



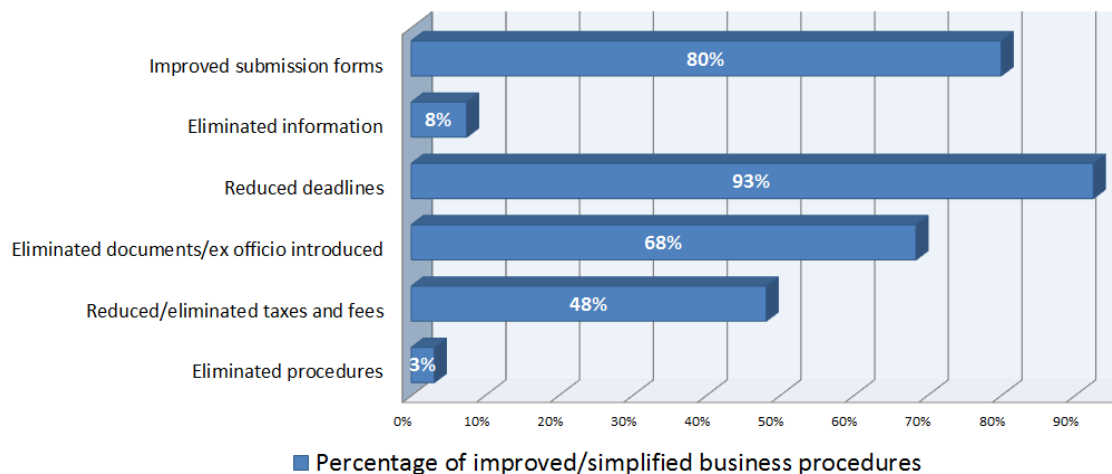
Improving Environment for Businesses at Local Level through Regulatory Reform - Project Component 2 Factsheet by 31 May 2014 -

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 **Novi Pazar, Kraljevo, Leskovac, Sombor, Loznica and Gornji Milanovac**. Project implementation started in Dec 2011 and is planned to finish by Dec 2014. Key objectives of this Component are:

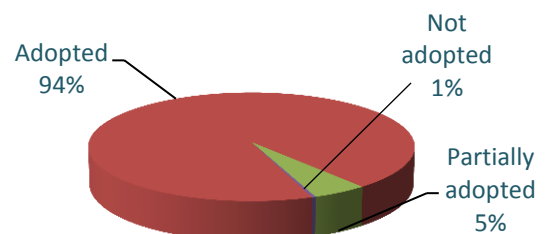
- ✓ **Reducing the costs and time imposed on local economy** through regulatory reform of administrative procedures;
- ✓ **Increasing the transparency for businesses and citizens** by introduction of online e-Registries of administrative procedures in a given local government;
- ✓ **Building sustainable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

Reducing the costs and time imposed on local economy

The process of inventorying, analyzing and simplifying administrative procedures has been completed in all six localities. It has been estimated that **achieved direct and indirect private sector annual cost savings amount to 14.76 million EUR**. Savings are generated from **2.964 adopted recommendations for 635 business-related administrative procedures (99% of those analysed)** in all 6 localities, as presented in the graph below:



Consultation phase proved to be very successful: **out of 296 recommendations proposed by businesses during 12 focus groups held in all localities, 280 were adopted and 15 partly adopted** (as presented in the next graph). Recommendations have been enacted through adoption of relevant legal acts.



Total of **454 citizen related administrative procedures (100% of those analysed)** were simplified as well. Reform of these procedures, in addition to business-related ones, represents a distinctive value added as their simplification was not originally envisaged by the Project but has been introduced in agreement with the localities.

To deepen the reforms, OPTIMUS actively supports cities of Loznica, Kraljevo and Novi Pazar in **setting up the One-Stop-Shop** for construction permits: discussions regarding the signing of the Protocol on Cooperation among the local government, local and Republic utility companies and other organizations were executed and the Protocols on Cooperation are in the process of harmonizing among parties. The conclusion of the Protocol would present the basis of their cooperation and of the OSS system set up, allowing for lowering costs, shortening time and reducing the steps for investors in getting different permits in the construction process.

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 an 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 first round cities, Novi Pazar (www.novipazar.rs), Kraljevo (www.kraljevo.org) and Leskovac (www.gradleskovac.org).**

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 and entirely transparent source of information on administrative procedures in local jurisdiction.



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

Important step includes the establishment of **regulatory reform bodies in 2 Project localities so far which will ensure** low cost and low risk procedures in future, thus rounding up the regulatory reform of both stock and flow of procedures in the future.

Also, introduction of RIA principles at the local level is of exceptional importance for making better local regulation. It allows for deliberation on the consequences and effects of regulations before they are enacted, thus ideally avoiding more serious drawbacks in their future implementation. Comprehensive **RIA Manual for the local level**, already prepared in the last reporting period, presented a good basis for preparing a short **Light RIA Toolkit for Local Practitioners** which was drafted by OPTIMUS in past months. The goal is to facilitate local employees and officials in introducing RIA principles on draft regulations by offering practical advice, guidelines and models of institutionalization.