

BUSINESS FACILITATION

SIMPLIFYING THE REGULATORY ENVIRONMENT TO IMPROVE NATIONAL BUSINESS, INVESTMENT AND TRADE CLIMATES



GLOBAL CONTEXT

Facilitating business through simplified administrative procedures reduces informality and corruption, empowers small entrepreneurs, removes bureaucratic barriers to trade and investment and increases government revenue, thereby fostering enterprise creation and operation. It also increases competitiveness and ultimately contributes to economic growth. UNCTAD estimates that administrative and procedural transaction costs, excluding customs-related costs, constitute between 3 and 6 per cent of the value of internationally traded goods. There are thus opportunities for reductions in transaction costs and for increased competitiveness.

The UNCTAD Business Facilitation Programme aims to seize such opportunities and offers a series of efficient ICT tools and interactive methodologies to clarify and simplify procedures. Applied sequentially, they comprise an integrated programme for the modernization of public administration. The Programme provides an interface for interdivisional and inter-agency cooperation for increased coherence and impact at the country level.



HOW DOES THE PROGRAMME HELP IMPROVE THE BUSINESS ENVIRONMENT?

The Business Facilitation Programme provides a methodology that allows for the simplification of procedures without changes to regulations. Focused on streamlining administrative practices, the main aspect experienced by users, the Programme is aimed at producing quick and measurable results and includes three sequential components: eRegulations, eSimplifications and eRegistrations. The tools are developed at the request of beneficiary Governments.

The eRegulations system is an affordable, turn-key solution for Governments to clarify and publicize administrative procedures on the Internet. It shows administrative procedures step by step from the user's point of view. For each step, it provides the following data: contact information (entity, office and person in charge), expected result of the step, required documents, cost, duration, legal justification and ways to complain. Any type of administrative

procedure can be clarified through an eRegulations portal, such as company creation, tax payment, import and export.

Once clarified, procedures are easier to simplify, by comparing the practice to the law and limiting the number of interactions and documents to what is necessary and sufficient. The 10 principles to simplify administrative procedures – eSimplifications – generally allow Governments to decrease steps and requirements by more than 50 per cent, without changing laws.

Simplified procedures are computerized using the UNCTAD eRegistrations system, a web-based application conceived to create electronic single windows, which allow for simultaneous registration with multiple public agencies.





RESULTS AND IMPACT AT A GLANCE

With rapid and measurable results, the Business Facilitation Programme concretely supports the move from an informal to a more formal economy with increased transparency. It also empowers small entrepreneurs through the removal of unnecessary bureaucratic barriers to trade and investment.

The Programme supports Governments' efforts towards institutional efficiency, including the increased collection of tax revenue, to be later reinjected into the economy in support of innovative sectors with a focus on the employment of women and youth.

The Programme has been implemented in 34 countries. More than 60 user-centred open source electronic government systems have been developed to clarify, simplify and automate administrative procedures, thereby facilitating business operations and alleviating regulatory burdens. A few recent examples are as follows:

- Benin has reduced the time and cost for registering a business by 85 per cent through implementation of the eRegulations and eRegistrations systems. Businesses can now comply with formalities online and obtain nine mandatory registries with six different institutions through a unique platform in one day. Previously, the procedure involved 20 physical steps, 30 documents and 15 days of processing time;
- Cameroon has formalized over 12,000 businesses in one year through the eRegistrations system. The system has been installed in three regions, namely Douala, Garoua and Yaoundé, and has led to a reduction of more than 70 per cent in the number of steps and requirements and in processing time;
- El Salvador has fully automated the process to register companies and individual traders. Eight institutions now offer their services online through the eRegistrations system and businesses can obtain their mandatory registrations in less than three days;

Business facilitation systems implemented



- India, Oman and Saudi Arabia have officially joined the Global Enterprise Registration portal, a joint initiative by UNCTAD, the Kauffman Foundation's Global Entrepreneurship Network and the Department of State of the United States. The portal gives direct access to official business registration websites worldwide and assessments of their user-friendliness. Bhutan and Cameroon have received Global Enterprise Registration awards for their online systems.



PROGRAMME FACTS AND FIGURES

Start date: 2005

Countries assisted per year:
6 (average)

Coverage: 52 eRegulations, 5 eRegistrations and 8 trade portal systems implemented in 34 countries

Website: unctad.org/Business-Facilitation



Sustainable Development Goals addressed:

Directly: 8 and 16
Indirectly: 1 and 17



DONORS/ FUNDING SOURCE

Current: Self-financing by some user countries, Germany, the United States, European Commission, One United Nations Fund and Trade Mark East Africa

Past: France, Luxembourg, the Netherlands and Switzerland

