

Fias

2019

ANNUAL REVIEW

THE FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES



With support from:



BILL & MELINDA GATES foundation



©2020 The World Bank Group
1818 H Street NW
Washington, DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

All rights reserved.

This volume is a product of the staff of the World Bank Group. The World Bank Group refers to the member institutions of the World Bank Group: The World Bank (International Bank for Reconstruction and Development); International Finance Corporation (IFC); and Multilateral Investment Guarantee Agency (MIGA), which are separate and distinct legal entities each organized under its respective Articles of Agreement. We encourage use for educational and non-commercial purposes.

The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Directors or Executive Directors of the respective institutions of the World Bank Group or the governments they represent. The World Bank Group does not guarantee the accuracy of the data included in this work.

Rights and Permissions

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone: 978-750-8400; fax: 978-750-4470; Internet: www.copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank Group, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2422; e-mail: pubrights@worldbank.org.

About the Facility for Investment Climate Advisory Services (FIAS)

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

Acknowledgments

This report was written by the staff of the World Bank Group and edited by John Diamond.

Design Partner: Fathom Creative

Printing: District Creative Printing

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

for Sub-Saharan Africa in FY19 (down from a record high of 108 the year before), many of them in countries where FIAS has supported extensive work. FIAS contributes to a significant portion of the reform-oriented advisory work done by IFC Advisory Services teams. Within the Equitable Growth, Finance and Institutions Practice Group (EFI), the World Bank Group via International Bank for Reconstruction and Development (IBRD) and IDA supports 88 active lending projects that included business-enabling environment components (Innovation and Technology Policy, Investment and Business Climate, and Regulation and Competition Policy). These projects totaled \$15 billion and benefited 60 client countries, 37 of which are IDA and 11 FCV. FIAS is leveraging that portfolio with parallel investment climate projects in 50 of those countries.

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

In January 2020, Economisti Associati submitted its **Independent Mid-Term Evaluation** of the FIAS strategy and program through the midpoint of the FY17–21 strategy cycle. The evaluation notes that results on the ground in FIAS client countries—notably IDA borrowing countries, fragile states, and countries in Sub-Saharan Africa—reflect the World Bank Group’s emphasis on providing tailored solutions to client needs, building the capacity of client countries to foster economic growth, and creating the conditions to attract greater private sector investment and job creation. Likewise, the evaluation makes clear that the global knowledge projects supported by FIAS have generated considerable spin-off benefits that have boosted the effectiveness of hundreds of projects across the Bank Group portfolio. The evaluation found the FIAS program to be well aligned with current World Bank Group strategy as articulated in such recent documents as the World Bank Forward Look and the IFC 3.0 strategy. Multiple World Bank Group reorganizations over the last several years have prompted expressions of concern by donors about the impact on FIAS, the evaluation noted. FIAS fundraising at the midpoint of the cycle is

not on pace to reach the five-year goal of \$200 million. The FIAS program will have to accelerate client-facing activities to meet targets for investment climate reforms, compliance cost savings, and generated investment. A new FIAS management team was appointed at the end of FY19 and has worked closely with Economisti throughout its evaluation. Steps undertaken to respond to the evaluation’s recommendations include more frequent direct interaction with development partners, a stepped-up fund-raising effort, stabilization of program management, establishment of a FIAS website to heighten program visibility, and finalization of a new jobs measurement pilot by the M&E team.

88 IDA-supported projects

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

\$15 billion

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

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