



# Dealing with red tape



# What *Subnational Doing Business* adds

we . . .

- go **beyond** the largest business city
- cover regulations at **all levels of government**
- capture **local differences**
- provide replicable **good practice examples**
- help counties tell their stories and **compete**
- use media appeal & local government participation to **promote reform**



# Third report of the Subnational *Doing Business in Kenya* series

2010

11 cities

- Baseline for 4 indicators



2012

13 cities

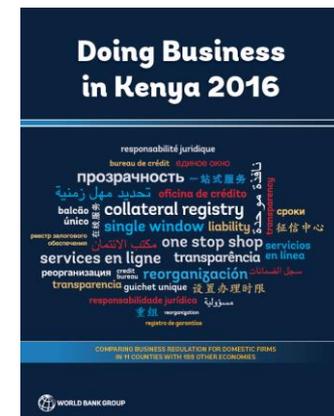
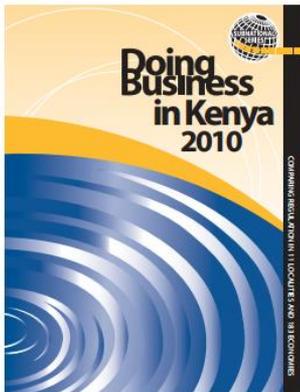
- Updated 4 indicators
- Measured progress over 2 years in 11 locations
- Data as of: March 2012



2016

11 counties

- 4 indicators **expanded**
- Progress over 4 years and impact of the **devolution**
- Data as of **April 15, 2016**



# Project milestones - engagement throughout



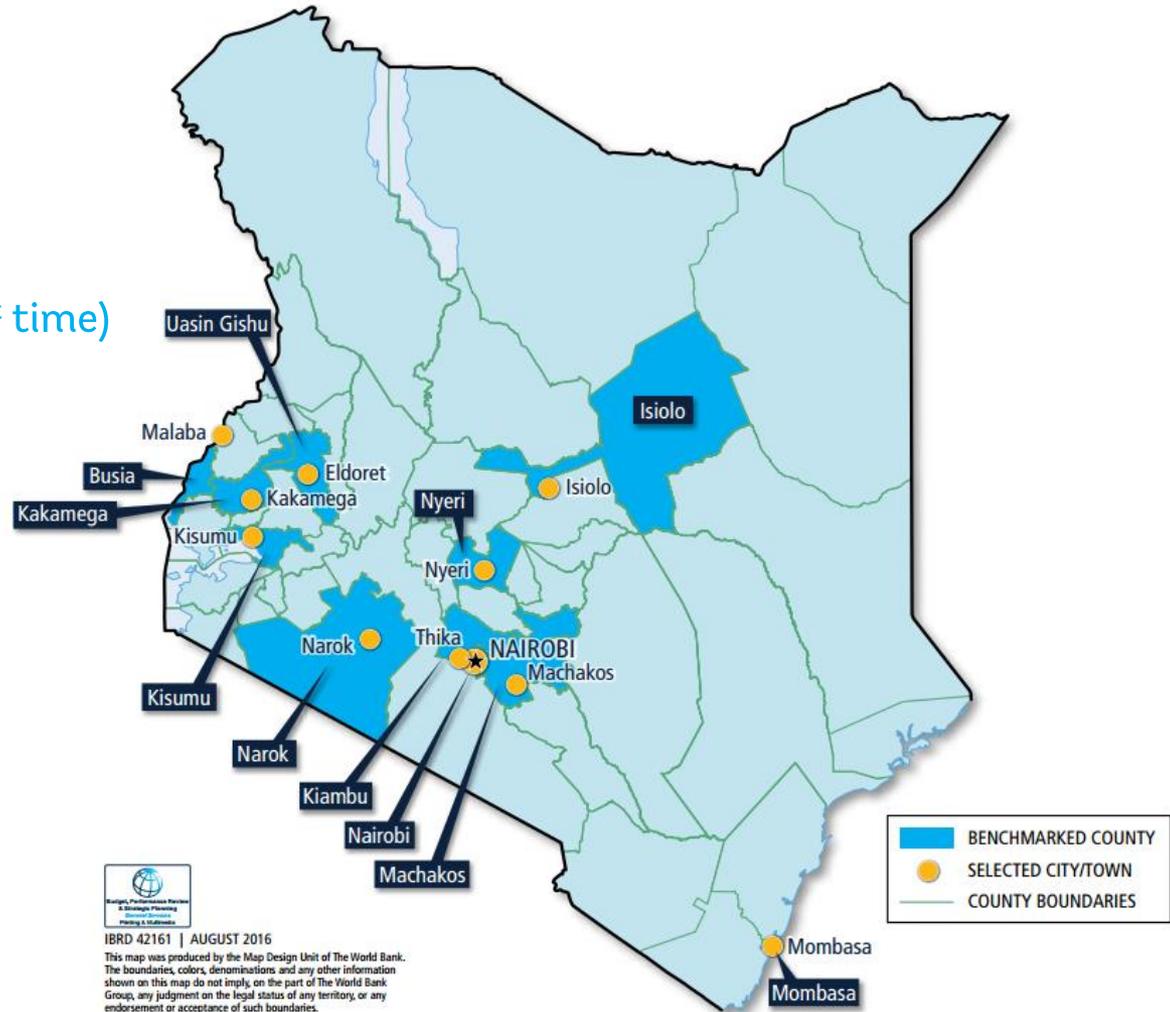
# Measuring 11 counties across 4 indicators

*no aggregate ranking*

## 11 Counties

Busia  
Kakamega  
Kisumu  
Mombasa  
Narok  
Uasin Gishu

Isiolo  
Kiambu  
Machakos (1<sup>st</sup> time)  
Nairobi  
Nyeri



## 4 indicators

Starting a business

Dealing with construction permits

Registering property

Enforcing contracts

# Where is doing business easier in Kenya—and where not?

County (City/Town)	Starting a business		Dealing with construction permits		Registering property		Enforcing contracts		Rank
	DTF score	Rank	DTF score	Rank	DTF score	Rank	DTF score	Rank	
Busia (Malaba)	82.26 ↑	7	70.35	2	50.91 ↑	4	59.46	1	1
Isiolo (Isiolo)	82.44 ↑	6	70.18	3	39.67 ↑	11	58.35	4	2
Kakamega (Kakamega)	81.57 ↑	11	63.02	10	47.98	10	56.74	11	3
Kiambu (Thika)	83.64 ↑	2	63.87	9	48.63 ↑	8	56.97	10	4
Kisumu (Kisumu)	82.26 ↑	7	70.49	1	50.31 ↑	6	58.24	7	5
Machakos (Machakos)	83.41	3	67.11	5	48.33	9	57.90	9	6
Mombasa (Mombasa)	82.91 ↑	4	66.22	8	51.62	2	58.96	2	7
Nairobi (Nairobi)	82.76 ↑	5	56.17	11	54.27 ↑	1	58.27	6	8
Narok (Narok)	81.92 ↑	10	66.33	7	49.89	7	58.01	8	9
Nyeri (Nyeri)	82.26 ↑	7	68.86	4	50.68	5	58.37	3	10
Uasin Gishu (Eldoret)	83.73 ↑	1	66.34	6	51.03	3	58.28	5	11

# Who has made it easier to do business since 2012?

County (City/Town)	Starting a business		Dealing with construction permits		Registering property	
	National	Local	National	Local	National	Local
Busia (Malaba)	✓	✓			✓	
Isiolo (Isiolo)	✓	✓			✓	✓
Kakamega (Kakamega)	✓	✓			✓	
Kiambu (Thika)	✓	✓			✓	
Kisumu (Kisumu)	✓	✓		✓	✓	
Machakos (Machakos)	✓	✓			✓	
Mombasa (Mombasa)	✓	✓			✓	
Nairobi (Nairobi)	✓	✓			✓	✓
Narok (Narok)	✓				✓	
Nyeri (Nyeri)	✓	✓		✓	✓	
Uasin Gishu (Eldoret)	✓	✓			✓	

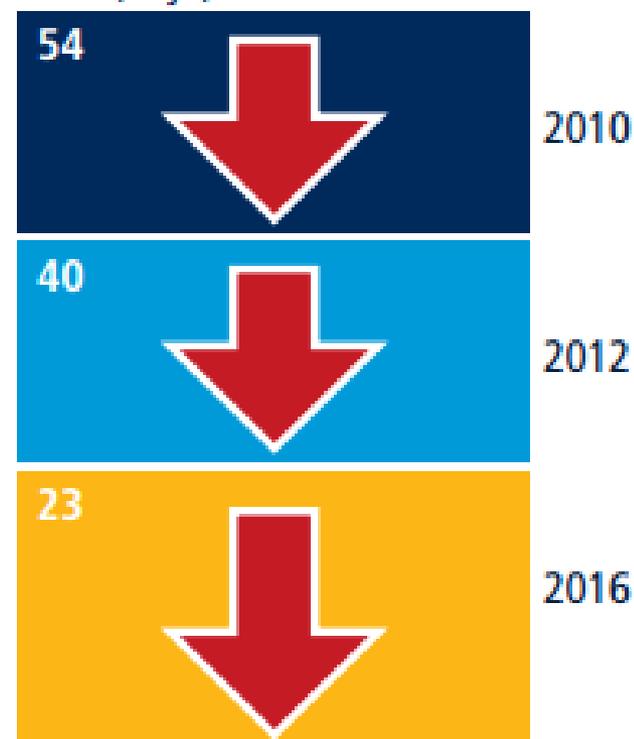
# Starting a business – main findings

Business start-up is:

- Easiest in Uasin Gishu
- Cheapest in Nyeri (18.1% of GNIpc)
- Fastest in Uasin Gishu and Mombasa (20 days)

Kenyan entrepreneur spends one month less starting a business than in 2010

Time (days)

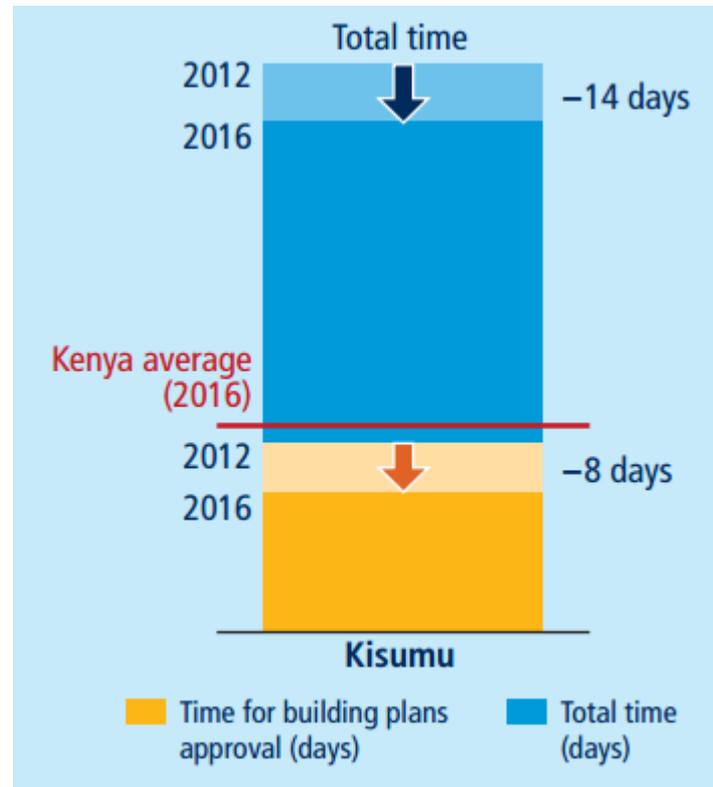


# Huduma, a bold reform effort



# E-construction permit in Kisumu

## Local improvement in Kisumu



# Registering property – Reform in Nairobi

Most of the land records were digitalized



+2 on the quality of land administration index.

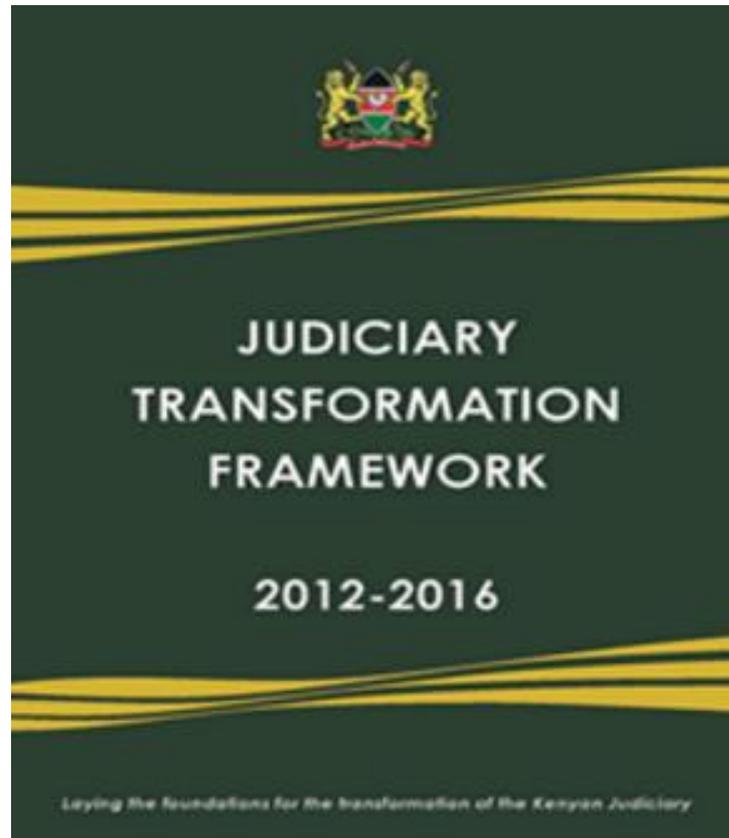


Unified Form

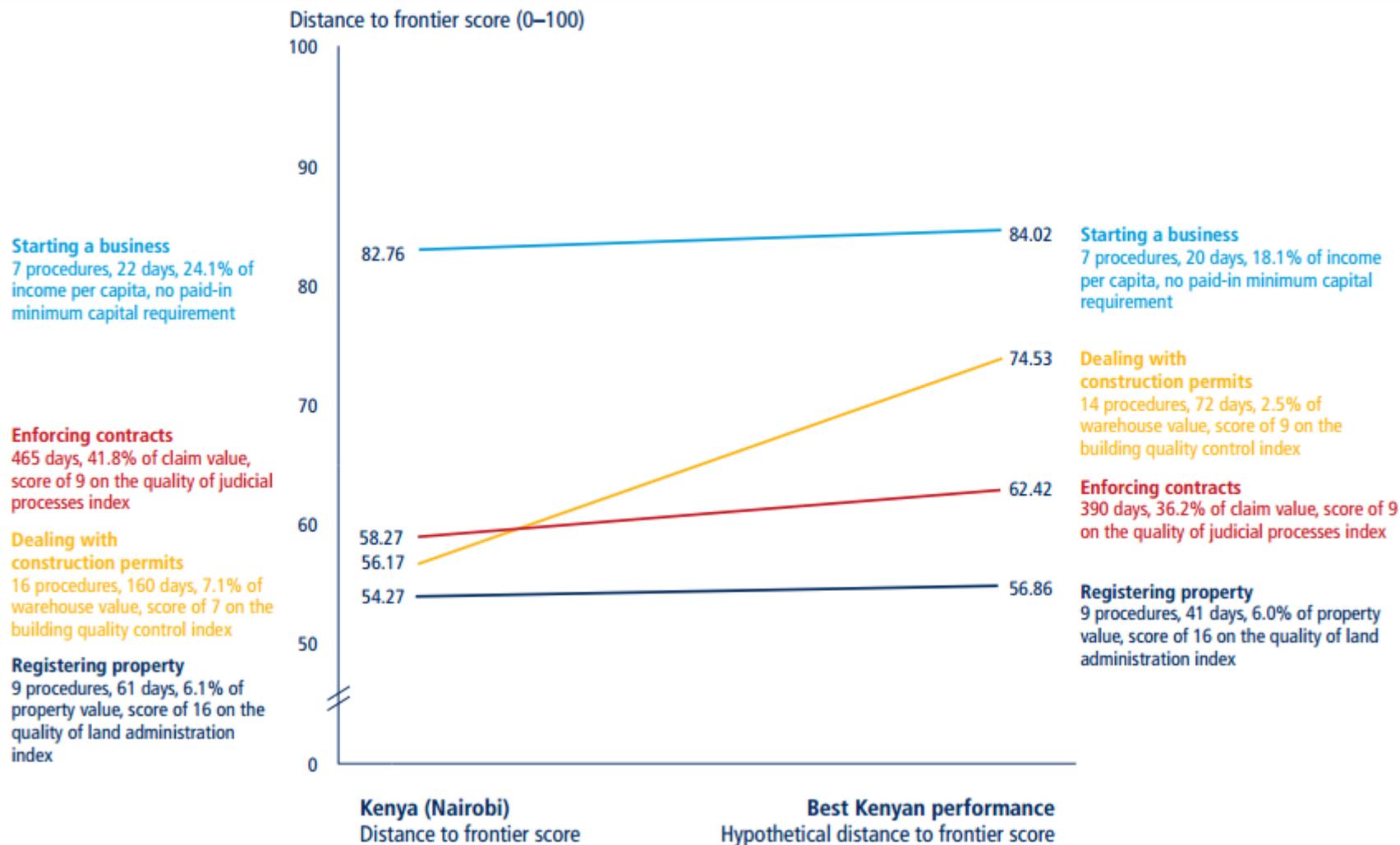


Cut delays

## Enforcing contracts – change ongoing



# Kenya would rank 92 globally (vs. 108 today) if counties adopted local good practices



# What can be improved, an example from starting a business

## Suggested reforms

## Relevant agencies and other stakeholders

### *Starting a business*

- Step up the communications campaign to educate the public about reforms and foster their implementation
- Streamline and merge preregistration procedures
- Enable the Huduma Centers across the country to register a business
- Streamline all registration and postregistration procedures
- Allow for online registration and online payments
- Automate postregistration procedures
- Implement and enforce a risk-based approach to issuing business permits and make them easier to attain

### Local

- County Government
- Huduma Center

### National

- Companies Registry

# Thank you!

## Questions



For more information, visit: [www.doingbusiness.org/kenya](http://www.doingbusiness.org/kenya)

# Who improved the most across 3 or more areas measured by *Doing Business* in 2014/15?

Economy	Ease of doing business rank	Reforms making it easier to do business									
		Starting a business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting minority investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
Costa Rica	58			✓		✓		✓			
Uganda	122	✓		✓		✓					
Kenya	108	✓		✓	✓	✓					
Cyprus	47			✓		✓		✓		✓	✓
Mauritania	168	✓				✓			✓		
Uzbekistan	87	✓			✓	✓					
Kazakhstan	41	✓	✓		✓	✓	✓			✓	✓
Jamaica	64	✓	✓					✓			✓
Senegal	153	✓		✓	✓					✓	
Benin	158	✓	✓						✓		

## Kenya

*Doing Business 2015*

*Doing Business 2016*

Distance to frontier

53.60

Improved

58.24

*(100 is best practice)*

Country rank *(of 189)*

129

Improved

108