



WELCOME

Dear Readers,

We are pleased to welcome you to the first issue of the electronic **OPTIMUS Newsletter**, issued by OPTIMUS - Center for Good Governance.

OPTIMUS - Center for Good Governance is an organization established to contribute to improving the business environment as a key aspect of investment climate and encourage development of small and medium enterprises. OPTIMUS primarily provides support in implementation of regulatory reform and in simplification of administrative procedures in order to downsize costs and risks for businesses.

Hereby we would like to get better acquainted with those who have the same or similar interests and goals, and, by representing ourselves and our work, invite current and potential partners and colleagues to a more intensive exchange of information and cooperation. If improvement of these areas is of Your personal or professional interest, as a citizen, state or municipal official, businessperson or professional, it would be our pleasure and honor to subscribe You to our mailing list to receive our quarterly electronic newsletters. If You feel that You can contribute to a better understanding of these issues and information sharing, we would be pleased to make space for Your story.

OPTIMUS Newsletter will contain news, interviews, testimonials, expert analyses and comments that would be of everyone's interest in informing on improvement of the business environment, regulatory reform and related issues in Serbia, the Region and globally. In Newsletter, special emphasis would be on activities of OPTIMUS, like the Project *"Improving the Business Environment at the Local Level through Regulatory Reform"* jointly implemented by the Standing Conference of Towns and Municipalities and OPTIMUS, and supported by the Swiss State Secretariat for Economic Affairs (SECO). For more information related to OPTIMUS team and work, please visit www.optimus.org.rs.

The first issue of OPTIMUS Newsletter will be sent to persons and organizations with whom we want to keep in touch, communicate and collaborate. We believe that the circle would widen, so we invite you to forward our electronic Newsletter to those who may be interested in it. At the same time we apologize if you do not find the topics we announce interesting.

We would be delighted if our Newsletter would serve for a constructive dialogue that will initiate change for better and we welcome Your comments and suggestions.

We believe in successful cooperation with all interested parties, and we appreciate your confidence in us.

Sincerely,

Sladana Karavdić Kocević, Director and **Katarina Milanović**, Deputy Director at OPTIMUS.





Isabel Perich

STRENGTHENING GOOD GOVERNANCE PRACTICES IN MUNICIPALITIES

Interview with Ms. Isabel Perich, Director of Cooperation, Swiss Cooperation Office Serbia

Investment is a local phenomenon as companies choose the best municipalities for conducting their business.

The first Swiss assistance to Serbia was of humanitarian character, and over the years it shifted to the overall goal of supporting Serbian efforts towards European integrations by improving social inclusion and reducing poverty, and also increasing the competitiveness of the economy, says Ms. Isabel Perich, Director of Cooperation, Swiss Cooperation Office Serbia, emphasizing that Switzerland has been active in Serbia for more than 20 years.

• Could you introduce us to the goals of the Swiss support in the Western Balkans and, especially, in Serbia?

We have two key Swiss Ministries, the Ministry of Foreign Affairs and the Ministry of Finance and Economy, both working under the roof of the Swiss Cooperation Office in Serbia. Since 1990s, the Swiss support has amounted to 250 million Euros. We have a strong partnership orientation and all our programmes are tailor-made and demand-driven to reflect Serbia's priorities. We are flexible but we focus on achieving results. That is why we have an excellent reputation.

Serbia will continue to be of strategic priority for the Swiss, for reasons of proximity, closeness of interaction and a significant diaspora living in Switzerland.

• Would you please shortly present more details from the Cooperation Strategy with Serbia in the next couple of years related to economic development?

Our Strategy has been drafted around four domains: economic development, rule of law and democracy, education and energy efficiency and renewable energy.

Economic development has been one of the pillars of Switzerland's cooperation with Serbia since 2000. We want to contribute to four areas, namely functioning financial sector, conducive business environment and regulatory framework, strengthening the export potential of private enterprises; and small and medium enterprises (SME) driven pro-poor market growth.

On the local level, we have been introducing simplified administrative procedures, which result in direct savings for businesses on the one hand and increased competitiveness of the municipalities, on the other hand. Such legal regulatory reform will also increase transparency and reduce possibilities for corruption. For example, in the City of Niš, prior to the reform, citizens waited 50 days for the construction permits and now the waiting time is 35 days. This stimulates economic growth. The reform completed in ten cities has resulted in total private cost annual savings of 160 million Euros.

I would like to mention the small and medium enterprises (SME) market development approach project

– which we named Making Markets Work for the Poor, or M4P. In South Serbia we are working on wood industry and forest plants, while in the South West we target tourism, fruits, and meat and dairy sectors. This project directly increases income opportunities, especially for the young people and women, and fosters good relations between market players. During the last two years, such work with the National Employment Service and the Chamber of Craftsmen – and adult training institution, has resulted in 1.5% unemployment decrease in the South Serbia (Pčinja District).

Finally, Switzerland is supporting Serbia to capitalize on its World Trade Organisation (WTO) membership and addressing trade-related deficiencies and opportunities to increase the export potential of private enterprises. This means securing intellectual property rights through the enforcement of geographical indications (GIs), i.e. designated product quality and highlighted brand identity. It's also export promotion for specific traditional agricultural products as well as commodities and services with a high technological value (i.e. development of specific export clusters).

• **Can you tell us more about the Swiss support to business environment reform?**

Primarily, this reform is going to generate competitive, transparent, and reliable regulatory setting at national and local levels. It will allow SMEs to do more and better businesses. It will create new jobs.

Already, the Swiss support to regulatory simplification at local level has resulted in 160 million Euros annual savings for Serbian companies. We shall continue to promote new reforms, especially in medium-sized municipalities, with an emphasis on implementing policies, enforcing the regulatory framework and building related capacities. Ten out of twenty leading municipalities will be targeted in the short to medium term. At the same time, we shall explore complementary activities at the national level.

I have already mentioned that these reforms bring about transparency and reduce possibilities for corruption. They will also improve efficiency and service delivery of public administration. Deadlines will be reduced. Procedures will be streamlined. And administrative processes reformed. This also means reducing the red tape and other formalities.

Ultimately, with development of positive business climate, new jobs are created, there is poverty reduction and economic prosperity.

• **What is the systemic SME - focused market development approach, promoted by Switzerland?**

The systemic SME-focused market development approach develops market systems so that they function more effectively and that they, in particular, benefit the poor. Let me give you an example.

In 2011, Noro virus found in Serbian raspberries almost stopped all export. It was then that we assisted the establishment of Serbia's first Noro virus testing facilities. This support, for increasing the product quality, meant that exporters and small farmers have preserved their position on the EU market. As a result, raspberry export from Zlatibor in total Serbian export increased from 34,7% to 41,9%, maintaining the income of producers, despite the decrease of market prices.

• **Why did SECO take the decision to support the improvement of business environment at local level through the Project implemented by Standing Conference of Towns and Municipalities and OPTIMUS - Center for Good Governance?**

First of all investment is a local phenomenon as companies choose the best municipalities for conducting their business. Secondly, municipalities are the citizens' first contact with governance. Municipal officials



have been directly elected by the citizens and have the responsibility to provide them with a good service. They have the mandate to draft economic development strategies, make urban plans, prepare budgets, to care about health, education, culture, transport, and so on. There is a good number of laws regulating municipal mandates. However, implementation often lags behind. We want to assist Serbia to change that.

Therefore, our programme supports the implementation of legislation in local governments, improvement of municipal services and operations and regional development. We also concentrate our support to advocacy for municipal interests in the central government, to strengthening local management capacities and to good governance practices in municipalities. The regulatory reform is a proven, efficient tool to improve business environment.

Equally important, we believe that the implementation of various activities through mutual work of local governments and local expert organizations such as the SCTM and OPTIMUS is the most efficient way to increase regional development and conducive business environment. The SCTM is the national organization of all local governments in Serbia, and as such represents their interests. It is highly dedicated to promotion and capacity development, fostering cooperation and dialogue among local authorities, providing linkages between local self-government with national government and state organizations. On the other hand, OPTIMUS has a comparative advantage of being led by experts with significant experience, in-depth knowledge and shown accomplishments in regulatory reform at the local level in Serbia, but also in other Western Balkan countries and outside the region.

Conclusively, engaging competent local capacities instead of international advisory services also leads to sustainable initiatives such as regulatory reform at local level, implemented within this concrete project.

• What principles of good governance could be improved in Serbia, according to your opinion? What would be your recommendation in that regard?

Good governance aims to create an environment in which constitutionality and human rights, an appropriate division of power and macro-economic stability are strengthened. Core good governance principles that are implemented in all Swiss programmes are: accountability, transparency, efficiency, non-discrimination and participation.

As everywhere in life, there is a space for improving all of these principles in Serbia. When focusing on the good governance principles in public sector, I particularly highlight the need for increased transparency of public services, accountability towards citizens and businesses and participation of all relevant groups through the constructive dialogue and cooperation.





OUR GOAL IS TO REDUCE THE ADMINISTRATIVE BURDENS ON THE ECONOMY AND CITIZENS

Interview with Ms. Mira Prokopijević, Director at Office for Regulatory Reform and Regulatory Impact Assessment

Laws with great influence would have to undergo a mandatory detailed Regulatory Impact Assessment. Such laws should not be put to evaluation at last minute and under urgent procedure, and the Office should have enough time of 10 to 20 days to give its opinion on a law.



Mira Prokopijević

“Regulatory Impact Assessment (RIA) is a method of evaluating probable effects of laws and regulations to the economy, citizens and the general public. The method in a systematic way gives an answer to the question whether new laws and regulations or amended ones would have the desired effect. It also quantifies the likely costs of implementation of such a new or amended legislation to individuals, businesses and public administration. RIA provides adoption of legislation whose benefits exceed their possible costs, and the implementation of the least costly regulatory solutions. I would also like to point out that the Rules of Procedure of the Government of Republic of Serbia anticipated mandatory Regulatory Impact Assessment (RIA) for all the laws that affect the economy”, said **Mira Prokopijević, Director at the Office for Regulatory Reform and Regulatory Impact Assessment of the Government of Serbia**. The Office exists from June 1, 2011 as the successor of the Comprehensive Regulatory Reform Unit, which attracted positive public attention by removing administrative barriers in the so-called “guillotine” of regulations.

• What are the main activities and goals of the Government’s Office for Regulatory Reform and Regulatory Impact Assessment?

The Office carries out professional tasks related to the implementation of Regulatory Reform and Regulatory Impact Assessment proposed by ministries and special organizations, including: providing preliminary opinion on the need for impact assessment, regulatory impact analysis for the intended public hearing and the opinion on the full contents of the accompanying impact assessment. Further more, we provide assistance to regulation drafters in establishing mechanisms for monitoring and analyzing the effects of regulations during their implementation. An important activity of the Office is collection and processing of the initiatives of companies, other legal entities and citizens to change in efficient regulations at the national level, as well as passing these initiatives to relevant qualified proposers to amend those inefficient regulations. We monitor and analyze the institutional and human resources capacities to carry out regulatory reform and to take part in the organization and implementation of trainings for civil servants whose professional tasks are related to regulatory impact assessment.

• What are the benefits of Regulatory Impact Assessment?

Regulatory Impact Analysis gives explanations, as follows: whom the new laws would affect and how, what are likely costs of the application of the law for citizens and businesses (especially SMEs), are there positive effects of the adoption of a specific law and would it justify the costs of implementation, whether a law supports establishing of new companies in the market and the market competition, whether all stakehold-

ers had possibility to participate in public debate regarding such a law and what measures should be taken during the law's implementation to achieve intended effects. RIA provides insight to other effects, including side effects and unintentional ones.

This process promotes the coordination of regulatory activities, harmonization of regulations and responsibility of regulatory bodies, thus improving the work of the public administration in total. Adequately performed Regulatory Impact Assessments simplifies the regulatory environment and contributes to reduction of administrative burdens for citizens and businesses. Finally, implementation of Regulatory Impact Assessment enables public preparation of laws and regulations and participation of stakeholders in decision-making process through full consultations throughout the legislation drafting process and the final public debate.

• **How is the RIA process conducted?**

When it comes to the process of Impact Assessment, it should start at the earliest possible stage, when it can help making the decision on whether to pass a certain act or not. RIA process lasts throughout the entire drafting of the law. In the initial stage of Regulatory Impact Assessment, it is necessary to clearly define the problems, causes, effects and the objectives to be achieved. Relevant options for resolving problems are analyzed by applying appropriate techniques, and then, based on the given criteria, compared and reduced to feasible and desirable options. Passing a law is generally only one of the options (in addition to numerous alternatives). Only after analyses of the options it is possible to determine whether adoption of the law is the best solution for the existing problems and would it achieve desired goals, or is it better to find an alternative to law. RIA is needed after adopting the decision to adopt the law, since it does matter whether a particular aspect would be regulated in one way or another.

Also, the exchange of information between decision-makers and stakeholders through consultation and public debates is a phase that should be accompanied by preparation of the corresponding parts of the RIA. And finally, from the very beginning of RIA development, it is necessary to obtain the needed data. There are two parallel processes in place. Data collection is carried out throughout the process of developing Regulatory Impact Assessment, since the data substantially affects and determines its final shape.

• **How would you explain the need for regulatory reform at national and sub-national level, particularly in relation to the business environment and investment climate?**

Sub-national regulatory reform is as important as the national reform, since both refer to the laws and regulations governing the behavior of all the citizens and businesses in the country. In fact, a large part of the problem at sub-national level is related to deficiencies in the applicable national legislation and its enforcement. Therefore, promotion of regulatory reform at sub-national level is of great importance when it comes to national legislation. One might even say that sub-national regulatory reform is to some extent more effective, given that citizens and businesses in specific cities and municipalities are able to express their opinions more easily and therefore local authorities could shape and improve inefficient regulations, in accordance with national legislation and identified needs.

• **At this point in time, what is your experience with so-called “guillotine” of regulations in Serbia?**

The mission for which the Comprehensive Regulatory Reform Unit was established was successfully accomplished. In fact, a number of initiatives for law amendments was collected from citizens and businesses, set in the form of recommendations and opinions and then formulated and submitted to the Government for approval. As already mentioned, not all the recommendations are yet adopted. The Office



monitors the realization of given recommendations and recommendations in the process of adoption and whenever possible tries to remind processors of regulations on remaining recommendations that would significantly simplify the conduct of business and financially relieve citizens and the economy, if adopted. As for the Regulatory Impact Assessment, the Office provided 60 opinions in 2012, out of which 20 were positive, 3 negative, 35 partially positive. One draft law was not supposed to include RIA, and opinion was not given for one law since the processor did not complete the initiated RIA.

However, I would note that the number of positively evaluated law drafts is not decisive, because not all the laws have the same impact, and I strongly support law categorization with respect to their impact to the economy and citizens. Laws with great influence would have to undergo a mandatory detailed Regulatory Impact Assessment. Such laws should not be put to evaluation at the last minute and under urgent procedure, and the Office should have enough time of 10 to 20 days to give its opinion on a law.

• Are there any statistics to illustrate the importance of regulatory reform?

Considering implementation of regulatory reform at the national level, the Office is continuously monitoring recommendations which were provided by the Comprehensive Regulatory Reform Unit to the Government of the Republic of Serbia. Out of 340 recommendations, the Government implemented 212 so far, 27 recommendations are in process of implementation, while 65 recommendations are not yet implemented. Based on the recommendations implemented, the estimated annual savings to the economy amounts to 128.5 million Euros. If all the recommendations would be implemented, the total annual savings from the Comprehensive Regulatory Reform at national level would amount to 183.1 million Euros.

• Has enough been done for sustainability and promotion of the so-called “smart” regulation principles in Serbia?

During the application of earlier Regulatory Reform Strategy, the principles of good regulatory practice were not followed in preparation and implementation of regulation to satisfactory extent. The Office performed the systematic control of procedures in accordance with those principles, but only in relation to the process of drafting laws. For this reason, and because the control is limited only to the laws, it cannot be said that system of control provides a comprehensive management by national authorities in accordance with the principles of good regulatory practice.

• You are familiar with the Project “Improving Environment for Businesses at Local Level through Regulatory Reform”, conducted by the Standing Conference of Towns and Municipalities and OPTIMUS. What do you see as the strengths of the Project, particularly in the context of the objectives of your Office? What can be improved regarding the Project compared to the previous practice in the country?

Quality regulation at national and sub-national level is a key prerequisite for improving the business environment. The Office supports all regulatory reform projects already performed, as well as those that are in process at sub-national level, because they have a direct impact on citizens and the economy at sub-national level.

In this context, and bearing in mind that the promotion of regulatory reform at sub-national level is one of the primary responsibilities of the Office, a strong point of the Project is unquestionably its influence in promoting regulatory reform at sub-national level and, particularly, in identifying and eliminating administrative barriers. Administrative procedures and processes that regulations impose are often long and unnecessarily complicated for the citizens and the economy, slowing business and making it ineffective. This adversely affects the local economy and employment, and must be carefully considered and analyzed



at both national and sub-national level. This Project, supported by the Office, will contribute to a better business environment in the local communities in Serbia, which is one of its main goals.

Considering that earlier Regulatory Reform Strategy was evaluated as a good model concerning the strategic commitment to regulatory reform at the national level, some improvements at sub-national level could certainly be achieved by copying certain solutions from the Strategy from national to sub-national level. At the national level, such initiatives are very useful because there are no regulations that oblige local authorities to continuously test all administrative procedures. The sub-national level could be bound to comply with the normative and analytical criteria in force at the national level, as well as to the performance of RIA. The current conflict between sub-national and national level on this issue results in significant uncertainties and inaccuracies considering the design and application of regulations at sub-national level, which is often a burden to citizens and businesses.

• **Can you give a positive or interesting example from the World where regulatory reform has made a real qualitative difference in the broader social context?**

Example of Great Britain is an example of good practice in terms of the regulatory reform which left a deep-seated mark on the regulatory process and on the general “way of thinking” when preparation and application of laws is in question. Although Regulatory Reform had ups and downs, and in some segments and moments was reduced to the system of “attempts and errors”, the UK gained a great success when it comes to regulatory reform, given the fact that for years it is at the first place among the “top reformers” in this area. Also, this country is one of the most important innovators in the field, since it is one of the first countries to carry out a system of Regulatory Impact Assessment, both at the level of laws, and the level of “secondary” legislation or other regulations. Characteristic for this country is that the Office that deals with regulatory reform in the country has more than fifty professionals in this field, and the RIA performed is of very high quality and detailed, with plenty of data and precisely estimated effects.

• **What are the experiences in the Western Balkan Region?**

The growing awareness of the countries in the Region that efficiency and quality of regulations affects economic performance has led to the introduction of a strategic approach to regulatory reform and adoption of a comprehensive or fragmented Regulatory Reform Strategy. The agenda of better and “smart” regulation in the European Union had a significant impact on regulatory reform in Western Balkans. Most countries in the Region, their governments together with the business community, implemented reforms to simplify regulations and create a more competitive business environment. Serbia, Bosnia and Herzegovina, Macedonia, Montenegro and Albania have adopted the Strategy of Regulatory Reform and reform programs as a basis for continuous systematic approach in order to improve the investment climate.

ABOUT THE PROJECT “IMPROVING THE BUSINESS ENVIRONMENT AT THE LOCAL LEVEL THROUGH REGULATORY REFORM”

The old story says: when you feed a hungry man with a fish, it’s a good deed, but if you really want to help, teach him how to fish. Accordingly, the real success of the local government is not only donation or infrastructure given to the use of citizens, but sustainable success in creating an environment that improves the lives of citizens and the growth of the economy.

The Project “Improving the Business Environment at the Local Level through Regulatory Reform,” imple-



mented by the Standing Conference of Towns and Municipalities (SCTM) and OPTIMUS - Center for Good Governance, aims to assist local governments and the business communities to improve “tools”, knowledge, skills and develop a dialogue in order to create a better environment that supports business initiative. The Project values EUR 1.19 million and is supported by the Swiss State Secretariat for Economic Affairs (SECO). The Project implementation began in December 2011 and is planned to last until November 2014. For now, OPTIMUS implements the Project in Leskovac, Kraljevo, Novi Pazar, Gornji Milanovac, Sombor and Loznica while SCTM implements the Project in municipalities of Vladičin Han, Knjaževac, Ivanjica, Bajina Bašta and Kanjiža.

Keeping in mind the needs of the business community, as well as the needs of cities and municipalities, that can provide the quality of life of their citizens primarily through economic growth, the Project aims to create a better business environment in the local communities in Serbia, contributing to higher levels of private investments. Special attention is paid to one of the main obstacles - long and unnecessarily complicated administrative procedures that slow down business activities and adversely affect the local economy and employment. This task is primarily achieved by simplification of administrative procedures related to business in order to cut costs and time for businesses and entrepreneurs, by building sustainable regulatory mechanisms for new regulations that will provide low costs and risk, and by increasing the transparency and efficiency of public administration at the local level.

The local governments, with all their specific aspects, act in the political, economic and regulatory framework of the Republic of Serbia. When the cities and municipalities communicate openly with national authorities regarding their needs, successes and challenges that are previously agreed with the citizens and the business community at the local level, and when all stakeholders take their part of responsibilities, it brings benefit to all. For this reason, the Project will aim to support the development of constructive dialogue and cooperation between central and local government in order to introduce the so-called “smart” laws and regulations.

UNTYING THE BUREAUCRATIC KNOT

In order to achieve legal right or fulfill a regulatory requirement in Serbia, one has to collect documentation from one state body and then take it to another. At the same time, in developed world it has for a long time been a practice for the state bodies to submit the necessary data one to another automatically. More interestingly, this obligation by state bodies is stipulated by the law, but its implementation is a different story. Furthermore, it is often the case that some documents are not necessary since they are required out of exclusively bureaucratic reasons or they are duplicated i.e. they contain the same information. The situation with the local and republic taxes is also lacking in transparency, it is expensive and sometimes it reflects the apparent disharmony between the different levels of government. To an average citizen such situation seems like a labyrinth of endless and not always sensible regulations.

The fact that we are neither rich nor developed country is not an argument to defend this kind of practice. Exactly because our country is not rich, exactly because our cities and municipalities have very limited resources and exactly because, as citizens, we have to take care of every dinar, it is important that, as actors in any of the roles in this bureaucratic story, we get insight, into the flow of documents, money and steps undertaken in solving our requests at the state institutions as soon as possible.

In this sense, certain reforms are being implemented at both state and local level. The efforts in that regard are still not satisfactory but some of the initiatives are worth mentioning. On the state level, there was the first of all the Comprehensive Regulatory Reform (CRR) that in 2009 resulted in inventory of more than 5,500 regulations and proposal for change of around 1,500 through 340 specific recommendations. The recom-



recommendations were sent to the Government and 216 of them were adopted. According to the latest data, before the completion of the Programme in 2010, 69 recommendations were entirely implemented and another 131 were undergoing implementation. The Government Office for Regulatory Reform and Regulatory Impact Assessment continues the work in this area but the Strategy of further reforms for the period after 2011 is still waiting to be adopted.

On the local level, there was no comprehensive action on the territory of entire Serbia but it is worth mentioning in that context the individual reforms of cities and municipalities for better business environment. Regulatory reform was implemented in Niš, Vranje, Kruševac, Užice and Zrenjanin in the period 2007-2011. This reform resulted in simplification of over 1,000 administrative procedures and reduction of taxes for businesses and citizens. Novi Pazar, Kraljevo, Leskovac joined this group of cities in 2012, and Gornji Milanovac, Sombor and Loznica in 2013. The stock of the current situation i.e. the inventory of administrative procedures that is just being completed in Novi Pazar, Kraljevo and Leskovac is an important step that will show in which way the requests are submitted and resolved in these city administrations. The analysis of legality, deadlines, taxes, information, documents and forms, as well as the calculation of cost of these procedures for the private sector will enable the insight into the things that should be changed, eliminated or adjusted.

Still, the need for the comprehensive reforms on the local level to be further rolled out throughout Serbia remains. It would also be desirable to have a new strategy on the state level to accompany them.

One of the considerable changes that marked the last year is cancellation of 138 parafiscal taxes, which is a relief for business entities, but there was also an increase of VAT, profit tax and excises. Local governments complained about the fact that the 22 cancelled taxes were the local self-governments' revenue and the issue of losing over 5 billion dinars of total local source revenue arose, according to some estimates.

It is a very demanding challenge to harmonize the interests of the local self-governments and businesses, especially small and medium enterprises, but there is an increasing awareness of the importance of joint action and common interests. As a confirmation of that, there was a joint Local Government Fair and Entrepreneurship Fair known as the "Business Base" where more than 100 municipalities and around 300 enterprises presented themselves. "The practice has shown that the most successful local self-governments have strong economy and entrepreneurs that are the drivers of their environment" said Verica Kalanović, Minister of Regional Development and Local Self-Government at the opening ceremony, "and the most successful enterprises find true service and partners in local governments."

Minister of Finance and Economy, Mlađan Dinkić, recently announced two significant reforms in improvement of business environment in an interview for B92. "The first one is under my competence – it is the implementation of complete Tax Administration reform. Our plan is to withdraw around 5 million forms in this and the following year. The other thing is eliminating the unnecessary bureaucratic procedures for issuing building permits. That law would have to be completed in the first semester of this year and it should be in Parliament so that we can clear up this much bureaucratized area," said Dinkić.

Different actors from different institutions and organizations started recognizing and dealing with regulatory obstacles affecting citizens and the economy. Did it have to take that long? Are relevant actors working in accord? Are the right things being done in the right way? The answers to these questions may only be given through analysis and assessment of the accomplished. If our goal is to get positive assessment, we should not forget that it will come the moment the citizens and the economy feel that the regulations are facilitating social and economic life and public services are supporting and assisting their work through continuous improvement of the business environment.

Nataša Janković





Novi Pazar: Through regulatory reform to more efficient administration

“Our goal is, among other things, to create an administration in Novi Pazar according to European norms, through our participation in this Project. Time savings for citizens that submit requests to us on daily basis, as well as money saving, are very important results of the Project implementation. It goes without saying that, by improving the efficiency of administration, we contribute to creation of more favorable conditions for bringing in foreign investors, that are mainly not used to such complex administration and complications in resolving the red tape issues. One should not forget that the Project application would be beneficial for the employees in different departments and it would make their large workload easier to deal with. Those are just some of the reasons to accept the realization of the Project *“Improving Environment for Businesses at Local Level through Regulatory Reform”*, said Meho Mahmutović, Mayor of the City of Novi Pazar.

Kraljevo: Creating favorable environment for citizens and entrepreneurs

The Project *“Improving Environment for Businesses at Local Level through Regulatory Reform”* will assist the City of Kraljevo in getting an organized City Administration, which is in the interest of both the employees and the citizens. By simplification of administrative procedures under the competence of the local self-government, the City of Kraljevo will become more competitive for new investors which directly leads to generation of new jobs,” said Dragan Jovanović, Mayor of the City of Kraljevo.

“The goal of this project is to build capacity, increase the level of efficiency and effectiveness, shorten the procedures and enable the citizens to exercise their rights with regard to the Administration in a faster, easier and simpler manner. At the same time, a professional and independent expertise will identify the “idle speed” in Administration activities and detect the extent of workload of every local employee, which will allow for a more even workload of local officials in dealing with the parties’ requests. The final goal is to have administration as “citizens’ service”, declared Mr. Miloš Petrović, the Head of the City Administration in the City of Kraljevo.

