

Terms of Reference Independent Panel to Review the Doing Business Project/Report

The President of the Bank, as discussed with the Board of Executive Directors, will appoint an independent panel of experts (“the Panel”) to review a broad range of issues around the *Doing Business* report, as it marks its 10th year. These Terms of Reference share background information, lay out the scope of the review, note the main criteria for the selection of Panel members, and outline a timeline for reporting back to the President.

Background

Since its first publication in 2003, the annual *Doing Business* reports have received much attention. *Doing Business* indicators were conceived to help catalyze reforms of business regulations and track progress on the implementation of the reforms measured by the indicators. Policy makers, academics, CSOs and international development agencies use the indicators and the underlying data in research, in monitoring and evaluation programs, and as a reference point in gauging private sector development.

The 10-year point is a good time to conduct a thorough review, taking stock of the experience to date, analyzing results, distilling lessons learned, and mapping the way forward. Given the issues that have been raised by policy makers, Executive Directors and other stakeholders, as well as the public attention that the *Doing Business* indicators attract and their use in policy making and research, a close and independent review will be of great value. Key aspects in this regard are the impact of *Doing Business* on policy making, the use of country rankings, the methodology applied, the messaging of the product, and options on the way forward. These issues have been the subject of discussions and debate during the past several years, both within the World Bank Group (WBG) among staff and the Executive Board, as well as externally with representatives of client countries, civil society, and other stakeholders.

Scope of Review

The Panel will assess and make recommendations regarding:

1. The overall impact of the *Doing Business* project on regulatory reform, private sector development, and economic performance, including:
 - a. Reviewing the empirical evidence on the results of business regulation reforms captured by *Doing Business* on the real economy.
 - b. Considering the scope for adjusting the dimensions of the business environment captured in the *Doing Business* indicators, and any tradeoffs between a possible adjustment of the focus of *Doing Business* and the benefits of stability in the data over time.¹

¹ The Panel will give due consideration to the findings of the ongoing review of the “paying taxes” and “employing workers” indicators.

- c. Looking at linkages between *Doing Business* and other related global studies.
2. The use of aggregate rankings in the presentation of the data collected by the *Doing Business* project, including:
 - a. The conditions under which the rankings provide appropriate incentives to WBG clients to focus reform efforts.
 - b. Whether the rankings reflect the variability of business regulations within a country.
 - c. The methodology of the aggregate ranking, its strengths and weaknesses, and alternative ways to enable comparison across countries at different stages of development, including considering appropriate WBG engagement.
3. The methodologies used in building the *Doing Business* indicators and the techniques used in gathering data, including possible areas for improvement.
4. The effectiveness of the public messaging of *Doing Business*, covering the scope and aims, the title, and the limitations and appropriate use of the data.
5. The options on the way forward.

All parts of the WBG will cooperate actively with the Panel and will provide all information which it may need to formulate recommendations around these questions. The Panel will also have access to staff, documents, analysis, and other information which could help inform its deliberations (the Panel will respect confidentiality of information where relevant). As it proceeds with its work, the Panel is expected to undertake wide-ranging and open consultations, internally with members of the Executive Board and staff, and externally with stakeholders at the country level, including consumers and contributors to *Doing Business*.

Composition of the Panel

Members of the Panel will be reputable professionals with distinguished careers in their fields of expertise, and familiarity with international benchmarking studies and/or regulation of small and medium enterprises. Reflecting the multilateral nature of the WBG, it is expected that the Panel will have a diverse representation, including from advanced and developing countries and from the private and public sectors. The Panel will be comprised of 10 members, led by a Chair who will have overall responsibility for ensuring the smooth functioning of the Panel's deliberations, the development of needed content, and the timely delivery of the Panel's recommendations.

Timeline

A preliminary draft report is to be presented to the WBG President for feedback by March 31, 2013, and the final report is to be provided by May 15, 2013.