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AWARENESS RAISING AND INFORMATION SUPPORT TO IMPROVING BUSINESS ENVIRONMENT & COUNTRY'S DB RANKING

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Investment Climate - businesses need simple and transparent regimes

Business-friendly regulations are ...

Simple and transparent

Predictable

Not expensive

... Which means ...

- Immediate to understand
- Not subject to interpretation
- Information accessible

- Stable
- Limited change over time

- “Cheap” in cost
- Not time consuming

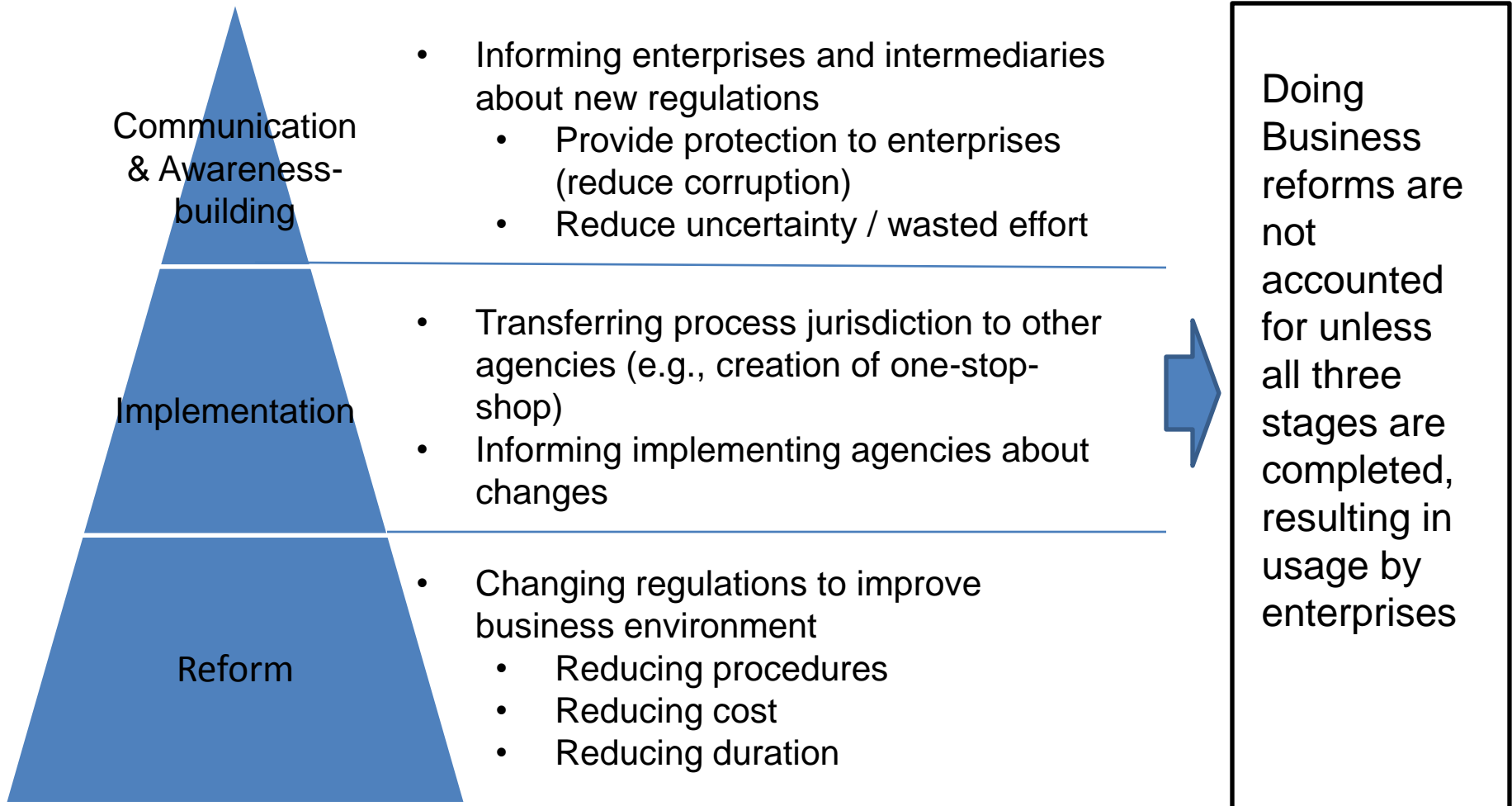
With the goal of ...

- Limiting compliance costs for businesses
- Limit corruption

- Limiting business risk

- Reducing direct costs, fees, payments, ..
- Reducing loss of business opportunities

Communication & awareness is an integral part of improving business environment



Low awareness of regulations in Kazakhstan

Customs Clearance – an example

Documents Required for Customs Clearance:

1. Customs Declaration
2. Declaration of Value
3. Payment of duties (payment slip)
4. Invoice
5. Bill of Lading
6. Electronic scanning picture stamped
7. Contract
8. Transaction Passport (Goods > \$30,000)
9. Certificate of safety/ Conformity
10. Identification card
11. *Certificate of origin (optional: goods claiming duty exemptions)*
12. *International trade participant card / Registration card (Required once a year)*

The following are not required but often submitted

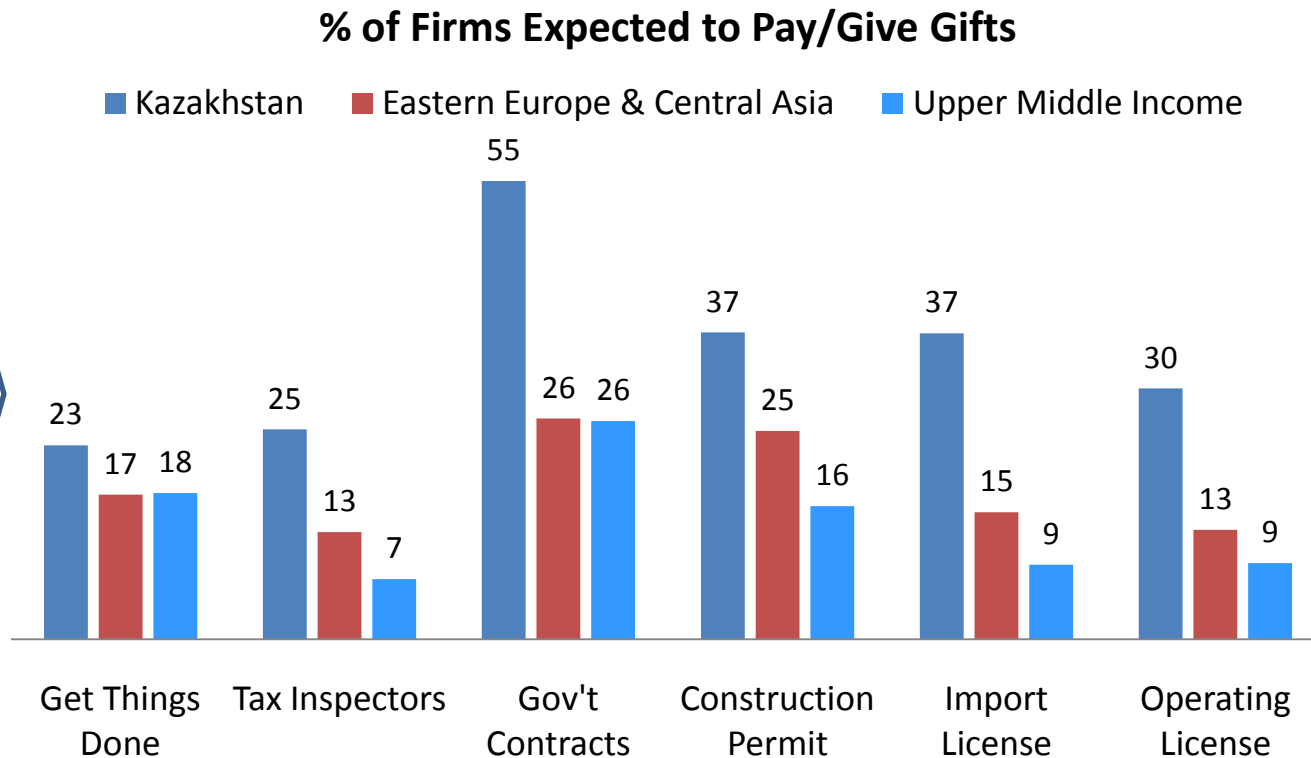
13. Bank statement
14. Classification decision
15. Taxpayer certificate
16. Individual entrepreneur card
17. Customs broker contract
18. Broker's card
19. Certificate of broker (Ministry of Justice)
20. Broker's taxpayer certificate
21. Statistical card of the customs broker
22. Customs broker license
23. Power of attorney
24. Identification of employee performing the task on broker's rolls



- Regulations are complicated
- Regulations change frequently
- Little communication to both implementing agencies and citizens

Lack of transparency is also a driver of corruption

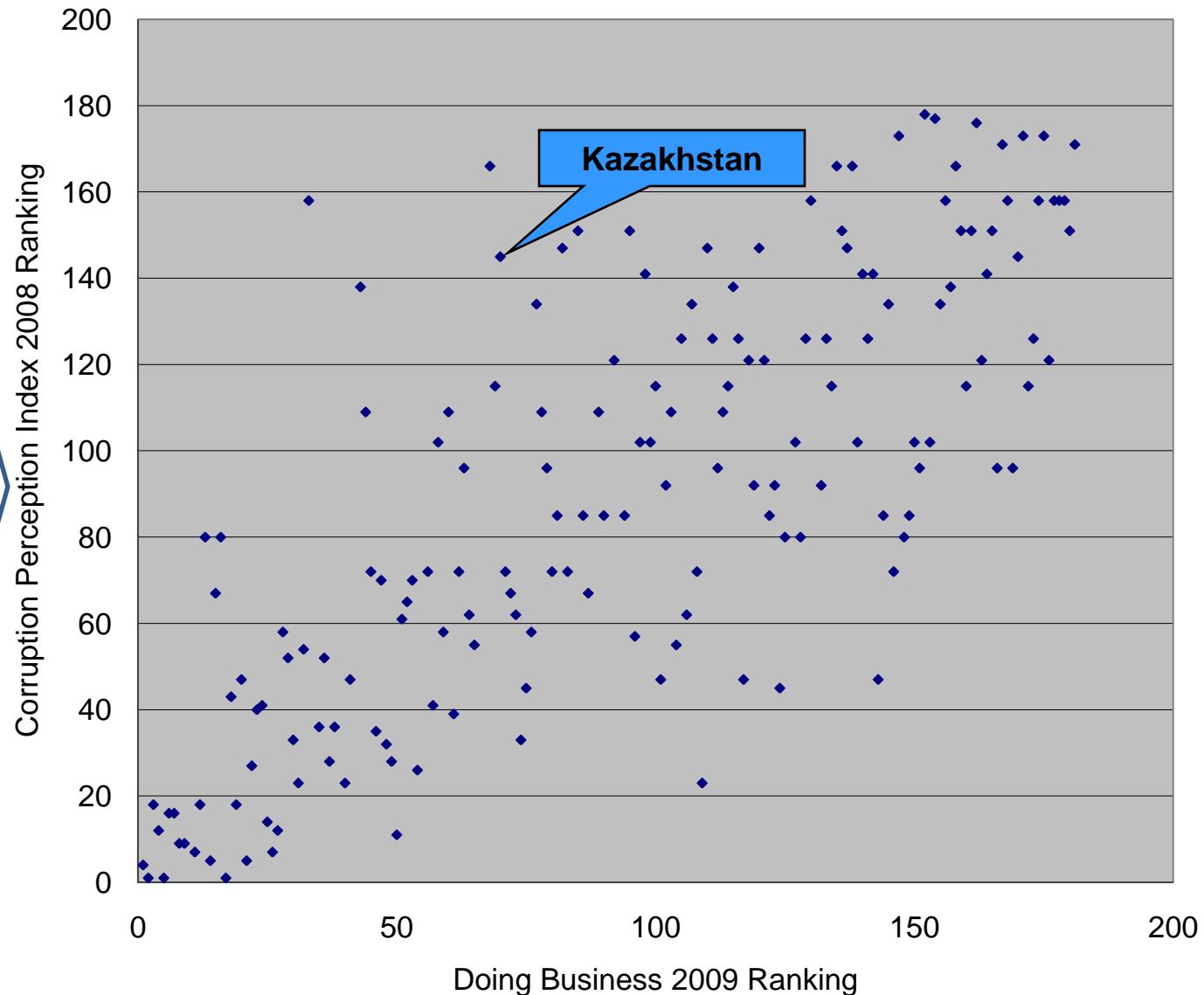
- Enterprise Survey conducted by World Bank and partners across all geographic regions
- 544 Kazakhstan companies interviewed in 2009



- **Higher level of “giving gifts” in Kazakhstan compared to benchmark countries**
- **Lack of awareness of regulations make enterprises more susceptible to corruption (e.g., enterprises do not know their rights)**
- **Awareness-building is a way to empower enterprises in the face of corruption**

Strong correlation between corruption and Doing Business score

- **Transparency International** publishes annual the Corruption Perception Index which ranks the degree to which corruption is perceived to exist in government and public officials (Kazakhstan 146 out of 180)
- **Doing Business** report ranks countries by effect of regulation on business (Kazakhstan 70 out of 181)



Need to raise awareness of officials & entrepreneurs to increase transparency



In July 2006, the Government of Tajikistan, adopted the country's first ever law regulating inspections of businesses

Issues Faced:

- Limited copies of inspection handbook
- Laws written in legal language
- Limited reach of national newspapers where law is published
- Lack of journalistic interest in covering new law and its implications to entrepreneurs

Actions taken:

1. Communication to and training of inspectors
2. Public service advertisements to inform entrepreneurs about the new law and their new rights
3. Partnered with organizations that have networks of entrepreneurs to disseminate information about the new law

Next Steps: Different types of communication depending on audience

FOR DISCUSSION

Audience

Description / Example

Tool

General

- Reforms that affect a larger number of dispersed businesses (e.g., inspection moratorium)

- Mass media (TV, radio, print)
- Press releases
- Speeches

Broad Sector

- Reforms that affect specific sectors or groups that can be easily reached (e.g., trade)

- Business associations
- Intermediaries (e.g., trade brokers)
- Distribution of checklists / brochures
- Printing and distribution of regulations

Targeted

- Reforms that affect a handful of businesses (e.g., insolvency)

- Training of intermediaries
- Conferences

Thank you!