

# BUSINESS ENABLING ENVIRONMENT FACT SHEET

By reducing barriers to competition, strengthening legal frameworks, and promoting transparent business practices, Chemonics cultivates business climates that enable economic growth and help countries progress on their journey to self-reliance. Our approach focuses on reducing risk, lowering the costs of doing business, and building pro-investment climates. We help broker partnerships between government counterparts and the private sector to advocate for streamlined business procedures, greater competition, and more efficient tax and customs processes.

## Project Portfolio Highlights

### Current Projects

**Jordan Economic Reform Activity (ERA)** The Economic Reform Activity (ERA) is designed to support the Government of Jordan (GOJ) in prioritizing, implementing, and sustaining economic reforms to generate inclusive private sector-led growth. ERA advanced inclusive economic reforms by tailoring and applying USAID's Organizational Capacity Assessment Tool (OCAT) for assessing the institutional capacity of GoJ entities and Jordan Exports (JE), including the ability to mainstream gender principles in the economic reform process. ERA completed an institutional assessment of the Ministry of Investment (MoIN) and began the assessment of the Reform Secretariat (RS) of the Ministry of Planning and International Cooperation (MoPIC). These assessments are foundational for strengthening the structure, systems, and capacities to drive inclusive and sustainable economic policy reforms across relevant line ministries and public institutions. ERA developed the first economic impact assessment (EIA) training curriculum in Arabic, including regional and international approaches and best practices in evidence-based analysis of economic impacts and policy options. A training program for GoJ representatives to analyze the overall economic impact of a single reform, policy, investment project, or sector on the national or local economy is ongoing. Additional efforts to advance inclusive economic reforms include a donor mapping and economic reform prioritization exercise with partners and stakeholders to ensure the alignment of interventions and ongoing development of a results framework for the Jordan Growth Reform Matrix (Reform Matrix). These efforts help enhance the GoJ's ability to advance economic reforms by transforming how it prioritizes, implements, monitors, and evaluates policy implementation to foment private sector growth.

**Kosovo Economic Growth Activity (KEGA).** KEGA is a five-year activity focusing on improving inclusive and self-reliant governance of the business environment in Kosovo and strengthening public financial management to facilitate economic growth. Through these objectives, the activity aims to reduce opportunities for and public perception of economic corruption, thereby encouraging investment in Kosovo's economy. KEGA is working towards this goal by collaborating with the Government of Kosovo, municipalities, the private sector, civil society partners, and other stakeholders to improve the business regulatory environment, strengthen public financial management, and enhance cross-cutting strategic communication, including public-private dialogue. KEGA builds on the success of the Kosovo Partnerships for Development project (PFD) and Business Enabling Environment Program (BEEP), which concluded in 2013 and 2018, respectively. Through reform-driven activities aimed at improving specific citizen service procedures such as business registration and construction permitting, PFD and BEEP contributed to Kosovo increasing its country ranking in the World Bank Doing Business Report by 79 places, from 119



(2011) to 40 (2018), and increasing the underlying indicator rankings for Starting a Business and Dealing with Construction Permits from 163 to 10 and 173 to 122, respectively. PFD facilitated the registration of 352,824 unpermitted structures as part of Kosovo's construction legalization campaign, supported the country's tax authority to reduce refund timing by 30 percent through streamlined internal procedures and digitized services, and helped to institute fiscal rules and reforms which, between 2014-2017, halved Kosovo's budget deficit; nearly tripled its fiscal reserves; and increased its tax revenues (all calculated as percentages of GDP). As of June 2021, KEGA has supported formalization of buildings in the primary partner municipalities valued at an estimated 91.2 to 126.2 million Euros. To support more municipalities with implementation, the Activity identified eight secondary partner municipalities for support, to begin in the second quarter of Year Three of the Activity.

**Tunisia Jobs, Opportunities, and Business Success (JOBS).** JOBS is creating sustainable employment for Tunisians throughout the country by providing targeted technical assistance to individual firms. This approach focuses on helping firms identify and overcome specific business constraints to increase their competitiveness, which leads to increased sales and enables them to hire additional workers. At the same time, in support of the goal of job creation, the project assists universities, vocational schools, and career centers with workforce development and job placement as well as advocated for improvements in Tunisia's business enabling environment. JOBS works with the government, private sector, and civil society to address policy and regulatory constraints that hinder businesses from growing and creating more jobs. For example, in December 2018, JOBS sponsored the Annual Enterprise Days event in Sousse, attended by over 800 companies, with an agenda focused on the status of policy-reform implementation, monetary policy, tax reform, and the labor market reform. Despite ongoing economic struggles related to the pandemic and global supply chain issues, JOBS supported 5,008 enterprises through 170 partnership agreements with 205 SMEs encompassing 4,803 small producers during its fourth year of implementation. In total, 85% of these firms are in underserved areas. This effort generated a pipeline of 10,111 additional jobs.

### **Closed Projects**

#### **Moldova Competitiveness Project (MCP).**

*Period of Performance: 09/20/2015 – 09/29/2021*

Supported capacity building for industry associations at the core of MCP's interventions and sustainability approach, enabled industry associations to become true advocates for the industries represented and guide long-term industry development. Each of the four industries that MCP supported faced diverse challenges especially as they grappled with a global pandemic and member companies that have been strongly hit by the global economic decline. MCP directed most of its workforce development and trade assistance through 11 flagship business associations to enable them to grow their capacity, relevance, and value to members. This also ensures the associations' self-reliance and resourcefulness past the project's end date and is a sustainable exit strategy. To help Moldovan firms overcome the challenges stemming from the COVID-19 pandemic, MCP supported business associations to plan rapid and long-term responses to maintain business continuity, ensure financial liquidity, and recover sales. Industry associations represented SMEs in Moldova's shaping of national and industry anti-crisis economic policies. As such, industry associations APIUS and ANTRIM, submitted over 30 advocacy papers and ensured the flow of critical information regarding health and safety requirements to support the continuity of manufacturing operations and tourism sites, including Sanitary Protocols Guide and Safe Travels accreditation by World Travel and Tourism Council. With support from MCP, business associations conducted two surveys (in March and May 2020) and collected real-time data to assess the economic impact of COVID-19 on Moldova's light industry, tourism and creative businesses, voiced at the Prime Minister's Economic Council. ONVV and the Ministry of Agriculture were supported to assess the financial liquidity needs for wineries, with specific solutions for equity investment to support long-term recovery.

#### **Pakistan Punjab Enabling Environment Project (PEEP).**

*Period of Performance: 03/14/2014 – 03/13/2021*

PEEP improved the business environment for the agriculture, livestock, and dairy sectors in the Punjab

province of Pakistan by supporting private-sector-led advocacy for policy reforms; building the capacity of public and private sector institutions and mobilizing private sector investment. In the agriculture sector, PEEP provided technical support to the Government of Punjab to develop a comprehensive, evidence-based agriculture policy, which paves the way for steady sector growth from 3.5 percent to 7 percent by 2025. The Government of Punjab requested PEEP to provide similar assistance in developing the Livestock policy for the province. Public and private sector actors, with PEEP's support, have also successfully improved the implementation of laws already on the books, such as the Punjab Livestock Breeding Act 2014 that sets standards for livestock breeding. PEEP also brought together private and public sector actors in a partnership platform called WEinSPIRE that facilitated sustainable access to training services, information, finance, input supplies, and markets for rural women livestock farmers. The model, which PEEP has replicated in the dairy sector, resulted in 30,000 women receiving microloans and in increasing average farmer income from PKR 3,500 to 9,000 per month. In the olive industry, PEEP helped the establishment of the Olive Development Group (ODG), a platform comprising of representatives of the public and private industry, academia, and financial institutions. The ODG has become a platform for sector coordination, advocating for policy reform, and catalyzing public and private investment – such as successfully establishing a Center of Excellence for Olive Research and Training. PEEP also helped the Punjab Food Department launch a Public Private Partnership Initiative modernizing the wheat storage system by constructing grain silos. As of June 2020, PEEP interventions have spurred \$211 million in new investment and created the equivalent of 14,677 full time jobs.

## CONTACT US

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### **Agriculture and Rural Development Support in Ukraine (ARDS).**

*Period of Performance: 09/07/2016 – 07/31/2020*

ARDS supported broad based, resilient economic growth by fostering a more inclusive, competitive, and better governed agriculture sector that provides improved livelihoods in rural areas of Ukraine. ARDS implemented a broad array of solutions to market system failures that span the enabling environment, including land markets, policies, governance and rights, as well as direct engagement and synchronization of both the core and support functions of agricultural value chains, namely, meat, dairy, fruit, and vegetable value chains. The project worked at the national and local levels, with a special focus on rural development in southern and eastern Ukraine. ARDS interventions leveraged \$13 million in new private sector investment in agriculture and food value chains. In the business enabling environment space, ARDS supported drafting, approval and implementation of 169 policies on national and local level. ARDS' chief land-market legislative success was the adoption of the Law on Agricultural Land Turnover, which lifted Ukraine's restrictive 19-year land sale moratorium and laid the foundation for the creation of Ukraine's land market. By supporting the legislation and policies in the agriculture sector, ARDS successfully reformed and improved state agri-controls, phyto-testing and quality standards which are critical for meeting EU standards and increasing exports.

### **Vietnam Governance for Inclusive Growth Program (GIG).**

*Period of Performance: 12/12/2013 – 12/31/2019*

Resolution 19 of the Government on Improving the Business Environment and Enhancing National Competitiveness is one of the top priorities of the Government of Vietnam to promote trade, investment, and economic growth, and to accelerate economic integration with the global market. It set targets to improve the business environment and enhance national competitiveness by reducing the cost, time and risks of doing business in Vietnam. Through

technical assistance to support the government's drafting and implementation of five successive,



annual versions of Resolution 19, the GIG Program facilitated government oversight and pressure from within the government and the business community to improve Vietnam's business environment. One of the most substantial contributions of the GIG Program was the evidence-based process for setting goals and monitoring implementation, such as through surveys and direct observation during field visits. These surveys and visits helped make high-level decision makers aware of challenges facing businesses at the local level. Deputy Prime Minister Vu Duc Dam joined field visits on at least two occasions, and he encouraged public feedback. Meeting the goals of Resolution 19 was facilitated by the GIG Program's direct engagement with multiple government counterparts and private sector to sustain pressure for specific, detailed reforms.