Fias

2020

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES

IFC International Finance Corporation
WORLD BANK GROUP

With support from:

BILL & MELINDA GATES foundation

TRADE MARK EAST AFRICA
Growing Prosperity Through Trade

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About the Facility for Investment Climate Advisory Services (FIAS)

Through the FIAS program, the World Bank Group and donor partners facilitate investment climate reforms in developing countries to foster open, productive, and competitive markets and to unlock sustainable private investments in sectors that contribute to growth and poverty reduction. The FIAS program is managed by the International Finance Corporation (IFC), a member of the World Bank Group, and implemented by IFC Advisory Services teams. For more information, visit ***https://www.thefias.info.***

Acknowledgments
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Cover photo: A woman processes fonio, a millet grain distinctive to West Africa, for a local agribusiness company in Guinea. *Photo:IFC*

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

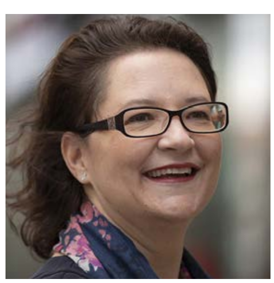
Message from the Operations Manager

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

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

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

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



Anastasia Gekis
IFC Corporate Operations Manager

Introduction

FIAS FY20, and Planning the Next Strategy Cycle

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

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

FIAS contributed to 110 client-facing projects benefiting 83 developing countries, and supported 14 global knowledge projects advancing the quality and depth of IFC Creating Markets Advisory (CMA) across a range of topics including investment policy and promotion, indicator-based reform, quality infrastructure, business linkages between domestic and multinational firms, and manufacturing technology. The FIAS Multi-Donor Trust Fund provided more than half the funding for the 124 projects in the FY20 portfolio, contributing an average of \$175,555 per client-facing project and \$205,690 per global project. As the reform results suggest, about half of the client-facing portfolio benefited IDA and Sub-Saharan African countries, and about a quarter benefited FCV.

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

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

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

100 million people

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

01

Main Achievements and Milestones

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

In FY20, FIAS-supported programs contributed to

20 reforms in 26 client countries

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

91% client satisfaction rating in FY20

60 of 66 FY20 projects receive positive ratings from clients

$8.8 million in private sector compliance cost savings in FY20

Strategy cycle total: $52 million

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

01

FIAS FY20 Cumulative Results

Highlights of FY20 FIAS-Supported Operations

Total Reforms

153 reforms

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

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

FIAS five-year target is 220 reforms

FY20 Results

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

Fewer FIAS reforms in FY20 due to COVID

FIAS Priorities

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

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

FIAS-supported projects in the FIAS priority areas

Total Cycle **Savings**

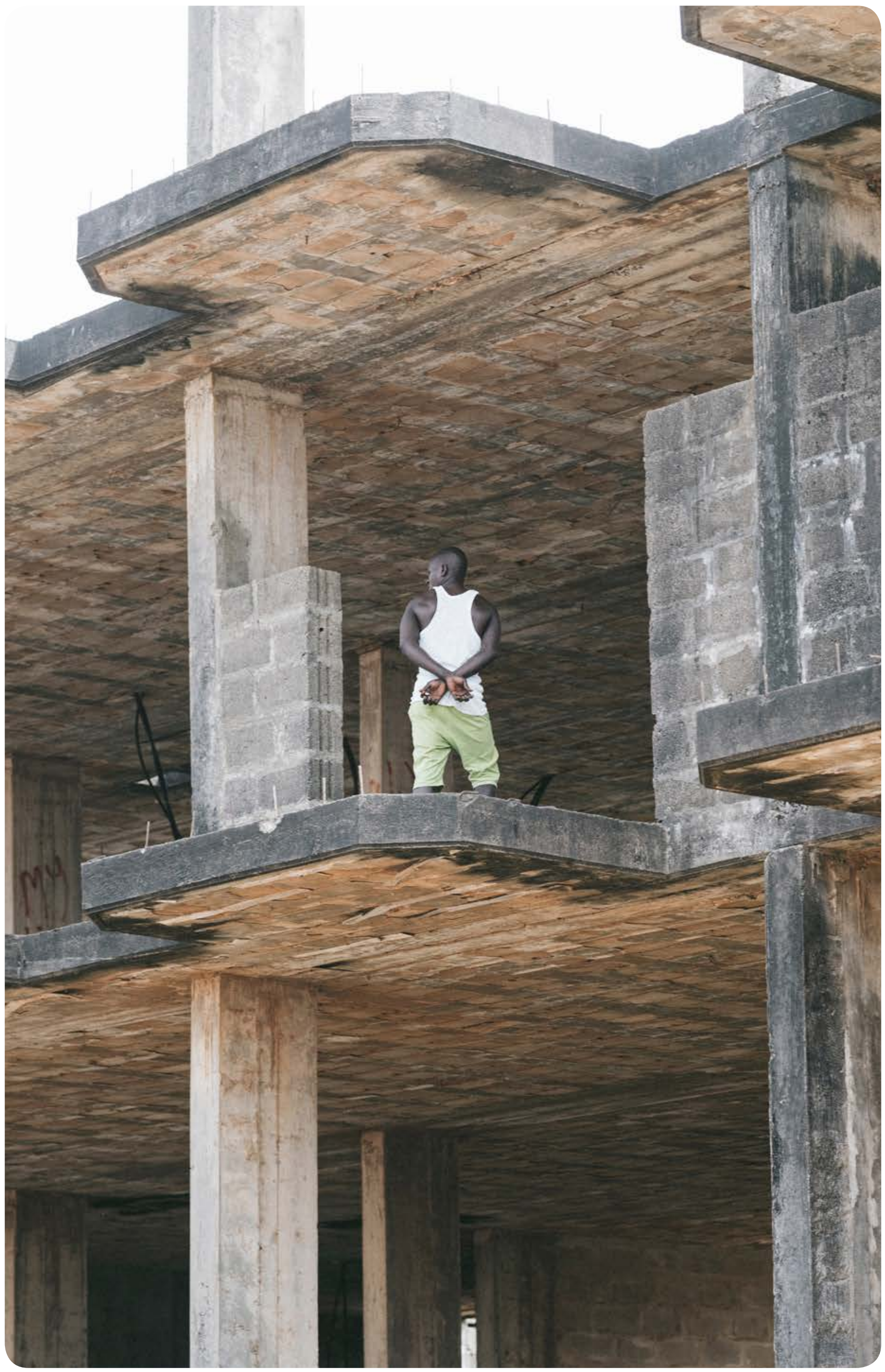
$52.4 million

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

FIAS compliance cost savings

Countries that achieved reforms:

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



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

FY20 Portfolio Information

Focus on Priority Client Groups

01

FY20 Project **Portfolio**

FIAS portfolio of projects in FY20

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

124 projects

Projects Implemented in FY20 **IDA, Africa, FCV**

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

55% IDA

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

42% Africa

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

30% FCV

FIAS-supported projects

83 countries

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

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

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

01

FY20 FIAS Funding

Funding for Client-Facing and Global Knowledge Projects

$22.19m

FIAS FY20 direct project expenditures consist of ...

$19.31m

Client-Facing

$2.88m

Non-Client-Facing

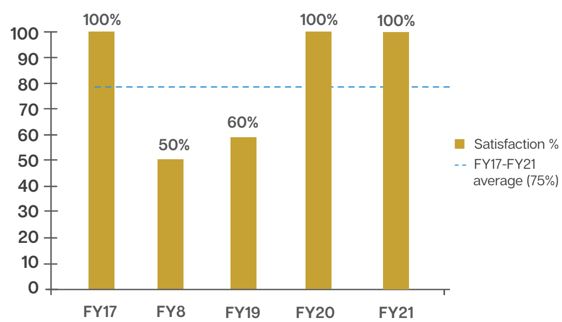
- FIAS FY20 direct project expenditures totaled $22.19 million (FY19: $21.9 million), with $19.31 million, or 87 percent, client-facing (FY19: 84 percent) and $2.88 million, or 13 percent, non-client facing (FY19: 16 percent). This leveraged $38.89 million in total expenditures from all sources on projects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

Client Satisfaction and Development Effectiveness

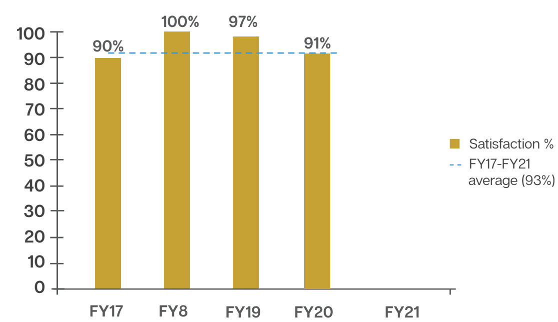
- FIAS clients rated 66 projects in FY20, 60 of them positively, or 91 percent (30 of 31 rated positively in FY19, 97 percent). For the FY17–21 strategy cycle, clients have rated 128 of 138 projects positively, or 93 percent (client satisfaction rating for FY12–16 cycle: 92 percent).
- For FY20, 7 out of 7 completed projects supported by FIAS were rated successful or mostly successful for development effectiveness in internal Bank Group management reviews. For FY17–20, with one year to go in the strategy cycle, 15 out of 20 completed projects have received positive development effectiveness ratings.[2]

[2] Final figures may change as Independent Evaluation Group reviews of DE ratings are not yet complete.

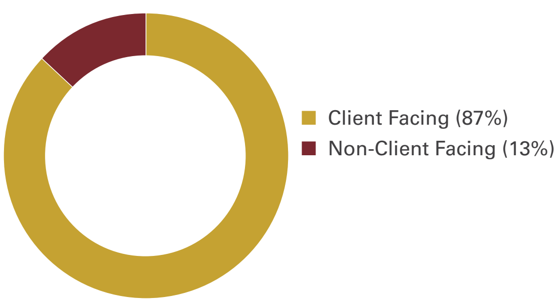
FIAS DEVELOPMENT EFFECTIVENESS, FY17-FY21
(Percent of completed projects receiving positive DE ratings in internal reviews)



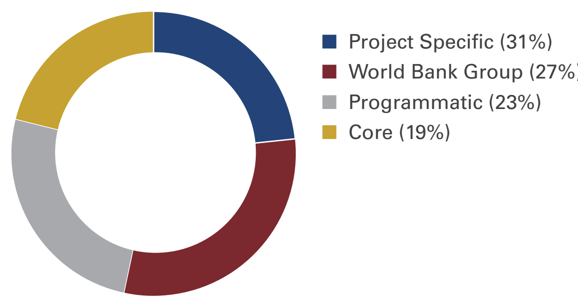
FIAS CLIENT SATISFACTION, FY17-FY21
Share of positive client responses from FIAS-supported projects



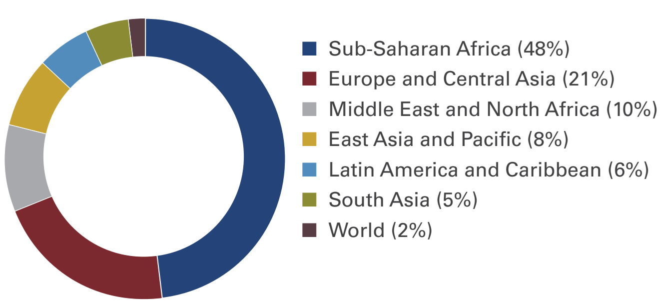
PERCENT OF FY20 FIAS DIRECT PROJECT EXPENDITURES
100% = $22,190,277



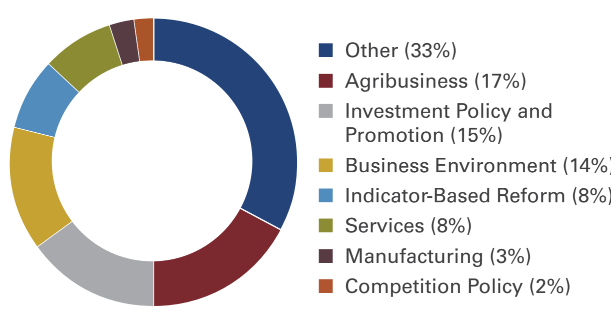
FY20 DONOR CONTRIBUTIONS (GROSS RECEIPTS)
100% = $25,557,640



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



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



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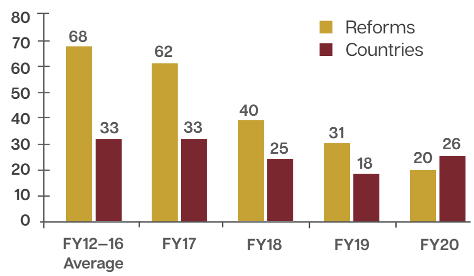
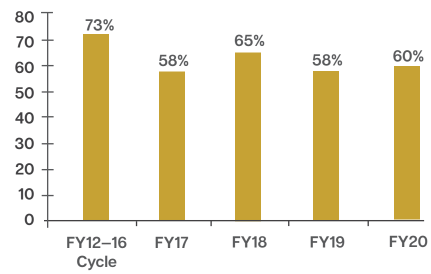
The charts below show FIAS FY17–20 results in priority areas (IDA, Sub-Saharan Africa, FCV) as measured against FY17–21 strategy cycle targets.

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

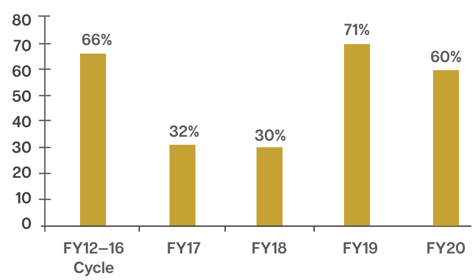


SHARE OF REFORMS IN IDA COUNTRIES
FY17–21 Cycle target = 70%

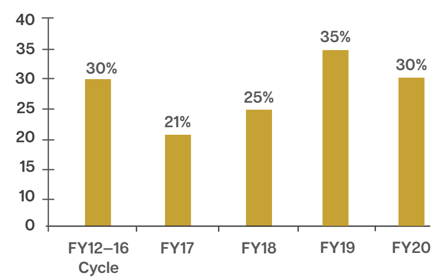


FY17–20 FIAS Funding and Expenditures

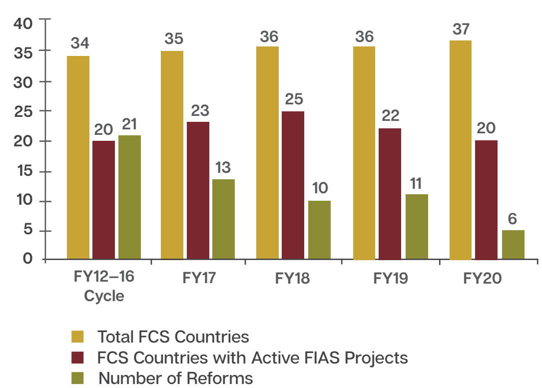
SHARE OF REFORMS IN SUB-SAHARAN AFRICA
FY17–21 Cycle target = 50%



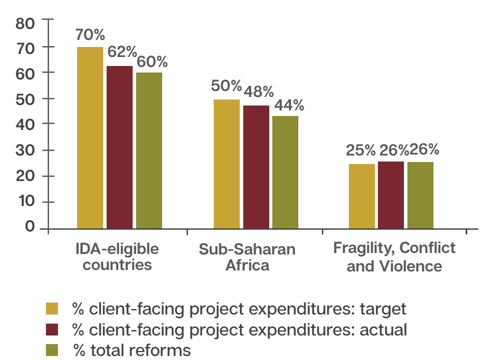
SHARE OF REFORMS IN STATES AFFECTED BY FRAGILITY, CONFLICT, AND VIOLENCE
FY17–21 Cycle target = 25%



FIAS-SUPPORTED PROJECTS, REFORMS IN FCV



CUMULATIVE RESULTS BY PRIORITY CLIENT GROUP, FY17-20



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

FY12-16 and FY17-FY20 Funding and Expenditures

Fiscal Year	2012-16		2017		2018		2019		2020		2021		2017-21	
Contributions (Sources of Funds) [a]	In US$ Thousands	Share of Total	In US$ Thousands	Share of Total	In US$	Share of Total	In US$	Share of Total	In US$ Thousands	Share of Total	In US$	Share of Total	In US$ Thousands	Share of Total
WORLD BANK GROUP CONTRIBUTIONS	51,336,475	28%	9,599,341	26%	8,061,770	25%	7,000,000	25%	7,000,000	27%	-	0%	31,661,111	26%
Core Contributions	37,788,000	20%	7,000,000	19%	7,000,000	22%	7,000,000	25%	7,000,000	27%	-	0%	28,000,000	23%
IFC[a]	23,388,000	13%	5,000,000	13%	5,000,000	16%	5,000,000	18%	5,000,000	20%		0%	20,000,000	16%
MIGA	5,600,000	3%	-	0%	-	0%	-	0%		0%		0%	-	0%
World Bank	8,800,000	5%	2,000,000	5%	2,000,000	6%	2,000,000	7%	2,000,000	8%		0%	8,000,000	6%
Project Specific/Other Contributions (IFC)	13,548,475	7%	2,599,341	7%	1,061,770	3%	-	0%		0%		0%	3,661,111	3%
Donor Contributions	134,480,300	72%	27,950,198	74%	23,557,629	75%	21,397,458	75%	18,557,640	73%	-	0%	91,462,925	74%
Core	47,516,000	25%	4,601,820	12%	5,620,842	18%	5,600,853	20%	4,819,350	19%		0%	20,642,865	17%
Programmatic	55,913,000	30%	16,009,590	43%	8,880,887	28%	10,377,169	37%	5,861,827	23%		0%	41,129,473	33%
Project-Specific	31,051,300	17%	7,338,788	20%	9,055,900	29%	5,419,436	19%	7,876,463	31%		0%	29,690,587	24%
Client Contributions	699,000	0.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Contributions	**186,515,775**	**100%**	**37,549,539**	**100%**	**31,619,399**	**100%**	**28,397,458**	**100%**	**25,557,640**	**100%**	-	0%	**123,124,036**	**100%**
Less Trust Fund Administration Fees	7,151,000		1,099,899		834,799		948,598		726,936				3,610,232	
Total Net Contributions	**179,364,775**		**36,449,640**		**30,784,600**		**27,448,860**		**24,830,704**				**119,513,804**	
Expenditures (Uses of Funds)[b]														
Staff Costs	80,745,922	50%	15,724,142	48%	14,114,087	52%	12,308,245	50%	10,195,172	45%		0%	52,341,646	49%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%	8,768,926	32%	7,838,159	32%	8,951,262	39%		0%	36,061,419	34%
Operational Travel Costs	26,315,588	16%	5,053,184	15%	3,006,936	11%	3,004,750	12%	2,526,105	11%		0%	13,590,976	13%
Indirect Costs (including office and operating costs)	11,886,379	7%	1,604,318	5%	1,506,396	5%	1,348,287	6%	1,102,123	5%		0%	5,561,124	5%
Total Expenditures	**160,092,902**	**100%**	**32,884,715**	**100%**	**27,396,345**	**100%**	**24,499,442**	**100%**	**22,774,662**	**100%**	-	**0%**	**107,555,164**	**100%**

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

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

FIAS-Supported Reforms by Region and Country, FY20

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

[a]International Development Association (IDA).
[b]Fragility, conflict, and violence situations (FCV).
* Reforms at subnational level

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

02

Special Topic: IFC Upstream, FIAS, and COVID Response

FIAS supports project teams with **COVID Response**

IFC Upstream flows from creating Markets Advisory

Upstream more relevant than ever in COVID context

IFC's Upstream Strategy

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

The aim of Upstream is to leverage IFC Creating Markets initiatives (including those IFC Advisory Services that FIAS supports) to help create the conditions for increased private sector investment, including projects that could include IFC participation. Upstream builds on experience from investment and advisory initiatives that successfully created new market opportunities, and applies innovative models around staffing, funding, indicators, and operations to enable new levels of delivery.

FIAS support for Upstream-oriented advisory coincides with several developments that make the initiative especially timely. First and foremost, there is the urgent demand from developing countries for World Bank Group engagement in delivering relief and restructuring assistance and helping prepare the way for a resilient recovery from the economic effects of the pandemic. Although the Upstream initiative was developed prior to the COVID outbreak, the concept is highly relevant to IFC's efforts to work with clients on advisory and investment initiatives that produce tangible economic results. The launch of Upstream has coincided with the shift in management of the FIAS program (as of July 1, 2020) from the Equitable Growth, Finance and Institutions Global Practice Group (EFI) to IFC. This move enables FIAS Program Management to work closely across IFC teams, including the IFC Upstream group, IFC regional and country teams, and IFC Industry units such as the Manufacturing, Agribusiness and Services (MAS) and Financial Institutions Group (FIG) units.

IFC in the past year has completed the integration of Advisory Services into industry and services departments, ending a four-year process that is regarded as key to the success of Upstream. Along with these developments, FIAS and its Development Partners are working on the FY22–26 strategy, which will place greater emphasis on sector-specific advisory that can help grow the private sector investment pipeline, including that of IFC. FIAS's role under IFC management will be distinct from that of the Competitiveness for Jobs and Economic Transformation umbrella trust fund (C-JET) managed by EFI. C-JET will primarily finance World Bank-executed trust fund grants that support preparation of IBRD and IDA lending operations by incorporating microeconomic structural reforms into country programs. FIAS plays a complementary role by focusing on IFC 3.0 Creating Markets Upstream initiatives and through IFC Upstream operations supporting creating conditions for private sector investment in priority areas and sectors identified in the IFC Country Strategies.

FIAS-supported projects, such as Country Private Sector Diagnostics and investment policy and promotion, are part of the broader, more systemic approach to generating investment opportunities for IFC and its partners and the private sector. The very term "upstream," in the development context, refers to the kinds of activities that need to happen ahead of—or upstream from—investment commitments. These activities may involve tangible steps such as improving roads, port facilities, power grids, and other infrastructure. Or they may involve advisory-based activities such as streamlining business regulation, strengthening investor protections, upgrading competition policy, improving the competitiveness of sectors and firms, and helping countries maximize the potential of their most promising business sectors. FIAS supports all these areas of work delivered by teams across IFC and consistent with the FIAS Strategy.

The very term "upstream," in the development context, refers to the kinds of activities that need to happen ahead of—or upstream from—investment commitments.

02

"I believe that the private sector can and must play a central role in the economic recovery that is essential in the months and years ahead. How to help bring this about was always a difficult problem, even before the pandemic. The situation is even more acute now. Advisory services of the kind FIAS supports are integral to this endeavor."

— Stephanie von Friedeburg, *IFC Senior Vice President*

$14b

finance package

In March 2020, **the IFC and World Bank Boards of Directors approved a $14 billion package of fast-track financing to assist companies and countries** in their efforts to prevent, detect, and **respond to the rapid spread of coronavirus.**

IFC Response to COVID-19

Addressing the FIAS Steering Committee Meeting, IFC Senior Vice President Stephanie von Friedeburg said, "I believe that the private sector can and must play a central role in the economic recovery that is essential in the months and years ahead. How to help bring this about was always a difficult problem, even before the pandemic. The situation is even more acute now. Advisory services of the kind FIAS supports are integral to this endeavor."

In March 2020, the IFC and World Bank Boards of Directors approved a $14 billion package of fast-track financing to assist companies and countries in their efforts to prevent, detect, and respond to the rapid spread of coronavirus. IFC's contribution to the financing package is $8 billion to support private companies and their employees devastated by the economic downturn. The bulk of the money will help client financial institutions continue to offer trade financing, working-capital support, and medium-term financing to private companies struggling with disruptions in supply chains.

As of November, IFC had committed $4 billion in fast-track financing, with close to half expected to benefit people in the poorest countries and fragile states. The remainder is being distributed across other developing countries and emerging markets. For example, IFC has loaned $4 million to CIEL Healthcare Limited, one of the largest private healthcare providers in Uganda, to continue providing critical healthcare services through clinics and hospitals during the pandemic. In South Africa, IFC is investing up to $200 million in The Standard Bank of South Africa Limited to finance COVID-19 relief for South African businesses and small and medium enterprises (SMEs).

"Supporting the private sector will be crucial to helping developing countries achieve an inclusive, sustainable, and resilient recovery and stem the current rise in extreme poverty," said World Bank Group President David Malpass. "We have made progress in the last 20 years. Whole populations have come out of extreme poverty. The risk as the economic crisis takes hold is that people fall back into extreme poverty. While there is no food shortage problem now, if the situation continues it could become one."

The economic effects of the pandemic are expected to persist long after COVID-19 infections subside. Virtually all the upcoming FIAS strategy cycle will be taken up with the task of relief, recover, and restructuring from the pandemic's economic impact to build resilience and build back better.

According to the January 2021 edition of EFI's flagship economic forecast report, Global Economic Prospects (GEP), the pandemic, in addition to the heavy toll in death and illness, has plunged millions of people into poverty and may depress economic activity and incomes for a prolonged period.[3] GEP found that the collapse in global economic activity in 2020 is estimated to have been slightly less severe than previously projected, mainly due to shallower contractions in advanced economies and a more robust recovery in China. Disruptions in the majority of other emerging market and developing economies (EMDEs) were more acute than expected. Per capita income fell in more than 90 percent of EMDEs. The pandemic is expected to erase at least a decade's worth of per capita income gains in more than a quarter of these countries, and in about two-thirds of them, per capita incomes are projected to be lower in 2022 than they were in 2019. In low-income countries (LICs)—the core of FIAS client countries—activity in 2020 shrank by 0.9 percent, the first aggregate contraction in a generation. Growth in the FIAS priority region of Sub-Saharan Africa is forecast to rebound to 2.7 percent in 2021, a sluggish recovery hampered by persistent COVID-19 outbreaks in several economies. IFC estimates the region is set to experience an increase in the proportion of people in extreme poverty, with up to 34 million people pushed into extreme poverty by the pandemic across Sub-Saharan Africa.

These economic effects are likely to persist long after COVID-19 infections subside. Virtually all the upcoming FIAS strategy cycle will be taken up with the task of relief, recovery, and restructuring from the pandemic's economic impact. The prescription for recovery involves governments facilitating a re-investment cycle aimed at sustainable growth that is centered on the private sector and less dependent on government debt—all of

IFC estimates up to 34 million people will be pushed into extreme poverty by the pandemic across Sub-Saharan Africa.

34m

people pushed into poverty due to COVID-19

A group of fishermen off the coast of Cameroon. *Photo: Edouard-Tamba/UnSplash*

[3] World Bank Group, *Global Economic Prospects*, January 2021.

which well describes the FIAS mission. The goal for all IFC Advisory Services is to build resilience and build back better.

How IFC AS Projects Help Client Countries Recover from COVID-Related Downturn

Along with fast-track financing, IFC has responded rapidly to surging client demand for advisory services geared toward pandemic recovery and response. FIAS-supported teams are helping clients deal with the collapse in travel and tourism. In the agribusiness sector, teams are helping countries manage the impacts both on business and food security of restricted cross-border trade. FIAS is helping project teams craft agile responses to enable client countries to help manufacturers shift rapidly to production of personal protective equipment (PPE) or develop research and production in the pharma sector.

In some cases, project timelines must be extended because of the interruption in activities. In a few cases, changes in client priorities caused by the pandemic are requiring corresponding changes in project goals. IFC is constantly assessing projects in light of the added volatility caused by the pandemic. But most projects are expected to be able to proceed with implementation with some disruptions.

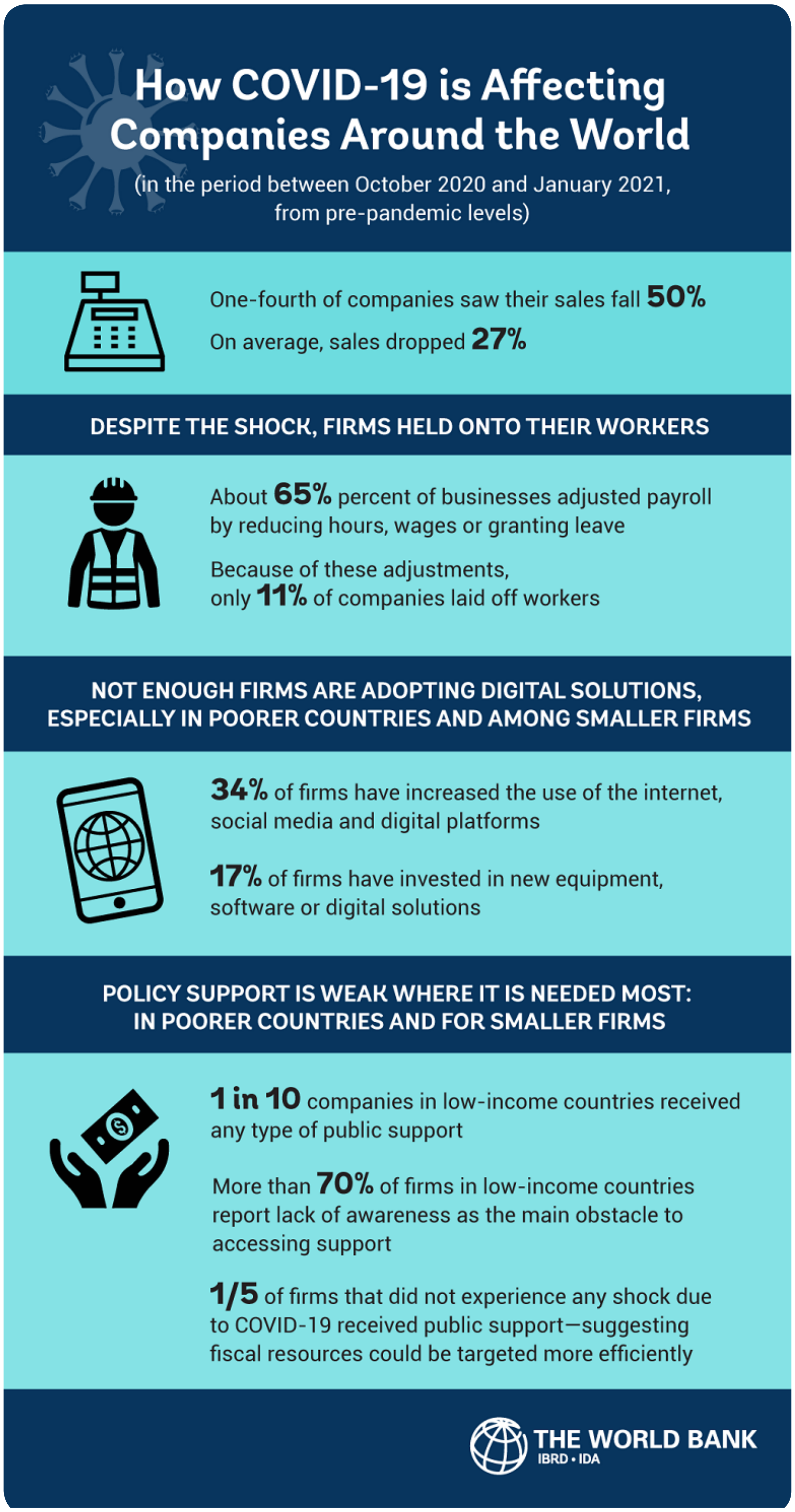
FIAS-supported activities have been integrally involved in the World Bank Group's pandemic response strategy. FIAS has leveraged its history of rapid response and established relationships to mobilize support for clients. Indicator-Based Reform teams have reacted quickly to client demand, and well-established relationships between FIAS-supported IFC country teams, client governments, and private sector entities have been utilized. FIAS has a proven track record in sectors hard-hit by the pandemic, including agribusiness, an industry central to the effort in preventing food insecurity, and tourism, one of the areas hardest hit by the crisis. FIAS-supported teams have used their expertise on investment climate and sector-specific reforms to support an accelerated recovery by recreating, repairing, and restoring markets devastated by the pandemic.

COVID-19 interventions are taking place in investment policy and promotion (IPP). In the crisis response phase, teams are working with governments to retain existing foreign direct investment (FDI) to preserve businesses and livelihoods, including problem solving for foreign investors and advocating for urgent reforms.

COVID-19 interventions are taking place in investment policy and promotion (IPP). In the crisis response phase, teams are working with governments to retain existing foreign direct investment (FDI) to preserve businesses and livelihoods, including problem solving for foreign investors and advocating for urgent reforms. In the recovery phase, IFC will help countries reconsider their FDI strategies, as they may no longer be able to attract foreign investment post-pandemic as multinational companies reconfigure their supply chains. To encourage future FDI, IFC AS will support reforms to allow for greater competitiveness and new outreach efforts.

The FIAS-supported **Competitiveness Evaluation Lab (ComPEL)** is an example of a first responder in the Bank Group's COVID effort. With its demonstrated history of impact evaluation, ComPEL assisted with the **COVID-19 Business Pulse Survey (COV-BPS**). The COV-BPS collected data in 11 countries across five regions to support government response in assisting businesses during the crisis. The survey will be scaled up to reach 16 additional countries and tailored to client governments' policy priorities.

FIAS also supported the **COVID-19 Investment Promotion Agencies (IPAs)**



Across emerging and developing economies, economic recovery over the next two to five years will require a focus on how to re-energize firms able to survive the pandemic downturn and on strengthening markets damaged by the pandemic's effects.

Survey, leveraging lessons learned from the **Systemic Investor Response Mechanism (SIRM)**, a tool designed to identify and resolve investor grievances. The survey collected data on COVID-19-related impacts and IPAs' responses from 46 national agencies across six regions. With this data, FIAS-supported project teams intend to implement policies to fast-track investor grievance management mechanisms (IGM) to address complaints caused by specific government actions. The teams plan to assist in managing investor-state contracts in countries that anticipate contract non-performance to allow for more flexibility and faster recovery.

CPSDs Provide Vehicle for Addressing COVID-19 Economic Impacts

The FIAS-supported Country Private Sector Diagnostics (CPSDs) working to help clients create markets in challenging economic circumstances now face the additional challenge of minimizing destruction of markets in the short term and restructuring them for the medium term. Across emerging and developing economies, economic recovery over the next two to five years will require a focus on how to re-energize firms able to survive the pandemic

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CPSD teams are being urged to look for reform recommendations on how best to leverage and incentivize the private sector.

In FY20, FIAS provided support to 9 CPSDs—in Albania, Azerbaijan, Bolivia, Colombia, Ecuador, Jordan, the Philippines, Ukraine, and Vietnam.

The World Bank Group is undertaking 45 CPSDs, with 24 completed, 20 ongoing, and 11 in the pipeline for FY21.

downturn and on strengthening markets damaged by the pandemic's effects. As they were prior to the COVID-19 outbreak, CPSD teams are being urged to look for reform recommendations on how best to leverage and incentivize the private sector. The new context places greater emphasis on assessing constraints and reform roadmaps to support the restructuring and recovery of key sectors and firms. FIAS-supported teams have rapidly taken on board new analysis and diagnostic components geared specifically to COVID impacts, relief, and recovery. CPSDs are covering a range of COVID-related topics including: the state of the private sector; strengthening key enabling sectors such as transport, digital infrastructure, finance, and health; addressing hard-hit sectors such as tourism, mining, and manufacturing; and strengthening key domestic sectors such as food production to prevent COVID's economic impacts from exacerbating food insecurity.

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The World Bank Group is building a rapidly growing body of knowledge products related to COVID-19 that teams will be able to access in completing CPSDs. Recently covered topics include support to SMEs, firms' resilience, corporate insolvency, and notes on such topics as tourism, digital solutions, and trade facilitation. This will continue to be a fluid environment where accurate predictions are difficult to make. Thus, CPSD teams need to test the robustness of their recommendations against various scenarios for the future, and broad stakeholder engagement and expert consultation within and outside the Bank Group is ever more important.

In FY20, FIAS provided support to 9 CPSDs—in **Albania, Azerbaijan, Bolivia, Colombia, Ecuador, Jordan, the Philippines, Ukraine, and Vietnam.** (*For more on FIAS-supported CPSDs, see Chapter 3.*) In all, the World Bank Group is undertaking 45 CPSDs, with 24 completed, 20 ongoing, and 11 in the pipeline for FY21. The roster of client countries includes 21 in Sub-Saharan Africa—a FIAS priority region—11 in the Latin America and Caribbean and Europe and Central Asia regions, and 8 in Asia. Most of these CPSD countries have ongoing FIAS-supported projects.

FIAS Supports COVID Response in Challenging Environments

FIAS teams have supported the **South Africa Tourism Industry COVID-19 Survey** conducted under the **IFC's Regional Tourism Umbrella Program**. This survey was developed quickly to analyze the effects of the pandemic, the efficacy of response measures, and possible gaps in reforms. The results will be used as part of a job-saver bridging facility to recreate jobs in the sector.

In **Côte d'Ivoire**, the FIAS-supported **Invest West Africa Tourism Project** plans to launch an online COVID-19 'support finder' that will inform private sector actors of different mechanisms, measures, and opportunities related to the broader crisis response. The **Zimbabwe Destination Development Program** is also part of the **Regional Tourism Umbrella Program** and plans to restore confidence in tourism. The project also envisages running campaigns to provide reliable, up-to-date information on the management of COVID-19.

The **West Africa Agribusiness Project** aims to support exporters of fresh agricultural products on proper hygiene practices to protect public health and by providing a PPD platform to address industry challenges. The platform will allow for a quick response to coronavirus-related threats and engage proactively with private operators. The FIAS-funded **Guinea-Bissau Cashew Sector Development Project** has faced implementation delays due to the crisis and has extended its implementation timeline. The team is adding an assessment of the impact of COVID-19 on the cashew sector and planning contingencies, such as delivering advisory services remotely, if project teams cannot resume in-person activities.

In **Georgia**, the **Agribusiness Competitiveness and Investment Policy Project** team is shifting focus to investment attraction as the pandemic has forced a rapid shift in government priorities away from regulatory reform and toward social health, macroeconomics, state budget support, job losses, and related topics. During the next six months the project plans to focus on mobilizing and facilitating investor interest with a special focus on pharma and medical equipment. It will help the investment promotion agency to connect with potential investors and organize dialogue with at least 100 companies from a selected target list. A revised value proposition should draw the attention of the 100 biopharma and other target companies already identified. The project also plans to conduct an online training on COVID-19 consequences and mitigating factors.

The team is adding an assessment of the impact of COVID-19 on the cashew sector and planning contingencies, such as delivering advisory services remotely, if project teams cannot resume in-person activities.

Red ripe cashew apple fruit with cashew nut on a tree, Republic of Guinea-Bissau. *Photo: Bigstock*

02

Upstream aims to make **IFC the catalyst for billions of dollars of new private investment** that generates jobs and opportunities.

Upstream focuses on attracting investment in low-income and fragile countries—longstanding priority areas for FIAS.

What is Upstream?

The **IFC 3.0 Creating Markets Upstream** initiative began before the COVID-19 outbreak, but IFC sees the strategy as all the more relevant given the severe economic impact of the pandemic around the developing world. Historically, IFC has examined opportunities to make large-scale investments in private sector ventures in developing countries. As the World Bank Group agenda focuses increasingly on IDA, Sub-Saharan Africa, and FCV countries, such investments become harder to find. Enter Upstream, an approach that shifts IFC's investment approach from search-and-wait mode to an activist posture geared toward *creating* investment opportunities where they did not previously exist.

This ambitious strategy seeks to stimulate investment activity to address complex development challenges. Upstream is an approach, not a single activity type. The aim is to make IFC the catalyst for billions of dollars of new private investment that generates jobs and opportunities. The initiative focuses on attracting investment in low-income and fragile countries—longstanding priority areas for FIAS. IFC Advisory Services, including those supported by FIAS, will be increasingly geared toward supporting the Upstream strategy.

Upstream projects need to be consistent with the developmental priorities of IFC's client countries. They must 1) identify the relevant market and investment gaps that currently dissuade investment; 2) have a clear line of sight to private investments in the next five years; and 3) when a project leads to an investment, have a defined, measurable development impact.

Even with the additional challenges of the pandemic, IFC continues to expand the Upstream portfolio of activities across regions and industries. The investment pipeline—the projected investment that will be enabled by Upstream work over the next five years—stood at more than $5 billion as of the end of FY20. This number has grown significantly since then as teams strengthen their capabilities to identify and develop opportunities, and as IFC absorbs lessons from investments enabled by the Upstream approach.

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

Economy-wide investment climate advisory will continue to support such improvements as streamlining regulatory regimes, making it easier to start a business, reducing the cost and time involved for businesses to obtain permits, and so on. But increasingly IFC AS will take on a new identity—Creating Markets Advisory (CMA)—by targeting client-facing work toward collaborating with partners in the private sector, government, civil society, and other development institutions to identify pathways that will unlock more private investment.

Defining the Advisory-Upstream Continuum at IFC

Enabling Environment

- Enabling Environment advisory typically involves **working with Government clients to establish regulatory reforms** to unlock private sector investment.
- No direct line of sight to specific investment opportunities
- Engagements tend to take place over a number of years as legal reforms can move slowly.
- Work is carefully coordinated with the World Bank and can be co-delivered.

Upstream

- Upstream activities help to **stimulate and create conditions that result in the movement of private capital**–domestic and foreign – into productive investment in IFC's countries of operation.
- Upstream work can be accomplished as quickly as in a **few months** or can take **several years**.
- It can entail both **market creating measures with a line of sight** that will unlock more private investment and the **development of projects to offer to potential investors**.

Investment and Firm-Level Advisory

- Firm level advisory typically helps manage client risks, improve their performance, and/or support their supply chains. It can be accomplished quickly over a **few months** or involve a long-term relationship over **several years**.
- Sector work through groups of firms or industry associations can help identify key insights related to industry challenges, thereby helping clients and IFC.
- Transaction support to **national/ sub-national entities in the role of PPP transaction advisors**.

How FIAS-supported Projects Relate to Upstream

FIAS support is already benefiting the Upstream approach through a variety of projects and activities:

- The **West Africa Investment Policy and Investment Climate (IPIC)** project is directly aligned with IFC 3.0 Creating Markets objectives and has innovatively created markets by pursuing a more proactive business model than typical IP and IC projects. This will produce important lessons for subsequent projects by adapting the Upstream philosophy to a regional investment integration effort and adopting an entrepreneurial approach.
- The objective for FIAS in **Creating Investment Opportunities in Haiti**, in the medium term, is to support investment generation and job creation in the country. In its recovery and resilience phase the project will assist in promoting Haiti as a destination for investors. The project is working with IFC industries and teams to identify opportunities to develop investment leads, for example, in the textile and garment industry.
- In **Georgia**, the FIAS project team has developed an Investment Promotion Strategy for the Ministry of Economy and helped adopt a more proactive and targeted approach to investment promotion.
- The FIAS-supported Supplier and Partnership Marketplace digital platform in **Guinea** is helping local SMEs improve their competitiveness and sell their goods and services to major firms in mining, hospitality, and other sectors.

02

Advisory programs can also unlock the telecommunications sector to numerous new players, including foreign tower companies. IFC InfraVentures is in discussions with potential entrants, both locally and internationally, that are expected to enter the telecoms market, a sector that is expected to grow dynamically following the demand generated by the pandemic on the digitalization of public and private transactions, especially telemedicine, distance education, and consumer purchases.

Upstream Progress, Targets, and Timeline

Major progress has been made in recruitment for Upstream, emphasizing the importance of effective onboarding of new staff, reporting on the pipeline, drawing attention to the launch of country-driven budget allocation, and announcing the extension of the Task Force until December 2020, to maintain implementation momentum and allow for a smooth handover of relevant activities to Operations and operational support departments.

$215m

In **FY21**, IFC is **deploying a significant share of resources, $215 million, toward Upstream**.

300

Upstream projects and initiatives identified through a comprehensive bottom-up budgeting exercise.

IFC has recruited 205 dedicated Upstream staff, of whom 149 are from outside of IFC. Despite restrictions imposed by COVID-19, this has been the most ambitious and most successful IFC recruitment campaign ever, not only because of the number of staff, but also because of the deliberate effort to bring in new sets of skills. These include policy and industry, feasibility studies, and project development. The resources IFC channels into Upstream objectives now will impact our work for years to come. The speed, efficiency, and innovation demonstrated by the recruitment effort has set a precedent for how IFC plans to operate going forward.

Country-Driven Resource Allocation

IFC is redeploying a significant share of resources toward Upstream. In FY21, $215 million—about 22 percent of the IFC Operations budget—will be designated for Upstream activities. IFC is also launching a targeted country-driven budget allocation to hardwire the links between country strategies, Upstream pipeline, and resource allocation. This is a historic shift for IFC.

Country Managers will receive Upstream country budget allocations to cover program costs, which include variable costs such as consultants, and travel, of more than 300 Upstream projects and initiatives identified through a comprehensive bottom-up budgeting exercise. Funds will be released to individual Upstream projects via the Upstream program administration, with the Country Manager as budget holder. Progress will be tracked on a regular basis, and IFC is building enough flexibility into the system to swiftly reallocate funding from projects and initiatives that are not progressing.

Innovation and Upstream Implementation Task Force

To maintain momentum, especially for the implementation of corporate-wide tasks and activities that cut across multiple functions and vice presidential units (VPUs), and to ensure a seamless handover to Operations and its support functions, the

Upstream Implementation Task Force continued its work through the end of FY20.

The success of Upstream is of crucial importance for the future of IFC. Article 1 of IFC's Articles of Agreement states that the organization's mission is to "further economic development by encouraging the growth of productive private enterprise in member countries, particularly in the less developed areas." This is an unprecedented time when the relevance of IFC as the premier agent of private sector-led development has never been greater.

The Importance of FIAS in the Upstream Initiative

As IFC looks ahead, and as FIAS management shifts from EFI to IFC in FY21, FIAS will play a key role in supporting the Upstream strategy, working with governments and other stakeholders to create the conditions in which private sector investment can take hold and create better and more inclusive jobs.

Supporting implementation of the IFC 3.0 Creating Markets Upstream agenda requires a strategic shift, involving refocusing FIAS to place greater emphasis on sector-specific reform work (a trend that is already under way in the FIAS program). Upstream initiatives are being implemented by teams across IFC, including the Financial Institutions Group, Manufacturing, Agribusiness and Services, Regional Advisory, and other teams. Plans to further this approach are being integrated into the next five-year FIAS strategy cycle. After consultation with FIAS Development Partners, a FIAS strategy document is being finalized and teams advised on preparations for the FY22–26 strategy cycle, set to begin on July 1, 2021.

IFC Senior Vice President Stephanie von Friedeburg explains the Upstream approach this way: "Upstream is designed to build the private sector and address the lack of bankable projects in client countries. Prior to COVID, and with IFC 1.0 and 2.0, our role was as a taker of projects. Under the Upstream strategy we are becoming a maker of projects. First, the right policy and regulatory environment must be in place—a role strongly supported by FIAS. You can expect to see increasing emphasis on digital approaches and strengthened virtual capacity to foster business development and growth—a necessity in light of the pandemic. IFC is also heavily involved in renewable energy development: solar and wind investments represent 70 percent of our power generation portfolio. Here, too, FIAS has a role to play, helping client countries better administer their power grids and make it easier for businesses to get electricity."

> *"With IFC 1.0 and 2.0, our role was as a taker of projects. Under the Upstream strategy we are becoming a maker of projects."*
>
> — Stephanie von Friedeburg, *IFC Senior Vice President*

A woman working the field. countryside of Bissau, Republic of Guinea-Bissau. *Photo: Bigstock*

03

Operational Highlights

Introduction: FIAS Portfolio Overview

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

These priorities—along with the FIAS focus on IDA countries, Sub-Saharan Africa, and FCV—are reflected in the FIAS portfolio of 124 projects in FY20 (106 projects in FY19). Of these, 110 were client-facing (85 in FY19) and 14 were non-client facing in product development (21 in FY19). FIAS-supported projects served 83 client countries either individually or in regional projects. Of the 110 client-facing projects, 60, or 55 percent, were entirely or partly aimed at IDA countries; 46, or 42 percent, served countries in Sub-Saharan Africa; and 33, or 30 percent, were entirely or partly aimed at FCV countries. Of the 74 borrowing countries in IDA, 45, or 61 percent, had FIAS-supported projects in FY20. Virtually all the countries in Sub-Saharan Africa benefited from either country-specific or regional projects supported by FIAS.

As the tables below show, FIAS-supported work generated 20 investment climate reforms in FY20 (31 reforms in FY19). Of those, 12 reforms, or 60 percent, were in IDA countries (18 reforms, or 58 percent in FY19); 12 reforms, or 60 percent, were in Sub-Saharan Africa (22 reforms, or 71 percent in FY19); and 6 reforms, or 30 percent, were in FCV (11 reforms, or 35 percent in FY19). Due to the ongoing review of the Doing Business data collection, the FIAS FY20 reforms have been validated by the Monitoring & Evaluation (M&E) team but not by Doing Business. *(See below for more on Doing Business.)* The portion of reforms in priority areas for FY20 are ahead of targets for Sub-Saharan Africa and FCV and somewhat behind target for IDA. Through four years of the five-year cycle, overall reform percentages in priority areas are behind target for IDA and Sub-Saharan Africa and on track for FCV.

Distribution of FIAS-supported projects by strategic pillar confirm the trend in the direction of increased focus on sector-specific, though economywide investment climate projects continue to represent a significant share of the portfolio. Projects focused on Pillar 1 make up 27 percent of the portfolio, the same as for Pillar 2. As has been the case throughout the strategy cycle, projects focused only on Pillar 3 make up only a small portion of the portfolio–6 percent. Looking across the entire portfolio and considering projects that work across multiple pillars, the increased profile of Pillar 2 becomes clear. Projects that include Pillar 2 sector-specific work make up two-thirds of the FY20 portfolio as compared to just over half for Pillar 1 projects. Pillar 3 work was represented in one-third of the projects.

FIAS Results, **FY20 and Cumulative**

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

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

FIAS Project Distribution by Pillar, **FY20**

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

Pillar 1: Improve the Business Environment (economywide)

Pillar 2: Expand Market Opportunities (sector specific)

Pillar 3: Increase Firm-Level Competitiveness

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.

Advisory Teams to Develop New Data Sources Amid Doing Business Review

During Investment climate advisory services help developing countries facilitate private investment, foster competition, and stimulate business-led growth and jobs. The investment climate agenda remains critical in many countries and is part of country strategies for structural reform. Over the past decade, the Bank Group has helped bring about more than 660 investment climate reforms in client countries. These reforms have helped create more jobs, increase access to credit, and boost competition in business sectors. For example, following business start-up reforms in **Mexico**, employment in eligible industries increased by 2.8 percent. Credit infrastructure reforms generated $3.5 billion in credit to MSMEs in **Nigeria**; and increased new loans four-fold in Morocco. Reforms impacting the 17 **West and Central African countries** of the Organization for the Harmonization of Business Law in Africa (OHADA) resulted in $3.82 billion in additional domestic credit to the private sector.

In the COVID-19 context, investment climate reforms are a vital part of response strategies–including regulatory flexibility, insolvency and debt enforcement, and FDI retention–and the economic recovery phases–including RegTech (the use of information technology to enhance regulatory processes), reshaping global value chains, and reducing business costs.

$3.82 billion

OHADA reforms impacting 17 countries in **West and Central Africa resulted in $3.82 billion in additional domestic credit to the private sector.**

Research and data are critical to inform the World Bank Group's work to reduce poverty and deliver better development outcomes for the poor and vulnerable. Over many years, the *Doing Business* report has been a valued tool for countries seeking to improve their business climate. However, through internal reports the World Bank has been made aware that some data changes to the *Doing Business 2018* and *Doing Business 2020* reports were made outside of the institutional review process. In August 2020, the World Bank Group announced it had launched a systematic review and an audit to assure the integrity and impartiality of Doing Business data and analysis and will act based on the findings. Publication of the *Doing Business* report was paused as the Bank Group conducted this assessment.

In a statement on December 16, 2020, the Bank Group announced publication of a full review of the data irregularities and required corrections affecting the data for four affected countries: Azerbaijan, Saudi Arabia, the United Arab Emirates, and China; an independent verification of management's review of the data irregularities by the World Bank Group Internal Audit (GIA); and the findings of the GIA Assurance Review on Data Integrity in the Production Process of the Doing Business Report, together with management actions that have been and will be taken to strengthen the overall control environment and address the underlying vulnerabilities. The Bank Group is launching an external review of the Doing Business methodology with the goal of strengthening the product and its usefulness to stakeholders worldwide, with findings expected in mid-2021. Arrangements are being completed for publication of *Doing Business 2021* in the coming months, incorporating data corrections resulting from the review.

Of the four countries covered by the review, **Azerbaijan** is the only FIAS client country through the Azerbaijan Agribusiness Competitiveness and Investment Climate project. In FY17 and FY18, Azerbaijan recorded five Doing Business reforms (construction permits, property transfers, and protecting minority investors in FY18, enforcing contracts and property transfers in FY17). The Review of Data Irregularities in *Doing Business* report examined

Cotton harvesting in Neftchala region of Azerbaijan. *Ruad/Shutterstock*

published scores relating to several Doing Business indicators, including enforcing contracts. The review found that Azerbaijan should have received a score of 78.5 instead of the 76.7 score recorded in *Doing Business 2020*. This would have bumped up Azerbaijan's global rank from 34th to 28th among the 190 countries covered in the report, and would have placed Azerbaijan among the top 10 improvers in *Doing Business 2020* had the identified scoring irregularities not occurred.

The pause for the Bank-wide review has required adjustments in how economy-wide advisory services teams, including those supported by FIAS and MCICP, proceed. Client-facing operations implemented by these teams often focus on goals and targets oriented around Ease of Doing Business Indicators, such as the time and cost involved in starting or expanding a business, ease of obtaining construction permits and getting electricity, procedures for enforcing contracts, and protections for minority investors.

In response, IFC Advisory Services has developed a guidance note to help teams adapt to the new circumstances while maintaining their important work. The note provides forward-looking guidance encouraging teams to explore and use other credible data sources for setting baseline and realistic targets, monitoring implementation progress, and reporting outcome and impact in real time.

The guidance covers three key points:

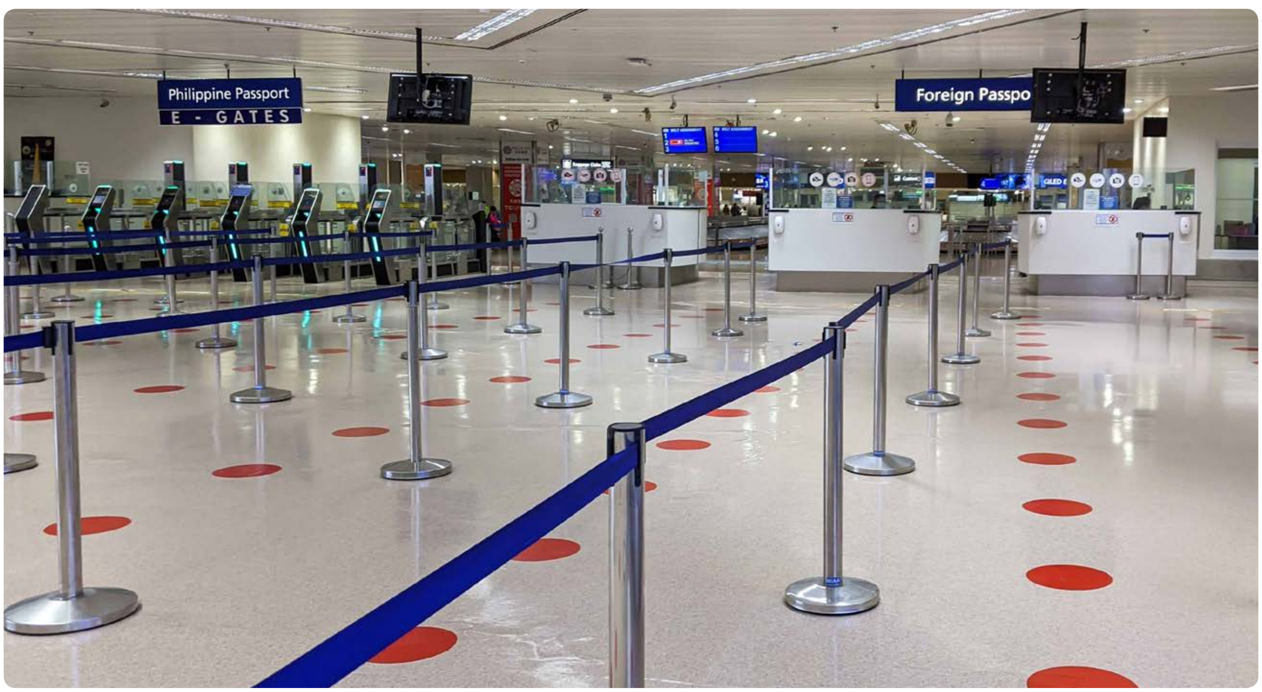
- Investment climate advisory services remain critically important to clients, especially in the COVID context.
- As Doing Business is paused, teams are required to develop alternative means to collect and validate results.
- Teams are urged to consider designing upcoming investment climate projects using alternative and credible approaches.

IFC AS teams have access to several other data sources to assess the business environment in client countries. These include World Bank Enterprise Surveys, the World Economic Forum Competitiveness Index, and the Organisation for Economic Cooperation and Development's (OECD) product market regulations. For projects within a year of completion—which may be relevant for several FIAS projects in the final year of the FY17–21 strategy cycle—teams are asked to consider planning a rapid assessment for collecting and validating results based on non-Doing Business data. Active projects with longer timelines should ensure there is an additional source of non-DB data, for example administrative data, sample surveys, and selected interviews of stakeholders. And projects in early stages of preparation may wish to reassess client interest and whether a DB indicator is relevant to project goals. If such a project proceeds with a DB component, the team will be similarly urged to develop non-DB data sources.

For FY20, project teams are submitting and updating their reporting on Doing Business and non-Doing Business reforms. The M&E team is reviewing, validating, and approving reforms for reports to IFC management and donors. But due to the pause in publication of *Doing Business 2021*, the M&E team will not validate the reforms against Doing Business for the time being. The current uncertainties surrounding Doing Business data do not affect the *Women, Business and the Law* (WBL) report. WBL tracks only the enactment of laws and regulations, not implementation on the ground, in contrast with investment climate reform work. Nevertheless, it will be important for WBL projects to identify specific data sources from the client to establish the baseline and expected results.

As the COVID-19 pandemic spreads and its economic impact deepens, supporting businesses and investors requires not only fiscal and financial stimulus but also complementary investment climate policies and programs to promote the flow of productive investment. The FIAS-supported **Indicator-Based Reform (IBR)** team has developed a staged policy approach to address the three areas of the investment climate (business regulation, competition policy, and investment policy and promotion):

- ***Relief stage:*** During this stage, policymakers concerned with investment policy should focus on supporting market functioning and firm survival via targeted services to retain investment, regulatory flexibility, and financial support. Simultaneously, governments should ensure the availability of critical supplies via mobilization and repurposing of the private sector and limited price interventions underpinned by transparency and competition principles.
- ***Restructuring stage:*** Governments should focus on risk-based reopening of the economy, providing targeted support to viable firms, and strengthening insolvency regimes. Governments should also review and roll back select measures from the relief stage as their need expires—including crisis-related controls on FDI and exemptions from competition policy. Further, governments should proactively address investor grievances related to response measures; and manage the market and institutional implications of state aid, bailouts, and nationalization.
- ***Resilient recovery stage:*** During this stage, policymakers should shift their focus to new areas



The arrival lines at the NAIA airport in Manila, Philippines are empty due to the effect of COVID 19. *Chema Grenda/Shutterstcok* of opportunity. This stage entails attracting and promoting FDI considering market shifts following the pandemic and realigning policy and regulatory environments to facilitate the reallocation of resources toward long-run economic transformation, job creation, and inclusion.

The FIAS-supported **Business Regulation** and **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.

Global IBR Team Supporting Country-Level Reform Work

The global IBR team has been an integral part of the FIAS program for more than a decade. The team supports the development of the Global IBR product and associated World Bank Group operational work in line with new client demand. The specific objectives are capacity building and support to country teams and piloting new lines of support to client countries. The capacity-building work strengthens the capacity of operational teams to provide high-quality support in areas such as improving regulatory quality. It also involves development of new content and guidelines for deliverables such as reform memorandums, technical reports, and action plans, as well as training modules, knowledge management materials, and support to peer-to-peer learning events.

As COVID hit countries around the world, the team produced knowledge products and policy notes related to business regulatory responses to COVID and for economic recovery. The knowledge generated already informed several client-facing programs, including in **Bangladesh**, **Ecuador**, and **the Philippines**. Highlights include a note on business regulation in relation to COVID which became part of a broader Investment Climate and COVID note, and several presentations via webinar to audiences ranging from World Bank Group staff to donor representatives, government clients, and members of the United Nations Commission on International Trade Law (UNCITRAL). The first wave of policy responses to COVID materialized mostly in temporary financial stimulus packages and subsidies to keep otherwise viable businesses operating and mitigate job losses. Many governments also postponed or suspended regulatory requirements and official fees. In the second stage, during reopening, risk-based approaches to regulation have become critical. Furthermore, as the crisis accelerated the global trend towards digitalization, several governments took the opportunity to energize or launch comprehensive e-government platforms and integrated government data management systems.

Supporting the RegTech agenda begins with simplifying and improving regulation, including putting in place the regulatory framework for e-transactions–steps that should precede the introduction of electronic systems. Sequencing interventions in this way puts business regulation reforms at the forefront. In addition, research shows that a sound regulatory environment supports economic recovery. Historically, following the 2008 financial crisis, the demand for business regulation reforms increased. Women have been particularly impacted by COVID, and the project contributed to the incubation of the new WBL Advisory offering on gender inequalities impacting women's economic participation. This initiative is being continued under a separate Knowledge Development Product (KDP) and country and regional projects. The project implementation period was extended during FY20, additional funding allocated, and deliverables agreed upon, including the two reports mentioned above. The team will continue to track projects benefiting from the KDP in the coming year given the large global footprint of the product.

In FY20 the IBR team also advanced significantly on the two remaining planned deliverables: a literature review of the impact of business regulation on jobs, productivity, and other economic outcomes, and organizing for reform in a federal context. Research points to the relevance of business environment reforms for better firm performance, productivity gains, and job creation. Final drafts were completed during the FY and are pending management review, with completion slightly delayed due to the COVID response work.

Woman using mask and personal protective equipment during Covid-19 in Dhaka,Bangladesh. *Asif Himel/Bigstock*

IBR LAC Project Concludes Successfully

The FIAS-supported **Indicator-Based Reform program for the Latin America and Caribbean region (IBR LAC)**, an eight-year undertaking, concluded successfully in March 2020. The project provided on-time technical assistance to client countries on economy-wide reforms aimed at improving the business environment through better quality, simplified, transparent, and low-cost administrative processes. At a broader level, the project, which continued a previous investment climate project in the region, was well aligned with overall World Bank Group objectives to support competitiveness, entrepreneurship, and job creation through improving the enabling environment for the private sector. IBR LAC provided varying levels of technical assistance to 18 countries across all LAC sub-regions: Central America (**Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua**, and **Panama**); the Caribbean (**Barbados, Dominica, Dominican Republic, Guyana, Haiti, Jamaica,** and **St. Lucia**); Andean (**Colombia, Ecuador,** and **Peru**); and Southern cone (**Argentina, Paraguay**); as well as **Brazil**, and regional bodies such as the Organisation of Eastern Caribbean States (OECS), with the support of the Eastern Caribbean Central Bank (ECCB).

Over the life of the IBR LAC project, **a total of 19 reforms to improve the business environment were achieved in 12 countries**, surpassing the project's target of 15 reforms in 5 countries; 21 laws and regulations were adopted; and 13 procedures and standards were improved or eliminated. The reforms have been informed and supported through the 71 reports delivered to the clients by the project team. The project also supported priority IDA countries in LAC, including Haiti, Nicaragua, Paraguay, Guyana, and OECS. Several countries supported during the project were recognized in *Doing Business* reports among the top reformers for their significant improvements, including Costa Rica (global top performer in 2016), Jamaica (top 10 performer 2016), El Salvador (top 10 reformer in DB 2018), and Guatemala (top 10 reformer in DB 2014). The most reforms were implemented in the areas of starting a business (5), and registering property (4), followed by getting credit (3), and enforcing contracts (3). By country, the project supported the most reforms in Guatemala (3), Dominican Republic (3), and Jamaica (3). The project often acted as an early entry point for more focused advisory or loan engagements with a client (as in the case of Argentina and Paraguay), especially in cases where there was not an existing project team ready to respond, but it was strategic for the World Bank Group to be involved.

One notable output not included in the M&E framework was the project's pilot study on women entrepreneurs in Dominica and St. Lucia, which examined the experiences of female business owners in the business registration process and access to finance. The study's data has provided useful inputs for several regional reports on gender and in helping to form a more targeted gender strategy in the region.

In surveys conducted during implementation, clients responded that they were satisfied with the engagement with IFC and found the deliverables to be extremely useful and well done. Clients recognized the relevance of the assessments and recommendations and subsequently implemented many of the reforms recommended by the team. The way that countries have implemented those recommendations has varied depending on the resources and institutional capacity of each country. Argentina and Peru, for example, worked on implementing reforms independently and requested ad hoc technical assistance in the form of advisory on certain topics. Other countries, such as Dominica, El Salvador, Jamaica, and St. Lucia, requested more involvement from IFC during the implementation of the reforms, including the direct participation of internal and external experts on the different topics. The project did not fully satisfy the indicator related to surveys distributed following workshops and events. Of those who were surveyed, 100 percent indicated they were satisfied or very satisfied, but because of the wide regional scope of the workshops, with different local counterparts in each country, post-workshop data were not consistently collected, which should be regarded as a lesson learned for the design of subsequent projects.

IBR LAC exemplifies the organic nature of many investment climate interventions in the way that the project team,

Over the life of the IBR LAC project:

19

total reforms

A total of 19 reforms to improve the business environment were achieved in 12 countries.

21

laws and regulation

21 laws and regulations were adopted.

13

procedures

and standards were improved or eliminated.

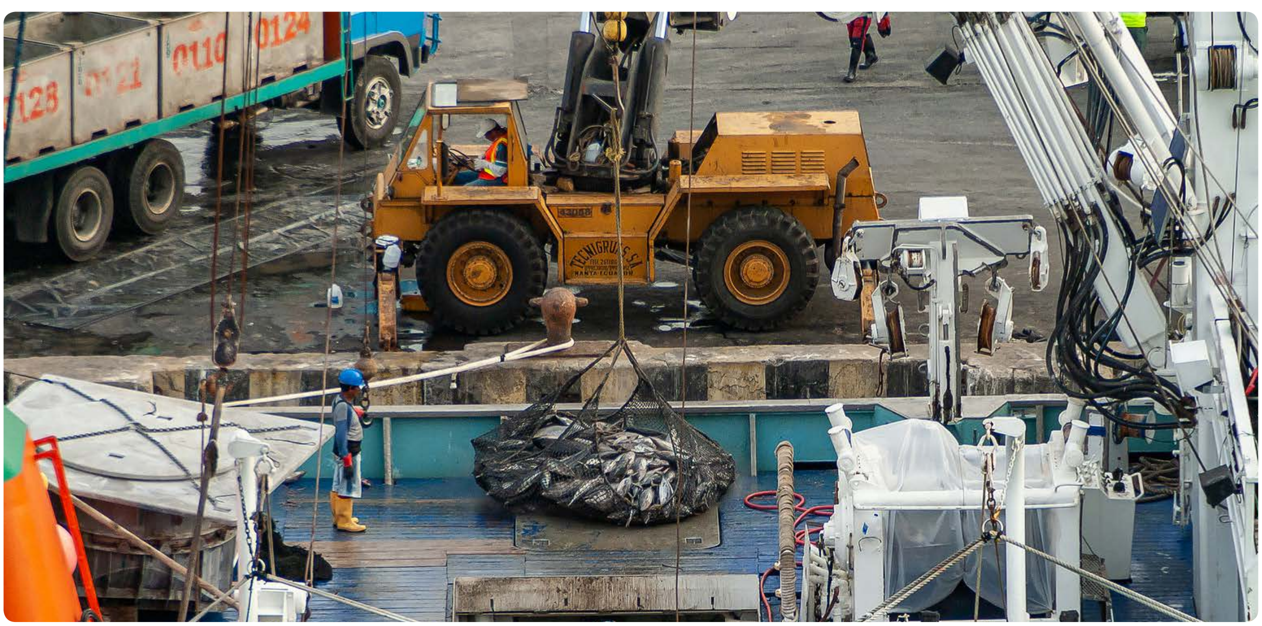
combining expertise from the Global IBR and LAC Regional team members, led to or contributed to other World Bank and IFC projects and programs. The project often acted as an early entry point for more focused advisory or loan engagements with a client, as in the case of Argentina and Paraguay, especially in cases where there was not an existing project team ready to respond. In several cases, this early engagement led to strategic World Bank loans or larger and more focused IFC and World Bank advisory programs led by other teams. Among the follow-on projects that stemmed from IBR LAC early engagements are:

- Secured Transactions and Collateral Registries projects in Colombia and Costa Rica.
- Productivity for Shared Prosperity in Brazil.
- OECS Regional Tourism Competitiveness.
- A component on investment climate and a Collateral Registry project in St. Lucia.
- Improve the Investment Climate in Argentina and Paraguay.

In addition, the IBR LAC team regularly provided inputs for country-level strategic documents such as Systematic Country Diagnostics (SCDs), Country Partnership Frameworks (CPFs), and Country Private Sector Diagnostics (CPSDs). The team also contributed to IFC country strategies developed and carried out in Ecuador, Honduras, and Jamaica. The project supported IFC's jobs and growth strategy in such areas as access to finance for small and medium enterprises (SMEs), competitiveness, and regional integration. Finally, the project entailed strong cooperation between IFC and the World Bank, through the adoption of a flexible assistance delivery model that leverages regional expertise from both institutions responsive to client needs.

New MENA IBR Project Drawing Strong Interest Across Region

The Indicator-Based Reform (IBR) project for the Middle East North Africa (MENA) region was in pre-implementation for much of FY20 but made significant progress and generated considerable interest across the region. The project aims to improve the regulatory environment of reform-minded countries in areas measured by actionable investment climate indicators. By addressing business regulation bottlenecks in the region's economies, and by building their capacity to implement these reforms in a sustainable manner, the project will help unlock opportunities for investment by IFC and other financiers in key sectors of these economies. In December 2019 the project team supported delivery of a regional peer-to-peer learning event that drew more than 300 participants from 25 countries from the MENA and Africa regions, including 20 ministers and deputy ministers as well as senior World Bank Group leadership. Among the participating countries were FIAS clients **Egypt, Jordan, Morocco,** and **Tunisia.** As part of the pre-implementation activities, the project also provided technical assistance to Jordan on investment climate reform. The team identified short-, medium-, and long-term reform recommendations that could support the country's agenda.



Fishermen use a crane to unload a net filled with tuna fish from the deck of their boat in Manta, Ecuador.
Claudine Van Massenhove/Bigstock

Good Regulatory Practices Program Completes Key Tasks Despite COVID Challenges

The Good Regulatory Practices (GRP) Program, which concluded at the end of FY20, delivered knowledge products as well as client-facing advisory implemented jointly by World Bank and IFC units. With funding support from USAID and FIAS, GRP has helped governments enhance the quality of regulatory regimes and their outcomes, and put in place effective, transparent, accountable, and consultative regulatory review processes. The GRP program reflects an increasing appreciation of the close connection between regulatory quality, trade, investment, competitiveness, and good governance. It responds to emerging demand from clients keen to sustain impacts and promote system-wide changes and complements regulatory streamlining with a focus on the systemic aspects of regulatory reforms. GRP consists of three broad categories of activities: (i) cross-country indicators; (ii) knowledge products; and (iii) operational pilots. GRP ended as a standalone during FY20, but elements of the program are being taken forward under the World Bank's Business Enabling Environment regulatory work. During the reporting period, USAID funds were used to support the implementation of ongoing GRP activities, including the provision of guidance and inputs to operational pilots and the production of knowledge products. Although the COVID-19 pandemic restricted travel and many counterparts were not fully operational, nevertheless the project team was able to conduct many activities through increased online engagements.

- **Zambia:** The team delivered a one-week workshop that combined user acceptance testing of both the e-registry and notice-and-comment portals and provided training to government officials from the Business Regulatory Review Agency (BRRA) and other relevant agencies. Both portals were finalized and, in May 2020, launched by BRRA. They are now live and operational.

- **Rwanda:** After encountering delays, a full customer relationship management system (CRM) for the investment unit of the Rwanda Development Board (RDB) was ready for launch in November 2019. The CRM includes a Business-to-Government (B2G) feedback system and incorporates customization requested by RDB. In May 2020 the project team, IT provider, and RDB organized an online training for the "superusers" of the CRM. The IT provider also developed a training manual for the superusers to train others, as well as tutorial videos on the CRM. Some aspects of the B2G still remain to be integrated in the CRM, including the automated post-service survey that provides the feedback from businesses on the way their initial complaint was handled and the integration with the front-end web.

- **Vietnam:** The team completed development of an internal dashboard for performance indicators and organized training on its use by the Department of Planning and Investment (DPI). Based on the DPI's preference, the dashboard is hosted on an internal server. In addition, to ensure sustainability of the use of data analytics, the DPI issued a notice in March 2020 institutionalizing key performance indicators to periodically monitor and evaluate business registration procedures.

- **Knowledge Products.** Knowledge products on Regulatory Oversight Bodies and impacts of Regulatory Governance have been prepared in collaboration with think tanks and external experts. A paper on regulatory oversight reviews current definitions, core and non-core functions of oversight, and the main challenges of creating an ad hoc regulatory oversight body.

A young woman working a handloom in Mui Ne, Vietnam.

FIAS Supporting Women, Business and the Law in MENA, Africa

A new advisory program on *Women, Business and the Law* (WBL) is being piloted in the United Arab Emirates (UAE) and the Arab Republic of Egypt.

In the UAE, the technical assistance will identify legal and regulatory gaps and constraints restricting women's participation in the economy and will deliver actionable policy recommendations for reform, which will offer policymakers a clear roadmap for creating opportunities for female entrepreneurship and economic participation. The work will include: (i) an analysis and mapping of key stakeholders; (ii) detailed information of UAE's performance in the WBL index and the relevant legal basis applicable to the questions of the index; (iii) identification of opportunities for reform in eight aspects of women's working lives related to employment, entrepreneurship, freedom of movement, having children, and retirement, and concrete short and

Butchers shop worker in Africa, using a mask for her protection during COVID-19 outbreak. *Photo: Bigstock* medium-term reform recommendations within these areas; and (iv) support with legal drafting and amendments to current legislation based on international standards and global good practice with the purpose of improving the performance of the UAE on the WBL index.

Based on consultations with the key government counterpart (The Council for Women's Affairs) conducted during the project preparation, the team and the client have identified three areas for policy action and implementation support:

Mobility: The project will (i) support equalizing procedural requirements between women and men to obtain passports, which is a necessary precondition for women's ability to improve their ability to travel and consequently, positively influence economic outcomes including entrepreneurship and labor force participation; and (ii) support raising awareness activities and dissemination of the achieved reforms for an efficient implementation of the new procedures.

Equal Pay: The project will (i) support drafting the amendment to the labor law in line with global good practice to mandate this provision; (i) support drafting of Implementing regulations including criteria on how to determine the value of work; and (iii) support dissemination and awareness campaigns on the reform.

Access to Finance: With a focus on achieving non-discrimination in access to finance for entrepreneurs, this project will (i) support the amending of legislation that applies to private financial institutions in line with global good practice to introduce a non-discrimination clause based on gender in access to finance; and (ii) conduct awareness and dissemination campaigns, working with private stakeholders (Banks and other financial institutions) and beneficiaries (women in urban and rural areas of working age) to ensure that they are aware of the reforms and their legal rights.

The objective of the **Egypt** project is to improve women's legal equity through introducing legislative reforms. The project aims to achieve this goal by: (i) working with government in drafting amendments for the purpose of reducing gender inequalities in the laws along the indicators measured by the Women, Business and the Law (WBL) index; and (ii) supporting the government with the implementation and dissemination of these reforms. As in the UAE project, the Egypt initiative will focus on reforms in the areas of mobility (equalizing procedural requirements for obtaining passports); equal pay (reforming labor laws to mandate equal remuneration for work of equal value); and access to finance (prohibiting gender-based discrimination in access to finance).

Advisory in Africa Initiative to Help Remove Legal and Economic Barriers to Women

The new **WBL Advisory in Africa Initiative** is being piloted throughout the Sub-Saharan Africa region, with engagements ongoing in **Gabon**, **Mauritania**, **Senegal**, **Sierra Leone**, **Somalia**, and **Togo**. The objective of the program is to improve women's legal equity through introducing legislative reforms. The program aims to achieve this goal by working with governments to review existing legislation and recommend legal reforms for the purpose of reducing gender inequalities in the laws along the indicators measured by the Women, Business and the Law (WBL) index, as well as supporting governments with drafting, implementing and disseminating these reforms.

Pilot countries were selected in close consultation with IFC and World Bank regional management, and through consultations with clients, based on the following key criteria: the degree of discrimination as assessed by the country's performance on the WBL index; the likelihood of reform; the availability of reform champions; track record of results on the ground; priority country for Bank Group (FCV, IDA); and client demand. Priority was given to low-income and conflict-affected economies and focuses on eight aspects of women's working lives related to employment, entrepreneurship, freedom of movement, having children, and retirement.

All the projects seek to reduce gender inequalities in the law to support women's access to economic opportunities. Most entail a review of gender-discriminatory legislation and laws, particularly in civil, labor, criminal, penal, and family codes. The project teams will then support the client governments in drafting legal amendments and introducing protections

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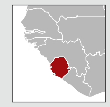
against gender-based discrimination based on the WBL index. Approaches in each country may differ depending on circumstances. Below are country-specific objectives and focus areas for reform in the six pilot countries:

Gabon

The project will focus on the following key areas for reform:

- Improve women's employment opportunities by revising the Labor Code to remove industry-related restrictions to women's employment, mandate equal remuneration for work of equal value, and introduce parental leave.
- Improve women's financial prospects by introducing legislation prohibiting discrimination based on gender in access to credit.
- Improve women's economic opportunities by allowing women to be head of household and choosing where to live in the same way as men.
- Protect women from violence by enacting legislation specifically addressing domestic violence.

The project will work closely with identified government counterparts, including the Ministry of Labor and the First Lady's Cabinet, to strengthen the ongoing efforts to promote gender equality.

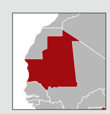


Sierra Leone

The project will focus on the following key areas for reform:

- Improve women's financial inclusion by supporting the drafting of a law on prohibition of gender discrimination in access to credit.
- Improve women's economic and employment opportunities by reviewing unequal provisions in the family and labor laws, including the Commercial Employers Association Collective Agreement of 2011.

Key government counterparts include the Ministry of Trade and Industry, Ministry of Tourism, Ministry of Gender, and the Law Reform Commission.



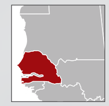
Mauritania

The project will focus on 16 areas of WBL reform recommendations and aim to:

- Improve women's financial prospects by prohibiting discrimination based on gender in access to credit.
- Improve women's access to employment by introducing gender-equal labor regulations and prohibiting sexual harassment in employment.
- Protect women from violence by enacting legislation specifically addressing domestic violence.

Key counterparts include the Ministries of Social Affairs, Labor, and Industry, the Investment Climate Committee, the National Human Rights Commission, and the Chamber of Commerce. Reform recommendations will be included as part of the government's Action Plan for 2020–2021.

Senegal



The project will focus on the following key areas for reform:

- Improving women’s financial inclusion by introducing legislation prohibiting gender-based discrimination in access to credit.
- Improving women’s employment opportunities by removing industry-related restrictions to women’s work in the formal labor market.

Key counterparts include the Ministry of Justice, Ministry of Women, and the Ministry of Labor, as well as coordination under the tutelage of the Ministry of Finance, which have affirmed commitment on interest in undertaking reforms.

Casamance, Senegal, Senegalese woman. *Photo: Carles Martinez, Unsplash*

Somalia:

Project support will include establishing a National Steering Committee to be responsible for mobilizing resources and coordination between government agencies to facilitate the enactment of WBL-related legal reforms. The team will also support the government—by organizing capacity-building workshops—with implementation and dissemination of reforms.

The project will focus on the following key areas for reform:

- Protect women from sexual harassment by amending or enacting a law to prohibit sexual harassment at the workplace.
- Protect women from violence by enacting a law on combating domestic violence.
- Improve women's financial prospects by introducing a legal provision prohibiting gender-based discrimination in access to finance.

Key counterparts include the office of the Prime Minister and the new National Steering Committee.

Togo:

The project will focus on the following key areas for reform:

- Improve women's employment and financial opportunities through revisions to labor regulations on maternity leave benefits and introducing legislation prohibiting gender-based discrimination in access to credit.
- Improve women's economic security by reviewing the Family Code to ensure the valuation of non-monetary contributions of spouses within marriage, for purposes of distribution of assets upon divorce.
- Protect women from violence by introducing legislation addressing domestic violence.

The project team will work closely with the President's cabinet and the government's Investment Climate Committee team, the Ministry of Justice's focal point for Investment Climate affairs, the Deputy Director General from the Ministry of Labor, and key civil society organizations focusing on women's issues.

Lome, Togo. Young Togo mother. *Photo: Jordan Rowland/Unsplash*

Tunisia Investment Climate Reform Program

Tunisia remains a country of contrasts: while important progress has been made on political transition toward an open, democratic system of governance–uniquely in the Middle East North Africa (MENA) region–economic transition has not kept pace. Internal constraints, such as the fragmentation of the political party system and related difficulties in reaching consensus on key economic reforms, have combined with external constraints, such as conflict in neighboring Libya, to slow down economic recovery and generate growing social dissatisfaction among Tunisians with the lack of employment. In FY20 the Tunisia Investment Climate Reform Program concluded with a 'Mostly Successful' Development Effectiveness rating. The project has helped develop a best-practice legal framework that encourages investment, streamlines business regulation, and helps foster a level playing field for investors. Under Phase II of the Investment Climate Program, the investment climate agenda in Tunisia benefited from the delivery of key action plans and recommendations on reforms related to: investment promotion; competition; the Doing Business (DB) roadmap; Women, Business and the Law Advisory Assistance (WBL); regulatory simplification; and recommendations for setting up an institutional framework to improve the governance of investment climate reforms. During the pandemic, the team included the COVID-19 Business Pulse Survey in project activities to help understand the impact of the crisis on the private sector and what policy measures would mitigate its negative impact. The pandemic has forced Tunisia to shift priorities toward public health crisis management, which has moderately affected project implementation. During the reporting period, Tunisia also experienced frequent political upheaval (two different governments in six months), which hindered team engagement with the client. Activities not yet conducted are being renewed.

Mali Investment Climate Project Makes Progress Amid Instability

Mali has been experiencing instability and conflict since the military coup of 2012 and the northern regions' occupation by armed groups. Mali, an IDA and FCV country, needs to unlock more investments to catalyze sustainable growth. The overarching objective of the **Mali IC3** project was to increase private sector-led development by removing barriers to SME creation and private investment. The IFC AS team supported the Agency for Promotion of Investments in Mali (API-MALI) to create the inventory of Mali's investment incentives published on API-MALI's website. The reform supports investor certainty, improves access to information, and creates a level playing field for foreign and domestic investors by increasing transparency through a comprehensive and up-to-date investment incentive database. The implementation of this reform sends an important message to investors about the direction of the Government of Mali's policy and dedication towards a more investor-friendly and transparent environment for both foreign and domestic investors. The project faced challenging conditions, including five government reshuffles and four different ministers, and ongoing security difficulties in the north and central regions. Despite these challenging conditions, the investment and employment impact estimated from the project includes an additional investment of $44.7 million and the creation of more than 700 jobs.

Two Malawi Projects Conclude Successfully in FY20

Malawi, an IDA country, remains one of the world's poorest nations despite making significant economic and structural reforms to sustain economic growth. Two FIAS-supported projects which concluded successfully in FY20 assisted private sector development through targeted economy-wide and sector-specific reforms. The **Malawi Investment Climate** project sought to catalyze investment climate reforms by implementing selected Doing Business improvements to create an enabling environment for private sector investment. Despite a challenging political landscape, the project assisted with reforms in seven out of ten Doing Business indicator areas (business registration, constructions permitting, tax, getting credit, property

$44.7m

of additional investment

The investment and employment impact estimated from the Mali project includes an **additional investment of $44.7 million and the creation of more than 700 jobs.**

$5.1m

annual direct compliance cost savings

The Malawi IC project leveraged other country projects to achieve $5.1 million annual direct compliance cost savings.

$16m

lifetime compliance cost savings

The Malawi IC project leveraged other country projects to achieve lifetime compliance cost savings of more than $16 million.

registration, protecting minority investors, and insolvency reforms). The project helped improve Malawi's Doing Business rankings from 146th in 2016 to 109th in the DB 2020 report. The Malawi IC project leveraged other country projects to achieve $5.1 million annual direct compliance cost savings and lifetime compliance cost savings of more than $16 million.

Access to finance remains another crucial barrier to private sector-led growth in Malawi. The **Malawi Warehouse Receipts** project helped fill the gap in financial markets by supporting the development of a regulated warehouse receipt system to unlock the collateral value of inventories of farmers, traders, and processors. The warehouse receipts legislation reform was accompanied by technical advice, training, and peer learning to strengthen stakeholders' knowledge of commodity trade financing. The project led to an increase of annual credit released to the agriculture sector from a baseline of $500,000 to $23.06 million, with more than 388,000 farmers benefiting from warehouse receipt financing.

$23.06m

The Malawi project led to an increase of annual credit released to the agriculture sector **from a baseline of $500,000 to $23.06 million**, with more than 388,000 farmers benefiting from warehouse receipt financing.

Cost of Business Licensing Dramatically Reduced in Afghanistan

The **Afghanistan Business Licensing** project, which completed implementation in early FY20, helped reduce the time and cost of business licensing and renewals. The project's reforms resulted in abolishing the registration certificate and significantly reduced the license fee from $424 to just $1.32. The project 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. Achievement of the project's revised goals and objectives has set the stage for more extensive advisory work in Afghanistan, an IDA and FCV country, to create sustainable growth through private sector-led development.

Project in Indonesia Gets Boost in Implementation Timeline from COVID-19

Despite the urgent and multiple pressures arising from the onset of the COVID-19 pandemic, the Government of **Indonesia** continued its work on several investment climate reforms in FY20 with project support. The reform agenda includes key elements of the government's economic recovery strategy. The project has delivered a significant output and is well-positioned to achieve expected outcomes and impacts. The team is working closely with government counterparts and has started cooperating with relevant IFC Upstream and investment teams to identify a pipeline of investments.

Highlights for FY20 cover the inclusion of several project-recommended reforms in the Omnibus Bill on Job Creation, the government's commitment to expanding the Fiduciary Law into a Secured Transactions Law by including movable assets based on Bank Group recommendations, and the opportunity to provide feedback on proposed revisions to building and construction permit regulations. As for sector-specific competitiveness reform, COVID-19's impact on the tourism industry in the short-to-medium-term led the government to include the tourism sector as part of the national economic recovery strategy. To support the government, the Bank Group prepared a roadmap to build awareness of Indonesia as an attractive tourism investment destination, develop value propositions for each priority tourism destination, and create a pipeline of investments.

Farmer selects onions for distribution in Malawi. *Photo: Bigstock*

Subnational Doing Business Project in Mozambique Reaches Successful Completion

After more than a decade of average annual growth above 7 percent, the economy of **Mozambique** took a downward turn when a massive, previously unreported external borrowing came to light, a situation only worsened by the onset of the pandemic. The economic crisis in Mozambique, an FCV and IDA country, emphasizes the importance of a good business climate to support private sector growth. The Subnational Doing Business (SNDB) project in Mozambique sought to identify bottlenecks, as well as good local practices, and to provide detailed reform recommendations for 10 provinces to improve the country's business environment.

The FIAS-supported Mozambique SNDB report, launched in June 2019, triggered requests for further dissemination to additional provinces. Following the launch, the SNDB project closed in November 2019, completing all deliverables on schedule. It achieved its primary objectives of deepening knowledge, facilitating peer learning of good practices, and encouraging business regulatory environment reforms by benchmarking ten locations. A review by the World Bank Group's Independent Evaluation Group (IEG) verified the project's "mostly successful" development effectiveness rating, noting that two expected projects—a World Bank South Africa Trade and Connectivity project, and another USAID project—will pick up on the findings of the 2019 Mozambique SNDB report.

The World Bank Group is using the findings of the report to engage the national government in the design of a new project aligned with the Mozambique Trade Facilitation Agenda. The country management unit has received approval from the EU Commission for a $2 million grant to support follow-on reform work at the subnational level, building on the SNDB report's recommendations. The EU-sponsored work includes funding dissemination, workshops, and the advancement of city-based action plans and add-ons to the Mozambique IC II project (MCICP-supported). USAID has also requested the IFC team's assistance in disseminating the report's results, and Mozambique's government has asked for a second round of benchmarking.

Partner financial institutions have **disbursed 17,555 loans**, and the **project facilitated $50 million** in financing **to agricultural enterprises.**

Peru SNDB Report Launches Virtually Amid Pandemic

The **Peru** SNDB project also reached completion in FY20, contributing to advancing regulatory reforms in the country by delivering to national and municipal government authorities a high-quality diagnostic report that assesses the business regulatory environment beyond Lima. The SNDB report, launched virtually amid pandemic travel restrictions, contributed to the diagnostic component of the Multi-Country Investment Climate Program's (MCICP) Peru Growth umbrella project, mapping areas of reform and providing baseline data to address regulatory hurdles and inefficiencies that impact private sector initiatives.

All proposed deliverables and activities of SNDB Peru were completed and carried out in close coordination with counterparts. Throughout its implementation, the project team conducted 13 workshops. The team engaged and convened various institutional stakeholders to discuss the indicators throughout the project, thus facilitating further interactions among agencies and governments at multiple levels to advance coordinated reform efforts. Overall, more than 270 government officials participated in exchanging information.

Due to COVID-19, the team adapted to a webinar presentation of the SNDB results on June 4, 2020. The event was well-received by the audience and covered by national media. The event gathered 173 attendees, including the Minister of Economy and Finance, the Swiss Ambassador to Peru and the Executive Director of the National Council for Competitiveness and Formalization (CNCF). The SNDB study results are already being adopted in the strategy for the region of San Martín, and the Council of Ministers highlighted the study as a step forward in implementing the National Competitiveness and Productivity Plan.

Azerbaijan Investment Climate

The **Azerbaijan** Agribusiness Competitiveness and Investment Climate project faced delays in delivering impact indicators. Dissolution of the parliament in December 2019 followed by the COVID-19 pandemic led to delays in most of the deliverables from the government's side, especially outcomes related to adopting the legislative pieces for which the project has already submitted various drafts. There is a risk that project teams will not achieve all deliverables under the cooperation agreements due to slow decision-making by government counterparts, political changes, and the coronavirus crisis.

IFC AS teams finalized draft regulations on tourism, investment promotion, labor inspectorate, contract farming, and seeds certification. Partner financial institutions have disbursed 17,555 loans, and the project facilitated $50 million in financing to agricultural enterprises. The improved access to finance was the direct result of assessments using the cash-flow-based agriculture risk assessment tool (CLARA) and increased agricultural financing knowledge, including value chain financing. IFC AS teams delivered investment promotion training to a joint group of officers from the Azerbaijan Export and Investment Promotion Foundation (AZPROMO) and the Agency for Agro-Credit and Investment in February 2020. The IFC team also contributed to AZPROMO's draft FDI Promotion Strategy and Implementation Plan, taking into account the current and expected impact of COVID-19 on FDI and trade flows.

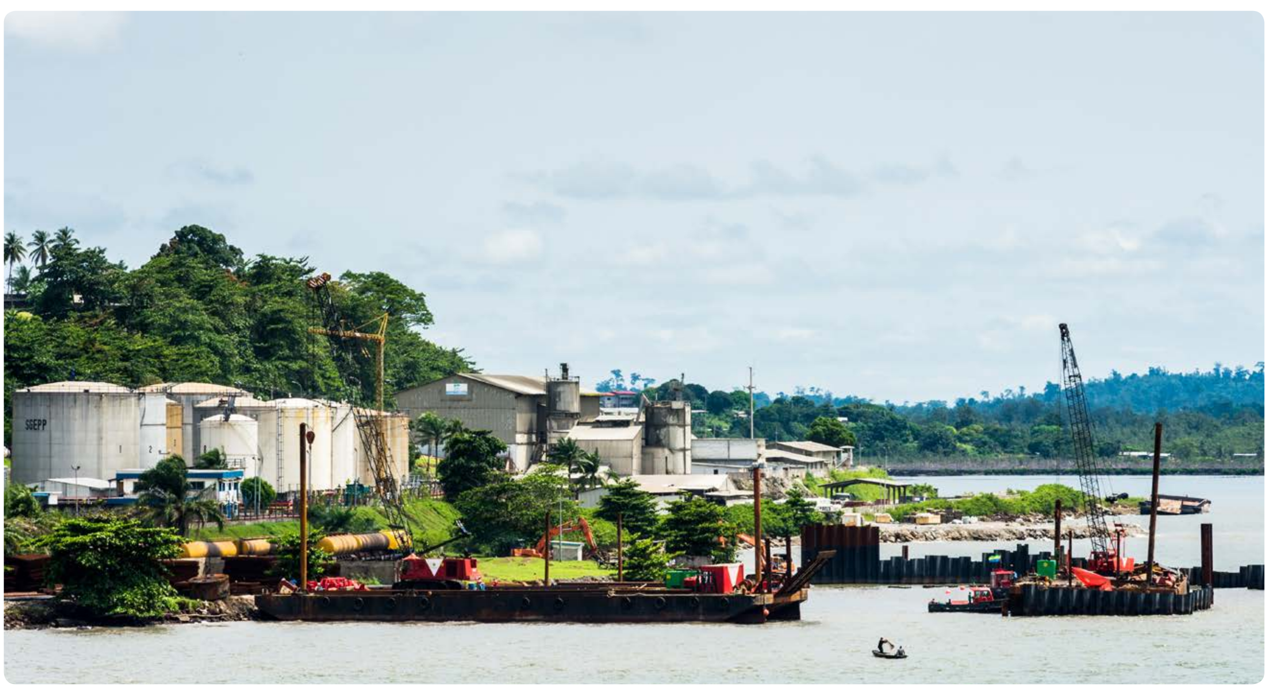
The agri-finance component focused on expanding the partnership with financial intermediaries and new value chains, delivering capacity-building activities, and guiding partners to launch new financial products. Overall, the project signed ten advisory services agreements with five banks and a microfinance association to implement lending improvements. IFC AS teams also provided a range of advisory services, including live and online training sessions for banks and microfinance institutions on agriculture value chain financing and CLARA use.

Improving the Business Environment in Benin

Benin lacks a strong enabling environment for business. Administrative costs are high, processes lack transparency, are inadequately integrated, and often ill-understood by users. The objective of this project is to carry out activities to improve starting a business, managing and issuing construction permits, and registering property. During FY20 the team supported the streamlining of processes at the business creation one-stop shop. The project also helped provide capacity building to construction practitioners and government/local representatives involved with the construction permits delivery process and the supervision of construction work. In addition, the project supported the Land Registration Authority with the recruitment of a land expert to help implement regulations for the land code. The team also organized targeted communication workshops for Doing Business contributors and private sector representatives.

Central African Investment Climate Project Terminated

The investment climate project in the **Central African Economic and Monetary Community (CEMAC)** was terminated during the current reporting period due to various difficulties. The project's proposed goal was to strengthen the business environment in Cameroon, Central African Republic, Chad, Republic of the Congo, Equatorial Guinea, and Gabon, leading to improved Doing Business reports. The project ultimately faced termination as it was designed to complement a World Bank Trade Facilitation project that was not approved. There were also unique challenges that inhibited implementation of the proposed reforms, including the lack of required funds. IFC has since created new, modified projects seeking to support Doing Business reforms in the CEMAC countries of **Cameroon**, **Chad**, **Equatorial Guinea**, **Gabon**, and **the Republic of Congo**, accounting for the challenges faced.



The Port of Libreville, Gabon. *Photo: Shutterstock*

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.

Project teams 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 helps client countries foster growth in their most promising economic sectors. 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. The outbreak of COVID-19 represents an unprecedented source of uncertainty that is depressing investor confidence to historic lows. COVID-19 and government measures to contain the health crisis, coupled with international production networks and globalized consumption, disrupt business activities through four distinct channels: falling demand, reduced supply, deteriorating credit conditions and liquidity, and rising uncertainty.

Successful West Africa Project Generates IFC Private Sector Investment

West Africa's regional market opportunities are fragmented across numerous countries and jurisdictions, with low levels of intra-regional flows of FDI. The **West Africa Investment Policy Investment Climate** project, which closed successfully in FY20, sought to increase FDI flowing into the region, including intraregional investment. The project increased FDI flows by removing barriers to cross-border investments, promoting more transparent and sustainable investment incentive regimes, and reducing investor uncertainty by addressing unpredictable transfer pricing rules. Several cross-border IP and IC barriers in all 15 countries of the Economic Community of West African States (ECOWAS) have been eliminated via the ECOWAS Investment Code and the ECOWAS Investment Policy, which harmonized investment in the region, and provided predictability for potential and existing investors in the ECOWAS Common Market. ECOWAS encompasses **Benin**, **Burkina Faso**, **Cabo Verde**, **Côte d'Ivoire**, **The Gambia**, **Ghana**, **Guinea**, **Guinea-Bissau**, **Liberia**, **Mali**, **Niger**, **Nigeria**, **Senegal**, **Sierra Leone**, and **Togo**. All are IDA borrowing countries; Burkina Faso, The Gambia, Guinea-Bissau, Niger, and Nigeria are FCV states. Leveraging these reforms, the project significantly improved the investment landscape in ECOWAS, increasing investments in the region by $69.85 million through IP and IC reforms, and increasing actual tax collections by $96 million through transfer pricing reform. In Nigeria, the project work has led to IFC investment in Upstream collaboration with IFC's Manufacturing, Agribusiness and Services team, which complements $2 billion in external investments. IFC AS teams also supported eight investment policy reforms, including an amendment of an investment-deterrent practice in Senegal. The reform unlocked a stalled $80 million solar energy transaction, which increased the country's power generation capacity. Under the transfer pricing component, IFC AS teams worked to build domestic tax administrations' capacity to address transfer and associated international tax issues.

IFC AS teams also supported eight investment policy reforms, including an amendment of an investment-deterrent practice in Senegal. **The reform unlocked a stalled $80 million solar energy transaction, which increased the country's power generation capacity.**

Investment Policy Global Project Delivers Analysis, Outreach, Publications

The **Investment Policy and Promotion (IPP)** global project is on track to achieve its key developmental objectives. In FY20 the FIAS-supported project had a strong year across all pillars of its activities, including analytical tools, publications, outreach, and external partnerships. Project ratings exceed targets across all indicators.

In response to the COVID-19 pandemic, the joint World Bank-IFC project team has provided a platform for developing the Bank Group's response to the pandemic on FDI. FDI plays a crucial role in the development of many countries. Global demand and supply shocks and disruptions of global value chains caused by the pandemic have prompted client governments around the world to seek policy advice from the IPP team on how to minimize the impact of COVID-19 on FDI inflows. To offer effective guidance, the IPP team has launched multiple efforts to identify the effects of the outbreak on FDI flows and provide critical areas of policy support. The team undertook literature reviews, conducted surveys, developed tools, and produced multiple good-practice policy response notes.

IPP's technical assistance provides indispensable support to IFC Advisory Services and Upstream projects in the area of the business enabling environment at the economy-wide, sector-specific, and firm levels. IPP interventions result in de-risking of existing investments and the opening of new markets to the private sector. In this way, they make a direct contribution to the IFC Cascade approach. The product is in strong demand for its analytical tools, the team's deep implementation experience, and strong drive for reforms by both IFC and World Bank task team leaders. It is uniquely positioned within the joint World Bank-IFC Investment Climate Unit and acts as a link between IPP advisory and IFC Upstream priorities, IFC 3.0 strategy, and World Bank lending activities. The project supported 27 outputs (6 InFocus notes, 4 publications, 2 book chapters, 2 tools, 1 database, IRM and 11 internal policy notes). The team also made major contributions to the second edition of the flagship publication, the *Global Investor Competitiveness Report 2019-2020*, providing research and COVID-19 adaptation analysis in chapters on "Regulatory Risk and FDI," and "Increasing the Development Impact of Investment Promotion Agencies."

Counter of the Commercial Bank of Ethiopia in Axum, Ethiopia. *Photo: Bigstock*

SIRM Helps Clients Retain, Expand Private Sector Investment Amid the Pandemic

The **Systemic Investor Response Mechanism (SIRM)** provides a system for closely 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 IPP space, implemented by client-facing teams and 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 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. In FY20, SIRM was utilized to respond to the COVID-19 crisis. FIAS also supported the **COVID-19 Investment Promotion Agencies (IPA) Survey**, leveraging lessons learned from the SIRM. The IPA survey gauged response to the COVID-19 pandemic and the policy measures that are being enacted. Effective response to investor grievances amid the pandemic remains a significant part of the response strategy of governments to weather the crisis.

SIRM in Rwanda and Ethiopia

Rwanda needs to improve the level of confidence of foreign investors to attract, retain, expand, and link greater flows of FDI into its economy. Access to land, utilities, and infrastructure, along with regulatory issues of transparency, predictability, and contract enforcement rank at the top of investment-related problems, and every year about 150 grievances escalate into legal disputes. The SIRM project's objective is to improve facilitation, retention, and expansion of FDI. Progress has been slow in this reporting period. However, the team enabled the Rwanda Development Board (RDB) to track the conversion rate, and trained a lawyer to explain the SIRM tool and the technique to track and measure its impact in terms of investment and jobs retained. The project assisted RDB and the IT vendor in the design of an IT tool, the customer relationship management system (CRM). Further stakeholder collaboration will be needed to complete its development.

FDI inflows to **Ethiopia** were rising steadily prior to the COVID-19 outbreak, confronting the government with two challenges: how to effectively convert new investment into projects, and how to address the lack of a formalized grievance mechanism. This project complements ongoing work under the Investment Climate Improvement Program and IPP project that aims to reduce legal and administrative barriers to foreign investment and enhance investor confidence. During FY20 the SIRM Unit became fully operational; eight grievances have been registered and four have been resolved. A high-level workshop with the private sector had to be postponed, however, the team trained 47 Ethiopian Investment Commission (EIC) staff on the newly incorporated grievance handling procedure and SIRM. The FDI tracker tool was due to be discussed in January 2020.

The SIRM pilots in Rwanda and Ethiopia were featured in the *Retention and Expansion of Foreign Direct Investment* report, produced by the World Bank and launched in December 2019 in Brussels. The EIC Deputy Commissioner attended the launch and presented key project reform experiences to EC experts and EU country representatives.

FIAS Support for CPSDs

During FY20, FIAS continued to support Country Private Sector Diagnostics (**CPSDs**), emphasizing in-depth diagnostics and analysis as a cornerstone of FIAS strategy. CPSDs assess economy-wide and sector-specific opportunities and constraints to private sector-led growth. The analysis from CPSDs leads to informed policy action mobilizing private investment and financing. FIAS-supported diagnostic projects combine the Bank Group's and other Development Partners' knowledge and inform the IFC 3.0 Strategy, the Systematic Country Diagnostic, and the Country Partnership Framework.

The Bank Group is undertaking 45 CPSDs, 24 of which were completed, 20 ongoing, and 11 in the pipeline. The roster of CPSDs includes 21 countries in Sub-Saharan Africa—a FIAS priority region—11 in the Latin America and Caribbean and Europe and Central Asia regions, and 8 in Asia. Most of these CPSD countries have ongoing FIAS-supported projects. In FY20, FIAS provided support to 9 CPSDs—in **Albania**, **Azerbaijan**, **Bolivia**, **Colombia**, **Ecuador**, **Jordan**, the **Philippines**, **Ukraine**, and **Vietnam**. FIAS-supported CPSDs tackle cross-cutting constraints in critical enabling sectors, such as agribusiness, digital infrastructure, and education, enabling investment and sustainable growth in the medium and long term.

In the radically altered economic environment created by COVID-19, client countries and the advisory teams are utilizing CPSDs to face the additional challenges of minimizing the destruction of markets in the short term and restructuring needs for the medium term. Sectors that often offer the most opportunities, and thus feature heavily in CPSDs, are some of the most exposed to disruptions in the global economy. Agribusiness and tourism, sectors featuring robust FIAS support, have been hardest hit by the pandemic's effects. Ongoing CPSDs that have identified a set of opportunities are being restructured, as needed, to face these new challenges. FIAS-supported CPSDs have been revised to incorporate the coronavirus crisis' effect on these vital sectors.

CPSDs have become critical in developing a broader Bank Group response to the pandemic. IFC and the World Bank are deepening their cooperation on the Bank Group's development policy operations in response to COVID-19, and teams have been drawing on CPSDs to provide a sound analytical underpinning for operational objectives. Further, IFC's Country Economics and Engagement department created a new database of more than 1,000 policy recommendations to support the private sector, based on CPSDs from 41 countries. The database informed a new policy paper produced by a joint IFC-World Bank task force, convened by IFC senior leadership, that lays out actions governments can take to support their private sector during the crisis. Some highlights of FIAS-supported CPSDs in the current period include:

Ecuador CPSD Informs New Development Policy Operation

Ecuador has the potential to sustainably utilize its abundant natural resources to drive shared prosperity and decrease poverty. The CPSD in Ecuador assessed how increased transparency in the mining sector could better attract investors and improve local community support. This analysis contributed to the government's decision to announce its intention to become an implementing country in the Extractive Industries Transparency Initiative (EITI). The CPSD also helped inform a World Bank development policy operation on the COVID-19 crisis response to support the private sector's economic recovery.

Philippines CPSD Outlines Opportunities to Strengthen Competitive Practices

The Philippines has experienced strong economic growth over the past decade, but structural transformation and quality job creation have been limited. These challenges are outlined in the Philippines CPSD, which emphasizes the need for increasing competition and improving the business environment to allow the private sector to fill infrastructure gaps and provide quality jobs. The CPSD provided recommendations to strengthen the Philippine Competition Commission, an independent quasi-judicial body established through the Philippine Competition Act of 2015. After a two-year transition period, the law is now fully operational. However, enforcement rulings on companies engaged in anticompetitive behavior, which are integral to improving competition, have yet to be made. The Philippines CPSD was also well aligned with the country engagement cycle, providing timely inputs to the IFC Country Strategy and the Systematic Country Diagnostic. Key reform recommendations from the CPSD and the IFC Country Strategy were then incorporated into the new Country Partnership Framework.

In the radically altered economic environment created by COVID-19, client countries and the advisory teams are utilizing CPSDs to face the additional challenges of minimizing the destruction of markets in the short term and restructuring needs for the medium term.

Industry, Markets and Technology Knowledge Development Product (KDP)

The project is currently in the implementation phase and on track to reach its commitments on outputs and outcomes. The project team has increased support on CPSD implementation, with direct contributions to CPSDs in **Bangladesh**, **Haiti**, the **Kyrgyz Republic**, **Madagascar**, and **Tunisia**. During FY20 the project worked on CPSD guides and training for teams, delivered multiple trainings on agribusiness and food safety, and conducted a deep dive on textiles and apparel. The project's primary goal is to provide an analytical framework and quality assurance systems for various core sectors, including agribusiness, manufacturing, and tourism. The project team seeks to provide a cohesive approach to industries, markets, and technology to assist KDP in operationalizing the IFC 3.0 Creating Markets Upstream strategy. Two years after project completion, expected outcomes from the project include 14 new IFC and World Bank projects that use the project's tools and resources to design, develop, and operate client-facing projects. Ten of these projects are expected to be directly related to CPSD implementation.

FIAS Projects Work to Mitigate Supply Chain Effects Amid Global Crisis

More than two-thirds of world trade now occurs through global value chains. However, the coronavirus crisis, with accompanying social distancing procedures, has had severe implications for supply chains. FIAS-supported projects implemented by IFC teams are active in many sectors hard-hit by the crisis, including in agribusiness and tourism. FIAS is also supporting projects touching on the effectiveness of supply chains including IFC AS work in investment policy and promotion, markets and competition policy, and sector work in industry solutions in agribusiness, tourism, and manufacturing.

At the client-facing level, in **Côte d'Ivoire**, the FIAS-supported Invest West Africa Tourism Project plans to launch an online COVID-19 'support finder' that will inform private sector actors of different mechanisms, measures, and opportunities related to the broader crisis response. The **Zimbabwe** Destination Development Program is under IFC's Regional Tourism Umbrella Program. The initiative seeks to restore confidence in tourism to set the stage for recovery. The project plans to run campaigns with a communications coordinator to provide up-to-date information on the management of COVID-19 while reinforcing its brand position and collecting data on external trade sentiment.

The **West Africa** Agribusiness Project plans to respond to the pandemic by supporting exporters of fresh agricultural products on proper hygiene practices to protect public health and by providing a PPD platform to address industry challenges amid the pandemic. The platform will allow for a quick response to coronavirus-related threats and engage proactively with private operators on pandemic-induced challenges.

African woman washes her hands outdoors in a small village Keta Ghana, West Africa. *Photo: Bigstock*

The **Georgia** Trade, Investment Policy, and Agri-Competitiveness Project seeks to support the launch of a significant investment-generation initiative to attract export manufacturing companies. The project has been restructured and updated during the pandemic to target a new sector, biopharmaceutical and clinical research organizations. Additionally, the project teams are supporting and leveraging other Bank Group projects in the country.

The **Afghanistan** Export Competitiveness Project is working on supply chain linkages for exports with the overall objective of increasing access to export markets through targeted reforms for trade and investments and supply chain linkages in selected agribusiness value chains. The team is working to help facilitate market linkages aimed to improve supply chain integration for selected products in selected markets and increase awareness and visibility of Afghan products in target markets.

The **Jamaica** Agri Supply Project seeks to identify agricultural products that can be produced at a comparative advantage to be consumed in the Jamaican market, with focus on supplying the tourism and hospitality industry. The project team is conducting scoping and diagnostic assessment of subsectors to prioritize the agricultural products with the best chance of fulfilling the project objectives. The project, launched in 2019, will lay the groundwork for improving linkages between selected agricultural supply chains and the hospitality industry, which will ultimately support sustainable economic activity and employment in the agricultural sector. So far, most farmers have not been able to tap into the market opportunities generated by the domestic hospitality industry. According to the Ministry of Tourism, the annual leakage due to imports amounts to $500 million in the manufacturing sector and about $11 million in the agricultural sector. The end goal of this diagnostic and scoping project is to evaluate the potential for a follow-on program, such that if the findings show and prove the concept viable, further work would create shared prosperity by increasing the steady and sufficient supply of safe and traceable agricultural products that would cater to the tourism industry in Jamaica but also be exported, while increasing the income of local MSMEs, farmers, and agro-processors.

Street vendor selling coconut fruit drinks to tourist at Cruise Ship Port in Ochi, Jamaica. *Photo: Bigstock*

Pro-Competition Support Proves Pivotal in Creating Markets

The FIAS-supported **Global Competition Policy** product development project (PDP) has been instrumental in creating markets and mobilizing private sector investments for development. In FY20, the PDP was successful in combining novel knowledge products addressing relevant competition matters with concrete client support. The PDP generated analytical tools and knowledge on the links between competition and economic transformation, industrial policy, and the digital economy. By leveraging all available World Bank Group instruments from loans and broad country diagnostics to tailored advisory services, the project helped identify and remove economy-wide and sector-specific barriers impeding entry and competition in more than 25 countries, dealing with issues of lack of productivity growth (**Côte d'Ivoire**), pervasive price controls (**Angola**, **Moldova**), lack of competitive neutrality (**Romania**), restrictive trade policies (**Brazil**), and anticompetitive product market regulation (**Croatia**). It also informed several country engagements on promoting private sector development through pro-competition interventions in specific sectors, such as financial services (**Latin America**), telecom (**West Africa**), agriculture inputs (**Uzbekistan**), and transport (**Brazil**).

Further, the PDP enabled the Bank Group to join forces and promote synergies with the key international organizations responsible for shaping competition policy, such as the United Nations Conference on Trade and Development (UNCTAD), OECD, the International Competition Network (ICN), and African Competition Forum (ACF). These partnerships have allowed for joint knowledge production and opened the way to concrete results on the ground, for example, by expanding the OECD Product Market Regulation (PMR) data in several Bank Group client countries (**Armenia**, **Belarus, Moldova**, **North Macedonia**). It has also enabled peer-to-peer learning—almost 20 internal and external training and awareness promotion events on competition benefited more than 400 people.

Finally, the PDP has stood out as a key instrument to tackle the unforeseen challenges posed by the COVID-19 pandemic. The team developed several analytical tools, policy notes, articles and blog publications on how to safeguard competition during the crisis and minimize distortions associated with emergency state aid, and made available global datasets tracking state aid and competition-related

COVID-19 measures. It supported advisory under several Bank Group operations on mitigating COVID-19 effects particularly on price controls, abuse of dominance, mergers and competitor cooperation in countries such as Angola, Argentina, Brazil, Cambodia, Croatia, Ecuador, Mexico, Peru, and Uzbekistan.

Albania Investment Climate and Climate and Agribusiness Competitiveness

Albania is implementing essential reforms to revitalize growth and job creation while advancing the European Union integration agenda despite a challenging political environment. The project in Albania reached completion in FY20, supporting efforts to improve agribusiness competitiveness and facilitate compliance with EU requirements. The project partially achieved its key outcome targets and impact indicators. Through the project's duration, the IFC AS project team prioritized engagement with the client and focused on critical areas to catalyze growth. IFC teams engaged directly with three central public authorities and jointly designed and promoted bold reforms, lessened the administrative burden, and generated new investments.

Project activities included a value chain assessment that served as a platform to develop a $10 million incentive scheme in the agriculture sector. Data from the Ministry of Agriculture and Rural Development demonstrates that, in 2018, about 290 farmers benefited from measures related to the fruit and vegetable value chains. IFC teams facilitated the enactment of the Hazard Analysis and Critical Control Point, which generated $1.6 million in compliance cost savings for food business operators. The project team helped the Albania Investment Development Agency (AIDA) generate $18 million in investments (against the target of $10 million) by six companies, creating an estimated 2,144 new jobs, including 1,656 for women; 52 investor and private partnership leads were also recorded.

The project's contributions have been reflected in the World Bank Group *2019 Albania Enterprise Survey*, which depicts positive trends in Albania's business environment prior to the pandemic. The survey showed that firms performed better in 2019 than in 2013, with considerable employment and sales growth. The survey also illustrates improvements since 2013 in red tape reduction, especially in the agribusiness sector.

Albania was hit by a devastating earthquake on November 26, 2019. In response, a donor conference organized in Brussels in February 2020 raised about $1.2 billion in pledges from countries and international financial institutions. The COVID-19 crisis erupted amid these reconstruction efforts, adding more pressure to the government's budget. The World Bank Group and other partners are cooperating to support Albania in overcoming these challenges and implementing the country's longer-term development goals.

Tomatos growing in the greenhouses, Tirana, Albania *Photo: Bigstock*

Despite Political Challenges, Project in Kosovo Makes Steady Progress

Kosovo, an IDA and FCV country, has been hobbled by political crisis on top of the impact of the global pandemic. In July 2019, the abrupt resignation of government brought about a period of political turmoil and uncertainty, and left Kosovo with a fully operational government for only 50 days during the initial COVID-19 crisis. Nevertheless, the FIAS-supported project managed to make steady progress in FY20 working to improve SME competitiveness and address investment generation and retention issues. Project implementation has progressed well in relevant business regulation activities at the local level. Key results during FY20 were (i) creation of the one-stop shop by the municipality of Prizren; (ii) enactment by the municipality of 13 recommended streamlining measures which yielded more than $192,000 in compliance cost savings for the private sector and citizens; and (iii) finalization of the training-of-trainers program.

Given the political circumstances at the central government level and ongoing COVID-19 pandemic, delays in achieving some outcomes were to be expected. Progress has been slow under the investment policy component due to limited staffing resources of the Kosovo Investment and Enterprise Support Agency. However, the Ministry of Trade and Industry expressed readiness to cooperate and implement all activities that were agreed with previous cabinets, especially those related to inspection reform and simplification of licenses and permits. The project aimed to proceed with the new Law on Inspection to the government in July 2020. The project was also in close contact with the deputy prime minister on inspection reform and agreed to continue this process without delay.

Peru Growth Program Works to Support Regional and National Economic Growth

The **Peru** Growth project seeks to support economic and geographic diversification in Peru through technical assistance at the national and regional levels, focusing on assistance to selected pilot sectors and focus regions. The project was restructured during FY20 to include three child projects in addition to the completed SNDB project: (i) Strengthening the Tourism Sector, (ii) Competition Policy, and (iii) Investment Policy and Promotion (IPP), all of which are under way and gaining traction.

> The overall pace of regional trade and investment was hugely impacted by the COVID-19 pandemic, leading to severe disruptions and declines in trade of goods, services, and labor across borders.

Under the tourism component, project activities have been advancing. During FY20, assistance to the Ministry of Foreign Trade and Tourism (MINCETUR) with a global pandemic response became a top priority. A guidance note with response recommendations was developed by the IFC AS team and shared with the client. Regulatory reform work continued, with the team designing and implementing guidelines for online home rentals. The World Tourism Organization (UNWTO) and IFC have begun working on the statistics component, including a COVID-19 related element.

Early engagement with key stakeholders in competition policy revealed that the pandemic has heightened demand for pro-competition reforms. In line with Bank Group recommendations, the President formally announced development of a National Competition Policy as part of the government's economic recovery strategy. Three significant outcomes were achieved involving the improvement of procedures and policies: (i) the cross-sectoral anti-cartel program; (ii) the new merger control framework; and (iii) the measures taken in the pharmaceutical drugs and medical equipment sector to address the COVID-19 crisis. The IFC AS team helped develop capacities and inter-institutional collaboration mechanisms between the Ministry of Economy and Finance and the competition authority.

The cooperation agreements for the IPP component were nearing completion at the end of FY20, pending official allocation from the Ministry of Economy and Finance. Attracting and retaining FDI has become a priority for the country due to the pandemic, and technical assistance has been prioritized for MINCETUR and PromPeru, the country's export and tourism promotion agency. As part of COVID-19 recovery efforts, the agreements now provide for a regularly updated report on international best practices employed by other governments to channel FDI back into their economies.

EAC Phase II Supports Development of the Common Market Scorecard

The overarching objective of the **East African Community** (EAC) project is to increase intra-regional trade and investment. In particular, the project aims to remove barriers to movement of people, goods, and services. The team aims to achieve these objectives by improving the business environment, reducing trade costs, reducing anticompetitive behavior, liberalizing selected value chains, and strengthening private sector participation.

In the first half of FY20, the project supported the EAC Common Market Scorecards (CMS) 2018 on the Movement of Labour and the Right of Establishment and Residence, and the EAC CMS 2019 on the Movement of Goods, Services and Capital. They were completed with the objective of highlighting key recommendations and the targeted interventions needed to promote regional integration, trade, and investment in the EAC bloc.

The overall pace of regional trade and investment was hugely impacted by the COVID-19 pandemic, leading to severe disruptions and decline in trade of goods, services, and labor across borders. The effects of the lockdowns and restrictions were also felt at the project level. For example, consultation sessions with clients were delayed or cancelled, and the deaths of prominent leads led to the postponement of several key decision-making meetings.

By the end of FY20, the Scorecard 2018 was ready for publication and dissemination. However, the Partner States requested an extension for Scorecard 2019 to December 2020 to enable capture of data relevant to post-COVID-19 implementation plans. The team also scheduled a meeting with the six governors of the EAC Central Banks for August 2020 to discuss the findings and recommendations of the Scorecard 2019.

Western Balkans IPP Project Responds to COVID

In the first half of FY20, the project in the **Western Balkans** met or exceeded all key output and outcome targets, and despite the impact of COVID-19, the team was on track to achieve the overall objectives for the year. The project provided on-time support and flexible assistance to its main clients to adjust their strategies, policy priorities, and programs to COVID-19 by remaining in close contact and offering relevant intelligence, data, and good-practice experiences from across the globe. The team also supported critical investor aftercare and retention programs through the region's investment promotion agencies to help keep existing investors active.

The project contributed to six investment projects, with an investment of $67 million, and 1,484 jobs created in the automotive machinery sector. The team continued to track and report progress with the implementation of the regional investment reform agenda and individual economy investment reform action plans. The project delivered a comprehensive handbook for the development of international investment agreements. The team conducted a webinar on the potential impact of COVID-19 on FDI flows in the region and discussed possible policy responses informed by good international practice. The webinar gathered 40 representatives from the economies of the region and the European Commission. The project also supported publication of comprehensive inventories of incentives offered to investors in **Albania** and **North Macedonia**, and the development of the next Multiannual Action Plan for the Regional Economic Area. The emphasis of the proposed agenda will be on balancing the immediate need for COVID-19 mitigation actions with required mid- to long-term reform efforts.

Egypt Private Sector Development Program–Progresses in Pre-Implementation

During FY20 the **Egypt** Private Sector Development program achieved most of its planned pre-implementation activities, including scoping missions, stakeholder consultations, and diagnostic reports. These were all shared with the clients and primary stakeholders. The team produced four reports: (i) a report on construction regulations and the building control regime; (ii) an agribusiness deep-dive report; (iii) a textile sector diagnostic report; and (iv) a Women, Business and the Law (WBL) reform memo. All four documents include key characteristics of the areas of concern, highlight main challenges, and recommend reforms based on best global practices. Both agribusiness and textile sector assessments were extensively used in producing the draft of the Egypt *Private Sector Country Diagnostic Report*. Public and private sector consultations took place on key issues. The diagnostics and public-private consultations have led to the design and materialization of related projects under the Egypt PSD program. IFC AS teams mobilized global expertise and consulting resources to develop details of areas for further reform work during the implementation period and solidify client buy-in on the different activities that will be covered under the program.

Ghana Investment Climate Project Slowed Due to COVID

Project implementation significantly slowed in **Ghana** due to the pandemic and campaigning for the December 2020 presidential elections. A new milestone was achieved in May 2020 with the enactment of the new Corporate Insolvency Act, a key output for the project. The dialogue with government counterparts continues, although the team has not been able to organize missions or participate in in-person meetings. The team has shifted to using various virtual platforms to stay in regular contact with counterparts, provide support, and monitor the progress of activities.

Despite the challenges of working remotely, there has been particularly strong engagement among project team members, clients, and other stakeholders. IFC AS teams engaged with the Registrar General Department (RGD), responsible for the implementation of both the Companies Act and the Corporate Insolvency Act, and the Ghana Investment Promotion Centre. GIPC's staff and management are keen to engage with IFC in retaining investments in the post-COVID-19 environment. Slower progress has been made working with the Ministry of Works and Housing and the Ministry of Foods and Agriculture, and the team continues to follow up to establish whether they remain committed to the agreed activities.

> Despite the many challenges posed by COVID there has been particularly strong resolve and engagement among project team members, clients, and other stakeholders to remain committed to agreed activities.

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.

Firm-Level Technology Adoption Project Progressing in Multiple Countries

A FIAS-supported initiative undertaken by both World Bank and IFC teams is generating new measures of technology adoption at the firm-level in developing countries and preparing them to implement more effective policies to facilitate technology adoption. The project aims to do so by:

- Providing a more detailed measurement of the extent of firm-level adoption and dispersion within business sectors, across sectors, within countries, and across countries.
- Providing a review of technology policies that can help with narrowing the adoption gap.
- Supporting capacity building of national statistical offices and other government agencies to measure technology adoption and follow best practices for implementation of science, technology, and innovation (STI) policies.

This **Advisory/Upstream** project has the potential to accomplish some of the preliminary steps that could lead the IFC Upstream team to identify potential private sector investment opportunities for IFC that would help close some of the technology adoption gaps identified by teams using the methodologies developed by the project.

Implementation of the firm-level adoption of technology approach has advanced successfully in **Bangladesh**, **Brazil**, **Malawi**, **Senegal**, and **Vietnam**. The new methodology identifies technological gaps on general business functions such as business administration, business planning, value chain management, marketing, sales, and payments, as well as sector-specific functions such as land preparation and harvesting for agriculture, input sourcing and cooking for food-processing firms, and design and sewing for wearing apparel.

The application of these tools on a pilot basis, supported by FIAS, has identified business sectors that are far behind in adoption of key technologies for competitiveness in global and regional marketplaces. This includes analytical work in Senegal and the northeastern Brazilian state of Ceará, where the team has identified significant technological gaps in agriculture, food processing, wearing apparel, retail, transport, finance, and health services. Similar findings in Bangladesh will be published in a forthcoming report on the potential future of manufacturing. The report identifies key challenges to boosting the value chains related to the food processing, apparel, leather, and pharmaceutical industries. The tool was also adapted to support IFC operations on digital entrepreneurship and innovation in **Central America**.

The results of the analysis in Senegal have led to the development of the new Senegal Jobs, Economic Transformation & Recovery Project, a Program-for-Results (P4R) Financing in collaboration with IFC. The $100 million operation was requested by the Government of Senegal based on the results of the technology adoption analysis. The project is expected to benefit from IFC co-financing. The operation will have a vertical component that focuses on specific value chains, including horticulture and fisheries, which were also identified as strategic sectors by the CPSD. It will also include horizontal components that will support firms on adopting better technologies, improve the business environment, enhance financing, and facilitate public-private partnerships. As part of the operation, the team will use the data collected to provide detailed benchmarks for Senegalese firms, combined with training and financing. Moreover, the findings will facilitate the design of more effective interventions to increase the spillover effects of IFC financing towards micro, small, and medium enterprises (MSMEs) through specific business functions.

Among the important findings from the analysis across countries, the team has reported that:

- The technological gap in agribusiness is larger than observed in other sectors..
- There is larger heterogeneity of technologies adopted across business functions among more advanced firms.
- Improving firm capabilities and connectedness across firms is key to enhancing adoption.

Worker in a silver factory in Dhaka, Bangladesh. *Photo: Sohelpar Vezhaque/Bigstock*

These findings, which are new to the literature, combined with the innovative tool developed by this project, can be a game changer on how the World Bank Group and other development institutions analyze the capabilities of firms and define strategies to support technological upgrade. More specifically, this can lead IFC's Upstream unit to explore, with leading firms in specific sectors, investment possibilities that would involve helping firms accelerate technology adoption and increase the likelihood of spillover effects across firms in developing countries.

Guinea Supports Women-Owned SMEs with the Supplier Digital Platform

Guinea is home to about a quarter of the world's bauxite reserves, and its ore is exported for a wide range of aluminum goods, from tinfoil to auto parts. The increase in bauxite mining activity in Guiean has brought with it a spike in the number of small and medium enterprises (SMEs) operating in Guiea, generating jobs and local income on the margins of this growing sector.

Djene Kaba manages Guinea Terroirs, a woman-owned business that produces spices, cereals, and essential oils in Conakry, **Guinea**. The company sources its raw materials from more than 3,000 women in isolated, rural communities surrounding the city. Like many small business managers in the country, Kaba has been eager to market her goods to the mining and hospitality sectors. However, it is a challenge for firms like Kaba's to meet international companies' procurement standards—which demand high quality and require businesses to meet health and safety standards. Kaba wishes to be able to participate in the international marketplace: **"To change this situation, we need support to improve contacts, expand our networks, and have access to contracting opportunities."**

A new project called the Supplier and Partnership Marketplace digital platform—or *Bourse de Sous-Traitance et de Partenariats* (BSTP), is under way in Guinea, aiming to close this gap by helping SMEs, like those owned by Kaba, access needed FDI and new marketplaces. Launched in December 2018, BSTP connects large companies in all sectors, including catering, hospitality, logistics, construction, and agribusiness, with local suppliers. According to Olivier Buyoya, IFC's Country Manager for Guinea, "Many local businesses don't know what contracting opportunities are available within Guinea's mining sector. At the same time, large companies tell us that they don't know the capacity, services, or skillset offered by local suppliers."

BSTP works to solve this problem by offering a digital platform facilitating access to companies' tender offers. BSTP also organizes training sessions to strengthen local businesses' strategic marketing, managerial and technical skills, and quality assurance. The platform links small businesses to local banks and financial institutions, helping entrepreneurs gain access to financing that might otherwise be out of reach. BSTP is the latest innovation to result from an 11-year effort coordinated by IFC, the Government of

Farmers in Guinea. *Photo: World Bank*

Guinea, the private sector, and communities. All are working together to transform mining into an industry that develops shared infrastructure and spurs economic inclusion and diversification. BSTP is supported by the Government of Canada, IFC's Conflict-Affected States in Africa (CASA) initiative, and FIAS.

With the help of BSTP, Kaba says her small business has a fighting chance to win a coveted contract with a large company. "BSTP will help us gain new techniques to access finance and to get quality certification for our products. We have not had access to any opportunities with mining companies or multinationals–at least, not until now."

Helping Haiti's Garment Industry Cope with COVID

In **Haiti,** which is both an IDA borrowing nation and an FCV state, the garment sector employs more than 50,000 workers and represents 82 percent of all the country's exports. Measures to contain the spread of the pandemic have led to factory closures and the imposition of restrictions on the number of employees that can be in a workplace at any one time. These steps, combined with a drop in demand from abroad, especially from the USA, have yielded severe losses across Haiti's garment manufacturing sector. A FIAS-supported IFC survey determined that three-quarters of firms expected revenue losses greater than 30 percent in 2020; a quarter of the firms surveyed projected losses above 60 percent. The survey was undertaken in FY20 as part of the pre-implementation work on the **Creating Investment Opportunities in Haiti (CIO Haiti)** project, which aims to help the country's export-oriented garment sector navigate the COVID-19 crisis through investment and job retention.

Garment workers in Haiti. *Photo: World Bank*

In helping Haiti's garment sector respond to the economic shocks created by the pandemic, the project team has identified manufacture of personal protective equipment (PPE) as a strategic entry point for new investment and job retention in the Haitian garment sector. The project is assisting in the transition to PPE production while identifying other opportunities for apparel production. In May and June 2020, FIAS funding helped conduct the survey among producers. The initiative identified 22 local companies with the capacity to produce 38 million units of PPE per month, including masks, coveralls, gowns, and scrubs. It found that only 67 percent of this production capacity was in use, highlighting an opportunity for the industry. The survey also identified some challenges, such as uncertainty of global demand, bio-safety restrictions on production, lack of working capital, and difficulty accessing raw materials. Thanks to FIAS support, the project is gearing up to implement support in solving some of those challenges by connecting Haitian producers to buyers and financial institutions, and eliminate bottlenecks constraining the viability of the sector.

Among the steps accomplished already, the project team has:

- Contributed to the analysis for the Haitian CPSD garment sector assessment.
- Presented analysis of the challenges and opportunities faced by the garment sector at the Haiti Financial Summit in May 2020, which generated media attention and became a chapter in a book published by the University of Quisqueya on responding to COVID-19 in Haiti.
- Contributed to policy dialogue that led to the lifting of production and export restrictions for PPE and to the organization of a webinar for garment producers in Haiti and Central America on PPE production led by IFC Manufacturing Investment Services.
- Provided information for the discussions leading to the extension in September 2020 by the U.S. Congress of the Caribbean Basin Trade Partnership Act (CBTPA), a preferential trade program for exports to the USA.

The work in Haiti, in coordination with IFC's Manufacturing, Agribusiness and Services (MAS) Department, has potential to generate Upstream investment opportunities. FIAS-supported sector-specific and firm-level work of the kind under way in Haiti typifies the projects that could evolve from advisory work to new investment opportunities for IFC.

OHADA Strengthening Credit Program Ready for Implementation

In FY20 preparations accelerated for launch of the OHADA Strengthening Credit Infrastructure for MSME Growth Program, a five-year IFC Advisory Services markets and enabling environment upstream regional initiative. The program's overarching objective is to promote access to credit for micro, small, and medium enterprises and women-owned businesses in the 17 member countries of the Organization for the Harmonization of Business Law in Africa—**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**, t**he Republic of Congo, Senegal**, and **Togo**. The approach involves enhancing the enabling environment, optimizing the use of credit infrastructure (which includes credit reporting systems, secured transaction and collateral registry and insolvency regimes), and product innovation. At project completion, expected outcomes include: an improved policy, regulatory, and institutional framework for credit infrastructure; deployment of credit bureau, collateral registry, and modernized public registries; increased use of credit reporting systems; improved credit coverage; strengthened credit risk management; implementation of OHADA out-of-court workouts to rescue businesses impacted by COVID-19; and an improved overall climate for business and investment. Pre-implementation was completed in December 2020, with program implementation getting under way in the second half of FY21.

Colombia Productivity and Jobs Project Progresses Amid COVID Headwinds

Colombia has a track record of prudent macroeconomic and fiscal management, anchored on an inflation targeting regime, a flexible exchange rate, and a rule-based fiscal framework which allowed the economy to grow uninterrupted since 2000 and cut poverty in half over the past decade. Productivity growth remained stubbornly low, however, and it has become a drag on economic growth. COVID-19, meanwhile, plunged the country into a deep recession.

The project in Colombia progressed well in FY20, achieving significant outcomes, including a commitment by the Bogotá Council to streamline procedures in the District Development Plan. Most project activities continued through the pandemic in a virtual form, with an inevitable slowdown at the beginning of the crisis. The pandemic has led the national government to change some priorities and initiatives in the face of new needs, prompting the team to revise the project design to better respond to the crisis.

Data collection for the impact evaluation of the pilot *Colombia Productiva* program proceeded throughout the reporting period, with strong efforts to conduct follow-up interviews with firms, most of whom were either closed or focused on dealing with the economic crisis. In total, 174 firms were successfully contacted, reflecting 87 percent of the total sample. The District Development Plan 2020–2024 was approved by the Bogotá Council, along with technical inputs on a draft decree aimed at improving the regulatory framework, procedures, and methodologies of ex-ante and ex-post regulatory analyses of technical regulations. In response to the COVID-19 crisis, the team has been in contact with government officials and the private sector to reorient the initial design of the innovation and entrepreneurship project. The new design aims to support economic reactivation by promoting innovation and technology adoption, and digitalization in SMEs in the post-COVID-19 era.

Strong Progress in the Vietnam Private Sector Competitiveness Project

Vietnam has experienced rapid growth and development in the past three decades. Between 2002 and 2018, GDP per capita increased by nearly 3 percent, and more than 45 million people were lifted out of poverty. Given Vietnam's recent deep integration with the global economy, the country needs a private sector that is more competitive and innovative. The COVID-19 pandemic further underscores the need for more robust reforms to help the economy recover in the medium term, such as improving the business environment, promoting the digital economy, and enhancing public investment effectiveness and efficiency.

The FIAS-supported Vietnam Private Sector Competitiveness Project has made strong progress in its central aim of linking domestic suppliers to multinational corporations. The project seeks to enhance domestic suppliers' ability to participate in value chains in targeted sectors through investment policy and business regulation reform. The project recorded a milestone outcome in FY20 with the promulgation of the Law on Investment. Revision of the law has been in the works for some time, with extensive input from the project team. These regulations should contribute to creating a positive landscape for attracting FDI. The project also successfully completed Phase I of the Supplier Development Program (SDP). As a result, domestic firms have elevated their performance as suppliers to multinational enterprises, with an average increase of 20 percent in their business review scores in key competitiveness areas.

↑ 45m

lifted out of poverty

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SDP activities closed for several months due to the pandemic but resumed in May 2020. The project team continued working throughout the pause, supporting the pilot SIRM task force in managing investor grievances. Since inception, the project team supported the task force in analyzing and following up on 61 cases, 16 of which were identified as having a high risk of escalating into serious disputes that would require further action. The project is now supporting the task force in advocating for the formalization of the SIRM initiative.

The project interventions are well timed in terms of achieving resilient recovery from the pandemic. Companies participating in the SDP will be much better prepared to respond to the relocation of global value chains to Vietnam as economic activity gradually recovers. Some of the domestic firms have seen their orders from multinational enterprises increase by as much as 150 percent; others are going through the audit process with major firms such as Panasonic, Samsung, and Denso. The project is well into the implementation of Phase II, supporting 25 participating businesses in implementing their agreed-upon business development plans. This is ultimately expected to help deliver on planned project impacts, including the increased value of goods and services provided to FDI firms by local suppliers, and an increase in the local firm performance benchmark score. This work could lead to IFC identifying Upstream opportunities to invest in private ventures.

Vietnamese farmer. *Photo: v2osk/Unsplash*

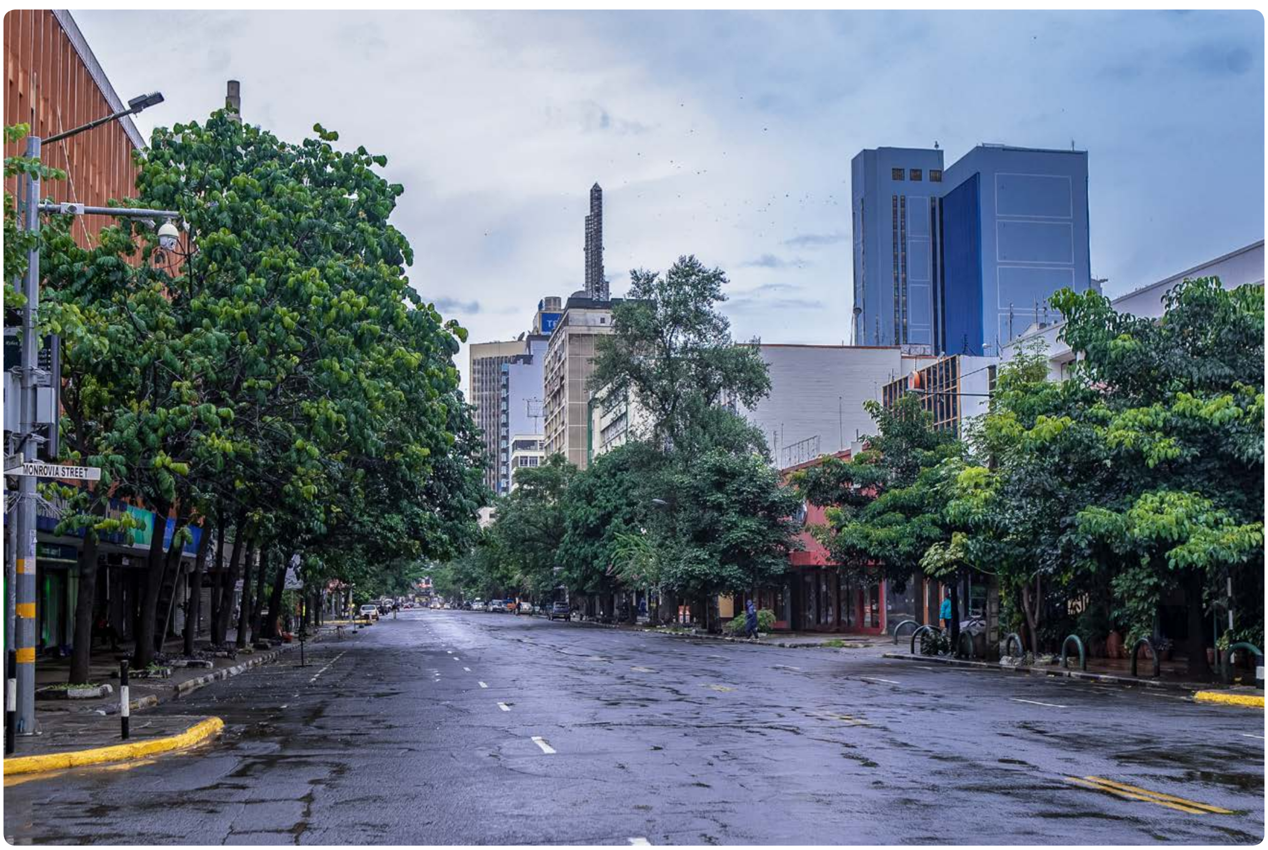
India Insolvency Project Addresses Priority Issue for COVID-19 Recovery

Project teams are working in **India** to strengthen the country's corporate insolvency framework, leading to better recoveries and capital recycling. As noted above, developing more effective approaches to managing insolvency has become a priority task in the response to the economic aspects of the COVID-19 pandemic. The main objective of the project is to improve non-performing loans and improve overall financial sector stability. Halfway through implementation, as of the end of calendar 2019, the project met most of its commitments and targets. Project teams continue to support capacity building for the Insolvency and Bankruptcy Board of India. The team carried out a workshop for the IBBI on the application of personal insolvency and bankruptcy regulations to the microfinance sector. The workshop included senior management of leading microfinance self-regulatory organizations, including Sa-dhan and Microfinance Institutions Network. Project teams also worked to support capacity building for other corporate insolvency stakeholders, such as insolvency practitioner agencies.

ComPEL Working to Ensure Effectiveness of Evaluations Key to COVID Recovery

The six ongoing impact evaluations supported by the **Competitiveness Evaluation Lab (ComPEL**) in the areas of high growth, linkages, and regulatory efficiency, advanced in FY20. Seven data collection rounds were completed, two reports were finalized, in **Georgia** and **Nigeria**, and seven country workshops were delivered. The capacity-building process to identify and improve the quality of new impact evaluation proposals was completed and three new studies were endorsed in April 2020 in **Burkina Faso**, **Ghana**, and **Kenya**. A key element of the process was the flagship workshop delivered in September gathering 14 teams of researchers, project specialists, and country officials to improve the design of their impact evaluations.

Since February 2020, several activities have been postponed due to the COVID-19 outbreak. Follow-up surveys in **Georgia** and **Mexico** were postponed, and this will delay the issuance of the final reports. The baseline survey in Ethiopia was postponed for a year (given the seasonality of the honey value chain under study) and its respective



Empty street, Nairobi, Kenya. *Photo: Sambrian Mbaabu, World Bank* baseline report will therefore also be delayed. Baseline data collection for the newly endorsed methodologies may also experience some challenges and delays.

The continuation of impact evaluation activities is even more important during the current crisis for measuring the effectiveness of interventions in increasing resilience to shocks. With the additional grant from USAID, ComPEL started supporting the implementation and analysis of Business Pulse Surveys, which aim to assess how firms are coping with the crisis.

During the reporting period, a draft of the systematic review was prepared covering 42,465 papers screened, of which 89 were included in the analysis. The draft was revised to include feedback received from a seminar held in April 2020 and was submitted in July to the International Initiative for Impact Evaluation (3ie) for external peer-review, for publication expected in December 2020.

The program also delivered eight seminars targeting different audiences globally, including: experiments with firms and entrepreneurs to promote productivity growth in November 2019; two research clinics in February 2020 to provide feedback on new methodologies; and a knowledge-sharing seminar in April 2020 on *Interventions to Promote Technology Adoption in Firms*.

Projects targeting firms with high-growth potential:

- In **Ghana** the newly endorsed proposal aims to assess the effects of a pilot providing business support to SMEs through a combination of training, group consulting, and grants. The impact evaluation will assess the effects of these interventions on firm performance and is expected to be completed in 2023. A virtual workshop was held in January 2020 with the National Board of Small Scale Industries (NBSSI) through which consensus was achieved on the design of the pilot (with the working title "Business Gamechanger Program"). This was followed by a focus group discussion with potential beneficiaries. A business pulse survey was launched in collaboration with Ghana Statistical Services, UNDP, and the NBSSI, covering more than 4,000 businesses to provide an in-depth view of how businesses are affected by the COVID-19 crisis and how they can be supported through policy.

- In **Georgia** the study is piloting the causal effects of providing SMEs with broadband subsidies, e-commerce training, and order guarantees on their performance. The e-commerce training and the guaranteed-order pilot were completed in the fall of 2020 as expected. A baseline report published on ComPEL's website in March on the characteristics of 2,180 businesses found that while most surveyed firms outside Tbilisi have access to basic internet services, the majority do not engage in e-commerce activities such as owning a website or selling online. This suggests that complementary interventions to help firms use e-commerce more effectively may support business growth. The roll-out of the guaranteed-order intervention has been postponed due to COVID-19, as many firms and the post office were closed for some time. A phone survey will be conducted instead.

- In **Kenya** the project is providing training and allocating grants of different sizes to SMEs through a business plan competition (BPC) to evaluate any difference in their performance. The call for applications to participate was launched in June 2019; 12,000 applications were received, with data collected through their applications, and the first selection process to rank them was completed. More than 4,000 of the best proposals were selected for the randomization of applicants to receive training. This was completed in February 2020. The baseline instruments were prepared, including questionnaire and protocols, and the survey was completed in February 2020. However, the training on preparing business plans was put on hold due to COVID-19.

- In **Mexico** the team is monitoring the effects of providing large matching grants to innovative firms based on their performance and comparing two proposal-evaluation schemes. In 2018, a baseline report was completed on the 171 companies selected to receive matching grants. The follow-up survey planned for May 2020 was postponed due to COVID-19.

- In **Nigeria** the project is comparing the causal effects of providing SMEs with outsourcing or insourcing of workers with certain skills versus consulting and training on firm performance. The two-year follow-up survey data collected during the previous period was cleaned and analyzed. A report with preliminary results was shared with the team in August 2019 and presented at a work-in-progress workshop at Northwestern University and an SME initiative working group meeting in Boston. Geocoding of markets was also completed in preparation for the analysis on how consulting enabled firms to expand market reach. The analysis of the last follow-up survey was deepened by bringing in additional data from administrative sources. Preliminary results were presented in virtual seminars to FHI International in March 2020 and Oxford CSAE in April 2020.

Connecting businesses to improve market access and promote spillovers:

- In **Ethiopia** a pilot was conducted in August 2019 with beekeepers and honey traders in three *woredas* (districts) in the Oromia and Southern Nations, Nationalities, and Peoples' Region (SNNPR): Masha, Anderacha, and Didu. Surveys were administrated to 86 farmers and 62 traders, and 133 surveys to buyers. A pilot report was prepared to inform the refinement of the intervention. The data from the pilot was analyzed and the results were shared with counterparts in the second half of FY20. However, the baseline, originally planned to start in June 2020, has been postponed for a year due to COVID-19 and the seasonality of the honey value chain.

- In **Kenya** the newly endorsed impact evaluation is addressing the impact of e-commerce on SMEs' access to market. The study will test a combination of assisted onboarding on the Jumia e-commerce platform with loans and information on market projections on product sales. During the reporting period, an onboarding pilot was completed for 150 new companies selling a variety of products, including electronics, children's toys, kitchenware, and fashion items. This was designed to develop processes for collaboration with Jumia and determine how to optimize implementation. Different parts of Nairobi were canvassed to encourage firms to sign up. While this is standard practice, it was relatively difficult to implement because it sometimes took almost a day to recruit eight vendors, many of whom were not interested in learning how to operate on the platform.

Improving regulatory efficiency to benefit firms:

- In **Peru** the project is auditing inspectors and firms on compliance, leakages, quality of inspections, safety, and firm performance. In FY20, the electronic system for business inspections was adopted in one municipality and Phase 1 of the impact evaluation, to measure the impact of introducing the e-system, also started. This involved collecting administrative data through the system from 254 inspections from September to December 2019 and digitizing forms for inspections originally carried out on paper. Letters from four other municipalities, expressing their intention to participate, were received. However, Phase 1 implementation in these other municipalities is delayed as a result of the pandemic, as inspectors cannot visit businesses. An implementation report ("Less Burden, More Transparency, and Higher Quality: Electronic System for Business Safety Inspections in Peru") was submitted for publication to the Bank Group's FCI-In Focus series. A virtual conference for stakeholders was conducted in June 2020, which included participants from the Ministry of Housing, Construction and Sanitation (the project's institutional partner) as well as pilot and prospective municipalities.

Improving access to SME finance:

- In **Burkina Faso** the newly endorsed impact evaluation aims to study the effectiveness of a six-year loan with partial credit guarantee on the volume of bank credit and firm performance. In January 2020, a country visit was held to update key stakeholders, including the *Ministère de l'Économie, des Finances et du Développement* and the *Société Financière de Garantie Interbancaire du Burkina*. The second goal of the mission was to discuss the evaluation design with key financial institutions to scout for potential partners. Agreement on a feasible and rigorous design was ultimately reached with Burkina Faso's largest microfinance federation: *Réseau des Caisses Populaires du Burkina.*

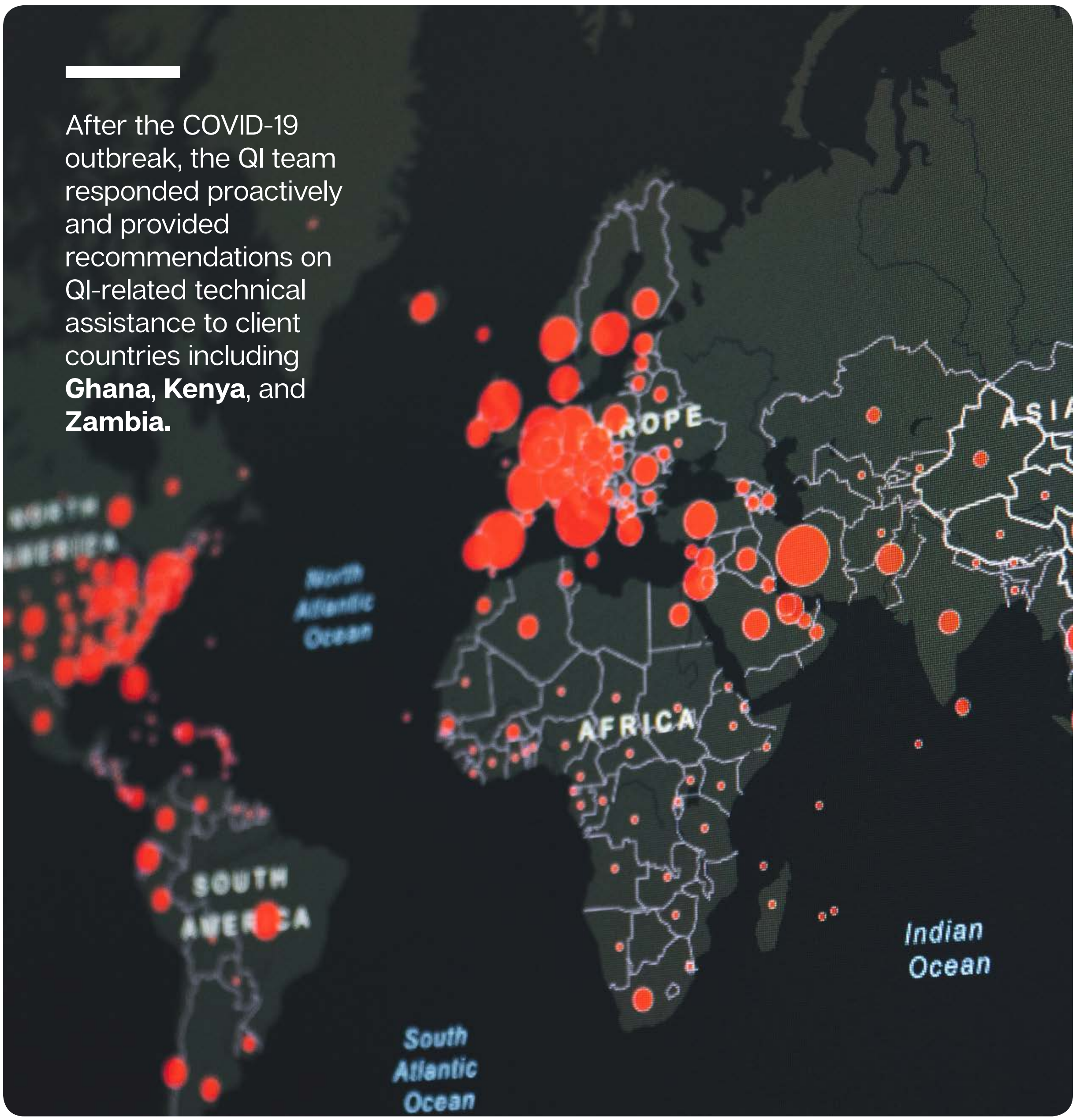
Increasing Client Country Demand for QI Toolkit

The **Quality Infrastructure (QI)** program aims to foster quality and standards integration in the global and domestic markets. This FIAS-supported project has already met its objective of publishing and disseminating the QI Toolkit and has exceeded its goal of piloting the toolkit in at least two countries.

FY20 saw an increase in demand from client countries for application of the QI Toolkit. QI assessments were conducted in **Ghana**, **Pakistan**, and **Somalia**. QI research in analysis was conducted in eight countries—**Angola**, **Cabo Verde**, **the Dominican Republic**, **Gabon**, **Kenya**, **Madagascar**, **Senegal**, and **Zambia**. Following the QI assessment work in the previous fiscal years, QI reform activities were designed and applied during FY20 in **Ethiopia**, **Jordan**, **Nigeria**, and **Vietnam**. The QI team collaborated with international partners on QI knowledge development, QI awareness building, and specific country programs. For example, the team participated and presented at the Pacific Quality Infrastructure Forum and contributed to the Pacific QI Initiative's proposal.

The team designed and administered the first QI donor survey, which showed the Development Partners' focus and investment size. The survey results were published in *IAF Outlook*, the International Accreditation Forum's online news platform. The team conducted a joint mission in **Pakistan** with longstanding partner, PTB, the German National Metrology Institute. After the COVID-19 outbreak, the QI team responded proactively and provided recommendations on QI-related technical assistance to client countries including **Ghana**, **Kenya**, and **Zambia.** The team provided feedback to the trade publication, *Streamlining Technical Measures on Medical Products to Combat COVID-19 in Developing Countries*, and the UNIDO publication on QI response to COVID-19.

As an example of the client-facing work benefiting from the global QI team, in **Jordan**, the FIAS-supported QI project, Helping Businesses Adapt to Crisis, Ensure Safety, and Seize Opportunities, seeks to improve the competitiveness of Jordanian producers and their access to international markets. In response to the pandemic, FIAS-supported advisory teams have drafted instructions for food companies on how to prepare and implement a COVID-19 crisis management plan, which is currently under consideration by the Jordan Food and Drug Administration. The project is also leveraging other reforms in the pharmaceutical sector for faster approval of new drugs and medical devices for the domestic market and to increase access of products to international markets. FIAS advisory teams plan to support the Jordanian Standards and Metrology Organization with the adoption of modern international standards for protective clothes, equipment, and medical devices.



After the COVID-19 outbreak, the QI team responded proactively and provided recommendations on QI-related technical assistance to client countries including **Ghana**, **Kenya**, and **Zambia.**

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**; **Targeting High-Growth Business**, and **Green Competitiveness**; and **Transparency**, **Political Economy**; and **Sustainability of Reforms**. 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

Targeting High-Growth Business

Green Competitiveness

Monitoring & Evaluation

Gender

Gender is a key thematic area for FIAS and a priority for our Development Partners. Women play a vital role in achieving economic growth and poverty reduction. Gender equality is not only a social and moral imperative, but also an instrumental tool for development. Gender-sensitive project design is, therefore, crucial going forward, especially given that the COVID-19 pandemic could widen gender gaps and reverse any progress made.

For a project to be gender-flagged, it needs to be intentionally designed and implemented with explicit focus on creating equal opportunities for women and men, with a gender gap analysis, at least one specific gender intervention, and a results framework with sex-disaggregated indicators. From FY16 through FY20, 82 of the 190 client-facing Advisory Services project managed by EFI received FIAS support. Of those 82, 30 FIAS-supported projects, or 36 percent, were "gender flagged," meaning they incorporated gender elements in project analysis, action, and supervision. The makeup of these 30 projects in terms of FIAS priority areas closely aligned with the portfolio as a whole: 55 percent of the gender-flagged projects were in Sub-Saharan Africa, and 23 percent were both IDA and FCV countries.

FIAS has supported gender-focused activities through project initiatives that enhance the business environment, expand credit infrastructures, and promote indicator-based reform. The FIAS-supported Punjab Investment Climate Project, for example, sought to assist investment attraction to the Punjab province of **Pakistan**. The project team worked with 152 women entrepreneurs—outperforming the target of 40—in workshops and training on investment policy and promotion. FIAS-supported projects have encountered obstacles in meeting gender-related objectives.

WBL Advisory Initiative for Africa is Getting Under Way

Despite reforms over the past decade, women in Sub-Saharan Africa still face discriminatory laws and regulations at every point in their economically active life, constraining their employment and business opportunities. A WBL survey of Sub-Saharan Africa identified several significant legal gaps affecting women's economic opportunities:

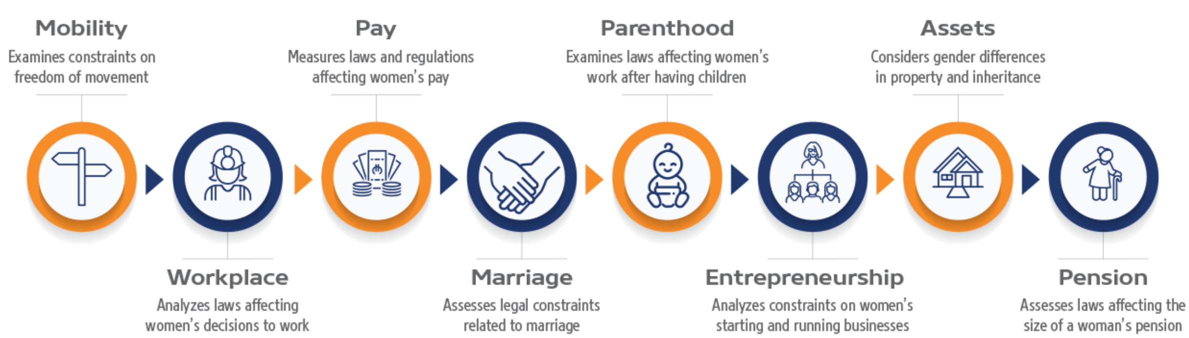
- 43 countries have rules posing obstacles to women starting and running a business.
- 43 countries have no legal protections against gender-based creditor discrimination.
- 31 countries bar women from working in certain industries.
- In 18 countries, women are not legally protected from domestic violence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

As noted in Chapter 3, in FY20, FIAS, in partnership with the Norwegian Agency for Development Cooperation, has funded the Women, Business and the Law (WBL) Advisory Initiative for Africa. The team is working with clients to identify legal and regulatory gaps and restrictions to women's participation in the economy; deliver actionable policy recommendations for reform; and support the clients with drafting, amending, and repealing relevant legislation. Once the legal reforms are enacted, the team will support the client with communication and dissemination of completed reforms.

Technical assistance focuses on eight aspects of women's working lives, as shown below.

Implementation of the project by participating countries in Sub-Saharan Africa is being led by the global WBL Advisory team in collaboration with regional Bank Group staff. The objective is to encourage governments to guarantee the full and equal participation of women in the economy by assisting in the design of gender-equal laws, as well as their implementation and dissemination. Priority countries are being selected based on criteria including commitment to reform, low income, the degree of discrimination, the likelihood of achieving results on the ground, and priority countries for the Bank Group (FCV, IDA). A subset of countries—**Gabon**, **Mauritania**, **Senegal**, **Sierra Leone**, **Somalia**, and **Togo**—were selected to pilot reform implementation. Based on experience in those countries, FIAS program activities and the approach to implementation will be further refined and scaled up to other countries in the region. Lessons learned will be captured and shared with other countries at peer-to-peer learning events, in consultations with clients, and in program deliverables. Additional countries that have expressed interest are **Côte d'Ivoire, Rwanda,** and **Uganda**.

WBL Index Measures How Laws Affect Women Throughout Their Working Lives



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Legal Equity for Women in Egypt

The objective of the FIAS-funded WBL Advisory project in **Egypt** is to improve women's legal equity through introducing legislative reforms. The team conducted a scoping mission in November 2019 and met the president of the National Council of Women and shared with her the advisory program and the Bank Group's draft reform memorandum.

The FIAS team will work with the government to draft amendments to reduce gender inequalities in the laws along the indicators measured by the WBL index, and support implementation and dissemination of these reforms. The project is focusing on three reform areas:

- Improve women's mobility by equalizing procedural requirements between women and men in obtaining passports.
- Improve women's pay equity by reforming the labor law to mandate equal remuneration for work of equal value.
- Improve women's financial prospects by introducing a legal provision prohibiting gender-based discrimination in access to finance.

This pilot is part of a broader initiative in the Middle East, where it is vital that women's issues are addressed.

Tunisia Investment Climate Program Phase II

According to the Women, Business and the Law 2020 report, Tunisia scored 70 points out of 100 on the WBL index. This presents opportunities for reform in five of the eight aspects of women's economic lives: marriage (60 points), pay (25 points), assets (40 points), entrepreneurship (75 points), and parenthood (60 points).

The FIAS advisory team, therefore, developed a WBL Reform memorandum which included i) a brief overview of the legislative gaps and key constraints to female employment and entrepreneurship in Tunisia; ii) short- and medium-term reform recommendations related to the WBL indicators; and iii) reference to global good-practice examples of top performers, as well as international standards.

The assessment informed Tunisia's IC program on priority policy areas and next steps that the country can take to support women's participation in the economy. Possible interventions include:

- Introduce legislation prohibiting gender discrimination by creditors.
- Introduce legislation mandating equal remuneration for work of equal value.
- Allow women access to employment in all industries.
- Increase paid maternity leave to 14 weeks.

Targeting High-Growth Business

The FIAS-supported Supporting High-Growth Firms product development project 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. Planning was already under way for the FIAS FY22–26 strategy cycle when the COVID-19 crisis and its economic fallout added new urgency to the task of identifying and fostering firms with growth prospects. In the COVID context, the challenge has shifted from growth to survival, but the issue is the same: country relief, rebuilding, and resilient recovery strategies will include initiatives to identify and ensure the survival of the strongest firms that can become the anchors of longer-term recovery and growth. With a much larger portion of FIAS support expected to shift to sector-specific and firm-level projects, the lessons learned during the FY17–21 cycle in the high-growth firm space will be important to IFC AS teams.

Green Competitiveness

STEP Program Helps Egyptian Industries Boost Energy Efficiency

A FIAS-supported project launched in 2015 has yielded significant results in helping the industrial sector in the **Arab Republic of Egypt** shift to cleaner technology and improve energy efficiency. The Smart Technology and Energy Production (STEP) program aims to improve the competitiveness of Egyptian industries by lowering their energy use, encouraging energy efficiency practices, and facilitating the growth of Egypt's domestic energy efficient technology manufacturing sector. Funded through support from the Governments of Denmark, Italy, and the Republic of Korea, in addition to FIAS, the STEP program responds to Egypt's policy of gradually phasing out electricity subsidies as part of its broader economic reforms. Reducing energy subsidies, while a beneficial step, could affect the competitiveness of the industrial sector whose cost structures and production systems were built based on access to subsidized energy. STEP is helping Egypt address this risk factor. In September 2020, the Egyptian Minister of Trade and Industry issued a decree on energy efficiency classes for electric motors, marking a key outcome of the STEP initiative. The decree is expected to accelerate uptake of energy efficient technology and thus increase the competitiveness of Egyptian industries.

Given that industrial motors account for more than half the electricity consumed by industries, greater energy efficiency has the potential to deliver substantial cost and energy savings and environmental benefits. STEP surveyed more than 100 medium- and large-sized industrial plants with a combined 46,000 electric motors representing about 5 percent of major electricity-using sectors such as engineering, textiles, food, and chemicals. The analysis showed that at least half of the motors were more than 10 years old; and 77 percent were of very low efficiency (rated below IE1 Standard). Egypt's reforms are expected to increase market access for more energy efficient motor suppliers and to bring the local motors market in line with other major economies, particularly the European Union, a key trading partner. According to analysis conducted by the Lawrence Berkeley National Laboratory in 2015 and 2016, by

The Smart Technology and Energy Production (STEP) program aims to improve the competitiveness of Egyptian industries by lowering their energy use, encouraging energy efficiency practices, and facilitating the growth of Egypt's domestic energy efficient technology manufacturing sector.

Egyptian technicians participating in a STEP study tour and knowledge exchange training session in Denmark. *Photo: IFC*

2030, energy efficiency upgrades could reduce running costs for Egyptian industries by $560 million (net present value), reduce energy consumption by 1,000 megawatts, and contribute 9 million tons in reduced C02 emissions toward reaching climate mitigation targets. It will also help catalyze increased local manufacturing of energy efficient electric motors. STEP has organized 29 workshops and trainings, engaging more than 500 stakeholders, to create an ongoing dialogue between the government, private sector, and clean tech experts, as well as to increase awareness of the benefits of energy efficiency investments.

Sustainable Industries in Central America

Central America's transition toward industrial competitive and green growth is hindered by regulatory gaps and insufficient private-public sector dialogue. **El Salvador**, **Guatemala, Honduras**, and **Nicaragua** have all agreed to reduce greenhouse gas admissions but have identified access to finance, technical capacity, and consistent regulatory measures as major hurdles toward achieving sustained resource-efficient growth.

The Sustainable Industries in Central America project is seeking to contribute to the competitiveness of selected strategic industries in Central America through (i) the promotion of greater resource efficiency (energy, water, and waste) and (ii) facilitation of access to finance. IFC AS teams are working to support coordinated regulatory and industry measures, encourage the adoption of more efficient technologies, and strengthen the financial sector. The project is currently in pre-implementation, developing a theory of change, promoting competitiveness and sustainability. Project indicators are being defined, including reforms to be implemented, improvements in resource efficiency to be made through product and technology innovations, and innovative finance mechanisms to be promoted.

Monitoring & Evaluation, Impact

A Methodology for Tracking Jobs Impact of Investment Climate Projects

Between 2015 and 2030 an estimated 1 billion young people are expected to enter the labor market. Around 600 million new jobs are needed globally over the next 10 years to increase employment rates and accommodate young people entering the labor market. The severe setback imposed on the global economy by the COVID-19 pandemic has exacerbated the difficulty of this task. Developing countries often lack the capacity to develop timely employment data or to assess the quality of employment.

In FY20, the FIAS-supported M&E team launched a jobs pilot examining the impact on job creation in both economy-wide and sector-specific spheres developed. Creating jobs plays a critical part in ending poverty, and it is vital to measure employment to inform policy action and claim impact. The job pilot aligns with the FIAS strategy cycle for FY22–26 and answers a wider Bank Group and Development Partners call to continue to evaluate development effectiveness. The pilot is working to identify direct, indirect, and induced employment effects and the quality of jobs created. The pilot's selected projects were completed between 2010 and 2019 and implemented sector-specific (tourism) and economy-wide investment policy and promotion reforms. The project selection is guided by three factors: (i) claimed investment impact, (ii) expected investment generated after the closure, and (iii) availability of data and evidence to support claimed investments.

For the industry-specific pilot, the team has selected tourism projects in Peru and Nepal for a study to measure the jobs impact of tourism sector reforms. A methodology has been developed, data sources identified, and means of data collection organized to measure jobs contribution of two tourism sector reforms in these countries. For the economy-wide portion of the jobs pilot, the team is examining investment policy and promotion reforms in Bosnia and Herzegovina between 2011 and 2020, and in

Mali between 2008 and 2018. The team has produced a draft methodology and identified data sources.

Client Satisfaction and Development Effectiveness

For the first four years of the FY17–21 strategy cycle, clients have rated 128 of 138 projects positively, or 93 percent (client satisfaction rating for FY12–16 cycle: 92 percent). 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, 17 out of 22 completed projects supported by FIAS received positive development effectiveness ratings ("successful" or "mostly successful") in internal World Bank Group management reviews, or 77 percent. Given the FIAS emphasis on challenging environments such as IDA and FCV countries, this compares favorably with the 71 percent positive development effectiveness ratings for all IFC AS projects over the same period. For FY20, 6 out of 6 completed FIAS projects were rated successful or mostly successful: **LAC Indicator-Based Reform Advisory** (successful); and **Afghanistan Business Licensing II**; **Malawi Warehouse Receipts**; **Mali Investment Climate 3 Economywide**; **SNDB Mozambique**; and **Tunisia Investment Climate Reform Program** (mostly successful). In FY21 to date, three completed FIAS-supported projects have received mostly successful development effectiveness ratings: **Malawi Investment Climate**; **SNDB Peru**; and **West Africa Investment Policy Investment Climate**.

Planning for the FY22–26 Strategy Cycle

FIAS Strategy Shifts to Sector Work, Support for Upstream

The FIAS Program team and Development Partners are finalizing the FY22–26 strategy built around increasing work in sector-specific and firm-level advisory that supports the IFC 3.0 Creating Markets Upstream agenda. FIAS will continue to prioritize IDA, Sub-Saharan Africa, and FCV countries and ensure robust inclusion of gender and climate change components in client-facing projects. FIAS-supported advisory services will undergo a decided shift in emphasis from mainly economy wide reform efforts to focusing on sector-specific and firm-level reforms that lead client countries and key private sector firms and investors in the direction of investments with job- and income-producing potential. Through this approach, FIAS aims to become a key source of support for IFC Creating Markets initiatives that advance the Upstream agenda. Working Upstream beings by creating the conditions for private sector investments to succeed, a task reflected in FIAS's core mission.

The FY22–26 strategy organizes FIAS-supported work on two pillars. Pillar 1, Improve the Business Environment, encompasses economy wide advisory to improve the legal and regulatory environment for doing business. Pillar 2, Expand Market Opportunities and Improve Firm-Level Competitiveness, combines sector-specific and firm level advisory. From a current 30 percent share of total planned work, in budget terms, sector-specific and firm-level advisory will grow to a share of between 60 and 70 percent. Through this recalibration of the FIAS portfolio, the trust fund can position itself as a key funding vehicle for Upstream advisory, especially in IDA, Sub-Saharan Africa, and FCV. FIAS is setting a high-end fundraising target of $200 million, or about $40 million per year. Given the severity of the economic damage caused by the pandemic and the long recovery period anticipated, the FIAS Program team anticipates that COVID-oriented engagements in the Upstream context will dominate the next strategy cycle.

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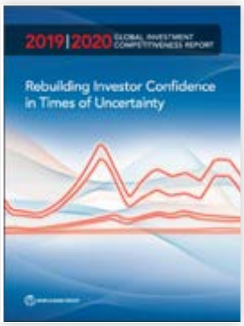
Knowledge Management, Publications, and Learning Highlights

Publications

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



In the spring of 2020, the FIAS-supported Applied Research team of EFI's Global Investment Climate unit, published the *Global Investment Competitiveness Report 2019/2020*, providing novel analytical insights, empirical evidence, and actionable recommendations for governments seeking to rebuild investor confidence in times of uncertainty. The report focuses on the role of FDI in alleviating the impact of the COVID-19 crisis and boosting countries' economic resilience. It highlights the role of FDI as a critical source of external finance, creating jobs, lifting people out of poverty, and raising productivity.

Practitioner's Guide to Innovation Policy: Instruments to Build Firm Capabilities and Accelerate Technological Catch-Up in Developing Countries, a companion volume to The Innovation Paradox, picks up where the previous report left off. It aims to help policymakers in developing countries better formulate innovation policies. It does so by providing a rigorous typology of innovation policy instruments, including evidence of impact—and more importantly, the critical conditions in terms of institutional capabilities to successfully implement these policy instruments in developing countries. The guide aims to help fill a knowledge gap by presenting not only leading-edge empirical evidence about and practical experience with innovation policy, but also systematically discussing the market and system failures that hold back innovation in developing countries.

In Focus: Investment Linkages and Incentives: Promoting Technology Transfer and Productivity Spillovers from Foreign Direct Investment (FDI) provides an overview of incentive policy as a tool for governments seeking to promote technology transfer and productivity spillovers by multinational enterprises (MNEs) in the host economy to local firms and suppliers. It summarizes international examples and experiences to demonstrate what has worked and what has not worked, as well as the advantages and disadvantages of different investment incentive schemes.

In Focus: Foreign Direct Investment, Backward Linkages, and Productivity Spillovers: What Governments Can Do to Strengthen Linkages and Their Impact provides an up-to-date summary of the academic evidence around the drivers and channels for technology transfer and productivity spillovers by multinational corporations (MNC) operating in host economies. The presence and operations of MNCs can help improve the productivity of local firms through backward linkages and offer an important channel for the integration of local firms into global value chains. However, several market failures exist that prevent these linkages and spillovers fully materializing.

SME Upgrading Program: Exploring Initiatives that Combine Market Linkages and Capability Strengthening examines interventions that seek to address firm-level capabilities and access to markets in an integrated fashion. Examples of such interventions include supplier development programs (linking domestic SMEs in developing countries with large buyers, such as foreign investors that are part of global or regional value chains) and export development efforts (which work with firms beyond purely funding activities to explore and pursue opportunities in foreign markets). These programs aim to assist firms with upgrading, targeted toward the specific market opportunities in the value chains in which they operate or aim to compete.

Political Risk and Policy Responses: Retention and Expansion of Foreign Direct Investment provides an overview of political risks originating from a government's conduct that affects FDI and proposes a tool for governments to help investors retain and expand investments. The report responds to an urgent need for governments to provide an institutional framework that can enable, identify, track, and manage conflicts arising between investors and public agencies.

COVID-19 and Tourism in South Asia: Opportunities for Sustainable Regional Outcomes explores the impact of COVID-19 on nearly 47.7 million travel and tourism jobs across South Asia, many held by women and vulnerable communities working in the informal sector. Losses of more than $50 billion in gross domestic product in the region are expected in the travel and tourism sector alone as a result of the crisis. Governments are already responding with emergency programs to help small and medium enterprises stay afloat and save jobs. As the South Asia region moves from crisis to recovery planning, governments and destinations have an opportunity to think strategically about the future of their tourism sectors and implement policies that will improve the industry. This regional brief is designed to raise awareness of the importance of tourism to the region and to the World Bank Group's regional portfolio, highlight some measures being taken by governments and the Bank Group to address the crisis, and provide recommendations for short- and medium-term sustainable regional recovery, including through greater intraregional tourism. The brief covers **Bangladesh**, **Bhutan**, **India**, **Maldives**, **Nepal**, **Pakistan**, and **Sri Lanka**. Afghanistan was excluded due to a lack of data.

Rebuilding Tourism Competitiveness: Tourism Response, Recovery and Resilience to the COVID-19 Crisis examines one of the sectors hit first and most severely by COVID-19. Since March, the entire value chain that defines the industry – spanning airlines, bus, and train companies, cruise lines, hotels, restaurants, attractions, travel agencies, tour operators, online travel entities, and others – has entered a state of suspended animation. While bankruptcies of major airlines and large tour operators have been widely reported, the effects of the crisis are perhaps being most acutely felt by the small and medium-sized enterprises (SMEs) that make up around 80 percent of licensed tourism and tourism-related businesses and are at the greatest risk of failure.

Typology of Small and Medium Enterprise Needs and Interventions describes the many challenges to growth faced by SMEs due to their size and lack of scale. Governments on occasion choose to intervene to directly support firms. These interventions can be grouped into four broad areas - capabilities, markets, finance, and environment. This paper describes each type of intervention and the relevant needs and types of firms for each intervention.

Organizing for Reform: Global Experiences looks at the experience countries have had in introducing reforms that improved the business environment. Instead of examining what was done (that is, the content of reforms), the focus is placed on how reform programs came to be successful. The note aims to provide an overview of strategies and institutional mechanisms that help to: (i) successfully identify and prioritize reforms, and (ii) ensure successful reform implementation. The note provides a reference document with concrete examples that can be used and adapted by policymakers to address their specific challenges.

The Impact of COVID-19 on Foreign Investors: Early Evidence from a Global Pulse Survey assesses the impact of the COVID-19 pandemic on multinational enterprise affiliates in developing countries. The World Bank Group conducted a foreign investor pulse survey in March 2020. The survey covered three components: the actual effect of the pandemic on businesses in the past three months (January - March 2020), the likely effect of the pandemic in the next three months (forward-looking for April - June 2020), and areas for policy support measures. This analytical note reports the results of the survey.

Tourism for Development: Tourism Diagnostic Toolkit provides systematic guidance for identifying and assessing opportunities and constraints in the tourism ecosystem, as well as identifying potential points of entry for World Bank Group interventions. The toolkit includes information on the Bank Group's current tourism offer and the tourism diagnostic process, a set of indicators, and checklists for conducting secondary research. It also consists of a strategy to assess the country's readiness for sustainable development of its tourism sector. This toolkit should be used in tandem with FCI's Tourism Theory of Change. The Tourism Diagnostic Toolkit is part of an evolving set of FCI tourism resources, which are available for project teams to use as part of their work on tourism projects.

Digital Financial Services reveals that Digital Financial Services (DFS), enabled by fintech, have the potential to lower costs, increase speed, security, and transparency, and allow for more tailored financial services that serve the poor at scale. The COVID-19 pandemic has amplified the benefits of expanding DFS, as it helps the government respond more quickly to extend liquidity to firms and people most at risk.

Events

In FY20, World Bank Group teams organized or were involved in conferences, seminars, and knowledge-sharing events for both internal and external audiences on topics related to the FIAS Strategic Pillars—improving the business environment, expanding market opportunities, and strengthening firm competitiveness. Highlights include:

Global Investment Competitiveness Report 2019/2020: Rebuilding Investor Confidence In Times Of Uncertainty webinar (June 2020), coinciding with the launch of The Global Investment Competitiveness Report 2019/2020, brought together business leaders, government officials, and Bank Group experts for a discussion on the impact of COVID-19 on multinational corporations, the role of government policies in rebuilding investor confidence, and the future of FDI and global value chains. As noted, the report focuses on the role of FDI in alleviating the impact of the COVID-19 crisis and boosting countries' economic resilience. It highlights FDI's contributions to providing a critical source of external finance, creating jobs, lifting people out of poverty, and raising productivity.

Rethinking our toolbox in private sector development: Insights from Alternative Investments webinar (June 2020) shared insights from alternative investments playbooks, such as those of private equity and venture capital, among others, and explored how these strategies can be useful in supporting private sector growth in developing countries in the context of shared and sustainable economic growth at large. The session discussed the main features of alternative investments in terms of their incentive structures, design, ownership, governance and management possibilities, as well as the overarching regulatory and macroeconomic requirements for their success.

Ensuring Stable Food Supply During the COVID-19 Crisis: A Dialogue with Experts on Agriculture Finance Strategies webinar (May 2020) revealed that global and domestic food supply chains have been greatly disrupted by the COVID-19 pandemic, leading to concerns over food security, especially in the less developed and fragile countries. Finance needs to be readily available at critical phases of the agricultural production cycle to enable input purchases, planting, harvesting, processing, trading, and distribution. Any delays and disruptions in the supply of necessary finance at any point of the supply chain can translate to less food on the table, especially for the most vulnerable population. At this event, Agriculture and FCI GPs and IFC discussed the biggest challenges in their respective fields as the pandemic continued to evolve.

Microfinance in the COVID-19 Crisis: A Framework for Regulatory Responses webinar (May 2020) discussed microfinance, which reaches hundreds of millions of poor people as well as many micro and small enterprises, mostly in the informal sector. Microfinance clients and providers have been severely affected by the COVID-19 pandemic. Providers face operational and liquidity challenges, with viability and solvency challenges looming on the horizon. This presentation provided a framework for regulatory responses that can help providers in this crisis.

Maintaining Finance for Firms Impacted by COVID-19: Perspectives for East Asia webinar (May 2020) showed that East Asian firms have been severely impacted by COVID-19, and policymakers are exploring the most efficient and effective interventions to help firms maintain financing to cope with the severe decline in economic activity. Panelists discussed the impact of the crisis and various policy initiatives on the functioning, resilience, and stability of the financial system.

Build Back Better: Tourism Resilience, Response and Recovery | COVID-19 Pandemic FCI Webinar Series (April 2020) concentrated on Tourism & Travel (T&T) as one of the sectors hardest hit by the COVID-19 crisis. With most borders closed and many countries in lockdown, domestic and international travel has come to a standstill. As one of the world's largest industries, a sudden decline in T&T is having serious economic impacts in every country especially in ones that are highly dependent on tourism. This webinar provided a global snapshot of the current situation, examine the scale and nature of impacts that can be expected, outline possible policy responses with specific country-examples and explore what the crisis means for tourism in the future. Following the presentations, staff were able to ask questions and share their experiences on the ground.

Saving Viable Firms: Insolvency and Debt Resolution |COVID-19 Pandemic FCI Webinar Series (April 2020) discussed a guidance note entitled COVID-19 Outbreak – Implications on Corporate and Individual Insolvency and this interactive map on distressed businesses. Staff were encouraged to review this note ahead of the webinar.

Supporting Businesses and Investors: Dialogue with Investment Climate Policymakers webinar (May 2020) noted that as the COVID-19 pandemic spreads and its economic impact deepens, supporting businesses and investors requires not only fiscal and financial stimulus, but also complementary investment climate policies and programs. The discussion focused on recently produced guidance notes entitled Supporting Businesses and Investors: Investment Climate Policy Responses to COVID-19 and the Investment Climate Policy Measure tracker. Other topical notes include Safeguarding healthy competition during COVID-19: Competition policy options for emergency situations and Subsidy and State Aid Tracker; and The Initial Response of Investment Promotion Agencies to COVID-19 and Some Observed Effects on Foreign Direct Investment.

Innovation in Rural-Based Cultural Tourism and Agribusiness Projects in FCV Countries: The Case of Tajikistan BBL (February 2020) considered The Rural Economy Development Project (REDP), which focuses on improving the livelihood of people in rural Tajikistan through agribusiness and tourism. This project is part of an additional IDA allocation (Risk Mitigation Regime) to countries at the risk of FCV. Given the low capacity environment, and the challenges of FCV, the project team had to think through and come up with innovative approaches in design and implementation.

Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa BBL Agriculture Insuretech Forum (July 2019) looked at Insuretech, which, at the intersection of insurance and technology, holds the potential to overcome challenges and transform the insurance landscape. Integrating Insuretech innovations with agriculture insurance promises can enhance product design, improve sales and distribution, facilitate premium collection, and optimize servicing and claims processing. Global Index Insurance Facility (GIIF), along with Sankalp Forum, organized the Agriculture Insuretech Forum in Mumbai, India, in September 2019.

05

Financial Results and Resource Use

Activities covered in the *FIAS 2020 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.

$25.6m

total contributions from all sources in FY20

$22.2m

total direct project expenditures in FY20

$19.3m

total client-facing project expenditures in FY20

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 FY20 FIAS donors, clients, and the World Bank Group contributed $25.6 million (including trust fund administration fees of $0.727 million) to the various FIAS trust funds, supporting 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 FY20, including $5.0 million from IFC and $2.0 million from the World Bank. World Bank Group contribution to FIAS ($7.0 million) represents 27 percent of total FY20 FIAS contributions.[4]

[4] Annual contributions from the World Bank are treated in the same manner as core donor funds and are co-mingled with other donor funds in the FIAS Parent Trust Fund account, as terms and conditions allow. Annual contributions from IFC are received as a direct contribution to a FIAS-dedicated trust fund and in the form of regular administrative budget 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.

Core contributions received from donors amounted to **$4.8 million** in FY20. 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 FY20 from the World Bank Group and donors amounted to approximately **$11.8 million**, consisting of $4.8 million in contributions from donors and $7.0 million from the World Bank Group. From FY17 through FY20, four years of the five-year strategy cycle, the World Bank Group has provided $28 million of the $48.6 million in total core contributions, or 58 percent.

Programmatic contributions from donors made available through thematic and regional FIAS trust funds totaled approximately **$5.9 million** in FY20. This marks a decrease compared to FY19 ($10.4 million) and the lowest annual programmatic contribution so far in the strategy cycle. This was expected, as several large FIAS programs closed in FY19 and FIAS moved toward launch of a new strategy with implementation to begin in FY22.

In FY20, **project-specific contributions** from donor partners amounted to **$7.9 million**, compared to $5.4 million in FY19, an increase of 46 percent, due mainly to a larger contribution in FY20 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 FY20, 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 FY20, FIAS expenditures for investment climate reform activities reached **$24.1 million**. This represents a 94 percent rate of spend against cash receipts of $25.6 million for the year. While staff and consultant costs represent the largest share of FY20 FIAS expenditures (49 and 34 percent, respectively), indirect costs (infrastructure, office occupancy, and other miscellaneous costs) remain relatively low at 5 percent (*see Table 1: Sources and Uses of Funds*).

Direct project expenditures for FY20, including client-facing projects and global programs, were $22.2 million, or 92 percent of total expenditures of $24.1 million. Of the $22.2 million in direct project expenditures, $19.3 million, or 87 percent, went to client-facing projects. In FY20, $0.584 million, or 2 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; 0 percent of total FIAS expenditures went toward general and administration costs because 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 (*see details in Table 2: Expenditures by Advisory Services Activity*).

FIAS funding represents a substantial contribution to the advisory services projects it supports. The $19.3 million in FIAS support for client-facing projects represented 61 percent of total FY20 spending on those projects. FIAS contributed an average of $175,446 to the 110 client-facing projects it supported in FY20. For the 14 global knowledge projects that received FIAS support, FIAS funding represented 52 percent of total FY20 spending, with an average contribution of $205,690 per project.

05 Financial Results 2020

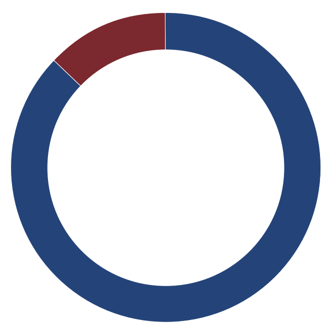
In FY20, FIAS expenditures in priority areas were slightly below the strategic spending targets outlined in the FIAS FY17-21 strategy. Of the $19.3 million in client-facing project expenditures, 57 percent supported IDA borrowing countries; 23 percent supported projects in FCV; and 48 percent went to projects in Sub-Saharan Africa. Overall expenditures in priority areas for the first four years of the FIAS FY17-21 strategy cycle are close to spending targets for the cycle: IDA 62 percent, target 70 percent; Sub-Saharan Africa 48 percent, target 50 percent; FCV 26 percent; target 25 percent.

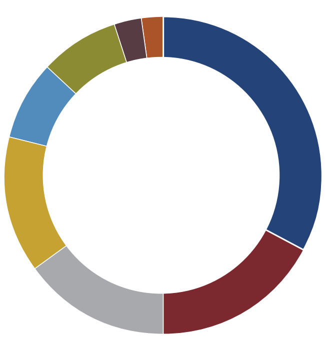
Among regions, Europe and Central Asia received the next largest share of client-facing expenditures with 21 percent, followed by the Middle East and North Africa at 10 percent; East Asia and Pacific 8 percent; Latin America and Caribbean 6 percent; and South Asia 5 percent. Client-facing world region projects accounted for 2 percent.[5]

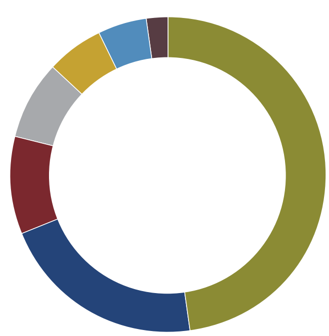
Administration fees are collected by IFC to cover trust fund administration costs and are deducted from donor contributions at the time of receipt. In FY20, IFC collected trust fund administration fees of $0.727 million from FIAS donor contributions.[6]

In FY20, FIAS received $24.8 million in cash receipts (net of administration fees) and expended $24.1 million for the same period, or 97 percent of total cash receipts. Through four years of the strategy cycle, FIAS received $119.51 million and expended $108.89 million or 91 percent of total cash receipts.

Funding allocations in FY20 were cleared by the EFI Global Director under the guidance of the EFI Trust Fund Council, which set ceilings for client-facing and knowledge management operations. For client-facing projects, task team leaders, in collaboration with EFI Practice







[5] The World Bank Group's Vienna-based Program Management Support was funded out of the FIAS Core account.
[5] FIAS trust funds are subject to the standard IFC trust fund administration fee of 5 percent. Trust fund administration fees collected by IFC are included in Table 1, Sources and Uses of Funds.

Managers, identified needs and drafted project funding proposals. Regional Allocation Panels established as part of 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 approved by the EFI Global Director based on proposals by EFI Practice Managers. Beginning in FY21, administration of FIAS has shifted from EFI to IFC. Overall spending envelopes for the regions are determined by the Corporate Operations Management Unit under IFC Chief Operating Officer. IFC Regional Allocation Panels determine distribution of funds for client-facing projects within the regions and to the country teams who deal with clients on a day-to-day basis. This ensures that resource distribution aligns with regional and country priorities.

Fundraising Update

Total secured contributions from the World Bank Group and donors for FY17 through FY20 were $123.1 million. Adding the FIAS fund balance of $23.6 million from the FY12–16 strategy cycle brings the total to $146.7 million. The World Bank Group contribution of $7 million in FY21 plus the FY21 donor partner commitments of $6.6 million bring the anticipated total receipts for the FY17–21 strategy cycle to $160.3 million, somewhat below the $186.5 million in total receipts in the FY12–16 cycle and well below the $200 million fundraising target for the current cycle. The FIAS program plans to carry over $6 million into the next strategy cycle per IFC's liquidity requirement, that mandates a minimum carry forward to the next fiscal year or cycle to ensure financial sustainability of the program. A summary of the financial picture through FY20 is as follows:

1. $31.7 million was provided by the World Bank Group for FY17 through FY20 for the Core Trust Fund and project-specific activities; $91.5 million was from donors for core, programmatic, and project-specific activities. This represents a 26/74 ratio, aligned with the previous cycle.

2. $48.6 million are contributions to the Core TF through FY20 and $74.5 million are contributions to programs and project-specific TFs. This represents a ratio of 39/61, core vs. programs and project-specific, as compared to the 46/54 ratio in the FY12–16 cycle.

3. Average annual donor core contribution is $5.2 million. In the FY12-16 cycle, the average annual donor contribution was $9.5 million

Key Fundraising Messages

IFC's FIAS program management team continues to work closely with donors to make a portion of their FIAS contribution to FIAS core in support of the overall strategy, with the aim to reach a 50/50 ratio. During the current strategy cycle, Development Partners have been increasingly pledging resources toward specific activities covered in the FIAS agenda. FIAS core donor support provides the 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, such as the economic fallout of the COVID-19 pandemic. In addition, core funding supports the design and development of global knowledge products which inform and facilitate the development of innovative client-facing solutions. While overall fundraising results for the strategy cycle are strong, total contributions are likely to fall about $40 million short of the ambitious $200 million fundraising target for FY17–21.

05 Financial Results **2020**

Table 1: Sources and Uses of Funds

	FY12–16 CYCLE	FY17–21 CYCLE				
SOURCES OF FUNDS	FY12–16 CYCLE	FY12–16 FUND BALANCE	FY17 RECEIPTS	FY18 RECEIPTS	FY19 RECEIPTS	FY20 RECEIPTS
WORLD BANK GROUP CONTRIBUTIONS						
Core Contributions						
IFC [1]	23,388,000	2,003,875	5,000,000	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	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	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	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	659,010
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	1,000,000
Norway	3,843,000	576,550				
Sweden	7,063,000	988,405		1,200,480	2,212,633	3,160,340
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	4,819,350
PROGRAMMATIC DONOR CONTRIBUTIONS						
Austria (IC Cooperation Program)	11,368,000	2,783,512	3,137,400	1,779,900	111,891	1,663,058
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	693,875
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	3,504,894
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	5,861,827
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	FY20 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	1,121,150
Gates Foundation	2,742,000	2,069,253	-	900,000	1,441,719	1,834,459
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	4,920,854
Subtotal Project Specific Donor Contributions	**31,526,000**	**7,830,280**	**7,338,788**	**9,055,900**	**5,419,436**	**7,876,463**
TOTAL WBG AND DONOR CONTRIBUTIONS	**185,816,835**	**23,554,449**	**37,549,539**	**31,619,399**	**28,397,458**	**25,557,640**
CLIENT CONTRIBUTIONS	**699,000**					
TOTAL RECEIPTS	**186,515,835**	**23,554,449**	**37,549,539**	**31,619,399**	**28,397,399**	**25,557,640**
Trust Fund Administrative Fees[3]	7,151,000		1,099,899	834,799	948,598	726,936
TOTAL (NET) RECEIPTS	179,364,835	23,554,449	36,449,640	30,784,600	27,448,860	24,830,704

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

USES OF FUNDS[4]	FY12–16 $	FY12–16 %	FY17 $	FY17 %	FY18 $	FY18 %	FY19 $	FY19 %	FY20 $	FY20 %	FY17–20 $	FY17–20 %
Staff	80,745,922	50%	15,724,142	48%	14,114,087	52%	12,308,245	50%	10,195,172	45%	52,341,646	48%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%	8,768,926	32%	7,838,159	32%	8,951,262	39%	36,061,419	32%
Travel	26,315,588	16%	5,053,184	15%	3,006,936	11%	3,004,750	12%	2,526,105	11%	13,590,976	15%
Indirect Costs	11,886,379	7%	1,604,318	5%	1,506,396	5%	1,348,287	6%	1,102,123	5%	5,561,124	5%
TOTAL USES OF FUNDS	160,092,902	100%	32,884,715	100%	27,396,345	100%	100%	100%	22,774,662	100%	107,555264	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 ses 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 Activity

STANDARD AS ACTIVITY EXPENDITURES	FY12–16 ACTUAL	% FY12–16 ACTUAL	FY17 ACTUAL	% FY17 ACTUAL	FY18 ACTUAL	% FY18 ACTUAL	FY19 ACTUAL	% FY19 ACTUAL	FY20 ACTUAL	% FY20 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%	22,190,277	92%
of which: Indirect Project Expenditures[2]	38,121,978	24%	6,398,555	19%	5,748,206	21%	2,208,561	9%	584,385	2%
TOTAL PROJECT RELATED EXPENDITURES	**152,020,872**	**95%**	**32,453,570**	**99%**	**27,255,154**	**99%**	**24,112,727**	98%	**24,112,727**	**100%**
GENERAL & ADMINISTRATION COSTS[3]	8,072,031	5%	431,145	1%	141,191	1%	386,715	2%	-	1%
TOTAL STANDARD AS ACTIVITY EXPENDITURES	160,092,902	100%	32,884,715	100%	27,396,345	100%	24,499,442	100%	24,112,727	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 FY20
Reforms By Region
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%	57%		62%	70%
	% of FIAS client-facing project implementation spend in Sub-Saharan Africa	55%	54%	47%	41%	48%		48%	50%
	% of FIAS client-facing project implementation spend in FCV	29%	29%	30%	23%	23%		26%	25%
2. Delivering Significant Business Results	Number of IC reforms supported by FIAS	341	62	40	31	20%		153	220
	% of IC reforms supported by FIAS in IDA countries	73%	58%	65%	58%	60%		60%	70%
	% of IC reforms supported by FIAS in Sub-Saharan Africa	66%	32%	30%	71%	60%		44%	50%
	% of IC reforms supported by FIAS in FCV countries	30%	21%	25%	35%	30%		26%	25%
3. Client Satisfaction and Development Effectiveness	Client satisfaction: FIAS-supported projects (results from IFC client survey)	92%	90%	100%	97%	91%		93%	90%
	Development effectiveness: FIAS-supported projects (% of projects rated satisfactory in terms of development effectiveness)	88%	100%	50%	60%	100%		75%	80%
4. Measuring Impact	Direct Compliance Cost Savings	$208M	$8.7M	$28M	$6.9M	$8.8M		$52.4M	$200M
	Investment generated via facilitation of FDI in priority sectors	$1.59B	$153.2M	$33M	$34M	$0		$220.2M	$800M
5. Leverage	IBRD and IFC investment operations informed and enabled by FIAS**								TBD

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

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS
EAST ASIA AND THE PACIFIC			
Laos	Starting a business	Lao PDR made starting a business easier by integrating company and tax registration with a single identification number and upgrading IT systems to connect enterprise and taxpayer database systems. The project team also advised on increasing business registration transparency, removing VAT registration and prerequisites for issuing tax identification numbers, streamlining various business registration procedures, and removing pre-approval from sectoral agencies for business registration for the negative list business activity.	1
Vietnam	Investment Policy - Linkages	The Government of Vietnam adopted the project team's proposed approach for IFC's Supplier Development Program (SDP) and linkages promotion program. At the end of the first phase, institutional coordination at the government level improved between the public and private sectors, as evidenced by the active participation of members of the SDP Advisory Board, which was established via the project. Through the project, 45 local small and medium enterprises were selected to participate in the SDP and reviewed using an international business assessment tool to identify areas for improvement, including short-term actions. The project team delivered four training events to provide basic toolkits with information on management techniques; follow-up guidance was provided by consultants, and a meet-the-buyer event was arranged with multinational enterprises. Participating firms implemented recommended changes to make them more attractive to becoming suppliers of multinational enterprises; five firms became new suppliers to multinationals; and half the SDP participating firms established connections with multinationals through trial orders, sharing of product samples, and participation in supplier audits.	1
EUROPE AND CENTRAL ASIA			
Albania	Investment Policy - Linkages	The IFC AS team supported Albania in creating a centralized investment incentive database to increase both foreign and domestic investor confidence. Investment policy reform was facilitated by the project team through a detailed legal analysis to map relevant incentives instruments, the collection of relevant data on incentives from various sources using a standard set of tools and templates developed by the IFC, and the categorization and verification of data through a multi-staged process. The inventory was compiled using a best-practice template provided by the IFC, ensuring that standardized criteria for accessibility, comprehensiveness, and sustainability are met. The result culminated in an online database providing relevant information on 45 investment incentives that was published on the Ministry of Finance's and Albania Investment Development Agency's (AIDA) respective websites. The inventory increases transparency and access to information on investment incentives and reduces the time and cost that companies must spend investigating investment incentive information.	1
Kosovo	Investment Policy - Incentives	The project supported the Government of Kosovo with the compilation of a centralized database of all incentives offered to investors, improving the investment climate in a country where political risk is perceived as a significant obstacle to attracting more foreign direct investment. The project conducted a detailed legal analysis to collect and map the necessary information for the database. Working closely with the Ministry of Finance, the project team collected relevant data from various sources using a standard set of tools and templates developed by the IFC. The inventory was compiled using a best-practice template provided by the IFC, ensuring that standardized criteria for accessibility, comprehensiveness, and sustainability are met. The online inventory covers all current investment incentives in Kosovo and was published on the Ministry of Finance's website.	1
North Macedonia	Investment Policy - Incentives	North Macedonia, supported by IFC AS teams, promoted investments by compiling a centralized database of incentives offered to investors across different sectors of the economy. The reform addresses constraints to investment, including limited transparency and predictability. Due to their prominent role in attracting investors, the incentives inventory was created in close cooperation with the Free Zones Authority. The database includes over 45 data points for each incentive instrument and provides comprehensive information in all relevant aspects related to investment incentives. The database was published on the official webpage of the North Macedonia Free Zones Authority. The implementation of this reform sends an important signal to investors about the direction of North Macedonia's policy towards a more investor-friendly environment.	1

Continued on next page

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION	NUMBER OF REFORMS
Serbia	Investment Policy - Incentives	The project supported the Serbian Economic Development Agency (RAS) with the development of a new, proactive approach to investor outreach, thus significantly enhancing the agency's investor-focused services and aligning them with best international practice. The project provided full implementation support to RAS, including a comprehensive capacity development program with intensive training units for agency staff, which included combining workshops, seminars, and practical on-the-job training elements. The project facilitated access to relevant company databases and other critical data sources, materials, and tools required for proactive and targeted investor outreach. Drawing on the Bank Group's global expertise in FDI trends and promotion, the project provided practical guidance throughout the full process of designing and implementing an outreach campaign. In response to the COVID-19 crisis, RAS decided to focus its resources on developing and implementing a full-fledged outreach program to leverage potential opportunities from the crisis, called the COVID Response Outreach Program (CROP). The CROP program is inspired by the lessons learned from the pilot outreach and leverages the experience and expertise developed through the project's capacity-building support. The initial pilot outreach campaign implemented with the project's support yielded significant initial results in the form of two substantial investment leads from German automotive companies. In addition to these leads, the pilot-campaign helped generate a pipeline of 40 additional investor interests with a EUR 100+ million investment potential that the agency will continue to work on translating into concrete investment leads and investment projects in the future.	1
LATIN AMERICA AND THE CARRIBEAN			
Guatemala	Agribusiness	In Guatemala, IFC AS teams supported the development and implementation of the National Sanitary Registration System culminating with its launch in January 2019. The system provisions for the automation of new sanitary registrations for the private sector, including new sanitary registrations for food and beverages, new sanitary licenses for establishments, renovation of sanitary licenses for establishments, emissions of free sale certificates, and registries for sanitary inscriptions. These changes translated into more modern sanitary registration processes, leading to time and cost savings for the private sector. Preliminary results from private sector perception surveys administered in 2019 and 2020 demonstrate a 44 percent reduction in time to register and a 23 percent reduction in cost to register products for first-time registries.	1
Nicaragua	Agribusiness	IFC AS teams supported Nicaragua's Ministry of Health's national sanitary registration system and promoted further time and cost reductions for private sector users. In 2016, the system was improved by developing a feature for the online request for sanitary registration recognition. In 2017, the project developed a feature for pre-requests, enabling users to review their data and ensure accurate information and for a more modernized registration process. In 2018, the team helped develop a new IT module for the system to classify registration submissions according to the level of risk, facilitating risk management. The system now separates low-risk products from others and provides a waiver for laboratory test analysis. According to private-sector perception surveys conducted in 2019, there was a reported 55 percent reduction in time to register and a 58 percent reduction in time to register products, and a 58 percent reduction in cost to register products.	1
SUB-SAHARAN AFRICA			
Democratic Republic of Congo	Starting a business	The Democratic Republic of Congo made starting a business less expensive by reducing the fees for business incorporation. The project team advised taking specific measures to lower the business registration cost, effectively lowering the cost from 120 USD to 80 USD formalized by inter-ministerial decree. The project team also advised on creating a one-stop-shop, further reducing costs and catalyzing increased entrepreneurship. The cost to start a business was reduced 34 percent through the creation of the one-stop-shop and the red tape reductions informed by the IFC AS teams and consultations with the Government, notaries, lawyers, and the business community.	1
Equatorial Guinea	Starting a business	The project team worked with the Government of Equatorial Guinea to reduce the minimum capital required to start an LLC (sociedad de responsabilidad limitada). The project team consulted with government agencies, including the Minister of Justice and the General Director of Justice, to inform reform implementation. Cost reduction was also informed by similar legislation enacted by peer OHADA member countries. As a result of the recommendation and the team's support, the Government passed Decree 45/2020 in April 2020, effectively reducing the minimum capital requirement for LLC in EQ from 1,000,000 xaf to 100,000 xaf.	1
Mali	Investment Policy - Incentives	The project team supported the Agency for Promotion of Investments in Mali (API-MALI) to create the inventory of Mali's investment incentives published on the API-MALI website. The reform supports investor certainty, improves access to information, and creates a level playing field for foreign and domestic investors by increasing transparency through a comprehensive and up-to-date investment incentive database. The implementation of this reform sends an important message to investors about the direction of the Government of Mali's policy and dedication towards a more investor-friendly and transparent environment for both foreign and domestic investors.	1

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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
SUB-SAHARAN AFRICA			
Regional - ECOWAS	Getting Credit	In December 2018, the ECOWAS Investment Code (ECOWIC) and ECOWAS Investment Policy (ECOWIP) were adopted by all 15 member states and provided reliable and transparent investment provisions. ECOWIP also provided provisions for financial infrastructure and established several measures to facilitate regional credit bureau development. Between 2017 and 2020, several ECOWAS countries have adopted reforms in this area. Although the UEMOA/WAEMU reform initiated these reforms, ECOWAS Policy 2018 has given them an additional push and expanded it beyond West African Economic and Monetary Union members to include other ECOWAS countries. In 2019 and 2020, five credit bureau reforms (Benin, Côte d'Ivoire, Niger, Senegal, and Togo), which are in line with ECOWAS Policy 2018, have been validated by the DB ranking.	1
Regional - ECOWAS	Investment Policy - Promotion	The In December 2018, the ECOWAS Investment Code (ECOWIC) and ECOWAS Investment Policy (ECOWIP) were adopted by all 15 member states and provisioned for a homogenous regional investment regime. These two regulations remove cross-border investment policy barriers and investment climate constraints to intra-regional and extra-regional (FDI) investments. The adoption of the ECOWIP and ECOWIC contained the following reforms for private sector investors: 1. Free transfer of funds/profits (repatriation) by investors 2. Expropriation and compensation best-practice protections for investors 3. Dispute settlement mechanisms 4. National treatment accorded to foreign investors so that they receive the same treatment as domestic, national, or local investors in most cases. ECOWIC has improved the investment framework for member state investors by providing additional strengthened investment protections for investors. ECOWIC filled the gaps in national investment codes, which could potentially deter investors.	1
South Africa	Investment Policy - Promotion	The project's Investment Policy and Promotion (IPP) component achieved a reform in FY20 related to the project's support to implement and operationalize an investment promotion strategy for the city of Durban. The initiative led to the creation of Invest Durban, the city's investment promotion authority. The project supported the strategy's operationalization and strengthened Durban's institutional capacity through a series of missions, the provision of advice, capacity building, and implementation support.	1
South Africa	Construction Permits	The FIAS-supported project team has achieved two reforms in construction permitting—one for KwaDukuza Municipality, the other for the City of Johannesburg. The project team has worked with KwaDukuza Municipality since project launch in August 2017 on improving the construction permitting process. The work has led to an improved process and reduced turnaround times. The MCICP-supported team delivered technical support, including baseline assessments and process maps, recommendations for streamlining, staff training, and external stakeholder engagements. A monitoring mechanism was recommended to the administrative department to provide regular reporting and ensure that improved processes and turnaround times are being adhered to. For the City of Johannesburg, the project team drafted a Reform Action Plan focused on reducing construction permitting procedures and turnaround times. The plan was approved by the city's executive director and the city manager and submitted to the National Treasury. A temporary one-stop shop was located at the building that also houses the road and water agencies and the fire department to ease engagement with agencies involved in the permitting process. The team helped the city establish a new set of standard operating procedures. Among these, site development plans (SDPs) are to be approved or refused within 28 days, or 15 days for warehouse projects; building plans within 30 days, or 15 days for warehouse buildings; occupancy certificates are to be issued within four days. The IFC team helped develop a formal communications plan, including a newsletter and the drafting of a memorandum of understanding between the city and the South African Council for Architectural Professionals. This helped establish positive relations between the parties and assist architects in providing high-quality plan submissions. At least three steps have been removed from the permitting process: the geotechnical survey and topographical survey, and the open trench inspection.	2

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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
SUB-SAHARAN AFRICA			
South Africa	Competition	The Competition Commission of South Africa (CCSA) conducted a market inquiry aided by the MCICP-supported project team that pointed up a lack of competition in both retail and wholesale mobile services markets. The study also found that pricing structures work to the disadvantage of lower-income customers. The team helped CCSA determine the extent to which prices per megabyte of data were much higher for low-volume customers. The exercise led to a report by CCSA with recommendations to encourage access to affordable data for lower-income customers and to spark greater price competition among mobile services providers at the retail level. CCSA's report included a legally binding order that, within two months, the two largest mobile operators in South Africa—Vodacom and MTN—should each reach agreement independently with the Commission on substantial and immediate tariff reductions, especially prepaid monthly bundles. The resulting agreements with the two telecom companies led to a 34 percent price reduction for a one gigabyte per month data plan. The report also stated that all mobile operators must reach an agreement with CCSA within three months to offer all prepaid subscribers a "lifeline" package of daily free data to ensure all citizens have data access on a continual basis. MTN agreed to provide users with 20 megabytes per day in free lifeline data, and 500 megabytes of free data access per month to up to 500 public services websites in such areas as health and job opportunities. Vodacom agreed to provide personalized discounts to those in low-income localities and extend the current zero-rating to essential state and emergency sites (including sites of the Departments of Health, Education, and Home Affairs), enabling consumers to access data from these sites without it counting against their data plans.	1
Togo	Construction Permits	The project team assisted the Government of Togo in making construction permits easier by reducing fees and adopting an online portal to submit applications. Togo also made dealing with construction permits more transparent by making the required documents, pre-approval, and fees available online. The Government improved its building quality control by regulating inspections during construction. After conducting diagnostic work, the team provided the Government with several recommendations to make construction permitting easier. One recommendation advised the Government to review and publish the water connection tariff schedule. As a follow-up on this recommendation, the Government cut off the water connection tariff from 125.125 XOF to 100.000 XOF. After the reduction, the team advised to publish the new tax on a water utility website and ensure the tariff appeared clearly. A second recommendation consisted of advising the Government to publish online the list of documents to be provided, the fees to be paid, and all the prior approvals needed to obtain a construction permit. A third recommendation was to improve buildings' quality control through phased and risk-based inspections during construction, which led to new regulation (Arrêté 1619 of December 7, 2018). The new regulation now categorizes buildings into three categories according to the risk.	
Togo	Property Transfers	IFC AS teams assisted the Government of Togo in making property registration easier, by streamlining administrative procedures and reducing property transfer costs. The IFC AS team recommended the government to set up merged formalities with Land Conservation; advised the government to engage in discussions with the notaries chamber to revise the scale of notarization fees; and recommended the government explore the possibility of adjusting the fees for registration and transfer to a fixed cost. The implementation of this recommendation led to the adoption of a new regulation (Arrêté No. 220 MEF / SG of November 20, 2018), establishing a flat-rate tax on property transfer operations (complete transfer). Thus, the property transfer rights were revised from 4 percent of the building's market value to a lump sum of 35,000 XOF ($61).	1
Togo	Starting a business	Togo made starting a business easier by abolishing the requirement to notarize company documents, thus reducing the time to register a company. The streamlining of business registration requirements by removing the step of the notary cut the number of days to create a firm by more than half, from 5.5 to 2.5 days, and dropped the cost by removing fees related to the use of notaries.	1
Grand Total			20

Annex 2: PORTFOLIO OF FIAS-SUPPORTED PROJECTS IN FY20

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	Fiji	Fiji Invest Comp	$1,908,759	$257,368	$121,457	ACTIVE
EAP	Indonesia	Indo ICCC MCICP	$3,740,000	$391,918	$391,918	ACTIVE
EAP	Lao People's Democratic Republic	LS-INVT Climate	$1,680,461	$255,262	$66,755	ACTIVE
EAP	Mongolia	Mongolia TFASE	$2,297,858	$219,074	$68,158	ACTIVE
EAP	Philippines	Philippines CPSD	$304,801	$119,622	$119,622	ACTIVE
EAP	Timor-Leste	Timor-Leste IPP	$1,199,124	$197,531	$130,000	ACTIVE
EAP	Vietnam	Vietnam CPSD	$200,000	$178,345	$178,345	ACTIVE
EAP	Vietnam	VN Agri Comp	$1,838,308	$316,653	$88,181	ACTIVE
EAP	Vietnam	VN PSC	$4,547,632	$1,012,121	$392,870	ACTIVE
EURPOE AND CENTRAL ASIA						
ECA	Albania	Albania IC comp	$2,229,277	$272,087	$268,356	ACTIVE
ECA	Albania	CPSD - Albania	$200,000	$160,951	$160,951	ACTIVE
ECA	Albania	W.Balkans IPP	$2,712,500	$624,462	$624,462	ACTIVE
ECA	Armenia	Armenia IPP/Agri	$1,594,000	$52,457	$52,163	TERMINATED
ECA	Azerbaijan	Az IC Agri Comp	$3,264,413	$599,364	$589,669	ACTIVE
ECA	Azerbaijan	CPSD - AZB	$200,000	$112,201	$112,201	ACTIVE
ECA	Eastern Europe Region	MTI ECA BizDev	$175,000	$11,813	$11,813	ACTIVE
ECA	Georgia	Geo tr/inv/agr.	$1,774,873	$181,970	$121,399	ACTIVE
ECA	Kosovo	Kosovo IC II	$2,308,927	$214,187	$214,187	ACTIVE
ECA	Kyrgyz Republic	KR Inv&Growth	$2,112,000	$382,790	$382,790	ACTIVE
ECA	Kyrgyz Republic	Kyrgyz DD	$1,685,411	$482,875	$181,027	ACTIVE
ECA	Serbia	Serbia Deep Dive	$200,000	$80,748	$80,748	ACTIVE
ECA	Serbia	Serbia IC	$3,832,280	$1,257,064	$160,900	ACTIVE
ECA	Tajikistan	Taj CEP	$2,623,917	$464,621	$464,621	ACTIVE
ECA	Ukraine	CPSD - Ukraine	$215,000	$299,198	$299,198	ACTIVE
ECA	Ukraine	ECA Agri-Finance	$5,805,000	$473,475	$154,324	ACTIVE
ECA	Uzbekistan	Uzbekistan IC	$1,650,000	$83,220	$83,220	ACTIVE
LATIN AMERICA AND THE CARIBBEAN						
LAC	Bolivia	CPSD Bolivia	$200,000	$77,733	$77,733	ACTIVE
LAC	Caribbean Region	Bus Reg LAC	$1,791,958	$173,628	$176,404	ACTIVE
LAC	Colombia	Colombia CPSD	$200,000	$17,015	$17,015	ACTIVE
LAC	Colombia	LAC FDP	$1,744,000	$16,028	$16,028	ACTIVE
LAC	Colombia	Prod&JobColombia	$1,964,274	$18,114	$18,114	ACTIVE
LAC	Colombia	Productivity Col	$835,586	$246,380	$155,906	ACTIVE
LAC	Ecuador	Ecuador CPSD	$247,984	$17,299	$17,299	ACTIVE
LAC	El Salvador	Digital EntreCA	$1,750,000	$99,478	$99,478	ACTIVE
LAC	Guatemala	SICA	$1,929,936	$158,012	$60,171	ACTIVE
LAC	Haiti	CIO Haiti	$208,000	$122,295	$100,000	ACTIVE
LAC	Jamaica	Jam Agri Supply	$100,000	$80,160	$80,160	ACTIVE
LAC	Latin America Region	CA RegionalTrade	$4,008,562	$166,104	$65,905	ACTIVE
LAC	Latin America Region	LAC IBRA	$3,318,363	$91,539	$77,310	ACTIVE
LAC	Peru	Competition Peru	$695,010	$35,035	$35,035	ACTIVE
LAC	Peru	Peru Growth	$4,237,208	$60,052	$60,052	ACTIVE
LAC	Peru	SNDB Peru	$855,000	$491,894	$62,583	ACTIVE
LAC	Peru	Tourism PE	$1,207,535	$199,826	$58,658	ACTIVE
MIDDLE EAST AND NORTH AFRICA						
MENA	Egypt, Arab Republic of	Egypt PSDP	$6,661,097	$694,053	$215,039	ACTIVE
MENA	Egypt, Arab Republic of	Egypt STCR	$850,000	$183,120	$137,650	ACTIVE
MENA	Jordan	CPSD - Jordan	$267,500	$18,907	$18,907	ACTIVE
MENA	Jordan	Jordan BE Reform	$5,995,265	$143,299	$143,299	ACTIVE
MENA	Jordan	Jordan CP Reform	$1,600,000	$116,544	$18,080	ACTIVE
MENA	Jordan	Jordan IBR	$3,030,655	$189,443	$188,939	ACTIVE
MENA	Jordan	MENA IBRA II	$650,000	$157,360	$157,360	ACTIVE
MENA	MENA Region	FCI MENA BizDev	$369,000	$166,623	$166,177	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 FY20

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

REGION CODE	COUNTRY	PROJECT NAME	TOTAL PROJECT BUDGET	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURES	PROJECT STATUS
MIDDLE EAST AND NORTH AFRICA						
MENA	Morocco	MOR Competition	$1,360,217	$145,187	$143,474	ACTIVE
MENA	Morocco	Morocco BE.	$2,451,880	$380,673	$365,438	ACTIVE
MENA	Morocco	Morocco PSD	$3,714,954	$38,989	$38,989	ACTIVE
MENA	Tunisia	Tunisia IC RP II	$3,285,557	$634,972	$283,618	ACTIVE
SOUTH ASIA						
SSA	Afghanistan	AF Bus Enabling	$3,200,000	$322,076	$322,076	ACTIVE
SSA	Afghanistan	Afg Bus Lic II	$2,718,323	$214,576	$214,576	ACTIVE
SSA	Afghanistan	AFG Export Comp.	$2,881,156	$116,151	$116,151	ACTIVE
SSA	India	India Insolvency	$999,156	$402,495	$160,397	ACTIVE
SSA	Nepal	Nepal CM Tourism	$1,915,395	$290,381	$103,718	ACTIVE
SSA	Southern Asia Region	MTI SAR BizDev	$165,000	$31,292	$31,292	ACTIVE
SSA	Sri Lanka	ACE SL	$500,000	$40,120	$40,418	ACTIVE
SUB-SAHARAN AFRICA						
SSA	Africa Region	AFR AGRI MKTS	$2,320,006	$1,114,750	$490,390	ACTIVE
SSA	Africa Region	AFR Tourism	$3,650,194	$184,605	$36,587	ACTIVE
SSA	Africa Region	FCI AFR 1 BizDev	$124,000	$85,217	$87,931	ACTIVE
SSA	Africa Region	FCI SSA MSME Dev	$5,050,000	$666,407	$104,147	ACTIVE
SSA	Angola	Angola CPIAA	$3,940,000	$248,415	$162,454	ACTIVE
SSA	Benin	Invest Benin	$500,000	$244,630	$244,630	ACTIVE
SSA	Central Africa Region	CEMAC IC	$1,576,401	$413,977	$99,204	ACTIVE
SSA	Congo, Democratic Republic of	DRC Inv Climate	$2,062,709	$301,119	$113,959	ACTIVE
SSA	Cote D'Ivoire	CDI Manufg	$1,246,058	$251,054	$112,168	ACTIVE
SSA	Cote D'Ivoire	Corridor CI-BF	$3,728,550	$566,823	$566,823	ACTIVE
SSA	Cote D'Ivoire	Ivory Coast STCR	$800,000	$67,092	$38,428	ACTIVE
SSA	Eswatini	Swaziland TC	$1,941,160	$685,417	$90,527	ACTIVE
SSA	Ethiopia	East Africa SIRM	$152,849	$14,280	$14,280	ACTIVE
SSA	Ethiopia	Ethiopia LvStock	$2,121,661	$359,982	$359,982	ACTIVE
SSA	Ethiopia	Ethiopia SIRM	$581,646	$150,762	$150,762	ACTIVE
SSA	Ethiopia	WBL Advisory AFR	$1,850,000	$135,367	$135,367	ACTIVE
SSA	Ghana	Ghana ICP	$4,499,998	$643,622	$379,034	ACTIVE
SSA	Ghana	GH-BF Diagnostic	$200,000	$45,155	$45,155	ACTIVE
SSA	Ghana	Invest Ghana	$1,500,000	$380,587	$138,524	ACTIVE
SSA	Guinea	Guinea IC Mining	$1,910,252	$331,152	$52,005	ACTIVE
SSA	Guinea-Bissau	Guinea-Bissau CS	$1,298,557	$174,385	$127,294	ACTIVE
SSA	Kenya	Kenya STCR SP	$450,000	$117,020	$85,612	ACTIVE
SSA	Lesotho	Lesotho IC Prog	$1,923,293	$522,102	$157,065	ACTIVE
SSA	Malawi	Malawi WHR	$1,114,356	$22,802	$22,802	CLOSED
SSA	Mali	Mali IC4	$4,350,000	$521,025	$32,175	ACTIVE
SSA	Mozambique	Moz IC Project 2	$2,494,343	$686,771	$103,695	ACTIVE
SSA	Nigeria	Nigeria LV Stock	$2,001,220	$283,818	$283,818	ACTIVE
SSA	Rwanda	Rwanda SIRM	$629,382	$152,069	$152,069	ACTIVE
SSA	Senegal	Invest Senegal	$1,736,507	$555,666	$555,666	ACTIVE
SSA	South Africa	Prosperity RSA	$3,115,000	$767,130	$52,061	ACTIVE
SSA	South Africa	SA PSCP	$3,399,737	$735,985	$642,287	ACTIVE
SSA	Sudan	Sudan ICP	$720,062	$34,681	$34,681	TERMINATED
SSA	Tanzania	EAC Phase III	$4,243,508	$253,325	$253,325	ACTIVE
SSA	Tanzania	Tanzania LvStock	$2,100,000	$305,355	$305,355	ACTIVE
SSA	Togo	Corridor TG-BF	$2,000,000	$65,060	$65,060	ACTIVE
SSA	Togo	Togo ICTA	$615,000	$188,635	$131,264	ACTIVE
SSA	Western Africa Region	Corridor GH-BF	$1,900,000	$58,463	$58,463	TERMINATED
SSA	Western Africa Region	Inv W AF Tourism	$1,900,000	$417,602	$417,602	ACTIVE
SSA	Western Africa Region	Invest W AF WRS	$1,750,000	$714,063	$247,611	ACTIVE
SSA	Western Africa Region	OHADA UA 2	$5,268,269	$24,694	$24,694	CLOSED
SSA	Western Africa Region	TFWA NGOs CSOs	$500,000	$134,579	$134,579	ACTIVE
SSA	Western Africa Region	TFWA Umbrella	$27,311,054	$1,188,989	$1,188,989	ACTIVE

Continued on next page

Annex 2: PORTFOLIO OF FIAS-SUPPORTED PROJECTS IN FY20

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

REGION CODE	COUNTRY	PROJECT NAME	TOTAL PROJECT BUDGET	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURES	PROJECT STATUS
SUB-SAHARAN AFRICA						
SSA	Western Africa Region	West Africa IPIC	$8,863,426	$769,080	$674,397	ACTIVE
SSA	Zambia	Zambia STR Ph 2	$800,000	$131,786	$23,401	ACTIVE
SSA	Zimbabwe	Zimbabwe Tourism	*$1,440,000*	$78,559	$78,559	ACTIVE
SSA	Zimbabwe	Zimbabwe WRS	$1,090,010	$233,341	$43,683	ACTIVE
WORLD						
WLD	World Region	GRP Joint Pilots	$2,061,766	$259,674	$259,674	ACTIVE
WLD	World Region	Services prody	$200,000	$158,034	$158,034	ACTIVE

2.2 FY20-FIAS-Funded Knowledge Management and Product Development Projects

REGION	PROJECT TITLE	COUNTRY	BUDGET	TOTAL FYTD EXPENDITURES	FIAS EXPENDITURE	PROJECT STAGE
WLD	Agile Reg&Tech	World Region	$600,000	$35,860	$35,860	ACTIVE
WLD	Biz Env KPD	World Region	$995,001	$269,553	$160,227	ACTIVE
WLD	COMPEL	World Region	$3,136,263	$438,672	$438,672	ACTIVE
WLD	EMENA IC KDP	World Region	$375,000	$79,580	$79,580	ACTIVE
WLD	Global CP PDP II	World Region	$1,810,607	$601,119	$319,864	ACTIVE
WLD	Global QI	World Region	$300,000	$229,798	$146,546	ACTIVE
WLD	GRP KM	World Region	$413,485	$72,385	$53,006	ACTIVE
WLD	IC App. Research	World Region	$3,041,552	$311,323	$139,855	ACTIVE
WLD	IC IBR	World Region	$1,088,466	$236,218	$86,638	ACTIVE
WLD	IMT KDP	World Region	$2,972,270	$1,080,163	$594,819	ACTIVE
WLD	IPP PDP	World Region	$2,859,228	$767,067	$548,964	ACTIVE
WLD	MNE Linkages	World Region	$723,123	$136,715	$57,739	ACTIVE
WLD	TFBM PDP	World Region	$9,807,501	$1,170,719	$129,969	ACTIVE
WLD	TFWA KM comp 3	Ghana	$600,000	$87,929	$87,929	ACTIVE

Annex 3: ABBREVIATIONS

ACF	African Competition Forum
AfDB	African Development Bank
AIDA	Albanian Investment Development Agency
AISA	Afghanistan Investment Support Agency
APEC	Asia-Pacific Economic Cooperation
API MALI	Agency for Promotion of Investments in Mali
ARTF	Afghanistan Reconstruction Trust Fund
AS	advisory services
AZPROMO	Azerbaijan Export and Investment Promotion Foundation
B2G	business-to-government
BO	Business Ombudsman of Georgia
BPC	business plan competition
BPO/BPM	business process outsourcing / business process management
BRRA	Business Regulatory Review Agency
BSTP	Bourse de Sous-Traitance et de Partenariats (Supplier and Partnership Marketplace)
CASA	Conflict-Affected States in Africa
CBTPA	Caribbean Basin Trade Partnership Act
CCS	compliance cost savings
CCSA	Competition Commission of South Africa
CEMAC	Central African Economic and Monetary Community
C-JET	Competitiveness for Jobs and Economic Transformation
CIO Haiti	Creating Investment Opportunities in Haiti
CMA	Creating Markets Advisory
CMS	Common Market Scorecard
CNCF	National Council for Competitiveness and Formalization
ComPEL	Competitiveness Policy Evaluation Lab
COV-BPS	COVID-19 Business Pulse Survey
CPF	Country Partnership Framework
CPSD	Country Private Sector Diagnostics
CRM	customer relationship management system
CROP	COVID Response Outreach Program
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
DFS	Digital Financial Services
DPI	Department of Planning and Investment
DPL	Development Policy Loan
DPV	Direction de la Protection des Végétaux (Crop Protection Services)
EAC	East African Community
ECA	Europe and Central Asia Region, World Bank Group
ECCB	Eastern Caribbean Central Bank
ECOWAS	Economic Community of West African States
ECOWIC	ECOWAS Investment Code
ECOWIP	ECOWAS Investment Policy

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Annex 3: ABBREVIATIONS

EFI	Equitable Growth, Finance and Institutions Vice Presidency, World Bank Group
EIC	Ethiopian Investment Commission
EMDEs	emerging markets and developing economies
EODB	Ease of Doing Business
ETTI	Extractive Industries Transparency Initiative
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
GEP	Global Economic Prospects
GIA	Group Internal Audit (World Bank Group)
GIIF	Global Index Insurance Facility
GIPC	Ghana Investment Promotion Centre
GRP	Good Regulatory Practices Program
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)
IC	Investment Climate
ICN	International Competition Network
IDA	International Development Association
IEG	Independent Evaluation Group (World Bank Group)
IFC	International Finance Corporation
IGM	Investor grievance management mechanisms
IPA	Investment Promotion Agencies
IPP	Investment Policy and Promotion
JET	Jobs and Economic Transformation initiative, World Bank Group
KDP	Knowledge Development Product
KM	knowledge management
LAC	Latin America and Caribbean Region, World Bank Group
LIC	low-income country
Mali IC3	Mali Investment Climate Program, Phase 3
MAS	Manufacturing, Agribusiness and Services unit, IFC
MCICP	Multi-Country Investment Climate Program
MCP	Markets and Competition Policy
MENA	Middle East North Africa Region, World Bank Group
MIGA	Multilateral Investment Guarantee Agency
MINCETUR	Peru Ministry of Foreign Trade and Tourism
M&E	Monitoring and evaluation
MNCs	multinational corporations
MSMEs	micro small and medium enterprises

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Annex 3: ABBREVIATIONS

NBSSI	National Board of Small Scale Industries
OECS	Organisation of Eastern Caribbean States
P4R	Program for Results
PDP	Product Development Project
PPE	personal protective equipment
QI	Quality Infrastructure
RAS	Serbian Economic Development Agency
RDB	Rwanda Development Board
REDP	Rural Economy Development Project
RGD	Registrar General Department
SCDs	Systemic Country Diagnostics
SDP	Supplier Development Program
SIRM	Systemic Investor Response Mechanism
SMEs	small and medium enterprises
SNDB	Subnational Doing Business
SNNPR	Southern Nations, Nationalities, and Peoples’ Region
STEP	Smart Technology and Energy Production
STI	science, technology, and innovation
T&T	Tourism & Travel
UAE	United Arab Emirates
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNWTO	World Tourism Organization
VPU	vice presidential unit
WBL	Women, Business and the Law

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Fias THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES

IFC International Finance Corporation WORLD BANK GROUP