



## Ease of Doing Business Index

The Central Government released the third edition of the annual ease of doing business rankings for states and Union territories.

- This annual reform exercise for all states and Union territories is conducted by Department of Industrial Policy and Promotion( DIPP) in collaboration with the World Bank (WB) under the Business Reform Action Plan (BRAP).
- The move is aimed at triggering competition among states to attract investments and improve business climate.
- Most states see their performance as a key factor in helping companies select their investment destination.

### Background

- Earlier in 2014, the Government of India had requested the World Bank Group to support India's efforts to enhance India's competitiveness and increase manufactured exports.
- DIPP then decided to start similar initiative to promote competitiveness among states by taking cue from World Bank's "Ease of Doing Business Index" and subsequently the ranking exercise for States was launched in 2015.

### Business Reform Action Plan (BRAP)

- The Ease of Doing Business Index is based on BRAP.
- The BRAP-2017 included 405 recommendations for reforms on regulatory processes, policies, practices and procedures spread across 12 reform areas.
- BRAP 2017 also included two new sectors i.e. Healthcare and Hospitality.
- The current assessment under the BRAP 2017 is based on a combined score of:
  - Reform evidence score - based on evidences uploaded by the States and UTs.
  - Feedback score - based on the feedback from the actual users of the services provided to the businesses, i.e. business-to-government (B2G) feedback.
- It is for the first time that DIPP has introduced taking feedback - to ensure that the reforms have

actually reached ground level.

- The next year's assessment, i.e BRAP-2018 will be entirely based on user feedback.
- Another practice introduced in the current reform exercise was handholding support provided by the higher scoring States to mentor another State and UT to facilitate implementation of reforms in States and UTs needing support. E.g. Telangana and West Bengal held extensive workshops to support Tripura and Nagaland respectively.
- Additionally, States have also provided their systems developed to other states so that everyone can benefit from this reform exercise.

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