



BURKINA FASO LIBERIA RWANDA SIERRA LEONE SOUTH SUDAN
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EVALUATION OF THE WORLD BANK GROUP'S INVESTMENT CLIMATE PROGRAMS:
FOCUS ON IMPACT AND SUSTAINABILITY

APPENDIX: ANALYSIS OF SUSTAINABILITY

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Main Abbreviations

ADR	Alternative Dispute Resolution
AfDB	African Development Bank
CCS	Compliance Cost Savings
DB	Doing Business
DFID	Department for International Development (United Kingdom)
EAC	East African Community
ECOWAS	Economic Community of West African States
EU	European Union
FDI	Foreign Direct Investment
FY	Fiscal Year
GDP	Gross Domestic Product
GNI	Gross National Income
IC	Investment Climate
ICF	Investment Climate Facility for Africa
IEG	Independent Evaluation Group
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFI	International Financial Institution
IMF	International Monetary Fund
IPP	Investment Policy & Promotion
IT	Information Technology
M&E	Monitoring and Evaluation
PPD	Public Private Dialogue
PPP	Public Private Partnership
PSCS	Private Sector Cost Savings
SCM	Synthetic Control Method
SEZ	Special Economic Zone
SMS	Short Message Service
TMEA	Trade Mark East Africa
UEMOA	Union Economique et Monétaire Ouest Africaine
UNDP	United Nations Development Program
USAID	US Agency for International Development
WBES	World Bank Enterprise Surveys
WBG	World Bank Group

Symbols used in exhibits

~ means approximate value
 .. means not available
 – means not applicable
 0 means zero or a quantity less than half than the unit shown

In all exhibits, totals may not add due to rounding.

In some exhibits the following abbreviations were used

BFA = Burkina Faso; LBR = Liberia; RWA = Rwanda; SLE = Sierra Leone; SSD = South Sudan; SSA = Sub-Saharan Africa

Methodology

This appendix illustrates the approach used in the analysis of the sustainability of IFC-supported IC reforms. **The analysis covers a total of 39 reforms, across all the five countries and 11 reform areas.** In several cases, more than one reform were implemented in succession within the same reform area. As these reforms are obviously linked, the sustainability analysis is carried out for **homogenous groups of reforms**. Also, while the analysis mostly focuses on **reforms that have been in place for some time** ('completed reforms'), in few cases an assessment is also provided for reforms that have just been completed or that are still ongoing ('recent/ongoing reforms').

Overall Approach. The assessment of sustainability focuses on three aspects, namely: (i) the **current degree of sustainability** (i.e. reflecting the situation at end 2013/early 2014); (ii) the **factors influencing sustainability**; and (iii) the **prospects for future sustainability**. In the case of completed reforms, the assessment concerns all three aspects, whereas for recent/ongoing reforms no assessment of the current sustainability is provided. The exercise makes use of a **Reform Sustainability Assessment Tool**, which is broadly inspired by a similar instrument developed by IFC in the framework of the Investment Climate's Impact Program. This tool is illustrated in detail at the end of this section.

Assessment Criteria. The assessment of current and future sustainability is based on four criteria, corresponding to the four basic dimensions of IC reform work, and focusing on:

- The **polices and/or laws and/or regulations** developed and adopted with IFC support;
- The **administrative procedures** developed and adopted with IFC support;
- The **institutions and/or coordination mechanisms** established/strengthened with IFC support; and
- The **operational and/or analytical tools** developed and adopted with IFC support.

For each criterion a score is provided on a 1 to 4 scale, with 1 representing the least favorable situation (e.g. law abolished) and 4 being the most favorable outcome (e.g. law still fully in force). Individual scores are subsequently combined, using a weighting system (see below), so as to provide a **summary assessment, also on a 1 to 4 scale**. The ratings used for the summary assessment are indicated in the table below. It should be noted that the rating system for the current degree of sustainability is deliberately narrower than the one used for future sustainability, as the *ex post* perspective allows for a more precise assessment of the various factors at play.

Current Degree of Sustainability		Prospects for Future Sustainability	
Rating	Assessment	Rating	Assessment
3.9 - 4.0	Reform fully sustainable	3.6 - 4.0	Positive sustainability prospects
3.1 - 3.8	Reform mostly sustainable	3.1 - 3.5	Fairly positive sustainability prospects
2.1 - 3.0	Reform partly sustainable	2.1 - 3.0	Uncertain sustainability prospects
1.0 - 2.0	Reform not sustainable	1.0 - 2.0	Negative sustainability prospects

Not all the assessment criteria are equally relevant for all IC reforms. In general, the assessment of 'purely' legislative or regulatory reforms (e.g. the enactment of a new company law) does not require the assessment of institutional aspects. Instead, an institutional analysis is necessary in the case of reforms involving the modification of operational procedures (e.g. the reform of procedures for tax audit) and/or the setting up/strengthening of institutions (e.g. an investment promotion agency, a one-stop-shop for business registration, etc.). Therefore, **IC reforms were categorized into four typologies**, namely: (i) classical simplification initiatives, involving the 'cutting' of procedures and/or fees (SIM); (ii) policy and legal reform initiatives (P&L); (iii) institution strengthening initiatives (INS); and (iv) 'mixed' initiatives, combining simplification and/or policy and legal reform with institution strengthening (MIX). **For each reform type, different weights were assigned to the four assessment criteria.** The weights used are shown in the table below.

Reform Type	Assessment Criteria			
	Polices and/or laws and/or regulations	Administrative procedures	Operational and/or analytical tools	Institutions and/or coordination mechanisms
SIM	75%		25%	
P&L	75%		25%	
INS	25%			75%
MIX	25%	25%	25%	25%

Factors Influencing Sustainability. The analysis of the determinants of sustainability takes into account **six different factors**, namely:

- degree of commitment to the reform displayed by **higher level government authorities**;
- degree of commitment to the reform displayed by **government officials**;
- degree of **rent seeking** prevailing in the pre reform situation and the opposition to reform from **vested interests**;
- degree of support to the reform displayed by **intended beneficiaries** (i.e. typically, the business community) and/or by **other stakeholders** (i.e. typically, professionals – lawyers, etc. – or intermediaries somehow involved);
- extent to which institutions responsible for implementing the reform can count on **adequate material means**; and
- extent to which institutions responsible for implementing the reform can count on **adequate human resources**.

Each factor influencing sustainability is also scored on a 1 to 4 scale, with 1 being the least favorable situation (e.g. government bureaucrats are/were strongly opposed to the reform) and 4 representing the most favorable outcome (e.g. the institution is well endowed with material means). However, contrary to the assessment of current and future sustainability, **the scores attributed to the various factors are not combined into one single summary rating, as the various elements are not 'additive'**. This part of the analysis is therefore only descriptive.

Reform Sustainability Assessment Tool. The **Reform Sustainability Assessment Tool** (the 'Tool') is broadly inspired by the Sustainability Diagnostic Checklist (the 'Checklist') developed by IFC in the framework of the Investment Climate's Impact Program.¹ **The Tool consists of three sections**, dealing respectively with current sustainability, factors affecting sustainability and prospects for future sustainability. Like the Checklist, each section of the Tool consists of a **series of statements describing specific sustainability conditions** (e.g. whether the 'reformed' legal texts are still in force, whether the resources available to 'reformed' institutions are sufficient, etc.) and **each statement is scored in terms of its truthfulness** (4 = the statement is true; 3 = the statement is mostly true; 2 = the statement is mostly untrue; 1 = the statement is untrue). Each score is accompanied by a comment, providing the basis for the assessment.

The structure of the Tool is presented in the table below.

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 The policy/ies and/or law(s) and/or regulation(s) developed and adopted with IFC support is/are still in force and its/their scope and applicability has/have not been eroded by subsequent legislation. Amendments introduced after the passing of the law(s) (if any) have been of a minor nature and have not encroached upon the spirit of the reform.	1	2	3	4	NA	
1.2 The administrative procedure(s) developed and adopted with IFC	1	2	3	4	NA	

¹ IFC, *Sustainability of Investment Climate Reforms: A Diagnostic Check-list*, October 12, 2013. The Checklist involves the rating of various elements and the criteria for scoring are presented in detailed in the companion IFC, *Sustainability of Investment Climate Reforms: A Diagnostic Check-list - Guidance for Scoring*, October 12, 2013. Both documents were presented at a brown bag lunch organized by the Impact Program and can be retrieved through <https://www.wbginvestmentclimate.org/results/impact-program-bbl-series.cfm>. For an overview of the Impact Program see <https://www.wbginvestmentclimate.org/results/impact-program.cfm>.

support is/are still in force and its/their scope and applicability have not been eroded by subsequent changes. Modifications introduced after the adoption of the administrative procedure(s) (if any) have been of a minor nature and have not encroached upon the spirit of the reform.						
1.3 The institution(s) and/or coordination mechanism(s) established/strengthened with IFC support is/are still in existence and its/their mandate(s) has/have not been eroded by subsequent changes. Institutional changes introduced after the establishment/strengthening of the institution(s) (if any) have not unfavorably altered the institutional setting or encroached upon the spirit of the reform.	1	2	3	4	NA	
1.4 The operational and/or analytical tool(s) developed and adopted with IFC support is/are still in use and its/their scope and applicability has/have not been eroded by subsequent changes. Subsequent modifications (if any) have been of a minor nature and have not encroached upon the spirit of the reform.	1	2	3	4	NA	
1.5 Overall Assessment						
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Higher level government authorities have remained committed to achieving the strategic objectives of the reform.	1	2	3	4	NA	
2.2 Government officials have remained committed to achieving the operational objectives of the reform.	1	2	3	4	NA	
2.3 The overall degree of rent seeking in the pre reform situation was low and there was limited opposition from vested interests .	1	2	3	4	NA	
2.4 Intended beneficiaries and/or other stakeholders have proactively supported the implementation of the reform.	1	2	3	4	NA	
2.5 Institutions responsible for implementing the reform have been able to count on adequate material means .	1	2	3	4	NA	
2.6 Institutions responsible for implementing the reform have been able to count on adequate human resources .	1	2	3	4	NA	
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 The policy/ies and/or law(s) and/or regulation(s) developed and adopted with IFC support will remain in force and their scope and applicability will not be eroded by future measures. Whatever changes may take place in the medium term are expected to be of a minor nature and not to encroach upon the spirit of the reform.	1	2	3	4	NA	
3.2 The administrative procedure(s) developed and adopted with IFC support is/are still in force will remain in force and their scope and applicability will not be eroded by future measures. Whatever changes may take place in the medium term are expected to be of a minor nature and not to encroach upon the spirit of the reform.	1	2	3	4	NA	
3.3 The institution(s) and/or coordination mechanism(s) established/strengthened with IFC support will continue to exist and its/their mandate(s) will not be eroded by future measures. Whatever changes may take place in the medium term are expected not to unfavorably alter the institutional setting or encroach upon the spirit of the reform.	1	2	3	4	NA	
3.4 The operational and/or analytical tool(s) developed and adopted with IFC support will remain in use and their scope and applicability will not be eroded by future measures. Whatever changes may take place in the medium term are expected to be of a minor nature and not to encroach upon the spirit of the reform.	1	2	3	4	NA	
3.5 Overall Assessment						

2 Assessment of Sustainability – Burkina Faso

Country: Burkina Faso

Reform Area: Alternative Dispute Resolution

Reform: Strengthening of the *Centre d'Arbitrage, de Médiation et de Conciliation di Ouagadougou* (CAMC-O) through: (i) the creation of a pool of arbitrators and mediators; (ii) the introduction of internal procedures for case management; and (iii) the development-improvement of communication tools (website, information brochure, etc.) to increase awareness about arbitration and mediation services in the business community.²

Type of Reform: INS

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of polices and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The law on arbitration (pre dating the IFC intervention) and the law on mediation (adopted in 2012) are still in force and no amendments have been introduced. The Ministerial decision of February 2010 to ensure enforceability of arbitration awards (exequatur) is also still in force.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	The CAMC-O, whose establishment in 2005 pre dates the IFC intervention, is fully functional. Governing bodies are regularly established and functioning. The operational structure is small (a Permanent Secretary, 2 professionals, 2 administrative staff), but appropriate to the case load to be handled. The time required for the treatment of cases is lower than the thresholds stipulated in CAMC-O's internal regulations (arbitration 3 months compared to a benchmark of 6; mediation 15 days, compared to a benchmark of 2 months).
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The website (http://www.camco.bf/) is only partially updated (i.e. it includes recent statistics on case load, but most recent information on events dates back to October 2013). Communication materials developed with IFC assistance reportedly used in subsequent activities as well.
1.5 Overall Assessment	3.9					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The government has supported the development of ADR by rapidly adopting required legal texts. Reportedly, government entities often make use of CAMC-O services in the case of legal disputes and the 'arbitration clause' is increasingly used in contracts in which public entities are party.
2.2 Commitment of government officials.	1	2	3	4	NA	Government officials and magistrates are broadly supportive of ADR. Court decisions enforcing arbitration awards are rendered quickly.
2.3 Opposition to the reform from vested interests.	1	2	3	4	NA	There was seemingly no opposition from lawyers and magistrates to a more frequent use of ADR. The CAMC-O Permanent Secretary, a prominent legal professional, was able to secure support from all relevant stakeholders. In doing this, she was probably assisted by the fact that the Commercial Court had only recently been established in Burkina Faso and

² Reform counted in FY12 (BFA12ADR).

						therefore there were no strongly entrenched vested interests.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The business community has welcomed the strengthening of ADR, as witnessed by the generally positive trend in the number and value of cases handled, although there are significant oscillations over time (e.g. the number of mediations peaked in 2008, and declined afterwards; the number of arbitrations grew in 2011 and 2012, but declined in 2013). CAMC-O's services are particularly used in sectors that see a major involvement of foreign investors (mining and banking), which account for 95% of the value of cases handled.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	CAMC-O is hosted in adequate facilities (annexed to the Chamber of Commerce and Industry). The annual budget was not disclosed, but appears to be sufficient to guarantee regular operations. Resources seem to come largely from the Chamber of Commerce and Industry, with fees from services seemingly accounting for less than 50% of annual funding.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	CAMC-O currently has a roster of 24 arbitrators and 24 mediators. These number appear to be adequate in relation to the volume of cases handled (less than 10 arbitrations and between 10 and 20 mediations settled per year). Out of 42 mediators trained by the IFC project, 15 have been effectively involved in the handling of cases.
3 Prospects for Future Sustainability	Score				Explanation of score assigned	
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the legal framework for ADR could be negatively affected by any changes in the coming years. In fact, the development of arbitration is regarded as an important tool to attract foreign investment and the CAMC-O is explicitly mentioned in the draft law on investment policy (<i>Projet de loi d'orientation sur la politique d'investissement</i> , article 25).
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	CAMC-O is a well-established institution. While the center is not financially self-sustainable, it enjoys strong support from the CCI and government authorities and it is extremely unlikely that its existence is jeopardized by financial difficulties. In addition, CAMC-O's growing reputation in the OHADA region and well developed international contacts are likely to generate an increasing volume of business as well as other funding opportunities (e.g. advisory services to other ADR centers). At the same time, CAMC-O's success is overwhelmingly due to the outstanding capabilities of the Permanent Secretary, who may not be easily replaceable.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The usefulness of the website is expected to decline unless it is constantly updated, but there seems to be little inclination to do so.
3.5 Overall Assessment	3.9				Positive prospects for future sustainability	

Country: Burkina Faso

Reform Area: Employing Workers

Reform: Reform of labor legislation (Code du Travail), involving the adoption of a number of measures aimed at increasing the flexibility in the hiring and firing of workers and, more generally, to reduce constraints in the management of the labor force (e.g. ability to de facto endlessly renew fixed term labor contracts).³

Type of Reform: P&L

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of Score Assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The Code du Travail adopted in May 2008 is still in force and no amendments have been introduced.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The administrative procedures introduced on the basis of new Code (e.g. procedures for contract registration) are still in force and no amendments have been introduced.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of Score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The government has so far remained committed but, due to growing opposition from Trade Unions (see below), the Minister of Labor decided to initiate a review of the Code in 2013.
2.2 Commitment of government officials.	1	2	3	4	NA	Government officials tend to agree with Trade Unions on certain aspects, but so far this has not led to any material erosion of reform. For instance, the <i>Inspection du Travail</i> did notice an excessive use of fixed term contracts, but nonetheless did not challenge employers' attitude (reportedly, no fines imposed nor court cases pending).
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	Trade Unions have displayed growing opposition to certain aspects of the reform, namely: (i) the possibility of using indefinitely fixed term contracts; (ii) the limitation of damages in case of irregular dismissal; (iii) the setting of time limits for wage claims (two years); and (iv) the limitation to the number of trade unions representatives. The elimination/modification of these clauses of the Code figured prominently in <i>Cahier des Doleances</i> submitted by Trade Unions to the Government on May 1 2013 and the request is expected to be reiterated in the future.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Employers are quite happy about the reform and they have effectively exploited all the margins of flexibility provided for in the Code.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	

³ Reform counted in FY08 (BFA08LAB).

2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	
3 Prospects for Future Sustainability	Score					Explanation of Score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The review process is expected to lead to some changes in the Code in the sense advocated by the Trade Unions, although it is impossible to say how deep the changes will be.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The administrative procedures introduced on the basis of the Code are not expected to change.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	3.5					Fairly positive prospects for future sustainability

Country: Burkina Faso

Reform Area: Starting a Business

Reform: Reform of the regulatory and institutional framework for enterprise registration, through: (i) the strengthening of the *Centre de Formalités des Entreprises* (CEFORE), (ii) the simplification of registration procedures, and (iii) the reduction in registration fees.⁴

Type of Reform: MIX

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of Score Assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The regulation establishing CEFORE (Décret N° 2005 du 21 juin 2005) as well as other relevant legislative and regulatory provisions (e.g. amendment to the 2008 Loi de Finances regarding the abolishment of the obligation to register the articles of incorporation and minutes of the founding meeting with the tax administration; the 2009 decision of the Ministry of Justice legalizing the online registration of companies' registration notice; etc.) are still in force and no amendments have been introduced.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	CEFORE's relevant operational procedures and the agreements reached with other public entities (e.g. for the posting of tax administration staff at CEFORE) are still in force and no amendments have been introduced.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	CEFORE, whose establishment in 2006 pre dates the IFC project, is still operating and discharging its functions effectively. In addition to the initial structure in the capital city, CEFORE branches have been set up in nine other locations (Bobo-Dioulasso, 2007; Ouahigouya, Tenkodogo, Koudougou and Fada N'Gourma, 2009; Gaoua and Kaya, 2010; Dédougou, 2011; Dori, 2012), greatly extending the coverage of business registration services.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of Score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The government has remained fully committed to the reform of business registration procedures, and the work done by CEFORE is highly appreciated in policy/political circles.
2.2 Commitment of government officials.	1	2	3	4	NA	The leadership of the <i>Maison de l'Entreprise</i> (MEBF), the entity hosting CEFORE, has remained highly committed, and the same applies to CEFORE officials.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	The legal profession has been generally supportive of the reform and there are no instances of significant opposition.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The private sector definitely appreciates the simplification of procedures, which has also assisted in regularizing the position of businesses previously operating informally.
2.5 Institutions responsible for implementing the reform can count	1	2	3	4	NA	In Ouagadougou, CEFORE is hosted in the MBEF main building. The space available is somewhat limited, but

⁴ Cumulative analysis of three reforms counted in FY07, FY09, and FY11 (BFA07STA, BFA09STA, and BFA11STA).

on adequate material means.						overall appropriate to needs. The situation at CEFOR branches in other cities is not fully known, but appears to be satisfactory. There seem to be some limitations regarding the software and telecom connections with peripheral offices, but overall, the situation is acceptable. CEFOR's operational budget is not known, but overall resources appear to be adequate.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	The CEFOR CEO is a highly competent professional, fully devoted to his tasks. Staffing levels appear to be appropriate.
3 Prospects for Future Sustainability	Score					Explanation of Score assigned
3.1 Sustainability of polices and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	No adverse changes in the legal and regulatory framework are expected.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	No adverse changes in administrative procedures are expected.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	CEFOR is well established and continues to enjoy full support from MEBF. No adverse changes are expected.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Burkina Faso

Reform Area: Construction Permits

Reform: Reform of the regulatory and institutional framework for the issuance of construction permits, through: (i) the establishment of a one-stop-shop structure for construction permits (*Centre de Facilitation des Actes de Construire* - CEFAC); (ii) the simplification of procedures; and (iii) the reduction in fees⁵

Type of Reform: S&C

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of Score Assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The legal basis for the establishment of CEFAC (Décret n° 2008/34 du 6 Février 2008) is still in force and no amendments have been introduced.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The Ministerial Decrees concerning the functioning of CEFAC (e.g. appointment of Management Committee's members, setting up of offices in various locations) are still in force and no changes have been introduced. The same applies to the agreements reached with other public entities (e.g. agreement concerning the fees charged by the <i>Laboratoire National du Bâtiment et des Travaux Publics</i>).
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	CEFAC, established in 2008 with instrumental support from IFC, is fully functional. The governing body (<i>Comité de Gestion</i>) and the technical unit (<i>Commission d'Instruction des Dossiers</i>) are regularly established and functioning. CEFAC is operational in Ouagadougou, Bobo-Dioulasso, and Ouahigouya. The time required to handle applications for construction permits is within the limits stipulated in relevant legal texts (on average, less than one month compared with a maximum of three months).
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The software package developed with assistance from the IFC is reportedly still in use.
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of Score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The government has remained fully committed to the reform of construction permitting procedures.
2.2 Commitment of government officials.	1	2	3	4	NA	The leadership of the <i>Maison de l'Entreprise</i> (MEBF), the entity hosting CEFAC, has remained highly committed, and the same applies to CEFAC officials.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	Professionals in the construction business (e.g. architects) have been generally supportive of the reform and there are no instances of significant opposition.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The private sector definitely appreciates the simplification of procedures for construction permits. The number of permits issued remain low, but this is due to a general inclination towards doing things informally as well as to obstacles in other areas, namely issuance and/or regularization of land titles.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	In Ouagadougou, the CEFAC is hosted in the MBEF main building. The space available is somewhat limited, but overall appropriate to needs. The situation in CEFAC branches in Bobo and Ouahigouya is not known precisely, but it appears to be satisfactory,

⁵ Cumulative analysis of three reforms counted in FY07, FY08, and FY10 (BFA07CON, BFA08CON, and BFA10CON).

						considering the much lower workload (the office in Bobo_Dioulasso handles less than one tenth of the permits treated in Ouagadougou; in Ouahigouya, there are less than 10 permits issued per year).
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	In Ouagadougou, CEFAC can only count on a small team of three, occasionally reinforced by CEFOR staff. Although less than ideal, the situation has so far had no adverse impact on operational capabilities.
3 Prospects for Future Sustainability	Score					Explanation of Score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	A recent study carried out by MEBF suggests that less than 10% of existing buildings did receive a construction permit. Relevant technical standards are often not respected, and there were cases of buildings collapsing in 2009 and 2011. Government authorities are considering measures to tackle this situation, but this is not expected to result in an increase in administrative burdens. In fact, the MEBF study proposes a further simplification of certain procedural steps and/or a reduction of fees for smaller buildings, in order to better align the administrative requirements with the actual risks posed by various types of buildings. Overall, no adverse changes in the legal and regulatory framework are expected.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	No adverse changes in administrative procedures are expected.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	CEFAC is well established and continues to enjoy full support from MEBF. No adverse changes are expected.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The software package appears to need some re-tooling. According to some sources, this should be handled in the framework of a general overhaul of IT systems for CEFOR, CEFAC and GUF.
3.5 Overall Assessment	3.8					Positive prospects for future sustainability

Country: Burkina Faso

Reform Area: Business Licensing

Reform: Improvement of licensing procedures for private schools, through: (i) the simplification of procedures for the establishment (*création*) and operations (*ouverture*) of private schools; and (ii) the delegation of powers concerning licensing inspections to regional directorates. The reform concerns post primary schools (*colleges*), pedagogical schools (*formation des enseignants du primaire*), higher learning institutions (*enseignement supérieur*)⁶

Type of Reform: SIM

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of Score Assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The relevant legal texts (Décret n° 2010-386 /PRES/PM/MESSRS/MEBA/MASSN du 29 juillet 2010 and Décret n° 2012-433/PRES/PM/MEF/MESS du 24 mai 2012) applicable to post primary and higher learning are still in force.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The Ministerial Decrees concerning post primary and higher learning institutions (Arrêté n° 2011-169/MESS/DGERS/DGEFTP du 18 juillet 2011 and Arrêté n° 2011-170/MESS/DGERS/DGEFTP du 18 juillet 2011) are still in force. The same applies to the decrees for pedagogical schools (Arrêté n° 2010-0037/MEBA/SG/DGEB/DEB Pr du 02 juillet 2010), although in this case the application form and list of documents to be provided is still under review.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of Score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	With assistance from IFC, the government has embarked in a major review of business licensing requirements. Licensing requirements in the education sector were the first to be reviewed and simplified as a result of (i) the proactive attitude of some high ranking officials, and (ii) the strong government emphasis on the development of a private education sector in order to fill the gaps left by the state education system.
2.2 Commitment of government officials.	1	2	3	4	NA	There are some differences in attitude among the various institutions. The head of private education at the <i>Ministère des Enseignements Secondaire et Supérieur</i> (MESS) has been a strong supporter of reform. At the <i>Ministère de l'Education Nationale et de l'Alphabétisation</i> (MENA), high ranking officials are much less enthusiast, but there is nonetheless acceptance of government policy.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	The reform decentralized some responsibilities to regional directorates (thereby reducing the need for field inspections from the Ministry) and established a clear schedule of fees to be paid by private promoters.

⁶ Part of a general reform of business licensing procedures counted in FY13 (BFA13LIC).

						These changes reduced the opportunity for government officials to raise some extra money during field trips. However, the amounts were reportedly quite modest, and therefore this did not create an insuperable problem.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Promoters of private schools definitely appreciate the reform. The number of private schools has been increasing: the prime motive is the existence of a growing market, but the simplification drive has assisted in encouraging promoters.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	
3 Prospects for Future Sustainability	Score					Explanation of Score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The government is highly committed to proceed with the reform of licensing requirements and no adverse changes in the legal and regulatory framework are expected.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	No adverse changes in administrative procedures are expected.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Burkina Faso

Reform Area: Trade Logistics

Reform: Improvement of the regulatory and institutional framework for import export transactions, through: (i) the setting up of a one-stop-shop structure for the handling of import-export procedures; and (ii) extension of the validity of import-export permits.⁷

Status of Reform: Completed

Summary Description of Reform:

Type of Reform: SIM

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The regulation extending the validity from 6 to 12 months of the main documents for import-export transactions, namely: the <i>Déclaration Préalable d'Importer</i> (DPI), the <i>Autorisation Spéciale d'Importer</i> (ASI), and the <i>Autorisation Spéciale d'Exporter</i> (ASE) is still in force and has not been amended
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	The Guichet Unique du Commerce (GUC) established within the <i>Maison de l'Entreprise</i> (MEBF) is still fully operational.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The government has remained fully committed to the simplification of import – export procedures and the work done by MEBF is strongly supported by decision makers.
2.2 Commitment of government officials.	1	2	3	4	NA	
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	The GUC is hosted in the MBEF main building. The space available is somewhat limited, but overall appropriate to needs. The services is functioning well, and applications are quickly processed (in general, within 1 day, with 5 to 15 minutes waiting time at the counter).
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	Staffing levels appear to be appropriate.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed	1	2	3	4	NA	There are no indications that the legal framework for import – export transactions could be negatively

⁷ Linked to two reforms counted in FY09 (BFA09TRA) and FY10 (BFA10TRA)

and adopted with IFC support.						affected by any changes in the coming years.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	MEBF is a well-established institution, operating with adequate financial and human resources, and no adverse changes are expected. Operations have been further improved by making application forms and other information on the procedures through a recently established e-government web portal http://burkinafaso.eregulations.org
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

3 Assessment of Sustainability – Liberia

Country: Liberia

Reform Area: Starting a Business

Reform: Improvement of the regulatory and institutional framework for enterprise registration, through: (i) the creation of the one-stop-shop Liberia Business Registry (LBR); (ii) the simplification, elimination or combination of certain procedures; and (iii) the reduction in related fees.⁸

Type of Reform: MIX

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The Associations Law (Title 5) of 1976 and subsequent amendments (1977, 1999 and 2002) – which provide the legal foundations for business registration and were reviewed by IFC in the beginning of the reform process – are still in force. Instead of further amendments to the Associations Law (which cover areas that go beyond business start-up), a set of inter-ministerial regulations specifically governing the business registry was approved in 2011. These regulations are still in force.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	IFC support, especially through the creation of the one-stop-shop, has assisted in the reduction of procedures required to start a business. Subsequent changes to the procedures (as well as the fee schedule) have only been in line with the spirit of the reform. ⁹
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	LBR, created with support from both IFC and ICF, was formally established in April 2011 as a one-stop-shop for business registration. Another two peripheral offices (electronically connected to the Monrovia office) have since also been established in Buchanan and Ganta. LBR is still operating according to its mandate as enshrined in the 2011 inter-ministerial regulations. However, an important challenge confronting the Registry is that the Ministry of Foreign Affairs continues to incorporate corporate entities even if it is the one of the functions of the LBR (as outlined by the inter-ministerial regulations). ¹⁰
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	IFC (and ICF) supported the computerization of the business registry – while the software is still in use, output commands (with report creation only in the form of pdf files) and other functions are not user-friendly from the point of view of data search and analysis.
1.5 Overall Assessment	3.5					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	Although the Government is in general committed to the reform process, the Ministry of Foreign Affairs does not seem willing to relinquish the function of incorporating corporate entities (see 1.3 above).
2.2 Commitment of government	1	2	3	4	NA	Staff from the relevant ministries placed at the LBR (as well as proper LBR staff) are trained and generally

⁸ Cumulative analysis of four reforms counted in FY08, FY09, FY11, and FY13 (LBR08STA, LBR09STA, LBR11STA, and LBR13STA).

⁹ For example, in June 2012, the business trade license fee of LRD 4,200 was abolished and the time to obtain a business registration certificate was further reduced, while online business registration services (www.lbr.gov.lr) have also been launched.

¹⁰ An estimated 25% of firms go to the Ministry of Foreign Affairs to register.

officials.						remain motivated to stay and appear committed to the reform process.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Improvements regarding the business registration process are well recognized and appreciated by the business community.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	LBR is located in a newly refurbished and fully equipped building in the center of Monrovia.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	Current LBR staff (including those in the two district offices) of 23 is deemed to be sufficient for the proper running of the Registry.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the legal or policy framework providing the basis for business registration could be negatively affected by any changes in the foreseeable future.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the procedures or the schedule of fees currently in use could be modified in a sense contrary to the spirit of the reform.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	No major changes are expected in the current institutional setting. However, the lack of financial independence (even if only partly) might have an effect on the institution since current funding is not deemed to be sufficient to effectively sustain the Registry and the reform process (especially not when considering the necessary improvements, such as replacement/upgrading of the business registry software, yet to be made – see 3.4 below). Although the 2011 inter-ministerial regulations declare that LBR can be financed also from “ <i>such as portion of the revenue it generates as the Ministry of Finance may agree with the Ministry of Commerce and Industry in compliance with law</i> ”, LBR has not yet been assigned a portion of the revenue it generates (possibly as high as US\$ 2 million per year). Projected expenses for 2014 amount to around US\$ 340,000 (which is quite significantly higher than the last approved budget of around US\$ 200,000).
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The computerized registry is expected to remain in use, although a replacement or upgrading of the software (in order to address the shortcomings of the output functions) is expected to cost around US\$ 46,000 (quite a substantial sum that LBR cannot cover with its current budget).
3.5 Overall Assessment	3.5					Fairly positive prospects for future sustainability

Country: Liberia

Reform Area: Trade Logistics

Reform: Improvement in the regulatory framework for import export transactions, through: (i) the reduction of the Pre-Shipment Inspection (PSI) fee; and (ii) the simplification of procedures regarding Import Permit Declarations (IPD) and Export Permit Declarations (EPD).¹¹

Type of Reform: SIM

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The reduction of the PSI from 1.5% to 1.1% of the FOB value of imports enacted in mod 2008 is still in force. The Administrative Notices issued by the Ministry of Commerce and Industry in July 2012 ¹² reducing the categories of products subject IPD from 35 to 27 and the categories of products subject to EPD from 400 to 4 are still in force.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	Government authorities and in particular the Ministry of Commerce and Industry are fully committed the simplification process. This is witnessed inter alia by the decision taken in July 2013 to further reduce the categories of products subject to IPD to just 17. ¹³
2.2 Commitment of government officials.	1	2	3	4	NA	
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The business community is definitely appreciative of the reduction in procedures/time and costs related to PSI and to obtaining IPD and EPD.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	Applications for IPD and EPD are handled by a small office in the Ministry's main building. The infrastructure is pretty basic, but overall appropriate for the task, considering the dramatic decline in the number of IPD/EPD issued.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed	1	2	3	4	NA	

¹¹ Cumulative analysis of two reforms counted in FY 08, FY09 and FY13 (LBR08TRA, LBR09TRA, LBR13TRA).

¹² Administrative Notice MCI/No.005/06/2012 regarding IPD and 25 June 2012 Administrative Notice MCI/No.006/06/2012 regarding EPD (both effective 26 June 2012).

¹³ Administrative Notice MCI/No.008/05/2013 (effective 12 June 2013).

and adopted with IFC support.						
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	There are no signs that the reduction in the PSI and the simplified administrative procedures could be negatively affected by any changes in the foreseeable future.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Liberia

Reform Area: Business Taxation

Reform: Improvement in the business taxation framework, through the approval of amendments to the tax code involving: (i) the reduction in the profit tax rate from 35% to 25%; and (ii) the elimination of the advance turnover / gross sales tax of 2% (which is a 'presumptive tax' due irrespective of the level of profitability displayed by enterprises)¹⁴

Type of Reform: P&L

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	Approved in November 2011, the Consolidated Tax Amendments Act is still in force. However, in October 2013 an Executive Order ¹⁵ signed by the President reinstated the advance turnover / gross sales tax (which is a sort of presumptive tax).
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	2.0					Not sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	In principle the Government is committed to improve the business taxation regime but this clashes with the serious budgetary difficulties experienced in recent times. Following the abolition of the advance tax, in 2012 the vast majority of corporate taxpayers declared operating at a loss, which resulted in a significant drop in tax income. As a consequence, the Government "believed it necessary" to reinstate the advance tax.
2.2 Commitment of government officials.	1	2	3	4	NA	
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	In 2012 no less than 98% of all medium and large companies declared operating at a loss, and hence did not pay any tax. Such a high proportion of loss making companies is scarcely credible and suggests that many private operators engaged in opportunistic behavior. This provided an excellent excuse to the Government to reintroduce the advance tax.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	
2.6 Institutions responsible for implementing the reform can count	1	2	3	4	NA	

¹⁴ Reform counted in FY12 (LBR12TAX).

¹⁵ Executive Order No. 52 of 15 October 2013. The order effectively suspends Sections 904(a) and 904(b) of the 2011 Consolidated Tax Amendments Act.

on adequate human resources.						
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The government is considering a further reform of the business taxation system, but this is expected to concern only small and medium firms (with turnover up to US\$ 33,000). In the case of large firms, there is no indication that the advance tax could be repealed in the foreseeable future.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	2.0					Negative prospects for future sustainability

Country: Liberia

Reform Area: Investment Policy and Promotion

Reform: Complete overhauling of the investment promotion framework, involving: (i) the adoption of a more liberal investment code (involving inter alia a more transparent incentive mechanism, the broadening of the range of activities open to foreign investment, and explicit guarantees against expropriation and for the repatriation of profits), and (ii) the restructuring of the National Investment Commission (NIC), which is to be transformed from an eminently regulatory body into an investment facilitation body¹⁶

Type of Reform: MIX

Status of Reform: Completed¹⁷

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The Investment Act of 2010, which reformed the legal framework for investment and the investment incentives mechanism is still in force. The same applies to the National Investment Commission Act, which redefined the structure, roles and functions of the NIC. However, there have been inconsistencies in the implementation of the incentive scheme (see below) and the transformation of NIC is still in process.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	NIC is a well-established institution, and despite some challenges regarding financial resources (see below), in general its sustainability is not in question. The situation is less clear regarding NIC's Investment Promotion Department, whose strengthening is one of the key elements of the reform, as operational capabilities are still in the process of being developed (with some IFC assistance still ongoing).
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	IFC has supported the development of an investor tracking system as well as promotional tools (including support for the website, www.nic.gov.lr). All tools are still in use (and the website appears to be relatively informative and updated).
1.5 Overall Assessment	3.3					Mostly sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	Attraction of foreign investment is a key priority for Liberia and, in general, government commitment is not in question. However, this general attitude is sometimes in conflict with other policy objectives, with ensuing inconsistencies in implementation. This is the case in particular of the duty exemptions granted under the incentive scheme, that sometimes are not recognized by the 'revenue hungry' Customs, based on spurious arguments (typically, when the goods imported are the same as those indicated in the exemption certificate – say analgesic - but the brand is different – say Panadol instead of paracetamol).
2.2 Commitment of government officials.	1	2	3	4	NA	Initially, the NIC management was opposed to the reform, as the changes in the NIC mandate and in the incentive mechanism would reduce their power. As a result, IFC suspended its assistance to NIC for a certain period. The current management, appointed in 2013,

¹⁶ The analysis refers to one reform counted in FY11 (LBR11IPP), plus capacity building support provided in subsequent years.

¹⁷ Restructuring of NIC is still ongoing.

						appears to be much more supportive.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	The business community criticized the Investment Act as it opened to foreign investors a number of activities previously reserved to indigenous entrepreneurs. Complaints in this respect are still quite common, but this attitude does not seem to have had any appreciable impact.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	While complaining about the duty exemption issue, foreign investors are generally appreciative of the assistance received from NIC.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	NIC can count on a fairly large budget (US\$ 1.7 million in FY13-14) but the bulk of funding goes to the payment of salaries, with little money left for operational activities. Premises are in decent conditions, but some improvement would be needed. In particular, because of frequent power cuts, there is need for a new generator (<i>"how can we expect to host serious investment delegations in such overheated rooms"</i>).
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	NIC's personnel consists of no less than 162 employees, but the majority are scarcely qualified staff, involved in administrative tasks or in functions linked to NIC's 'old mandate' (e.g. 25 people working at the Monrovia Industrial Park). The about ten staff working in the Investment Promotion Department have received training and coaching from the IFC. Results are fairly positive (<i>"staff are now highly creative and motivated thanks to IFC support"</i>), but more efforts are required to achieve full operational capability
3 Prospects for Future Sustainability	Score				Explanation of score assigned	
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that neither the investment code nor the NIC mandate may be modified in a sense contrary to the spirit of the reform in the future. However, inconsistencies in practical implementation are still expected to occur (e.g. the special incentives scheme was de facto suspended in February 2014).
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	Given the government current difficult budgetary situation, some concerns regarding financial aspects are voiced by the NIC management. However, resources for the Investment Promotion Department could be mobilized through the introduction of fees for the services rendered (NIC is empowered to do so) and/or by slimming down staffing levels in other functions. However, these are still 'working hypotheses' and no decision has been made yet.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	Although the operational and promotional tools developed with IFC support need to be continuously updated and further strengthened, their use is not expected to be eroded in the future (NIC is in fact currently "rebranding" itself with new website, logo, tagline, etc.).
3.5 Overall Assessment	3.3				Fairly positive prospects for future sustainability	

Country: Liberia

Reform Area: Public Private Dialogue

Reform: Creation of a stable platform for public private dialogue (PPD) through the institutionalization of the Liberia Better Business Forum (LBBF)¹⁸

Type of Reform: INS

Status of Reform: Recent/Ongoing

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.5 Overall Assessment						
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The Forum's membership includes the NIC as well as ministers and deputy ministers of the Ministry of Commerce & Industry and the Ministry of Finance. LBBF appears to have "solidified PPD practices and the GoL do not seriously consider any reform efforts without consulting the Forum". However, LBBF staff point to a slowdown in public commitment of late and although the government remains committed, the implementation of the outcomes of the PPD process "gets stuck at the legislature level".
2.2 Commitment of government officials.	1	2	3	4	NA	
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Private sector representatives have since the very beginning of the process been actively involved in deciding the structure of the PPD forum and the key issues (thematic areas) to be addressed. Forum membership includes not only the presidents of the main business association (actively supporting the PPD process), but also owners of individual medium and large businesses. Finally, the Governing Board as well as each working group is co-chaired by a public and private sector representative. Nevertheless, some private sector representatives (although they recognize that the Forum has accomplished a lot and generally fully support the PPD process as such) express concern over LBBF "being in the arms of the government" ("we do not feel like we have any real input or that our recommendations are translated into action").

¹⁸ Reform counted in FY11 (LBR11PPD). The reform counted by IFC refers to the passing of a series of laws whose approval was advocated by the LBBF. Instead, the analysis presented here refers to the transformation of the LBBF into a stable PPD platform.

2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	Since its establishment, LBBF has been housed at the IFC premises, but in the future it is expected to be transferred to the Ministry of State, seemingly an advantageous solution from the point of view of its proximity to the Presidency. Finally, the LBBF website (www.lbbfliberia.org) is working and up to date.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	At present, the Secretariat is composed of three staff - a coordinator (currently open), a business policy analyst and an administrative assistant. Once a coordinator has been appointed, the current staff level can be considered as sufficient, although a bit tight, to support the work of the Forum.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	No major changes are anticipated with regard to the current institutional setting of the Forum and it is expected to remain the main interface for PPD in the country. IFC support (both financial and operational) ended in June 2014 and LBBF officially began its operations as a (completely) independent local entity in July 2014. The most recent annual budgets have amounted to around US\$ 350,000 per year. While the transition plan envisages funding support in terms of financial and in-kind contributions from its public and private sector partners and other donor programs as well as own revenue generation (or grant funding), the future financing scheme had not yet been defined at the time of fieldwork in February 2014. Although a US\$ 150,000 grant financing from the Netherlands has been secured for the first year as an independent entity, the bulk of future financing needs need to be raised from public funds (LBBF staff expects that not more than 20-30% of funding needs can be raised from private sources).
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	3.0					Uncertain prospects for future sustainability

4 Assessment of Sustainability – Rwanda

Country: Rwanda

Reform Area: Starting a Business

Reform: Improvement of the regulatory and institutional framework for enterprise registration, through: (i) the strengthening of one-stop-shop Office of the Registrar General (ORG); (ii) the simplification of documents required for business registration; and (iii) the reduction of registration fees¹⁹

Type of Reform: MIX

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The reform of the business registration system involved the adoption/amendment of a number of laws and regulations. For instance, in the case of companies, relevant legal texts include the Companies Act of 2009 (Law No 07/2009 of 27/04/2009 relating to companies) as well as a series of Ministerial Orders issued by the Ministry of Trade and Industry (see http://org.rdb.rw/wp-content/uploads/2011/02/ORDERS-ON-COMPANIES.pdf). All these legal texts are still in force and when amendments were introduced, as in the case of changes in the Companies Act (Law No 14/2010 of 07/05/2010 modifying and complementing Law No 07/2010 of 27/04/2009 relating to companies) they were in line with the spirit of the reform.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The forms, guidelines and other documents intended to facilitate business registration (e.g. template memorandum of association for various types of companies) developed on the basis of the above legal texts are still in force. Further improvements have been introduced overtime. In particular, on line registration, first launched in March 2011, became mandatory in February 2014, further facilitating registration procedures.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	Established in 2008 (with support from both IFC and ICF), the ORG is fully operational. To facilitate registration outside Kigali, three liaison offices have been established in the districts of Huye, Kayanza, and Rubavu. ORG's mandate has been progressively extended, and the office is now responsible also for keeping the register of security interests on movable and immovable property and register of patents (intellectual property rights)
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The reform of business registration is a key component of the government strategy to improve Rwanda's investment climate, and commitment has remained very high.
2.2 Commitment of government officials.	1	2	3	4	NA	ORG leadership and staff remain fully committed to and motivated by the reform process, continuously seeking to simplify the business registration

¹⁹ Cumulative analysis of three reforms counted in FY07, FY09 and FY11 (RWA07STA, RWA09STA and RWA11STA).

						procedures and to reduce related costs.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The business community as a whole recognizes and supports the continuous improvements in the business registration process. Previously informal enterprises commonly recognize that improvements in registration procedures have been very important in motivating their formalization.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	ORG is a division of the Rwanda Development Board (RDB), Rwanda's development agency, and it is housed at the RDB Kigali head office on the ground floor of a completely modern and fully furnished building. ORG continued to benefit from ICF assistance with regard to the provision of adequate equipment and IT infrastructure (online business registration system, company database with complete details available online, etc.) and these means can definitely be considered as sufficient to support its operations.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	ORG staff is competent and professional. Staffing levels appear sufficient.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the legal or policy framework providing the basis for business registration could be negatively affected by any changes in the foreseeable future.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the schedule of fees or the procedures currently in use could be modified in a sense contrary to the spirit of the reform.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	No adverse changes are expected in the current institutional setting. RDB is a well-established and powerful and, while details on its budget are not known, there are no doubts that it will be able to financially support ORG operations when donor support is phased out.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Rwanda

Reform Area: Construction Permits

Reform: Improvement of the regulatory and institutional framework for the issuance of construction permits in the City of Kigali, through: (i) the setting up of the One Stop Center (OSC); (ii) the simplification of procedures (namely through the setting up of an online platform); and (iii) the reform of fees²⁰

Type of Reform: MIX

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The legal texts governing the issuance of construction permits in Kigali (Prime minister's instruction n° 001/03.0 of 14/4/2010) as well as creating the OSC and setting fees (Instruction No 01/10 of 30/05/2010 of Kigali City council) are still in force.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The procedures developed based on the above legal texts are still applicable, with several improvements were added over time. In particular, (i) in March 2012, an environmental expert was seconded to the OSC to speed up the issuance of Environmental Impact Assessments (EIA); and (ii) in early 2014 the Kigali City Council enabled the use of mobile money to pay for permits.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	The OSC (recently renamed Kigali Construction and Urban Planning One Stop Center), established in April 2010, is completely functional and effectively discharging its functions. In the early stages, there were teething problems, but the situation has since considerably improved. In particular, the pre application consultation process was strengthened and the success rate (i.e. the number of permits issued over the number of applications received) has increased from 28%/29% in 2010/2011 to 57%/47% in 2012/2013. Overall, the time for obtaining a construction permit is usually between two and four weeks, which is in line with the time limit indicated in relevant regulations (30 days).
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	IFC supported the setting up of an online platform (the Construction Permit Management System accessible at www.kcps.gov.rw) for the application of building permits. Launched in May 2013 (with the testing period having started in January), the platform is fully functional and already during its first year of existence, 90% of received applications were submitted online. The platform also includes an online version of the Kigali master plan and other resources (legal background documents, best practices, etc.).
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The reform is linked to a fairly ambitious urban development plan, which aims at transforming Kigali into 'The Center of Urban Excellence in Africa'. As such, the reform has received full support from the national and city authorities.
2.2 Commitment of government officials.	1	2	3	4	NA	OSC staff at all levels appear very committed to the reform process (although seemingly a bit

²⁰ Cumulative analysis of three reforms counted in FY08, FY10 and FY13 (RWA08CON, RWA10CON and RWA13CON).

						overwhelmed with work at times).
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	Professionals in the construction business (e.g. architects and engineers) have been consulted throughout the reform process and have generally been very supportive. There are no instances of opposition on part of other stakeholders.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The improvements in the building permits application process are usually recognized and appreciated by the private sector. There are some dissenting views, with some developers complaining that <i>"the process is still bureaucratic"</i> . However, most delays appear to be the result of incomplete applications and if all requirements are fulfilled, permits are issued fairly quickly.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	The OSC is housed in a refurbished building in downtown Kigali and appears to be equipped with all the necessary material resources.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	Staff skills have continuously been enhanced through training. However, additional recruitment in order to alleviate the seemingly heavy work burden might be necessary.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The reform is widely regarded as a success, and the government decided to replicate the OSC model nationwide, starting with the six secondary cities in 2014.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the procedures currently in use could be modified in a sense contrary to the spirit of the reform. Rather, for the 2014-2015 period, further reductions in both time and procedures are expected (the merging of services regarding occupation permits and freehold titles has also been anticipated).
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	There are no threats to either the existence of the OSC or its operations. The OSC is now a well-established institution and its important role was duly recognized in Kigali's 'City Development Plan – 2013 – 2018' approved in June 2013.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	Although the online platform developed with IFC support need continuous maintenance, its use as well as its scope and applicability are not expected to be eroded by future measures.
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Rwanda

Reform Area: Business Taxation

Reform: Reform of legislation on Value Added Tax (VAT), to allow for quarterly, instead of monthly, VAT filings and payments for small taxpayers with a turnover of up to RWF 200 million (≈US\$ 300,000)²¹

Type of Reform: SIM

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The reform involved an amendment to the VAT code, that was adopted in May 2010 (Law No 25/2010 of 28/05/2010 modifying and complementing Law No 06/2001 of 20/01/2001). The simplification of filing and payment obligations for small taxpayers was confirmed by the new VAT law adopted in November 2012 (Law No 37/2012 of 09/11/2012, Article 25), which is still in force.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	In the framework of a longstanding cooperation with the IMF, the government has been striving to increase tax revenue and, in general, has little inclination for concessions on fiscal matters. However, this reform was deemed to entail a very modest cost for the treasury (linked to the change in the timing of payment) while alleviating compliance costs for small taxpayers and providing a good opportunity to further improve Rwanda's position in the Doing Business rankings. Therefore, the government fully endorsed the proposal put forward by the IFC.
2.2 Commitment of government officials.	1	2	3	4	NA	The Rwanda Revenue Authority (RRA) has a reputation for being tough on tax evasion but also fairly cooperative with private firms. In this case, the reform presented the added advantage of reducing RRA's workload, and therefore was fully supported by tax officials.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The reduction in frequency of VAT filings and payments was strongly supported by the business community. The same applies to other stakeholders, with accountants and tax advisors generally regarding the reform in positive terms.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	

²¹ Reform counted in FY11 (RWA11TAX).

2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the reform could be repealed in the future.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Rwanda

Reform Area: Special Economic Zones

Reform: Setting up of a comprehensive regulatory and institutional framework for the creation and management Special Economic Zones (SEZ), through: (i) the adoption on a SEZ policy and related legislation; and (ii) the setting up of a regulatory body, the Special Economic Zones Authority of Rwanda (SEZAR)²²

Type of Reform: MIX

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The SEZ policy of May 2010 and the SEZ law of March 2011 (Law n° 05/2011 of 21/03/2011 regulating Special Economic Zones) were complemented in early 2012 with the adoption of secondary legislation concerning (i) the setting up of SEZAR (Prime Minister's Order N° 21/03 of 05/03/2011); (ii) the license fees payable for SEZ developers/operators (Ministerial Order No. 13/2012 of 20/02/2012); and (iii) the negative list of activities in SEZ (Ministerial Order No 12/2012 of 20/02/2012). However, SEZ policy is not yet fully operational because of two factors. First, in accordance with the revised Land Law of June 2013 (Organic Law No 03/2013/OL of 16/06/2013) the land to be used for SEZ is to be determined by a separate law, while the criteria for the use and management of 'SEZ land' are to be specified in a Presidential Order. At the time of writing, both legal texts had not yet been approved. Second, there are uncertainties regarding the incentives (custom and/or tax incentives) to be offered to investors interested in operating from SEZ, as these matters are to be covered by an EAC Protocol that is still under negotiation.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	SEZAR became operational in September 2012 and issued the first set of regulations in late 2012. ²³ SEZAR is currently overseeing the development of the Kigali Special Economic Zone (KSEZ), Rwanda's first SEZ initiative.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	3.5					Mostly sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The development of SEZ is regarded as a key step in order to attract foreign investment and government commitment at the highest level is not in question.
2.2 Commitment of government officials.	1	2	3	4	NA	The implementation of a SEZ program is a complex task, requiring an effective coordination among various government services (in charge of

²² Reform counted in FY11 (RWA11SEZ).

²³ Regulation No. 02/2012/SEZAR of 20/12/2012 on the Zones One-Stop-Shops; Regulation No. 01/2012/SEZAR of 20/12/2012 on the Development and Operation of Special Economic Zones; Regulation No. 03/2012/SEZAR of 20/12/2012 on the Special Economic Zones Users; and Regulation No. 04/2012/SEZAR of 20/12/2012 on the Designation of Special Economic Zones in Rwanda.

						infrastructure, land allocation, etc.). While the importance of SEZ is not disputed by the various services involved, SEZAR has faced some challenges in coordinating with public servants in institutions as <i>“they have had a hard time to grasp the SEZ concept”</i> .
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The business community is generally supportive of the SEZ initiative, as witnessed by the interest shown for the KSEZ. Launched back in 2008 (i.e. prior to the passing of the reform), KSEZ is now in its second stage of development. At the time of fieldwork (February 2014), Phase I (of 98 hectares) was fully booked by a total 61 investors (although only 7 of these were actually operating), while Phase II (of 178 hectares) was 60% booked (11 investors; 2 of which investors had started construction) and with 40% of the infrastructure completed. However, a few investors currently operating within the KSEZ are less than pleased with the arrangements due to slow progress with regard to infrastructure and the lack of clarity with regarding to actual incentives (<i>“we do not know what the actual benefits are”</i>). Some also raise complaints of the relatively high prices of the KSEZ lots.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	SEZAR is housed by the Rwanda Development Board (RDB) in a modern and fully furnished building. The agency is seemingly outfitted with adequate equipment and it is currently developing its own communication tools and channels (including a website). Funding is channeled through the RDB's budget, which includes a budget line specifically devoted to SEZAR.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	Current SEZAR staff of three (including the Head of the Authority) is not sufficient, and needs to be expanded. The recruitment of three more professional staff (1 legal advisor, 1 licensing advisor and 1 technical/engineering advisor) is envisaged. Also, current staff have limited practical experience and upgrading of their management and operational skills appears necessary.
3 Prospects for Future Sustainability	Score				Explanation of score assigned	
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The SEZ program is expected to remain a top government priority and, therefore, no adverse changes are expected to occur. However, delays in the implementation of specific SEZ initiatives may occur as result of the legislation yet to be approved and/or of the EAC protocol on SEZ incentives under negotiation.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	The institutional setting is not expected to change. In operational terms, SEZAR's close association with RDB ensures access to adequate financial and material resources and should facilitate the filling of current gaps in staffing.
3.4 Sustainability of operational	1	2	3	4	NA	

and/or analytical tools developed and adopted with IFC support.						
3.5 Overall Assessment	3.5					Fairly positive prospects for future sustainability

5 Assessment of Sustainability – Sierra Leone

Country: Sierra Leone

Reform Area: Business Taxation

Reform: Introduction of the value added tax (locally referred to a Goods and Services Tax - GST), which replaced seven preexisting indirect taxes²⁴

Type of Reform: P&L

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The Goods and Services Tax Act of 2009, adopted in the framework of an IMF-backed Extended Credit Facility with support from IFC and DFID, is still in force. Some amendments were introduced in subsequent years, namely through annual Finance Acts. In particular, the Finance Act of 2013, passed in November 2013: (i) raised the threshold for mandatory GST registration from SLL 200 million to SLL 350 million; (ii) eliminated the granting of GST waivers for non-productive items in some sectors; and (iii) made mandatory the use of cash registers for all GST-registered taxpayers. These changes must be regarded as part of the normal fine tuning process for VAT-like taxes, and do not alter in any way the spirit of the reform.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The GST was intended to be applicable primarily to medium and large taxpayers. However, in the early days, the National Revenue Authority (NRA), probably under pressure to 'demonstrate' the success of the new tax, was 'encouraging' even small businesses to register for GST. Also, many small businesses registered for GST as registration certificates were requested for participating in tenders. As a result, a number of small businesses found themselves locked into the system and required to regularly file GST returns even though no tax was due, which in turn unnecessarily increased NRA's workload. The problem was eventually addressed by tax authorities, and NRA is now engaged in a mass de-registration exercise.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	3.5					Mostly sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The introduction of GST was a measure long agreed by the government with the IMF. Initially, the government was hesitant, and indeed the tax was introduced with some delay (in 2010 instead of 2008).

²⁴ Reform counted in FY09 (SLE09TAX).

						However, GST quickly proved its value (with revenues exceeding forecasts already in the first semester after introduction), and this dissolved all doubts.
2.2 Commitment of government officials.	1	2	3	4	NA	NRA's stance is obviously aligned with government policy. Initially, the agency was overzealous regarding GST registration, but now a more reasonable attitude is prevailing.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	Some large investors criticized the elimination of GST exemptions on non-productive assets in mining, construction and agriculture. However, the government is striving to reduce the tax revenue loss associated with investment incentives, and attempts to reinstate the exemptions have been unsuccessful.
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	As it is the case with all other countries where VAT-like taxes have been introduced, the GST initially met with some opposition from the business community. However, in Sierra Leone this was mitigated by the fact that the GST replaced various preexisting taxes, thereby limiting the incremental cost. The awareness campaign funded by the IFC and carried out in the months preceding the introduction of the tax also contributed to assuage fears (although it may have contributed to the excessive registration).
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	GST has become a key feature of Sierra Leone's tax system and the chances that the tax could be reversed are virtually non-existent.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The ongoing de-registration exercise of small tax payers is expected to improve NRA's ability to effectively manage the tax. No negative changes in procedures are expected to occur.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: Sierra Leone

Reform Area: Investment Policy and Promotion

Reform: Improvements in the institutional framework for investment attraction, through: (i) the strengthening of the Sierra Leone Investment and Export Promotion Agency (SLIEPA); and (ii) the design of sector-specific initiatives aimed at attracting investors in the sugar and oil palm sub sectors²⁵

Type of Reform: INS

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The 2007 Sierra Leone Investment and Export Promotion Agency Act (developed with previous IFC support under RABI II), which establishes SLIEPA as a corporate body and outlines its functions, is still in force.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	SLIEPA is fully operational and still functions as outlined by the 2007 Sierra Leone Investment and Export Promotion Agency Act. The Act also states that <i>"the Agency shall, when funds become available, establish offices in each provincial headquarters"</i> , but no other office has yet been established in addition to the head office in Freetown. In order to 'bypass' this lack of regional presence, SLIEPA is currently partnering with some local district councils in order to adequately assist certain investors. SLIEPA is funded under budget of the Ministry of Trade and Industry (even if allocations are not always fully effectuated), with the 2013 budget amounting to around SLL 1.2 billion (≈US\$ 270,000). Since mid-2011, additional funding (covering general organizational and operational support) has also been received from the 10th EDF of the European Commission. Up until now, this external financial support has been sufficient to cover all operational expenses (including salaries).
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The website (http://investsierraleone.biz) developed with IFC support (and further redesigned with support from the European Commission) is still working and is relatively user friendly (even if, at the time of writing, mid 2014, some of the links/pages were not working). However, some of the more general (i.e. not sector targeted) information provided does not appear to be very specific or particularly updated (and with only a few sporadic news alerts over the past year). The investment promotion package for the sugar and oil palm sub sectors (specifically targeted by IFC support) is available online, but seemingly not updated since it was first developed in 2009. ²⁶ Information (facts and investment opportunities) related to several other sectors is also provided and is, in most cases, quite detailed and updated. Finally, the sector-specific investor tracker instrument appears to be used relatively infrequently (and hence not quite updated with the latest information – with no evident updates

²⁵ Reform counted in FY10 (SLE10IPP).

²⁶ However, SLIEPA appears to remain committed to the implementation of the outreach strategy for these two target sector (with several recommendations either done/adopted or in progress / the process of being adopted at the time of fieldwork in March 2014).

						since end 2012).
1.5 Overall Assessment	3.1					Mostly sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	Government commitment to SLIEPA as an institution as well as to its functions is high and relevant ministries are all members of the SLIEPA Board of Directors.
2.2 Commitment of government officials.	1	2	3	4	NA	SLIEPA staff remain committed to the mission of the institution and morale appear high despite relatively low salaries (and some tension regarding future funding) and an (ever) increasing workload.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The private sector is represented on the SLIEPA Board of Directors and on, on the whole, the business and investor community recognize the benefits of having support “under one roof”. However, one area of concern seems to be investment aftercare – i.e. while SLIEPA is recognized by many as providing good pre investment support, some complaints are brought forward regarding post investment support (or rather the lack thereof). The institution is aware of this shortcoming and has recently hosted a presidential level workshop to address it.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	SLIEPA is housed in a building in good condition as well as equipped with the necessary equipment (computers, etc.) for the adequate implementation of its activities.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	The current staff level of 21 has been more or less the same since establishment and although it has been adequate up until recently, SLIEPA is now in need of more people in order to properly address and follow-up with the increase in requests for assistance. Staff retention is good despite relatively low salaries and an (ever) increasing workload (in fact, almost all staff recruited initially are still there). Upper management has also remained stable over the past years, although the CEO was relieved of his duties early 2014 due to concerns over his capacity to carry out his role as head of the agency; at the time of writing (mid 2014) a new CEO has yet be appointed.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the legal framework supporting SLIEPA and its functions could be negatively affected by any changes in the foreseeable future.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	With the end of financial support from the European Commission (10th EDF) in June 2014, SLIEPA is likely to be faced with some financing challenges, especially considering the increase in requests for assistance on part of investors, which calls for the recruitment of additional staff as well as for additional training and capacity building initiatives. Furthermore, the

						<p>leadership retains a regional presence (through the establishment of provincial offices) to be quite crucial in order to more adequately assist investors in certain sectors (such as agribusiness / exportable crops and bio energy). The allocated budget (through the Ministry of Trade and Industry) for 2014 amounts to around SLL 1.8 billion (≈US\$ 400,000), but at the time of fieldwork (March 2014) the SLIEPA leadership said that they will most likely need ask for a total contribution of at least SLL 2 billion(≈US\$ 450,000). All assistance to investors is currently free of charge, but there could be some potential for charging a fee for certain specific activities / types of assistance. However, while the 2007 Sierra Leone Investment and Export Promotion Agency Act states that SLIEPA's activities can also be funded by <i>"gifts, grants or donations from any person, body or organization made for the purposes of the Agency"</i>, the Agency would need special authorization to generate private revenue (or the Act needs to be amended).</p>
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	<p>The use as well as their scope and applicability the promotional tools (website, investment promotion packages, investor tracker, etc.) developed with IFC support are, on the whole, not expected to be eroded by future measures, but they need to be continuously updated (not yet the case) and further strengthened.</p>
3.5 Overall Assessment	3.1					Fairly positive prospects for future sustainability

Country: Sierra Leone

Reform Area: Public Private Dialogue

Reform: Establishment of the Sierra Leone Business Forum (SLBF), intended to become a stable platform for public private dialogue (PPD)²⁷

Type of Reform: INS

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	SLBF was established by IFC and DFID in 2005 as a 'light' mechanism, formalized in August 2006 through a MoU between IFC and DFID supporting the setting up of a small secretariat, and launched and effectively started operations in 2007. A restructuring and transition process to a fully independent local entity began in November 2008, but was prolonged causing a reduction in the level of operations until 2010. While SLBF still exists as an institution, it is not really functioning in practice as a result of (i) the lack of funding and (ii) the transfer of activities to the Ministry of Trade and Industry and other public entities. ²⁸
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	2.0					Not sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	While SLBF appears to have been "a darling organ" of the GoSL at the time of its establishment, SLBF funding directly from the central budget line, or through the budget of the Ministry of Trade and Industry, has never really been forthcoming. While PPD efforts certainly continue (and often in a very proactive and regular way), they have effectively been transferred

²⁷ Reform counted in FY11 (SLE11PPD). The reform counted by IFC largely refers to the passing of a series of laws whose approval was advocated by the SLBF. Instead, the analysis presented here refers to sustainability of SLBF as a vehicle for PPD.

²⁸ The RABI III project covered operational expenditures until March 2012 (with the last tranche of funding apparently released in mid-2010). Financial support was supposed to have come from the budget of the Ministry of Trade and Industry, but despite the submission of several financing requests on part of SLBF, an SLBF budget line has never been included in the Ministry budget and funding has never been released. At the time of writing (mid 2014), the SLBF deputy director had just been able to secure, through direct negotiations with the Ministry of Finance (who apparently "inadvertently" left SLBF out of the central 2013 budget), a SLL 400 million (≈US\$ 92,000) contribution from the 2014 budget. Even half of this contribution has already been released, the original financing request from the central budget was for SLL 598 million (≈US\$ 137,000). Other financial support has only been very sporadic and for specific events; (ii) Following restructuring, the responsibility for the management of the DB reform program (and the M&E component) was transferred from SLBF to the Ministry of Trade and Industry (and SLBF as an institution is only sporadically invited to attend the meetings of the DB reform unit at the Ministry). Furthermore, out of the six PPD working groups originally managed by SLBF, only one of them (tax & customs) currently remain under the responsibility of SLBF. Most working groups have effectively been 'taken over' by or transferred onto other public entities (Ministry of Trade and Industry, Ministry of Lands, Bank of Sierra Leone, etc.) because the issues "are better dealt with" directly by the relevant Ministries and because the Ministries have "more leverage" when calling both public and private institutions to meetings. Finally, most remaining SLBF activities/events (including the private sector roundtable conferences) date back to the 2008-2010. In fact, the next PPD roundtable on DB reform (to be held mid 2014) will be hosted by SLIEPA (not by SLBF).

						away from SLBF onto other public entities (especially the Ministry of Trade and Industry, which apparently <i>“seeks to micro manage everything even if they do not have the capacity or the resources to do it”</i>). Collaboration with the Ministry of Trade and Industry seems to have suffered due to a <i>“personality issue”</i> between the SLBF deputy director and the former Minister, who appear to have been against the continuation of SLBF. The current Minister of Trade and Industry (in office since 2013) seemingly has a more positive attitude towards SLBF and is advocating against its closing, but has as of yet been unable to secure funding through the Ministry’s budget to sustain its operations.
2.2 Commitment of government officials.	1	2	3	4	NA	Although the SLBF deputy director continues to press forward (trying to seek funding, collaboration partners, etc.), staff have clearly not been motivated to stay due to the lack of financing (and hence salaries) and the dispersion of activities to other entities (see further 2.8 below).
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The private sector community in general recognize the past achievements of SLBF and still seems to recognize it as an important stakeholder regarding the implementation of DB reforms. However, none of the business associations (including the Chamber of Commerce, SLBF co-chair) are able to provide effective financial support and private sector participation in the working groups (at least when organized under the auspices of SLBF) has not always been easy (often hard to secure attendance).
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	RABI III equipped the SLBF office and set up a financial management and accounting system. The office has moved to cheaper premises (the lease agreement for which had to be signed by the deputy director as a person, not as the legal representative of SLBF), but due to the lack of funds, the rent (as well as other running costs) is either paid (when possible) out of the deputy director’s own pockets or not at all (rent due does in fact constitute the major share of total arrears – see 3.3 below). Some fixed assets (such as the photocopier) need to be replaced. The website (www.slb主.sl) is still functioning, but information is outdated (posted events and documents date back to the 2007-2011 period).
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	During the restructuring process, recruitment proved to be a difficult exercise and a new deputy director was appointed only in January 2010 (a director was also supposed to be appointed, but has never been recruited). A new DB consultant was appointed in October 2010 (the first one left in July 2010), but was transferred to the Ministry of Trade and Industry in 2011 as the Ministry had taken over the management of the DB reform program (see 1.3 above). RABI III covered salary expenditures for the (deputy) director and 6 staff until March 2012. Since then, due to the lack of funding and overdue salaries, all staff members

						have left (with the last one leaving in early 2014). Only the deputy director remains even if he himself has not been paid since late 2012 (his overdue salaries amount to around US\$ 10,000).
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	SLBF (“if it even exists”) will clearly not survive for long without adequate funding. Even if the request for SLL 400 million (≈US\$ 92,000) from the 2014 budget has been granted, the half released so far does not even cover outstanding arrears. At the time of fieldwork (March 2014), total arrears (including overdue rent and salaries) amounted to around SLL 350 million (≈US\$ 80,000). The deputy director is trying to secure some private sector funding by proposing to host regular activities (such as targeted business lunches for certain sectors, etc.), but the business associations themselves do not have resources to fund such types of activities. While the IFC grant agreement stated that government and private funding needs to be assured by the end of the grant period, no real ‘exit strategy’ or subsequent actions were put in place to assure the actual materialization of such financial contributions. Nevertheless, even if funding is available, the roles and responsibilities of the Forum have effectively been transferred onto other entities. ²⁹
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	1.0					Negative prospects for future sustainability

²⁹ Some respondents believe that SLBF “could do better and take PPD up a level” if properly funded and resourced, while others think that SLBF “as an autonomous entity won’t see the light of day” (although it might survive as a “policy interface” under the auspices of SLIEPA).

6 Assessment of Sustainability – South Sudan

Country: South Sudan

Reform Area: Starting a Business

Reform: Improvement of the legal and institutional framework for business registration, including: (i) the re-establishment of the 'central' Business Registry; (ii) the creation of peripheral registration offices; and (iii) the consolidation of business registration procedures³⁰

Type of Reform: MIX

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of Score Assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The laws stipulating providing for the registration of various types of enterprises (Business Names Act of 2009, Partnership Act of 2009, Limited Partnership Act of 2009, Companies Act of 2012, Cooperatives Act of 2011) are still in force and no amendments have been introduced. The regulations implementing the above laws are still in force (with the exception of the Regulation for the Companies Act, which is still in the process of being adopted).
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The forms and schedule of fees for business registration activities are consistent with the objectives of the reform and are still in force.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	The Business Registry re-established in 2007 in Juba with support from the IFC is fully functional and discharging its functions. Two decentralized offices were established in 2013 in Malakal and Wau. The office in Malakal was severely damaged during the events of December 2013 and it is no longer functioning. while the office in Wau is functioning regularly. The opening of a third office in Bentiu has been postponed indefinitely. The presence of only one decentralized office limits the outreach of business registration activities, but businesses can still be registered at the 'central' Business Registry in Juba.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The software developed with assistance from the IFC is still in use and gradually upgraded to include new functions (e.g. annual returns).
1.5 Overall Assessment	3.8					Mostly sustainable
2 Determinants of Sustainability	Score					Explanation of Score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The re-establishment of the Business Registry was part of the general government strategy to 'normalize' the business environment. The Business Registry is fully integrated in the Ministry of Justice and the business registration function is generally regarded as essential. Accordingly, the Certificate of Registration is increasingly requested in interactions with the public sector (e.g. for the issuance of import licenses, for participation in public procurement procedures, etc.). State authorities (Governors) were supportive of the establishment of branch offices.
2.2 Commitment of government officials.	1	2	3	4	NA	Staff at the Business Registry are highly motivated and, despite the financial problems (see below), remain fully committed to constantly improving

³⁰ Reform counted in FY10 and FY13 (SSD10STA, SSD13STA) although some measures were implemented earlier.

						operations.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Business registration is seen as an essential component of a “civilized way of doing business” by leading private sector organizations, such as the Chamber of Commerce and the Business Union. Banks routinely request information from the Business Registry for the opening of new accounts and especially for the appraisal of credit applications. The Business Registry is seen as an essential piece of ‘market infrastructure’.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	The Business Registry is hosted in a decent building renovated in 2009 with support from the IFC. The two offices in Malakal and Wau were also refurbished before their opening, but their operations were partly affected by lack of infrastructure, namely: (i) poor telecoms, which prevents real time data exchange with Juba (registration numbers are ‘reserved’ by phone, which may pose problems with ‘doubles’); and (ii) power interruptions (Malakal had a good generator, but it was destroyed during the riots; Wau only has a small generator).
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	The Business Registry staff have benefited from various training activities (training on business procedures, training for the registration database, etc.). Budget restrictions have resulted in delays in the payment of wages and created difficulties for the recruitment of staff for the branch offices. The problem was solved by mobilizing personnel from other services (Directorates of Finance at the State level), but this quick fix solution may not be feasible in the future.
3 Prospects for Future Sustainability	Score				Explanation of Score assigned	
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the legal framework providing the basis for business registration could be negatively affected by any changes in the foreseeable future. The Regulation for the Companies Act is expected to be adopted during 2014.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the forms and schedule of fees currently in use could be modified in a sense contrary to the spirit of the reform.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	No major changes are expected in the current institutional setting. However, considering South Sudan’s federal structure, a future expansion of the branch network may require a clarification of the respective roles and responsibilities of the Chief Registrar (operating at the national level) and of the Heads of Legal Affairs (active at the state level). The main threat to future sustainability originates from the difficult budgetary situation. As the Business Registry is a part of the Ministry of Justice, its future existence is not in question, but significant reductions in the level of resources available may well affect the effectiveness of operations, while further delays in wage payments may ultimately affect staff morale.
3.4 Sustainability of operational	1	2	3	4	NA	The IT system is expected to remain functional,

and/or analytical tools developed and adopted with IFC support.					possibly with further upgrading. At the same time, in case financial resources becomes scarcer, the envisaged expansion to cover new functions may be become difficult.
3.5 Overall Assessment	3.5				Fairly positive prospects for future sustainability

Country: South Sudan

Reform Area: Public Private Dialogue

Reform: Establishment of a permanent platform for public private dialogue (PPD), with the creation and strengthening of the South Sudan Business Forum (SSBF)³¹

Type of Reform: INS

Status of Reform: Recent/Ongoing

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.5 Overall Assessment	NA					
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The Government is broadly supportive of PPD and the launch of the SSBF received full endorsement from the political leadership. This is confirmed by the appointment of several ministries as members of the SSBF Board established in 2013.
2.2 Commitment of government officials.	1	2	3	4	NA	SSBF interacts with various government services, advocating the implementation of various reforms. Sometimes the interaction is less than ideal, with a considerable delay in the approval of reforms. However, this is not due to lack of commitment, but rather the result of limited capabilities in certain services (e.g. in the Ministry of Justice).
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Business associations and the business community at large are broadly supportive of the SSBF. The SSBF also contributed to set up several new sector associations (e.g. bankers' association), which is broadening the constituency for PPD work. At the same time, some skeptical views have begun to emerge, because of the slow pace of certain reforms. Reportedly, this has negatively influenced the level of private sector participation in the thematic Working Groups organized by the SSBF to coordinate reform efforts and monitor subsequent implementation.
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	SSBF is operating from functional premises, located in a government compound. Funding for SSBF activities (including staff salaries) has so far been provided by IFC and the World Bank.
2.6 Institutions responsible for implementing the reform can count	1	2	3	4	NA	The SSBF's Secretariat consists of three staff, which seems to be adequate to current needs. Staff are

³¹ Reform counted in FY10 (SSD10PPD) although support was also provided subsequently and is expected to continue under a new project.

on adequate human resources.						competent and highly motivated (the Secretariat managed to convene some working groups meetings even in the immediate aftermath of the December 2013 crisis).
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	Government remains committed to PPD in general, but some recent initiatives seem to have negatively influenced the SSBF's position. This is particularly the case of the establishment of a 'special committee' for reviewing allocations of foreign exchange, a burning issue in the current difficult economic situation. The 'special committee' does include private sector representatives (e.g. the head of the South Sudan Business Union) but does not involve the SSBF as such. This may have somewhat undermined the SSBF's standing in the business community.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	In the short run, SSBF is expected to continue to receive funding from IFC/World Bank. In the medium long term the situation is much more uncertain. The Government is facing serious financial difficulties and its ability to provide funding appears to be very limited. Private sector organizations have also limited capabilities (e.g. the Chamber of Commerce has an annual budget of just US\$ 100,000, with less than half of its members paying membership fees) and so far have shown little inclination fund SSBF activities.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	2.3					Uncertain prospects for future sustainability

Country: South Sudan

Reform Area: Protecting Investors

Reform: Establishment of a legal framework conducive to private sector investment and operations, through the passing of a new companies law and of a series of other pieces of legislation concerning the conduct of business and related administrative documents and procedures³²

Type of Reform: P&L

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The laws adopted with IFC support (Business Names Act of 2009, Partnership Act of 2009, Limited Partnership Act of 2009, Cooperatives Act of 2011, Weights and Measures Act of 2012, National Bureau of Standards Act of 2012, Imports and Exports Act of 2012, Companies Act of 2012, etc.) are still in force and no amendments have been introduced.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	The guidelines and other documents intended to support the implementation of new legislation (e.g. Sample Partnership Deed, Simple Guide for Partnerships, etc.) are still in force and no amendments have been introduced.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
1.5 Overall Assessment	4.0					Fully sustainable
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The reform was part of the gradual process aimed at building of an entire new legal system for business activities replacing both the 'old' Sudanese legislation and the rudimentary legislation adopted during the civil war. The reform process enjoyed full support from decision makers.
2.2 Commitment of government officials.	1	2	3	4	NA	Endorsement from the political leadership has ensured full aligned of government officials involved in the reform process. There have been problems in getting draft legislation ready, but this is due to weak capabilities in the Ministry of Justice and/or in relevant line ministries and not to opposition to reform.
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	The business community has been an active player in the reform process (lobbying from SSBF and other associations).
2.5 Institutions responsible for implementing the reform can count on adequate material means.	1	2	3	4	NA	
2.6 Institutions responsible for implementing the reform can count	1	2	3	4	NA	Several ministries suffer from acute lack of qualified personnel. Bottlenecks arise in line ministries (backlog

³² Reform counted in FY13 (SSD13INV) following the approval of the Companies Act of 2012. Support was also provided, both before and after the passing of this law, for other legal reforms linked to investor protection and business activity in general.

on adequate human resources.						of 13 laws at the Ministry of Agriculture) as well as in the Ministry of Justice, responsible for the final drafting.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	The new legislation is regarded as an essential step in building a civilized legal system. Despite the fluid political situation, which might well influence the legislative process, there are no indications that the legislation may be repealed or amended in a sense contrary to the spirit of the reform.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the guidelines and other documents intended to support the implementation of new legislation may be repealed or amended in a sense contrary to the spirit of the reform.
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	
3.5 Overall Assessment	4.0					Positive prospects for future sustainability

Country: South Sudan

Reform Area: Investment Policy and Promotion

Reform: Establishment of a legal and institutional framework for investment attraction and promotion, including: (i) the passing of key legislation on investment promotion (Investment Promotion Act of 2009; Investment Promotion Act Regulations of 2012); and (ii) the strengthening of the South Sudan Investment Authority (SSIA)³³

Type of Reform: INS

Status of Reform: Completed

1 Current Level of Sustainability	Score					Explanation of score assigned
1.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	Score not attributed as the reform is recent/ongoing.
1.5 Overall Assessment	NA					
2 Determinants of Sustainability	Score					Explanation of score assigned
2.1 Commitment of higher level government authorities.	1	2	3	4	NA	The attraction of foreign investors is a declared key government priority and decision makers were generally supportive of legal reforms. However, government policy has been inconsistent regarding the legal status of the role and position of SSIA, whose legal status changed no less than four times (first it was an independent agency, then became a ministry in its own right, then became part of the Ministry of Industry, and finally was again given the status of agency, but placed under the Ministry of Finance). In addition, there were delays in appointing the SSIA governing board, with some negative influence on operations.
2.2 Commitment of government officials.	1	2	3	4	NA	Commitment to reform of SSIA officials is not in question, but staff morale was negatively affected by major delays in the payment of salaries as well as by other financial difficulties (see below).
2.3 Limited opposition to the reform from vested interests.	1	2	3	4	NA	
2.4 Support to the reform displayed by intended beneficiaries and/or other stakeholders.	1	2	3	4	NA	Private sector representatives are generally supportive of the reform. Some local entrepreneur complain that "foreign companies are preferred over the domestic ones", but this is a fairly generic complaint, not specifically linked to the reform or to SSIA's activity. More importantly, the business community actively participated in the Investment Conference organized (with essential support from the IFC) at the end of 2013.
2.5 Institutions responsible for implementing the reform can count	1	2	3	4	NA	SSIA is currently based in a decent building, part of a government compound in downtown Juba. The

³³ Reform counted in FY13 (SSD13IPP), although support was also provided in earlier years.

on adequate material means.						agency moved to the current location recently, because the previous rented office had become too expensive. Equipment and furniture are pretty basic but overall adequate for the purpose. The annual budget (SSP 4 million for FY 13-14, roughly equivalent to US\$ 700 – 800,000) is in principle adequate for keeping the operation running. However: (i) there have been major delays in the transfer of funds from the Ministry of Finance, with ensuing cash flow problems; and (ii) SSIA is indebted for an undisclosed amount with the former landlord and the debt will have to be cleared using regular appropriations, which reduces the funding available for regular operations.
2.6 Institutions responsible for implementing the reform can count on adequate human resources.	1	2	3	4	NA	SSIA staff have benefited from various training and capacity building activities (e.g. study tours to Botswana and Mauritius) and are in principle able to discharge their functions. However, delays in the payment of salaries, a recurrent theme in conversations, visibly affected morale.
3 Prospects for Future Sustainability	Score					Explanation of score assigned
3.1 Sustainability of policies and/or laws and/or regulations developed and adopted with IFC support.	1	2	3	4	NA	There are no indications that the legislation on investment may be repealed or amended in a sense contrary to the spirit of the reform.
3.2 Sustainability of administrative procedures developed and adopted with IFC support.	1	2	3	4	NA	
3.3 Sustainability of institutions and/or coordination mechanisms established/strengthened with IFC support.	1	2	3	4	NA	The situation at SSIA is definitely less than ideal. Given the budgetary difficulties currently faced by the government, financial resources are expected to remain quite tight, with negative influence on the effectiveness of operations and staff morale.
3.4 Sustainability of operational and/or analytical tools developed and adopted with IFC support.	1	2	3	4	NA	The IT system developed with IFC assistance to track investors is expected to remain operational, but would need some upgrading to add new functionalities. However, this upgrading appears unlikely, due to lack of funds.
3.5 Overall Assessment	2.4					Uncertain prospects for future sustainability