

Technical Assistance Facility for Latin America and the Caribbean

NATIONAL PLAN FOR SIMPLIFYING BUSINESS REGULATIONS IN PERU

Project dates: March 2006 – December 2007

Country: Peru

Partners: *More than 20 organizations. See complete list on second page.*

Sponsors: Swiss Secretariat for Economic Affairs (seco), IFC



To coordinate and promote regulatory reforms across municipalities in Peru, the IFC Technical Assistance Facility for Latin America and the Caribbean has partnered with more than 20 public and private sector organizations to develop and implement a National Plan for Simplifying Business Regulations (known as “Tramifácil”). The reforms are aimed at improving the business environment to encourage economic formalization. The two-year work program comprises several components:

- Strengthening reform leadership through public-private dialogue,
- Coordinating and replicating reform efforts throughout Peru,
- Building local technical capacity to design and implement reforms,
- Monitoring reform progress and tracking results, and
- Raising public awareness of reforms and their benefits.

The first phase of the project will extend reform efforts to five new municipalities (Callao, Piura, Arequipa, Chiclayo and Ica). These five municipalities were selected based on level of economic activity, population, and political will demonstrated by their mayors. Each municipality where the National Plan will be implemented will have its own Local Advisory Council. These Local Advisory Councils will be composed of the benefited municipality and local private sector representatives (e.g., Piura’s Local Advisory Council will be composed of representatives of the Municipality of Piura, representatives of the Piura Chamber of Commerce and other local public and private sector representatives).

In April 2006, the national government passed a new law, developed by the President’s Council of Ministers (a Tramifácil signatory), to standardize municipal business regulations. Such standardization, based on the regulatory reforms undertaken in Lima (with IFC support) and other municipalities, will help facilitate scaling up the national plan by providing a common regulatory framework. Minister of Economy and Finance Fernando Zavala stated in *El Comercio*, “This project seeks to standardize procedures. Currently, some municipalities have only four requirements for getting an operating license while others have 13. It’s very disorganized.” Municipal governments were required to adopt the new regulatory framework within 90 days of its approval by Congress.

One of the defining characteristics of this project is the unprecedented level of inter-institutional coordination. Previous initiatives involved did not have a common methodology, and were thus difficult to synchronize and sustain. During the official signing of the Tramifácil accord, Prime Minister Kuczynski thanked IFC for its role in convening a broad spectrum of stakeholders and noted the difficulties Peru has had with simplification reforms. The President’s Council of Ministers has also praised Tramifácil as a potential mechanism for fighting corruption.

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Tramifácil Signatories

National Government

- President's Council of Ministers
- Ministry of Labor and Employment Promotion
- Ministry of Economy and Finance
- Ministry of Production
- National Institute for Competition and the Protection of Intellectual Property (INDECOPI)
- Agency for the Promotion of Private Investment (ProInversión)
- Commission for the Promotion of Micro and Small Enterprises (PROPYME)

Municipal Governments

- Lima
- Cajamarca
- Piura
- Independencia
- Villa Maria de Triunfo
- Bustamante y Rivero

Private Sector Associations

- National Confederation of Private Business Institutions (CONFIEP)
- National Society of Industries
- National Confederation for Peruvian Micro and Small Enterprises (CONAMYPE)

International Organizations

- International Finance Corporation
- Foreign Investment Advisory Service
- International Labor Organization
- Society for Technical Cooperation (GTZ)
- United States Agency for International Development (USAID)
- Program for Overcoming Poverty in Lima (EU)

Non-Governmental Organizations

- Ciudadanos al Día
- Simple