



# Subnational Business Ready

Fostering an efficient local and regional business environment

## BRIDGING THE KNOWLEDGE GAP FOR LOCAL PRIVATE SECTOR GROWTH

For businesses, markets, and workers to thrive, they need a supportive business environment. Research shows that firms operating in regions with stronger business climates see significant advantages: higher sales, more jobs, increased productivity, and greater investment.

However, regional disparities often go unnoticed. Although global investment climate benchmarking exercises often provide national-level data, they do not fully capture the critical nuances of local regulatory and administrative conditions. Without robust, primary data at the regional level, it is difficult to accurately assess local business climates, posing significant barrier to private sector growth and investment.

## SUBNATIONAL BUSINESS READY SOLUTIONS: TAILORED ASSESSMENTS FOR LOCAL IMPACT

Subnational Business Ready supports local policy reforms aimed at reducing disparities in the business environment and promoting inclusive, balanced regional economic growth. The project collects comprehensive, granular business climate primary data and conducts a quantitative assessment of bureaucratic efficiency at the local level, adapting the World Bank's Business Ready methodology.

Beyond the core methodology, the Subnational studies offer customized quantitative assessments focused on specific regulatory areas, sectors, or industries, aligned with client priorities. This tailored approach enables a deeper exploration of local issues vital to economic development, ensuring the analysis captures the unique regulatory challenges and opportunities present in each region.

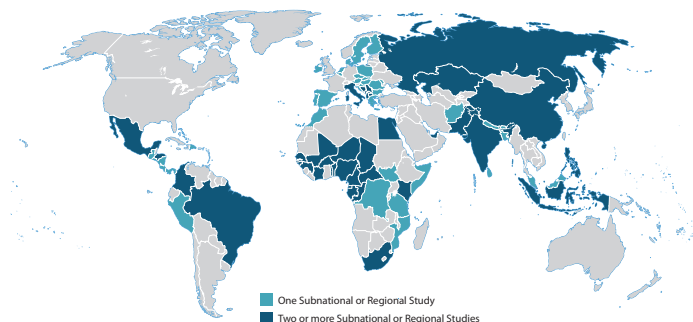
Through a data-driven approach, the Subnational studies identify regulations and practices that either facilitate or constrain business activity, creating a foundation for policy dialogue, knowledge sharing, and peer-to-peer learning within countries and across regions.

## GLOBAL REACH, LOCAL IMPACT: CASTING A WIDE COVERAGE OF CLIENTS

The Subnational team builds on extensive experience in conducting subnational business climate assessments and facilitating policy dialogue with national and local authorities across 619 locations in 86 economies since 2005. This includes a broad spectrum of economies across Latin America and the Caribbean, Asia, Africa, and Europe—such as Brazil, Colombia, India, Indonesia, Kazakhstan, Kenya, Mexico, Peru, Poland, Romania, Spain, and South Africa—representing different regions, income levels, and development stages, including advanced, emerging, and fragile and conflict-affected (FCV)

economies. This breadth of experience allows us to offer tailored insights that address the unique challenges and opportunities of each local context.

#### *Subnational Business Ready coverage*



Our team leverage a proven engagement model that enhances the likelihood of translating actionable findings into effective, sustainable reforms.

### WHO CAN BENEFIT FROM A SUBNATIONAL ASSESSMENT?

- ✓ Countries aiming to enhance regional competitiveness. Our data-driven analysis supports policies and reform initiatives that unlock regional potential and drive economic growth.
- ✓ Countries within shared regulatory frameworks. Ideal for economies in regions like OHADA, Central America, and the European Union where shared regulatory structures can benefit from focused subnational insights.
- ✓ Cities eager to attract investment by benchmarking their business climate globally. Cities such as Cape Town (South Africa), San Pedro Sula (Honduras), and Veneto (Italy) have benchmarked their investment climates against global standards, helping them design strategies that attract both domestic and foreign investments.

### WHAT DOES SUBNATIONAL BUSINESS READY DELIVER?

- ✓ Micro-level data that is comparable across regions within a country and globally, providing valuable insights into local business climates.
- ✓ City profiles with detailed process mapping of regulatory and administrative procedures, identifying bottlenecks and offering actionable insights for improvement for each locality
- ✓ In-depth analysis of administrative constraints at both national and local levels for each jurisdiction, revealing areas for improvement.
- ✓ Identification and documentation of local good practices that can be replicated to improve business environments, often without the need for national legal changes.
- ✓ Better visibility to donors and investors by showcasing regions' commitment to improving their business environments.
- ✓ Tailored quantitative assessments for specific regulatory areas, sectors or industries beyond the scope of the B-READY methodology, upon client request.
- ✓ Peer-to-peer learning opportunities through the exchange of local good practices, empowering jurisdictions to improve based on shared experiences.

- ✓ A roadmap for potential subsequent technical assistance projects coupled with a measurement framework to assess the effectiveness of existing initiatives.
- ✓ An interactive website that provides instant access to city profiles, data sets, reports, and microdata, enabling quick comparisons and in-depth exploration.

### COLLABORATION WITH DEVELOPMENT PARTNERS

Subnational studies are tailored to meet the needs of client governments, with funding provided both by the governments themselves and through strategic partnerships with key development donors. These partnerships have been instrumental in supporting subnational business environment assessments across various countries, including: Kenya and Nigeria (through UKAid), Central America (CIDA), Afghanistan (USAID), Colombia, Peru, South Africa and Mozambique (SECO), and European Union (European Commission).

With the support of our development partners, these assessments have driven tangible outcomes for client countries, such as:

- ✓ Streamlined regulatory processes.
- ✓ Cost saving for entrepreneurs.
- ✓ Strengthened private sector development agendas.
- ✓ Effective delivery of technical assistance and lending operations to improve investment climate.
- ✓ Enhanced policy dialogue and greater engagement between national and local governments.

#### SUCCESS CASES:

In Peru, reforms based on the Subnational study findings helped remove administrative barriers to business entry and construction permitting, saving the private sector US\$3.5 million, as reported by the World Bank Independent Evaluation Group. Similarly, following two rounds of benchmarking in South Africa, the City of Cape Town launched its *"Ease of Doing Business in Cape Town"* index, inspired by the Subnational studies, to monitor and improve the city's investment climate.

### GET IN TOUCH

For more information about Subnational Business Ready and collaboration opportunities, please email Valentina Saltane, Manager, at [vsaltane@worldbank.org](mailto:vsaltane@worldbank.org)

Visit our website:

<https://www.worldbank.org/en/businessready/subnational>

