



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



IMPROVING THE BUSINESS ENVIRONMENT

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The business environment (BE) is determined by the nexus of policy, legal, institutional, and regulatory conditions that govern business activities as well as by the mechanisms of government policy and institutional arrangements that influence the way key actors operate. Key actors include government agencies, regulatory authorities, and business membership organisations, such as businesswomen associations, civil society organisations, trade unions, etc.

A conducive business environment is a prerequisite for economic growth and poverty reduction. Creating and maintaining a business climate that stimulates inclusive and sustainable industrial development must be at the core of any effort to spur the growth of vibrant and competitive industrial sectors. In particular, UNIDO seeks to strengthen the capacities of public and private actors to enable business environment reforms geared to reduce business costs and risks, encourage competition and social inclusion of disadvantaged population groups, and increase investments.

In this respect, UNIDO's Department of Trade, Investment and Innovation (TII) offers services which aim to:

- » Improve legal, policy and regulatory frameworks
- » Mainstream gender in business environment reform
- » Improve the regulatory framework for business registration and company formation
- » Design investment policy for improving access to finance, market information and overall investment climate

- » Create an enabling environment for entrepreneurship development including social enterprises and inclusive business
- » Design sector-specific reforms and reforms specific to small and medium-sized enterprises (SME) and their clusters
- » Enable public-private dialogue and multi-stakeholder consultative mechanisms
- » Improve skills and labour market conditions, including provision of modern infrastructure, business development and innovation services

UNIDO's flagship programmes and tools include:

- » Business registration and single point of registration
- » Formulation of sectoral and/or thematic policies (e.g. investment policy, quality policy)
- » Capacity building of governments and other stakeholders focusing on analysis, design, implementation and monitoring of business environment reforms
- » Advisory services on quality and investment policies, quality infrastructure development geared towards the uptake of new technologies
- » Market intelligence and diagnostic studies, supporting beneficiary countries in identifying the most promising products, value chains and sectors with job and export opportunities in the mid- to long-term
- » Advisory services on business infrastructure (hard and soft) for establishing science, industry and technology parks, economic zones and innovation hubs

As an active member of the Business Environment Working Group of the Donor Committee for Enterprise Development (DCED), UNIDO strives to keep abreast of international best practices when lending support to business environment-related improvements. Furthermore, the Organization effectively builds mutual trust and constructive dialogue between parties to develop realistic BE strategies and approaches, while seeking to incorporate international best practices into its support activities and contribute to the international debate on the business environment.

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ENHANCING COMPETITIVENESS AND TRANSPARENCY FOR VIETNAMESE ENTERPRISES THROUGH BUSINESS REGISTRATION REFORM

In the context of Vietnam's initiative for wider administrative reforms which was launched in the late 1980s, UNIDO played an active role in supporting the country in the field of SME and private sector development. The primary focus was on Business Registration Reform (BRR). With funding from Switzerland, Norway, the One UN Fund and UNIDO's own resources, UNIDO's technical assistance addressed obstacles faced by entrepreneurs in completing start-up registration procedures, including business, tax, statistics and seal registration. The comprehensive support package included policy advice, institutional reform and technical assistance to support Vietnam in BRR.

MAIN APPROACH

UNIDO assisted policymakers in the implementation of the Enterprise Law (2005 and 2014) and in the preparation of legislation to simplify and standardize business registration procedures. For the first time, inter-ministerial circulars on the cooperation mechanism between the Ministry of Planning and Investment and the Ministry of Finance were issued, enabling the creation of a unique enterprise code that is also a tax code and the seamless automated data exchange between business and tax authorities.

In 2010, the Agency for Business Registration (ABR) was established to manage and oversee business registration nation-wide and to operate and maintain the National Business Registration System (NBRS) which was also launched nation-wide in the same year. Legacy data of nearly 600,000 enterprises, which were stored and managed separately by 63 provincial Business Registration Offices (BROs), were digitized and transferred to the central National Database on Enterprise Registration. Businesses have been enjoying high quality non-discretionary single-point registration services, using the consolidated registration procedures backed by a streamlined and computerized registration workflow.

IMPACT AND RESULTS

The business community has welcomed BRR as it makes the business registration less cumbersome, less costly and thus more efficient and transparent. The statutory time-limit for registration was reduced from 15 days in 2004 to 5 days in 2010 and 3 days in 2014. Moreover, doing business in Vietnam became less risky thanks to the system: legal and accurate information is now publicly available online and the system offers policymaking benefits as the Government receives real-time enterprise data for appropriate policy measures.

Based on the successful collaboration between UNIDO and the Government of Vietnam, the project has been expanded to continue supporting the ABR and the 63 provincial BROs in providing accurate, legally binding information on commercial entities to the business community, State agencies and the general public. The NBRS has been upgraded to cover other types of business entities, noticeably state-owned enterprises (SOEs) and foreign-invested enterprises (FIEs). It is expected that upon the completion of the project, the NBRS will be operationally and financially sustainable and independent from further similar international donor support, which will contribute to Vietnam's increased competitiveness and transparency as per its recent commitments to international and regional trade agreements and treaties.





MARKET INTELLIGENCE AND COMPETITIVE POSITIONING

UNIDO carries out competitive positioning and market intelligence studies for priority industrial sectors and selected value chains. It further supports the implementation of identified activities aimed at improving the competitiveness and positioning of the sector.

value chains internationally and to prepare an adequate action plan for enhancing their competitive positioning in line with international best practices.

IMPACT AND RESULTS

MAIN APPROACH

UNIDO's sectoral and competitiveness analysis draws on a number of macroeconomic indicators, including evolution of market shares, revealed comparative advantage, geographical and sectoral specialization, export performance, and capacity to adapt to changes in global demand. In addition, UNIDO examines microeconomic indicators by undertaking field visits to enterprises from the specific sectors in order to identify performance indicators, technological capacities, the level of know-how, the quality of products, and other indicators. The objective is to benchmark the sectors and

Among others, UNIDO undertook competitive positioning and sectoral studies within the framework of a project in the West African Economic and Monetary Union (UEMOA) in the sectors and value chains of packaging, agro-food and cotton. Within a project in the Central African Economic and Monetary Community (CEMAC), cross-border value chain studies were undertaken for agro-food, textile and wood. In addition to that, UNIDO performed a positioning study for the packaging sector in Senegal, and one for the agro-food sector in Cameroon. A market intelligence and positioning study was also prepared for Armenian garments within regional and international markets.





LEVERAGING THE POTENTIAL OF SCIENCE, INDUSTRIAL AND TECHNOLOGY PARKS, ZONES AND CITIES

UNIDO's partnership initiative with the Asian Development Bank on "Fostering Inclusive and Sustainable Industrial Development in the New Silk Road Economic Belt (NSREB)" focuses on setting up a knowledge-sharing platform on leveraging the advantages of science, industrial and technology parks, zones and cities. Several in-depth studies on the status of industrial zones, parks and cities in Central Asian countries have been conducted following the agreed methodology and are ready to be integrated into a knowledge-sharing platform.

MAIN APPROACH

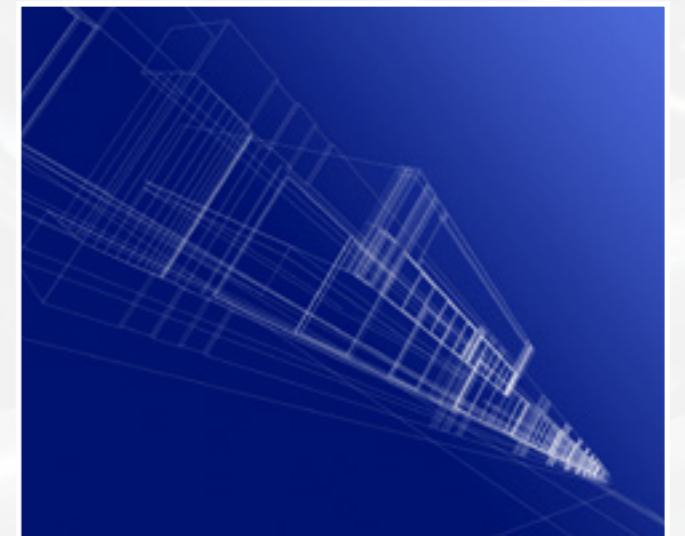
The objective of UNIDO is to increase regional integration and cooperation on leveraging the potential of science, industrial and technology parks, zones and cities. Stakeholders will have a better understanding of the potential of industrial and economic corridors to contribute to balanced, inclusive and sustainable economic development, and the crucial role of science, industrial and technology parks, zones and cities for industrial and economic corridor development. The project also envisages improved policy frameworks for industrial park planning, development and upgrading.

IMPACT AND RESULTS

To achieve the overall objective and outcomes, this partnership project facilitates the establishment of an NSREB industrial park knowledge-sharing platform for government officials at national, local and city levels, as well as for representatives from the private sector, academia, civil society, international organizations and development financial institutions. The platform will facilitate the mapping of regional needs, networking and information. It will also enable experience-sharing on how to leverage static and dynamic advantages of science, industrial and technology parks, zones and cities and their positive synergetic effects with economic corridors for fostering inclusive and sustainable industrial development (ISID) in the NSREB. Furthermore, the platform will stimulate multi-stakeholder dialogue on building partnerships to scale up investment in ISID.

FACTS AND FIGURES

- » Regional workshops were held in Azerbaijan and Tajikistan with overall participation of over **300** representatives from government, the donor community, financial institutions, NGOs, international organizations and SMEs
- » Side visits to industrial parks (IPs) and special economic zones (SEZs) were organized for all participants of the workshops to showcase regional practice and expertise
- » Background studies were prepared based on over **100** interviews conducted with government officials and local experts, heads of IPs and SEZs, as well as representatives of the private sector from the countries participating in the project
- » A strategic framework was developed with recommendations for improving the legal, infrastructure, standardization and urban planning spheres







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