The Improving Business Environment for Prosperity (IBEP) Program implemented by the World Bank Group aims to strengthen the design and implementation of business environment reforms in middle-income countries. IBEP is supported by the UK Prosperity Fund, whose mission is to support the inclusive economic growth needed to reduce poverty in partner countries, contributing to the UN Sustainable Development Goals.

COUNTRY FACTSHEET
MARCH 2020

IBEP Philippines

PROJECT OVERVIEW

The IBEP Philippines project aims to support the economic development agenda of the Government by strengthening business regulations and practices through regulatory reform and pro-competition policies as well as by enhancing business competitiveness, particularly through improvements to local firms’ ability to integrate into global value chains and to meet service and product quality standards. These objectives also include a cross-cutting theme on gender to assess ways in which to positively impact gender equity, and will be accomplished by pursuing a range of reforms across the following two components:

COMPONENTS

Strengthening Business Regulations and Practices

This component seeks to support the full implementation of the 2018 Ease of Doing Business and Efficient Government Services Act by providing technical assistance and capacity building support to the Department of Trade and Industry and the Anti-Red Tape Authority (ARTA) as the Philippines’ regulatory oversight body. Programmatic support will focus on the establishment of the ARTA’s Better Regulations Office, the formulation of an inventory of business regulations and permits, and the agencies’ work on Project Repeal. The component will also work closely with the Philippine Competition Commission and the National Economic and Development Authority to support the formulation of a National Competition Policy and the establishment of the mechanisms to promote sector-specific, pro-competition reforms, with the primary targets for reform being the key service sectors that have economy-wide impact such as telecommunications, logistics and healthcare.

Promoting Investment Linkages

Partnering with the Board of Investment (BOI), this component will review and improve the Philippines’ investment policy and institutional framework for promoting FDI by crafting and implementing

REFORMS TARGETED

1. Completion of regulations to implement the Ease of Doing Business and Efficient Government Services Act
2. New guidelines and policies to operationalize the Anti-Red Tape Authority
3. Revision of procedures and requirements that reduce private sector compliance costs to obtain permits issued by the Department of Trade and Industry
4. Revision of procedures and requirements that reduce private sector compliance costs to obtain permits issued by other agencies
5. One regulatory reform to lower entry barriers and restrictions to competition in the key priority sectors, such as healthcare, logistics and telecommunications
6. National Competition Policy adopted
7. New investment priority plan for the Philippines

PILLAR
RESULTS AS OF MARCH 2020

- The project supported the implementation of two reforms. In July 2019, the government passed the Implementing Rules and Regulations of the Ease of Doing Business and Efficient Government Services Act (reform 1 in the table above). These secondary regulations will allow for the full implementation of this overarching, foundational law that requires agencies to minimize costs of compliance and prescribe a three-day deadline for simple transactions, seven days for complex transactions and a maximum of 20 days for highly technical licenses. So far, the Anti-Red Tape Authority issued notices to automatically approve more than 7,000 pending permit applications across different government entities.

- In addition, the Anti-Red Tape Authority promulgated guidelines requiring all government offices to provide a new Citizen's Charter to communicate to citizens in simple and complete terms all the requirements and procedures for the issuance of their respective permits, with the processing time based on the classification of the permit as simple, complex or highly technical (reform 2).

- These reforms benefitted from technical assistance by the project with the Anti-Red Tape Authority on their internal administrative guidelines, Report Card Survey, Citizens' Charter, and strategic plan, which contributed to the setup of the organization and fed into their early issuances pertaining to the Implementing Rules and Regulations and the Citizen's Charter requirement.

- The project also organized a workshop in support of the implementation of an Inspection Order for competition promulgated by the Supreme Court on November 15, 2019 that will now provide the Philippine Competition Commission (PCC) with the ability to obtain evidence and prosecute anti-competitive behavior. After participating in the workshop, the judges confirmed how an enhanced understanding of competition law and the role of inspections within PCC investigations will help them support the implementation of the Inspection Order, which will comprise an important pillar of the broader National Competition Policy.

- **COVID-19:** The project supported the ARTA in promulgating several regulatory measures to facilitate business continuity during the quarantine protocol associated with the pandemic, including procedures for government agencies to fast-track business permits and guidelines to set up a virtual one-stop shop, among others. The project has also organized workshops with the Philippines Competition Commission on the impact of COVID-19 its effects on the economy on competition as well as consultations with the Board of Investments to sustain and expand investment operations in the Philippines.

PROJECT COUNTERPARTS

Anti-Red Tape Authority, Philippines Competition Commission, National Economic and Development Authority, and Department of Trade and Industry.

CONTACT US

**Manila:** Martin Nolan Galang, Sr. Private Sector Specialist, rgalang@ifc.org and Farida Lasida Adjji, Sr. Private Sector Specialist, flasidaadjii@ifc.org

**Vienna:** Gerlin Catangui, Sr. Private Sector Specialist, gcatangui@ifc.org