fruit producers' alliance near Buga, Colombia. *Photo: © Charlotte Kesl/World Bank*

04

FIAS-supported Work in Programmatic Themes

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

FIAS-funded work under the three strategic pillars supports global, regional, and country-specific initiatives under **programmatic themes**. The FIAS FY17–21 strategy identifies these as **Gender and Inclusion**; **Transparency**, **Political Economy**, and **Sustainability of Reforms; Green Competitiveness**; and **Targeting High-Growth Business**. Examples of how these themes are integrated into FIAS client-facing projects appear throughout the previous chapter. This chapter outlines the overarching approach to this thematic work, while country-specific narratives touching on these themes are found in Chapter 3. This chapter also summarizes work in monitoring and evaluation (M&E), and knowledge management (KM).

Gender & Inclusion

Transparency, Political Economy, Sustainability of Reforms

Green Competitiveness

Targeting High-Growth Business

Gender

In FY19, the FIAS-supported Gender Team continued to serve as Equitable Growth, Finance and Institutions' (EFI) gender focal point for the World Bank Gender Group and IFC's Gender Secretariat, contributing to integrating gender work across a large portfolio in the EFI practice group and deepening operational expertise and analytics with respect to gender-sensitive project design. As one key result of this effort, EFI increased the share of projects that were gender tagged to 48 percent as of the end of FY19—up from 41 percent in FY18. (For a project to be gender-tagged, it must meet three criteria: analysis, action, and measurement.) EFI is well on its way to meet its ambitious target of 55 percent gender- tagged by FY20.

In IFC Advisory Services, which include the FIAS client-facing portfolio, 21 percent of the projects were 'gender-flagged' in FY19. Through the first quarter of FY20, 54 percent were gender-flagged, ahead of the 40 percent target. There are three elements to gender tagging: (1) A project needs to have done specific analysis of gender gaps in the area of the project; (2) there must be action to address the gap; (3) there has to be an indicator in place to monitor results.

Substantively, the team focused activities on two key areas: (i) supporting staff across EFI in improving gender outcomes in projects and analytical work; and (ii) providing ongoing technical, strategic, and analytical support to the World Bank Group's Women Entrepreneurs Finance Initiative program (WBG We-Fi). It is worth noting that 7 of the 16 countries with Multi-Country Investment Climate Program (MCICP) projects in implementation or pre-implementation in FY19 also have WBG We-Fi projects.

The team considerably deepened and broadened collaboration across EFI, by developing EFI Gender Strategic Collaboration Guidelines as well as EFI-wide briefing materials on gender. It also identified good-practice projects and raised awareness on topics of cross-cutting significance, for example, gender-based violence and gender-based budgeting. The team developed a comprehensive Good-Practice Project Implementation Guide and a series of Good-Practice Project Briefs, an EFI-wide Gender Results Framework, and further expanded the Gender Community of Practice (CoP) membership to more than 200 participants. As in previous years, the team organized learning sessions and hosted gender events with relevance across multiple practices. These included sessions on Collecting Data on Female Entrepreneurship; Gender Tag Training Workshops; and a series of CoP sessions on topics such as Care, SME Development & Growth, Gender Data, and the World Bank's flagship report, *Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa*.

Gender Data Collection in Tunisia

The Tunisia Investment Climate project team facilitated data collection for Doing Business and Women, Business and the Law.

- The project team followed up with the government on short- and medium-term reforms needed to improve on 10 Doing Business indicators. Many of these recommendations informed development of provisions in the country's investment climate law covering starting a business, protecting minority investors, and enforcing contracts.
- The team concluded that Tunisia has opportunities to close the gap with global leaders in six of the regulatory areas measured by Women, Business and the Law: starting a job, getting paid, getting married, having children, running a business, and managing assets. Areas ripe for reform include women's access to equal remuneration for work of equal value, women's ability to choose a job without limitations, guaranteeing women's return to work after maternity leave, and guaranteeing nondiscrimination in access to credit. The project will ensure that reform implementation will include specific gender elements.

Seamstresses working in an Ethiopian textile factory. *Photo: Leonid Mujiri/World Bank*

04

FIAS, Africa and Women, Business and the Law

Going forward, FIAS, with the help of grant support from Norway, will be undertaking a Women, Business and the Law (WBL) advisory initiative in Sub-Saharan Africa. Four to five countries will receive WBL technical assistance to remove obstacles to women's participation in the economy. Across Africa, laws in some 43 countries impose obstacles on women to starting and running a business; in the same number of countries, there are no legal prohibitions on gender-based discrimination in issuing credit. Women are barred from working in certain industries in 31 countries. In 18 countries there are no legal protections for women against domestic violence, and no legal right to remarry. And in 16 countries there are no legal protections against harassment in the workplace. Participating countries will be selected based on performance on the WBL index, the likelihood of passing and implementing reform, and the availability of reform champions. Client demand for the advisory services, and status as IDA and FCV states will also be factors in selection. Countries that have already expressed interest in participation in the program include Mauritania, Nigeria, Rwanda, Sierra Leone, South Africa, and Togo.

Targeting High-Growth Business

The FIAS-supported Supporting High-Growth Firms product development project (PDP) concluded successfully in FY19, having achieved its objectives of supporting client-facing projects and building knowledge leadership in support of World Bank and IFC efforts to help clients identify and foster developing country businesses that contribute the most to job growth. The initiative, one of the innovations included in the FY17–21 FIAS strategy, sought to help governments boost the competitiveness of growth-oriented businesses. The research-identified solutions targeted toward key stages of the business lifecycle, namely, start-up and formalization and at growth points as young businesses established linkages to lead firms and value chains.

The knowledge developed by the project was based on a combination of empirical research, impact evaluations, and analysis of case studies. The project contributed to design, implementation, and evaluation of firm-level support policies relating to a World Bank investment competitiveness project in **Ecuador,** IFC investment competitiveness projects in **Bangladesh** and **Panama**, a World Bank initiative focused on helping small and medium enterprises access public contracts, and two IFC global projects—both supported by FIAS—on investment climate applied research and business environment reforms. A key achievement of the project was the analysis of firm-level information that allows the identification of high-growth firms and an estimation of the impact of policy interventions. Bank Group knowledge products that benefited from this project included the flagship *Global Investment Competitiveness Report* 2017/2018 (a second edition is due out in calendar year 2020), a chapter in the flagship report, *High-Growth Firms: Facts, Fiction, and Policy Options for Emerging Economies*, and a chapter contribution to *Raising the Bar for Productive Cities in Latin America and the Caribbean*.

With planning beginning for the FIAS FY22–26 strategy cycle, both global and regional teams will be incorporating lessons learned from the high-growth firms PDP, including:

- Engaging in project design and implementation early in the PDP process. The team waited to begin piloting client-facing interventions until the analytical framework was completed. That made it difficult to engage with project teams because key client-facing projects were already designed and staffed.
- Creating a project design flexible enough to adjust to changing operational priorities of the World Bank Group. A Bank Group restructuring during implementation of the project affected its development.

- Conducting a comprehensive recruitment process at the beginning to source support as needed; maintain a roster of consultants and experts who can provide support at different stages.

- As the Vietnam Private Sector Competitiveness project showed, working to upgrade the capabilities of a sizable group of firms using in-depth support requires extensive staff time and funding. The resources necessary for effective implementation of such projects is much greater than is typical for traditional advisory services.

Transparency, Political Economy, and Sustainability of Reforms

FIAS-supported reforms contribute to greater transparency and better economic governance by simplifying cumbersome and ineffective regulations. A key to this line of reform work is ensuring higher levels of information disclosure, often by harnessing online technologies that improve the quality and ease the accessibility of information, while increasing the transparency of government services. Developing countries need to do this not only for the benefit of their domestic private sector but also to enhance their ability to meet stringent international norms pertaining to transparency and accountability. As the FY19 Annual Review makes clear, transparency-oriented initiatives appear across the FIAS portfolio. The productivity project in **Colombia** includes elements to improve the transparency and predictability of the regulatory environment. In **the Kyrgyz Republic**, FIAS support is helping increase transparency as well as the sustainability of reforms by closing a gap between regulatory reforms on paper and their implementation in practice. FIAS support is helping **South Africa** improve transparency in the Doing Business indicators on getting electricity, construction permits, and registering property. The Tajikistan Business Environment project

Construction workers filling up cement mixer on a construction site in Johannesburg, South Africa. *Photo: Bigstock* addresses a licensing and permitting system lacking in transparency. Similar initiatives are key parts of investment climate projects in **Ghana** and **Jordan**.

One reason for the decline in the reform count stemming from FIAS-supported projects is that the relatively straightforward reforms relating to Doing Business indicators have largely been accomplished in many (though by no means all) FIAS client countries. The FIAS program is transitioning to deeper, more sophisticated work in areas such as investment policy and promotion that may not yield as robust a reform count, but may contribute significantly to the growth ambitions of developing countries. IFC teams are also heavily engaged in ensuring that reforms already passed into law are being effectively implemented and sustained over time, through changes in political leadership. This line of work is especially challenging in FCV countries, which are a priority for FIAS and the Bank Group as a whole.

Green Competitiveness

During the FY17–21 cycle, FIAS-supported teams are working with clients to leverage investment incentives to foster green growth, design and enhance adoption of climate-efficient technologies, and support adoption of green standards and certifications. The FIAS portfolio for FY19 does not include projects directed exclusively at green competitiveness. But FIAS-supported work in the agribusiness sector includes components designed to improve the energy efficiency of agricultural production. Much of the sectoral work supported by FIAS focuses on economic diversification from extractives such as oil and gas. And Doing Business reform work touches on energy efficiency in the area of improving the reliability of power grids, in part by promoting renewable energy production and reducing consumption through manufacture of more energy efficient products, an approach demonstrated previously in the strategy cycle in the energy efficient fans project in Punjab, **Pakistan**. In addition, FIAS-supported projects in the tourism sector include efforts to help developing countries maximize the economic benefits that can flow from improved tourist access to protected areas. The tourism sector is the largest global, market-based contributor to financing protected area systems, and nature-based tourism (NBT) is a sub-component of the tourism sector that includes wildlife-based tourism. NBT is a powerful tool that countries can leverage to grow and diversify their economies while protecting their biodiversity and contributing to sustainable development goals with climate implications, including SDGs 12 (responsible and sustainable production and consumption) and 15 (protecting terrestrial ecosystems, sustainably managing forests, combating desertification, and halting biodiversity loss).

Climate Competitive Industries 2 Project Achieves 'Highly Successful' Rating

Phase 2 of the FIAS-funded Climate Competitive Industries global knowledge project (CCI 2) closed at the end of FY19 with a 'highly successful' rating. CCI 2 fulfilled the purpose of global projects, helping to create 16 client-facing advisory projects and sparking three lending operations. The IFC and World Bank projects this global operation helped initiate fell into three categories: industrial resource efficiency (Bangladesh, Central America, Côte d'Ivoire, Vietnam); eco-industrial parks (Ethiopia, Jordan, Pakistan, Panama, Turkey); and energy efficiency standards and labeling (Jordan, Pakistan, Panama). The project also helped generate more than $4 million in additional funding and established long-term partnerships with Germany's GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH), the Government of South Korea, and the United Nations Industrial Development Organization (UNIDO). The partnership with GIZ and UNIDO led to flagship publications such as the 2017 report on *An International Framework for Eco-Industrial Parks,* which defined the minimum requirements and performance expectations for an industrial park to be designated as an Eco-Industrial Park (EIP). The framework has been downloaded nearly 6,000 times. Through this and other publications such as *A Greener Path to Competitiveness: Policies for Climate Action in Industries and Products and Dialogue for Climate Action,* the global project team became a thought leader on sustainability in manufacturing and on private sector engagement on climate. The project accomplished this with core funding of just $521,000, leveraging regional funds to develop client-facing projects and emphasizing partnerships to increase efficiency. Due to its success, the project is continuing within the framework of a new IFC global knowledge project on industry, markets, and technology.

Monitoring & Evaluation, Impact

A Methodology for Tracking Jobs Impact of Investment Climate Projects

There has been notable progress on identifying methodologies to measure jobs and productivity. On jobs, the team is preparing a guidance note outlining a methodology for measuring the job effects of several key interventions within each main FIAS-supported offering. For each intervention, the guidance note describes the theory of change of the intervention and investigates the transmission channel between the funded activities and job impact. Empirical evidence and project examples are assessed to establish as much as possible the direction and magnitude of the intervention's effect on the creation of direct, indirect, and induced jobs, as well as on the quality and inclusion of jobs. The notes provide a methodology for collecting the data through administrative sources and sample firm-level surveys. They include a discussion on estimation techniques in cases where actual data cannot be collected. On productivity, the team is exploring interventions where productivity measurement is relevant and feasible particularly as it relates to attribution issues.

Client Satisfaction and Development Effectiveness

For the first three years of the FY17–21 strategy cycle, clients have rated 68 of 72 projects positively, or 94 percent (client satisfaction rating for FY12–16 cycle: 92 percent). FIAS also assesses its portfolio projects internally for development effectiveness as projects reach completion, assessing project execution in the field against project objectives at the outset. For the FY17–21 strategy cycle to date, 12 out of 18 completed projects supported by FIAS received positive development effectiveness ratings ("successful" or "mostly successful") in internal World Bank Group management reviews, or 67 percent. Given the emphasis in FIAS on challenging environments such as IDA and FCV countries, this compares favorably with the 70 percent development effectiveness rating for all IFC Advisory Services projects FY17–19. For FY19, 3 projects out of 5 were rated successful or mostly successful: **Afghanistan Construction Permits Reform**, which received FIAS support in FY17, was rated mostly successful; **Punjab Investment Climate Reform** was rated highly successful; and a project to help **Peru meet OECD standards** was rated successful.

The FIAS-supported Punjab project, in post-implementation during FY19, was the first investment climate initiative undertaken at the subnational level in Pakistan. It sought to help the government of Punjab attract investments to the province by reducing regulatory costs and implementing a more effective investment promotion strategy. The project surpassed its promised deliverables. The achieved objectives included: implementation of a targeted investment promotion strategy, launch of the Punjab Business Registration Portal, establishment of an e-registry covering all investment incentives, approvals, licenses, permits and 'no objection' certificates, $12.2 million in compliance cost savings (exceeding the CCS target of $3 million), and $121.5 million in investment generated (exceeding the project target of $52.8 million). A key ingredient in the project's success was in effectively coordinating implementation of the state-level reform program with relevant federal authorities. FIAS support came in part due to the thematic priority of including gender-focused elements in investment climate advisory projects. As part of its work on reform of business regulations and procedures in Punjab, the project team

For the FY17–21 strategy cycle to date

12/18

completed projects

In 12 out of 18 completed projects supported by FIAS received positive development effectiveness ratings ("successful" or "mostly successful") in internal World Bank Group management reviews assessed regulatory constraints affecting women in business as a means of promoting female entrepreneurship. This increased openness in the business environment toward greater inclusion of women at work and in business. The project target was to engage a total of 40 women entrepreneurs as participants in workshops, training events, and seminars concerning investment policy and promotion and business regulation; in fact, the project engaged 152 women.

The Afghanistan Construction Permits project, which completed implementation in early FY18, helped reform, automate, and simplify processes for issuing construction permits in Kabul, reducing time, costs, and corruption in permitting. The end goal is to increase investor interest in the construction sector by making it easier and more transparent to comply with requirements. Reforms resulting from the project reduced the time and cost to issue residential permits from 32 to 16 days and for commercial from 284 to 135 days. Conditions at the time of project initiation included widespread corruption, redundant procedures, and a lack of government capacity to overcome regulatory bottlenecks. The continuing and at times intensifying civil conflict increased the obstacles confronting the project team.

Road construction: median upgrading, side drainage works and culverts. Kabul Urban Transport Efficiency Improvement Project. Makroyan, Kabul, Afghanistan
Photo: Ishaq Anis/Rumi Consultancy/World Bank

The Peru Organization for Economic Cooperation and Development (OECD) project, which was in post-implementation in FY19, achieved all the targets in its results framework and has served as an important entry point for engaging in technical reform work that was well received by both the government and OECD. The project objective was to support the strategic positioning of Peru in its engagement with OECD and to provide technical advisory for reforms born out of the OECD Country Programme and in other key areas jointly prioritized with the government. OECD has highlighted this project as an example of best practices which they hope to replicate elsewhere. Topics covered by the technical assistance delivered by the project included international taxation, integrity, environment, trade facilitation, innovation, and statistics.

Of the two projects with negative development effectiveness ratings, the **South Asia Regional Trade and Integration Program** received a 'mostly unsuccessful' rating. While overall, the project objectives were broadly met, implementation shifted to three country-specific interventions focused on upstream reforms and institution-building, versus an integrated, regional advisory program. Ultimately, the project team realized that fundamental building blocks and relationships with key country counterparts needed to be the focus of interventions, and thus, the design adjusted towards client-specific work driven by urgent country-level needs. Political sensitivities made it difficult to gain traction toward project goals on cross-border Foreign Direct Investment (FDI). A major earthquake in **Nepal** in 2015 also hindered progress. The project succeeded in addressing several key impediments to cross-border investment entry and operations, improving critical investor services, and building capacity for investment promotion tailored to the specific needs of each of the participating countries. For example, in **Bangladesh**, the project helped clarify, streamline, and automate policies and procedures important to foreign investors such as FDI approvals and expat-business visa approvals. In **India**, the project focused on supporting investment promotion capacity, especially at the subnational level.

The project succeeded in greatly increasing the operational capacity of **Invest India**, the national-level investment promotion agency, and facilitating engagement with state-level investment agencies. And in **Nepal**, the project helped streamline regulatory processes, draft policies relating to foreign investment and special economic zones. An automated investor services system became operational in 2018 that is expected to eventually generate $362,000 in annual business cost savings.

The recently closed **Indicator-Based Reform in the Middle East North Africa Region** project provides a valuable lesson. The project plan called for replicating a successful pilot in **Morocco** elsewhere in the MENA region focused on transparency and accountability in public service delivery. The project's 'unsatisfactory' rating stemmed from a lack of client country interest in pursuing this line of work. One of the lessons learned from this aspect of the IBR project was the importance of building into the plans for regional advisory projects a tailored approach around the specific needs of various client countries. Despite this difficulty, the project accomplished significant advisory work with 57 agencies across 10 MENA countries. The project team reported helping design and implement at least 12 investment climate reforms since project inception in 2014.

FIAS Teams Consolidate Lessons Learned in Project Implementation

With FIAS now in the fourth year of the FY17–21 strategy cycle, teams are consolidating lessons learned in implementing both client-facing and global projects. Here is a sampling of key takeaways developed by teams, as well as the independent evaluators in the FIAS Midterm Review:

- Set ambitious yet realistic targets and aim for incremental steps rather than systemic change. In highly polarized and unstable political settings, elites tend to resist large-scale reforms that may disrupt the balance of power.
- Political instability is a major risk factor in many FIAS-supported projects, since the projects are geared toward fragile (and often unstable) client countries. Teams can increase the chances of maintaining project momentum by building strong relationships with government officials below the ministerial or political level.
- Stakeholder mapping and in-depth political economy analysis is critical early in the project cycle to identify reform champions and build strong coalitions that support the reform process.
- Project schedules should plan to allow time for legislatures to debate and pass legal reforms given the complexity and length of the legislative process in many client countries.
- Continual and proactive engagement with stakeholders in consultations, capacity-building efforts, learning events, and trainings help secure client buy-in.
- Achieving quick wins can boost the chances of success in putting across ambitious reform programs.
- Industry-specific reform activities benefit when carried out in conjunction with economy-wide reforms.
- The independent evaluators urged FIAS to retain a strong commitment to global knowledge projects. The Economisti evaluators wrote, "KM initiatives played a crucial role in setting the stage for a range of new operational investment climate projects, especially at the regional level."
- The evaluators also recommended making multi-annual funding allocations to reduce the risk of sudden shortfalls, a recommendation that program management is pursuing.

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04

Knowledge Management, Publications, and Learning Highlights

Publications

EFI teams prepare and disseminate knowledge on a wide range of topics related to the business environment, markets, and competitiveness. Recent highlights include:

Women at Work: How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women? identifies and analyzes investment incentives that governments can provide to businesses with the aim of promoting gender equality. The paper discusses three main types of investment incentives: subsidies and grants, tax incentives, and public procurement incentives. (July 2019)

Governing Infrastructure Regulators in Fragile Environments: Principles and Implementation Manual aims to contribute to improvements in the quality of infrastructure regulation by identifying key principles for the governance of infrastructure regulators and suggesting how these principles can be introduced successfully and maintained over time. (June 2019)

The report, *Regulatory Tools, Effective Markets and Private Sector Participation in the Forestry and Wood Products Processing Sectors: Issues and Solutions for Developing Countries* presents a framework for strengthening the effectiveness and efficiency of regulation of forestry and related sectors. It strives to identify and reduce regulatory burdens on private firms active in the forestry sector, while not compromising the objectives of government regulation. (June 2019)

Enforcing Competition and Firm Productivity: Evidence from 1,800 Peruvian Municipalities finds that the elimination of subnational barriers to entry in Peru boosted the (revenue) productivity of establishments operating in reform municipalities and sectors relative to establishments in nonreform municipalities/sectors. But it did not raise the establishments' markups, which, if anything, declined, suggesting that physical productivity improved. (January 2019)

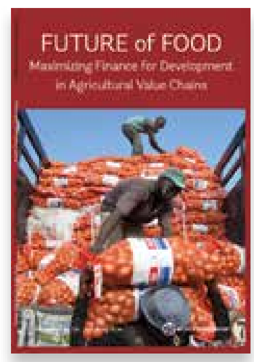
Business Environment Program: Reforming the Business Entry Regime in Croatia: Final Report summarizes the key activities, findings, recommendations, and results implemented under the Croatia Business Environment Program, which included Bank Group technical assistance to help the government improve the business environment by establishing the foundations for a modern, electronic, centralized, and up-to-date registry unifying data on all business entities operating in Croatia. (December 2018)

License to Drill: How to Reduce Corruption in Extractives Sectors describes how poor management of natural resources sectors in countries dependent on them often contributes to corruption, illicit financial flows, and thus poverty. This manual provides methods and options based on good practices to improve transparency, accountability, and integrity in the regulatory licensing process and integrity due diligence. (July 2018)

Developing and Operationalizing a National Financial Inclusion Strategy: Toolkit provides financial sector authorities and other stakeholders with practical guidance on developing and operationalizing an NFIS. The toolkit includes detailed operational tips as well as country examples from more than 20 countries. (June 2018)

Productivity Revisited: Shifting Paradigms in Analysis and Policy presents a 'second wave' of thinking in three key areas of productivity analysis and its implications for productivity policies. It calls into question the measurement and relevance of distortions as the primary barrier to productivity growth; urges a broader concept of firm performance that goes beyond efficiency to quality upgrading and demand expansion; and explores what it takes to generate an experimental and innovative society where entrepreneurs have the personal characteristics to identify new technologies and manage risk within an entrepreneurial ecosystem that facilitates them doing so. (October 2018)

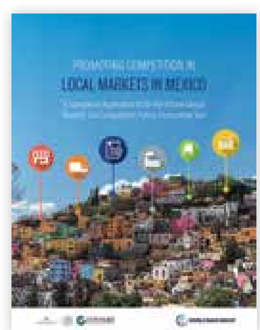
Supporting Sustainable Livelihoods through Wildlife Tourism explores innovative tourism partnership and investment opportunities to help countries unlock smart investment and grow tourism sustainably. It showcases sustainable wildlife tourism models from Botswana, India, Kenya, South Africa and many other countries and promotes solutions that offer insight into the wildlife-based tourism sector as a mechanism for inclusive poverty reduction and global conservation. (February 2018)



Wider Economic Benefits of Investments in Transport Corridors and the Role of Complementary Policies estimates the impact of the Golden Quadrilateral and North-South-East-West Highways in India on welfare, social inclusion, and environmental quality. Results suggest that the highways shifted employment from the farm to the nonfarm sector and coincided with an increase in output per capita. The results suggest that the highways caused an increase in air pollution. (February 2018)

Future of Food: Maximizing Finance for Development in Agricultural Value Chains explores ways to crowd in more private sector investment in agricultural value chains to help reach levels of production needed to achieve key development goals including ending poverty and hunger, boosting shared prosperity through more and better jobs, and better managing the world's natural resources. (April 2018)

Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains seeks to enable the development of more sustainable, resilient, and productive supply chains for agribusinesses. The development and strengthening of smallholder supply chains remains a key challenge for many IFC agribusiness clients. The handbook compiles innovative solutions and cutting-edge ideas for these challenges. (January 2019)



EFI's markets and competition policy team published a note, *Promoting Competition in Local Markets in Mexico: A Subnational Application of the World Bank Group's Markets and Competition Policy Assessment Tool*. It examines a policy gap between **Mexico's** federal government, which has a solid competition policy framework in place, and subnational regulations in transport, agriculture, tourism, retail, and other sectors that are holding back the potential of local economies to grow and provide consumers with affordable goods. (December 2018)

Three brief notes feature success stories stemming from reforms in **The Solomon Islands**, **Tonga**, and **Vanuatu**. *Planting the Seed for Tourism Growth in The Solomon Islands* describes how the government addressed impediments to tourism investors by establishing a taskforce that could spur a partnership model for growth and development of the sector. *Easing Business Registration in Tonga* chronicles Tonga's introduction of an electronic company registry, which was later replicated in Papua New Guinea with IFC support. *Foreign Investment Processes Streamlined in Vanuatu* outlines how IFC supported the government in halving the approval time for foreign investments and helped the investment promotion authority clarify its role as solely responsible for promoting investment. (December 2018)

Investment Reform Map for Mongolia: A Foundation for a New Investment Policy and Promotion Strategy sets forth the results of analytics and dialogue to develop the investment needed to attract the type of FDI that can help **Mongolia** fulfill its development vision. (July 2018)

Events

In FY19, Bank Group teams organized or were involved in a number of conferences, seminars, and knowledge-sharing events on topics related to the FIAS Strategic Pillars—improving the business environment, expanding market opportunities, and strengthening firm competitiveness. Highlights include:

The Bank Group's Bangladesh Investment Climate Fund team presented **Agile Regulatory Delivery for Improved Competitiveness in Bangladesh**, an assessment of the current state of regulatory delivery in Bangladesh—including its strengths and weaknesses—followed by recommendations on how the current system can be improved and streamlined to compete on a more even keel with the rest of the world. (June 20, 2019)

At **Improving the Business Environment in Serbia: Tapping into Private Sector Resources for Strategy and Delivery,** speakers from Serbia's Public Policy Secretariat and the National Alliance for Local Economic Development offered their perspectives on the role of the private sector in delivery of reforms, from the use of strategic communications to secure stakeholders' commitment to monitoring implementation. The seminar focused on the roles of professions—licensed engineers, notaries public, and private enforcement

Mongolian farmers. *Photo: Bigstock*

officers—in the new public administration paradigm. Participants discussed the (dis)advantages of two ways to introduce e-Government services: the “big bang” approach and the incremental approach, and their implications on curbing corruption. (June 3, 2019)

At the seminar, **Creating Markets for Business Reforms in India**, Ramesh Abhishek, Secretary of the Department for Promotion of Industries and Internal Trade (DPIIT), Ministry of Commerce and Industry, in India, shared his experience and key lessons learned on the journey of the country’s reform agenda. The Bank Group has been supporting DPIIT in coordinating and implementing reforms across a wide range of business regulations. (May 7, 2019)

Regulating Disruptive Technologies: Promoting Innovation while Protecting People, a presentation and panel discussion organized by the MIT Internet Policy Research Initiative and the Global Business Regulation Unit of the World Bank Group, examined the interplay between new technologies and regulation. MIT and the Bank Group have initiated a conversation to formulate a technologically sound and agile approach to regulation that supports innovation and the growth of new sectors and innovative market entrants, while ensuring effective protections for citizens and the environment. (April 9, 2019)

Creating Markets in Kenya through Digital Platforms: The Role of Competition Policy focused on the role of the Competition Authority of Kenya in fostering competition in digital markets, offering a fresh view on the complementarity between competition law enforcement and pro-competition regulation to create healthy and innovative markets in Kenya. The seminar featured a presentation by Francis W. Kariuki, Director General of Kenya’s Competition Authority, and a panel discussion. (March 26, 2019)

At the workshop, **Implementing Innovative Technologies for Integrated Business Registration and Digital Economy**, practitioners from Estonia’s Centre of Registers and Information Systems discussed the country’s experience introducing integrated business registry and online business registration, as well as other aspects of the underlying e-government platform important to this transformation (such as online cross-border identification and public key infrastructure). The webinar focused on digital transformation and possible use of artificial intelligence and other innovative technologies to introduce online business registration. (February 7, 2019)

Regulatory Service Delivery in Bangladesh: One-Stop Shop for Investors updated seminar participants on a project that is helping the government establish a one-stop shop for private investment approvals at the Bangladesh Investment Development Authority. (December 18, 2018)

Regulation of Sharing Economy Platforms: Old Tricks for New Dogs? A seminar identified key challenges in regulating this new space: How can governments encourage innovation and free consumer choice while guarding public goods and policies (such as efficient tax collection, consumer protection, labor rights, and fair competition)? What are the implications of the sharing economy for regulatory innovation? Discussions shed light on the relatively limited knowledge base to guide reformers, highlighting forthcoming Bank Group work in this area. (December 11, 2018)

Winning FDI 2018: Taking Investment Promotion to The Next Level in India: The "3rd National Capacity Building Workshop for State Investment Agencies" was organized jointly by Invest India and the Bank Group in Delhi for investment promotion practitioners of the Indian State Investment Promotion Agencies. The event focused on improving service delivery to investors and launched a framework for assessing the readiness of state investment promotion agencies for 2018–19. (December 5–7, 2018)

Workshop co-organized by IFC and Invest India, December 2018. *Photo: World Bank Group*

The seminar, **Location Trends in a Changing Global Economy: Latest Dynamics and Insights from Investors and Emerging Markets,** featured remarks from IBM's Roel Spee, Global Leader of Plant Location International, a consulting firm that advises global investors and economic development organizations. Mr. Spee discussed the outlook for FDI, the influence of new technologies, emerging destinations and sectors, and investor challenges and requirements in choosing sites. (September 21, 2018)

Open Data and Data Science

The Open Data platforms TCdata360 and GOVdata360, featuring the most relevant indicators and datasets in the dynamic space incorporating trade, competitiveness, investment, innovation, and governance, have continued providing users with updated data, reports, and visualizations from more than 70 different sources and more than 6,000 indicators across the two platforms. Nearly 115,000 users visited the two platforms from May 2018 to September 2019:

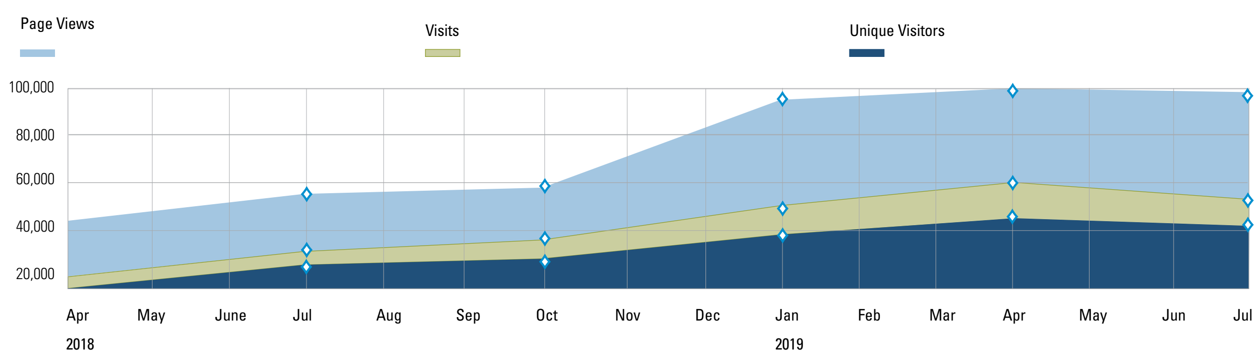
Total Visits:

156,000 (TC) + 21,000 (GOV) = 177,000

Unique Visitors:

115,000 (TC) + 16,500 (GOV) = 131,500

Usage of TCdata360, which was launched in 2017, has continued to grow steadily:



Both platforms incorporated new features such as country benchmarking and bubble charts to help users identify relationships between indicators and compare countries across the database.

05

Financial Results and Resource Use

Activities covered in the *FIAS 2019 Annual Review* were co-financed via a set of FIAS trust funds. Financial results reported in this section cover the funds managed under the FIAS trust fund structure as well as supplemental funds earmarked for the implementation of the FIAS strategy.

$28.4m

total contributions from all sources in FY19

$21.9m

total direct project expenditures in FY19

$18.3m

total client-facing project expenditures in FY19

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 FY19 FIAS donors, clients, and the World Bank Group contributed a total of $28.4 million (including trust fund administration fees of $0.948 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 **$7.0 million** in FY19, including $5.0 million from IFC and $2.0 million from the World Bank. World Bank Group contribution to FIAS ($7.0 million) represents 25 percent of total FY19 FIAS contributions.[1]

Core contributions received from donors amounted to **$5.6 million** in FY19. While most donors who supported FIAS during the FY12–16 strategy cycle provided consent to roll over the unused portions (i.e. fund balances) of their FY12–16 contributions to the new FY17–21 funding cycle, core donor contributions are below expected fundraising targets. The total amount of core funding received in FY19 from the World Bank Group and donors amounted to approximately **$12.6 million**, consisting of $5.6 million in contributions from donors and $7.0 million from the World Bank Group (or 56 percent of total core contributions).

Programmatic contributions from donors made available through thematic and regional FIAS Trust Funds totaled approximately **$10.4 million** in FY19. While this is a slight increase (17 percent) in FY19 programmatic contributions as compared to FY18 ($8.9 million), several large FIAS programs closed in FY19. FIAS can expect programmatic contributions to continue to decrease as the FY17-21 strategy cycle closes in FY21 and a new strategy is implemented in FY22.

In FY19, **project-specific contributions** from donor partners amounted to **$5.4 million**, compared to $9.0 million in FY18 (a decrease of 40 percent) a change owing mainly to a large contribution in FY18 from USAID.

The ability to generate **client contributions** remains a challenge that FIAS is seeking to address.

In-Kind Support Via Staff Exchanges and Secondments

Throughout the previous strategy cycles the FIAS program has benefited from in-kind resources that several donors have made available in the form of secondments and staff exchanges. In FY19, a senior staff member from the Korean Ministry of Trade, Investment, and Energy was seconded to work on FIAS-funded activities. Such staff exchanges and secondments offer a way for FIAS partners to be directly involved in the program and establish direct connections between their respective private sector development programs and FIAS.

Use of Funds

In FY19, FIAS expenditures for investment climate reform activities reached **$24.5 million**. This represents an 86 percent rate of spend against cash receipts of $28.4 million for the year. While staff and consultant costs represent the largest share of total FY19 FIAS expenditures (50 and 32 percent, respectively), indirect costs (infrastructure, office occupancy, and other miscellaneous costs) remain relatively low at 6 percent *(see Table 1, Sources and Uses of Funds)*.

Direct project expenditures for FY19, including client-facing projects and global programs, were $21.9 million, or 89 percent of total FY19 expenditures of $24.5 million. Of the $21.9 million in direct project expenditures, $18.3 million, or 84 percent, went to client-facing projects. In FY19, $2.2 million, or 9 percent of total FIAS expenditures, covered indirect project costs such as program management and operational support, including product development, M&E, knowledge sharing, donor relations, and other non-overhead costs; only 2 percent of total FIAS expenditures went toward general and administration costs. In accordance with IFC Advisory Services policy, general and administration costs such as office occupancy, communications and IT, equipment, etc. are accounted for as a direct cost to the project in order to capture the total cost of the project.

FIAS funding represents a substantial contribution to the advisory services projects it supports. The $18.3 million in FIAS support for client-facing projects in FY19 represented 64 percent of total FY19 spending on those projects. FIAS contributed an average of $215,538 to the 85 client-facing projects it supported in FY19. For 21 global knowledge projects that received FIAS support, FIAS funding represented 54 percent of total FY19 spending, with an average contribution of $179,317 per project.

[1] 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.

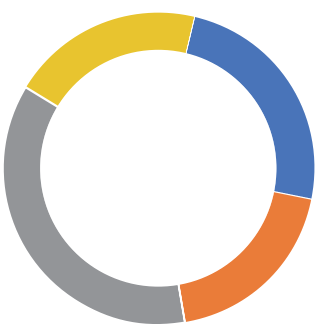
05 Financial Results **2019**

In FY19, FIAS expenditures in priority areas were below the strategic spending targets outlined in the FIAS FY17–21 strategy. Of the $18.3 million in client-facing project expenditures, 57 percent supported IDA borrowing countries; 23 percent supported projects in FCV; and 41 percent went to projects in Sub-Saharan Africa. Overall expenditures in priority areas for the first three years of the FIAS FY17–21 strategy cycle are below strategic spending targets for the cycle, except in the case of FCV.

Among regions, Europe and Central Asia received the next largest share of client-facing expenditures with 23 percent, followed by South Asia at 11 percent; East Asia at 10 percent; and Latin America and Caribbean and Middle East North Africa with 6 percent each.

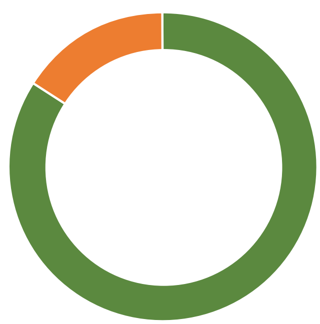
Administration fees are collected by IFC to cover trust fund administration costs and are deducted from donor contributions at the time of receipt. In FY19, IFC collected trust fund administration fees of $0.95 million from FIAS donor contributions.

In FY19, FIAS received $27.4 million in cash receipts (net of administration fees) and expended $24.5 million for the same period, or 89 percent of total cash receipts. Similarly, in FY17 and FY18, FIAS received a total of $67.2 million and expended a total of $60.3 million or 90 percent of total cash receipts for the two-year period. This reflects an annual rate of spend for the first three years of the cycle commensurate with annual donor contributions for the same three-year period.



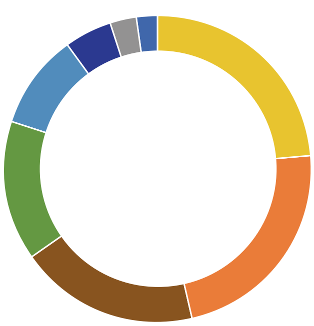
FY19 DONOR CONTRIBUTIONS
(Gross Receipts)
100% = $28,397,458

- World Bank Group (25%)
- Core (18%)
- Programmatic (28%)
- Project Specific (29%)



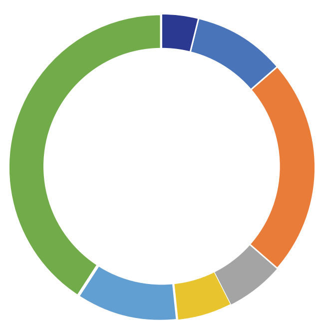
PERCENT OF FY19 FIAS DIRECT PROJECT EXPENDITURES
100% = $21,904,166

- Client Facing (84%)
- Non-Client Facing (16%)



CLIENT-FACING EXPENDITURES BY PRODUCT
100% = $18,320,721

- Investment Policy and Promotion (24%)
- Business Environment (23%)
- Other (19%)
- Agribusiness (15%)
- Indicator-Based Reform (10%)
- Services (5%)
- Manufacturing (3%)
- Competition Policy (2%)



CLIENT FACING EXPENDITURES BY REGION
100% = $18,320,721

- World (4%)
- East Asia and Pacific (10%)
- Europe and Central Asia (23%)
- Latin America and Caribbean (6%)
- Middle East and North Africa (6%)
- South Asia (11%)
- Sub-Saharan Africa (41%)

[8] 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 of Funds.

Funding allocations in FY19 were cleared by the EFI Trust Fund Council, which set ceilings for client-facing and knowledge management operations. The Council endorsed the final list of FIAS contributions to projects. For client-facing projects, task team leaders, in collaboration with EFI Practice Managers, identified needs and drafted project funding proposals. Regional Allocation Panels within IFC's Creating Markets Advisory Window reviewed the proposals and made decisions on specific allocations to client-facing projects, all of which are implemented by IFC teams. Global knowledge management project funding was determined by the EFI Chief Economist based on proposals by EFI Practice Managers. Engaging the IFC Regional Allocation Panels brings decision making on the distribution of funds for client-facing projects closer to the regions and to the country teams who deal with clients on a day-to-day basis, ensuring that resource distribution aligns with regional priorities.

Fundraising Update

Total secured contributions for the FY17–21 strategy cycle are at $134.2 million. This includes total signed contributions as well as very high probability pipeline, of which $93.9 million were received in FY17–FY19 *(see above)*, and the remaining $40.3 million will be disbursed by donors in the next two years of the cycle. Fundraising results represent 67 percent of the $200 million fundraising target for the five-year strategy cycle. Out of this result:

1. $35.0 million are commitments from the World Bank Group and $99.2 million from donors, representing a 26/74 ratio, aligned with the previous cycle.

2. $60.7 million are commitments to the Core TF and $73.5 million are commitments to Programs and Project-specific TFs, representing a 45/55 ratio against the 53/47 ratio in the past cycle.

3. Average annual donor core contribution is $6.1 million. In the FY12–16 cycle, the average annual donor contribution was $9.5 million.

Key Fundraising Messages

World Bank Group management remains committed to consolidating trust funds and once again encourages donors to make a portion of their contribution to FIAS available as core funding in support of the overall strategy, with the aim to reach a 50/50 ratio by the end of the cycle. Development partners are increasingly pledging resources toward a specific set of activities covered in the FIAS agenda. FIAS core donor support provides the needed flexibility to allocate FIAS funds to support the implementation of FIAS strategic priorities in the regions, including the ability to provide rapid response to emerging challenges faced by clients. In addition, core funding supports the design and development of global knowledge products which inform and facilitate the development of innovative client-facing solutions. EFI management welcomes a continued engagement with development partners on this matter.

While overall fundraising results for the strategy cycle are strong, the pace of contributions for the first three years of the cycle, as past FIAS supporters direct funding to other programs, **may make it difficult to achieve the $200 million fundraising target** on which FIAS project-related targets (reforms and compliance cost savings) are based. Among the reasons for this are the overwhelming Bank Group emphasis **throughout FY18 in the Capital Increase and IDA19 campaigns, which superseded fundraising activities at the level of individual trust funds.**

05 Financial Results **2019**

Table 1: Sources and Uses of Funds

	FY12–16 CYCLE	FY17–21 CYCLE			
SOURCES OF FUNDS		FY12–16 FUND BALANCE	FY17 RECEIPTS	FY18 RECEIPTS	FY19 RECEIPTS
WORLD BANK GROUP CONTRIBUTIONS					
Core Contributions					
IFC [1]	23,388,000	2,003,875	5,000,000	5,000,000	5,000,000
IBRD	8,000,000	1,221,162	2,000,000	2,000,000	2,000,000
MIGA	6,400,000				
Subtotal Core Contributions	**37,788,000**	**3,225,037**	**7,000,000**	**7,000,000**	**7,000,000**
Project-Specific and Other Contributions [2]					
IFC AS - Other Contributions - Project-Specific	9,939,000		1,882,864	267,657	-
IFC AS - Other Contributions - Business Development	478,000				
IFC AS - Other Contributions - Administration	3,132,000		716,477	794,113	-
Subtotal Project Specific and Other Contributions	**13,549,000**	**-**	**2,599,341**	**1,061,770**	**-**
Subtotal World Bank Group Contributions	51,337,000	3,225,037	9,599,341	8,061,770	7,000,000
CORE DONOR CONTRIBUTIONS					
Austria	3,205,000	463,349	1,045,800		
Canada	17,377,000	2,354,970			
Ireland	1,186,000	224,319	632,130	716,940	682,380
Luxembourg	2,250,000	355,090	673,890	1,453,422	455,840
Netherlands (Global Program)	2,620,000	-	1,000,000	1,000,000	1,000,000
Norway	3,843,000	576,550			
Sweden	7,063,000	988,405		1,200,480	2,212,633
Switzerland	1,500,000	1,316,406	1,250,000	1,250,000	1,250,000
United Kingdom	8,472,000	-			
Subtotal Core Donor Contributions	**47,516,000**	**6,279,089**	**4,601,820**	**5,620,842**	**5,600,853**
PROGRAMMATIC DONOR CONTRIBUTIONS					
Austria (IC Cooperation Program)	11,368,000	2,783,512	3,137,400	1,779,900	111,891
Australia (Investment Policy and Promotion)	1,449,000	681,147	712,073		
EU (ECOWAS Investment Policy)	5,330,000	1,543,029	3,457,608		872,372
EU (Western Balkans Investment Policy and Promotion)				1,426,813	707,000
EU (Investment Policy and Promotion)			209,080	595,095	-
Ireland (Africa)	2,876,835	-			
Korea (Industry)	125,000	-			
Switzerland (Industry)	2,000,000	-	-		
Switzerland (MCICP)			6,000,000	3,100,000	7,800,000
United Kingdom (BEED)		1,212,355	2,493,429	669,829	885,906
United Kingdom (SIRMs)				1,309.250	
United States (Doing Business)	2,160,000	-	-		
Subtotal Programmatic Donor Contributions	**25,308,835**	**6,220,043**	**16,009,590**	**8,880,887**	**10,377,169**
EXITED/EXITING PRODUCT LINES					
Australia (Trade Facilitation)	3,217,000				
Canada (Trade Facilitation)	1,821,000				
EU (ECOWAS Trade Logistics)	2,423,000				
EU (Trade Facilitation)	4,338,000				
Korea (Trade Logistics)	550,000				
Luxembourg (Tax Transparency)	989,000				
Netherlands (Investing Across Borders)	200,000				
Netherlands (Tax Transparency)	300,000				
Norway (Trade Facilitation)	5,504,000				
Norway (Trade Logistics)	1,000,000				
Switzerland (Tax Transparency)	3,100,000				
Switzerland (Tax)	2,500,000				
Switzerland (Trade Facilitation)	1,300,000				
United Kingdom (Tax Transparency)	2,133,000				
United Kingdom (Trade Facilitation)	754,000				
Subtotal Exiting Product Lines	**30,129,000**	**-**	**-**	**-**	

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

SOURCES OF FUNDS	FY12–16 CYCLE	FY17–21 CYCLE FY12–16 FUND BALANCE	FY17 RECEIPTS	FY18 RECEIPTS	FY19 RECEIPTS
PROJECT SPECIFIC DONOR CONTRIBUTIONS					
European Commission	2,318,000	-	-		
France	4,960,000	1,246,430	1,044,950	1,185,650	1,202,217
Gates Foundation	2,742,000	2,069,253	-	900,000	1,441,719
Kauffman Foundation	211,000	-			
Korea	200,000	-			
Trade MDTF	225,000	-			
Trademark East Africa	10,665,000	673,943			350,000
USAID Legacy	10,205,000	1,334,850	1,424,353		
USAID New		2,505,804	4,869,485	6,970,250	2,425,500
Subtotal Project Specific Donor Contributions	**31,526,000**	**7,830,280**	**7,338,788**	**9,055,900**	**5,419,436**
TOTAL WBG AND DONOR CONTRIBUTIONS	**185,816,835**	**23,554,449**	**37,549,539**	**31,619,399**	**28,397,458**
CLIENT CONTRIBUTIONS	**699,000**				
TOTAL RECEIPTS	**186,515,835**	**23,554,449**	**37,549,539**	**31,619,399**	**28,397,399**
Trust Fund Administrative Fees[3]	7,151,000		1,099,899	834,799	948,598
TOTAL (NET) RECEIPTS	**179,364,835**	**23,554,449**	**36,449,640**	**30,784,600**	**27,448,860**

USES OF FUNDS[4]	FY12–16 $	FY12–16 %	FY17 $	FY17 %	FY18 $	FY18 %	FY19 $	FY19 %
Staff	80,745,922	50%	15,724,142	48%	14,114,087	52%	12,308,245	50%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%	8,768,926	32%	7,838,159	32%
Travel	26,315,588	16%	5,053,184	15%	3,006,936	11%	3,004,750	12%
Indirect Costs	11,886,379	7%	1,604,318	5%	1,506,396	5%	1,348,287	6%
TOTAL USES OF FUNDS	**160,092,902**	**100%**	**32,884,715**	**100%**	**27,396,345**	**100%**	**100%**	**100%**

1 Annual contributions from IFC are received as a direct contribution to a FIAS-dedicated trust fund account and in the form of Advisory Services (AS) administrative budget to cover staff costs of a number of mainstreamed positions related to FIAS. In FY17 and FY18 IFC's annual contribution to the FIAS FY17-21 funding cycle is $5.0 million, $2.0 million as a direct trust fund contribution and $3.0 million as AS administrative budget. In FY19, IFC's annual contribution to the FIAS FY17–21 funding cycle is $5 million, $3.1 million as a direct trust fund contribution and $1.9 million as administrative budget.

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

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

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

Table 2: Expenditures by Advisory Services (AS) Activity

STANDARD AS ACTIVITY EXPENDITURES	FY12–16 ACTUAL	% FY12–16 ACTUAL	FY17 ACTUAL	% FY17 ACTUAL	FY18 ACTUAL	% FY18 ACTUAL	FY19 ACTUAL	% FY19 ACTUAL
PROJECT RELATED EXPENDITURES								
of which: Direct Project Expenditures[1]	113,898,894	71%	26,055,015	79%	21,506,948	79%	21,904,166	89%
of which: Indirect Project Expenditures[2]	38,121,978	24%	6,398,555	19%	5,748,206	21%	2,208,561	9%
TOTAL PROJECT RELATED EXPENDITURES	**152,020,872**	**95%**	**32,453,570**	**99%**	**27,255,154**	**99%**	**24,112,727**	98%
GENERAL & ADMINISTRATION COSTS[3]	8,072,031	5%	431,145	1%	141,191	1%	386,715	2%
TOTAL STANDARD AS ACTIVITY EXPENDITURES	**160,092,902**	**100%**	**32,884,715**	**100%**	**27,396,345**	**100%**	**24,499,442**	**100%**

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

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

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

06 Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

Reform Totals FY19
Reforms By Region
Publications, Events
Funding Received Per Project
Spending Per Project

1.1 FIAS FY17–21 Strategy Cycle Scorecard—Summary

STRATEGIC THEME	INDICATOR	Cumulative FY12–16	FY17	FY18	FY19	FY20	FY21	CUMULATIVE FY17–21	FY17–21 STRATEGY TARGET
1. Focus on Priority Clients	% of FIAS client-facing project implementation spend in IDA countries	75%	69%	68%	57%			64%	70%
	% of FIAS client-facing project implementation spend in Sub-Saharan Africa	55%	54%	47%	41%			47%	50%
	% of FIAS client-facing project implementation spend in FCV	29%	29%	30%	23%			27%	25%
2. Delivering Significant Business Results	Number of IC reforms supported by FIAS	341	62	40	31			133	275
	% of IC reforms supported by FIAS in IDA countries	73%	58%	65%	58%			60%	70%
	% of IC reforms supported by FIAS in Sub-Saharan Africa	66%	32%	30%	71%			41%	50%
	% of IC reforms supported by FIAS in FCV countries	30%	21%	25%	35%			26%	25%
3. Client Satisfaction and Development Effectiveness	Client satisfaction: FIAS-supported projects (results from IFC client survey)	92%	90%	100%	97%			94%	90%
	Development effectiveness: FIAS-supported projects (% of projects rated satisfactory in terms of development effectiveness)	88%	100%	50%	60%	100%		66%	80%
4. Measuring Impact	Direct Compliance Cost Savings	$208M	$8.7M	$28M	$6.9M			$43.6M	$250M
	Investment generated via facilitation of FDI in priority sectors*	$1.59B	$153.2M	$33M	$34M			$220.2M	$1B
	Productivity**								TBD
	Jobs**								TBD
5. Leverage	IBRD and IFC investment operations informed and enabled by FIAS**								TBD

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

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

Annexes

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
AFRICA			20	
Eswatini	Property registration	The project team worked with the government, specifically the Deeds registry, on a reform to increase the transparency of information on property registration. The team provided a short-term reform recommendation to publish all procedures, fees, and timelines on the website. The team prepared a good practice overview to guide and inform reform initiatives by the Deeds registrar. The note focused on the international service standards, another quick win identified by the team during the initial round of consultation. The Deeds registry already had all required information on procedures, time, and cost. A quick analysis of registration duration statistics helped establish seven days as a viable timeline to deliver its services.	1	DB19
Ethiopia	Investment Policy - Protection and Retention	To retain and foster expansion of investment in Ethiopia, the project team supported the Ethiopia Investment Commission in the design and implementation of a Systemic Investor Response Mechanism (SIRM) that aims to better detect, manage, and track investor grievances. The SIRM unit is intended to reinforce EIC's ability to identify as early as possible critical grievances that arise between already established investors and public agencies before they escalate in to full-fledged disputes or lead to withdrawal, or, cancellation of investment. As such, operationally, the SIRM unit enables investment retention and expansion and helps prevent investor-state disputes from escalating.	1	
Ghana	Construction Permits	Ghana made information on obtaining a construction permit more accessible. The Department of Town and Country Planning has uploaded relevant laws and procedural information to its website, increasing accessibility and transparency of procedures, fees, and laws related to construction permitting. The reform came as a result of support provided by the Indicator-Based Reform team in close collaboration with the country team based in Accra. The engagement included reform recommendations in all 10 areas measured by Doing Business as well as methodology and best practice workshops. The IBR team further supported the Government of Ghana publicizing this reform, and providing related evidence to the Doing Business team.	1	DB19
Ghana	Investment Policy - Incentives	The project team helped Ghana compile and publish an inventory of all investment incentives on the website of the Ghana Investment Promotion Center (GIPC) to foster transparency, governance, and administration of investment incentives. A key objective is support investor certainty, significantly improve access to information, and create a level playing field for both foreign and domestic investors. An executive order by GIPC's Chairman mandated the online publication. Previously, investors had no place either online or in person where they could go to get comprehensive and up-to-date information on the range of incentives available to them. Investors now can easily access this information sorted according to their sector of operations. The website also provides the legal text for grant incentives and identifies the organization responsible for allocating the incentives.	1	
Malawi	Construction Permits	The number of days for the Blantyre City Council to issue a development permit has been reduced from 60 to 30 based on the new Physical Planning Act 2016 that was made effective in 2018. Technical working groups meet regularly so that development permits are issued at monthly meetings of relevant stakeholders. The number of days for consultations after receipt of an application for a development permit has been reduced from 21 to 14 through a specific provision in the act. The time associated with getting a development permit, plan approval, and occupancy permit has been reduced by half, and the number of days for consultations after receipt of applications has been reduced by a third.	1	DB18
Malawi	Property Transfers	A new Land Act provides equal access to land ownership for men and women and facilitates ownership by investors. The act took effect in 2018. Consent to land transactions such as sale or lease must be provided or withheld within 30 days, down from 60 days previously. Consent authority has been delegated from the ministerial level to the Commissioner of Land, including Regional Commissioners and from there to subordinate or authorized officers or local government authority to minimize delays. The Land Act confers equal rights to land ownership to men and women, married or single. The reduction in the time limit for issuing land transaction consent and the delegation of authority for provision of consent speeds up the overall process for investors.	1	DB19
Mauritius	Registering Property	Mauritius made registering property easier by publishing service standards on the government website. This has improved the country's index ratings for transparency of information and reliability of infrastructure and land dispute resolution. The time needed to register property has been reduced from two days to half a day. The Indicator-Based Reform team has been working closely with the government, providing technical assistance in the area of business regulatory reform, especially as measured by Doing Business. For the Registering Property indicator, the IBR team met with the Land Registry to advise them on improving the transparency index by publishing statistics and land dispute information online. The implemented reform is thus a direct result of the technical advisory services provided by the IBRA mission and its discussions with the related authorities.	1	DB20

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Mauritius	Starting a business	Mauritius made starting a business easier by updating the business registration online platform, reducing the time required to incorporate a company following payment to two hours. The project team also advised on eliminating the procedure to register with the Social Security Office for starting a business, reducing the number of procedures for women to register a business, and reducing the cost of starting a business by eliminating the trade fees. The Indicator-Based Reform team was asked to provide technical assistance in the areas measured by Doing Business. The team traveled to Port Louis to identify potential areas.	1	DB19
Mozambique	Getting Electricity	For the second consecutive year, Mozambique implemented a reform in the Doing Business indicator for Getting Electricity. With the project team's assistance, Mozambique improved monitoring and regulation of power outages by recording data for the annual system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI). Mozambique's index score is now 4, up from 0, and compares favorably to an average of 1.6 for Sub-Saharan Africa. Mozambique also made getting electricity faster by imposing new deadlines for connection procedures and streamlining processes. This resulted in a reduction in the time and procedures needed to get an electricity connection from 68 to 40 days and from 5 to 4 procedures. EDM, the power company, further streamlined procedures for getting a power connection, including a one-stop shop and simplified application form.	1	DB19
Mozambique	Licenses and Permits	With the project team's help, the Council of Ministers approved a revised Simplified Licensing Decree that introduced a no-cost type of simplified license. The one-stop shop has implemented a revised and streamlined licensing procedure. Provisions of the decree define which type of license is free and specify which types and classes of economic activities are subject to this type of licensing—including retail and services.	1	
Senegal	Agribusiness	The project helped Senegal's Crop Protection Service within the Ministry of Agriculture to set up a public-private dialogue (PPD) platform to facilitate the adoption of regulatory reforms and best practices to improve produce handling and drastically reduce the number of mango shipments being intercepted due to fruit fly infestation. The PPD also helped resolve a collective action problem, in terms of voluntary compliance with rules such as an end-date for export-focused harvest season. The discussions showed how a minority of exporters continued shipping mangos after the beginning of the rainy season, when the fruit fly appears, accounting for the bulk of the intercepted shipments to markets in the European Union. This finding helped build consensus for the enforcement of an end date for export-focused mango harvesting. Previously these had been subject only to voluntary compliance. The government, through the PPD, now has regular structured exchanges with Senegal's biggest exporters. This has led to an appreciation that the private sector is both willing and motivated to pay for additional seasonal regulatory services, provided they are effectively and professionally implemented. At the end of the 2018 mango export campaign, the EU intercepted only 10 mango shipments, down from 27 the year before. Total fresh mango exports increased by 13 percent, from 19,000 tons in 2017 to 21,500 tons in 2018.	1	
Seychelles	Construction Permits	The Seychelles Planning Authority made building regulations available online, improving the transparency of information related to the construction industry and making it readily available to the public. The Indicator-Based Reform team visited Seychelles for a scoping mission in May 2017. The objective was to assess ongoing reform efforts and identify short-, medium-, and long-term reform measures. One of the resulting recommendations was to publish all regulations and fees on construction permitting online, on the website of the Planning Authority. In addition, the team helped the government communicate and validate the reform with the Doing Business team.	1	DB18
South Africa	Starting a business	South Africa made starting a business easier by reducing the time required to complete online business registration. The time for starting a business reduced from 45 days in DB 18 to 40 days. The reform stemmed from a Doing Business Reform Memorandum prepared by the team in 2017 and revised the following year. Several recommendations were translated into action plans which led to the launch of the current program. The team conducted a comprehensive business environment diagnostic to map bottlenecks in priority areas relating to government services to business. The work involved analysis of South Africa's performance across several areas and uncovered several cross-cutting issues hindering further progress and improvement of underlying business conditions.	1	DB19
Togo	Construction Permits	Togo made dealing with construction permits safer by implementing decennial liability and insurance and strengthening quality control before construction. Togo also reduced the cost to obtain a building permit.	1	DB19
Togo	Property Transfers	Togo reduced the time needed to transfer property by scanning the majority of land titles in Lomé and by creating an office exclusively dedicated to property transfers. Togo also increased transparency by making information on cadastral plans and land title ownership freely accessible to all citizens. During regular meetings between the project team and the government, and building on the 2013 Doing Business Reform memo, the team recommended setting up a dedicated unit to handle property transfers and to pursue the computerization of the land registry office.	1	DB19
Togo	Starting a business	The team helped government make it easier to start a business by reducing the minimum capital requirement, introducing an online platform for company name search, reducing registration fees, and allowing entrepreneurs to pay the fees directly at the one-stop shop. The reform resulted from regular meetings between the project team and the government, and was based on the 2013 Doing Business Reform memo.	1	DB19

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Zimbabwe	Construction Permits	The team assisted the Harare City Council in the redesign of its construction permitting procedures to expedite processing time while ensuring high quality of the review. A one-stop-shop approval system was created based on the project team's advice that lead to improved performance and shortened permitting time from 208 days in *Doing Business 2019* to 178 days in DB20. The Technical Working Group on Construction Permits has as its goal reducing the permitting time to 150 days. Among the avenues for streamlining the system, a risk-based inspections system was introduced. The time required to issue a certificate of occupation was cut from 15 days to 2 days.	1	DB20
Zimbabwe	Construction Permits	Construction permitting became faster by issuing building permits through a one-stop shop. Overall time to obtain a construction permit decreased from 238 to 208 days, further down from 448 in 2016. This is a second reform achieved during the project cycle. All reforms achieved are directly attributable to the program, which has supported the Office of the President and Cabinet in putting in place the reform architecture. For all the reform initiatives, the project team supported the creation of technical working groups that brought together stakeholders in reform development and delivery. The Team continued to engage with the client with updates on the reform process, reviewing outstanding laws and regulations, and charting the way forward by proposing solutions to bottlenecks encountered. Once the technical working groups were formed, a coach (IFC Consultant) was hired through the program to support and guide participants and put in place an accountability framework. The coach ensured that working group meetings were held regularly and supported each group in developing action plans that could be monitored on a results dashboard. Applicants for construction permits are no longer required to visit the head office, which increases processing efficiency and saves time. A certification form was established for construction industry artisans and professionals to ensure services are provided by qualified personnel. A checklist of requirements for plan submission is now available on the Harare City website and all district offices.	1	DB19
Zimbabwe	Enforcing Contracts	Zimbabwe made enforcing contracts easier by making judgments rendered at the appellate and supreme courts level in commercial cases available to the general public online. The project team helped draft and promulgate the Judicial Laws Ease of Settling Commercial and Other Disputes Act, which consolidates three sets of laws covering the commercial court, high court, and small claims court. It ensures expeditious resolution of commercial disputes. A new regulation makes it possible for magistrate courts around the country to be designated as small claims courts and increases the jurisdiction of those courts from disputes of up to $250 to those up to $1,000. This will relieve congestion in the higher courts.	1	DB19
Zimbabwe	Getting Credit	Zimbabwe improved access to credit information by increasing the coverage of the credit registry and providing consumer and commercial credit scores to banks and financial institutions. The project team helped draft and support enactment of the Movable Property Security Interest Act, which provides the legal framework creation of a movable collateral registry. Subsequently, two workshops were held, one for credit officers, risk officers, and legal officers and another, hosted by the Governor of the Reserve Bank, for senior bank officials. The participants discussed the act, explaining key provisions of the law and other important aspects needed to implement a moveable collateral registry.	1	DB19
Zimbabwe	Starting a business	As a part of a comprehensive Doing Business reform program, the project team advised the Government of Zimbabwe and the Harare City Council on the improvement of its business licensing regime, including streamlining of time and cost it takes to obtain a license and reducing the overall time it takes to start a business from 32 days to 27 days in *Doing Business 2020*. The project team also advised on the introduction of online name search, including technical migration issues. It was one of the topics explicitly covered during a study tour to New Zealand's Company Office, sponsored by the project. Among the specific improvements: the time required to reserve a company name was cut from 7 days to 1 day; the time to incorporate a company from 21 days to 4 days; and many administrative processes relating to registry were streamlined.	1	DB20
Zimbabwe	Starting a business	Zimbabwe made starting a business easier by reducing the time needed to obtain a business license. Overall start-up time was reduced from 61 to 32 days, further down from 91 in 2016. The project team helped draft and support promulgation of the Shop Licenses Amendment Act (2018), which introduced an electronic license application process that reduced the time for approval of license applications from 45 to 21 days and did away with the requirement for annual renewal of licenses. Specific improvements to the business registration process included reduction in time required to perform a name search from seven days to one. The name search system became operational in April 2016 and an average of 200 applications are being received and processed online every day; and more than 90 percent of name searches are now done online. A kiosk was opened on the ground floor of the Companies Office that can be used by applicants who do not have computers or internet connectivity. A health registration application form is now available online free of charge. A free online shop licensing form has reduced the time needed to obtain a license from 34 to 5 days. The time needed to file memoranda and articles of association with the Registrar of Companies has been reduced from 14 to 3 days. This has been achieved thanks to shifting human resources previously engaged in physical name checks to company registration tasks, internal process reengineering, and strict performance monitoring practices.	1	DB19

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
EUROPE AND CENTRAL ASIA				
Georgia	Investment Policy - Protection and Retention	The project has supported Georgia in further strengthening its existing mechanism for handling investor grievances under the Business Ombudsman's Office (BOO). BOO's relatively well-functioning mechanism to manage grievances and prevent costly investor-state disputes required strengthening in specific areas to bring it in line with global best practices, particularly in enforcement. The project helped improve the systematic collection and dissemination of information on investments grievances at risk of withdrawal, cancelation, or legal action if not addressed. The goal was to reduce the likelihood of costly litigation or arbitration and ensuing reputational damage and investment loss. The team advised on design and implementation of an IT-supported grievance tracking, management, and resolution system. A Georgian IT vendor helped develop the IT tool, which became operational in 2019. The team advised on the content of the tool. In May 2019 the team provided training on how to track grievances and on the methodology to calculate and validate the impact of solving grievances in terms of investment lost, retained, and expanded. In the first quarter of 2019, 26 percent of grievances were submitted online. The online application form requires the investors to fill out the amount of investment at risk and distinguishes between the existing and planned investment. If a request is made in person or by means other than the online application, BOO staff enters the information manually into the system. Initial results produced by the tracking system show that investment retained in 2018 amounted to $80 million, or 6 to 7 percent of the attracted investments in Georgia, and an estimated 3,208 jobs were retained as a result.	1	
LATIN AMERICA AND THE CARIBBEAN				
Argentina	Construction Permits	Specifically, the team advised the Municipality of Buenos Aires on streamlining procedures and increasing efficiency of operations through digitalization. The Indicator-Based Reform team for Latin America and the Caribbean hosted a workshop with an international expert and formed an action plan for the municipality. The project team continued providing advice to implement the proposed changes during a mission in May 2018 and coordinated the communication of progress to the Doing Business team. As a result of this advisory, Buenos Aires decreased the number of required procedures from 21 to 17. The intervention included preparation of a topographic map, a cadastral consultation, and submission of designs and layouts which are now submitted simultaneously when a new construction project permit is requested through the online platform. The city has implemented several reforms recommended by the IFC team, including improvements in various agencies to reduce processing time. Key improvements include: implementation of a new integrated management system of the Governmental Control Agency; introduction of improvements to the authorization system, including electronic notifications; implementation of an alternative for processing certain types of commercial facilities with a low criticality; and speeding up of procedures by reassigning areas of responsibility to more appropriate areas of the municipal government.	1	DB20
Dominican Republic	Enforcing Contracts	The project has supported the government in improving investment climate indicators in coordination with the Reimbursable Advisory Services (RAS) Institutional Strengthening initiative. In the Enforcing Contracts indicator, the project provided support for implementation of reforms identified in the technical diagnostic of backlogged commercial court cases and for advancing an alternative dispute resolution legal framework. The project delivered a diagnostic report on enforcing contracts focused on reducing commercial court case backlogs and improving alternative dispute resolution. This was followed up with specific recommendations on increasing the threshold for small claims court to help reduce backlog and an action plan to improve commercial mediation, including draft legal input for a possible mediation law.	1	DB20
Dominican Republic	Starting a business	In the Doing Business indicator for Starting a Business, the project has supported implementation of a one-stop shop and helped the client improve efficiency and reduce the costs related to starting a business. A Reform Memorandum was delivered in January 2017, which included a focus on the recommendation to eliminate the minimum paid capital requirement. In 2018 the project jointly supported the Ministries of Economy, Planning & Development, and Industry, Commerce & MSMEs with a communications product to promote use of an online business registration platform. The platform, "Formalizate," enables new businesses to register online. Client ministries are interested in increasing use of the platform to simplify business registration for new firms and to demonstrate results in the Doing Business indicators. Among other activities, the project supported design and production of an awareness-raising promotional video that will be used by a new agency Competitividad that has been established to coordinate investment climate reforms in the Dominican Republic. Part of these discussions included a recommendation to reduce the minimum capital requirement for business registration in order to further improve the starting a business process.	1	DB20

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Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS	DB VALIDATED
Ecuador	Registering Property	The project has provided support to the Government of Ecuador to improve its business environment several times, most recently in August 2018 to support the Ministry of Production in improving the investment climate through reforms covered by Doing Business. In December 2018 the project delivered a Memorandum of Investment Climate Reforms in Ecuador, updated from the original report delivered in 2015, also under this project. It also delivered four action plans in the areas of cross-border trade, protection of minority investors, insolvency resolution, and transparency and access to information. The Registering Property chapter of the memorandum included short- and medium-term recommendations to improve the efficiency of the property registration system. Similarly, the Action Plan on Transparency and Access to Information included a section on Registering Property which detailed how the property registrar could increase transparency of the land administration system by publishing more information for public access. Furthermore, the team supported creation of a working group for this indicator as the government continued to make improvements to the registration system. The team has been providing ad-hoc support through the working group to support the publication of the statistics.	1	DB20
El Salvador	Agribusiness	In El Salvador, most steps to register food and beverages for commercialization, including paying related fees to the Ministry of Health, were done manually and centralized in San Salvador. In 2015, companies spent between 7 and 27 days complying with the procedures and paying fees. In 2015, the project team started to develop an online platform for Sanitary Registration of Food and Beverages for national and imported products (SISAM) and its integration with the regional sanitary registration system, SIRRS. Initially, this reform work did not include an e-payment module. In 2016, the project completed SISAM and developed an online payment module through the integration of SISAM with the import system (SIMP) of the single window for trade, called Center for Import and Export (CIEX). In May 2017, the SISAM, including this integration, was officially launched by authorities of the Ministry of Health, Economy and the Central Bank. From December 2017 and during 2018, the project continued providing technical assistance for the full integration of the food and beverage system with the SIMP import system. The system for paying fees for food and beverage laboratory tests electronically through the SIMP became fully operational in January 2019. Companies now spend from seconds to 30 minutes to pay online for first-time registration, mutual recognition, and laboratory fees.	1	
Jamaica	Enforcing Contracts	The project works with the Jamaica Promotions Corporation (JAMPRO) to improve the investment climate in areas covered by the Doing Business indicators. The team prepared a Reform Memorandum in June 2018, including a chapter on Enforcing Contracts, and an Action Plan on Enforcing Contracts in August 2018. In both the Memo and the Action Plan, the team made detailed recommendations on how to set up a judicial performance measurement mechanism and precisely which information should be published on the website for public access. These recommendations were presented and discussed with the Supreme Court of Jamaica (Commercial Court), and ultimately reviewed by the project team for the implementation of the mechanism.	1	DB20
Jamaica	Registering Property	The project team worked with the National Lands Agency to provide support for improving the property registration system, including formulation of a project plan and strategy to move to a fully electronic e-titling system. The effort included a study tour to New Zealand to learn about its Landoline electronic e-titling system. In a subsequent initiative, the team worked with JAMPRO to improve the investment climate, including ongoing work on Registering Property. The team's June 2018 Reform Memorandum included a chapter on Registering Property and a recommendation to assess the tax and stamp duty fees. The team presented these results to the National Land Agency and other relevant stakeholders in a dissemination discussion on how to implement the recommended reforms. In March 2019, the Ministry of Finance and Public Service adopted a new budget resolution modifying the fee schedule for property transfer and stamp duty. Effective the following month, the move decreased the property transfer tax from 5 percent to 2 percent and the stamp duty from 4 percent to a fixed fee of $5,000.	1	DB20
Paraguay	Enforcing contracts	Paraguay's Supreme Court issued a set of regulatory acts establishing implementation of an electronic system for judicial proceedings. In November 2018 the Electronic Case Management System became fully operational in all first-instance civil and commercial courts in the capital. Since its inception, the system has gradually developed and broadened to allow lawyers and judges to actively manage case files throughout the litigation process before the 19 First Instance Civil and Commercial Courts in Asunción. Paraguay also undertook important dissemination efforts through the publication of announcements and explicative videos on the Supreme Court of Justice's website, which facilitated the transition to the new system for legal professionals. These developments all flowed from the project team's work in the area of enforcing contracts dating back to a Reform Memorandum for the Government of Paraguay in 2015. One of the key recommendations detailed the importance of implementing electronic case management systems for judges and lawyers. The team disseminated these results to the Courts in Paraguay and was available for continued ad hoc support related to the implementation of investment climate reforms.	1	DB20
Grand Total			31	25

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Annex 2: PORTFOLIO OF FIAS-FUNDED PROJECTS IN FY19

2.1 FIAS-Funded Client-Facing Projects*

REGION CODE	COUNTRY	PROJECT NAME	TOTAL PROJECT BUDGET	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURES	PROJECT STATUS
EAST ASIA AND THE PACIFIC						
EAP	East Asia and Pacific Region	EFI EAP BizDev	$50,000	$62,433	$62,433	ACTIVE
EAP	Indonesia	Indo ICCC MCICP	$3,740,000	$554,928	$554,928	ACTIVE
EAP	Lao People's Democratic Republic	LS-INVT Climate	$1,584,917	$398,921	$167,074	ACTIVE
EAP	Philippines	Philippines Agri Trade	$3,395,574	$184,842	$27,513	ACTIVE
EAP	Philippines	Philippines CPSD	$304,801	$29,458	$29,458	ACTIVE
EAP	Vietnam	VN PSC	$4,553,712	$1,091,527	$982,915	ACTIVE
EUROPE AND CENTRAL ASIA						
ECA	Albania	Albania IC comp	$2,279,277	$466,533	$366,099	ACTIVE
ECA	Albania	W.Balkans IPP	$2,712,500	$838,129	$838,129	ACTIVE
ECA	Armenia	Armenia Gender	$524,015	$72,068	$29,019	TERMINATED
ECA	Armenia	Armenia IPP/Agri	$1,594,000	$451,336	$278,483	ACTIVE
ECA	Azerbaijan	Az IC Agri Comp	$3,404,413	$1,003,295	$1,003,295	ACTIVE
ECA	Central Asia Region	ECA TFSP	$2,737,684	$930,069	$51,643	ACTIVE
ECA	Eastern Europe Region	MTI ECA BizDev	$175,000	$117,031	$117,031	ACTIVE
ECA	Georgia	Geo tr/inv/agr.	$1,834,873	$431,579	$339,166	ACTIVE
ECA	Kazakhstan	CPSD-KAZ FollowU	$1,880,477	$69,384	$69,384	ACTIVE
ECA	Kosovo	Kosovo IC II	$2,369,883	$342,329	$335,097	ACTIVE
ECA	Kyrgyz Republic	KR Inv&Growth	$1,960,000	$168,268	$163,286	ACTIVE
ECA	Tajikistan	Taj CEP	$2,750,000	$192,108	$133,191	ACTIVE
ECA	Ukraine	ECA Agri-Finance	$5,720,000	$974,642	$325,468	ACTIVE
ECA	Ukraine	CPSD - Ukraine	$215,000	$96,922	$96,922	ACTIVE
LATIN AMERICA AND THE CARIBBEAN						
LAC	Caribbean Region	MTI Bus Reg LAC	$1,615,000	$68,596	$68,596	ACTIVE
LAC	Colombia	Prod & Job Colombia	$1,591,000	$153,789	$153,789	ACTIVE
LAC	Colombia	Productivity Col	$1,271,572	$119,446	$117,857	ACTIVE
LAC	Ecuador	Ecuador CPSD	$247,984	$37,124	$37,124	ACTIVE
LAC	Latin America Region	CA RegionalTrade	$3,658,954	$462,747	$313,284	ACTIVE
LAC	Latin America Region	LAC IBRA	$3,219,896	$371,526	$25,027	ACTIVE
LAC	Latin America Region	Investment in PA	$187,081	$48,956	$48,956	ACTIVE
LAC	Latin America Region	MTI LAC BizDev	$45,000	$46,047	$46,047	ACTIVE
LAC	Peru	Peru Tourism	$1,834,777	$248,752	$119,771	ACTIVE
LAC	Peru	Peru Growth	$3,266,499	$74,929	$74,800	ACTIVE
MIDDLE EAST AND NORTH AFRICA						
MENA	Egypt, Arab Republic of	ECProgram	$1,439,534	$111,024	$81,179	ACTIVE
MENA	Jordan	Jordan NQI	$2,580,596	$192,410	$102,071	ACTIVE
MENA	Jordan	Jordan BE Reform	$5,969,000	$337,059	$337,094	ACTIVE
MENA	Jordan	CPSD - Jordan	$200,000	$190,055	$190,055	ACTIVE
MENA	MENA Region	MTI MENA BizDev	$50,000	$52,330	$52,330	ACTIVE
MENA	Morocco	Morocco PSD	$1,227,633	$44,598	$44,598	ACTIVE
MENA	Morocco	Mor BE & Comp.	$1,550,000	$147,134	$144,191	ACTIVE
MENA	Tunisia	Tunisia IC RP II	$1,880,000	$120,838	$113,002	ACTIVE
SOUTH ASIA						
SA	Afghanistan	Afg Bus Lic II	$2,718,323	$404,725	$404,725	ACTIVE
SA	Afghanistan	AF- Inv. Climate	$1,327,833	$67,580	$67,580	ACTIVE
SA	Afghanistan	AF Bus Enabling	$1,847,530	$905,476	$903,972	ACTIVE
SA	India	India Insolvency	$814,770	$226,891	$121,231	ACTIVE
SA	India	India BR	$3,359,826	$105,210	$105,006	ACTIVE
SA	Pakistan	Pakistan DB	$2,626,292	$912,084	$203,126	ACTIVE
SA	Southern Asia Region	MTI SAR BizDev	$165,000	$184,671	$184,576	ACTIVE

*Projects with less than $10,000 FIAS spend have been removed from the list.

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Annex 2: PORTFOLIO OF FIAS-SUPPORTED PROJECTS IN FY19

2.1 FIAS-Funded Client-Facing Projects

REGION CODE	COUNTRY	PROJECT NAME	TOTAL PROJECT BUDGET	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURES	PROJECT STATUS
SUB-SAHARAN AFRICA						
SSA	Africa Region	SSA IBRA 3	$1,995,517	$919,493	$78,355	ACTIVE
SSA	Africa Region	MTI AFR BizDev	$30,000	$30,677	$30,677	ACTIVE
SSA	Angola	Angola CPSD	$324,987	$179,776	$175,692	ACTIVE
SSA	Benin	Invest Benin	$500,000	$162,842	$162,842	ACTIVE
SSA	Central Africa Region	CEMAC IC	$1,587,204	$203,096	$107,708	ACTIVE
SSA	Central African Republic	CAR ICP	$545,060	$28,419	$25,411	TERMINATED
SSA	Congo, Democratic Republic of	DRC Inv Climate	$1,865,178	$266,070	$108,549	ACTIVE
SSA	Cote D'lvoire	SME Dev CDI	$550,000	$111,726	$111,726	HOLD
SSA	Cote D'lvoire	CDI Manufg	$1,900,000	$237,857	$162,201	ACTIVE
SSA	Eswatini	Swaziland TC	$1,826,248	$382,187	$86,146	ACTIVE
SSA	Ethiopia	Ethiopia LvStock	$2,100,000	$422,574	$422,587	ACTIVE
SSA	Ethiopia	Ethiopia SIRM	$610,100	$189,144	$189,144	ACTIVE
SSA	Ghana	Ghana ICP	$4,499,999	$683,073	$464,933	ACTIVE
SSA	Ghana	Invest Ghana	$1,500,000	$311,644	$134,979	ACTIVE
SSA	Guinea	Guinea IC Mining	$2,167,142	$268,442	$35,332	ACTIVE
SSA	Guinea-Bissau	Guinea-Bissau CS	$1,286,375	$156,158	$56,109	ACTIVE
SSA	Lesotho	Lesotho IC Prog	$1,812,471	$284,872	$27,872	ACTIVE
SSA	Malawi	Malawi WHR	$1,114,356	$78,167	$43,648	ACTIVE
SSA	Malawi	AFR Competition	$1,162,098	$114,603	$65,182	ACTIVE
SSA	Malawi	Malawi IC	$400,001	$34,052	$34,052	ACTIVE
SSA	Mali	Mali IC3 - E W	$2,187,590	$216,276	$216,276	ACTIVE
SSA	Mozambique	Moz IC Project 2	$2,513,782	$673,626	$573,248	ACTIVE
SSA	Nigeria	Nigeria LV Stock	$2,042,352	$308,887	$308,895	ACTIVE
SSA	Rwanda	Rwanda SIRM	$534,710	$221,879	$221,879	ACTIVE
SSA	Senegal	Invest Senegal	$1,750,000	$462,410	$462,410	ACTIVE
SSA	South Africa	SA PSCP	$3,272,940	$785,488	$678,171	ACTIVE
SSA	Sudan	Sudan ICP	$1,268,910	$78,546	$78,546	ACTIVE
SSA	Tanzania	Tanzania LvStock	$2,100,000	$290,342	$290,342	ACTIVE
SSA	Tanzania	EAC Phase III	$5,069,101	$275,272	$275,272	ACTIVE
SSA	Togo	Togo ICTA	$500,002	$112,164	$112,164	ACTIVE
SSA	Western Africa Region	OHADA UA 2	$5,268,269	$162,665	$162,665	CLOSED
SSA	Western Africa Region	West Africa IPIC	$8,719,722	$661,635	$1,072,970	ACTIVE
SSA	Western Africa Region	Invest W Africa	$4,487,875	$293,867	$71,233	ACTIVE
SSA	Western Africa Region	CN WACorridor&TF	$40,650,000	$743,206	$743,206	ACTIVE
SSA	Western Africa Region	Inv W AF Tourism	$1,900,000	$349,879	$349,879	ACTIVE
SSA	Western Africa Region	Corridor GH-BF	$1,900,000	$220,041	$220,041	ACTIVE
SSA	Western Africa Region	Invest W AF WRS	$1,750,000	$386,171	$89,470	ACTIVE
SSA	Zambia	Zambia IC III	$3,282,754	$525,553	$45,528	ACTIVE
SSA	Zimbabwe	Zimbabwe ICP	$2,317,323	$440,855	$41,678	ACTIVE
WORLD						
WLD	World	GRP Joint Pilots	$2,093,748	$676,599	$676,599	ACTIVE

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Annex 2: PORTFOLIO OF FIAS-SUPPORTED PROJECTS IN FY19

2.2 FY19-FIAS-Funded Knowledge Management and Product Development Projects *(continued)*

REGION	PROJECT NAME	TOTAL FUNDING	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURE	PROJECT STAGE
World	GRP T&C	$814,431	$81,669	$81,669	ACTIVE
World	IC App. Research	$2,814,584	$463,475	$152,125	ACTIVE
World	T&C S4C PDP	$889,856	$80,200	$81,268	ACTIVE
World	QI PDP	$820,936	$187,506	$37,516	ACTIVE
World	High-Growth firm	$563,749	$113,231	$53,336	ACTIVE
World	MNE Linkages	$615,510	$84,946	$14,760	ACTIVE
World	IPP PDP	$2,285,442	$726,550	$373,902	ACTIVE
World	COMPEL	$2,511,263	$305,208	$295,295	ACTIVE
World	CCI 2	$753,238	$177,535	$107,058	ACTIVE
World	TFBM PDP	$6,285,001	$1,920,700	$182,219	ACTIVE
World	Agribusiness PDP	$2,925,000	$498,987	$436,329	ACTIVE
World	IC IBR	$930,489	$255,558	$138,525	ACTIVE
World	Biz Env 3	$1,068,918	$94,669	$94,669	ACTIVE
World	Global CP PDP II	$1,293,492	$567,753	$294,104	ACTIVE
World	GENDER EFI	$1,409,866	$325,207	$325,207	ACTIVE
World	Tourism PDP	$734,608	$65,582	$65,582	ACTIVE
World	IMT KDP	$1,612,270	$848,669	$806,810	ACTIVE
World	GRP KM	$450,000	$104,144	$18,225	ACTIVE
World	EMENA IC KDP	$300,000	$38,493	$38,493	ACTIVE
World	Agile Reg&Tech	$600,000	$95,369	$95,369	ACTIVE
World	Global QI	$100,000	$67,505	$67,505	ACTIVE

Annex 3: ABBREVIATIONS

AfDB	African Development Bank
AIDA	Albanian Investment Development Agency
AISA	Afghanistan Investment Support Agency
APEC	Asia-Pacific Economic Cooperation
API Mali	Agence pour la Promotion des Investissements au Mali (Mali Investment Promotion)
ARTF	Afghanistan Reconstruction Trust Fund
AS	advisory services
BO	Business Ombudsman of Georgia
BPO/BPM	business process outsourcing / business process management
CCS	compliance cost savings
ComPEL	Competitiveness Policy Evaluation Lab
CPF	Country Partnership Framework
CPSD	Country Private Sector Diagnostics
CWA	Compact with Africa
DARP	Distressed Asset Recovery Program, IFC
DB	Doing Business, World Bank Group
DEC	Development Economics Vice Presidency, World Bank
DFAT	Department of Foreign Affairs and Trade, Australia
DFID	Department for International Development, United Kingdom
DPL	Development Policy Loan
DPV	Direction de la Protection des Végétaux (Crop Protection Services)
ECA	Europe and Central Asia Region, World Bank Group
ECCB	Eastern Caribbean Central Bank
EFI	Equitable Growth, Finance and Institutions Vice Presidency, World Bank Group
EIC	Ethiopian Investment Commission
EODB	Ease of Doing Business
FAO	Food and Agriculture Organization of the United Nations
FCI	Finance, Competitiveness and Innovation Global Practice, World Bank Group
FCV	states affected by fragility, conflict, and violence
FDI	foreign direct investment
FIAS	Facility for Investment Climate Advisory Services
FMTAAS	Funding Mechanism for Technical Assistance and Advisory Services, IFC
G20	Group of 20 leading economies
G2B	government to business
GDP	gross domestic product
GIPC	Ghana Investment Promotion Centre
GTCDA	Ghana Tree Crop Development Authority
HACCP	Hazard Analysis Critical Control Point system
IBR	Indicator-Based Reform
IBRD	International Bank for Reconstruction and Development (World Bank)
IDA	International Development Association
IFC	International Finance Corporation
IPP	Investment Policy and Promotion
JET	Jobs and Economic Transformation initiative, World Bank Group
KM	knowledge management
LAC	Latin America and Caribbean Region, World Bank Group
Mali IC3	Mali Investment Climate Program, Phase 3
M&E	monitoring and evaluation

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Annex 3: ABBREVIATIONS

MARD	Ministry of Agriculture and Rural Development, Albania
MCICP	Multi-Country Investment Climate Program
MCP	Markets and Competition Policy
MCPAT	Markets and Competition Policy Assessment Tool
MENA	Middle East North Africa Region, World Bank Group
MFE	Ministry of Finance & Economy, Albania
MIGA	Multilateral Investment Guarantee Agency
MoCI	Ministry of Commerce and Industry, Afghanistan
MPI	Ministry of Planning and Investment, Vietnam
MSE; MSME	micro and small enterprises; micro, small, and medium enterprises
MTI	Macroeconomics, Trade and Investment Global Practice, World Bank Group
NQI	National Quality Infrastructure
NTB	nature based tourism
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OHADA	Organization for the Harmonization of Business Law in Africa
PDP	product development project
PPD	public-private dialogue
PSE	Plan for an Emerging Senegal
RAS	Reimbursable Advisory Services
RDB	Rwanda Development Board
SAS	société par actions simplifiée (type of limited liability company)
SCD	Systematic Country Diagnostic
SDGs	Sustainable Development Goals
SIRM	systemic investor response mechanism
SME	small and medium enterprises
SNDB	Subnational Doing Business
SOE	state-owned enterprise
WBL	Women, Business and the Law, World Bank Group
We-Fi	Women Entrepreneurs Finance Initiative
WRS	warehouse receipt system

Vietnamese rice farmer. *Photo: Bigstock*

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

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