

Minutes of the Meeting on Pakistan Investment Competitiveness with Thai Government Officials

A meeting to discuss and understand Thailand's experience in Doing Business Reforms was held on 21 December, 2017 at 2:00 PM under the chairmanship of Chief Secretary, Sindh in the Committee Room, 1st Floor, Sindh Secretariat Building No. 1, Karachi. (List of participants enclosed at **Annexure A**)

2 The Chief Secretary welcomed the Thai officials and thanked them for visiting. The Chief Secretary then invited Dr. Amjad Bashir, Senior Economist, World Bank to brief the participants on the backdrop of this meeting. While introducing the Thai Government officials Dr. Amjad said that Thailand has shown remarkable improvement in Ease of Doing Business index. Thailand is ranked 26th in the 2018 EODB index compared to 46th in the year 2017.

Ms. Nicha Sathornkich, Director of Public Sector Management & Innovation Development & International Cooperation Group, Change Management & Innovation Development Directorate, Office of the Public Sector Development Commission (OPDC), started by saying that she was impressed by the commitment of the officials of Pakistan to the cause of Doing Business. She said that the Thailand's commitment to Ease of Doing Business can be manifested by the fact that Prime Minister Prayut Chan-o-cha is leading the entire effort. Talking about the Office of the Public Sector Development Commission she explained that besides Doing Business reforms it also works to improve government processes, ensure transparency and advance anti-corruption efforts.

She further explained that as a first step OPDC asks agencies to write their work processes and service standards. Then these agencies are asked to reduce their timelines (service level) by 50%. From the year 2003 to 2014 this approach has proved to be highly successful. In the year 2014 OPDC facilitated cooperation between the Government and private sector to chalk out ways to improve service delivery. These are called Service Level Agreement between Government and Business sector.

In 2015 the Licencing Facilitation Act took effect in Thailand. A key part of this act is for every Government Agency to publish a Licencing Manual for every licencing procedure. This manual contains document requirements, procedure, turnaround time etc. The relevant agency officer can only ask for documents mentioned in the manual. Citizens are also aware that they need to file only the documents mentioned in the manual for their application. Moreover, once the officers certify completion of documents they cannot ask for any other document. In case the application procedure is not completed within the timeline, the concerned officer has to issue a notification to applicant and OPDC citing reasons for the delay. There is also a system of penalties for not meeting the set service level but it has not been enforced for now.

She further said that the government is not merely interested in improving the Doing Business ranking; instead it wants to ensure effective and efficient service delivery to its citizens. However the OPDC uses DB ranking as a Key Performance Indicator. In 2016 the Prime Minister assigned OPDC to serve as the coordinating body for all business environment reform efforts reporting to the Deputy Prime Minister.

She explained that OPDC invites the private sector to become a part of its team and be a part of the monitoring process. This year in January she said that OPDC, Office of Small and Medium Enterprise Promotion (OSMEP) and World Bank worked together on the doing business technical assistance project. From this project 79 recommendations have been received which can be categorized as small term, medium term and long term. Many of recommendation have been implemented which result in improvement in the EODB ranking.

One of the major reforms last year was that the Prime Minister exercised his power by Order for special law amendment for introduction of electronic services. However, there are challenges with full use of these services because the number of consumers using them is very small. There is a need to promote these services to encourage people to use them.

Lastly, she emphasized the importance of dissemination. The Thai Prime Minister has a weekly address on every public TV and Radio where he talks about improvement in government agencies and doing business reforms among other things. We also have a daily public TV broadcast (20 Minutes) at 6 PM to inform citizens about reforms. Besides these programs there are also brochures and leaflets for dissemination.

Moreover, events are organized every year for communication directly with the Doing Business contributors. These meetings are usually held in January or February before the surveys.

Rounding up the discussion Dr. Amjad Bashir said that three things make the Thai model a success: a) OPDC is attached to the Cabinet b) Legislation to improve service delivery and c) strong communication led by the Prime Minister. He further said that under Chief Secretary's supervision progress has been made on many fronts.

Chairman Planning & Development, Muhammad Waseem said that the improvement in Thailand's ranking is a remarkable achievement especially given the pace of these reforms. He further said that legislation is important but enforcement and implementation are also very important. The example of Thailand can be very helpful in achieving our targets.

Chief Secretary concluded by saying that Thailand has made swift by looping in the private sector and also establishing a system of reward and reprimand. Although there has been some progress it was rendered ineffective because of improper dissemination of information to our citizens. Even in terms of technology we have made some improvements but effective communication is lacking. However, in terms of direction the economy is on the right track.