Fias

2021

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES

IFC International Finance Corporation WORLD BANK GROUP

With support from:

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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
This report was written and edited by IFC staff. Editor: John Diamond; contributors/editors: Brenden McMullen, Emma Lawson-De Roeck, Anna Brown, Antonina Maltsev, Julia Louise Breit.

Cover Photo
Manju Khatun, who became a supervisor after receiving training, can now afford to send her children to school.
© Tapash Paul/Drik Gallery

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Two crises in succession—COVID-19 and war in Ukraine—have heightened both the relevance and the urgency of the work the International Finance Corporation does. The Facility for Investment Climate Advisory Services (FIAS), one of the World Bank Group's largest trust funds, plays a key role in that work, supporting IFC Advisory Services that help lay the foundation for inclusive private sector growth and job creation.

Message from the Director

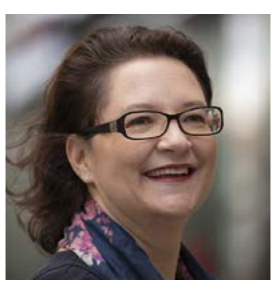
Two crises in succession—COVID-19 and war in Ukraine—have heightened both the relevance and the urgency of the work the International Finance Corporation does. The Facility for Investment Climate Advisory Services (FIAS), one of the World Bank Group's largest trust funds, plays a key role in that work, supporting IFC Advisory Services that help lay the foundation for inclusive private sector growth and job creation.

Over the last two years of the FY17–21 FIAS strategy cycle, IFC teams continued to deliver positive impacts to clients against the travel restrictions and the global economic downturn brought on by the pandemic. Now, with the tragic outbreak of conflict in Ukraine—a FIAS client country—our teams have continued their work even as they evacuated themselves and their families from harm's way. One of our project team members called into a client meeting from a bomb shelter. Another dialed in to a video conference the morning after he and his family arrived in Warsaw after an escape from the combat zone in Ukraine.

Stories such as these break our hearts but also motivate us and help explain how the FIAS Program managed to come through the five-year cycle with positive results. As described in the *FIAS 2021 Annual Review*, FIAS-supported projects delivered 204 reforms improving conditions for private sector investment and growth, helped generate nearly $1 billion in new investment, and supported implementation of projects that produced nearly $200 million in savings to private businesses through reduced regulatory costs and delays.

The Annual Review provides results and financial data for the full strategy cycle and detailed reporting on project activities in FY21. It describes FIAS support for the IFC 3.0 Creating Markets–Mobilizing Private Capital agenda through a continuum of effort, from economy-wide reform to improvements in promising business sectors, aiming ultimately toward specific investment opportunities.

Now in its 37th year, the FIAS partnership holds a key position in the IFC agenda. The FY22–26 FIAS strategy cycle is under way in a global economic environment that remains uncertain. However, the report and stories shared above show that, with resilience, we can continue to achieve great results.



Anastasia Gekis
Director
IFC Operations Management Department

Introduction

The Facility for Investment Climate Advisory Services (FIAS) partnership completed the FY17–21 strategy cycle with a roster of client countries struggling to meet the pressures of an unprecedented global health and economic crisis. As it did in virtually every other sphere of endeavor, the COVID-19 pandemic profoundly affected FIAS-supported operations. It disrupted staff travel to clients, delayed implementation of programs and reforms, pressed client governments to change priorities and policies, induced bankruptcies, and halted investment flows. **Still, against these severe headwinds, and working in countries already facing major economic hurdles, FIAS managed to complete the five-year cycle near, at, or ahead of target in virtually all its key impact areas.**

As outlined below in the *FIAS 2021 Annual Review*, FIAS-supported projects and programs generated 204 reforms helping clients improve conditions for inclusive and sustainable private sector growth, against a five-year strategy cycle target of 220 reforms. Private enterprises saved $196.2 million in compliance costs due to reform work supported by FIAS, against a target of $200 million. Investment generated by FIAS-supported projects reached $999 million, exceeding the strategy cycle target of $800 million, a significant achievement given the almost total halt to cross-border investment flows with the onset of the pandemic in early 2020. Client satisfaction with the IFC Advisory Services delivered with FIAS support was 94 percent, exceeding the 90 percent target.

FIAS fund-raising totaled $171.7 million for the strategy cycle, or 86 percent of the $200 million target; less than that total was available during the cycle because some fundraising was for programs whose work continues beyond FY21. FIAS supported a total of 285 projects, 254 of which were client-facing and 31 of which were global knowledge projects. In line with the IFC 3.0 Creating Markets strategy, a larger share of FIAS direct project expenditures went to client-facing work than in the FY12–16 cycle (81 percent vs. 63 percent). FIAS was slightly short of the target for spending in borrowing countries of the International Development Association (IDA) and Sub-Saharan Africa and ahead of the target for spending on projects in countries in fragile and conflict-affected situations (FCS). Reforms achieved in priority areas reflected the spending trend: on target for FCS; close but somewhat short of target in IDA and Sub-Saharan Africa.

This report provides data on linkages between FIAS-supported advisory and IFC and World Bank investment and lending operations. A review of the 285 projects supported by FIAS during FY17–21 found that 119, or 42 percent, helped inform or enable IFC or World Bank investment operations. Some projects benefited both IFC and World Bank activities.

The Upstream approach recognizes that the key constraint is not lack of capital but a shortage of ready-to-finance deals in countries where significant development gaps exist. This work unfolds along a “continuum” of activity, from enabling environment advisory to sector-specific reform to the development of a pipeline of potential investment projects. The Special Topic chapter focuses on the IFC 3.0 Creating Markets Upstream initiative. With the launch of the new FY22–26 FIAS strategy cycle on July 1, 2021, FIAS is stepping into its role as the donor funding mechanism of choice for Upstream-related advisory. FIAS supports Upstream projects focused on ‘Creating Markets with Sector Interventions.’ These projects provide sectoral or market-wide advice that will facilitate private sector investment for which IFC could be a *potential* financing partner, along with private investors. FIAS funding will not be used in Creating Markets with Project Interventions, where IFC is a *likely* financing partner with private investors.

The increasing emphasis across the FIAS portfolio on sector-specific and Upstream-related work in the FY22–26 cycle began in FY21 as FIAS management shifted from the joint World Bank Group global practices to IFC. Fund-raising for the FY22–26 got off to a strong start in FY21, leaving FIAS well-positioned to help clients meet the continuing challenges of COVID-19 in the new strategy cycle. As always, IFC and the FIAS Program team are deeply grateful for the continuing support of the FIAS Development Partners.

Fisherman working on the Thu Bon River in Cua Dai fishing village, Hoi An *Photo: Quang Nguyen Vinh/Pexels*

01

Main Achievements and Milestones

FIAS achieved

204 reforms in 73 client countries

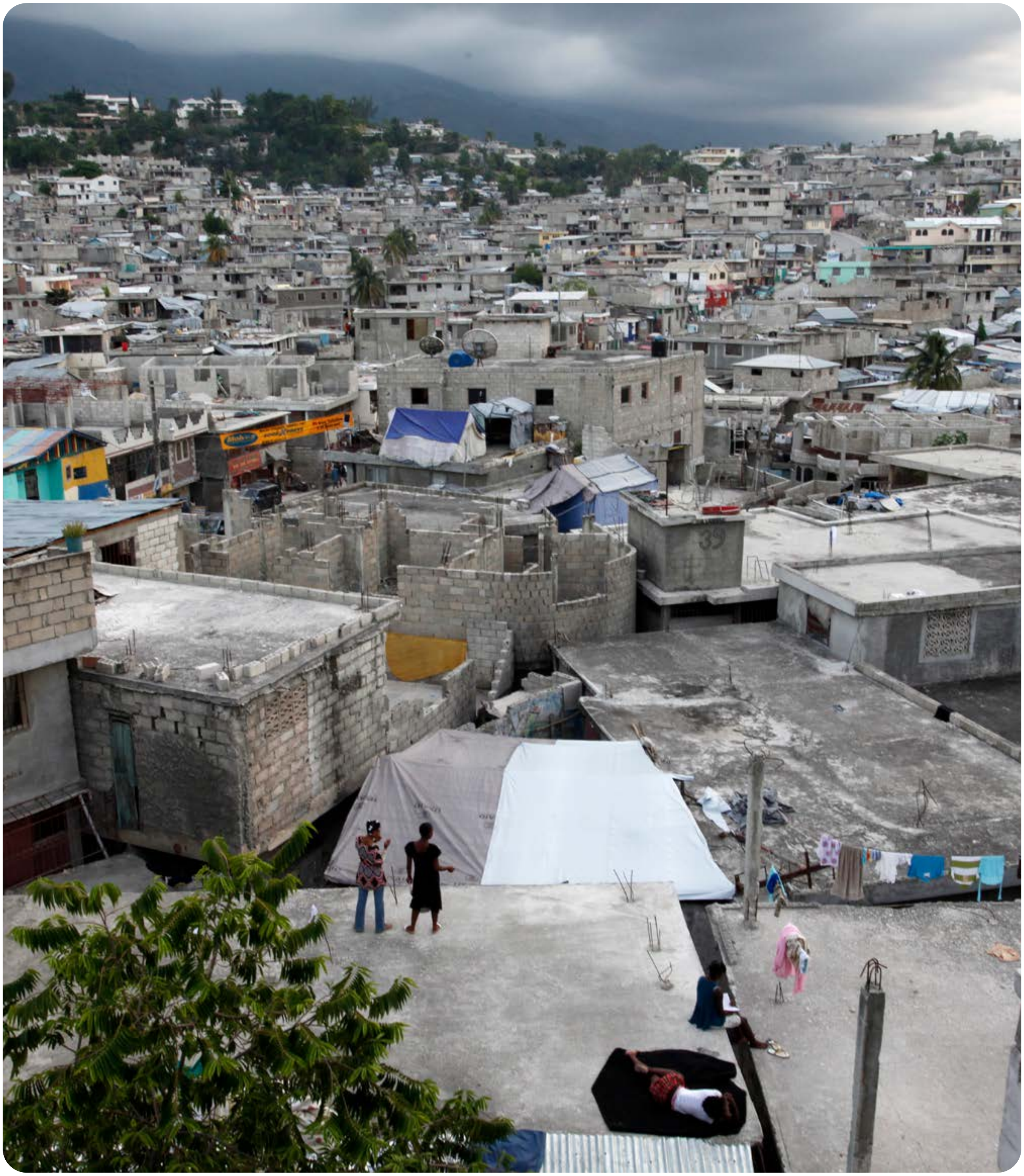
during FY17–21; 51 reforms in 22 client countries in FY21

94% client satisfaction FY17–21;

clients rated 182 of 194 projects positively; 96% client satisfaction FY21

$999.1 million investment generated

during FY17–21; $589.3 million in FY21



A view of Delmas 32, a neighborhood in Haiti *Photo: Dominic Chavez/World Bank*

01

Highlights of FIAS-Supported Operations for FY17–21 Strategy Cycle

FIAS-supported projects

FY21 **Results**

Despite the challenges posed by the COVID-19 pandemic, FIAS closed out FY21 near, at, or ahead of target for the FY17–21 strategy cycle in most priority areas: reforms; investment generated; compliance cost savings (CCS) for private businesses; reforms in fragile and conflict-affected situations (FCS); and development effectiveness (DE) ratings.

FY17–21 cycle

FY17–21 **Reforms**

For the completed five-year cycle that ended June 30, 2021, **FIAS-supported work implemented by IFC Advisory Services (IFC AS) generated 204 investment climate reforms in 73 client countries,** 93% of the way toward the five-year target of 220 reforms.

93%
to five-year target

FIAS Results in IDA, SSA, FCS

FIAS **Priorities**

Results in FIAS priority areas—borrowing countries of the International Development Association (IDA); Sub-Saharan Africa; and countries in fragile and conflict-affected situations (FCS): Of the 204 FY17–21 FIAS reforms,

- **118 reforms (58%)** were in IDA (target 70%);
- **88 reforms (43%)** were in Sub-Saharan Africa (target 50%);
- **48 reforms (24%)** were in FCS (target 25%).

CCS and new investment

$999.1 million

FIAS-supported projects generated a total of $196.2 million in CCS, close to the strategy cycle target of $200 million, and $999.1 million in new investment, exceeding the $800 million by nearly $200 million. New investment was recorded in **Albania, Bosnia and Herzegovina, Georgia, Haiti, Kyrgyz Republic, Mali, Madagascar, Myanmar, Nepal, and the Philippines.**

IFC and World Bank

The FIAS portfolio included a significant number of projects linked to IFC and World Bank investment and lending operations. A review of the 285 projects in the FIAS FY17–21 portfolio (254 client-facing, 31 global knowledge development) showed that 119 projects, or 42%, had links to specific IFC or World Bank investment and lending operations, in some cases to both.

Prior year reforms

A retrospective review of FY17–21 FIAS results conducted by IFC's Monitoring & Evaluation (M&E) team identified previously unreported reforms in **Albania, the Democratic Republic of the Congo, Jordan,** and **Mauritania.** They are reported in the FY21 reform table below. The review also identified additional CCS in FY17 and FY20, and investment generated in FY18–20. Such revisions are common as results are sometimes not confirmed until years after a project closes.

Shortfalls

Three factors contributed to the results in IDA and Sub-Saharan Africa falling short of target: (1) the pandemic led client countries to shift development priorities; (2) delay and then cancelation of the Doing Business Report created uncertainty in projects geared toward DB reforms; and (3) lower contributions to the FIAS core account limited FIAS Program flexibility to target funding to projects in priority areas.

01

Highlights of FIAS-Supported Operations for FY21

FY21 target was 44 reforms

In FY21, FIAS-supported projects contributed to 51 reforms improving conditions for private investment in 22 client countries (20 reforms in 26 client countries in FY20). Of the 51 FY21 reforms, 26 were in IDA (51%); 22 were in Sub-Saharan Africa (43%), and 8 were in FCS (16%).

51 reforms

FY21 **Reforms**

Reforms in 22 client countries

FIAS-supported projects delivered reforms in 22 client countries in FY21: **Albania, Belarus, Democratic Republic of the Congo, Fiji, Ghana, Guinea-Bissau, Honduras, Indonesia, Jordan, Kenya, Kosovo, Kyrgyz Republic, Lao PDR, Mauritania, Montenegro, Myanmar, North Macedonia, the Philippines, Serbia, South Africa, Timor-Leste,** and **Vietnam.**

FY21 **Clients**

New investment generated

FIAS-supported projects generated $2.6 million in CCS to the private sectors in client countries and $589.3 million in new investment in FY21.

FIAS **Projects**

FIAS Portfolio, FY21 and Cycle:

Focus on Priority Client Groups

FY21 Project **Portfolio**

148 projects

The FIAS FY21 portfolio consisted of 148 projects (124 in FY20), with 134 client-facing (110 in FY20) and 14 global knowledge development projects (14 in FY20). Of the client-facing projects in the FY21 portfolio, 59% benefited IDA, 36% benefited Sub-Saharan Africa, and 27% benefited FCS.

Share of FIAS FY21 projects in **IDA, Africa, FCS**

59% IDA

36% Africa

27% FCS

- For FY17–21, FIAS supported a total of 285 projects of which 254 were client facing and 31 were global knowledge projects. Sub-Saharan Africa had the most projects with 90 (35 percent), in keeping with the FIAS strategy's emphasis on the region. The Europe and Central Asia (ECA) region had 41 projects (16 percent). The rest of the regions and the global portfolio had around 30 projects each (12 percent).

- FIAS-supported projects benefited 84 developing countries in FY21 (83 in FY20) of which 44 (52 percent) were IDA, 35 (42 percent) Sub-Saharan Africa, and 21 (25 percent) FCS. There is substantial overlap between those three groups.

- Of the 39 states and territories on the World Bank Group's FCS list for FY21, 21, or 54 percent, had FIAS-supported country-specific or regional projects (20 countries, or 54 percent in FY20). The 21 are: **Afghanistan, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Republic of Congo, Eritrea, The Gambia, Guinea-Bissau, Haiti, Iraq, Kosovo, Liberia, Mali, Mozambique, Niger, Nigeria, West Bank and Gaza (territory),** and **Zimbabwe**.

- In FY21 FIAS helped achieve reforms in 6 FCS countries (4 in FY20): **Democratic Republic of the Congo, Guinea-Bissau, Kosovo, Lao PDR, Myanmar,** and **Timor-Leste**. FIAS supported 36 projects benefiting FCS countries directly or as part of regional projects, or 27 percent of the 134 client-facing projects (in FY20, 33 of 110 projects, or 30 percent).

01

FIAS Funding for Client-Facing and Global Knowledge Projects, FY21 and Cycle

$23.72million

FIAS FY21 project expenditures consist of...

$20.89m

Client-Facing

$2.83m

Non-Client-Facing

- FIAS FY21 direct project expenditures totaled $23.72 million (FY20: $22.2 million), with $20.89 million, or 88 percent, client-facing (FY20: 87 percent) and $2.83 million, or 12 percent, for non-client facing global projects (FY20: 12 percent). This leveraged $44.05 million in total expenditures in FY21 from all sources on projects that received FIAS support.
- Of the $20.89 million in client-facing FIAS expenditures in FY21, 65 percent supported IDA (target 70 percent); 41 percent supported Sub-Saharan Africa (target 50 percent); 33 percent supported FCS (target 25 percent).
- FIAS contributions to these client-facing projects represented 56 percent of total spending from all sources on those projects for the year, with an average FIAS contribution of $133,054 per project.
- FIAS FY21 funding of $2.83 million for the 14 global knowledge projects in the portfolio represented 40 percent of total spending from all sources on those projects for the year, with an average contribution of $188,465 per project.
- For FY17–21, FIAS direct project expenditures totaled $115.4 million, with $93.7 million, or 81 percent, client-facing, and $21.7 million, or 19 percent for global projects. This marked a significant increase in the share of FIAS spending for client-facing advisory compared to the FY12–16 cycle, where $73.4 million went to client-facing projects out of $113.9 in direct project expenditures, or 63 percent.
- For FY17–21, 63 percent of client-facing spend went to IDA (target 70 percent); 46 percent to Sub-Saharan Africa (target 50 percent); 28 percent to FCS (target 25 percent).
- Of the $93.7 million in client-facing spending for FY17–21, 46 percent went to projects in Sub-Saharan Africa; 17 percent to ECA; 11 percent to the Middle East North Africa region (MENA); 8 percent to Latin America and Caribbean (LAC); 7.3 percent to East Asia Pacific (EAP); 6 percent to South Asia; and 5 percent to client-facing projects designated “World Region.”
- FIAS benefited from the support of 16 Development Partners during FY17–21 in addition to the World Bank and IFC: Australia; Austria; Bill & Melinda Gates Foundation; Canada; European Union; France; Ireland; Republic of Korea; Luxembourg; Netherlands; Norway; Switzerland; Sweden; Trademark East Africa; United Kingdom; United States.

A woman does quality control on handicrafts at Everest Fashion Fair Craft in Lalitpur, Nepal *Photo: Peter Kapuscinski/World Bank*

FIAS Minimally Impacted by Doing Business Discontinuation

- After the release of the WilmerHale report on the Data Irregularities of Doing Business 2018 and Doing Business 2020, World Bank Group management decided on September 16, 2021, to discontinue the Doing Business report. FIAS remains firmly committed to supporting investment climate advisory services to advance the role of the private sector in development and provide support to governments in implementing economy-wide and sector-specific reforms.

- A full review of DB data for the past five years conducted by the Development Economics (DEC) team found no new data irregularities. All the reforms passed and implemented with FIAS support remain confirmed. IFC Advisory Services (IFC AS) teams are using a wide variety of other data sources and analytical tools to assess the business environment in client countries. Going forward, a new approach to assessing the business and investment climate is under development.

Client Satisfaction and Development Effectiveness

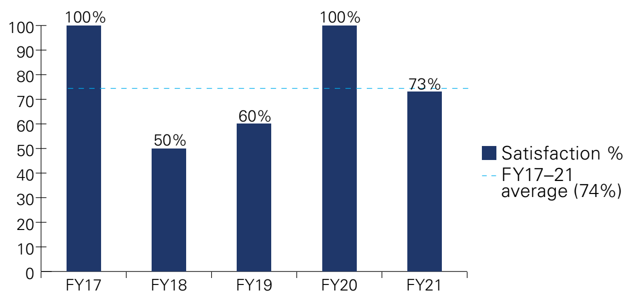
- For the FY17–21 strategy cycle, clients rated 182 of 194 projects positively, or 94 percent (client satisfaction rating for FY12–16 cycle: 92 percent), exceeding the strategy cycle target of 90 percent. FIAS clients rated 54 of 56 projects positively in FY21, or 96 percent (60 of 66 rated positively in FY20, 91 percent).

- For FY17–21, 23 out of 31 completed projects supported by FIAS, or 74 percent, were rated 'successful' or 'mostly successful' for development effectiveness (DE) in internal World Bank Group management reviews. For FY21, 8 out of 11 completed FIAS projects, or 73 percent, received positive development effectiveness ratings against a strategy cycle target of 80 percent.[1]

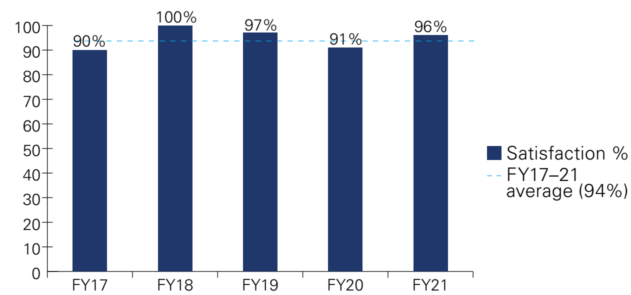
1 Final development effectiveness (DE) figures will change as more projects are reviewed by the Independent Evaluation Group. DE evaluates completed projects' execution versus original objectives. Fewer DE ratings were reported in FY21 and the FY17–21 Strategy Cycle due to fewer completed projects resulting from extensions related to COVID-19 and the Doing Business Review.

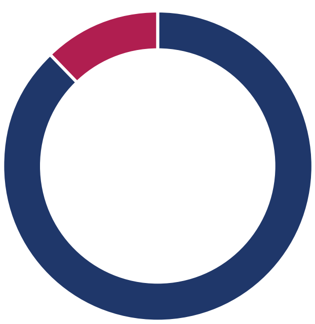
01

FIAS DEVELOPMENT EFFECTIVENESS, FY17–21
Share of positive client responses from FIAS-supported projects



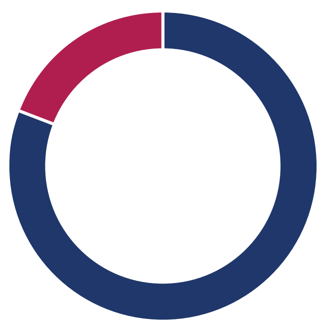
FIAS CLIENT SATISFACTION, FY17–21
Share of positive client responses from FIAS-supported projects





PERCENT OF FIAS FY21 FIAS DIRECT PROJECT EXPENDITURES
100% = $23,716,610

- Client-Facing (88%)
- Non-Client Facing (12%)



PERCENT OF FIAS FY17–21 FIAS DIRECT PROJECT EXPENDITURES
100% = $115,373,016

- Client-Facing (81%)
- Non-Client Facing (19%)

CLIENT-FACING EXPENDITURE BY REGION, FY21
100% = $20,889,624

- Sub-Saharan Africa (41%)
- Europe and Central Asia (17%)
- Latin America and Caribbean (13%)
- Middle East and North Africa (8%)
- World (8%)
- South Asia (7%)
- East Asia and Pacific (7%)

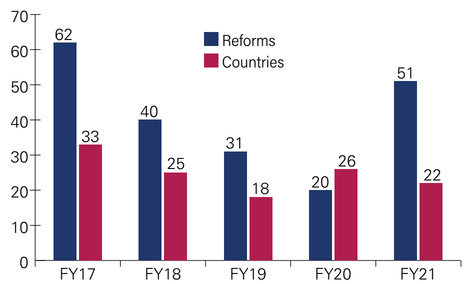
CLIENT-FACING EXPENDITURE BY REGION, FY17–21
100% = $93,712,275

- Sub-Saharan Africa (46%)
- Europe and Central Asia (17%)
- South Asia (11%)
- East Asia and Pacific (8%)
- Middle East and North Africa (7%)
- Latin America and Caribbean (6%)
- World (5%)

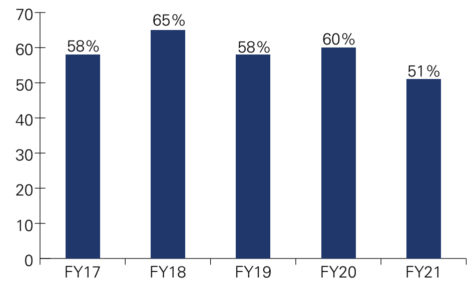
FIAS Strategy Cycle Metrics

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

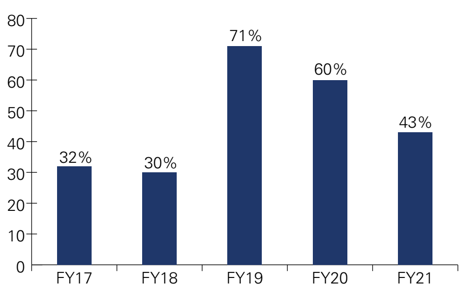
TOTAL FIAS-SUPPORTED REFORMS
FY17–21 yearly reform target = 44



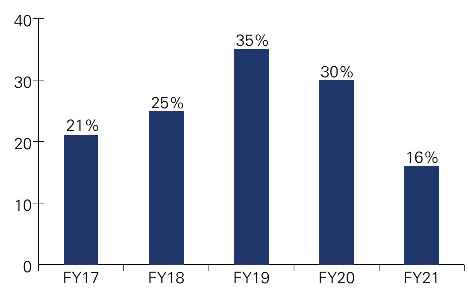
SHARE OF REFORMS IN IDA COUNTRIES
FY17–21 Cycle target = 70%



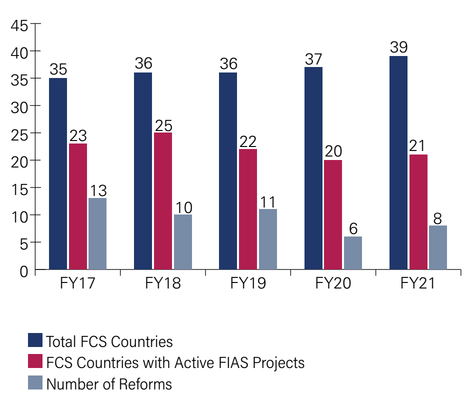
SHARE OF REFORMS IN SUB-SAHARAN AFRICA
FY17–21 Cycle target = 50%



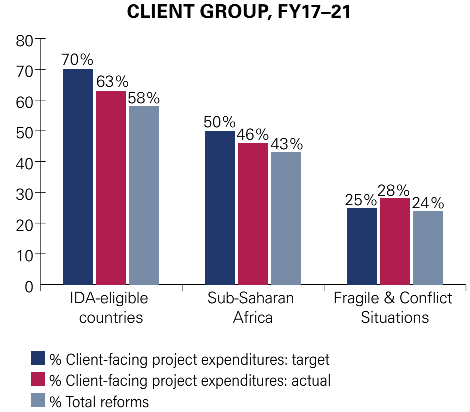
SHARE OF REFORMS IN FRAGILE AND CONFLICT-AFFECTED STATES (FCS)
FY17–21 Cycle target = 25%



FIAS-SUPPORTED PROJECTS, REFORMS IN FCS



CUMULATIVE RESULTS BY PRIORITY CLIENT GROUP, FY17–21



01

FIAS FY12-16 and FY17-21 Funding and Expenditures

	2012-16		2017		2018		2019		2020		2021		2017-21	
Contributions (Sources of Funds)[1]	In US$, Thousands	Share of Total	In US$, Thousands	Share of Total	In US$, Thousands	Share of Total	In US$, Thousands	Share of Total	In US$, Thousands	Share of Total	In US$, Thousands	Share of Total	In US$, Thousands	Share of Total
WORLD BANK CONTRIBUTIONS	51,336,475	28%	9,599,341	26%	8,061,770	25%	7,000,000	25%	7,000,000	27%	7,000,000	28%	38,661,111	26%
Core	37,788,000	20%	7,000,000	19%	7,000,000	22%	7,000,000	25%	7,000,000	27%	7,000,000	28%	35,000,000	24%
IFC [1]	23,388,000	13%	5,000,000	13%	5,000,000	16%	5,000,000	18%	5,000,000	20%	5,000,000	20%	25,000,000	17%
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%	2,000,000	8%	10,000,000	7%
Project Specific/ Other Contributions (IFC)	13,548,475	7%	2,599,341	7%	1,061,770	3%	-	0%		0%		0%	3,661,111	2%
Donor Contributions	134,480,300	72%	27,950,198	74%	23,557,629	75%	21,397,458	75%	18,557,640	73%	17,873,942	72%	109,336,868	74%
Core	47,516,000	25%	4,601,820	12%	5,620,842	18%	5,600,853	20%	4,819,350	19%	3,994,680	16%	24,637,545	17%
Programmatic	55,913,000	30%	16,009,590	43%	8,880,887	28%	10,377,169	37%	5,861,827	23%	8,000,000	32%	49,129,473	33%
Project Specific	31,051,300	17%	7,338,788	20%	9,055,900	29%	5,419,436	19%	7,876,463	31%	5,879,262	24%	35,569,849	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%**	**24,873,942**	**100%**	**147,997,979**	**100%**
Less Trust Fund Administration Fees	7,151,000		1,099,899		834,799		948,598		726,936		1,243,697		4,853,929	
TOTAL NET CONTRIBUTIONS	179,364,775		36,449,640		30,784,600		27,448,860		24,830,704		23,630,245		143,144,049	
Expenditures (Uses of Funds) [2]														
Staff Costs	80,745,922	50%	15,724,142	48%	14,114,087	52%	12,308,245	50%	10,195,172	45%	10,386,419	43%	62,728,065	48%
Consultants and Temporaries	41,145,014	26%	10,503,071	32%	8,768,926	32%	7,838,159	32%	8,951,262	39%	12,551,203	52%	48,612,622	37%
Operational Travel Costs	26,315,588	16%	5,053,184	15%	3,006,936	11%	3,004,750	12%	2,526,105	11%	153,887	1%	13,744,863	10%
Indirect Costs (inc. office and operating costs)	11,886,379	7%	1,604,318	5%	1,506,396	5%	1,348,287	6%	1,102,123	5%	1,154,575	5%	6,715,699	5%
TOTAL EXPENDITURES	160,092,902	100%	32,884,715	100%	27,396,345	100%	24,499,442	100%	22,774,662	100%	24,246,084	100%	131,801,249	100%

1 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. In FY17 and FY18, FIAS management costs were charged to the FIAS program. Beginning in FY19 management costs were funded by IFC/WB sources. These in-kind contributions from the World Bank Group are not captured in the FIAS financial report.

2 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, FY21

Region	Country	Competition	Construction Permits	Enforcing contracts	Getting Credit	Licenses and Permits	Property Transfers	Registering Property	Resolving Insolvency	Starting a Business	Trade Logistics	Agribusiness	Investment Policy - Entry	Protecting Minority Investors	Investment Policy - Promotion	Investment Policy - Protection, Retention	Investment Policy - Incentives	Tax Simplification, Compliance Mgt	Grand Total
East Asia and the Pacific	Fiji				1					1									2
	Indonesia								1	1									2
	Lao PDR		1							1									2
	Myanmar		1																1
	Philippines											1							1
	Timor Leste					1					1								2
	Vietnam			1	1				1										3
EAST ASIA AND THE PACIFIC TOTAL			2	1	2	1			2	3	1	1							13
Europe and Central Asia	Albania										1		2						3
	Kosovo					1													1
	Kyrgyz Republic														1	1			2
	Montenegro										1						1		2
	North Macedonia														1		1		2
	Serbia					1					1								2
	Albania					1													1
	Belarus					1													1
EUROPE AND CENTRAL ASIA TOTAL						4					3		2		2	1	2		14
Sub-Saharan Africa	DRC*									1									1
	Guinea-Bissau									1									1
	Kenya		1		1			1	1	1				1					6
	Mauritania*		1	2			2		1	2	1								9
	South Africa	1								1	1							1	4
	Ghana								1										1
SUB-SAHARAN AFRICA TOTAL		1	2	2	1		2	1	3	6	2			1				1	22
Latin America and the Caribbean	Honduras											1							1
LATIN AMERICA AND THE CARIBBEAN TOTAL												1							1
Middle East and North Africa	Jordan*					1													1
MIDDLE EAST AND NORTH AFRICA TOTAL						1													1
GRAND TOTAL		1	4	3	3	6	2	1	5	9	6	2	2	1	2	1	2	1	51

Total number of reforms in FY21:	51	
of which in IDA:	26	51%
of which in SSA:	22	43%
of which in FCS:	8	16%

02

Special Topic: FIAS and Upstream

FIAS is a key supporter of Upstream through **creating markets** with sector interventions

Upstream work is **ramping up** in the FY22–26 **strategy cycle**

Pipeline and portfolio precedent-setting is **well under way** in FY21

Upstream is IFC's innovative initiative focused on generating investment opportunities to grow a pipeline of projects in which IFC and private sector partners can invest.

Upstream shifts IFC from a posture of searching for viable investments in emerging markets and developing economies (EMDEs), to developing investment opportunities where they do not yet exist. The approach is conceived as a proactive and systematic way to deliver on IFC's Capital Increase Commitments to more than double annual lending and investments by 2030. The work entails a significant increase in commitments in IDA and fragile and conflict-affected situations, as well as gender- and climate-related initiatives. All these are priority areas in the FIAS strategy.

Developing country governments often lack the capacity to stimulate economic growth, a circumstance compounded by the COVID-19 pandemic. As reported in the June 2021 edition of the World Bank Group's Global Economic Prospects (GEP) report, most EMDEs will be much slower to recover from the economic impacts of the pandemic than the larger economies. Only one-third of EMDEs are expected to regain their pre-pandemic per capita income levels by 2022, a much lower level than advanced economies (and this forecast predated the outbreak of conflict in Ukraine). Although per capita income growth in EMDEs is projected to be 4.9 percent this year, it will be essentially zero in low-income countries (LICs) and a meager 2 percent in those countries in 2022. In some low-income FCS countries, the economic damage wrought by COVID-19 has been exacerbated by floods, droughts, locust infestations, and earthquakes, against a backdrop of rising poverty and insecurity. It is not surprising that IFC client countries are asking the World Bank Group to do more.

IFC focused on Upstream as key to its development strategy prior to the COVID-19 outbreak. The pandemic only increased the urgent need to address the shortage of bankable projects required to build the private sectors of IFC client countries. In FY21, from July 1, 2020, to June 30, 2021, the Upstream pipeline grew rapidly. Upstream investment initiatives in the second and third stages of development more than tripled, from $4.9 billion in FY20 to $16.4 billion by the end of FY21. Upstream activities create a significant developmental impact but take time to convert into investment. The pipeline growth seen in FY21 will not translate into investments immediately but will take a few years to develop.

As the Upstream approach began to gain traction in FY21, the FIAS team was developing its FY22–26 strategy for FIAS to be an integral source of funding for Upstream-related advisory services. The areas that FIAS has long prioritized—IDA, Sub-Saharan Africa, FCS, gender, and climate change—are Upstream priorities as well. FIAS-supported advisory specializes in helping clients identify and implement economy-wide and sector-specific reforms tailored to specific client needs and is designed to clear away obstacles to increased private sector investment and inclusive growth. And in FY21, management of FIAS shifted to IFC from the joint World Bank-IFC global practice group, Equitable Growth, Finance & Institutions (EFI), a move that fully aligned client-facing IFC Advisory Services project teams with IFC's development strategy. The partnership between FIAS and Upstream that emerged from these events is the subject of this year's Special Topic Chapter, which includes descriptions of some of the FIAS-supported activity already advancing in the Upstream space in FY21.

Only one-third of EMDEs are expected to regain their pre-pandemic per capita income levels by 2022

Shortage of Investment Opportunities

The Upstream agenda recognizes that today's market and the role of IFC is not as it once was. Development capital can come from multiple public and private sources; it no longer must be provided by a single large multilateral development bank. The key constraint is not lack of capital but rather a shortage of ready-to-finance deals in contexts where significant development gaps exist. Proactively identifying and eradicating barriers is the modality through which capital can flow into private sector investments in these countries. In this way, Upstream functions as a mechanism for establishing precedent, setting standards, and attracting other investments to help create jobs and boost economies. These activities occur before the traditional investment project cycle and are necessary precursors. They can be accomplished as quickly as a few months or take several years.

The criteria for development projects or market gaps to be classified as Upstream is grounded in their potential solutions. Addressing barriers may involve investment products or conducting

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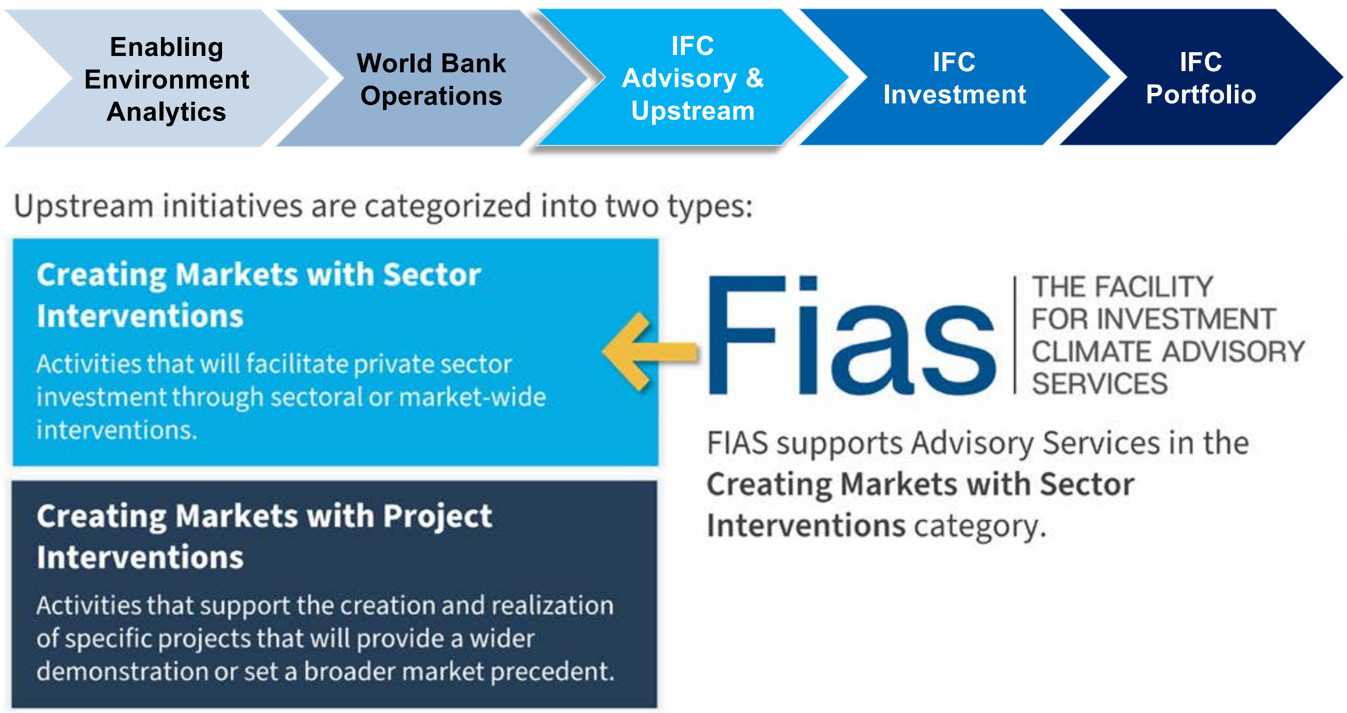


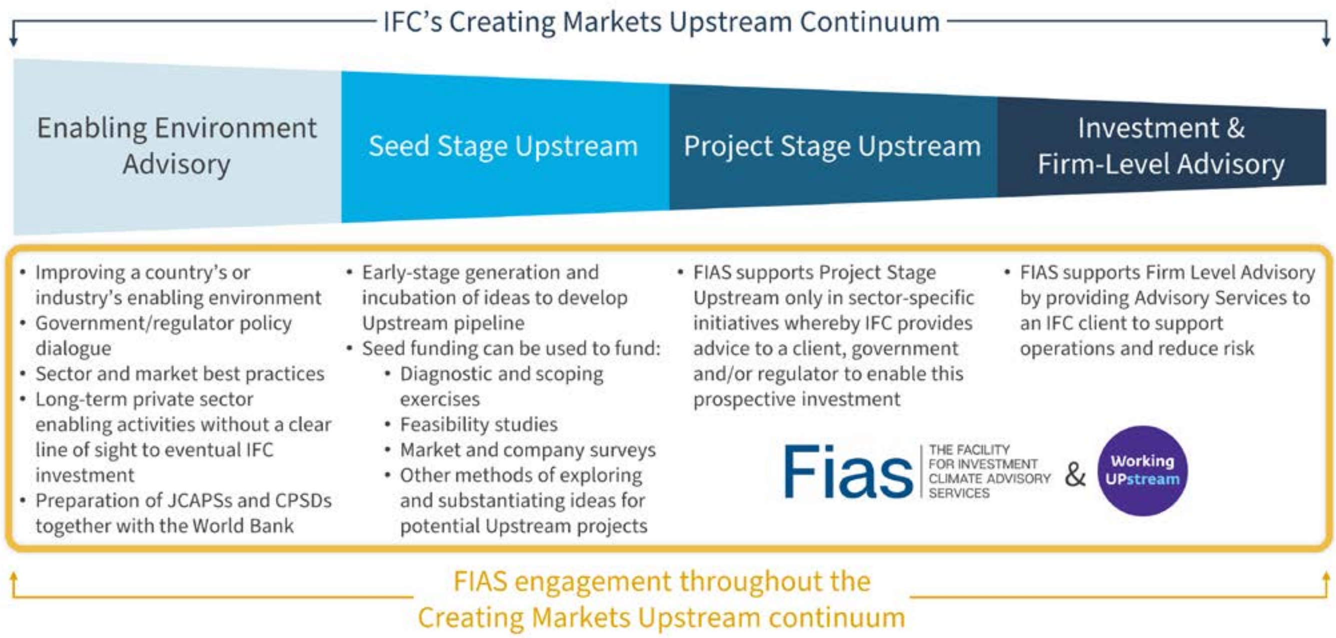
regulatory or sectoral reforms, including working with the Bank Group. Each project possesses a clear line of sight to a potential IFC investment within five years; must be consistent with priorities from in-country strategies; and when investment is realized, it must have a measurable development impact. Once investment opportunities have been generated by Upstream activities, they are considered 'mainstream.'

The Continuum Describes the Path from Analysis to Advisory to Investment

In the World Bank Group development context, the **Continuum** is the stream of linked activities beginning with diagnostics and analytics, continuing through reform of the environment for investment in client countries, and culminating in specific investment opportunities, some of which may involve IFC participation. Many concepts, ideas, and possibilities enter the Continuum, moving through processes of analysis, advisory, and winnowing, to emerge as investments. Upstream fits in a Continuum that seeks to harness World Bank Group-wide engagement to create markets and mobilize private capital. As depicted in the schematic above, it involves both World Bank and IFC analytics, advisory, and operations.

Though the Continuum can be a linear progression of activities, the fact is that our work is rarely linear. Activities along the Continuum can be happening at the same time, interlayered on one another, to deliver the most impact. The Continuum represents all the tools in the World Bank Group-wide toolkit that may be deployed at a particular time. A specific project, however, rarely follows the neat sequencing of the Continuum and can jump around. A portfolio client can become an AS advisory client while benefiting from enabling environment analytics and interventions in the sector while co-developing an Upstream project with the IFC.

FIAS & Creating Markets Upstream



Upstream FIAS Joint Focus

IFC AS is a critical element of the Continuum. Its starting point involves helping countries identify business sectors with strong potential. IFC then works with the government, private sector associations, and other stakeholders on reform initiatives that will minimize constraints to new investment and increase the chance of success–a longstanding area of service delivery supported by FIAS. Together these are the 'sector interventions' that FIAS is supporting in its role as a funder of Upstream-related advisory.

Economy-wide and sector-specific advisory related to creating markets with sector interventions will take place in the Continuum with funding support and strategic guidance from FIAS. It will fall into one of four types under the Continuum stages shown above.

Where investment potential is not foreseeable by usual means, Seeds test innovative hypotheses to determine whether an idea is a market-creating opportunity. Not all Upstream initiatives will go through the Seed stage. An important exclusion is that Seed funds should not be used to provide advice to clients. Seeds cost thousands to save millions in delays or failed investments down the line through the normative approach. FIAS is supporting one Seed project: Bangladesh Logistics Infrastructure Opportunities Mapping.

Investment and firm-level Advisory can be accomplished quickly over a few months or involve a long-term relationship over several years. This sector work and select firm-level work supported by FIAS can help identify key insights related to industry challenges and test potentially scalable solutions, thereby helping policymakers, firm-level clients, and IFC.

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Bangladesh Logistics Infrastructure Opportunities Mapping

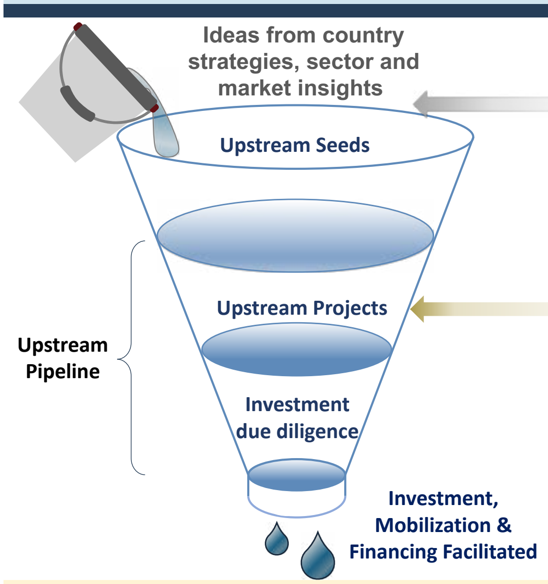
Bangladesh has become an economic juggernaut in Asia in recent years, transforming into one of the fastest-growing economies in the world within the past decade. However, Bangladesh lacks a sustainable logistics infrastructure, which impedes its growth trajectory. In era of the pandemic, logistics are critical to managing e-commerce, mass vaccination, and trade efficiency. This Upstream Seed seeks to tackle logistics impediments by developing and profiling logistics infrastructure projects for private investment.

The Bangladesh Mapping Project is leveraging the Bank Group's Western Economic Corridor and Regional Enhancement ("WeCARE") Program to create a coordinated approach to infrastructure enhancement. The Upstream Seed will undertake sector scoping, diagnostics, and market assessment to develop bankable public-private partnership structures and projects, thus attracting private investment.

The Seed is utilizing a top-down approach to engage private sector investment into the country. A potential investment of over $150 million is expected to be unlocked, with over $50 million coming from IFC's own account within three to five years. The Seed is well-aligned with the FIAS FY22–26 strategy, deploying Upstream tools to unlock market potential and is highly responsive to COVID-19 by addressing solutions for cold chain logistics.

Once in the Upstream Project stage, Upstream activities are sufficiently advanced such that there is a line of sight to a sizable IFC investment within five years. An important distinction is that FIAS is not involved in supporting this stage where it is linked to projects categorized as Creating Markets with Project Interventions. At the end of FY21, the split between sector interventions and Project Interventions was 34 percent versus 66 percent, respectively.

FIAS is becoming a key source of support for Sector Upstream work



Early-stage generation and incubation of ideas

- Bangladesh Logistics Infrastructure opportunities mapping

Working with clients to create investments and mobilization

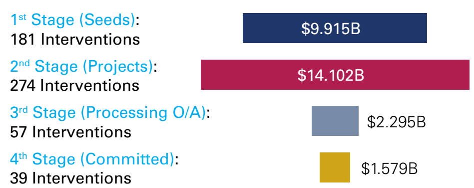
- Côte d'Ivoire light manufacturing
- Digital innovation & entrepreneurship in Central America
- Growing Agricultural Supply in Angola
- Pakistan Warehouse Receipts System
- Global Housing Advisory Platform
- Access to finance for FDP* Venezuelans in Colombia
- Chan May LNG Upstream
- Indonesia eMobility regulations
- Mongolia meat
- Cambodia green finance
- Sri Lanka climate smart Agri-finance

* Forcibly Displaced Population

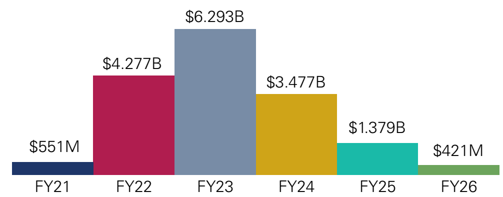
A Promising Start

Upstream Snapshot FY21–26

Estimated O/A Volume, by Stage



Gross Estimated O/A Volume, by Year



Strategic Areas

48% IDA17-FCS as% of O/A Pipeline	29% Climate as% of O/A Pipeline	48% IFC-WBG as% of O/A Pipeline
20% LICIDA-FCS as% of O/A Pipeline	9% Gender as% of O/A Pipeline	14% Cross-Sectoral as% of O/A Pipeline

Gross Estimated O/A Volume

$16.4B

Estimated Core Mobilization

$22.3B

FY21 ended with a five-year projection promising the potential for $16.4 billion own account volume—tripled from $4.9 billion in FY20—with $22.3 billion of core mobilization. Only a portion of Upstream investment potential will be realized, but the pipeline offers exciting potential, particularly in low-income and FCS countries. One of the reasons why FIAS emerged as a key funding source for sector interventions advisory is the alignment between FIAS priority areas—IDA, Sub-Saharan Africa, and FCS—and those of Upstream. The Continuum supports an iterative journey that allows for candid debate to continuously prioritize and reallocate resources. FIAS is very much part of this approach as IFC embarks on some of the most exciting and innovative work in private sector development.

Alongside new initiatives in the Continuum, IFC is taking deliberate steps to improve the quality of the existing IFC AS portfolio, in some cases, by dropping, closing, or restructuring projects. Upstream advisory is taking up a larger share of the portfolio, increasing from 14 percent to 30 percent from FY20 to FY21. Still, FIAS continues to support client-facing teams working on traditional IFC AS projects while also supporting Upstream advisory.

In 2018, member countries agreed to a $13 billion capital increase, in part to support increased advisory, lending, and investment activity in Sub-Saharan Africa, FCS, and IDA countries, and the cross-cutting areas of gender, climate change, and digitalization. All of these are FIAS priorities in the FY22–26 strategy, along with support to countries in coping with COVID-19. The Continuum is a mechanism through which IFC can refine projects to make them ready for this purpose. Through the Continuum, seamless Upstream and IFC AS helps IFC deliver on its Capital Increase Commitments by pushing to support private sector growth in more challenging markets and exploring new opportunities.

Upstream Initiative Brings About Strategic Shift for FIAS

Given that many departments are actively involved in Upstream work, a coordinated approach is necessary. The integration of IFC AS into industry and operational structures and teams—a process that began in 2015—is complete, clearing the way for delivery of the IFC 3.0 Creating Markets Upstream strategy at scale. FIAS worked in close consultation with Development Partners throughout FY21 on the new FIAS FY22–26 strategy, ensuring an integral

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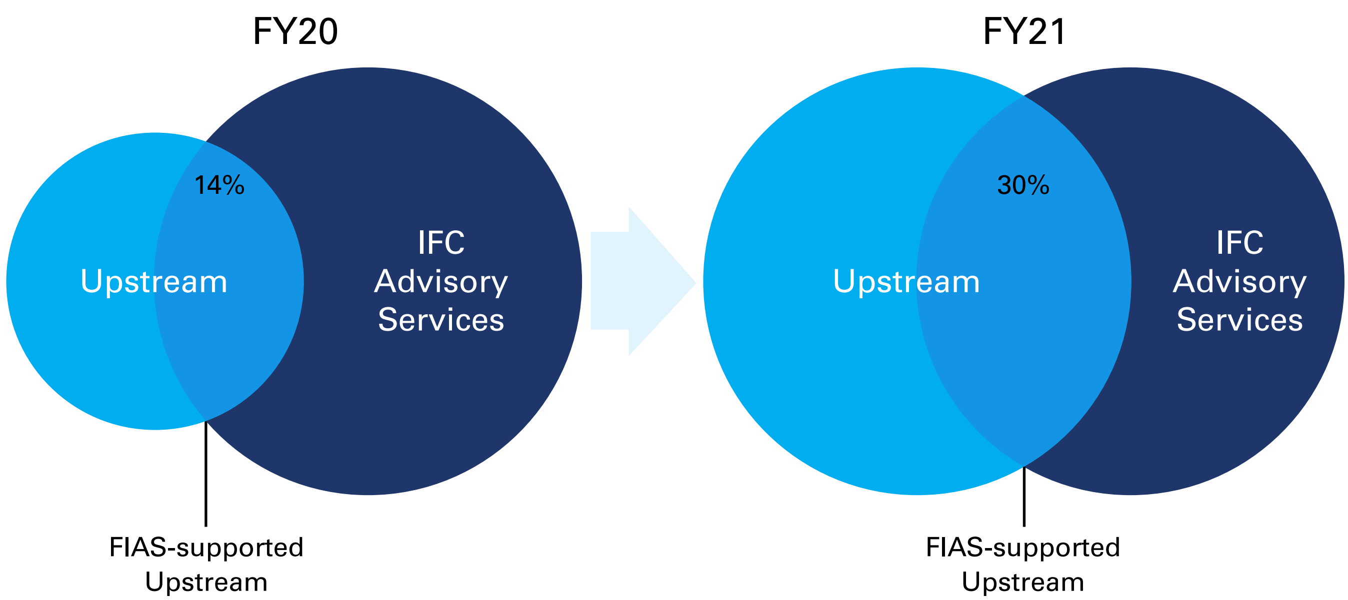
The IFC AS and Upstream joint space, including FIAS-supported Upstream, is growing while maintaining the size of the existing IFC AS business, in order to build the foundations for a strong private sector investment pipeline of the future.



relationship with Upstream. The strategy supports IFC's effort to hardwire the links between country strategies, IFC AS, and Upstream pipelines.

With the completion of the IFC organizational changes and publication at the end of FY21 of the FIAS FY22–26 strategy, Upstream Advisory for Creating Investment Opportunities, Sustainable Growth, and Jobs, FIAS has emerged as the funding partner of choice for Upstream advisory. FIAS continues to support IFC AS implemented by the regional Creating Markets Advisory (CMA) team, the longstanding delivery mechanism for client-facing advisory supported by FIAS. Now teams from across the full spectrum of IFC AS—including manufacturing, finance, infrastructure, climate and gender, environmental and social, and disruptive technology—can request FIAS support for projects.

The Country Private Sector Diagnostics (CPSDs) that FIAS has supported have played an important part in the shift in IFC Advisory Services toward sector-specific advisory. CPSDs identify both the regulatory bottlenecks and the most promising areas of private sector growth potential. IFC 3.0 Creating Markets Upstream and the Continuum envision sector-specific advisory as a step closer to investment growth and job creation than the important work FIAS continues to support economy-wide, enabling environment reform. These factors, and implementation of the Upstream strategy have contributed to a strategic refocusing in the FIAS program. The FY22–26 strategy underscores dual themes of innovation: (1) the IFC 3.0 Creating Markets strategy through its pivot toward greater support for sector-specific work; and (2) continuity, through an emphasis on IDA, Sub-Saharan Africa, FCS states, and thematic work on gender, climate change, digitalization, as well as COVID-19 relief and recovery.

From 30 percent of total planned work during the FY17–21 strategy cycle, sector-specific advisory supported by FIAS will grow to between 60 and 70 percent in FY22–26. The new strategy folds sector-specific advisory and firm-level advisory into a single strategic pillar. This reflects the anticipated focus of firm-level work in areas relating to linkages projects, where IFC works with governments and groups of firms to help them become more robust players in global supply chains. The joint World Bank–IFC CPSDs and integrated IFC country strategies will be the source of FIAS-supported project implementation plans for the next strategy cycle.

FIAS FY21 Portfolio Anticipates Strategic Shift

Anticipating the strategic shift enshrined in the FIAS FY22–26 strategy, FIAS sought opportunities in FY21 to support projects reflecting the new agenda. Of the 148 client-facing and global knowledge projects in the FIAS FY21 portfolio, 10 projects were tagged as Upstream. That number is expected to grow dramatically as the FY22–26 strategy cycle unfolds. Of the Upstream projects undertaken with FIAS support in FY21, seven were client-facing in individual countries: Growing Agriculture Supply in **Angola; Bangladesh** Logistics Infrastructure; Strengthening the Value Proposition of Bancamia for Legal Forcibly Displaced Persons (FDPs) from Venezuela in **Colombia; Côte d'Ivoire** Light Manufacturing; **Indonesia** eMobility Regulations; **Pakistan** Warehouse Receipts System; Chan May LNG Upstream in **Vietnam**. One was regional client-facing: Digital Innovation and Entrepreneurship in **Central America**; two were linked global projects: the Global Housing AS Platform and the Global Housing Advisory Platform Implementation project.

The FIAS-supported Upstream projects described below reflect an emphasis on aligning Upstream with IFC AS and country needs, alleviating the economic damage caused by the pandemic, and better aligning private sector incentives with broader development objectives. The project profiles include identifying major sectoral barriers related to challenges ranging from urbanization to the transition to clean energy. This advisory work also advances the idea that clients should be able to leverage key fundamentals developed through the project and scale delivery of the resulting impacts to other sectors. Key elements of these projects include training, team building, cross-functional and sectoral integration and collaboration, 'ideating,' research, project planning and development, and market and opportunity creation. IFC AS, with FIAS support, is able to deploy an exciting and innovative range of replicable products, sector-wide engagements and project interventions, and above all, high-impact investments.

Digital Innovation and Entrepreneurship in Central America

This project seeks to strengthen the ecosystem of technology-enabled start-ups and MSMEs in the countries of **Costa Rica, El Salvador, Guatemala,** and **Honduras**. It will work to address two key issues, productivity and innovation, and youth and female labor participation, in Central America.

Productivity and Innovation: Labor productivity in the region is below the average of high-income countries in LAC. While Costa Rica leads the region according to the Global Innovation Index—ranking 54th of 126 economies—Honduras, El Salvador, and Guatemala are all below 100.

Youth and Female Labor Participation: Youth unemployment accounts for half of the national average. Women devote

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projects tagged as Upstream.

That number is expected to grow dramatically as the FY22–26 strategy cycle unfolds.

less time to employment than men in the region due to household chores and childcare. Entrepreneurship could offer an opportunity for professional growth while providing the flexibility that women in the region need.

The project will carry out an assessment of the entrepreneurship ecosystem in the region, support the development of a strategy for digital business model innovation and entrepreneurship, pilot the strategy focusing on strengthening the ecosystem of technology-enabled start-ups and SMEs that innovate business using disruptive technologies, and support tech entrepreneurship for youth, women, and strategic sectors.

Building a Warehouse Receipts System in Pakistan

Agriculture is one of the biggest sectors in the economy of **Pakistan**, contributing to 24 percent of GDP and accounting for 45 percent of the labor force. A lack of warehousing and storage facilities is a major infrastructural bottleneck. It is estimated that post-harvest losses are between 15 percent to 18 percent for grains and 25 percent to 40 percent for fruits and vegetables.

Currently, there is no comprehensive statutory warehouse receipt system (WRS) in Pakistan governing the rights of depositors and transferees of warehouse receipts. Such a regulatory regime would cover the rights and obligations of licensed and unlicensed warehouse operators or guarantee the compensation of depositors and holders of warehouse receipts. The project focuses on strengthening and operationalizing the legal and regulatory framework for electronic WHR and expanding the market to Pakistan's broader rural community, such as small farmers and other value chain players. The project will also increase access to short-term financing for SMEs, agribusinesses, producer organizations, and farmers in Pakistan by promoting the use of commodity collateralized financing from lending institutions such as commercial banks.

IFC is a leader in the development of WRS, having responded to demand for the development of such systems by developing WRS legislation in **Ghana, Kenya, Malawi, Mozambique, Nigeria, Senegal,** and **Zambia**. The absence of supporting legal and regulatory frameworks prevents the scaling up of WRS-based financing and structured trading in almost all these countries.

Strengthening the Value Proposition of Bancamia for Displaced Venezuelans in Colombia

Venezuela's acute political and economic crises have led to an exodus of Venezuelans, with most of them bound for neighboring **Colombia**. These FDPs impose significant burdens on host communities and the financial and managerial resources of local governments. FDPs need help to become socially and economically integrated, and host communities need help managing the crisis.

The project provides support to Bancamia, the second largest microfinance institution in the country, in developing and piloting a plan to increase access to finance and banking services to FDPs from Venezuela. The project has a significant gender component, as women comprise 56 percent of Bancamia's FDP portfolio. The project team is supporting Bancamia in understanding the financial and non-financial needs of FDPs and developing a specific value proposition for this segment. IFC 3.0 is integrated into project components to work with key stakeholders at three levels: institutional (Bancamia), macro (regulator), and micro (FDPs), by addressing market failures, creating new markets, and strengthening markets where needed.

Most recently, the Upstream project focused on completing qualitative market research that led to insights on FDPs. The process involved interviews of 44 migrants followed by the development of a value proposition for this population that included recommendations for changes on savings, credit, and non-financial products, and the establishment of a short-, medium-, and long-term roadmap for the pilot and wide-scale rollout. The Colombia project has strong replication potential within the region as IFC AS and Upstream are looking into similar FDP engagements in Peru, Brazil, and Ecuador.

Indonesia e-Mobility Regulations

By 2025, an estimated 68 percent of the population of **Indonesia** will live in cities. Better mobility solutions will be essential for the country's economic growth. In addition, Indonesia needs to expand its contribution to the global fight against climate change, with electric vehicles becoming a priority in the government's CO2 emission reduction programs. Electric cars are expected to contribute to improved sustainability in transport, and the global market is projected to reach $478.9 billion by 2025.

The project brings together IFC CMA and MAS Upstream teams to support regulatory development of the Indonesian e-Mobility policy framework, focusing on the electric vehicle manufacturing ecosystem in Indonesia. The project will be executed in parallel with ongoing business development with key players and a mainstream investment opportunity in battery recycling and manufacturing.

It builds on IFC Infrastructure Upstream diagnostics. The project will address policy gaps in the e-Mobility policy framework and support electric vehicle manufacturing and deployment development by addressing key regulatory and institutional bottlenecks across the value chain. It is expected to catalyze $150 million in investments in five years.

Global Housing Advisory Services Platform

The FIAS-supported Global Housing Platform umbrella project seeks to help increase clients' business and design capacity. The objective is to develop quality projects with a view to creating affordable, good-quality, inclusive, secure, sustainable, healthy residential communities. The umbrella project will engage in 13 high potential countries: **Bangladesh, Colombia, Côte d'Ivoire, the Arab Republic of Egypt, Ethiopia, India, Indonesia, Kenya, Mexico, Romania, Senegal, South Africa,** and **Vietnam.** These countries have been identified as priorities in a housing sector diagnostic and offer the potential for MAS to engage in joint ventures with FIG.

A Global Housing Advisory project is the first 'child' project under the sector-specific

Ntsiki Biyela, the resident wine maker at Stellakaya in Stellenbosch, South Africa *Photo: John Hogg/World Bank*

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umbrella, with the intent to serve as the backbone for the program. This will be achieved by implementing short-term client-facing advisory engagements with housing developers to trigger a change in behavior resulting in a measurable performance improvement. Client engagement has included the development of four tools and targeted capacity building, enabling the client to implement recommendations. Two assessment tools are globally standardized, while two are custom assessment tools for South Africa and Mexico—all to be piloted. Capacity building includes a training strategy and supporting learning tools. The overall goal of the global project is to facilitate or support $20 million in IFC investment in affordable housing through its short-term engagements.

Liquefied Natural Gas-to-Power Project in Vietnam

Power demand in **Vietnam** has risen at a compound annual growth rate of 13 percent since 2000 and is projected to continue at approximately 8 percent through 2030. Delays in large-scale power projects combined with rising demand have led to acute power shortages, which have elevated the urgency of adding baseload power. Vietnam's power sector is dominated by hydropower and coal-fired generation running on indigenous coal sources. Shortfalls of rain have increased reliance on coal-fired generation, causing stress on the country's power system. A reduction in indigenous coal reserves, meanwhile, has increased reliance on more expensive imported coal.

Power generation using liquefied natural gas (LNG) has emerged as the only realistic short-to medium-term alternative to coal-fired power for baseload capacity in Vietnam for the following key reasons:

- LNG-fired power can serve as a transition fuel as it reduces reliance on coal while steps are taken to increase the share of renewable energy in the generation mix.
- LNG-fired power is needed in the longer term to enable higher grid penetration of renewable energy.
- Combined-cycle LNG-fired power plants can reduce overall greenhouse gas emissions per unit of power produced. LNG-fired generation produces only about 45 percent of the CO2 emissions per unit of power produced compared to the most efficient coal-fired plants.
- LNG-fired power does not produce particulates and other localized pollution that makes coal-fired power unpopular with the local population.

This project supports Chan May LNG JSC in developing and structuring a best-in-class integrated LNG-to-power project, including an LNG regasification plant, associated gas infrastructure, and up to 2,400 MW of gas-fired power plants in Thua Thien Hue Province of Vietnam. It could be one of the first private sector-led LNG-to-power projects in Vietnam. It will support Vietnam's economic growth by alleviating power shortages, supporting a shift to a lower-carbon electricity generation mix, and drawing on international standards for a successful and sustainable integrated LNG-to-power project, strengthening private sector participation and supporting market creation.

03

Operational Highlights

Introduction

The core concepts underlying the FIAS program are (1) to facilitate reforms in developing countries to foster open, productive, and competitive markets, and (2) to unlock sustainable private investments in sectors that contribute to growth and poverty reduction.

In FY21:

134 projects

in 84 Client Countries

79 projects

in 44 IDA Countries

48 projects

in 35 Sub-Saharan Africa Countries

36 projects

in 21 FCS Countries

These priorities—along with the FIAS focus on IDA countries, Sub-Saharan Africa, and FCS—are reflected in the FIAS portfolio of 148 projects in FY21 (124 projects in FY20). Of these, 134 were client-facing (110 in FY20), and 14 were non-client facing in product development (14 in FY20).

FIAS-supported projects in FY21 served 84 client countries either individually or regionally. Of the 134 client-facing projects, 79, or 59 percent, were entirely or partly aimed at IDA countries; 48, or 36 percent, served countries in Sub-Saharan Africa; and 36, or 27 percent, were entirely or partly aimed at FCS countries. Of the 74 borrowing countries in IDA, 44, or 59 percent, had FIAS-supported projects in FY21. Nearly all the countries in Sub-Saharan Africa benefited from either country-specific or regional projects supported by FIAS.

FIAS-supported work generated 51 investment climate reforms in FY21 (20 reforms in FY20). Of those, 26 reforms, or 51 percent, were in IDA countries (12 reforms, or 60 percent in FY20); 22 reforms, or 43 percent, were in Sub-Saharan Africa (12 reforms, or 60 percent in FY20); and 8 reforms, or 16 percent, were in FCS (6 reforms, or 30 percent in FY20). Due to the discontinuation of the Doing Business report by the Development Economics (DEC) team, the FIAS reforms have been validated by the Monitoring & Evaluation (M&E) team but not by Doing Business. (*See below for more on Doing Business.*)

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FIAS PROJECT PORTFOLIO DISTRUBUTION BY REGION, FY17–21
100% = 285 Projects
- Sub-Saharan Africa (32%)
- Europe and Central Asia (14%)
- East Asia and Pacific (12%)
- Middle East and North Africa (11%)
- World (11%)
- South Asia (11%)
- Latin America and Caribbean (10%)

For FY17–21, FIAS supported 285 projects, 254 of which were client facing and 31 global knowledge projects. Sub-Saharan Africa had the most projects with 90, in keeping with the FIAS strategy's emphasis on the region. The Europe and Central Asia (ECA) region had 41 projects. The rest of the regions had around 30 projects each.

FIAS Reform Totals Approach Target for Strategy Cycle

FIAS-supported projects recorded 204 reforms improving the enabling environment for inclusive private sector growth during FY17–21, nearly meeting the five-year target of 220 reforms. Considering the interruption of many client-facing interventions caused by the COVID-19 pandemic in the last 18 months of the cycle—normally the busiest time for logging reforms—as well as the disruption created by the pause and eventual discontinuation of Doing Business reporting, these are impressive results. India and South Africa were the top two FIAS reformers, with 11 reforms each. This reflects the commitment of emerging market economies to becoming more competitive with developed economies through regulatory streamlining and modernization and through improvements in their business sectors with the greatest growth potential. South Africa developed a database to systematize previously arbitrary merger reviews by the Competition Commission of South Africa and is applying new approaches to assessing and recording economic factors to all merger review cases. India recorded several reforms in the first two years of the strategy cycle. These included simplifications in the tax code to replace many indirect taxes with a single direct tax, changes in the insolvency law to make it easier to get credit, and reducing the time involved in importing and exporting goods. **Mauritania**, an IDA borrowing country, achieved nine reforms, including measures making it easier to trade across borders, revising the tax code to reduce business start-up costs, strengthening the laws around enforcement of contracts, and adopting the country's first-ever property law. Other leading FIAS reformers included **Albania, Kyrgyz Republic, Togo**, and **Zimbabwe** with seven reforms each, **Kenya, Kosovo, Serbia**, and **Uzbekistan** with six each, and **Afghanistan, Azerbaijan, Kazakhstan, Malawi**, and **Mauritius** with five each. (*See Annex 1.3, FIAS Reform Totals and Descriptions, for more on the individual country reforms in FY21.*)

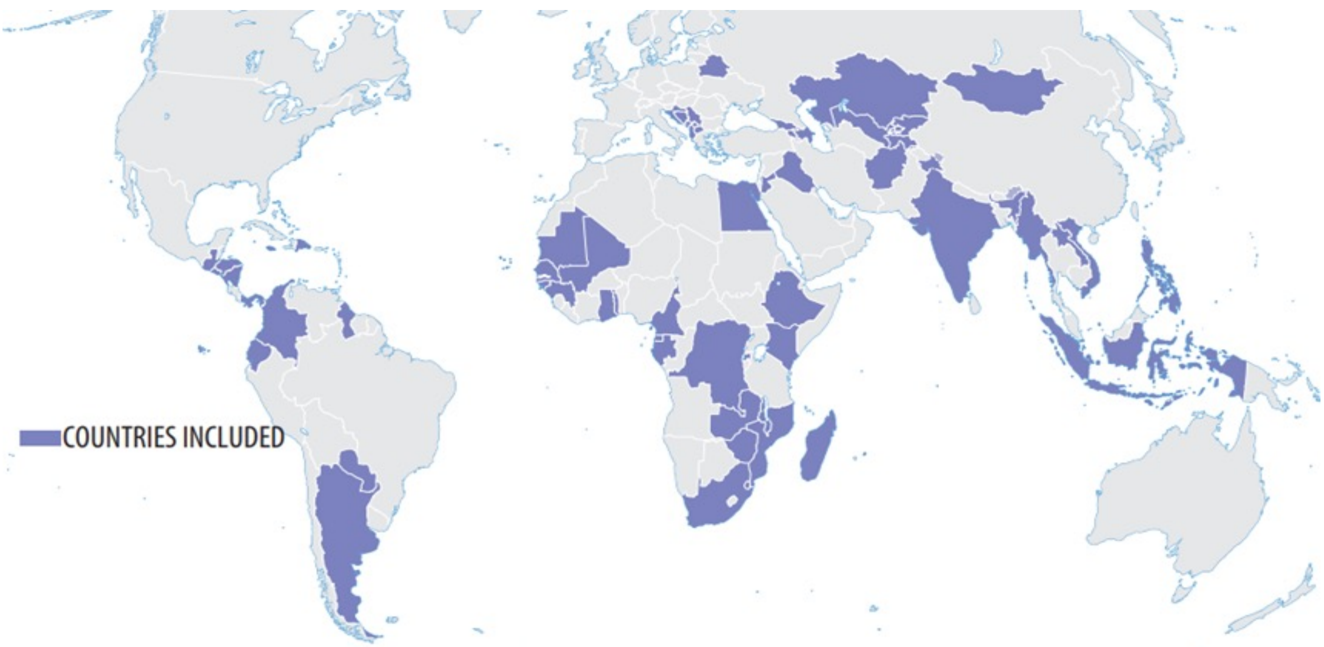
FIAS-supported projects recorded 204 reforms improving the enabling environment for inclusive private sector growth during FY17–21, nearly meeting the five-year target of 220 reforms.

FIAS Results, FY21 and Cumulative

FIAS RESULTS GENERATED, FY21	No. Reforms	Actual %	Target %
Total Reforms (annual target: 44)	51	116%	100%
of which IDA	26	51%	70%
of which SSA	22	43%	50%
of which FCS	8	16%	25%

FIAS RESULTS GENERATED, FY17–21	No. Reforms	Actual %	Target %
Total Reforms (cycle target: 220)	204	93%	100%
of which IDA	118	58%	70%
of which SSA	88	43%	50%
of which FCS	48	24%	25%

FIAS FY17–21 Reforms Benefit EMDE Countries Across All World Bank Group Regions



FIAS Project Distribution by Strategic Pillar, FY21

PILLARS	PILLAR 1	PILLAR 2	PILLAR 3	PILLARS 1 & 2	PILLARS 2 & 3	PILLARS 1 & 3	PILLARS 1, 2 & 3
Client-Facing Projects (134)	34	31	22	31	8	7	1
Client-Facing %	25%	23%	16%	23%	6%	5%	1%
Global Projects (14)	8	1	1	1	3	0	0
Global %	57%	7%	7%	7%	21%	0%	0%
Total Projects (148)	42	32	23	32	11	7	1
Total Projects %	28%	22%	16%	22%	7%	5%	1%

Pillar 1: Improve the Business Environment (economy-wide)

Pillar 2: Expand Market Opportunities (sector-specific)

Pillar 3: Increase Firm-Level Competitiveness

Women mending fishing nets in Vinh Hy Bay, Ninh Thuan Province, Vietnam *Photo: Quang Nguyen Vinh/Pexels*

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.

Central America Investment Climate Project Modernizes Agricultural Trade

The FIAS-supported regional project in **Costa Rica, El Salvador, Guatemala, Honduras**, and **Nicaragua** seeks to streamline and automate procedures for sanitary registration for processed food and beverages. In FY21, IFC AS developed the module for the publication of structured reports in the regional sanitary registration system and conducted training for technical staff. As a result, the regional system now includes annual data and statistics necessary for calculations such as lending interest rates and trade volumes. Honduras' Agency of Sanitary Regulation requested additional modifications to their National Sanitary Registration System, which were developed and finalized. The simplification of processes will allow the private sector to carry out any related transactions remotely and efficiently, thus saving time and money. In the case of Guatemala, a consultant was appointed to develop the e-payment module in the national sanitary registration system, and the development of the module began early in FY21.

Kenya Secured Transactions and Collateral Registry Support Project Closes Successfully

The project aimed to strengthen credit infrastructure development work in **Kenya** with the overarching objective of improving access to finance for micro, small, and medium enterprises (MSMEs), especially women entrepreneurs who are adversely affected by the traditional lending practices that favor physical assets over movable assets as collateral for loans. The project received a successful effectiveness rating, enabling modernization of the legal framework governing secured transactions over movable property through the enactment of a new Movable Property Security Rights Act and passing of regulations. The new legal and regulatory framework provided the establishment of a new institutional and operating model supported by a new electronic collateral registry system. The country has also introduced online registration, modification and cancellation of security interests, and public online searches of its collateral registry, lifting Kenya's access to credit ranking to fourth best in the world.

Agile RegTech Builds Portfolio

This FIAS-supported project aims to develop and pilot agile regulation approaches to unlock investments and enable regulatory service delivery while safeguarding public policy concerns and mitigating risks. The project focuses on facilitating access to regulatory requirements, online public consultation and feedback mechanisms in rulemaking, integrated business registration, licensing, and inspection systems.

The portfolio of advisory and lending operations grew rapidly throughout two years, involving 26 IFC and World Bank operations with **regulatory technology (RegTech)** components in several regions, including Europe and Central Asia (ECA), Middle East North Africa (MENA), and Africa. The main result is the introduction of a new solution area and workstream within the Bank Group: RegTech. In addition, the work prioritized Agile Regulation (component 1) and Integrated Service Delivery (component 3), and less of component 2 (Integrated GRP Platforms) due to changed World Bank Group priorities.

Pillar 1

During COVID-19, IFC AS teams informed several jurisdictions, including **Moldova, Tunisia**, and **West Bank and Gaza**, on measures for business continuity in G2B services in the face of restrictions. One example is a new digital platform for business permits and licenses implemented in Moldova. Despite COVID-19 limitations, the new digital platform enabled resilient service delivery (since April 2020, 70 percent of applications for business permits were online). The team also supported sector-specific business environment reforms involving RegTech components, such as the **Kyrgyz Republic** project on tourism, a **Moldova** project on food, and an **Uzbekistan** project on fertilizers.

The project responded to the evolving and unpredictable situation caused by the pandemic with great flexibility, focused on the demand of IFC country operations, ensuring the quality of operations, and meeting the project's objectives.

In FY21, the project team produced a set of reports, working papers, knowledge notes, and associated blogs to enhance thought leadership, global advocacy, and analytical innovations across several RegTech topics, including emerging cutting-edge ones such as AI. They also organized a series of workshops and webinars, including one in cooperation with DCED, on the emerging technologies for regulation delivery, in February 2021. In addition, the team contributed to numerous international conferences, for example, the UK Inspection Reform Conference in October 2020, for which RegTech co-authored two presentations: Accelerating Regulatory Simplification and Digitalization with AI, and The New Frontier: Emerging Tech for Regulatory Delivery in the 'New Normal.'

Trade Facilitation and Border Management Program Makes Progress

The overall objective of this project is to strengthen the **Trade Facilitation and Border Management Thematic Product** and improve the delivery mechanism of priority activities to IFC internal and external clients. The FIAS-supported Product Development Project (PDP) provides a platform to support the Global Trade Facilitation and Border Management product development and design of emerging work streams, supporting the regional teams to implement project activities and develop overarching knowledge management materials to guide project leaders and Regional Practice Managers.

The PDP follows up on a predecessor PDP to extend knowledge and design of project activities globally; however, the initial focus will be on improving project components in Sub-Saharan Africa, South Asia, and East Asia and Pacific. The project has been designed around supporting the focus of reducing the time and cost to trade for the private sector.

Component 1 aims to support the rapid response, diagnostic, and design of project activities for inclusion in implementation projects in client countries. It will help developing countries reform their trade facilitation practices in a manner consistent with the main components of the new Trade Facilitation Agreement (TFA) reached at the ninth World Trade Organization (WTO) Ministerial Conference in Bali in 2013.

Component 2 aims to produce operationally relevant knowledge products for teams and clients in priority knowledge topics, including BBLs, In Practice Notes, Updated Border Management Modernization Resources, Trade Facilitation Diagnostic toolkits including TFA-specific guides, TFA Online Tracking Tool, Impact evaluation on gender and cross-border trade, and new M&E indicators aligned to emerging thematic areas.

Component 3 aims to broaden the project offering and assist countries to improve compliance in complementary areas.

During this reporting period, key achievements include 12 presentations at international fora to highlight the work being undertaken by project teams and advance advocacy for the benefit of client countries. The IFC AS team finalized the rollout of the "granular" version of the TFA Tracking Tool initiated in FY16 to track countries' progress in implementing the WTO TFA. The project also deployed surveys on the gender implications in cross-border trade, producing five country reports and one regional report in the Pacific region on the challenges women traders face.

Also, during FY21, the team continued the rollout of the e-phyto solution in Zambia under the e-Phyto Implementation Support Program and began client discussion with Tonga and Côte D'Ivoire; and completed the NSW (National Single Window) Blueprint in the Western Balkans, providing a roadmap for Phase 1 – the development of National Single Windows in Albania, North Macedonia, and Serbia – nearing completion. Phase 2 countries – Montenegro, Kosovo, and Bosnia & Herzegovina – are currently under discussion.

Global Credit Infrastructure Program Completes Activities

The **Global Credit Infrastructure Program (GCIP)** aims to support access to credit for individuals and MSMEs through building, strengthening, and/or advancing effective credit infrastructure systems.

More broadly, GCIP aimed to support FMGP contributions to the World Bank Group's twin goals of eliminating extreme poverty and boosting shared prosperity by establishing deep, inclusive, efficient, and stable financial systems. GCIP also aimed to boost IDA and IFC's efforts in mobilizing private capital in a financially sustainable and responsible way, which in turn will help foster macroeconomic growth.

The FIAS-supported project is nearing completion and has achieved most of its planned outcomes. Highlights from the reporting period for the IFC AS teams include production of the Credit Reporting Impact Assessment Framework, which improves on the existing impact methodology by: (1) enhancing the theory of change; (2) expanding impact indicators; and (3) providing elaborate quantitative and qualitative methods of computing attribution on lending, profitability, investment into financial institutions, economic growth, and employment. The team also produced two working papers on the impact of credit information sharing on the banking sector, and on the responsible use of technology in credit reporting. In addition, they developed a survey report and proposition on data analytics.

The project team held meetings with IFC Ltd, a consulting firm retained to conduct the End Term Evaluation of the Program. As part of the ongoing drafting of the SECO funding proposal, the team held consultative meetings with IFC and SECO regional teams to agree on priority countries and interventions to be covered.

The alternative data landscape for South Africa and pilot was launched in June 2021 and attended by 66 participants. Virtual training sessions were also held on Credit Information Systems with the Bank of Rwanda, and a recording was made available to staff who could not attend. Also, during FY21, the team has been exploring the introduction of TechSprints as a regulatory innovation tool in several projects and has developed a concept note on how to promote access to credit to thin or no file refugees.

COVID-19 Project Impact and Response

FIAS-supported teams responded with agility to the operational challenges posed by COVID-19. They responded to urgent new client demands, helping countries weather the initial impact and developing strategies to help businesses survive the economic fallout and help economies retain investment and preserve jobs. The work has set the stage for inclusive rebuilding and recovery. Through pandemic-induced disruptions, teams continued to make progress in project implementation despite travel restrictions and other setbacks caused by the pandemic.

The team in **Côte d'Ivoire** worked with a private sector consultative committee to help companies access financing through an online funding locator tool based on a successful model established in South Africa which assists investors and businesses looking to branch out. IFC is training the consultative committee to update the tool and monitor the progress toward faster relief identification and disbursement.

IFC AS teams also launched the **Creating Investment Opportunities in Haiti** project to help the garment sector navigate the COVID-19 crisis through job retention in the medium term, and support investment generation and job creation in the longer term. It is a three-phase project entailing rapid response to convert production output or expand into PPE production, and strategic engagement with the government to ensure sustained growth of the apparel industry.

Pillar 1

Introducing Greater Equality in Female Participation in Africa's Economy

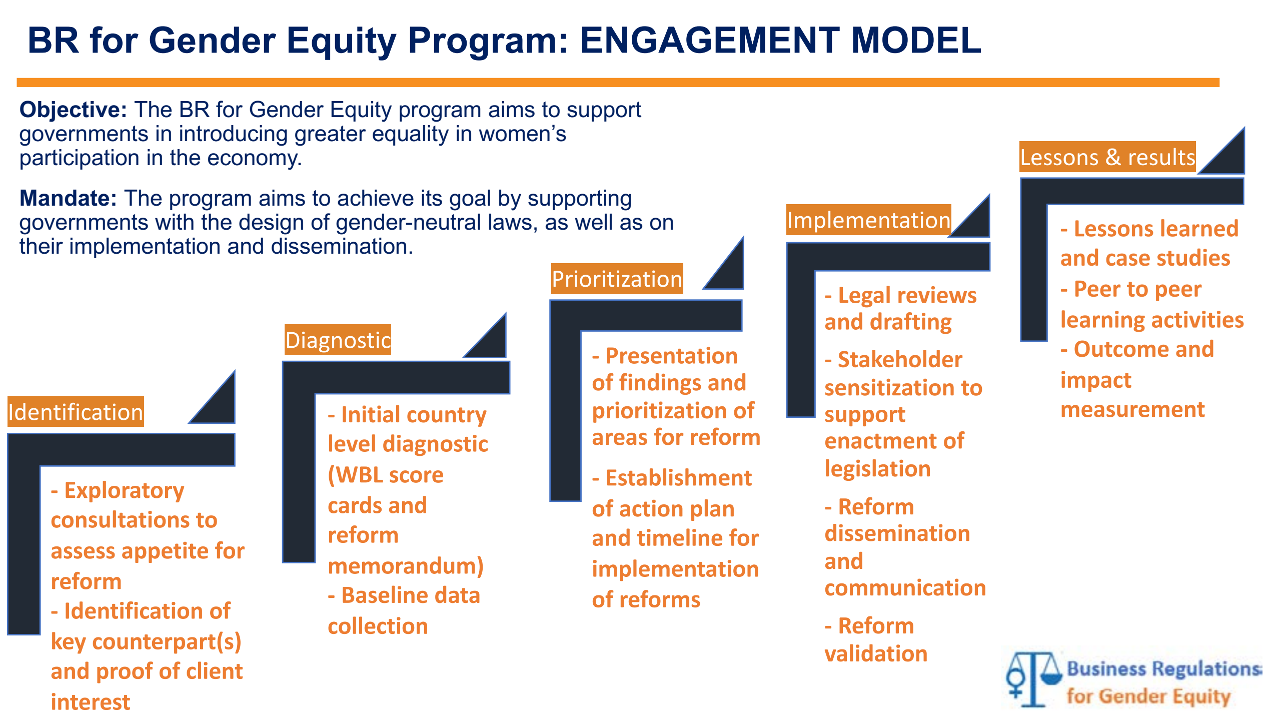
The Business Regulations (BR) for Gender Equity program of the World Bank Group supports governments in introducing greater equality in women's participation in the economy. The program works through IFC and the FIAS-funded Women Business and the Law (WBL) Advisory Initiative to support the design, implementation, and dissemination of legislation that reduces gender inequalities in Africa. The project also supports peer-learning through the Bank Group's convening power, global presence, and in-depth technical expertise.

Legal gender differences are paramount for women's economic empowerment. Removing legal barriers to women's economic inclusion can lead to a higher uptake of financial services by women, increasing productive investments, and raising incomes. For example, eliminating restrictions on women's work can ensure greater employment opportunities for women in the formal sector and contribute to reducing the income gap, while removing explicit gender discrimination to credit and financial services can have a positive impact on household welfare and overall business climate.

In client countries, BR for Gender Equity assistance tackles cross-cutting gender constraints in critical areas such as access to finance, employment, and entrepreneurship, with country engagement based on criteria including client demand and commitment to reform, the degree of gender discrimination in the country's legislation and the likelihood of achieving results on the ground. The engagement and implementation model aims to incorporate female entrepreneurship reform programs into a longer-term agenda aimed at increasing the economy's competitiveness, following a vision that adopting a comprehensive approach increases the chances of success and impact.

The WBL Advisory Initiative for Africa aligns with IFC's 3.0 Creating Markets Upstream agenda through its core development priorities of improving gender diversity in current investees and future investments, and opening markets to women through an enhanced enabling environment. In-depth technical assistance is under way for piloting reform implementation in **Côte d'Ivoire** and **Rwanda**, and preparatory client engagement is ongoing in a broader portfolio of countries, including **Gabon, Mauritania, Senegal, Sierra Leone, Somalia**, and **Togo**.

As part of the WBL Advisory Initiative for Africa, to date, in the countries of **Gabon, Mauritania, Somalia**, and **Togo**,



Pillar 1

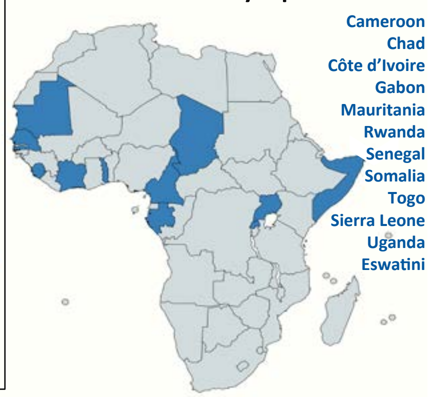
FIAS Support for Gender – WBL Advisory Initiative for Africa

OBJECTIVE: WBL Advisory supports women's participation in the economy by working with governments on the design of gender-neutral laws and their implementation.

Legal constraints to women in Africa:

- **75% of countries restrict women's entrepreneurship opportunities and access financial services.**
- **58% of countries limit women's access to assets**
- **In 39 countries women cannot start and run a business in the same way as men**
- **In 20 countries laws restrict women's equal access to jobs and remuneration**

Africa Advisory Pipeline



WBL Advisory Africa Program Status:

- **New IFC Advisory Offering**
- **Demonstrated client demand via strong pipeline**
- **Initial country selection of 6 countries: Rwanda, Côte d'Ivoire, Mauritania, Somalia, Gabon, Togo.**
- **Work continued through WB lending operations (DPOs/IPF) in Cameroon, Chad, Senegal, Sierra Leone, Uganda**
- **In depth implementation support being initiated in Rwanda and Côte d'Ivoire.**
- **Results framework under development**

Business Regulations for Gender Equity

nine entities have received advisory services, including ministries of gender, investment climate units, presidential offices, ministries of justice; 11 reports have been submitted to these entities, including Reform Memos, legal drafting proposals, action plans, comparative studies, and in-depth legal reviews; and 15 draft laws or policies have been recommended for amendments, including civil codes, penal codes, and labor codes. In **Gabon**, several of the project's policy recommendations have been adopted: the recommended Strategy for the Promotion of Women's Rights has been approved by the government, and three laws incorporating IFC's recommended changes have been adopted by parliament in September 2021. These laws have introduced the following important gender reforms: (1) the law on the elimination of violence against women; (2) amendment of the Criminal Code to prohibit gender-based discrimination in access to credit; and (3) amendment of the Civil Code to grant women equal right to be head of household and choose where to live, allow women to get a job and open a bank account independently of her husband, remove the duty of wifely obedience, and grant women equal right to own and manage property within a marriage.

Going forward, in **Côte d'Ivoire**, the team will be supporting the government in removing legal constraints in key areas affecting women's access to job opportunities in different sectors, their access to credit and entrepreneurship, and protection from domestic violence. The project has already engaged with the Prime Minister's Office and the Ministry of Justice and Human Rights, including conducting reviews of gender-discriminatory legislation and the delivery of an initial country-level diagnostic, recommendations for amendments to the Labor and Penal Codes for addressing gender-based discrimination in employment and access to credit and recommendations for the draft Domestic Violence Law, which has been approved in the Council of Ministers.

In **Rwanda**, engagement has been driven by strong interest from the Rwanda Development Board, and key potential reform areas include improving laws affecting women's pay, laws protecting women's work after having children, and removing constraints on women's access to credit and entrepreneurship. Work has involved the creation of an inter-ministerial committee to facilitate communication with government stakeholders, including the Ministry of Public Service and Social Security Board, meetings to discuss reform recommendations and prioritization, the delivery of a reform memo, and the creation of a gender legal reform action plan.

Engagement is likewise driven through World Bank-IFC cooperation and support. A strong feature of the project has been to leverage demand through coordination with

World Bank-side development policy lending operations. In **Senegal** and **Sierra Leone**, the team has been working closely with World Bank teams leading policy operations to introduce reforms to reduce discrimination against women in the labor market and access to credit. Through this work, in Senegal, Labor Code reforms have been approved toward prohibiting gender-based discrimination in employment and protecting women's employment after having children, while in Sierra Leone, regulations prohibiting gender-based discrimination in access to credit have been adopted and amendments to the Labor Code are included as part of future lending operations.

Implementation support following passage of a reform is another key component of the work. Activities planned include consultations with stakeholders, the design of policies, strategies, and implementation guidelines, the development of grievance mechanisms, the implementation of awareness and dissemination campaigns, and the improvement of data collection practices. Monitoring of outcomes will likewise continue throughout the implementation phase through indicators looking at increased credit inquiries by women borrowers, the effectiveness of grievance mechanisms for addressing gender-based discrimination in employment and finance, and the extent of training and capacity building around the reforms.

Based on the reform experience in the pilot countries, the program activities and approach to implementation support 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. Engagements in **Gabon, Mauritania, Somalia**, and **Togo** are at different stages of development, and consultations will continue toward moving projects into implementation. Additional countries that have expressed interest and are under consideration are **Chad, Cameroon, Eswatini**, and **Uganda**.

Tunisia Investment Climate Reform Program Progresses Amid Instability

In **Tunisia**, FY21 was marked by political upheaval and COVID-19-induced impediments, which inhibited full engagement with the client. President Kais Saïd also suspended parliament in 2021 and dismissed the head of government. This action affected the rest of the government and various public institutions involved in AS implementation. Despite the political situation and ongoing COVID-19 concerns, the team implementing the Tunisia Investment Climate Program Phase II was able to maintain critical operational stakeholders' engagements and deliver on multiple fronts, although with continued restrictions on face-to-face meetings and consultations.

In FY21, IFC AS developed action plans for the Foreign Investment and Promotion Agency (FIPA) concerning lead generation and business retention to support the investment framework reform. Several capacity-building events were also held on international investment agreements, benefiting the inter-ministerial team. The government also announced the replacement of 27 authorizations in line with the project's recommendations. Finally, the third and last round of the COVID-19 Business Pulse Survey was completed to help gauge the impact of the crisis on the private sector and identify appropriate policy responses.

The project was able to capitalize on several reform opportunities to support the BR component during the reporting period, including: (1) the digitalization of the national business registry to create a fully online business registration system; (2) the simplification of the construction permit process; and (3) the revision of the land use and town planning code. The project also made solid progress on the WBL component. However, the proposed law revision will not currently proceed to parliament due to the political situation. Furthermore, the Ministry of Women requested IFC's support in conducting an actuarial study on maternity leave. This key reform was recommended in a WBL memo extended to the government in 2020.

Project in Indonesia Produces Two Reforms Despite COVID-19 Pandemic

Due to COVID-19-related challenges, the Investment Climate, Competitive Sectors, and Competition project in **Indonesia** was extended and restructured. The project was extended until December 2022 and restructured to promote post-COVID-19 resiliency. The restructuring includes adding activities to support the digitization of the tourism sector and reducing the investment generated target. Despite the pandemic, the project continued to see positive developments and logged two reforms during this period.

In FY21, two regulations that the project team provided input on were adopted by the government. Implementing Regulation No. 8/2021 on the Omnibus Law was passed and is expected to improve procedures for business start-ups by introducing a new type of business entity for micro and small firms that will afford them legal status through online registration. The project also provided input on a framework to guide insolvency remuneration, which was included in the Ministry of Law and Human Rights Regulation 18/2021. Reforms under the insolvency area have become paramount amid the pandemic and are 'prior actions' under the World Bank Development Policy Operation (DPO). The project team also continued to support the government in various other areas, including providing input on the forthcoming Secured Transactions Law, which is expected to improve the legal framework for 'getting credit' and improve Indonesia's property registration process.

Under the sector-specific competitiveness component, IFC AS continued to support the government in developing investment projects ready to offer (IPROs) to showcase a pipeline of specific investment opportunities in the tourism sector, which the government is prioritizing as part of the country's economic recovery. However, progress on this front was slowed by a second wave of the virus hitting the country. As a result, both team members and government counterparts contracted COVID-19.

Azerbaijan Investment Climate Delivering Results in Agri-Finance Despite Delays

In **Azerbaijan**, the Investment Climate and Agribusiness Competitiveness and ECA (Europe and Central Asia) Agri-Finance project's investment climate work has been significantly delayed in delivering outcome indicators as planned. Due to several reasons, including COVID-19 and the military conflict with Armenia, activities from the government's side have slowed considerably, primarily related to the adoption of the legislative pieces. The project was extended by one year until December 2021 to account for these challenges. IFC has continued to engage government counterparts and held a high-level working group meeting with the Government of Azerbaijan to discuss the status of the pending legislative acts and check the timelines for their adoption. However, government officials could not demonstrate commitment toward adopting legislative acts since this depends on many institutions, including the Cabinet of Ministers, the President's Administration, and the Parliament. Therefore, the bulk of the implementation burden is on the client to follow through with the reform work at the cabinet and legislative levels.

The agri-finance component of the project continues to deliver results. In FY21, the project team expanded the partnership with financial intermediaries and new value chains, offered capacity-building activities, and guided partners on launching new financial products to facilitate financing to the agriculture sector. Partner financial institutions are launching new financial products and cumulatively disbursed 58,777 loans. The project facilitated $210.6 million of financing to agriculture enterprises (exceeding the target of $30 million). The project researched the legislative environment and conducted initial consultations with stakeholders to implement crop receipts and warehouse receipts to set the groundwork for the next phase of financial inclusiveness and enhance access to finance for farmers who lack collateral. With the outbreak of COVID-19, the project maintained partner engagements by recording and placing the video training sessions online on agriculture value chain financing and credit risk assessment with the CLARA tool.

Kenya Investment Climate Phase III Delivers Reforms Despite Setbacks

Implementation delays brought about by the pandemic resulted in the loss of client attention as well as challenges affecting the **Kenya IC II** project activities. In addition, a complicated and drawn-out Brexit process, recession, merging of government departments, and the onset of COVID-19 in the UK led to funding delays and ultimately cancellation of its role as the main donor for the Kenya Competitiveness Enhancement Project.

An inability to meet with clients in person, the steep learning curve for project clients to utilize technology for all project activities, as well as political realignments and austerity measures at national and county levels, continued to slow progress. For instance, the project developed an eSingle Business Permit system for Narok County Government; however, it has not yet been launched due to a shift in client interests.

Despite ongoing delays and resulting project restructuring to exclude activities for which there is no funding, with FIAS support, the project completed already advanced deliverables such as the Kilifi Electronic Development Management System (eDAMS) for construction development permitting. The project also delivered sector-specific investment policy and promotion groundwork in preparation for legal changes and investment promotion portal development. Ongoing coaching and support for previous automated systems were also provided.

At the national level, the delivery of a data cleansing strategy precedes the business registration service reform component, for which the project seeks a one-year extension to December 2022 to complete it following software vendor procurement challenges. Overall, reforms were achieved for dealing with construction permits, getting credit, protecting investors, registering property, resolving insolvency, and starting a business. A reform communications campaign was delivered to encourage faster reform uptake by the private sector.

Morocco Business Environment & Improving the Competitiveness of Marrakech-Safi

During FY21, the **Morocco Business Environment & Improving the Competitiveness of Marrakech-Safi Project** supported investment promotion and an improved business environment in Morocco. Under the investment promotion component, the project supported the Regional Investment Center (CRI) of Marrakech-Safi to conduct an assessment of the impact of the pandemic on the trade corridor and policy recommendations. The project team also initiated support to CRI to develop the necessary structures, tools, and capacities to fulfill its new mandate related to investment promotion, facilitation, and aftercare in the region. Aftercare initiatives are geared toward facilitating investment retention—a key issue in the COVID-19 context—and, when economic conditions improve, expanding and diversifying investment. Due to the region's reliance on tourism, the project supported CRI in conducting a COVID-19 impact assessment of the region. The team will use the data to provide recommendations for monitoring investment projects, improving overall investor satisfaction, and encouraging reinvestment and expansion of existing projects. Under the business environment component, IFC Advisory teams launched the payment delays component with the municipality of Marrakech.

Improving DRC's Investment Climate at National and Provincial Levels Project Receives Unsuccessful DE Rating

The **Improving DRC's Investment Climate at National and Provincial Levels Project** reached completion, receiving a 'mostly unsuccessful' development effectiveness rating. A multi-year political crisis in the **Democratic Republic of the Congo** and resulting political and institutional instability resulted in high-level client disengagement from the reform agenda. Further, the Ebola epidemic and the COVID-19 pandemic delayed implementation and created the need for project timeline extensions. Despite significant setbacks, the project managed to exceed the impact targets. Based on data from private-sector surveys conducted in January 2021, the project generated $1.4 million in cost compliance savings against a target of $1 million. Though the project impact is positive, the complex operational environment in this FCS negatively affected the project's efficiency, increased implementation time, exceeded the expected budget, and resulted in a mostly unsuccessful rating.

Lao PDR Investment Climate Reform

The **Lao PDR Investment Climate Reform Project** supports the government's effort to improve the investment climate by strengthening the investment policy framework. Lao PDR had seven procedures to get an electricity connection which took 105 days, was costly, and reliability of supply and transparency of tariff index scored two out of eight. With the support of the IFC AS team, Électricité du Laos (EDL), the utility in Vientiane, implemented a series of reforms to process new connection applications in 10 working days—all application documents are now available online—free of charge; more resources are now allocated to process new connection applications due to the installation of smart digital meters (replacing old disk meters), freeing up HR resources as fewer inspectors need to do meter readings through the city and organizational reforms at EDL. EDL enhanced its communication on how to get new connections online and at EDL locations, resulting in fewer incomplete applications. In the first quarter of 2019, EDL deployed a system allowing for automated monitoring of power outages and restoring electricity service (SCADA). Specifically, EDL installed a Distribution Management System and Advanced Metering Infrastructure. Transformers are now readily available in Vientiane. There are now about 10 approved retailers in the city. Moreover, the material can easily be imported from Thailand or Vietnam. EDL also supplies material (customers have the choice to purchase through EDL or private market). The time taken to get a connection has been reduced from 105 to 87 days.

Jordan Integrated Business Registration and Licensing Reform

In **Jordan**, the project aims to improve the regulatory environment in areas measured by actionable investment climate indicators. By addressing business regulation bottlenecks in requirements and procedures for business registration, the project will help unlock opportunities for investment by IFC and other financiers in key sectors of these economies. The project team has made significant progress as the country lifted lockdown and the government gradually returned to normal operations. Overall, progress on business registration is progressing well despite some challenges. The work on nurseries' licensing reform has advanced during the past period, including delivery of a training workshop, while the work on private schools' licensing has slowed down due to lack of responsiveness from the Ministry of Education's side. Under construction permitting component, a detailed review of all laws and regulations governing building control by the various stakeholders was completed, as well as an institutional assessment of the construction permitting regime at Greater Amman Municipality and key referral agencies. The review resulted in the development of a proposed future model for construction permitting in line with good international practice.

Launch of West Bank and Gaza Business Enabling Environment and IPP Project

West Bank and Gaza, an FCS territory, lacks the critical fundamentals of an enabling business environment that fosters and encourages private sector-led growth. The new FIAS-supported project seeks to improve the territory's investment climate and help attract and retain domestic and foreign investment. FIAS support will improve the regulatory environment and facilitate a level playing field through a more predictable, efficient, and transparent application of selected regulations. IFC AS teams also seek to enhance the investment promotion framework by improving investor services and improving transparency and value for money of investment incentives. During the pre-implementation phase, the team seeks to understand the impact of COVID-19, to identify and advocate for potential BR and IPP reforms that are critical for improving West Bank and Gaza's investment climate and its recovery from the pandemic.

Mauritania Investment Climate and Entrepreneurship Advisory Closes

Despite having significant success in a complex and changing environment, not all planned results were achieved in the **Mauritania** Investment Climate and Entrepreneurship project. Prior to the project, the business environment was one of the most challenging globally. Serious constraints ranged from poor infrastructure, limited access to finance, an uncertain legal framework governing property rights, a dysfunctional commercial justice system, a generally burdensome regulatory environment, and high levels of corruption. A very weak entrepreneurial culture, especially among the youth and women, led to their exclusion from formal employment opportunities. The private sector remained mostly informal and insufficiently diversified, with new and smaller firms struggling to survive and grow.

The project undertook critical analytical work, supported 16 key reforms (against four planned), and facilitated awareness raising and capacity building of key stakeholders. The project supported the drafting of the first-ever property law, which was a prerequisite to developing credit based on movable and immovable assets in the country. The project also delivered the first-ever public-private institutional framework. The project facilitated a major reform to the insolvency framework, significant improvements to commercial justice proceedings, and streamlined business and collateral registry regulations.

In support of inclusive MSMEs and increasing entrepreneurship and inclusion, 203 youth-led firms received direct support via a national business plan competition (BPC) in 2017, 2018, and 2020, which triggered the development of similar initiatives. This copycat effect is a testament to the quality and strong reputation enjoyed by the program. Beneficiary companies have begun to increase their revenue following participation in the BPC (43 out of the target 80). Nine business development service providers also benefitted from an ongoing capacity-building program. Over 2,000 people attended more than 100 project-sponsored entrepreneurship events, including 832 women. The BPCs and associated events received engagement from 580,000 individuals overall (14 percent of the population via the extensive nationwide social media campaigns).

The impact has been significant and far-reaching in terms of promoting private sector activity. As intended, activities have reinforced each other. The project achieved roughly 50 percent of the targets for the impact indicators, mostly attributable to an ill-designed M&E framework and implementation delays due to the pandemic. Overall, reforms were achieved in dealing with construction permits, enforcing contracts, property transfers, resolving insolvency, starting a business, and trade logistics.

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 help 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.

Substantial Linkages Between FIAS Advisory and IFC, World Bank Investment Operations

The FIAS portfolio includes a robust proportion of projects that benefit parallel IFC or World Bank investment and lending operations (or both). A review of 285 client-facing projects from the FIAS FY17–21 portfolio showed that 119 projects, or 42 percent, had links to specific IFC and/or World Bank investment and lending operations. The portfolio included 10 projects that reported links to both specific IFC and World Bank investment and lending operations. IFC categorizes links to investment operations in three ways:

(i) Links to an existing IFC investment

(ii) Links to a possible IFC investment within three years of project approval

(iii) Links to a possible IFC investment within three to five years of project approval.

The largest category was in links to possible investments within three years: 80 projects from the FY17–21 portfolio, or 42 percent, reported at least one such link; 20 FIAS projects, or 7 percent, reported links to existing IFC investment operations; and 15 projects, or 5 percent, reported links to possible IFC investments within three to five years.

Examples of projects with linkages to an existing IFC investment project include: **Guinea** Investment Climate Phase 2 Mining Linkages, **Uzbekistan** Investment Climate–Fertilizer Sector Growth project, and the **Colombia** Bancamia Forcibly Displaced Persons project. FIAS-supported projects proceeding in collaboration with World Bank initiatives include the **Jordan** Business Environment Reform Program, which aims to introduce several integrated reforms to address constraints to businesses by focusing on introducing greater transparency, efficiency, information sharing, and predictability. The **Mozambique** Investment Climate 2 project focuses on technical assistance to national-level reforms, building on previous IFC advisory work and in collaboration with the World Bank. Several projects reported linkages to both existing and potential investment operations. Examples of these include the **Nepal** Investment Climate for Industry project, the Warehouse Receipts System Development in Senegal, the **Egypt** Energy Efficient Industries project, Guinea-Bissau Cashew Sector Development, and the Creating Investment Opportunities in **Haiti** project. Some projects, such as the IFC DigiLab Finance initiative and the Sustainable Industries in **Central America** project, reported links to multiple IFC investments.

The linkages reported by FIAS-supported teams in these instances may involve some advisory projects that are part of the IFC Upstream initiative, but most are more traditional non-Upstream interventions. In Upstream, IFC Advisory Services teams work along a "continuum" from enabling environment reform toward developing new opportunities in which IFC may be an investor. FIAS-supported projects in Upstream fall under the label, "Creating Markets with Sector Interventions." The results of the portfolio review summarized here identified a type of connection—long a part of World Bank Group operations—in which advisory teams working on enabling environment or sector-specific projects tailor their interventions to support specific Bank Group investment and lending operations in the same country or region with real-time coordination between teams. The 119 projects in the FIAS FY17–21 portfolio with IFC and/or World Bank linkages are ones in which the IFC AS teams have identified a specific lending or investment initiative either under way or in the planning stages that can be informed or enabled with the help of the advisory project.

Nearly $1 Billion in Investment Generated Exceeds Target for FY17–21

Through investment policy and promotion advisory and sector-specific work, FIAS-supported projects help clients develop strategies and pathways to attracting and retaining greater private sector investment. During the FY17–21 cycle, FIAS-supported projects generated $999 million in new investment for client countries—based on a conservative measurement methodology that only counts a portion of the actual investment. The investment generated indicator is notoriously "lumpy"—it does not spread evenly, like peanut butter, across a large roster of client countries. Rather, it tends to concentrate in a handful of countries and emerge in large tranches as major private sector firms make express commitments to invest. There is also a lag time involved between when the IFC Advisory Services are delivered and when related new investment emerges.

Such was the case in **Myanmar**, where FIAS provided key initial support ($246,186) to the Myanmar Investment Policy project in FY15–18 but the resulting $451.2 million in new investment generated was not finally reported, reviewed, and independently validated until FY21. With this lag time in mind, the IFC Monitoring & Evaluation team conducted a retrospective review of the FIAS FY12–16 and FY17–21 portfolios and identified additional investment generated related to FIAS-supported projects not reported in previous issues of the FIAS Annual Review. The resulting nearly $1 billion in investment generated for the cycle matches the original target set in 2017 and exceeds by $199 million; the target revised downward by 20 percent because donor funding was falling about 20 percent short of what was anticipated at the beginning of the cycle.

Over the five-year strategy cycle, FIAS recorded investment generated in 10 countries and two regions: **Albania**: $21.14 million; **Bosnia and Herzegovina**: $25.34 million; **Georgia**: $72.2 million; **Haiti**: $137.6 million; **Kyrgyz Republic**: $882,000; **Madagascar**: $40.3 million; **Mali**: $3.9 million; **Myanmar**: $451.3 million; **Nepal**: $9.5 million; **the Philippines**: $34 million; **West Africa**: $69.9 million; **Western Balkans**: $133.1 million.

Illustrative of the lag time involved in investment generated, the Investment Generation Strategy Project in Haiti, an IDA and FCS country, ran from 2009 to 2013, implementing an innovative approach that focused on special economic zones (SEZs) and investment promotion. The team engaged with the government, the private sector, and international investors to attract and consolidate new investment in the garment sector. The program also provided technical assistance for the development of a national SEZ strategy, leading to the creation of Haiti's first SEZ—the Lafito Integrated Economic Zone. Over the course of the project, the Haiti initiative helped create more than 15,800 new jobs, some 70 percent of which went to women. The $137.6 million in investment generated attributed to the FIAS-supported project in FY17 was spread over 17 different projects and calculated using the new, more conservative methodology.

The Europe and Central Asia region accounted for 25 percent of the investment generated by FIAS-supported projects in FY17–21, while the East Asia Pacific region accounted for 49 percent. This is not surprising, as the more advanced economies in those regions tend to be more attractive to the multinational firms that make large-scale investments. In Bosnia and Herzegovina, the FIAS-supported advisory helped with investment promotion and follow-up and application of the Systemic Investor Response Mechanism (SIRM) for resolving investor disputes. The project in Albania built the capacity of the country's investment promotion agency to provide aftercare services. The agency helped a shoe manufacturer resolve issues that were holding up construction permitting for the expansion of its factory.

The Myanmar Investment project began as Myanmar had begun its transition to democracy—a transition very much in jeopardy as a result of a military coup in February 2021 and the violent suppression of protest since then. The overall goal of the project was to assist Myanmar in attracting private sector investment and generating savings for the private sector through improved policy and procedures, in line with the international best practices. Throughout its lifetime, the project continued to experience numerous aftershocks from the fragility of the country, spanning periods of deep uncertainty, including the 2015 election, the Rohingya crisis, and the COVID-19 pandemic. Notwithstanding these challenges, by its close date, the project achieved its goal of helping to modernize the country's investment policy regime to attract needed private sector investment. The $451.2 million in validated investment generation was more than double the project target of $200 million.

The West Africa Investment Policy and Investment Climate project, closed with a 'mostly successful' development effectiveness rating in August 2020, and achieved its goal of increasing FDI flowing into the region, including through intraregional investment flows. The project generated a validated total of $69.9 million in new investment confirmed in FY21, much earlier than the three years post-project goal set in the initial plan. The project focused on the 15 member countries of **ECOWAS**, the Economic Community of West African States, all IDA borrowing nations, seven FCS countries: **Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone**, and **Togo**. The project helped remove barriers to cross-border investments, which often thwarted trade among ECOWAS members. It also promoted more transparent and sustainable investment incentive regimes and reduced investor uncertainty by addressing unpredictable transfer pricing rules. One of the investments attributed in part to the FIAS-supported project—Nigeria's Lekki Deep Sea Port—is expected to generate over 170,000 jobs and $20 billion in salaries during the 35-year concession period.

The **Madagascar** Investment Climate Reform Program reported an impressive $40.3 million in new investment generated from FY18–20. The overall objective was to help increase Madagascar's competitiveness as an investment destination and support the government in attracting, supporting, and retaining investments in non-extractive sectors such as agribusiness and tourism, where the country has proven comparative advantages. New investment facilitated with the help of the project team included an $18 million investment commitment by Radisson to take over and upgrade three hotels. The project supported economy-wide and trade logistics reforms and delivered sector-specific advisory to unlock binding constraints and catalyze domestic and international investment in agribusiness and tourism.

The FIAS-supported Western Balkans Regional Investment Policy and Promotion project closed with a 'successful' development effectiveness rating on June 30, 2021, the last day of FY21, having generated $133 million in new investment in the last two years of the FIAS strategy cycle. The project team estimated that the new investment helped create more than 3,000 jobs, two-thirds of them for women. The project, focusing on **Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia**, and **Serbia**, helped increase investments, firm-level investment leads, and commitments in the six Western Balkan economies by supporting regional and horizontal investment policy reforms and targeted investment promotion activities. The project addressed key challenges faced by the region, including limited coordination and harmonization of investment policies, as outlined in the project's Theory of Change. The project also achieved annual compliance cost savings (CCS) of about $210,000 against the $500,000 target. Notably, about 80 percent of the project time and budget were focused on the pivotal workstream, the Investment Policy with substantive reforms such as opening sectors to directly generate investments, while only about 20 percent was spent on investment entry administrative simplification to reduce compliance cost for investors. The results are, therefore, weighted to reflect this proportionate focus.

Africa Projects Contribute Substantially to Compliance Cost Savings Results

Both in FY21 and across the five-year strategy cycle, FIAS-supported projects in Sub-Saharan Africa made significant contributions to the FIAS Program's success in all but matching its $200 million target for direct compliance cost savings (CCS). These represent reduced annual costs to private sector firms as a result of reforms that reduce the regulatory costs of such activities as starting a business, trading across borders, and building or acquiring new properties. For the FY17–21 cycle, FIAS-supported projects delivered $196.2 million in CCS against the $200 million target. In FY21, CCS were validated for projects in the **Democratic Republic of the Congo, Mauritania**, and **Mozambique**, as well as the investment policy and promotion project in **Timor-Leste**. In the previous four years of the strategy cycle, Africa projects recording CCS included investment climate interventions in **Chad, Kenya, Liberia, Madagascar, Malawi, São Tomé and Príncipe, South Africa**, and the 17 member countries of **OHADA**, the Organization for the Harmonization of Business Law in Africa.

In smaller economies, CCS resulting from regulatory reform is often fairly small, averaging less than $1 million per year in many of the FIAS client countries that recorded CCS over the past five years. In larger economies, however, the total savings can be substantial. In FY20, for example, the FIAS-supported **Jordan** Inspection Reform Phase II project recorded $38.6 million in total CCS, exceeding the targeted results of $12.6 million over four years. The savings were based on reductions in the number of annual inspection visits and the average labor time per inspection. Specifically, the total number of visits carried out by these inspectorates dropped from 597,681 visits in 2012, the baseline year, to 393,924 visits in 2019, representing a 34 percent reduction, better than twice the reduction anticipated by the team. Average labor time on one inspection dropped from 5.8 to 1.2 man-hours, or by almost 80 percent as against an expected reduction of 10 percent. The project closed with a successful development effectiveness rating in April 2021.

Myanmar Investment Policy Helps Generate Major New Investment Despite Setbacks

The overall goal of the project was to help the Government of **Myanmar** attract private sector investment and generate savings for the private sector through improved policy and procedures, in line with the international best practices. The project experienced numerous aftershocks from the fragility of the country, spanning periods of deep uncertainty, including the 2015 election, the Rohingya crisis, and the COVID-19 pandemic. These and other issues prevented the project team from meeting all the targets identified at project inception, leading to a 'mostly unsuccessful' development effectiveness rating. Despite these challenges, by its close date, the project had achieved its goal of helping the government modernize its investment policy regime to attract needed private sector investment. As noted above, the project helped generate an impressive $451.2 million in investment—the largest total for any FIAS client country in the FY17–21 cycle, and more than double the $200 million target. It also helped generate annual compliance cost savings for the private sector of about $210,000 against a $500,000 target. The project helped Myanmar in its priority effort to integrate into the regional and global economy by improving the investment regulatory framework to ensure consistency with the country's international investment agreements—the Association of Southeast Asian Nations (ASEAN) Comprehensive Investment Agreement, World Trade Organization, and Bilateral Investment Agreements—and simplifying investment entry procedures to reduce time and costs to establish an investment and open previously closed sectors to FDI. Despite restructuring and extensions during implementation, the overall goal and impact of project targets remained unchanged.

A father takes care of his young child while working from home in Madagascar. *Photo: Henitsoa Rafalia/World Bank*

Madagascar Credit Reporting Project Receives Mostly Successful DE Rating

In this IDA country, the Central Bank of **Madagascar** was the only source of credit information. With the aim of improving access to finance for individuals, SMEs, and businesses, and promoting financial inclusion, the Madagascar Credit Reporting Project received a mostly successful effectiveness rating and resulted in significant improvements to the credit reporting system in the country. The project's main achievements were the approval of the Credit Reporting Law, revamp of the Public Credit Registry, and creation of a Private Credit Bureau, creating opportunities for digitization of the Madagascan financial industry. In addition, the project funded various peer-to-peer learnings, site visits, and study tours, with opportunities for clients to visit central banks in two countries with credit reporting best practices.

OHADA Strengthening Credit Infrastructure for MSME Growth Program

The **OHADA** Strengthening Credit Infrastructure for MSME Growth Program is a five-year advisory services markets and enabling regional environment program to promote access to credit for MSMEs and women-owned businesses in member countries of the Organization for the Harmonization of Business Law in Africa (OHADA). The program is being implemented with a focus on responding to economic pressures created by the COVID-19 pandemic. It is expected to trigger significant market movement by introducing and scaling movable asset-based lending and implementing the business-turnaround provisions of the recently adopted OHADA

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Insolvency Law to help counteract COVID-19-induced bankruptcies and unemployment. In addition, the project seeks to enhance the business enabling environment, optimize usage of the digital credit infrastructure (credit reporting systems, secured transaction and collateral registry, and insolvency regimes), and encourage product innovation. The regional program focuses on four OHADA member states: **Burkina Faso, Côte d'Ivoire**, the **Democratic Republic of the Congo**, and **Gabon**.

Egypt Textile Value Chain Project Seeks to Mobilize Investor Interest

The COVID-19 crisis has created a substantial global market opportunity around technical textiles, including medical textiles and personal protective equipment (PPE). IFC AS teams have launched a new project in the **Arab Republic of Egypt** that seeks to support the expansion of the country's position as an emerging manufacturing and export base for higher-value technical textiles, including PPE. The project complements other ongoing IFC engagements in Egypt's textile and apparel sector. The Textile Value Chain initiative will support the General Authority for Investment and Free Zones (GAFI) in mobilizing interest among potential new investors and attracting new FDI in the technical textiles sector by introducing a targeted and proactive investment promotion approach. It is expected that between $650 million and $800 million in new foreign investment could be attracted to the country's sector over the next five years. The project team is working with the Ministry of Trade and Industry to support the integration of local firms into the domestic and regional technical textiles value chain by designing and implementing a pilot supplier development program.

Cambodia Debt Resolution Aims at Developing Out-of-Court Resolution Mechanism

In **Cambodia**, economic fallout from the COVID-19 pandemic led to a 2 percent decline in GDP in 2020 that is expected to increase private sector debt burdens. As of FY21, Cambodia had no regulations or standards on debt collections and no distressed assets markets. IFC AS is working to strengthen the debt resolution framework to support a quick resolution of bad debts. A well-functioning debt resolution system supports financial sector efficiency, enhances financial stability, and facilitates business recovery during an economic downturn. The project will focus on developing a flexible out-of-court resolution mechanism, drafting implementing regulations governing insolvency administration, creating capacity-building programs, and increasing awareness on insolvency regimes for SMEs and individuals.

Fiji Investment Competitiveness Project Expands Scope from Investment to Insolvency

In response to the COVID-19 crisis and its severe impacts on tourism, the project in **Fiji** was restructured. The scope was broadened from investment promotion to include the review of insolvency rules. The project team assessed the regulatory barriers to tourism investment in Vanua Levu. The Vanua Levu Tourism Report launched in November highlighted the need to improve the island's BR environment and facilitation services.

The pandemic, ongoing client capacity constraints, and slow feedback from government counterparts hindered progress under the investment reforms component. BR reforms also stalled noticeably following the suspension of DB 2021 and client issues with the DB methodology. High-level staff movements within key agencies and the pending endorsement of the consulting firm engaged in supporting the project also disrupted work plans. The Investment Bill was finally tabled in Parliament in December, while the Draft IPA Law was finalized for submission to Cabinet. Fiji's DB2021 indicated three successful reforms under starting a business, dealing with construction permits, and getting credit.

Trade Facilitation Project in Lome-Ouaga Corridor Helps Streamline Regional Trade

The project team continued to provide proactive, effective, and innovative technical advisory services and support during the pandemic, using virtual technologies to establish and maintain contact with 10 different entities in **Burkina Faso** and **Togo**. In the first half of FY21, the FIAS-supported team: (1) assisted in drafting the Burkina Faso National Customs Code in line with the customs code of the Economic Community of West African States (ECOWAS) through workshops, and other engagements; (2) prepared and submitted the revised draft National Trade Facilitation Committee (NTFC) Presidential Decrees to the Burkina and Togolese NTFCs to include gender representation and promote gender-mainstreaming in the trade-facilitation space; (3) carried out a virtual mission with the Togolese Revenue Authority (OTR/Customs) to establish border-management collaboration and improve trade-facilitation client-service delivery; and (4) commenced the internal World Bank Group organizational process to prepare course materials and select a venue to hold trade-facilitation capacity-building courses in Togo.

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Construction worker for the Panama Canal expansion project, Panama. *Photo: Gerardo Pesantez/World Bank*

In performing these activities, the project team collaborated with the World Bank Togo Competitiveness/Logistics Project and the IFC Upstream SEZ Project in West Africa (UPSEZWA). The project team has established linkages between SEZ and trade-facilitation reforms undertaken in Togo. Leveraging UPSEZWA will maximize the economic and social benefits of future SEZs in Togo while using the SEZ platform to trigger private-sector trade facilitation and logistics reforms.

Creating Investment Opportunities in Haiti

Even before the COVID-19 pandemic, the economy of **Haiti** was contracting, and the country was confronting significant fiscal imbalances. In 2020, the country's GDP contracted by an estimated 3.8 percent as the pandemic exacerbated the already weak economy and political instability. In response to the pandemic, IFC AS teams launched the **Creating Investment Opportunities in Haiti** project to help the garment sector navigate the COVID-19 crisis through job retention in the medium term and support investment generation and job creation in the longer term.

The project is structured in three phases. The first entails rapid response to help manufacturers quickly convert production output or expand into the production of PPE for health care workers and to revamp traditional apparel production. The second and third phases of the project will work on strategic engagement with the government to remove impediments and improve services for sector players to ensure the sustained growth of the apparel industry and help promote Haiti as a destination for near-shoring operations and mobilize investments to the country.

Trade Facilitation Project in West Africa

An IFC program in **West Africa** is working in collaboration with the World Bank Competitiveness for Jobs and Economic Transformation (C-JET) team to improve the free and efficient movement of goods in the region and internationally through the reduction of time and cost of trade. Specifically, the program aims to achieve this by (1) improving the existing trade facilitation measures in the region and implementing them more efficiently; (2) strengthening the movement of goods along the selected corridors; and (3) supporting small-scale traders, including women traders. During the reporting period, the project team continued monitoring the implementation of existing child projects and ensured alignment with IFC 3.0. In addition, the team contributed to various analytics and policy dialogues on the impact of COVID-19 on trade in the region.

Ethiopia and Rwanda SIRM Projects Close with Successful DE Ratings

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 successful 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. The SIRM Unit became fully operational; 11 grievances have been registered, and five have been resolved. A high-level workshop with the private sector had to be postponed. However, the team trained 47 Ethiopian Investment Commission staff on the newly incorporated grievance handling procedure and SIRM. The FDI tracker tool went live in August 2020.

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 was to improve the facilitation, retention, and expansion of FDI. The successful project achieved: (1) the setting up and operationalization of the SIRM; (2) the setting up and operationalization of an IT tool, the customer relationship management system, including the investment grievances tracking module; (3) the retention of investment worth $11.3 million and the retention of 597 jobs; (4) the measurement of conversion rates along the investor journey; and (5) efficient project delivery with a provisional cost-benefit ratio of 1:18 that is likely to triple with the number of additional grievances to be solved that are already in the pipeline.

Despite Political Challenges, Project in Kosovo Generates a Reform

Kosovo, an IDA and FCS country, has been hobbled by a political crisis on top of the impact of the global pandemic. However, amid this uncertainty, the project team generated a reform in the area of licensing and permitting. This project helped create a one-stop-shop (OSS) for business licensing and permitting in the Municipality of Prizren, through a combination of investments of hardware (i.e., building and infrastructure) and software (i.e., review and simplification of administrative procedures). While infrastructure-related interventions for the OSS were financed by the Municipality and the Ministry of Public Administration, IFC started its work in Prizren in November 2018, upon signing the advisory agreement. The project has drafted nearly 70 simplification recommendations, which have been presented and discussed with the Mayor and the directors of the Municipality of Prizren.

In July 2019, the abrupt resignation of the 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 FY21, working to improve SME competitiveness and address investment generation and retention issues. Project implementation has progressed well in relevant BR activities at the local level. Key results during FY20 were (1) creation of the one-stop shop by the Municipality of Prizren; (2) 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 (3) finalization of the training-of-trainers program.

Given the political circumstances at the central government level and the 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 Progresses Amid Political Uncertainty; SNDB Project Receives "Excellent" Rating from IEG

The program in **Peru** made advances in certain areas. However, potential changes in the new administration's policies have posed uncertainties on the continued viability of this program. There is significant uncertainty about how the change in administration in Peru will impact the project. The team is in regular communication with counterparts and other stakeholders and engages with the private sector, which provides continuity and accountability in activities. In some cases, Cooperation Agreements have been signed, thus legally guaranteeing client commitment.

Under the tourism component, the project is struggling to achieve outcomes with only one year left before completion. The delay is due to several factors, including repeated political changes within the Ministry of Foreign Trade and Tourism (MINCETUR) and the priorities that occur each time a new Minister is appointed. The recent presidential election has also brought government officials new to the agency, sector, and project, translating into a steep learning curve and making communication on a strategic technical level difficult. The main highlights for the period are the successful work with the United Nations World Tourism Organization (UNWTO) on statistical surveys, near completion, and considerable progress on investment reports. After many months of negotiation, the project team signed addendums to the Cooperation Agreements with MINCETUR in June 2021.

Under the competition policy component, the project achieved two critical outcomes related to improving procedures and policies of the new merger control framework, which entered into force in June 2021. These outcomes resulted from comments provided on draft regulations and guidelines of the National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPI) and follow-up discussions. These outcomes address critical issues for both public and private stakeholders: they ensure that INDECOPI will review only those transactions that are highly likely to have anticompetitive effects while also providing merging parties with higher predictability. INDECOPI indicated that the signing of the agreement would take place in July 2021 (which it did). The work on the subnational component has been delayed; this component of work is planned for mid-calendar year 2022, should incoming government authorities not shift the current strategy regarding competition policy. Under the Investment Promotion Policy component, the project team focused on ensuring a full knowledge transfer to PromPeru. As a result, PromPeru hired subdirectors for the specific technical areas that IFC recommended in the agency footprint: SD1 Research, SD2 Promotion, and SD3 Information and Services.

Finally, the **Subnational Doing Business** (SNDB) project, completed in FY20, received an outcome achievement of "Excellent" from IEG. The project removed administrative barriers to business activities and resulted in $3.5 million in cost compliance savings.

Western Balkans IPP Project Generates Investment and Jobs

In July 2017, the Prime Ministers of the **Western Balkans** Six (WB6) economies endorsed the Multiannual Action Plan to establish a Regional Economic Area (MAP REA). IFC responded with support to remove barriers to cross-border and intra-regional investment and support the emergence of regional value chains (RVCs). At the close of FY21, IFC support contributed to 17 investment projects resulting in $133 million in investment generated and the creation of 3,300 direct jobs, of which 2,200 were for women. Approximation of regional investment policies with relevant EU standards will have a lasting positive impact on investors in the region beyond the immediate project beneficiaries, helping advance integration over time with the EU.

In FY21, the FIAS-supported project developed Regionally Accepted Standards for Negotiating International Investment Agreements (IIAs), which were officially adopted by the PMs of the WB6 economies in November 2020 at the Sofia Summit, and for the first time set regional investment standards in the WB6 that are fully aligned with EU standards.

The project team supported the implementation of select priority reforms, including an assessment of customs tariffs in **North Macedonia** that led to an alignment of specific tariffs in the auto industry to EU customs levels; publication of comprehensive inventories of investment incentives to enhance transparency in four economies; removal of restrictions for work permits in **Albania** to address a key barrier for foreign and domestic firms; removal of restrictions for the establishment of foreign-owned subsidiaries in **Montenegro**; and an assessment of investor grievance management systems in five economies.

Also, in this reporting period, Investment Promotion Agencies' (IPA) capacities were built through multiple in-depth trainings and workshops, including a study tour to GTAI in Berlin, a two-day capacity-building workshop in cooperation with WAIPA, and a two-day capacity-building training with all IPAs at IFC in Vienna. The team also provided six webinars focused specifically on investment promotion within a COVID-19-context.

At completion, the project helped lay the foundations for the investment pillar of the Common Regional Market (CRM) Action Plan, the main strategic document for further economic integration in the region, thus further securing a long-term impact of the project's activities beyond immediate implementation.

This project exceeded many of its targets. In all, it contributed to drafting 20 new or amended laws, regulations, or government policies, and helped with improving eight firm-level procedures, policies, or practices. It implemented 42 workshops and seminars, reaching a total audience of 482 participants from the public and private sectors. In addition, project activities helped generate 198 investor interests. Client satisfaction surveys collected throughout the implementation phase indicate that 100 percent of clients were satisfied or very satisfied with the quality, timeliness, and responsiveness of the work provided by IFC AS teams.

During the pandemic, 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

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Students at Catholic University of Peru gather during class break in Lima, Peru. *Photo: Dominic Chavez/World Bank*

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 IPA's to help keep existing investors active.

Egypt Private Sector Development Program Represents Comprehensive Platform for Reform

The Egypt PSD program is considered a comprehensive reference for other World Bank Group teams working on investment climate reform in Egypt. The team's experience from this vast and versatile engagement with multiple line ministries and government agencies will benefit all other project teams working on the reform agenda in Egypt.

During FY21 the project team concluded planned pre-implementation activities under the SECO scope of work on five child projects under the Egypt PSD umbrella. The Egypt Textile Value Chain child project began implementation in January 2021. Three Egypt child projects are in pre-implementation:

- Egypt Women, Business, and the Law (WBL);
- Increasing Egypt's Accessibility to Global Markets; and
- Warehouse Receipts System (WRS) Ecosystem.

The project scope of the fifth child project, Egypt Construction Permitting Reform, changed during FY21 to focus on expanding the Green Building concept in Egypt by increasing the stock of Excellence in Design for Greater Efficiencies (EDGE) certified green buildings. The project was in the approval process as of the end of FY21.

The Egypt Women, Business and the Law project was approved in March 2021. Implementation was delayed because required government security approvals were not received until July 2021. However, the project team engaged with the client and provided support on the projects' two areas of focus. Furthermore, the project supported the World Bank's Development Policy Operation's gender pillar, the first of its kind in the region.

IFC's management approved the Egypt Technical Textiles Value Chain Project in January 2021. It was operational through the remaining five months of FY21. Overall, due to COVID-related travel restrictions, the project start-up phase has seen less momentum than hoped. Nonetheless, substantial progress was made in online private sector engagement and preparatory activities under the program's pilot Supplier Development Program. Initiating implementation activities under the investment promotion pillar consisted of a workshop and various briefing sessions with the key counterparts.

South Africa Prosperity Project Helps Digitize Investment Retention, Growth

A series of business-related reforms in **South Africa** over the past three years, particularly in FY21, have helped buttress the economy against the headwinds of COVID-19 and the civil unrest that erupted in July 2021. The reforms were brought about with the help of the Promoting Prosperity through Investment Climate and Investment Policy Reform project, or Prosperity RSA (Republic of South Africa) for short. The reforms span BR, market regulation, and investment policy and promotion to include the areas of competition, starting a business, paying taxes, and trade logistics.

Highlights include a website to track the progress of ease of doing business. It also provides resources for entrepreneurs and details of applicable regulations. A seminar series on growing the economy was also launched. Following the CPSD, two sectors have been identified for development in the automotive and affordable student housing industries.

BizPortal, a new integrated digital platform for company registration, has received considerable credit for the role it played in managing important aspects of the COVID-19 response. This reform also received a mention in the State of The Nation Address for 2021. In addition, a significant adoption by the Competition Commission was a database developed by the project to improve its merger review framework and inform investigations.

The creation of the High-Level Office has elevated responsibility on investments. In addition, InvestSA, the country's investment promotion agency, mobilized a range of institutional reforms, including a website and database. The investment conferences delivered thus far (2018, 2019, and 2020) generated 152 leads. Initial results indicate an actual investment of over $1.2 billion, with $376 million attributed to the program as well as 3,000 new jobs. The reorientation of InvestSA to focus on retention after the onset of COVID confirms enhanced institutional capacity will yield significant results.

Ghana Investment Climate Project Logs a Reform

During FY21 the Investment Climate project in **Ghana** logged a reform under the realm of solving insolvency. In 2018, through the Ghana IC project, IFC provided a technical review of the draft insolvency bill. The main recommendations relate to including cross-border insolvency following the UNCITRAL (United Nations Commission on International Trade Law) model, providing for administration and restructuring proceedings, and establishing a professional body of insolvency practitioners. The project was also engaged through the vice president's office to facilitate passage and implementation of the Corporate Insolvency and Restructuring Act (CIRA) legislation. CIRA offers distressed companies the opportunity to undergo rescue processes that may ultimately enable a company to remain in business, benefiting the firm, its officers, creditors, and employees. CIRA was passed in May 2020 with implementation of provisions on company administration and restructuring unfolding during FY21..

In addition to the reform, the project in Ghana continued to progress well across all the project's components. Progress has been achieved in planning and executing activities and procuring relevant expertise to (1) draft regulations to implement the Companies Act, (2) complete the process mapping and re-engineering, (3) continue the IT assessment given the automation, and (4) implement a public education series of Companies Act to the business community and the public. The team also developed a detailed work plan for the Insolvency Act's implementation with the Registrar General's Department and the Ghana Association of Restructuring and Insolvency Advisors (GARIA) and reviewed the draft CIRA implementing regulations) 2020. Furthermore, IFC's team, in coordination with the Ministry of Trade and Industry, organized discussions on business regulatory reforms.

Under the investment promotion and policy component, a positive move has been observed from the engagement with the Ghana Investment Promotion Centre (GIPC). This interaction has led to the preparation of activities on stakeholder consultations on the investment code and the identification of support areas for GIPC aftercare. Finally, on the third component (agribusiness), good progress has been made by IFC's team since the inauguration of the Tree Crops Development Authority (TCDA) and the appointment of its management. The engagement with TCDA has led to agreement on two specific priorities: TCDA's regulation and strategy. On both fronts, IFC's team has made progress with initial draft regulations developed in coordination with the value chain actors. An experienced firm has also been brought on board to start the strategy development soon. Despite the good progress made, the project team would have liked the national building regulations and the Doing Business reforms to have progressed more quickly.

Turkey Electric Vehicle Value Chain Development Generates Upstream Lead

The **Turkey** Supply Chain Development project aims to expand the participation of local Turkish firms in the supply chain of large automotive original equipment manufacturers (OEMs) and their global suppliers by addressing market failures to increase business linkages. This will be achieved through a supplier development pilot (SDP) and improving the capacity of the Ministry of Industry and Technology (MoIT) to scale up and replicate it in other sectors. After six months, the project has made a good start by finalizing the SDP's design. The MoIT is fully committed and demonstrating strong ownership, as evidenced by the chairing of key stakeholder meetings, active communication, and timely follow-up on actions. Three automotive OEM partners have been secured, and 10 local firms have been selected to be assessed by a consultant firm with a strong emphasis on electric vehicle-related suppliers. Over 50 representatives of 23 local firms participated in the project introduction workshop, after which 16 local firms submitted their applications. The project prepared an outline for a planned public launch event. In addition, one investment lead was generated related to electric bus manufacturing plans in Turkey, leading to the development of a new concept note by the Upstream team. The project established a partnership with the International Investors Association of Turkey, which joined the project's first steering committee at the end of June 2021 and offered to fund the training of local assessors by the consulting firm.

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.

FIAS Backing Expands Outreach of IFC's Employability Initiative

Following its launch in early 2021, IFC's employability initiative (Vitae) expanded its outreach and grew its client base with the support of FIAS. Vitae is a unique endeavor that guides higher education institutions in emerging markets to understand how well they are preparing students for the workforce.

Six educational institutions committed to undertaking Vitae's 360° Assessment, including Al Hussein Technical University (Jordan), Botho University (**Botswana**), International University of Grand-Bassam (**Côte d'Ivoire**), and Université Centrale (**Tunisia**). The assessment helps institutions to align their strategic approach to employability by understanding the perspectives of multiple stakeholders, including employers.

Vitae's bespoke advisory services, which are offered in response to educational institutions that wish to improve a key aspect of their employability practices, expanded with the support of FIAS. Eight clients committed to deep-dive explorations in such areas as applied research, career services, constructive alignment, internationalization, key performance indicators, program advisory committees, and work-integrated learning. Participating institutions included Badr University in Cairo (**Egypt**), Strathmore University (**Kenya**), Universidad Continental (**Peru**), and five technical universities in **Ghana**.

Vitae also promoted its free benchmarking service by developing relationships with WACE (the World Association for Cooperative Education) and Inside Higher Ed, the leading information platform for higher education. Nearly 80 institutions completed Vitae's free Benchmarking Exercise that scores an institution's employability practices in five dimensions of employability. Webinars were held on the topics of work-integrated learning, strategy, and digital skills, with experts from such companies as Amazon Web Services and CloudSwyft, with more than 400 in attendance.

Additionally, a new report published by IFC and the World Bank (Demand for Digital Skills in Sub-Saharan Africa) revealed that demand for digital skills training will surge in the coming decade, with significant opportunities to increase the role of the private sector in meeting the digital skills gap. Education providers, policymakers, and the private sector will need to work together to address the significant challenge of skilling and upskilling Africa's population.

In large part due to FIAS funding, client testimonials were created with universities in Ghana and Kenya, including Ashesi University (Vitae in Ghana: An Affirmation that Employability Matters) and the Kumasi Technical University (Vitae in Ghana: Reawakening the Tertiary Enterprise). Their powerful stories convey the value of adopting an employability-first approach, inspiring other education institutions to chart a path to transformation.

ComPEL Working to Ensure Resilient COVID-19 Recovery

The FIAS-supported Competitiveness Policy Evaluation Lab (ComPEL) was extended for one year until June 2022 due to delays imposed by the COVID-19 pandemic. The program is advancing well in achieving its objective "to support the use of impact evaluation in advancing the global knowledge frontier on 'how to achieve impact,' building the capacity of client institutions and World Bank Group staff, and improving the quality of project design

Higher education institutions that adopt a student lifecycle perspective to employability have a competitive advantage over their peers.

and implementation in the areas of firm performance and productivity, entrepreneurship, innovation, and SME finance."

Several activities, including intensive flagship workshops, research clinics, seminars, and country workshops, have been conducted to build the capacity of client institutions and staff in the use of impact evaluation. Overall, between FY17 and FY21, 58 events have been delivered, reaching 1,779 participants. The project has directly benefited 37 projects across the World Bank Group by identifying researchers, facilitating resources, and providing technical advice to improve project design and implementation. The quality of project design and implementation has improved in these projects through the incorporation of impact evaluation pilots and the generation of data and evidence. With inputs from researchers, these projects designed components offering different combinations of business-support services and are measuring their efficiency in generating results. The design of the components considered findings from state-of-the-art impact evaluation research. Together, these projects have completed 25 data collection rounds so far, and several assessments have been presented to counterparts to inform implementation decisions.

In addition to the projects that have benefited directly from ComPEL, there are several cases in which ComPEL reports or researchers contributed to the incorporation of findings into project design. However, it is not possible to track these cases systematically.

In FY21, most of the activities that were put on hold due to COVID-19 had resumed, including Burkina's baseline instruments, Ghana's pilot, Georgia's follow-up survey, and Peru's intervention. However, the baseline survey in Kenya and the follow-up survey in Mexico remain delayed. Despite COVID-19 restrictions, other ongoing impact evaluations advanced with 3 data collection rounds completed in Burkina Faso, Georgia, and Kenya, 4 reports finalized, and 11 seminars/workshops delivered in Washington D.C. and Ghana, reaching 348 participants. The program also continued supporting the implementation and analysis of Business Pulse Surveys, aiming to assess how firms are coping with the crisis.

Guinea Investment Climate Phase 2 Mining Linkages

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 in Guinea has brought with it a spike in the number of SMEs, generating jobs and local income on the margins of this growing sector.

This FIAS-funded project aims to improve the country's business environment and contribute to private sector development by connecting large companies in all sectors, including catering, hospitality, logistics, construction, and agribusiness, with local suppliers. The project supports the Supplier and Partnership Marketplace digital platform, or *Bourse de Sous-Traitance et de Partenariats* (BSTP), which helps MSMEs access much-needed FDI and new marketplaces. During the reporting period, more than 1,650 SMEs were registered on the platform. The marketplace has signed a contract with five mining companies that pay annually to access BSTP services. Additionally, to facilitate access to finance for members, the marketplace signed partnerships with five commercial banks (Afriland, Société Générale, BICIGUI, Banque Islamique de Guinee, and NSIA) and an insurance company (SAAR Assurance).

Faced with both the immediate and long-term consequences of COVID-19, private sector companies in Guinea's mining sector need support to ensure their recovery and post-pandemic survival. In September 2020, IFC AS teams and the Guinea Buyers and Suppliers Marketplace launched the COVID-19 private sector response plan in Conakry. The four-part plan includes an assistance fund for BSTP member SMEs; a capacity-building program to address the COVID-19 context; support for the preparation and implementation of recovery plans for SMEs; and the preparation of a private sector awareness campaign.

The project's major achievement in FY21 was the drafting of the Commercial Justice law. Additionally, the team has helped strengthen the Court IT infrastructure/website to improve automation and information transparency. It has also provided capacity building by delivering IT technical training sessions to judges, clerks, and the Court IT specialist. Finally, the project assisted the Commercial Court of Conakry in drafting a communication plan and supported the preparation of communication materials to sensitize the business community on the role and impact of the Commercial Court of Conakry. Online capacity-building activities for the court's staff and consular judges are being planned to address COVID-19 mobility issues.

The project also supported implementation of several reforms, including reducing by seven days the time it takes to create a business, and the adoption of a Unique Tax Declaration Form that incorporates five additional taxes which were previously paid separately.

In addition, the team helped complete an assessment of the mining licensing OSS performance and suggested improvements as needed; supported capacity building for OSS Case Workers and Focal Points in various ministries, evaluating training needs, proposing training areas, and conducting presentations on licensing/OSS best practices and relevant knowledge sharing; assessed progress on the implementation of licensing reforms for the mining sector; and supported the OSS to engage administrative bodies.

Colombia Productivity and Jobs Project Progresses Amid COVID-19 Headwinds

The project in Colombia achieved all outcome targets for this reporting period. In addition, the project exceeded the overall target of one outcome indicator that had already been met in the previous cycle (number of recommended laws/regulations adopted). The project is progressing well amid the continued disruption caused by the pandemic and recent social protests. Most project activities continued as planned, and the project team made progress on project components and activities at an almost pre-pandemic pace.

The final three ex-post reviews were initiated with formally designated teams from three regulators. Based on project recommendations and results from the ex-post review carried out in 2020, the Ministry of Transport enacted Decree 478/2021 that regulates public service of special automotive land transport. Also, based on project deliverables and recommendations, the National Planning Department launched an official technical guideline for ex-post review to support regulators when reviewing the impact of their current regulation that is now publicly available. In addition, the project influenced the launch of online services to issue land use concept processes and scanning and updating geographic data for construction licenses to facilitate Doing Business, despite general delays in the implementation of recommended reforms.

In the first half of FY21, following close engagement with the government on the new regulatory framework for entrepreneurship, the National Entrepreneurship Policy, and the creation of the Female Entrepreneurship Fund, IFC revised the original design of the child project being developed. The new project aims at boosting innovation and entrepreneurship in Colombia by enhancing the regulatory environment and strengthening the ecosystem. However, the pre-implementation activities of the new child project have continued, although at a slower pace than planned due to the pandemic and the recent social unrest.

Vietnam Private Sector Competitiveness Project Reaches Successful Completion

Despite challenges posed by the pandemic, the project in Vietnam progressed well, with 14 out of 25 companies participating in Phase 2 of the Supplier Development Program (SDP) qualifying as new suppliers of multinational companies. As further evidence of the project's sustainability, the Industry Development Center (IDC) rolled out its own SDP to support local suppliers. The project was closed three months early, at the end of September 2021, since all core activities were completed. Most project outcome targets have been met, with one of three impact targets (increasing local firm performance benchmark scores) exceeded. The remaining two are on track to be achieved. The project's main objective to enhance the ability of domestic suppliers to participate in global value chains (GVCs) in selected sectors is expected to be fully achieved by the end of 2022 (post-implementation period) as planned.

In FY21, the Decree implementing the Law on Investment was enacted in March (Decree 31/2021), operationalizing key project recommendations delivered in 2020, including the landmark issuance of a negative list for foreign investment in Vietnam. The Decree is a critical step forward in providing essential transparency and certainty within Vietnam's investment arena. The project team also focused on closing out the SDP activities during the reporting period. In July 2020, the SDP conducted an in-depth review of the post-COVID-19 improvement plans of 25 participant companies, adjusting their response to delays and international travel restrictions. In addition, the virtual in-depth customized coaching and training program by international consultants was implemented as planned and concluded in June 2021.

Accompanying the virtual training were matchmaking activities to help companies size new opportunities, including VIMEXPO 2021, the Vietnam International Supporting Industry & Manufacturing Exhibition. As a result, SDP companies responded better to GVC restructuring opportunities and established new and deepened linkages with FDI/multinational enterprises (MNEs). Of 25 local suppliers participating in Phase 2 of the SDP, 14 have qualified as new suppliers of FDI/MNE companies, including well-known firms such as Samsung, Panasonic, Sharp, TTI, and Honda.

The government's commitment to bringing the SDP approach forward with its resources is a testament to the project's success. Under the Vietnam Industry Agency, IDC started the second replicated SDP model to support other local suppliers. Further, another project counterpart, the Ho Chi Minh City Center of Support Industry Development has also significantly built up its capacity and reputation in SME-FDI linkages due to project support. The agency is now helping identify and develop local suppliers for FDI companies and implementing other donors' supplier upgrading and linkages projects.

The project was closed ahead of the planned December 2021 completion date to focus on developing a follow-on project to support the implementation of investment climate reforms. The project team leveraged the SDP to develop another follow-on project focused on electronic and electrical enabling supply chains. The project has robust Upstream linkages and is aligned with World Bank activities to enhance firms' digitalization capabilities.

Global Food Safety Program

The Global Food Safety Platform was designed to reduce food safety risk for private-sector clients while contributing to industry sector capacity. The platform is working toward this goal in two dimensions: advisory to firm-level agribusiness and building capacity and thought leadership in food safety by partnering with stakeholders, including the Bank Group's Global Food Safety Initiative, and GlobalG.A.P., an organization that provides training and standard setting for good agricultural practices. Typical platform clients include food-processing companies, retailers, farms, and SME suppliers to retailers. With the integration of the CMA agenda in the Global FS Platform in July 2020, the project is building a pipeline for developing and implementing policy agendas globally, including developing a diagnostic tool for assessing national food safety systems.

During the reporting period, as a part of the knowledge sharing agenda, the IFC Food Safety Handbook and Food Safety Regulatory Toolkit were promoted at a number of external events: (1) a webinar on a flexible approach to food hygiene for SMEs organized by SAFOSO in cooperation with the Food Safety Agency of Ukraine; (2) the International Inspection Reform Conference by the UK Office for Product Safety and Standards; (3) building food safety capacities for the successful implementation of the AfCFTA (Africa Continental Free Trade Area) under the African Union Summit on Industrialization and Economic Diversification; (4) Standards and Trade Development Facility (STDF) practitioner group meetings on public-private partnerships, Prioritizing Sanitary and Phytosanitary (SPS) Investments for Market Access (P-IMA), and good regulatory practices); the annual meeting of the STDF Working Group; and (5) the Virtual WTO Agriculture Symposium.

Pillar 3

A marketplace in Kampala, Uganda. *Photo: Arne Hoel/World Bank*

ECA Green Banking Academy and Green Digital Platform Development

Climate change is a global challenge and growing liability but also a significant business opportunity. The banking industry must adapt and transform to implement its vital role in developing climate finance, supporting mitigation and adaptation of climate change, and increasing climate-related investment. The FIAS-supported regional project in Ukraine, Armenia, Georgia, Croatia, Poland, Romania, Serbia, Turkey, and Uzbekistan seeks to help build the knowledge base to unlock the region's substantial climate finance potential. IFC AS teams will create the Green Banking Academy to tackle the lack of knowledge and understanding in financial institutions concerning climate finance by supporting Europe and Central Asian banks and leasing companies with specialized advice and training. The IFC–Green Banking Academy will play a key role in generating opportunities in investment and advisory for IFC and in mobilizing opportunities for other international investors in supporting the creation and development of climate finance markets in ECA. The project has two specific objectives: first, capacity building to increase technical and commercial skills on climate-related opportunities; and second, market awareness aimed at helping understand climate finance demand from clients and developing market studies that will help demonstrate the green business case.

IFC Support for DigiLab

An example of a FIAS-supported project promoting digitalization is IFC's DigiLab. The digital revolution presents a unique opportunity to accelerate inclusion and growth. It can lower the cost of and scale access to services essential to development, such as finance, health, education, and infrastructure. However, it is still nascent in most emerging markets. DigiLab, a hands-on acceleration program for financial institutions and regulatory stakeholders, works to develop digital transformation strategies and help client financial institutions create a high-level digital vision and a prioritized roadmap to achieve that digital revolution.

The DigiLab LAC project is progressing successfully on its three workstreams and quickly becoming a recognized acceleration methodology. During the reporting period, cohorts of financial institutions remotely attended 20 sessions focused on digital operating models, disruptive innovation, open banking, and establishing a business unit to spearhead their digital transformation. In the realm of accelerating the digitalization of regulatory authorities, in a joint effort with the World Bank, IFC teams created the first value proposition of the program to accelerate the digital transformation of regulatory and supervisory bodies. Under the Sandbox component, the first Sandbox client, the retail financial services company Tuya, was onboarded, and the six-month engagement began in November. The project team worked with Tuya on assessing the organizational maturity level of the Open API (application programming interface) through interviews held with C-Level executives and capacity-building sessions to align concepts and build an Open API culture.

During the current period, DigiLab Finance ECA worked to create a market-driven DigiLab in ECA, adapted materials from the LAC to ECA context, developed virtual content of DigiLab, and piloted the delivery of the first virtual cohort. It was initially envisaged that the DigiLab ECA program would be delivered in face-to-face workshops. However, due to the challenges presented by the pandemic, the IFC team worked to adapt the DigiLab program to virtual delivery. The format is a 12-week program, the same as in-person, with weekly four-hour workshops in a virtual environment, compared to eight hours in the face-to-face delivery.

Sustainable Pepper Vietnam

IFC AS teams are assisting McCormick in Vietnam to build a 100 percent sustainable, traceable, certified, and quality-compliant pepper supply chain by 2025. Current practices make the pepper produced unsafe as well as economically and environmentally unsustainable. The project activities will assist McCormick and their suppliers in establishing systems, testing, and documenting improved production practices, applying integrated pest management, and tracing these changed patterns to support pepper farmers' certification in the supply chain. Further, the project is also working with Citi, to provide suppliers of McCormick's herbs and spices with financial incentives linked to improvements in measures of social and environmental sustainability.

Due to COVID-19-related restrictions, project adjustments were made to account for travel restrictions and social distancing. During the reporting period, the e-learning application Vietpepper was launched with 620 farmers (including 216 women) of three supplier companies through separate events to observe social distancing requirements. The project is currently at the midpoint of implementation. The project is achieving many of its planned targets, including developing five planned e-learning modules, reaching 1,436 of the planned 1,700 farmers (including 581 women farmers). Following the project's implementation, a review will be conducted to determine the project's expansion with three more suppliers and an additional budget to reach up to 10,000 farmers over four years.

A STEP Up for Egyptian Industries: Facilitating Egypt's Transition to a Greener Economy

Motors serve industry in countless crucial ways—powering pumps, fans, and compressors—but also impose costs. The International Energy Agency (IEA) estimates that electric motors account for just over half of global electricity consumption and over 70 percent of industrial electricity use. Energy efficient motors are key to enabling private sector industries to be competitive. Through the FIAS-supported Smart Technology and Energy Efficient Production (STEP) program, IFC is working with the Government of Egypt to encourage the use of higher-efficiency motors by Egyptian industries and to foster growth of a domestic energy-efficient technology manufacturing sector.

At the onset of the program in 2015, a survey found that most motors in use in Egypt did not have a high international efficiency (IE-class) rating. Consumers were unaware of the availability of higher energy efficiency motors. Consequently, demand was low. Those motors that were in the Egyptian market were imports that sold for their low prices.

Prior to STEP, the government was struggling to meet the rising cost of energy subsidies that had been in place since the 1970s as energy demand increased. But the gradual phase-out of the subsidies raised energy costs to the private sector, where inefficient motors continued to predominate. That, in turn, limited the competitiveness of Egypt's industrial sector. STEP was designed to ease this transition by encouraging energy efficiency practices and supporting the growth of Egypt's domestic energy-efficient technology manufacturing sector.

In 2021, STEP completed work with the Egyptian Ministry of Trade and Industry (MoTI) on a ministerial decree requiring higher energy efficiency standards for selected electric motors and the labeling of motors for energy efficiency. The move seeks to bring the Egyptian market for industrial motors in line with other major economies and create opportunities for new local and foreign investment in a growth technology. Effective implementation could help save industry an estimated $560 million and reduce cumulative CO_2 emissions by up to 9 million tons by 2030.

Supporting the introduction of Minimum Energy Performance Standards (MEPS) was a key part of the program. MEPS define the energy performance of equipment and prevent the manufacturing, import, and sale of equipment below a set level. Global experience demonstrates that MEPS are one of the most cost-effective actions that can be taken by a government in this context. IFC has leveraged the technical knowledge of international and local experts to share best practices with MoTI and relevant industry stakeholders and applied state-of-the-art research and stakeholder engagement tools to develop and validate the project's analytical underpinning.

After six years, the project closed out successfully in 2021. The team organized a final awareness-raising workshop and knowledge dissemination on the scope of the decree. Key lessons learned from the engagement with government and private sector stakeholders:

- Making reliable and actionable information available is critical for success. Previous efforts to promote industrial energy efficiency foundered due to limited understanding of the benefits. IFC leveraged international and local experts to build the case for enhancing competitiveness.
- Developing trust among key stakeholders through transparency and face-to-face interaction is vital for sustainability. Without understanding the potential gains in tangible terms, private sector and other stakeholders would not have fully participated.
- Success takes time. General market conditions can never be properly anticipated and are often the primary cause of delays, so it is important to integrate this factor.

The program was featured as a success story in the Korea Green Growth Trust Fund February 2021 newsletter and website, highlighting how a targeted intervention can bring about a comprehensive and long-term reduction of industrial energy consumption in Egypt and how it can help the country transition to a greener, more energy-efficient economy.

Nepal Creating Markets Tourism

The project in Nepal seeks to facilitate $5 million in private sector investments by supporting new and diverse products for higher spending markets within three growth nodes in the Annapurna Conservation Area. The project has made significant progress toward this objective over the past six months, facilitating investment leads of $2.4 million, creating new market opportunities in heritage tourism. Despite the COVID-19-related lockdown restrictions, the project has achieved all key output and outcome targets and delivered on planned activities. IFC AS teams continued to build relationships with both the private sector and government clients for investment facilitation. There is strong buy-in from both private sector and government clients, especially for recovery and market repositioning efforts. The project has been working closely with clients at the Ministry of Culture, Tourism, and Civil Aviation. They have endorsed a key reform by approving new protocols developed by the project team.

Uzbekistan Fertilizer Sector Project Sets Stage for IC Growth Under New Funding

The objective of the FIAS-supported fertilizer sector-specific advisory project in Uzbekistan is to transform the sector by minimizing the state's footprint and reduce measures that undermine sector competitiveness to ultimately increase private investment. In FY21, the team performed comprehensive analyses of UKS and UKH, respectively the fertilizer production and distribution state-owned enterprises (SOEs), subsidies in the fertilizer sector, and an assessment of competitive neutrality, proposing several transformation options for each SOE in line with international best practices. In July 2021, the government began the transition relating to UKH SOE via a decree on liquidation, stipulating the full transfer of UKH SOE to the private sector. Final decisions on options and a decree draft for UKS SOE, as well as a new law on investments, are pending. As UKH SOE (import and sale) has become a licensed activity, the project will draft licensing requirements to ensure they are transparent and do not pose barriers to entry. This work complements the preparation of diagnostics of the Investment Promotion Agency (IPA), focusing on investor servicing and aftercare services, with recommendations for improvement expected by the end of 2021.

The project received FIAS funding for activities in the pre-implementation phase (October 2019 to February 2021). Subsequent deliverables are reported as funding helped lay a solid foundation to achieve early results. The project is expected to transition to implementation in mid-December 2021 with funding from the Government of Japan.

FIAS Portfolio Across All Three Pillars Reflects Broad Spectrum of Activity

FY21 CLIENT-FACING EXPENDITURES BY PRODUCT
100% = $20,889,624

- Sector Enabling (14.4%)
- Business Environment (11.6%)
- Investment Policy and Promotion (11.1%)
- Manufacturing, Agribusiness & Services (9.6%)
- Financial Institutions Group (9.4%)
- Regional Advisory (8.8%)
- Trade Facilitation and Logistics (8.6%)
- Indicator Based Reform (7.1%)
- Entrepreneurship & SME Development (5%)
- Credit Infrastructure (3.7%)
- Competition Policy (3.3%)
- Economics & Private Sector Development (2.8%)
- Infrastructure (1.6%)
- Sustainable Business Advisory (1.3%)
- Gender (0.08%)
- IFC (0.7%)
- Health, Nutrition and Population (0.1%)

04

FIAS-Supported Work In Programmatic Themes

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

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

Gender & Inclusion

Targeting High-Growth Business

Green Competitiveness

Transparency, Political Economy, Sustainability of Reforms

Gender & Inclusion

Women constitute about half of the global population, yet they lag behind men as employees, entrepreneurs, business leaders, and consumers. As of 2020, just 47 percent of women of working age participated in the labor market globally, compared with 74 percent of men. Gender equality is not only a social and moral imperative but also an economic need and instrumental for sustainable development. Economies cannot thrive if they exclude whole segments of the population from contributing to business development, innovation, and opportunities for growth. FIAS-supported work helps close these gender gaps by enabling men and women to be more equally represented in corporate leadership, in the workforce, as consumers, and as suppliers.

Strategic priorities of the IFC gender strategy include enhancing female access to assets and services through increased participation by women in business leadership and the labor force, and by increasing women's access to health, finance, insurance, housing, and technology. FIAS has a strong record of support for removing legal barriers for women, as demonstrated by the Women, Business, and the Law (WBL) program. FIAS will be pushing to exceed institutional targets for the inclusion of gender components in the IFC AS projects it finances.

IFC uses its gender flag to monitor and report on IFC projects that are designed and implemented with the intent to close gender gaps, aiming above and beyond the core business of addressing the consequences of gender imbalance. Gender-flagged projects include an explicit focus on creating equal opportunities for women and men. The gender flag was assigned to 38 percent of FIAS-supported projects in FY21.

The COVID-19 pandemic has also dramatically diminished gains toward gender equality, enhanced the

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discrimination experienced by women and sexual minorities, and increased the financial challenges faced by women-led businesses. In an effort to support recovery from the pandemic for women specifically, many FIAS-supported projects have COVID-19 response elements integrated into gender-flagged projects and vice versa. Much gender-flagged work also involves a digitalization component, as seen in the Guinea-Bissau Cashew Sector Development Project.

Improving the Economic Outcomes of Women Entrepreneurs in Armenia

An IFC report found that providing female entrepreneurs access to finance, adequate business training, and timely support can help them take advantage of opportunities and become equal participants in the Armenian economy. This builds on a World Bank Group report that estimates Armenia is losing an economic output equivalent to 14 percent of GDP due to the low labor participation rate among women, which currently stands at only 60 percent. Furthermore, female entrepreneurs in Armenia are more likely to own smaller businesses compared to men. Women have less access to initial financial resources to start a business and require more support in business training alongside access to networks and markets.

To address these gender gaps in Armenia, the project is working toward improving the economic outcomes of women entrepreneurs in the country by providing these essential advantages. In particular, the project supports emerging female entrepreneurs and established women-owned SMEs by addressing constraints such as a lack of entrepreneurial mindset and limited access to business development services and financing.

This carpet weaving enterprise has created jobs especially for young women in Lousaghbyur village, Lori region. Armenia *Photo: Armine Grigoryan/World Bank*

To date, at least 49 jobs have been created by trained women-led SMEs, while 34 women-led SMEs and start-ups have increased their revenues, and 17 women-led SMEs and start-ups have raised additional funding. The project has also conducted capacity building—bootcamp and acceleration programs—for emerging and existing female entrepreneurs in the agricultural, manufacturing, and technology sectors.

The bootcamp programs were designed to: empower female participants and equip them with knowledge, skills, and practical tools to start and develop their businesses; generate technological and innovative product ideas or validate existing ones; motivate participants to register their businesses as legal entities; and create a support system and network of participants to interact with each other after their completion of the bootcamp.

Acceleration programs were designed for participants with more mature business ideas or businesses, offering mentoring sessions with experts, as well as business and technology tracks with respective workshops, site visits, assignments, and one-on-one mentoring sessions.

Upon completion, the project expects to have strengthened the business and soft skills of up to 200 women entrepreneurs, increased the capacity of two Armenian intermediaries for delivering women entrepreneurship support programs, raised additional funding for at least 50 women entrepreneurs, and increased the revenues of at least 50 women entrepreneurs.

Creating Jobs for Women and Strengthening the Enabling Business Environment in Mali

Despite the challenging environment in Mali following a military coup in August 2020 and another coup just nine months later in May 2021, IFC has worked to improve the ease of business, investment climate, and job creation in the country, including for women. The project made a particular effort to bring more women-led businesses into formality.

The overall objective of this project in Mali has been to strengthen the enabling business environment to retain investments, encourage reinvestments from existing investors, attract new investments from diasporas, and support medium or large-scale investments in key country sectors. Investors in strategic value chains were targeted, such as in agribusiness and livestock, and in emerging sectors such as renewable energy. Support will be delivered through technical assistance to public and private beneficiaries.

Expected project outcomes upon completion include retained investments through the effective promotion of key sectors, the removal of binding constraints in such key sectors, the generation of $30 million of investment in the agriculture and energy sectors, at least one licensed agribusiness SEZ, increased direct and indirect job creation, particularly for women, and increased household incomes in the country.

Reducing the Time and Cost of Trade Borne by Small-Scale Women Traders in Togo and Burkina Faso

IFC is supporting the efficient movement of goods along the Lomé, Togo, and Ouagadougou, Burkina Faso trade corridor by reducing the time and cost of trade borne by the private sector along the passage. This includes small-scale women traders and addressing specific challenges that inhibit their fair and effective representation in the trade-facilitation space. The project team, in collaboration with the UEMOA Commission, also held a Socialization Workshop in Burkina Faso to reinforce the project objective of reducing the time and cost borne by small-scale women traders.

Despite COVID-19 restrictions, the project continued to provide proactive, effective, and innovative technical advisory services and support using virtual technologies, such as virtual meetings and missions, to multiple entities in Burkina Faso and Togo, including the Burkina Ministry for Women, National Solidarity, and Family, and the Togolese Ministry for Social Action and the Promotion of Women's Rights and Literacy.

Additionally, the project facilitated the adoption of an Executive Order to create a new gender sub-committee in Burkina Faso's National Trade Facilitation Committee (NTFC). Consistent with the gender mandate of the project, the sub-committee includes two representatives from leading women's associations in Burkina Faso.

At the NTFC in Togo, the project team prepared and submitted a new Presidential Decree designed to strengthen the NTFC's gender and trade facilitation mandate to lower the time and cost borne by small-scale women traders along the Lomé-Ouagadougou corridor. The Togolese Minister of Commerce endorsed the modified Presidential Decree, which is now pending adoption by the President of the Republic.

Green Competitiveness

Climate change is a key thematic area for FIAS and a priority for our Development Partners. The consequences of a rapidly warming planet are now expected to push more than 130 million people into poverty in the next decade. The World Bank Group's Climate Change Action Plan has therefore committed to increasing climate finance, with a target of one-third of finance to be earmarked for climate change activities.

IFC's Climate Business team works with the industry departments, the private sector, and client countries to embed climate business in high-growth sectors, opening new markets in key areas such as clean energy, sustainable cities, climate-smart agriculture, energy efficiency, green buildings, and green finance. IFC is working with countries to implement a green recovery that can stimulate economies and create jobs while accelerating the green transition in a cost-efficient way, helping countries rebuild better, especially in a post-COVID-19 landscape.

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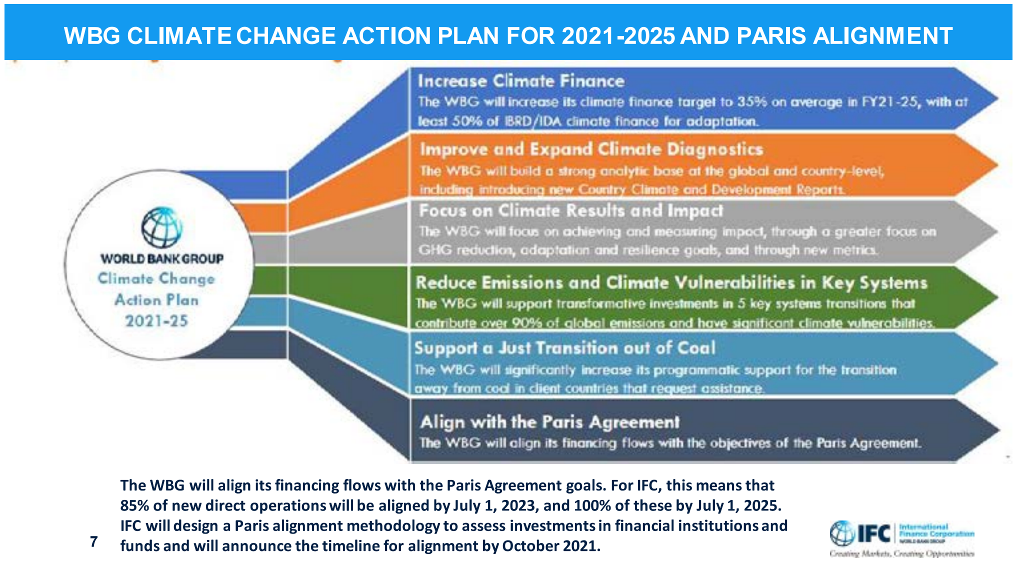

FIAS is also taking more concerted action in this space. While climate change work got under way in FY21 (the last year of the FIAS FY17–21 cycle), we are now prioritizing it in the FY22–26 strategy cycle. For a project to be climate-flagged, it needs to be intentionally designed and implemented with an explicit focus on sustainability.

As part of World Bank Group policy, climate investments will comprise, on average, 35 percent of IFC's own-account investments over the FY21–25 period. FIAS plans to exceed this target by doubling to 70 percent of the climate-focused activities in the projects supported through the FIAS Core account, while the rest of the portfolio will meet the 35 percent target.

Many FIAS-funded climate projects are brand new. Several Environmental, Social, and Governance (ESG) standards projects are getting off the ground, namely in Bangladesh, Indonesia, and Vietnam. These teams will help unlock investment in projects that meet sustainability/green criteria, while ensuring that ESG risks are properly managed, and IFC Performance Standards are mainstreamed across sectors so that additional investment can contribute to addressing the country's climate vulnerability.

A Green Banking Academy project is being introduced in ECA to overcome the knowledge barrier to becoming greener. This follows on from a similar project in LAC, which mobilized LAC FIG investment of $1.3 billion in climate loans (FY19–20) and helped avoid 1.4 million tons of greenhouse gas emissions in the same period.

Ongoing FIAS projects include greening agribusiness, by reducing emissions and making production economically and environmentally sustainable. A sustainable pepper production project in Vietnam is applying an IFC investment-linked approach, over a period of up to two years, which aims to enable clients, farmers, and local suppliers to develop more productive, efficient, and sustainable enterprises, partly through in-person trainings and an e-learning app.

Elsewhere, sustainable construction projects are progressing well in Pakistan, and in Africa through the MAGC partnership, with the aim of not only reducing consumption and emissions but also promoting the financial assets of green building (e.g., lower utility costs and higher market values).

Targeting High-Growth Business

The targeting high-growth business initiative helped governments boost the competitiveness of growth-oriented businesses. The FIAS-supported Supporting High-Growth Firms product development project concluded successfully in FY19, having achieved its objectives. It supported client-facing projects and built 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.

IFC 3.0 Creating Markets Upstream and the Continuum envision sector-specific advisory and firm-level projects as a step closer to investment growth and job creation, than the important work FIAS continues to support in economy-wide, enabling environment reform. The Upstream agenda identifies both the regulatory bottlenecks per sector and the most promising areas of private sector growth potential. Alongside new initiatives, FIAS has aligned the existing portfolio with the FIAS FY22–26 strategy, in some cases, by dropping, closing, or restructuring projects. To that end, there are no longer many projects under this thematic area. For instance, the focus on high-growth sectors is now central to climate resilience investments and is labeled as such.

Similarly, planning was already under way for the FIAS FY22–26 strategy cycle when the COVID-19 crisis and its economic fallout struck. The pandemic added a 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 must include initiatives to identify and ensure the survival of the strongest firms that can become the anchors of longer-term recovery and growth. Remaining initiatives from this category may fall under the COVID-19 thematic area, with others marked as gender and digitalization projects as appropriate. The lessons learned during the FY17–21 cycle in the high-growth firm space are thus important to IFC AS teams.

Digitalization

One billion people in the world cannot prove their identity which limits their access to digital services and opportunities. Digital technologies are at the forefront of development and provide a unique opportunity for countries to accelerate economic growth and connect citizens to services and jobs. FIAS supports advisory services that help clients unlock innovative solutions to complex development challenges and help countries accelerate their pace of development in areas from digital banking to blockchain and telemedicine.

As the COVID-19 pandemic began, half of the world's population was still without internet access, the vast majority in developing countries. Digital technologies have helped keep people, governments, and businesses connected through the pandemic, and will play an increasing role in the recovery period.

Fostering digital inclusion is also of paramount importance. The gender gap is still wide in the least developed countries, where women are 33 percent less likely to use the internet than men and 25 percent less likely to know how to leverage digital technology for basic purposes such as using a spreadsheet.

FIAS characterizes digitalization projects as those that foster digital transformation in a particular focus area, and that result in lasting change. A simple application of digital technologies is not enough—FIAS digitalization work is designed to have an impact beyond project completion.

Examples of digitalization work include: projects involved in legal and regulatory reforms to enable government-to-business (G2B), government-to-citizen (G2C), business-to-business (B2B), and business-to-citizen (B2C) services and transactions, such as digital payments, e-signatures, and regulations; projects implementing systems to enable G2B, G2C, B2B, and B2C services, such as online business registrations, online FDI registration systems, and information portals to increase transparency; and projects that set a vision and improve the capacity of private businesses to inbuild online operations, such as online banking and payment services.

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IFC Working to Strengthen Entrepreneurship and the Cashew Sector in Guinea-Bissau

The economy of Guinea-Bissau, both an IDA and FCS country, is dominated by the production and sale of raw cashew nuts, which account for 95 percent of exports. Guinea-Bissau has long been caught in a cycle of fragility, elite capture, and poor governance, confining two-thirds of the population to poverty. This FIAS-supported project facilitated greater entrepreneurship generally and inclusive development in the cashew agribusiness sector, supporting the government's effort to make the sector more competitive and attractive to local and international investors. The project, which closed with a mostly successful development effectiveness rating, has had a strong focus on gender, with multiple interventions supporting the increase of economic opportunities for women.

In the context of very limited connectivity in Guinea-Bissau, and as part of FIAS support for digitalization initiatives, IFC AS delivered innovative digital solutions, including geo-referencing and price information systems. The geo-referencing system provides information to cooperatives regarding cashew production, plot size, and other sector characteristics to facilitate producer efforts to aggregate production. The price information system connects mobile phones of rural cashew farmers with sector players across the continent through a partnership with MTN, one of two mobile network operators in Guinea-Bissau. Particularly in the COVID-19 context, the farmers who are digitally linked with processors are more resilient and better positioned to secure a higher price and buffer fluctuations of commodity prices.

The project facilitated the introduction of a single digital window for cashew exports. It also supported the digital interconnection of the tax authority system, bringing together sectoral authorities, customs, and agencies, improving the flow of information in the sector. Customs reform reduced the number of procedures from 35 to nine steps, centering around the use of digital procedures instead of manual ones.

To promote entrepreneurship across other sectors, the project held a business plan competition for entrepreneurs, providing up to 10 days of training on business management and business plan development, and grants to 50 selected participants. At all stages of the competition, including trainings and awards, 50 percent of the participants were women. Overall, the project contributed to significant improvements in the cashew sector, promoted entrepreneurship across various sectors, and generated strong employment creation, especially among women.

Dignity factory workers producing shirts for overseas clients, in Accra, Ghana. *Photo: Dominic Chavez/World Bank*

Providing a Tool to Help Firms Find COVID-19 Support

To support companies in Côte d'Ivoire to understand and navigate the funding that is available to them throughout the COVID-19 crisis and beyond, IFC, in partnership with the Comité de Concertation Etat–Secteur Privé (CCESP), or State–Private Sector Consultative Committee, launched an online COVID-19 fund location tool (*please visit https://covid-19.ccesp.ci/ to view the tool*).

The tool builds on a successful model established in South Africa by Wesgro, the official tourism, trade, and investment promotion agency for Cape Town and the Western Cape. It assists investors and businesses looking to branch out into the province. The tool, which became operational in July 2020, poses six easy questions to help companies identify eligible relief measures. Initially managed with IFC assistance, the tool has now been fully handed over to CCESP, which is responsible for its maintenance.

Later in FY21, the tool listed six funds and one fiscal incentive, with IFC and CCESP continuing work on sourcing more. Currently, new eligibility criteria are being defined to further refine the tool, and teams are striving for a better quality of information. Meanwhile, IFC is training the CCESP team to update the tool and monitor the progress toward faster relief identification and disbursement. The tool is becoming a valuable resource for Côte d'Ivoire's SMEs for COVID-19 recovery.

Tracking Tools Help Investor Retention Efforts in Response to COVID-19

FDI inflows to Rwanda increased steadily over the 15 years leading up to the COVID-19 pandemic, rising from an average of $40 million from 2005 to 2007 to more than $400 million from 2016 to 2019. The growth stemmed in part from significant efforts by Rwanda to improve its investment climate. Even before the pandemic, however, investors continued to face bureaucratic hurdles and regulatory uncertainty preventing the country from reaching its full FDI potential.

As part of FIAS support for digitalization initiatives, a project to improve the facilitation, retention, and expansion of FDI in Rwanda through the Systemic Investor Response Mechanism (SIRM) and a customer relationship management (CRM) system was launched.

SIRM is an early warning tool used to identify and resolve investor issues that arise from government conduct before they result in negative impacts, such as escalation to international litigation or threats to existing or planned investment. The mechanism provides a solution by putting in place an institutional framework that enables the effective identification, management, and tracking of investment grievances to ensure investment retention and expansion, as well as prevention of investment disputes.

In setting up and operationalizing a full and tailored CRM system, including an investment grievance tracking module, IFC helped strengthen the Rwanda Development Board's capacity to handle investor issues for entry, establishment, retention, and expansion. Through the FIAS-supported project, IFC helped Rwanda take the next steps to increase the attention and confidence of foreign investors to attract, retain, expand, and link greater flows of FDI into the economy, thereby contributing to private sector growth. The relevance of this work intensified with the onset of the COVID-19 pandemic in early 2020, and the resulting sharp drop-off in global FDI flows. In Rwanda, SIRM and CRM have proven to be as effective in investment retention as in investment generation. As of December 2020, retention of investments in Rwanda brought about with the help of SIRM amounted to $11,289,663, and 597 jobs, surpassing the impact targets of the project.

IFC's DigiLab Helping Firms with Digital Transformation Strategies

IFC's DigiLab program in the LAC region is a hands-on accelerator program that supports senior-level financial institutions and regulators in understanding the fundamentals of digital transformation, identifying their current states of digitalization and internal challenges, enriching their visions

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IFC DIGILAB FINANCE

BRINGING DIGITAL INNOVATION TO THE FINANCIAL SECTOR IN LATIN AMERICA AND THE CARIBBEAN

to transform, applying effective change management processes, and preparing for digital success through adaptions to their operating models. The program uses a Digital House framework that articulates the path to digital transformation by incorporating a digital vision, customer-centric digital operating model, emerging technologies, and innovation. In addition to theoretical knowledge and methodologies regarding digital transformation, the program provides participants with real-life success stories and networking opportunities.

In June 2021, the program reached a milestone—the first DigiLab Alumni community event. Prior to the event, the team sent out a short survey to 19 alumni institutions to gather insights.

Of the 12 respondents, four institutions reported that the program resulted in an increase in number of clients and client satisfaction, and a positive impact on revenues and costs, 11 institutions moved forward to the implementation stage of the digital transformation roadmaps developed during the program, 11 institutions have developed or improved their transactional digital channels such as web pages or mobile applications, 10 have implemented new organization or business structures to pursue their digital transformation, and 9 have worked on redesigning processes and leveraging automation tools. These efforts have also translated into results: six institutions increased their client base by more than 5 percent, five have increased their client satisfaction by more than 10 percent, four have experienced increased revenues by more than 10 percent, and five have experienced increasing efficiency by more than 5 percent. These improvements demonstrate the value of DigiLab in supporting clients to obtain tangible results through a proper and holistic digital transformation process.

The fourth cohort of the DigiLab program started in late May 2020 with a record six participating institutions. The program continues to gain global recognition as a model for promoting digital transformation. A fifth cohort for the program has been confirmed for Colombian cooperatives, and a sixth cohort is under exploration, both of which are planned for FY22.

Monitoring & Evaluation, Impact

FIAS Jobs Pilot Estimates Initial Results Doing Business

In FY21, the FIAS M&E team applied the job estimation models that IFC uses to measure the employment impact of investment services to selected economy-wide and industry-specific investment climate projects. The models were applied to three projects that claimed reforms, generated private investments or linked SMEs to a mining value chain for estimating direct, indirect, and induced jobs. The results of the study estimated that the investment policy and promotion reforms in Bosnia and Herzegovina contributed to the creation of between 780 and 910 new full-time-equivalent jobs. In

Nepal, the tourism sector reforms contributed to the creation of between 4,570 and 5,320 jobs, and in Guinea, local content policy reforms contributed to the creation of between 944 and 1,028 jobs.

The significance of these findings is being closely analyzed by the M&E team to determine the viability of the methodology and the potential to apply it across more projects in more client countries. Pursuant to the completion of this analysis, FIAS plans to undertake more pilots in the new strategy cycle by applying job estimation models to track the employment impact of selected projects with positive development effectiveness (DE) ratings that have a line of sight to private investment and/or SME linkages impact.

End-of-Cycle Approaches to Measuring Reforms, Investment, Linkages, Productivity

The FIAS program is a complicated enterprise involving a wide range of IFC Advisory Services and World Bank Group knowledge development products spanning many years and, in most cases, tapping multiple funding sources. FIAS funding is sometimes front-loaded, helping a project get started and then fading as a project team advances the work and finds other sources of support. These and other factors complicate the task of attributing results to FIAS. For example, the M&E team does not recognize a reform until a new regulation or law has not only been passed but also effectively implemented. For this reason, a validated reform resulting from a project might not be recorded in the IFC system until the project is no longer receiving FIAS support. Likewise, with investment generated, another of the key impact measurements in the FIAS Scorecard, actual private sector investment attributable to a FIAS-supported intervention might not materialize until two or three years after a project has closed, or possibly several years after a project has stopped receiving FIAS support.

With the end of the FY17–21 cycle, the M&E team took these factors into account in conducting a retrospective review to ensure the most accurate possible accounting of the results generated by FIAS-supported work. In the case of investment generated, M&E's analysis looked for investment clearly linked to a FIAS-supported project and assessed how much of that investment could be attributed to FIAS. For the cycle just ended, M&E developed a conservative accounting approach that only counted a portion of new investment toward the FIAS total. A case in point is the Myanmar Investment Policy project. It was launched during the FIAS FY12–16 strategy cycle, receiving $246,186 in FIAS financing from FY15 to FY18 as part of a $2.1 million overall project budget. Only during 2021 did the project report validated investment generated. The M&E team concluded that $451 million of the total could be counted in the FIAS Scorecard.

Similarly, with reforms, the M&E team conducted a retrospective review of the IFC Advisory Services portfolio due to an awareness that in previous years, the FIAS reform count was limited to reforms validated in a given fiscal year that also received FIAS funding in that same fiscal year. The retrospective approach identified 16 reforms in the FIAS portfolio that would not have been captured by the traditional approach. Of the 16 reforms, 2 were from projects funded by FIAS prior to FY21; 10 were captured in the retrospective review and had received FIAS funding prior to FY21, and 4 were retrospectively reported but also received FIAS support in FY21. This process brought the FIAS reform total recorded in the reform table in Chapter 1 from 35 to 51 reforms.

In the FIAS Scorecard impact indicator on IFC or World Bank investment or lending initiatives informed or enabled by FIAS-supported projects, the M&E team used data captured in IFC's internal project database in which teams enter specific information about numbered IFC or World Bank investment or lending initiatives with direct links to FIAS-supported advisory. The review, which determined that 42 percent of the projects in the FIAS FY17–21 portfolio had at least one such link (in many cases, more than one), was conservative in that it only credited a FIAS project with such a link if the project team entered information on the particular IFC or

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World Bank investment operation to which the FIAS work was connected. Even this conservative approach showed that these connections are substantial.

Finally, FIAS, in partnership with the World Bank's Finance, Competitiveness & Innovation (FCI) Global Practice, developed a note to improve productivity measurement in World Bank Group interventions. The note aimed to help implementing teams—particularly those working on firm-level advisory—to strengthen their theories of change and improve the measurement of firm productivity, including the attribution of productivity changes to interventions. A detailed review examined 38 projects that closed during FY17–21 as well as active and pipeline FIAS-supported projects. The review found no case in which the productivity measurement approach could be applied. A key conclusion, therefore, was that measurement of firm-level productivity improvements from FIAS client-facing projects will be episodic, given that most of the FIAS portfolio will consist of projects geared toward sector-specific and economy-wide advisory. We noted that the direct compliance cost savings indicator can serve as a proxy for productivity of firms when such sectoral approaches are followed. As the FIAS-financed FY22–26 portfolio grows, we will look for opportunities to apply this methodology in appropriate cases.

Doing Business

After data irregularities in the Doing Business 2018 and 2020 reports were reported internally in June 2020, World Bank Group management paused the next Doing Business report and initiated a series of reviews and audits of the report and its methodology. At the end of FY21, the pause in the publication of Doing Business was extended as the Bank Group conducted its assessment to assure the integrity and impartiality of DB data and analysis. As reported in the *FIAS 2020 Annual Review*, given the critical importance of investment climate advisory services to clients, especially in the COVID-19 context, client-facing teams working in the DB indicator areas were advised to develop alternative means to collect and validate results. Teams were also urged to consider designing upcoming investment climate projects using alternative and credible approaches.

Following the end of FY21, on September 16, 2021, World Bank Group management *announced* its decision to discontinue the DB report after reviewing all the information available to date, including the findings of past reviews, audits, and the report the Bank released with the announcement on behalf of the Board of Executive Directors.

Of the four countries where specific irregularities were reported, Azerbaijan was the only FIAS client country (the Azerbaijan Agribusiness Competitiveness and Investment Climate project). In FY17 and FY18, Azerbaijan recorded five DB reforms stemming from different AS projects (construction permits, property transfers, and protecting minority investors in FY18, enforcing contracts and property transfers in FY17). None of these reforms were impacted by any data irregularities. The review examined published scores relating to several DB indicators, including enforcing contracts. It 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 improved Azerbaijan's global rank from 34th to 28th among the 190 countries covered in the report, placing Azerbaijan among the top 10 improvers in Doing Business 2020 had the identified scoring irregularities not occurred. The report identified no evidence suggesting that the Office of the President or any members of the Board were involved in the changes affecting Azerbaijan in the 2020 report. FIAS continued to support work in Azerbaijan, and the IFC AS projects there were not the subject of the investigation.

FIAS remains firmly committed to supporting investment climate advisory services to advance the role of the private sector in development and provide support to governments in implementing economy-wide and sector-specific reforms. This mission remains squarely in the remit of FIAS-supported projects. A full review of DB data for the past five years conducted by the DEC team found no new data irregularities. All the reforms passed and implemented remain confirmed. In addition, client-facing teams have carried out rapid assessments for collecting and validating results based on non-DB data. IFC AS teams have access to a wide variety of other data sources and analytical tools to assess the business environment in client countries. These include World Bank Enterprise Surveys, the World Economic Forum Competitiveness Index, the Organisation for Economic Cooperation and Development's (OECD) product market regulations, Business Pulse Surveys, Country Private Sector Diagnostics, and research on a range of private sector development issues. The World Bank Group, through its policy dialogue, stands ready to continue to support countries in this area. Moreover, going forward, we will also be working on a new approach to assessing the business and investment climate.

Client Satisfaction and Development Effectiveness

For the five years of the FY17–21 strategy cycle, clients have rated 182 of 194 projects positively, or a 94 percent **client satisfaction** rating (for FY12–16 cycle: 92 percent). In FY21, 54 of 56 projects received positive client satisfaction ratings, or 96 percent. IFC also assesses its portfolio projects internally for **development effectiveness** (DE) after projects reach completion, assessing project execution in the field against project objectives at the outset. For the FY17–21 strategy cycle, 31 FIAS-supported projects were rated for development effectiveness; 23 of those received positive DE ratings ("successful" or "mostly successful") in internal World Bank Group management reviews, or 74 percent, which is ahead of IFC Advisory Services as a whole (71 percent positive). Although short of the 80 percent target, this result was achieved amid the challenges of COVID-19 while maintaining the FIAS focus on IDA, Sub-Saharan Africa, and FCS countries. The number of DE ratings is small because DE covers only projects that have reached completion, allowing time to confirm that reforms are being implemented and investment generated.

For FY21, 8 out of 11 completed FIAS projects were rated successful or mostly successful: Western Balkans Regional Investment Policy and Promotion; Ethiopia Systemic Investor Response Mechanism; Kenya Secured Transactions and Collateral Registry Support; Rwanda Systemic Investor Response Mechanism (successful); and Guinea-Bissau Cashew Sector Development; Madagascar Credit Reporting; India Technical Assistance on Insolvency; and IFC ECA Green Banking Academy (mostly successful). The Myanmar Investment Policy project (mostly unsuccessful) nevertheless was successful in two of its main goals: opening the economy to foreign investment and generating increased private sector investment.

FIAS CLIENT SATISFACTION, FY17–21			
FY	Projects Rated	# Positive	% Positive
FY17	31	28	90%
FY18	10	10	100%
FY19	31	30	97%
FY20	66	60	91%
FY21	56	54	96%
CYCLE	**194**	**182**	**94%**

FIAS DEVELOPMENT EFFECTIVENESS, FY17–21			
FY	Projects Rated	# Positive	% Positive
FY17	2	2	100%
FY18	6	3	50%
FY19	5	3	60%
FY20	7	7	100%
FY21	11	8	73%
CYCLE	**31**	**23**	**74%**

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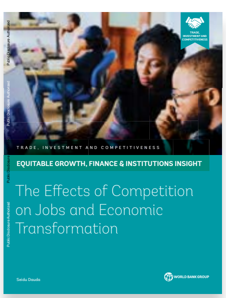
Knowledge Management, Publications, and Learning Highlights

Each year IFC AS and the World Bank's Equitable Growth, Finance, and Institutions Global Practice group (EFI) publish many outputs, including real-time tools, policy technical notes, and global flagships, that help inform FIAS advisory work and provide the analytical basis for policy advice on critical topics related to the private sector. Highlights include:

Publications

Barriers to Competition in Product Market Regulation: In September 2020, a FIAS-supported team published a heatmap on restrictive product market regulations (PMR) across developing and developed economies, identifying common trends and competition-related regulatory areas that should receive attention from analysts and policymakers. PMRs are more restrictive and more variable in emerging markets and developing economies than advanced economies, with most variation among countries being attributable to differences in sector policies.



The Effects of Competition on Jobs and Economic Transformation (JET): The publication reviews literature to document the channels through which competition impacts key dimensions of productivity and jobs, the primary outcomes measured under the JET agenda. The evidence suggests that competition fosters productivity gains and job creation as well as induces firms to be more productive and innovative, fosters a better allocation of resources across economic activities, and forces less-efficient firms to exit the market while inducing more efficient firms to enter and gain more market share. In the short term, however, productivity improvements may entail some job losses (October 2020).

Industrial Policy Effects and the Case for Competition: The report analyzes the evolution and effectiveness of selected industrial policy tools (such as SOE, subsidies) as a means to promote, among other things, productivity, employment growth, innovation, and investment, showcasing the results of the empirical literature and the intersection with competition policy tools. It finds that the most successful industrial policies reinforce competition, suggesting that competition policy and certain types of industrial policy can be crafted as complements (September 2020).

Fresh Ideas About Business in Emerging Markets: This 100th EM Compass note explains why it is important to "create markets" to promote development and how development finance institutions and impact fund managers can draw on IFC's Anticipated Impact Measurement and Monitoring system to assess the contribution of their investments to both market creation and project outcomes (March 2021).

Resilient Industries Competitiveness in the Face of Disasters: Disasters offer the opportunity to strengthen competitiveness by building back better initiatives and adapting to long-term climate change and disaster risks with the right frameworks in place. Despite these insights, and the urgency to act, however, the evidential basis for policy intervention and conceptual frameworks for industry resilience are far from definitive, and gaps in knowledge remain. As a result, industry resilience policy and action remain low in both the public and private sectors, and firms and economies still face high costs of inaction (October 2020).

[Resilient Tourism Competitiveness in the Face of Disasters]: This report presents the case to government decision-makers, tourism private sector stakeholders, and development partners. The industry must act urgently to integrate resilience as a core component of its competitiveness agenda. Its objectives are to: build knowledge of how and why the tourism sector is vulnerable to disaster and climate risks; raise awareness of disaster and climate impacts on tourism competitiveness; examine barriers to proactive mitigation and risk-informed decision making; and present examples of approaches in different countries (October 2020).

COVID-19 and Women-Led MSMEs in Sub-Saharan Africa: IFC undertook a study to understand the impact of the COVID-19 pandemic on women-led MSMEs in 13 African countries. The team also sought to appraise public- and private-sector interventions in Sub-Saharan Africa and offer financial and non-financial solutions for financial institutions and development partners to consider. With this report, IFC AS hopes to strengthen outcomes for micro and small enterprises, especially those led by women (March 2021).

Creating Markets in Vietnam: Country Private Sector Diagnostic: The CPSD diagnoses what can be done now to get Vietnam back on track, strengthening private sector development and attracting investments through an innovation-driven and inclusive growth model. It argues that the COVID-19 crisis can serve as a catalyst for tackling incomplete structural reforms and an opportunity to upgrade the country's human capital, green its infrastructure, and deepen innovation in financial services and capital markets (September 2021).

Small Business, Big Growth: How Investing in SMEs Creates Jobs: The report aims to capture the key constraints that SMEs typically confront and provide a methodology better suited to measuring the job creation effects of SME finance initiatives by DFIs like IFC. The report, extrapolating from the model, shows that lending activities by IFC's clients were related to the creation of an estimated 4.7 million to 6.1 million jobs in 2018 (March 2021).

Bridging the Gap: Response and Recovery for Gender Equality amid COVID-19: As COVID-19 widens global gender gaps, IFC and UN Women have partnered to showcase a growing number of companies and organizations around the world that are taking action to ensure the economic inclusion and social well-being of their employees, customers, and suppliers, as well as local communities. This report aims to inform companies worldwide on emerging practices and initiatives for supporting women employees, entrepreneurs, and those in value chains amid the pandemic (December 2020).

COVID-19-Related Products

A blog titled COVID-19, tech firms, and the case for data sharing discusses the role of tech firms in tackling the COVID-19 crisis and what this might mean for the need for pro-competition data policies (July 2020).

Published by Competition Policy International, the article Up in the Air: Airlines and Competition Policy in times of COVID-19 builds upon the note developed by the team on competition policy during COVID-19 and systematizes an array of policy measures adopted by countries across the world to mitigate the impact of COVID-19 on air transport. In doing so, it puts forward a framework through which the potential anticompetitive impacts of policy interventions can be identified and eventually tackled (July 2020).

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FY21 Events

Improving Food Safety, Leveling the Playing Field in the COVID-19 Era: More than 90 representatives from the Bangladesh public and private sectors, including IFC clients and regulators from Egypt and India, attended the virtual event (November 2020). They focused on food safety and risk management amid the pandemic. An IFC concept note on policy and public food safety diagnostic in Bangladesh was developed based on the event. In December 2020, the IFC Food Safety Handbook webinar on Food Safety Regulations was conducted, attended virtually by 155 participants worldwide.

BBL on Entrepreneurship Development to Drive Countries' Innovation: A FIAS-supported team hosted a virtual brown-bag lunch on entrepreneurship in collaboration with representatives from Creating Markets Advisory (CMA), Latin America and Caribbean region, CDF, and the Finance Competitiveness and Innovation global practice (FCI), part of our effort to create a platform for presenting the World Bank Group's thought leadership around a priority area of engagement. The event aimed at (1) sharing learnings from the different engagements in MENA and LAC to facilitate south-south cooperation; (2) identifying opportunities to strengthen collaboration with CDF; and (3) fostering global-regional collaboration through FCI's insights on global best practice and lessons learned (February 2021).

Employees of an agribusiness in Mali. *Photo: James Martone/World Bank*

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Financial Results and Resource Use

Activities covered in the FIAS 2021 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.

$24.9 m

total contributions from all sources in FY21

$23.72 m

total direct project expenditures in FY21

$20.89 m

total client-facing project expenditures in FY21

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 FY21, FIAS donors, clients, and the World Bank Group contributed a total of $24.9 million (including trust fund administration fees of $1.24 million) to the various FIAS trust funds, supporting the implementation of a broad-based investment climate reform effort under the FIAS program. Contributions from IFC in the form of allocations from the **Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS)** are treated as an additional source of funding for FIAS-related activities *(see details in Table 1: Sources and Uses of Funds)*.

World Bank Group core contributions totaled **$7.0 million** in FY21, including $5.0 million from IFC and $2.0 million from the World Bank. The World Bank Group

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contribution represents 28 percent of total FY21 FIAS contributions.[2]

Core contributions received from donors amounted to **$4.0 million** in FY21. 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 FY17–21 funding cycle, and that pattern is being repeated into the new FY22–26 cycle. Overall, for FY17–21, core donor contributions were below expected fundraising targets. The total amount of core funding received in FY21 from the World Bank Group and donors amounted to approximately **$11.0 million,** consisting of $4.0 million in contributions from donors and $7.0 million from the World Bank Group. For the full five-year FY17–21 strategy cycle, the World Bank Group provided $35 million of the $59.6 million in total core contributions, or 59 percent. The $59.6 million in core contributions represents 40 percent of total FIAS contributions for the strategy cycle of $148.0 million.

Programmatic contributions from donors made available through thematic and regional FIAS trust funds totaled approximately **$8.0 million** in FY21. For the FY17–21 strategy cycle, programmatic contributions totaled $49.1 million, or one-third of total FIAS contributions for the cycle.

In FY21, **project-specific contributions** from donor partners amounted to **$5.9 million,** compared to $7.9 million in FY20, an expected decrease as projects closed in the FY17–21 cycle.

Positive discussions with Development Partners about **client contributions** for the FY22–26 strategy cycle reflect strong support for the new direction for FIAS over the next five years supporting the IFC 3.0 Creating Markets Upstream agenda.

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. During the FY17–21 cycle, for example, 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 FY21, FIAS expenditures for investment climate reform activities reached **$24.2 million.** This represents a 97 percent rate of spending against cash receipts of $24.9 million for the year. Staff and consultant costs represented the largest share of total FY21 FIAS expenditures (43 and 52 percent, respectively). Due to COVID-related travel restrictions, travel expenditures were down dramatically to $153,887, or less than 1 percent of total expenditures. That compares to $3 million to $5 million per year for travel in the first three years of the cycle. Indirect costs (infrastructure, office occupancy, and other miscellaneous costs) remained relatively low in FY21 at 5 percent. For the FY17–21 cycle, staff costs accounted for 48 percent of total FIAS expenditures; consultants and temporaries 37 percent; travel 13 percent; and indirect costs 5 percent *(see Table 1, Sources and Uses of Funds).*

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

Direct project expenditures for FY21, including client-facing projects and global programs, were $23.72 million, or 98 percent of total expenditures of $24.2 million. In FY21, $0.529 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, in accordance with IFC Advisory Services policy, general and administrative 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 $20.89 million in FIAS support for client-facing projects represented 56 percent of total FY21 spending on those projects. FIAS contributed an average of $133,054 to the 134 client-facing projects it supported in FY21. For 14 of the global knowledge projects that received FIAS support, FIAS funding represented 40 percent of the total FY21 spending, with an average contribution of $188,465 per project.

In FY21, FIAS expenditures in priority areas were in line with the strategic spending targets outlined in the FIAS FY17–21 strategy. Of the $20.89 million in client-facing project expenditures, 65 percent supported IDA borrowing countries, 41 percent went to projects in Sub-Saharan Africa, and 33 percent supported projects in FCS. Overall expenditures in priority areas for the FY17–21 strategy cycle were close to spending targets for the cycle: IDA 63 percent, target 70 percent; Sub-Saharan Africa 46 percent, target 50 percent; FCS 28 percent, target 25 percent.

Among regions, Sub-Saharan Africa made up the largest share of client-facing expenditures with 41 percent. Europe and Central Asia received the next largest share of client-facing expenditures with 17 percent, followed by Latin America and the Caribbean at 13 percent; the Middle East and North Africa with 8 percent; East Asia and Pacific with 7 percent; and South Asia 7 percent. Client-facing world region projects accounted for 8 percent.

Administration fees are collected by IFC to cover trust fund administration costs and are deducted from donor contributions at the time of receipt. In FY21, IFC collected trust fund administration fees of $1.24 million from FIAS donor contributions.[3]

In FY21, FIAS received $23.6 million in cash receipts (net of administration fees) and expended $24.2 million for the same period, or 103 percent of total cash receipts, made possible by spending down of unspent funds from earlier in the cycle. For the FY17–21 cycle, FIAS received a total of $143.1 million (net of administration fees) and expended a total of $131.8 million or 92 percent of total cash receipts.

Beginning in FY21, the administration of FIAS shifted from EFI to IFC. Overall spending envelopes for the regions were determined by the IFC Trust Fund Council. IFC Regional Allocation Panels continued to determine the 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 priorities. Global knowledge product funding decisions were made collaboratively by IFC and World Bank managers.

Fundraising Update

Total secured contributions from the World Bank Group and donors for FY17 through FY21 were $147.9 million. Adding the FIAS fund balance of $23.6 million from the FY12–16 strategy cycle brings the total to $171.5 million.

3 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.

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The total fell short of the $186.5 million in total receipts in the FY12–16 cycle and the $200 million fundraising target for FY17–21. FIAS has once again set an aspirational target of $200 million in fundraising for FY22–26. The FIAS program carried $9 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 FY21 is as follows:

1. $38.7 million was provided by the World Bank Group FY17 through FY21 for the Core Trust Fund and project-specific activities; $109.3 million was provided by donors for core, programmatic, and project-specific activities. This represents a 26/74 ratio, Bank Group-to-donor, which aligns with the ratio in the FY12–16 cycle.

2. Core contributions from the World Bank Group and donors totaled $59.6 million for FY17–21. Contributions to Programmatic and Project-Specific trust funds totaled $88.4 million. This represents a ratio of 40/60, core vs. programs and project-specific, reflecting the donor trend during the cycle for earmarking contributions to specific programs or projects; the ratio during the FY12–16 cycle was 46/54.

3. Donor contributions to the FIAS Core Trust Fund dropped sharply in FY17–21 compared to the previous strategy cycle: $47.5 million from 11 donor countries in FY12–16; $24.6 million from 9 donor countries in FY17–21. The average annual donor contribution to FIAS core per donor was $864,000 in FY12–16; $547,000 in FY17–21.

4. Total FIAS spending for FY17–21 was $131.8 million; of that total, $115.4 (88 percent) million went for direct project expenditures, which includes project preparation, implementation, and supervision costs. This represents a significant improvement over the FY12–16 cycle when direct project expenditures were 77 percent of total expenditures. Total expenditures include direct project expenditures, general and administrative costs such as rent and communications equipment, and indirect project expenditures, including program management and operational support costs, M&E, knowledge sharing, donor relations, and other non-overhead costs such as administrative and back-office support staff.

(v) Of the $115.4 million in direct project expenditures, $93.7 million, or 81 percent, went for client-facing projects, and $21.7 million, or 19 percent for global projects. This marked a significant increase in the share of FIAS spending for client-facing advisory compared to the FY12–16 cycle, where $73.4 million went to client-facing projects out of $113.9 in direct project expenditures, or 63 percent.

6. The difference between the $171.5 million in funds raised and $131.8 million in total expenditures was larger than in the previous cycle mainly due to multi-year programmatic FIAS activities which extend several years beyond FY21 and retain funds needed to complete projects in the program portfolio.

Key Fundraising Messages

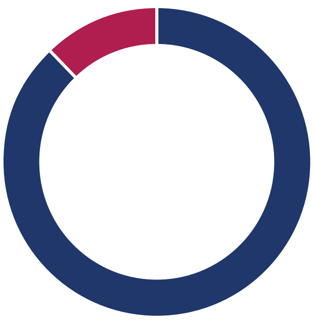
IFC's FIAS program management team continues to work closely with donors to make a portion of their FIAS contribution to FIAS core in support of the overall strategy, with the aim to reach a 50/50 ratio. During the FY17–21 strategy cycle, Development Partners increasingly pledged resources toward specific 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 appear likely to fall modestly short of the $200 million fundraising target for FY17–21.

FY21 DONOR CONTRIBUTIONS (GROSS RECEIPTS)
100% = $24,873,942

- Programmatic (32%)
- World Bank Group (28%)
- Project Specific (24%)
- Core (16%)

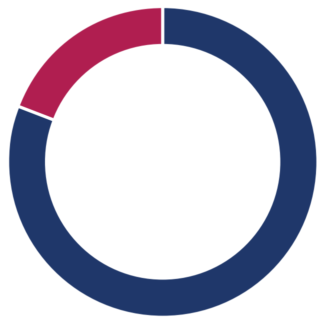
FY17–21 DONOR CONTRIBUTIONS (GROSS RECEIPTS)
100% = $171,552,427

- Programmatic Donor Contributions (29%)
- World Bank Group Contributions (23%)
- Core Donor Contributions (21%)
- Core Donor Contributions (14%)
- FY12–16 Rollover Balance (14%)



PERCENT OF FIAS FY21 FIAS DIRECT PROJECT EXPENDITURES
100% = $23,716,610

- Client-Facing (88%)
- Non-Client Facing (12%)

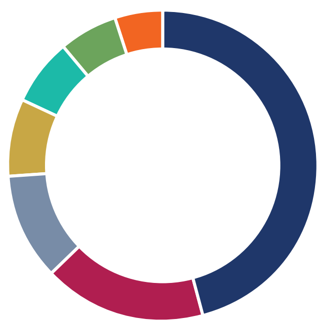


PERCENT OF FIAS FY17–21 FIAS DIRECT PROJECT EXPENDITURES
100% = $115,373,016

- Client-Facing (81%)
- Non-Client Facing (19%)

CLIENT-FACING EXPENDITURE BY REGION, FY21
100% = $20,889,624

- Sub-Saharan Africa (41%)
- Europe and Central Asia (17%)
- Latin America and Caribbean (13%)
- Middle East and North Africa (8%)
- World (8%)
- South Asia (7%)
- East Asia and Pacific (7%)



CLIENT-FACING EXPENDITURE BY REGION, FY17–21
100% = $93,712,275

- Sub-Saharan Africa (46%)
- Europe and Central Asia (17%)
- South Asia (11%)
- East Asia and Pacific (8%)
- Middle East and North Africa (7%)
- Latin America and Caribbean (6%)
- World (5%)

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Table 1: Sources and Uses of Funds

	FY17–21 CYCLE						
	FY12–16 FUND BALANCE	**FY17 RECEIPTS**	**FY18 RECEIPTS**	**FY19 RECEIPTS**	**FY20 RECEIPTS**	**FY21 RECEIPTS**	**FY17–21 TOTALS**
WORLD BANK GROUP CONTRIBUTIONS							
Core Contributions							
IFC [1]	2,003,875	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
IBRD	1,221,162	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
MIGA			-	-	-		-
Subtotal Core Contributions	**3,225,037**	**7,000,000**	**7,000,000**	**7,000,000**	**7,000,000**	**7,000,000**	**35,000,000**
Project-Specific and Other Contributions [2]							
IFC AS - Other Contributions - Project-Specific		1,882,864	267,657	-	-	-	2,150,521
IFC AS - Other Contributions - Business Development							
IFC AS - Other Contributions - Administration		716,477	794,113	-	-		1,510,590
Subtotal Project Specific and Other Contributions	**-**	**2,599,341**	**1,061,770**	**-**	**-**	**-**	**3,661,111**
Subtotal World Bank Group Contributions	3,225,037	9,599,341	8,061,770	7,000,000	7,000,000	7,000,000	38,661,111
CORE DONOR CONTRIBUTIONS							
Austria	463,349	1,045,800					1,045,800
Canada	2,354,970						-
Ireland	224,319	632,130	716,940	682,380	659,010	732,840	3,423,300
Luxembourg	355,090	673,890	1,453,422	455,840		1,011,840	3,594,992
Netherlands (Global Program)	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Norway	576,550						-
Sweden	988,405		1,200,480	2,212,633	3,160,340		6,573,453
Switzerland	1,316,406	1,250,000	1,250,000	1,250,000		1,250,000	5,000,000
United Kingdom	-						-
Subtotal Core Donor Contributions	**6,279,089**	**4,601,820**	**5,620,842**	**5,600,853**	**4,819,350**	**3,994,680**	**24,637,545**
PROGRAMMATIC DONOR CONTRIBUTIONS							
Austria (IC Cooperation Program)	2,783,512	3,137,400	1,779,900	111,891	1,663,058		6,692,249
Australia (Investment Policy and Promotion)	681,147	712,073					712,073
EU (ECOWAS Investment Policy)	1,543,029	3,457,608		872,372			4,329,980
EU (Western Balkans Investment Policy and Promotion)			1,426,813	707,000	693,875		2,827,688
EU (Investment Policy and Promotion)		209,080	595,095	-			804,175
Ireland (Africa)	-						-
Korea (Industry)	-						-
Switzerland (Industry)	-	-					-
Switzerland (MCICP)	-	6,000,000	3,100,000	7,800,000	3,504,894	8,000,000	28,404,894
United Kingdom (BEED)	1,212,355	2,493,429	669,829	885,906			4,049,164
United Kingdom (SIRMs)			1,309,250	-			1,309,250
United States (Doing Business)	-	-					-
Subtotal Programmatic Donor Contributions	**6,220,043**	**16,009,590**	**8,880,887**	**10,377,169**	**5,861,827**	**8,000,000**	**49,129,473**
PROJECT SPECIFIC DONOR CONTRIBUTIONS							
European Commission	-	-					
France	1,246,430	1,044,950	1,185,650	1,202,217	1,121,150	2,138,800	6,692,767
Gates Foundation	2,069,253	-	900,000	1,441,719	1,834,459	81,212	4,257,390
Kauffman Foundation	-						-
Korea	-						-
Trade MDTF	-						-
Trademark East Africa	673,943			350,000			350,000
USAID Legacy	1,334,850	1,424,353					1,424,353
USAID New	2,505,804	4,869,485	6,970,250	2,425,500	4,920,854	3,659,250	22,845,339
Subtotal Project Specific Donor Contributions	**7,830,280**	**7,338,788**	**9,055,900**	**5,419,436**	**7,876,463**	**5,879,262**	**35,569,849**
TOTAL WBG AND DONOR CONTRIBUTIONS	**23,554,449**	**37,549,539**	**31,619,399**	**28,397,458**	**25,557,640**	**24,873,942**	**147,997,979**
CLIENT CONTRIBUTIONS							
TOTAL RECEIPTS	**23,554,449**	**37,549,539**	**31,619,399**	**28,397,458**	**25,557,640**	**24,873,942**	**147,997,979**
Trust Fund Administrative Fees [3]		1,099,899	834,799	948,598	726,936	1,243,697	4,853,929
TOTAL (NET) RECEIPTS	**23,554,449**	**36,449,640**	**30,784,600**	**27,448,860**	**24,830,704**	**23,630,245**	**143,144,049**

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

	FY17 $	FY17 %	FY18 $	FY18 %	FY19 $	FY19 %	FY20 $	FY20 %	FY21 $	FY21 %	FY17–21 $	FY17–21 %
USES OF FUNDS [4]												
Staff	15,724,142	48%	14,114,087	52%	12,308,245	50%	10,195,171.62	54%	10,386,419	43%	62,728,065	48%
Consultants and Temporaries	10,503,071	32%	8,768,926	32%	7,838,159	32%	8,951,262	39%	12,551,203	52%	48,612,622	37%
Travel	5,053,184	15%	3,006,936	11%	3,004,750	12%	2,526,105	11%	153,887	1%	13,744,863	10%
Indirect Costs	1,604,318	5%	1,506,396	5%	1,348,287	6%	1,102,123	5%	1,154,575	5%	6,715,699	5%
TOTAL USES OF FUNDS	**32,884,715**	**100%**	**27,396,345**	**100%**	**24,499,442**	**100%**	**22,774,662.16**	**100%**	**24,246,084**	**100%**	**131,801,249**	**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 cost of trust fund administration.

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

Table 2: Expenditures by Advisory Services Activity

STANDARD AS ACTIVITY EXPENDITURES	FY17 ACTUAL	% FY17 ACTUAL	FY18 ACTUAL	% FY18 ACTUAL	FY19 ACTUAL	% FY19 ACTUAL	FY20 ACTUAL	% FY20 ACTUAL	FY21 ACTUAL	% FY21 ACTUAL	FY17-FY21 ACTUAL	% FY17-21 ACTUAL
PROJECT RELATED EXPENDITURES												
of which: Direct Project Expenditures [1]	26,055,015	79%	21,506,948	79%	21,904,166	89%	22,190,277	97%	24,016,583	99%	115,672,989	88%
of which: Indirect Project Expenditures [2]	6,398,555	19%	5,748,206	21%	2,208,561	9%	584,385	3%	229,501	1%	15,169,209	12%
TOTAL PROJECT RELATED EXPENDITURES	**32,453,570**	**99%**	**27,255,154**	**99%**	**24,112,727**	**98%**	**22,774,662**	**100%**	**24,246,084**	**100%**	**130,842,197**	**100%**
GENERAL & ADMINISTRATION COSTS [3]	**431,145**	**1%**	**141,191**	**1%**	**386,715**	**2%**					**959,051**	
TOTAL STANDARD AS ACTIVITY EXPENDITURES	**32,884,715**	**100%**	**27,396,345**	**100%**	**24,499,442**	**100%**	**22,774,662**	**100%**	**24,246,084**	**100%**	**131,801,249**	**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. Beginning in FY20, general and administrative costs have been charged to a Bank Budget administrative account and not FIAS.

06 Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

Reform Totals FY21

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%	65%	**63%**	70%
	% of FIAS client-facing project implementation spend in Sub-Saharan Africa	55%	54%	47%	41%	48%	41%	**46%**	50%
	% of FIAS client-facing project implementation spend in FCS	29%	29%	30%	23%	23%	33%	**28%**	25%
2. Delivering Significant Business Results	Number of IC Reforms supported by FIAS	341	62	40	31	20	51	**204**	220
	% of IC reforms supported by FIAS in IDA countries	73%	58%	65%	58%	60%	51%	**58%**	70%
	% of IC reforms supported by FIAS in Africa	66%	32%	30%	71%	60%	43%	**43%**	50%
	% of IC reforms supported by FIAS in FCS countries	30%	21%	25%	35%	30%	16%	**24%**	25%
3. Client Satisfaction and Development Effectiveness	Client satisfaction: FIAS supported projects (results from IFC Client survey)	92%	90%	100%	97%	91%	96%	**94%**	90%
	Development Effectiveness: FIAS supported projects (% of projects rated satisfactory in terms of development effectiveness)	88%	100%	50%	60%	100%	73%	**74%**	80%
4. Measuring Impact	Direct Compliance Cost Savings	$208M	$123M	$13.4M	$6.9M	$50.3M	$2.6M	**$196.2M**	$200M
	Investment Generated via facilitation of FDI in prority sectors	$1.59B	$153.2M	$43M	$62M	$151.6M	$589.3M	**$999.1M**	$800M
5. Leverage	IBRD and IFC investment operations informed and enabled by FIAS**							**119**	NA

* 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 $171.7 million. Accordingly, targets for number of reforms achieved, compliance cost savings (CCS), and investment generated were reduced proportionately: target reform total from 275 to 220; CCS from $250 million to $200 million; and investment generated from $1 billion to $800 million.

** Data for FIAS leverage was compiled from a survey of 285 client-facing projects active during the FIAS FY17 – 21 cycle; 119 of 285 projects (42 percent) had links to IBRD or IFC investment operations.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.2 Reforms and Results from FIAS-Funded Projects

	FY17	FY18	FY19	FY20	FY21	TOTAL
GRAND TOTAL	**62**	**40**	**31**	**20**	**51**	**204**
EAST ASIA and PACIFIC	**2**	**1**	**0**	**2**	**13**	**18**
Fiji	0	0	0	0	2	2
Indonesia	0	0	0	0	2	2
Lao PDR	0	0	0	1	2	3
Mongolia	1	0	0	0	0	1
Myanmar	1	1	0	0	1	3
Philippines	0	0	0	0	1	1
Timor-Leste	0	0	0	0	2	2
Vietnam	0	0	0	1	3	4
EUROPE and CENTRAL ASIA	**26**	**13**	**1**	**4**	**14**	**58**
Albania	1	1	0	1	4	7
Armenia	2	0	0	0	0	2
Azerbaijan	2	3	0	0	0	5
Belarus	0	0	0	0	1	1
Bosnia and Herzegovina	2	1	0	0	0	3
Croatia	1	1	0	0	0	2
Georgia	0	0	1	0	0	1
Kazakhstan	3	2	0	0	0	5
Kosovo	3	1	0	1	1	6
Kyrgyz Republic	3	2	0	0	2	7
Montenegro	0	0	0	0	2	2
North Macedonia	0	0	0	1	2	3
Serbia	3	0	0	1	2	6
Tajikistan	2	0	0	0	0	2
Uzbekistan	4	2	0	0	0	6
LATIN AMERICA and CARIBBEAN	**4**	**2**	**8**	**2**	**1**	**17**
Argentina	0	0	1	0	0	1
Central America	0	1	0	0	0	1
Colombia	0	1	0	0	0	1
Dominican Republic	0	0	2	0	0	2
Ecuador	0	0	1	0	0	1
El Salvador	1	0	1	0	0	2
Guatemala	0	0	0	1	0	1
Guyana	1	0	0	0	0	1
Honduras	0	0	0	0	1	1
Jamaica	0	0	2	0	0	2
Nicaragua	0	0	0	1	0	1
Panama	1	0	0	0	0	1
Paraguay	0	0	1	0	0	1
St. Kitts and Nevis	1	0	0	0	0	1
MIDDLE EAST NORTH AFRICA	**4**	**2**	**0**	**0**	**1**	**7**
Arab Republic of Egypt	1	0	0	0	0	1
Iraq	2	0	0	0	0	2
Jordan	0	2	0	0	1	3
West Bank and Gaza (Territory)	1	0	0	0	0	1
SOUTH ASIA	**6**	**10**	**0**	**0**	**0**	**16**
Afghanistan	0	5	0	0	0	5
India	6	5	0	0	0	11

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

	FY17	FY18	FY19	FY20	FY21	TOTAL
SUB-SAHARAN AFRICA	**20**	**12**	**22**	**12**	**22**	**88**
Cabo Verde	2	0	0	0	0	2
Cameroon	1	0	0	0	0	1
Congo, Dem. Rep.	0	0	0	1	1	2
ECOWAS (Regional)	0	0	0	2	0	2
Equatorial Guinea	0	0	0	1	0	1
Eswatini	0	0	1	0	0	1
Ethiopia	0	0	1	0	0	1
Gabon	1	0	0	0	0	1
Ghana	1	0	2	0	1	4
Guinea	1	3	0	0	0	4
Guinea-Bissau	0	0	0	0	1	1
Kenya	0	0	0	0	6	6
Madagascar	2	0	0	0	0	2
Malawi	3	0	2	0	0	5
Mali	1	1	0	1	0	3
Mauritania	0	0	0	0	9	9
Mauritius	3	0	2	0	0	5
Mozambique	0	1	2	0	0	3
Rwanda	0	4	0	0	0	4
Senegal	0	0	1	0	0	1
Seychelles	2	0	1	0	0	3
South Africa	0	2	1	4	4	11
Togo	0	1	3	3	0	7
Zambia	2	0	0	0	0	2
Zimbabwe	1	0	6	0	0	7

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

1.3 Reforms and Results from FIAS-Funded Projects[1]

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
EAST ASIA AND THE PACIFIC		
Fiji	Getting Credit	The project provided policy advisory support to overcome regulatory impediments that adversely affected the private sector's access to finance. Among the recommendations were for the government to ensure that new legislation was duly implemented and, that the new online collateral registry, the Personal Property Securities Registry, is in line with international good practice. The online registry, which is administered by the Reserve Bank of Fiji (RBF), has allowed lenders to electronically file charges on personal property that is pledged as collateral for loans. The filing is confirmed instantly replacing manual registration with a processing time of 3-5 working days. During and after a mission to Fiji, the project team delivered workshops and virtual presentations to regulators including RBF on transformative reforms. Senior RBF officials were provided with examples of global best practices on secured transactions, as well as the rights of creditors and borrowers as was enabled through the legislation and the online registry. Contributions by the project team were acknowledged by the Governor and RBF, with the reform also welcomed by commercial banks.
	Starting a Business	The project provided policy advisory support to improve inconsistent business registration requirements at both the national and subnational levels. The government was assisted with streamlining procedures. An IFC mission affirmed the government's need for technical support. The team delivered workshops with regulators, where examples of global best practices were presented, and policy documents were reviewed. This bolstered the online company and tax registration processes launched by the government. Businesses were classified into low- and high-risk categories to streamline the inspection regime via a risk-based approach. Low-risk businesses are now allowed six months after their license approval to obtain their health and safety or fire certificates. Businesses located in already certified buildings no longer require fresh approvals for their applications. Fees were also restructured, and a simplified application form was adopted by all 13 municipal councils. Transparency was enhanced by posting the new business licensing procedures and forms on the improved bizFIJI online portal. Fiji reduced application requirements from 8 to 2 and streamlined business licensing processing from 11 to 2 days. Other outcomes include the development of a policy framework and inter-agency coordination task force endorsed by Cabinet.
Indonesia	Resolving Insolvency	The project team provided input on insolvency and strengthening creditor rights. Issues identified were the lack of supervision of insolvency practitioners (IPs) and the high cost of insolvency proceedings due to high remuneration rate of IPs. Most of the team's input on the legal framework was issued including: i. Regulation that requires IPs to report the insolvency cases they are working on and their progress every three months for review. It also appointed a Joint Committee to monitor the performance of IPs. This regulation is expected to improve the accountability of IPs. A web platform for IPs to report their cases is being set up. The team will validate this reform by the number of IPs reporting cases. ii. Further regulation on remuneration addressing insolvency cost policy, particularly on bankruptcy proceedings by introducing a maximum ceiling to the curator's fee for bankruptcy cases. It also provides more opportunity for creditors to input on the fee and then allows courts to decide on the fee. This regulation is expected to make insolvency proceedings more accessible and their costs more transparent. The team will validate this reform by looking at the number of insolvency cases opened in court since the new regulation.
	Starting a Business	The team provided input on business registration. A scoping study on the process recommended an improvement of the legal regime to respond to the needs of MSMEs by: (i) simplifying the incorporation process, (ii) reducing transaction costs for entrepreneurs, (iii) inducing MSMEs to embrace sustainable formalization. The resulting recommendations have been adopted by the government through both the abolishment and revision of law as follows: i. Removal of a certification reducing the number of licenses to be obtained for company establishment from approximately seven (varied from one district to another) to one. ii. Application of a requirement removal for districts to align with Central Government. iii. Allowing the establishment of simple Limited Liability Companies (LLCs) for MSMEs so that a sole owner can register online and inexpensively without notary registration. Removal of overlapping business registrations requirements has cut the overall number of licenses to be obtained from 7 to 5 and the number of procedures from 11 to 10.

1 Each reform description reflects one reform unless otherwise indicated by a number in parenthesis.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
EAST ASIA AND THE PACIFIC		
Lao PDR	Construction Permits	The project supported the government to improve its legal and regulatory framework to reduce procedures and time for obtaining construction permits (by six procedures and 30 days for processing time), to introduce a risk-based inspection approach, and to clearly define responsibilities of government officials at each administrative level in approving construction permits. The transparency of the process was increased through support with reform implementation including outreach activities, capacity-training, knowledge exchange events, communication materials design, and related online information provision. The private sector was also independently surveyed.
	Starting a Business	Électricité du Laos (EDL) was supported to streamline the process of issuing new electricity grid connections, increase the reliability of supply and the transparency of tariffs, especially for commercial clients. EDL restructured its teams and allocated more staff to processing applications, made possible by the installation of 10,000 smart digital meters replacing old disk meters and reducing the need for inspectors to perform readings. Enhanced communication both online and at EDL locations resulted in fewer incomplete applications. Systems for managing distribution, automatically monitoring power outages, and restoring electricity were also deployed. Processing time was reduced from 105 days to 87 days.
Myanmar	Construction Permits	By following project recommendations, the municipal authority of Yangon launched a fully automated construction permitting system. In the context of fragility and isolation from the international business community for almost 50 years, business regulations are complicated, lengthy, and costly for the private sector. Working closely with relevant stakeholders, bottlenecks were identified. Reforms included streamlining back-office procedures such as land certificate clearance processes, a reduction in screening time for applications, and removing unnecessary bureaucratic requirements. In addition, construction quality control was strengthened by imposing stricter qualification requirements for architects and engineers and building permitting requirements were made available online. Water and sanitation infrastructure was also improved, and the process was made more efficient by introducing service quality standards. To date 1,160 building permits have been issued for a total of 962,505ft², all of them electronically. The cost of construction permitting has declined to approximately $2,162 from $4,734 (566 percent of income per capita), while processing time has reduced from 159 days to 88 days.
Philippines	Agribusiness	Import clearance procedures were reviewed with the support of the project team. The result was the elimination of import requirements for several agricultural products that were deemed low risk. Reforms relate to time saved during the document preparation stage associated to trading time, prior to the arrival of the goods into the port, reduced from two to zero days. This represents savings for the private sector estimated at $3,127,256 (from reforms for plants products import: $2,671,248; animal products import: $453,411; fisheries product import: $2,597). The project produced several training and consultation workshops, as well as documents designed to expose the client to best practices, support new policies and procedures in quarantine reform, and help with the internal reforms needed to enact the new risk management procedures.
Timor-Leste	Licenses and Permits	The project provided intensive advisory service to the government on business licensing reform. The support included the first-ever inventory of business licenses. 61 licenses/recommendations were identified, many of which have no legal basis and are unnecessary. The project significantly reduced the number of license controls, with sectoral licensing requirements only applying to sectors/economic activities considered high risk to the public and economy. It also clarified the roles of departments and other involved institutions to improve transparency and reduce costs. To support reform implementation, a virtual training session on the quick-win reforms was held with 16 staff from involved agencies to raise awareness and provide guidance for implementation. 7,931 (30 percent) of the total number of 26,438 active firms in the medium and high-risk categories have benefited from the reforms. These firms had to pay at least $45 for the annual renewal of licenses, spend time on documentation, visits, waiting, and following up to get the licenses. It is estimated that each firm will save $60 per year on average, or $475,000 collectively.
	Trade Logistics	Over the period of six years, the project focused on supporting adoption of trade enabling legislation and implementation of best practices recommended by the WTO Trade Facilitation Agreement (e.g., risk management, Time Release Study (TRS), National Trade Facilitation Committee). The project contributed to elimination of unnecessary procedures (e.g. Customs TCV Section), and other improvements in the overall trade environment, such as revision of the HS Tariff classification, training and licensing of customs brokers, training of Customs and Quarantine officials, and establishment of Customs Brokers Association. In addition, it provided support to the UNCTAD (United Nations Conference on Trade and Development) colleagues for the ASYCUDA World implementation. As a result of the project's activities, import time reduced from a baseline of 15.06 days in 2013 to 6.54 days in 2019, identified by five-time release studies conducted over the project. The reform led to a total of $5.5m in private sector savings by end of 2019.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
EAST ASIA AND THE PACIFIC		
Vietnam	Enforcing Contracts	With project support, Vietnam enacted new regulations on enforcement of arbitration awards and mediation settlements. These delivered fundamental provisions to ensure legal validity of parties' settlement results through mediation, placing Vietnam ahead of regional trends. The new provisions are consistent with international practice and resulted in improved arbitration, strengthened contract enforcement, and increased investor confidence. They created a solid foundation for a new commercial mediator profession in Vietnam. The first-ever Vietnam Mediation Center was set up and 72 lawyers, lecturers, and business professionals were trained by the project and accredited as international qualified mediators. The Supreme Court also published the manual created with project technical assistance, providing detailed guidance for commercial judges. The reform has led to an increase in the number of commercial cases settled through mediation or filed to arbitration to 708. The Vietnam Mediation Center has received seven dispute cases to the value of VND 1 trillion dispute value (equivalent to $43.4 million) after two years. Since delivery of training to commercial judges, no arbitral awards have been set aside (contrary to previous trends), indicating that domestic arbitration practice has improved significantly.
	Getting Credit	The project provided technical assistance in improving secured transactions systems in the country. Specifically, the team advised on a modern secured transactions system, replacing a paper-based, decentralized one that did not allow any third parties to file their initial, amendment, and termination notices on their securities interest over movable collateral. The new system thus facilitated better access to finance by SMEs. In the five-year implementation of the project, the team provided hands-on support to the government on improving enabling environment for secured transactions including a good legal framework, the online system (upgraded twice), and capacity building of lending institutions. Currently the system is fully used by banking sectors, government agencies, and other interested third parties, evidenced by a significant increase in new registrations.
	Resolving Insolvency	With project support, Vietnam introduced a major insolvency law reform and its implementing regulations. This laid a solid foundation to create an effective ecosystem for insolvency, supporting SMEs' recovery/market exits more efficiently. The project introduced for the first time in Vietnam an insolvency representative system which brought Vietnam more into line with international practice. Several other critical reforms were adopted in the new law, such as the separation of credit institution insolvency and corporate insolvency, the differentiation of insolvency and bankruptcy concepts, provisions to void fraudulent and preferential transactions, the responsibility of directors to file for opening bankruptcy proceedings and creditors' increased role in bankruptcy. Besides creating a highly technical legal and regulatory infrastructure, the project also helped build capacity of key local stakeholders. As a result, debtors and creditors gained trust in the system. More than 1,200 bankruptcy applications were filed, in stark contrast to the previous eight years which featured just 336 applications for bankruptcy. The new insolvency regime saw a nearly 10-fold jump in cases resolved (10 to 99), benefiting 396 creditors (from 40).
EUROPE AND CENTRAL ASIA		
Albania	IPP - Entry	The project provided support with digitalizing and streamlining the lengthy and cumbersome process for businesses to obtain work permits for expatriate workers. The project provided analysis of the procedures based on interviews with all public and private stakeholders and a detailed review of the existing legal framework. The average processing time from submission of the application to issuance of two separate permits was 120 days (60 days each). The Government requested assistance from the project with drafting the relevant implementing regulations which have become effective. In addition to unifying work and residence permits in a single document and eliminating the need to physically travel to authorities, they helped with alignment to EU directives. Businesses save substantial time and considerable human resources through a shorter online application procedure. The processing time has been reduced from 60 to 10 days. The total waiting time saved for businesses through the reform is estimated at 110.5 days. In addition, a 10% ceiling for foreign employees was eliminated. It forced businesses to compromise their qualification requirements for positions, as no foreign employee could be hired regardless of the availability (or lack thereof) of qualified nationals. It also added to administrative burden related to monitoring and inspection of business. This impacted productivity and competitiveness as is documented by numerous complaints. The reform gives businesses in Albania more flexibility in employing foreign labor, particularly skilled workers. It helps address a critical business need for investors in Albania, as evidenced by public statements from government and the business community.
	Trade Logistics	A simplified online customs procedure positively impacted 93% of businesses. Traders no longer need to file supporting documents in paper and in person with customs. The time and cost savings were estimated to be nearly 1m hours or almost $5m annually. This reform was catalyzed by the recommendations of the first Time Release Study (TRS) in Albania, carried out by customs administration jointly with the project team. The findings highlighted the urgent need to streamline customs procedures and simplify the work for customs agents. The TRS results and recommendations were published by customs and discussed by all stakeholders. Following the TRS, Customs established a working group tasked to implement the TRS recommendations through regulation.
	Licenses and Permits	A key reform in permitting and the inspection of food business operators was the project's contribution to applying a certification system in which food safety is addressed. It was totally abolished for small producers following risk-based legislation that simplified the procedure and information requirements, leading to time and cost savings for individual entrepreneurs. Small producers will instead ensure traceability (by recording the data on goods/services bought from suppliers, goods sold to buyers, and production process (e.g., chemicals used)) and submit a report only once a year. This reform brought $1.6 million in savings for 933 agribusinesses that produce and process food of animal origin. The project also delivered training for government to enhance the provision of its accreditation services, contributing to increased capacity related to food and EU regulations.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
EUROPE AND CENTRAL ASIA		
Belarus	Licenses and Permits	Belarus simplified permitting procedures for advertising with project support. Before the reform, businesses had to obtain a permit from state authorities to approve the content/format of any advertisements. The reform led to the elimination of the administrative procedure. A decree granted businesses the right to place outdoor advertisements and advertisements on transport without approval of its content from local and state authorities. It also eliminated the need to develop design documents and introduced a one-stop-shop to obtain permits for the placement of outdoor advertisements. The reform eliminated the cost of US$110 per transaction for businesses and led to the total direct compliance cost savings of US$0,5 million per annum in the capital Minsk alone.
Kosovo	Licenses and Permits	The project supported the Municipality of Prizren to create a single service point for licenses and permits. This was achieved through a combination of investments in hardware (i.e., building and infrastructure) and software (i.e., review and simplification of administrative procedures). Before the reform, all businesses registered in the municipality were subject to annual municipality tax at various levels ranging from 950 EUR for banking and insurance, to 40 EUR for car wash where they do not provide any service or there is no use of public space and/or public goods by businesses. Analysis of 160 administrative procedures resulting in the drafting of about 70 simplification recommendations. Following discussion, three major changes have been undertaken: (i) Removal of the requirement to submit a photocopy of IDs for civil registry-related procedures, considering that data is available in municipal registers. Citizens will save around US$150,000 each year. This reform covers a total of 41 procedures. (ii) Adoption of the new regulation on taxes, fees, charges, and fines from municipal services has significantly reduced the number of businesses charged with the annual municipal tax, from 4,316 to 221 businesses. As a result, businesses will save about US$600,000 a year. (iii) Enactment of recommended modifications to 67 local procedures. All supportive documents are generated internally rather than requested from the applicant. Online processing of requests represents the first breakthrough at the local level to address the pandemic constraints using available e-tools.
Kyrgyz Republic	IPP - Promotion	The project assisted Balykchy city in the Issyk Kul region of Kyrgyzstan to develop and implement a targeted aftercare program for local investors. It entailed legal and institutional changes to establish functions, followed by adopting annual plans by each locality before the implementation phase. As part of the program, Balykchy City Hall proactively approaches domestic investors to discuss their issues and try to resolve them or elevate issues to local departments of relevant government agencies. As a result, 42 businesses in Balykchy city were visited, and 11 issues raised by businesses were resolved. These activities led to two investment projects worth US$3m. An investors' survey acknowledged the support provided under the aftercare program, including assistance with permits and in connecting to infrastructure and the provision of general support and consultations that helped accelerate investment.
	IPP - Protection and Retention	The project assisted Karakol city in the Issyk Kul region of Kyrgyzstan to develop and implement a targeted aftercare program for local investors. It entailed legal and institutional changes to establish functions, followed by adopting annual plans by each locality before the implementation phase. As part of the program, Karakol City Hall proactively approaches domestic investors to discuss their issues and resolve them or alternatively elevate issues to local departments of relevant government agencies. 66 businesses in Karakol city were visited, and 12 issues raised by businesses were resolved. These activities led to three investment projects in Karakol city with the total amount of US$240,000. An investors' survey acknowledged the support provided under the aftercare program including assistance with permits and in connecting to infrastructure, as well as the provision of general support and consultations that helped to accelerate investment.
Montenegro	IPP - Incentives	The project supported the government with the compilation of a centralized database of all incentives offered to investors. Support provided by the project included: detailed legal analysis to map relevant instruments; collection of relevant data on incentives from various sources; categorization and verification of data through a multi-staged process; and translation of the inventory into English. The inventory presents relevant information on 42 investment incentives in Montenegro, including detailed information on their legal base; eligibility criteria; administration and governance; objectives; and monitoring and evaluation. It is available in local and English language and was published on the state webpages as well as an investment agency. The inventory is accompanied by a short guidebook. From a government perspective, incentives were provided without proper coordination or targeting. The reform sends an important signal to enhance investor confidence, by following a policy where access to information and transparency play a particularly important role in providing a level playing field for all investors, domestic and foreign.
	Trade Logistics	The project supported the upgrade of the customs business intelligence system. The new Oracle Business Intelligence scheme enabled the development of a set of statistical reports that change custom administration's method. The upgrade transitioned from a transaction-based, one-dimensional method to an analysis-based multi-dimensional method. It optimizes system querying and reporting instead of processing transactions. This new method is expected to make customs more effective in detecting violations.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
EUROPE AND CENTRAL ASIA		
North Macedonia	IPP - Incentives	The project delivered a cost and benefit analysis of import tariff harmonization with EU levels. The tariffs were higher for importing components from countries outside the EU, which were needed to produce technologically advanced products. The components had to be imported from China and East Asia, resulting in higher customs duty fees, affecting the great majority of manufacturing FDI. The analysis showed that harmonization would lead to a potential of an additional 4,720 jobs and 292 million EUR of investments in the medium term. In addition, investors confirmed that this reform would make North Macedonia more attractive compared to competing investment destinations. The findings informed the government's decision to harmonize customs duty rates on 33 components with EU tariff levels. The manufacturing companies in North Macedonia welcomed the decision. As predicted by the analysis this reform contributed to the retention of 1,200 direct jobs and 89 million EUR of direct investment at risk in North Macedonia.
	IPP - Promotion	The project supported with improving investor outreach services. Activities entailed the development of a new, proactive concept for promotion and support with embedding it within daily operations. Implementation support included a comprehensive capacity development program with intensive training units for staff, combining workshops, seminars, and practical on-the-job training elements. The project helped improve investor service capability through establishing a targeted investor outreach program in line with global best practice, including validation of priority target sectors and the development of best practice value propositions and marketing materials. The implementation of a first-time outreach campaign yielded significant initial results in the form of one concrete investment lead. Two further leads from the German automotive sector are pending, as well as two site visits to North Macedonia (with one additional visit at an advanced stage of planning), not to mention a healthy pipeline of 10 additional expressions of interest. The project received praise for its critical role and provision of the necessary tools and capacities to continue proactive outreach going forward.
Serbia	Trade Logistics	An IT application for the origin and value of goods for use at the customs administration was developed with the support of the project. The new IT application significantly improves business processes related to traders, who can now use these services fully online and free of charge, to communicate with customs administration from other countries, and also internally in the form of a database and the capacity to generate statistical reports.
	Licenses and Permits	The project has established a platform for e-Permitting. It can host any license and permit issued at the central or local governments levels. The purpose is to enable the digitalization of any administrative procedure without coding, which makes the e-Permitting platform a key achievement in streamlining the regulatory processes. The ratio of time saved through more accurate digitized procedures such as automated document generation to baseline is 45%. Since the launch, IFC has finalized the digitization of 104 procedures (against a target of 100) and 79 companies have completed the entire licensing and permitting process online. The average processing time has reduced from 4.5 days to 2.5.
LATIN AMERICA AND THE CARIBBEAN		
Honduras	Agribusiness	The project has provided support to modernize and improve its processes, IT systems, and train technical staff to reduce times and costs related to sanitary registries incurred by the private sector, while complying with regulations and legislations. Activities carried out include the development of the sanitary license module of the national registration system (functions for new license requests, renewals, and modifications), which will aid the government to facilitate business processes for the private sector as well as promote easier trade. The system also has modules for new sanitary registrations (new registrations requests, renewals, and modifications), and options for consultations on processes, existing licenses and permits, and requests for corrections to existing registrations. For the private sector implementation of the system and training means a modernization of the full process of sanitary registration. In addition, companies are no longer required to travel to reach the authorities, thanks to the online platform. With the automated process, firms no longer need to hire legal counsel to carry out long-winded paperwork and in-person registration processes.
MIDDLE EAST AND NORTH AFRICA		
Jordan	Licenses and Permits	The project assisted in reforming business inspections to address challenges faced by the private sector from overlaps, duplication, and contradiction in inspection mandates across the different inspectorates, as well as suboptimal procedures, requirements, inspector performance, and inspection tools. Accordingly, the project was designed to provide comprehensive technical assistance, including best practice legal, institutional, operational and IT interventions to accommodate the national, multi-stakeholder nature of the project. An inspection law was introduced for the first time in Jordan, enshrining a risk-based approach covering 10 inspectorates in addition to all municipalities which collectively inspect on labor rights, occupational health and safety, public safety, public health and food safety, environment, and municipal inspections. An HR framework was developed to improve the selection and performance management of inspectors and IFC supported the development manuals for inspectorates and provided training to inspectors. Consistent results include a reduction in the number of inspection visits and in the average labor time from 0.72 days to 0.15 days per inspection visit, leading to private sector savings, reduced notices against businesses from 106.7K to 42.7K, reduced complaints against businesses from 14.4K to 10.2K in 2019, and improved private sector perceptions.
SUB-SAHARAN AFRICA		
Guinea-Bissau	Starting a Business	The project supported the automation of the administration for starting a business, by adapting business registration software developed by IFC, translating it into Portuguese, installing it locally, and providing training to users. A business process reorganization supported by the project preceded the installation of the software and the database of company names was synced. The new software connects all the relevant parties and includes a website where the company name can be searched to see updates. The new platform complies with the OHADA guidelines. The total number of procedures for incorporation have been reduced to two, with many procedures such as obtaining a tax ID now done internally without separate interaction with the applicant. There are two procedures for registering workers that are not yet integrated.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
SUB-SAHARAN AFRICA		
Kenya	Construction Permits	Kenya made dealing with construction permits easier by including a legal mandate for its National Construction Authority to undertake mandatory inspections of projects during construction. These inspections were previously being conducted in practice but did not have a legal provision. The team also recommended that the government implement e-inspections for final inspections upon completion. These interventions have enhanced the quality of building standards. The umbrella Kenya Investment Climate Project III has supported ease of doing business transformation by developing a reform action plan, drafting best practice laws and regulations, conducting business process reviews and simplifications, and providing hands-on technical support to Ministries and Departments.
	Getting Credit	Kenya enhanced the legal framework on getting credit to include instances where the encumbered asset is not needed for reorganization or sale of company as a going concern (a company's ability to make enough money to stay afloat or to avoid bankruptcy). It also applies where relief is required to protect or preserve the value of assets such as perishable goods. In addition, the legal framework now provides for a specific time limit of no more than 28 days for relief from the moratorium orders.
	Protecting Investors	Kenya enhanced the legal framework to protect minority investors. The recommended amendment enables minority shareholders with a threshold of 5 percent of a company's paid share capital to introduce items on the agenda in the Annual General Meeting of the company. This intervention ensures that the rights of minority shareholders are adequately safeguarded in determining the issues to be deliberated.
	Registering Property	Kenya made it easier to register property by legally eliminating the requirement to obtain a land rent clearance. This recommended intervention reduced the time taken to register property by 4 days from 43.5 to 39.5.
	Resolving Insolvency	Kenya strengthened the legal framework to enhance transparency and accelerate access to information for creditors from insolvency practitioners. Creditors can now make a time-bound request to insolvency representatives for information on the financial affairs of debtors. This intervention now grants the individual an unobstructed right for creditors to request this information.
	Starting a Business	The team recommended that the government reduce the number of procedures to start a business by waiving a training registration requirement for companies with up to 100 employees for the first 12 months after registration. This intervention saved three days for those companies.
Mauritania	Construction Permits	Mauritania increased the transparency of dealing with construction permits by publishing all laws and regulations related to the construction sector online and free of charge. The project followed up with the administration to make sure this recommendation was implemented.
	Enforcing Contracts	Mauritania made enforcing contracts easier by legally introducing a simplified procedure for the settlement of small claims, setting time standards for key court events, and limiting adjournments. Mauritania also adopted a law that regulates all aspects of mediation as an alternative dispute resolution mechanism. The existing arbitration law was also revised. The revision aimed at opening the procedure to civil and commercial cases. This intervention was bolstered by persuading the courts to make judgments rendered at all levels in commercial cases available to the general public on their websites, which had to be improved or developed from scratch. This replaced a paid (official and non-official), in-person practice. Decisions are published in the language they were rendered, Arabic. The project recommended a summary of decisions also be published in French, which makes it easier for international investors.
	Property Transfers	The project delivered the adoption of the first-ever property law in Mauritania. The law's impact on Mauritanian society in general and on the private sector is huge. Its clear definition of property, along with other aspects of the law, sets a basis for private sector development, development of credit, and prevents numerous cases from being brought to court. Prior, lack of clarity on land ownership discouraged investment, national and foreign, and haunted administrative and judicial authorities. Both the law and the decree were drafted with technical assistance provided by the project. Mauritania has also improved the quality of ownership transfer information on the state website. This reform brought a great deal of transparency to a process that was previously very opaque. The project team then followed up to make sure the reform was correctly implemented.
	Resolving Insolvency	The project provided in-depth support to achieve the adoption of a major reform of the insolvency framework. A modern regime aims to streamline proceedings, establish effective reorganization proceedings, and promote creditor participation in the proceedings. In addition, stricter timelines for key procedures were implemented, and the methods of alerting the relevant judicial authorities of companies under financial distress were enhanced. This reform is particularly timely in the context of the economic crisis following the COVID-19 pandemic as it introduces a fast-track liquidation procedure which assists struggling small companies, enabling entrepreneurs to reinvest the companies' assets back to productive use in the economy.
	Starting a Business	Mauritania made starting a business significantly less costly by eliminating company deed registration fees. The cost of starting a business thus went from 19.3% of income per capita to 16.2%. Prior to the revision of the tax code, fees were equal to 0.25% of a company's capital. Mauritania further simplified the process by combining multiple registration procedures. This reform was two-fold. First, a single form to register a company replaced several forms. The project recommended that necessary measures were taken to make sure that the single form was strictly integrated across departments and made available online. The number of procedures and the number of days to register a company decreased significantly, from seven to four and from eight to six, respectively.
	Trade Logistics	Mauritania made trading across borders easier through a series of initiatives at the Port of Nouakchott, such as eliminating the requirement to weigh all import containers, investing in infrastructure, streamlining the movement of cargo, and consolidating the payment of fees. Infrastructure was improved through the commission of four new wharves and one oil wharf, bringing the total capacity to eight wharves. These initiatives reduced the time for border compliance to export from 72 hours to 62 hours, and also reduced the time for border compliance to import from 84 hours to 69 hours.

Annex 1: FIAS REFORM TOTALS AND DESCRIPTIONS

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

COUNTRY	REFORM TOPIC	REFORM DESCRIPTION
SUB-SAHARAN AFRICA		
South Africa	Competition	The project supported the development of a database to systematize previously arbitrary merger reviews by the Competition Commission of South Africa (CCSA), and to ensure the application of a progressive competition and market regulation lens in such reviews. The program collected data on (i) economic factors that were assessed in past merger cases, and (ii) findings of previous merger reviews in order to understand which factors were being underrepresented and which factors were considered most important. This has resulted in an internal paper/operational guidance and the database provides a template for an ongoing collection of data in a systematic way in new merger cases. These new approaches to assessing and recording economic factors are now being applied to all merger review cases.
	Paying Taxes	The project developed the South Africa Revenue Services' (SARS) SME support program, entailing streamlining of the process to ensure timely settlement of VAT claims and adjustment to SARS' risk rules to ensure prompt resolution of claims for firms with a history of compliance. By refining the rules and eliminating false positives, the system automatically creates more capacity as there are fewer cases per auditor to work on. This improves turnaround times. Time to obtain a VAT refund was reduced from 15 weeks to 5. SARS has conducted more than 3,000 technical training sessions in the various tax products to professional bodies, including VAT at the recommendation of the project team. The IFC team also provided capacity-building visits with other countries and connections with professional bodies, which led to better understanding.
	Starting a Business	South Africa achieved a reduction in time and procedures to register a business as a result of process redesign through automation and the launch of a new integrated digital platform. The collaborative effort of multiple government agencies brings together enterprise formalization and Government-to-Business services to ensure smooth and seamless service. The reduction in time was from 40 days to 7.5 and from 7 to 4 for the number of procedures. IFC provided technical assistance to the South African Government through InvestSA to facilitate the rationale of continuous improvement, customer-centricity, and a sense of competition so that South Africa can stand out as a destination for foreign direct investment.
	Trade Logistics	The project supported South Africa to achieve a 48-hour reduction (67 percent) in terms of border compliance for exporting, as a result of which each exporter/importer will have their goods ready ahead of time. The program set up the reform infrastructure in the Department of Trade, Investment and Competition and coordinates the creation of a Technical Working Group, convened as a forum to bring together private and public participants who participate in the export process. The program provided expertise and support to map the current processes, developed action plans to achieve reforms that will reduce time, cost, and number of processes measured by indicator, and deployed an accountability mechanism.

Annex 2: PORTFOLIO OF FIAS-FUNDED PROJECTS IN FY21

2.1 FIAS-Funded Client-Facing Projects[2]

REGION	COUNTRY	PROJECT NAME	PROJECT STATUS	BUDGET	FIAS EXPENDITURES	TOTAL FYTD EXPENDITURE
EAST ASIA AND THE PACIFIC						
EAP	Cambodia	Cambodia Debt Resolution	ACTIVE	$52,000.00	$51,999.88	$100,075.17
EAP	Fiji	Fiji investment competitiveness project	ACTIVE	$288,000.00	$166,543.96	$353,216.83
EAP	Indonesia	Indonesia e-Mobility Regulations	ACTIVE	$50,000.00	$29,276.62	$29,276.62
EAP	Indonesia	Indonesia ESG Advisory	ACTIVE	$50,000.00	$49,452.91	$99,328.41
EAP	Indonesia	Indonesia Investment Climate Competitive Sectors and Competition MCICP	ACTIVE	$2,996,635.00	$402,533.97	$402,533.97
EAP	Mongolia	Mongolia Trade Facilitation and Agri Sector Export Competitiveness	ACTIVE	$218,000.00	$34,050.43	$577,838.16
EAP	Vietnam	Chan May LNG Upstream project	ACTIVE	$100,000.00	$60,000.00	$60,000.00
EAP	Vietnam	Sustainable Pepper Vietnam	ACTIVE	$165,000.00	$164,999.52	$494,286.07
EAP	Vietnam	Vietnam #Get2Equal	ACTIVE	$91,000.00	$90,996.13	$327,476.86
EAP	Vietnam	Vietnam Agribusiness Competitiveness	ACTIVE	$150,000.00	$61,818.54	$228,957.27
EAP	Vietnam	Vietnam Enabling Supply Chains	ACTIVE	$100,000.00	$99,027.63	$99,027.63
EAP	Vietnam	Vietnam ESG Advisory	ACTIVE	$50,000.00	$47,767.64	$63,367.64
EAP	Vietnam	Vietnam Private Sector Competitiveness	ACTIVE	$2,814,551.00	$280,303.49	$582,395.75
EUROPE AND CENTRAL ASIA						
ECA	Albania	CPSD - Albania	ACTIVE	$200,000.00	$14,531.69	$14,531.69
ECA	Albania	Western Balkans Regional Investment Policy and Promotion Project	CLOSED	$2,712,500.00	$618,007.95	$618,007.95
ECA	Armenia	Armenia Economic Growth	ACTIVE	$125,000.00	$125,000.00	$440,184.38
ECA	Armenia	Armenia Women Entrepreneurship Project	ACTIVE	$125,000.00	$124,566.23	$427,063.03
ECA	Azerbaijan	Azerbaijan Investment Climate and Agribusiness Competitiveness Project	ACTIVE	$2,860,000.00	$297,060.61	$297,060.61
ECA	Bosnia and Herzegovina	Debt Resolution BiH	ACTIVE	$140,415.00	$140,270.08	$207,304.03
ECA	Central Asia Region	ECA COVID-19 Financial Sector Response	ACTIVE	$130,000.00	$82,479.84	$82,479.84
ECA	Central Asia Region	Trade Facilitation Support Program Europe and Central Asia	ACTIVE	$76,643.00	$25,421.49	$275,126.05
ECA	Georgia	Georgia Trade, Investment and Agri-Competitiveness Project	ACTIVE	$1,014,873.00	$29,366.71	$176,440.96
ECA	Kosovo	Kosovo Investment Climate II	ACTIVE	$2,185,223.00	$297,848.58	$297,848.58
ECA	Kyrgyz Republic	Kyrgyz Republic Dairy Development	ACTIVE	$300,000.00	$128,541.29	$137,451.29
ECA	Kyrgyz Republic	Kyrgyzstan Resilience and Growth Project	ACTIVE	$2,186,765.00	$436,214.73	$436,214.73
ECA	Serbia	Serbia Improving Investment Climate ASA	ACTIVE	$200,000.00	$42,081.91	$1,242,805.16
ECA	Tajikistan	Tajikistan Competitiveness Enhancement Project	ACTIVE	$2,565,000.00	$319,036.39	$319,036.39
ECA	Turkey	Turkey Supply Chain Development project	ACTIVE	$250,000.00	$131,555.53	$178,484.40
ECA	Ukraine	Competition Ukraine	ACTIVE	$213,750.00	$38,533.68	$38,533.68
ECA	Ukraine	ECA Health Care Diagnostic	ACTIVE	$30,000.00	$23,990.26	$23,990.26
ECA	Ukraine	Europe and Central Asia Agri-Finance Project	ACTIVE	$760,000.00	$16,430.84	$205,095.56
ECA	Ukraine	IFC DigiLab Finance ECA	ACTIVE	$100,000.00	$99,978.18	$620,764.84
ECA	Ukraine	IFC ECA Green Banking Academy	ACTIVE	$200,000.00	$199,999.97	$199,999.97
ECA	Ukraine	Ukraine Financial Inclusion - Consumer protection, financial literacy, and NFIS	ACTIVE	$50,000.00	$49,724.49	$505,704.00
ECA	Uzbekistan	Uzbekistan IC - Fertilizer Sector Growth	ACTIVE	$400,000.00	$250,000.38	$319,774.90
LATIN AMERICA AND THE CARRIBEAN						
LAC	Bolivia	CPSD Bolivia	ACTIVE	$77,733.00	$37,703.33	$289,267.01
LAC	Caribbean Region	Business Regulations and Regional Competitiveness in LAC Project	ACTIVE	$340,000.00	$95,201.39	$124,235.11
LAC	Colombia	Colombia Productivity	ACTIVE	$602,962.00	$192,604.91	$265,753.63
LAC	Colombia	Private Sector Solutions for FDPs - LAC	ACTIVE	$255,000.00	$81,617.51	$81,617.51
LAC	Colombia	Strengthening the value proposition of Bancamia for legal FDP Venezuelans in Colombia	ACTIVE	$128,000.00	$128,707.83	$128,707.83
LAC	El Salvador	Digital Innovation & Entrepreneurship in Central America	ACTIVE	$450,000.00	$351,327.26	$351,327.26

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

Annex 2: PORTFOLIO OF FIAS-FUNDED PROJECTS IN FY21

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

REGION	COUNTRY	PROJECT NAME	PROJECT STATUS	BUDGET	FIAS EXPENDITURES	TOTAL FYTD EXPENDITURE
LATIN AMERICA AND THE CARRIBEAN						
LAC	Guatemala	Sustainable industries in Central America	ACTIVE	$220,000.00	$116,779.34	$119,636.40
LAC	Haiti	Creating Investment Opportunities in Haiti	ACTIVE	$358,000.00	$258,772.61	$335,821.84
LAC	Jamaica	Jamaica Agricultural Supply Chain Linkages	ACTIVE	$100,000.00	$19,700.98	$19,700.98
LAC	Latin America Region	Central America Regional Agribusiness Trade Logistics Project	ACTIVE	$1,670,253.00	$196,400.62	$196,400.62
LAC	Latin America Region	IFC DigiLab Finance	ACTIVE	$200,000.00	$200,165.67	$412,301.26
LAC	Latin America Region	LAC SEF CLIMATE FINANCE	ACTIVE	$206,000.00	$206,000.42	$628,343.02
LAC	Paraguay	Removing constraints to Investment & Growth in Paraguay - IFC Country Strategy Implementation	ACTIVE	$60,000.00	$60,000.00	$300,800.03
LAC	Peru	Markets and Competition Policy Peru	ACTIVE	$478,800.00	$180,055.27	$180,055.27
LAC	Peru	Peru Investment Policy and Promotion	ACTIVE	$478,801.00	$145,607.47	$145,607.47
LAC	Peru	Strengthening Tourism Sector Competitiveness in Peru	ACTIVE	$646,967.00	$375,882.29	$517,925.90
MIDDLE EAST AND NORTH AFRICA						
MENA	Egypt, Arab Republic of	Egypt - Private Sector Development Program	ACTIVE	$2,274,815.00	$28,121.48	$145,573.79
MENA	Egypt, Arab Republic of	Egypt Energy Efficient Industries	ACTIVE	$250,000.00	$155,450.10	$157,802.33
MENA	Egypt, Arab Republic of	Egypt Secured Transactions Project	ACTIVE	$200,000.00	$52,616.33	$139,029.62
MENA	Egypt, Arab Republic of	Egypt Textile Value Chain Project	ACTIVE	$700,000.00	$49,531.38	$49,531.38
MENA	Egypt, Arab Republic of	Egypt Women Business and the Law Project	ACTIVE	$475,000.00	$12,157.26	$47,627.98
MENA	Iraq	Iraq Agribusiness Investment Scan	ACTIVE	$65,000.00	$62,529.96	$62,529.96
MENA	Jordan	Jordan Integrated Business Registration and Licensing Reform	ACTIVE	$558,939.00	$370,467.81	$882,640.53
MENA	Morocco	Enhancing the Competition Policy Framework in Morocco	ACTIVE	$270,217.00	$133,681.52	$309,340.47
MENA	Morocco	Improving the Competitiveness of Marrakech-Safi	ACTIVE	$381,158.00	$212,257.07	$243,536.69
MENA	Morocco	Morocco Business Environment Project	ACTIVE	$714,338.00	$105,500.91	$216,043.43
MENA	Morocco	StartMaghreb	ACTIVE	$300,000.00	$216,567.22	$216,567.22
MENA	Tunisia	Tunisia Investment Climate Reforms Program II	ACTIVE	$1,186,000.00	$15,813.42	$164,369.19
MENA	West Bank and Gaza	West Bank and Gaza Business Enabling Environment and Investment Policy and Promotion	ACTIVE	$201,000.00	$183,403.15	$183,403.15
SOUTH ASIA						
SA	Afghanistan	Afghanistan Business Enabling Project	ACTIVE	$3,200,000.00	$302,537.30	$302,537.30
SA	Afghanistan	Afghanistan Competitiveness Study	ACTIVE	$240,000.00	$10,438.07	$10,438.07
SA	Afghanistan	Afghanistan Export Competitiveness Project	ACTIVE	$2,881,156.00	$213,607.56	$213,607.56
SA	Afghanistan	Scaling Startups & SME Development	ACTIVE	$50,000.00	$50,000.00	$50,000.00
SA	Bangladesh	Bangladesh Logistics Infrastructure opportunities mapping	ACTIVE	$60,000.00	$25,347.47	$25,347.47
SA	Bangladesh	ESG Bangladesh	ACTIVE	$50,000.00	$50,113.63	$120,580.86
SA	India	TA on Insolvency in India	ACTIVE	$400,000.00	$98,668.13	$134,811.54
SA	Nepal	ESG Project for Nepal	ACTIVE	$50,000.00	$49,440.00	$49,440.00
SA	Nepal	Nepal Creating Markets for Tourism	TERMINATED	$250,000.00	$106,585.73	$166,764.70
SA	Pakistan	Enabling Affordable and Green Housing in Pakistan	ACTIVE	$200,000.00	$70,498.21	$246,533.03
SA	Pakistan	Pakistan Doing Business	ACTIVE	$564,862.00	$147,049.50	$428,382.86
SA	Pakistan	Pakistan Regulatory Modernization Initiative	ACTIVE	$150,000.00	$149,999.71	$149,999.71
SA	Pakistan	Pakistan Warehouse Receipts System	ACTIVE	$120,000.00	$119,950.72	$119,950.72
SA	Sri Lanka	Accelerating Competitive Entrepreneurship Sri Lanka	ACTIVE	$58,527.00	$18,108.51	$92,326.42
SA	Sri Lanka	Export Agri SL	ACTIVE	$100,000.00	$83,027.35	$83,027.35

Annex 2: PORTFOLIO OF FIAS-FUNDED PROJECTS IN FY21

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

REGION	COUNTRY	PROJECT NAME	PROJECT STATUS	BUDGET	FIAS EXPENDITURES	TOTAL FYTD EXPENDITURE
SUB-SAHARAN AFRICA						
SSA	Africa Region	Africa Leasing	ACTIVE	$751,250.00	$74,050.18	$74,050.18
SSA	Africa Region	GENERATING AGRIBUSINESS MARKETS IN AFRICA	ACTIVE	$542,351.00	$51,955.39	$342,634.54
SSA	Africa Region	OHADA Strengthening Credit Infrastructure Project	ACTIVE	$3,000,000.00	$35,435.31	$35,435.31
SSA	Africa Region	Regional; - Generating Investments and Jobs through Tourism in Africa	ACTIVE	$260,000.00	$225,434.48	$438,817.64
SSA	Africa Region	SSA IBRA 3	ACTIVE	$489,857.00	$219,929.71	$460,170.93
SSA	Burkina Faso	TFWA Risk Management Benchmarking	ACTIVE	$500,000.00	$265,765.32	$265,765.32
SSA	Congo, Dem. Rep.	Improving DRC's Investment Climate at National and Provincial Levels	ACTIVE	$693,198.00	$38,044.78	$130,076.30
SSA	Côte D'Ivoire	Invest West Africa: Côte d'Ivoire Light Manufacturing	TERMINATED	$506,058.00	$118,286.92	$118,286.92
SSA	Côte D'Ivoire	Trade Facilitation West Africa Corridor CI-BF	ACTIVE	$2,650,000.00	$498,697.93	$498,697.93
SSA	Eswatini	Swaziland Trade and Competitiveness Program	ACTIVE	$256,513.00	$12,373.23	$511,128.84
SSA	Ethiopia	Ethiopia - Livestock - MIRA	ACTIVE	$2,160,896.00	$161,970.64	$161,970.64
SSA	Ethiopia	Ethiopia Systemic Investor Response Mechanism	CLOSED	$581,646.00	$198,818.26	$198,818.26
SSA	Ghana	Ghana Investment Climate Program	ACTIVE	$3,283,457.00	$393,442.82	$410,333.41
SSA	Ghana	Ghana-Burkina Trade Facilitation Diagnostic	ACTIVE	$200,000.00	$39,886.42	$39,886.42
SSA	Ghana	Invest Ghana: Agribusiness Competitiveness Advisory Project	ACTIVE	$537,083.00	$94,075.08	$98,191.08
SSA	Guinea	Guinea Growth and Competitiveness Project	ACTIVE	$300,000.00	$248,081.92	$450,607.59
SSA	Guinea	Guinea IC Agribusiness	ACTIVE	$280,000.00	$279,551.48	$550,618.84
SSA	Guinea-Bissau	Guinea-Bissau Cashew Sector Development Project	ACTIVE	$403,556.00	$67,556.62	$101,853.15
SSA	Kenya	Kenya Investment Climate Project 3	ACTIVE	$555,000.00	$536,939.93	$1,538,905.44
SSA	Kenya	Kenya Secured Transactions and Collateral Registry Support Project	ACTIVE	$125,000.00	$38,893.82	$133,600.12
SSA	Lesotho	Lesotho Investment Climate Program	ACTIVE	$271,069.00	$29,511.00	$358,580.39
SSA	Madagascar	Madagascar Agribusiness Project	ACTIVE	$75,000.00	$13,052.09	$289,639.85
SSA	Madagascar	Madagascar Credit Reporting Project	ACTIVE	$100,000.00	$98,723.52	$101,515.01
SSA	Madagascar	Madagascar Investment Climate Reform Program	CLOSED	$360,108.00	$112,432.49	$216,106.95
SSA	Mali	Mali Investment Climate phase 4	ACTIVE	$150,000.00	$15,052.55	$121,760.28
SSA	Mauritania	Mauritania Investment Climate & Entrepreneurship Advisory	CLOSED	$150,000.00	$150,298.55	$287,390.62
SSA	Mozambique	Mozambique Investment Climate Project 2	ACTIVE	$1,294,343.00	$160,740.01	$435,836.96
SSA	Nigeria	Nigeria Livestock T&C	ACTIVE	$1,844,830.00	$438,212.18	$438,212.18
SSA	Nigeria	Upstream SEZ Project in West Africa	ACTIVE	$300,000.00	$282,229.48	$282,229.48
SSA	Rwanda	Rwanda Grain Markets	ACTIVE	$160,000.00	$171,873.68	$177,930.76
SSA	Rwanda	Rwanda Systemic Investment Response Mechanism	ACTIVE	$629,382.00	$147,658.31	$147,658.31
SSA	Rwanda	Rwanda Tourism Recovery Planning and Market Diversification	ACTIVE	$140,000.00	$140,767.73	$139,744.84
SSA	Rwanda	Women Business and the Law Advisory Initiative for Africa	ACTIVE	$2,360,000.00	$167,232.22	$167,232.22
SSA	Senegal	Invest West Africa - Senegal Agribusiness Competitiveness Advisory	ACTIVE	$1,736,505.00	$277,458.58	$277,458.58
SSA	Senegal	Piloting Psychometric Scoring to increase MSME Access to Finance in Senegal and UEMOA	ACTIVE	$300,000.00	$13,456.44	$13,456.44
SSA	South Africa	Promoting Prosperity through Investment Climate and Investment Policy Reform	ACTIVE	$100,000.00	$13,531.30	$644,050.72
SSA	South Africa	South Africa Private Sector Competitiveness Project	ACTIVE	$2,706,775.00	$710,655.55	$882,434.01
SSA	Tanzania	East African Community Project Phase III	ACTIVE	$235,946.00	$14,345.64	$14,345.64
SSA	Tanzania	Tanzania Livestock MIRA	ACTIVE	$2,179,901.00	$309,676.33	$309,676.33
SSA	Togo	Togo Investment Climate Technical Assistance	ACTIVE	$590,000.00	$113,596.02	$113,596.02
SSA	Togo	Trade Facilitation Lome-Ouaga Corridor	ACTIVE	$3,000,000.00	$449,675.50	$449,675.50
SSA	Western Africa Region	Invest West Africa Regional Sector Work	ACTIVE	$790,000.00	$63,120.20	$410,275.98
SSA	Western Africa Region	Invest West Africa Regional Warehouse Receipts Program	ACTIVE	$705,083.00	$152,983.38	$189,948.61
SSA	Western Africa Region	TFWA scoping for activities to support small-scale cross-border traders	ACTIVE	$620,000.00	$183,217.51	$183,217.51
SSA	Western Africa Region	TFWA Umbrella Trade Facilitation West Africa	ACTIVE	$2,311,054.00	$218,622.23	$218,622.23
SSA	Zambia	Zambia Investment Climate Program III	ACTIVE	$1,635,862.00	$66,761.43	$574,120.53
SSA	Zambia	Zambia Secured Transactions Phase 2	ACTIVE	$125,000.00	$106,776.99	$225,296.65
SSA	Zimbabwe	Tourism recovery and competitiveness in Zimbabwe	ACTIVE	$450,000.00	$372,045.98	$445,310.22

Annex 2: PORTFOLIO OF FIAS-FUNDED PROJECTS IN FY21

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

REGION	COUNTRY	PROJECT NAME	PROJECT STATUS	BUDGET	FIAS EXPENDITURES	TOTAL FYTD EXPENDITURE
WORLD						
WLD	Africa Region	COOAS Business Development	ACTIVE	$1,000,000.00	$407,496.75	$407,496.75
WLD	Africa Region	Global Housing Advisory Platform Implementation (child)	ACTIVE	$65,000.00	$63,224.57	$83,645.49
WLD	World Region	Employability Measurement Program	ACTIVE	$450,000.00	$586,159.24	$957,435.67
WLD	World Region	Global FS Platform (child)	ACTIVE	$380,000.00	$200,933.08	$420,068.93
WLD	World Region	Global Housing AS Platform	ACTIVE	$280,000.00	$278,012.49	$423,744.83
WLD	World Region	Market Accelerator for Green Construction MAGC	ACTIVE	$30,000.00	$30,000.00	$470,987.53
WLD	World Region	Technology, Services, and Productivity	CLOSED	$200,000.00	$32,040.82	$32,040.82

2.2 FIAS-Funded Knowledge Management and Product Development Projects[3]

REGION	COUNTRY	PROJECT NAME	PROJECT STATUS	BUDGET	FIAS EXPENDITURES	TOTAL FYTD EXPENDITURE
WLD	World Region	Investment Climate Applied Research PDP	CLOSED	$1,228,581.00	$29,208.68	$58,070.25
WLD	World Region	Global Credit Infrastructure Program	ACTIVE	$598,436.00	$207,887.87	$981,389.57
WLD	World Region	Improving MNE-domestic firm linkages for DVA	CLOSED	$693,123.00	$146,756.84	$157,085.18
WLD	World Region	Investment Policy and Promotion Product Development	CLOSED	$1,566,536.00	$265,214.48	$396,201.95
WLD	World Region	Competitiveness Policy Evaluation Lab 1	ACTIVE	$3,673,263.00	$281,184.65	$281,184.65
WLD	World Region	Trade Facilitation and Border Management PDP	ACTIVE	$1,691,868.00	$206,905.18	$2,393,955.26
WLD	World Region	Investment Climate Indicator-Based Reform	ACTIVE	$869,152.00	$84,440.27	$98,060.04
WLD	World Region	Global Competition Policy PDP II	CLOSED	$1,144,825.00	$132,608.49	$427,105.00
WLD	World Region	Industry, Markets and Technology KDP	CLOSED	$2,065,000.00	$432,184.94	$1,119,880.85
WLD	World Region	ECA and MENA Investment Climate Regional Knowledge Development Project	CLOSED	$375,000.00	$179,818.72	$179,818.72
WLD	World Region	Disruptive Technologies for Agile Business Regulation	CLOSED	$240,000.00	$111,541.87	$111,541.87
WLD	World Region	Global QI for Trade and Productivity	ACTIVE	$317,806.00	$62,858.10	$103,117.05
WLD	World Region	Business Environment KPD	ACTIVE	$310,000.00	$188,012.55	$188,012.55
SSA	Ghana	TFWA KM for component 3	ACTIVE	$600,000.00	$494,847.61	$494,847.61

3 Projects with less than $10,000 FIAS spend are not included in the list.

Annex 3: ABBREVIATIONS

ACF	African Competition Forum
AfCFTA	Africa Continental Free Trade Area
API	application programming interface
ARTF	Afghanistan Reconstruction Trust Fund
AS	advisory services
ASEAN	Association of Southeast Asian Nations
B2B	business to business
B2C	business to citizen
BPC	business plan competition
BR	business regulation; business regulatory
BSTP	Bourse de Sous-Traitance et de Partenariats (Supplier and Partnership Marketplace)
CCESP	Comité de Concertation Etat–Secteur Privé (State Private Sector Consultation Committee)
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
CIRA	Corporate Insolvency and Restructuring Act (Ghana)
CMA	Creating Markets Advisory
ComPEL	Competitiveness Policy Evaluation Lab
CPSD	Country Private Sector Diagnostics
CRI	Regional Investment Center (Marrakech-Safi region)
CRM	customer relationship management system
DB	Doing Business, World Bank Group
DE	development effectiveness
DEC	Development Economics Vice Presidency, World Bank
DPL	Development Policy Loan
DPO	Development Policy Operation
EAC	East African Community
ECA	Europe and Central Asia Region, World Bank Group
ECOWAS	Economic Community of West African States
EDL	Électricité du Laos
EFI	Equitable Growth, Finance and Institutions Vice Presidency, World Bank Group
EMDEs	emerging markets and developing economies
ESG	Environmental, Social, and Governance standards
FCI	Finance, Competitiveness and Innovation Global Practice, World Bank Group
FCS	fragile and conflict affected situations
FDI	foreign direct investment
FDPs	forcibly displaced persons
FIAS	Facility for Investment Climate Advisory Services
FIPA	Foreign Investment and Promotion Agency (Tunisia)
FMTAAS	Funding Mechanism for Technical Assistance and Advisory Services, IFC

Annex 3: ABBREVIATIONS

G20	Group of 20 leading economies
G2B	government to business
G2C	government to citizen
GCIP	Global Credit Infrastructure Program
GDP	gross domestic product
GEP	Global Economic Prospects
GIPC	Ghana Investment Promotion Centre
GRP	Good Regulatory Practices Program
GTCDA	Ghana Tree Crop Development Authority
GVC	global value chain
IBR	Indicator-Based Reform
IBRD	International Bank for Reconstruction and Development (World Bank)
IC	Investment Climate
IDA	International Development Association
IDC	Industry Development Center (Vietnam)
IFC	International Finance Corporation
IFC AS	IFC Advisory Services
IGM	investor grievance management mechanisms
INDECOPI	National Institute for the Defense of Competition and Protection of Intellectual Property
InvestSA	South Africa Investment Promotion Agency
IPA	Investment Promotion Agency
IPP	Investment Policy and Promotion
IPROs	investment projects ready to offer
JET	Jobs and Economic Transformation initiative, World Bank Group
KDP	Knowledge Development Product
KGGTF	Korea Green Growth Trust Fund
KM	knowledge management
LAC	Latin America and Caribbean Region, World Bank Group
LLC	limited liability company
LNG	liquified natural gas
MAS	Manufacturing, Agribusiness and Services unit, IFC
MCICP	Multi-Country Investment Climate Program
MCP	Markets and Competition Policy
M&E	Monitoring and Evaluation
MENA	Middle East North Africa Region, World Bank Group
MIGA	Multilateral Investment Guarantee Agency
MINCETUR	Peru Ministry of Foreign Trade and Tourism
MoIT	Ministry of Industry and Technology (Turkey)
MSMEs	micro, small, and medium enterprises
NTFC	National Trade Facilitation Committee
OECD	Organisation for Economic Cooperation and Development

Annex 3: ABBREVIATIONS

OEM	original equipment manufacturer
OHADA	Organization for the Harmonization of Business Law in Africa
OSS	one-stop shop
PDP	Product Development Project
P-IMA	Prioritizing SPS Investments for Market Access
PMR	product market regulations
PPE	personal protective equipment
QI	Quality Infrastructure
RBF	Reserve Bank of Fiji
RegTech	regulatory technology
SARS	South Africa Revenue Service
SCADA	Supervisory Control and Data Acquisition
SCDs	Systemic Country Diagnostics
SDP	Supplier Development Program
SEZ	special economic zone
SIRM	Systemic Investor Response Mechanism
SMEs	small and medium enterprises
SNDB	Subnational Doing Business
SOE	state-owned enterprise
SPS	sanitary and phytosanitary
TCDA	Tree Crops Development Authority (Ghana)
TFA	Trade Facilitation Agreement
TRS	time release study
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNWTO	World Tourism Organization
UPSEZWA	Upstream SEZ Project in West Africa
VIMEXPO	Vietnam International Supporting Industry & Manufacturing Exhibition
WBL	Women, Business and the Law
WRS	warehouse receipt system
WTO	World Trade Organization

About the Facility for Investment Climate Advisory Services (FIAS): Through the FIAS program, the World Bank Group and 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.*

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