

**Measuring Business Environment Reform Results
Sample Indicators**

INTRODUCTION

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Introduction**

 The annex also contained a brief set of sample indicators to help programme designers and managers in the formulation of programme results chains.
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Outcomes and Outputs within specific reform domains - as identified in the 2008 Donor Guidance
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 Improving labour laws and administration (Decent Work)
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 Improving land titles, registers and administration
 Simplifying and speeding up access to commercial courts and to alternative dispute-resolution mechanisms
 Broadening public-private dialogue processes
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Additional Outcome and Output domains -- in addition to those identified in the Donor Guidance, sample indicators for the following domains
 Reforms that Promote Human Rights
 Reforms that Promote Green Growth

To download this file in excel format, please go to <http://www.enterprise-development.org/page/download?id=2539> .

**Measuring Business Environment Reform Results
Sample Indicators**

IMPACT ON THE ECONOMY

| IMPACT ON THE ECONOMY | INDICATORS | MEANS OF VERIFICATION |
|--|---|---|
| Increase in private investment levels | Changes in the levels of private investment | Number of registered firms |
| | | FDI records |
| Increase in economic competitiveness | Changes in the perception of investors — domestic and foreign | Longitudinal assessment of investor perceptions |
| Reduction in poverty | Net additional income for micro, small and medium enterprise workers and owners | Firm surveys |
| | Changes in other poverty indicators (e.g., nutrition, empowerment) | Household surveys |
| Increase in tax revenues from trade | The trade tax revenues in region/municipality y has increased by x %. Baseline value: Taxation of X enterprises in year xxvv Target value: Taxation of Y enterprises in year xxvv | Annual census of taxed enterprises in region/municipality y . |

Measuring Business Environment Reform Results Sample Indicators

IMPACT ON THE POOR

| IMPACT ON THE POOR | INDICATORS | MEANS OF VERIFICATION |
|---|--|---|
| Increase in net incomes for poor women and men | Increase in the value of household incomes | Household surveys: Pre and post-programme measures of a sample of poor households |
| | | Control comparisons with households not affected by programme (if possible) |
| Increase in economic competitiveness | Changes in the perception of investors — domestic and foreign | Longitudinal assessment of investor perceptions |
| Reduction in poverty | Net additional income for micro, small and medium enterprise workers and owners | Firm surveys |
| | Changes in other poverty indicators (e.g., nutrition, empowerment) | Household surveys |
| The target group's household income or expenditure has increased | <p>Owners of at least x SME from the sub-sector or region xy have raised their income within the period 2013-2016 (inflation-adjusted) by y%</p> <p style="padding-left: 40px;">Baseline value: x \$US income of year xy</p> <p style="padding-left: 40px;">Target value: Y \$US income of year yx</p> | Firm surveys |

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IMPACT ON FIRMS

| IMPACT ON FIRMS | INDICATORS | MEANS OF VERIFICATION |
|--|---|---|
| Increase in the number of firms established | Number of firms registering | Number of registered firms |
| Increased number of jobs created by private firms | Number of full-time equivalent employees (female and male) in private enterprises | Enterprise surveys: Pre- and post- programme measures of a sample of private firms |
| Increase in economic competitiveness | Changes in the perception of investors — domestic and foreign | Longitudinal assessment of investor perceptions |
| Reduction in poverty | Net additional income for micro, small and medium enterprise workers and owners | Firm surveys |
| | Changes in other poverty indicators (e.g., nutrition, empowerment) | Household surveys |
| The number of employees working for MSMEs has increased | The number of people employed in the formal/informal private sector in the sub-sectors/value chains/SMEs receiving support increases from x% to y% (Baseline value: Number X of employees in supported enterprises; Target value: Number Y of employees in supported enterprises) | Baseline of number of employees in relevant sub-sectors/ value chains; annual surveys |
| MSMEs have increased their sales and profits | The sales of supported enterprises in chosen pilot regions/sectors rose by x% (Baseline value: X \$ US sales; Target value: Y \$ US sales) | Baseline through survey of owners and an average amount per size of enterprise; afterwards annual surveys. |
| MSMEs are more competitive (e.g. due to reduced transaction and operating costs). | X% of MSMEs confirm positive impacts of measures for SME-friendly framework conditions on their market position. | Survey among enterprises that benefit from the simplification of labor and tax law / simplification of process of inspection agency. Thereby a minimum of two of the following criteria has to be complied: sales increase, growing number of customers, significant reduction of production costs, introduction of new products, reduction of transaction and operating costs (verification through summarizing annual surveys). |

FOR MORE INFORMATION

IFC (2014) *Enterprise Surveys Indicator Descriptions*, 10 June, Washington DC: www.enterprisesurveys.org

Measuring Business Environment Reform Results
Sample Indicators
INTERMEDIATE OUTCOMES

| INTERMEDIATE OUTCOMES | INDICATORS | MEANS OF VERIFICATION |
|---|--|--|
| Increased competition | Increase in the number of firms participating in selected markets | Changes in the number of private firms operating in market |
| | | Control comparisons with markets not affected by programme (If possible) |
| Reduced business risk | Increase in the levels of in-firm investments (see below) | Enterprise surveys: Pre- and post- programme measures of a sample of private firms |
| | | Control comparisons with private firms not affected by programme (if possible) |
| Reduced business costs | Decrease in the costs of compliance | Enterprise surveys: Pre- and post- programme measures of a sample of private firms |
| | | Control comparisons with private firms not affected by programme (if possible) |
| Improved conditions for business operation | Percentage of business environment reforms (i.e., policies, laws and regulations) that have been passed or approved as a result of the programme | Review of documents: policies, laws and regulations |
| Improvements in the quality of business laws and regulations and their | See OECD indicators of regulatory quality | Expert analysis of laws, regulations and procedures |
| Improvements in business advocacy and public private dialogue | Improvements in the quantity and quality of business advocacy and PPD events | Longitudinal assessments of advocacy and PPD events |
| Sustainability of reforms | Improvements in the capacity of key actors and institutions (government and business) to identify, design, implement, and monitor reforms | Longitudinal assessments of institutional capacity of key actors |
| | Improvement in the capacity of key actors and institutions to ensure benefits of BER reforms are diffused so that they benefit the poor | Perception surveys of key stakeholders |
| | Increase in participation of poor women and men in BER reform process | Documentation of advocacy efforts and PPD events |
| | Increase in the perceived importance of reform among key public, private and civil society actors | Documentation of collaboration among stakeholders on reform efforts |
| | Increase in the demand for reforms by business and civil society | Media reports on BER and the demand for BER |
| | Improved government coordination of reform efforts (i.e., evidence of increased inter-agency coordination) | |

Measuring Business Environment Reform Results
Sample Indicators
INTERMEDIATE OUTCOMES

| | | |
|--|---|--|
| | Government revenues applied to maintain the reformed system | |
| | Public officials incentivised to identify and implement reform measures | |
| | Increases in the capacity of programme partners and other key business environment actors (i.e., public, private and civil society) to effectively engage in and adapt to the continuing process of business environment reform | |
| | Transparent feedback mechanism established through which government reports back to business and civil society actors on progress with reforms | |
| | Increase in the commission and usage by government of independent business climate surveys/progress evaluations of reforms | |
| | Changes to the market systems and the legal, regulatory and institutional frameworks that govern them | |

SOURCES

Ernst & Young (2014) *Support to Private Sector Development Phase II (SPDS II); Programme Monitoring and Evaluation Plan*, March, Danida, Ghana

FOR MORE INFORMATION

There are a range of other development indicators that are not specifically focused on business environment reform outcomes, but which reflect changes to development and investment outcomes. These include:

Global Impact Investing Initiative (GIIN) and the IRIS metrics, which support transparency, credibility, and accountability in impact measurement practices across the impact investing industry. The metrics include indicators for many aspects and sectors of investment. Data are collected from enterprises that affect many types of development (social, health, land, agriculture, small businesses, etc.). See: www.thegiin.org/cgi-bin/iowa/home/index.html and IRIS metrics: www.iris.thegiin.org

IFC Development Outcome Tracking System uses standard and sector-specific indicators categorized into areas where value is measured: financial, economic and environmental and/or social performance. See: www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IDG_Home/Monitoring_Tracking_Results/Tracking_System

**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: SIMPLIFYING BUSINESS REGISTRATION AND LICENSING PROCEDURES

| DOMAIN: SIMPLIFYING BUSINESS REGISTRATION AND LICENSING PROCEDURES | | | |
|---|---|--|--|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increase in the number of businesses that register and obtain the necessary licenses | Number of business registrations | Database of business registration and licensing authorities | Reduced time to register will encourage more businesses to register and obtain licenses |
| | Number of business licenses issued | | |
| Reduction in the amount of time required to register and license a business | Time taken to register and license a business | Time and task survey | Increasing the automation of processes and collocating business registration and license services will decrease time |
| | | Survey of businesses that have recently been registered | |
| Informal businesses, many of them run by women, become formalised | The number of business registrations per year, segmented in registrations of former informal businesses and startups at agency XY rose from x (baseline year) to y. | Gender differentiated survey of businesses that have registered; query and observation of registration process at government agencies; random supervision of businesses at registration. | |
| | The level of formalization for businesses of the informal sector augmented from x % to y %. | Evaluation and analysis of statistical data from registration office and statistics of the informal sector. | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Simplified and harmonised business registration and licensing procedures implemented | Reduction in the number of steps required to register and license a business | Compare old procedures to new | Simplified and harmonised systems make it easier to obtain a license and register |
| One-stop-shop for registering and licensing businesses operational | Reduction in the number of steps required to register and license a business | Expert analysis of laws, regulations and procedures | Fewer steps make it easier to obtain a license and register |
| On-line business registration and licensing facility accessible to targeted users | Percentage of registrations and licenses completed online | Database of business registration and licensing authorities | Automating procedures will save time |
| | | | Targeted users have reliable access to internet |

FOR MORE INFORMATION

DCED (2013) *Measuring the Results of Donor-Supported Business Registration and Licensing – The case of Minas Gerais in Brazil*, in Case Studies in the Measurement of Donor-Supported Business Environment Reform Results: http://www.businessenvironment.org/dyn/be/docs/264/Donor_Guidance_Annex_on_Measuring_BER_Results_Ca.pdf

Bruhn, Miriam. 2011. "License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico." *Review of Economics and Statistics*, 93(1): 382–386.

**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: SIMPLIFYING BUSINESS REGISTRATION AND LICENSING PROCEDURES

- De Mel, S., D. McKenzie & C. Woodruff. 2012. "The demand for, and consequences of, formalization among informal firms in Sri Lanka." *World Bank Policy Research Working Paper* No. 5991.
- Djankov, Simeon, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. 2002. "The Regulation of Entry." *Quarterly Journal of Economics* , 117(1): 1-37.
- Klapper, Leora, Luc Laeven, and Raghuram Rajan. 2006. "Entry Regulation as a Barrier to Entrepreneurship." *Journal of Financial Economics* , 82(3): 591-629.
- La Porta, Rafael and Andrei Shleifer. 2008. "The Unofficial Economy and Economic Development." NBER Working Paper No. 14520.
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- Maloney, William. 2004. "Informality Revisited." *World Development* , 32 (7): 1159-1178.
- McKenzie, David, and Yaye Seynabou Sakho. 2010. "Does it pay firms to register for taxes? The impact of formality on firm profitability." *Journal of Development Economics* 91 (1): 15-24.
- Perry, Guillermo, William Maloney, Omar Arias, Pablo Fajnzylber, Andrew Mason and Jaime Saavedra. 2007. *Informality: Exit and Exclusion*. World Bank Latin America and Caribbean Studies: World Bank, Washington D.C.
- IFC (2014) *Enterprise Surveys Indicator Descriptions* , 10 June, Washington DC: www.enterprisesurveys.org

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: IMPROVING TAX POLICIES AND ADMINISTRATION

| DOMAIN: IMPROVING TAX POLICIES AND ADMINISTRATION | | | |
|--|--|---------------------------------|--|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increased tax compliance by private enterprises | Number of private firms registered with the tax authority | Tax authority records | Making tax administration easier and more transparent will increase the number of tax-payers |
| Increased transparency on tax system and processes | Tax-payers' opinion on tax administration | Tax-payer opinion survey | |
| More friendly and harmonised tax laws and regulations | Time taken to register for tax and submit tax forms is reduced | Compare old procedures with new | |
| | Tax-payers' opinion on tax administration | Tax-payer opinion survey | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Tax information centres operational | Awareness and information on tax obligations increased | Enterprise survey | |
| User-friendly payment system implemented | Time taken to make payment is reduced | Compare old procedures with new | |
| Harmonised tax regime implemented | Time taken to make payment is reduced | Compare old procedures with new | |

FOR MORE INFORMATION

DCED (2013) *Measuring the Results of Donor-Supported Tax Reform – The case of donor-supported tax reform in Nigeria (GEMS3)*, in Case Studies in the Measurement of Donor-Supported Business Environment Reform Results:

http://www.businessenvironment.org/dyn/be/docs/264/Donor_Guidance_Annex_on_Measuring_BER_Results_Ca.pdf

McKenzie, David, and Yaye Seynabou Sakho. 2010. "Does it pay firms to register for taxes? The impact of formality on firm profitability." *Journal of Development Economics* 91 (1): 15-24.

Bruhn, M. (2011) "Reforming Business Taxes" in *Viewpoint, Public Policy for the Private Sector*, Number 330, December, World Bank Group, Washington DC

GEMS3 Impact, <http://gemsnigeria.com/gems3-impact/>

IFC (2014) *Enterprise Surveys Indicator Descriptions*, 10 June, Washington DC: www.enterprisesurveys.org

**Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: ENABLING BETTER ACCESS TO FINANCE**

| DOMAIN: ENABLING BETTER ACCESS TO FINANCE | | | |
|--|---|--|-----------------------------|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increase in the access private enterprises have to credit | Percentage of private firms (disaggregated by firm size) that report access to credit | Survey of enterprises | |
| Increase in financial inclusion - financial system becomes more inclusive of poor and vulnerable groups | Percentage of population with a bank account | Review of banking records | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Establishment of a credit registry | Credit registry in place (preferably with online registration and search facility) | Programme documents | |
| Improved credit information system | Range of positive and negative credit information made available to the public | Review of records; Programme documents | |
| Out-of-court enforcement mechanisms introduced | Availability of out-of-court security agreements | Review of legal documents | |

FOR MORE INFORMATION

World Bank, *Doing Business - Getting Credit Methodology* : <http://www.doingbusiness.org/methodology/getting-credit>
 Djankov, S., C. McLiesh, and A. Shleifer (2006) *Private Credit in 129 Countries* , World Bank Group, Washington DC
 IFC (2014) *Enterprise Surveys Indicator Descriptions* , 10 June, Washington DC: www.enterprisesurveys.org

Measuring Business Environment Reform Results

Sample Indicators

DOMAIN: IMPROVING LABOUR LAWS AND ADMINISTRATION (DECENT WORK)

| DOMAIN: IMPROVING LABOUR LAWS AND ADMINISTRATION (DECENT WORK) | | | |
|--|--|--|---|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increase in the number of jobs for women and men | Change in the number of women and men employed in sample of firms | Enterprise survey - before and after programme | Business environment reforms boost investments in private sector employment |
| Increase in incomes | Change in salary levels among women and men in sampled firms | Enterprise survey - before and after programme | Improved salaries contributes to decent work |
| Increase in compliance with worker and human rights | Reduced incidence of child labour | National statistical data | Lower levels of child labour promote decent work |
| | Increase in worker representation in Social Dialogue | Enterprise survey - before and after programme | Increased participation in Social Dialogue will increase compliance |
| | Improved tripartite participation (number and quality of dialogue) | Survey of social partners - before and after programme | Increased participation in Social Dialogue will increase compliance |
| Reduction in the level of informal employment | Change in the number of people classified as informally employed | Labour market surveys | Improvements in the business environment will lead to the formalisation of firms and workers |
| Increased investment in worker skills and productivity | Increase in firm investments into staff training | Enterprise survey - before and after programme | Firm investments in training and staff development improve productivity and the value of decent employment |
| Decrease in informal employment in private enterprises | Change in number of firms that comply with labour laws and regulations | Enterprise survey - before and after programme | Compliance with labour laws and regulations promotes decent work |
| Improvements in working conditions | Increase in the use of employment contracts | Enterprise survey - before and after programme | Employment contracts formalise employer-worker relationships and improve the quality of employment in private enterprises |
| | Decrease in workplace accidents | Enterprise survey - before and after programme | Improvements in working conditions in private enterprises makes work safer and more productive |
| Reduced vulnerability | Improved access to social services | Survey of workers - before and after programme | Access to social services makes workers more resilient to external shocks |
| | Improved access to social protection schemes | Survey of workers - before and after programme | Better access to social protection makes workers more resilient to external shocks |

Measuring Business Environment Reform Results

Sample Indicators

DOMAIN: IMPROVING LABOUR LAWS AND ADMINISTRATION (DECENT WORK)

| | | | |
|---|--|---|--|
| | Increase in local savings | Survey of workers - before and after programme | Increased levels of local savings make workers more resilient to external shocks |
| Reduction in the level of informal employment | Change in the number of people classified as informally employed | Labour Force Survey | Improvements in the business environment will lead to the formalisation of firms and workers |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Employment policies and laws respond to needs and aspirations of employers and workers | Qualitative criteria to be determined by programme | Analysis of employment policies and labour laws and regulations | Employment policies and labour laws and regulations are drafted without a clear understanding of the realities facing private sector employers and workers |
| Public campaign against child labour | Increased awareness of the problem of child labour | Enterprise and household surveys - before and after programme | Lack of awareness of the problems associated with child labour is a major contributor to the presence of child labour in private enterprises |
| Increased awareness of the rights and responsibilities of employers and workers | Change in awareness among employers and workers before and after programme | Employers' and Workers' Survey | Lack of awareness of the rights and responsibilities of employers and workers is a major contributor to the lack of compliance |

FOR FURTHER INFORMATION

ILO (2012) *Decent Work Indicators; Concepts and Definitions*, ILO, Geneva

**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: IMPROVING THE OVERALL QUALITY OF REGULATORY GOVERNANCE

| DOMAIN: IMPROVING THE OVERALL QUALITY OF REGULATORY GOVERNANCE | | | |
|---|---|---|-----------------------------|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increased transparency in government regulation and | Perception of business owners and managers | Business perception survey: pre- and post-reforms | |
| Increase in the number of government ministries that assess the consequences of regulatory and administrative reforms before they are introduced | Number of ministries applying regulatory impact assessments prior to the introduction of new regulations or administrative procedures Baseline value: no impact assessment in the review of new policies/regulations Target value: impact assessment is applied for all new policies/ regulations | Query and analysis at a state agency and / or the relevant regulatory body for policy impact assessment | |
| Inspections by the state inspection authority are carried out using simplified, transparent and non-discriminatory procedures | Perception of business owners and managers regarding the complexity/simplicity, transparency and non-discriminatory nature of government inspection procedures | Business perception survey: pre- and post-reforms | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Current stock of regulations is systematically reviewed to ensure they continue to meet their intended objectives efficiently and effectively | Number of regulations reviewed against the principles of good regulation | Programme documentation | |
| New, simplified and transparent inspection procedures are endorsed by the relevant government authority | Inspection procedures of relevant government authority | Review of documents | |
| Consultative mechanisms for private sector input into new, draft laws, regulations and procedures established | Number of consultative mechanisms established | Programme documentation | |

Measuring Business Environment Reform Results

Sample Indicators

DOMAIN: IMPROVING THE OVERALL QUALITY OF REGULATORY GOVERNANCE

| | | | |
|--|--|---|--|
| | Number of legal, regulatory and administrative proposals discussed with the private sector before being introduced | Programme documentation; Survey of business membership organisations | |
| Business regulation and procedures are digitised and put on-line for improved access and transparency | Number of business-related regulations and procedures that have been digitised and are easily available on-line | Programme documentation; Review of on-line facilities of relevant government ministries and regulatory authorities: pre- and post-reforms | |

FOR MORE INFORMATION:

Jacobzone, S., C. Choi and C. Miguet (2007), *Indicators of Regulatory Management Systems*, OECD Working Papers on Public Governance, 2007/4, OECD Publishing.

doi:10.1787/112082475604 OECD

OECD (2012) *Recommendation of the Council on Regulatory Policy and Governance*, OECD, Paris

World Bank (2010) "Regulatory Quality Indicators", *Better Regulation for Growth; Governance Frameworks and Tools for Effective Regulatory Reform*, Investment Climate Advisory Group, World Bank Group, Washington DC

**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: SIMPLIFYING AND SPEEDING UP ACCESS TO COMMERCIAL COURTS AND TO ALTERNATIVE DISPUTE-RESOLUTION MECHANISMS

| DOMAIN: SIMPLIFYING AND SPEEDING UP ACCESS TO COMMERCIAL COURTS AND TO ALTERNATIVE DISPUTE-RESOLUTION MECHANISMS | | | |
|---|--|---|---|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Reduction in the number of procedures required to enforce a contract through the courts | Number of steps required to file and serve a case | Expert advice on the number of steps for a typical case; Review of relevant laws and regulations; Review of court documents: pre- and post-reforms | A procedure is defined as any interaction, required by law or commonly used in practice, between the parties or between them and the judge or court officer. Other procedural steps, internal to the court or between the parties and their counsel, may be counted as well. Procedural steps include steps to file and serve the case, steps to assign the case to a judge, steps for trial and judgment and steps necessary to enforce the judgment (World Bank Doing Business, see below) |
| | Number of steps required to reach trial and judgement | | |
| | Number of steps required to enforce judgement | | |
| Reduction in the time required to enforce a contract through the courts | Time (calendar days) required to file and serve a case | Expert advice on the number of calendar days required for a typical case; Review of relevant laws and regulations; Review of court documents: pre- and post-reforms | Time is recorded in calendar days, counted from the moment the plaintiff decides to file the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods between. The average duration of different stages of dispute resolution is recorded: the completion of service of process (time to file and serve the case), the issuance of judgment (time for the trial and obtaining the judgment) and the moment of payment (time for enforcement of the judgment). World Bank Doing Business - see below. |
| | Time (calendar days) required to reach trial and judgement | | |
| | Time (calendar days) required to enforce judgement | | |
| Reduction in the cost required to enforce a contract through the courts | Average cost of attorney fees based on a percentage of the claim | Expert advice on costs: pre- and post-reforms | Court costs include all court costs that Seller (plaintiff) must advance to the court, regardless of the final cost to Seller. Enforcement costs are all costs that Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer's movable assets, regardless of the final cost to Seller. Average attorney fees are the fees that Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case. (World Bank Doing Business - see below) |
| | Court costs | | |
| | Enforcement costs | | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |

**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: SIMPLIFYING AND SPEEDING UP ACCESS TO COMMERCIAL COURTS AND TO ALTERNATIVE DISPUTE-RESOLUTION MECHANISMS

| | | | |
|---|---|-------------------------------------|--|
| Establishment of specialised commercial courts | Commercial courts established and operational | Programme documents; Physical audit | |
| Introduction of an effective case management system and automation | Case management system in use by courts | Programme documents; Physical audit | |
| | Automation of case management | Programme documents; Physical audit | |
| Facility established to allow electronic filing of complaints | New electronic complaints filing facility established and operations | Programme documents; Physical audit | |
| Alternative dispute resolution facility established to ease pressure on courts | New alternative dispute resolution facility established and operational | Programme documents; Physical audit | |
| | Client feedback from use of ADR facility | Client survey — annual | |

FOR MORE INFORMATION:

World Bank: Doing Business – Enforcing Contracts Methodology: <http://www.doingbusiness.org/methodology/enforcing-contracts>

Djankov, S., R. La Porta, F. Lopez-de-Silanes and A. Shleifer (2003) *Courts*, World Bank Group, Washington DC

World Bank Group (2011) *Alternative Dispute Resolution Guidelines*, Investment Climate Advisory Group, World Bank, Washington DC

IFC (2014) *Enterprise Surveys Indicator Descriptions*, 10 June, Washington DC: www.enterprisesurveys.org

Measuring Business Environment Reform Results

Sample Indicators

DOMAIN: IMPROVING LAND TITLES, REGISTERS AND ADMINISTRATION

| DOMAIN: IMPROVING LAND TITLES, REGISTERS AND ADMINISTRATION | | | |
|--|---|--|----------------------|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increase in the volume of land that is formally recognised | Percentage of formal land rights coverage | Review of records: Overview of the types and extents of formal tenure regimes and the tenure security offered by them | |
| | Percentage of the country and population covered by the formal land tenure system | An estimate of the percentage of the country area and percentage of the population living on land where the rights are formally recognized. This includes land held by formal rights in the past where subsequent dealings have not been registered (avoiding where possible double counting) but excluding, where possible, areas long occupied by informal settlers. | |
| Reduction in the level, time and cost to resolve land disputes | Level of land disputes (Low, Medium, High) | Review of records: an assessment of the level of disputes over land, including on-going land-related court cases | |
| | Dispute resolution time (days) | Review of records: Average time taken to resolve land disputes (can also be done by the use of anecdotal experience) | |
| Reduction in the time and cost to register or transfer land for business purposes | Time required to register transfer of land (days) | Expert advice (e.g., lawyers, conveyancers) | |
| | Transfer cost as a percentage of property value | Expert advice (e.g., lawyers, conveyancers) | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Framework prepared for the long-term development of the land administration system | Framework for reform of the land administration and tenure system developed and agreed by all parties | Review of programme documents | |
| Improved coordination and service delivery | Single land administration agency (one-stop shop) established | Review of programme documents; Physical audit | |
| Digitization of land records | Percentage of land records digitised | Review of records | |

FOR MORE INFORMATION

Burns, T., Grant, C., Nettle, K., Brits, A., and Dalrymple, K. (2006) Land Administration Reform; Indicators of Success, Future Challenges, Land Equity International, Wollongong



Measuring Business Environment Reform Results
Sample Indicators

DOMAIN: IMPROVING LAND TITLES, REGISTERS AND ADMINISTRATION

World Bank Doing Business – Registering Property: <http://www.doingbusiness.org/data/exploretopics/registering-property/what%20measured>

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: BROADENING PUBLIC-PRIVATE DIALOGUE PROCESSES

| DOMAIN: BROADENING PUBLIC-PRIVATE DIALOGUE PROCESSES | | | |
|---|--|--|--|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Sustained increase in the quality and quantity of advocacy and public-private dialogue (PPD) | Number of funded advocacy projects with documented evidence of achievement of advocacy and PPD outcomes | Programme records | PPD in improved through better representation and preparation by BMOs |
| | | BMO survey: pre- and post-programme achievements | |
| Improved voice and accountability for poor men and women | Number of firms participating in business membership organisations (BMOs) (disaggregated by female and male-owned enterprises) | BMO survey: pre- and post-programme engagement by BMOs in advocacy and PPD | |
| Advocacy contributes to an improvement in the business environment at all levels | Percentage of agreed advocacy actions implemented by targets achieving the intended final results | Review of programme documents; review of monitoring and evaluation reports | Government/Targets are willing to undertake reforms; Private sector continues to grow (See E&Y 2014) |
| | Number of functioning PPD structures | Survey of structures | |
| | Percentage of advocacy actions rated successful | Advocacy competence assessment diagnostic tool | |
| | Percentage increase in fee-paying membership private sector organisations | Review of programme documents; review of monitoring and evaluation reports | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Increase in BMO resources devoted to advocacy and PPD | Changes in BMO budgets devoted to advocacy and PPD | Compare BMO records at start of programme and after | |
| More inclusive practices (e.g., more women involved in advocacy and PPD) | Changes in BMO membership: ratio of male and female | Compare BMO records at start of programme and after | |
| Copying and crowding-in by system actors | Increase in the number of actors engaging in advocacy and PPD | Compare PPD records at start of programme and after | |
| PPD platforms are established and operational | The platform for PPD is established, with agreement to meet x times a year | Document review: Minutes of dialogue platforms, participants lists, compilation and analysis of the list of agreements | |

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: BROADENING PUBLIC-PRIVATE DIALOGUE PROCESSES

| | | | |
|---|--|--|--|
| Increase in the use of PPD products | Existence of evidence-based analytical output | Document review: Percentage of PPD recommendations that include policy papers, position papers, reviews or assessments | |
| | Volume of recommendations generated by PPD processes | Document Review: Number and kind of economic or reform proposals that were generated through PPD processes | |
| Improved PPD operations | PPD process outputs | Document review: Number of working group and forum meetings | |
| Increase in trust and cooperation among PPD partners | Improvements in trust and cooperation | Percentage of respondents of stakeholders indicating increase in trust, understanding and cooperation between stakeholders | |
| Increased ownership of PPD processes | Tailoring PPD processes | Stakeholder interviews: Degree to which dialogue or partnership has innovated or changed existing institutional structures | |

FOR FURTHER INFORMATION:

Herzberg, B. and A. Wright (2006) *The PPD Handbook: A Toolkit for Business Environment Reformers*, Washington DC

PPD Evaluation Wheel: http://www.publicprivatedialogue.org/tools/ANNEXES/evaluation_tool/

Ernst & Young (2014) *Support to Private Sector Development Phase II (SPDS II); Programme Monitoring and Evaluation Plan*, March, Danida, Ghana

DCED (2013) *Measuring the Results Of Donor-Supported Business Advocacy and Public-Private Dialogue – The case of ENABLE Nigeria*, in Case Studies in the Measurement of Donor-Supported Business Environment Reform Results: http://www.businessenvironment.org/dyn/be/docs/264/Donor_Guidance_Annex_on_Measuring_BER_Results_Ca.pdf

Adam Smith International & Springfield Centre (2013) *Making Business Membership Organisations Work for the Poor*; Case Study, ENABLE, Nigeria

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**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: IMPROVING ACCESS TO MARKETS THROUGH TRADE AND CUSTOMS REFORM

| DOMAIN: IMPROVING ACCESS TO MARKETS THROUGH TRADE AND CUSTOMS REFORM | | | |
|---|---|--|---|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Reduced trade costs | Percentage decrease in average price for transporting X goods between Point A and Point B | Transport firm survey | Reduced costs in transportation will reduce overall cost of trade |
| Reduced trade regulatory and operating costs | Actual costs (i.e., time, fees, charges) incurred in complying with trade and customs regulations | Firm survey: importing and exporting costs | Reduced compliance costs will increase the volume of trade |
| | | Review of import and cost costs | |
| | | Border crossing time surveys | |
| Reduced time to import and export goods | Actual time required to move X goods for point A to port B | Importers and exporters survey | Reduction in time to import and export will lead to increased levels of trade |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| One-stop border posts operational | Time to complete all cross-border processes | Border crossing time surveys | One-stop border posts reduce the time required to comply with trade and customs obligations |
| Simplified and harmonised trade and customs procedures implemented | Reduction in the number of steps required to import and export goods | Compare old procedures with new | Simplified and harmonised procedures reduce the number of steps required to comply with trade and customs obligations |
| On-line trade and customs procedures implemented | Percentage of transactions completed online in real time | Compare old procedures with new | An online documentation of procedures contributes to a reduction in the number of steps required to comply with trade and customs obligations |
| Non-tariff barriers eliminated | Number of non-tariff barriers eliminated | Documentation review | Non-tariff barriers are a significant barrier to trade |
| Policy framework for trade improves | Evidence of policy changes, especially the implementation and enforcement of new laws, policies and regulations | Document review; case studies | Policy reform will guide legal and regulatory reforms |

FOR MORE INFORMATION

DCED (2013) *Measuring the Results of Donor-Supported Trade and Customs Reform – The case of TradeMark East Africa*, in Case Studies in the Measurement of Donor-Supported Business Environment Reform Results: http://www.businessenvironment.org/dyn/be/docs/264/Donor_Guidance_Annex_on_Measuring_BER_Results_Ca.pdf
Huchet-Bourdon, M., A. Lipchitz and A. Rousson (2009) "Aid for Trade in Developing Countries: Complex Linkages for Real Effectiveness", in *African Development Review* 21(2), pp. 243-290. Africa Development Bank, Tunis

OECD (2009) *Trading out of poverty: how aid for trade can help*. Organisation for Economic Cooperation and Development, Paris

OCED & WTO (2010) *Aid for Trade: Is it working?*, OECD, Paris, available from: <http://www.oecd.org/dac/aft/45581702.pdf>

TMEA (2012) *TMEA Monitoring, Evaluation and Learning Procedures; How to measure what you are doing, and whether it's working*, version 2, 6 November, available from: <http://www.trademarka.com/wp-content/uploads/2012/04/TMEA-Revised-MEL-Guidelines.pdf>

**Measuring Business Environment Reform Results
Sample Indicators**

DOMAIN: REFORMS THAT PROMOTE HUMAN RIGHTS - MEASURING THE IMPACT OF BUSINESS ENVIRONMENT REFORMS ON HUMAN RIGHTS

| DOMAIN: REFORMS THAT PROMOTE HUMAN RIGHTS - MEASURING THE IMPACT OF BUSINESS ENVIRONMENT REFORMS ON HUMAN RIGHTS | | | |
|---|--|---|-----------------------------|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Reduction of any form of discrimination (i.e., increase in "non-discrimination") | Number of complaints received by business owners, managers or workers: pre- and post-reform interventions | Programme documents; Complaints register (see output below); Consultations with business organisations and workers' organisations | |
| Increase in government accountability | Awareness of government and office-bearers' roles and responsibilities: pre- and post-reform interventions | Perception survey of government officials and office-bearers: pre- and post-reform interventions | |
| Increase in government transparency | Awareness of government policies and programmes, laws and regulations: pre- and post-reform interventions | Survey of enterprise owners and managers: pre- and post-reform interventions | |
| Increase in participation in the economy by women and disadvantaged and vulnerable groups | Number of target group members who own and manage their own enterprise, disaggregated by enterprise size, sector and location | Survey of enterprises: pre- and post-reform interventions | |
| Enterprises within the selected value chains show improved compliance with Global Compact principles | Number of enterprises complying with Global Compact principles | Survey of enterprises in selected value chains: pre- and post-reform interventions | |
| Qualitative changes in the recognition of and respect for rights | Number of enterprise owners and managers that exhibit an understanding and respect for human rights, including worker rights and consumer rights | Survey of enterprise owners and managers: pre- and post-reform interventions | |
| Improved gender equality in business ownership, management and employment | Proportion of women who own their own business, or are employed as managers or as workers, disaggregated by firm size, sector and location | Survey of enterprises: pre- and post-reform interventions | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |

Measuring Business Environment Reform Results Sample Indicators

DOMAIN: REFORMS THAT PROMOTE HUMAN RIGHTS - MEASURING THE IMPACT OF BUSINESS ENVIRONMENT REFORMS ON HUMAN RIGHTS

| | | | |
|--|---|--|--|
| Legal and regulatory framework reviewed against international treaties, laws and standards | Number of laws and regulations reviewed | Programme documentation: pre- and post-reforms | |
| Legal and regulatory framework amended to enhance accountability of government, business and office bearers | Number of amendment made to the legal and regulatory framework | Programme documentation: pre- and post-reforms | |
| Complaints mechanism established for businesses to raise administrative and regulatory concerns | Complaints mechanism established and operational | Programme documentation; Physical audit; Regular monitoring reports; Register of complaints received | |
| | Number of complaints received / Number of complaints acted upon | | |
| Human rights training for all government officials and regulatory authority office bearers | Number of training programmes conducted | Programme documentation | |
| | Number of officials trained | Programme documentation | |
| On-line information on business laws, regulations and procedures established | On-line business portal established and operational | Programme documentation; Physical audit; Monitoring report of portal visits and use | |

MORE INFORMATION

Danida (2012) *The Right to a Better Life; Strategy for Denmark's Development Cooperation*, Danida, Copenhagen

SIDA: *The Human Rights Based Approach to Achieve Results – a Guiding Checklist* : [http://www.melander-schnell-](http://www.melander-schnell-consultants.se/docs/The%20Human%20Rights%20Based%20Approach%20to%20Achieve%20Results%20-%20A%20Guiding%20Checklist.pdf)

[consultants.se/docs/The%20Human%20Rights%20Based%20Approach%20to%20Achieve%20Results%20-%20A%20Guiding%20Checklist.pdf](http://www.melander-schnell-consultants.se/docs/The%20Human%20Rights%20Based%20Approach%20to%20Achieve%20Results%20-%20A%20Guiding%20Checklist.pdf)

OHCHR (2006): *Principles and Guidelines for a Human Rights Approach to Poverty Reduction Strategies* : <http://www.ohchr.org/Documents/Publications/PovertyStrategiesen.pdf>

**Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: REFORMS THAT PROMOTE GREEN GROWTH**

| DOMAIN: REFORMS THAT PROMOTE GREEN GROWTH | | | |
|---|--|-----------------------------------|---|
| OUTCOMES | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Policy framework that promotes green growth | Policy framework contains the following characteristics: | | The conditions of the business environment determine to a large extent the effectiveness of renewable energy and enabling environment policy and associated transaction costs (e.g., institutional capacity for planning sustainable energy, existence of legal provisions allowing private sector participation, efficient regulatory processes and approvals, investment-grade policy — transparent, clear and long-termed, access to the grid) |
| | Promotes sustainable energy and is firmly anchored into national and regional development plans as well as sector level strategies | Review of policy documents | |
| | Is part of a broader national long term infrastructure development strategy | Review of policy documents | |
| | Is part of a long term integrated resource and least cost planning (that considers regional dynamics as well as energy access strategies) | Review of policy documents | |
| | Is compatible with the conditions of the economy, business environment, electricity market, governance performance, and institutional, administrative and monitoring capacity | Review of policy documents | |
| | Considers the inter-linkages and synergies between renewable energy, energy efficiency and energy access | Review of policy documents | |
| | Is customised in tandem with available financial and de-risking instruments (including concessional) to effectively leverage private sector participation, where desirable and feasible. | Review of policy documents | |
| Increased (and inclusive) access to green technologies and solutions | Evidence of project replication | Review of programme documentation | Copying of the business model by other businesses; Crowding-in - other businesses |

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: REFORMS THAT PROMOTE GREEN GROWTH

| | | | |
|---|---|-----------------------------------|--|
| | Evidence of changes in factor and other market systems | Review of programme documentation | Changes in factor and other markets systems as a result of the project. These would include the availability of: Land, Labour, and Capital/financial services/loans Information |
| | Evidence of Innovation | Review of programme documentation | |
| | Amount of carbon emissions avoided | Review of programme documentation | Only for companies intending to access the carbon market, usually above USD 100,000. Data collected by companies, in their own interest, with their own resources |
| | Installed, off-grid clean electricity capacity (Mw equivalent) | Review of programme documentation | Clean energy is defined as renewable energy, meaning technologies using non-depletable sources such as solar, wind, biomass, biogas, geothermal, micro-and small-hydro, including energy efficiency measures that improve the proportion of useful heat or power derived from a given energy source such as wood, charcoal and other renewable fuels |
| | Evidence of climate adaptation | Review of programme documentation | |
| | Number of businesses directly created as a result of programme support | Review of programme documentation | |
| Increase in factors of production (physical capital, human capital, and natural capital) | Measured by the additional production from increased capital (potentially measured by the value of ecosystems or renewable resources), or by the value of additional capital. | | See World Bank (2012) |

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: REFORMS THAT PROMOTE GREEN GROWTH

| | | | |
|---|---|----------------------------|---|
| Accelerated innovation, through correction of market failures in knowledge | Measured by productivity indicators (e.g., efficiency of photovoltaic panels used to produce electricity) or dissemination indicators (e.g., the fraction of the population with access to photovoltaic electricity). | | See World Bank (2012) |
| Enhanced efficiency, through correction of non-environmental market failures | Measured by indicators for resource efficiency (e.g., the material or energy intensity of production, reduction in the time of in the value of time lost from congestion), or by additional production. | | See World Bank (2012) |
| | | | |
| POSSIBLE OUTPUTS | INDICATORS | VERIFICATION | ASSUMPTIONS/COMMENTS |
| Policy framework that promotes green growth | Policy framework contains the following characteristics: | | The conditions of the business environment determine to a large extent the effectiveness of renewable energy and enabling environment policy and associated transaction costs (e.g., institutional capacity for planning sustainable energy, existence of legal provisions allowing private sector participation, efficient regulatory processes and approvals, investment-grade policy — transparent, clear and long-termed, access to the grid) |
| | Promotes sustainable energy and is firmly anchored into national and regional development plans as well as sector level strategies | Review of policy documents | |
| | Is part of a broader national long term infrastructure development strategy | Review of policy documents | |
| | Is part of a long term integrated resource and least cost planning (that considers regional dynamics as well as energy access strategies) | Review of policy documents | |
| | Is compatible with the conditions of the economy, business environment, electricity market, governance performance, and institutional, administrative and monitoring capacity | Review of policy documents | |

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: REFORMS THAT PROMOTE GREEN GROWTH

| | | | |
|--|---|--|--|
| | Considers the inter-linkages and synergies between renewable energy, energy efficiency and energy access | Review of policy documents | |
| | Is customised in tandem with available financial and de-risking instruments (including concessional) to effectively leverage private sector participation, where desirable and feasible. | Review of policy documents | |
| Improved public access to information about the sustainability of development, complementing existing safeguard instruments | Information available to the public on green growth, sustainability and the impact of development | Survey; Review of programme documents | Business environment reform programmes aim to increase the information available on how development project affect economic growth, social development and the environment |
| Legal and institutional conditions have been created for energy-efficient and low-emission manufacturing processes | Aspects of a Green Economy (e.g. energy efficiency, introduction of low-toxicity products) are established and budgeted in X national and Y regional development plans/ plans of measures / funding programs. Baseline value: no aspects of a Green Economy established and budgeted in development plans / plans of measures | Evaluation of development plans/ plans of measures | |
| The government has passed framework legislation on the taxation of fossil fuels and environmental pollutants | The government has passed by not later than XX (date) a framework legislation on the taxation of fossil fuels and environmental pollutants (Baseline value: no framework legislation existing) | Official bulletins and publications | |

SOURCES:

Measuring Business Environment Reform Results
Sample Indicators
DOMAIN: REFORMS THAT PROMOTE GREEN GROWTH

Green Growth Knowledge Platform (2013) *Moving towards a Common Approach on Green Growth Indicators* ; A Green Growth Knowledge Platform Scoping Paper, Global Green Growth Institute, Organisation for Economic Co-operation and Development, United Nations Environment Programme, and World Bank

Danida (2012) *The Right to a Better Life; Strategy for Denmark's Development Cooperation* , Danida, Copenhagen

Kenya Business Sector Programme Support (Danida)

World Bank (2012) *Inclusive Green Growth: The Pathway to Sustainable Development* , 2012, World Bank, Washington, DC.

OECD (2013) *Towards Green Growth: Monitoring Progress - OECD Indicators* , OECD, Paris, Forthcoming

Danida (Forthcoming) *Green Growth Guidance Note* , Danida, Copenhagen

Danida (2013) *A Greener World for All; NEC Strategy* , Strategic Framework for Priority Areas, Natural Resources, Energy, and Climate Change, Danida, Copenhagen

GIZ Green Economy/Green Growth approach, methods and instruments: <http://www.giz.de/expertise/downloads/giz2012-en-green-economy-factsheets.pdf>

UN ECE Green Economy Toolbox: <http://www.unece.org/fileadmin/DAM/GET/>

Inclusive Green Economies: A One UN Collaborative Space: <https://undp.unteamworks.org/node/281499>

Green Growth Knowledge Platform (GGKP): <http://www.greengrowthknowledge.org/about-us>