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Doing Business Reforms Rwandan Experience

TUSHABE KARIM

Advocate/Legal consultant



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Country profile

- Full name: Republic of Rwanda
- Area: 26,336 km²
- Capital City: Kigali
- Official Languages: Kinyarwanda, English and French
- Currency: Rwanda Francs
- GDP per capita: USD 540 (2010)
- Population: 10,117,029 (2009).



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Rwandan reform agenda

Effective reform requires a clear vision, committed leadership and capable institutions reinforcing rather than undermining each other

- Vision 2020: good governance, private-sector as an engine for growth.
- The President call for DB reforms - DB2008 (in 2007)
- RDB created, to take over RIEPA and others
- Private -Public sector dialogue informs reforms
- Consensus and shared commitment at Leadership retreats
- Support of Parliament and Judiciary: e.g. fast-tracking legal reforms



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Rwanda's reform program has been gradual but consistent and sustained

Rwanda's reform program since 1994 has undergone 3 paradigm shifts;

- Phase 1 – 1995-2000 post conflict reconstruction and rehabilitation
- Phase 2- Setting the agenda for development(Vision 2020, PRSP 1, new constitution)
- Phase 3- Redefining the development priorities to accelerate economic development 2006-2012 through the EDPRS .

Effective governance reflected in easy regulatory environment, zero tolerance to corruption are key and underpins all Private sector reforms in Rwanda



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Process for regulatory reform in Rwanda

- **2005** -The law reform commission established to review the existing business laws and recommend efficiency
- **2007** Rwanda commercial registration agency established
- **2007** -Cabinet directs RIEPA to coordinate the regulatory reforms and improve Rwanda's ranking in the DB index
- **December 2007** – Doing Business Unit established to coordinate the national task force of Doing Business
- **March 2008, 4** commercial courts established



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Process for regulatory reform in Rwanda cont.

- **August 2008** Rwanda Development Board is created – merging 8 institution to fast track economic development
- **September 2008, DB 2009** Rwanda jumps 10 positions and the results generates reform momentum
- The National Taskforce targets to move to a double digit position in 2010 report- Identifies opportunities for short and medium term reforms
- **The 2010 report** results(Top global reformer) inspires reforms across the whole the government
- **The 2011-** results shifts our focus beyond DB indicators



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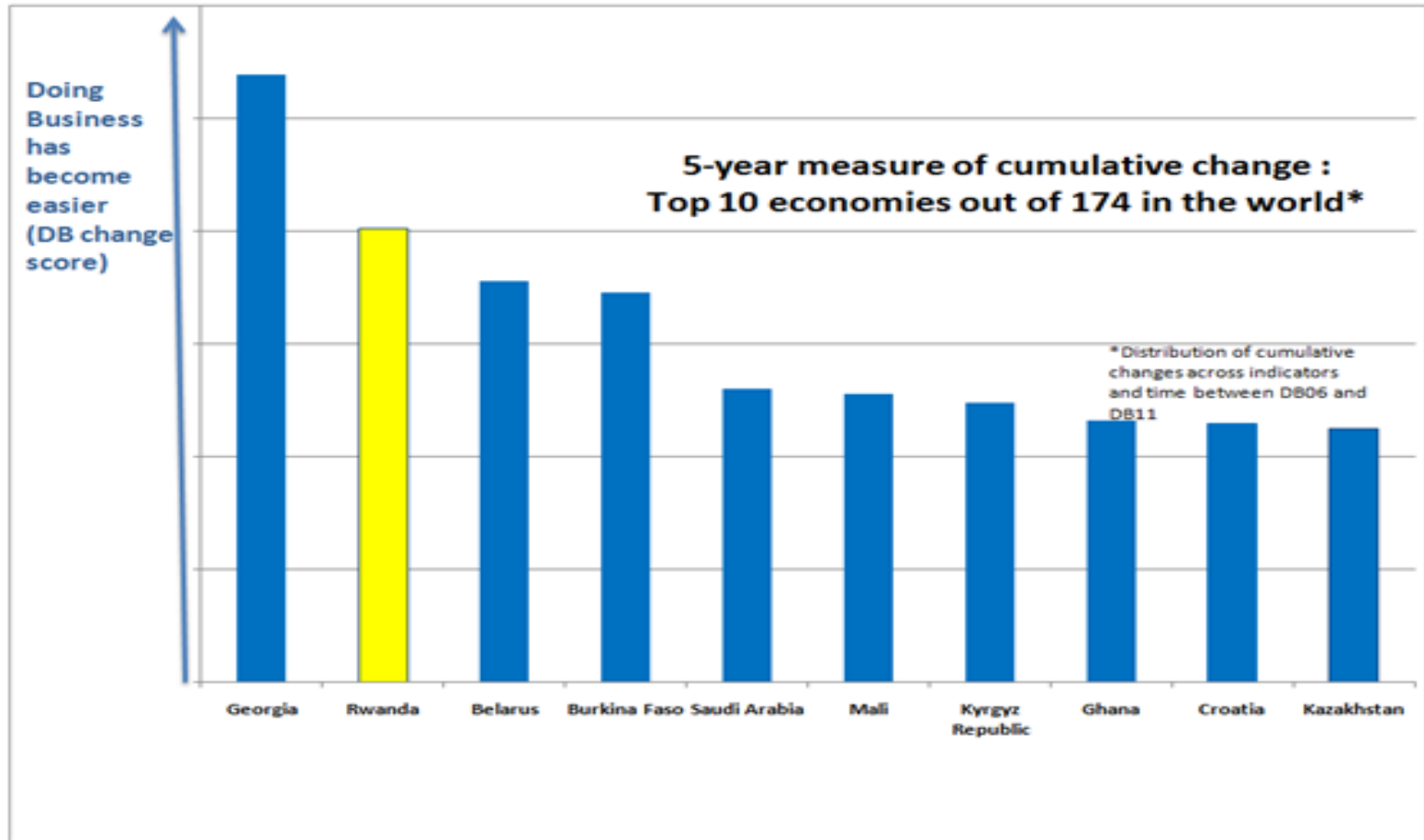
DB indicators are used to inspire and sustain reforms across all government institutions

RWANDA'S PERFORMANCE IN DOING BUSINESS 2008-2011

	DB 2008	DB 2009	DB 2010	DB2011
Rwanda Ranking	150th	139th	70th	58th
Starting a Business	71	64	11	9
Dealing with construction permits	125	89	89	82
Employing Workers	102	113	30	
Registering property	138	59	38	41
Getting credit	141	147	61	32
Protecting Investors	168	171	27	28
Paying Taxes	54	58	60	43
Trading Across Borders	170	171	170	159
Enforcing Contracts	46	48	40	39
Closing a Business	178	181	183	183



Rwanda –a consistent reformer





Reforms methodology – Main approach

Formulation of a strategy	Stakeholder engagement	Elaboration of an action plan	Implementation
<ul style="list-style-type: none">• Vision 2020, EDPRS	<ul style="list-style-type: none">• No special rigid strategy – stakeholders agree on what can realistically work.• Bottom – up approach and is demand driven to respond to private sector concerns	<ul style="list-style-type: none">• consultative-private sector, technical taskforce, Ministerial steering committee , best practices- is key	<ul style="list-style-type: none">• Strict adherence to targets and timelines• Defining clearly the roles and responsibilities of each government agency



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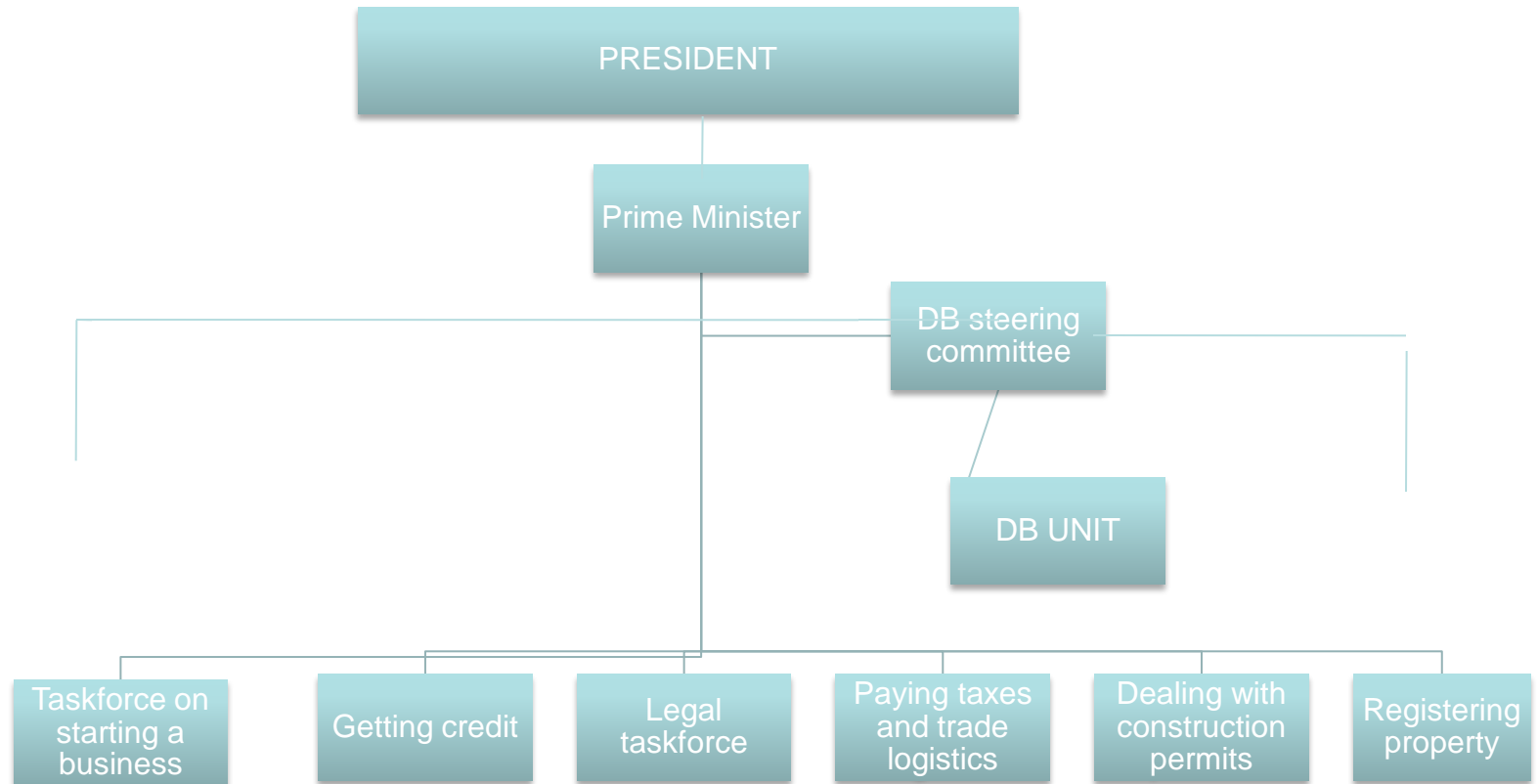
Key reform guiding principles

Effective reformers are pragmatic, driven by results, and accountable

- Start small and leverage on ‘demonstrable effects
- Enforce reform measures: e.g. client charters enforced by a gazetted Prime Minister’s Instruction, IMIHIGO performance contracts)
- Be mindful that the real reformers are not necessarily public servants, so engage consistently all the key players: e.g a credit reference bureau in place needs commitment from financial institutions, Telcoms, super markets, etc. to achieve its purpose



The Rwandan DB implementation framework





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DB action plans are monitored and evaluated at the highest level

- Doing Business Unit identifies reform opportunities
- Technical taskforce approves reform proposals
- Reforms proposals are approved, owned and the implementation is overseen by the steering committee
- DB reforms annual plan is communicate across government



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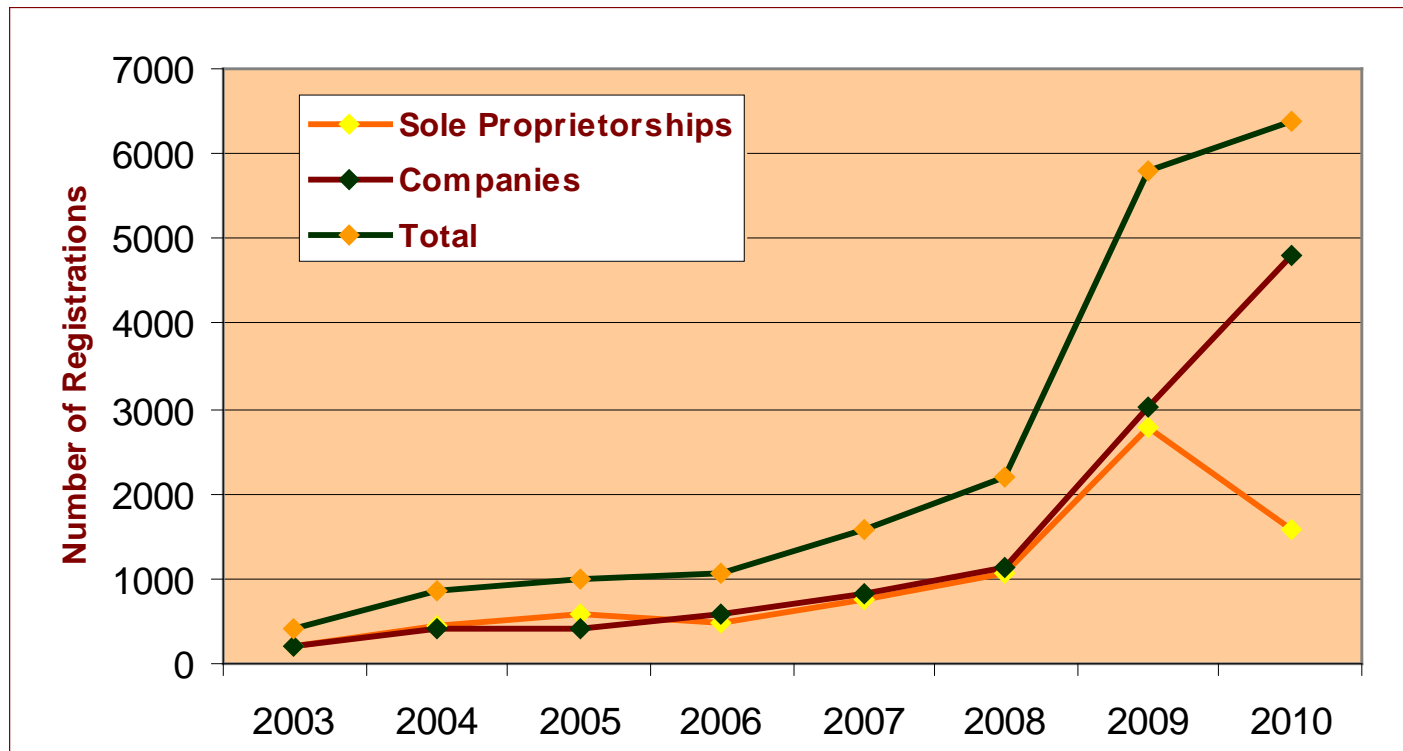
DB action plans are monitored and evaluated at the highest level cont.

- National leadership retreat evaluate achievement and challenges to doing business reforms
- Taskforce heads and steering committee commit to new priorities
- The Doing Business Unit monitors implementation and reports to the Prime Minister
- Prime Minister ensures that milestones are achieved



DEMONSTRATING THE IMPACT OF DB REFORMS

Trends in business registrations

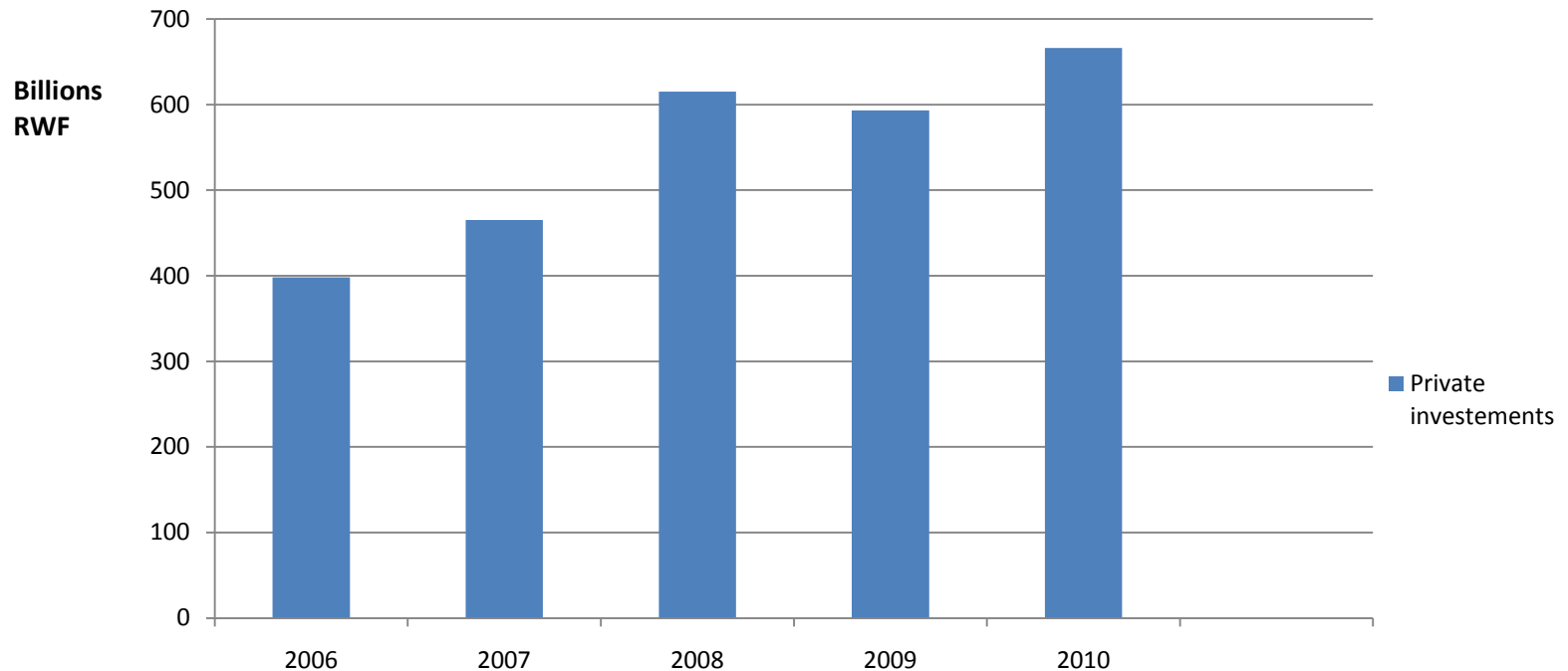


- Increasing in number of company registrations with the abolition of 1.2 % of initial capital



DEMONSTRATING THE IMPACT OF DB REFORMS

Private investements





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Lessons to share

- High level support- is critical
- Reform boldly and broadly – reforms cannot happen without pragmatism, don't wait for a perfect start- perfection is achieved through work in progress.
- Keep on identifying the next binding constraint-reform in series.
- Streamline and then automate- eg one stop center for company registration, National land center
- Private sector engagement is key