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DOING BUSINESS REFORM ADVISORY

TEN YEAR RESULTS

CONTENTS

EXECUTIVE SUMMARY[1]

SCOPE OF REPORT

The report presents findings, trends, and lessons learned from ten years of Doing Business Reform Advisory (DBRA) by the World Bank Group (WBG) between 2008 to 2018. The analysis is based on data from the Monitoring & Evaluation system of the WBG and the Doing Business database, as well as input from WBG staff and project counterparts. The report also provides insights on how the DBRA program has been implemented and how it evolved over the years.

SECTION 1. A UNIQUE DELIVERY MODEL

This section describes DBRA's unique delivery mechanism, which combines product standardization with flexibility to adapt to challenges faced by both the client and the WBG in a given country program.

The objective of DBRA is to help clients improve their business environment. DBRA combines global knowledge of WBG staff in HQ and international experts with local expertise, and provides support to client countries through the range of WBG instruments. The delivery model relies on regional-global team collaboration as well as cross-product synergies, which enable the team to leverage WBG's global expertise and country-specific knowledge across institutional boundaries. Regional DBRA programs have supported clients in a timely fashion often during short windows of reform opportunity. While its primary focus has been on the areas covered by the Doing Business report, DBRA also proved to be a platform for developing innovative technical assistance in response to client demand. Examples include new advisory services on organizing for reform, addressing implementation gaps, as well as increasing women's equity in economic participation.

SECTION 2. TEN YEARS OF RESULTS

This section provides an overview of the results of DBRA's work with its clients. The analysis is done from three angles: global, regional and by topic. For the latter section, the focus is brought on three popular reform areas among client governments: starting a business, dealing with construction permits, and registering property.

Global trends. DBRA has a global footprint in terms of reach and results. Since its creation in 2008, DBRA supported 664 reforms in 117 countries, delivering technical assistance to all the regions and across all ten topics covered by Doing Business. The DBRA program has had a strong focus on Fragile Conflict and Violent (FCV)[2] and International Development Association (IDA)[3] countries. DBRA has supported 53% of FCV countries in the world, implementing a total of 132 reforms. DBRA has also supported 90% of IDA countries, implementing 408 reforms. IDA clients that have shown strong commitment through multiyear programs have made significant improvements over the decade, such as Rwanda (32 reforms), Côte d'Ivoire (20) and Kenya (18). Sub-Saharan Africa was the region with the most reforms delivered during that period, while client countries in Eastern and Central Europe saw the largest absolute improvement of their business environments. At the global level, DBRA supported all the top 10 countries that improved their business environment the most between 2008 to 2018.

1) This note was prepared by Valerie Marechal and Jean Nicolas Arlet under the supervision of Sylvia Solf and Catherine Masinde.
2) See list of FCV countries here: https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations
3) See full list of IDA countries here: http://ida.worldbank.org/about/borrowing-countries

Reform programs have broadened across regulatory areas over time. In 70% of client countries, DBRA's assistance contributed to reforms in 3 or more areas. One out of five of these countries implemented 10 or more reforms. While some areas of business regulations have seen more improvements than others, DBRA's assistance broadened across regulatory areas over time.[4] One lesson learned is that successful reforms rely more on institutional capacity, multiyear engagements, and political rather than on financial capacity per se.

Despite the results obtained through the decade, DBRA's reform agenda remains unfinished: a number of client countries have not been successful in implementing reforms or have seen their reform programs interrupted for various reasons. Notably, 20 countries engaged with DBRA but no reforms were recorded from that engagement as of 2018. Moreover, 19 countries delivered only one reform with DBRA assistance.

Sub Saharan Africa (SSA). The region has been the most active in terms of engagement and in the number of reforms. To date, 43 of the 48 countries in the region have engaged with DBRA and almost half of the reforms supported by DBRA in the world were implemented in SSA (322 in total). Reforms have mostly focused on the areas of business start-up, construction permitting, the protection of minority investors, property registration and insolvency frameworks. Over the last ten years, Côte d'Ivoire, Kenya, Togo, Niger, Rwanda and Senegal improved the most on the overall ease of Doing Business. Notably, Rwanda implemented reforms supported by DBRA over six consecutive years and has been recognized as a global top ten reformer three times.

DBRA-supported reforms contributed to a fourfold reduction in the cost to start a business during the decade. Twenty-three countries abolished or substantially reduced the paid-in minimum capital requirement to start a business. DBRA also supported countries in the region via the OHADA regional program, which implemented key reforms in 17 member states in business registration, insolvency proceedings and minority shareholders protection.

Europe and Central Asia (ECA). Reform continuity and client engagement paid off in ECA, the region that improved the most on the EODB over the past decade. Six of the top ten countries globally that saw the most improvement during that timeframe are from ECA. Having engaged with 23 countries in the region, DBRA supported a total of 143 reforms, most aimed at facilitating business start-up and dealing with construction permits. In 2008, the average time to obtain a construction permit in ECA was the longest in the world, at 320 days on average. As three out of four DBRA clients in the region reformed in this area, the average time to obtain a construction permit was halved by 2018, while the cost was reduced by 70%.

Latin America and the Caribbean (LAC). DBRA has engaged with 27 countries in the region, implementing 76 reforms. One-third of the reforms were focused on business creation. Despite the reform intensity of clients such as Colombia, Mexico and Peru, reforms in the region have been affected by political cycles and shifting priorities. In 2014, not a single reform was recorded by client countries. A regional peer to peer learning event may have helped rekindle interest, particularly in Central America, where Costa Rica implemented a comprehensive program with DBRA becoming the most improved country in LAC in recent years.

The Middle East and North Africa (MENA). DBRA supported 50 reforms in 16 countries in MENA - including FCV countries such as Iraq and Syria. Reforms have mostly focused on business registration and access to credit, with 96% and 63% of clients reforming in those areas. One of the greatest achievements has been the reduction of the regional average paid-in minimum capital requirement from 509% to 8% of income per capita.

4) From 2014 to 2018, reforms in Starting a Business and Dealing with Construction Permits represented half of total reforms supported by the DBRA. In contrast, from 2014 to 2018, the share dropped to 33.5% as DBRA supported myriad reforms in other areas, such as property registration, investor protection or insolvency frameworks.

South Asia (SA). Seven countries implemented 37 reforms in the region with DBRA's assistance. The most reformed topics were business registration and paying taxes. Since 2015, India engaged in an ambitious reform program supported by DBRA which resulted in 17 reforms. Thanks to this program, India became one of the ten countries that improved the most in the world on the EODB over the past decade. DBRA also supported Afghanistan – the world's top improver in 2018 thanks to significant legal reforms.

East Asia and Pacific (EAP). Clients in the region implemented 35 reforms with DBRA support. Reform pace significantly increased in recent years. Nine out of ten reforms supported by DBRA in EAP have been implemented after 2015. China, Indonesia, Malaysia and Thailand are leading these reform efforts.

Topic trends - Starting a business. Business registration reforms were the most popular. More than half of the countries that reformed in this topic over the past decade received assistance from DBRA. The cost to start a business in client countries decreased by 72% between 2008 and 2018, compared to a decrease of 23% in non-client countries. The time to start a business decreased by 55% in client countries, compared to 50% in non-client countries. Finally, the average minimum capital requirement dropped in DBRA clients from 153% to 5% of income per capita. The most popular type of initiative supported by DBRA under this topic was the simplification of preregistration and registration formalities, including procedures such as notarization, inspection and company name verification.

Topic trends - Dealing with construction permits. Most clients have requested support from DBRA to improve their construction permit regimes. In total, DBRA has supported 96 reforms in 60 countries (mostly in SSA and ECA), with half of those reforms focusing on streamlining procedures and improving electronic systems. DBRA has also supported its clients with the introduction of one-stop-shops, as well as improving transparency by making relevant information available to the public.

Topic trends - Property transfer and registration. Clients implemented 65 reforms across 47 countries with DBRA support. As a result, they reduced the time to register a property by 40% and the cost by 25%. The most active regions reforming in this area were SSA and ECA, the latter becoming the fastest region to complete a property transfer. The most popular type of reform supported was reducing transfer taxes and fees, and the introduction of single windows to facilitate due diligence on the procedures.

SECTION 3. LESSONS LEARNED

This section presents lessons learned along the ten years of program implementation. Based on the different engagements DBRA has had, lessons are drawn - particularly regarding success factors (both internal and external). The section also highlights the value of regional-global team collaboration as well as cross-product synergies to leverage both WBG's global expertise and country-specific knowledge. It further stresses how umbrella regional financing has been key in supporting clients in a timely fashion during short opportunity windows, and how DBRA's adaptability and capacity to evolve into new areas has been essential in the face of growing client interest.

Key features of successful reformers include a high-level long-term vision to improve the business environment, reform programs led at the highest level, and private sector involvement for reform design, accountability and impact. Successful reformers also promote evidence-based policies and data-driven decision-making.

Box 1 | Ten years: results in a nutshell

→ 117 client countries reformed
→ 664 reforms implemented in client countries
→ 70% of clients implemented more than three reforms
→ 408 reforms were implemented in IDA countries
→ 132 reforms were implemented in FCV countries
→ 99 client countries improved business registration
→ 57 client countries improved building controls
→ 47 client countries improved land administration
→ 21% of countries in East Asia & Pacific reformed with DBRA assistance
→ 90% of countries in Sub Saharan Africa reformed with DBRA assistance
→ 55% of countries in Latin America and Caribbean reformed with DBRA assistance
→ 65% of countries in Europe & Central Asia reformed with DBRA assistance
→ 76% of countries in the Middle East & North Africa reformed with DBRA assistance
→ 88% of countries in South Asia reformed with DBRA assistance
→ 72% decrease in the cost of starting a business across client countries
→ 55% decrease in time to start a business across client countries
→ 31% decrease in the time to obtain a construction permit across client countries
→ 61% decrease in the cost to obtain a construction permit across client countries
→ 40% decrease in the time to register a property across client countries
→ 25% decrease in the cost to register a property across client countries
→ 46 countries created or improved institutions with DBRA assistance including commercial courts, credit bureaus or one-stop-shops for new businesses

TEN YEARS, TEN KEY MESSAGES

1. **DBRA has supported reforms in 62% of the 190 countries covered by the Doing Business project.** DBRA has engaged with 137 countries over its first ten years. One hundred and seventeen of them have implemented 664 reforms improving the investment climate in all regions across the world. Overall, DBRA supported 19% of all reforms recorded by Doing Business between 2008 and 2018. **Seventy percent of client countries implemented more than three reforms** with DBRA assistance. And one in five clients implemented more than ten reforms.

2. **Business registration is the most common area for reform with 99 client countries implementing 183 reforms. Nonetheless, reform programs have broadened and diversified over time.** DBRA supported half of all reforms globally aimed at making starting a business easier. Between 2008 and 2018, the cost to start a business in client countries decreased by 72%, compared to a decrease of 23% in non-clients. Fifty-seven countries improved building controls with DBRA assistance, while 51 countries improved credit infrastructure, and 47 countries improved land administration. Other reform areas include tax administration, trade logistics and connection to the electricity grid. Over time, the share of reforms supported other than business start-up and construction permitting increased from 50% of 66%.

3. **DBRA has engaged with 87% of IDA countries and 53% of FCV countries in the world,** delivering results in challenging environments. DBRA supported 408 reforms in IDA countries and 132 in FCV countries.

4. **DBRA programs have served as catalysts for comprehensive reform programs** that build on DBRA's initial diagnostic and technical assistance to reform key areas such as insolvency and secured transactions. **DBRA's unique delivery model** (including project implementation under flexible umbrella regional programs) has proven to be an **effective way to support clients in a timely and cost-effective manner.** Technical assistance by DBRA has evolved during the decade to respond to client needs widening the areas of support both in terms of Doing Business topics and stages of the reform process.

5. **Sub Saharan Africa (SSA) is the region with the highest engagement - i.e. 92% of countries in SSA are clients. It is also where 48% of all DBRA assisted reforms were implemented.** Results include significant cost reductions to start a business, from 185% of GNI per capita in 2008 to 42% in 2018. Costs to transfer property likewise declined over the same time frame, from 11.9% of property value to 7.5%. The region benefited from DBRA's support at a supranational level via the Organization for the Harmonization of Business Law in Africa (OHADA), which implemented reforms impacting 17 member states. **Rwanda – the country with the most reforms worldwide - implemented 32 business environment reforms** supported by a multiyear WBG engagement.

6. **Client countries in Europe and Central Asia (ECA) improved their business environment the most over the past decade** with 20 client countries in the region implementing 143 reforms with DBRA support. ECA is the only region where the regional average EODB score has incessantly increased and all client countries have improved their business

environment.[5] Reformers have prioritized business start-up (24% of reforms supported by DBRA in ECA), construction permitting (19%) and the protection of minority investors (15%). The average regional EODB score increased by 30% in ECA during the decade.

7. **The Latin America and Caribbean (LAC) region has implemented 75 business reforms with DBRA support.** Most of the reforms targeted the areas of Business registration (33%), Construction permits (20%) and Trade logistics (11%). Owing to these reforms, countries like Colombia, Mexico and Peru have been recognized as top reformers globally. However, their engagement and reform pace has fluctuated with different political administrations. Costa Rica made the greatest progress in the region during the past decade, taking important steps such as creating a new secured transactions law, creating a collateral registry, and creating online platforms for business registration and construction permits.

8. **With 85% of the countries in the region engaged, the Middle East and North Africa (MENA) has implemented 50 reforms in the past decade with DBRA support.** Most of the reform efforts focused on business registration (40%), getting credit (19%) and protecting minority investors (12%). Nine out of ten client countries in the region reformed business registration. The most improved countries during the past decade in MENA are Djibouti, Morocco, West Bank and Gaza and the United Arab Emirates.

9. **DBRA clients in South Asia (SA) have implemented 37 reforms with DBRA support.** In the past decade, clients focused their reform efforts on starting a business (22%), paying taxes (14%) and protecting minority shareholders (14%). Remarkably, India implemented 17 reforms with DBRA support, helping the country cement its status among the top 10 most improved economies of the last decade. Despite a challenging environment, Afghanistan engaged in an ambitious multiyear program with DBRA resulting in five reforms in 2018.

10. **The East Asia and Pacific (EAP) region has implemented 35 reforms with DBRA assistance. Reform appetite has surged in the second half of the decade, with 91% of reforms occurring after 2015.** China, Indonesia, Malaysia and Thailand implemented the most reforms in the region with DBRA support. In these countries, reform efforts have been ambitious and have delivered multiple results in one-year periods. EAP is the second most improved region of the past decade after ECA, with a 15% increase in the EODB score.

5) Measured for the purpose of this report as an improvement of the EODB score.

1. A UNIQUE DELIVERY MODEL

DBRA'S OBJECTIVES

The World Bank Group launched the Doing Business Reform Advisory unit (DBRA) in the fall of 2007. The unit was created in response to growing demand from countries for technical assistance in the regulatory areas measured by the Doing Business report[6]: Starting a business, Dealing with construction permits, Registering property, Getting credit, Protecting minority investors, Paying taxes, Trading across borders, Enforcing contracts, Resolving insolvency and Getting electricity.[7]

DBRA's mandate is to provide timely assistance to client governments for improving their business environment by leveraging the Doing Business dataset. The primary focus of the unit has been on the above-mentioned ten areas affecting a country's business environment, as covered by Doing Business. Notwithstanding this focus, DBRA has evolved to support reforms that are not exclusively linked to the specific indicator-sets in order to better tackle some of the root causes of regulatory obstacles to business creation and growth. In addition, technical assistance was developed to respond to new client demand, including how to mitigate implementation gaps and how to effectively organize for reform. In a nutshell, DBRA aims to help clients create a business-friendly regulatory environment, increase competitiveness and create a level playing field amongst firms. To this end, DBRA provides its clients with hands-on technical assistance to enhance their investment climate and create more opportunities for economic growth.

Box 2 | What motivates clients to reform?

The Doing Business indicators have served as a trigger for countries to identify reform opportunities. The factors leading clients to engage with DBRA in an advisory program vary according to each country's profile as well as its institutional, political and economic environment. Factors may range from the will to engage in structural economic change to responding to a crisis. International factors may also be strong motivators - e.g. regional trade engagements or the desire to access private or donor funding. Reforms to the business environment send a positive signal to both domestic and foreign markets, as well as to current and potential partners.

GLOBAL EXPERTISE, LOCAL SOLUTIONS

DBRA provides technical assistance to client countries through a number of advisory services, adapted to countries' demands, needs and local specificities. Under this model DBRA assists clients by:

Providing technical assistance related to topics covered by the Doing Business report. The team provides timely technical assistance to improve the business environment. Based on client interest, the team also offers assistance on other topics such as lowering barriers to women's entrepreneurship as measured by the Women, Business and the Law project.

Designing regulatory reform programs. In close collaboration with the World Bank and IFC country teams, the DBRA team engages with governments to determine the main goals and priorities of the

6) Since 2004, the Doing Business report, a joint IFC-World Bank project, has been tracking on a yearly basis, the ease of Doing Business worldwide across 11 stages of a business's life. http://www.doingbusiness.org/
7) Initially the Employing workers indicator was also covered

reform program. The objective is to align the regulatory reform program with a longer-term agenda to increase the competitiveness of the economy. Taking a comprehensive approach to reform is preferable, given that reforms in different areas tend to be complimentary.

Setting-up institutional structures that support reform design and implementation. The team supports governments in determining and setting up the appropriate institutional structures for reform implementation. Coordination of the reform agenda can be done by a key ministry - or by the office of the Prime Minister or President. In other cases, a technical task-force, including public and private sector representatives, can approve reform proposals, or a Steering Committee, which brings together members from different ministries to approve and oversee the implementation of reforms.

Ensuring private sector participation in the reform process. The team supports governments in establishing a platform for ongoing dialogue between the private sector and the public sector. This ensures private sector participation in the reform process and increases the chances of successful reform implementation.

Figure 1: DBRA's key deliverables

Reform memorandum covering the areas measured by Doing Business	The reform memorandum includes a brief overview of the key business environment constraints in the client country based on international benchmarks, and short-, medium- and long-term reform recommendations. Recommended actions serve to (a) identify key areas for reform; (b) discuss proposed reforms in these areas and the feasibility of their implementation; and (c) identify needs for further technical assistance.
Action plans	The team works with the client government to identify reform priorities and prepare reform action plans with specific measurable goals, and clearly assigned deadlines and responsibilities.
Topic-specific reform advisory	When the client has already identified priority areas and seeks in-depth assistance in a subset of topics, the team mobilizes experts to prepare a detailed assessment of the current regulatory situation and provides short- and medium-term reform recommendations. Following the delivery of the report, the team can carry out additional consultations and support the implementation of reforms.
Legislative review	DBRA experts carry out legal reviews which can include: assistance with the drafting of legislation, comments to existing legal drafts, analysis of existing legislation, and advice on consolidation or elimination of existing legislation and on key elements to be included in the new legislation.
Process mapping	The team carries out a detailed process mapping related to the topics covered by Doing Business. The process maps are a useful tool to identify key bottlenecks in regulatory processes and to inform reform recommendations, mainly related to the streamlining of procedures.
Review of reform proposals	Clients often develop their own reform proposals, which they share with the team for feedback. The team reviews the proposals and provides comments based on global good practice and experience in reform implementation in other countries.
Advice related to investment needs	This includes support to assess infrastructure needs, such as the creation of one-stop shops for business registration, and establishment or re-organization of property and collateral registries.
Communications support	The team provides advice on the design and implementation of effective communication strategies related to reform dissemination.
Monitoring and evaluation for impact	To re-enforce the need for effective implementation and impact assessment, the team assists with establishing an evaluation and monitoring mechanism.
Peer-to-peer learning events	The team supports and organizes peer-to-peer learning events to encourage knowledge sharing on how to implement successful business regulation reforms among client countries.

Source: World Bank Group

A DEMAND-DRIVEN APPROACH

The typical DBRA project cycle starts with a request from a client government seeking to improve the local business environment. Such requests may also be channeled through other World Bank units as part of projects where regulatory reforms are a key component. Since its inception, the DBRA team has increasingly collaborated across the WBG as reforms in the areas measured by Doing Business often serve as a starting point for improvements to the business environment.

Requests made directly by client countries are usually made at the ministerial level or higher. After full consultation with regional IFC and World Bank management, a cooperation or Reimbursable Advisory Services agreement is signed with the client for technical assistance programs. The terms of the agreement are negotiated between the client and the project team. Clients are expected to contribute in cash or kind. Increasingly, projects are also implemented through a combination of WBG instruments including lending.

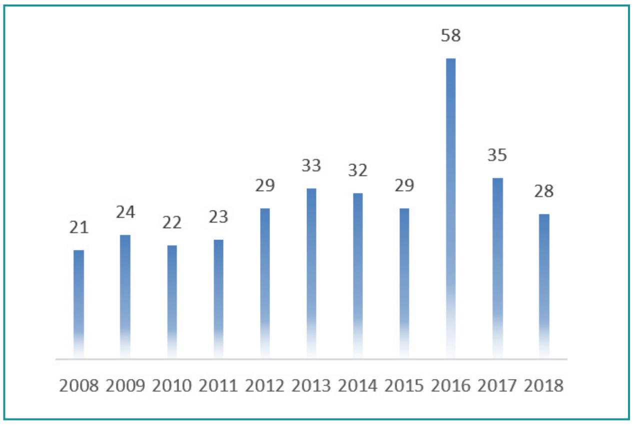
2. TEN YEARS OF RESULTS

DBRA'S GLOBAL ENGAGEMENT

In ten years, DBRA has supported 664 reforms in 117 countries in all the regions and across all the topics covered by Doing Business.

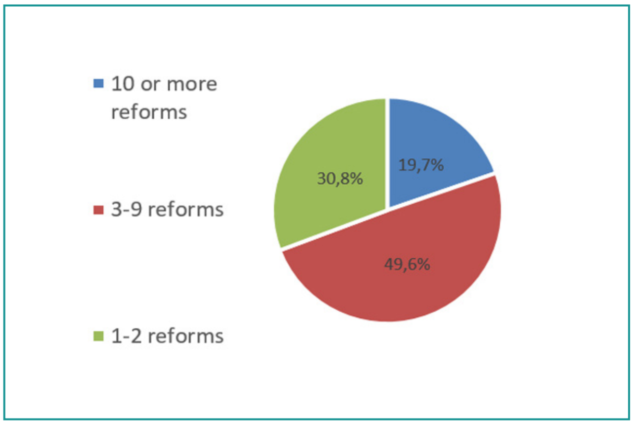
The number of countries having reformed with the assistance[8] of DBRA has fluctuated during the decade. 2016 was a peak year when 58 client-countries implemented reforms, driven in part by regional OHADA reforms. In 70% of client countries, DBRA's assistance contributed to reforms in 3 or more areas. And one out of five of these countries implemented 10 or more reforms. The results from technical assistance programs vary, depending on factors such as client interest, institutional capacity, resources and political support for the reforms.

Figure 2: Number of client countries that reformed per year[9]



Source: World Bank Group

Figure 3: Half of clients implemented more than three reforms



Source: World Bank Group

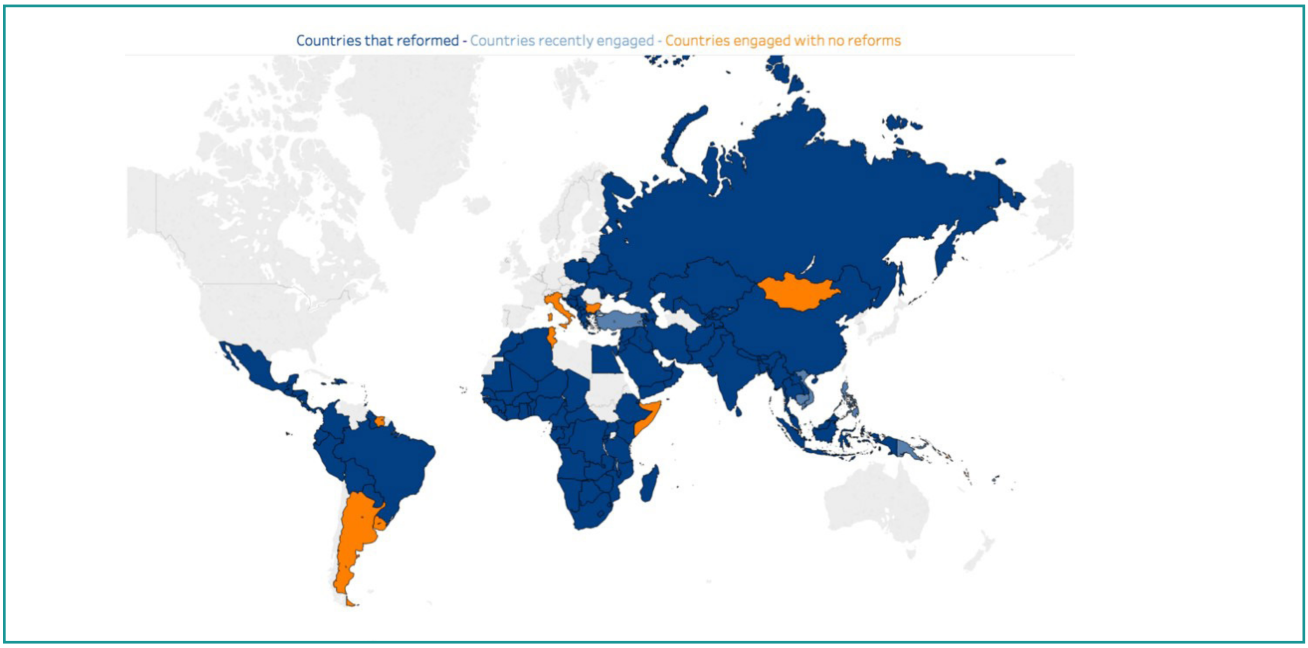
Present in all regions of the world, DBRA has engaged with 137 countries[10] and reforms have materialized in 117 of these countries.[11] The DBRA's global approach is possible thanks to the use of flexible regional projects and cross-collaboration with other WBG units.

Sub-Saharan Africa has been the most active region in terms of the share of countries that engaged with DBRA. The three countries with the most reforms from this region are Rwanda (32), Côte d'Ivoire (20) and Kenya (18).

ECA is the region that improved the most in terms of results across all topics. Some countries engaged in ambitious reforms as part of their transition to market economies or as part of their efforts to join the European Union.

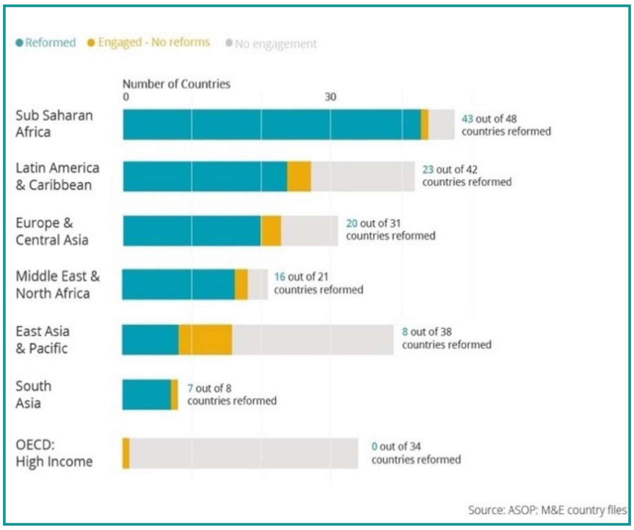
8) It should be noted that reforms may be implemented some years after having received technical assistance and therefore there is often a gap between the year of DBRA engagement and the year when reforms are effectively implemented and validated.
9) Results from DBRA cross collaboration with other WBG programs are only available for 2016, 2017 and 2018. The peak in 2016 is largely due to the implementation of supranational reforms via OHADA which had an impact on 17 member countries.
10) For the purpose of the current study, "DBRA engagement" is defined as any interaction with a government in which at the very least a reform memorandum or matrix has been prepared and delivered to the client. Overall, there are a number of reasons why the reforms may not have been implemented in the other countries that DBRA engaged with; in some cases, the engagement may have stalled as it tends to not be a linear process for countries, but rather a "stop and go" depending on momentum, leadership and resources. In other cases, the team may have engaged to provide initial technical advice on the topics and then the project was handed over to another WBG project and the reforms are no longer attributed to DBRA.
11) Argentina, Bulgaria, Cambodia, Cyprus, Fiji, Italy, Maldives, Malta, Mongolia, Papua New Guinea, Philippines, Solomon Islands, Somalia, St. Kitts, Suriname, Tunisia, Turkey, Uruguay, Vanuatu and Vietnam engaged but have not implemented reforms with DBRA assistance.

Figure 4: DBRA has engaged with 137 countries worldwide



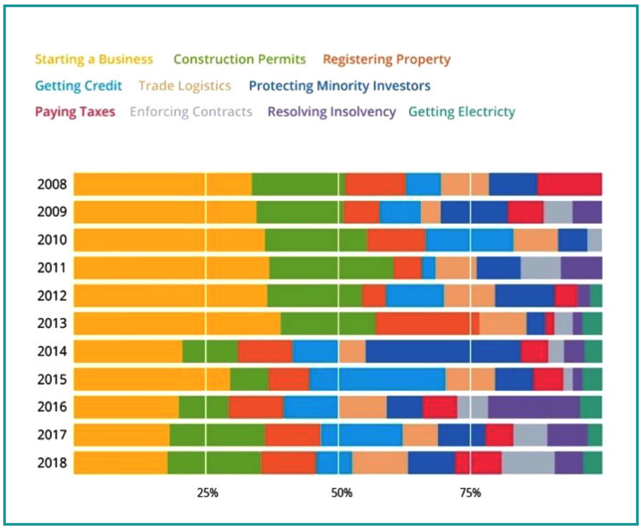
Source: World Bank Group

Figure 5: DBRA client distribution by region from 2008-2018



Source: World Bank Group

Figure 6: Reforms implemented by topic from 2008-2018

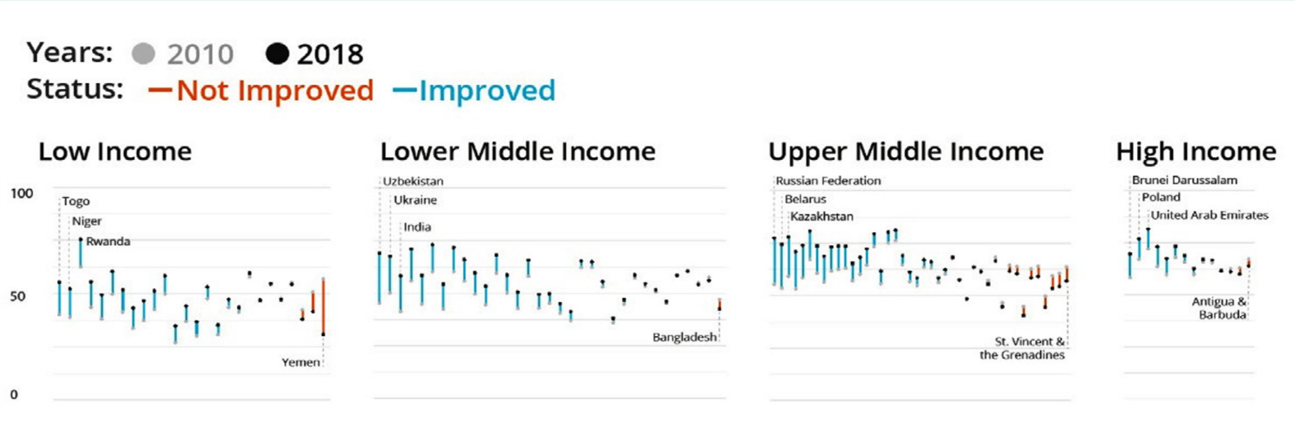


Source: World Bank Group

While DBRA's efforts focused in large part on starting a business in the first half of the decade, over time, both client demand and DBRA support broadened to other areas. This is illustrated in Figure 6.

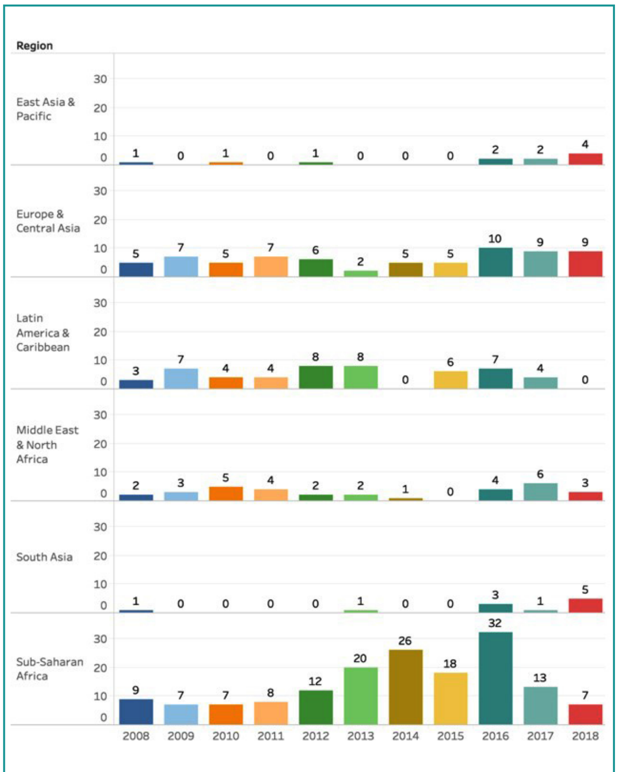
With few exceptions (e.g. conflict-affected countries such as Yemen), nearly all DBRA clients have improved their business environment during the past decade. These improvements have been particularly noticeable in low income and lower-middle-income countries (Figure 7). The extent of the progress recorded is often linked to countries' institutional capacity, multiyear engagements and political will – rather than on financial capacity.

Figure 7: EODB's variation[12] per income group



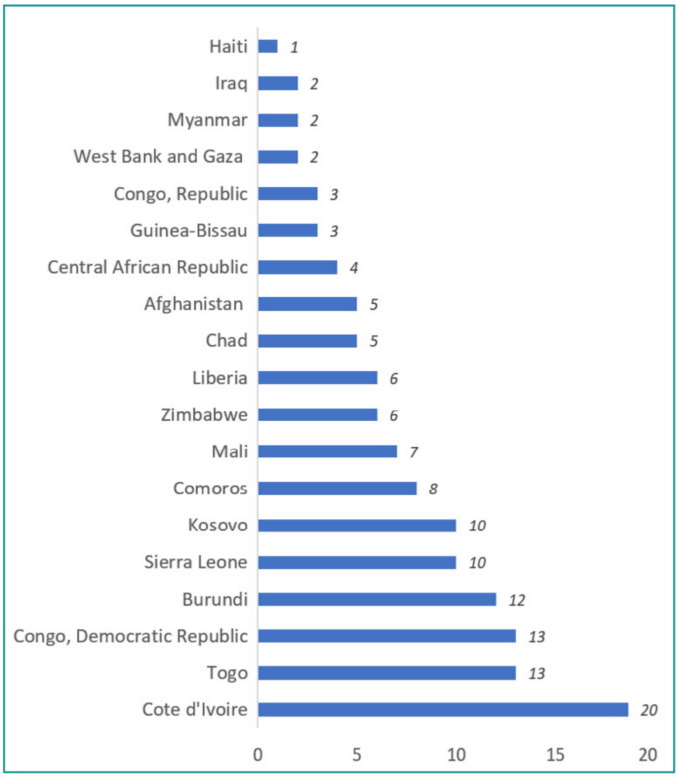
Source: World Bank Group

Figure 8: Number of countries per region having reformed with the assistance of DBRA per year



Source: World Bank Group

Figure 9: Number of reforms supported by DBRA in FCV countries since 2008



Source: World Bank Group

Despite the challenging social and political environment, DBRA has partnered with FCV and IDA countries to improve their business environment. In fact, DBRA has supported 53% of FCV countries in the world, implementing a total of 132 reforms in nineteen such countries. Furthermore, 408 reforms have been implemented in IDA countries, with DBRA supporting 87% of these economies. With strong client commitment and a multiyear engagement, reforms in FCV and IDA countries can contribute to their stabilization and economic recovery. Examples of FCV and IDA countries that received DBRA support are Afghanistan – which implemented substantive legislative reforms after several years of engagement- and Côte d'Ivoire – which implemented 19 reforms from 2013-2017[13] across nine of the eleven topics covered by Doing Business.

12) While the EODB score is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.
13) A total of 20 reforms in total with DBRA support, including one reform in 2011.

Box 3 | Committed clients, successful reformers: what do they have in common?

While each client is a unique case and has its own reform story, ten years have helped draw common traits of what it takes to be a successful reformer:

A high level – long-term vision to improve the business environment. Reforming takes time and requires continuity along political cycles. Successful reformers establish key performance targets and detailed implementation plans with measurable targets.

Reform programs are led at the highest level. Implementing a clear vision needs high level leadership, preferably from the president, the prime minister or a strong ministry (e.g. Ministry of Finance). Reform programs further require periodic reporting and escalation/arbitration mechanisms to ensure coordination amongst implementing agencies.

Private sector involvement. Successful reformers move from a government-centric decision-making model to a user-centric model, where the point of view of businesses and citizens are prioritized in the design and implementation of reforms. Public private dialogue mechanisms can take different forms but they must guarantee the appropriate checks and balances to ensure inclusiveness and active participation, and effective communication between stakeholders.

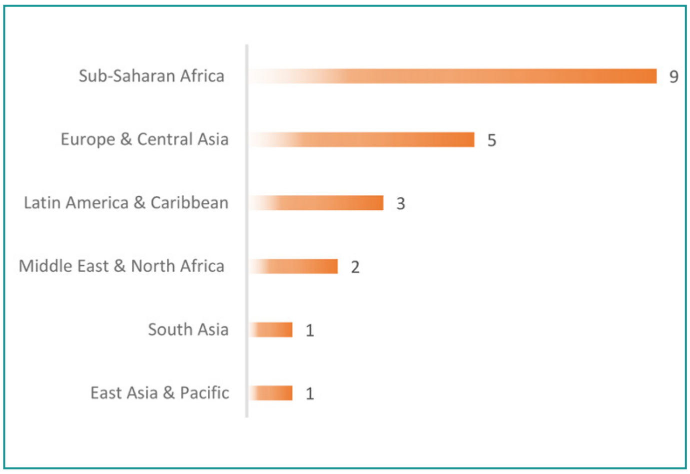
Data-driven decision-making. Successful reformers promote evidence-based policies. This requires an upgrade of registries and information systems, as well as improvements in data collection to draw baselines and monitor progress in the long-run.

REGIONAL TRENDS

SUB SAHARAN AFRICA

Sub Saharan African (SSA) countries have been committed to improving their business environment throughout the past decade. The region has been a priority for DBRA, and since 2008, client countries in SSA have been recognized among the top ten global improvers each year. To date, 43 of the 48 countries in the region have engaged with DBRA - either via a country-specific program, the regional umbrella project or through the OHADA regional program. Reform pace in SSA picked up quickly as the region has been the most active in terms of number of reforms since 2008. In fact, in DBRA's first year, nine countries in the region – Burkina Faso, Ghana, Liberia, Madagascar, Mauritania, Rwanda, Senegal, Sierra Leone, South Africa – had already implemented 18 reforms. That year (i.e. 2008), DBRA supported 30% of reforms in the region.[14]

Figure 10: Sub Saharan African countries were the most active in the first year of DBRA



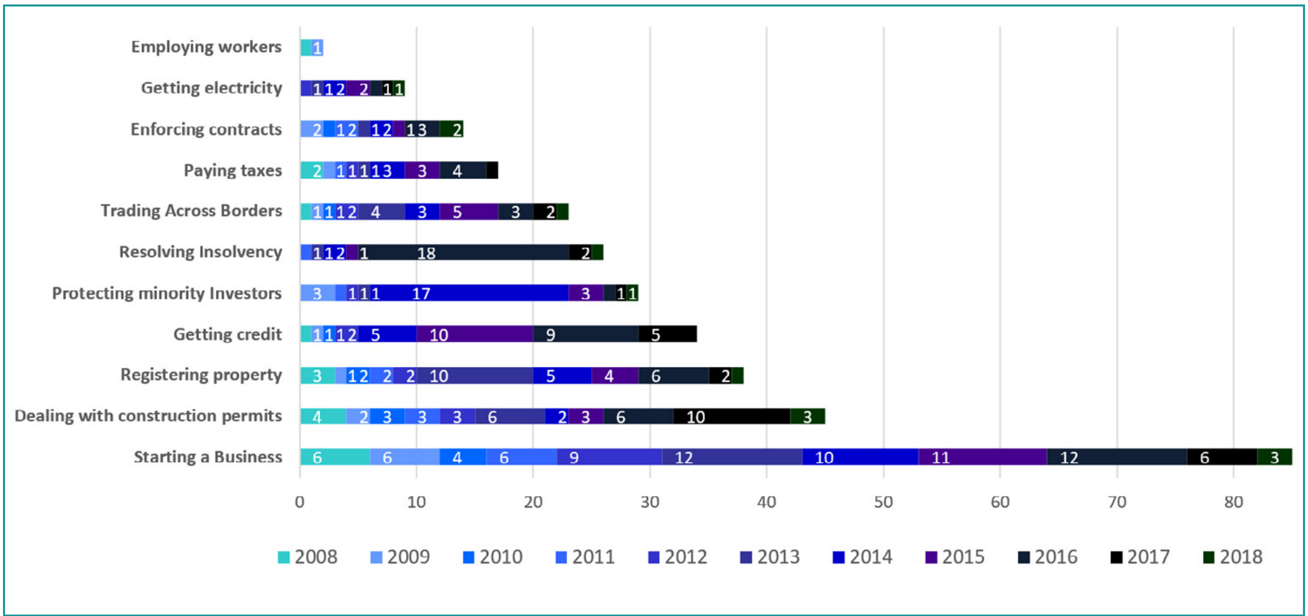
Source: World Bank Group

14) The engagement of these countries with DBRA was a part of a growing reform trend for SSA as, in 2008, Doing Business recorded more reforms in SSA than in any other previous year..

Forty-eight percent of all reforms supported by DBRA are in the Sub-Saharan Africa region

DBRA has supported 322 business environment reforms in SSA - or about one-third of all the reforms in the region recorded by Doing Business since the inception of the report 15 years ago. Reform efforts have been the most focused in the areas of business start-up, construction permitting, protection of minority investors, property registration and the insolvency frameworks.

Figure 11: Reforms in Sub Saharan African countries from 2008-2018 with DBRA support[15]



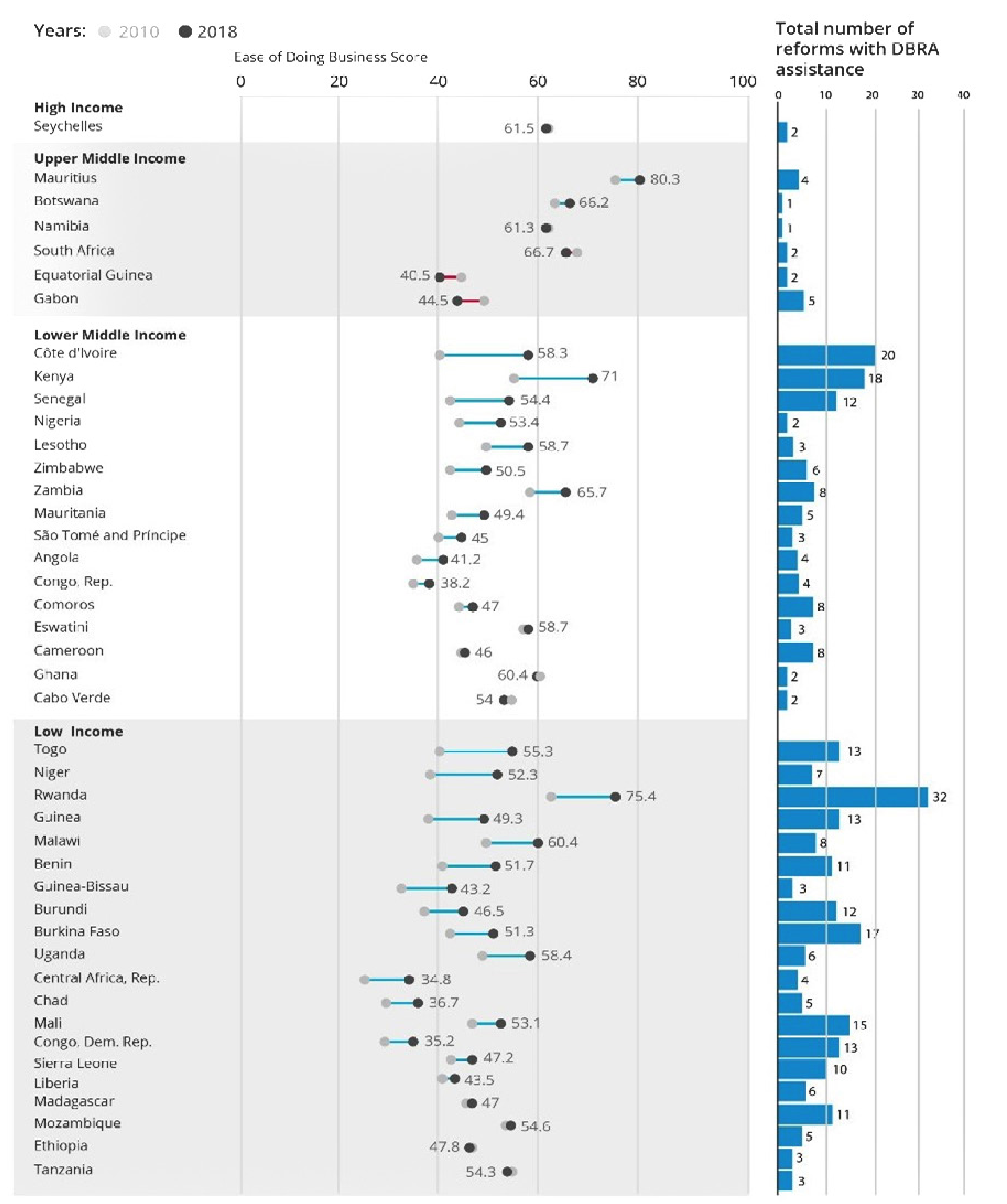
Source: World Bank Group

DBRA has engaged with the majority of FCV and IDA countries in SSA.[16] Among that group, Rwanda and Côte d'Ivoire implemented the most reforms with DBRA support. Today, Côte d'Ivoire belongs to a select group of 10 economies globally that recorded the largest overall improvement on the EODB from 2008 to 2018 thanks to its ambitious reform program.

Rwanda notably implemented an all-emcompassing program with 32 business environment reforms, including six years of consecutive reforms to facilitate business registration. Rwanda has been recognized as a top ten reformer in 2006 and 2010, as well as the global top reformer in 2013.

15) Note: 2014 was the year of implementation of the OHADA regional reform in Protecting minority investors and 2016 was the year of implementation of the OHADA reform affecting insolvency regulation. The reforms on those topics that year were the result of a regional OHADA reform which benefited all country members.
16) DBRA has engaged with 55% of FCV countries in the region. Furthermore, DBRA has engaged with 87% of IDA countries in the region.

Figure 12: Countries' performance[17] in the SSA region



Source: World Bank Group

17) While the EOBD score is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.

Figure 13: Sustained efforts in Rwanda led to 80% decrease in cost and 90% in time to start a business 2009 and 2018

	Step by step business creation reform in Rwanda	Reform results
2009	1) The government enacted laws creating an effective one-stop-shop for business registration. 2) Rwanda eliminated the notarization requirement for business creation; 3) Introduced standardized memoranda of association; 4) Put publication online; 5) Consolidated procedures such as name-checking, registration fee payment, tax registration and company registration procedures; 6) Reduced the time required to process completed applications. 7) Opened 8 regional registration offices in 8 cities in Rwanda, allowing businesses in remote areas to register on-site.	- Entrepreneurs in Rwanda now spend 90% less time to start their business than in 2008: time has been reduced from 43 to 4 days - Cost to start a business has decreased by 80%: from 232% in 2009 to 45% of income per capita in 2018. - Coupled with favorable macroeconomic conditions, between 19,000 and 24,000 jobs have been created and an additional $33 million to $88 million in investment have been generated over the past few years.[18] - The number of newly registered companies has grown from 1,136 in 2008 to 9,991 in 2014.[19]
2011	8) Fully implemented an online business registry.	
2013	9) In 2011/2012, the Rwanda Development Board sped up the process of issuing a registration certificate at the one-stop-shop.	
2015	10) Rwanda made starting a business easier by eliminating the need for new companies to open a bank account in order to register for VAT.	
2016	11) Rwanda made starting a business easier by improving the online registration one-stop-shop and streamlining post-registration procedures.	
2018	12) Rwanda made starting a business less costly by replacing electronic billing machines with free software for value-added tax invoices.	

Source: World Bank Group

Reforms in SSA have focused on business startup, construction permitting, registering property and getting credit

Thirty-seven SSA countries implemented 85 reforms between 2008 and 2018 aimed at streamlining business start-up. Burdensome regulations and out-of-date fee schedules have long affected the business creation process in the region. In 2008, the average time to create a business in SSA client countries was 55 days. In 2018, it only took 23 days. One notable way the time was reduced was through the creation of One-Stop-Shops (OSS) or online registries. With DBRA assistance, 11 countries in the region created OSS or online registration platforms. For example, in 2013, Guinea launched a OSS which helped reduce the time to register a business from 40 to 12 days. In the first 5 months of its creation, 750 businesses were registered.

18) FIAS Annual Review 2015 (Facility for Investment Climate Advisory, International Finance Corporation, World Bank Group)
19) WDI

Box 4 | Kenya implemented 18 reforms in 4 years with DBRA assistance

Key reforms include:

1) Introduction of a new an E-Citizen portal reducing registration time from 12 days to 1.

2) Introduction of a unified application form for property transfer reducing costs by 47%.

3) The new Companies Act 2015 and the Insolvency Act of 2015.

The time to start a business has been halved and the cost has been cut by four in SSA. In 2008, the average cost to start a business in SSA amounted to 185% income per capita, double the worldwide average of 91% in 2008. This average cost was reduced to 46% of income per capita in 2018, albeit still twice as high as the worldwide average cost to start a business.

Box 5 | Efforts to reduce costs have taken various forms

In 2011, Burundi enacted the new law on Private and Public Companies which eliminated the requirements to have company documents notarized, as well as the need to publish information on new companies in a journal and to have to register new companies with the Ministry of Trade and Industry. Such reforms reduced the financial burden on entrepreneurs by 84%; lowering the overall cost to create a business from 117% to 18% of Burundi's income per capita.

The requirement for an entrepreneur to deposit a minimum capital before the creation of a company used to be widespread in SSA, with more than half the DBRA client countries having it as a mandatory requirement in 2008. That year, the minimum capital requirement amounted to an average of 186% income per capita. And, in some countries, the requirement was much higher. In Guinea-Bissau and Niger, for instance, the minimum capital requirement stood at 1,006% and 703% of income per capita, respectively, making business startup nearly impossible for the average citizen. Today, as a result of DBRA technical assistance, seven countries have abolished their minimum capital requirement and 16 of the OHADA Member State countries have significantly reduced it. As a result of the reform to regional OHADA regulations, the average minimum capital requirement in OHADA member states has been reduced by 96%.

Figure 14: Number of countries having reformed per topic in SSA from 2008 to 2018

Source: World Bank Group

Figure 15: Improvements in time and cost for business creation in SSA from 2008 to 2018

Year	Time (days)	Cost (% of income per capita)	Minimum capital requirement (% of income per capita)
2008	54.67	184.93	186.27
2009	40.51	138.61	174.32
2010	47.84	115.07	144.9
2011	45.79	104.94	149.63
2012	36.37	88.65	133.67
2013	34.38	76.37	118.62
2014	29.99	70.04	130
2015	27.6	58.58	103.91
2016	27.75	52.22	49.86
2017	27.02	47.79	31.07
2018	22.83	46	19.14

Source: World Bank Group

Figure 16: Twenty-four countries in SSA abolished or reduced their minimum capital requirement since 2008

Clients that abolished the paid-in minimum capital requirement		Clients that reduced the paid-in minimum capital requirement			
Angola	Madagascar	Benin	Burkina Faso	Congo, Dem. Rep.	Congo, Rep.
Mozambique	Zambia	Chad	Comoros	Gabon	Guinea
Lesotho	Mauritania	Côte d'Ivoire	Equatorial Guinea	Niger	Senegal
Sierra Leone		Guinea-Bissau	Mali	Central African Republic	Togo
			Cameroon		

Source: World Bank Group

Twelve countries in SSA operationalized new credit bureaus to collect credit information, increasing credit information coverage of the adult population by 5.6%. In Cameroon, the coverage of the adult population by the public registry under the Central Bank of Cameroon (BEAC Cameroon) has already reached 10%. In Lesotho, where DBRA collaborated with a WBG project that provided funding for the creation of the credit bureau in 2016, coverage reached 11% of the adult population in 2018. By contrast, much smaller improvements in coverage can be seen in the Democratic Republic of the Congo and Sierra Leone, which set up a new credit registry in 2014 in 2011, respectively. In both countries, improvements remain to be made as the coverage is below 2% years after the reforms.

Figure 17: Who reformed to improve access to credit in SSA between 2008 and 2018?

Reform feature	Countries
Establishment or operationalization of a new credit bureau or registry	Cameroon, Comoros, Congo, Dem. Rep., Côte d'Ivoire, Lesotho, Liberia, Madagascar, Mali, Mozambique, Senegal, Sierra Leone, Zimbabwe
Improved access to credit data information (providing credit scores, guaranteeing access to credit information, elimination of minimum loan threshold, improved credit coverage, introduction of regulations governing credit sharing and bureaus)	Cote d' Ivoire, Kenya, Mali, Mauritania, Namibia, Rwanda, Sierra Leone, Tanzania, Togo, Zambia, Zimbabwe
Establishment or operationalization of collateral registry[20]	Zambia

Source: World Bank Group

With DBRA support, SSA countries are reforming their judicial systems. In fact, SSA is the region with the most reforms in the area of contract enforcement. Fourteen reforms were implemented between 2008 and 2014 in ten countries. Côte d'Ivoire improved the most on enforcing contracts with DBRA support thanks to the creation of a dedicated commercial court, which can make a big difference in the effectiveness of the judiciary.[21] [22] In 2011, resolving a commercial dispute in Abidjan took 770 days. In 2013, after the creation of a specialized commercial court, it took 585 days.

Figure 18: Contract enforcement reforms in SSA by year

Year	Number of reforms
2008	0
2009	2
2010	1
2011	2
2012	0
2013	1
2014	2
2015	1
2016	3
2017	0
2018	2

Source: World Bank Group

Figure 19: Who reformed contract enforcement in SSA?

Reform feature	Countries
Creation of a specialized commercial court or commercial section.	Benin, Côte d'Ivoire, Ethiopia, Niger, Sierra Leone, Togo
Amended civil procedure rules (time for claims, filing)	Côte d'Ivoire, Mali, Niger

Source: World Bank Group

20) Note: significant time and efforts were dedicated to aligning the OHADA member State collateral registries with best international practices but implementation is still lagging as of today.
21) Djankov, Simeon, Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer and Juan Botero. 2003. "The Regulation of Labor." NBER Working Paper 9756, National Bureau of Economic Research, Cambridge, MA.
22) Zimmer, Markus. 2009. "Overview of Specialized Courts." International Journal for Court Administration 2 (1): 46–60.

Box 6 | Eighteen Sub-Saharan African economies have introduced commercial courts or sections since 2005

Having specialized commercial courts or divisions reduces the number of cases pending before the main first-instance court. It can thereby lead to shorter resolution times within the main trial court—one reason why economies have introduced specialized courts. But the benefits do not end there. Commercial courts and divisions tend to promote consistency in the application of the law, increasing predictability for court users. And judges in such courts develop expertise in their field, which may support faster and more qualitative dispute resolution.

The countries that introduced new commercial courts or sections since 2005 are Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Guinea-Bissau, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Niger, Rwanda, Senegal, the Seychelles, Sierra Leone and Togo. Six of these countries were DBRA clients. As a result, the average time to resolve the standardized dispute measured by Doing Business was reduced by 124 days in these six countries.

DBRA's support to OHADA[23] benefited 17 SSA countries on business registration, insolvency procedures and minority shareholders rights protection

Several waves of OHADA reforms contributed significantly to the number of reforms in the region. In 2010, OHADA member states enacted a first set of reforms to the Uniform Act on General Commercial Law. These reforms followed DBRA recommendations to streamline procedures for business start-up. In 2014, DBRA provided technical assistance for the reform to the OHADA Uniform Act Relating to Commercial Companies and Economic Interest Group. This reform improved the protection of minority shareholders and introduced the possibility for countries to reduce the minimum capital requirement for the registration of limited liability companies (LLCs). In 2015, the Uniform Act Organizing Collective Proceedings for Wiping Off Debts aimed to improve bankruptcy processes, including the time for filing bankruptcy cases. While reforms on insolvency procedures and shareholders' rights have been implemented regionally, implementation gaps are prevalent as the level of adoption of OHADA in national legislations still varies among countries (see table below).

Figure 20: DBRA recommendations to OHADA and their implementation

Topic	DBRA recommendations	Resulting reforms to OHADA Uniform Acts	Implementation in Member States
Starting a Business	Modify the Uniform Act Relating to Commercial Companies and Economic Interest Group and the Uniform Act on General Commercial Law to: i) reduce the time and cost of registering a business by eliminating the requirement for notary certification; ii) remove the minimum capital requirement,	On December 15th, 2010 member states adopted the reform of the Uniform Act on General Commercial Law (AUDCG). Although OHADA Member States retain full discretion in setting costs for registration procedures, OHADA through the AUDCG reform simplifies formalities and helps to reduce delays through the following new measures.	Implementation varies amongst member countries.

23) The Organization for the Harmonization of Business Law in Africa (OHADA) is a supranational entity harmonizing business law amongst its 17 west and central African members directly applied by all of its members. DBRA in collaboration with other WBG teams has supported both the design and implementation of OHADA reforms at a regional level as well as their application at the country level.

	iii) eliminate mandatory publication of the company status iv) remove the criminal records requirement for registration.	1) Production of a sworn declaration instead of an extract of a criminal record at the time of the application for registration to obtain the status of merchant; 2) Elimination of the obligation to publish a notice in a newspaper authorized to publish the legal announcements at the time of any registration of the merchant natural person; 3) Obligation for the competent authority to issue the registration number formally recognizing the birth of a commercial activity at the time of filing the application The Uniform Act Relating to Commercial Companies and Economic Interest Group was modified in 2014. This reform introduced the possibility of countries to reduce the minimum capital requirement for the registration of LLC's.	
Protecting Investors	Modify the Uniform Act Relating to Commercial Companies and Economic Interest Group to protect investors from expropriation by expanding director's liability in case of self-dealing, requiring ex-ante review of related-party transactions by an external auditor, allowing shareholders to access internal documents on major corporate activities, and decreasing the ownership threshold for bringing derivative suits.	On the 30th January 2014, the OHADA Company Law strengthened minority investor protections by introducing greater requirement for disclosure of related-party transactions to the board of directors. This amendment addressed issues pertaining to access to corporate information by minority shareholders. The revised Act allowed any shareholder to access and obtain copies of all documents pertaining to related-party transactions. It also allowed shareholders owning 10% at least of the shares of the company to request from the court the appointment of one or more experts to conduct an inspection over the company's affairs.	Changes were implemented in all 17 member States in 2014 and the reforms were recorded in the Doing Business 2017 report after full implementation and use by companies.
Resolving Insolvency	Modify the Uniform Act Organizing Collective Proceedings for Wiping Off Debts to improve bankruptcy processes, including the timing for filing bankruptcy cases.	The new OHADA Insolvency Law was ratified in September 2015 and went into effect in December 2015 for all member countries. The new law made resolving insolvency easier by introducing a new conciliation procedure for companies in financial difficulties and a simplified preventive settlement procedure for small companies. In particular, it	Changes were implemented in all 17 member States in December 2015 and the reforms were recorded in the Doing Business 2017 report after full implementation and use by companies.

		• created a conciliation procedure to encourage saving viable companies; • simplified regulations for small enterprises; • adopted a new cross-border insolvency regime based on the UNCITRAL Model Law; • clarified the order of priority of creditors; • provided incentives to creditors who provide fresh money to troubled companies to facilitate their restructuring and recovery; and, • sets a common legal framework to oversee the activities of insolvency practitioners as well as trustees.	

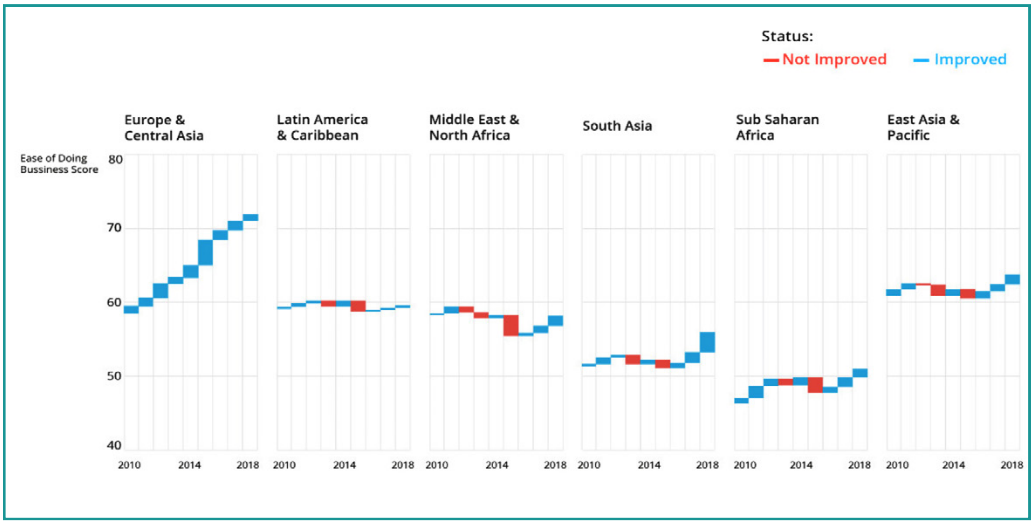
Source: World Bank Group

EUROPE AND CENTRAL ASIA

Reform continuity and multi-year client engagements: six of the top ten countries that improved the EODB the most globally are in ECA

DBRA has engaged with 23 of the 31 countries in the region. Eighty-seven percent of client countries in the region have implemented reforms with DBRA assistance. To date, ECA is the region where client countries have improved the most on average on the EODB score.[24]

Figure 21: ECA's has improved its business environment the most from 2010 to 2018

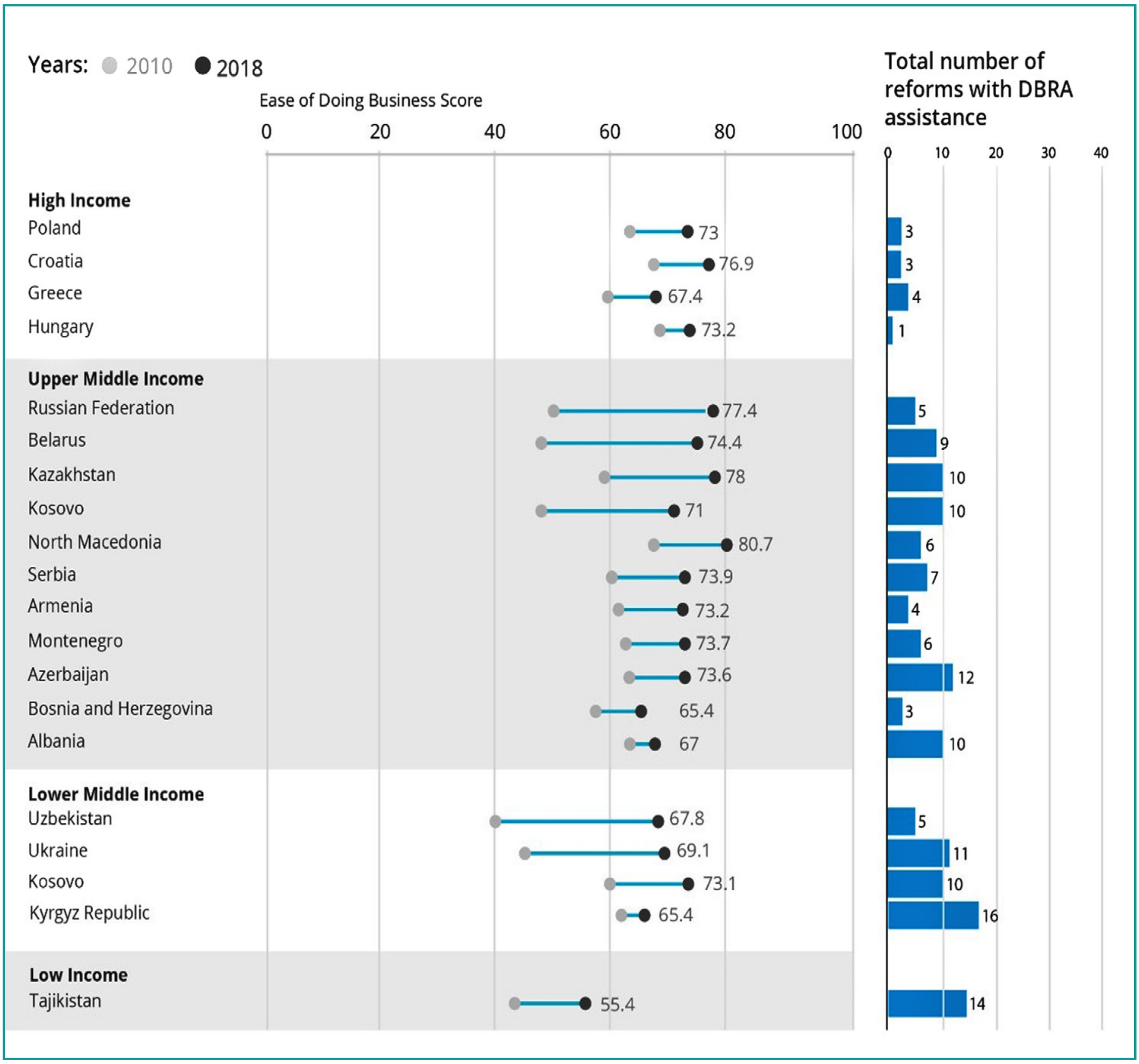


Source: World Bank Group

24) Historical data on the EODB score is only available until 2009 (i.e. Doing Business 2010).

Countries in ECA implemented 143 business reforms over the ten-year period. Most reforms have been implemented in business start-up (34 reforms), construction permitting (27) and the protection of minority investors (22). ECA is also the second region, after SSA, where DBRA has assisted the most countries in amending or implementing new insolvency laws, with six countries having received support in this area.

Figure 22: Performance[25] of ECA countries from 2010 to 2018



Source: World Bank Group

At a country level, reforms supported by DBRA have paid off. The region has six countries in the top ten of the most improved countries in the world in 2010-2018. All six engaged with DBRA within its first four years with high commitment, measurable targets and a long-term vision.

25) While the EODB score is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.

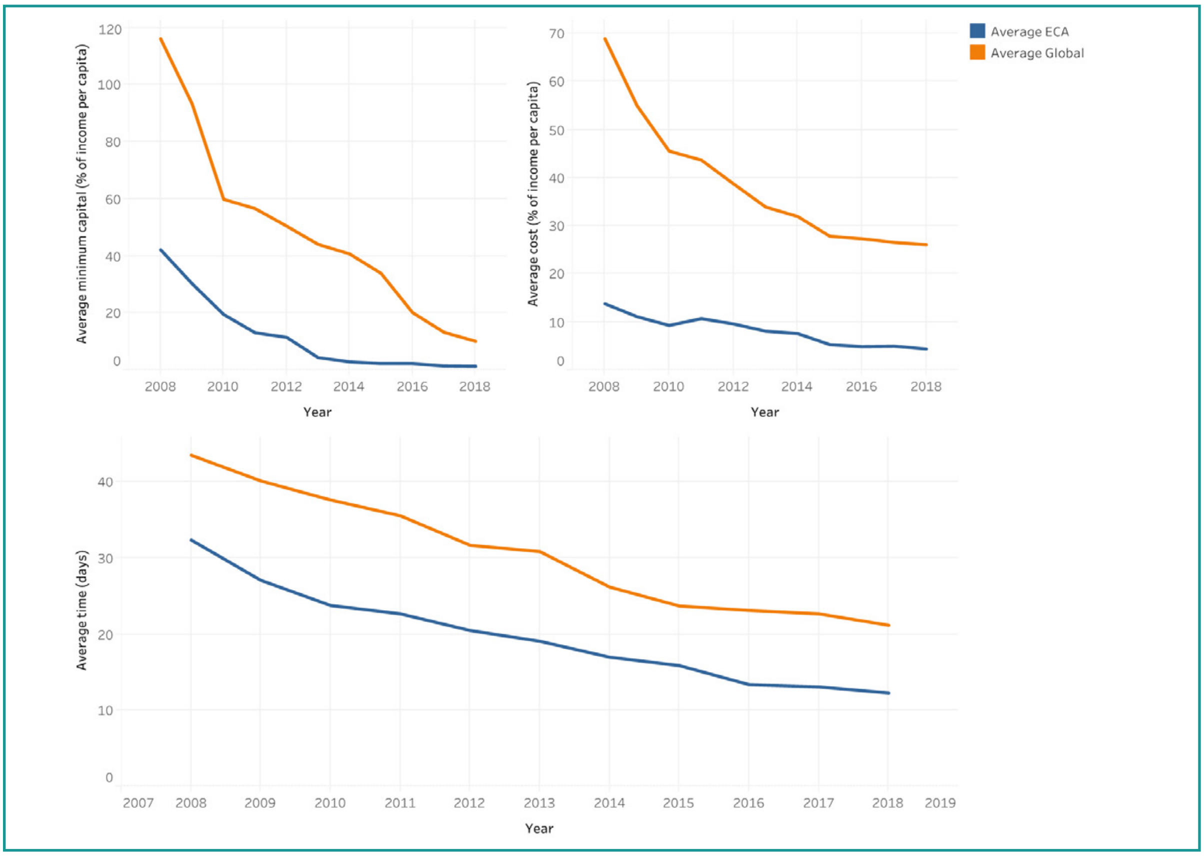
Figure 23: Top ten most improved countries on the ease of Doing Business worldwide

Country	Region	DBRA client	Number of reforms supported by DBRA	Year of engagement with DBRA	Difference between 2010 and 2018 EODB score	Difference in EODB score between year of engagement and 2018
Uzbekistan	Europe & Central Asia	Yes	11	2011	26,65	23,68
Ukraine	Europe & Central Asia	Yes	5	2011	23,69	23,57
Russian Federation	Europe & Central Asia	Yes	5	2011	21,88	19,78
Belarus	Europe & Central Asia	Yes	9	2007	20,67	NA
Kazakhstan	Europe & Central Asia	Yes	10	2009	18,84	20,86
Kosovo	Europe & Central Asia	Yes	10	2010	17,87	13,80
India	South Asia	Yes	17	2010	17,38	8,70
Côte d'Ivoire	Sub-Saharan Africa	Yes	20	2009	16,95	17,16
China	East Asia & Pacific	Yes	6	2017	15,48	8,75
Kenya	Sub-Saharan Africa	Yes	18	2008	15,09	NA

Source: World Bank Group
Note: historical data on the EODB score is only available until 2009 (i.e. Doing Business 2010).

Client countries in ECA implemented 36 reforms in the area of business creation. This contributed to the major gains seen on starting a business in the region; entrepreneurs in ECA can register their business 63% faster and 70% cheaper in 2018 compared to 2008. The paid-in minimum capital requirement was also cut by 97% during this time-frame. This has benefited local firms across the region.

Figure 24: Reforms lowered the average time, cost and paid-in minimum capital requirement in ECA below the world average in 2018



Source: World Bank Group
Note: Myanmar is excluded from sample as it was added to the Doing Business dataset in 2013.

Figure 25: Kosovo's efforts to improve business creation

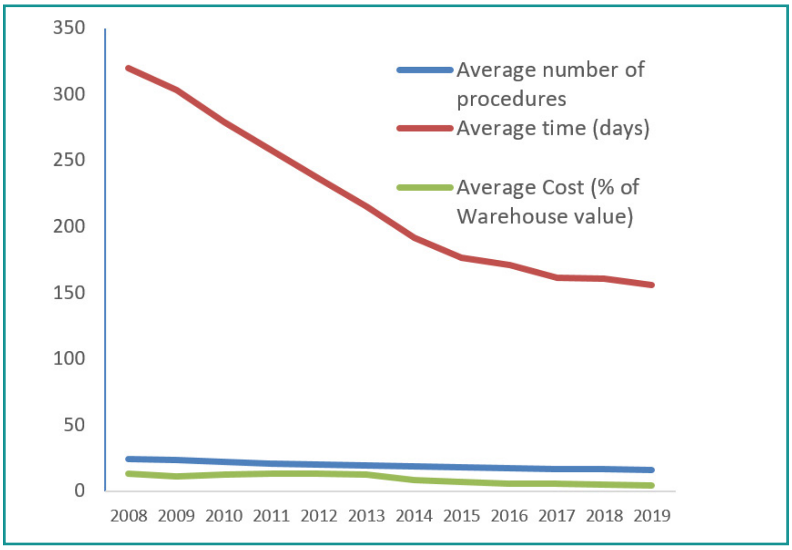
Year	Step by step business registration reform in Kosovo	Results
2012	1) Amendments to the Law on Business Organization and the Law on Internal Trade in July 2011 eliminated the minimum capital requirement (equal to 105% of Kosovo's income per capita). 2) The amendments also eliminated three procedures: paying a business registration fee at a bank, making a company seal, and obtaining a municipality license.	1) Number of procedures was cut from 10 to 9, 2) Time reduced from 58 to 50 days, 3) Cost reduced from 28% to 23% of Kosovo's income per capita.
2013	1) Establishment of 27 one-stop shops throughout Kosovo which streamlined business registration procedures and produced a demonstrable reduction in the time it takes to, among other things, obtain the business certificate, fiscal number, and VAT number; 2) Consolidation of business registration with the issuance of fiscal and VAT numbers and registration for pension fund; 3) Elimination of the pre-registration tax inspection by the Tax Administration of Kosovo; 4) Elimination of notarization requirement for articles of incorporation; 5) Elimination of Pristina Business License for most businesses and related technical inspection with associated costs and time requirements.	4) Procedures reduced from 9 to 3. 5) Time reduced from 52 days to 7 days 6) Cost reduced from 23% to 1.4% of income per capita.

2017	Kosovo made starting a business easier by simplifying the process to register employees. The Ministry of Finance of Kosovo passed the Administrative Instruction Mof-No. 03/2016 On Amending and Supplementing the Administrative Instruction No. 15/2010, as Amended by the Administrative Instruction No. 01/2012, the Administrative Instruction No. 03/2015 and the Administrative Instruction No. 01/2016 on Educational Visits to Taxpayers, Registration of Taxpayers for VAT and Registration of the Employees, which came into effect on May 30, 2016. The Administrative Instruction changed the process to register employees.	As a result - and since June 2016 - the separate registration of employees is abolished, and companies register new employees through their regular monthly payroll/tax return.

Source: World Bank Group

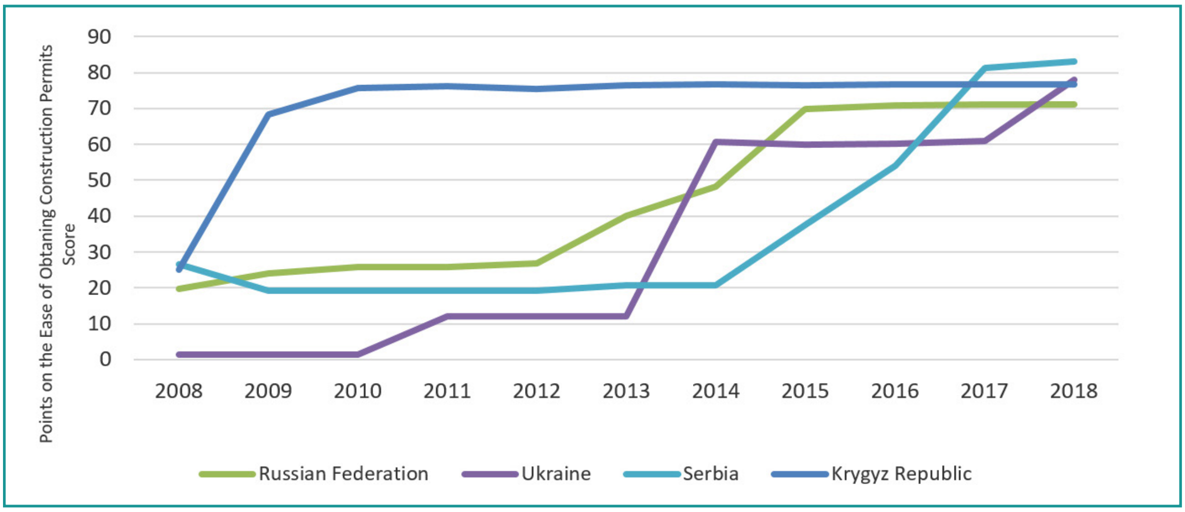
A quarter of all construction permit reforms supported by DBRA worldwide have taken place in ECA. Three out of four clients in ECA have reformed the construction permitting system. In 2008, the average time to obtain a construction permit in ECA was the longest in the world at 320 days. Twenty-five reforms cut the time to obtain the permit to 156 days in 2018. The average cost to obtain the permit also decreased by 70% in the time-frame.

Figure 26: Average number of procedures, time and cost to obtain a construction permit in ECA



Source: World Bank Group

Figure 27: Improving construction permitting over time



Source: World Bank Group

Reforming to better cope with global financial shocks

The 2008 financial crisis triggered a wave of reforms to strengthen corporate governance and protect the rights of minority shareholders, as well as to facilitate insolvency proceedings. Such reform efforts were supported by DBRA in many countries. Notably, in 2009, Belarus and Tajikistan amended their insolvency laws to increase the resilience of their economy. North Macedonia and Montenegro followed suit in 2011, and finally Moldova in 2012.

Figure 28: Reforming insolvency proceedings in ECA in the aftermath of the financial crisis

Country	Year	Reform
Belarus	2009	The Presidential Decree "On State Registration and Liquidation of Legal Entities" reduced the documentation and the number of steps required to voluntarily close a business.
Tajikistan	2009	Improved efficiency in closing a business: Enactment of legislation related to insolvency. The government passed amendments to the law on insolvency with the aim of reducing the time for an insolvency case to be resolved.
North Macedonia	2011	The Company Law was amended in February 2011 to set a limit of 15 days for liquidators to announce liquidation. In April 2011, the Bankruptcy Law was amended, requiring bankruptcy trustees to use the e-bankruptcy system.
Montenegro	2011	A new Bankruptcy Law passed in December 2010 and entered into force in January 2011 sets deadlines for bankruptcy proceedings, introduces mediation, and outlines the functions of a bankruptcy court. The law is harmonized with the contemporary Bankruptcy Law of Europe.
Moldova	2012	Moldova strengthened its insolvency process by extending the duration of the reorganization proceeding and refining the qualification requirements for insolvency administrators.

Source: World Bank Group

Belarus has seen the most notable changes to insolvency proceedings as a result of its reform efforts initiated with support by DBRA, with the recovery rate rising from 14.3 cents on the dollar in 2008 to 39.6 cents in 2018. The reform implemented in 2009 initiated further collaboration between the Belarusian government and the DBRA team, keeping the reform momentum going for the following years.

ECA is the second region in the world with the most reforms implemented to strengthen provisions to protect minority investors. When countries in the region were hit by the financial crisis in 2008, governments sought to take measures to mitigate the effects of economic shocks and to strengthen corporate governance. Accordingly, 12 countries implemented 23 reforms.

Figure 29: Highlights of DBRA-supported reforms on the area of protecting minority shareholders in ECA

Reform feature	Country and year of reform	Some highlights
Expanded shareholders' role in company management	Albania, Azerbaijan, Kazakhstan, Kosovo, Kyrgyz Republic	On February 27, 2017, Kazakhstan adopted RK Law No. 49-VI "On Introduction of Amendments into Certain Legislative Acts of the Republic of Kazakhstan on Improvement of Civil and Banking Legislation and Conditions for Entrepreneurial Activities." Specifically, in relation to Limited Liability Companies ("LLCs"), the amendments introduced an optional external audit for medium-sized LLCs and mandatory external audit for large LLCs that satisfy certain thresholds. Regarding Joint Stock Companies, the law implemented the following changes: (i) clarified the procedure and set time limits for the payment of dividends to shareholders; and (ii) introduced the need for shareholders' approval to issue unissued share up to the authorized capital.
Increased disclosure requirements for related-party transactions	Albania, Azerbaijan, Croatia, Kazakhstan, Kosovo, North Macedonia, Tajikistan, Ukraine, Uzbekistan, Greece	In October 2014, Albania adopted Law 129/2014, containing additions and amendments to the Law on Entrepreneurs and Commercial Companies (9901/2008). The amendment makes immediate disclosure mandatory by companies of the terms of the transactions to the public as well as the nature and object when there is a conflict of interest.
Enhanced access to information in shareholder actions	Kazakhstan, Kosovo, Tajikistan, Ukraine	Ukraine strengthened minority investor protections by requiring that proposed related-party transactions undergo external review.
Increased director liability	Albania, Azerbaijan, Kyrgyz Republic, Moldova, Tajikistan	Tajikistan adopted Law no. 780 on amending the Joint Stock Company Law, which strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.

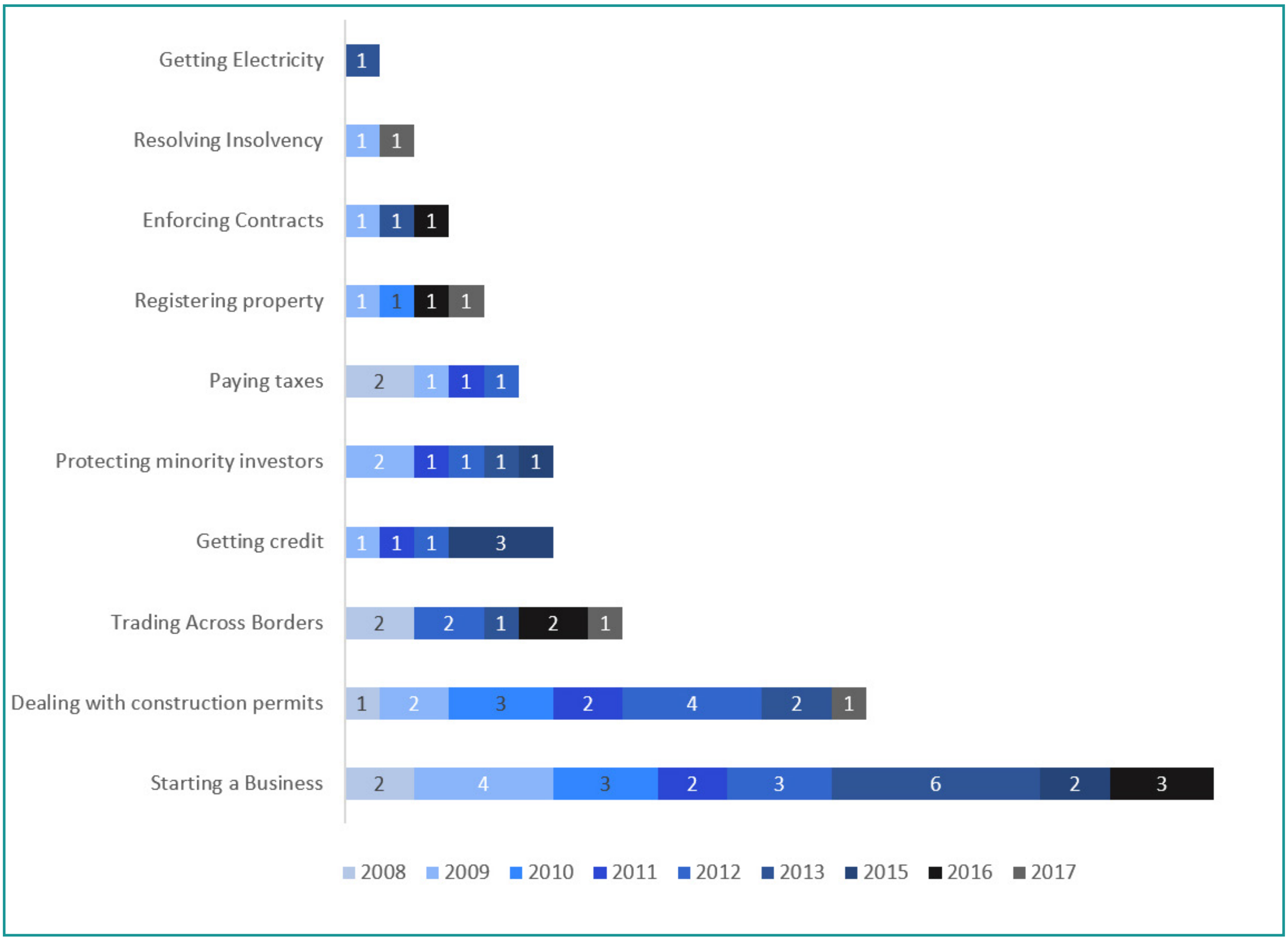
Source: World Bank Group

LATIN AMERICA AND THE CARIBBEAN

A diverse region with an uneven reform pace throughout the years

DBRA has engaged with 27 countries out of the 42 countries in the Latin America and Caribbean (LAC) region. LAC countries have implemented 75 business reforms supported by DBRA with a focus on business creation (25 reforms), construction permitting (15) and trade facilitation (8). Reform pace across countries has varied significantly, fluctuating with government changes and priorities.

Figure 30: Number of reforms per topic in the LAC region from 2008 to 2018[26]



Source: World Bank Group

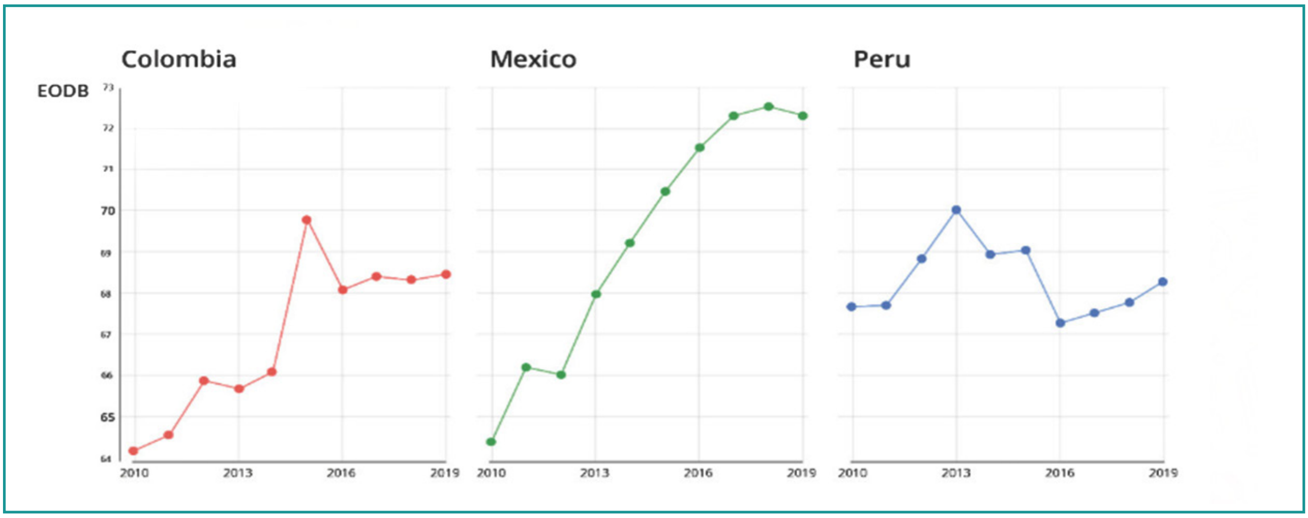
Colombia, Mexico and Peru implemented 83 reforms from 2005 to 2018 – among which 37% were supported by DBRA. These three countries - which are among the largest economies in LAC - have been recognized as top reformers by Doing Business throughout many reports. Regulatory improvements were particularly important in the context of the signing of free trade agreements (FTA) during the past decade. Indeed, Colombia, Mexico and Peru signed FTAs with the United States and the EU in recent years. Moreover, Mexico and Peru are both members of the Asia Pacific Economic Cooperation (APEC), Mexico and Colombia are OECD members, and all three countries led the Alianza del Pacífico (Pacific Alliance) regional block. While Colombia, Mexico and Peru were actively engaged in the first half of the decade, the momentum for reform has gradually faded, in part due to changes in national leadership and shifting priorities.

Brazil and Argentina, the first and fourth-largest economies in LAC, engaged with DBRA in 2015. DBRA's work in Brazil contributed to three reforms recorded in 2015, 2016 and 2017. Moreover, in 2018, four areas saw improvements: business start-up, the electricity connection process, trade facilitation and credit infrastructure.

Argentina, with only six positive business reforms recorded by Doing Business since 2005 and eight negative reforms, first received support from DBRA in 2016. In January 2018, the Mauricio Macri administration created the Secretariat for Productive Simplification (*Secretaría de Simplificación Productiva*) aimed at driving the reform agenda in Argentina. The Secretariat identified potential areas of work in business registration, construction permits, secured transactions, trade facilitation; and resolving insolvency.

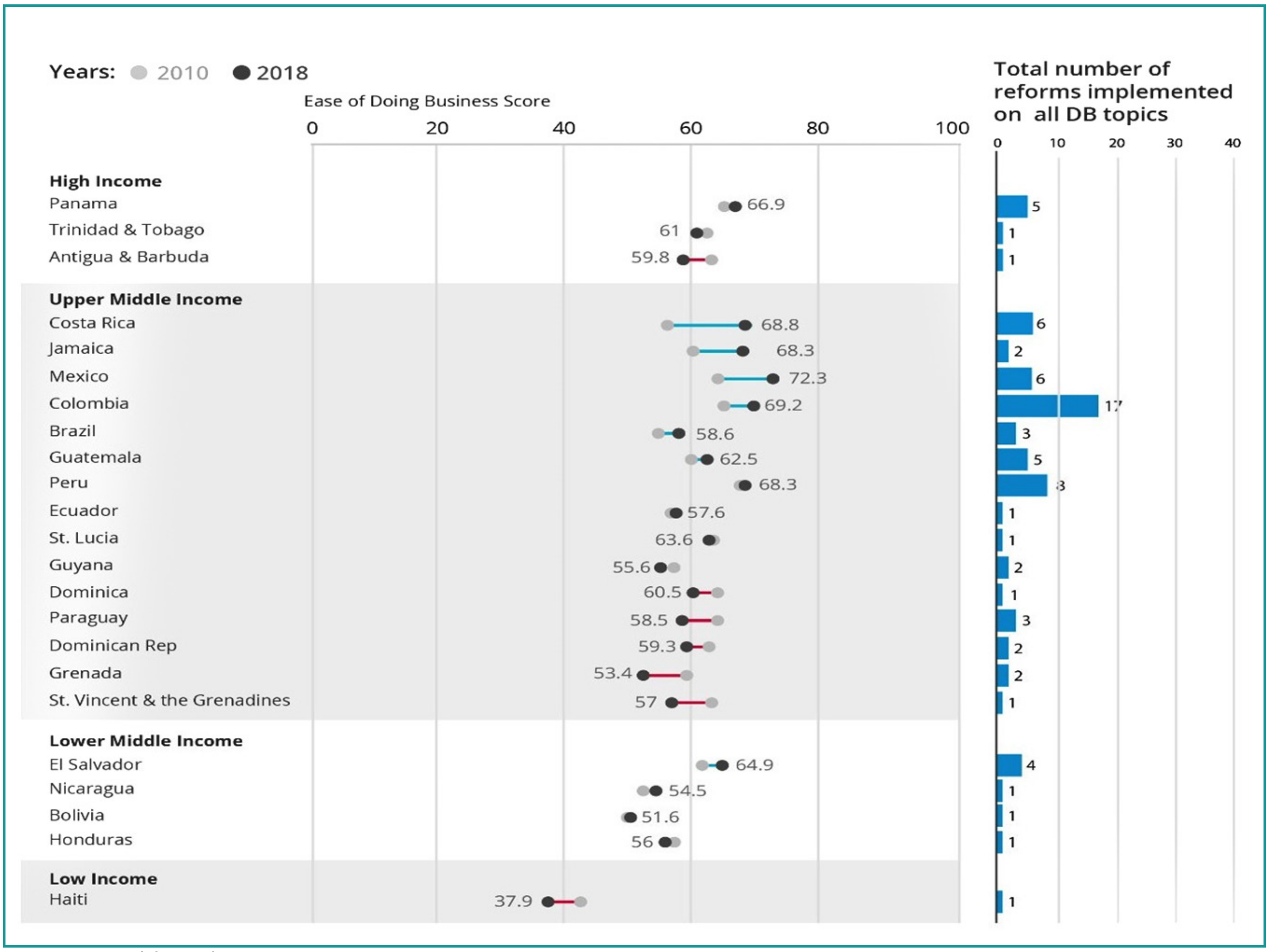
26) There were no DBRA-supported reforms in 2014 and 2018 in the LAC region.

Figure 31: LAC countries actively engaged in the first years of DBRA



Source: World Bank Group

Figure 32: Performance[27] of LAC countries from 2010 to 2018



Source: World Bank Group

Costa Rica is the client that improved the most in LAC between 2008 and 2018. It improved by almost 13 points on the EODB score, thanks to a reform program developed with DBRA assistance focused on three areas: business creation, construction permitting and access to finance.

27) While the EODB is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.

Figure 33: Costa Rica implemented a comprehensive reform program with the assistance of DBRA

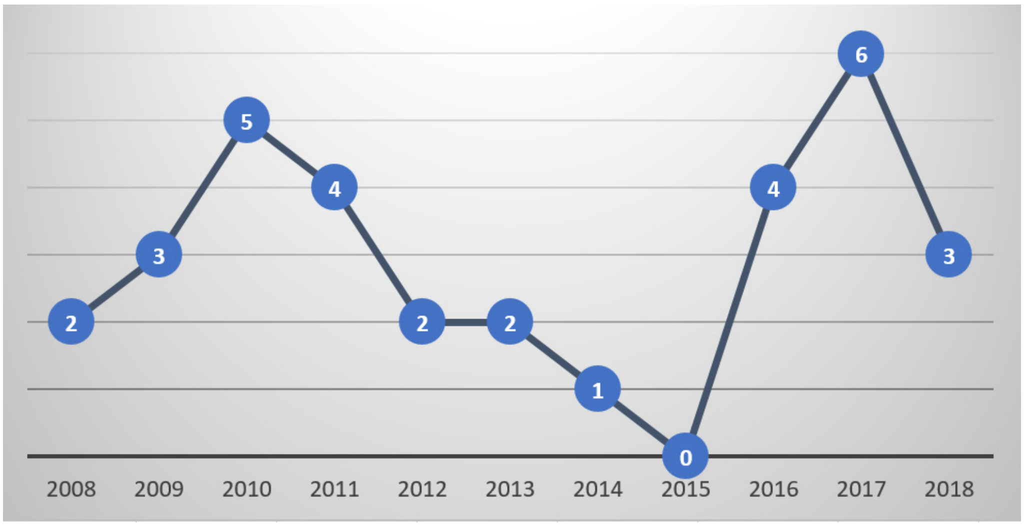
Year	Topic	Reform implemented	Results
2012 and 2013	Business creation	1) Speed up of the process to obtain sanitary permit from authorities for low-risk activities. 2) Implementation of 1961 Hague Apostille convention. 3) Launch of an online platform for business registration 4) Amendment of Commercial code to allow for the simplification of the legalization of company books.	1) Procedures to register a business were reduced from 12 to 9. 2) The number of days to register a business was reduced from 60 to 38 days 3) The cost to start a business has been reduced from 11.4% to 9.54% income per capita.
2012 and 2013	Construction permits	1) Streamlined the process for obtaining construction permits by implementing online approval systems for obtaining health and fire approvals. 2) The government of Costa Rica adopted Executive Decree No. 36550 – MP-MIVAH-MEIC-S ("Regulations for the Processing of Review Construction Drawings") In September 2011. The new Decree introduces the electronic APC ("Construction Project Manager") platform and allows for a simplified review process of plans. - The new electronic system reduces the time to process a permit application by allowing applicants to submit the required documentation electronically. - The system also streamlines the approval process among the various agencies. All agencies that are required to issue pre-construction approvals can now review the documentation in parallel through the electronic system. 2) Adoption of Executive Decree No. 37174 in June 2012, which establishes time limits for the agencies involved in the review of the projects: 15 days for commercial activities, 7 days for housing, and 30 days for condominiums and other buildings.	1) Procedures to obtain a construction permit were reduced from 20 to 14 2)The time to obtain a construction permit was reduced from 188 to 123 days. (34 % reduction in time) 3) The cost was reduced from 154.7% to 137.03%. (11% reduction)
2012 and 2015	Access to finance	1) Costa Rica improved access to credit information by guaranteeing borrowers' right to inspect their personal data through passing the Law No. 8968 on the Protection of Persons against the Treatment of Data, which came into force Sep. 2011. 2) Costa Rica improved access to credit by adopting a new secured transactions law that establishes a functional secured transactions system and a modern, centralized, notice-based collateral registry. The law broadens the range of assets that can be used as collateral, allows a general description of assets granted as collateral and allows out-of-court enforcement of collateral.	1) Enactment of a new secured transactions law and collateral registry. 2) Guaranteed borrowers' rights to inspect their personal data.

Source: World Bank Group

THE MIDDLE EAST AND NORTH AFRICA

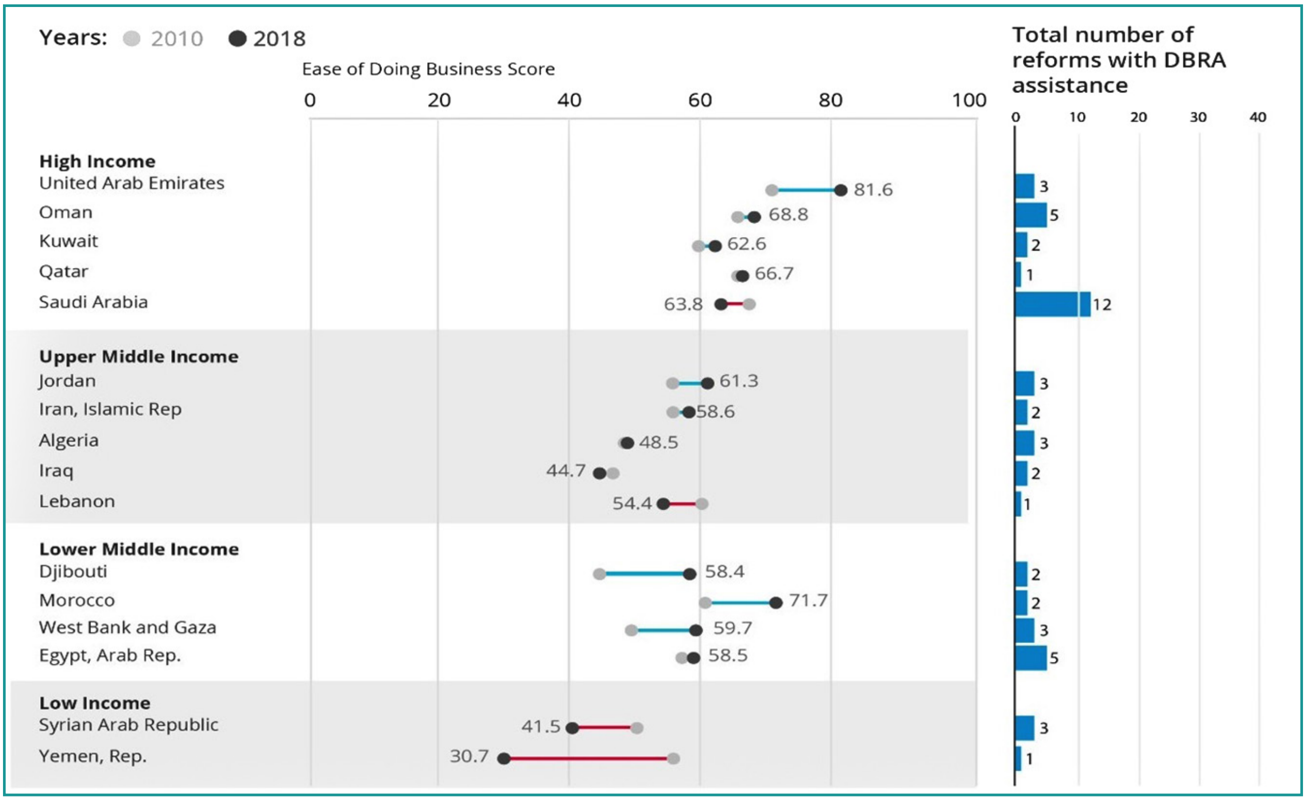
MENA is a heterogeneous region with high-income economies - such as Qatar and the United Arab Emirates- and low-income countries such as Yemen and Syria. Nonetheless, DBRA's engagement span all income groups - i.e. 18 out of the 21 countries in MENA sought DBRA assistance and implemented 50 reforms. Amongst client countries, lower middle-income countries (e.g. Egypt and Morocco) made the largest improvements.

Figure 34: Number of MENA countries that reformed per year



Source: World Bank Group

Figure 35: MENA countries performance[28] from 2010 to 2018

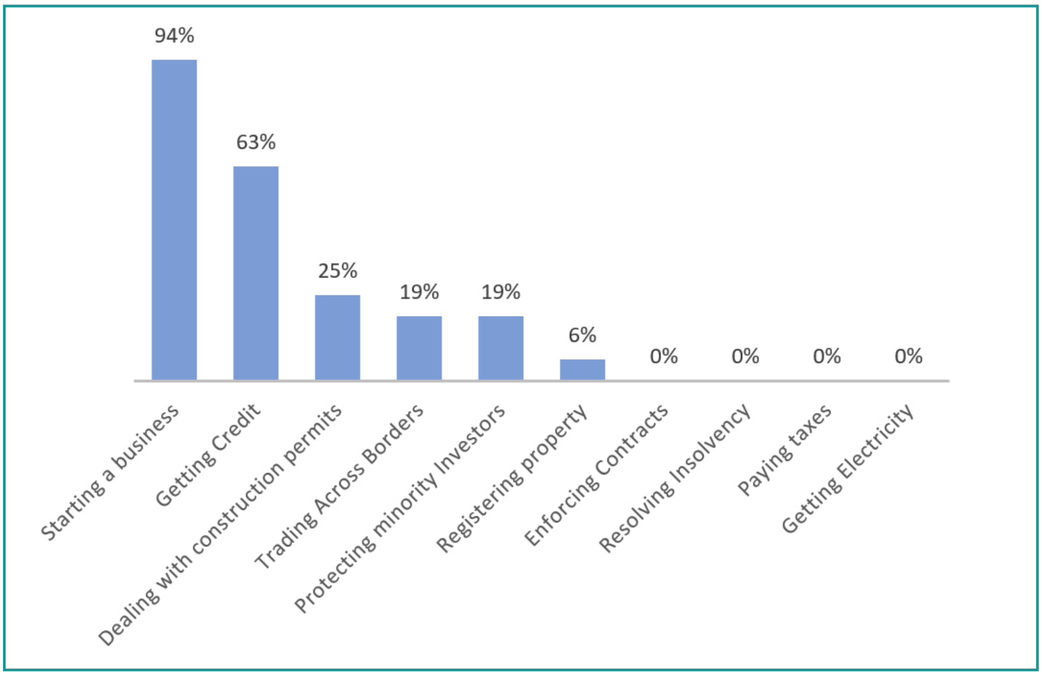


Source: World Bank Group

28) While the EODB is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.

Most of the MENA countries that reformed with DBRA assistance improved their overall EODB[29] score. At first, client countries that recorded the most progress were middle-income countries – such as Morocco, which was the top global improver in 2012. In the post Arab Spring landscape, however, a variety of client countries made significant strides in their regulatory environment. Notably, a record of six client countries reformed with the help of DBRA in 2017.

Figure 36: Proportion of countries reforming in MENA per topic



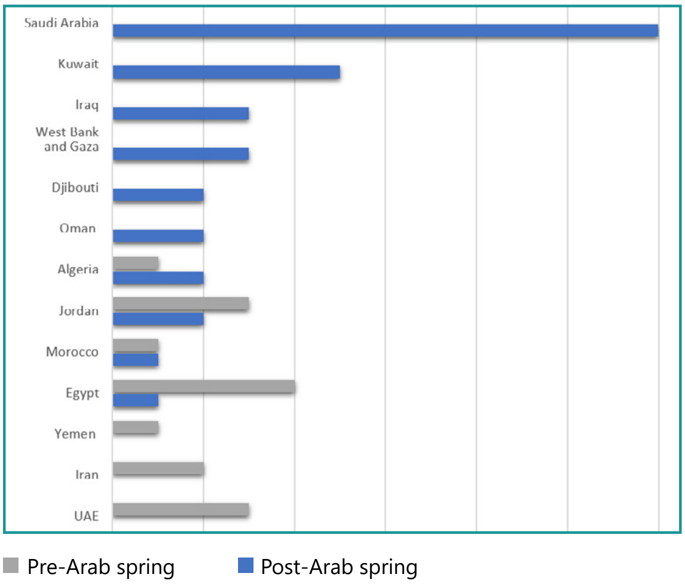
Source: World Bank Group

Figure 37: MENA countries that reformed in the second wave of DBRA reforms post Arab Spring

2015	2016	2017
None	Algeria Kuwait Oman Saudi Arabia	Egypt Iraq Kuwait Oman West Bank and Gaza Saudi Arabia

Source: World Bank Group

Figure 38: Number of DBRA-supported reforms before and after the Arab Spring



Countries in MENA have focused their reforms on business registration, access to credit and construction permits. The three most reformed areas in the region were also the priority for the three most-improved clients.

29) Historical data on the EODB score is only available until 2009 (i.e. Doing Business 2010). Saudi Arabia has seen its EODB slightly decrease in the decade. Despite its reform efforts, the country has seen its score decrease in Getting Credit, Paying Taxes and Trading Across Borders. Lebanon has declined its EODB score pushed by a decline in Protecting Investors, Trading Across Borders and Enforcing Contracts between 2010 and 2018.

Figure 39: Reforms supported by DBRA in some of MENA's most improved countries.

Djibouti	2014: Made dealing with construction permits less time-consuming by streamlining the review process for building permits reducing the time to issue a permit from 167 to 117 days. 2013: Elimination of paid-in minimum capital and the publication notice requirements
Morocco	2012: Expedited the issuance of the land registry plan and the certificate of conformity for the obtention of construction permits. 2011: Adopted Law No. 24-10, which eliminated the minimum capital requirement for limited liability companies, which was equivalent to 10.7% of Morocco's income per capita.
United Arab Emirates	2011: Launched a new online business registration system 2010: The government issued a decree which identified the Emirates Credit Information Company (Emcredit) as the appointed body for providing credit information services in Dubai and mandated that all credit information providers provide Emcredit with the required credit information records to provide its credit information services. 2009: The government issued a decree, amending some provisions of the federal law number 8 of 1984 in regard to corporate law to reduce the cost of setting up new businesses. As a result, partners in limited liability companies will determine what are the sufficient capital requirements for the establishment of their companies, contrary to the previous law, which specified Dh150 000 as a minimum to create such companies.

Source: World Bank Group

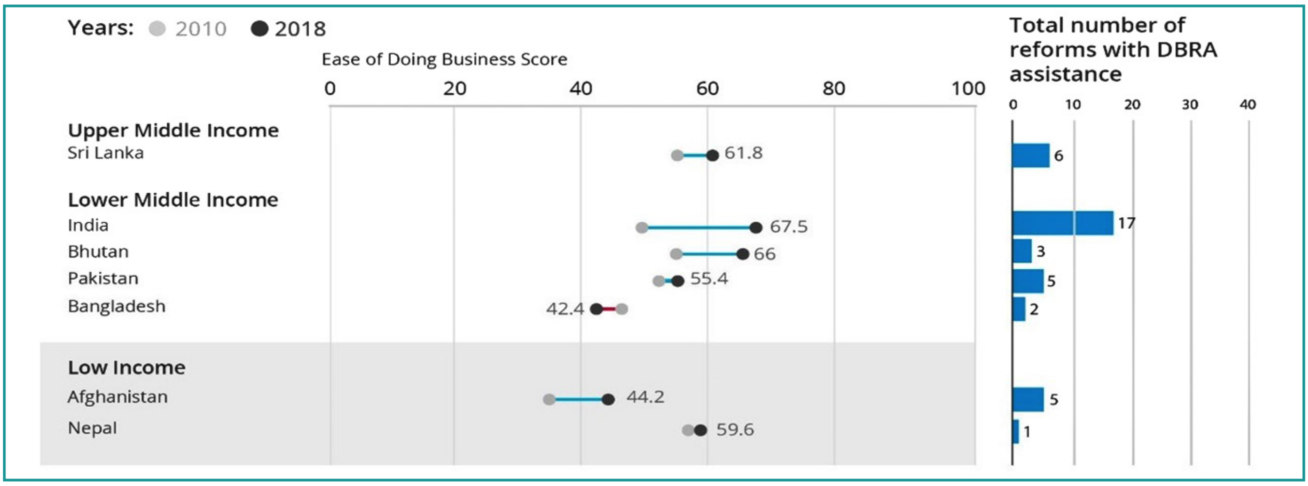
SOUTH ASIA

India has implemented more than a third of the reforms of the region with DBRA assistance

DBRA’s assistance has led to 37 reforms in seven countries in the South Asia (SA) region. Seventeen of those were implemented by India. All of the reforms assisted by DBRA in India were implemented after 2015. Prime Minister Narendra Modi, who took office in 2014, made business environment reforms one of the government’s priorities.

India’s reform efforts have positioned the country in the top 10 economies that have improved the most the EODB. The country made the largest progress in the region, starting in 2008 when India lagged all neighboring nations except Afghanistan and Bhutan. Reforms have included a new Insolvency and Bankruptcy Code of 2016 which introduced, among other improvements, the reorganization procedure for corporate debtors and facilitated continuation of the debtor’s business during insolvency proceedings. With 17 DBRA-supported reforms over nine of the eleven areas covered by Doing Business, India jumped 54 positions in the global ranking between 2016 and 2018.

Figure 40: South Asia's performance[30] on the EODB by country



Source: World Bank Group

Afghanistan's work with DBRA made the country the top world improver of 2018

Despite the challenging environment in Afghanistan, DBRA's multi-year engagement paid-off in 2018 with the implementation of five reforms improving: business registration, access to credit, shareholders protection, tax administration and insolvency procedures. Several of these improvements required major legislative changes. Afghanistan is the second country in the world that improved the most in the past decade and it was recognized by Doing Business as the global top improver in 2018.

Figure 41: Reforms supported by DBRA in Afghanistan

Topic	Reform
Getting credit	DBRA provided technical assistance to strengthen the insolvency regulatory framework (Insolvency Law, Official Gazette issue no. 1293, Afghan Government, 2018). The Insolvency Law clearly defines procedures for solving private sector problems in case of insolvency and gives an absolute priority to 'secured creditors' over other claims within insolvency proceedings.
Paying taxes	DBRA provided recommendations on Paying Taxes in Afghanistan to government counterparts. The project team held a workshop with private and private sector to discuss the recommendations which included e-filing and risk management techniques. Based on recommendations, the Afghan government adopted a new tax administration and law manual with clear rules and guidelines on tax audit, and automated the submission of tax returns.
Protecting minority investors	DBRA provided detailed inputs (e.g. on provisions related to minority shareholders) for the design of the Limited Liability Companies (LLC). As a result and based on project teams recommendations, LLC law was drafted and enacted (Limited Liability Company (LLC) Law, Official Gazette issue no. 1292, Afghan Government, 2018). The new law strengthened minority investor protections by requiring greater disclosure of transactions with interested parties, easing shareholder suits by extending access to documents and evidence during trial, increasing shareholders' rights and role in major corporate decisions, clarifying ownership and control structures and requiring greater corporate transparency.

30) While the EODB is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.

Resolving Insolvency	DBRA provided inputs for the design of the new Insolvency law. The law clearly defines procedures for solving private sector problems in case of insolvency and provides a clear understanding of Resolving Insolvency, eligibility of debtors, appointment, qualification, remuneration etc. of the receiver, auditors and other stakeholders by the private sector that did not exist before.
Starting a Business	DBRA worked Ministry of Industry and Commerce (ACBR) to simplify and streamline procedures, reduce cost of incorporation, update ACBR's operational manual and reducing the cost of publishing company information in the official gazette. As a result, Afghanistan made starting a business less costly by reducing the fees for business incorporation. The cost of a new company license reduced to AFN 100 from AFN 30,000. Also, the cost of the new individual license reduced to AFN 100 from AFN 18,000.

Source: World Bank Group

With two reforms in 2016 and four in 2018 supported by DBRA, Sri Lanka has seen the third-largest improvement of its business environment in the region during the past decade. The Government set the target of moving up to the list of top 70 countries in the EODB. Increased collaboration between local agencies, new accountability mechanisms for implementing agencies and strong local leadership were key drivers for success.

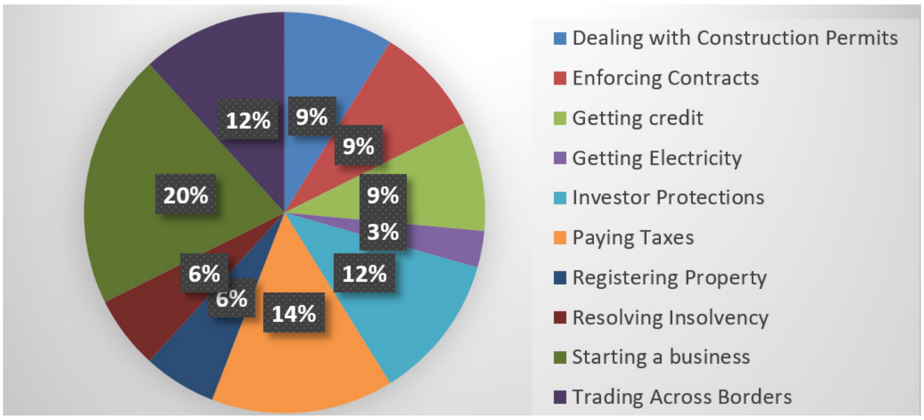
Figure 42: Sri Lanka's reforms supported by DBRA in 2017-2018

Topic	Reform
Dealing with construction permits	Sri Lanka made dealing with construction permits easier by launching a single window, increasing transparency by providing online access to building regulations and reducing the processing times to issue several building certificates.
Enforcing Contracts	Sri Lanka made enforcing contracts easier by introducing a pre-trial conference as part of the case management techniques used in court
Paying taxes	Sri Lanka made paying taxes easier by introducing online systems for filing corporate income tax, value-added tax and employee trust fund contributions
Registering property	Sri Lanka made property registration easier by implementing a single window to streamline the process of delivering several certificates and increased transparency by providing online access to cadastral information.

Source: World Bank Group

Reform efforts in SA have focused on starting a business, paying taxes, protecting minority shareholders and trading across borders, as illustrated by the figure below.

Figure 43: Reform focus by DBRA clients in South Asia



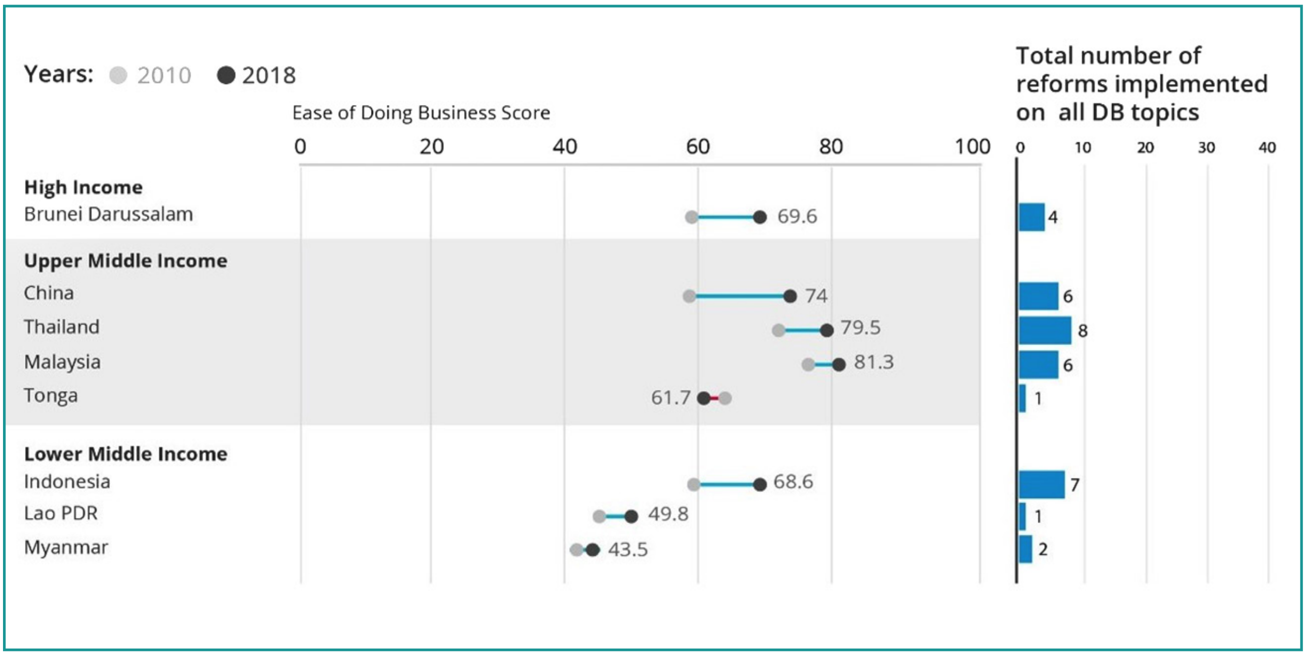
Source: World Bank Group

EAST ASIA AND PACIFIC

EAP's reforms took off in 2015 and reform pace has increased since then

DBRA's assistance has contributed to 35 reforms in eight countries in the East Asia and Pacific (EAP) region. The engagement of countries in the region has grown in recent years: 91% of supported reforms have taken place after July 2015. China, Indonesia, Malaysia and Thailand are leading the efforts in the region with most reforms implemented over the past 3 years. China implemented six DBRA-supported reforms in just one year (2018), Indonesia implemented five of seven DBRA-supported reforms in 2016, Malaysia implemented all six DBRA-supported reforms in 2018, and Thailand implemented all eight DBRA-supported reforms in 2016-2017.

Figure 44: Performance[31] of EAP client-countries on the EODB[32]



Source: World Bank Group

Figure 45: China implemented six reforms in 2017-2018 with DBRA support

Topic	Reform
Starting a Business	Made starting a business easier by launching online company registrations and by simplifying social security registrations.
Dealing with construction permits	Streamlined the process of obtaining the building permit, the certificate of completion and registering new buildings with the real estate registry. It also improved its building quality control by introducing stricter qualification requirements for professionals in the construction industry and improving public access to information.
Protecting minority investors	Strengthened minority investor protections by increasing shareholders' rights and role in major corporate decisions, clarifying ownership and control structures, and requiring reimbursement of legal expenses incurred by shareholders.

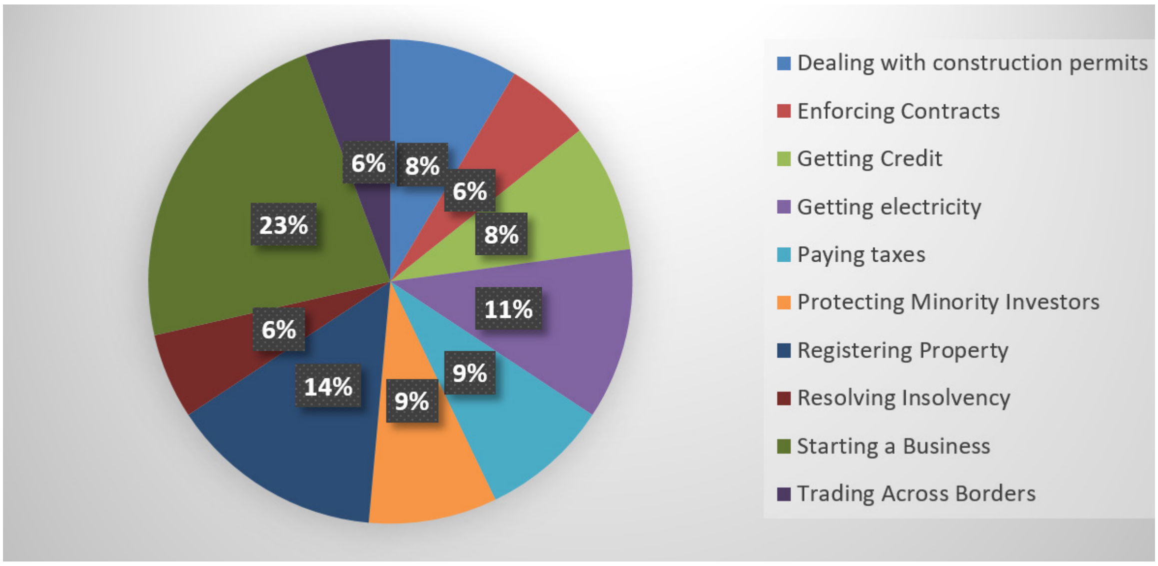
31) While the EODB is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.
32) EODB score for Myanmar is only available from 2013.

Paying taxes	Beijing and Shanghai made paying taxes easier by abolishing the business tax, allowing for joint filing and payment of all stamp duties and by implementing several administrative reforms to lower the compliance time. The city of Beijing also made paying taxes less costly by reducing the housing fund rate paid by the employer.
Trading Across Borders	Reduced the time and cost to export and import by implementing a single window, eliminating administrative charges, increasing transparency and encouraging competition.
Registering property	Made registering property easier by streamlining administrative procedures and by increasing the reliability and transparency of its land administration system.

Source: World Bank Group

DBRA's technical assistance has supported reforms in all the areas measured by the Doing Business report. The most common reforms related to starting a business, registering property and getting electricity.

Figure 46: Reform focus by DBRA clients in EAP

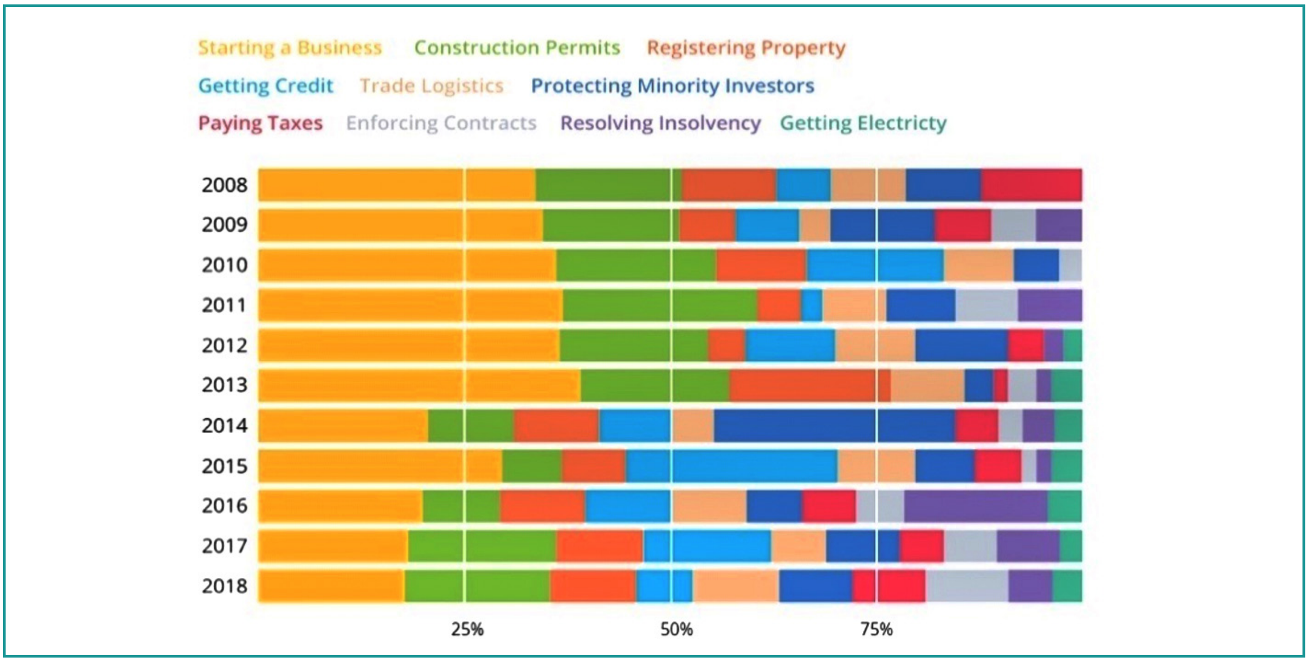


Source: World Bank Group

RESULTS FROM SELECTED TOPICS

DBRA has supported the implementation of 664 reforms in 117 countries from 2008 to 2018. Nineteen percent of all global reforms reported by Doing Business during that decade have been supported by DBRA. The largest portion of the reforms has been in the areas covered by Starting a Business (27% of reforms recorded), followed by Dealing with Construction Permits (15%), Protecting Investors (11%), Getting Credit (10%) and Registering Property (10%).

Figure 47: DBRA-led reforms from 2008 to 2018



Source: World Bank Group

STARTING A BUSINESS

More than half of all economies that reformed business entry received support from DBRA

Cumbersome business entry regulations can undermine entrepreneurship. Empirical research shows that overly rigid regulation of entry is associated with higher levels of corruption and a larger informal economy.[33] Regulatory barriers may come in different forms, namely the time, costs and processes to start a business – as well as the minimum capital requirement. Dreher and Gassebner (2013) find that cumbersome procedures and high levels of minimum capital are negatively associated with business creation. Research carried out by Ulyssea (2010) further supports the importance of business entry reforms; he argues that the optimal way to decrease informality and improve labor market participation is through reducing the cost of entry into the formal sector.[34]

33) For more see Klapper, Leora, Luc Laeven and Raghuram Rajan. 2006. "Entry Regulation as a Barrier to Entrepreneurship." Journal of Financial Economics 82 (3): 591–629 and Djankov, Simeon, Rafael La Porta, Florencio López-de-Silanes and Andrei Shleifer. 2002. "The Regulation of Entry." Quarterly Journal of Economics, 117 (1): 1–37.
34) Another study also showed that cutting to a half the cost to start a business is associated with a 30% increase in business registration. Fritsch, Michael, and Florian Noseleit. 2013. "Investigating the Anatomy of the Employment Effect of New Business Formation." Cambridge Journal of Economics 37 (2): 349–77.

Business registration has been the most popular area for reform among the areas covered by Doing Business.[35] Despite such improvements, regulatory reforms in business startup can be a complex endeavor as many public agencies are typically involved in the startup of a business (e.g. Business Registry, Tax Authority, Labor Department, etc.). Many economies therefore have turned to DBRA for assistance. In fact, DBRA assisted the majority (55%) of all the economies that facilitated business startup since 2008. The team was most active in SA, SSA and ECA. Client countries across all regions saw notable gains in their EODB score over the past decade.

Figure 48: Percentage of countries by region with business entry reforms facilitated by DBRA

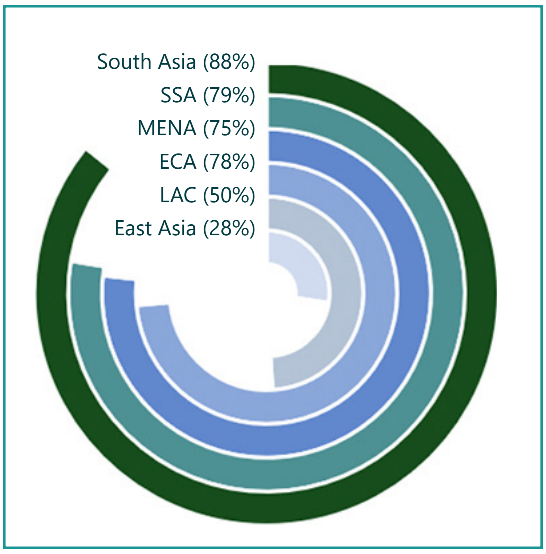
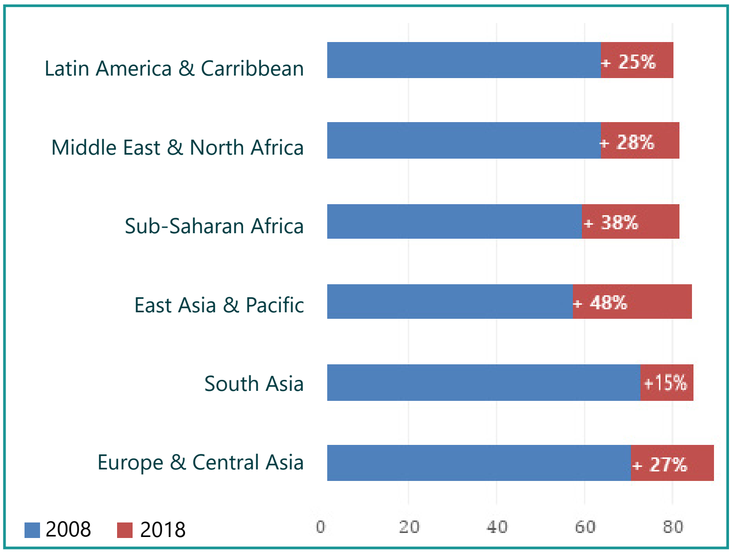


Figure 49: Improvement in Starting a business score in DBRA client countries



Source: World Bank Group

Note: Kosovo and Myanmar are excluded from regional averages for comparability purposes as they were added to the Doing Business after 2008.

Reform intensity in client countries is higher than in non-clients

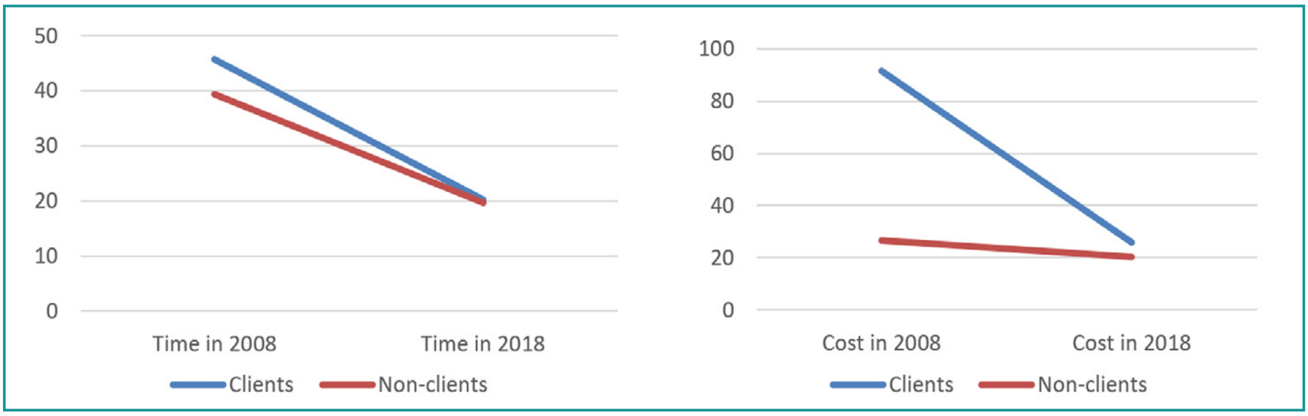
The cost to start a business in client countries decreased by 72% between 2008 and 2018, compared to a decrease of 23% in non-client countries.[36] During same period, the time to start a business decreased by 55% in client countries, compared to 50% in non-client countries.

Reductions in the average minimum capital requirement were even more pronounced. Between 2008 and 2018, the amount decreased from 153% to 5% of income per capita among client countries while in non-client countries the average minimum capital decreased from 47% to 7%. As DBRA clients have been, for the most part, non-OECD high-income countries, it is worth noting that they then had more margin for improvement.

35) Since 2005, 95% of the economies covered by Doing Business made business registration easier

36) Comparatively, DBRA clients have a worst business environment than non-clients. Non-clients also have on average a higher income, counting among these the OECD countries.

Figure 50: Time and cost to start a business in 2008 and 2018



Source: World Bank Group

One region where DBRA has been particularly active is SSA, where improvements have been pronounced. It used to take 55 days on average in 2008 to start a business, compared to 22 days in 2018. And within the region, client countries made the largest improvement.[37] Rwanda is an example of a country that has consistently reformed business entry and has seen business density increase in the last decade.

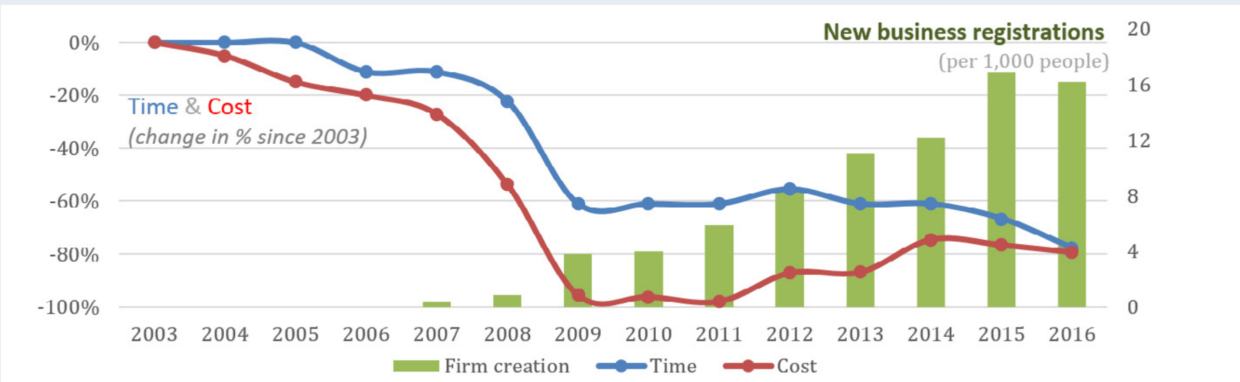
Box 7 | How Rwanda made starting a business easier

Starting a Business in Rwanda used to be a complicated endeavor. In 2005, it took over 18 days, with fees totaling two times the gross national income per capita. Then, in 2007 under the Economic Development and Poverty Reduction Strategy, the Government began using Doing Business to learn from good practices and monitor improvements in the regulatory framework. The Rwanda Development Board (RDB), modelled after Singapore, was created shortly thereafter to oversee the country's business regulations, and DBRA was brought in on an advisory capacity.

From 2009 to 2018, Rwanda implemented a total of six reforms to ease business entry. Rwanda first eliminated the need to notarize documents, while also streamlining processes at the registry. In 2011, fees for company registrations were reduced. In 2015, the requirement to open a bank account for VAT registration was eliminated. And in 2017, the VAT registration certificate began being delivered electronically. Finally, Rwanda made starting a business less costly in 2018 by replacing electronic billing machines with a free software for VAT invoices.

The reforms enumerated not only improved the standing of Rwanda in the Doing Business report, but also resulted in significant time gains for entrepreneurs. In 2018, it took only four days to start a business in Kigali and 15% of GNI per capita. Coincidently, new business density more than quadrupled over the decade according to the World Bank Entrepreneurship database.

Figure 51: Rwanda made starting a business easier since 2003



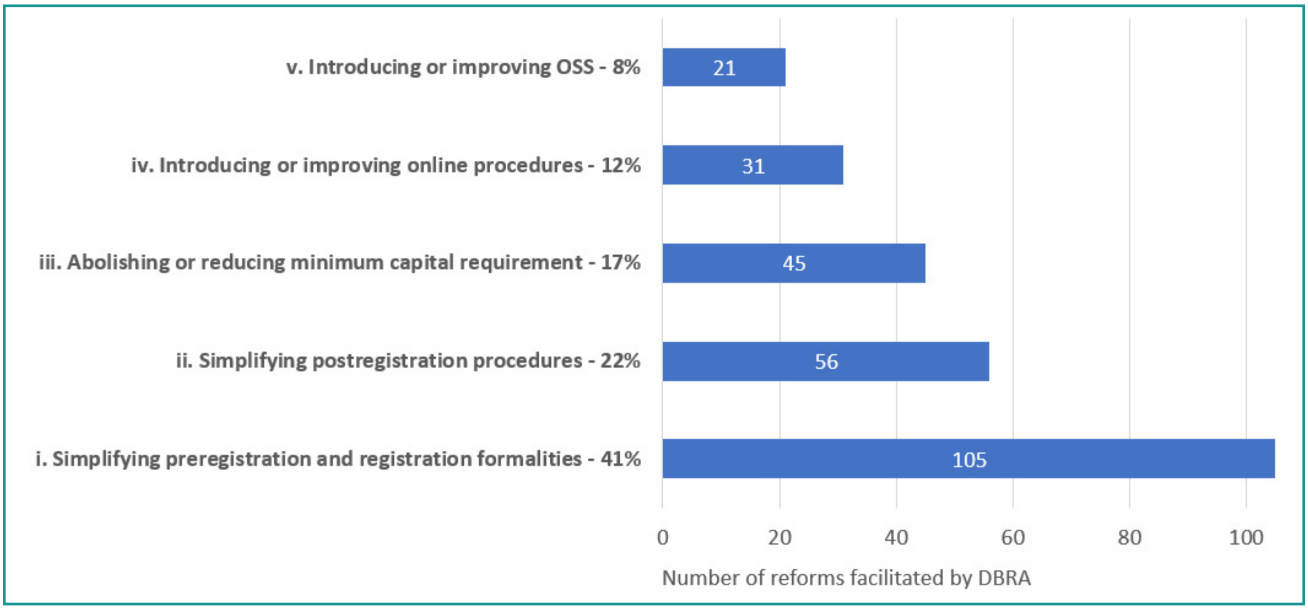
Source: World Bank Doing Business and Entrepreneurship database.

37) For example, the cost to start a business in SSA clients went from 185% of GNI per capita in 2008 to 42% in 2018.

Trends in the reforms facilitated by DBRA

To ease the business start-up process, reformers implemented different types of reforms. Based on a classification into 5 types, close to two-thirds of reforms aimed at simplifying pre-, post and registration formalities.[38]

Figure 52: Types of reforms assisted by DBRA



Source: World Bank Group
Note: Some of the 156 reforms facilitated by DBRA encompass several categories of reform types.

i. Simplifying preregistration and registration formalities

Type of reform	Client Countries
Simplifying preregistration and registration formalities	Albania, Bangladesh, Belarus, Benin, Bolivia, Bosnia and Herzegovina , Brunei Darussalam, Burkina Faso, Burundi, Cameroon, Central African Republic, Colombia, Comoros, Congo, Democratic Republic, Costa Rica, Côte d'Ivoire, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Guinea, Haiti, India, Indonesia, Jamaica, Kazakhstan, Kosovo, Kyrgyz Republic, Laos PDR, Lesotho, Liberia, Madagascar, Malawi, Mauritania, Montenegro, Nicaragua, Niger, Pakistan , Peru, Russian Federation, Rwanda, São Tomé and Príncipe, Saudi Arabia , Serbia, St. Vincent and the Grenadines, Swaziland, Tajikistan, Tanzania, Thailand, Togo, Ukraine, West Bank and Gaza , Yemen, Zimbabwe

This type of reform – which is also the most common globally[39] – includes all legal and administrative improvements for formalities such as notarization, inspection and name verification. Aside from reforming outdated procedures, many client governments in the past decade made notary involvement optional for pre-registration or registration formalities, thereby removing the 'middleman' between authorities and entrepreneurs.

38) This classification is the same used in the latest Doing Business 2019 report to regroup the types of reforms under the starting a business topic.
39) Two-thirds of reforms making it easier to start a business recorded in Doing Business 2018 focused on simplification.

Making notaries optional can be done through legislative changes to an existing company type, as evidenced by the case of OHADA. In 2014, the "*Acte uniforme sur le droit des sociétés*" made the use of notaries optional for LLC incorporation across the organization. Nonetheless, notaries are still widely used in most of the 17 countries in OHADA today.[40] This underscores the need to carry out communication campaigns. Côte d'Ivoire successfully did this over a period of three years. The business registry regularly informed the public - through brochures and billboards - that preparing the company deed no longer required hiring a notary. At the same time, newspaper campaigns were carried out. As a result, as of 2017, most LLC registrations in Abidjan are done without the use of notaries.

Alternatively, the use of notaries can become obsolete through a new company type designation, created to meet the evolving needs of the business community. Colombia did this in 2008. It then advertised the obsolescence of notarized signatures on private company documents to the public. This was done by the Bogota Chamber of Commerce through an extensive communication campaign over a period of one year.

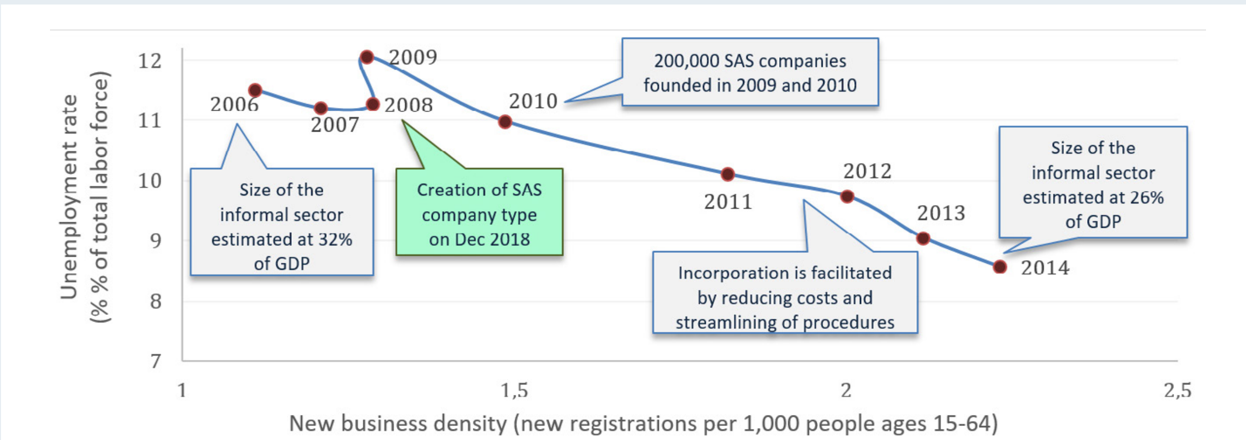
Box 8 | Creating new company types to facilitate formal entrepreneurship

SMEs often face barriers that prevent their formal establishment and ability to do business. Many national corporate laws and commercial codes, for instance, only allow for certain types of business associations, which carry high incorporation costs as well as other barriers, such as multiple member ownership requirements.

In recent years, many countries in Latin America (e.g. Argentina, Colombia, Chile, Mexico and Peru) made legal reforms to simplify the process of starting a business by adopting a new corporation form, known as "Simplified corporation" (S.A.S.). A simplified corporation form is a simple alternative company type that is typically well suited for family-owned firms, start-ups and MSMEs. It offers greater flexibility than a standard LLC, including a streamlined registration process, no mandatory requirement for third party intermediaries (e.g. lawyers or notaries), optional standard articles of association and the ability to engage in multiple unrelated activities. It also reduces prohibitions pertaining to shareholders and managerial activities.

The experience of Colombia suggests that simplified corporations may encourage formal firm creation. After the enactment of the SAS Law in December 2008, that was a significant uptake in firm creation, with SAS incorporations outpacing all other company types. The creation of SAS companies coincided with a drop-in unemployment, as well as informality, and increased tax revenues. Given the success of the Simplified Corporation structure, other countries, such as Indonesia, Brazil, Ecuador and Paraguay, are looking to introduce a new company type through existing laws or new legislation.

Figure 53: The introduction of the SAS company type in Colombia and unemployment trends



Source: World Bank Group, IMF and Colombia Government Statistics Agency (DANE).

40) According to Doing Business, the use of notary for business start-up is still common practice in all OHADA countries except Cote d'Ivoire, Gabon and Niger.

ii. Simplifying post-registration procedures

Type of reform	Client countries
Simplifying post-registration procedures	Afghanistan , Albania, Angola, Bangladesh, Benin, Bosnia and Herzegovina , Burkina Faso, Burundi, Cameroon, Central African Republic, Colombia, Congo, Republic, Egypt, Ghana, Guatemala, Guinea, India, Iraq, Kenya, Kosovo, Liberia, Madagascar, Mali, Mauritania, Mauritius, Mexico, Montenegro, Mozambique, Nepal, Nicaragua, North Macedonia, Rwanda, Serbia, Sri Lanka, Swaziland, Tajikistan, Togo, Uganda, Ukraine, Zambia

The second most common area relates to the simplification of post-registration procedures - such as tax registration, social security registration, licensing, or any procedures with third parties soon after registration.

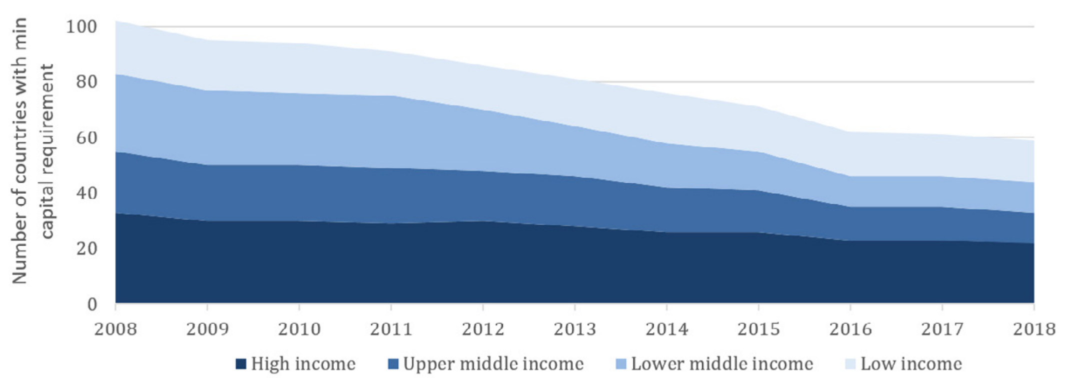
The measures facilitated have varied from reducing fees for licensing formalities to simplifying paperwork. Albania, for example, consolidated the procedures for tax, health insurance, and labor registration into a single application in 2007. Other economies have also made significant efforts to improve tax-related procedures - such as registering the company for VAT or obtaining a tax identification number. In Kenya, for example, in 2016, the Companies Registry and the Kenya Revenue Authority (KRA) simplified the personal tax identification number (PIN) application process for companies. Once a company completes its registration, KRA can process the PIN on the back-end. The PIN is then issued together with the original certificate of incorporation, reducing red-tape for business-founders.

iii. Abolishing or reducing minimum capital requirements

Type of reform	Client countries
Abolishing or reducing minimum capital requirements	Algeria, Angola, Belarus, Benin, Bosnia and Herzegovina, Burkina Faso, Cameroon, Chad, Comoros, Congo, Democratic Republic, Côte d'Ivoire, Djibouti, Egypt, El Salvador, Guinea, Indonesia, Jordan, Kosovo, Kuwait, Kyrgyz Republic, Lesotho, Mali, Mexico, Moldova, Morocco, Mozambique, Niger, Oman, Poland, Qatar, São Tomé and Príncipe, Senegal, Syria, Tajikistan, Togo, United Arab Emirates, West Bank and Gaza, Yemen, Zambia

Minimum capital requirements hinder the liquidity of entrepreneurs and their capacity to deploy resources for the development of their businesses.[41] Yet, ten years ago, minimum capital requirements were the norm as 102 countries had them. In 2018, this number dropped to 59 countries, with the biggest share of the decrease coming from middle-income countries.

Figure 54: Number of countries with minimum capital requirements



Source: World Bank Group

41) VanStel, Andr., David J. Storey and A. Roy Thurik. 2007. "The Effect of Business Regulations on Nascent and Young Business Entrepreneurship." Small Business Economics 28: 171–86.

Among the countries that eliminated their minimum capital requirement, DBRA assisted close to half of them. DBRA was particularly active in MENA, where the average minimum capital requirement was 509% in 2008. Ten years later, the picture looks very different. The regional average dropped to 8%. The success of Saudi Arabia abolishing this requirement in 2007 created a snowball effect. Before the reform, Saudi Arabia had one of the highest minimum capital requirements in the world. Following the reform, new company registrations increased by 178% in the next seven years (2007-2015).[42] Other countries followed suit, including Egypt, Algeria, and Morocco.

Another wave of reforms occurred in SSA with the amendments to the OHADA legislation on the Uniform Act on Companies. The amendments were then preceded by a wave of separate legislation at the national level, so countries could fully eliminate or decrease minimum capital requirements. As a result, the average minimum capital requirement in OHADA member states went from 223% of income per capita in 2014 to 11% in 2018.

iv. Introducing online procedures

Type of reform	Client countries
Introducing online procedures	Azerbaijan, Belarus, Bolivia, Brazil, Colombia, Costa Rica, Guatemala , India , Indonesia, Iran, Iraq, Jamaica, Kenya, Kuwait, Malaysia , Mexico, Nepal, Nigeria, Panama, Peru, Rwanda, South Africa, St. Lucia, Uganda, United Arab Emirates, Uzbekistan

E-registration tools make business start-up more efficient. Online services also substantially reduce the opportunities for bribery and other forms of corruption.[43] Finally, they remove the geographic barriers that prevail with the traditional "in-person" registration.

v. Introducing (or improving) one-stop shops

Type of reform	Client countries
Introducing or improving one stop shop	Azerbaijan, Benin, Congo, Democratic Republic, Côte d'Ivoire, Guinea, Kosovo, Kuwait, Kyrgyz Republic, Lesotho, North Macedonia, Madagascar, Mauritania, Moldova, Montenegro, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tajikistan, Togo

One-Stop-Shops (OSS) allow entrepreneurs to undertake procedures involving multiple agencies at a single window (SW) (either virtual or physical). They can make procedures faster, more affordable and more transparent as entrepreneurs only must interact with one agent. This may also reduce opportunities for corruption. When implemented effectively, OSS can have a positive effect beyond cost-savings. Research found that in Colombia, for example, new business registration increased by 5.2% following the creation of a single window for business registration in Bogota.[44]

Creating a fully functional OSS is challenging. Seamless integration of processes among different agencies involved in the back-office is particularly difficult to achieve.[45] Twenty countries created or consolidated OSS and/or SW with the help of DBRA. DBRA support has ranged from assisting with the full creation of a OSS, to improving pre-existing OSS by redesigning their architecture, reengineering internal processes or using new technologies. At the global level, and from 2008-2018, the 20 countries that created or operationalized OSS with the help of DBRA reduced the time to register a business by 60%.

42) https://donnees.banquemondiale.org/indicateur/IC.BUS.NREG?locations=SA&view=chart
43) For more, see "The growing efficiency of company registries": http://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB15-Chapters/DB15-CaseStudy-Starting-a-Business.pdf
44) OECD Reviews of Regulatory Reform Regulatory Policy in Colombia Going beyond Administrative Simplification: Going beyond Administrative Simplification
45) Sader, Frank. 2002. "A View on One-Stop Shops," Working Paper, World Bank, Washington, DC.

Looking ahead: room for improvement remains in many FCV countries and post-registration formalities remain cumbersome at the global level

Starting a business is the area where developing countries have, by and large, closed the gap the most compared to high-income OECD countries over the past decade. In 2018, the average score on the Ease of Starting a Business is 83 out of 100. Moreover, many best practices have been adopted by most countries, such as the elimination of the minimum capital requirement for entrepreneurs.[46] Nonetheless, room for progress remains - particularly among countries affected by fragility, conflict and violence (FCV). These FCV countries (e.g. Haiti, Somalia, Eritrea, Chad, Central African Republic) make up for twelve of the bottom 20 economies on the ease of starting a business. They also have, on average, two more procedures than other economies and it takes 50% longer to start a business.

In terms of best practices, one area where a lot of countries still struggle is with post-registration processes. Many economies have launched OSS or SW over the past decades but fail to fold all interactions into one location (or one online platform) as entrepreneurs still need to register with various agencies - such as the tax authority or the labor department.

As policy-makers are increasingly aware of the best practices in starting a business - and they continue to roll out reforms – more and more attention will need to be focused on addressing the communication gap there often is with the private sector. This, in turn, will allow reforms to be fully absorbed by entrepreneurs, resulting in notable time and cost gains, and reduced opportunities for corruption.

DEALING WITH CONSTRUCTION PERMITS

In this area, DBRA has supported most countries in ECA, as well as SSA

The construction sector plays an important role in the economy both in terms of contribution to GDP and job creation.[47] Besides enhancing public safety, an efficient construction sector is one of the deciding factors for investors when choosing an investment location.[48] In fact, enhancing the process of obtaining a building permit has been shown to have a positive impact on economic growth. Poel et al. (2014), for example, argue that there is a negative effect of higher administrative burdens in construction on economic growth. If procedures are too complicated or costly, builders may abandon projects – or proceed without a permit.[49] Finally, complex procedures also increase opportunities for corruption.[50]

Efficient building permitting systems share key features – such as sound licensing mechanisms and clear building codes written in a consultative process. As a result, many countries today seek to align their standards with best-practice countries. At the same time, regulations and building construction processes need to account for local zoning regulations as well as capacity – while making sure efficiency doesn’t come at the expense of safety. To strike the right balance, several countries have sought the assistance of DBRA in the past decade. From 2008 to 2018, this assistance contributed to 96 reforms in 60 countries. These reforms have made construction permitting and regulations more efficient, transparent, and safe for citizens across all regions, particularly in ECA and SSA.

46) 131 countries have no minimum capital as of May 2018 while only 33 countries have a minimum capital of over 10% income per capita.
47) PricewaterhouseCoopers. 2005. “Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues.” Report prepared for the American Institute of Architects, Washington, DC.
48) KPMG. 2009. Competitive Alternatives: KPMG’s Guide to International Business Location. Available at http://competitivealternatives.com.
49) Moullier, Thomas. 2009. “Reforming Building Permits: Why Is It Important and What Can IFC Really Do?” International Finance Corporation, Washington, DC. Páez and Vargas (2013) also find that in 21 Colombian cities, the number of procedures, time, and cost required to obtain building permits have negative effects on the performance of construction industry.
50) Analysis of World Bank Enterprise Survey data shows that the share of firms expecting to give gifts in exchange for construction approvals is correlated with the level of complexity and cost of dealing with construction permits.

Figure 55: Percentage of countries by region with construction reforms facilitated by DBRA

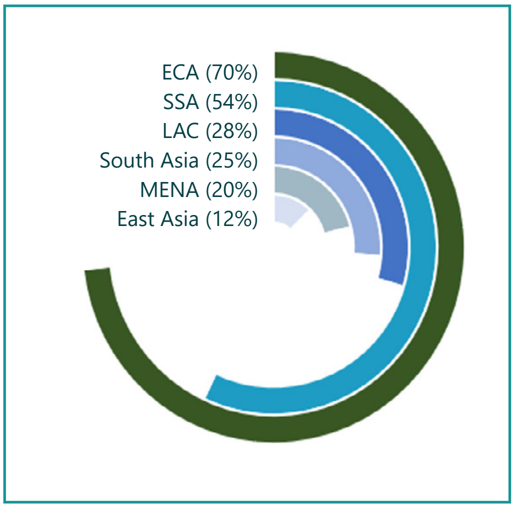
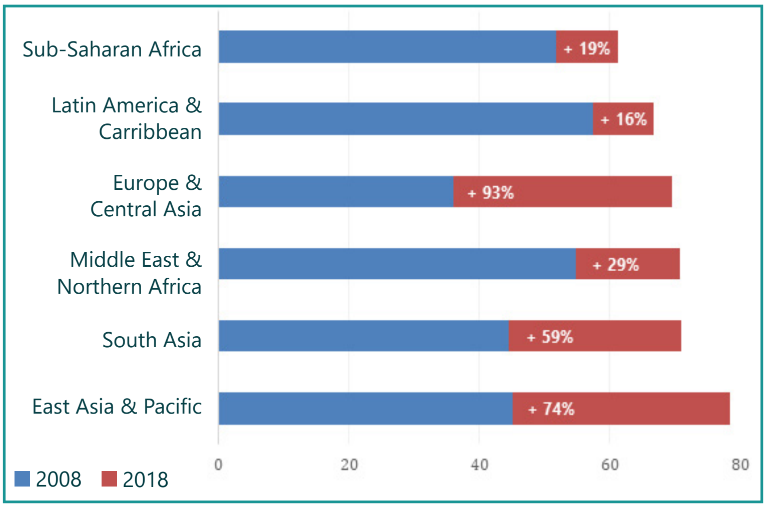


Figure 56: Improvement in Doing Business DCP score

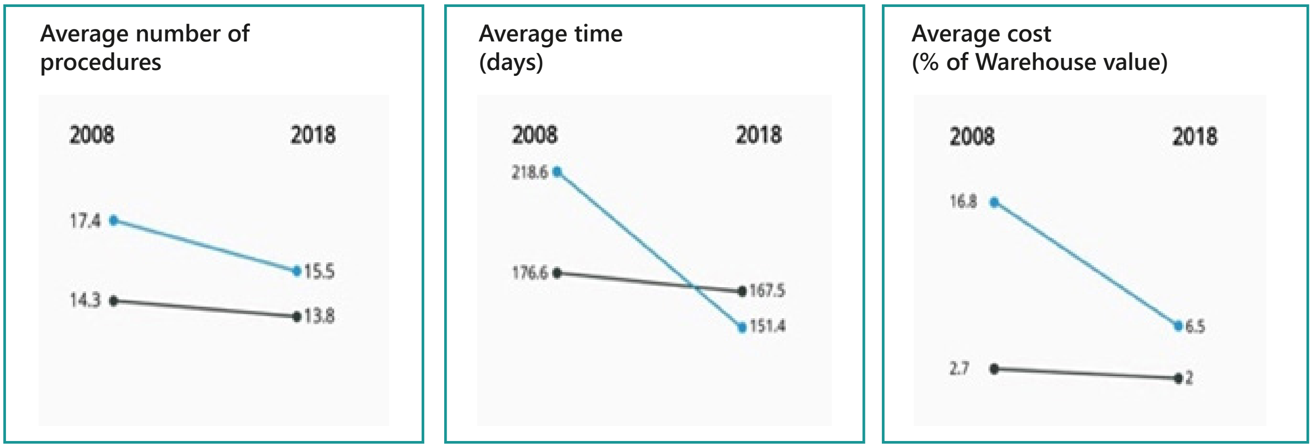


Source: World Bank Group

DBRA client countries are catching up to other economies

Reform efforts in client countries over the past decade have paid-off, reducing the regulatory complexity of the building permitting system. Even though DBRA clients have, on average, worse business environments than non-clients,[51] client countries have closed the gap in the number of interactions required - as well as the average cost. Furthermore, the time it takes to obtain building permits in client countries is now significantly less than in non-clients.

Figure 57: Dealing with construction permits: DBRA clients (blue) compared to non-clients (black)



Source: World Bank Group

One region where DBRA was particularly active was ECA. Seventy percent of the economies in the region received DBRA assistance with reform implementation. By the same token, these countries nearly doubled their EODB score on the Dealing with Construction Permits indicator.

51) Non-clients also have on average a higher income, counting among these the OECD countries

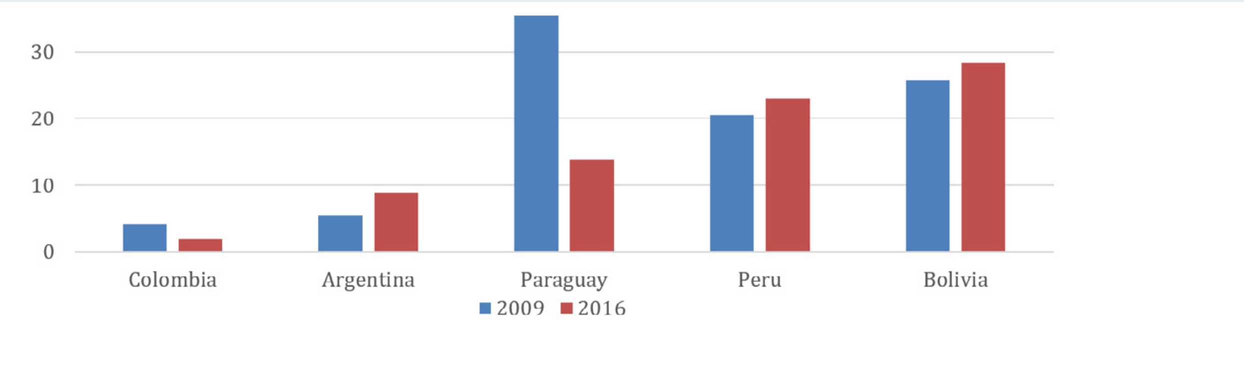
The benefits of the reforms carried out by countries went beyond easing the bureaucratic process of getting a building permit. Studies show that a fast and reliable construction permit approval system also has a positive correlation with construction spending.[52] Another beneficial impact of reforming pertains to corruption as streamlining procedures typically results in fewer interactions with public officials. The case of Paraguay provides a good illustration of how reducing procedures may have contributed to lower bribery incidence.

Box 9 | How Paraguay cut the time to obtain a construction permit by a half and reduced corruption

In 2009, it took over nine months to deal with all the construction permit approval in Asuncion – one of the highest times in Latin America. That same year, the government of Paraguay asked DBRA to support a public-private dialogue to identify bottlenecks brainstorm on how to improve the process of obtaining construction permits. Several areas for improvement were identified. Before year-end, a new administrative structure with the Municipality was created to approve permits, along with a tracking system to foster more internal accountability. Shortly thereafter, a single window for building permit approvals was created. This initiative facilitated the screening of building permit applications and created a risk-based classification of building projects.

Not only did the abovementioned initiatives reduce the time to deal with construction permits by nearly 60%, it also may have played a role in reducing corruption. In 2009, 35% of firms expected to give gifts to get a construction permit in Paraguay according to Enterprise Surveys. In 2016, this percentage dropped to 14%, compared to a global average of 25%. This progress far outpaced other countries in the region.

Figure 58: Percent of firms expected to give gifts to get a construction permit



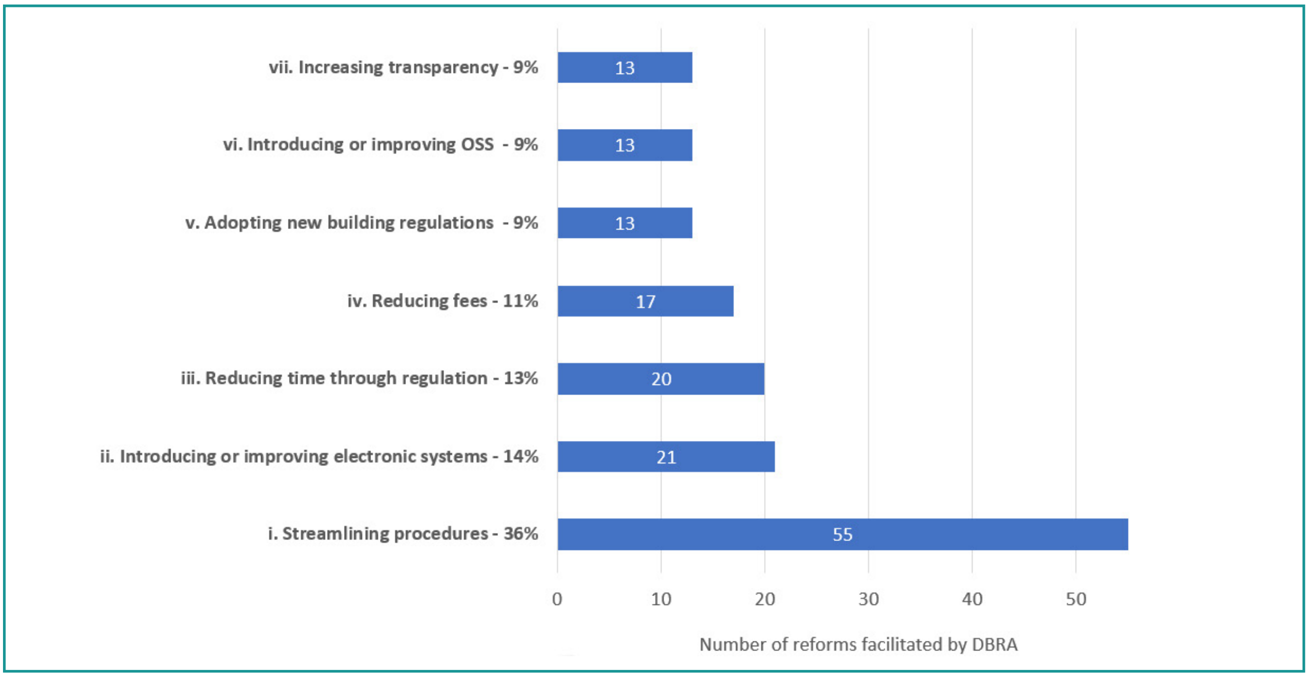
Source: World Bank Group

52) A PricewaterhouseCoopeers study in the United States showed that accelerating by in a 22-month project cycle could increase construction spending by 5.7% and property tax revenue by 16%. PricewaterhouseCoopers. 2005. "Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues." Report prepared for the American Institute of Architects, Washington, DC.

Trends in the reforms facilitated by DBRA

Half of the reforms supported by DBRA focused on streamlining procedures and improving technological platforms. Classifying reforms into seven categories over the period of 2008-2018 shows that the measures undertaken by countries varied.

Figure 59: Dealing with construction permits: DBRA clients (blue) compared to non-clients (black)



Source: World Bank Group
Note: Some of the 94 reforms facilitated by DBRA encompass several categories of reform types.

i. Streamlining procedures

Type of reform	Client countries
Streamlining procedures	Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Botswana, Burkina Faso, Burundi, Cameroon, China, Colombia, Democratic Republic of Congo, Costa Rica, Côte d'Ivoire, Djibouti, El Salvador , Ethiopia, Gabon, Guatemala, Honduras, Kazakhstan, Kosovo, Liberia, Malaysia , Mali, Mauritania, Mexico, North Macedonia, Panama, Paraguay, Peru, Russian Federation, Rwanda, Senegal, Serbia, Sierra Leone, Tajikistan, Togo, Tonga, Ukraine, Uzbekistan, Zimbabwe

The most common area for reform facilitated by DBRA was streamlining procedures. Some countries, especially in SSA, eliminated redundant inspections or unnecessary processes. Botswana, for example, carried out a two-year consultative process with local construction experts, who pointed out some redundancies in the permitting process in addition to some paperwork requirements that ought to be outside the purview of the City Council. To this end, in 2015, the requirement to obtain a rates clearance certificate at the Gaborone City Council showing that there are no outstanding property taxes to be paid was eliminated.

Streamlining procedures was also carried out in a handful of countries through new risk-based approval systems, differentiating projects between high and low risk. Such reforms, as carried out in Ukraine, allow to ease the requirements for simpler projects that pose little public risk.

Box 10 | How Ukraine eased the building permitting system by introducing a risk-based approval system.

Not all building projects are equal – they all carry different social, economic and environmental risks. For example, the construction of a skyscraper is not comparable to that of a small commercial shop. It is, therefore, useful to differentiate project types to treat buildings according to their risk level and location. Simple, low-risk buildings should require less documentation than more complex structures, saving time for both entrepreneurs and authorities.

Given the benefits highlighted, an increasing amount of countries have adopted risk-based approval systems. In 2012, Ukraine adopted the Law on Regulation of the City-Planning Activities, which introduced a risk-based approval system, classifying construction projects into several categories based on their complexity. For relatively simple projects (i.e. categories I to III) the building permit approval system became easier in terms of paperwork and inspections. For example, the requirement to obtain technical conditions from the Fire Safety Department and the Department of State Auto Inspection were eliminated – as well as the requirement to develop a pre-project city planning justification.

The new process alleviated the time and interactions necessary to obtain clearances for simple project types. Indeed, dealing with construction permits according to Doing Business data fell from 380 to 96 days in the year following the new regulation. At the same time, the new risk-based system allowed the Department of State Architectural and Construction Control of Kiev City to focus more resources on the review and monitoring of more complex construction projects, which typically pose a higher risk to the public.

ii. Introducing or improving electronic systems

Type of reform	Client countries
Introducing or improving electronic platforms or services	Albania, Bosnia and Herzegovina, Cameroon, Cape Verde, China, Costa Rica, Côte d'Ivoire, El Salvador, Gabon, Ghana, India, Madagascar, Mauritius, Rwanda, Serbia, Seychelles , Sri Lanka, Zimbabwe

DBRA promotes the use of online services to make procedures more accessible to users, saving time and money for authorities. Beyond ensuring that all building regulations are online - along with all the paperwork needed to apply for a building permit - DBRA has also worked towards enhancing online approval systems. Such systems can have a tangible impact on the construction sector.

In 2014, Doing Business ranked Serbia among the worst five countries in the world in getting construction permits. Following this, multiple measures were made to ease the process. Notably, Serbia introduced a new e-permitting software, which centralized the obtainment and issuance of all technical requirements (e.g. utilities, traffic authority, public roads authority, etc.) through the system, drastically reducing procedures. The software received and processed 35,000 applications in the first eight months of operation. And from 2015 to 2019, the number of building permits issued on a quarterly basis increased by approximately 65%.[53]

53) Source: Statistical Office of the Republic of Serbia. Data is adjusted for seasonal changes.

iii. Reducing time through regulation (e.g. statutory time limits)

Type of reform	Client countries
Reducing time for processing permit applications	Albania, Armenia, Belarus, Benin, Burkina Faso, Burundi, Cameroon, Colombia, Egypt, Arab Republic of, Hungary, Kazakhstan, Liberia, Morocco, North Macedonia, Peru, Russian Federation, Rwanda, Senegal, Sri Lanka

DBRA has helped several countries reduce the time for processing permit applications by introducing "silence is consent mechanisms" or statutory time limits. Kazakhstan is one of these countries. The city of Almaty used to have a burdensome construction permitting process[54], which became particularly problematic when the country went through a construction boom in the mid-2000s[55], resulting in a backlog in building permit applications. Several measures were taken to address this problem. Notably, in 2009, Government Decree Number 1467 set time limits for the issuance of several permits (e.g. land allocation permit, rendering building and assembly job permit, etc.). These limits, in turn, encouraged several agencies to make personnel investments and carry-out internal reorganizations to meet the time limits, thereby reducing the time to deal with all construction permits by nearly 20% over 2009/10.

iv. Reducing fees

Type of reform	Client countries
Reducing fees	Albania, Armenia, Belarus, Burkina Faso, Burundi, Congo, Democratic Republic, Congo, Republic, India, Kenya, Kosovo, Kyrgyz Republic, Liberia, Malawi, Panama, Rwanda, Togo

High administrative fees can encourage informality – or even deter construction projects. To help countries reap the benefits of a thriving construction sector, DBRA helped fifteen client countries reduce fees associated with obtaining a building permit. Malawi, which has a major informal sector,[56] was among those countries and cut by half the fees to obtain a building permit.

v. Adopting new building regulations

Type of reform	Client countries
Adopting new building regulations	Albania, China, Congo, Democratic Republic, Côte d'Ivoire, Egypt, Arab Republic of, Macedonia, Mauritania, North Macedonia, Russian Federation, Rwanda, Tajikistan

Building regulations protect the public by enforcing safety standards as well as qualification requirements for professionals. Regulations can also promote more efficiency in the construction sector. DBRA assisted countries in nearly all regions with adopting new building regulations aligned with best international practices.

For example, the Shanghai Municipality in China in 2018 introduced new regulations with the assistance of DBRA that improved building quality control. More specifically, the municipality enacted stricter requirements on educational qualification and minimum experience for professionals conducting drawing reviews. This is a welcome development for Shanghai, a city with a booming construction

54) Kazakhstan ranked 119th on the dealing with Construction Permits indicator on the Doing Business 2007 report. This standing improved to 35th on the Doing Business 2019.
55) https://2016.export.gov/kazakhstan/doingbusinessinkazakhstan/leadingsectorsinkazakhstan/constructionandbuildingmaterials/index.asp
56) According to ILO data, the informal sector in Malawi accounts for 95% of employment (% of total non-agricultural employment).

sector but also a history of corner-cutting by builders which has led to a rise in deadly construction accidents.[57] The new regulation now aims to directly reduce the chances of structural defects.

vi. Introducing or improving a One-Stop-Shop

Type of reform	Client countries
Introducing or improving a One-Stop-Shop	Albania, Armenia, Belarus, Burkina Faso, Burundi, Congo, Democratic Republic, Congo, Republic, India, Kenya, Kosovo, Kyrgyz Republic, Liberia, Malawi, Panama, Rwanda, Togo

One-Stop Shops (OSS) can be an effective way to better coordinate the agencies involved in the approval process of construction permits. From 2008 to 2018, DBRA assisted several countries in implementing new single windows for construction permit approvals and/or improving existing platforms. The result for these client countries was a decrease in the average time to process construction permits by 36% from 2008 to 2018.

India offers an example of the impact a OSS can have. In consultation with DBRA, Mumbai launched the Online Building Permit Approval System (OBPS) in 2018, centralizing the approvals from various agencies into one single platform. As a result, no objection certificates are now obtained through the online portal, eliminating the need to interact with various agencies as the OBPS system now takes care of this through its back-office. The system has largely contributed to cut the number of procedures to get a building permit in Mumbai by more than half. This improvement is particularly noteworthy in a country where 40% of businesses reported in 2014 to give "gifts" to obtain a building permit.[58] And now that there are fewer interactions, there are less opportunities for bribes.

vii. Increasing transparency

Type of reform	Client countries
Increasing transparency	Cameroon, Cape Verde, China, Côte d'Ivoire, Gabon, Ghana, Guinea, Madagascar, Russian Federation, Seychelles, Sri Lanka, Zimbabwe

Transparency of information is important because it enhances public knowledge of regulations, increasing the likelihood that buildings are compliant with local codes. Transparency of information also reduces the chances of public officials exerting bribes due to potential misconceptions. Finally, transparency can be beneficial for foreign investors, which rarely have the knowledge or physical presence of local firms.

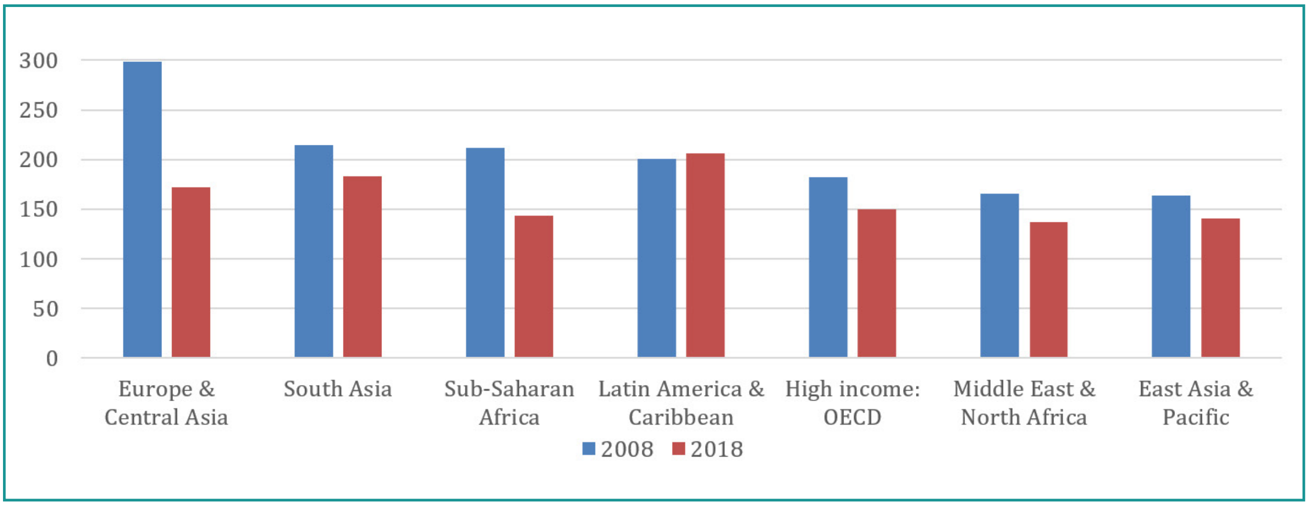
DBRA has encouraged many countries in the past decade to make building codes and building permit processes widely available to the public through online publication. The Seychelles, for example, enhanced transparency following consultations with DBRA in 2017, by having the Planning Authority publish all building regulations available on its website.

Looking ahead: many countries would benefit from risk-based approval and supervision systems

Great strides have been made to improve the ease of obtaining building permits. At the global level, the time to get all the necessary approvals from authorities for simple building projects has been cut by more than 20% over the past decade. Not all regions have reformed at the same pace, however. Notably, LAC stands out for the lack of improvements – particularly on the time for building permit processing.

57) For more, see: https://www.aljazeera.com/news/2019/05/shanghai-building-collapse-death-toll-rises-10-190517020136728.html
58) Source: World Bank Enterprise Surveys for India (2014)

Figure 60: Latin America is now where it takes the longest to get construction permits



Source: World Bank Group

In terms of best practices, countries are increasingly rolling out single windows, setting time limits and making sure all regulations are transparent. Regulatory gaps are also being addressed to enhance safety provisions. For instance, more and more countries are increasing the qualification requirements for professions in the construction sectors. One best practice that is far from widespread, however, is the adoption of a risk differentiated approach to review the building permit application. Given the benefits of such systems, as highlighted above, more countries ought to transition to a risk-based approach when classifying buildings and determining the inspections they carry.

Box 11 | The increasing use of technologies to improve the business environment

The adoption of new technologies to improve business environment is a common reform feature observed amongst DBRA clients. Many clients have notably set-up computerized and connected systems, expediting the time to issue building permits. New technologies also help reducing the “distance” between public servants and citizens, connecting them in real time and enhancing access to information. Technology adoption by DBRA clients vary according the readiness of each country and may involve the adoption of new systems or the improvement of existing ones.

Given the benefits of e-registration, introducing online procedures has been actively supported by DBRA. Reforms in the past decade have varied in scope, depending on needs and resources. They’ve ranged from supporting the creation of an online database for company name search, as in Indonesia, Iran, Nepal and Nigeria, to advice on the implementation of IT systems digitizing the company registration process.

In Kenya, the E-citizen portal launched in 2014 with the help of DBRA made it possible to complete regulatory requirements for starting a company online, and reduced the time to do so by 92%. An early evaluation by the WBG of the online services offered by E-Citizens documented more than $1.8 million in compliance cost savings over the first 15 months of operation.

E-government tools are adopted in several areas beyond business registration. Reforms incorporating new technologies are observed in other areas including online registries for property registration, improving case management in the judiciary system, improving access to cadastral data, improving the performance of credit bureaus and credit information, among other.

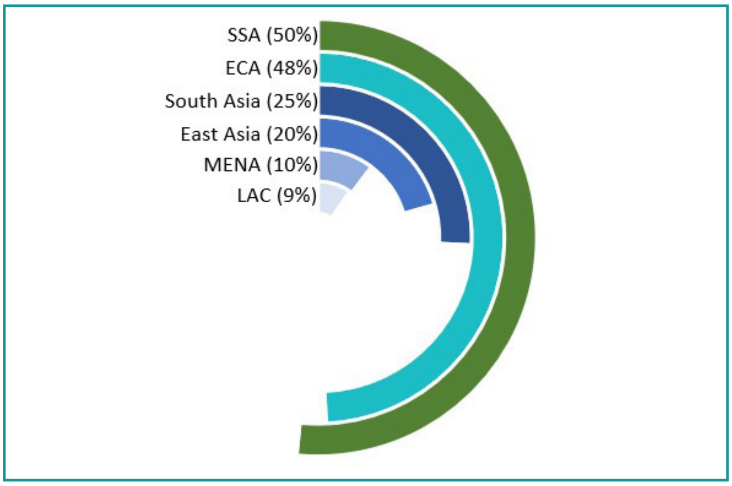
PROPERTY TRANSFER AND REGISTRATION

DBRA has supported property registration reforms in over a quarter of all countries

Lands and buildings typically account for over half of the countries' wealth.[59] It is, therefore, not surprising that firms and individuals operating in an environment with insecure property rights decrease their investment activities.[60] Conversely, having a system where land ownership information is secure enhances access to finance, as property can be used as collateral.[61] The benefits of land registration go beyond the private sector; an efficient property rights system is associated with higher economic growth.[62] Finally, having reliable information on land ownership is essential for governments to correctly assess and collect tax revenues.

As economies have used the registering property index of Doing Business to benchmark the efficiency and quality of their land administration system, they have had to examine some regulatory gaps. They have also sought to implement some best practices, as effective property registration systems share key features. Country experience, for example, shows that a unified electronic registry can expedite procedures as it provides both legal and geographical information at once. Given the complexity in undertaking such measures, many economies have turned to DBRA for advice, which in turn resulted in 65 reforms across 47 countries.

Figure 61: Percentage of countries by region with property transfer reforms facilitated by DBRA



Source: World Bank Group

DBRA clients made significant strides in easing property registration

Overall, DBRA clients reduced the time to register a property by 40% and the cost by 25%. Much of those gains came from SSA, which makes up for over half of DBRA's client countries in the area of property registration. In fact, from 2008 to 2018, SSA countries reduced the cost to register property from 12% to 7%, and the regional average time from 94 to 54 days. These improvements were particularly marked in some economies – such as Senegal – which undertook an extensive reform program.

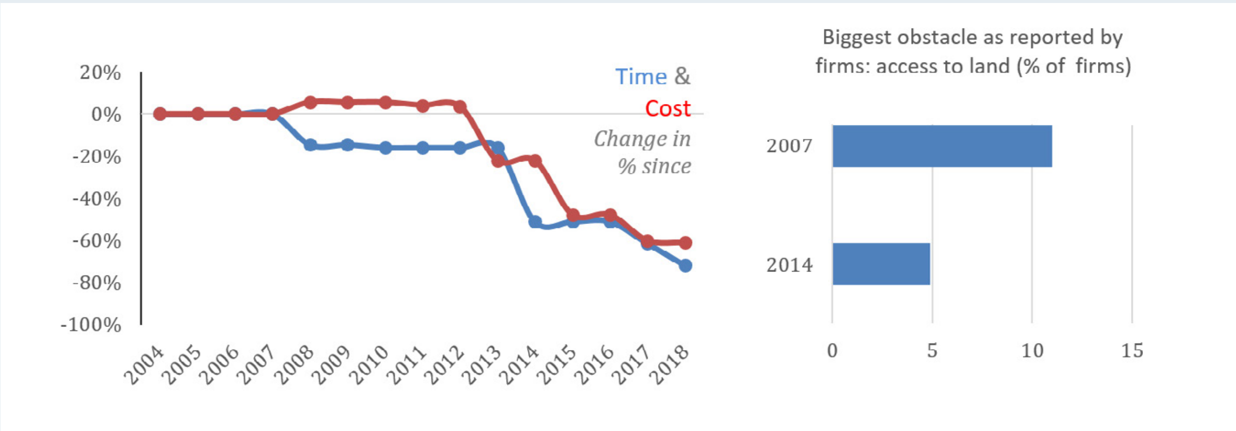
59) World Bank. 1989. World Development Report 1989. New York: Oxford University Press.
60) Cull and Xu, 2005.
61) Simon Johnson, John McMillan, and Christopher Woodruff, Property Rights and Finance, The American Economic Review, Volume 92, Issue 5, Pages 1335-1356, December 2002.
62) Claessens and Laeven (2003).

Box 12 | How Senegal made property transfers easier

Transferring property in Senegal was notoriously cumbersome over a decade ago due a lack of time objectives and transparency at the land registry. Then, Senegal began carrying out a slew of reforms, of which many were recommended by DBRA. Improvements started in 2012 with the introduction of time limits for issuing certificates at the land registry. Subsequently, property transfer costs were lowered through tax reductions in 2013 and 2015, and a decrease in administrative as well as notary fees in 2017. Time was also decreased thanks to the elimination of redundant authorizations (2013) as well as internal time limits to speed up the registration process (2017). Finally, transparency was enhanced as all documentation, fees and official time limits were published online as of 2016.

The reforms enumerated resulted in significant gains for entrepreneurs seeking to acquire or sell off their property. For example, in 2007 it took 145 days to complete a simple property transfer. In contrast, it took 41 days in 2018, which is considerably less than the SSA average. During that time, access to land became less of an obstacle according to local firms.

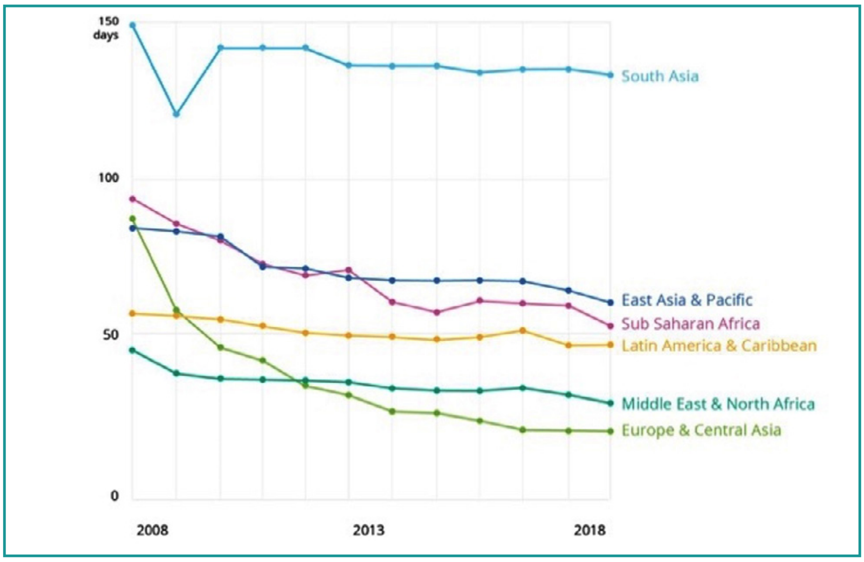
Figure 62: Senegal significantly facilitated property transfers from 2008 to 2018



Source: World Bank Group

The other notable improvement came from ECA (the second-biggest client for DBRA on property registration). Indeed, in 2008, property transfers in ECA took an average of 87 days, compared to just 20 days in 2018. And today ECA is the region where, on average, property transfers are registered in the least amount of time.

Figure 63: Average time by region to transfer property

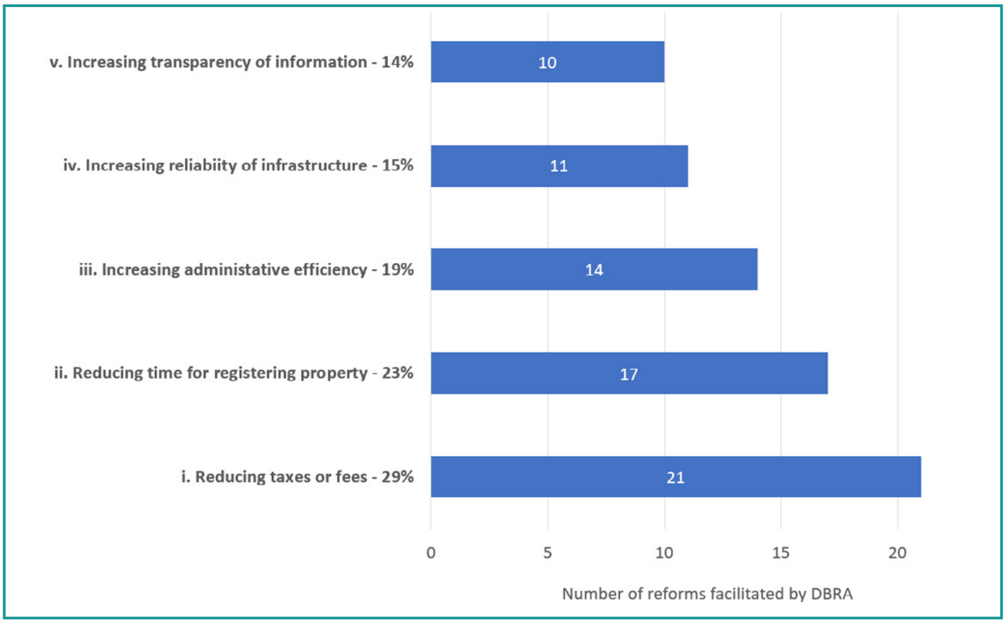


Source: World Bank Group

Trends in the reforms facilitated by DBRA

Property registration has become much easier globally - with about two-thirds of all countries undertaking reforms in the area from 2008 to 2018. Many such countries implemented improvements with the help of the DBRA team. Based on a classification into five categories, the two most popular improvements facilitated by DBRA focused on (i) reducing taxes or fees and (ii) reducing the time for registering property.

Figure 64: Types of reforms assisted by DBRA



Source: World Bank Group
Note: Some of the 65 reforms facilitated by DBRA encompass several categories of reform types.

i. Reducing taxes and fees

Type of reform	Client countries
Reducing taxes and fees	Bosnia and Herzegovina, Burkina Faso, Central African Republic, Chad, Comoros, Congo, Democratic Republic, Côte d'Ivoire, Croatia, Guinea, Madagascar, Malawi, Mali, Niger, Rwanda, Senegal, Togo, Zambia

Studies show that excessively high property transaction costs, including government-imposed transfer fees, can be an obstacle to market development.[63] There is also evidence that when transfer fees and taxes are too burdensome, already registered properties may become informal again as subsequent transactions are not registered.[64] Reducing costs where they are high can, therefore, benefit firms and reduce market distortions.[65]

63) Evidence, for example, suggests that high transaction costs limit access to land and reduce the ability of the less wealthy to participate in overall market activity. See Rolfes, L., Jr. 2002. "Making the Legal Basis for Private Land Rights Operational and Effective." Paper presented at the World Bank Regional Land Policy Workshop, April 3-6, Budapest, Hungary.
64) World Bank Policy Research Report. June 2003. "Land Policies for Growth and Poverty Reduction.
65) A study estimates that in India, such land market distortions reduce the annual rate of gross domestic product growth by about 1.3%. This not only weakens the protection of property rights, but it also reduces potential revenue from property taxes. McKinsey Global Institute. 2001. "The Growth Imperative for India".

DBRA has supported property transfer cost reductions in many countries where fees were relatively high - while also ensuring that fee changes or tax reductions do not create a shortfall in public revenues. As client countries had high property transfer costs to begin with, DBRA clients saw an average reduction in the cost of 34% from 2008 to 2018. For example, in Togo prior to 2013, property transfers amounted to about 13% of the property value – almost double the average in SSA. Following this, the government in consultation with DBRA reduced property transfer fees twice (2013 and 2017), and costs are now aligned with the SSA average.

ii. Reducing the time for property registration

Type of reform	Client countries
Reducing the time for property registration	Azerbaijan, Bangladesh, Belarus, Burkina Faso, Burundi, Côte d'Ivoire, Guinea, Indonesia, Kosovo, Peru, Russian Federation, Rwanda, Senegal, Serbia, Sierra Leone

DBRA helped 15 countries make property transfer registration faster, thereby resulting in time gains for entrepreneurs. Client countries cut the time to transfer property by 57% from 2008 to 2018. Time decreases were achieved in some countries by removing redundant procedures or improving efficiency. Sierra Leone's Ministry of Land was able to increase efficiency in 2014, for instance, by making significant investments in personnel staff and IT.

Some countries have had success at reducing time through the introduction of statutory time limits. Time limits give citizens a reference for how much time a procedure will take. If the process is not completed within that time limit, they know they need to follow up. For example, the Russian Federation passed legislation affecting both Moscow and Saint Petersburg wherein property registration carried out at the Multi-Functional Centers (MFCs), a one-stop for governmental services, must be completed within nine working days. Strict KPIs were then implemented to ensure the time limits were respected.

iii. Increasing administrative efficiency

Type of reform	Client countries
Increasing administrative efficiency	Azerbaijan, Bangladesh, Brunei Darussalam, Burkina Faso, Burundi, Colombia, Côte d'Ivoire, Guinea-Bissau, Kenya, Kyrgyz Republic, Mozambique, Senegal, Uganda

Improving administrative efficiency can help land administration save resources and reduce customer interactions with officials. DBRA was able to facilitate such improvements over the past decade. Many client countries did this by introducing OSS for property registration from 2008 to 2018 - thereby reducing the time to register a property transfer by 47%.

Mozambique introduced administrative measures in 2014 that streamlined the process of transferring property in Maputo. In the past, the buyer had to notify the tax authority and the cadaster of the transfer; now these procedures are conducted internally. Every week, the land registry sends the municipality information on all the transfers that occurred. The municipality then updates the cadaster and the tax authority. These measures not only eliminated two interactions for businesses transferring land; it also cut processing time by nearly a week.

iv. Increasing the reliability of infrastructure

Type of reform	Client countries
Increasing the reliability of infrastructure	China, Croatia, Guinea, Kazakhstan, Kyrgyz Republic, Malaysia, Mauritius, Seychelles, Sri Lanka, Thailand

With up-to-date land information, governments can better map the needs of their citizens, facilitating the efficient provision of service. DBRA has, therefore, encouraged the use of digital records, as they take less space than paper records, and backup copies ensure that property records are not compromised in the event of a natural disaster. A full digital land recording system also offers benefits compared to a scanned system. Notably, it allows users to extract information and enhances accuracy by avoiding duplicate entry. Typically, a fully digital land recording system further optimizes processes by streamlining workflows. Indeed, transferring property takes about half as much time in economies with computerized registries as in those without them.

One country that was assisted by DBRA was Croatia. In 2017 the Land Registry became fully digitized following a six-year effort. Another country was the Seychelles; as of 2017, the Ministry of Habitat, Infrastructure and Land Transport (MHILT) had digitized most of its cadastral maps, which can now be accessed online.

v. Increasing transparency of information

Type of reform	Client countries
Increasing the reliability of infrastructure	Azerbaijan, Brunei Darussalam, China, Guyana, Kuwait, Mauritius, Sri Lanka, Uzbekistan, Zimbabwe

Beyond process and IT improvements, DBRA efforts on property registrations have also focused on promoting transparency. Transparency in a land administration system deters bribes intended to speed up registering property, changing a title, etc. Some efforts focused on making key documentation, fees and statistics available online. Brunei Darussalam, with the support of DBRA, made sweeping efforts in this regard. Since June 2016, the Ministry of Development and the Lands and Survey Department revamped their websites to provide more comprehensive information on the services offered by the land administration. Information publicly available now includes all fee schedules and service standards applicable, as well as statistics on land transfers and disputes.

Another transparency practice that DBRA has sought to promote is the creation of an independent mechanism for filing complaints on issues that occur at the property registry and/or cadaster. Addressing administrative mistakes often first requires introducing a third-party agency that operates independently from the land registry/cadaster. Mauritius, in consultation with DBRA, implemented such a mechanism. As of 2017, the Registrar General's Department of Mauritius upgraded its website by adding a complaint mechanism managed by the Ministry of Finance and Economic Development. The public can now lodge a complaint against the land registry if they are not satisfied with its services, and the Ministry of Finance and Economic Development is responsible to investigate the complaint.

Looking ahead: more can be done to ease property registration

Property registration has become much easier in the past decade. Across all regions, the cost and the time to register a property transfer has markedly decreased through the implementation of several best practices such as instituting time limits, removing duplicate procedures, and lowering fees. Nonetheless, there are key areas for further improvement that stand out. Particularly, the quality of land administration can be improved in most countries in terms of coverage of the land registry and effective recording of property rights. Furthermore, land ownership in many economies is still recorded through a paper-based system. This is particularly the case in SA and SSA, where 70% of countries do not have computerized registries. But it is not only about computerization. The most secure property rights systems are based on GIS-based digitized records.

A second area that deserves future consideration is transparency. Among the economies covered by Doing Business, only 50% of low-income economies open their records on land ownership to the public. Moreover, information about land ownership is restricted to intermediaries and interested parties in 31% of economies. In case of fraud or mistakes in the transfer, businesses also often lack recourses. For example, a study by Transparency International conducted in Burundi, Kenya, Rwanda, Tanzania and Uganda found that about 90% of respondents that encountered a bribery incident did not report it or make a complaint to any authority as they often did not know where to report the incident. Establishing independent complaint mechanisms, which do not exist in about three-quarters of all countries, would help tackle such problems.

The third area for future reform is linking the land registry with the cadastral system. It provides a single point of contact to conduct land transactions. In recent years, several economies in ECA, have merged their land registries and cadastral systems, showcasing the impact of such reform. For example, the Russian Federation created a unified electronic land and property registry in 2013 by merging the state registry and the state cadastral mapping system, cutting property transfer time by 50%. More countries could follow suit, particularly in SSA and SA, where land registries and cadastral systems remain separate.

3. LESSONS LEARNED

LOCAL SOLUTIONS BUILDING ON GLOBAL EXPERTISE

The WBG is in a unique position to deliver the type of technical assistance provided by DBRA, requiring global expertise in a broad range of regulatory areas and local presence. DBRA taps into a growing network of partners bringing their global expertise to work with clients on topics ranging from business entry to land administration to insolvency. This network includes WBG staff from HQ, regional and country offices, as well as technical experts from the private sector and practitioners from the public sector around the world.

Peer-to-peer events can be strong motivators for clients leveraging WBG's convening power. Through these events, key partners and local officials from client countries share regional and global practices that clients can learn from broadening their perspectives on the solutions, and the institutional strategies that worked, as well as the challenges other countries faced.

An independent evaluation report of the Mauritius and Rwanda peer learning events found positive outcomes after surveying participating countries. The report concluded that these events are successful and meet their main objective: 36% of participating countries reported the adoption of good practices from the peer-to-peer exercise and two countries conducted bilateral formal exchanges as a direct result of the workshop; 74% of countries carried out reforms in the two years of analysis. The reports also found that that seven of the attending countries had adopted good practices from the workshops and that there had been an increase in bilateral exchanges amongst countries.[66]

It is important to note that there are benefits of inviting practitioners from high performing countries (often high income) and from peer (similar) countries. At DBRA's peer learning event in Mauritius in 2010, clients learned as much from the speaker from Singapore as from other African participants. Indeed, after the event, the Liberian government engaged in deeper learning from its counterparts from Mauritius, while the Mauritian government engaged with the government of the Democratic Republic of Congo to co-host another learning event. In turn, countries that have benefitted from DBRA assistance become teachers themselves after having adopted good practices learned from other countries; such was the case for Mali who assisted Côte d'Ivoire in improving its OSS for business creation and Morocco who invited Afghanistan to learn from its reform experiences.

Box 14 | Peer to peer learning events led to engagements with client countries in Central America

In Central America, interest in receiving support on the Doing Business reform agenda started early with a first engagement in El Salvador in 2008 and then in Honduras in 2009. However, after the implementation of three successful reforms in the region in those years', assistance reached a complete standstill. Support in the region then really took off in 2011 and 2012 as engagements were triggered by attendance at the regional Doing Business peer to peer learning event organized by DBRA in 2011 in Bogota. Subsequently technical assistance programs were rolled out in Costa Rica, Guatemala, Nicaragua and Panama. The increased enthusiasm in the region called for a second peer to peer learning event in Panama in 2013.

66) Independent Evaluation Report findings on effect of Mauritius and Rwanda peer to peer learning events.

ENGAGING AND COLLABORATING WHEN THERE IS A WINDOW OF OPPORTUNITY IS A KEY SUCCESS FACTOR

At inception, DBRA was a single global program. Starting in 2009, DBRA organized the delivery of its projects through regional umbrella projects. This delivery model added flexibility to local interventions, increasing the team's capacity to respond quickly to client requests. This ability to respond quickly is a key driver for success, particularly in countries undergoing fundamental shifts. This flexible model also gave DBRA the possibility to refocus resources from countries with low commitment to countries truly committed to reform. As the reform agenda solidified, technical assistance began being increasingly delivered through country-specific IFC or WBG advisory programs, as well as in combination with lending. Nonetheless, the regional umbrella projects continue to be relevant as a first response mechanism to new demand - as well as developing new lines of technical assistance based on demand on the ground.

The regional/ global model gave DBRA flexibility to structure interventions in line with local offices' priorities and with the work of other WBG units at the country level. This increases knowledge dissemination across the institution as well as the synergies between WBG initiatives for a stronger impact. Better resource allocation under the regional model has also been reflected in more cost-effectiveness. For example, while under the regional ECA project phase 1 (2009-2012) the average cost per reform was $55,091, the average cost of the second phase (2013-2018) was $34,869. Likewise, the cost per reform in SSA decreased from $77,142 in 2009-2012 to $43,589 in 2013-2018.[67]

DBRA's synergistic approach builds on intra-WBG collaboration making sure that DBRA's interventions are in line with both IFC and World Bank strategies for the client. It is also an optimal way to maximize WBG technical and financial resources, while setting the groundwork for follow-up projects and for results in the long-term.

DBRA leverages WBG instruments to improve the effectiveness of technical assistance and turn reform recommendations into actionable policies. For example, Development Policy Loans (DPLs)[68] and Programs-for-results financing (PforR) may help fund the institutional and policy changes needed for the success of the reforms.

DBRA has successfully worked with other WBG units[69] bringing in top-notch expertise on Doing Business and relevant topics such as secured transactions, land administration, tax compliance, insolvency and trade logistics. The momentum generated with clients by Doing Business-related reforms often serves as a door opener for other WBG activities deepening and or broadening business environment programs. This is in part due to the capacity built through DBRA assistance to effectively implement reform programs across government agencies and levels. In many countries, DBRA provides not only technical support but strategic advice on how to organize and effectively coordinate reforms.

Box 15 | Follow-on programs

Building on the initial diagnosis and recommendations of DBRA, follow-on WBG programs have been implemented in several areas supporting investment climate such as secured transactions and insolvency. Furthermore, DBRA programs have been the first WBG investment climate project in a number of cases such as Kosovo or Greece. DBRA's adaptability and rapid-response has often been instrumental to pave the way for the WBG to engage in fragile and conflict affected countries with larger programs.

67) Increasing synergies with country-specific projects may also have contributed to greater efficiency.
68) Development policy lending is rapidly disbursing policy-based financing, which the Bank provides in the form of loans or grants to help a borrower address actual or anticipated development financing requirements that have domestic or external origins. The Bank may provide development policy lending to a member country or to a subnational division of a member country.
69) IFC Access to Finance Network (Getting Credit), the World Bank Legal Department (Insolvency), the Corporate Governance group (Protecting minority shareholder), and WB regional departments, FPD and PREM groups (business entry, licensing, credit, bankruptcy, trade and contract enforcement), the HD groups (labor), and the SD groups (property registration); following reorganizations with global practices (governance, MFM and then MTI; FCI; GPSURR) as well as DEC.

ADAPTABILITY TO RESPOND TO CLIENT NEEDS AND TO NEW OPPORTUNITIES

DBRA's delivery of technical assistance has been adjusted throughout the past decade to better tailor and accommodate specific country needs. Initially, the reform memoranda were produced based entirely on desk research, at times followed by a mission to the country to discuss priority needs. Over time, due to the increasing maturity of the client governments and the reform agenda, this model has been adjusted; the initial response to country demand now starts off with a research mission and then country-tailored reform recommendations leveraging the global knowledge are produced. Such a change establishes a dialogue with the government at the very inception of the technical assistance and ensures that recommendations are tailored to the specific country context and integrated into a substantive reform program.

Technical assistance has evolved to support clients in the implementation of reforms. Beyond diagnosing and identifying reforms, DBRA supports consolidating the reform ecosystem in areas such as institutional organization for reform and stakeholder engagement, among others.

Furthermore, the breadth of advice has evolved over the decade. Initially, technical assistance was focused on "time-and-motion" indicators - such as starting a business – but then DBRA progressively moved to other Doing Business topics. Technical assistance further evolved in line with the methodological changes and expansion of scope of the Doing Business project as well as with increasing mainstreaming and integration of the agenda into the broader WBG context. The scope was expanded to new topics that resulted from adjustments and expansions of the Doing Business topics such as the new quality sub-indicators for Dealing with Construction Permits and Registering Property and other actionable WBG knowledge products such as Women, Business and the Law. Indeed, DBRA's support at the institutional level and its technical assistance to Côte d'Ivoire resulted in key amendments to the family code enabling women to be heads of households.

ENGAGING WITH LOCAL COUNTERPARTS

Successful reforms require the right institutional set up to be consolidated. As reforms often involve multiple agencies, it is essential to have strong coordination and accountability mechanisms, involving both the public and private sectors.

Reforms only happen if there is a strong commitment by the client. This commitment is also reflected in the level of government that is appointed to be the DBRA counterparts on the ground. The most successful programs are those in which the highest level of government is involved ensuring that the president or PM is periodically updated of the process and intervenes when his leadership is needed. This is a common feature in countries that set competitiveness at the heart of their programs - such as India under Narendra Modi or Rwanda under Paul Kagame.

The client must have clear goals and a long-term reform vision. Reform programs that succeed are less personalized and more the result of a common vision or a state policy. DBRA may help clients define their goals for the short, medium and long-term. The vision of the client must also be broader than the mere indicators and be clear on the results in terms of outcomes and impact.

Reform efforts must involve the private sector from inception. They are the main beneficiaries of the reform and their input is essential to define the goals of the reform program as well as the priorities. They also legitimize the reform program vis-à-vis the public when engaged from early stages and are perceived as an equal part in the process together with the government.

Successful technical assistance requires a strong local presence by WBG regional and local staff, particularly in low capacity countries. The presence on the ground in SSA with country-specific projects that have picked up the DB reform agenda has been essential for sustaining the reform momentum in the region. Although the DBRA team, other HQ staff, and international experts may engage via missions and video conferences with the client, regional and local staff are key drivers of the reform process engaging and following-up with the client on a permanent basis. Their role is essential to understand local problems, the "political economy" of reform and to engage in a sustained dialog. In collaboration with country offices, DBRA identifies local partners and local champions in both public and private sector that need to be engaged in order to have a successful reform program.

Understanding these local specificities is even more important in IDA and FCS clients where political instability may lead to high variability of counterparts in the government. Supporting Public-Private Dialog (PPD) platforms for competitiveness and reform implementation is essential to create and maintain momentum for DBRA reform.

METHODOLOGY NOTES

This report presents findings, trends, stories and lessons learned from the first ten years of the Doing Business Reform Advisory unit (DBRA)[70] at the World Bank Group (WBG). The following are a few methodological notes to be considered for a better understanding of the report and its findings.

Data sources. The data used in the report is sourced from the Doing Business database based on the Doing Business reports DB2009 -DB2019, as well as the IFC's monitoring and evaluation (M&E) system capturing relevant information such as results, components, milestones and challenges before, during and after project implementation. Internal DBRA documents were used to obtain details on an individual country or regional engagements. Further information was collected via interviews with WBG staff.

Recording DBRA reforms. This report consolidates data from different sources including IFC and World Bank project reporting systems. The reforms taken into account are those resulting from the support of DBRA to a given client country via direct technical or as a component of a comprehensive program including other areas. To be accounted for, those results are validated only if they had an impact reflected in the Doing Business yearly report. Therefore, for consistency, this report only considers DB related reforms.

A conservative approach to claim DBRA results. The report may not fully reflect neither the spillover results from DBRA projects nor the impact of other IFC advisory products. The results in terms of the number of reforms are likely to be underreported for various reasons including:

- Given the long-term nature of some of the recommendations provided by DBRA, reforms resulting from DBRA assistance may be implemented beyond a project's life-span and not be captured through the IFC M&E system.
- DBRA assistance has served as an entry point for other WBG teams supporting the implementation of DBRA recommendations in critical topics such as credit infrastructure, infrastructure and trade logistics. In such cases, the results are not counted as part of DBRA projects to avoid double counting. As a result of internal reorganizations of the WBG, some of the results (e.g. in credit infrastructure or trade facilitation) have not been fully captured in recent years.

70) The name of the unit (and its scope of work) changed several times during this period (e.g. rapid response unit, indicator-based reform). For the purpose of this report the team and work conducted by the team related to Doing Business is referred to as Doing Business Reform Advisory (DBRA)

- The WBG M&E system reports on results differently than the IFC M&E system and results such as reforms are not systematically captured. In particular, reform results for DBRA programs integrated into WB projects are only available for 2016, 2017 and 2018. Also, in the case of Mongolia and Somalia - two countries where assistance was provided through WB projects - the exact reform result count was not available. Therefore, they have been counted as engaged countries, but their results are not included in regional averages.
- M&E reporting systems and criteria have evolved over the course of the project.

Changes in the Doing Business methodology. The EODB score is a composite score that equally weighs the score of a country on each of the Doing Business topics and is used as a proxy for the country's overall performance in the Doing Business dataset. While it is a useful tool to measure and compare the overall progress of countries, in some cases its comparability may be affected by changes in measurement methodology. Such changes may affect positively or negatively a given country's EODB.

Dates of the reforms. For consistency purposes, the report refers to the year of reforms as the year in which these were recorded in the WBG M&E system. The project results are recorded under the WBG fiscal year (FY) timeframe which lasts from July 1st of year Y to June 30th of the next year (Y+1). For example, FY 2010 is the period between July 1st, 2009 and June 30th, 2010. Therefore, in this report, if a reform is recorded as for year 2010, this means that the reform took place between the second half of 2009 and the first half of 2010.

ANNEX

COUNTRY STORIES

COLOMBIA

Doing Business at the heart of Colombia's competitiveness strategy

Despite a longstanding internal armed conflict, Colombia has emerged through the last decade as an attractive FDI recipient.

"Investor confidence" was one of the three pillars of President Alvaro Uribe's (2002-2010) mandate. This principle aimed at fostering SME development across the country and attracting FDI in key sectors. It involved the implementation of a series of fiscal and institutional reforms, as well as a strong promotional strategy of Colombia as a safe and attractive FDI destination.

As part of the reform program and building on the momentum created by the launch of the first subnational Doing Business in Colombia report in 2007, the Ministry of Industry and Commerce, the Department of National Planning (DNP) and the Private Council for Competitiveness requested the support of DBRA to implement a targeted and measurable Doing Business reform program.

Key highlights and results of the DBRA intervention

Quickly responding to the client's request, DBRA delivered in December 2007 the Reform Memo for Colombia, highlighting the reforms to be undertaken by the country on 10 Doing Business topics. Building on the strong leadership of President Alvaro Uribe, DBRA assisted the client in forming an inter-agency reform unit whose main role was to coordinate and supervise the reform process.

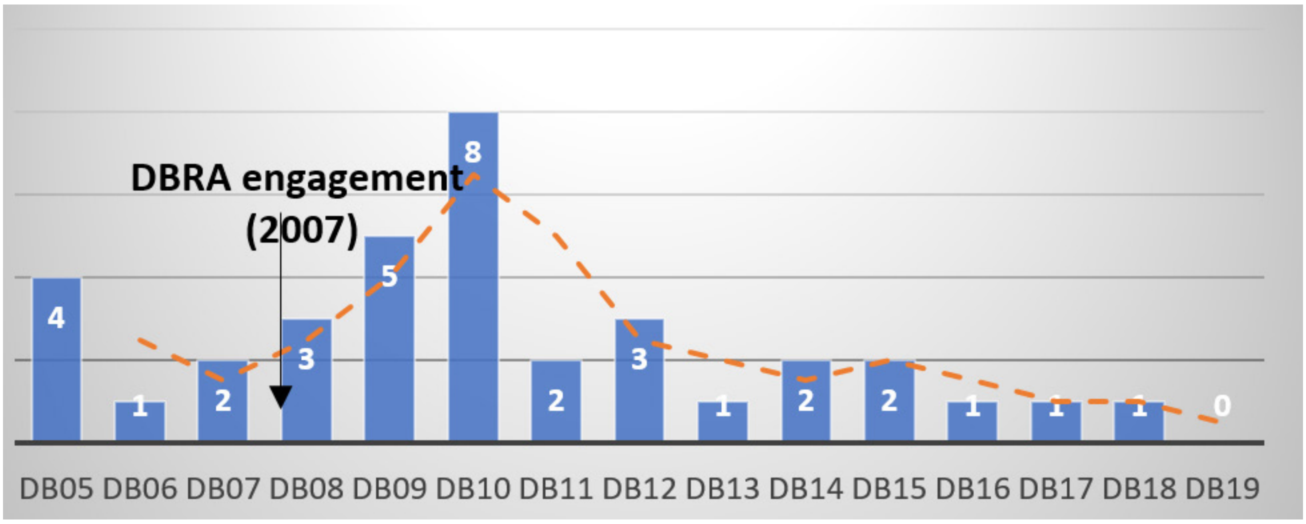
To ensure the success of the program, DBRA posted an expert in Bogota. Her role was to advise the unit and work with local agencies daily on the design and implementation of reforms.

Five areas were prioritized by DBRA and the client: starting a business, construction licenses, paying taxes, trading across borders and contract enforcement. Each area had a working group with one leader and defined targets. The work of the reform unit was followed by the President who requested updates on the progress of the reform program during cabinet meetings. To facilitate the work of the unit, the President issued a decree which empowered agencies financially and institutionally to expedite administrative and legal reforms.

Technical assistance supported the successful implementation of reforms in all five prioritized areas, positioning Colombia among the global top reformers in Doing Business 2009. Building on the success of the first wave of reforms, DBRA continued its engagement and provided technical assistance on the elaboration of an action plan to strengthen the reform program. The action plan expanded the prioritized areas of reform from five to nine and provided short-and medium-term recommendations to the client as well as key targets to measure success.

The implementation of the action plan was based on the same institutional architecture with an inter-agency reform unit as coordinating body, as well as one DB expert sitting in the Ministry of Commerce and Industry, accompanying the work of the unit.

Figure 65: Reforms recorded in Colombia by Doing Business



Source: World Bank Group

DBRA's assistance was critical to design and implement a legal reform to strengthen minority shareholder rights protections positioning the country in the global top ten for this area. DBRA was also a key partner providing technical assistance for streamlining the review process of construction permits – as well as the inspections regime on imports. Given the difficulties of promoting reforms on the judiciary branch, DBRA also leveraged the World Bank's Justice Sector Development project in Colombia to promote greater efficiency to enforce contracts.

The implementation of the action plan led to reforms in eight Doing Business topics including Starting a Business, Dealing with construction permits, Registering property, Getting credit, Protecting investors, Paying taxes, Trading across borders and Resolving Insolvency. These reforms positioned Colombia as the top reformer in Doing Business 2010 and ranked Colombia as #1 economy for the EODB in the LAC region.

Shifting priorities and reengagement

During the two mandates of President Juan Manuel Santos (2010-2014 and 2014-2018), the Government focused its competitiveness policy on promoting technology and productive transformation in key sectors. It also emphasized its "reform capital" on taking to fruition public sector reforms in light of its accession to the OECD, which became official in 2018.

Having lost its top rank in the LAC region, the Colombian Government requested DBRA to reengage in 2015-2016. As part of this involvement, DBRA delivered a new updated action plan. The new engagement capitalizes on the synergies between DBRA technical assistance and other WBG ongoing initiatives. So far, DBRA has delivered to the client technical reports on enforcing contracts – in which Colombia still ranks 177th among 190 economies-, tax simplification, business registration, and trade facilitation. The results of this new engagement are yet to be seen. The implementation of the recommendations and the continuity of the reform program will depend on the priorities and capacity of the new government headed by President Ivan Duque who took office in August 2018.

CÔTE D'IVOIRE

Promoting reforms for economic recovery

Since 2012, Côte d'Ivoire has seen its GDP grow steadily at rates above 7% per year. Political stabilization and structural reforms have been instrumental for economic recovery, generating better conditions for businesses and making the country more attractive vis-à-vis foreign investors.

Although the Government of Côte d'Ivoire (GoCI) requested DBRA's support in 2008 and the team delivered a first reform memorandum in 2009, it was only until 2012 that reform efforts gained traction.

After two years of recession and political turmoil, Kablan Duncan was appointed as Prime Minister in 2012. Mr. Duncan led the implementation of the "Côte d'Ivoire is back" vision which aimed at boosting the country's competitiveness and positioning it as a global player.

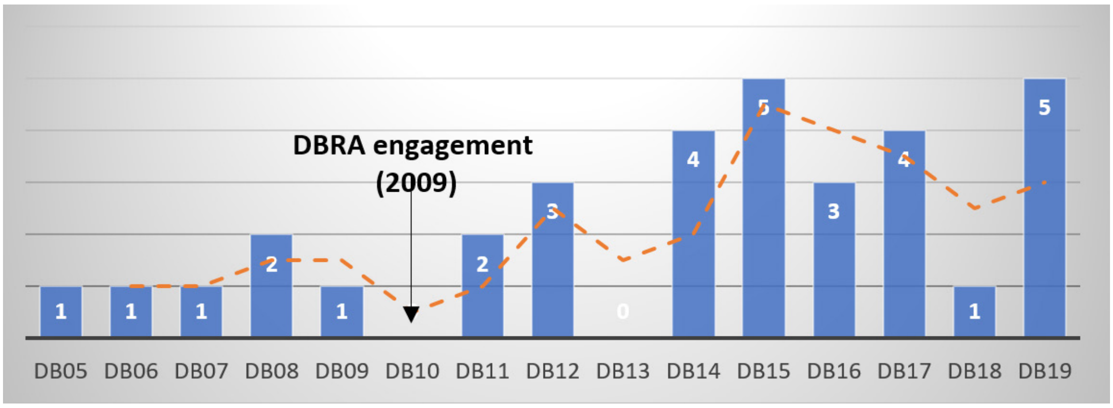
Key highlights and results of DBRA's assistance

The "Côte d'Ivoire is back" vision had three goals: to turn Côte d'Ivoire into an emerging economy by 2020, to place the private sector as the driver of economic growth, and to create "one of the best" business environments in Africa. To respond to these ambitious targets, the Government requested the assistance of DBRA.

DBRA delivered a Reform Memorandum in 2012. The document targeted the bottlenecks hindering Côte d'Ivoire's business environment and proposed sequenced administrative and legal reforms for the short, medium and long-term. To ensure the effectiveness of reforms, DBRA provided hands-on technical assistance detailing the action plans and accompanying the reforms in topics such as property registration, commercial courts, business start-up and construction permits. Furthermore, DBRA provided technical assistance to improve economic gender equality.

To increase the effectiveness of the program, DBRA fostered synergies with other ongoing programs on the ground. Notably, DBRA coordinated its advisory work with the World Bank private sector development project which included a $5 million component to support business environment reforms, as well as the World Bank project on enacting OHADA reforms and IFC's Investment Climate project to improve business regulations. These programs were instrumental to design and establish the One-Stop Shop for business start-up, improving commercial dispute resolution, and consolidating the Doing Business reform unit at the GoCI.[71]

Figure 66: Reforms recorded in Côte d'Ivoire by Doing Business



Source: World Bank Group

71) The reform unit oversees the implementation of reforms. Chaired by the Prime Minister, the reform unit is composed by a National DB Committee and has a permanent secretariat (CEPICI) which identifies, formulates and supervises DB reforms in coordination with nine working groups, each one related to one or two DB topics.

Up until 2018 the reform program had resulted in sixteen DB reforms including the creation of a one-stop-shop for business registration reducing the time to start a business from 32 to 3 days, the digitization of the land registry system and the creation of a specialized commercial court dealing with commercial cases within 30 days. These reforms also positioned Côte d'Ivoire in the top 10 of global reformers in 2014 and 2015 consecutively.

Reform legacy and persistent challenges

After the implementation of the DBRA program, the Government continued to implement reforms recommended in the reform memorandum and the reform unit is still operational under CEVICI, the investment promotion agency. Furthermore, twice a month the Ministry of Finance presides the inter-ministerial meetings which follow-up on the implementation of DB reforms.

Côte d'Ivoire implemented 19 reforms between 2013 and 2018 and moved from 177th to 139th in the global EODB ranking. Structural reforms promoted under the "Côte d'Ivoire is back" vision have paid off in terms of economic growth. The country is the largest economy in French-speaking West Africa. However, the country still has a long way to go to accomplish its ambitious targets. Furthermore, the work to improve business environment needs to be accompanied by complementing structural reforms as, so far, the remarkable GDP growth of recent years has not been mirrored in equivalent magnitudes in terms of poverty reduction.

Box 16 | Reforms reducing the gender gap in Côte d'Ivoire

In Côte d'Ivoire, DBRA supported the drafting and enactment of regulations contributing to address gender disparities: three key articles of the Family Code were amended, building on the insights provided by the report "Women, Business and the Law". Thanks to the reform a woman can now accept any job without the approval of her husband. Furthermore, the reform establishes that man and woman have the same right for choosing their residence and that both can be head of household.

MOROCCO

Reforming as a response to citizens demands

On February 20th, 2011, following earlier events in neighboring Tunisia and Egypt, Moroccans took to the streets of 50 towns around the country demanding democratic reforms and "dignity for all Moroccans". The protests, which lasted until April of that year, led to deep structural reforms and a new Constitution.

The new elected Government headed by Prime Minister Abdelilah Benkiran envisioned three objectives: "Strengthening governance and institutions for better public interventions", "Accelerating sustaining economic growth" and "Addressing social and economic exclusion".

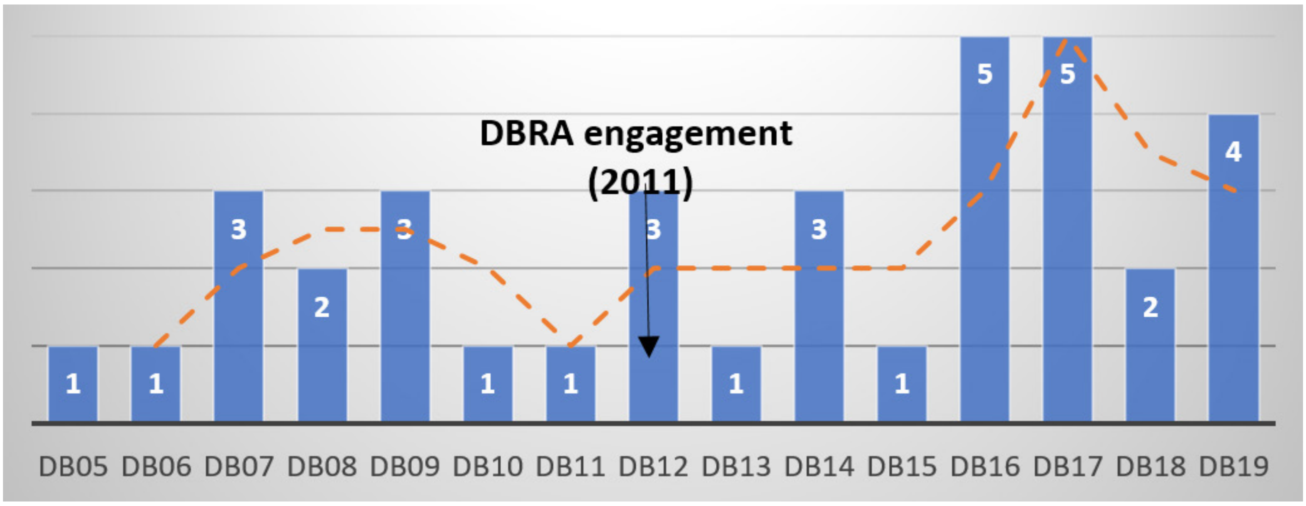
Key highlights and results of the DBRA intervention

The National Committee on the Business Environment (CNEA) was created in 2009 to serve as a public-private dialogue platform to identify obstacles hindering the business environment, promote reforms to improve competitiveness and monitor the implementation of private sector development action plans. Chaired by the Prime Minister, CNEA led and supported reforms that contributed to the improvement of Morocco's position on the EODB ranking, from 97th in 2012 to 60th in 2018.

In 2012, the CNEA requested assistance to improve its capacity and effectiveness promoting the competitiveness of the Moroccan private sector. As a result of the dialogue between the government and the private sector promoted under the CNEA, it became evident that, although Morocco had formulated key reforms to improve business environment, not all were implemented effectively. These "implementation gaps" became one of the main areas of support from DBRA to the CNEA.

Under this collaboration, DBRA supported evidence-based analysis of potential implementation gaps in areas such as construction permitting to public procurement payment delays. The team also supported capacity building of the government's reform unit: in December 2015, DBRA delivered a learning workshop inviting to Rabat experts and practitioners from the UK, Montenegro, Malaysia and Tunisia. The workshop was instrumental for building the capacity of the CNEA on the critical phases of effective investment climate reform programs, how to build and prioritize reform action plans, as well as how to manage the expectations and opposition from stakeholders. Furthermore, the participants shared their experience in the governance and management of reform programs. The workshop was followed by a second event in 2016, which focused on how to deal with the implementation gaps. Through this event, DBRA trained the members and staff of the CNEA on how reform programs are effectively designed and implemented, defining clear targets in terms of beneficiaries of the reforms and milestones, as well as how to develop monitoring and evaluation frameworks to measure the results CNEA's work.

Figure 67: Reforms recorded in Morocco by Doing Business



Source: World Bank Group

Emerging as a regional model for reform

As of 2018 Morocco is the first country in Northern Africa and is second in the MENA region on the EODB. Although DBRA has not been involved in Morocco since 2016, the technical assistance to structure the work of the CNEA continues to pay off. The CNEA has been consolidated as a permanent results-oriented dialog platform. Its success has gained recognition in the region and now countries like Afghanistan are sending their staff Rabat to learn from the CNEA.

The example of Morocco shows that reform programs take time to be well designed and implemented, and the importance of "organizing the house" for sustained results. The technical assistance to the CNEA was critical to build its capacity and envision long-term action plans. Certainly, PPD platforms are a key element to listen to the private sector and for the government to be accountable. However, successful reforms require to be designed and implemented with a holistic view that considers the expected benefits, the delivery mechanisms and the data to measure their success after implementation.