

DEVELOPMENT ECONOMICS

Doing Business in Kenya 2016

Doing Business in Kenya 2016 is the third round of benchmarking focusing on business regulations affecting small to midsize domestic firms in Kenya. It is a part of the Kenya Investment Climate Program II, a project that supports the Government of Kenya's priorities of assuring successful implementation of the new Constitution and its long-term growth and development strategy Vision 2030.



WHY SUBNATIONAL?

Subnational Doing Business studies go beyond the largest business city to examine conditions across a number of locations in a single economy or region: they capture local differences in business regulations or in the implementation of national laws. Projects are undertaken at the request of governments, who are involved in the selection of locations and regulatory areas to be benchmarked, as well as the frequency of benchmarking. A Subnational Doing Business study:

Combines the media appeal of Doing Business with a strong engagement model

Specific activities throughout the project cycle are designed to build ownership and capacity of government partners and the private sector: the kickoff mission, the data collection process, the “right of reply” period and the launch event.

Measures progress over time

Repeated benchmarking measures progress over time and creates incentives to maintain the reform effort, even when governments change. The studies become a public-policy tool to guide policymakers throughout the business regulatory reform cycle.

Motivates regulatory improvements

The studies uncover bottlenecks, provide policy recommendations and identify local good practices that can easily be replicated. They motivate regulatory improvements, mainly through peer-to-peer learning.

Provides a new diagnostic tool

Applying the methodology used in the cross-country global *Doing Business* report in a number of locations in the same country or region, the projects create micro-level data on various areas of business regulation. This allows the participating locations to compare their business regulations among themselves and with 188 economies worldwide.

HOW IT WORKS

A project covers from 1 up to 40 locations. It typically includes indicators such as starting a business, dealing with construction permits, and enforcing contracts. The duration of each project spans 12-18 months. Studies are prepared in partnership with WBG country teams, or in collaboration with a local partner institution.

A total of 437 locations in 65 economies have been benchmarked since 2005. Fifteen economies have undertaken two or more rounds of benchmarking to measure progress over time, often expanding the geographic coverage to more cities (e.g. Colombia, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, the Philippines, and the Russian Federation).

construction permits, registering property and enforcing contracts. The baseline data were updated and expanded by the *Doing Business in Kenya 2012* study, enabling the localities measured to compare their performance among themselves and internationally. The study further promoted regulatory reforms by identifying differences in local government requirements and practices that drove the variations in procedures, time, and cost across the localities studied.

A new round of benchmarking has been commissioned and the *Doing Business in Kenya 2016* study was officially initiated on June 22, 2015 in Nairobi.

Counties measured:

Busia (Malaba), Isiolo, Kakamega, Kiambu (Thika), Kisumu, Machakos, Mombasa, Nairobi, Narok, Nyeri and Uasin Gishu (Eldoret).

Project Activities

- Project presentation to county, town and city officials
- Data collection, verification and preparation of indicators
- Consultation on preliminary results with national and local government officials
- Report writing and production
- Final report launching conference (September 2016)

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ABOUT DOING BUSINESS IN KENYA

Since 2009, two *Subnational Doing Business* studies—measuring the regulatory business environment in Kenya—have taken place, at the request of the Government of Kenya and with support from the Kenya Investment Climate Program funded by the Dutch Government and UK aid from the UK government.

Doing Business in Kenya 2010 created quantitative indicators on 4 regulatory areas governed by local jurisdiction and/or local implementation of national regulations: starting a business, dealing with