



Improving Environment for Businesses at Local Level through Regulatory Reform

- Project Component 2 Factsheet by 30 November 2013 -

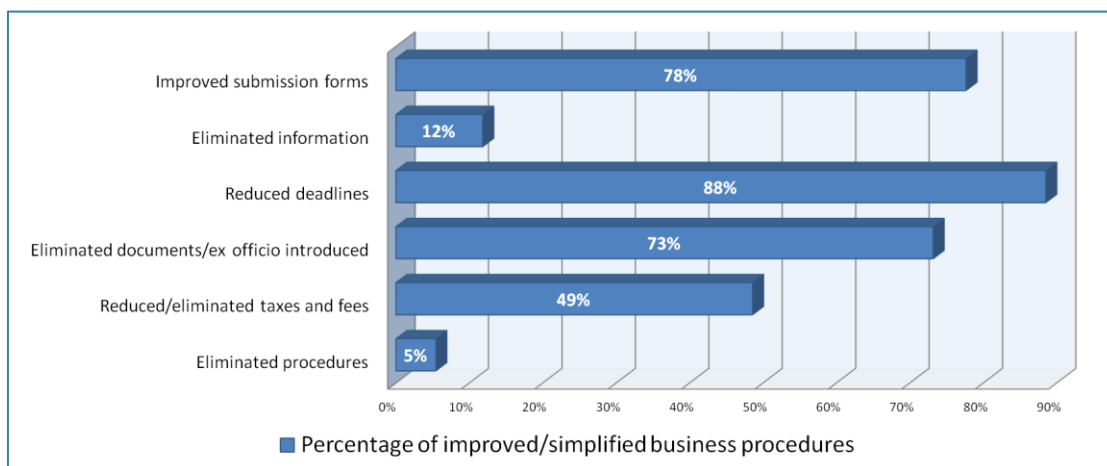
Component 2 of the Project “Improving Environment for Businesses at Local Level through Regulatory Reform”, financed by the Swiss State Secretariat for Economic Affairs (SECO), is implemented by OPTIMUS – Center for Good Governance in cities of **Novi Pazar, Kraljevo, Leskovac, Sombor** and **Loznica**, and the municipality of **Gornji Milanovac**. Project implementation started in December 2011 and is planned to finish by December 2014. Key objectives of this Component are:

- ✓ **Reducing the costs and time imposed on local economy** through regulatory reform of administrative procedures;
- ✓ **Increasing the transparency for businesses and citizens** by introduction of online e-Registries of administrative procedures in a given local government;
- ✓ **Building sustainable regulatory mechanisms for new, low cost and low risk local regulations** through introduction of light Regulatory Impact Assessment (RIA) principles and business friendliness criteria.

In the period **December 2011-December 2013**, Component 2 has achieved substantial results, with the main ones described below:

Reducing the costs and time imposed on local economy

The process of inventorying, analyzing and simplifying administrative procedures has been completed in Novi Pazar, Kraljevo and Leskovac. It has been estimated that the **direct and indirect private sector annual cost savings amount to 10.06 million EUR** in comparison to the situation before the implementation of the reform. Private sector savings are generated from adopted recommendations, as presented in the graph below:





Taking into account simplification of both business and citizen related procedures, total of **566** procedures were simplified in these cities, with the elimination/ex officio obtaining of excessive documents previously required from businesses and citizens in **408** procedures (**72%**), elimination or reduction of taxes and fees in **171** (**30%**) procedures and shortening of deadlines in **527** (**93%**) administrative procedures.

Administrative burden reduction is fully underway in second round cities (**Sombor, Loznica and Gornji Milanovac**) and the progress so far promise further substantive savings for all involved.

Increased transparency for businesses and citizens

In addition to simplification of the administrative procedures, an equally important achievement in terms of transparency is the introduction of online, publicly available e-Registry of administrative procedures. OPTIMUS designed and improved a complete software solution for the **e-Registry which has already become operational for the City of Novi Pazar (www.novipazar.rs)**.

The e-Registry provides easy access to all relevant information about a particular administrative procedure, such as necessary documents, submission form, taxes and fees, deadlines for issuing a decision, purpose, legal ground and similar. It is to be updated regularly by local officials and to be considered a legally reliable source of information on administrative procedures in local jurisdiction.



Building sustainable regulatory mechanisms for new, low cost and low risk local regulations

Component 2 activities present so far unique development in the country in the field of introducing RIA principles on the local level of government. Key aspect of OPTIMUS work, in addition to training and capacity building activities, is the development of **light local RIA methodology** which is suited for the needs and resources available in local governments. Thus, OPTIMUS prepared draft Local Light RIA Manual which is aimed to enhance the quality of local regulations and thereby prevent high costs and risks for businesses and society they might impose in future.

Important step includes the beginning of establishment of **regulatory reform bodies at the local level as sustainable regulatory mechanisms** to provide low cost and low risk regulations and procedures in future, thus ensuring regulatory reform of both stock and flow of regulations sustainable in future.