

Regulatory Reform on the Local Level



Why, what & how?

Improving Environment for Businesses at Local Level through Regulatory Reform

WHY?



Local regulations and administrative procedures are among the key factors of the overall business-enabling environment. Imprecise and non-compliant regulations, overly complex and non-transparent administrative procedures, still existent today in cities and municipalities of Serbia have an adverse effect on the level of private investments, new employment and doing business in general. The business community in Serbia has recognized this as a problem and is constantly emphasizing the need for improvement of the existing regulatory framework and institutional capacities. This is, after all, a key prerequisite for an efficient response to economic challenges in Serbia, like the de-

velopment of private sector, small and medium enterprises, strengthening of competition and attracting foreign investments.

Challenges and problems in regulatory area have been recognized by government bodies, local self-governments and foreign partners. The efforts to improve the regulations and simplify procedures at different levels already exist for several years now. The project *Improving Environment for Businesses at Local Level through Regulatory Reform* is a significant step in that sense, with the greatest local level outreach so far.

WHAT?



Resulting from a joint initiative of the Standing Conference of Towns and Municipalities (SCTM) and OPTIMUS – Center for Good Governance, the project *Improving Environment for Businesses at Local Level through Regulatory Reform* is implemented with the support of the Swiss State Secretariat for Economic Affairs (SECO). The value of the project is EUR 1.19 million. The Project started in December 2011 and is planned to last until November 2014.

The overall goal of the Project is to ensure better business-enabling environment in local communities in Serbia contributing to a higher level of private investments. The Project focuses on un-

necessarily demanding and non-transparent local administrative processes and procedures that often impede business operations and hinder local economic development. The main tasks are:

- (1) simplifying the issuance of licenses, permits, decisions and consents upon request of business entities in order to accelerate decision making and reduce the costs for businesses;
- (2) developing sustainable regulatory mechanisms for adoption of local regulations that would ensure low risks and costs of doing business and
- (3) increasing the transparency and efficiency of local public administration. The Project is implemented in 16 local self-governments in Serbia.

HOW?



Component 1, implemented by the Standing Conference of Towns and Municipalities, includes:

- developing a set of models of simplified administrative procedures for specific groups of administrative tasks
- adopting, implementing and testing the application impacts in 10 selected smaller municipalities throughout Serbia
- increasing the capacities of local public officials in the context of a more efficient public administration
- offering the set of models of administrative procedures to other interested municipalities in Serbia with additional assistance for adoption and practical application.

Component 2, implemented by OPTIMUS – Center for Good Governance, includes:

- systemic regulatory reform of administrative procedures related to the economy in the six selected cities/municipalities throughout Serbia
- introducing the principles of regulatory impact analysis in passing the local regulations
- posting the e-registry of administrative procedures on the city/municipal website, with all necessary details for application submission
- building the capacities of local public officials in the context of a more efficient public administration.

A WORD FROM THE DIRECTOR



Đorđe Staničić - SKGO

“Without doubt important changes are waiting for Serbia as a state and as a society. In the context of efforts towards comprehensive reforms initiated by approximation to the European Union as well as expressed objections and needs of the citizens and business community, the improvement of public administration and business environment represent an important step. SCTM and OPTIMUS, with key support by SECO, concentrated on creating a better business-enabling climate in cities and municipalities in Serbia through simplification of administrative procedures and creation of an online electronic registry on their internet sites. It is important to note that complementary processes and institutions dealing with regulatory reform exist also at the state level. Therefore, the project of improving environment for businesses at local level may be seen as part of the overall efforts to bring benefits to economy and the citizens at every level and on every occasion resulting from transparent regulations and efficient administration.

The goal of the project is long-term and all the stakeholders wish to sustain the achieved improvements after the project completion. That is why we con-

stantly work with our partners, the local self-governments, not only on strengthening the institutional capacities but on strengthening the awareness on the importance of this process as well. Trainings of local public officials and constant promotion of principles pertaining to “smart” regulations are an indispensable part of activities. In passing these regulations one has to consider their economic impact and justification.

We believe that partnership between SCTM, OPTIMUS, local self-governments and the business community is the right way to achieve tangible results. Positive experiences and responses from our partner cities and municipalities confirm that view. We believe that other cities and municipalities will recognize the benefits of the reforms being implemented through our project and will show interest to realize them themselves. SCTM and OPTIMUS are entirely at their disposal with regard to that. Above all, it is our opinion that administration, economy and citizens have all the necessary capacities to make every city and municipality in Serbia a better and easier place to live and do business. It is up to us to assist them in achieving that.”

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About Standing Conference of Towns and Municipalities – National Association of Local Authorities in Serbia (SCTM)

SCTM advocates the interests of local self-governments before the state bodies and internationally as well; it supports the promotion and development of local self-government capacities, encourages cooperation and dialogue between cities and municipalities and serves as a key factor in information flow and dissemination of knowledge on all issues of importance for the local self-governments in Serbia.

Contact: Darko Drndić

Email: darko.drndic@skgo.org

Web: www.skgo.org



Standing Conference
of Towns and Municipalities

National Association of Local Authorities in Serbia

About OPTIMUS – Center for Good Governance

OPTIMUS is an organization established to contribute to improving the investment climate and business environment in Serbia and the Western Balkans. OPTIMUS' experts have significant experience, comprehensive knowledge and achievements in the field of regulatory reform, public service delivery and in other segments of improving public administration at national and local level.

Contact/Email:

Sladjana Karavdić Kočević, sladjana.kocevic@optimus.org.rs

Katarina Milanović, katarina.milanovic@optimus.org.rs

Web: www.optimus.org.rs



Swiss State Secretariat for Economic Affairs (SECO)

The Project is financed by the Swiss State Secretariat for Economic Affairs (SECO) – www.seco.admin.ch. The Economic Cooperation and Development Division of SECO is responsible for planning and implementing economic and trade policy measures with developing countries, Eastern European and Central Asian States as well as the new member states of the European Union (EU). SECO has two main goals: to support the integration of partner countries into the world economy and to promote their sustainable economic growth, thus contributing to poverty reduction.



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Confédération suisse
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Confederaziun svizra

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State Secretariat for Economic Affairs SECO