



Ease of Doing Business Initiative (EDBI)
Conference, May 3-6, 2016, Nairobi, Kenya

Rapporteurs' Report
Day 1, Tuesday 3rd May 2016

EDBI Conference Background

The “Ease of Doing Business Initiative” (EDBI), is grounded in the interest and need expressed by several Africa countries to learn and share information and experiences about the reforms implemented in the scope of Doing Business

EDBI Conference Objectives

The objectives of the EDBI are mainly to Facilitate sharing of knowledge and experience on investment climate reforms in Africa; and, Improve the investment climate and increase the region’s share of investment flows and export markets, in line with the stated regional economic integration objectives of the involved Regional Economic Communities and Member States and Facilitate the showcasing of best practice under one roof, encourage political buy-in and follow-through of committed reform agenda covering various sectors.

Day 1: Tuesday 3rd May 2016

Session 1 | 9:20 am -10:20 am

Opening Remarks by Mr. Julius Korir Principal Secretary, State Department of Industry and Enterprise Development, Kenya

Key highlights;

- There is substantial growth in the digitization space in sub-Saharan Africa
- Kenya is going to receive the chairmanship of the steering committee for organizing this conference and the country seeks to set a new standard in the performance of the conference in 2016 as the host country
- Currently the EDBI has a membership of 23 countries across Africa

Remarks by World Bank Group: Ms. Catherine Masinde, Practice Manager, Eastern Africa, Trade & Competitiveness Global Practice

Key highlights;

- The World Bank has been associated with EDBI for the last 6 years and it has been successful
- The World Bank has worked with the Kenyan Government for the last few years and the business indicators on Kenya show that Kenya is gradually improving in terms of the ease of doing business
- It is not easy to make business reforms in Africa
- Rwanda & Botswana are to be congratulated for consistency and as good examples that we should learn from in terms of improving the ease of doing business
- 30 % of business reforms in 2015 came from Africa for instance implementing the collateral registers and digitizing the registration of companies (Rwanda)
- The World Bank is fully in support of business reform efforts especially in the private sector.

Handover of EDBI Steering Committee Presidency and remarks: Dr. Peter Ngategize National Coordinator, Competitiveness and Investment Climate Strategy Secretariat, Ministry of Finance, Planning and Economic Development, Uganda

Key highlights;

- The conference last year was hosted and launched by H.E President Yoweri Museveni of Uganda and had 15 countries and 300 delegates attending
- The forum was co-hosted by Uganda and South Sudan
- Key points were highlighted during last year's conference held in May 2015 in Kampala, Uganda:
 - The importance of security
 - The availability of infrastructure
 - The importance of regional integration
 - The application of science and technology
- **Key Lessons learnt in EDBI 2015:**
 - High level of ownership & leadership is critical in the institutions involved in business reforms
 - ICT is a key facilitator of business growth

Opening remarks: Mr. Adan Mohamed, EGH Cabinet Secretary, Ministry of Industry, Investment & Trade, Kenya

Key highlights;

- This conference is an important event that seeks to drive the African agenda in business
- Africa should not underestimate the jobs and wealth that can be created in Africa once there is a favorable economic environment to do business
- Despite the global economic turmoil, World Bank has been supportive
- Growth to make a mark must be collective growth rather than individualistic
- The elephant in the room has been the inability to transform business by improving the ease of doing business and thus failure in economic progress as shown by indicators

Session 2 | 10:20 am – 10:30 am

Using ICT as a tool to enhance business environment

Intervention by high-level guests and reform champions from the Sub-Saharan African region on their experience with importance of regional and international benchmarking and the role of ICT in business environment reform.

The session was moderated by Cabinet Secretary, Adan Mohamed, Ministry of Investment & Trade, Kenya

- Africa has learnt that, one of the most positive impacts of the use of ICT is facilitation of transparency in business dealings
- Kenya has developed Huduma centers thereby bringing together all business registration shops in one stop shops accessible from all over Kenya
- I-Tax has revolutionized tax registry in Kenya
- Sudan is focused on ensuring that the business environment is conducive for entrepreneurs. For example, for the first time in Sudan's history, the President has appointed a Supreme Committee headed by the first Vice President launched an integrated online platform for investors.
- In DRC there are reforms in business procedures such as automation procedures for company registration
- Uganda has transformed major policies affecting business operations e.g. land policies
- There are ongoing land policy reforms in Uganda in order to ensure easiness in running business
- In Comoros the No. of days it takes to register a business reduced to 5 days
- In Comoros, the Justice System has been streamlined in order to resolve disputes in business in shorter time frames
- In South Sudan has aimed to focus on reforms for improving the ease of doing business such as:
 - Streamlining the business registration processes
 - Construction permits issuance reforms
 - Enabling access to finance; Creating awareness and ensuring that financial institutions are accessible easily;
 - Business taxation reforms: The Government is ensuring that everyone complies with tax reforms
 - Business licensing reforms

The South Sudan delegation present in the conference is more than willing to learn from all the participating countries

Session 3 | 10:30 am – 11:50 am

Business Unusual

Private Perspectives on recent Investment Climate Trends

Moderated by private sector representative from Kenya, Uganda, Mauritania, Somali, and Ivory coast

- When you invest in Africa you can get returns as high as 30% ROI but this is derailed by bureaucracy
- Several African Countries have initialized major reforms to ensure that entrepreneurs have viable business environments within which to operate from
- Reforms such as one stop shop for business registration, business licensing, importation simplification, access to credit and inter-connection of all banks are underway.
- We need to communicate to the private sector on how business should be run and what reforms governments are undertaking.

- Africa is going places and every country in Africa is reforming
- There is still very poor business contract execution in Kenya & in most of Africa
- Politicians in East Africa have failed to give the EAC Powers to initiate reforms in business
- Let the private sector be the implementer of key business initiatives and the Governments, the facilitators
- The competitiveness of African countries has not been well tapped; there is need to work on ensuring that there is high business competitiveness in all African countries
- Information asymmetry: There is a problem with the dissemination of important information in Africa
- The stability of foreign exchange is a problem; opportunities; most arable farming is in Africa
- Peace and stability is very important to the private sector hence the need for the government to assure the private sector of the security of investment
- There is need to deal with corruption which will eradicate bureaucracy and cut down procedures and processes
- Taxes need to be adjusted more and aligned to the conduct of business better to enhance competitiveness
- Energy: There is need to have a grid across Africa for equitable power supply
- Ensure the stability of foreign exchange rates and interest rates
- For competitiveness, we need quality training of professionals and thus lack of quality training limits us from competing in international markets
- Administration needs to go hand in hand with businesses management in order to spur competitiveness
- The private sector needs to tell a story on what is not working such as the exact tax barriers hindering progress in business

Session 4 | 12:10 pm – 12:55 pm

**Reform trends from the region: Sub-Saharan Africa as a persistent reformer in the Doing Business index
Presentation on the basics of the Doing Business report and how Governments in Africa have adopted it as a useful tool for benchmarking and reforming their business environment**

It was moderated by Jamila and Fredrick

- The doing business conference started in 2002
- Focus of report: Regulation of SMEs in each country
- Doing business: Does not measure everything for example, does not measure corruption
- Methodology changes have Introduced new measures of quality in the following areas;
 - Dealing with construction permits
 - Trading across borders
 - Taxes: Expanding the paying taxes indicator to cover post filing of taxes such as VAT Refunds, CIT audits & Tax appeals. Many entrepreneurs complain about the processes of filing and paying of taxes

The conference was notified of the DB reporting project cycle which includes:

- Questionnaires generation
- Sending out of the questionnaire for responses
- Data verification, Data analysis and Government feedback
- Publication of the Report
- Report production
- Media outreach & website updates
- Launch of the DB Report for the past financial year (following completion of the process)

Top highlights of the current DB Report

- The DB Ranking is currently topped by Singapore
- Ranking on African countries is diversified
- Mauritius always tops ranking in Africa
- Botswana has overtaken South Africa to position 3 in Africa
- Sub Saharan Africa is the most active in terms of economic reforms

Uganda, Kenya and Mauritania are amongst the most improved economies regarding the ease of doing business and economic reforms

Common features of successful reformers are;

- High level leadership and ownership of the reform agenda by the reforms agencies
- A long term vision with clear objectives
- Inclusive reform process with appropriate institutional mechanisms
- Detailed goals which are monitored
- Clear accountability of roles, duties and responsibilities
- Private sector involvement and effective communication

Demerits in Sub-Saharan Africa

- Sub Saharan Africa ranks lowest in regulatory quality
- Getting electricity is a challenge: The time taken to get connected to the grid and the quality of the connection and supply are the key challenges. The number of electricity outages in Africa is high - just above South Asia
- The quality of judiciary services is poor which hinders the resolution of disputes in business
- Sub Saharan Africa makes the most minimal use of online systems in regulatory processes
- Economies in Sub Saharan Africa show the least progress in adopting electronic tax filing and payment

Session 5 | 12:55 pm – 1:45 pm

Transforming Public Service Delivery: The revolutionary role of One-stop centres in Africa
Presentation on how governments in Africa are re-engineering, automating, integrating and rolling out digital services to reach their citizens through one-stop centres.

Eng. Patrick Obath moderated this session with representatives from other countries

Key highlights

- Taking advantage of advancements in technology is no longer an issue and this can be seen in applications such as e-citizen. Several governments have implemented integrated B2B services. Key issues to address include;
 - Evaluation of required delivery channels
 - Assessment of institutional alternatives for integrated service delivery
 - Implementation of Key enablers including unique business identifiers e-payment capabilities
- Huduma Kenya is a Vision 2030 flagship project
- It seeks to ensure that services are delivered in a speedy way
- The Government has adopted an integrated service approach- thus one stop shop, the Huduma Centre was born
- There is optimization of service providers
- All government departments services are automated and handled by Huduma however some like issuance of Birth certificates are not automated
- Business process re-engineering and optimization is the focus of the Government
- Business registration, investment registration, environmental impact assessment, visa and work permit are some of the services that have been digitized under the docket of the Board in Rwanda
- The Rwanda development board also is undertaking digitization of customs
- The board has developed an online portal that handles all issues such as business registration & work permits
- Tanzania is keen on establishing electronic one stop shops to govern the conduct of business
- There is focus to reduce the time taken on offering of services such as registration of businesses
- The Tanzania Revenue authority operations will be linked to the OSS
- E-payments have been introduced in major operations
- Most investors in the Republic of South Sudan are foreigners
- The Republic of South Sudan has established one stop shops
- The Republic is establishing institutions that are needed to oversee these
- Burundi is making significant efforts to establish one stop shops
- There is the establishment of a centre to register & deal with trans-border businesses
- There is a law that has been passed on information centres, even for electricity centers and seeks to free the energy space whereby companies can access electricity easily
- Burundi is connecting with Congo to access electricity where Congo has high amounts of power on

their grid and this will be supported by the trans-border business center

- Ken Invest is a one stop shop that focuses on investments into Kenya
- We promote Kenya to investors
- We facilitate the processes and procedures for investment into Kenya
- We also provide post establishment support for investments made in Kenya
- Our one stop shop brings synergy in the way of running investments in Kenya

Session 6 | 2:15 pm – 3:00 pm

Presentation on strengthening linkages between the national Government and the counties and Leveraging on automated platforms to deliver reforms at grass-root level

The session was moderated by Philip Owadi with panelists from Mozambique, Kenya and Rwanda

- Intergovernmental forums have already been established in Kenya and are addressing the teething problems of devolution
- Mozambique needs to implement reforms about the strategies that need to be implemented by the Public Sector to be able to give its citizens better services
- Mozambique has accelerated the provision of services to the public through Implementation of BAU, in the whole country, with the philosophy of interaction
- Rwanda online is private company that undertook the mandate of setting up all government services online in 5 years through a product called I-rembo - It is a single way of accessing all government services
- Kenya has a vibrant ICT sector and this is the reason the money market has seen tremendous growth over the recent past
- Most Kenyans have embraced mobile money e.g. M-pesa, Airtel money
- Establishing the authenticity of the citizens in registering for the ICT platforms that have been established include;
 - Use of the National ID system
 - Use of mobile phone numbers
 - Use of email addresses

Session 7 | 3:00 pm – 4:00 pm

Registering property: Enhancing Efficiency of land registration

Presentation: Improving land administration, management and promoting data management and accuracy

The session was moderated by Mr. Fredrick, Lead Economist- World Bank Group with Panelists from Kenya, Mauritania and Rwanda

- The ease of registration of property is one of the indicators of the ease of doing business
- The quality of land and quality of infrastructure were added in the EDB report last year
- How has the registering property indicator changed over time? The cost of transactions
- Rwanda, Kenya and Mauritius have high levels for reliability of doing business with Rwanda having 8/8 followed by Kenya with 7/8 and Mauritius 5/8. Factors that are considered in the current rating:
 - Reliability
 - Transparency
 - Geographical coverage index; Only Rwanda is fully covered in Africa
 - Land dispute resolution index

- In Kenya, the Government has embarked on a rigorous exercise of digitization of the land registry. The reason for digitization of the land registry was due:
 - Paper records growing to unmanageable levels
 - Inefficient and insufficient manual processes
- The benefits of the exercise of digitization of the land registry are;
 - The process has sealed revenue leaks
 - Improved transparency
 - Reduced the time used to retrieve records
- In Rwanda, the Land integration information system (LAIS) was set up and all information transferred to this new system and integration of all operations conducted into one system
- In Mauritius, the e-Registry Project (MeRp) has been set up to provide integrated workflows and options for businesses, professionals and members of public to conduct transactions with the department over the internet
- The Communication campaign for the project has been reinforced through TV spots, newspaper and pamphlets to inform the general public about the changes
- The Challenges in implementing the MeRp Project are;
 - Acceptance of digital signatures as authentic signatures
 - Resistance to change to the use of the new technologies
 - Capacity building needs/ training of staff
 - Connectivity: Strengthening internal IT teams
 - Dependence on other government agencies for key inputs
 - Lengthy procedures to get things done
 - Managing multiple vendors simultaneously

Session 8 | 4:20 pm – 5:00 pm

Getting Credit: Using Credit Information to Support enterprise Growth

Presentation: Leveraging on ICT to achieve accurate credit information sharing amongst institutions supported by a robust legal framework

The session was moderated by Mr. Jared Getenga, CEO, Credit information sharing, Kenya and other panelists from the World Bank Group, Comoros, Kenya and Tanzania

Key highlights

- In Africa we have poor credit facilities; information asymmetry
- Strong credit system promotes ; credit to MSME and credit to consumers
- Credit bureaus offers a platform for filling the data gap of poor infrastructure and they also ensure that positive data is available thereby promoting access to credit. Ideally, negative data leads to denied credit.
- In measuring business credit worthiness; we focus on;
 - Coverage
 - Accessibility of information
 - Quality and depth of information required
- Credit information sharing bridges information gap and builds trust in the financial system
- Kenya has the highest credit information status rate in the region and this is appropriate for institutions and the people seeking credit
- The challenges of access to & provision of credit are;
 - Low Coverage
 - Unique identification
 - Access to public source data
 - Integration of other sectors other than the banking sector, and;
 - The weak regulatory frameworks.

- In Kenya, Metropol supplies statistical information to banks in regards to credit
- Notably, reforms on access to credit in Tanzania started a long time ago
- Law regulations in Tanzania are in place and they support access to credit
- Currently, two credit bureaus have been licensed to operate in the country

Parting shots

- No business can be done without access to credit
- Role of credit bureaus is to make it easier for lenders to identify all the potential businesses that they can lend funds to profitably
- Different regulators and credit agencies are challenged to team up in improving policies relating to credit facilities

Session 9 | 5:20 pm – 6:45 pm

Getting Electricity: Enhancing Access and Efficiency

Presentations: Ways to enhance access and efficiency to electricity in growing economies and manage ever-growing demand for power

The session was moderated by Mr. Joshua Mutua and other panelists from Ivory Coast and Nigeria

Key highlights;

- Electricity drives industries and thus it is an enabler in creating employment
- Key corporate statistics shows that 54% of Kenyans have access to electricity
- Electricity must be competitively priced and thus price of electricity is critical.
- Enhanced connectivity drive will ensure that by end of this year 9.2 m Households will be connected
- The Ease of doing business should focus on reforms ensuring that business reengineering reduces processes to three from the many that were there before. These reforms are;
 - Owners consent at application stage
 - Construction- partial turnkey process
 - Improved monitoring of reliability of supply

- In Ivory Coast, electricity is supplied at competitive prices
- In Ivory Coast, there is the development of transport distribution whereby we export energy to Benin, Togo, Ghana, Burkina Faso and Mali through trans-border connection with Liberia
- Currently, there is facilitation started by mobilizing people to pay 1000 francs for connection to the grid with the balance payable in the next 10 years to facilitate the availability of electricity with the hope that by 2020 electricity will be available to all
- For easiness of doing business we have brought up an e-money system which reduces long queues in banking halls and other outlets for payments that promotes the ease of payments
- Kenya is inspiring Ivory Coast on e-governance and this is important in ensuring energy efficiency and enough electricity for all
- The turnaround time for connection in Ivory Coast is 28 days

Parting shots;

- Electricity drives industries
- Electricity is a creator of employment
- Electricity facilitates improved lifestyle