

Multi-Country Investment Climate Program (MCICP), Phase II

The Multi-Country Investment Climate Program (MCICP) supports individual reform projects in partner countries that foster open, productive and competitive markets and unlocks sustainable private investments in business sectors that contribute substantially to growth, job creation and poverty reduction.

Private companies globally account for more than 90% of job creation and represent a major source of economic growth and tax revenues. However, their companies' ability to grow and to create more and better jobs critically depends on a well-functioning business environment, investment and trade climate. To promote such a climate, innovation-friendly, clear and simple regulations are needed. By supporting both economy-wide and sector specific regulatory reforms, MCICP contributes to increased competition, to support the creation of a level playing field, to spur innovation and ultimately to contribute to economic growth helping to reduce poverty.

Overall Goal

MCICP aims to foster reliable economic framework conditions for robust private sector growth, to design and implement systemic investment climate reforms, and to create (directly or indirectly) more decent jobs in recipient countries.

Overall, MCICP will support advisory services that foster open, productive, and competitive markets and unlock sustainable investments in sectors that contribute to growth, job creation and poverty reduction. Over the period 2022-2026, the Program will implement economy-wide and sector-specific reforms that will (i) reduce direct compliance costs for the private sector; (ii) generate new and retain existing investments (foreign and local); (iii) create decent jobs and expand opportunities for women; (iv) increase productivity; (v) enable companies to access (international) value chains; (vi) assist client countries in recovering from the economic impacts of the COVID-19 pandemic; (vii) provide advisory and technical support on climate mainstreaming and digitalization.

Outcomes

- Investment Climate Reforms in eligible partner countries are implemented at economy-wide and sector specific levels. Fields of work are, e.g. business entry regulations, inspections regimes, licensing regulations, business exit regulations;
- Industry- or service-specific investment and trade climate reforms enable better linkages between trade and investment, primarily in four sectors: agriculture, manufacturing and services (including tourism);
- Competition Policies enhanced and fair and equal competition among companies enabled;

Cross-cutting themes: climate aspects mainstreamed, opportunities for women expanded, governance improved and digitalization made more accessible, notably in view of recovery from economic impacts of the COVID-19 pandemic.

Data as of 20 Oct 2021

Project/Program ID.

UR_01043-02

Published on internet

YES

Project manager (PM) / Section

Bruhin, Brigitte (WEIF),
Hungerbühler, Silvan
(WEHU)

Credit region

East, South

Country/region

Global

Project partners

International Finance
Corporation

Time span

2022 - 2026

Total budget (incl. other donors)

USD 20'000'000

SECO contribution (published)

CHF 19'000'000

Target outcome

1 reliable framework
conditions

Business line

1.3 Innovation-friendly
business environment

Key outputs

- At the country level: Advisory and technical assistance delivered in targeted themes related to investment climate, policy issues, reforms and implementation, competitiveness, capacity building and promotional instruments;
- At the global level: Global knowledge and analytical tools produced, e.g. in the areas of investment climate reforms, international best practices or impact of COVID-19 on doing businesses; scaling-up of climate-related activities.

Previous phase results

Under MCICP, Phase I with regard to the period 2018 until June 2020, 28 projects in 17 SECO partner countries were approved and contributed to the results achieved so far, at impact level:

Ten important Investment Climate reforms in 6 SECO priority countries supported;
over USD 2.5 million direct compliance costs savings reached;
over USD 9 million investments generated.

More results will be achieved by the full implementation of MCICP, Phase I.

The time lag being typical with investment climate reforms.

An external mid-term evaluation of MCICP, Phase I carried out in 2021 has found the Program to be highly satisfactory or satisfactory across all DAC criteria. The evaluation was organized around three areas: 1) Governance and management, 2) Portfolio review, and 3) Project level review. The MCICP Program helps to address 5 out of the 17 SDGs: SDG 1 (on poverty), SDG 5 (on gender), SDG 8 (on decent work and economic growth), SDG 9 (on industry, innovation and infrastructure, and SDG 13 (on climate action).