



## Business Environment Reform Facility

*Annual Synthesis 2016*

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**BE  
RF**

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Department  
for International  
Development

## About Business Environment Reform Facility (BERF)

BERF is funded by the UK Department for International Development (DFID) under the Business Environment for Economic Development (BEED) Programme. BERF is a central facility responding to demand from the DFID's priority Country Offices and stakeholders to initiate, improve and scale up business environment reform programmes. BERF is managed by a consortium led by KPMG LLP. The programme started in January 2016 and will finish in January 2019.

We provide expert advice, analysis of lessons learned, policy research about what works and what doesn't and develop innovative new approaches to involving businesses and consumers in investment climate reform.

BERF has a strong emphasis on strengthening the Business Environment for women and girls, as well as for young adults more generally. It is also aiming to improve the relationship between business and the physical environment including where relevant through linkage to climate change analysis. BERF recognises the need for appropriate political economy analysis in order to underpin business environment reform processes and interventions.

## About this Report

Research for this study was conducted by Dan Hetherington and Mollie Liesner between February and May 2017.

The views contained in this report are those of the authors and do not necessarily represent the views of any BERF consortium member or DFID or any of their professional advisors.

This is a working paper shared for discussion purposes only. No reliance should be placed upon this report.



## Acronyms and Abbreviations

ADR	Alternative dispute resolution
BEED	Business Environment for Economic Development (global)
BEEP	Business Enabling Environment Programme (Ghana, Zimbabwe)
BER	Business environment reform
BERD	Business environment reform diagnostic
BERF	Business Environment Reform Facility
BEWG	Business Environment Working Group (of the DCED)
BMO	Business membership organisation
BRICK	Building a Reliable Investment Climate in Kenya
CCJA	<i>Cour Commune de Justice et d'Arbitrage</i> (Common Court of Justice and Arbitration)
CCM	Compliance cost methodology
CCS	Compliance cost savings
DB	(World Bank) Doing Business
DCED	Donor Committee for Enterprise Development
DFID	(UK) Department for International Development
DOI	Digital object identifier
DRC	Democratic Republic of Congo
DTF	(DB) Distance to Frontier
ENABLE	Enhancing Nigerian Advocacy for a Better Business Environment
FCAS	Fragile and/or conflict-affected state(s) (or situation)
FCO	(UK) Foreign and Commonwealth Office
FDI	Foreign direct investment
FSM	Federated States of Micronesia
G20	Group of 20
GDP	Gross domestic product
GMG	Green mini grids
GOPJ	Government of Punjab (India)
GRD	(DFID) Growth and Resilience Department
ICED	Infrastructure and Cities for Economic Development (global)
ICRU	Investment Climate Reform Unit (Punjab, Pakistan)
ICS	Improved cook stoves
ICT	(DFID) Investment Climate Team
IFC	International Finance Corporation
IFUSE	Investment Facility for UK Specialist Expertise (global)
ILC	(UN) International Law Commission
ITP	Industrial Transformation Programme (Kenya)
JMIS	Jobs Measurement and Implementation Support (global)
LASER	Legal Assistance for Economic Reform (global)
LEGEND	Land: Enhancing Governance for Economic Development (global)
MDA	Ministry, Agency and/or Department (of government)
MENA	Middle East and North Africa
MIIT	Ministry of Industry, Investment and Trade (Kenya)
OFM	Online feedback mechanism
OHADA	<i>Organisation pour l'Harmonisation en Afrique du Droit des Affaires</i> (Organisation for the Harmonisation of Business Law in Africa)
OPTs	Occupied Palestinian territories
OTD	(DFID) Overseas Territories Department



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PDIA	Problem-driven iterative adaptation
PE	Political economy
PEA	Political economy analysis
PPD	Public–private dialogue
PSD	Private sector development
PV	Photovoltaic
RE	Renewable energy
RED	(DFID) Research and Evidence Department
SHS	Solar home system
SIDS	Small island developing states
SMEs	Small and/or medium sized enterprises
SSA	Sub-Saharan Africa
SSEIP	Sierra Leone Secondary Education Improvement Programme
TOC	Theory of change
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNCITRAL	UN Commission on International Trade Law
VAT	Value-added tax
VFM	Value for money
WEE	Women’s economic empowerment
WTO	World Trade Organisation



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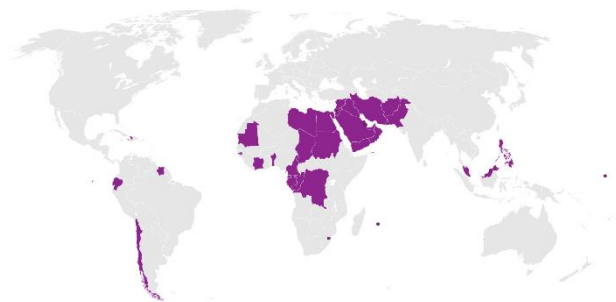
## Executive Summary

This synthesis is an overview of the key topics and developments in business environment reform (BER) in 2016. It provides a summary of the key findings, research, and recommendations from BERFs work in 2016, alongside the significant developments in the wider BER sector.

We have identified gender; local, international and regional BER; BER in industrial sectors; and public procurement as the most important BER developments in 2016.

**Gender** has become an increasingly important dimension of BER in recent years, but 2016 was a pivotal year in establishing the tools to advocate for and design gender-sensitive programmes. The World Bank added the first gender-sensitive metrics into their global Doing Business indicators, raising the profile of gender in country programmes throughout the world. The Business Environment Working Group of the Donor Committee for Enterprise Development (DCED) published guidance on gender-sensitive programmes to augment their 2008 handbook, and the UN High Level Panel on Women's Economic Empowerment placed emphasis on the importance of business environment reform, especially for informal workers and in extending childcare provision. BERF has supported these efforts with a review of global best practice, and country-specific reports.

### Countries that discriminate against women in at least one area now covered by Doing Business (World Bank)



**Local, international and regional BER** was the theme of a new practical guide from DCED. Capacity is weakest at the subnational level, which creates technical challenges for BER. It is more common for corruption to frustrate the typically weaker checks and balances at this level. Local reform, however, can be swift and effective, with fewer procedural obstacles to implementation as compared with more ambitious international and national initiatives.

Regional and international BER programmes are inherently challenging. In most cases, real decision-making power remains at the national level, so that regional BER is almost impossible without supporting programmes to influence national parliaments, executives and BMOs. BERF has received local, regional and international BER requests received from Country Offices in 2016, and some of the recommendations of BERF's scoping studies reflect these different levels of engagement.

DCED also made a contribution on **sectoral reform programmes**. Sectoral programmes are a particularly good way to improve product standards and industry regulation. It is also



noticeable that donors often choose sector-specific reform in order to underpin to their own sectoral programmes, such as value chain development. While arguably led by the priorities of donors, this approach can nevertheless be a helpful means of linking BER to tangible objectives, such as growth of a domestic sector or securing foreign investment. BERF's work in 2016 reflects this increased emphasis on sectoral reform. BERF produced evidence and learning notes on the BER constraints for specific sectors in both Mozambique and Pakistan, and the guidance produced on the BERD process included approaches and resources for sector specific BER.

**Lastly, public procurement** has received attention from the Doing Business team in 2016, although their research has not yet been incorporated into their rankings. Since public procurement accounts for 10–25 percent of GDP, policy in this area has powerful potential to impact SMEs. This fourth development in BER was not explicitly reflected in BERF's 2016 work, but could potentially become a priority in future.

## 1. Introduction

This annual synthesis provides a snapshot for BER practitioners and Country Offices of the BER sector during the past year by summarising the key findings and recommendations from BERF's work and mapping out the most significant developments in the wider world of BER in 2016.

- **Chapter 2** looks at the most significant developments in the world of BER in 2016. In particular, it discusses new developments in the World Bank's Doing Business indicators and associated research, and recent publications of the Donor Committee for Enterprise Development's Business Environment Working Group (DCED-BEWG), which examine gender, local and regional BER, and sectoral reform programmes.
- **Chapter 3** covers BERF's evidence and learning component, which, in addition to its written reports, hosted an online learning event, and continually manages a map of evidence documents relating to all aspects of BER. The chapter synthesises the findings and recommendations from the evidence and learning reports, and briefly highlights the work currently in the pipeline for 2017.
- **Chapter 4** reviews the work conducted by the three other BERF Workstreams in order to provide an impression of the technical support Country Offices are requesting from BERF, as well as a summary of the findings and lessons from BERF's reports. The chapter concludes by looking forward to projects that will be published early in 2017 in each of these areas.
- **Chapter 0** concludes the annual synthesis with a summary of the common trends and significant developments in BERF's work and the wider BER sector in 2016.





## 2. Recent trends and developments in BER

This chapter briefly reviews some of the most important developments in 2016 from other major practitioners and research teams<sup>1</sup>. Gender has received the most attention, with the addition of the first gender disaggregation into the World Bank’s Doing Business indicators, and important publications from the DCED. The DCED has also published important reports on: local, international and regional BER; BER in industrial sectors; and public procurement.

### 2.1 Gender

The prominence of gender in BER is increasing. Although the World Bank established a comprehensive vision of best practice in gender sensitive BER in its 2010 publication *Gender Dimensions of Business Environment Reform*,<sup>2</sup> it is only in the last couple of years that DFID has significantly improved the gender sensitivity of its programming.<sup>3</sup> Beyond DFID, 2016 was an important year for mainstreaming gender into BER. Firstly, the World Bank introduced gender-sensitive metrics into its flagship Doing Business (DB) index for the first time. Secondly, the BEWG-DCED expanded their 2008 *Practical Guidance for Development Agencies*<sup>4</sup> with an annex on gender.<sup>5</sup> Early in 2017, the UN High-Level Panel on Women’s Economic Empowerment made a range of recommendations that are particularly relevant for BER projects.

#### 2.1.1 Doing Business

In 2016, the World Bank changed the methodology of their DB indicators in order to measure gender equality for the first time. Gender has been incorporated into three of the ten components that make up the overall index. The new tests and the components in which they feature are listed in Table 1.

**Table 1: Components of DB that now measure gender discrimination**

Gender-sensitive indicators introduced in “DB 2017”		
Component	New measure	Countries that could improve
Starting a business	New case study in which all entrepreneurs are women	23

<sup>1</sup>These key themes are BER areas of most interest or areas where the most innovative work is taking place. The original themes of Gender; VfM; PPD; and FCAS were selected in consultation with DFID. However, these themes had to be revised to Gender, Local, International and Regional BER; BER in Industrial Sectors; and Public Procurement once research for the Annual Synthesis had started on the basis of the available evidence from the wider BER sector. In the future, the intention is that each year BERF will select different themes to focus on in the Annual Synthesis taking account of CO’s interests and emerging developments in the BER community. Gender in particular has emerged in 2016 as the leading cross-cutting theme based on requests for BERF support from DFID COs and based on the new BER and Gender programmes/initiatives in the wider BER community (DCED, WB etc.).

<sup>2</sup> Simavi et al, 2010.

<sup>3</sup> Hetherington, 2017, chapter 5.

<sup>4</sup> DCED, 2008.

<sup>5</sup> DCED, 2016a.



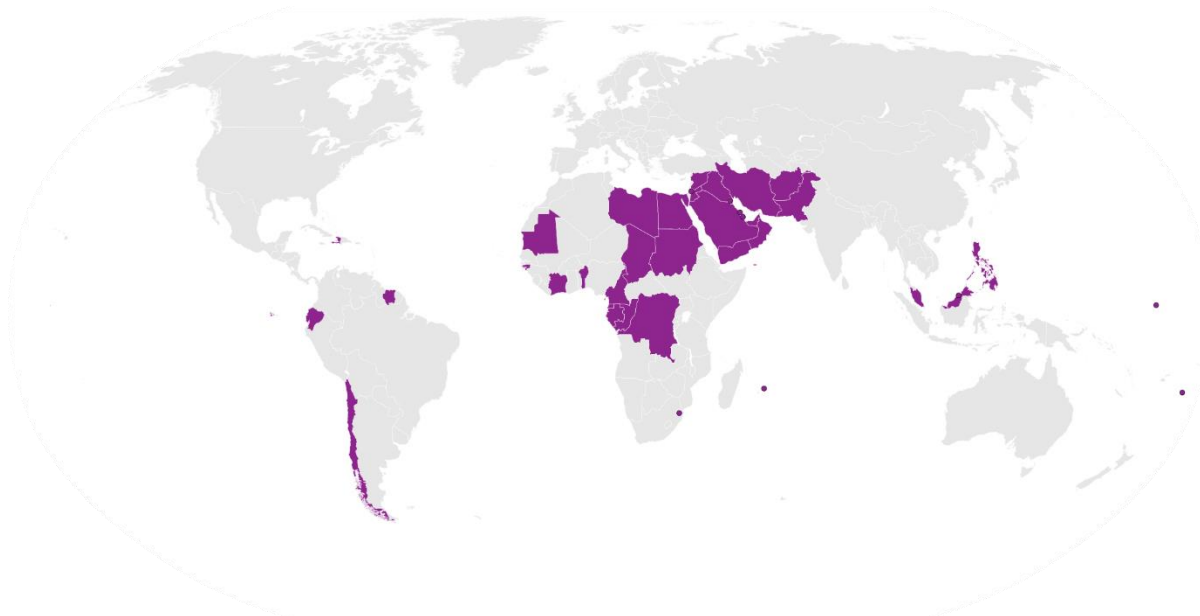
Gender-sensitive indicators introduced in “DB 2017”		
Component	New measure	Countries that could improve
Land administration	Women’s legal right to use, own and transfer land	16
Enforcing contracts	Are men’s and women’s testimony given equal weight in civil courts?	17

Source: World Bank, 2016, p3.

In addition, the project researched the prevalence of quotas for women in corporate boards, but this data has not yet been incorporated into the index. The World Bank concluded that research on the effect of quotas is currently mixed.<sup>6</sup>

38 countries fell short in at least one of the three tests, although none failed all three. Figure 1 maps the countries where improvement is possible in at least one area.

**Figure 1: Countries that discriminate against women in at least one area now covered by Doing Business (World Bank)**



Source: World Bank, Distance to Frontier dataset.

### 2.1.2 DCED guidance

The BEWG-DCED published *Supporting Business Environment Reforms: Practical Guidance for Development Agencies* in 2008. Although it makes several references to gender, overall its treatment of gender sensitivity is limited. In 2016, the BEWG-DCED supplemented this guidance with an annex on *Gender and Business Environment Reform*, supported by a technical report on the same subject.<sup>7</sup> The technical report contains (a) a comprehensive literature review on business environment factors that affect women’s enterprises and

<sup>6</sup> World Bank, 2016, box 1.1, p4.

<sup>7</sup> Miles, 2016.



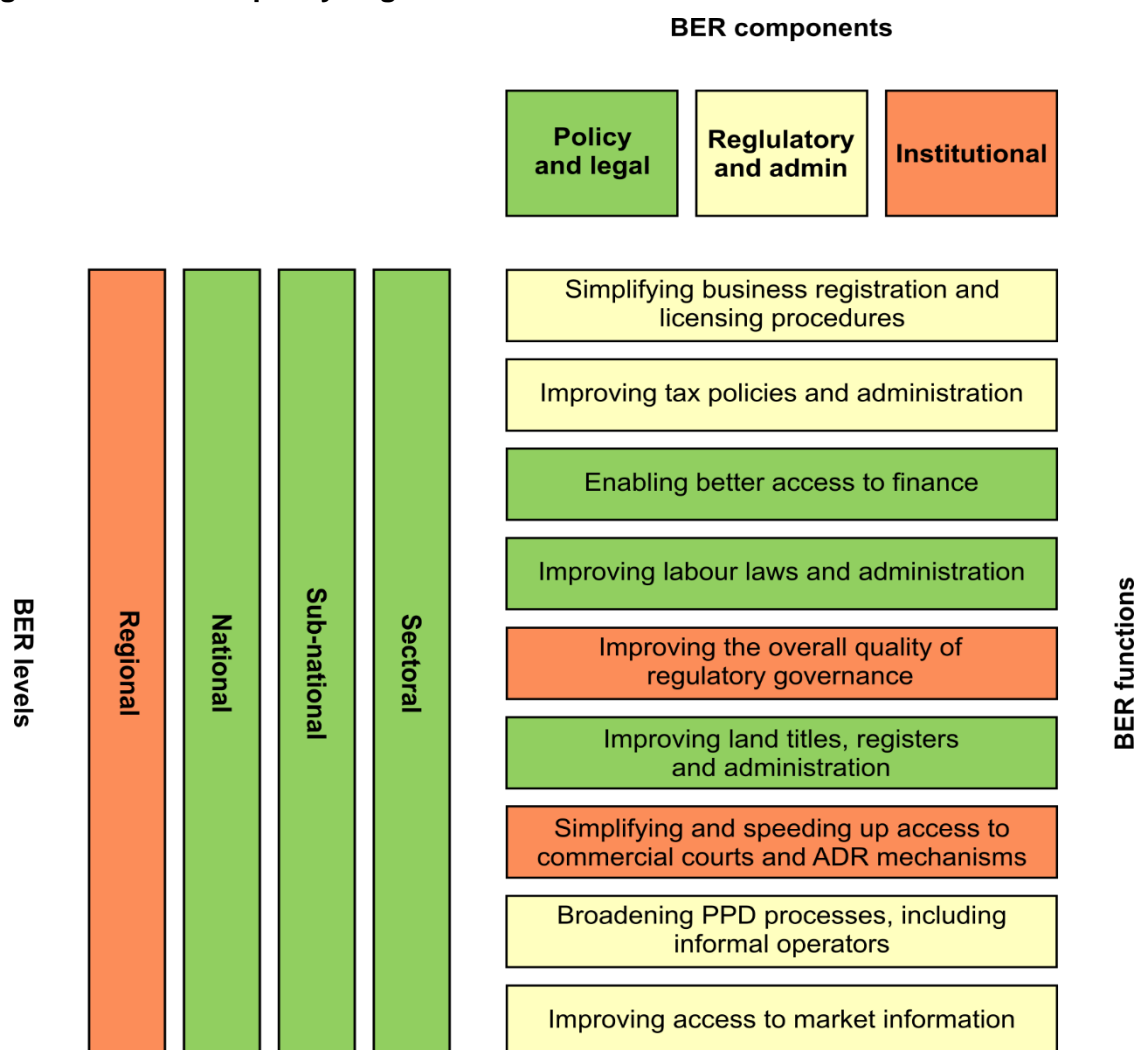
employment, (b) an overview of BER programmes with a strong gender component, and (c) a summary of lessons learned. The following are the most important messages in this research:

- The strongest evidence that appropriate BER improves outcomes for women relates to **access to finance, land titles and labour laws**.
- The biggest evidence gaps relate to **regulatory governance and access to courts or alternative dispute resolution (ADR)**.
- Supporting women's enterprise and employment often requires more than just addressing direct business environment factors — it is equally important to address **socio-cultural binding constraints**.
- The binding constraint for which the strongest evidence is available is **childcare** — it is clear that policies supporting childcare provision improve women's employment.
- **Sub-national** work is particularly important to guarantee outcomes for women, because the difference between written rules and the treatment of women at local level is one of the most important challenges.

The quality of evidence in BER components and levels is illustrated in Figure 2. Green denotes the strongest evidence and red the weakest.



**Figure 2: Evidence quality in gender and BER**



Source: based on Miles, 2016, pp16 and 47–50. Note: green denotes areas where evidence is strongest, red indicates the biggest evidence gaps.

### 2.1.3 UN High-Level Panel on Women’s Economic Empowerment

The report of the UN High-Level Panel illustrates that not only are gender considerations being taken more seriously in BER, but that BER is also gaining prominence within the wider field of women’s economic empowerment (WEE).<sup>8</sup> The report focuses on seven drivers of WEE, but also emphasises the cross-cutting importance of the enabling environment.<sup>9</sup>

One of these drivers focuses on reforming laws and regulations and ensuring legal protection. While the report notes that most countries still have at least one law that undermines women’s

<sup>8</sup> UN Secretary General, 2017.

<sup>9</sup> The enabling environment is “characterised by the implementation of policies and legal reforms that remove structural barriers, challenge discriminatory norms, ensure adequate social protection, expand access to crucial infrastructure and facilitate the organisation and collective voice and representation of women to set the terms of their economic engagement.” UN Secretary General, 2017, p3.



economic opportunities, it also emphasises priorities for women that are not based on explicit discrimination. One of the most important is the treatment of informal work: expanding social protection to informal workers; strengthening the enabling environment for informal workers; and eliminating the stigmatisation of informal workers and their representative organisations. Globally, women are disproportionately represented in the informal workforce and these protections disproportionately benefit women.

Another driver addresses the issue of childcare and other unpaid work, identified by the DCED as the area in which evidence on the impact of donor interventions is the strongest (see previous subsection). Childcare has not historically been a prominent component of BER interventions, but there are clear opportunities for this to change, especially in projects that support the creation of special economic zones, and other high-density employment opportunities for women.

DFID's new Economic Development Strategy endorses the report's recommendations and makes the commitment that "all [DFID's] economic development work will tackle gender discrimination".<sup>10</sup> The following recommendations are particularly relevant for gender-sensitive BER.

- Eradicate the stigmatisation of informal workers.
- Reform laws discriminating against women and enact legislation enabling gender equality.
- Expand social protection coverage for all.
- Create an enabling legal environment for informal (and agricultural) workers.
- Increase women's access to justice.
- Recognise, redistribute and reduce care work.
- Ensure decent paid work for paid care workers, including migrant workers.
- Promote women-owned enterprises and women's collectives by establishing government-wide targets for procurement.
- Provide support for informal and agricultural workers by reforming procurement laws and regulations to allow collective enterprises to bid on public procurements.
- Ratify and implement ILO Freedom of Association and Protection of the Right to Organise Convention, 1948.
- Reform legal frameworks to protect informal workers and promote the formalisation of their work.

<sup>10</sup> DFID, 2017, p21.

## 2.2 Local, international and regional BER

In 2016, the BEWG-DCED published a practical guidance annex on international, regional local business environment reform, backed by a new technical paper.<sup>11</sup> Although this research found no evidence on the relative effectiveness of work at different levels, there has been a general increase in programmes at both the local and the international and regional levels.

Many of the features of good BER at local, international and regional levels are similar to those that are traditionally recognised for national-level programmes.

- **Gender** should be incorporated through diagnostic work and links to projects addressing WEE more generally.
- **Political Economy Analysis** remains critical, especially in subnational work, where it is easier than anywhere for rent-seeking incentives to dominate.
- **Champions** can be very useful for building coalitions in favour of change, though appropriate candidates will be scarcer at the international level.
- **Public-private dialogue** is crucial. At the subnational level, this is likely to be technically challenging and may require a significant shift in attitudes. At the international level, PPD must seamlessly incorporate national level actors, including parliaments and national-level BMOs.<sup>12</sup>

**Table 2: BER programmes at local, national and international levels**

Broad features of BER at different levels		
Local	National	International (regional)
<ul style="list-style-type: none"> <li>▪ Few technical and procedural obstacles to implementation</li> <li>▪ Potentially rapid</li> <li>▪ Narrowest coalition required</li> <li>▪ Sometimes dependent on national level, although there are usually various options where local government has jurisdiction</li> <li>▪ Weakest implementation capacity</li> <li>▪ Lots of choice of implementing partners</li> <li>▪ Subnational competition can be a powerful motivator</li> <li>▪ Likely to be no other donors implementing BER programmes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sovereign (rarely encumbered by lack of authority to act)</li> <li>▪ Highest technical implementation capacity</li> <li>▪ Regional competition (with neighbouring countries)</li> <li>▪ Often good choice of partners among different MDAs</li> <li>▪ Most experience and evidence available</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potentially high reach</li> <li>▪ Slow</li> <li>▪ Broad coalition required</li> <li>▪ Dependent on national level</li> <li>▪ Uncertain regional implementation capacity</li> <li>▪ Smallest choice of leading institutions</li> <li>▪ Can facilitate peer-to-peer learning by members</li> <li>▪ Many donors present, making coordination challenging</li> </ul>

<sup>11</sup> DCED, 2016c; White, 2016b.

<sup>12</sup> Many programmes have found that regional BMOs have struggled to represent the broad interests of the private sector, and that national BMOs have been far more effective.



### 2.2.1 Subnational

There are clear reasons to address business environment constraints at the subnational level. Local government is typically lack analytical capacity and are subject to political pressures. It is common to find local measures, such as regulations and taxes that seriously inhibit business growth. An important benefit of a subnational focus is that it tends to generate a natural choice of partners, enabling donors to work with those that are most motivated to implement reforms. Achievements of the subnational BER can be publicised elsewhere in the country, providing an important motivation to replicate reforms.

Over the longer term, it is important to build links with national level government, since local government will be limited in its authority to change the business environment. However, a crucial benefit of working at the local level is that changes such as new regulations are simpler and quicker to implement, and an initial focus on reform that is within the power of local government is sensible to build momentum and take full advantage of the benefits of a subnational programme. Good programmes will also find a robust way to measure the state of the business environment and the progress of reforms, which enables comparison with other localities. The World Bank's subnational Doing Business data may be of some use in a few countries, but at present it has limited coverage and DFID has learned that donors should be cautious in using DB data to guide programme design and implementation.<sup>13</sup>

### 2.2.2 International and Regional

The motivation for pursuing BER at a regional level varies more by context, depending in particular on political economy and physical geography. Africa's 16 and Asia's 12 landlocked countries are acutely aware that some limitations of a country's investment climate can only be reduced through international and regional action. As a result, some regional programmes are structured to focus on a specific "corridor" from a sea port to one or more major urban centres.

The reach of regional programmes can of course be very large, and in rare programmes where political will is strongest, the impact can be enormous. At the extreme, OHADA is an organisation of 17 African states, whose '*actes uniformes*' are *directly applied* in all member states, with disputes ultimately subject to judgement by the organisation's '*Cour Commune de Justice et d'Arbitrage*' (CCJA) in Abidjan, Côte d'Ivoire. With this level of political commitment, regional reform efforts can yield impressive results, and DFID DRC has recognised the potential returns of supporting that country to accede to the organisation.<sup>14</sup>

This is atypical of regional BER, most of which is slow, and requires broad reform coalitions that incorporate many national-level actors across the region, who are normally the ultimate decision-makers. Options for partner institutions are often limited, although where possible those with a technical mandate and capacity are preferable to more general institutions. Where

<sup>13</sup> Hetherington, 2017, section 7.2.

<sup>14</sup> Hetherington, 2017, section 2.2.



regional partners lack capacity, the ambition of reform should reflect these limitations. Due to the sheer scale of regional reform, donor coordination is a much greater challenge than at other levels, and integrated programmes using basket funds are preferable to ad hoc attempts to coordinate components managed by different donors.<sup>15</sup> Potentially one of the most productive uses for regional BER processes is to promote peer-to-peer learning by showcasing successful reforms in member countries, since this provides both a contextually appropriate model for reform and a motivation to do so.

### 2.3 Industrial sectors

BEWG-DCED published a guidance annex on sectoral reform programmes.<sup>16</sup> There are several reasons that donors choose to establish BER programmes that concentrate on a small number of industrial sectors rather than economy-wide reform.

- The most significant is to **connect BER to other donor interventions** such as value chain support. This kind of sectoral work is common when donors are only able to support BER on a limited scale. One overarching benefit of this strategy is that supporting a government priority sector can align reform incentives, even in difficult political economy environments. BER can be presented as a means to enable growth in a domestic sector or facilitate foreign investment, thereby inspiring more immediate commitment than would be available for more abstract regulatory improvements.
- Sectoral programmes are better placed to address **product standards** and **industry regulation** than cross-cutting projects. Regulators and standards agencies in developing countries almost invariably lack the resources necessary to effectively regulate all markets. A pragmatic strategy is to focus on the markets where there will be the greatest impact for business growth and consumer protection. However, to ensure that these interventions have an immediate impact, sector dialogue is required to understand existing challenges and design effective solutions.

### 2.4 Public procurement

Doing Business has been making significant methodology changes since 2014.<sup>17</sup> This year, in addition to changes that have affected countries' headline score (see section 2.1.1), the World Bank has also published research on a new subject that is not yet ready to be incorporated into the overall index. The annex on public procurement covers 78 economies, of which 23 (29 percent) are in the Middle East, North Africa, South Asia and Sub-Saharan Africa, and 31 (40 percent) are low- or lower-middle-income countries.<sup>18</sup>

<sup>15</sup> DCED, 2016c, p4.

<sup>16</sup> DCED, 2016b.

<sup>17</sup> World Bank, undated.

<sup>18</sup> World Bank, Doing Business dataset.





Public procurement represents an average of 10–25 percent of GDP, making public procurement policy a powerful tool to achieve government goals such as supporting SMEs and improving sector competitiveness.<sup>19</sup> Despite the WTO’s plurilateral Agreement on Government Procurement, very few developing countries are bound by international rules in this area and retain plenty of policy flexibility.<sup>20</sup> The World Bank used a set of indicators developed by the G20 Anti-Corruption Working Group, which measure five areas:

- **accessibility and transparency:** what information is available to bidders, and how can it be accessed?
- **bid security:** how much money must bidders pay to be part of the process?
- **payment delays:** how long does it take to get paid once a project is complete?
- **incentives for SMEs:** does the law grant fair access to SMEs to bid?
- **complaints mechanisms:** who can file a complaint, how independent is the review process, and what remedies are available?

The DB report does not currently compile available data into a single index for public procurement, but presents all raw data on the countries covered.

To assist countries interested in pursuing procurement reform, the UN Commission on International Trade Law published a model law, with guidance on enactment and regulations, in 2011.<sup>21</sup> The UN High Level Panel on Women’s Economic Empowerment emphasised the importance of public procurement from a gender perspective, noting that women-owned enterprises currently receive only 1 percent of all public procurement expenditure.<sup>22</sup> Reforming public procurement to encourage and support women-owned firms, collectives and the informal sector to bid will all support women as entrepreneurs and workers.

<sup>19</sup> World Bank, 2016, p96.

<sup>20</sup> Only two lower-middle income countries (Moldova and Ukraine) are parties to the agreement and no low-income countries.

<sup>21</sup> UNCITRAL, 2011, 2012, 2013.

<sup>22</sup> UN Secretary General, 2017, p13.



### 3. BERF Evidence and Learning

BERF's Evidence and Learning comprises three activities:

- evidence and learning notes
- online learning events (webinars)
- an evidence map (document library).

The focus of this chapter is on the evidence and learning notes produced during 2016, and a forward look to the notes anticipated in early 2017. These notes critically reflect on DFID's experience of BER, focusing on different approaches, practical challenges in implementation and lessons to be taken into account in future work. While notes are often written at the request of a specific Country Office or Overseas Territory, they are intended to address issues of wider interest.

Online learning events are intended to enrich the value of BERF's research by enabling advisors and practitioners to ask questions and share their own experiences on a given topic. Finally, BERF's evidence map is a library of documents that contribute high-quality evidence on BER. During 2017, the evidence map will be extended and developed into a searchable database of BER resources, highlighting available evidence of BER impact, approaches and mechanisms, and evidence gaps (see sections 3.4.1 and 3.6.1).

Each of the following sections summarises an evidence and learning note produced by BERF in the last year.

#### 3.1 How to Measure Value for Money in DFID Business Environment and Investment Climate Reform Initiatives Delivered by the IFC

##### 3.1.1 The IFC approach to VFM

BERF's first evidence and learning note outlined the IFC's approach to VFM. The report was presented to DFID staff, other donors, consultants and BER programme managers in a webinar,<sup>23</sup> alongside presentations on:

- the World Bank's perspective on VFM in BER
- measuring equity, including gender and the informal economy, and ensuring equity by location and sector.

The report's findings were as follows.

- The IFC VFM framework uses monetary, quantitative and qualitative **indicators**, and recommends programmes track all three.
- **Attribution** is a central issue and requires a well-designed **theory of change** and regular monitoring of stakeholder opinion or economic appraisals.

<sup>23</sup> White, 2016a.



- The IFC VFM framework focuses on **compliance cost savings (CCS)** as the **main quantifiable outcome** to be measured against project costs.
- This framework is fairly new, however, and has not yet been applied to many DFID-funded programmes. This is in part due to the following **constraints**:
  - (a) a lack of benchmarks for economy and efficiency
  - (b) difficulties linking outcomes to impact (which is a wider problem common to all BER)
  - (c) a lack of cost data.
- **Meaningful comparisons are therefore very limited** between VFM approaches in DFID- and IFC-led programmes. However, one preliminary analysis comparing two such programmes suggests that DFID-implemented programmes incorporate a higher proportion of project costs spent on staff and consultants.

### 3.1.2 Recommendations

The report recommended building on DFID’s 3E+1 (economy, efficiency, effectiveness and equity) guidance framework by incorporating the IFC’s indicators as described in Table 3.

**Table 3: VFM measures for IFC programmes**

Suggested VFM measures		
Level	Qualitative measures	Quantitative measures
Economy	<ul style="list-style-type: none"> <li>▪ Examples of good procurement practices</li> <li>▪ External audit recommendations implemented</li> </ul>	<ul style="list-style-type: none"> <li>▪ Daily average fee rates (short/long term)</li> <li>▪ Ration of international versus national fee days used</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>▪ Is delivery on time and on budget?</li> <li>▪ What quality assurance mechanisms are in place?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost BER reach on intended beneficiary (individual or firm)</li> <li>▪ Budget utilisation rate (over reporting period, or total)</li> </ul>
Effectiveness and cost-effectiveness	<ul style="list-style-type: none"> <li>▪ Are the links in the programme theory of change sufficiently robust and evidence based?</li> <li>▪ What measures were taken to promote sustainability?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Total compliance savings achieved (per reform initiative, or total of programme)</li> <li>▪ Compliance savings achieved versus programme spend</li> <li>▪ Cost per job created</li> </ul>

Source: Bayaz and Hedley, 2016, p2. A more detailed list can be found on p15.

### 3.1.3 Emerging issues

The report identified three important emerging issues in BER VFM.

- **Jobs measurement:** “cost per job created” is a common metric for BER programmes, but its definition is a complex challenge and programmes have adopted wildly differing methodologies. Both the IFC and DFID are currently investing heavily in improved job measurement.<sup>24</sup>

<sup>24</sup> DFID, 2016.



- **Gender** outcomes are typically reported under equity, which can be a key cost driver. High quality equity measures are therefore needed to articulate the value placed on these objectives. Gender in BER is the focus of another evidence and learning note, covered in section 3.2.
- **FCAS:** the IFC present a range of calculations for CCS in FCAS as a separate category. However, assessing VFM in FCAS is more complex than this, and allocation between project components — a VFM issue — is usually highly influenced by political economy analysis.

### 3.2 Gender and Business Environment Reform: What is Best Practice? Implications for the Bangladesh Investment Climate Fund Phase 2

The emphasis placed on gender sensitivity in the field of BER is growing quickly, both inside and outside DFID (see section 2.1). Early in 2016, DFID Bangladesh requested support from BERF to understand better how to incorporate gender sensitivity into its BER programming. DFID Bangladesh has been funding the Bangladesh Investment Climate Facility, implemented by the IFC, since 2007. When launched, it was the largest country-level BER programme in the world. In 2017, it will enter its second phase, guided in part by a newly developed gender strategy.

The economic disadvantages that women face are widely recognised. Globally, only 17 percent of firms are managed by women.<sup>25</sup> Fewer women work for formal firms, they are paid less and they do more unpaid care work than men.<sup>26</sup> At least 155 countries still have at least one law impeding women's economic opportunities.<sup>27</sup> One component of the wider process of addressing these inequalities is to ensure that BER gives additional support to women to redress the balance. Unfortunately, women's marginalisation in the economic sphere has the natural effect that women are underrepresented in BER processes, which are influenced primarily by men's businesses.

Whilst there are many remaining gaps in evidence, the World Bank has described its view of best practice for gender-sensitive BER in its book *Gender Dimensions of Business Environment Reform* (Simavi et al., 2010). Its approach is based on substantial country-level diagnostics of women's experience of the economy and society, and provides guidance on existing sources of data and conducting focused primary research.

Until recently, gender-sensitive programming has had a low priority within BER, so the World Bank's vision of best practice has rarely if ever been fully applied. It is therefore important to understand not just best practice, but also how pragmatic, incremental improvements can be made to existing programmes to change the impact they have on women.

Most useful document:

<sup>25</sup> World Bank Enterprise Surveys, figure given is for 2015.

<sup>26</sup> UN WOMEN, Facts and Figures: Economic Empowerment.

<sup>27</sup> World Bank, 2015, p2.



- *Gender Dimensions of Business Environment Reform*, Simavi et al., 2010

The report made four main recommendations.

- Results should be disaggregated by gender for all programmes.
- Ideally, a country-specific diagnostic should be conducted *before* programme activities are specified.
- Diagnostics should include simple primary research to fill data gaps and to test whether official procedures are implemented as written.
- Where primary research is not feasible, a lighter touch diagnostic analysis should be undertaken using the many existing sources of information.

### 3.3 Business Environment Reform in Small Island Developing States: Implications for St Helena

Small island developing states (SIDS) face a variety of unusual challenges, relating to their small size, distance from major markets, and their vulnerability to climate change, extreme weather and external economic shocks. Standard economic advice is often inappropriate to their circumstances. Economic policy makers want to understand how other small islands have fared under similar circumstances.

The construction of the first airport in St Helena was designed to transform the small island economy. The St Helena Government plans to undertake BER to take full advantage of the opportunity. The government approached BERF to request support, first through a review of the BER experience of other SIDS, and secondly through an investment climate review of the island.

In August, BERF published the first component. Structured around eight case studies, the research selects comparable countries on an issue-by-issue basis, to present the most useful lessons from the evidence. The second component is discussed in section 4.1.7.

The research identified the following main lessons.

- VAT is a feasible option for even the smallest islands, and usually becomes a major source of revenue for SIDS that adopt it.
- Political economy does not hinder tax reform as much as in larger countries, but it is very important to make sure the pace and scope of reform are feasible — many reforms fail because they attempt too much too quickly.
- Managed immigration is needed to support tourism growth without harmful levels of wage inflation. Benefits should be extended to migrant labour to ensure that they compete with local workers on an equal footing.
- Investment promotion services can increase investment and employment with extremely high levels of VFM, and this has been a successful strategy for small islands. The evidence that this works is much stronger than for traditional investment incentives.



- PPD in small islands is time-consuming, resource-intensive and requires strong leadership. It is best led by an agency that does not have an incentive to rush the process at the expense of its quality.
- Tourist destinations such as St Helena compete on quality rather than price. Tourists are happy to pay reasonable contributions to ensure that their ecosystems are properly conserved, even though remote islands are inherently expensive places to visit.

### 3.4 Public–Private Dialogue Interventions in Sub-Saharan Africa: Lessons for Zimbisa (Zimbabwe)

PPD is widely recognised as one of the most important components of BER. The IFC is the most experienced implementing agency in this area, and have honed their methodology into a familiar pattern that has been replicated in many country programmes. Against this backdrop, DFID-funded interventions in Nigeria and now Zimbabwe have experimented with an alternative approach that borrows heavily from the market systems methodology. This strategy is designed to avoid the sustainability failures that have been very commonly experienced.

DFID Zimbabwe has been supporting a local non-profit organisation, Zimbisa, to improve the state of PPD in the country since 2014. The Country Office asked BERF to review donors’ experience of intervening in PPD in SSA, to inform their design of an extension to this programme. This report followed BERF’s earlier review of extension options for Zimbisa (see section 4.1.2).

**Table 4: PPD strategies that have worked in SSA, and those suited to FCAS**

Strategies that have been successful or recommended in SSA	
Strategy	Explanation
Co-fund one-off costs (avoid core funding)	Providing core funding to BMOs and other partners can make them donor-dependent and attract the wrong partners
Do not provide free research	Donor-provided evidence undermines the domestic market for research products, making PPD unsustainable
Support BMOs’ revenue raising	Build capacity in recruitment, retention and administration of membership
Help BMOs to provide private services	BMOs can provide material and solidarity benefits to members, which increase the perceived value of membership and improve retention and recruitment
Foster partnerships between BMOs	Linkages between larger urban BMOs and rural or grassroots organisations can enable a project to provide support to BMOs that can’t be reached directly Twinning arrangements with BMOs in developed countries can deliver support with good VFM and sustainability
Support research organisations to master low-cost research methods	MDC tools enable cheaper collection of data from BMO members or from the private sector, and can ensure more even representation BMOs may be able to use these tools themselves with help in setting them up and training staff, but they will still require assistance with long-term support
Use unsustainable methods where necessary	Unsustainable dialogue can still lead to sustainable reform. This is particularly important with constituents that are marginalised, hard to organise and less able to pay, e.g. women, youth, rural agricultural workers and the poor



**Strategies that have been successful or recommended in SSA**

Strategy	Explanation
Investigative reporting on business environment issues	Build capacity of commercial radio and newspapers to conduct independent, investigative reporting of business environment issues to build large, committed audiences that are attractive to advertisers Build capacity of media organisations to market advertising space without editorial influence
Indirect representation	Support BMOs to attract a membership that is able and willing to indirectly represent groups that cannot be reached directly, e.g. by targeting large firms with critical linkages to small, rural enterprises
Establish an independent research trust	DFID has had success in establishing independent trusts in South Africa and SACU to provide evidence-based research in support of PPD
Recruit PPD champions	“Champions” that are considered neutral by participants can help to overcome distrust and accelerate progress

**Strategies particularly important in FCAS**

Strategy	Explanation
Champion inclusivity	It is important to ensure that a dialogue process is perceived to be open to all interest groups, even though this may take time to achieve
Communication, transparency and accountability	Publish minutes, decisions, publicly track reforms, use road shows and the media to inform the public, and use SMS to plan meetings in remote areas
Begin with simpler reforms, and expand as trust is built	In FCAS, or where trust is weak, focus initially on sector-specific, subnational and process-oriented reforms to build trust and momentum
Conduct context analysis	Political economy and other context analysis is indispensable in managing risk
Take political understanding into account when hiring	Deep technical understanding is relatively less important than understanding of the political situation in FCAS

3.4.1 Evidence map

In addition to a standalone report, BERF’s “evidence map” systematically compiles a library of high-quality documents relating to PPD in SSA.<sup>28</sup> Subsequent research has expanded the scope of this project, and its further development in 2017 is discussed in section 3.6.1.

3.5 What Works in BER in Sub-Saharan Africa and South Asia

Due to DFID’s Country Office-led organisational structure, it is important to periodically review current practice across its global portfolio to enable new programmes to benefit from recent lessons and innovations in other contexts. In this spirit, DFID Mozambique requested BERF to review recent country programmes funded by DFID and to provide a project map and synthesis of lessons learned.

3.5.1 Project map

DFID Country Offices currently fund around a dozen BER programmes in Sub-Saharan Africa and South Asia, with a total budget of approximately £42m per year. They are split between those implemented by the IFC (and other parts of the World Bank), those implemented by

<sup>28</sup> Lopez-Gomez (2016) presents the list of documents relating to PPD along with the methodology for inclusion and a brief overview of the library’s content.

consultancies and those directly managed by DFID. This project map covers 20 programmes in 15 countries, including current and recently completed programmes. 13 of these countries are FCAS.

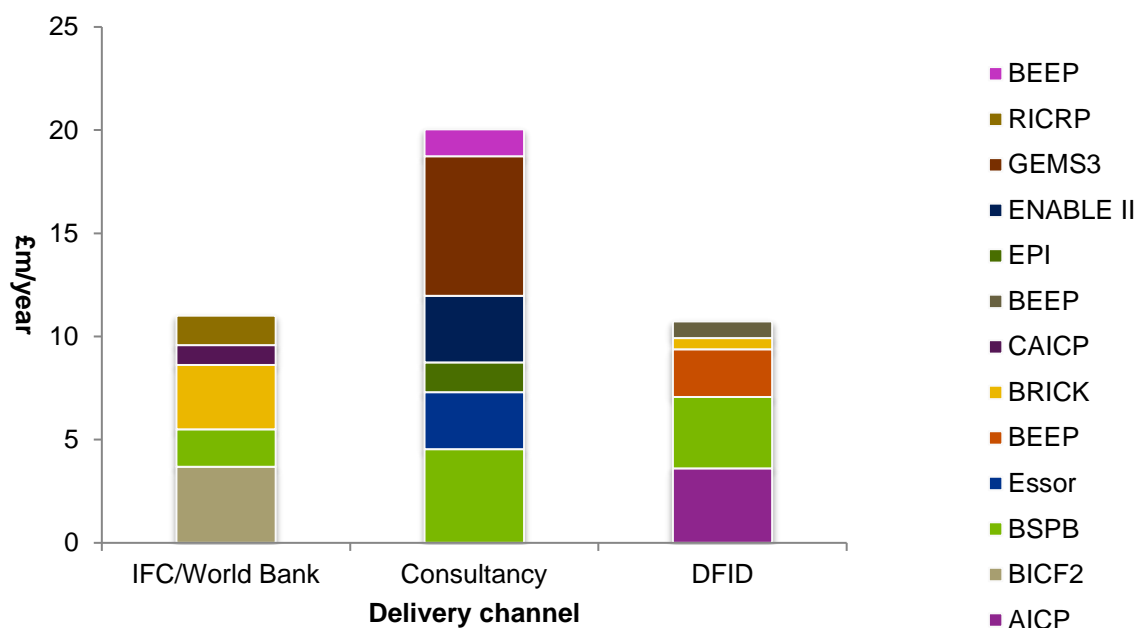
### 3.5.2 Lessons learned

Lessons are primarily drawn from interviews with Country Offices and implementing partners.

The choice of implementing agency depends on country context, but:

- when working with the IFC, push for in-country expertise, more attention to Political Economy Analysis; a comprehensive gender strategy; and use an enterprise survey to ensure that regulatory reforms are implemented.
- consultancies offer the opportunity to use an alternative methodology, such as the market systems approach (which prioritises sustainability); or an adaptive approach (which prioritises adaptation to the political economy).

**Figure 3: Annual value of DFID BER projects implemented by different agencies**



Maintaining flexibility in the choice of partner organisations (MDAs, BMOs, etc) ensures that partners are capable and motivated to achieve real reform. Programmes often suffer when they are locked in early to a single or small number of partners.

Government counterparts often change, but this can be managed by engaging with opposition figures and with government at a range of levels. Working directly with more junior staff can build capacity, improve monitoring of progress, and depoliticise technical reform goals.



In order to work with governments that place a low priority on BER:

- Understand government strategy documents and demonstrate how reform will contribute to their goals.
- Emphasise the technical nature of reform in communication and project design.
- Conduct a gender diagnostic and enterprise survey early in the design phase so that the results guide the emphasis of the programme.
- BER is a long-term process that requires consistency. A short programme cycle drives down ambition and disrupts delivery. Use mid-term evaluations to set break points rather than designing short, extendible programmes.

Be cautious in projecting results:

- results will be back-loaded — an 8-year programme should deliver most of its reforms in the final 3 years, so be careful not to overpromise at mid-point
- other factors will change the business environment during the project, sometimes for the worse — don't assume that the counterfactual is a static environment.
- DB indicators are not suited to prioritising or measuring donor-supported reform.

### 3.6 Upcoming projects in 2017

#### 3.6.1 **Evidence map:** online database

Alongside the publication of reports, BERF is collecting a library of documents that contribute valuable evidence on BER. In 2017, this work will be translated into a searchable database of BER resources focusing on mechanisms and approaches used and evidence of impact of BER programmes and evidence gaps.

#### 3.6.2 **Adaptive programming** (Zimbabwe)

DFID Zimbabwe anticipates a rapidly evolving implementing environment over the next two years, based on the country's election cycle. It intends to incorporate lessons from recent adaptive programmes in order to make the next phase of its BER programme more robust and able to respond to changing risks and opportunities. The research will draw on lessons from DFID-funded BER projects in DRC and Nepal, as well as adaptive experience captured by LASER from other programming areas.

#### 3.6.3 **BER and WEE** in Afghanistan

Drawing both on country diagnostics and evidence from other FCAS facing similar political economy constraints, this evidence and learning note will propose new programmes that will use BER to support WEE. The study will pay particular attention to trade-related opportunities linked to Afghanistan's accession to the WTO in 2016. The study will be based on desk research and remote consultation with stakeholders.



### 3.6.4 **Gender mainstreaming** strategy in Bangladesh

In 2016, BERF responded to a request from DFID Bangladesh to review evidence and global best practice on incorporating gender sensitivity into BER (see section 3.2). In 2017, BERF will follow up by developing a gender mainstreaming strategy for the second phase of the Bangladesh Investment Climate Facility. The strategy will provide particular guidance on how to build gender indicators into the project's theory of change, and which monitoring tools should be used to ensure the gender impact is clear throughout the life of the project. The strategy will be based on desk research and remote consultation with stakeholders.

### 3.6.5 **Compliance Cost Savings: Early lessons from BEEP (Ghana)**

In 2016, BERF provided technical support to Ghana's Business Enabling Environment Programme (BEEP), by incorporating the compliance cost savings methodology (CCS) to the programme's monitoring and evaluation framework (see section 4.1.6). Given the desire from other Country Offices to investigate alternative M&E frameworks (especially in light of the challenges associated with using the World Bank's DB indicators for this purpose),<sup>29</sup> it will be useful to share lessons from Ghana's experience early on. This evidence and learning note will assess how well the CCS methodology has served the programme, and will investigate the possibility of expanding its use by identifying other programmes to which it could be applied, and analysing cross-cutting issues that should be taken into account when replicating the model. In addition, BERF will provide baseline data collection and M&E support during 2017 (see section 4.4.5).

<sup>29</sup> Hetherington, 2017, section 7.2.



## 4. Activities in other BERF components

### 4.1 Technical support

BERF's technical support component covers a range of different types of report, including:

- **light-touch diagnostic reviews** of a country's basic BER needs — these are normally desk-based assignments
- **full diagnostic reviews** usually involve a country visit and result in a detailed assessment of which reforms are likely to have the greatest impact, taking into account the government's reform capacity and political economy (PE) factors
- **reform design and implementation** can provide expert support at any stage of the project cycle
- **technical assistance and advice** is also available to support DFID processes such as annual reviews, project completion reports, evaluations and business cases.

Each of the following sections summarises a technical support assignment completed in the last year.

#### 4.1.1 Business Environment Constraints in Mozambique's Renewable Energy Sector: Solar PV and Improved Cook Stoves

DFID Mozambique requested support from BERF to analyse the business environment constraints faced by the private sector wishing to enter the market for off-grid renewable energy. The specific focus was on the intervention areas of a new programme, BRILHO.<sup>30</sup> These areas include green mini grids (GMG), solar home systems (SHS), solar portable lights (lanterns), and improved cook stoves (ICS) that burn biomass.

The report identifies the following business environment constraints in the ICS and solar PV sectors.

- **Poor access to financial services:** High interest rates and stringent collateral requirements are large barriers for local SMEs wishing to enter these sectors, as well as limited consumer finance.
- **Policy inconsistencies:** The government has intervened heavily in these markets, often driven by contradictory policy objectives, resulting in uncertainty and increased risk for potential investors. For example, subsidised and free transfer of products has undermined private investment in the sector.
- **Weak infrastructure, maintenance and distribution networks:** This is especially true in rural areas, and has resulted in limited product awareness and low consumer trust and confidence in products.

<sup>30</sup> *Brilho* means "I shine" in Portuguese.



- **Barriers to entry and weak integration of Mozambican and international markets:**  
This was exacerbated by overly stringent visa rules limiting access to foreign expertise.

BERF recommended revised policy objectives to develop the off-grid solar PV sector:

- catalyse international investments
- eliminate market barriers and reduce the cost of importing PV equipment and accessories
- facilitate access to international expertise
- support national systems for research and development, public–private dialogue, and appropriate skills training
- establish economies of scale in production and distribution so as to lower consumer prices
- improve access to seed funding and market information
- simplify licensing and regulation to enable private-sector competition.

#### 4.1.2 Future options for Zimbisa (Zimbabwe)

DFID Zimbabwe requested BERF to produce credible evidence for future options for one of the Business Enabling Environment Programme’s (BEEP) components, Zimbisa, and make recommendations for the future direction of the component. The report made the following findings:

- Zimbisa has met or exceeded the majority of its output milestones, following a strong performance in each of its four advocacy system areas (MDAs, BMOs, media and research Institutions)
- Zimbisa is on track to meet its outcome targets by January 2017 (programme completion)
- Declining growth and an unstable political and economic environment have caused the BE to deteriorate, with BMO survival in doubt in some cases
- Zimbisa has nonetheless been able to build trust with the government, so there is room for optimism.

Through analysing Zimbisa’s performance, the report also highlighted improvements that should be designed into the next stage of Zimbisa:

- Outcome indicators should include more ambitious, whole economy, high-level reform as well as sectoral and low-level reform;
- Building trust between the private sector and government was a major feature of Zimbisa’s work and should be the central focus of a future BEEP;
- Many BMOs’ survival was in doubt; therefore, survival strategies should be at the forefront of Zimbisa’s operational plans;
- There was scope for employing innovative ICT techniques for more inclusive engagement of members;



- Lessons learned from Zimbisa’s experience of building trust between government ministries and BMOs should be disseminated in case studies;
- The BEEP/Zimbisa logframe should be revised and evidence of attribution produced to validate the theory of change.

#### 4.1.3 The Business Environment Reform Diagnostic Process: Guidance for Consultants

Development agencies have designed a number of BER diagnostic tools and approaches to both identify BER constraints and design programmes to address these constraints — the business environment reform diagnostic (BERD) process. Not all of these tools, however, reflect current approaches and best practices. BERF produced this document to provide guidance to consultants undertaking the BERD process for DFID Country Offices and other donor agencies.

This guidance includes:

- approaches for both economy-wide and sector-specific BER
- specific diagnostic tools, indexes and approaches
- further details on useful resources related to the BER levels (national and local), dimensions and functional areas
- guidance on each step in the BERD process:
  - designing and planning
  - conducting a desk review
  - conducting in-country research
  - writing the BERD report.
- sector-specific approaches and resources, such as the FAO practice guide and USAID AgCLIR methodology for agriculture.

#### 4.1.4 Investment Climate Reform Scoping Report: Kenya

This report sets out recommendations on how BERF could work with DFID Kenya and its development partners on BER issues in the country. These recommendations are organised around three areas of support.

- BRICK High Level Road Map

BERF provided DFID Kenya with high-level recommendations on the next steps in developing a Building a Resilient Investment Climate in Kenya (BRICK) successor programme, “BRICK 2”. The report found the following:

- The government has a strong commitment to reform the investment climate.

- There is nascent evidence of government willingness to base reforms on evidence and PPD but this is not yet embedded within policy and project management processes.
- There little evidence that BRICK contributed to income generation or job creation.
- There is strong momentum for reform and significant opportunities to expand BER support, especially at county level.

The report recommended that any future BRICK successor should:

- have a clear target group of beneficiaries
- have more flexibility in responding to emerging issues and opportunities
- facilitate PPDs
- stimulate the demand for reform through multiple avenues
- BERF should provide advisory support for future BER programme design
- Cultural Economy Diagnostic Assessment

BERF also provided the Country Office and government with a cultural economy diagnostic assessment, which found the following.

- There is growing policy interest in this sector as a source of employment, especially for young people.
- The private sector in the cultural economy is fragmented and has limited ability for associative action, which is often confined to sub-sector interests.
- A number of promising steps towards PPD have been taken, in setting up working groups, roundtable discussion and a government taskforce.
- The British Council has expressed an interest in supporting the sector.

The main recommendation was for BERF to support the Department of Culture in undertaking a PPD process.

■ Industrialisation and Export Development Diagnostic Assessment

BERF provided the Country Office and government with a diagnostic assessment of the BER issues in relation to the government's industrialisation and export strategy, finding:

- unfair competition from counterfeit products, tax avoidance, illicit imports and dumping;
- the need to further develop and enforce local content requirements;
- fees paid on imported raw materials reducing competitiveness;
- the negative impact of overly strict regulations on the tea market.

The assessment recommended the following:



- harmonisation of licenses, fees and approvals that hinder doing business and trading across borders;
- establishment of a county–national dialogue to address BER issues.

#### 4.1.5 Diagnostic and Research Study on Policy Reforms for Punjab’s Priority Business Sectors

BERF conducted research to identify the binding business environment constraints within Punjab’s priority business sectors: garments, automotive, footwear, agriculture and livestock. This research was intended to support DFID Pakistan and the IFC to improve the design of their business environment reform programmes, and assist the Government of Punjab in achieving greater investment, employment, and women’s economic empowerment.

The report identified cross-cutting BER constraints that are common to all the priority sectors. The research found that all aspects of the tax system constrain businesses, and that cumbersome business and land registration and licensing procedures make formalisation slow and expensive. These constraints have been exacerbated by the 18th Constitutional Amendment, which has resulted in duplication of taxes.

Aside from sector specific recommendations, the report drew three fundamental conclusions from the research. Firstly, government departments need improved mandates which go beyond their narrow focus and reflect broader growth aspirations. Second, improved mandates should also support improved coordination of policymaking between different stakeholders. Finally, policy needs to be based on better evidence.

#### 4.1.6 Monitoring and Evaluation Framework for the Implementation of BEEP: Final Report (Ghana)

DFID Ghana requested BERF to help design an M&E framework and plan for their Business Enabling Environment Programme (BEEP), which will facilitate reporting on implementation progress at the output and outcome levels. This final report presents the monitoring framework and plan, along with the findings from the first two stages of the assignment. A theory of change workshop was also held with the BEEP team. This report summarises BERF’s assessment of BEEP’s methodology for measuring regulatory reform. It finds the following.

- A **compliance cost methodology would be a more appropriate** way of aggregating the results of BEEP’s regulatory reforms (as opposed to the Doing Business indicator methodology).
- The theory of change is strong for individual components, but the programme-level theory of change **lacked overall coherence** at the outcome and impact level.

BERF will revise the logframe indicators at impact and outcome level through a theory of change workshop and field research.

The final report summarises the suggested M&E framework and plan, which includes:

- a baseline data collection plan



- guidance on data and sampling requirements
- capacity development plans for BEEP's partners on each component.

#### 4.1.7 St Helena Investment Climate Review

DFID Overseas Territories Department (OTD) requested BERF to undertake a review of the investment climate in St Helena to identify key areas for reform, make recommendations and increase stakeholder support for high priority reforms.

BERF identified the following key investment climate constraints:

- an underdeveloped land management policy that prevents the private sector from accessing land for commercial purposes
- a limited workforce with appropriate skills
- expensive utilities due to the island's topography and sparse population
- monopolies which crowd out the private sector, limiting local entrepreneurship on the island and discouraging inward investment
- inefficient financial services, particularly the cost and time needed to transfer funds to the island.

The report concludes with recommendations to overcome these constraints and promote St Helena as an investment destination. It recommends:

- adopting a workforce development programme
- improving the land management system
- co-ordinating improved access to finance
- setting up a formal PPD platform.

## 4.2 Policy scoping research

Policy research studies provide peer-reviewed reports by BERF's panel of experts relating to key themes of interest to DFID in BER: poverty impact, women's empowerment, FCAS, climate change, investment decision-making and political economy analysis. Each of the following subsections summarises evidence from one of these reports.

### 4.2.1 Formalisation of smallholder agriculture and agri-business

The smallholder agriculture subsector is typically informal, which exposes its workers to poor working conditions, exploitation and corruption.<sup>31</sup> This scoping study reviews the evidence available on whether and how BER leads to formalisation of smallholder agriculture in developing countries, and the impacts of formalisation, and draws the following conclusions.

<sup>31</sup> International Labour Conference, 2002.



- The rural sector faces higher costs of formality (due to higher transaction costs and regressive official fees) and receives fewer benefits (because of its reduced access to public and private services), explaining the lag in formalisation.
- Any increase in costs for informal firms is likely to aggravate poverty, so punitive measures to discourage informality should be considered with great caution.
- Improved labour regulation often increases the cost of formalisation.
- Cooperatives and business associations are important in facilitating formalisation, while improving access to credit and enabling participation in higher value chains.
- The supply of capable entrepreneurs is often a more important bottleneck than that of educated workers.
- The quality of the business environment has a major impact on whether value chain programmes will succeed, especially in agriculture.
- BER is unlikely to encourage formalisation unless this is a specific target, but more research on this is needed.
- In FCAS, informal markets can fill a trust deficit, and formalisation programmes should be particularly cautious.

The study highlights the Commercial Agriculture programme, to be tendered in 2017, as an opportunity to generate much-needed new evidence.

#### 4.2.2 Business Environment Reform in Fragile and Conflict-Affected States

With the increasing focus on economic growth and the greater concentration of expenditure in FCAS, it is a priority for DFID to better understand how to design effective BER programmes in these contexts. This scoping study provides an overview of what evidence is available on the design and impact of BER in FCAS.

The most important finding of the study is that little research has been done, and that more is urgently required. The most significant barriers include the heterogeneity of FCAS, the range of possible BER interventions, the relatively smaller emphasis placed on BER programming in FCAS, and the greater cost of evaluation in these environments. There is even controversy about the terms in which success should be defined: should BER aim for similar economic benefits as in non-FCAS, or should it place greater priority on peacebuilding and stabilisation objectives?

Nevertheless, there is agreement among available research that interventions should include:

- context sensitivity analysis
- detailed political economy analysis
- flexibility to adapt to sudden changes
- experimentation and innovation



- a long-term planning horizon
- continued, inclusive stakeholder engagement.

### 4.3 Innovative stakeholder engagement

The innovative stakeholder engagement workstream aims to leverage new technology to amplify the voice of the private sector and civil society in demanding BER. This research is often closely linked to BERF's country diagnostics. This section summarises the two reports written in this area in 2016.

#### 4.3.1 Scoping Visit for an Online Feedback Mechanism in Punjab, Pakistan

The State Government of Punjab (GOPJ) is looking to establish an online feedback mechanism (OFM) for gathering the views of large and small businesses across the province to inform decision-makers in Lahore in user-friendly ways. BERF conducted a scoping visit to identify and assess the feasibility and utility of an OFM for policymakers to enhance PPD in Punjab.

The main recommendations for successfully establishing the OFM include:

- the GOPJ should engage BMOs to ensure co-ownership of the OFM outcomes
- the OFM should be introduced in phases to create the opportunity for incremental success whilst building the capacity of government to handle and process feedback
- the OFM needs to fit into existing PPD structures, including the PPD council and Investment Climate Reform Unit (ICRU)
- the OFM should be housed within the ICRU to ensure that the initiative is able to take advantage of the Planning and Development Department's convening authority
- launching the OFM will require a strong communication strategy and a sequenced awareness-raising campaign.

#### 4.3.2 OPTs: Business Environment Diagnostic Review and Stakeholder Engagement Report

The participation rate of the female labour force in Occupied Palestinian Territories (OPTs) is 20 percent, compared to the Middle East and North Africa (MENA) average of 26 percent. Similarly, 41.7 percent of youth aged 15–24 in OPTs are unemployed. To tackle this problem, DFID OPTs commissioned BERF to identify the main business environment constraints to job creation and entrepreneurship for youth and women and make recommendations on how DFID OPTs can most effectively channel funding towards improving employment prospects for women and youth.

The following are the report's main findings.

- While formal business legislation regarding women and youth is non-discriminatory, the wider legal context contains laws that are outdated and discriminate against women in



many areas of family and personal life. The personal status laws, for example, do not offer fair treatment of and sufficient protection to women and girls.

- The Palestinian labour supply is highly educated but there is a mismatch between education and the skills required for high-value-added manufacturing.
- Women are under-represented in senior decision making, amidst conservative attitudes constraining women's rights and freedoms.
- There is informal segregation in the labour market limiting women's participation to a few, mostly informal areas.
- Women's political involvement in resisting the occupation is growing, challenging traditional gender roles.
- For youth, there are declining educational outcomes, low educational attainment for young men, and low employment participation for young women.
- Self-employment is rare.

The report makes the following recommendations.

- Formal legislation and regulation:
  - DFID should invite the World Bank to increase the granularity of its analysis relating to the formal business environment in OPTs —especially regarding Doing Business and Investment Climate Assessments, which require better analysis of the constraints facing women and young people, and more comprehensive recommendations
- Markets and institutions:
  - the World Bank or other donors should provide a more complete analysis of labour and financial markets
  - explore further options for increasing the voice of the private sector in curriculum design
  - pilot innovative approaches in meeting skills gaps.
- Socio-cultural norms:
  - support affirmative action for women and youth in business
  - increase co-ordination and peer learning between development agencies
  - experiment with the use of social media to explore what works, and provide platforms for advocacy
  - update the draft political and social economic analysis undertaken before the most recent Gaza war
  - support women's and youth civil society organisations to improve financial literacy, business skills and networking.



#### 4.4 Upcoming projects in 2017

This section summarises the planned projects for 2017, some of which were nearing completion or recently completed at the time of this synthesis (May 2017).

##### 4.4.1 Kenya export strategy

DFID Kenya is assisting the Government of Kenya in the revision of its national export strategy in order to ensure that exports are considered holistically, and that the strategy addresses business environment reforms that act as a constraint on improved exports. In 2017, BERF will provide advisory support to assist with the revision of the national export strategy to achieve these objectives. BERF will also advise the private sector dialogue process in order to ensure the national export strategy takes perspectives from the private sector into consideration. These support services will be provided through embedded technical assistance within the Ministry of Industry, Investment and Trade (MIT).

##### 4.4.2 Building capacity for BER in Montserrat

After devastating volcanic eruptions in the mid-90s, the economy is still struggling to recover. DFID Montserrat has requested BERF to advise the Government of Montserrat on BER, engaging with businesses and investors, regulating business and key economic sectors and designing effective economic policy. This support will include setting out international best practice in building government capacity on BER, drawing on examples from the Caribbean region and other small economies. BERF will also make recommendations for the design of an intervention and change management process to develop key BER functions within the Government of Montserrat. The assignment will include a desk-based review and discussions with relevant stakeholders on the island.

##### 4.4.3 Detailed BER diagnostic in Sierra Leone

DFID Sierra Leone has requested BERF to undertake a detailed BER diagnostic of the country. The diagnostic will assess which reforms could have the greatest impact, taking into consideration national growth strategies and priorities, the country's capacity to resource reforms, and the political economy influences on government decisions and on private sector engagement in the reform process. The list of reforms recommended by BERF will prioritise the impact on women, girls and youth employment. The diagnostic will be based on a desk review of relevant documents and in-country consultations, which will be compiled into a BER readiness report.

##### 4.4.4 Diagnostic review of business environment constraints (Sudan)

DFID Sudan is currently in discussion with the World Bank to explore funding for projects to support agriculture and agribusiness through BER. To aid in this, DFID Sudan has approached BERF for support in (a) identification of general business environment constraints in the economy, (b) identification of constraints in the agricultural and agri-business sectors, and (c) recommendations on general and sector-specific BER that align with a capacity assessment of the Government of Sudan.



This diagnostic will consider how the business environment differs for women, and how political instability and conflict compromise the enabling environment. The diagnostic will be based on a desk research, in-country stakeholder consultation, and a stakeholder roundtable to present and discuss preliminary findings and further refine conclusions.

#### 4.4.5 Baseline data collection and M&E support for BEEP in Ghana

DFID Ghana has requested BERF to provide long term support to BEEP Ghana to implement the M&E plan recommended in the M&E for BEEP Final Report (see section 4.1.6). This will include designing data collection tools, quality assuring sampling frames, and supporting embedded technical advisers to enhance data collection within MDAs.

BERF will draft the terms of reference and manage data collection to establish a baseline for the BEEP programme and for bespoke research areas, including research into the viability of taxing the informal sector. This will be a seven-month support role, provided both in country and remotely.

#### 4.4.6 BER diagnostics for youth, renewable energy and forestry (Mozambique)

DFID Mozambique has approached BERF for support in delivering three diagnostic BER reports that will make policy recommendations to the Government of Mozambique for general and sector-specific BER to be integrated into their National Policy Action Plan. These three diagnostics will cover the constraints facing (a) young entrepreneurs in Mozambique, (b) the off-grid renewable energy sector, and (c) the forestry sector. These diagnostics will be based on desk based research, stakeholder consultations, a sample survey of young entrepreneurs, and a stakeholder roundtable to present and discuss preliminary findings and further refine conclusions.

#### 4.4.7 Assessment of the business environment in Jordan

DFID and the FCO have requested BERF to assess the current state of the business environment in Jordan. This will include a review and assessment of potential reform interventions, identification of current gaps, and an assessment of what the UK (initially through IFUSE<sup>32</sup> but potentially also through programmatic interventions by third parties) can offer that is distinctive and adds value in filling these gaps.

The assessment will make reference to the effects Jordan's business environment has on labour market opportunities for women and youth in refugee communities, and particular constraints affecting international trade that arise from the proximity of neighbouring conflict states. The assessment will be based on desk research, consultations with IFUSE, and in-country consultations and workshops.

<sup>32</sup> The Investment Facility for Utilising UK Specialist Expertise supplies government-to-government expertise to support business environment improvement.



#### 4.4.8 Barriers to job creation and labour market access for youth

DFID's Youth Team has requested BERF to research the particular barriers young people face to entering the labour market, how different BERs affect them, and whether young people engage with BER differently from older adults. This study will focus on three countries: Kenya, Nigeria and Sierra Leone. The study will be used by DFID Country Offices, central policy teams, and the wider development community, to design reforms which have a greater impact on young people in formal and informal employment.

The study will consider priority growth sectors identified by DFID Country Offices and governments in the three focus countries. The study will be based on desk research, consultations with DFID Country Offices, stakeholder interviews, beneficiary surveys, and reviews of past youth employment programmes.

#### 4.4.9 Study on the operational experience of BER programming in FCAS

In 2016, BERF produced a scoping study on BER in FCAS which identified a number of policy-relevant gaps within the literature (see section 4.2.2). One of the gaps identified was the availability of evidence on the lessons and experiences of BER programming in FCAS. The Conflict Adviser within the DFID Growth and Resilience Department (GRD) has requested BERF undertake research to fill this gap.

The study will draw on experience from countries that have successfully transitioned from fragility to greater stability and economic growth, including Rwanda, Sierra Leone, Uganda, and Ethiopia. It will include an assessment of the evidence from these cases and provide recommendations as to how these lessons can be applied in DFID BER programming in FCAS.

#### 4.4.10 Business environment constraints and reforms in the renewable energy sector

DFID has committed substantial funding to developing the market for renewable energy (RE), principally off-grid systems, in order to achieve universal energy access by 2030. The DFID Africa Regional Department (ARD) and the Sustainable Energy Team (SET) have requested BERF to review and assess the evidence on business environment constraints to entry and growth of firms in the RE sector. The aim is to identify and describe a typology of constraints, and to understand the effects of constraints on product and service innovation. This will include case studies from developing countries in Asia and SSA that provide evidence of business environment constraints and reforms that have positively affected the adoption of RE. The review will be based on desk research, a survey of RE businesses, and in-country stakeholder interviews.

#### 4.4.11 Skills and school leavers in the Sierra Leone labour market

DFID's Youth Team has requested a scoping study on the impact of skills on school leavers' access to jobs in Sierra Leone, with a focus on the Freetown area. This study will form an appendix to the medium study on barriers to job creation and labour market access for youth described in section 4.4.8. The objective is to provide the Country Office and the Government



of Sierra Leone with a better understanding of the skills, performance and constraints faced by school leavers in the labour market. The findings of the study will inform the implementation of DFID's Secondary Education Improvement Programme (SSEIP). The study will be conducted in conjunction with research for the medium study.



## 5. References

### 5.1 BERF documents

Summaries of future projects are generally based on the latest drafts of their terms of reference as of February 2017. These have been omitted from the references for brevity.

#### 5.1.1 Evidence and Learning Notes

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#### 5.1.2 Technical Support Reports

Afraz, Nazish, Dan Aylward, Usman Khan, Jayyad Malik and Hina Shaikh, 2016, *Diagnostic and Research Study on Policy Reforms for Punjab's Priority Business Sectors*, Business Environment Reform Facility Technical Support Report, December 2016

Craft, Ashley, 2016, *Design of a Monitoring and Evaluation Framework for the Implementation of BEEP: Final Report*, Business Environment Reform Facility Technical Support Report, July 2016

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### 5.1.3 Policy Scoping Studies

Bernasconi-Osterwalder, Nathalie and Jonathan Bonnitcha, forthcoming, *The Impact of Investment Treaties*, Business Environment Reform Facility Policy Scoping Study

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White, Simon and Dan Aylward, 2016, *Formalisation of Smallholder Agriculture and Agribusiness*, Business Environment Reform Facility Policy Scoping Study, December 2016

### 5.1.4 Stakeholder Engagement Reports

Kingsmill, William, Dilhani Wijeyesekera, Samar Baidoun and Ciara McKeon, 2016, *OPTs: Business Environment Diagnostic Review and Stakeholder Engagement Report*, Business Environment Reform Facility Stakeholder Engagement Report, September 2016

Vickery, Tim, Adeel Iqbal, Muneeb Ansari and Ciara McKeon, 2016, *Scoping Visit for an Online Feedback Mechanism in Punjab, Pakistan*, Business Environment Reform Facility Stakeholder Engagement Report, August 2016

## 5.2 Other references

DCED, 2008, *Supporting Business Environment Reforms: Practical Guidance for Development Agencies*, August 2008

DCED, 2016a, *Gender and Regional Business Environment Reform*, Annex to Supporting Business Environment Reforms: Practical Guide for Development Agencies, August 2016

DCED, 2016b, *Supporting Business Environment Reforms Within Industry Sectors*, Annex to Supporting Business Environment Reforms: Practical Guide for Development Agencies, December 2016

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World Bank, undated, *Changes to the Methodology 2005–16*, accessed from <http://www.doingbusiness.org/Methodology/Changes-to-the-Methodology> on 10/2/17

### 5.3 Data sources

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<https://www.enterprisesurveys.org/>

UN Women, *Facts and Figures: Economic Empowerment*, April 2015,  
<http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

## Appendix 1      Terms of Reference

### Overview

The Business Environment Reform Facility (BERF) was launched in January 2016 as a central facility to assist DFID Country Offices (Country Offices) to expand and improve business environment reform programmes in DFID's 28 priority countries. Support is provided in four areas – evidence and learning, technical support, policy research and innovation in stakeholder engagement.

Lessons from evidence of what works and doesn't work in Business Environment Reform (BER) is seen as vital to boosting Country Offices plans to add scale and depth to DFID's expanding BER portfolio. They have the added advantage of strengthening the basis of collaboration between DFID and its key BER implementing partners such as the World Bank and the International Finance Corporation (IFC). The inclusion of several cross-cutting themes - Gender, Youth, Fragile and Conflict Affected States (FCAS), Climate Change and the Environment, Transparency and Institutional Environment - add an extra focus to programme design and implementation.

The Business Case for the Business Environment for Economic Development (BEED)<sup>33</sup> the umbrella programme for BERF, observes that significant progress has been recorded over the last ten years in improving regulations globally as measured by the reduction in the time to start a business. The average time has fallen from 50 to 30 days.

The number of countries implementing major reforms to make it easier for small and medium sized businesses (SMEs) to launch and operate efficiently was 137 in 2015/16. This is the highest number recorded in any given year according to the World Bank in its recently published annual report, *Doing Business 2017: Equal Opportunity for All*. Some progress has been made in improving the environment for women but much more work is required in most regions to ensure that laws and business regulations do not un-intentionally hinder women either because business regulations are gender blind or gender neutral, or because the application of laws and regulations discriminates against women in practice.

It is noteworthy that this year's Doing Business report introduces the impact of regulations on women with the inclusion of a gender dimension to three of the Doing Business topics – Starting a Business, Registering Property and Enforcing Contracts. This complements work on gender specific analysis on Labour Market Regulations which was presented in 2016.

Developing countries implemented more than three quarters of the 283 reforms measured in the survey. The World Bank noted that Sub-Saharan Africa adopted twenty-five per cent of all reforms, with Kenya, one of DFID's major BER partner countries, again listed amongst the top

<sup>33</sup> DFID 2015. Business Case: Business Environment for Economic Development <https://devtracker.dfid.gov.uk/projects/GB-1-204255>



ten reformers for 2015/16. Pakistan was the only other DFID BER priority country to be included in the Doing Business top ten improvers.

Governments such as Kenya's embraced the impetus to reform by focussing on reviewing and addressing regulations which have the biggest scope to lower the cost and reduce the regulatory burden for SMES. For example, in reforms related to Starting a Business, Kenya achieved a Distance to Frontier (DTF) score of 83.13 in 2017, well above Sub-Saharan Africa's average score of 75.33. Efforts to improve access to credit for businesses paid off for Pakistan's reformers. The country achieved a DTF score of 50 in 2017, 20 points above its score of 30 in 2016 and 7.5 points above the average of 42.5 for South Asia.

Although still in its first year, BERF has aimed to work closely with DFID to support Country Offices in their efforts to effect change in the business environment of a number of countries in Sub-Saharan Africa and South Asia. BERF projects are in progress or have recently been completed in Afghanistan, Bangladesh, Ghana, Kenya, Pakistan, Mozambique, Occupied Palestinian Territories, Sudan, Somalia, Montserrat and St. Helena, along with multi-country assignments involving Burma, Mozambique and Rwanda.<sup>34</sup>

BERF produces an annual synthesis of BER lessons and themes and will focus the first synthesis report on the themes which have been topical in BER programming in 2016 and have been reflected in a number of BERF programmes. The synthesis themes for 2016 are Gender, Value for Money (VfM), Public Private Dialogue (PPD) and Fragile and Conflicted Affected States (FCAS).

## Objectives

To produce a narrative summary of BER lessons and recommendations identified from BERF's work in 2016, including those related to BER cross-cutting themes of interest to DFID - Gender, Value for Money (VfM), Public Private Dialogue (PPD) and Fragile and Conflict Affected States (FCAS) - based on programmes delivered by DFID and its major development partners in 2016.

## [Link with BER/investment/jobs/poverty \(ToC\)](#)<sup>35</sup>

Lessons and recommendations summarised in the Annual Synthesis of Key BER Themes in 2016 are directly linked to DFID's efforts to improve the business environment in its 28 priority countries. The evidence from DFID' and other donors' experiences in designing and implementing BER programmes with cross-cutting themes of Gender, VfM, PPD and FCAS will contribute to the design of interventions that are 'practically smart' including those which help to reduce the institutional and regulatory barriers to women's involvement in business and improve the prospects of job creation for disadvantaged groups, including those in politically fragile states.

<sup>34</sup> <http://www.businessenvironmentreform.co.uk/countries/>

<sup>35</sup> This assignment provides expert external assistance and does not replace the work of DFID civil servants.



## Client and Beneficiaries

The immediate clients for this synthesis report are Private Sector Development and Economic Advisors in DFID's 28 priority countries and Development Partners such as the DCED Business Environment Working Group, the World Bank and the IFC. The beneficiaries of the report are poor people and those from disadvantaged communities including, women, youth and the rural poor who stand to gain from new BER programmes which will be designed and implemented using the lesson and recommendations from the synthesis.

## Scope

The scope of this work is three-fold focusing on the work of BERF and wider BER issues:

- a. **1st level:** a review/summary of the work undertaken by the Evidence and Learning activity stream of BERF in the last year.
- b. **2nd level:** beyond the Evidence and Learning activity stream, a summary of what the whole BERF programme has been doing, looking at the knowledge that we have accumulated during the year, what has come out of conversations with country offices that reflect BE issues that exist in 2016 that are being addressed by BERF, or are being proposed to be addressed in future programmes, and what Country Offices are looking to do and looking to wind down. This will be based on a broader time horizon than just 2016 based on when programmes started.
- c. **3rd level:** more broadly again than the above, an overview of BER 'hot topics' and developments that have come to the fore in 2016 that BERF may wish to address. This will draw on activities such as the Doing Business report etc. and will focus on **Gender** in particular, and other themes such as VfM, PPD and FCAS<sup>36</sup>.

## Method

The assignment will require the consultant to:

- a. Undertake desk research on the work of the Evidence and Learning Activity stream:
  - accessing BERF's Evidence Map and Document Database;
  - reviewing BERF published reports and Terms of Reference for work underway

<sup>36</sup> The original themes of Gender; VfM; PPD; and FCAS were selected in consultation with DFID. However, these themes had been revised to Gender, Local, International and Regional BER; BER in Industrial Sectors; and Public Procurement once research for the Annual Synthesis had started on the basis of the available evidence from the wider BER sector. In the future, the intention is that each year BERF will select different themes to focus on in the Annual Synthesis taking account of CO's interests and emerging developments in the BER community. Gender in particular has emerged in 2016 as the leading cross-cutting theme based on requests for BERF support from DFID COs and based on the new BER and Gender programmes/initiatives in the wider BER community (DCED, WB etc.).



- b. Undertake desk research of the wider work of BERF:
- accessing BERF's Evidence Map and Document Database;
  - reviewing BERF published reports and Terms of Reference for work underway
- c. Assess the BER issues/themes that are of interest to DFID Country Offices as evidenced in requests to BERF
- d. Assess how the cross-cutting themes (Gender, VfM, PPD and/or FCAS) are reflected in BERF assignments and key BER programming reports by other donors, including World Bank/IFC's Doing Business 2017 and the DCED's Business Environment Working Group (BEWG); and summarise the lessons-learned in applying them
- e. Collate and analyse research findings
- f. Draft a narrative annual synthesis report summarising evidence on:
- The state-of-play in BER programme implementation in 2016 as regards interventions with a focus on Gender, VfM, PPD, FCAS as cross-cutting themes
  - What is working well in BER programmes including those programmes which focus on Gender, VfM, PPD and FCAS, and the lessons for future BERF and DFID programming
  - Recent trends in BER as observed in BERF programmes and those of other leading development partners

### Timeframe

The synthesis is re-scheduled for final delivery on 1 June 2017 and will be researched and drafted by a research consultant. The expected level of effort is 18 (up to 20 days if necessary).

### Deliverables

The assignment will produce an Annual Evidence Synthesis of Key BER Themes in 2016. The report will be no longer than 25-30 pages excluding annexes.

### Dissemination

The Annual Evidence Synthesis of Key BER Themes (2016) will be published and posted on BERF's website [www.businessenvironmentreform.co.uk](http://www.businessenvironmentreform.co.uk). It will also be disseminated to DFID Country Offices and development partners, for example the DCED Business Environment Working Group (BEWG), the Consultative Advisory Panel and DFID's implementation partners (IFC, World Bank and private contractors) via email announcements with links to BERF's website.

### Workplan (schedule)

Workplan (BERF Annual Synthesis 2016)	
Activities	Timing (2016)
ToR submitted to BERF for approval	04-Nov



BERF approved ToR, proposed consultant's CV and estimated budget submitted to DFID ICT for approval	17-Nov
Draft ToR received from DFID ICT	28-Nov
ToR revised; consultant assigned	30-Nov
<b>Activities</b>	<b>(Revised) Timing (2017)</b>
Drafting begins	13-Feb
Submitted to BERF for QA	24-Mar
QA'd draft submitted to DFID ICT	01-Jun
Comments received from DFID ICT	15-Jun
Annual Synthesis finalised, QA'd and submitted to DFID ICT	23-Jun

## Competencies Required

Post graduate degree in Economics or related discipline. Relevant working experience in investment climate or business environment reform (BER) in developing countries:

- Experience in Business Environment Reform and/or investment climate
- Good understanding of the business operating framework in developing countries in Africa and Asia
- Understanding of the complexities of designing and implementing BER programmes in developing countries.
- Good understanding how DFID and other major donors (World Bank, IFC among other) design and implement BER programmes
- Excellent research, analytical and report-writing skills



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