

FIAS CONSULTATIVE COMMITTEE OF DONORS MEETING
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FIAS/BEE Products, Programs and Regions:
FY08 Highlights and Operational Priorities for FY09

This document includes brief strategy updates on the following FIAS/BEE products, cross-cutting programs and regions:

Products:

1. Business Entry Product
2. Business Licensing and Regulatory Governance
3. Global Tax Simplification
4. Trade Logistics Advisory
5. Secured Lending
6. Doing Business Reform Advisory
7. Sub-national Doing Business Reform
8. Investment Policy and Promotion
9. Industry-specific BEE

Cross-cutting Programs:

10. Knowledge Management
11. Monitoring and Evaluation
12. Conflict-Affected States
13. Gender

Regions:

14. Sub-Saharan Africa
15. Eastern Europe and Central Asia (without SEE)
16. South East Europe
17. Middle East and North Africa
18. Latin America and the Caribbean
19. East Asia Pacific
20. South Asia
 - a. BICF
 - b. Nepal/Bhutan/BEI

FIAS Strategy Fact Sheet #1
Business Entry (New FIAS/BEE Product)
(Update: October 2008)

Business Entry is part of IFC and FIAS Regulatory Simplification practice area under the Business Enabling Environment (BEE) Business Line. The Business Entry product is used in BEE reforms that are aimed at simplifying and streamlining regulatory requirements for business entry. About 20% of the FY08 IFC/FIAS BEE portfolio by expenditures focuses on helping client governments reform business entry regulatory requirements. Business start-up is also a key area of the WBG's flagship Doing Business reports. While these reports provide comparable data, generate the appetite for reforms, and track changes in business start up requirements, the actual support for business entry reform is provided by the IFC/FIAS business entry advisory teams using corporate knowledge and international good practice.

FY08 Highlights

Team

- Core team in place: *BL Specialist and Product Leader*: Andrei Mikhnev
Core team and iDesk Proxies: Frank Sader, Hans Shrader, John Wille
Extended Team: Thomas Moullier, Dina Nicholas, Shaela Rahman, Leora Klapper, Catherine Masinde, Dobromir Christow, Yara Salem
- Business Entry Reform Practice Group set up—November 2007 (use “Business Registration Reform Practice Group” roster to communicate with the group); group currently has over 45 members

KM

- Knowledge resource database (including knowledge bank, consultant database, etc.) on business registration at BEENet website is regularly updated; see <http://advisoryservices.ifc.org/go/page.aspx?mde=bt&mid=52>
- Core indicators for business entry projects finalized in April 2008; see http://advisoryservices.ifc.org/uploads/documents/20080620T100135_Standard%20BEE%20Indicators%20Jun%2019%202008.pdf
- Business entry sessions delivered to the regional teams at two regional workshops in MENA and East Asia and the Pacific in April and May 2008
- IFC Business Entry reform practice presented to the Corporate Registers Forum in April 2008 and to European Commercial Registers Forum in June 2008
- Study on stakeholder management in business registration reform with 10 cases completed by Scott Jacobs and Catherine Masinde in September 2008
- Case study of business registration reform in Bulgaria completed in August 2008
- Case study of business registration reform in Ireland is completed in July 2008
- 4 Smart Lessons on business entry reforms developed in FY08

Project Portfolio

Eleven advisory projects using business entry product were approved in FY08:

- Mexico: State and municipal business registration in Guerrero
- World: Business Entry - *KM and product development project*
- Azerbaijan: Business enabling environment – *product rollout project*
- Honduras: National plan for municipal simplification
- Morocco: Business registration simplification - *product rollout project*
- Egypt: Business start-up simplification, Phase 2
- Cambodia: Provincial business environment scorecard
- Mali: Investment climate reform
- Mexico: Business regulation simplification in the state of Mexico
- Tonga: Regulatory simplification and investment policy and promotion

- Montenegro: Subnational competitiveness
- Reclassification of IFC Business Entry project portfolio was completed in April 2008 identifying 45 active and hold projects with business entry reform components with more than US\$ 38 million of total funding (as of July 31 the number of business entry projects increased to 51), see http://ifcnet.ifc.org/ifcint/aspm.nsf/Content/AS_Reporting

Operational Priorities for FY09

Overall Strategic Objectives

- Together with our development partners, and using the knowledge gained through operational research, implementing targeted solution design and implementation in our business entry work carried out by the regions
- Explore and harness innovations in business registration reform such as ICT and e-government solutions
- To strengthen the practice group – both in terms of skills of junior staff as well as interaction among group member building on the network of internal practitioners
- Deepen linkages with the Regions and provide on-going support to new and existing projects
- To increase both KM and operational synergies with other products e.g. (Regulatory reform – tax and licensing) as well as the Doing Business Reform team
- Facilitate generation and dissemination of KM externally via platforms like the Donor Committee for Enterprise Development regional conferences which will be used to exchange knowledge, share ideas with other donors, aid agencies, and private sector representatives.

Specific FY09 Tasks

- Disseminate the CITPO prepared paper “Implementing Electronic Business Registry Services— Recommendations for policy makers based on the experience of EU Accession Countries”
- Finalize 5 detailed case studies of recent business registration reforms in Ireland, Madagascar, Estonia, Malaysia, and Bulgaria
- Promote 2008 data from joint CIC/DEC project on global entrepreneurship database which provide information on registered businesses in more than 100 countries
- Maintain and regularly update the Business Entry product web-page
- Develop and deliver Business Entry deep-dive training
- Complete the Comparison analysis of typical one-stop shops around the globe particularly focusing on WBG supported projects as for instance in Colombia
- Complete the independent evaluation of IFC business registration projects
- Study on evidences of outsourcing business registration activities
- Research on the impact of business registration reforms on the business growth and reduction of informality
- Business Registration Toolkit is updated and available on-line
- Complete and promote among the business entry practitioners the “Modernizing Commercial Code” toolkit developed by Xavier Ferneris and Philippe de Meneval
- Support or lead the work of at least 5 business entry projects
- Deliver business entry sessions to IFC staff delivered at two regional workshops

FIAS Strategy Fact Sheet #2
Business Licensing & Regulatory Governance
(Update: October 2008)

The Business Licensing & Regulatory Governance Product was launched in June 2007. It aims at reducing regulatory risks and costs for businesses, and at enabling governments to build transparent, effective, and accountable regulatory management systems. The product has absorbed FIAS' past Administrative Barriers work, and is an integral part of IFC's Business Operation Product, which is also led by FIAS. Within the IFC, the Business Operations Product represents one of the largest BEE product areas with a total of 48 active projects, 17 under preparation, and total projects costs of \$58m.

During the first year, the program built the core team and has launched the development of Knowledge Management tools for business licensing as well as on regulatory governance reforms. On the operational side, the program has launched 3 business licensing projects in Africa, and has provided on-going support to a host of on-going projects in particular in ECA, Africa and Asia. A key challenge for the next year is to streamline and further develop the project portfolio, while building cutting-edge networks and team of experts and practitioners. The program will continue producing practitioner guides to business licensing and regulatory governance reforms, and to support or lead the program rollout globally.

FY08 Highlights

- Launched three business licensing reform pilots – Madagascar, Rwanda and Zambia. In Madagascar and Rwanda, first ever comprehensive overviews of business licensing requirements were elaborated;
- Provided ad-hoc support to business licensing and regulatory reform programs throughout the World Bank Group;
- Launched business licensing KM program to help reformers and practitioners design and implement licensing reforms. Prepared draft licensing policy framework paper, guide on 'how to' implement comprehensive licensing reforms and commission a study of good and bad licensing practices in the tourism sector;
- Developed and piloted Regulatory Impact Analysis (RIA) training program for Kenyan officials and other stakeholders which focused on practical opportunities, challenges and issues associated with successfully establishing and operation a RIA process in developing country;
- Continued regulatory governance KM activities under the Better Regulation for Growth Program, in partnership with DFID and the Dutch Ministry of Foreign Affairs;
- Helped establish a 17-member Regulatory Reform Commission in Bangladesh to oversee regulatory reform program in the country. As a result, the government accepted several regulatory reform recommendations;
- Reviewed the Dutch Government's program for Administrative Burden Reduction contribution to a significant restructuring and progressive development of one of the World's leading regulatory reform programs;
- Created a Business Operation Practice Group with the objective of developing and building in-house expertise network in the area of business licensing, inspections and construction permits. The network consists of over 200 HQ and advisory services staff and it's disseminated through a monthly newsletter and website;
- Created Global Business Licensing/Regulatory Governance team, with full/part-time staff in HQ, Nairobi, Antananarivo, and Lusaka.

Operational Priorities for FY09

- Work with donors and experts across the WBG to lead the development of a multi-product, multi-year Kenya Investment Climate Program;

- Successfully finalize or hand-over business licensing reform pilots in Madagascar, Rwanda and Zambia;
- On a demand-basis, deliver high-level expert support to regulatory reform programs in client countries and throughout the WBG;
- Successfully finalize the Better Regulation for Growth Program, including through dissemination events, and apply lessons learned in operational projects and support;
- Complete and disseminate licensing KM, including licensing policy framework paper, guide on 'how to' reform licensing and report on tourism sector licensing case studies. Launch two new sector studies;
- Organize training events for internal and external clients on Business Operations, including RIA, business licensing, inspections and construction permits;
- Continue the streamlining and consolidation of project portfolio;
- Strengthen the network of practitioners and reformers within the WBG.

FIAS Strategy Fact Sheet #3
Global Tax Simplification
(Update: October 2008)

The Global Tax Simplification Product was launched in July 2007, aimed at filling the gap in the technical assistance area to governments and businesses to reduce the cost of complying with tax policies and procedures. During the first year, the program built the core team and has delivered KM work aimed at helping governments and technicians to approach key issues facing tax simplification, including: practitioner guides presenting the menu of good practice (SME tax, sector-specific tax, VAT, tax administration). On the operational side, we launched 2 pilot projects covering tax policy and administration simplification (Yemen, Sierra Leone), developed a third (Vietnam, to be launched summer 2008), as well as smaller and more targeted projects and technical support in Africa, MENA, ECA, and Asia. The program for the next three years will be to continue producing practitioner guides and notes for clients and interested professionals, and to rollout this “menu of good practice” globally.

FY08 Highlights

Team

- Created Global team, with full/part-time Tax Product staff in HQ, Cairo, Dakar, Hanoi to date
- Created Global Practitioner’s Group with 25 members
- Created a web-based workspace/communications tool, and document library
- Joined the steering committee of the International Tax Dialogue, international organization of tax practitioners, academics, and experts.
- Advisory committee met three times

KM

- Launched SME tax toolkit for practitioners
- Set of policy notes written and presented to WBG (SME tax, VAT, Tax Administration Reform, and Subnational tax/license/fees menus of good practice)
- Set of sector specific policy notes written and presented to WBG (tourism, mining, financial sector, agro-business)
- Designed a compliance cost survey instrument to measure the cost of compliance and non-compliance.
- Participated in main international conferences for tax practitioners working in developing countries
- Buzz article on Yemen Tax Simplification.

Operations

- Launched 3 pilot project (1 AFR, 1 MENA, 1 East Asia)
- Launched tax workstreams with 6 country programs
- Formalized advisory role for DB tax (Rapid Response Unit)
- Adaptation of menu of good practice, simplified tax regime to pilot country context
- Implementation of short-term (SWAT) interventions strategy.

Operational Priorities for FY09

Team

- Provide targeted training for Facilities as needed to improve product identification and task management skills of locally-based staff
- Increase the knowledge base (training) of the HQ staff with a view to moving them out to the regions
- Deepen linkages with the Regions and solidify the *esprit de corps* of the Global Tax Team
- To increase both KM and operational synergies with other products (Regulatory reform, trade in particular)

KM

- Toolkit on Tax Simplification (medium and large enterprises)
- Toolkit on subnational tax/license/fees—together with Regulatory Governance
- Operational launch of sector-specific taxation policy notes to both internal and external stakeholders
- Political economy tax policy note
- Incentive analysis and reform project (together with IG)
- Lessons learned working papers (VAT simplification, sub-national, small business tax)
- Inter-product KM in addition to subnational
- AFR tax practitioner's conference
- General tax practitioner's conference
- Africa Tax practitioner conference
- Regional conferences on SME taxation in MENA

Operations

- First set of outcomes in first two pilots (benchmark M&E surveys completed in all 3 pilots, new income tax and GST laws implemented in Yemen, tax admin simplification plan in Yemen adopted by Tax authority, SME tax reform plan Yemen adopted), SL GST law passed, tax admin simplification in SL plan adopted),
- Implementation of short and medium term tax intervention together with BEE colleagues
- Implementation and M&E plans from menu of options found in KM work for 3 pilot countries
- One conference, likely in AFR, bringing together tax practitioners to present KM work and discuss implementation plans with tax task force network
- Provide rapid response to Doing Business Team and others

FIAS Strategy Fact Sheet #4
Trade Logistics Advisory
(Update: October 2008)

Faster, leaner and more responsive supply chains are essential for businesses to survive in a competitive globalized world. Firms increasingly use global sourcing strategies that demand flexible, speedy and cost effective solutions. This demand has energized governments to improve trade logistics services to create greater access to world markets and provide efficient, easy and accountable import and export procedures. In response to this demand, IFC BEE and FIAS launched the Trade Logistics Advisory product in July 2007 in response to client requests for better access to markets through efficient supply chains, and higher rankings in the Doing Business report. Its primary objective is to reduce the total time and cost to import and export in developing countries by helping them build efficient trade logistics systems and services.

The Trade Logistics Advisory product is the first to operationalize the Doing Business “Trading Across Borders” indicators. In addition to quick wins that improve the indicators, it extends assistance to generate deeper systemic reforms. It typically focuses on the following solution areas: simplification and harmonization of procedures and documentation along the supply chain; implementation of electronic processing/automation and developing “single window” systems; and introduction of risk management approaches in border inspections and clearance.

FY08 Highlights

Product Development and KM

- SmartLessons competition on trade logistics completed (7 cases available online)
- Advisory panel created and a first meeting held in June 2008.
- International conference on trade logistics organized in May 2008. The conference included presentations from policy makers, practitioner experts, and private sector participants from multiple countries, discussing reform issues and approaches in trade logistics and provided further opportunities for collaboration and partnership.
- Created a web-based workspace/communications tool with a document library (myadvisoryspace)

Operations

- Successful pilots in Rwanda and Liberia – 21 administrative and regulatory improvements in 2 pilot countries in 10 months (Phase 1-quick wins)
- Notable accomplishment of the trade logistics workstream generated over half of the reforms recorded in total in Liberia; the workstream has already established a solid platform for the ongoing round of systemic reforms.
- Rwanda pilot produced 10 administrative and regulatory improvements in 10 months with a strong basis for the deeper reform agenda.
- Colombia pilot began in July 2008.
- Working together with IFC BEE, WBG, IMF teams on design and implementation in Liberia, for instance, has enabled the advisory work to benefit from synergies.
- The program has generated strong demand from the regions.
- High leverage ratio for the Rwanda project: Raised approximately 75% of projected spending for FY09-10 from co-financing
- Working in close coordination with IFC infrastructure and trade finance department and relevant WB units (DEC, PREM, SD), allows us to work on our core areas while leveraging existing competencies from across the WBG group; working with international trade experts from the : IMF, WTO, WCO, UNCTAD, ICF and specialists from the private sector ensures we bring world class expertise to deliver projects.

Operational Priorities for FY09

Graduate the trade logistics product to “under development” or “developed” category. There is already significant demand from the regions and the focus will be on adapting the product to be responsive to demand. The emphasis will be on scalability and exploiting synergies with other WBG products.

Operations

- 2-3 more full fledged pilots: Continued focus on Africa and LAC region, with light touch oversight/ review in S.E. Europe, South Asia, and MENA assessments. Will develop regional trade logistics program approaches for Africa and LAC regions.
- Take current pilots into phase II systemic reform stage.
- Colombia – Single window system to be linked to key agencies and made fully functional
- Liberia- fully functional ASYCUDA system in 2-3 years; interim, computerization of back office operation of customs in Monrovia port
- Rwanda – fully functional risk management system for border control in 2 – 3 years
- Pre-pipeline: The trade logistics team has actively reviewed and contributed to the DB Reform memos for several countries including IDA countries. The team will pro-actively do follow up (phase 1) work associated with the trading across borders indicators, in collaboration with the DBRA.

Product Development and KM

- Research on the impact of transactions cost on trade- ongoing.
- Rapid assessment guidelines that will help with standardization and replicability; ongoing work on creating a checklist of key policy gaps in the supply chain affecting trade logistics
- Impact evaluation approach will be tested in the pilot countries in FY09-10
- Two regional workshops planned in pilot countries
- Case studies documented
- Annual conference in FY09

FIAS Strategy Fact Sheet #5
Secured Lending
(Update: October 2008)

FY08 Highlights

- Delivered 5 new/ongoing advisory programs in Africa and Asia, consisting of the Africa Collateral Reform Project and projects in China, Vietnam, Nepal and Yemen. Measurable impact was demonstrated in terms of increased access to credit in more developed projects such as China and Vietnam.
- Established an Advisory Panel comprising of experts from academia, international organizations and donor community to provide guidance and inputs on product development and delivery. The Advisory Panel now meets twice a year and holds occasional conference calls with its members.
- Recruited 2 international advisors, 1 program analyst and 1 research assistant to support the extended team of 15 colleagues around the globe.
- The Global Movable Collateral Registry Survey was launched in 25 countries with the objective of capturing global best practices, trends and economic impact of secured lending reforms.
- Work commenced on developing a toolkit to synthesize and capture global best practice and streamline product methodology.

Operational Priorities for FY09

- Graduate the secured lending product from the “developing” to “developed” category, through emphasis on scalability; continued demand from regions; and demonstrating impact in multiple regions. This will be achieved by (i) demonstrating impact and results; (ii) exploiting synergies with other WBG products (Financial Infrastructure, FSAPs, ROCSs, Doing Business through the getting credit indicator) to create a comprehensive secured lending strategy.
- On the operational side, continue delivering a selected number of projects and demonstrate results with the 12-14 projects in the portfolio (China, Vietnam, Lao PDR, Nepal, Bangladesh, Yemen, Afghanistan, Jordan, West Bank & Gaza, Azerbaijan, Ghana, Rwanda, OHADA countries, Pacific regional initiative).
- On the Knowledge Management side, the priorities are: (i) completing the Global Movable Collateral Registry Survey and disseminate the findings to policy makers and clients; (ii) finalizing and disseminating a best practice toolkit on secured lending, methodology and a series of case studies; (iii) organizing a Deep Dive in secured lending for internal and external clients; (iv) creating a Secured Lending Practice Group with the objective of developing and building in-house expertise in the area consisting of a network of HQ and facilities staff who work on collateral reform projects.
- Formulate a robust evaluation structure that includes impact assessments after the projects and programs have been implemented, with an emphasis on hard evidence of results both in countries where the team has been involved (e.g. China) and where the team has not been involved (e.g. Cambodia).
- Strengthen our external secured lending networks, through the contributions of the Advisory Panel, but also reaching out to other networks of clients, collateral registries, service providers, experts and donors with expertise in this area.

FIAS Strategy Fact Sheet #6
Doing Business Reform Advisory
(Update: October 2008)

FY08 Highlights

Doing Business Reform Advisory helps governments design and implement reform agendas to improve their environment for doing business as measured by the *Doing Business* indicators. It provides prompt assistance to governments to enact policy reforms and legislative changes. In delivering its services, the advisory team collaborates extensively with the Doing Business team, other FIAS product teams, IFC-BEE regional teams and other World Bank Group units.

- *Strong demand.* The team received more than 40 government requests for reform assistance between October 2007 and June 2008. Request came from all regions and income groups. At the year's close, the group was working on 31 active projects.¹
- *Focus on poor countries.* Among the active projects, 64 percent were in IDA countries. Most IDA countries requesting assistance completed more than three reforms in FY08. Liberia and Burkina Faso each implemented reforms in 4 Doing Business areas. Azerbaijan – another IDA country – was the top Doing Business reformer, with 7 implemented reforms.
- Doing Business Reform Advisory also channels significant resources into helping countries with the lowest Doing Business rankings. Among countries with active Doing Business reform programs, 74 percent rank in the bottom half of the Doing Business indicators, for example Madagascar, Senegal and Timor-Leste. Post-conflict countries also feature among those striving to reform – for example Rwanda and Liberia, 2 of the most successful African reformers in the past year.
- *More than 50 reforms in nine months.* Between October 2007 and June 2008, Doing Business Reform Advisory assisted 19 governments complete 56 reforms to improve the environment for doing business in collaboration with other BEE, WB and IFC units. Of these 56, 17 reforms were in Sub-Saharan Africa. In FY08, the Doing Business Reform Advisory team assisted seven client countries ranked among the world's top ten reformers in *Doing Business 2009*: Azerbaijan, Albania, the Kyrgyz Republic, Belarus, Senegal, Burkina Faso and Colombia.

Operational Priorities for FY09

- Maintain high-quality and prompt services in the face of growing demand and budget and staff constraints.
- Start and successfully implement “phase 2” of existing client programs – i.e. expand and deepen the advisory assistance for the second year of reform support.
- Increase the number of Doing Business-related reforms
- Continue to leverage the expertise and resources of BEE teams and other WBG units in reform programs.

¹ In order to be considered an “active project”, the Doing Business Reform Advisory team must have completed at least one mission to discuss reforms and delivered to the requesting government either a memorandum outlining reforms or an action plan specifying reform activities.

FIAS Strategy Fact Sheet #7
Subnational Doing Business
(Update: October 2008)

FY08 Highlights

- Subnational Doing Business (SNDB) investigates commercial regulations at the subnational level and stimulates reform peer-pressure among participating cities, motivating them to adopt practices that have proven successful in other cities or elsewhere in the world. SNDB thus encourages governments at the national and local levels to engage in regulatory reforms.
- In FY08, 6 country reports were published—Morocco, the Arab Republic of Egypt, Colombia, China, Nigeria and the Philippines. In South East Europe, FIAS launched a multi-country report covering 7 economies and 22 cities which provides comparable city-level data and identifies reforms that can improve competitiveness in a region becoming increasingly integrated into the European economy. The total number of cities and countries covered by subnational projects extended to 230 cities and 32 countries at the end of FY08.
- During FY08, the team implemented a global knowledge management strategy to roll-out the SNDB product globally and share information with practitioners. The strategy focused on the development of the SNDB website (www.subnational.doingbusiness.org), which made subnational reports and data easily accessible. The team also developed the ‘Subnational to Go’, a resource guide for practitioners. The electronic tool gathers project related best practices and lessons learned and contains chapters on project design and implementation and sample project documents.

Operational Priorities for FY09

- *Sustainability*: FIAS is making a concerted effort to ensure sustainability. For instance, in Mexico, FIAS provided support to a local think tank, the *Instituto Mexicano para la Competitividad*. In the fall 2008, the third *Doing Business in Mexico* report will be launched, marking the first time the Doing Business methodology has been transferred to a local strategic partner. A second pilot is under development in Colombia, where a local think tank will be involved in the second round of benchmarking.
- *Collaboration across the WBG*: The team has devised a model to successfully collaborate across the WBG and built up a cadre of staff trained in the DB methodology—projects are being undertaken in partnership with BEE teams in IFC AS facilities, WB regional departments, the Indicators and Analysis department, as well as other FIAS units.
- *Selection criteria*: New requests will be rated based on a set of objective criteria. Those projects that do not meet a minimum score will not be pursued. The proposed criteria include variables such as frontier regions, origin of request, government counterpart, client commitment/funding, identified local partner, etc.
- *Reform advisory at the subnational level*: following the successful model of the DB Reform Advisory work at the national level, the team will work to help local governments prioritize and execute reforms in the areas covered by the subnational DB reports.
- *Frontier focus*: Globally the SNDB portfolio includes a mix of IDA and non-IDA countries. In non-IDA countries, SNDB projects always include frontier regions. Comparing frontier with non-frontier regions brings about competition to reform and provides examples of good practices that can be implemented across the country, thus contributing to reduce regional disparities. Middle income countries often have the means to implement reforms with little assistance, and SNDB contributes to mobilize the energy to reform, thus having great potential for impact at relative low cost, as the experience in Mexico shows.

FIAS Strategy Fact Sheet #8
Investment Policy and Promotion
(Update: October 2008)

The overall objective of IP&P is to support client countries' need for rapid increases in productive FDI investment and jobs, within the context of their overall economic development goals. IP&P offers implementation support through its four main sub-products: investment law and policy; investment facilitation; sector targeting and promotion and, aftercare and policy advocacy.

FY08 Highlights

- Thirty five (35) IP&P projects completed or live in FY08 across all regions. Of which, 60% are task managed by field staff located in IFC Facilities.
- About 25% of IP&P interventions in FY08 were as part of wider BEE multi-product country programs, e.g. Rwanda, DRC, Liberia, Sudan, etc.
- Impacts – FDI investment facilitated and new jobs created in a variety of projects, for example the IP&P project in Colombia with Invest in Bogota attracted \$180m in FDI that will generate 3,500 jobs. The Invest in Western Balkans project promoted the region to 900 potential investors across Europe in FY08 generating 30 visits to the region by companies, 8 companies announced their intention to invest over 140m Euros and to create 600 direct and indirect jobs.
- In addition, thirteen (13) investment climate reforms were facilitated by IP&P projects in FY08
- The Investing Across Borders (IAB) project has developed a set of indicators which will benchmark FDI regulations in countries around the world – during FY08 the project was successfully piloted in 22 countries, and presented at global conferences hosted by the OECD and WAIPA.
- As part of the IFC's India Lagging States initiative, IP&P has developed and launched a program of assistance for the government of the State of Bihar in North East India.

Operational priorities for FY09

- With the support of the Austrian Ministry of Finance (MoF), FIAS is establishing its Vienna Investment Generation office that will focus on providing Investment policy and promotion, and industry competitiveness, assistance to selected countries in ECA region.
- In the next phase of the Investing Across Borders project, FIAS aims to collect full survey data on 80 countries, and will publish a report and a series of papers on the topics encompassed by the project.
- IP&P's Global Investment Promotion Benchmarking (GIPB) study for 2008 will be completed – it examines how 183 (Doing Business) countries perform in promoting investment by bridging the corporate information gap as potential investors search for new locations for projects.
- FIAS plans a series of dissemination and training events based on the results of the GIPB – for example a three day client workshop will be funded by the APEC Secretariat in May 2009 for its member countries on the importance and techniques of Investment Facilitation and Information Provision.
- FIAS will launch new IP&P country programs in Brazil, Haiti, Armenia, China (third phase), Indonesia (sub-national), Solomon Islands, Papua New Guinea, Kenya, LaoPDR, among others.
- FIAS will redesign and launch the next generation of its program of investment law reform work and will publish its Investment Law Toolkit to guide staff, partners and clients in this area.
- FIAS will undertake research into the role and effectiveness of fiscal incentives for the attraction of mobile investment examining both tax and non-tax incentives and publishing a series of case studies.
- FIAS will hold a product deep dive training and development workshop in Belgrade in October 2008, and will disseminate its Toolkit comprising guidance for IP&P projects for use by field staff.
- In response to client demand FIAS will update its tools in the areas of "Top Management Coaching for Investment Promotion", the techniques of investor aftercare and servicing, and the use of client investor tracking systems. FIAS will also update and re-launch its FDICenter website (www.fdipromotion.com).

FIAS Strategy Fact Sheet #9
Industry-Specific BEE
(Update: October 2008)

FY08 Highlights

- **The Industry Competitiveness product** addresses micro policy and enforcement issues affecting product market competition by identifying and prioritizing the main policy, regulatory, and legal issues through an industry-specific lens.
- **Focused on frontier/ conflict-affected countries in line with the IFC core strategy.** The Team deepened its involvement in these countries with a total of 9 new/ active projects in Africa.
- **Improved KM Capacity** - In an effort to improve HQ capacity of KM, the the joint FIAS/IFC Industry Team lead by PEP Pacific is developing a Tourism Benchmarking Tool (Innovation Fund). In addition, it began development of the SEZ Practitioner's Guide on developing SEZs in conflict-affected countries. In order to improve on its core value of developing partnerships, the Team is developing WBG-wide practice groups in tourism, agribusiness and SEZs, reaching over 350 members.
- **Published on global issues** - *Value Chain Manual; Competition Policy and Promotion of Investment, Economic Growth and Poverty Alleviation in Least Developed Countries; and Special Economic Zones: Performance, Lessons Learned, and Implications for Zone Development.*
- **Developed land product spinoff** - Previously under Industry-Specific BEE, the Team was able to successfully develop land as an entry product within BEE.
- As part of the IFC's **Lagging States** initiative in **India**, the team worked jointly with SEDF and IFC to design and launch an agribusiness focused program in the State of Bihar.

Operational priorities for FY09

- **Strengthen KM, enhance role of practice groups and conduct Deep Dives** – Continue focus on collaboration and project performance across the WBG through disseminating and conducting Deep Dives and enhancing the participation of WBG-wide practitioners in project development and role-out. The team will complete and publish the SEZs Practitioner's guide and conduct a Deep Dive event in Bangladesh in early 2009 jointly with BICF. This will be followed by a Deep Dive Event on tourism in 2009. Both events will focus on implementation guidance, tools, and materials for use by field staff and policymakers.
- **Design and role out of Agribusiness BEE work for pilot countries** - Develop the agribusiness benchmarking model and pilot it in six sub-Saharan African countries jointly with the PEP Africa and IFC. In addition, develop agribusiness programs in Haiti with IFC AS, Indonesia jointly with PENSA, Haiti, and other lagging states (with SEDF/IFC input and WB partnership).
- **Continue strategic hiring** – A tourism expert has joined the team (joint with IFC-Investment). Recruitment of Agribusiness and SEZ specialists is under way.
- **Further integrate cross-collaboration and participation of WBG and donors** - Close collaboration with facilities, especially PEP-Africa, Sustainability Business Line (i.e. Better Work Program and other), IFC investments, IFC Gender, MIGA guarantees, relevant WB units, other agencies (donors) and stakeholders within a country (governments, private sector, investors).
- **Project List with focus on sub-Saharan Africa/ frontier markets - and M&E** – The team will continue providing assistance where it is needed most, focusing on fragile markets and sectors such as agribusiness. **SEZs:** Bangladesh (with BICF), Nepal (with SEDF), Cambodia (with MPDF), Liberia, Democratic Republic of Congo (with PEP-Africa), Haiti, Kenya (with PEP Africa and IFC CIA), Yemen (with PEP-MENA and the WB); **Tourism:** Mali, Mozambique, Madagascar and Sierra Leone (with PEP- Africa). **Agribusiness:** Bihar and 2 other Lagging States in India (with SEDF), Mali, Liberia, Madagascar (with PEP-Africa); **Mining** - *Joint pilot program in Guinea with WB/IFC Mining department.* These projects will integrate the experiences from previous projects, ensuring concrete M&E indicators with measurable result.

FIAS Strategy Fact Sheet #10
Knowledge Management
(Update: October 2008)

FY08 Highlights

- Launched numerous practitioner guides, studies and discussion papers covering topics such as: (i) use of value chain analysis in developing sector reform strategies; (ii) tax system design for small and micro-enterprises; (iii) lessons of experience in developing special economic zones; (iv) survey of investor perceptions in Southeast Europe; (v) competition policy and the promotion of investment and economic growth; and (vi) a “how-to” guide on conducting subnational Doing Business analyses.
- Established internal capacity to support knowledge product development efforts of product teams and dissemination channels to ensure distribution to relevant clients and stakeholders.
- Expanded FIAS’ staff learning efforts to include over 29 learning programs in FY08; increased the use of video and web conferencing to extend reach of learning programs to field staff.
- Developed new FIAS intranet using Web 2.0 technologies to support collaboration within product and client project teams; upgraded existing FIAS Web site and the FDI Promotion Center, FIAS’ knowledge portal for investment promotion professionals.
- Commenced the development of cross-cutting advisory services in the areas of IT/e-Government (in support of FIAS core products) and business environment reform in conflict-affected countries.

Operational Priorities for FY09

- Support design, quality control, packaging and dissemination of knowledge products being developed by the FIAS product teams and field staff (\$3+ million overall budget).
- Continue to expand and upgrade FIAS’ Web capabilities to support dissemination of product-related knowledge to internal stakeholders and external clients; increase use of e-newsletters to communicate with core internal and external constituencies.
- Develop on boarding programs for new HQ and field staff, in cooperation with IFC advisory services; support “deep-dive” training programs focusing on specific core products and other learning programs to support staff skills development.
- Develop and roll out knowledge tools to support design and implementation of ICT/eGovernment components in BEE projects; provide support on current projects to implement ICT applications in business/collateral registration, business licensing as well as investment generation.
- Develop internal directory of BEE-related data sources and staff capacity to employ statistical data in conducting diagnostics and designing performance objectives and impact indicators for BEE projects.

FIAS Strategy Fact Sheet #11
Monitoring & Evaluation
(Update: October 2008)

FY08 Highlights

- Developed, in conjunction with the product teams, logic models incorporating a clear definition of activities, outputs, outcomes and impacts, as well as the indicators to track them. Additionally, “reforms” (as defined in the FIAS Strategy FY08-11) were defined in the context of each product. The process to track them and reconcile them across FIAS, particularly with the DB methodology was developed and agreed with management.
- Developed in conjunction with the IFC M&E team and FIAS product leaders, a reduced set of core indicators to be used and aggregated across product lines.
- Provided in-depth M&E support to the most important and innovative projects in FIAS portfolio including regional, multi-product and knowledge based projects.
- Integrated M&E and portfolio management issues aiming at improving efficiency and creating synergies. As a result, the quality and the consistency of the information collected have improved.

Operational Priorities for FY09

- Consolidate the FIAS M&E team to ensure it adds value throughout the project cycle, particularly in the project design stage and in product improvement initiatives.
- Roll out the updated M&E framework to improve the efficiency in collecting the information, to improve the quality of the information collected, and to reduce the administrative burden on the project implementation teams so they can focus on deliver value to our clients.
- To continuously improve FIAS M&E framework by integrating lessons learned throughout its implementation. Particularly, during FY09, the framework will be enhanced by the mainstreaming of gender issues.
- To contribute in the sharing of knowledge and expertise by consistently mining and reporting project results by reform type. This will be done in conjunction with FIAS KM team.
- To evaluate the effectiveness of FIAS products at the reform type level and to help product teams use the knowledge acquired in the continuous improvement of their approach.

FIAS Strategy Fact Sheet #12
Conflict-Affected States
(October 2008)

FY08 Highlights

- Completed a donor Practitioners' Note on PSD reform in conflict-affected countries, produced jointly with GTZ.
- Began adapting FIAS products to the unique challenges of conflict-affected countries, specifically contributing to the development of a toolkit for a Special Economic Zones product and the design of assessment tools for Investment Promotion and Policy product.
- Initiated project work in Haiti, Liberia, and Sierra Leone applying the concepts and guidance contained within the Handbook.
- Participated in the launch of the IFC Conflict-Affected States in Africa (CASA) program through FIAS contribution to program scoping and design.
- Leveraged FIAS experience in conflict-affected countries within a wide ranging network of donor agencies developing their knowledge and practice in the emerging area of private sector development in conflict-affected countries.

Operational Priorities for FY09

- Continue operational work in Haiti, Liberia, and Sierra Leone.
- Contribute to planned program scoping and design missions for FIAS (globally) and the CASA program (Africa).
- Complete a Handbook focused on investment climate reform in conflict-affected countries, providing guidance to IFC BEE staff on how to work in such countries.
- Continue the adaptation of all FIAS products to the operational challenges of conflict-affected countries.
- Convert the Handbook and product adaptations to an on-line resource center for FIAS and IFC staff.
- Develop with the IFC CASA program management an operations course for IFC staff working in conflict-affected countries. This material will also be integrated into the World Bank's existing core operations course for World Bank staff working in conflict-affected countries.

FIAS Strategy Fact Sheet #13
FIAS/BEE-Gender Fact Sheet
(Update: October 2008)

IFC's Gender Program aims to mainstream gender issues into all aspects of IFC's work, while helping to better leverage the untapped potential of business women in emerging markets. Recognizing the potential of gender sensitive business environment for women's economic empowerment and as a key driver for economic growth, IFC has recently created a new BEE-Gender position to strengthen the integration of gender-focused FIAS/BEE work.

FY08 Highlights

Up to FY 09, gender in BEE focused on conducting Gender and Growth Assessments (GGAs), along with related advocacy and capacity-building activities in 6 countries in Africa Region. The key elements of the program comprised of the following:

1. Gender and Growth Assessments / Gender Review of Legal and Regulatory Obstacles
2. Voices of Women Entrepreneurs reports
3. Media and advocacy training
4. Communication and Dissemination workshops with relevant stakeholders

Operational Priorities for FY09

As FIAS' focus has shifted from diagnostics to implementation with a clear mandate to demonstrate results, gender and FIAS/BEE work will no longer rely on freestanding GGAs. This is because GGAs have been limited to diagnostics and were insufficiently integrated with other FIAS/BEE reform work.

Going forward, it has been agreed that gender dimensions of investment climate reform will be more systematically mainstreamed and integrated into FIAS and BEE Projects. To accomplish this, FY'09 work program will focus on creating tools for mainstreaming gender in FIAS/BEE products and piloting a few reform projects that are considered high priority from a gender perspective.

KM

- Methodological Toolkit that will be modeled on FIAS/BEE Products and will provide tools to integrate gender perspective into key products that are considered high priority from a gender perspective (Business Operations, ADR, Tax, Industry Specific Work).
- BEE-Gender Practice Group and Advisory Panel
- Global Conference to launch methodological Toolkit

Operations

- Develop one project on Special Economic Zones and gender, particularly within the context of BICF Program.
- Integrate the gender dimension to Rwanda Investment Climate Reform program, following on GGA assessment conducted in FY08.
- Design and implement "Pacific Regional Gender Program", which will be mainstreamed in respective Pacific investment climate reform projects.
- Integrate gender angle in annual BEE surveys conducted by IFC ECA region.
- Support the Investment Climate Reform Programs in Burkina Faso and DRC from the gender perspective.
- Explore FIAS/BEE gender angle in Agribusiness Sector.

FIAS Strategy Fact Sheet #14
Sub-Saharan Africa Region
(Update: October 2008)

FY08 Highlights

- Active in 35 of 48 sub-Saharan African countries, and undertook a regional program (OHADA reform program) affecting a further 7 countries, so potential impact of our work could affect 42 of 48 countries.
- Support provided to countries on an incremental fashion – in four countries we offer only support for a Public Private dialogue (Cameroon, Central African Rep., Chad and Ethiopia). Once dialogue establishes an agenda, product lines are added (i.e. Burkina Faso, Kenya, Zambia, South Africa).
- As client reform commitment grows, support for reform in other product areas is added to develop comprehensive multi-product line support in 9 countries (DRC, Liberia, Madagascar, Mali, Mozambique, Nigeria, Rwanda, Sierra Leone and Sudan).
- Rapid response facilities – the Pep Africa SWAT team and the Doing Business Reform unit delivered support in an additional 10 countries.
- Service delivery model based on an integrated team of FIAS staff and PEP Africa facility working on a joint program to facilitate change in the continent. Located first regional staff outside Johannesburg in Dakar and Nairobi, future hubs, and in 7 country offices.
- Encouraging results achieved – direct, measurable FIAS support for 55 reforms recorded in 12 countries in Africa in FY08, 20 reforms captured in Doing Business.
- Doing Business 09 records 3 African countries (Senegal, Burkina Faso and Botswana) among the top 10 Global Reformers, with Mauritius Africa's top performer, at 24th position globally. Doing Business records an increase from 14 reforming countries making 19 positive reforms in DB06 increasing to 28 countries achieving 59 reforms overall in DB09.

Operational Priorities for FY09

- Continue incremental program growth – adding support in more product areas as countries show increasing reform commitment;
- Continue strong focus on conflict and fragile states and priority given to IDA countries.
- Provide direct support to at least 30 countries in Africa, in addition to regional programs, and increase the number of countries with comprehensive programs by at least 2.
- Establish full hub operations in Nairobi and Dakar in order to bring program support much closer to clients.
- Introduce trials of peer to peer learning, using the better performers to provide advice and encouragement to others.
- Operationally we will deepen our collaboration with the World Bank, already strong in a number of countries, and continue close collaboration with the Investment Climate Facility and other implementation agencies on the continent.

FIAS Strategy Fact Sheet #15
Eastern Europe and Central Asia (without South East Europe)
(Update: October 2008)

FY08 Highlights

- *General.* Delivered new/ongoing advisory programs / projects in Azerbaijan, Russia and Ukraine. Measurable impact will be demonstrated in terms of increased access to credit in Azerbaijan after enactment of amendments to the secured transactions law, in Russia in savings to business in access to land after introduction of amendments to the land code, and in Ukraine after simplification of tax administration procedures.
- *Secured transaction law of Azerbaijan.* The amendments to Law on Secured Transactions in Azerbaijan developed with the assistance of FIAS will increase access to credit to thousands of businesses in this country.
- *Progress on Land Reform in Russia:* Following recommendations from FIAS in 2006, the Government of the Russian Federation improved businesses' access to land in the Russian Federation by enacting new Federal legislation in July 2007 to facilitate the privatization of land under the buildings that had been privatized earlier. Previously, most municipalities had required businesses to take long-term leases for the land under their buildings, such that businesses in each municipality faced a monopolist, public-sector landlord. They could not necessarily transfer the leases without permission of the municipal administration, and therefore often could not use the land as collateral for long-term financing. The new reforms allow for the development of a true market in private industrial and commercial land, and enables business owners to use the full value of their real estate to expand their access to finance.
- *Tax Administration project in Ukraine.* FIAS collaborated with Bank's Tax Reform Project and IFCX Advisory Services to document the cost to businesses of tax compliance and tax inspections.

Operational Priorities for FY09

- *Tax administration work in the Kyrgyz Republic, Tajikistan and Uzbekistan.* During the tax team's first SWAT mission to Central Asia the idea was to do a rapid assessment of the business tax regime and provide an actionable plan for possible intervention. Specifically, the mission carried out a benchmarking study of the effective tax burden in the five sectors including the special tax regimes for small business (agriculture, manufacturing, mining, financial sector, and tourism/services). In addition, the team assessed the impact of tax administration, to assess the tax system as a whole with respect to promoting enterprise growth and investment, and gauge capacity building needs. The analysis also included an assessment of whether the mix of tax instruments is appropriate for level of development, using international best practice as a guide.
- *In Russia a Subnational DB study* will be launched covering 10 cities on 4 DB indicators by determining easiness to start a business, obtain a construction permit, register a property and trade across borders.
- Regulatory Simplification projects are being implemented in Russia on a *fee-for-service* basis in better off regions (e.g., in Tatarstan) and with *donor co-funding* in frontier regions (e.g., in Northern Caucasus). The projects are focused on streamlining the land allocation and construction permitting processes
- *In Ukraine* FIAS will help to identify reform priorities for business taxation to reduce compliance costs and create a baseline to measure reforms.
- There are plans to kick start Trade Logistics work in SFU in coordination with IFC Advisory Services. *Armenia and Central Asia* are among the countries requesting assistance in this area.

FIAS Strategy Fact Sheet #16
South East Europe
(Update: October 2008)

FY08 Highlights

- Deepening regulatory reform and improving the Doing Business performance of two Top-10 reformers (Croatia and Macedonia) and the other countries in the region – targeting 4 key indicators – starting a business, registering property, licenses, and contract enforcement.
 - Croatia HitroRez Guillotine implementation. Roughly 20% of regulations recommended for revision or elimination have been implemented, despite the slowing of the reform agenda following the elections.
- Launch of the sub-national competitiveness projects in Bosnia and Herzegovina and Serbia, covering 7 localities in the pilot phase:
 - Inventories of existing business formalities completed in 7 municipalities
 - Of the 1249 formalities inventoried, more than 75 % have been targeted for simplification or elimination.
 - In Serbia, roughly 50 % of the 825 formalities recommended for revision/elimination have been formally adopted in 4 municipalities.
- Launch of an integrated project to help improve the business enabling environment in Montenegro, with a focus on the tourism sector, as a model for other sector-related work in the region.
- Completion of the regional sub-national Doing Business study covering 22 locations across the Western Balkans. This is a key component for comparing performance and stimulating investment for domestic and foreign investment.
- Launch of the regional network of policy makers, building on the successful regional conference that was held in Zagreb, Croatia in September, 2007.
- Publication of the regional investor perception survey “*Attracting Investment to South East Europe*”.
- 22 outreach events were conducted by the IWB, targeting roughly 800 investors.
- Delivery of assistance for the completion and adoption of the investment promotion strategies for Macedonia and Albania.
- Strengthening the capacities of investment promotion intermediaries in the region by equipping them with the basic tools of best practice investment promotion.

Operational Priorities for FY09

The main priorities of this work program will include:

- Continued focus on reducing the cost and risk of doing business and improving the quality of regulations affecting the start-up, operation and exit of businesses through regulatory reform and Doing Business reform projects in BiH, Croatia, Macedonia, Moldova, Montenegro and Serbia.
- Scaling up and expansion of the sub-national competitiveness program within BiH and Serbia and to Albania, Macedonia, and Moldova.
- Integrating investment generation and BEE work on the sub-national level in BiH and Serbia through participation in and support for investor outreach events.
- Design and launch of a Trade and Logistics program targeting IDA countries in the region.
- Support for the regional BEE network of policy makers.

FIAS Strategy Fact Sheet #17
Middle East and North Africa (MENA)
(Update: October 2008)

FY08 Highlights

- MENA's poorest countries and subnational regions remain a top priority, with FIAS' largest program ongoing in the Republic of Yemen, the region's poorest country.
- *Yemen*: FIAS is engaged – in collaboration with PEP-MENA and DfID – in a wide range of advisory activities, spanning tax administration, investment regulation and attraction, customs and logistics reform, special economic zones, and industry-specific assistance, as well as targeted Doing Business reform advice.
- *Egypt*: FIAS, in partnership with PEP-MENA and USAID, has released *Doing Business in Egypt*, a subnational report covering three cities and three areas of regulation. The report was welcomed as a success, and coverage will be extended to six governorates in FY09.

Other projects completed in FY08:

- Review of FDI legislation in Libya and Yemen;
- Assistance to the government of Tunisia on improving the competitiveness of key industries (agro-business, automotive parts, and construction);
- Comprehensive value-chain analysis in Pakistan; and
- Assessment of institutional capacity to promote investment in Oman.

Operational Priorities for FY09

- FIAS will enhance its collaboration with PEP-MENA, which is entering a new five-year funding cycle and with the World Bank's private sector development group (MSNED). FIAS is well positioned to complement WBG colleagues' assistance to clients in various areas of interventions.

Product Focus

- In FY09, FIAS will continue building on its established products in the region, including investment policy and promotion, business taxation, industrial estates/SEZ, and support to Doing Business reforms.
- FIAS will also introduce new product in the region, in close collaboration with regional IFC AS teams, including trade logistics, secured lending, and access to land, as part of business startup assistance.

Country Focus

- FIAS will continue its strong multi-product engagement in the Republic of Yemen, as well as in Egypt, with a focus on industrial estates and subnational Doing Business.
- FIAS and PEP-MENA plan to engage with Pakistan, focusing on business advocacy, business taxation and Doing Business reforms.
- In coordination with IFC Access to Finance colleagues, FIAS plans to assist Afghanistan, Jordan, West Bank & Gaza in establishing secured lending programs.
- FIAS will explore potential follow-up from administrative barriers diagnostic work in Lebanon, depending on the political situation in the country.
- Following the recent publication of *Doing Business in 2009*, FIAS plans to assist MENA countries, upon request and availability, in targeted Doing Business reforms.

FIAS Strategy Fact Sheet #18
Latin America and the Caribbean
(Update: October 2008)

FY08 Highlights

- In FY08, Doing Business Reform Advisory – DBRA – implemented three projects in the LAC region: in Colombia, El Salvador, and Antigua and Barbuda. With support from DBRA, these countries implemented 7 DB reforms, reflected in the Doing Business 2009 report. An additional 23 DB reforms were recorded by the DB2009 report in LAC countries.
- In FY08, a country report was published for Colombia, covering 12 regions, out of which 3 were frontier regions. The report provides comparable region-level data and identifies reforms that can improve competitiveness in a country that has shown commitment to business climate reforms.
- In the case of Trade Logistics, in FY08 it was decided that FIAS will undertake jointly with the IFC LAC Office for Advisory Services a pilot project in Colombia.

Operational Priorities for FY09

- Continue the successful work on advising LAC governments on Doing Business Reforms that the Doing Business Reform Advisory Team is implementing in several countries in LAC. DBRA will keep coordinating closely with the IFC LAC Office for Advisory Services to offer clients a full range of technical assistance options to advance on broad BEE reforms. DBRA will continue providing TA to Colombia, as needed, as well as launching reform work in several LAC countries which have requested reform assistance in recent months: Honduras, Guatemala, OECS member states (Grenada, Dominica, St. Lucia and St. Kitts and Nevis), Haiti, the Dominican Republic and Jamaica. In addition, the DBRA unit will be discussing a fee-for-service agreement with the Federal Government of Mexico, which has recently submitted a request for DB reform assistance.
- Sub-National Doing Business will develop a model to successfully mainstream in Colombia and Mexico the methodology and business model with a local partner, maintaining WBG support for brand / quality control. The first pilot in Mexico is well advanced. The first report prepared by a local think tank, the Mexican Institute of Competitiveness – IMCO, with FIAS, will be launched in Nov 2008. A second pilot is under development in Colombia, where a local think tank will be involved in the second round of benchmarking. The report will cover this time 20 regions, out of which 6 will be frontier regions. It will also begin helping local governments prioritize and execute reforms in areas covered by the Sub-national DB reports.
- Increase employment and value-added to economies via investment policy and promotion support. Special attention will be given to Haiti and frontier regions in Brazil, initiating projects on investment climate and promotion issues.
- Pilot a new trade logistics program in Colombia, which will serve both as pilot for the LAC Region and for the global roll-out of the Trade Logistics product.

FIAS Strategy Fact Sheet #19
East Asia Pacific
(Update: October 2008)

FY08 Highlights

- The *Pacific Regional BEE Program*, for *Tonga, Vanuatu, Solomon Islands* and *Papua New Guinea* was launched. Program implementation is underway in Vanuatu and Tonga in the areas of business start-up, business operation, contract enforcement and IPP;
- DB Reform Memos were delivered in *Indonesia, Tonga, Laos and Timor Leste*. The documents form a part of the basis for ongoing FIAS regulatory reform programs;
- Delivered and launched *Sub-national Doing Business Report for the Philippines* covering three DB indicators in 21 cities. Similar report launched for *Sub-National Doing Business in China* covering 30 major cities;
- *Timor Leste Better Business Initiative* launched to support dialogue between the Government and private sector, both foreign and domestic, to improve business environment;
- In *PNG*, delivered the *Informal Economy Project* which included a survey of over 900 enterprises and community leaders across eight provinces and all four regions of the country;
- Work delivered with the *Lao PDR* government to reform the investment law, investment incentives and investment promotion capacity building;
- Work delivered in *Vietnam* at the national and provincial levels to address impediments faced by small businesses in accessing land; and
- FIAS assisted in the drafting of a new Special Economic Zone (SEZ) law in *Cambodia*.

Operational Priorities for FY09

- Increase focus on work in BEE core products in IDA countries and frontier regions of middle income countries;
- Will further consolidate and implement M&E framework at project and program level to facilitate results management;
- Leverage the Facilities' and World Bank's efforts to improve the investment climate through deeper collaboration;
- At the country level:
 - In *Vietnam*, FIAS will work on streamlining and making the entire tax system more accessible for SMEs through reforms in procedures and cost reductions;
 - Progress the *Pacific Regional Regulatory BEE Program*, including commencement of implementation in the last two program countries, Solomon Islands and Papua New Guinea.
 - Deliver the *PNG Special Economic Zone Project* which will advise the government on the commercial viability and potential legal and regulatory framework for SEZs in PNG
 - Will assist the Government of *Indonesia* to frame a viable policy for the development of special economic zones in line with the country's investment and macroeconomic strategy and provide drafting guidelines for an SEZ law; and
 - Deliver the *Timor Leste Business Registration and Licensing Reform Project* which will introduce a modern and effective business registration and licensing in the country.

FIAS Strategy Fact Sheet #20(a)
South Asia: IFC Bangladesh Investment Climate Fund (BICF)
(Update: October 2008)

FY08 Highlights

- BICF catalysed the formation of a high level PPD group by the government, chaired by the Head of the government. To date, the Bangladesh Better Business Forum (BBBF) Working Groups have submitted 249 recommendations, of which 113 have been approved, including 52 that have been implemented.
- BICF catalyzed the establishment of the Regulatory Reform Commission (RRC) with a mandate to recommend elimination of redundant regulations, streamlining of existing regulations and enhancing regulatory transparency. More than 50 recommendations made to-date and several implemented.
- BICF intervention helped remove one procedure regarding the Doing Business area “Starting a business” resulting in a 45% reduction in the costs of registering a business. BICF also catalyzed the formation of an institutionalized framework in government to systematically carry out Doing Business reforms.
- BICF contribution to the draft Economic Zone (EZ) policy led to GoB approval in principle of an EZ Ordinance that will open up zone development, infrastructure and services to private sector participation and also ensure future zone developments are well planned.
- First full-blown pre-feasibility study for a zone in Bangladesh completed on a proposed Sylhet Economic Zone (published and launched at an event on August 10)
- Board of Investment drafted a three year strategic plan aimed at radical re-vamping of the institution
- Regulatory Reform Core Group program, targeting mid-level civil servants, launched focusing on general PSD issues, ABRs and RIAs. The 60 member group includes 10 private sector representatives.
- Key stakeholder mapping of key opinion elites/leaders to support the advocacy work to sustain the reforms process beyond transition to an elected government completed. Various stakeholder engagements events held.
- BICF web-based M&E system up and running. Currently system being tested to smooth out any glitches.

Operational Priorities FY09

- Completion of comprehensive inventory of all business and non-business related regulations and uploading into e-Registry.
- e-Registry fully operational and maintenance transferred to the government for continuous updates.
- Completion of 2nd batch of ABRs and implementation of the recommendations from these.
- Full implementation of all Regulatory Reform Commission recommendations made by end of 2008.
- Piloting Regulatory Impact Analysis (RIA) for two regulatory regimes and initiating institutionalization of the RIA through a central unit in government
- Promulgation of Competition Act and government initiation of processes for establishment of the competition agency. Completion of eight sectoral competition assessments.
- Licensing of at least one wholly private economic zone under the new EZ Ordinance. Approval of first-phase regulations following from the Ordinance.
- Establishment of an environmental and social management monitoring and enforcement system in the Bangladesh Export Processing Zone Authority (BEPZA) with baseline compliance measured.
- Full automation of three processes in the existing export processing zones.
- Provision of technical assistance and advisory services to the Board of Investment in the implementation of its approved Strategic Plan including investment promotion and process simplification.
- Establishment of Civil Service Training program on PSD after completion of two pilots.

- Provision of technical assistance to the establishment of the Bangladesh Independent Arbitration Center upon completion of feasibility study.
- Prioritization of stakeholder engagement activities in order to build increased advocacy for the investment climate reforms process.
- Management and enhancement of the live M&E web-based system for IFC BICF and institution of a PSD M&E network in the government to help monitor implementation of PSD interventions in the PRSP 2.
- Smooth integration of back-office IFC operations in Bangladesh

FIAS Strategy Fact Sheet #20(b)
South Asia: Nepal, Bhutan, BEI
(Update: October 2008)

Nepal

Highlights FY08

- Commenced investment climate reform program. To-date, provided recommendations on:
 - Establishing competitive regime for Nepal's special economic zones (SEZ). The recommendations included lowering the export threshold, rationalizing fiscal incentives, allowing private sector to develop and operate the zones, and using feasibility approach for selecting the sites;
 - Regulations and organizational set-up for secured transaction registry.
- Initiated stakeholder consultations on the sustainable reform mechanism, public private dialogue (PPD).
- The project was delayed due to the postponements of the elections and the appointment of a new government. The emerging economic program of the new government seems to be in line with the FIAS-SEDF program's objectives.

Operational Priorities for FY09

- Commencement of a PPD mechanism with appropriate mandate, structure, and resources;
- Revisions to the SEZ Act and/or regulatory framework;
- Ordinance on the powers and placement of the secured transactions registry, operation in partnership with the private sector;
- Series of capacity building sessions with the GoN and other stakeholders on reform mechanism, investor-friendly regime in the economic zones and industrial estates;
- Build up local presence (2-3 staff of SEDF team) to support implementation on the ground.

Bhutan

Highlights FY08

- Bhutan's economic development plan signals opening to the democratic and economic reforms. FIAS supported SEDF in review of the Bhutan Foreign Direct Investment (FDI) Policy; the draft will be delivered in November 2008.

Operational Priorities for FY09

- Streamlining cumbersome and discretionary business licensing regime;
- Support implementation of the revised FDI Policy.

North-East India

Highlights FY08

- In collaboration with SEDF and the World Bank, Guwahati (Assam) was included in the sub-national Doing Business assessment benchmarking 30 cities across India. The report is expected by the end of 2008, and will inform the design future FIAS support in the regulatory reforms.