CIIP

Competitive Industries and Innovation Program

Annual Report 2018–19

Financed by

in partnership with WORLD BANK GROUP

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About the Competitive Industries and Innovation Program (CIIP)

The CIIP partnership was created to enhance country growth and employment prospects by supporting public policies and investments that promote competitiveness and innovation within and across industries. As the Trustee and Administrator for CIIP, the World Bank Group is responsible for program development, implementation, and monitoring and evaluation. For more information, visit www.theciip.org

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ABBREVIATIONS AND ACRONYMS

ACP	African, Caribbean, and Pacific Group of States
BDS	business development service
CE	circular economy
CIIP	Competitive Industries and Innovation Program
DFID	Department for International Development
EIC	Ethiopian Investment Commission
EU	European Union
FDI	foreign direct investment
FY	fiscal year
GDP	gross domestic product
GEM	Growth and Employment Project
GVC	global value chain
ICT	information and communications technology
IDA	International Development Association
IFC	International Finance Corporation
IP	industrial park
IPDC	Industrial Parks Development Corporation
IZ	industrial zone
JET	Jobs and Economic Transformation
MNC	multinational corporation
MSME	Micro, Small, and Medium Enterprise
PPD	public-private dialogue
PPP	Public-Private Partnership
QI	quality infrastructure
SECO	State Secretariat for Econoomic Affairs (Switzerland)
SEZ	special economic zone
SME	small and medium enterprise
TA	technical assistance
UNCTAD	United Nations Conference on Trade and Development
WB	World Bank
WBG	World Bank Group

Note: All dollar amounts are U.S. dollars unless otherwise indicated.

FOREWORD

Message from CIIP Partners

Caroline Freund
Global Director
Trade, Investment, and Competitiveness, The World Bank Group

I am pleased to present the 2018–19 Annual Report for the Competitive Industries and Innovation Program (CIIP). In its sixth year of implementation, CIIP continues to catalyze the process of change in client countries through empirically informed policy advice and investment delivered through integrated cross-cutting solutions. CIIP has financed innovation and industry competitiveness in country operations in 61 countries to date, and during this year's call for proposals, CIIP expanded its reach with 13 more country grants and 8 knowledge activities.

This year, the World Bank designated Jobs and Economic Transformation (JET) as a special theme under the current 19th replenishment of the International Development Association (IDA), the institution's arm dedicated to helping the world's poorest developing countries. According to the JET strategy, 620 million new people will join the labor force between 2020 and 2035, with 84 percent of those people in IDA countries. The key to creating more and better jobs is economic transformation driven by export-led growth that pushes industries into new higher productivity and technology-driven markets. The 2020 World Development Report also finds that productive growth is associated with export orientation and global value chain (GVC) participation. As GVC participation increases, income growth is twice as fast as standard trade. The JET strategy gives clear validation to CIIP's approach to support innovative and competitive economies through industry transformation and places CIIP at the heart of the new development framework.

During this fiscal year, the World Bank Group also scaled up its Country Private Sector Diagnostic, which is a joint product of the World Bank and the International Finance Corporation (IFC), that aims to (a) identify the main private sector opportunities in a country, such as exports, GVCs, and urbanization; (b) identify the main constraints that prevent the private sector from accessing those opportunities, such as risks, market distortions, or infrastructure gaps; and (c) propose solutions, such as policy reforms, investments, or derisking. CIIP is uniquely positioned to support development solutions identified through the diagnositc and to deliver on the JET agenda in our client countries. We look forward to exploring the next phase in our partnership and to enhancing our ability to reduce poverty and to boost shared prosperity.

Marianne Damhaug
Senior Adviser, Section for Multilateral Development Banks
Ministry of Foreign Affairs, Norway

Norway is pleased to support CIIP with grant funding that prepares the frontline for follow-on investment from both public and private sources. Job creation and growth are important for raising the living standards of the poor. CIIP identifies private sector innovation and entrepreneurship through targeted technical assistance and, through its support, contributes to policy and institutional reform, which Norway finds extremely important.

Elisabeth Gruber
Director, Department for International Financial Institutions
Federal Ministry of Finance, Austria

During the past year, CIIP has continued to successfully leverage funding for private sector development that has led to a significant impact in terms of employment creation, industry competitiveness, and increased investment in 54 client countries. Austria has partnered with CIIP since its establishment as part of our commitment to support private sector development in lower-income countries. CIIP covers a niche—its strength lies in in-depth sector knowledge, analytics, advice, and technical assistance. Its emphasis on sector-level solutions and opportunities for industrialization complements other World Bank programs targeted at horizontal economic issues and the business environment at large.

Austria particularly appreciates that CIIP has a strong focus on IDA countries and is well in tune with IDA-19's thrust on fostering economic transformation and job creation. We equally value CIIP's pioneering of green competitiveness approaches, including its work to promote eco-industrial parks, resilient industries, and circular economy concepts. We welcome its move to dedicate increased attention to another sunrise industry and key topic for the future—digital entrepreneurship and competitiveness.

As new technologies require continuous efforts and adaptation measures, CIIP can assist in designing smart and forthcoming policies that help regulators and private businesses respond to challenges. With its focus on and practical expertise in green competitiveness, we are convinced that CIIP can contribute greatly to pushing a "green(ing of) industry agenda" in the entire World Bank Group and beyond. In the past, CIIP has already proven to be a successful broker of policy dialogue and public-private partnerships. Through its analytics, knowledge generation, and technical assistance, CIIP supports the transfer of cutting-edge global know-how and the build-up of local sectoral knowledge and capacities.

We are pleased with the impact that CIIP has delivered over the past years, in particular through the leveraging of public and private investment, boosting of private firms' productivity, and creation of local jobs. It is through its strong results-oriented approach and targeted solutions that CIIP will continue to help client countries make their industries more competitive and innovative, as well as create reliable and decent jobs.

Liliana de Sà Kirchknopf
Head of Division, Private Sector Development
State Secretariat for Economic Affairs SECO
Federal Department of Economic Affairs, Education, and Research, Switzerland

While a number of developing and transition countries have experienced significant growth in recent years, the gap between rich and poor has widened in many cases. Wide income disparities pose a threat to both social cohesion and political stability and, over time, may also limit economic output. It is thus more important than ever to ensure that all sectors of the population benefit from economic growth. This is where SECO applies its core competencies in economic cooperation and development.

With a view to maximizing our impact in the years 2017- 2020, SECO focus our development activities on achieving sustainable and inclusive growth through enabling the private sector to create new jobs and the State to provide adequate public services. In doing so, we aim to contribute to reducing poverty and the impacts of global risks. Our work for 2017-2020 is centered on four target outcomes: (1) Effective institutions and services that benefit all sectors of the population; (2) More and better jobs that will be as inclusive as possible; (3) Enhanced trade and competitiveness in global value chains; (4) Low emission and climate resilient economies.

As we continue to strongly support horizontal actions that enable regulatory changes in developing countries, we see CIIP as a more vertical intervention in which we focus on the growth of firms in specific industries or sectors. The combination of those two types of interventions is powerful. After 6 years since CIIP's founding, we are pleased to see the results that CIIP has obtained.

Antti Karhunen
Head of Unit, Private Sector and Trade, International Cooperation and Development
European Commission

Developing the private sector remains a priority to unlock the socioeconomic potential of our partners, whether in developing countries or emerging economies.

Attaining competitiveness is necessary for any business to efficiently operate in markets and economies that have become increasingly integrated. Innovation is key to the many opportunities coming from digital transformation and green transition. We need knowledge and innovation to fight challenges related to climate change, environmental degradation, and securing resilience in front of vulnerabilities.

Since 2013, CIIP has made tangible progress in that direction by supporting the design of policies and regulatory frameworks; by developing SMEs and local industries; by helping with trade issues and quality infrastructure; by bridging the gender gap and the digital divide; and by developing new spatial solutions, such as competitive cities, special economic zones, growth poles, and corridors. CIIP has also supported value chains, including sustainable tourism; reduced environmental impacts; offered access to energy; and aided transportation and communication infrastructures. All those interventions are necessary to facilitate sustainable investments from the private and public sectors.

This annual report presents the many achievements of the various country operations and knowledge products developed through the program. CIIP's support has often resulted in unlocking specific investment opportunities and in creating new jobs, with many of them in our partner countries of the African, Caribbean and Pacific Group of States. This work is fully in line with the commitments presented in the Africa-Europe Alliance for Sustainable Investments and Jobs (2018).

As a priority of its first 100 days, the new administration of the European Commission under President Ursula von der Leyen has issued two policy documents: the European Green Deal and the new comprehensive Strategy with Africa. Both documents present interesting synergies to accompany CIIP's implementation work.

While calling for a global response to worldwide challenges, such as climate change, the European Commission has confirmed strong European Union engagement to promote a socioeconomic development of the highest standards in partner countries. These developments are socio, environmental, and financial sustainability of investments, green transition, and digital transformation; provision of knowledge and skills; and development of local research and innovation capacities.

All priority areas are well aligned with the work so far developed by CIIP, and we look forward in the same direction with confidence. *

* At publication, the global COVID-19 pandemic is having a huge negative impact on economies and societies and, thus, may necessitate refocused thinking for programs, such as CIIP, to ensure their relevance in the new circumstances. As the European Commission looks at the future of CIIP, we need to ensure that CIIP is among the tools best fitted to meet the needs and priorities arising from the current crisis.

Viwanou Gnassounou
Assistant Secretary General, Sustainable Economic Development and Trade
African, Caribbean, and Pacific Group of States

African, Caribbean, and Pacific (ACP) countries' engagement with each other and with the world has undergone considerable transformation driven by significant global developments: (1) the rise of Africa in social and political terms, (2) shifting global economic and power relations, (3) a post-Cotonou era, and (4) changes in European Union membership and policy orientation. The function of the ACP—to improve the living standards of its people through South-South and North-South cooperation—has never been more important.

Although progress has been made, ACP countries still face significant challenges: (1) increased integration of Africa has intensified the need for better cross-border coordination and regional value chains, (2) vulnerabilities of small open economies in the Caribbean have become more pronounced, and (3) Pacific Island countries continue to battle development challenges connected to their remoteness and vulnerability to natural shocks. Industrial transformation to create jobs has not yet occurred.

As a result, in this post-2020 era, the ACP will increase its focus on scaling up industrial transformation opportunities and boosting the competitiveness of its countries. The ACP plans to establish innovation hubs and industrial development platforms, to create links and enhance value-addition for agriculture and mineral-rich countries, and to support policies that develop entrepreneurship among youth and women.

In that respect, we want to see more focused, results-oriented, and scalable approaches to CIIP interventions through the following:

• Targeting sectors, such as agriculture value chains and agro-industry development, digital transformation and entrepreneurship, and infrastructure and logistics services (such as renewable energy).
• Deploying modern industrial competitiveness and upgrading tools and techniques, such as in manufacturing and processing with relevant quality, market, and technical standards and with technological capability development in both industry- and digital-specific technologies related to energy efficiency, industrial maintenance, and overall management of manufacturing firms.
• Focusing on meaningful industrial transformation outcomes and results, such as the generation of industrial investment in local value added and local content development in natural resource value chains, facilitation and creation of small and medium industry start-ups, growth of ACP small and medium industries, and access to markets for ACP small and medium enterprises (including access to export and local subcontracting markets).

The ACP secretariat would be pleased to see these approaches in future CIIP activities that focus more on the above competitiveness and industrial development outcomes and results.

INTRODUCTION

Implementing the Strategy

This is the sixth Annual Report of the Competitive Industries and Innovation Program (CIIP), a multidonor partnership among the World Bank Group (WBG); the European Union (EU); the African, Caribbean, and Pacific Group of States (ACP) Secretariat; and the governments of Austria, Norway, and Switzerland. This report outlines the progress that CIIP has made in implementing the program's objectives during its fiscal year (FY) from July 1, 2018, to June 30, 2019 (FY19).

CIIP continues to support its client countries to deliver systemic change through policy reform and sustainable investments. According to the United Nation's 2019 World Economic Situation and Prospects report, despite an improvement in growth prospects at a global level, growth has been uneven across regions. The world economy faces increased risks that could potentially exacerbate developing challenges across the globe. Those risks include the escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks. The sharp drop in commodity prices in 2014/2015 continues to weigh on fiscal and external balances of commodity-exporting countries. Economic activity in many high-growth countries is often driven by core industrial and urban regions, a pattern that leaves peripheral and rural areas behind. These global trends and conditions underscore the importance of CIIP's objective of sustainable and diversified private sector growth and the value of its catalytic approach of leveraging public, private, and donor financing to prioritize and sequence policy reforms and investment that address core constraints that prevent private sector initiative.

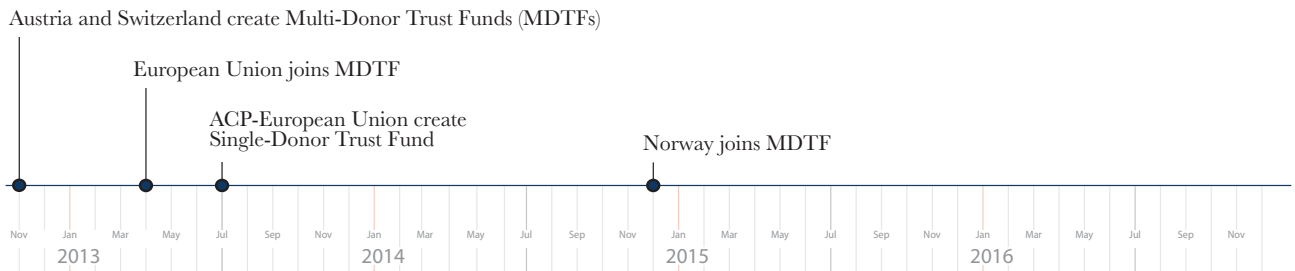
Since its inception, CIIP has helped create 56 public-private dialogue (PPD) mechanisms, implement more than 69 strategies or priority reforms, adopt 16 laws or regulations, and leverage more than $3.1 billion in public financing and an additional $934 million in private investment. Those types of industry-specific interventions have created more than 30,000 jobs and 500 new firms, trained more than 3,100 firms, facilitated more than $100 million in new revenues from the sale of goods and services, and generated $78 million in additional export value.

CIIP's global reach now totals 61 countries. This annual report profiles the 11 knowledge activities and 21 country operations active in FY19, as well as the 6 country projects that closed during this fiscal year. During this reporting period, CIIP operations leveraged $118 million in public investment. For example, in Kenya, a new diagnostic tool for the assessment of incubators and accelerators will be used to support competitively awarded performance contracts with innovation ecosystem intermediaries. The project aims to support more than 100 firms in developing innovative products. In Ethiopia, the construction of two new industrial parks (IPs), Bole Lemi II and Kilinto, is near complete, and more than 260 hectares of industrial land have been serviced. These two things have led to a $55 million commitment in new private investments in the parks. The grant's continued support to Bole Lemi I through skills development and links has contributed to 4,677 new jobs. In Madagascar, CIIP supported the follow-on growth poles operation through a Market Competition Policy Assessment of the vanilla and lychee sectors and a Destination Gap Analysis for tourism, both of which aim to inform agribusiness and tourism interventions in the targeted regions. Fifty agribusiness and tourism businesses are expected to leverage new or clean technologies, and the project expects to create more than 7,500 jobs. Also, 6,567 people and 130 trainers were trained, and more than 35 strategies and reform programs were designed across the active portfolio.

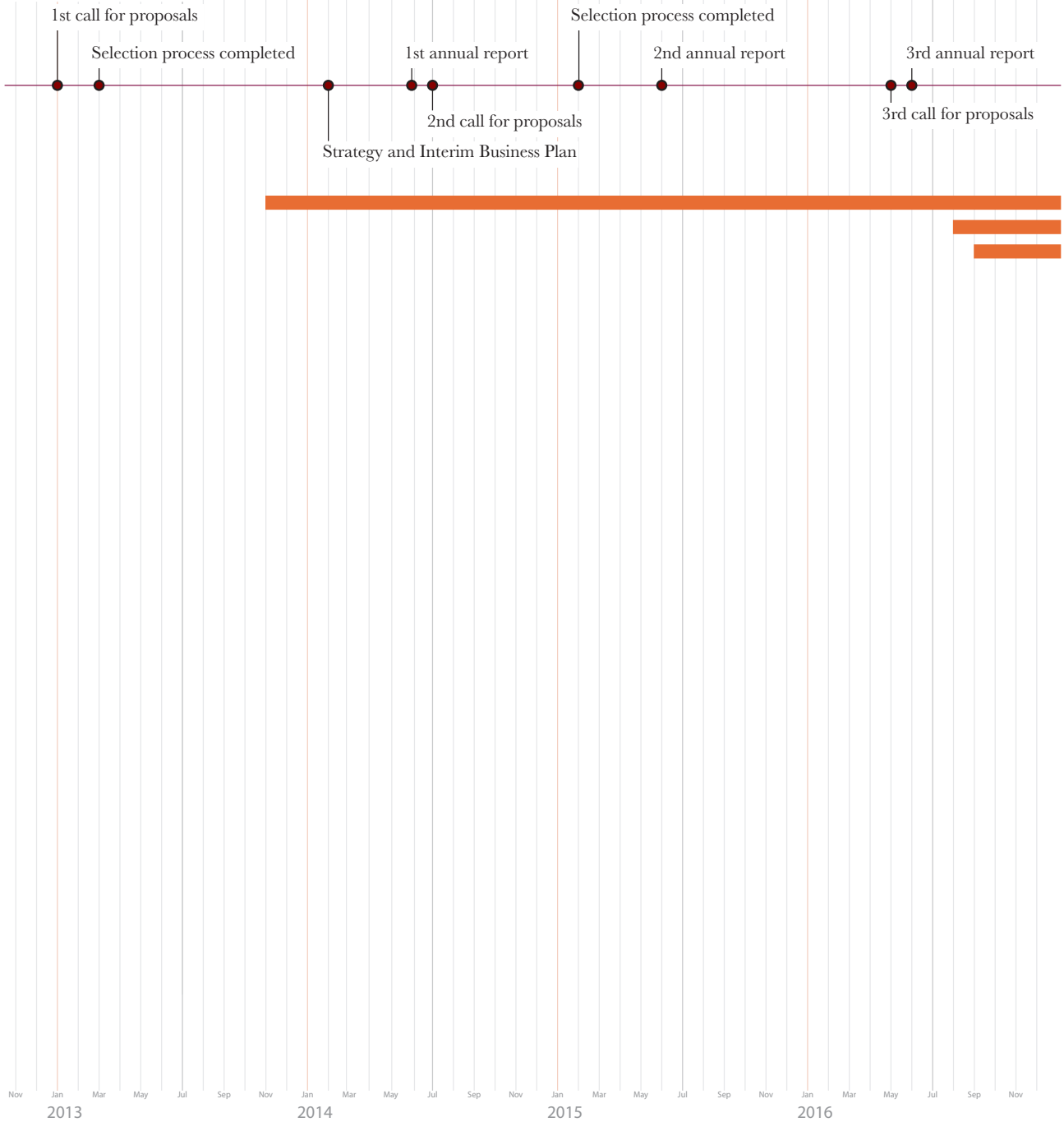
CIIP continued to investigate the role of innovation and new technologies on industrial competitiveness and growth. During this year's final call for proposals, through the global knowledge window, CIIP approved funding for a flagship report that aims to generate new measures of technology adoption and to develop a new global and comparable database on technology adoption at the firm level. The study will offer new insights into technology disruption and trends in developing countries and will support those countries in implementing more effective policies to facilitate technology adoption. CIIP also funded a study of private sector digital platforms that aims to enhance understanding of CIIP's role in the new economy and to assess the regulatory framework for digital platforms as well as the prospects and policies needed for the services sector to drive productivity and job creation.

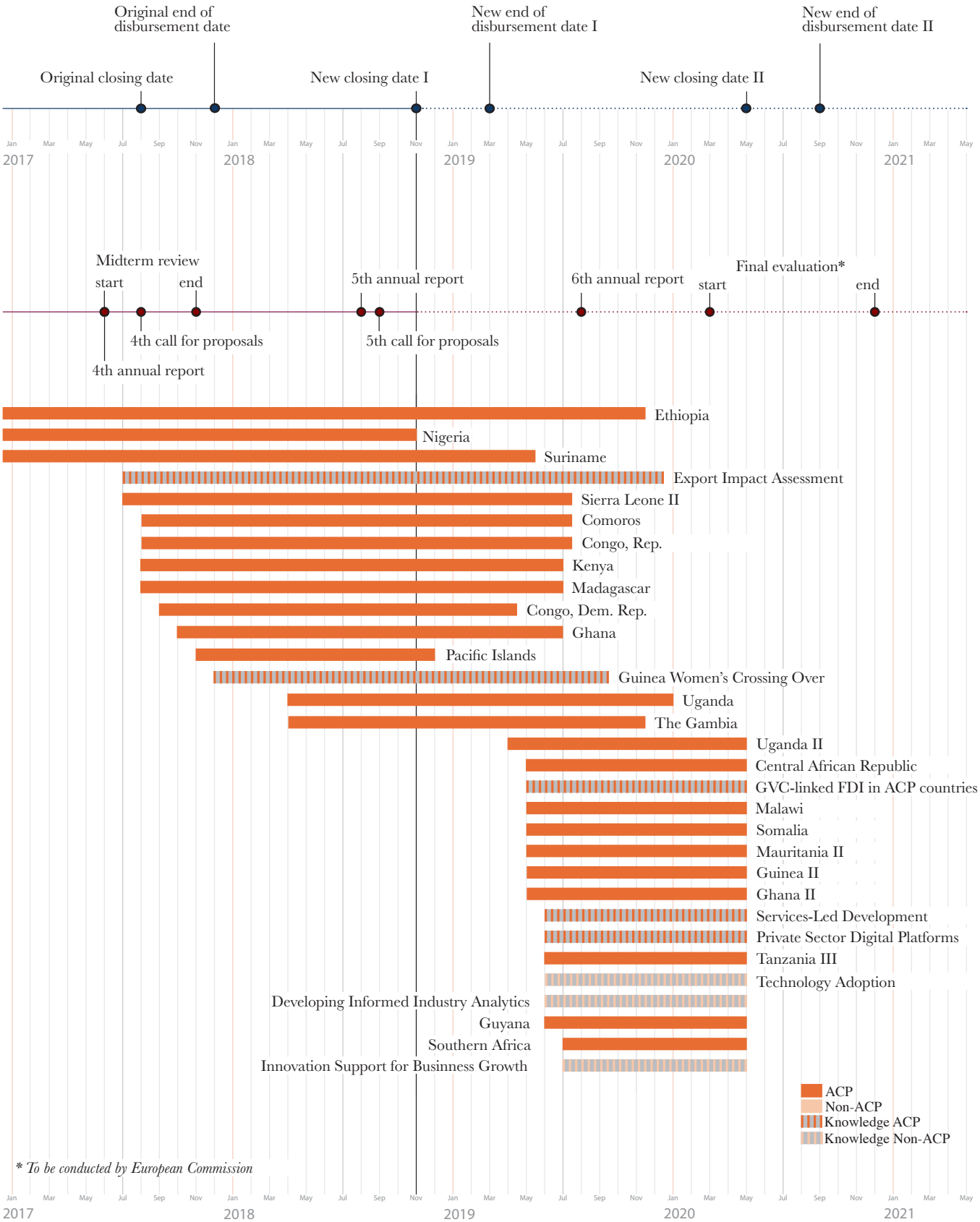
TIMELINE

Partnership



Planning and operations




Original end of disbursement date
New end of disbursement date I
New end of disbursement date II
Original closing date
New closing date I
New closing date II
Jan Mar May Jul Sep Nov Jan Mar May Jul Sep Nov Jan Mar May Jul Sep Nov Jan Mar May Jul Sep Nov Jan Mar May
2017 2018 2019 2020 2021
Midterm review
start
end
4th annual report
4th call for proposals
5th annual report
5th call for proposals
6th annual report
Final evaluation*
start
end
Ethiopia
Nigeria
Suriname
Export Impact Assessment
Sierra Leone II
Comoros
Congo, Rep.
Kenya
Madagascar
Congo, Dem. Rep.
Ghana
Pacific Islands
Guinea Women's Crossing Over
Uganda
The Gambia
Uganda II
Central African Republic
GVC-linked FDI in ACP countries
Malawi
Somalia
Mauritania II
Guinea II
Ghana II
Services-Led Development
Private Sector Digital Platforms
Tanzania III
Technology Adoption
Developing Informed Industry Analytics
Guyana
Southern Africa
Innovation Support for Businness Growth
ACP
Non-ACP
Knowledge ACP
Knowledge Non-ACP
* To be conducted by European Commission

Results at a glance

FY19 RESULTS

Outputs

35 **strategies or reform programs designed** (Democratic Republic of Congo, The Gambia, Kenya, Nigeria, Republic of Congo, and Suriname)

7 **cross-institutional coordination mechanisms created** (Ethiopia, Ghana, Kenya, Republic of Congo, and Suriname)

37 **million USD committed** for catalytic and innovative financial instruments in the Democratic Republic of Congo

20 **million USD committed** for infrastructure investment in Ghana

6,567 **people trained** (Guinea, Ethiopia, Mauritania, and Nigeria)

130 **trainers trained** (Ethiopia and Guinea)

Outcomes

144 **million USD in public finance** leveraged from World Bank projects

260 **hectares of serviced industrial land** in Ethiopia

15 **local suppliers working with firms** located in the supported industrial parks in Ethiopia

4 **pilots of diagnostic tools** with incubators in Kenya

Impacts

4,677 **jobs created** in the industrial parks supported by the two Ethiopia grants; 89 percent of the jobs are for women

77.2 **million USD in private investment** (Ethiopia and Mauritania)

34.4 **million USD in sales value** of goods and services linked to the supported zones in Ethiopia and Nigeria

CUMULATIVE RESULTS

Outputs

- **69** strategies or reform programs designed
- **56** cross-institutional coordination mechanisms created
- **16** laws or regulations supported

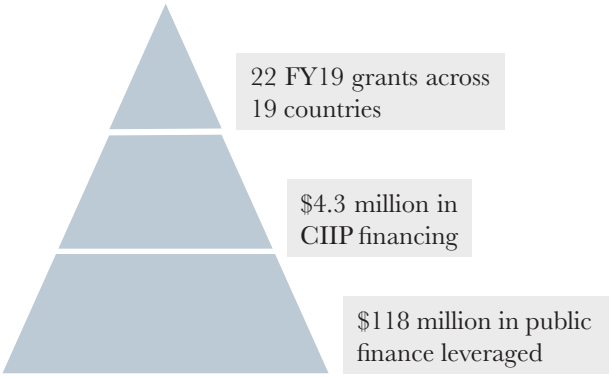
Outcomes

- **3.1** billion USD in public finance leveraged from World Bank projects
- **310** hectares in industrial land serviced
- **3,127** SMEs trained or supported

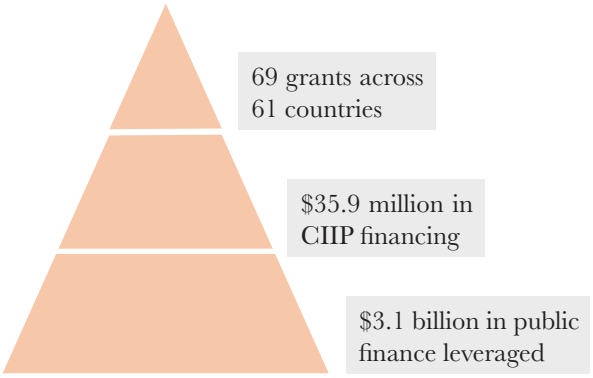
Impacts

- **30,266** jobs created
- **499** new firms created
- **934** million USD in private investment leveraged
- **78** million USD in additional export value supported
- **102** million USD in additional sales value supported
- **167** million USD of finance disbursed

CIIP'S RESOURCE LEVERAGE



CIIP Leverage: FY19



CIIP Leverage: FY13–19

FEATURE STORY

Economic Diversification and Building High-Growth Firms in Nigeria

The government of Nigeria is pursuing economic diversification into non-oil sectors as a safeguard against commodity shocks and as a critical path to sustainable growth and employment generation.

The $160 million World Bank's Growth and Employment Project (GEM) is one of the key engines of policy reform and investment that supports economic diversification. According to Nhad Abu Ali, assistant project coordinator of GEM, "The Growth and Employment Project is an initiative of the government to diversify the economy from oil to non-oil sectors." GEM's development objective is to increase firm growth and employment indirectly by improving the investment climate in five sectors—light manufacturing, construction, hospitality, information and communications technology (ICT), and entertainment—and directly by improving the performance of firms in those sectors through various programs.

The key constraints to growth for many small and medium domestic firms include difficulty accessing finance and low production and marketing skills. The standard approach in many development programs has been to train the owner to develop those skills through business training sessions or personalized consulting services. CIIP, through GEM, is testing an alternative approach that links firms to needed skills in the market by sourcing workers with those skills or outsourcing the tasks to professionals who specialize in those services.

Firm-level support is provided through the Business Innovation and Growth Platform, which was launched in 2016 and is funded by GEM. This platform is used by Nigerian micro, small, and medium enterprises (MSMEs) to apply for several different programs. Some beneficiaries receive business training for the owner, some are given consulting services, and others are linked to human resource specialists who find a worker to insource accounting or marketing skills or to professional companies that specialize in business development services (BDS) to outsource the skills. According to Ali, the implementing teams "sat with the MSMEs to understand their business, design their roadmap and program, and implement it. If the sectors are growing, it means employment will be generated."

By December 2016, when registration was closed for the first year, 48,167 Nigerian firms had registered on the Business

Innovation and Growth Platform. By the second year, more than 109,000 were registered. From that number, 20,000 firms were selected, of which 11,000 qualified for online training and more than 1,300 received grant support. Beneficiary Ebenezer Odeshola, shoemaker at Soft Design Leatherworks, said that the program "equip(s) you with human resource capital and… financially," while beneficiary Arinola Agboola, fish farmer, said the program "coached me, and they have broadened my knowledge of business."

To enhance learning and to gather empirical evidence on the effectiveness of this approach, CIIP financed an impact evaluation to measure the effect of the various interventions on the performance of Nigerian firms. The impact evaluation focused on firms in Lagos and Abuja, as well as firms outside those main city centers. Preliminary results show that insourcing, outsourcing, and BDS all led to significant and lasting improvements in the 41 business practices among firms in Lagos and Abuja, with similar positive results among firms outside the cities. Relative to nonparticipating firms, those improvements were 5–7 percentage points better for participating firms in both the first and second years. The data showed no impact from the business training program. The evaluation also showed improvements in innovation practices, especially in introducing new products or improving existing products, with lower impact on process or organizational innovations. The consulting intervention had a positive impact on sales and profits in both the one-year and two-year follow-up surveys of firms outside Lagos and Abuja, as well as a significant impact on sales in firms in Lagos and Abuja.

Beneficiary testimonials support these findings. Mariam Sadiq, fashion designer of Shiks Fashion, says that with GEM support she was "able to increase [her] production and increase staff," while Anezi Onwuzurike, food supplements manufacturer of Swiss Nig Foods Ltd., notes that his annual turnover has doubled because of support from the program. As of March 2019, GEM reports a 141 percent increase in sales value of all beneficiary enterprises and a 20 percent increase in average number of workers. Tosan Mogbeyiteren, tech entrepreneur for Black Swan Ltd., says that GEM support has "given permission to young people in Nigeria to just go and build stuff that solves problems."

The findings from the CIIP-funded impact evaluation provide invaluable data on the effectiveness of different types of firm-level support and can significantly narrow the knowledge gap and can enhance future interventions aimed at raising enterprise competitiveness.

The CIIP Theory of Change

To reduce poverty and to promote shared prosperity, many government policy makers have implemented a series of policy interventions designed to attract private investment, to raise firm-level productivity, to produce higher value-added goods, and to create more and better-paying jobs. These interventions assume political and macroeconomic stability, peace and security, and the basic rule of law. The policy initiatives include designing spatial solutions, such as SEZs, growth poles, or growth corridors; providing grants to firms to enable innovation, capacity growth, and product development; and initiating reforms of the overall regulatory and policy frameworks. The effectiveness of these initiatives has remained debatable largely because of the absence of rigorous evidence-based assessments of such interventions.

Vision and Purpose Analytics

In 2012–13, the WBG, the EU, the ACP Secretariat, and the governments of Austria, Norway, and Switzerland set up a partnership under the umbrella of the CIIP, which aims to improve the effectiveness of industry competitiveness and policy formation and enforcement. The purpose of CIIP is to support the creation of private sector employment by enabling and promoting firm-level competitiveness across industries.

Approach

CIIP provides funding at the project preparation stage to shape project design and the early stages of project implementation. CIIP funding is directed at WBG task teams or more broadly government teams that are preparing projects to be financed primarily by the World Bank and often in complementarity with other multilateral development banks or bilateral institutions. As such, CIIP helps leverage a large amount of aid funding. The funding provides project teams with the opportunity to learn from policy initiatives that have already been tested; to conduct analytical work, such as market assessments, enterprise mapping, or feasibility studies (in the case of the International Finance Corporation operations); to develop a PPD; and to design policy instruments and impact evaluations. In addition, CIIP conducts operation assessments and learning events to act as a repository or resource hub for related policy interventions, such as SEZs or grants. Also, CIIP aims to trigger more development partner collaboration in the countries where projects have been identified. The level of collaboration can range from involvement in project design to participation in implementing and financing parts of the project.

Theory of Change

CIIP's theory of change underpins the program's overall objectives and, operationally, the causal chain of objectives for each project. CIIP aims to achieve its outcome and impact milestones by supporting the design and early implementation phase of interventions, which support the removal of the identified constraints hindering firm competitiveness. These interventions aim to deliver systemic changes—for instance, through policy reforms that shape the way markets perform and that change the way firms participate in and access those markets. Removing identified constraints will, in turn, lead to better functioning markets (industry output level) and to improved firm performance among target beneficiaries (outcome level), which is measured through improved business practices, sales, and increased productivity and profitability. The result is increased additional net income and employment for poor women and men, ultimately contributing to a reduction in poverty and shared prosperity.

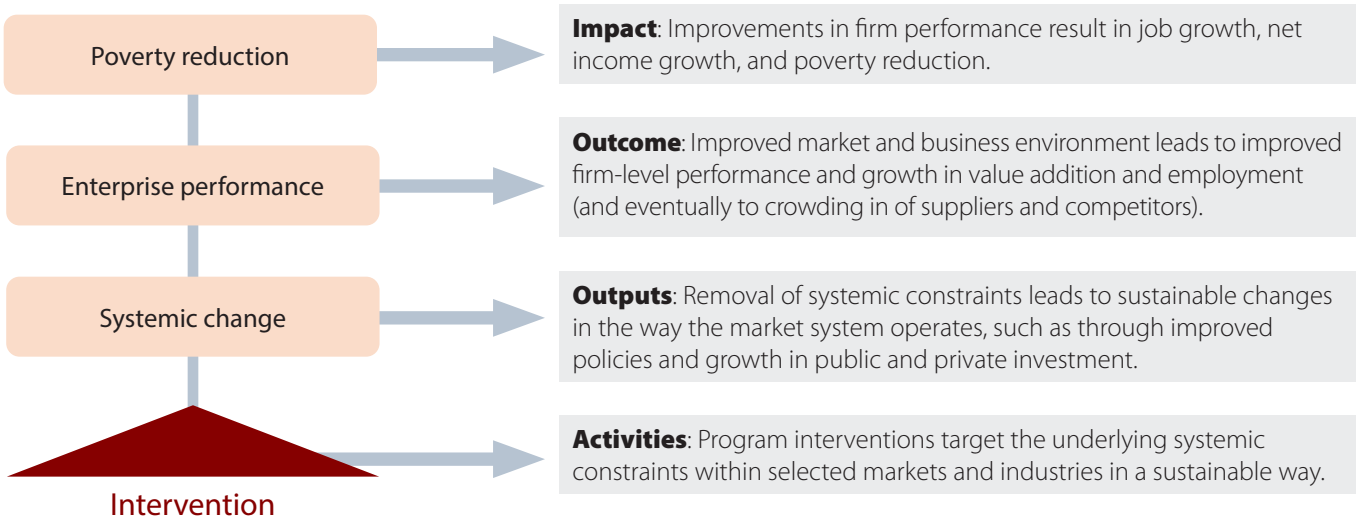
Reporting

CIIP reports outputs that are directly attributed to the grant-financed activities and inputs (for example, the earmarked public financing will be attributed to CIIP only if it is clearly linked to CIIP-financed inputs). At the outcome and impact level, CIIP reports on what can be feasibly associated with CIIP-enabled outputs, which emphasizes contribution rather than direct attribution, in acknowledgement of the myriad attribution challenges associated with CIIP's cross-sectoral and policy-based interventions. Results reported by the task teams are scrutinized by the CIIP secretariat and presented to the steering committee only if the information is found to be credibly associated with CIIP's work. Where feasible, country examples are used to inform a narrative of different country trajectories for enhancing competitiveness and for creating jobs.

Assumptions

Key assumptions underpinning the theory of change are as follows:

1. That CIIP enables the identification of core constraints in selected markets and industries that are preventing effective private sector engagement.
2. That CIIP identifies project teams and project interventions that effectively address the constraints that have been identified.
3. That the government is willing to take up a project financed by the World Bank or any of the donor partners to support the implementation of project design.
4. That the firm-level improvements facilitated by CIIP project interventions will encourage additional firms as suppliers, distributors, and competitors, as well as raise their standards and improve their competitiveness.
5. That the network of more productive firms ultimately creates growth in employment and income-generating opportunities for the poor.
6. That in terms of employment there will be a net creation of employment by competitive firms.
7. That there are no external shocks that prevent the achievement of targeted impacts, including conflict- and environmental-related shocks.



CHAPTER 1

Global Knowledge, Analysis, and Assessments

Exporters Capacity Building Impact Assessment (Argentina and Colombia)

Grant amount $500,000

Background

Results from the 2019 World Management Survey suggest that one of the main barriers for firms to become successful exporters is poor managerial practices. Research by Cadot et al.[i] shows that exporting firms in African countries are characterized by a very high mortality rate and most firms that manage to enter export markets do not survive past the first year. Findings indicate that a key driver of survival is access to information through networks about how to successfully thrive in export markets, particularly when networds are "thick" with exporters selling the same products to the same destinations.

Leveraging this research and on the basis of the findings, CIIP has supported the development of a program that can be implemented in ACP countries to help firms become more competitive and capable of successful integration in global export markets. The model is being tested in Argentina and Colombia and aims to improve export competitiveness in selected sectors through the provision of consulting services to strengthen the managerial practices and export business models of supported firms. To address firms' lack of information, the program will conduct a diagnostic implemented by expert consultants that will assess the organization and export-oriented managerial practices of firms along the following dimensions: (1) strategy, (2) market identification and segmentation, (3) product design and adaptation, (4) production, (5) communication, (6) distribution, and (7) administration. The diagnostic findings will be used to develop an export plan for each firm that defines and prioritizes the types of technical assistance needed to address binding constraints so firms are successful in export markets.

The design of the program includes a rigorous impact evaluation that will assess the effectiveness of the intervention in terms of impact on various export outcomes (that is, new products, new markets, exports value, product sophistication, and spillovers); identify the types of firms that respond best to the intervention; and investigate which interventions appear to be particularly crucial. The experimental impact evaluation approach will inform policy makers about any real-time adjustments that might be necessary and about the feasibility of scaling up the program.

The implementation of the pilot program in Colombia is under way and is expected to be completed by the end of 2019. The program in Argentina is completed, and the team is preparing the follow-up survey to assess its impact. The team is currently drafting a final report, a manual for replication, and a series of qualitative case studies and interviews that will result in a video, blogpost, and a short policy brief to be disseminated among stakeholders and policy makers.

In Argentina, the food and beverages sector was selected because it is one of the driving forces of the Argentine economy. It presents heterogeneity in terms of its activity, size, and export experience, and it spans all regional economies of the country. A diagnostic assessed 183 firms, and the results confirm the need for an intervention of this type. More than 50 percent of the companies that received a diagnostic had a "weak" score—that is, they implement less than 50 percent of the export-oriented management practices compared with successful exporters. The assessment of baseline characteristics of the participants in the program also shows that there is a very clear and positive relationship between the score that measures the adoption of good managerial export practices and a variety of outcomes, such as exports value, quality of exports (measured using "complexity" and number of destinations), jobs, and salaries. Having good managerial export practices also increases the chances of starting to export. The results are very encouraging and suggest that if the intervention is successful in improving the adoption of good export-oriented managerial practices, it is likely not only to increase the quality and quantity of exports but also to create jobs and improve the livelihoods of workers in those companies.

The policy notes and best practices generated by the grant will be widely disseminated as global public goods that could inform policy makers in ACP countries in their efforts to support small and medium enterprises (SMEs) that are struggling to break into export markets and to diversify.

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i Cadot, Olivier, Leonardo Iacovone, Martha D. Pierola, and Ferdinand Rauch. 2013. "Success and Failure of African Exporters". Journal of Development Economics 101: 284-296.

Mobilizing Local Knowledge to Improve Competitiveness Strategies

Grant amount $495,471

Background

Countless research papers have been devoted to issues dealing with the evolution of productivity in developing countries; the role of manufacturing in the process of economic transformation; the impact of such transformation on job creation, growth, and poverty reduction; and the appropriate role of government to kick-start or support the process. These issues are typically considered to encompass the broad concept of industrial policy or growth strategy. Industrial policy can be thought of as the use of policy instruments to enhance productivity growth and, thus, contribute to broader development goals.

The development objective of this CIIP activity is to look at how specific policies and initiatives work or do not work in a limited number of ACP countries rather than generalizing or drawing global theoretical conclusions. The grant aims to develop the thinking about industrial policy as part of a trial-and-error process that focuses on learning and implementation. The specific ambition and originality of this project is to document policy making from locally generated analysis and evidence and to train the local research constituency in developing countries to carry that mission on a sustainable basis.

Three teams from Côte d'Ivoire, Ethiopia, and Ghana were selected using four competitive criteria: research questions, methodology, data collection strategy, and team capability. Teams received support and capacity building from the Global Development Network, an expert partner in the field, and guidance from top academic advisers. The outputs have been finalized and reviewed by the scientific committee, and the activity is pending a final decision review by World Bank management before publication. The output in Côte d'Ivoire focuses on the cocoa sector and the role of public-private coordination platforms. The paper assesses the impact of Vision for Change (V4C), a private initiative implemented with the public sector, and found that the initiative raised cocoa yields and incomes while remaining financially sustainable by using technology that met the demands of farmers, research and extension services, and an effective public-private coordination platform. The output in Ethiopia focuses on the impact of export promotion policy incentives in the manufacturing sector. The paper finds that poorly designed incentives, limited government implementation capacity, and limited capacity of individual firms are among the main reasons for low export success. It also highlights measures to improve export performance, such as access to foreign currency and raw materials, reduction in bank interest for exporters, and technical and legal support for export capacity. The output in Ghana focuses on the impact of clusters on firm knowledge and performance in wood processing. The paper finds that profitability for all actors in the cluster declined over the research period but that firms report the cluster to have had positive impact on sales and performance. Business associations were the main vehicles for the transmission of innovation.

The activity generated some valuable lessons learned about the specific approach to building local research capacity. In terms of capacity building, the support of the scientific committee certainly enhanced the teams' commitment and alignment with stated objectives. However, teams faced challenges with the inquiry process beyond available data. In terms of knowledge use, at least two out of the three studies have been well accepted by the country offices of the World Bank, either because they are directly relevant to ongoing work of the World Bank (Côte d'Ivoire) or because they contribute, through a careful analysis, to an ongoing debate on the use and implementation of policy tools in a country with very ambitious development objectives (Ethiopia).

Women Entrepreneurs and Crossing Over in Guinea

Grant amount $262,500

Background

The activity was motivated by a series of studies about women who operate businesses in male-dominated sectors. Female entrepreneurs in Guinea are concentrated in less profitable sectors and are less likely than their African peers to participate in formal businesses. Female entrepreneurs in traditionally female-dominated sectors also incorrectly believe that they make the same or more than their counterparts in male-dominated sectors.

The objective of the intervention is to promote the design and implementation of public policies that encourage competitiveness and innovation for female entrepreneurs in higher-value, male-dominated sectors. Building on previous studies that sought to identify promising policies to address the sector segregation based on gender, the intervention being tested includes the following elements: (1) develop business skills and technical skills in specific sectors; (2) increase knowledge of opportunities, risks, and returns on male-dominated sectors; (3) support and guide female entrepreneurs to mitigate the risks associated with a lack of social support and psychological barriers when starting a business in a male-dominated sector; and (4) provide the necessary exposure to succeed in entrepreneurship and in crossing over to male-dominated sectors.

The sectors of intervention were selected using rigorous criteria that assess gender makeup, profitability, feasibility of teaching technical skills within the program, low capital requirements to start a business, attractiveness to targeted population, and ability to absorb new entrepreneurs. To reduce attrition during the program, the team aimed to assign participants to their first-ranked sector of choice and trained different cohorts based on participants' availability. To minimize backlash associated with social and gender norms, the team emphasized positive messaging during the ad campaigns related to women's ability to participate in all aspects of the economy. Most grant activities have been completed, and ongoing activities are in the final phases of implementation. Specific activities financed by this grant include the following:

- **Women Breaking Barriers Program.** The team worked with Dare to Innovate, the implementing partner, on the design of the awareness campaign, training, information, and mentoring sessions. The sectors selected for the intervention are (1) baking, (2) artisans, (3) barbershops, (4) painting, (5) brickmaking, and (6) aquaponics. The three-month awareness campaign included a mix of communication methods and resulted in 1,901 applications to participate in the program, of which 1,597 were deemed eligible. A total of 400 were randomly selected to participate in the program, and an open day event was held that aimed to provide more information on the opportunities and benefits in the selected sectors. Of the 400 women invited to participate, 277 received a start-up toolkit and participated in the various elements of the program, including business training, information sessions, technical training, internships, and mentoring sessions.

- **Randomized impact evaluation.** The activity includes a rigorous impact evaluation. The contracted data collection firm has concluded all aspects of the baseline data collection. Interviews were conducted with more than 1,200 women. The random selection of 400 women invited to participate in the intervention was done within that pool. The evaluation aims to assess the effectiveness of the program and to provide further evidence about what works in competitiveness and innovation interventions in Guinea.

Through its activities so far, the grant has leveraged $1 million in funding from the U.S. Agency for International Development to the Gender Group for global work on crossovers, including in Latin America, East Asia, and Africa. The grant has also informed the choice of sex segregation in sectors of operation as a main area of focus for the World Bank Gender Strategy (2017–22). The results of the work will also inform the World Bank MSME Development Project and the newly launched Center for Women Entrepreneurship. A video associated with this grant was featured as part of the launch of the regional flagship report, "Profiting from Parity," including the identification of sectors for program implementation.

Global Knowledge Approved in FY19

Developing Informed Industry Analytics to Better Inform ACP Operations

Grant amount $250,000

Background

In many ACP countries technology and globalization are revolutionizing industries. Mobile technology is boosting access and leveling the playing field in a range of different sectors. Three-dimensional technology is reshaping the required economies of scale, capital investment, and learning time in manufacturing. Corporate consolidation has led to the exclusion of SMEs from some industries in developing countries. To compete effectively, ACP countries require a nuanced understanding of how technological innovations affect industry evolution.

Analytical work conducted for the World Bank's Country Private Sector Diagnostics combined with increasing demand for operational support point to construction, tourism, extractives, and health as some of the many sectors that are relevant for ACP countries. Developing private sector capacities in those industries could yield substantial economic and development benefits. As such, the CIIP knowledge initiative seeks to finance the generation of market validated knowledge on the determinants to participation and competitiveness in several of the sectors. Therefore, CIIP will finance an industry study of some of the mentioned sectors. The study will use a standard methodology to construct a strategic segmentation of the industry and a value chain for the identified segments to assess the determinants of productivity and profitability, distribution of profits, and capacities needed to enter and thrive in the identified segments.

The deliverables will identify a set of applicable policy options and actions for both firms and governments to enhance competitiveness, particularly in an environmentally friendly and gender-inclusive way. The analysis will use data collection of benchmark global actors and will outline specifications of advanced buyers, economies of scale, capital investment, and soft skills needed to compete. Once the knowledge products are completed, CIIP will fund targeted dissemination that leverages existing and forthcoming World Bank and International Finance Corporation (IFC) efforts to ensure that recommendations are operationalized throughout ACP country operations.

Enhancing Private Sector Competitiveness through the Circular Economy

Grant amount $150,000

Background

The circular economy (CE) represents a framework and approach that aim to rethink the traditional linear production and consumption model (take-make-dispose) toward a system that is restorative and regenerative by design and that explicitly encourages the closing of material and resource loops. The framework stresses important measures, such as redesigning, repairing, refurbishing, reusing, and recycling goods, and it sparks the development of resource-efficient services, innovative production and consumption schemes, value creation in used materials, and mitigation and adaptation to climate change. Evidence shows that CE approaches and business models can be used at different levels of operation—at the micro, meso, and macro levels—and within single firms, industrial parks or clusters, and cities or countries, as well as across global value chains (GVCs). It is not limited to traditional manufacturing and can apply to services, financing, and a wide array of sectors and economic actors. The globalized nature of production and consumption calls for innovative ways to incorporate CE approaches along global value chains.

CIIP's knowledge work will explore the role of CE in improving private sector competitiveness and will fill a knowledge gap on the market opportunities for CE in developing countries, especially ACP countries. CE approaches are particularly relevant to developing countries that depend on the sustainable and accessible use of natural resources and that are vulnerable to hazardous pollution, climate change, and natural resource depletion since circular business models and practices emphasize a closed loop and cleaner production. This knowledge product will be the first publication of the World Bank on the topic of CE and aims to anchor policy engagements within the sustainable industries agenda.

The knowledge work will provide clear, systematic, and empirically backed evidence on the motivations and measurable impacts of circular and material efficiency practices on firm and country competitiveness. The study will collect and analyze evidence of CE impact on firm-level indicators, such as material costs, resource efficiency, productivity, profitability, innovation, and sustainability measures, and on country-level indicators, such as job creation, reduced reliance on nonrenewables, correction of negative externalities, and investment. The research will also provide in-depth quantitative evidence that underscores the market potential and economic opportunity that CE offers developing countries in select sectors within at least three select developing countries. The sectors within each country will be chosen through a sector prioritization exercise that ranks economic value and circularity potential. The analysis will produce primary evidence—conducted through a combination of desk research, interviews, and a survey instrument—to measure multiple components of firms' capacity and willingness to invest in CE, barriers to doing so, and the competitiveness impacts of the actual or hypothetical adoption of CE practices. The research will also provide a well-defined set of tools and approaches that policy makers can apply in developing country contexts (for example, regulation, incentives and investments, awareness and coordination) to promote CE practices in the private sector. Finally, the research will provide practical recommendations for donors to promote CE through private sector development programs in partner countries.

Global Value Chain–Linked Foreign Direct Investment in ACP Countries

Grant amount $200,000

Background

GVCs are increasingly shaping opportunities for developing countries' economic development. Companies' production networks have expanded to multiple locations, while parts and tasks are now delivered across the globe, often crossing borders several times. Countries' interdependence through trade and investment is unprecedented. Foreign direct investment (FDI) has been a key driver of GVC expansion. Indicators of international production show its growing significance on a global scale: global FDI stocks rose from $2 trillion in 1990 to more than $30 trillion in 2017. Sales of multinational corporations' foreign affiliates grew from $6.8 trillion to $30 trillion, and their total assets grew from $5.9 billion to $103.4 billion during the same period. The expansion of multinational corporations has brought new opportunities to many developed and developing economies to participate in GVCs. Several emerging economies across all continents have managed to build up comprehensive supply chains in some sectors with the help of FDI, and some have reached higher levels of economic development. Yet, success is rare in low-income countries, particularly in ACP countries, which account for only 2 percent of FDI inflows and 2.2 percent of global exports.

Greater integration of ACP economies into regional and global markets of goods, services, investment, and knowledge will be necessary for their economic development and sustained economic growth. Despite the importance of FDI in many GVCs, with a few exceptions, analytical work tends to separate the two topics. Moreover, knowledge gaps remain with respect to the importance of FDI across various GVCs, as well as how countries, through a conscious FDI strategy and other means, have managed to diversify, upgrade, and climb up the value chains.

This analytical work aims to advance existing knowledge by undertaking literature reviews, data analysis, and case studies to assess the role of FDI in GVCs and of FDI-specific policy factors related to GVC participation. Greater inflows of quality investments will allow ACP countries not only to connect to the global and regional economies but also to learn, adopt more advanced technologies, grow productivity, and generate jobs and other spillovers. The analytical activity will aim to test the following three hypotheses: (1) production networks are developed through foreign investment; (2) many value chains are managed and controlled by multinational companies, so how they make investment decisions matters; and (3) GVC growth was particularly strong in some emerging countries, and it reflects the country's path of economic upgrading through FDI.

The team will use primary and secondary data, combine quantitative and qualitative analytical methods, and develop a methodological note detailing specific data sources and analytical methodologies for each hypothesis. Primary data will be collected using 10 multiple indicator cluster investor surveys with multinational corporation executives, as well as country-level research and case studies. Secondary data on multinational corporations/FDI (that is, investments, sales, employment, and locational determinants) will be sourced from various international databases, including United Nations Conference on Trade and Development (UNCTAD), Financial Times FDI markets, Thomson & Reuters, International Monetary Fund, Organisation for Economic Co-operation and Development (OECD), and other databases. Various GVC data are less consistently available but can be combined using available input-output data and supply-use tables from the UNCTAD-Eora GVC Database, OECD Trade in Value Added Data Set, World Input-Output Database, and others. Additional international benchmarking data on policy, regulatory, and institutional quality will be sourced from WBG databases, such as the World Bank Doing Business, World Economic Forum Competitiveness Indicators, and Worldwide Governance Indicators, as well as from OECD and UNCTAD (FDI/product markets restrictiveness, Investment Policy Hub, and others).

ACP countries will use the findings to create strategies that address the challenges to GVC upgrading, such as the lack of high-value-added investment, existence of various barriers to multinational corporation retention and growth, and links with domestic companies at the regional and national levels. Concrete policy implications will be presented as part of the ongoing partnership with the ACP Secretariat, as well as through ongoing and forthcoming technical assistance projects in about 30 ACP countries.

Innovation Support for Business Growth: A Toolkit

Grant amount $200,000

Background

The core role of innovation in improving productivity within industries and firms is widely acknowledged. However, the CIIP-funded report *The Innovation Paradox* identified that within ACP countries this improvement generally means technology acquisition, adaptation, and adoption rather than knowledge creation. The second report, *Productivity Revisited*, additionally identified the increasing gap in technology use between firms within industries, which is occurring at a time of disruption from the introduction of various digital technologies that affect all industries, and related regulations, institutions, and policies. Emerging technologies may render previous development strategies obsolete, especially in the manufacturing sector, but they may also enable countries to leapfrog stages of development rather than fall further behind. Countries and their firms must have effective mechanisms to identify, adapt, and adopt the most relevant technologies and to innovate around them.

Most formal innovation thinking is developed in OECD countries and then trickles down to middle-income countries. A practical toolkit is urgently needed that reflects realities in ACP countries, such as nascent National Innovation Systems, limited market incentives for investments in innovation, patchy support for implementation technology, restrictive (if not absent) regulatory and policy settings, and low capacity to design and deliver innovation technology and diffusion interventions. The objective of this analytical work is to develop better support tools that are relevant and applicable to ACP countries and to support them in harnessing innovation to improve competitiveness.

CIIP will deliver and test an integrated toolkit specifically tailored to ACP countries that will enable World Bank operational teams and government policy makers to understand current firm-level innovation and technology-diffusion performance with a focus on effective technology adoption and adaptation. It will also map existing policy activities that can potentially contribute to firm-level innovation and technology adoption, identify potential policy impediments, identify the performance of the policy activities and the delivery capacity within the country, chart priority areas of focus to address policy impediments through regulation, build support capacity, and reform existing initiatives or introduce new interventions that will most effectively target firm-level innovation and technology adoption.

The toolkit will be developed by undertaking assessments in five ACP countries, starting with Kenya in collaboration with the African Center for Technology Studies; Ethiopia, where there are complementary activities already under way; and three other relevant countries still to be identified. The analytical work will provide a direct platform for policy and investment-related interventions in recipient countries and will produce roadmaps that identify the policy changes, institutional capacity building, and direct interventions that should be prioritized. Policy support for firm-level innovation and technology diffusion underpins any successful firm-level upgrading that, in turn, underpins industry competitiveness projects, whether they explicitly target innovation, exporting, supply and value chains, local economic development, sectoral activities, large infrastructure, government procurement, or entrepreneurship.

Private Sector Digital Platforms: Improving Market Access and Regulation

Grant amount $400,000

Background

Digital transaction platforms are transforming the way people work, commute, travel, and borrow money by seamlessly connecting suppliers and consumers through online platforms. This revolution has lowered prices for consumers and has increased market access and income streams for suppliers. It has also modernized the way some common market failures are addressed. More broadly, technological progress has changed traditional mechanisms for organizing markets. Transaction costs of market exchange have decreased dramatically in recent years, which makes it less costly to organize activities in a decentralized manner. Despite those benefits and advances, the digital economy has created a dizzying array of challenges for communities of all sizes throughout the world and across business sectors—from tax evasion, anticompetitive behavior, and pollution to deplorable worker protections and pervasive discrimination. Policy makers worldwide have struggled to respond to these innovative business models and firms. Many jurisdictions are relatively unprepared for this new challenge and often respond in a speculative and experimental fashion, which is costly for consumers as well as incumbent and incoming operators.

This activity's development objective is to create new knowledge and to collect new data about the regulatory framework for online private sector platforms (sharing and nonsharing economy), as well as to assess the prospects of, and policies for, the services sector to drive productivity growth and job creation. The analytical activities will assess two different but highly complementary perspectives of the digital technology revolution: markets and regulation. The market perspective will look at access, pricing, and competition issues. The regulatory perspective will look at digital platforms (more specifically, the so-called sharing economy platforms) from a public policy viewpoint and investigate how policy makers have responded to policy and regulatory challenges associated with sharing economy platforms.

This activity is the first stage in a programmatic approach aimed at supporting the creation and expansion of private sector digital platforms in developing countries. CIIP will support knowledge and policy-oriented activities, such as a mapping of private sector digital platforms by sector and distortions they address and a survey that will cover industrial organization aspects related to the functioning of private sector digital platforms. It will also support a global database that will collect and codify information on key sector and market-specific regulatory aspects related to the functioning of private sector digital platforms, such as institutional set-up; regulations that restrict or prohibit entry; and regulations and rules that reinforce dominance of incumbent firms, policies, and rules that increase entry and operational costs and reduce incentives. The work will also draw on more than 50 case studies to map and review governments' regulatory responses to the sharing economy and synthesize the findings into lessons learned and operational options for policy makers in ACP countries. The activity aims to shape a framework that can facilitate efficient analysis and decision-making on appropriate strategies to regulate sharing economy platforms. The 50 interventions will be reviewed along policy-relevant typologies, such as intervention area and type, primary policy concern driving the intervention, uniform application or local discretion, compliance and supervision arrangements, and outcomes and impact on innovation.

The grant will also support the preparation of a high-level conference that will cover key industrial organization and sector-specific policy aspects of multisided digital platforms and the preparation of a flagship report that will summarize findings from the conference and that will present new World Bank evidence on private sector multisided digital platforms.

Quality Infrastructure Country Assessments

Grant amount $200,000

Background

Technical barriers to trade are currently 60–80 percent of all traded goods globally (ITC 2016). As countries strive to leverage the benefits of trade and investment opportunities for economic growth, governments must put in place policies, regulations, and institutions to harmonize quality requirements with their trading partners and to reduce technical barriers to trade. To access more advanced markets, to integrate into more sophisticated GVCs, and to bridge the development divide, developing economies need to support domestic firms in upgrading the quality of their products and services, which will, in turn, attract cross-border investments in products and services that can compete globally. National quality and standards systems in many countries, including ACP countries, need to be strengthened to facilitate access to more robust and sustainable markets. Quality infrastructure (QI) denotes the ecosystem of public and private institutions, as well as legal and regulatory frameworks and practices that establish and implement standardization, accreditation, metrology, conformity assessment (testing and certification), and market surveillance. Through these quality assurance services, QI offers proof that products and services adhere to mandatory technical regulations and voluntary standards. An efficient and effective QI ecosystem is an essential ingredient for competitiveness, access to new markets, productivity improvement, innovation of new products, technology transfer, environmental protection, and health and safety.

The CIIP activity aims to help three ACP countries—Ghana, Somalia, and Uganda—to improve their QI ecosystems by piloting the QI toolkit and scaling it up if successful. Ghana (energy and agriculture sector) and Uganda (agriculture sector) were selected because of their increasing development focus on export diversification and access to markets. Somalia was selected because poor quality standards hamper the growth of productive sectors and have directly harm the health and well-being of the population. The QI toolkit employs a diagnostic tool that uses a systematic methodology to assess a country's QI ecosystem. The tool uses a QI rapid diagnostic questionnaire and value chain assessment guidelines. With the collected data, the diagnostic identifies issues and gaps in the quality of policies and strategies, institutional capabilities, regulatory frameworks, technical competencies, and international recognition. It further determines areas for reform and provides recommendations for how to bridge those gaps and to build institutional capacities. The guide takes into consideration the achievements and lessons learned from previous reform experiences and seeks to expand on them to provide an effective set of good practices. The diagnostic is coupled with demand assessment of QI services in the product or service value chain. The demand assessment convenes all the value chain stakeholders (buyers, suppliers, farmers, producers, regulators, and QI service providers) to identify key issues in the QI ecosystem and gaps in QI services that hinder firms from entering high-value markets and from achieving productivity improvements. The activity will include (1) prioritized reform roadmaps to remove constraints to market access and improved product quality, (2) demand analysis in selected sectors, and (3) capacity building of key stakeholders.

Services-Led Development: Myth or Reality?

Grant amount $200,000

Background

The process of economic development has been historically associated with structural change in national economies. It postulates that, in early stages of economic development, the share of agriculture in both output and employment is overwhelmingly large. But as industrialization advances, that share declines, with a greater decline in output than employment. Concurrently, the share of manufacturing rises, and once countries have industrialized and reached advanced economic development, the share of manufacturing falls while the share of services increases. In many low- and middle-income countries, the conventional wisdom has been challenged because the peak shares of manufacturing in value added and employment both were lower and occurred at lower levels of development. This "premature deindustrialization" has happened at faster rates during the past few decades as services seem to have grown faster. The first wave, which consists of traditional services, shows growth at a similar pace to earlier years, while the second wave, which encompasses modern knowledge-intensive services, starts at earlier levels of income than before.

The analytical work will examine whether the services sector can provide the twin gains of productivity growth and large-scale job creation for the relatively unskilled, which have been associated with the previously dominant manufacturing-led growth paradigm. This research question is particularly relevant since premature deindustrialization—reinforced by the spread of automation technologies associated with Industry 4.0—has raised concerns that East Asia's development model, based on export-led manufacturing, might be harder to replicate in Africa, where services-led development might be an alternative.

The study aims to provide a framework and evidence that inform policy debates on forward-looking development strategies, with a focus on contributions of services to productivity and inclusive development outcomes. It will expand the understanding of productivity growth in the services sector and will explore differences and trends within different sub-sectors within services. Part I will examine patterns of structural adjustment across countries and the services sector's contributions to productivity growth and job creation, particularly for lower-skilled workers. In doing so, Part I will combine evidence at the country-sector level with evidence at the firm level and will explore better measures for firm productivity in the services sector. Part II will examine the sustainability of services-led growth in the future. It will analyze tradeoffs between future opportunities for productivity growth and job creation for unskilled workers. Part II will also discuss how digital technologies are changing productivity and inclusion outcomes in the services sector. Part III will focus on how policies can provide incentives to maximize growth opportunities and will discuss key policy debates that surround trade liberalization, emerging regulatory and competition issues in the digital economy, technology adoption, and the role of targeted industrial policies. The aim of the study is to focus on low- and middle-income countries, with a focus on Africa, but to understand the prospect of services-led development in a larger global context.

Technology Adoption in an Era of New Industrial Revolution: ACP Countries

Grant amount $400,000

Background

Many developing countries, including most ACP countries, have been excluded or are not taking advantage of opportunities offered by recent waves of technological progress. Countries in Sub-Saharan Africa, Latin America and the Caribbean, and some parts of South Asia have remained isolated from GVCs and continue to have an export base dominated by commodities. While the speed of technology adoption across countries has accelerated, adoption within countries remains slow. The anticipated youth bulge, particularly in Sub-Saharan Africa and South Asia, could contribute to higher per capita incomes, but new technologies may also change comparative advantages because of rapid automation of routine manual and cognitive occupations, which reduce labor demand in agriculture and manufacturing in developing countries. To address these challenges, ACP countries need to be informed about key trends and opportunities, as well as critical barriers their firms will face in adopting better technologies.

CIIP will support the preparation of a flagship report, firm-level data collection, and capacity building to measure and enhance technology adoption in ACP countries. The knowledge activity will generate new measures of technology adoption and will develop a new global and comparable database on technology adoption at the firm level. Using a new methodology to identify a list of sector-specific and general-purpose technologies applied to key business functions of firms, this work will provide new evidence on the technological gap between firms within countries and between sectors across countries. The resulting data combined with estimates of productivity and key drivers of technology adoption will offer new insight into technology disruption and technological trends in developing countries and will support countries in implementing more effective policies to facilitate technology adoption. CIIP funding will support the addition of three ACP countries—Jamaica, Kenya, and Malawi—to the global database of technology adoption.

The activity will collect data in the three supported countries using new methodology and survey instruments developed by the World Bank that provide a more detailed measurement of the extent of technology adoption and dispersion within sectors, across sectors, within countries, and across countries. The grant will prepare brief country notes that summarize the results of the survey and will also support a review of the technology policies that can help with narrowing the adoption gap. CIIP will also support capacity building of national statistical offices and other government agencies in meauring technology adoption and following good implementation practices. This support will include knowledge exchange, dissemination of data analysis and policy review, and training on best practices. The output of this work would familiarize country leaders and sector counterparts with the basics of the innovation and competitiveness agenda, as well as initiate dialogue around technology adoption, at the local and global level. Since technology adoption plays a key role in productivity growth, this work will provide much needed empirical evidence to inform national and subnational strategies on technology adoption policies to boost competitiveness and job creation in ACP countries and beyond.

CHAPTER 2

Country Operations

COMOROS Competitiveness and Jobs Project

Leverage Integrated Development and Competitiveness Project ($25 million)
Partner coordination European Commission
Grant amount $250,000

Background

Comoros is a small island nation that occupies a strategic geographical position between East Africa, Madagascar, and other islands in the Indian Ocean. Comoros's economy faces challenges that are linked to its geographic isolation, limited resources, and small and fragmented domestic market. The real sector is dominated by subsistence agriculture, a small variety of agriculture products exported with minimal or no processing (vanilla, cloves, ylang-ylang), light agro-industry, fisheries, and construction. The adverse business environment has restrained the development of the private sector, as reflected by the low level of domestic private sector investment at 7.8 percent of gross domestic product (GDP) and the even lower level of FDI. Private sector growth and competitiveness in Comoros is constrained across several economy-wide dimensions: (1) adverse business environment and weak MSME ecosystem, (2) inadequate financial services and products, and (3) insufficient infrastructure and transport services. Comoros is currently trapped in a low-level economic equilibrium that is characterized by governance failures, inadequate provision of public goods, and import dependence, all of which crowd out private sector initiatives.

A sustained pattern of inclusive growth could emerge by strengthening high-potential value chains and by fostering the development of the private sector. Private sector–led growth requires the development of the MSME ecosystem, including upgrading the management and technical skills of local firms, fostering a more favorable policy and institutional environment, and facilitating investment in priority sectors that show growth potential. Key opportunities are in the agriculture (fresh fruits and vegetables, arboriculture, export commodities) and livestock (poultry and dairy) sectors and, to a more limited degree, in tourism and associated sectors, such as transport and logistics. The development of agriculture and tourism as mainstays of economic activity could complement the substantial flows of remittances, and the reliance on SMEs could sustain the generation of growth and employment in the medium and long run.

CIIP financing is being used to support the design and implementation of the $25 million Integrated Development and Competitiveness Project, which aims to address critical coordination issues, to finance public goods, and to crowd in the private sector with the objective of enhancing competitiveness of MSMEs in targeted value chains and sectors. The first component aims to enhance value chain development in agriculture by addressing regulatory, investment climate, and governance constraints; by providing technical assistance, capacity building, and small equipment to address gaps; and by investing in market access infrastructure and in tourism by strengthening key tourism institutions, policies, and regulations and by supporting enclave anchor investments and niche offerings. The second component focuses on direct support to MSMEs and cooperatives through business plan competitions to support early-stage development and matching grants for high-growth MSMEs and cooperatives.

Project Status

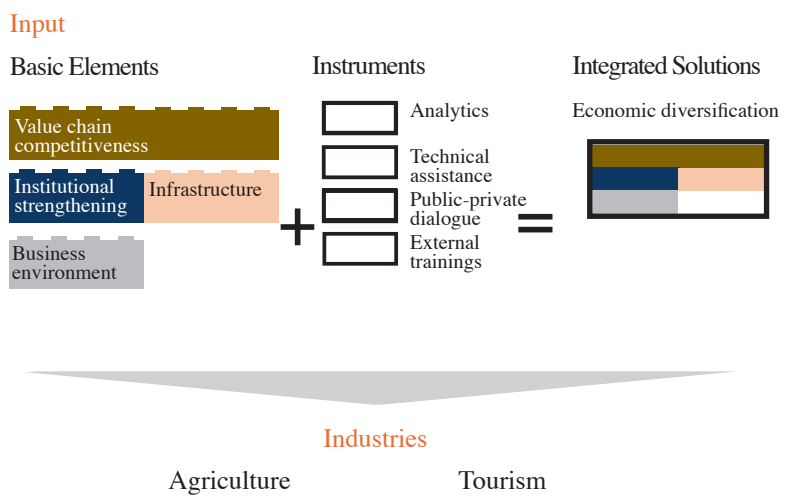
CIIP financing has supported the implementation of the following activities:

- **Data collection and market analysis.** An MSME ecosystem diagnostic mapped MSMEs and producers' associations in the targeted sectors and presented an assessment of opportunities and challenges. The analysis found that the private sector in Comoros is largely informal and concentrated in agriculture and retail trade. It is structured along five broad categories, each with corresponding challenges and opportunities for growth: (1) large traders (including exporters and importers), with access to domestic and international finance and markets but for the most part lacking structure and suffering from administrative and fiscal harassment; (2) small businesses operating in the informal sector largely in retail trade and services sectors, with access to microfinance but operating in a limited and highly competitive market; (3) microenterprises involved in agriculture and small-scale agro-processing, most of which are in survival mode because of a lack of basic public services, infrastructure, access to markets, and financing, but which have a strong development potential; (4) manufacturing companies and tourism operators that have limited access to technology, infrastructure, markets, and skilled labor and, therefore, provide lower-quality products and services; and (5) a dynamic group of young entrepreneurs who operate in agricultural processing, hotel and tourism, ICT, e-commerce, and eco-friendly industries (waste treatment, ecotourism centers, environmental protection) but face many challenges related to lack of adequate business services, access to finance, and lack of support structures.

- **Strengthening the national and industry-specific PPD.** PPD conducted during the preparation of all the analytical work helped prioritize reforms and activities reflected in the design of the lending operation.

- **Infrastructure and logistics strategy.** CIIP conducted an analysis on the need to develop infrastructure and logistics to foster investments and to enhance value chain competitiveness, with a focus on infrastructure and tourism. Data collection for the connectivity analysis, which focused on the primary and secondary road network, informed specific investments and institutional and policy reforms reflected in the lending project. A broader spatial analysis was also carried out that focused on priorities related to inter-island transport investments (maritime and air) and will be delivered as a stand-alone report.

Results Chain



Expected Output	Expected Outcome	Expected Impact
5 laws enacted or policies implemented	$25 million public investment leveraged from World Bank projects*	1,000 jobs created
$8 million committed for infrastructure investment	150 SMEs trained or supported	$30 million private investment leveraged
5 strategies/reforms designed	# of young entrepreneurs who receive cash grants or technical assistance	30% increase in output of beneficiaries
	# of farmers benefiting from enhanced services and assets	

*approved in FY19

CONGO, DEM. REP. Small and Medium Enterprise Development and Growth

Leverage Democratic Republic of Congo SME Development and Growth Project ($100 million)
Partner coordination European Commission
Grant amount $472,500

Background

The Democratic Republic of Congo is facing the aftermath of a long period of conflict and mismanagement, which has devastated the economy, degraded infrastructure, and deteriorated the institutional environment. The private sector is dominated by largely informal MSMEs, which do not have high incentives to expand into high-growth sectors (such as manufacturing, agribusiness, fishing, energy, mining, or ecotourism). Some of the market and government failures that prevent MSMEs from growing include (1) high barriers to entry; (2) lack of vision and opportunism from entrepreneurs; (3) lack of capacity and skills in the SME sector; (4) absence of national, provincial, and local strategies and mechanisms to support entry into or access to these sectors; (5) lack of specialized SME support institutions and business development services (BDS); and (6) lack of specialized financial institutions and instruments.

The CIIP grant supports the design and implementation of a $100 million Small and Medium Enterprise Development and Growth project that aims to enhance MSME growth and to increase employment and entrepreneurship opportunities for youth and women in select areas. The project's first component supports entrepreneurship opportunities through direct grants and technical assistance to women microentrepreneurs, early-stage financing for start-ups for young entrepreneurs, and targeted regulatory reforms to improve the investment climate for SMEs using PPD. The second component aims to enhance the growth and performance of SMEs through business plan competitions that provide matching grants to established SMEs and through the development of ancillary SME hubs in urban and peri-urban areas for light manufacturing and services. The hubs will provide a serviced venue for lease and access to BDS and information and will support the growth and supply chains of SMEs through collaborative arrangements with large companies. The third component will provide capacity building of public and private institutions that support entrepreneurs and MSMEs.

Project Status

The CIIP grant has supported the design and implementation of the associated lending project through the following activities:

- **SME Hubs Market Study.** The SME hubs component and the associated PPD and capacity building were delayed because of the December 2018 election and related changes in the government, but activities are now on track. The SME hub concept is a blend of the industrial estate and the lead firm approaches. SME hubs are expected to alleviate ICT, logistics, electricity, and related constraints, which were reported as the top barriers to business operation in the 2013 and 2018 World Bank Enterprise Surveys. The difference between SME hubs and industrial zones (IZs) is the private sector ownership of the process and the adaptation to a fragile context. The CIIP-funded SME markets study conducted rigorous market analysis that will enable location-based hubs to increase sales and employment growth for participating SMEs by lowering costs that would otherwise have to be internalized. The study was based on extensive discussions on the needs of new SME hubs and funding strategies with a set of pre-identified large firms in relevant sectors, such as cement, mining, telecommunications, agribusiness, manufacturing, construction, tourism and hospitality, government institutions, BDS providers, and SME-oriented banks. The team also conducted an individual SME survey in which parts of the questionnaire helped to assess existing and potential demands for services that SME hubs could render. During the reporting period, the grant also funded two case studies on existing private organizations that have developed similar SME support systems, as well as prepared a note with lessons learned that will be part of the SME hubs toolkit.

- **Data collection and MSME Ecosystem Analysis.** The SME Ecosystem report was based on data collection, PPD, and four codesign workshops that included members of the national and local government, large multinational investors, and representatives from local businesses and business organizations like the Federation of Congolese Industries. The report included the following:
  - *Mapping of MSMEs*. Data were collected through a review of available public sources (Congolese Business Federation directories, municipal directories) and from an online registration platform. Both formal and informal enterprises were included in the database of 2,286 MSMEs. The informal enterprises were captured through the municipal registries of entrepreneurs holding a taxpayer number, through social media outreach, and through self-registration on the web platform.

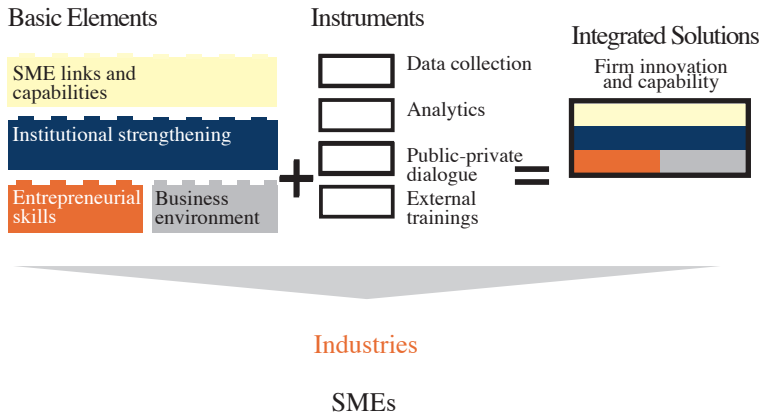
— *Survey of MSMEs*. The team conducted 141 face-to-face interviews of representatives from MSMEs in the database, while 521 enterprises responded to an online questionnaire about constraints MSMEs face. This was followed by seven focus groups, with 7–12 entrepreneurs each. The focus groups targeted different MSME segments—namely, women-led businesses, young entrepreneurs, and enterprises with growth potential.

— *Mapping of established, large, multinational and national companies*. Fifty companies that already work or express interest in engaging with local SMEs were mapped. The objective was to gain insights into potential upstream and downstream value chains.

— *Interviews with ecosystem stakeholders.* Across four cities, 32 interviews were conducted with representatives from professional organizations, SME support organizations, financial institutions, and government institutions. In addition, 91 ecosystem representatives participated in three workshops in Kinshasa (19 participants), Lubumbashi (20 participants), and Matadi (52 participants).

The data collection instrument was specifically developed to address the challenges of MSMEs working in fragile settings. The focus groups, surveys, and interviews of local entrepreneurs helped to uncover challenges that were not previously discussed with the government, such as the double taxation of microentrepreneurs and the discrimination against women entrepreneurs. The key actors in the change process will be the large companies that are now more actively engaged in information sharing with local SMEs and business organizations, including formal and informal networks (such as the Makutano Network of Congolese Entrepreneurs). The SME Ecosystem analysis established the baseline for the project and strengthened the capacity of local stakeholders for evidence-based project management and public-private collaboration. It will refine strategies for achieving results for beneficiaries, for instance, through identifying and targeting SMEs with growth potential.

Results Chain



Outputs	Expected Outcome	Expected Impact
3 strategies/reforms designed	$100 million public investment leveraged from World Bank projects*	4,000 jobs created (of which 1,700 for women)
$5 million committed for infrastructure investment	3 reforms enacted through PPD mechanism	$100 million in private investment leveraged
$4 million committed for cross-institutional coordination mechanisms	500 SMEs trained or supported	2,500 new firms (of which 1,600 headed by women)
People trained/ certified (target: 5,000)	$ for financing innovative activities	
$37 million committed for innovative finance instruments		

*approved in FY19

CONGO, REPUBLIC OF Diversification and Competitiveness Program

Leverage Enterprise Development and Competitiveness Project ($25 million)
Partner coordination European Union, European Commission
Grant amount $225,000

Background

The Republic of Congo is a lower-middle-income country that is characterized by a heavy reliance on oil, a limited domestic market, and a strategic location as a transit conduit to the region. The dependency on oil-derived rents has contributed to an adverse institutional and governance environment that hampers private sector–led growth, competitiveness, and diversification. A legacy of overbearing government presence has restrained private entrepreneurship and maintained industrial sector concentration on extractives, which continue to account for 90 percent of total exports and 75 percent of GDP. The country faces multifaceted challenges to unlocking private sector–led growth and economic diversification, including (1) an adverse business environment and a weak MSME ecosystem; (2) an inadequate financial sector; (3) an insufficient trade-related infrastructure and industrial infrastructure; and (4) an inadequate supply of human capital. An effective diversification strategy needs to support the emergence of an MSME ecosystem clustered around non-oil sectors with potential for growth, including (1) agriculture and agribusiness; (2) transport, logistics, and ICT; and (3) tourism.

The CIIP grant supports the design and implementation of the $25 million Enterprise Development and Competitiveness Project that will provide the enabling platform to strengthen the investment climate, leverage public investments, and crowd in the private sector. The objective of the project is to foster MSME competitiveness in targeted sectors and geographic areas in the Republic of Congo. The project components include (1) regulatory and institutional support to strengthen the enabling environment for private sector development, (2) direct support to MSMEs to enhance the development and competitiveness of selected value chains, and (3) project implementation and coordination. The CIIP grant aims to support the identification and prioritization of high-potential agribusiness, tourism, and light manufacturing value chains and the identification of opportunities and links within selected value chains and to expand knowledge of spatial development opportunities and opportunities in the logistics sector.

Project Status

The Enterprise Development and Competitiveness Project became effective in May 2019. Most CIIP activities that support project preparation were launched and finalized last fiscal year, while some carried over into this fiscal year. Those activities include the following:

- **Port of Pointe Noire (PAPN) Competitiveness.** The results of the competitiveness study of the Port of Pointe Noire were presented by the project implementation unit to stakeholders, including relevant government agencies (such as the Ministry of Transport and Port Authority) and private sector representatives. The event was held in Pointe Noire and high-

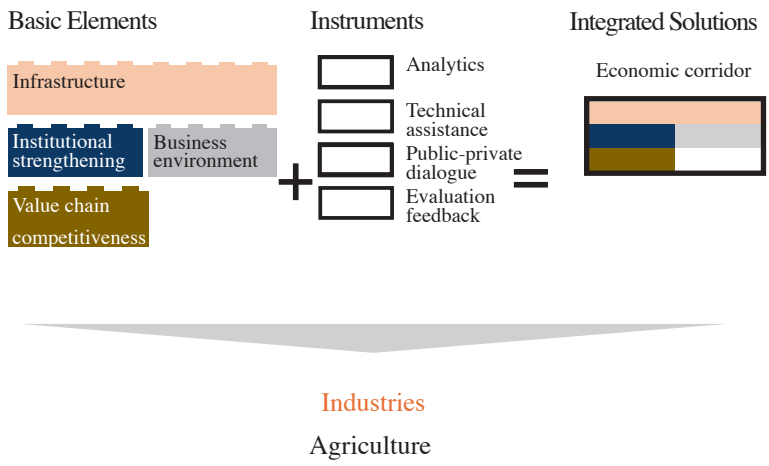
lighted the need to unlock bottlenecks and redundancies in the regulatory procedures and processes governing the transit of goods through the Port of Pointe Noire. The study also highlighted the need to further develop and integrate components of the multimodal platform (road–rail–sea) and to pursue the simplification of existing procedures.

Key constraints included deteriorating conditions of the road and rail corridor that links Brazzaville to Pointe Noire—the rail is expensive and unreliable and the road is non-existent. The second handicap is the relatively inefficient cargo handling and customs administration arrangements at Pointe Noire. The third handicap is the absence of a road–rail bridge that links Brazzaville to Kinshasa, which obligates transit traffic to cross the river on barges at an estimated cost of $20 per ton. The levers to develop transit traffic are mainly based on reducing road transport and customs tariffs, as well as the customs clearance process to lessen the "dwell-time" on Pointe-Noire.

- **Diagnostic of the One-Stop Shop for Border Operations.** This ongoing activity aims to offer a detailed diagnostic and mapping of existing procedures and processes currently responsible for important bottlenecks in the transit of goods from the Port of Pointe Noire to their final destinations.

- **SEZs diagnostics and development.** The government of the Republic of Congo wants to establish four major economic zones, starting with the city of Pointe Noire, as part of pilot projects financed by China. Other locations in Brazzaville, Ollombo, and Ouesso would follow. The objective of this activity is to assist the government in alleviating coordination failures by helping to develop a single high-level agency with a one-stop shop in charge of regulatory and investor facilitation (entry and aftercare) matters to better streamline investor-government interface. This work was also supported with a workshop on international best practices. The World Bank team mobilized expertise to present stakeholders with examples of international best practices and areas of opportunity for the Republic of Congo. Moving forward, this activity could support the government in undertaking further reviews of the SEZ legislative agenda, as well as review of the SEZ institutional model.

Results Chain



Expected Output	Expected Outcome	Expected Impact
3 SME support programs developed	$25 million public investment leveraged from World Bank projects*	Increased annual turnover of beneficiary enterprises
2 cross-institutional coordination mechanisms established	200 SMEs trained or supported	$20 million private investment leveraged
1 strategy/reform program designed	5 reforms implemented	200 new firms
	4 laws/regulations approved	

*approved in FY18

ETHIOPIA SME Competitiveness Support

Leverage Competitiveness and Job Creation Project ($250 million) and World Bank Group additional financing ($175 million)
Partner coordination Department for International Development (DFID), U.S. Agency for International Development, European Commission, Canadian International Development Agency, Swedish International Development Agency
Grant amount $450,000

Background

The government of Ethiopia faces the interrelated challenges of sustaining the country's double-digit growth that averaged 10.5 percent from 2004 to 2016 and accelerating the structural transformation of the economy. Recent growth was driven mainly by services and agriculture on the supply side and by private consumption and investment on the demand side. The industrial sector has lagged, contributing just 14.3 percent to GDP, while manufacturing has contributed only 4.1 percent. SMEs (firms with fewer than 50 employees) are critically important for job creation because they account for a large proportion of economic activity in Ethiopia and constitute more than 60 percent of total firms. The government aims to help create 3 million jobs every year through the local private sector, SMEs, public works, and other options by enhancing support for SMEs to improve their competitiveness. Because digital entrepreneurship and innovation increasingly boost job creation, the government is targeting the creation of 10,000 technology SMEs and 10 million jobs in ICT, which will accompany $10 billion in revenue in the next two years. Improved integration between SMEs and FDI can enhance the competitiveness of local firms, and the ongoing $425 million Competitiveness and Job Creation project has piloted a supplier development program (business-to-business links program) for two IPs.

The follow-on CIIP activity supports the development objectives of the government and aims to enhance the productivity and competitiveness of firms through diagnostics and PPD in three areas: (1) a qualitative assessment of the impact of current SME support programs to determine whether the programs improved the performance of SMEs, (2) a diagnostic on digital entrepreneurship and innovation, and (3) a study to understand the underlying factors that limit the scale-up of links between local SMEs and tenants in IPs. Diagnostics supported through the CIIP-funded activity will provide a body of knowledge that will form the basis for future substantive engagement on SMEs and industrial development. The project outcomes would include improved effectiveness of SME industry support programs, improved policy environment to facilitate competitiveness of SMEs, improved coordination among SME support institutions, strengthened mechanisms for PPD, and enhanced economic links between FDI and SMEs.

Project Status

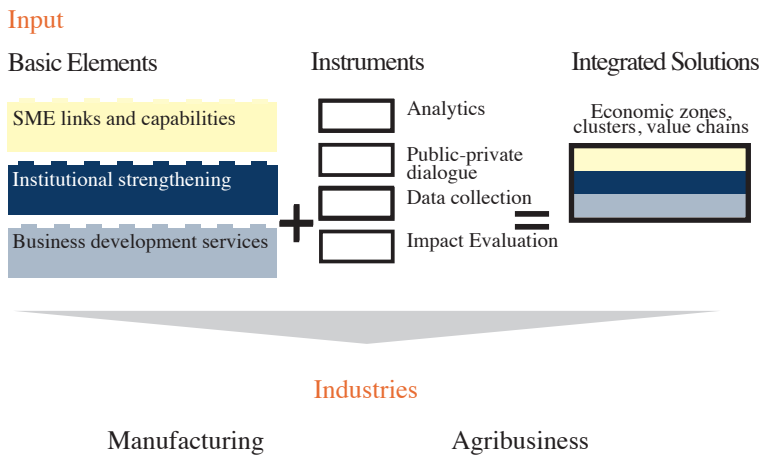
Over the past fiscal year, CIIP has supported the following activities:

- **SME Support Programs.** CIIP financed a knowledge exchange workshop with more than 20 senior policy and experts from the Ministry of Trade and Industry and the Federal Small and Medium Manufacturing Industry Development Agency. The workshop presented global experiences and recent World Bank analytical work on good SME policies and interventions. The workshop helped to initiate a dialogue between the World Bank and the government of Ethiopia to define priority areas, including cluster development and digital entrepreneurship, in which the World Bank Group can support the government on SME development.

- **Digital entrepreneurship and innovation.** To support the government's recent efforts to boost digital entrepreneurship and innovation, CIIP financed and facilitated consultative roundtables with digital entrepreneurs, including innovators and business incubators, to understand opportunities for SMEs and to identify binding constraints specific to the technology sector. Some of the challenges that the SMEs identified include a low skills base, poor internet connectivity, and limited protection of intellectual property rights. CIIP also provided technical assistance (review of the draft e-commerce law) and training on e-commerce to senior policy makers from the Central Bank, Ministry of Justice, Ministry of Trade and Industry, and others. By supporting digital entrepreneurship and innovation, the CIIP grant leverages the ongoing reform efforts by the government to liberalize key sectors, including telecommunications. The reforms are expected to create even more opportunities for SMEs and highlight the need to support the government in defining a strategy to strengthen SME capacity.

- **SME and FDI links.** CIIP financed a business-to-business exhibition in Hawassa IP to facilitate meetings and the sharing of business information between manufacturing investors located within Hawassa IP and local SMEs. The exhibition was a first step to facilitating discovery and to sharing information between FDI firms and SMEs. More than 80 percent of raw materials and accessories used in all IPs are imported. Links between domestic manufacturers and IP-based manufacturers remain weak because of several factors, including lack of access to information on market opportunities, goods and services available on the domestic market, and required product standards; lack of foreign exchange to import machinery, spare parts, and raw materials; small order quantities from IP companies; and difficulty accessing IP tenant-to-market products and import duties that make locally produced material more expensive than imported goods. CIIP also funded technical assistance to encourage IP tenant companies to procure goods and services locally and terms of reference for a scale-up program under the lending project to provide training and capacity development to the SMEs in acquiring standards certifications and in meeting the labor and environmental requirements of global buyers. Eighty-eight jobs have been created by 15 local SMEs that supply firms in Bole Lemi I with inputs, such as packaging materials, and accessories, such as labels and buttons.

Results Chain



Outputs	Outcome	Impact
2 cross-institutional coordination mechanisms created	$425 million public investment leveraged from World Bank projects*	88 jobs created (target: 1,000)
4 consultations with private sector held	13 SMEs trained or supported (target: 200)	$0.6 million in sales value delivered from SMEs to FDI (target: $2 million)
1 SME support program implemented	15 SMEs supplying FDI companies (target: 25)	Private investment facilitated (target: $2 million)
	E-commerce law enacted	

*approved in FY14 and for FY18

THE GAMBIA Policies for Sustainable and Inclusive Private Sector–Led Growth

Leverage n/a
Partner coordination n/a
Grant amount $456,855

Background

The Gambia has a history of low growth marked by high volatility. GDP per capita grew an average of 0.1 percent between 2000 and 2016, significantly below the 2 percent average for Sub-Saharan Africa. The government's 2018 National Development Plan identifies the private sector as the engine of future growth, transformation, and job creation. For private sector–led growth to succeed, the competitiveness of key sectors needs to be substantially improved. The National Development Plan, the World Bank's Country Engagement Note, and the draft Systematic Country Diagnostic all identify agriculture and tourism as key growth sectors and primary employment providers. Agriculture contributed 23 percent of GDP in 2017, while employing about 40.3 percent of the workforce. Increasing agricultural income has the potential to substantially reduce poverty—81 percent of the poor and 91 percent of the extreme poor in The Gambia are farmers. According to the 2018 World Travel and Tourism Council, the travel and tourism sector directly contributed 5.8 percent of GDP in 2017 and accounted for 6.7 percent of employment.

The objective of CIIP support is to make policy recommendations that would bolster the most strategic sectors of the Gambian economy to spur private sector–led growth, to generate inclusive employment, and to reduce poverty. The analytical work aims to identify the main constraints to increased investment in key agricultural value chains, to identify solutions to competitiveness challenges in tourism, to develop action plans for the government and private sector, and to identify ways to improve the entrepreneurship ecosystem. CIIP support will also focus on facilitating access to finance in relevant sectors, thereby addressing the number one constraint identified by firms in the latest enterprise survey. Ultimately, policy recommendations will help sustain a dialogue with the government on financial and private sector development, which would inform future World Bank Group support in The Gambia.

Project Status

Over the past fiscal year, CIIP has supported the following activities:

- **Advisory Services and Analytics activity, Policies for Sustainable and Inclusive Private Sector–Led Growth.** The concept note for this activity, funded by CIIP, was approved in October 2018. The final report will be completed in September 2019, and it assessed the main factors that hamper private investment and how government policy can boost the competitiveness of the private sector. The report included the following chapters: (1) The Macroeconomic Foundations for Higher Growth and Private Investment and (2) sector-specific recommendations to promote private sector–led growth: (a) Agriculture/Agribusiness: Constraints to and Opportunities for Private Investment, (b) Tourism: Comprehensive Market Assessment and Strategic Roadmap; (c) Developing a Vibrant Entrepreneurship Ecosystem, and (d) Addressing Access to Finance (constraints in key growth sectors and in entrepreneurship).

- **Agribusiness deep dive.** A joint team from the World Bank and IFC Advisory finalized an agribusiness deep dive that identifies constraints and opportunities for private investment in agribusiness in The Gambia. The deep dive builds on a methodology developed by IFC and will directly inform IFC and World Bank strategies in the country. Policy reforms in agribusiness related to standards, competition, and input markets, as well as facilitation of trade logistics and access to agrifinance, were identified as cross-cutting opportunities. In terms of specific value chains, groundnut, horticulture, and rice (more long-term) present opportunities for creating markets, contingent on a set of upstream reforms and investments.

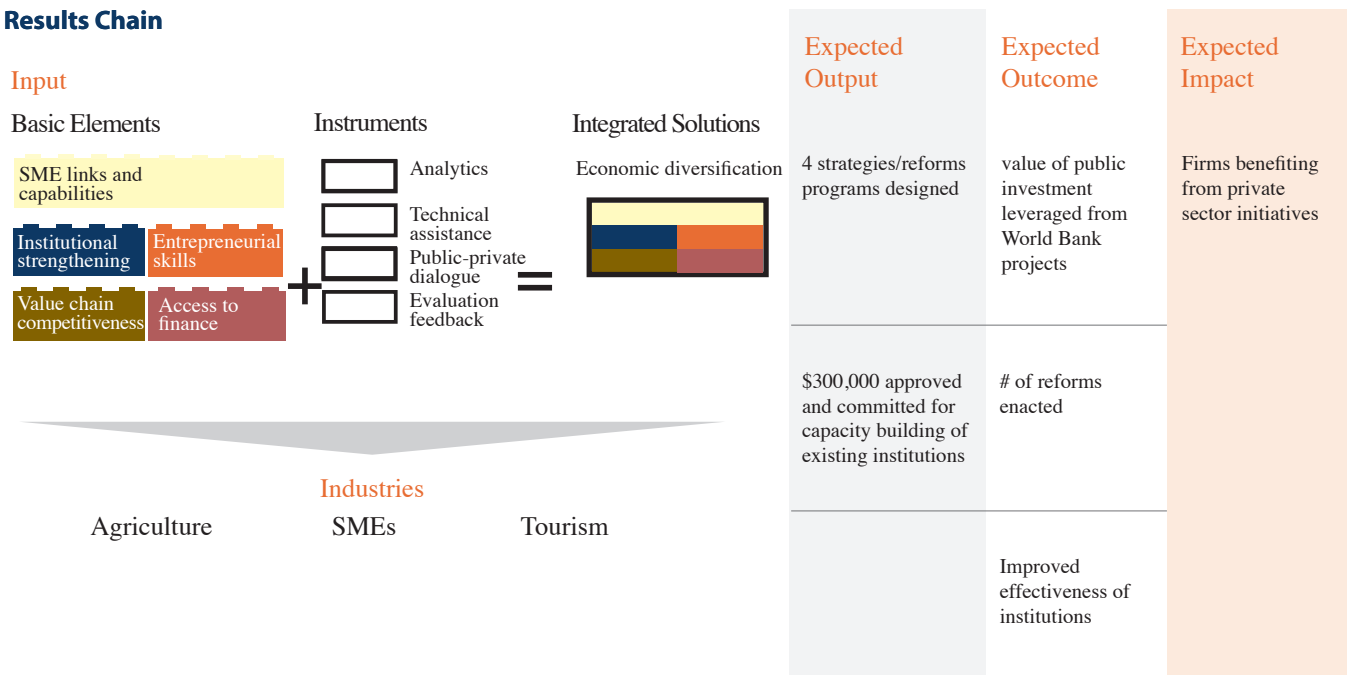
- **Tourism market structure and demand assessment.** A limited visitor survey, designed by the team, was administered at the Banjul airport by The Gambia Tourism Board. Data will feed into the government's Tourism Satellite Account and will complement results from an establishment survey already conducted by the tourism board. The survey, together with stakeholder interviews and a review of accommodation providers and distribution channels will help the government understand the market structure and demand. Reforms and investments pertaining to air access and development of new tourism products can help diversify source markets, increase arrivals, and invest in maintaining and improving the quality of existing products. Better links between agriculture and tourism in The Gambia are possible if the right aggregation platform is in place.

- **Technical note, Access to Finance Constraints in Agribusiness, Tourism, and Entrepreneurship.** Field work for the access to finance technical note has been completed and the findings are currently being summarized. The diagnostic's

focus on specific sectors rather than an overall assessment aims to improve the chances of success by enhancing the relevance of the findings. Given the importance of MSMEs for employment in The Gambia and the fact that access to finance is the main constraint facing Gambian firms today, strengthening enterprise support with a focus on access to finance (including reforms to the financial infrastructure and sector-specific reforms to introduce new products, such as leasing and e-payments) must occur.

- **Stakeholder engagement.** Specialists have also conducted missions during the reporting period to enhance the team's understanding of the entrepreneurship ecosystem, including a series of interviews and focus groups with "high growth" entrepreneurs, to emphasize the team's participatory approach to policy formulation. The team conducted a validation mission to The Gambia in June 2019, which included a workshop with key stakeholders from each sector of interest and a few high-level meetings with the ministries of Tourism and Culture; Agriculture; and Trade, Industry and Employment.

The final output of grant activities is expected to inform the government and World Bank Group on strategies for private sector development in The Gambia, including a potential World Bank–financed project that aims to improve the competitiveness of key growth sectors. The report is also expected to be used as input into the Financial Inclusion Strategy for The Gambia, which is expected to be developed by various government agencies, such as the Central Bank of The Gambia, the Ministry of Finance, and the Ministry of Trade, Industry, Regional Integration, and Employment.



PACIFIC ISLANDS Improving Competitiveness for a Pacific Possible

Leverage n/a
Partner coordination n/a
Grant amount $400,000

Background

Most Pacific Island countries have generated only very modest rates of economic growth during the past decade, with almost all Polynesian and Micronesian economies registering a per capita income growth rate of less than 1 percent. Opportunities for economic growth for Pacific Island countries are limited by three main external constraints: (1) their small size and remoteness, which limit the set of economic opportunities; (2) their geographic dispersion, which limits people's access to employment and services; and (3) their high exposure to economic shocks and natural disasters.

Economically viable growth areas are those that effectively leverage Pacific Island countries' resource endowments. Those areas are primarily fishing and tourism, along with agribusiness for some of the larger countries. Considering Pacific Island countries' abundant tourism assets, such as pristine natural environments and cultural diversity, tourism offers significant opportunities for economic growth and shared prosperity. Achieving transformational change through tourism growth will require the countries to improve access from emerging and existing source markets, improve the investment climate, and increase the effectiveness of public sector participation in the tourism sector. Findings from the Pacific Possible study (World Bank 2017) suggest that, through transformative interventions in selected markets, the region can double the number of international tourists by 2040, thereby generating additional spending of $1.8 billion and 130,000 additional jobs. Palau, Samoa, and Vanuatu are well positioned to be the biggest beneficiaries of the projected increase in tourist arrivals to the region, with per capita GDP in those countries expected to increase more than 20 percent.

Project Status

The objective of the Improving Competitiveness for a Pacific Possible program is to increase the competitiveness of the region's tourism sector by improving the capacity of countries to understand their current and potential tourism markets. The program is designed as a flexible programmatic approach to serve regional- and country-specific initiatives. Pillar I will undertake a high-level tourism market analysis and demand assessment for the region—and for Vanuatu more specifically. The project will conduct detailed analysis of the historical and prospective markets to gain a greater understanding of origin, purpose of visit, travel patterns, consumer preferences, and expenditure to assess the relative value of each prospective market segment. Pillar II will support specific government requests to leverage the information collected under Pillar I to develop national destinations. The government of Vanuatu requested assistance from the World Bank in April 2018. Therefore, this pillar has been supporting the Department of Tourism in Vanuatu in its tourism development agenda, including through (1) an assessment of market demand and sector development challenges, (2) a survey of domestic and foreign private investors in tourism, and (3) a strategy and action plan for high-priority investments (both public and private) needed to develop the tourism sector. The program makes all its outputs publicly available, which allows the information to be accessible to policy makers and development partners and encourages systematic collaboration toward more effective public investments.

Over the past fiscal year, the grant has completed several deliverables, including the following:

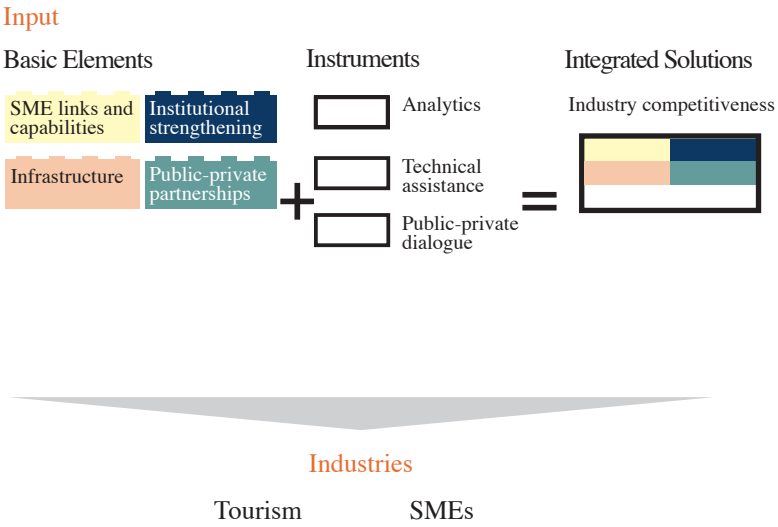
- **Market Analysis and Demand Assessment for Vanuatu.** The findings of the assessment were reported in the form of an Issues Paper, which synthesized the key issues and challenges for the tourism demand landscape in Vanuatu going forward. For instance, for market development, the analysis identified the following potential opportunities: (1) increase funding for experience seekers in core markets (for instance, through creative digital-based marketing efforts); (2) place focus of long-haul market development efforts on France and Japan because of a strong market match between Vanuatu's offer and demand from those countries; (3) develop and implement a Meetings, Incentives, Conferences, and Event Tourism Action Plan; and (5) consider legislation that requires full private sector participation in the Tourism Market Development Fund. The

Issues Paper was delivered to the government for comments in late February 2019. The analysis received information from engagements with multiple public and private tourism stakeholders (such as hotel owners, tour operators, airlines), including two formal half-day roundtable discussions with the Vanuatu Tourism Investment Advisory Committee that featured representatives from several key stakeholder groups.

- **A survey of foreign and domestic investors in Vanuatu's tourism sector.** The survey has been completed, and the findings were delivered to the government in the form of a PowerPoint presentation in April 2019. The survey will be critical in understanding the private investor perspective on what is needed to unlock tourism sector growth, such as identification of critical investment climate bottlenecks and key public sector investments. For example, when asked to indicate the top three opportunities for tourism investment, respondents cited (1) accommodations (specifically small scale and high end, on the outer islands, because they tend to have higher occupancies and attract wealthier tourists); (2) food services; and (3) ecotourism and agritourism. The three most commonly cited factors that limit further investment in tourism were government legislation and regulation, lack of qualified labor, and government capacity and support.

- **Tourism Investment Plan for Vanuatu.** Work on the Tourism Investment Plan is under way, and it draws on the findings of the first two deliverables. The investment plan will be further informed by the Pacific region's International Visitor Surveys data once they become available. This activity will establish the analytical foundations for subsequent tourism investment financing support for Vanuatu.

Results Chain



Expected Output	Expected Outcome	Expected Impact
# of PPDs created and operational	value of public investment leveraged from World Bank projects	1,000 jobs created (of which half for women)
# of strategies/ programs designed	# of new infrastructure connections	$5 million private investment leveraged
# of tourism support programs designed	# of reforms enacted	Financial efficiency

SIERRA LEONE Agro-processing Competitive Project Support

Leverage Agro-processing Competitiveness Project Support ($10 million)
Partner coordination n/a
Grant amount $340,000

Background

Agriculture, including agribusiness, is a key sector of the Sierra Leone economy, and it contributes more than half of GDP and more than 60 percent of employment. The sector is dominated by smallholder production of staple crops, while commercial farming and primary processing of commodities are becoming increasingly important. Agro-industry in Sierra Leone has been growing during the past decade, with rising foreign and domestic investment in cultivation and processing of food and industrial crops.

World Bank–supported diagnostics on sector competitiveness in Sierra Leone highlight strong prospects for agro-processing to drive economic growth. Attracting and retaining private sector investment for economic diversification is a government priority, but the potential for catalyzing foreign and domestic investment into agribusiness is underutilized. Several market failures are impeding competitiveness in the agribusiness sector and in agro-processing firms, including SMEs. These include policy, institutional, and coordination failures that raise the cost of doing business, as well as information asymmetries on both the supply and demand sides that limit SME market opportunities and links with larger domestic and foreign agro-processors. The capacity of public sector institutions to deal with private sector development and the business regulatory environment is limited. Inconsistent application of policies, regulations, and fiscal incentives significantly increases the cost of doing business in Sierra Leone.

The CIIP grant contributes to the design and implementation of the $10 million Agro-processing Competitiveness Project, which has three components designed to provide solutions to the identified market failures and to unlock agro-processing sector competitiveness and firm productivity. The components are (1) strengthening the environment for agro-processing sector competitiveness and growth of agribusiness firms; (2) providing firm-level support to increase productivity and to strengthen competitiveness in agro-processing SMEs by establishing an SME technical assistance facility; and (3) implementing, coordinating, monitoring, and evaluating the project. The goals of this project align with the higher-level objectives of the Sierra Leone government to strengthen the agricultural sector by leveraging private sector investment.

Project Status

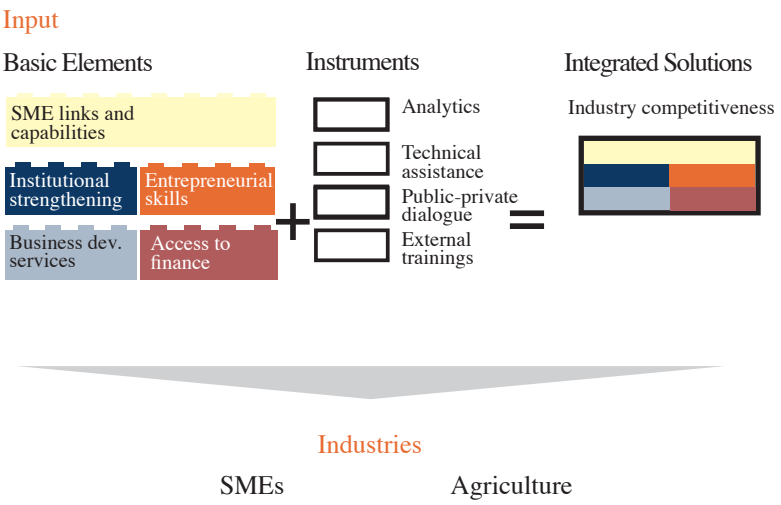
CIIP activities have supported the development objectives of the associated lending operation through the following two work streams:

- **Diagnostic and analytical support.** The studies supported by CIIP, including an SME Agribusiness Diagnostic, Access to Finance Diagnostic, and Market Assessment and Competitiveness Study, directly informed the design of the two main components of the lending project and are currently influencing the structure and operational details of the SME technical assistance (TA) facility. The work was based on extensive additional data collection, including interviews with agribusiness firms, supermarkets and other market stakeholders, and public sector actors. The market-focused approach evaluated value chains for palm oil, rice, fresh fruits and vegetables, and poultry to determine where competitiveness gaps exist and to inform the approach of the TA facility to better tailor solutions for identified client segments. The facility will source SMEs through relationships with known lead firms, supermarkets, and industry associations (such as the Sierra Leone Chamber for Agribusiness Development and the Association of Small-Scale Manufacturers). The TA facility is designed to annually support cohorts of 15–20 SMEs that will receive specialized, deep dive diagnostic services that will result in detailed business plans. Those plans will identify specific managerial, technical, production, operational, supply chain, or marketing gaps that inhibit growth and will recommended tailored solutions to address them. The TA facility will then provide access to a suite of common BDSs, including through matching grants, such as coaching, one-on-one personalized training, and mentoring to help implement identified SME funding plans. The TA facility will also facilitate both upstream and downstream market links for SMEs and will help strengthen the wider agribusiness market ecosystem by supporting existing entrepreneurial initiatives that have proved successful.

- **Operation and implementation support.** Further research supported by CIIP helped identify hiring criteria for staff in the project implementation unit and the TA facility. The team supported the preparation of the annual work plan and budget, as well as the design of the TA facility's operational manual, which includes a detailed process mapping for client intake and support, operational guidelines, knowledge products, governance and reporting procedures, roles and responsibilities, decision-making process, and overall strategic direction of the facility. The TA facility launch event is planned for November 2019.

In the remaining life of the grant, CIIP will support the development of new knowledge products from the SME diagnostic work. The additional work will involve an engagement with commercial banks and nonbank financial institutions to discuss the findings of the financial sector diagnostic that could lead to the development of new financial products and services for agribusiness firms, including commercially oriented farmers and SMEs. The team is also working on finalizing a deliverable on cross-cutting gender and youth issues to inform targeted interventions for women- and youth-owned SMEs. Specific criteria for gender and youth are already incorporated in the TA facility design: 40 percent of project beneficiaries are expected to be women and 15 percent youth entrepreneurs, who will be supported through a mini-accelerator program with a specialized set of challenge funds to address the unique needs of women-owned SMEs and high-potential youth-owned microenterprises and start-ups in agribusiness.

Results Chain



Expected Output	Expected Outcome	Expected Impact
2 SME support facilities designed and created	$10 million public investment leveraged from World Bank projects*	30% increase in volume of processed products, of which 40% from female-owned firms
$3.4 million committed for SME support	50% of firms use investor relationship management system	20 new investments in agribusiness sector, of which 8 in women-owned firms
1 cross-institutional coordination mechanism created	30 SMEs compliant with private market standards (domestic or international), of which 15 female owned	
4 strategies/reform programs designed	60 SME business plans receive project funding, of which 30 female owned	

*approved in FY19

UGANDA Competitiveness and Enterprise Development Project

Leverage Mobilizing Private Investment for Jobs ($300 million, projected)
Partner coordination European Commission, DFID
Grant amount $300,000

Background

The Ugandan economy has been recovering since the slump in 2013, but growth is still lower than in previous decades. Growth has largely been driven by an acceleration of public and private investments and has been primarily based on an extensive use of factor inputs, land, and labor. To sustain economic growth and to meet increasing demand for jobs, Uganda needs to pursue a more resilient growth trajectory focused on productivity enhancements, which can shield the economy from shocks. The most fundamental factors to achieve this goal are more productive and competitive firms and exploitation of Uganda's comparative advantages and natural endowments. Uganda's private sector firms operate primarily in low-value-added, labor-intensive areas of production. Few survive beyond the second year of operation because of myriad challenges—poor management, ethics, and planning as well as lack of access to information and business finance to sustain and grow businesses. Although wages are low, productivity is even lower, which makes it difficult for Ugandan firms to compete in international markets. In sectors with weak value chain links, including agriculture, stakeholders along the value chains (including farmers, traders, and processors) must collaborate and create strong commercial links to maximize gains and to accelerate the pace of commercialization, which is key to increasing productivity.

The objective of CIIP support is to conduct analytical work that prioritizes high-potential value chains and assesses market accessibility and quality infrastructure to support the preparation of a $300 million Mobilizing Private Investment for Jobs Project. The operation's development objective is to create sustainable private sector jobs, to enhance export competitiveness, and to support the creation of sustainable revenue to finance infrastructure and social investment in the long run. The indicative components of the lending project include (1) improving the policy and regulatory environment to mobilize investments; (2) enabling access to finance for growth sectors; (3) enhancing capabilities of firms, especially SMEs; and (4) developing a spatial strategy to support private sector growth and development. CIIP will support project design and preparation through data collection, analytical work, robust PPD, and identification of critical constraints and policy actions.

Project Status

During the past fiscal year, CIIP has supported project preparation with the following activities:

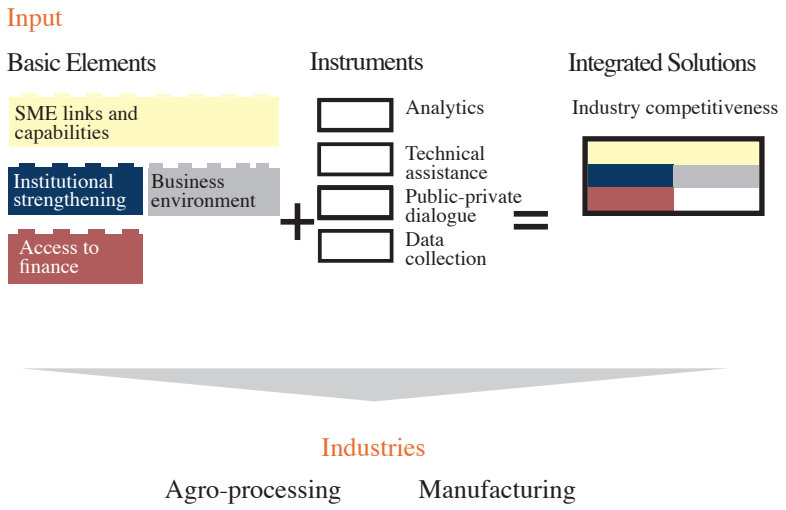
- **Diagnostic and value chain analysis.** CIIP funded the Austrian Institute of Economic Research to prepare a survey tool and methodological approach to analyze the industrial development priorities in Uganda and the state-of-play of a circular economy. The novel questionnaire aims to explore the basic structure of the value chain in selected sectors through questions related to actual waste management structure, energy supply systems (fossil or renewable), and the use and application of secondary materials. The approach would help identify those sectors with high growth potential and high potential to contribute to increased circularity in the economy. The analysis will show factors that hamper development and investment needs across value chains. The conclusions will help to broadly assess intervention instruments in the Ugandan context and to propose circular business models in typical value chains. For instance, policies will be able to differentiate between firm-level and systemic interventions and to consider aspects, such as finance and regulations. These insights will eventually help design policy interventions that aim at capacity building and competence strengthening in industrial diversification and circular economy.

- **Access to finance and agriculture finance.** The paper reviews Uganda's financial markets and identifies the key underlying causes of its dysfunction: (1) high opportunity cost of lending because of fiscal dominance, (2) limited competition among banks, (3) highly constrained availability of longer-term liquidity, (4) high credit risks becasuse of weak credit environment, and (5) weak availability of enterprise data. The analysis suggests specific change mechanisms to address the identified failures, including (1) provision of credit lines that target SMEs, (2) partial credit guarantees, (3) mortgage refinance facility, (4) technical assistance facility available to all prospective SME investee enterprises, and (5) challenge fund to enhance value-chain financing.

- **National quality infrastructure assessment.** CIIP supported the preparation of a diagnostic of the national quality infrastructure in Uganda. The report finds that the public and private sector drive quality infrastructure services. In consultation with a wide range of stakeholders, the government has prepared a National Standards and Quality Policy and a National

Accreditation Policy that contain important elements needed to enhance the quality infrastructure system in Uganda. The Uganda National Bureau of Standards is the apex quality infrastructure body responsible for nearly all services. Its regulatory role is not aligned with good international practices, and the scope of compulsory standards and certification is enormous and excessive. The report outlines a series of specific recommendations to address the identified shortcomings, including (1) the establishment of a modern and transparent regulatory framework for efficient quality infrastructure and consumer protection; (2) the separation of core functions through the establishment of an independent accreditation agency and an independent food safety agency and the separation of standardization, metrology, and official control functions within the Uganda National Bureau of Standards; and (3) an acceleration revision of all technical regulations and standards.

Results Chain



Expected Output	Expected Outcome	Expected Impact
$50 million committed for infrastructure improvement	$300 million public investment leveraged from World Bank projects*	10,000 jobs created, of which 50% are for women
100 new investors	$2 million committed to SME support programs	
10 strategy/reform programs designed	100 SMEs trained or supported	
50 procurement contracts with local SMEs	100 hectares of serviced industrial land developed	
5 laws/regulations/ reforms enacted		

*approval expected in FY21

Country Operations Approved in FY19

CENTRAL AFRICAN REPUBLIC Private Sector Support Services Delivery Design

Grant amount $200,000

Background

Fragility, conflict, and violence constitute pressing challenges for the Central African Republic. Since 2013, violence has crippled the private sector and has left more than 2.4 million people in need of assistance. Efforts to reach a lasting peace settlement, donor-funded efforts to rebuild the country, and the government's efforts to serve its citizens are slowly having a positive impact. The 2013 violence reshaped the sectoral composition of GDP, with a decline in the share of agricultural sector compensated by an increase in the share of the services sector. In the medium to long term, the development of the private sector will be critical to supporting livelihoods, to ensuring the reintegration of excombatants, and to alleviating the misery that contributes to episodes of violence. MSMEs in the Central African Republic face significant challenges, including high informality, critical deficits in skills, poor access to finance, and lack of platforms for horizontal and vertical collaboration. Government efforts to address obstacles to private sector development have had limited impact as the Central African Republic has a weak ecosystem for MSMEs, poor infrastructure, chaotic business environment, and poorly functioning public and public-private agencies that intermediate key functions of the private sector.

Enabling the private sector in the Central African Republic requires providing MSMEs with technical and financial assistance, as well as facilitating investment in select projects in which investors have expressed an interest. The objective of the CIIP grant is to turn a high-level understanding of the country's obstacles to private sector development into activity designs for delivering technical and financial assistance to MSMEs and for facilitating four to six specific private investment projects. Given the fragile context of the Central African Republic, market assessment work is needed to design successful private sector development activities, to prioritize actions, and to determine appropriate institutional arrangements.

The activity will support the delivery of financial assistance to MSMEs through matching grants, which are deemed the most appropriate intervention given the risks and poor access to credit in the country. The team will evaluate the specific needs of MSMEs, and in consultation with financial institutions, nongovernmental organizations, potential partners, and public-sector and donor counterparts, it will design the parameters of a realistic, efficient, and feasible matching grant facility. The grant will deliver a technical note that describes the dimensions, implementation arrangements, staffing requirement, selection process, management information systems, grant cycle and size, eligibility criteria, eligible expenses, and other operational aspects of the matching grant facility. CIIP will also design activities to reduce financial institutions' reluctance to lend to MSMEs and to increase credit provided to MSMEs. The team will review MSME credit lines, partial credit guarantees and asset-based lending, and the role of digital financial inclusion efforts. In terms of technical assistance for MSMEs, the grant will take stock of technical assistance, training, and informational and organizational needs, as well as design feasible options for providing it. The team will produce a technical note that details potential future component design of types of services to be offered, mode of delivery, institutional arrangements, beneficiary selections, frequency, size and scale of activities, costs, and performance indicators. Finally, the CIIP grant will facilitate the realization of investment projects with demonstrated private sector interest by funding an action plan to support investors and the government. Approximately 34 projects will be assessed on their strengths and weaknesses, feasibility, and profitability; ultimately, four to six investment projects will be prioritized for funding. Examples include rehabilitating a hotel in Bangui and restarting river crossing transport services. The action plans will include key steps required to get the project funded, such as studies that need to be completed; agencies that need to be involved in licensing, registration, ownership, and legal prerequisites for investment; and other measures necessary to begin operations, as well as estimates of time, cost, and other needed resources. Action plans will be presented and discussed in a workshop for public and private stakeholders, financial institutions, and potential investors.

EGYPT Cluster and Sector Diagnostics in Arab Republic of Egypt's Lagging Regions

Grant amount $150,000

Background

The region of Upper Egypt includes 10 governorates and stretches from south of Cairo to the border with Sudan. Most of the population and economic activity are concentrated along the banks of the Nile River. The poverty rate in the region is estimated at 35.8 percent compared with around 20.0 percent for Egypt overall. The region is also home to 38 percent of the country's population but 67 percent of its poor. Of the bottom 40.0 percent, 41.5 percent are concentrated in rural Upper Egypt. The region is also relatively far from the country's primary ports and markets, although connectivity has recently improved with the construction of new roads and airports and could improve even more if the port of Safaga is developed on the Red Sea.

The CIIP technical assistance activity aims to inform government policies and current and future operational lending focused on supporting clusters and sectors in Egypt's lagging regions, specifically those in Upper Egypt. The activity builds on the ongoing Program for Results in Upper Egypt with an overarching objective of private sector–led job creation and inclusive growth. The activity will identify and analyze several sectors and clusters that could export more and have a positive impact on jobs and social inclusion for the local population. Upper Egypt has significant economic activities in sectors such as horticulture (and agriculture at large), dairy production, tourism, light manufacturing, and handicrafts. The CIIP activity will help identify high-level areas of policy interventions or investments that would promote growth and investment in such sectors and clusters by removing (1) government and coordination failures exacerbated by weak institutional capacities that lead to ineffective prioritization of capital expenditures and (2) sector-specific market failures and counterproductive national and local-level policies. The analysis will include a preliminary mapping, assessment, and understanding of the current cluster and sector landscape, as well as consideration of the territory's untapped assets and endowments that would attract investment for greater productivity.

The CIIP project's objective is to map and analyze clusters, sectors, economic endowments, and assets in a sample of Egypt's lagging regions. The analysis will help articulate the enabling factors for an inclusive local economic growth in targeted regions, such as market access, skills and vocational training, targeted infrastructure, and policy reforms. First, the team will assess the general economic potential of targeted governorates through a review of an inventory of existing analyses, a mapping and assessing of the structure of active economic sectors, identification of emerging sectors, identification and analysis of cross-sector enablers, and assessment of upcoming economic development or areas of potential interest for investors. Second, the team will conduct a deeper assessment of the scale, maturity, and sophistication of three to five key economic sectors or clusters by looking at their current products, skills, and markets and by highlighting potential for growth and constraints that may be holding the sectors or clusters back from making use of the opportunities. And, finally, the team will produce a geographic mapping of assets and natural endowments (for example, infrastructure, connectivity, natural resources, heritage and cultural endowments, and spatial concentrations of firms in specific clusters) and will highlight comparative advantages linked to (among others) location, connectivity and infrastructure, and natural and cultural endowments.

GHANA Complementary Support to Economic Diversification

Grant amount $200,000

Background

Ghana is a middle-income country that has performed well in the past two decades, with economic growth slowing in recent years. Economic growth has largely been driven by commodity exports (cocoa and gold, for which prices more than tripled between 2000 and 2010) and the start of commercial oil production in 2011. However, GDP growth rates slowed between 2012 and 2016, averaging 5.6 percent (with a low of 1.6 percent in 2015), while picking up again to 8.5 percent in 2017. Economic growth has become less inclusive, with increased volatility and diminished poverty reduction, which may reflect the declining contribution of agriculture in which most poor households are engaged, the limited opportunities for higher productivity jobs in the services sector, and a largely capital-intensive industrial development. If Ghana is to achieve higher and inclusive growth, it will need to invest more, decrease its dependence on commodities, and increase productivity across its companies.

The World Bank is preparing the $200 million pipeline Economic Transformation project to support the government in implementing a comprehensive economic transformation model focused on spatial development, SMEs, and start-ups. Because one of the main constraints to private sector growth in Ghana is access to industrial land, the project will focus on improving the government's capacity to support the expansion of SEZs in a sustainable manner (financially, environmentally, and socially). Industrial sites that are well planned and implemented can ensure that the establishment and growth of companies is a win-win for businesses, developers, local communities, and the country. Potential industries that could be targeted for site development include pharmaceuticals and other light manufacturing industries. The project will also provide financial and nonfinancial support to SMEs and start-ups across different industries. Incubation and acceleration programs will focus on the development of digital technologies to support the agribusiness, financial, health, and education sectors.

CIIP will support just-in-time technical assistance for implementing reforms and capacity building related to spatial development planning and investment attraction through (1) benchmarking to identify Ghana's comparative advantages and areas for improvement to compete with SEZ regimes in other countries; (2) the Value Proposition and Marketing Plan for the SEZ regime in Ghana based on the benchmarking information and geared toward potential private developers and operators, as well as anchor and tenant companies in the SEZs; and (3) analysis of SEZ incentives to determine if they are attractive and complementary; consistent with best practices and bilateral, regional, and international trade agreements; and clear, well advertised, and easily accessible. In addition, CIIP will support the government in carrying out the first two to three site assessments, measuring economic viability, technical feasibility, security, environmental, social, resettlement, cultural, religious, or other issues and risks.

In accelerating entrepreneurship and SME growth, CIIP will support project design by (1) assessing the institutional and regulatory reforms needed for a revamped public Venture Capital Fund and just-in-time technical assistance for implementation of reforms to Venture Capital Fund initiatives, (2) offering just-in-time support to international benchmarking exercise of existing incubation and acceleration programs, (3) mapping main SME and entrepreneurship programs and initiatives supported by the government, and (4) implementing rounds of consultation and engagement between the public and private sectors. Closer interaction between the government and market actors (companies, investors, and others) is key to improving public policy related to entrepreneurship, SME development, and investment attraction. Therefore, PPD efforts will be built into all CIIP activities.

GUINEA Promoting Diversification and Inclusive Growth in Guinea

Grant amount $250,000

Background

Guinea is endowed with considerable natural resources relative to its GDP but remains one of the poorest and least competitive countries in the world. For the domestic private sector to flourish and create jobs, Guinea urgently needs to develop its nonmining sectors by leveraging the resources of its mining sector and by improving domestic economic connectivity. Mining accounts for a large share of Guinea's GDP and exports but provides few jobs, and revenues from the sector are not adequately distributed across the country. Most of the population is employed in the agricultural sector, which suffers from low productivity. Agriculture and agribusiness activity are held back by poor infrastructure along critical domestic corridors between secondary cities and Conakry. Guinea's urban agglomerations represent an important untapped opportunity to bring about structural transformation in the country based on economies of scale and deep markets and to become engines of growth and job creation. However, there remains a lack of understanding of the market potential of the urban agglomerations, including the possibilities for vertical links between different types of cities and rural areas.

The objective of CIIP activities in Guinea is to contribute toward establishing improved economic connectivity to foster growth and job creation in regional growth clusters and to encourage an inclusive policy dialogue between the public and private sectors at the national and local level. CIIP will provide advice and support to the government to implement its reform agenda supported by a series of development policy operations, the first of which is the $90 million pipeline Competitiveness, Energy, and Fiscal Management Operation. Activities will include technical assistance and analytical work in the areas of trade facilitation, support to increase the attractiveness of secondary cities outside Conakry, and measures to facilitate PPD. The project will provide critical inputs to support Guinea's agenda for creating growth poles and will seek to build consensus on priority policy and investments to be implemented through several lending and development policy operations, as well as IFC advisory activities in the agriculture and mining sectors.

The CIIP grant will fund three complementary workstreams. The first workstream reviews the market feasibility of promoting growth clusters in and around secondary cities. The component will take a spatial approach to identify key economic drivers and will propose a set of location-specific policy reforms to develop local industries and to boost the contribution of women to economic activities. Specifically, the work will analyze advantages and constraints to agglomeration, as well as constraints to growth, and will identify the institutional framework required to implement the necessary policy reforms. The second workstream will consist of deep dive diagnostics and will aim to assess the likely impacts of trade facilitation reforms and infrastructure upgrades on territorial development across cities in Guinea. The team will employ a computable spatial general equilibrium model to predict the effects of increased connectivity across different regions. The workstream will conduct in-depth case studies of two cities and will evaluate which policy levers are most important to enhance the positive impact of trade and transport policies and investments along the corridor. The final workstream will conduct constructive PPD to facilitate a collective process for the design, implementation, and dissemination of economic policies. Coalitions for growth will be supported at a grassroots level to help build trust between public and private sector actors through demonstration and dissemination events and through executive training for local and national leaders.

GUYANA Competitiveness and Diversification Diagnosis

Grant amount $250,000

Background

Guyana is at a critical juncture in its development path, with recently discovered vast oil resources having the potential to transform the economy. Guyana's economy is concentrated in commodities with exports of sugar, gold, bauxite, timber, rice, and shrimp. These account for around half of GDP and 90 percent of all exports. Services industries that account for the other half of GDP are often linked to extractives, such as through construction, and primarily serve the domestic market. There is little value added to the primary export products. The private sector is underdeveloped and hindered by numerous constraints in the investment climate and a large state presence in the economy. However, there are opportunities for longer-term industrial competitiveness and private sector development. Fiscal revenues from oil extraction have the potential to transform the economy through public investments in human and physical capital. With targeted public investments, Guyana could spark long-term development of stronger domestic supply to the oil industry or to the secondary sectors around oil. If resources are not invested to enable competitive private sector opportunities in diversified economic activities, the oil boom creates significant risk of further concentration of the economy and heightened governance and social stability challenges.

CIIP funding will inform World Bank support to the government of Guyana through lending and development policy operations to strengthen financial and fiscal stability, to improve bank resolution and insurance oversight, to establish a sovereign wealth fund, and to improve public investment management. These engagements provide a direct platform for policy dialogue on complementary assistance to unlock private sector development opportunities. The CIIP analytical activity seeks to offer information on this understanding of Guyana's industrial competitiveness potential (given forthcoming changes in revenue availability), to assess the industrial competitiveness opportunities enabled by the oil boom, and to prioritize the most effective ways to use the oil windfall resources to generate opportunities for private sector development and job creation in those industries.

CIIP will fund a diagnostic study that seeks to draw on lessons from other economies about economic transformation in the context of windfall revenues, identifying strategic investments and policies (beyond those that support good governance and fiscal principles) that helped promote competitiveness of various industries in those countries. The report will analyze the industries in Guyana with the most competitive potential to prosper and attract new private investment, which will be chosen through quantitative trade competitiveness and firm-level productivity analysis. The analysis will identify regulatory, physical infrastructure, and human capital improvements that are needed for the identified industries to prosper. Regulatory issues will consider cross-cutting business environment reform needs that would enable private sector development broadly, as well as industry-specific constraints. The analysis will also identify gender aspects of human capital or other development needs to help ensure that women, as well as men, benefit from future development. The diagnostic study will be disseminated through workshops and public-private consultations and will seek to inform public debate on public investment priorities, including environmental sustainability considerations and inclusive growth.

MALAWI SME and Technology Adoption Readiness

Grant amount $150,000

Background

SMEs are an important component of the Malawian economy. According to the 2012 Malawi FinScope Survey, while the private sector in Malawi is characterized by a few large firms, many firms are informal microenterprises—more than 1 million MSMEs employ more than 1 million people, with a total income equivalent to 30 percent of GDP in 2011. Maximizing Malawi's growth potential will require harnessing and growing "missing" medium enterprises to create more and better jobs and to support the growth of micro firms. Making use of technology to improve firm productivity and business practices and to penetrate new markets remains a challenge for SMEs in Malawi. While larger firms can navigate the technological landscape, SMEs are faced with limited resources and skills shortages and, consequently, will fall behind in the new economy. To better position SMEs to harness the potential of technology through acquisition and adoption, the government needs to better understand the wide range of factors that may affect the adoption of new technology by SMEs. Determining the readiness of SMEs to adopt new technology will help entrepreneurs make better decisions and support the government and will help development partners design support programs informed by rigorous analysis.

CIIP will support the design of the $60 million pipeline Financial Inclusion and Entrepreneurship Scaling Project, which aims to support the development of entrepreneurship, particularly for MSMEs, through the development of business support services, increased access to finance, and improvements in the legal and regulatory environment for the private sector. As part of the project preparation activities, the team will conduct a survey of MSMEs that will contribute to determining the challenges and constraints to MSME development and will identify private sector–oriented solutions geared toward enhancing firm capabilities and competitiveness. The lending project will also contribute to the identification of legal and regulatory solutions, as well as skills enhancement provisions, that would further improve firm capabilities and competitiveness.

To inform and improve project design, CIIP will finance a study that will examine the factors that contribute to technological adoption readiness of SMEs in Malawi and will derive a set of recommendations that would shape government and donor support to SMEs to ensure that the enterprises receive the necessary resources and the enabling environment to position themselves to exploit the gains from technology and innovation. The study will analyze both the macro and micro economic factors that contribute to technological readiness of SMEs in Malawi and will assess both the level of technological adoption readiness and the factors that contribute to it.

The team will collect and analyze firm-level data on technology adoption, determine key challenges, and propose government policies and strategies (regarding issues such as telecommunications, consumer rights, security, cybercrime, and privacy) that will create the facilitating conditions needed to enable SMEs to adopt e-business and technological infrastructure that is affordable and to access data that enable e-commerce. At the micro level, the study will propose programs that enhance resources and skills for SMEs. These recommendations will serve as input into policy dialogue with the government of Malawi to agree on solutions. The activity will produce two detailed case studies of one enterprise that successfully adopted ICT to improve its operations and another enterprise that faced considerable challenges in adopting ICT. The team will also conduct a detail assessment of the enabling environment for e-readiness in Malawi. This assessment will evaluate government policies for e-business focusing on six key areas: (1) basic infrastructure and technology, (2) access to communication services, (3) level of internet usage in the country, (4) skills, (5) government policy and vision, and (6) legal environment (e-business laws and policies). The resulting policy paper from the project will serve as a powerful platform for dialogue with government and private sector representatives on key policies and instruments to greatly enhance the environment that would enable SMEs in Malawi to increase their use of technology. The policy paper will identify policies that Malawi should prioritize to foster greater technology adoption.

MAURITANIA Fostering Women's and Vulnerable Economic Operators' Engagement in the Nouadhibou Free Zone

Grant amount $200,000

Background

The SEZ of the Nouadhibou Free Zone was established in 2013 in Mauritania's economic capital—the port city of Nouadhibou—as part of the country's updated investment code mandate to use SEZs to encourage entrepreneurship and job creation; to promote greater business activity in the interior of the country; and to facilitate technology transfers, innovation, and competitiveness. The Eco-Seafood Cluster is an institutional initiative within the zone that helps the Nouadhibou Free Zone Authority engage the private sector and civil society in designing and operating an economic cluster that is environmentally, economically, and socially sustainable. With increased capacity for local value addition, adequate post-harvest facilities, increased private sector investment and transparent business processes, and sustainable stock levels, the fisheries sector can contribute to increased employment and economic growth.

In 2017, in support of this objective, the World Bank approved the $7.75 million Nouadhibou Eco-Seafood Cluster project that seeks to support the development of a seafood cluster in the Nouadhibou Free Zone. The cluster will promote the sustainable management of fisheries and generate value for local communities. The Eco-Seafood Cluster is made up of interconnected businesses, suppliers, and associated public and private institutions involved in the fisheries industry. The project includes two components: (1) developing a sustainable seafood cluster in Nouadhibou and (2) increasing the value of seafood products produced and marketed in the seafood cluster with the participation of local actors in Nouadhibou. The project aims to increase investment generated by responsible investors and the volume of exported fresh fish.

The CIIP activity will implement inclusion activities to expand local populations' productivity, to generate private investment, and to create links with the formal economy, thereby enhancing the resilience and economic opportunities of targeted households. Capitalizing on research financed by the previous CIIP grant, the key beneficiaries will be women and small-scale fishers, both of whom make up the bulk of informal economic actors in the free zone's artisanal fisheries sector. To follow up and reinforce the lending project's training activities that promote good fishing and post-harvest management practices, the CIIP grant will fund basic training for women economic operators in the zone in (1) microentrepreneurship and organizational capacity (for example, support to coordinate efforts and to form cooperatives and unions of cooperatives) and (2) personal initiative, which has been shown in other projects to increase women-owned firms' profits substantially by providing women with key socio-emotional skills and self-esteem as businesswomen.

CIIP will also fund a pilot community radio station that would broadcast messages related to meteorological alerts, fish prices, awareness of new fishing techniques and regulations, prevention of boat collisions, drowning risks, job alerts, and more. It would provide coverage to fishers operating at sea within the limits of the artisanal fisheries region, as well as relevant onshore actors in the Nouadhibou Free Zone. The community radio will, therefore, also contribute to efforts to build the capacity of small fishing operators and vulnerable groups, enabling them to increase their income and to improve their working conditions. The team will seek out a partnership with Radio FM Mauritania and the Ministry of Fisheries, will undertake rigorous monitoring and evaluation activities, and will disseminate findings.

ORGANISATION OF EASTERN CARIBBEAN STATES Blue Economy in the OECS

Grant amount $200,000

Background

The blue economy is defined as the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs conducted in a manner that preserves the health of the ocean ecosystem. The activity aims to complement the ongoing OECS Regional Tourism Competitiveness Project by identifying financing mechanisms that would crowd in investments into the blue economy so that blue assets could be sustainably and productively used. CIIP will conduct a prefeasibility study for the design of a regional Blue Investment Fund in the OECS, which includes the IDA countries of Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines, as well as Antigua and Barbuda and St. Kitts and Nevis. The main challenges to private sector growth in the region are the lack of capacity to identify and prepare a pipeline of investable projects and the lack of mechanisms in place for investors to mobilize and pool resources and to share risk within an adequate management and governance structure with appropriate guarantees in place. The proposed fund would mobilize private sector investment for marine-based tourism, water-based shipping and trade, recreational and commercial fisheries, and marine waste management. The attracted investment would help the private sector, including MSMEs, to become more efficient and productive in leveraging the region's blue assets through technological upgrades, improvements to infrastructure, and skills upgrading.

The prefeasibility study will include a design for the Blue Investment Fund that features identification of legal status, governance, management structure, types of beneficiaries and selection criteria, financial intermediaries, exit strategy, potential regional partners and complementarities, and lessons learned from relevant programs. CIIP will also support the generation of a pipeline of environmentally sustainable and financially and economically viable investments by the private sector in marine and coastal tourism and other sectors. The activity will develop an identification framework and capitalization strategy and will identify new and innovative financial solutions for replenishing the fund, such as blue bonds and debt swaps. The prefeasibility study could also explore and identify opportunities for possible IFC investment in the Blue Investment Fund or co-investment directly into the infrastructure investments that would be financed through the fund. The study will explore possible WB and IFC project designs and will aim to maximize finance for development and to contribute to the WBG's green finance agenda.

The study will also identify mechanisms to support the private sector, including MSMEs, to become more productive in using marine-based assets and in reducing environmental degradation. Finally, the activity will strengthen the regulatory framework for the blue economy by identifying and consolidating potential policies—and by implementing an adequate regulatory and institutional framework to create the enabling environment for the functioning of the Blue Investment Fund—and will promote responsible private sector investments throughout the value chain by reducing risks and by providing incentives for innovation. The CIIP activity aims to inform and design the strategies of at least four countries in the region.

SENEGAL Senegal Digital Competitiveness: Supporting Productivity and Inclusion from the Adoption of Digital Technologies

Grant amount $350,000

Background

Senegal's economy has experienced strong growth and improved competitiveness in recent years that has been facilitated by structural factors, such as improved infrastructure and financial deepening. Stagnating income inequalities and widening asset and regional disparities, however, raise concerns about the inclusiveness of growth and the effectiveness of labor markets. Senegal needs to pursue bolder and more inclusive reforms to meet its poverty eradication targets. ICTs have emerged as critical cross-cutting technologies that have the potential to support inclusive growth. The government of Senegal has demonstrated a willingness to engage and adequate political space for reforms in this area. Digital technologies, supported by internet broadband, are increasingly central to the competitiveness of Senegal's traditionally most important sectors, such as agriculture supported by agribusiness and services, and the government has given digital technoloy adoption a much stronger emphasis in the latest phase of its development plan (Priority Action Plan 2019–23).

The CIIP activity will support the government in creating a business environment that enables the growth of competitive industries and the creation of inclusive jobs through the adoption of digital technologies by firms. The funding will support four components (supporting four complementary and multisectoral WBG operations) related to innovation, industry competitiveness, firm productivity, SME support interventions and policies, value chains, and export competitiveness and diversification. The project will generate primary data through a new technology adoption survey, which will identify the types and levels of digital technologies relative to nondigital techonologies adopted by firms across all industries and the potential impact of specific digital techonologies on productivity and inclusiveness. The firm-level database and report will include the survey of 2,000 enterprises with national representative stratified random sampling. Statistical capacity building will be provided to the National Statistical Agency for follow-up rounds of the survey.

The CIIP work will also inform the design and implementation of policy reforms in ICT competitiveness and digital entrepreneurship under the proposed third multisectoral structural reform Development Policy Financing operation, including an ex ante evaluation of the potential social and distribution effects of the associated reform program. The CIIP grant will also support agricultural case studies, including (1) a case study on the design and feasibility of piloting a blockchain solution for traceability for the export-oriented groundnuts agribusiness value chain or the mango agribusiness value chain and (2) a case study quantifying the impact that the CommAgri app (a platform for production and market information gathering and management by supporting agribusiness operated by smartphones) is having across the cereals industry and its likely deployment impact for the mango sector. Finally, CIIP will support trade facilitation case studies on (1) the impact of the digitization of truck flow management in the port of Dakar on the amount of time to export and import, on road transport operators' efficiency, and on firm export performance and (2) the benefits of deploying customs digital systems at all border posts.

SOMALIA MSME Financing Facility and Digital Services Readiness Support

Grant amount $200,000

Background

Somalia remains a fragile country despite the substantial progress made in recent years to lay the foundations for stability and development. Somalia's economic development challenges are daunting, and its growth remains insufficient for reducing vulnerability for a large segment of the population. The agriculture sector, mainly livestock, remains the backbone of the Somali economy. Somalia has a vibrant private sector, a networked business community, and a desire for international trade and investment. An esstimated 77 percent or more of Somalia's population lacks an official proof of identity. Providing a robust and verifiable government-recognized ID is among the most pressing priorities in Somalia. A unique identifier that is linked to each transaction account would help ensure that financial transactions can be more accurately tracked. It also would enable scale-up of access to finance and other basic services for Somalis, including for women and vulnerable people in rural areas, and would promote safe and orderly migration within and across Somalia's borders. A robust digital ID system is also instrumental for improving the robustness of business registration and access to finance for MSMEs since implementation of a central registry for companies offers access to information-ensuring transparency.

This CIIP grant will directly contribute to the design of the $18 million pipeline Somalia Capacity Advancement, Livelihoods, and Entrepreneurship through the Digital Uplift investment project, which supports progress toward increased access to basic digital financial and government services that target entrepreneurship and employment, particularly for women. The project will support the government in stabilizing core government institutions that are key to providing services that enable economic opportunity for individuals and businesses and to creating legislative and institutional frameworks that enable the digital ID system and related digital services. The project will also establish an MSME financing facility that will provide a line of credit to fund expansion and growth of Somali MSMEs that are operating in productive sectors, including energy and livestock, and the operationalization of a new ID authority. Establishment of the authority will be followed by support to complete digital ID enrollment for at least the first million registrants and the scaling up of government digital payments.

While the project is in the preparation phase, CIIP will fund several activities, including (1) the elaboration of a charter for the MSME financing facility; (2) the development of the MSME Subproject Manual, which will codify appraisal standards, other operational and technical procedures (including environmental and social safeguards and gender aspects), and a business plan for the facility; (3) the assessment of the mechanisms for regulating product quality in key productive sectors (energy and agriculture, especially livestock) targeted by the MSME facility; (4) the engagement of stakeholder and PPD on best practices in setting up MSME lines of credit in other fragile contexts; (5) the preparation of a detailed ID policy document that outlines the institutional and governance arrangements for the ID authority and the main features and processes associated with the digital ID system; and (6) the preparation of the Project Operations Manual and implementation arrangements relating to the MSME Subproject Manual.

Initial capitalization of the MSME facility will be achieved through the use of proceeds from the IDA Pre-Arrears Clearance Grant, but the entity will subsequently be opened to private sector investment and shareholding through additional calls for investment capital. The MSME facility represents the first step in creating a Somali entity with a commercial orientation that can act as a platform to crowd in additional investments of private capital from international sources, including IFC and other development finance institutions, thereby fostering financial sector development and financial inclusion sustaining the most dynamic MSMEs and facilitating the provision of jobs in a capital-constrained environment.

SOUTHERN AFRICA Nacala Corridor Regional Trade Project

Grant amount $350,000

Background

The Nacala Corridor is a trading route that connects landlocked Malawi and Zambia to the port of Nacala in central Mozambique. The port is Eastern Africa's deepest natural port and is currently the third-largest port in Mozambique in terms of volume of cargo handled. In recent years, the Nacala Corridor has benefited from more than $3 billion in private sector investment to develop a rail line. Around $800 million of donor funding has been mobilized to improve the road network and more than $500 million has been committed to improve the port of Nacala.

The $155 million pipeline Nacala Corridor Regional Trade Project aims to build on this investment to improve connectivity along the corridor, which includes increasing rural access, facilitating trade and logistics, and developing value chains. The aim is to develop the transport corridor into an economic corridor with broad-based regional development and growth benefits for more than 30 million people in Malawi and Mozambique living in the corridor's catchment area. By merging policy reforms and infrastructure investments, this transformative corridor project strives to reduce trade and transport costs, as well as trade barriers along the Nacala Corridor, with a focus on Malawi and Mozambique.

The CIIP grant plans to optimize the regional operation's chances of success and to maximize finance or development by clarifying key gaps and priorities throught the identification of relevant mitigation measures and appropriate sequencing of interventions. To that end, the grant will support an investment survey to assess barriers to trade and investment and medium-term investment potential along the Nacala Corridor. The survey will target 400 large and medium firms—the majority of which will be in Mozambique and Malawi, with the rest in Mauritius, South Africa, Tanzania, and Zambia. The sample will be derived from investment promotion agencies, chambers of commerce, and other relevant databases. The data will also be used to inform the design of the survey instrument. It is expected that computer-assisted telephone interviewing will be used to administer the survey. The results of the survey will inform not only the design of the project, but also other ongoing operations in Malawi and Mozambique.

Because an efficient corridor requires an institutional framework that effectively coordinates across countries and issues and between the public and private sectors, the CIIP grant will prepare an assessment of options, risks, and benefits of different institutional coordination mechanisms. The team will also conduct a competition and political economy analysis of the transport and logistic sectors by examining the formal and informal institutional structure of the sector, anticompetitive behavior, and vested interests to identify potential procompetition regulatory reform opportunities and incentive structures. The grant will also fund an assessment of nontariff measures in Malawi and Mozambique that restrict trade and will finance a set of recommendations to support the development of a transparent and rules-based system for trade along the corridor. Finally, the team will identify climate change mitigation and adaptation measures and will seek to integrate options into the required environmental and social assessments for delivering climate cobenefits, to assess the feasibility and cost of doing so, and to design relevant activities for inclusion in the project.

TANZANIA Zanzibar Tourism

Grant amount $200,000

Background

Tourism is a significant source of income for the Zanzibar economy and is the largest source of foreign exchange. The sector contributes 27 percent of the islands' GDP and 80 percent of their foreign exchange earnings. The sector also creates around 15,000 direct and 50,000 indirect jobs. Zanzibar generated $3.8 billion from 376,000 tourist arrivals in FY16/17. Tourist arrivals in Zanzibar have been growing during the past 25 years, but yield from tourism has not grown at the same pace. Even though the policy framework emphasizes the need to link tourism to other economic sectors, this link has not happened organically, and the potential to economically benefit more Zanzibaris has not been met. In the context of tourist arrival and the growing pressure on infrastructure, the natural environment, and local communities, the government is seeking to define new strategic directions and governance in its tourism sector.

The World Bank is supporting this goal through a $150 million pipeline Boosting Inclusive Growth for Zanzibar Integrated Development Project, which aims to define appropriate investments and to enhance the value of tourism in Zanzibar's economy by bringing together the different stakeholders in tourism around a collective vision and strategic direction. The CIIP proposal will inform and improve the design of approximately $40 million of tourism-related public investments through the lending project, as well as more than $50 million in an expected private sector and public-private partnership (PPP) pipeline.

The Zanzibar Tourism Strategic Action plan has been drafted and supported through analytical work conducted by the World Bank, and it aims to define government-led interventions, such as reforms and investments, that could increase economic, financial, and social yields in ways that create local employment and grow revenues for local companies and local value chains. CIIP will support the further detailing, socialization, and buy-in of the action plan by first defining a prioritized strategic roadmap with an emphasis on market-driven product development. CIIP will develop a detailed action plan for local tourism value chain development by projecting the impact on jobs and supply chains across six to eight market segments (cruise tourism, beach holiday tourism, business meetings and conference tourism, cultural tourism, short-stay excursionists from mainland Tanzania, and marine-based tourism). This intervention will define specific investment recommendations around access to skills, markets, and finance that target value addition across different market segments and different parts of the archipelago.

Analytical work supported by CIIP will define the tourism-related investments to be funded under the lending project. The investments will leverage urban and infrastructure investments to create or add tourism value through, for example, the development of a viable menu of possible tourist activities and experiences in targeted project areas and the identification and prioritization of tourism products, services, and training to be supported by capital funding in the project. Building on the market assessments and recommendations, the team will (1) conduct baseline data collection of the full inventory of tourism-related goods and service providers and existing products in the project area, (2) define specific potential growth segments and investments that the project can make in certain aspects (such as access to skills and markets) based on market projections, (3) define specific locations where a clustering of tourism activities could lead to enhanced local economic benefits, and (4) develop a results framework and a monitoring and evaluation plan for the lending project to monitor job creation, tourist's length of stay and expenditure, investments and new business creation, and business turnover.

UGANDA Mobilizing Private Investments for Jobs

Grant amount $250,000

Background

Uganda's economic growth is largely based on extensive use of factor inputs, land, and labor. However, a more resilient growth process focused on productivity needs to emerge to sustain economic growth and to meet increasing job demand. Productivity-led growth can shield the economy from shocks and can accelerate its rate of economic growth to higher levels of prosperity. The most fundamental factors to achieve this change are more productive and competitive firms and the effective exploitation of Uganda's comparative advantages and natural endowments. Firms in Uganda remain primarily in low-value-added, labor-intensive areas of production. Although wages are low, productivity is even lower, and thus it is difficult for Ugandan firms to compete in international markets. Ugandan manufacturing has not developed enough to provide the stimulus for moving resources from low to high productivity sectors. It needs to process more agricultural products to add value to growth-inducing structural transformation.

The World Bank is in the process of preparing the $300 million pipeline Mobilizing Private Investment for Jobs Project, which aims to strengthen conditions for private sector–led industrial growth and to boost job creation in Uganda, especially in regions of the country that are underused and in sectors that are underperforming compared with their market potential. The lending project will do so by improving the regulatory and investment environment in key growth sectors, by increasing access to financial products specifically targeting SMEs, by raising the capability of firms (especially SMEs) to compete in export markets, and by designing a new spatial strategy to support growth in underserved markets and regions.

CIIP will support the lending project's objectives through four main activities. First, the grant will fund mapping and data collection for several value chains in Uganda to enhance the understanding of industrial development. The team will conduct a value chain mapping based on available data and will produce a written profile of each actor in each value chain analyzed, including business activity, suppliers, customers, and business trends. The mapping exercise will be complemented by a firm survey of a statistically relevant sample using stratified random sampling based on sectors that are proportional to the distribution of firms across geographical regions. Second, the grant will fund a comprehensive financial sector assessment that identifies areas of banking supervision that require strengthening, including early intervention measures and practices that ensure transparency, accountability, and even-handed treatment of debtors and equity-owners. The activity will also establish a business case for value chain financing through a challenge fund and a technical assistance facility that provides investment readiness capacity building to SMEs. Third, the grant will conduct a competitiveness analysis of new growth corridors, as well as infrastructure assessment along new and existing growth corridors. Last, CIIP will support stakeholder dialogue to prioritize actions and sequence interventions. Multistakeholder consultations will also be key in obtaining necessary qualitative data to complement the analysis.

CHAPTER 3

Projects Completed in FY19

ETHIOPIA Competitiveness and Job Creation

Leverage Competitiveness and Job Creation Project ($250 million) and World Bank Group additional financing ($175 million)
Partner coordination DFID, U.S. Agency for International Development, European Commission
Grant amount $1,358,364

Background

Despite strong economic performance during the past decade, Ethiopia remains challenged by the need to create jobs for its fast-growing population of more than 100 million people, including for an estimated 20 million Ethiopians living below the poverty line. GDP per capita was estimated at $711 in 2016, with more than 70 percent of the population engaged in the agricultural sector. Demographic transition has presented opportunities and challenges for the country, with an increasingly urbanized, young working-age population. Industrialization is the primary means by which the government plans to realize its economic transformation. Establishing IPs throughout the country is a key focus of the government's industrial policy and transition to manufacturing. Global experience confirms that IPs benefit from agglomeration effects, economies of scale, and spillover effects to local companies through quality improvements, human resources, and contracting practices, as well as access to international markets. Currently, the government has four operational IPs (Bole Lemi-I, Hawassa, Mekelle, and Kombalcha), which are leased out to investors. Key sectors prioritized for development include textiles, apparel, leather and leather products, agro-processing, pharmaceuticals, and chemicals.

The ongoing $250 million Competitiveness and Job Creation project has been scaled up through $175 million in additional financing, and it remains strategically important to Ethiopia because of its strong economic impact. Its activities are instrumental in supporting the government's industrialization agenda by strengthening the legal, policy, and institutional framework of industrial parks; in providing quality industrial infrastructure for manufacturing in strategic sectors, including garments, textiles, and pharmaceuticals; and in facilitating stronger economic links between the IPs and the local economy. The project has helped address challenges with initial phase IPs and has improved their performance, reorganized the Industrial Parks Development Corporation (IPDC), conducted site assessments, and supported the ongoing construction of Bole Lemi II and Kilinto Industrial Parks, including quality enhancements such as wastewater treatment plants.

Project Status

During the past fiscal year, the CIIP grant has supported the implementation of the Competitiveness and Job Creation project through the following activities:

- **Options paper, Pricing and Revenue Generations Strategies at Bole Lemi II and Kilinto Industrial Parks.** IPDC, as the implementing partner of the Competitiveness and Jobs Creation project, is required to develop a time-bound plan for reviewing price practices at the IPs. The CIIP grant funded an options paper to (1) devise price adjustment and indexing mechanisms at serviced industrial land offered to existing and future tenant companies; (2) review pricing of value-added services and utilities, including drinking water supply and wastewater treatment; (3) identify ancillary sources of revenue that could raise the IPs, long-term return on investment; and (4) review the prevailing management fee for the two project-supported IPs. The paper was included as a critical input to guide future pricing and revenue generation policies at Bole Lemi II and Kilinto Industrial Parks. It incorporates lessons from other IPs, showing that pricing and revenue generation strategies at IPs need to be flexible and adaptable to changing environments to attract investment and to ensure long-term financial sustainability.

- **Support to the upstream policy dialogue on PPPs for IPs**. In FY19, the CIIP grant supported upstream work by facilitating private sector participation in the management and operations of IPs. This work consisted of just-in-time policy guidance on alternative governance models to introduce private sector participation at IPs, including value-added services that operate alongside manufacturing activities. The enactment of a PPP framework is a necessary but not a sufficient condition for introducing private sector participation in the operations and management of IPs. An enabling regulatory environment and alternative governance that set clear roles and responsibilities for different actors are equally important.

- **Technical assistance to support the development of a pharmaceutical hub in Ethiopia.** This work included knowledge exchange activities with stakeholders and development partners, such as the World Health Organization, Tony Blair foundation, and others, to coordinate donor activities in supporting the government's efforts to develop Kilinto IP as a hub for domestic and potentially regional pharmaceutical manufacturing. The project also supported the development of the Investment Promotion Plan for Kilinto IP to attract pharmaceutical manufacturing companies to Ethiopia.

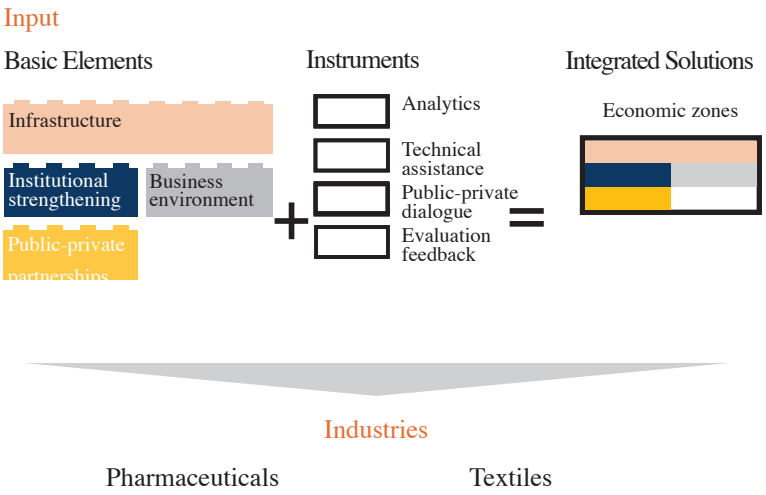
- **Technical support to the IPDC.** During the reporting period, the CIIP project supported extensive and close technical support to the IPDC. Specific activities supported by CIIP included (1) support to IPDC in monitoring construction progress and quality of Bole Lemi II and Kilinto IPs to ensure that the IPs are completed on time to meet the increasing demand from investors and (2) monitoring of worker sourcing and the quality of soft-skills training provided under the lending project.

- **Investor outreach effort to attract more investors to Kilinto and Bole Lemi IPs.** CIIP is supporting IPDC and the Ethiopian Investment Commission (EIC) in their investor outreach efforts that include the production of promotional materials, participation in international investment promotion workshops, and targeted marketing to secure foreign investments at project-supported IPs by means of converting existing investor interest into concrete lease agreements. CIIP has also supported the design of an Investor Outreach Action Plan that is currently being implemented by the EIC.

CIIP-funded activities have contributed to the improved capacity of the IPDC and EIC to oversee the development and operation of the IPs. The work has led to the

involvement of other development partners in the industrialization agenda, which has enabled the mobilization of additional resources and expertise to build institutional capacity and systems. Increased growth in Bole Lemi I has supported the creation of an additional 4,589 jobs and the generation of $32 million in sales of goods and services. More than 96 percent of physical construction at Bole Lemi II and 88 percent at Kilinto has been completed, resulting in more than 260 additional hectares of serviced industrial land. Of private investment, $55 million has already been committed by firms setting up their operations in the two new IPs. When the two new IPs supported by the project are fully operational, activities linked to them are expected to create 46,000 jobs, of which 64 percent are for women, and the total sale of goods and services is targeted at $100 million.

Results Chain



Output	Outcome	Impact
SEZ law adopted IZ regulatory function	86 pipeline investors	$55 million of private investment by firms in zones
Master plans License issued for IZ management	260 hectares serviced land in zones 50 hectares leased land in zones	$100 million sale value of goods and services
2,800 people trained	Improved access to skills	16,900 jobs, of which 15,000 for women
Staff trained in IPDC and regulator One-stop shop in environmental impact assessment and zones	Improved effectiveness of institutions	
# of visitors to business-to-business platform 12 firms supported through the Linkages Fund	15 local suppliers working with firms in zones $ contract value	

GHANA Tourism Competitiveness Support

Leverage Tourism Development Project ($40 million)
Partner coordination Canada, European Union
Grant amount $377,171

Background

Ghana's strong economic growth during the past decade has shown tangible results in poverty reduction and job creation, but the pace of economic growth has recently slowed because of serious macroeconomic shocks that damaged the real sector. The new government is developing a program of cross-cutting policy and regulatory reforms aimed at diversifying the economy away from reliance on commodities to create a conducive business environment and to facilitate job creation. The tourism sector has been prioritized as a potential catalyst for diversification and growth, especially for women and youth in rural areas.

Tourism already provides an important source of foreign exchange, employment, and government revenues. International tourist arrivals nearly doubled during the past decade to reach close to a million tourists—a growth that is, however, primarily driven by business tourism. Leisure and ecotourism show high potential for growth in Ghana given the country's natural endowments, which could attract high-spending environmentally conscious travelers. Some of the critical challenges to tourism growth in Ghana include a near absence of public sector interventions, resources, and strategy; low capacity of tourism institutions and multiplicity of regulations; weak coordination; inaccurate and inefficient data collection, promotion, and development; high cost of doing business; high cost of access; burdensome visa requirements; low quality of assets; poor infrastructure and tourism support services; and dearth of skilled workers.

CIIP is supporting the government's objective of growing leisure tourism by assisting the design and implementation of a $40 million Tourism Development Project. The development objective of the project is to support the leisure tourism segment in targeted destinations by creating an enabling environment to crowd in private investment and to trigger an economic transformation through job creation, local enterprise growth, and investment. The first component of the project aims to strengthen the tourism enabling environment through the development of (1) a suitable business model for tourism training facilities to reduce the skills gap, (2) the design of an aviation and visa policy, and (3) tourism branding and marketing. The second component aims to develop tourism sites and destinations by identifying and upgrading the most promising destinations. The third component funds a tourism enterprise support program that finances tourism enterprise matching grants and business development services training.

Project Results

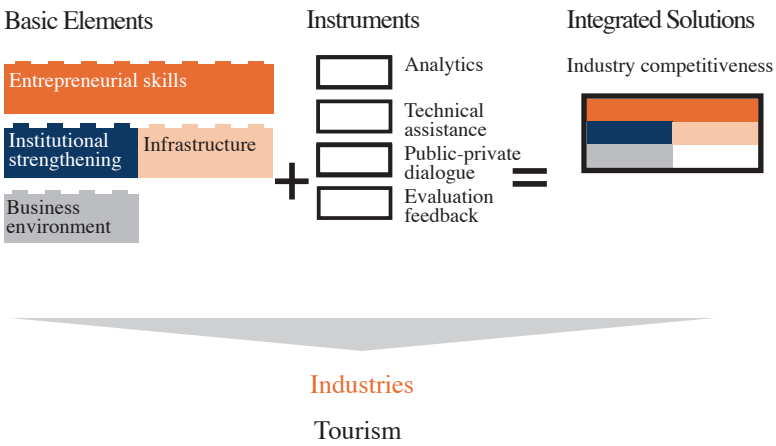
During this reporting period, CIIP has supported the development objectives of the lending project through the following activities.

- **Improving vocational training and skills development delivery system.** The purpose of this study was to identify and evaluate a set of options for the funding and management of a sustainable tourism and hospitality training facility for Ghana to increase the quality of labor force supply for the sector. The study found that the education and training system in Ghana is failing to produce enough employable tourism graduates and that 50 percent of the tourism workforce is either undertrained or insufficiently qualified for the positions workers hold. Factors that influence the current situation include outdated tourism training curricula, poorly trained teaching staff, inadequate accreditation processes, inadequate tourism skills training institutions, poor perception of the tourism and hospitality sector as a career and profession, limited links to ICT, and absence of clear national policy for tourism training. Currently, high school graduates are unwilling to pursue tourism and hospitality education, preferring better remunerated career opportunities (such as banking and telecommunications). Existing curriculum structures do not support the effective preparation of graduates for employment in the industry, even though there are several public and private institutions. Most institutions are not accredited nor do they provide the local context and content required to meet international standards. International hotels in Ghana invest in training for their employees at all levels, but on-the-job training is not consistent or adequate and staff often leave for better opportunities. The study appraised four best practice business models for tourism and hospitality training facilities and concluded that the PPP model (franchise model) is best suited for Ghana's context.

- **Establishment of a PPD mechanism.** CIIP funded the preparation of a framework for the establishment and operationalization of a PPD mechanism for the tourism sector in Ghana. The study includes (1) a diagnostic and mapping of current and past PPD initiatives in the tourism sector in Ghana, including three mini case studies from other countries; (2) a proposed design and other functions of a PPD mechanism; (3) an assessment of the economic and financial implications of establishing the PPD mechanism; and (4) a roadmap for the implementation of the proposed PPD mechanism complete with a step-by-step guide with responsibilities, timelines, and associated cost for each step. The study also outlines the key activities to be implemented within the first 18 months of setting up the PPD mechanism and related measurable indicators of success. Those activities include setting up the PPD secretariat, organizing four meetings, facilitating four working group meetings, developing and disseminating policy research products, organizing media engagements, and building stakeholder capacity.

- **Tourism circuit identification and description.** CIIP supported the preparation of a report that ranks destination clusters and identifies key circuits. Given global demand and industry trends and dynamics, the study recommends that Ghana should prioritize the development of cultural and natural tourism segments, followed by the historical segment and (to a lesser extent) the beach segment. The criteria for the selection of destination clusters were validated at a workshop with representatives from the public and private sector. The main criteria selected were (1) demonstration of effective management, including the presence of a strategy, a destination management organization, tools to collect data and assess satisfaction, and inventory of assets and attractions; (2) accessibility, including travel time and condition and capacity of airport and roads; (3) attractiveness, including number and type of products and sites, uniqueness, safety, and tourist flows; and (4) service and facilities, including a visitor center and information boards, guides and interpreters, number and types of rooms available, and shopping facilities. Using the criteria and the weights assigned to them during the workshop, the report ranks destination clusters in Ghana in the following order: (1) Ashanti, (2) Accra, (3) Northern, (4) Cape Coast, (5) Volta, (6) Western, (7) Upper West, and (8) Upper East. On the basis of this analysis, the report also outlined key circuits and emerging itineraries that show the greatest growth potential.

Results Chain



Output	Outcome	Expected Impact
2 strategies/reforms designed	PPD framework developed	$15.6 billion private investment leveraged
$20 million committed for infrastructure	Action plan for establishment of tourism skills center developed	25 new firms
$2 million approved for capacity building	$10 million of finance approved	
2 SME support programs developed		

KENYA Diversification and Competitiveness Program

Leverage Kenya Industry and Entrepreneurship Project ($50 million)
Partner coordination European Union
Grant amount $399,658

Project Overview

Kenya has seen robust economic growth over the past few years, underpinned by a remarkable growth in services, representing 72 percent of GDP increase between 2006 and 2013. Employment-generating sectors, however, such as agriculture and manufacturing, have stagnated. According to the World Bank's 2016 Country Economic Memorandum, Kenya's long-term growth will depend on oil and natural resources, the urbanization process, and the extent of innovation in the economy. The government's development strategy aims to transform the country into a newly industrialized, globally competitive, middle-income country. This overall vision is supported by the Kenya Industrial Transformation Program which recognizes the importance of technology and innovation to the development of industry, and the centrality of firm-level support to industrialization. Supporting the innovation and enterprise sectors requires strengthening incubators, accelerators, rapid technology skills trainings, SMEs, and start-ups. While Kenya is among the top innovation leaders in Africa, challenges remain, particularly regarding human capital, research, knowledge, and technology outputs. Links between various players in Kenya's innovation ecosystem are weak, as are links with traditional industries and international mentors and investors, leading to capacity underutilization. Incubators and accelerators abound but are dependent on grants that preclude them from focusing on viable business models. SMEs also have difficulty improving their productivity because of poor managerial practices and information failures regarding how to upgrade.

CIIP is supporting the government's industrialization and innovation agenda through the design and implementation of the $50 million Kenya Industry and Entrepreneurship Project. The project's objective is to increase innovation and productivity in select private sector firms. The first component of the project aims to strengthen the innovation and entrepreneurship ecosystem through (1) strengthening its support infrastructure by building the capacity of intermediaries, such as incubators, accelerators, and bootcamp providers, to offer better quality services and (2) connecting to international talent networks and strengthening links between start-ups and local traditional industries through an international acceleration process and an industry-academia platform. The second component aims to strengthen the productivity and internal capabilities for innovation of SMEs by helping firms improve their managerial and technical skills and their access to technology and by fostering SME links. The successful implementation of project activities is expected to aid the creation of start-ups in Kenya by improving the services provided, enhancing management capacity, and supporting firms' longer-term operational strategies. Other anticipated impacts from the project include a decrease in the start-up failure rate and increased salary earnings and employment rates among graduates.

Project Results

CIIP has supported the development objective of the associated lending project through the following activities:

- **Diagnostic tool for the assessment of incubators (private, university, or country-based entities).** The CIIP team designed and customized a diagnostic tool for the assessment of incubators and accelerators. The tool was tested with a small group of Kenyan incubators. CIIP conducted an initial diagnostic and a series of management training to help incubators identify operational priorities. Incubators undergoing the detailed diagnostic were asked to choose between one sector policy or multiple sectors when running start-up programs and to incorporate mentoring through peer-to-peer networks and other operating modules. The diagnostic tool will be used by the lending project to support competitively awarded performance contracts with ecosystem intermediaries (incubators, accelerators, and bootcamp providers) based on operational improvement plans aimed to increase the quality and sustainability of services provided.

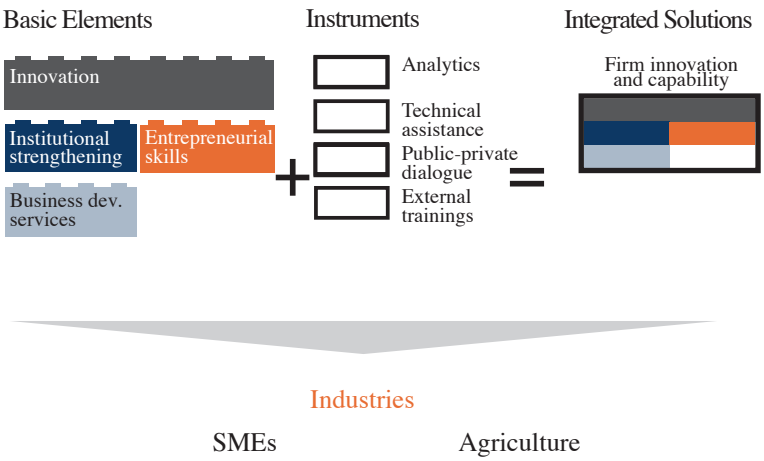
- **Innovative Links Platforms Assessment.** The CIIP team assessed various industry start-up and industry-academia platforms in Kenya and developed a design for a model that complements existing interventions. The goal is for individual corporates that are paired with startups or groups of students to improve the efficiency of their businesses and for students and startups to be better connected to the industry. The team prepared a

report that details the process, lessons learned, and design recommendations. Given the fact that such a platform does not exist in Kenya or in the region, these recommendations would be helpful in pioneering this initiative. The findings will be used by the lending project to create an Industry-Start-up Platform that links established firms and start-ups for (1) new products, processes, and services; (2) increased technology adoption within traditional firms and more frequent use of open innovation processes; and (3) a better understanding among start-ups of the needs of traditional firms. The output will also be used to connect university or tertiary education students from various disciplines to individual companies and clusters through specific product development sessions with company staff to help students develop practical, in-demand skills and experience during their formal education while providing companies with access to relatively low-cost talent.

- **SME development program.** The CIIP team conducted extensive consultations with local SMEs, lead firms, and business associations to gain insight on the optimal design of the SME support program to be implemented by the lending project. The preliminary research helped identify market opportunities for SMEs around lead firms, existing big projects, or export potential. Using the findings, the team conducted a pilot with SMEs, including diagnostic assessments and the preparation of performance improvement plans. The pilot identified potential roadblocks and informed the development of an implementation map, which will improve the operation of the program. The diagnostics helped identify specific gaps and weaknesses in SME management, production, and technology, which will be addressed through a partnership model with BDS providers. The program will support the implementation of SME upgrading projects through technical assistance for performance-based contracts and will foster the supply and demand of high-quality consulting services in Kenya.

- **Gender equality lens.** Building on the strong gender lens of the program, learnings from consultations with women entrepreneurs and women-run start-ups and SMEs have been synthesized into a report, "Incorporating a Gender Equality Lens." The report describes the challenges faced by women and lists potential solutions, including those recommended by women. For instance, on interaction with numerous women-focused businesses associations, the team discovered the existence of a sizable women-run SME segment that was previously unreported and underrepresented. This discovery led to the project defining a minimum of 20 percent participation from women-run SMEs. Furthermore, the team ascertained the key challenges women face, such as financial mismanagement and low self-confidence, and suggested customized trainings as a potent solution that have now been incorporated in the project design. This report will contribute to building a better understanding of the women in the business landscape in Kenya and will act as a foundation for any gender-focused interventions in the country in the future.

Results Chain



Output	Expected Outcome	Expected Impact
3 cross-institution coordination mechanisms created	460 students/ trainees employed	2,755 firms benefiting from private sector initiative, of which 262 women owned
4 strategies/reforms designed	250 SMEs trained or supported	127 firms developing innovative products
		50 firms reporting increased productivity

MADAGASCAR Leveraging Growth Poles for Transformational Investments and Innovations

Leverage Integrated Growth Poles and Corridor ($70 million)
Partner coordination n/a
Grant amount $399,270

Background

Madagascar's GDP has been progressively rising since the return to constitutional order in 2014. A key challenge for the country is to ensure that economic growth becomes more inclusive and benefits the many poor that have so far been left behind. Madagascar's ability to attract FDI has historically been limited and is further constrained by a history of political instability, which is cited as the single most important challenge to business operations by more than half of respondents in the World Bank's Enterprise Survey. Tourism and agribusiness offer some of the strongest prospects for generating the scale of private investment and job creation that could create the transformative impact needed. Madagascar offers tourists a tremendous diversity of activities and distinctiveness of products, biodiversity, and culture. Reaching the country's ambitious target of 500,000 tourists a year could generate tourism receipts of up to $1.4 billion and could double the number of direct jobs in hotels and tourism enterprises, thereby increasing tourism's direct contribution to GDP from 5.1 percent to 8.0 percent. Agriculture offers similar growth opportunities, particularly for poverty reduction, because it represents 24 percent of GDP and more than 80 percent of employment.

Several binding constraints need to be addressed to unlock investment, growth, and job creation in both sectors. Deficiencies in essential infrastructure and services constitute one of the main obstacles to growth in both tourism and agriculture. The quality and connectivity of the road, air, and port transport networks is poor, and electricity supply is erratic because of poor planning and management and lack of properly allocated resources. Other binding constraints to sector growth include capacity and resource limitation of relevant sectoral ministries and stakeholders, fragmented public mandates, multiplying intermediaries, inefficient value chain organization, regulatory and fiscal incentives that encourage informal activity and opportunistic behavior, regulatory obstacles to competition, and lack of essential support services (such as storage facilities, quality control, traceability, and health and hygiene standards).

The CIIP grant supports the design and implementation of a follow-up $70 million Integrated Growth Poles and Corridors project. The project aims to contribute to sustainable growth of the tourism and agribusiness sectors in three targeted regions in Madagascar through the implementation of transversal, sectoral, and locally concentrated interventions that remove binding constraints and accelerate the mobilization of private investment. The first component of the project aims (1) to strengthen the government's ability to attract and channel private investments into productive infrastructure and improved service delivery through investment promotion and transactions support and (2) to provide direct support to new investments in productive sectors and support services through the Madagascar Business and Investment Facility, which is a competitive grant program. The second and third components aim to remove key binding constraints for private investment in tourism and agribusiness by supporting public management capacity in the two sectors, by upgrading rural and urban connectivity and services, and by supporting decentralized local authorities. The lending project aims to boost job creation and to catalyze more than $25 million in private investment through new hotel investments, private cofinancing of matching grants, private participation in logistics infrastructure, and increased entrepreneurial activity.

Project Results

The CIIP grant has specifically supported the following activities:

- **Agribusiness.** During the reporting period, the team delivered (1) a report on the prioritization of agricultural value chains to increase diversification, (2) a study on agro-logistics infrastructure and facilities in Ambanja, and (3) vanilla and moringa sector diagnostics and value chain studies. As part of the Market and Competition Policy Assessment conducted on vanilla and lychee (high-value export products), a stakeholder mapping was completed to improve understanding of the governance of these value chains and the political economy context that prevails in these sectors. The team completed an assessment of restrictions to competition and well-functioning markets and an analysis of the legal framework and market structure and dynamics, as well as helped the government formulate and prioritize recommendations for addressing restrictions to competition. The project team attended SIAL 2019 in Paris, the Global Marketplace specializing in food processing industries, to identify markets and segments in which Madagascar can be competitive, to pinpoint new technologies, and to discern private partners. An agro-logistics optimization scheme for the Diana region was also completed, and inputs from all analytical work were incorporated in the design of the associated lending project, including best practices in implementation of specific value chain councils (vanilla and aquaculture) and PPPs for laboratory services. Clear recommendations on competition were made for key value chains, such as lychee and vanilla, and work is ongoing on establishing direct support mechanisms, particularly through the matching grants instrument.

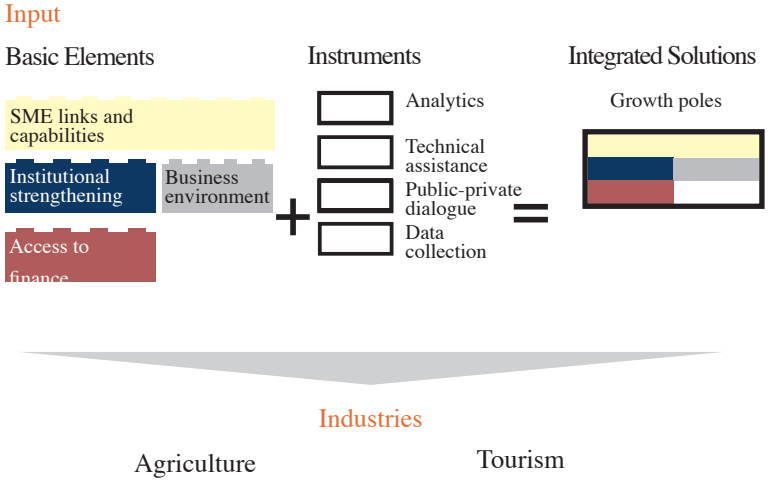
- **Tourism.** Site and activity potential of destinations were evaluated, and potential new and growth markets were identified through the completion of the tourism market assessment. The specific investment and promotion needs that were identified through the destination gap analysis (for example, lack of mid-range accommodations and connectivity with regional destinations) will be addressed by the private and public sector either directly through project activities or through the entrepreneurship and matching grant program. Analysis included background research, in situ delivery of presentations, and consultation with key private and public sector tourism stakeholders. Lessons from the Nosy Be process are being incorporated into the process for the other poles (Tulear, Fort Dauphin, Diego, and Sainte Marie). For the less concentrated and more complex destinations (for example, Tulear and Diego), more innovative private sector solutions will be encouraged. CIIP supported the participation of the project leader and implementation unit members in the "Salon Nautique International" at Le Grand Pavois, La Rochelle, France, which aimed to assess international interest in and perception of Madagascar as a destination for nautical tourism, to network with international players, and to identify key barriers and most promising offerings. A terms of reference for a review of the marine tourism sector legal framework as well as a terms for reference for an economic analysis and PPP feasibility study for a marina in Nosy Be were prepared using knowledge gained through the exchanges. Work was also initiated on establishing a tourism expenditure baseline for the new project phase and on enhancing tourism data systems and management for enhanced competitiveness planning. An initial model for calculating tourism expenditure was created, and a methodology for conducting visitor surveys was developed.

- **Entrepreneurship.** The design of the entrepreneurship training was completed by an international firm by incorporating the latest innovations and learning in socio-emotional skills and interventions (personal initiative training) and by aiming to maximize the impact on jobs and revenues of beneficiaries and to enhance the sustainability of support. The personal initiative training was adapted and piloted in the three growth poles supported by the project and embedded in local business development centers. Thirty master trainers were also trained in-country to ensure the transfer of knowledge and sustainability of the program after the completion of the firm's contract. The first round of training was conducted with 90 trainees. Grant mechanism designs were improved by incorporating the concept of establishing links with financial institutions and enhanced Business Development Center models. Finally, the support to private investment in innovative, climate-smart techniques and practices in agribusiness and tourism is expected to help leverage complementary funding from other donors and

funds supporting the climate change agenda. Given that public funding is scarce, businesses are looking for more options to use adapted cost- and resource-efficient market technologies, such as drip irrigation and solar desalination.

- **Public-private dialogue.** CIIP funds have also contributed to the process of change by scaling up existing project support and more clearly defining the PPD platforms that will be supported through the new lending project, including engaging local authorities and agencies (for example, tourism offices, tourism operators' platforms, regional authorities for agricultural development, and agri value chain platforms). In March 2019, the Ministry of Commerce presented the results of the vanilla value chain assessment to the public and private sectors and donors, thereby creating a platform for continuing discussions of improvements in the governance and structure of the value chain.

Results Chain



Expected Output	Expected Outcome	Expected Impact
3 SME support programs developed	12 tourism investor leads in the targeted regions	7,500 jobs created, of which 40% for women
8 innovative technologies and processes identified	30 SMEs trained or supported	$25 million private investment leveraged
$1 million of public funding approved for capacity building	50 tourism and agribusiness businesses leveraging new or clean technologies	10,000 formal businesses newly registered in the targeted regions
15 strategies/reform programs designed		

NIGERIA Competitiveness Support

Leverage Growth and Employment Project ($160 million) and Kaduna State Economic Transformation Program for Results ($350 million)
Partner coordination DFID
Grant amount $1,187,295

Background

In 2016, GDP growth in Nigeria was in a steady decline and led to a contraction of the economy. External shocks led to macro instability, which was compounded by a combination of policy responses. To address these challenges, the government of Nigeria launched the Economic Recovery and Growth Plan in 2017 to restore macroeconomic stability in the short run and to implement structural reforms for diversifying the economy and setting it on a path to sustained inclusive growth over the medium to long term. The plan recognizes that states and local governments have a critical role to play and increases their ability to develop economic recovery plans in line with the government's overall policy objectives. Kaduna state is considered a gateway to northern Nigeria—the main trade route between the country's two largest cities and a conduit to neighboring countries.

The objective of the CIIP grant is to improve the competitiveness of selected sectors, to diversify the economy, and to create jobs in northern Nigeria. These objectives are being achieved by (1) supporting sectoral competitiveness of minerals and agribusiness in northern Nigeria, (2) improving the overall business environment, (3) enhancing access to finance, and (4) expanding the evidence base for development policy to support MSME competitiveness. The program aims to catalyze investment by improving the business environment and by reducing the costs of doing business and to support job creation in key sectors and growth in key states driven by increased foreign and domestic investment.

Project Results

The CIIP grant has supported the following activities:

- **Sectoral reforms to increase competitiveness.** CIIP supported the continued implementation of the $350 million Kaduna State Economic Transformation Program-for-Results Project, which focuses on attracting private investors to the agricultural sector and on minimizing environmental and social impacts through sustainable land management. The grant is supporting the development of the Framework for Responsible and Inclusive Land-Intensive Agricultural Investments for Kaduna State. The framework will ensure that land acquisition and resettlement (especially if required for private investment) is undertaken in accordance with established international good practices and that the shortcomings of the (Federal) 1978 Land Use Act are addressed at the Kaduna State level. Recent World Bank analyses have highlighted key issues related to the legal framework for land in Nigeria: (1) documentation or spatial information concerning existing rights is lacking; (2) the legal status of common areas is uncertain; (3) compulsory acquisition processes and compensation standards are not consistent with international best practices; (4) reliance on compulsory acquisition may limit the potential involvement of local communities as genuine partners in an investment; (5) benefit arrangements may be vaguely defined and constrained by weak community capacity to negotiate; (6) there is weak capacity in state government to conduct land acquisition and reallocation efficiently and fairly; and (7) there is a dearth of analytical tools to help guide government allocation for sustainable investments. The Federal Land Use Act is enshrined in the Nigerian constitution, and any major revisions face significant challenges. The supported activity aims to address the identified issues at the state level and, thus, have a demonstration effect. A major expected outcome of this activity is to ensure shared benefits between private investors and surrounding communities.

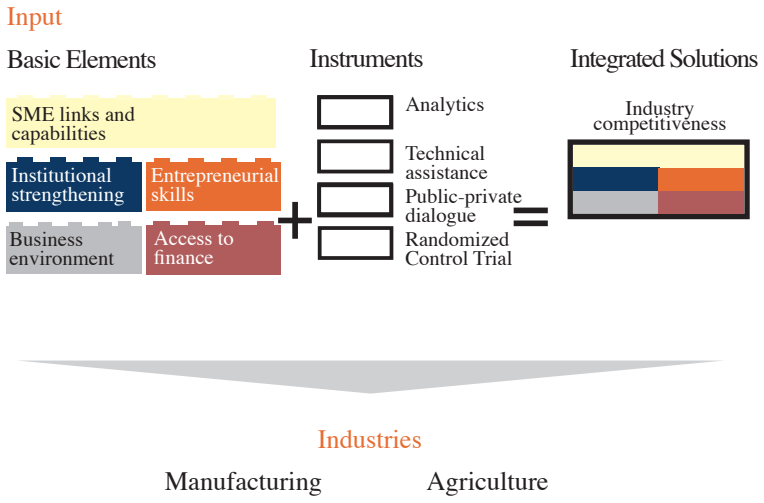
- **Transversal investment climate reforms.** The grant supported the research and publication of the 2018 Sub-National Doing Business Report, which, for the first time, assessed all 36 states and Abuja. The report delves deeply into four important processes covered by business regulations: starting a business, dealing with construction permits, registering, and enforcing contracts. The report will serve as an important tool for policy makers across Nigerian states and will enable them to identify some of the main bottlenecks and legal barriers within their state administrations and to use the report findings as opportunities for reform. The report also allows state representatives to learn more about what their peers have been doing to address the same challenges they might be facing.

- **Financial access.** This activity is intended to support the design of a commercially viable initiative that increases access to finance for SMEs that are leveraging existing programs of the $160 million World Bank Growth and Employment project, as requested by the government. The envisaged SME equity fund would carve out a portion of the available project funding to finance SMEs and would fund them on a sustainable basis through a private equity–type vehicle. The fund was never

established because of complex political economy challenges. Following the government request to establish the SME equity fund, the lending project went through a restructuring to incorporate it as an official component, but the restructuring was never countersigned by the borrower because the National Assembly expressed strong misgivings about the introduction of the fund.

- **Impact evaluation of SME support interventions.** CIIP supported the implementation of an experimental impact evaluation that tested the success of different interventions supporting small firm growth that were delivered through the $160 million Growth and Employment Project. The sample consisted of firms (with 2–15 workers each) that operated in the light manufacturing, construction, hospitality, ICT, and entertainment sectors in Abuja and Lagos. Firms were then randomly assigned into one of five equal-sized experimental groups: (1) a control group, (2) a group given business training for the owner, (3) a group given consulting services, (4) a group linked to human resource specialists who find a worker to insource accounting or marketing skills, and (5) a group linked to professional companies that specialize in business services to outsource those skills. The pilot divided 753 firms into the five groups with about 150 firms in each. Early results show the promise of the market-based approach. Both the insourcing and outsourcing treatments led to improvements in financial, digital marketing, and overall business practices that exceed those coming from business training and are at least as high as those from individual consulting at half the cost. Entrepreneurs who received the insourcing or outsourcing reallocated their time and spent more of it on growth, clients, and future-focused activities. In the short run, there are positive, but statistically insignificant, impacts on employment and sales from insourcing and outsourcing. The second-year follow-up surveys will be key to measuring whether the outcomes grow over time. A second part of the impact evaluation consisted of measuring the impacts of training and consulting delivered by the Growth and Employment project, compared with the control group, for firms outside of Lagos and Abuja.

Results Chain



Output	Outcome	Expected Impact
19 reforms designed	3 reforms implemented	$350 million private investment by firms in IZs
$ committed and approved for infrastructure investment (target: $100 million)	Simplified business processes	Gross number of jobs
North-West Investment Area Framework approved	2,195 SMEs trained or supported	$1.8 million in additional sales of beneficiary enterprises

SURINAME Investment Climate and Sector Competitiveness Support

Leverage Suriname Competitiveness and Sector Diversification Project ($23 million)
Partner coordination Government of Suriname (Ministry of Trade, Industry, and Tourism) and the European Union–funded Suriname Agricultural Market Access Project implemented with the Food and Agriculture Organization and the Ministry of Agriculture, Livestock, and Fisheries
Grant amount $694,391

Background

Suriname's economy is highly vulnerable to shocks because of its high dependency on natural resource extraction, a large public sector, and a private sector that is underdeveloped outside of mining and nontradable services. Suriname has significant potential for increased private sector growth, investment, and diversification in agriculture: the country has abundant land and water resources, a competitive agribusiness base, preferred market access to the Caribbean, and export connections to Europe. However, several market and regulatory failures constrain new private investment and agribusiness growth, including a large share of publicly owned land, complex land titling processes, limited infrastructure, low entrepreneurial capacity, underdeveloped value chains, cumbersome inspection processes, and underdeveloped food safety standards.

The CIIP Suriname Investment Climate and Sector Competitiveness Support grant provided analytical support to the government of Suriname to address market failures and constraints by informing public sector efforts to improve the investment climate, especially in agribusiness, as well as to fund targeted public investments. The theory of change from grant activities to the higher-level objective is dependent on the analytical activities that enable the rigorous selection of interventions that can remove critical market failures and, thus, catalyze sector growth. The grant informed the design of the $23 million Suriname Competitiveness and Sector Diversification Project, which is a public investment to be financed with a loan from the World Bank. It ensures that the public investments and regulatory reforms that will be supported through the project are context sensitive, relevant, consultative, and feasible, thus greatly enhancing their likelihood of success. The interventions implemented through the lending project are expected to strengthen the regulatory and institutional environment and to build the managerial and financial capacity and competitiveness of agribusiness SMEs and value chains. This, in turn, is expected to unlock domestic and foreign agribusiness investments by new and existing firms and to contribute to a more competitive agribusiness sector in Suriname.

Project Results

The grant was successful in achieving most of its objectives. The client engagement maintained through CIIP funding kept the policy dialogue with the government of Suriname active despite changes in country's economic circumstances and in borrowing preferences and was instrumental in the approval of the lending project. The grant outputs directly informed the design of the lending project. The outputs of the work were also shared with other donors supporting agricultural and private sector development in Suriname, including the Food and Agriculture Organization and the Inter-American Development Bank, thereby informing their country programs and investments as well. The grant was less successful with outcomes related to investment climate reforms. The shift in support from the originally planned development policy lending to an investment operation decreased the World Bank's leverage with targeted reforms. Government capacity for reform implementation and policy consistency is also very low and caused significant delays. Further outcomes are still expected through the business environment technical assistance support to be financed by the lending project in the areas of the agribusiness-enabling environment.

The CIIP specific deliverables and their leverage on the design of the lending project include the following:

- **Sector Competitiveness Analysis.** The analysis identified investment opportunities and constraints in agribusiness and extractives. The CIIP grant contributed to the delivery of this foundational analytical output underpinning the World Bank's competitiveness engagement in Suriname. It reviewed all the main agribusiness industries in Suriname to identify competitiveness opportunities, potential for new private investment, and primary constraints that need to be addressed, which was the basis for much of the follow-up industry-specific work referenced next. It also identified opportunities and constraints for new investment and diversification within Suriname's extractives sector, which is also supported by the project.

- **Analysis of value chain constraints in horticulture and seafood.** Those two industries were identified as having high potential for new investment generation and competitiveness in the Sector Competitiveness Analysis. The analysis identified sector-specific and cross-cutting constraints, such as agrifinance and agro-logistics. Recommendations included (1) upgrading the core capacity of SMEs through the Program for Suriname's Growth Enterprises; (2) investing in mid-sized infrastructure, such as airport produce terminal improvements, rural collection centers, landing site upgrades, and other agro-logistics infrastructure; (3) preparing public agricultural estates and other assets for private investment; and (4) improving the secured transaction regime as a means of increasing access to finance for agribusiness. This work was informed through in-depth consultations with the private sector and was delivered to the government to inform the design of the project.

- **Capacity support and framework development for the management of environmental and social impacts of sector development initiatives**. The government of Suriname's capacity to design and implement environmental and social standards is very limited, which hinders its ability to implement development projects in compliance with national laws and World Bank safeguard policies and to create a favorable environment for private investors seeking to comply with global standards. This activity supported the government in developing environmental and social management frameworks for the sector development initiatives to be financed by the lending project—namely an Environmental and Social Management Framework and an Indigenous and Tribal Peoples Planning Framework. Representatives of the private sector, as well as civil society broadly (including representatives of indigenous and tribal groups), consulted on the frameworks, and the principles embodied in the frameworks can be applied to other sector development initiatives.

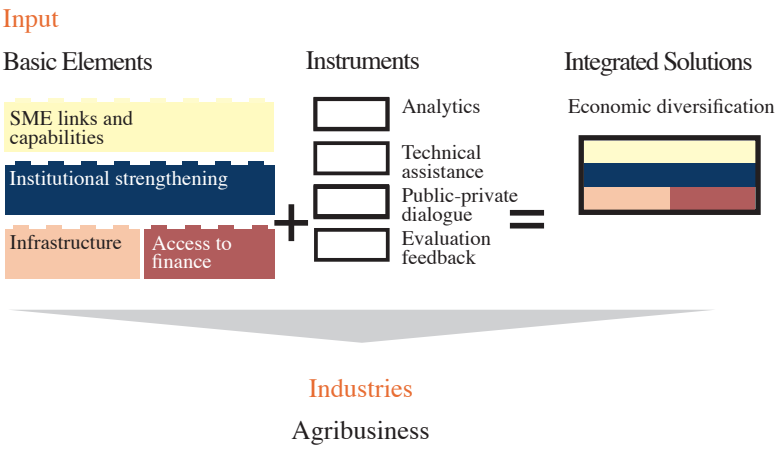
- **Data collection for a new Suriname Enterprise Survey.** This activity enabled the collection of new data through the World Bank Group Enterprise Survey methodology to increase baseline understanding of the business environment and productivity constraints in a globally benchmarkable way, especially for SMEs. There is significant "survey fatigue" by the private sector in Suriname, given repeated public sector requests for input and a perception that there is rarely any follow-up. This issue was addressed by directly linking the survey requests to the design of the project, specifically the Growth Enterprises program, and communicating this link to private sector stakeholders. The data are now an openly available public good that can enable evidence-based decision-making on private sector development topics by a wide range of stakeholders.

- **Inventory analysis of business licenses.** The business licensing regime is a top constraint reported by the private sector as limiting business growth. This activity analyzed the inventory of business licenses required by the Ministry of Trade, Industry, and Tourism for their legality, necessity, and business friendliness, and it mapped the process for establishing a business as a fruit processing manufacturer. The outputs directly informed the design of the new Business and Professions Licensing Law and the associated implementing regulations.

- **Land analytical work to map processes and tenure options for agricultural investors.** This activity responded to the constraints related to nontransparent and cumbersome processes to access land, including for agribusiness investment. It identified the process requirements and tenure options, mapped out steps and timelines for an illustrative agricultural investor, identified reform options, and produced a two-page investor guide that has been transparently distributed by the new InvestSur investment promotion agency.

- **Industry-focused design support for export generation and investment promotion for fruits and vegetables.** The fruit and vegetable horticulture subsectors emerged from the Sector Competitiveness Analysis as having the highest potential for short-term investment promotion. The government has limited capacity to promote new investment opportunities in a commercial way, and this activity delivered an investor value proposition for these subsectors and a roadmap for initiating an investment promotion campaign using it. These were delivered to InvestSur to inform its investment promotion efforts going forward.

Results Chain



Output	Outcome	Expected Impact
2 sector competitiveness analyses	4 reforms enacted through the PPD mechanism	Private investments leveraged
1 licensing law adopted 8 strategies/reform programs designed	Capacity to manage environmental and social impacts	Increased output of beneficiary enterprises
Agribusiness multiministerial task force established	Effectiveness of institutions	

CHAPTER 4

Financial Portfolio and Resource Use through June 2019

Table 3.1 Donor Contributions Schedule

(expressed in thousands)

	Committed	Paid-In	Outstanding	Actual in USD							Total in USD
	in contribution currency			FY13	FY14	FY15	FY16	FY17	FY18	FY19	
SDTF (ACP)											
EC	15,039	15,039	-		10,039	7,750				1,792	19,581
Sub-Total				-	**10,039**	**7,750**			-	-	**19,581**
MDTF											
Switzerland	3,000	3,000	-	1,626	1,690						3,316
Austria	5,000	5,000	-	6,455							6,455
Norway	11,000	11,000	-			1,494					1,494
EC	4,708	4,708	-	3,081		2,396				561	6,038
Sub-Total				**11,161**	**1,690**	**3,890**				**561**	**17,303**
			Total	**11,161**	**11,729**	**11,641**					**36,884**
Investment Income on MDTF Funds (a)				14	37	37	39	70	73	107	376
			Grand Total	**11,176**	**11,766**	**11,677**					**37,260**

(a) As per Administrative Agreements investment income earned on SDTF undisbursed funds was credited to EC's Donor Balance Account, while investment income earned on MDTF undisbursed funds shall be used for the same purposes as the contributions and is credited to the trust fund account. Cumulative investment earned as of June 30, 2019 is USD 376k.

Figure 3.1 Total Donor Contributions (including Investment Income), Commitments, and Disbursements

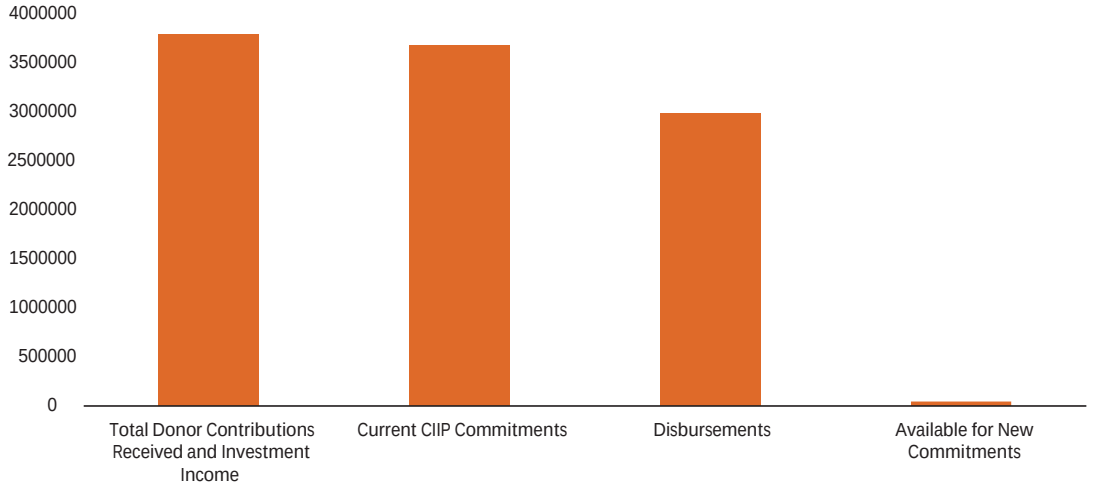


Table 3.2 Summary of Project Level Commitments and Disbursements

Sources and Uses	$ FY13-19
Total Donor Contributions Received (MDTF + SDTF)	36,883,716
Investment Income on MDTF Funds	376,316
Total Funds	37,260,032
Current CIIP Commitments (Operations, Knowledge and Administration)	36,261,525
Central 2% Fee	737,674
Remaining Balance	260,833
Disbursements (disaggregated by Operations, Knowledge and Administrative Categories)	29,887,138
Central 2% Fee	737,674
Program Administration MDTF: includes management, collaboration, global knowledge, competitiveness programs & analysis and assessment	2,599,472
Program Administration SDTF: includes management, competitive analysis, competitiveness programs, innovation and entrepreneurship support & innovation and enterpreneurship programs at industry level	2,687,064
MDTF- Country Operations & Knowledge	11,402,785
SDTF- Country Operations	12,460,143

Table 3.3(a-c): Project Level Disbursement

	Approved Grants	Disbursements Cumulative	Disbursements FY19
Table 3.3a: Ongoing Country Operations (ACP)			
Comoros	$ 250,000	219,229	102,474
Congo, Democratic Republic of	$ 472,500	327,626	162,424
Congo, Republic of	$ 225,000	162,242	52,957
Ethiopia (2 grants)*	$ 1,808,364	1,480,895	154,327
Gambia, The	$ 456,855	406,952	283,885
Ghana (2 grants)*	$ 577,171	416,707	270,704
Guinea	$ 300,000	34,135	34,135
Kenya*	$ 399,658	399,645	219,054
Madagascar*	$ 399,270	399,270	191,753
Nigeria*	$ 1,187,295	1,187,295	178,229
Pacific Islands	$ 400,000	196,953	140,807
Sierra Leone*	$ 339,290	309,948	153,158
Somalia	$ 200,000	12,058	12,058
Suriname*	$ 694,391	694,391	257,627
Uganda**	$ 286,637	222,585	173,354
Sub-Total	**7,996,432**	**6,469,932**	**2,386,944**
Table 3.3b: Ongoing Country Operations (Non-ACP)			
Sub-Total	-	-	-
Table 3.3c: Ongoing Knowledge Initiatives			
Exporters Capacity Building Impact Assessment (Argetina and Columbia)	$ 500,000	206,670	121,153
Global Value Chain, link to FDI in ACP Countries	$ 200,000	11,519	11,519
Mobilizing Local Knowledge to Improve Competitiveness Strategies	$ 495,471	495,471	68,255
Private sector Digital Platforms: Improving Market Access and Regulations	$ 400,000	19,711	19,711
Women Entrepreneurs and Crossing Over in Guinea	$ 262,500	261,123	235,010
Sub-Total	**1,857,971**	**994,493**	**455,648**
Total	**$ 9,854,402**	**$ 7,464,425**	**$ 2,842,592**

* Actual disbursement as grant is legally closed
** Lower than original grant amount as grant is closing in Dec 2019

Table 3.4: FY19 Approved Grants

Country	Grant Name	Amount
Country Operations (ACP)		
Central African Republic	Central African Republic: Private Sector Support Services Delivery Design	$ 200,000
Ethiopia	SME Competitiveness Support	$ 450,000
Ghana	Complementary Support to Economic Diversification in Ghana	$ 200,000
Guinea	Promoting Diversification and Inclusive Growth in Guinea	$ 250,000
Guyana	Guyana Competitiveness and Diversification Diagnostic	$ 250,000
Malawi	SME and Technology Adoption Readiness: Malawi	$ 150,000
Mauritania	Fostering women and vulnerable economic operators engagement in the Nouadhibou Free Zone	$ 200,000
OECS Countries	Blue Economy in the OECS (*)	$ 200,000
Senegal	Senegal digital competitiveness: Supporting industrial productivity and inclusion from the adoption of digital technologies (*)	$ 350,000
Somalia	Somalia MSME Financing Facility and digital services readiness support: SCALED-UP (PP168115) project	$ 200,000
Southern Africa	CIIP Nacala Corridor Regional Trade Project	$ 350,000
Tanzania	Zanzibar Tourism	$ 200,000
Uganda	Uganda: Mobilizing Private Investments for Jobs (*)	$ 250,000
Sub-Total		**3,300,000**
Country Operations (Non-ACP)		
Egypt	Cluster and Sector Diagnostics in Egypt's Lagging Regions (*)	$ 150,000
Sub-Total		**150,000**
Knowlege		
World	Developing Informed Industry Analytics to Better Inform ACP Operations	$ 250,000
	Enhancing Private Sector Competitiveness through the Circular Economy (*)	$ 150,000
	Global Value Chain link to FDI in ACP Countries	$ 200,000
	Innovation Support for Business Growth; a toolkit	$ 200,000
	Private Sector Digital Platforms: Improving Market Access and Regulation	$ 400,000
	Quality Infrastructure Country Assessments	$ 200,000
	Services-Led Development: Myth or Reality?	$ 200,000
	Technology Adoption in an era of a new industrial revolution: ACP countries	$ 400,000
Sub-Total		**2,000,000**
Total		**$ 5,450,000**

* Internal grant processing completed after June 30, 2019

CHAPTER 5

Communications and Outreach

Context

The transition of CIIP communications to Finance, Competitiveness and Innovation (FCI) Communications coincides with a renewed focus by the WBG (1) to expand the reach of its engagement at the country level and (2) to enhance a deeper understanding of challenges and alternatives across the various stakeholder and audience groups that directly or indirectly influence development progress and results. CIIP's focus on sector competitiveness at the country level offers a unique opportunity to communicate on this growing momentum while sharing the know-how to leverage the experience from pilot to scale.

This strategic communications approach is effectively aligned with the new assignments of Equitable Growth, Finance, and Institutions Regional Directors that allow for a more coherent and consistent positioning of efforts and experiences as they relate to themes, challenges, and solutions from a policy, stakeholder, and audience perspective.

Progress Update

- During 2019, the FCI Communications team worked closely with various trust funds to articulate and highlight responses to some of the pressing development challenges they were designed to address. The team continues to rely on the outcome of audience and stakeholder surveys conducted by the institution to do the following:
  - Market knowledge effectively so key audiences can access and use relevant information.
  - Improve the knowledge products package to better meet the needs of the audience.
  - Enhance the ability to influence key audiences at the global and country levels.

- With a focus on results and impact, FCI Communications partnered with FCI Knowledge team to manage content that can address relevance and scale for WBG staff, senior management, and external audiences. The experience of the program has been developed and packaged in several formats that are a better fit for each of the groups. This includes the following activities (completed/in progress/planned):
  1. Editing and transitioning online content for FCI's Knowledge platform accessible to WBG staff and external audiences.
  2. Consolidating the various trust fund access points to FCI's Communication and Knowledge platforms to ensure content quality, validity, and relevance to key audiences at global and country levels. (This work is effectively coordinated with WBG regional and country teams so they can also promote content to their audiences.)
  3. Offering a series of blogs that capture the various elements of know-how and success of launch pads and innovation centers and highlighting the contribution of development partners and the alignment of the experience with their respective priorities.
  4. Incorporating key results and stories in talking points for senior management at the Global Practice (GP) and WBG levels; leveraging FCI's joint WB/IFC identity.
  5. Incorporating the CIIP experience in knowledge events, where relevant, and as convened year-round by the FCI Knowledge team—the events are also promoted by FCI Communications teams.
  6. Featuring the experience of the talking points as part of feature stories on the FCI external homepage and on the WBG intranet as part of the GP's work on this agenda.
  7. Writing two to three working papers that can be promoted by global and regional think tanks on how the CIIP experience has contributed to sector-level impact and the potential for leveraging it from pilot to scale to drive a broader impact.

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