

BUSINESS ENABLING ENVIRONMENT TECHNICAL BRIEF

By reducing barriers to competition, strengthening legal frameworks, and promoting transparent business practices, Chemonics cultivates business climates that enable economic growth. Our approach focuses on reducing risk, lowering the costs of doing business, and creating a confidence-inspiring investment climate. Partnering with host-country governments, we streamline business procedures, encourage operational transparency, increase competition, and develop efficient tax and customs processes. Our programs improve business regulations to decrease transaction costs, strengthen investment, and help businesses succeed by increasing the ease of doing business. We build collaborative partnerships with government counterparts, and contribute to improving countries' World Bank Doing Business rankings, benefitting individuals, businesses, and countries at-large. The resulting enabling environment improvements lead to increased investments, job creation, and the growth of businesses around the world.

KEY TOPICS

- Infrastructure
- Commercial law
- Business regulation
- World Bank Doing Business Index
- Intellectual Property Rights
- Construction permitting/property registration
- Contract enforcement
- Starting and closing businesses
- Tax policy
- Trade policy
- Capital markets

Project Portfolio Highlights

Kosovo Partnerships for Development (PFD). PFD enhances the enabling environment for Kosovo's private sector to expand economic opportunities for citizens. PFD is supporting central- and local-level government institutions to create a business-friendly and competitive business environment while improving the quality of legislation and maintain macroeconomic stability. With



assistance from PFD, Kosovo's country ranking in World Bank's Doing Business has improved by six places, moving from 81 in 2014 to 60 in 2017. The Ministry of Finance Property Tax Department improved the provision of information to municipalities and citizens by publishing property tax collection status by municipality on the department's website, which led to record total property tax collections. PFD supported a legalization program for unpermitted constructions, resulting in more than 340,000 constructions registered. PFD also

supported improvements to the Official Gazette Database (OGDB), increasing access to the Kosovar law and acts database system through the creation of an OGDB mobile application available for download on Apple's App Store and Google Play.

Pakistan Punjab Enabling Environment Project (PEEP). PEEP is improving the enabling environment for the agriculture sector in Punjab to promote private-sector led growth. PEEP is creating an internationally competitive policy environment for horticulture, livestock, and dairy sub-sectors by accelerating advocacy for policy, regulatory and institutional reforms, and supporting institutional capacity building to sustain reforms. PEEP has effectively given voice to the private sector by establishing three separate Core Advocacy Groups (CAGs) for Punjab’s livestock, dairy, and horticulture subsectors, which bring the private sector and government together to enact laws and policies that support the sector’s competitiveness. In the agriculture sector, PEEP is providing technical support and trainings. So far project interventions helped to spur over US\$ 11 million in new private sector investment. The project is expected to leverage approximately US\$ 200 million in private sector investment within the next three years through construction of 200 silos, each with a 2 million metric ton storage capacity.

Agriculture and Rural Development Support in Ukraine (ARDS). As USAID’s implementing partner for ARDS, Chemonics is working throughout Ukraine to support broad based, resilient economic growth through a more inclusive, competitive, and better governed agriculture sector that provides improved livelihoods in rural areas of Ukraine. Working in close collaboration with local businesses, NGOs, and government leaders, ARDS will use a facilitative approach to improve the enabling environment and governance of the agricultural sector, increase investment, productivity, employment, and incomes in the agricultural sector, and economic opportunity in rural communities. Specifically, the program will build the capacity of the Government of Ukraine



to implement high-level policy reforms, including those related to land reform and quality standards. Over the course of the five year long project, ARDS anticipates that these reforms and increased SME productivity will increase savings for the public and private sector and generate new private sector investment in the agricultural sector, as well as improve business perceptions of investment and business climate in Ukraine’s agricultural sector.

Business Regulation, Investment, and Trade Environment in Moldova (BRITE). BRITE’s work to strengthen the business enabling environment in Moldova began with a comprehensive assessment of the business regulatory environment using USAID’s BizCLIR methodology. Many of the assessment’s recommendations were included in the government’s 2013-2020 Regulatory Reform Strategy and formed the basis of BRITE’s work with the Ministry of Economy and other relevant ministries. BRITE focused on activities immune to Moldova’s political instability and frequent changes in government. For example, BRITE helped to significantly streamline the permitting process of the National Food Safety Agency; brought the verification of phytosanitary and veterinary-sanitary permits in line with EU practices; and revised the business liquidation procedure to involve two government agencies rather than the six previously required. As a result, Moldova’s ranking on the World Bank Doing Business report improved by 30 percent over the course of the project. Additionally, BRITE developed strategic communications campaigns generating public demand for for transparency, predictability, and accountability in government decision-making by convincingly demonstrating the cost of not reforming.

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