Between 2017 and 2019, the overall business environment improved across all provinces, pointing to improvement in subnational governance of business operations.

Regulatory burden decreased due to consolidation of requirements for businesses.

However, progress was lethargic in transparency and access to information, and informal practices.

Between 2017 and 2019, the overall business environment improved across all provinces, pointing to improvement in subnational governance of business operations.

Regulatory burden decreased due to consolidation of requirements for businesses.

However, progress was lethargic in transparency and access to information, and informal practices.

Between 2017 and 2019, the overall business environment improved across all provinces, pointing to improvement in subnational governance of business operations.

Regulatory burden decreased due to consolidation of requirements for businesses.

However, progress was lethargic in transparency and access to information, and informal practices.

Business environment reforms reduced the cost, but not the prevalence, of informal practices, with the incomplete reform agenda impacting on tax revenue collection.

A transformative reform agenda on business environment, implemented with efficiency and integrity, is needed to bolster business sentiment to drive a strong post COVID-19 recovery.

**Consolidate Regulatory Requirements to Ease Business Formalization**

- Consolidate E-business registration
- Reform licensing and inspection
- Introduce a risk-based licensing regime

**Improve Transparency and Access to Information at Central and Provinical Levels**

- Inventory of regulatory requirements
- Minimum standards for provincial websites
- Consolidate services to online platforms

**Improve Quality of Policy Formulation and Implementation**

- Improve public–private dialogues
- Empower the Taskforce on business reform
- Manage talent for better governance

**KEY FINDINGS**

<table>
<thead>
<tr>
<th>Informal Payments (%)</th>
<th>Prevalence of Informal Payments (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.9%</td>
<td>Informal payments are acceptable</td>
</tr>
<tr>
<td>68.7%</td>
<td>Informal payments ensure smooth</td>
</tr>
<tr>
<td>69.4%</td>
<td>operations</td>
</tr>
</tbody>
</table>

Two in three firms said it was common to negotiate the amount of taxes they pay to the local governments.

**RECOMMENDATIONS**

**Consolidate Regulatory Requirements to Ease Business Formalization**

- Consolidate E-business registration
- Reform licensing and inspection
- Introduce a risk-based licensing regime

**Improve Transparency and Access to Information at Central and Provinical Levels**

- Inventory of regulatory requirements
- Minimum standards for provincial websites
- Consolidate services to online platforms

**Improve Quality of Policy Formulation and Implementation**

- Improve public–private dialogues
- Empower the Taskforce on business reform
- Manage talent for better governance

**SOURCE**