

## Fact Sheet – Summary of Reforms in Africa

**Angola** improved the long and cumbersome process of starting a business, thanks to its one-stop shop, the Guichet Unico da Empresa, reducing the time required by two months. To ease the process of getting construction permits in Luanda, the provincial government is now in charge of organizing and distributing the documents relating to construction projects to the agencies involved in water and electricity inspections.

**Areas of Reform:** Starting a Business, Dealing with Construction Permits

**Rank in Doing Business 2009:** 168

**Benin** speeded the export process by two days by improving port infrastructure. However, dealing with construction permits now takes 78 days longer than before, because of an administrative backlog in the municipality of Cotonou. New building regulations were passed in 2007 but are not yet in force.

**Areas of Reform:** Trading across Borders, Dealing with Construction Permits (making it more difficult)

**Rank in Doing Business 2009:** 169

**Botswana** improved its business environment by speeding the start-up process through computerization. A similar effort, which included training customs officers in using an electronic data interchange system, sped the processing of trade documents and reduced the time to export by two days and the time to import by a day. A new Company Act has come into force, requiring that shareholders approve related-party transactions and that directors repay damages and surrender profits if held liable. Finally, since January 2008, companies have been required to pay 0.2 percent of turnover for the training of workers.

**Areas of Reform:** Starting a Business, Protecting Investors, Trading across Borders, Paying Taxes (making it more difficult)

**Rank in Doing Business 2009:** 38

**Burkina Faso** eliminated random inspections during construction. It also introduced a new one-stop shop for construction permits, which reduced approval fees and combined five separate payments into a single one. A new labor code, approved in May 2008, makes hiring workers easier by allowing employers to use fixed-term contracts for permanent tasks, removing the 48-month limit on the duration of such contracts, and easing restrictions on determining the weekly rest day. Requirements for redundancy dismissals were also eased: third-party notification and consent are no longer required for dismissal of a single worker, and priority rules for dismissals were abolished. Burkina Faso made it easier to transfer property by eliminating the requirement for authorization from the municipality, merging two taxes at the Land Registry (Conservation Foncière), and reducing the transfer tax. The changes reduced the time required by 46 days and the cost by 2 percent of the property value. Finally, Burkina Faso reduced the corporate income tax rate from 35 percent to 30 percent (effective January 1, 2008), and the tax on dividends from 15 percent to 12.5 percent.

**Areas of Reform:** Dealing with Construction Permits, Employing Workers, Registering Property, Paying Taxes

**Rank in Doing Business 2009:** 148

In **Burundi** no major reforms were recorded.

**Rank in Doing Business 2009:** 177

**Cameroon**, as a member of the Central African Monetary Union, made information from the regional public credit registry more easily accessible to banks through an online system. The system simplifies the reporting and retrieval of information and has led to significant growth in coverage.

**Areas of Reform:** Getting Credit (Information)

**Rank in Doing Business 2009:** 164

**Cape Verde** enacted a new labor code in April 2008 that makes it more difficult to hire new workers. The new code reduces flexibility in the use of fixed-term contracts by limiting their duration. It also made redundancy dismissals of workers more difficult by increasing the notice period from 30 days to 45.

**Areas of Reform:** Employing Workers (making it more difficult)

**Rank in Doing Business 2009:** 143

The **Central African Republic**, as a member of the Central African Monetary Union, made information from the regional public credit registry more easily accessible to banks through an online system. The system simplifies the reporting and retrieval of information.

**Areas of Reform:** Getting Credit (Information)

**Rank in Doing Business 2009:** 180

**Chad**, as a member of the Central African Monetary Union, made information from the regional public credit registry more easily accessible to banks through an online system. The system simplifies the reporting and retrieval of information.

**Areas of Reform:** Getting Credit (Information)

**Rank in Doing Business 2009:** 175

In the **Comoros** no major reforms were recorded.

**Rank in Doing Business 2009:** 155

In the **Democratic Republic of Congo** no major reforms were recorded.

**Rank in Doing Business 2009:** 181

The **Republic of Congo** reduced the cost and time required to register property. The registration fee was cut from 15 percent of the property value to 5 percent, and the use of private appraisers reduced the total time to register a property by 21 days. Modernization of the regional public credit registry of the Central African Monetary Union allowed banks to upload and retrieve information on borrowers online.

**Areas of Reform:** Registering Property, Getting Credit (Information)

**Rank in Doing Business 2009:** 178

**Côte d'Ivoire** reduced its corporate income tax rate from 27 percent to 25 percent effective January 27, 2008, and revised the criterion for defining a small and medium-size entity to a turnover of less than CFAF 1 billion only.

**Areas of Reform:** Paying Taxes

**Rank in Doing Business 2009:** 161

**Equatorial Guinea**, as a member of the Central African Monetary Union, made information from the regional public credit registry more easily accessible to banks through an online system. The system

simplifies the reporting and retrieval of information. Trading across borders became more difficult as the 'conditional release' facility, whereby a temporary export declaration could be issued and clearance completed pursuant to the submission of more complete documentation at a later date, was cancelled.

**Areas of Reform:** Getting Credit (Information), Trading across Borders (making it more difficult)

**Rank in Doing Business 2009:** 167

**Eritrea** upgraded the infrastructure at Massawa port as well as the roads between Massawa and the capital, Asmara, facilitating trade.

**Areas of Reform:** Trading across Borders

**Rank in Doing Business 2009:** 173

In **Ethiopia** no major reforms were recorded.

**Rank in Doing Business 2009:** 116

**Gabon**, as a member of the Central African Monetary Union, made information from the regional public credit registry more easily accessible to banks through an online system. Trade was made more burdensome by the introduction of an additional document to import and export.

**Areas of Reform:** Getting Credit (Information), Trading across Borders (making it more difficult)

**Rank in Doing Business 2009:** 151

**The Gambia** made it tougher for small and medium-size enterprises to dismiss redundant workers. While the 2007 reform to the labor code simplified regulation and reduced loopholes, the notice period for redundancy dismissals was increased from two months to six.

**Areas of Reform:** Employing Workers (making it more difficult)

**Rank in Doing Business 2009:** 130

**Ghana** abolished the requirements to register employment vacancies and to obtain a company seal, reducing the number of procedures to start a business.

**Areas of Reform:** Starting a Business

**Rank in Doing Business 2009:** 87

In **Guinea** no major reforms were recorded.

**Rank in Doing Business 2009:** 171

In **Guinea-Bissau** no major reforms were recorded.

**Rank in Doing Business 2009:** 179

**Kenya** implemented major trade reforms, reducing the overall time to import by 11 days. The opening hours of customs and port authorities were extended, and the number of inspection points between Nairobi and Mombasa port reduced. Kenya also introduced an electronic system allowing traders to submit their documents online. The time required to open a business was also reduced, thanks to improvements in communication between agencies and the upgrading of the registry.

**Areas of Reform:** Starting a Business, Trading across Borders

**Rank in Doing Business 2009:** 82

**Lesotho** introduced a one-stop shop for business registration, consolidating and simplifying processes and improving efficiency. That cut the time required to start a business by 1 month.

**Areas of Reform:** Starting a Business

**Rank in Doing Business 2009:** 123

**Liberia** made starting a business faster and easier through simpler registration processes, time limits, and business licensing reforms. Similarly, it reduced the time required to obtain a construction permit by 77 days by introducing a 30-day statutory time limit and eliminating the requirement for a signature by the minister of public works on small to medium-size construction projects. Liberia also cut building permit fees in half. The country eased access to credit by establishing a database with credit information on borrowers at the Central Bank of Liberia. The database focuses primarily on delinquent borrowers, helping to improve the risk management tools of financial institutions. Finally, Liberia also reformed in trading across borders, reducing fees for customs clearance and port and terminal handling.

**Areas of Reform:** Starting a Business, Dealing with Construction Permits, Getting Credit (Information),

**Rank in Doing Business 2009:** 157

**Madagascar** eased the start-up burden by abolishing the professional tax and facilitating publication. The island also improved the operation of the land registry through development of its human and technical capacity. This reduced the total time required to register property by two months. Madagascar went further, reducing the corporate income tax to 25 percent. It also abolished the stamp duty, among other taxes, which helped reduce the total cost to register property by 4 percent of the property value. The country sped trade by implementing an electronic data interchange system, a single window which interfaces with the existing customs system, the port, the private container terminal operator, the commercial banks, the Central Bank, and the Treasury, risk-based inspections, and port improvements. These changes cut the time to import by close to three weeks and the time to export by five days.

**Areas of Reform:** Starting a Business, Registering Property, Paying Taxes, Trading across Borders

**Rank in Doing Business 2009:** 144

In **Malawi** no major reforms were recorded

**Rank in Doing Business 2009:** 134

**Mali** sped trade by implementing an electronic data interchange system and risk-based inspections and improving border cooperation. The time to export fell by 6 days and the time to import from 65 days to 42—a 35 percent reduction.

**Areas of Reform:** Trading across Borders

**Rank in Doing Business 2009:** 166

**Mauritania** simplified business registration requirements, reducing the time, cost, and procedures for start-up. Mauritania also introduced its first building code. This simplifies the requirements for small construction projects and lays the groundwork for a one-stop shop for construction permits.

**Areas of Reform:** Starting a Business, Dealing with Construction Permits

**Rank in Doing Business 2009:** 160

**Mauritius** further simplified the transfer of property by abolishing two procedures. It is no longer necessary to obtain a clearance certificate from the Waste Water Authority or a tax clearance certificate

for municipal taxes. Start-up is also easier: name verification for a new company is now done online. Getting credit too may be easier: after eliminating the minimum threshold for loan amounts, the public credit registry of the Central Bank of Mauritius now captures information on all credits extended by the financial system.

**Areas of Reform:** Starting a Business, Registering Property, Getting Credit (Information)

**Rank in Doing Business 2009:** 24

**Mozambique** made hiring workers easier through a new labor law. The law increases the maximum duration of fixed-term contracts and reduces the notice period for redundancy dismissals. The introduction of an electronic tax form made social security taxes easier to pay. In addition, a new corporate income tax code expanded the simplified scheme to companies with revenues up to 2.5 million new Mozambique metical. With more judges receiving continual formal training, stricter performance management measures, and greater administrative support, Mozambique expects to see improvements in the judicial system leading to speedier contract enforcement.

**Areas of Reform:** Employing Workers, Paying Taxes, Enforcing Contracts

**Rank in Doing Business 2009:** 141

**Namibia** reduced the time required for business start-up by a month by reengineering the company registry and introducing a new information technology system.

**Areas of Reform:** Starting a Business

**Rank in Doing Business 2009:** 51

In **Niger** no major reforms were recorded.

**Rank in Doing Business 2009:** 172

In **Nigeria** upgrades to the facilities at Apapa port in Lagos sped the import and export process.

**Areas of Reform:** Trading across Borders

**Rank in Doing Business 2009:** 118

**Rwanda** introduced major reforms in several areas. It streamlined construction permitting for the second year in a row by combining the applications for location clearance and a building permit in a single form and introducing a single application form for water, sewerage, and electricity connections. This reduced both the number of procedures and the time required for dealing with construction permits. The time and cost to register a property also fell. A new fixed registration fee was introduced, and centralization of the tax service reduced the time to obtain a certificate of good standing. Rwanda facilitated trade by extending the opening hours of the customs border offices, implementing an electronic data interchange system, and introducing risk-based inspections. Together with growth in the transport sector, this reduced the time to export by five days and the time to import by 27 days—a 40 percent reduction. Finally, commercial courts began operating in three locations, in Kigali and in the Northern and Southern Provinces, making it easier to enforce contracts.

**Areas of Reform:** Dealing with Construction Permits, Registering Property, Trading across Borders, Enforcing Contracts

**Rank in Doing Business 2009:** 139

In **São Tomé and Príncipe** no major reforms were recorded.

**Rank in Doing Business 2009: 176**

**Senegal's** one-stop shop for business start-up became fully operational, merging more than half the procedures and speeding the process as a result. Similarly, the introduction of time limits at the Land Registry and the Directorate of Taxes and Property sped property registration. The top reformer globally in easing trade, Senegal introduced a single window for customs clearance, cutting document requirements in half. It also set up an electronic data interchange system, implemented risk-based inspections, extended the operating hours of customs, and improved port and road infrastructure.

**Areas of Reform:** Starting a Business, Registering Property, Trading across Borders

**Rank in Doing Business 2009: 149**

In the **Seychelles** no major reforms were recorded.

**Rank in Doing Business 2009: 104**

**Sierra Leone** drastically cut cost and sped the process of starting a business by making the use of a lawyer optional and abolishing other registration formalities, including requirements to pay taxes up front and obtain permission for registration from the exchange control. The country also improved the organization of the building approval process and reinstated phased inspections, cutting 24 procedures for obtaining a construction permit. Sierra Leone sped property registration from 235 days to 86 by lifting a ban it had previously imposed requiring the director of survey to authenticate the cadastral map before each transfer. Finally, Sierra Leone facilitated trade by eliminating the requirement for an export license.

**Areas of Reform:** Starting a Business, Dealing with Construction Permits, Registering Property, Trading across Borders

**Rank in Doing Business 2009: 156**

In **South Africa** entrepreneurs starting a business no longer have to obtain legal assistance or have their incorporation documents notarized, thanks to amendments to the Corporate Act. These amendments also allow electronic submission of documents and publication, easing business start-up. In addition, the government reduced the tax burden by eliminating the regional establishment levy and regional services levy.

**Areas of Reform:** Starting a Business, Paying Taxes

**Rank in Doing Business 2009: 32**

In **Sudan** no major reforms were recorded.

**Rank in Doing Business 2009: 147**

In **Swaziland** no major reforms were recorded.

**Rank in Doing Business 2009: 108**

In **Tanzania** no major reforms were recorded.

**Rank in Doing Business 2009: 127**

In **Togo** no major reforms were recorded.

**Rank in Doing Business 2009: 163**

In **Uganda** no major reforms were recorded.

**Rank in Doing Business 2009:** 111

**Zambia** simplified business registration. It reorganized the one-stop shop through process reengineering and computerization and improved the operation of the Zambia Revenue Authority by creating a customer service center. Similar improvements at the Land Registry office cut the time to register property by almost half. Amendments were made to the Income Tax Act and Value Added Tax Act to update, strengthen, and remove ambiguities in these laws and enhance the effectiveness of tax administration. In addition, the withholding tax on savings and deposit accounts was reduced from 25 percent to 15 percent.

**Areas of Reform:** Starting a Business, Registering Property, Paying Taxes

**Rank in Doing Business 2009:** 100

In **Zimbabwe** a severe administrative backlog has substantially increased the cost of procedures relating to construction permits and led to delays averaging 474 days for approvals.

**Areas of Reform:** Dealing with Construction Permits (making it more difficult)

**Rank in Doing Business 2009:** 158