



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, a conducive business environment is essential. Evidence shows that firms operating in regions with stronger business climates enjoy significant advantages: higher sales, more and better jobs, increased productivity, and greater investments.

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, policymakers face blind spots that hinder private sector growth, an essential driver of job creation and sustainable economic growth.

SUBNATIONAL BUSINESS READY SOLUTIONS: TAILORED ASSESSMENTS FOR LOCAL IMPACT

Subnational Business Ready, a core program of the Regulatory Efficiency Unit in the World Bank's Policy Indicators Group, addresses this gap by generating actionable, locally grounded data to foster job-rich growth. The program collects comprehensive primary data on business climate conditions and conducts quantitative assessments of bureaucratic efficiency at the city and regional levels, adapting the World Bank's Business Ready (B-READY) methodology to local contexts.

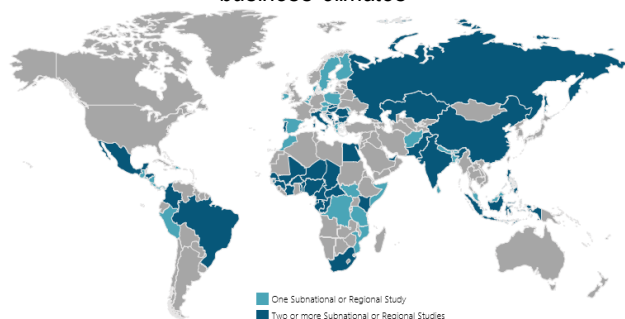
These assessments generate actionable insights and practical recommendations to streamline regulations, enhance public service delivery, and guide both national and local reforms, advancing the World Bank Group's mission to promote economic growth and job creation.

By taking a data-driven approach, Subnational Business Ready also fosters a platform for policy dialogue, knowledge exchange, and peer-to-peer learning, enabling countries and regions to share experiences, replicate successes, and tackle common challenges.

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

Since 2005, the Regulatory Efficiency Unit has conducted subnational business climate assessments and facilitated policy dialogue with national and local authorities in 619 locations across 86 economies. 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 respond to the unique challenges and opportunities of each local context.

Where the Regulatory Efficiency Unit has measured local business climates



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

WHO CAN BENEFIT FROM A SUBNATIONAL BUSINESS READY ASSESSMENT?

- ✓ **Countries seeking to boost regional competitiveness.** The data-driven analysis informs policies and reforms that unlock local potential, stimulate private sector growth, and drive inclusive economic development.
- ✓ **Countries within shared regulatory frameworks.** Ideal for economies in OHADA, Central America, WAEMU, the East African Community, ASEAN, CARICOM, and the European Union where shared regulatory structures can benefit from focused subnational insights.
- ✓ **Cities aiming to attract investment.** Local governments can benchmark their business climate against global standards. Cities such as Cape Town (South Africa), San Pedro Sula (Honduras), and Veneto (Italy) have used these assessments to design strategies that attract both domestic and foreign investment.

WHAT DOES SUBNATIONAL BUSINESS READY DELIVER?

- ✓ **Actionable local insights:** Micro-level data that are comparable across regions, countries, and globally, revealing the realities of business climates and informing smarter policy decisions.
- ✓ **Areas for improvement:** City profiles with process mapping pinpoint regulatory bottlenecks and provide practical recommendations.
- ✓ **Targeted analysis of constraints:** Highlights key administrative barriers at national and local levels for effective reform planning.
- ✓ **Identification of replicable good practices:** Highlights local approaches that work and can be adapted to improve business environments, often without requiring changes to national laws.
- ✓ **Peer-to-peer learning:** Facilitates knowledge exchange between regions, helping jurisdictions adopt proven solutions.
- ✓ **Boosted visibility and credibility with investors and donors:** Showcases regions' commitment to improving the business climate and attracting investment.
- ✓ **Roadmap for potential subsequent technical assistance projects** coupled with a measurement framework to assess the effectiveness of existing initiatives.

- ✓ **Interactive website** that provides instant access to city profiles, reports, and microdata for quick comparisons and deep exploration.

COLLABORATION WITH DEVELOPMENT PARTNERS

Subnational Business Ready 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 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.
- ✓ More effective technical assistance and lending operations to improve local investment climates.
- ✓ Enhanced policy dialogue and greater engagement between national and local governments.

IMPACT IN ACTION

In **Peru**, subnational studies revealed administrative hurdles that were slowing business entry and construction permitting. By addressing these bottlenecks, reforms were implemented that **saved the private sector US\$3.5 million**, showing how targeted, locally grounded data can drive real economic results. Meanwhile, in **South Africa**, the City of **Cape Town** used insights from two rounds of subnational assessments to launch its "**Ease of Doing Business in Cape Town**" index. This innovative tool now tracks the city's regulatory environment, helping officials continuously improve the investment climate and attract new businesses.

CONNECT WITH US

For more information on Subnational Business Ready and potential collaboration opportunities with the Regulatory Efficiency team, please contact Valentina Saltane, Manager - vsaltane@worldbank.org

Further details, including city profiles, datasets, and publications, are available on our website:

Visit our website: www.worldbank.org/regulatoryefficiency

