

Annex A WorkBook

Sub-National Entity:
(Municipality/Province/State)

Regulatory Process:

Project Manager:

Preliminary Considerations

(For more information, see Chapter 4)

Anticipated Documents:

- A. Memorandum of Understanding with Relevant Parties
- B. List of Simplification Team Members
- C. Strategic Plan

Steps

- Assess process to determine if process is a candidate for simplification.

Is there:

- A lack of information provided to Clients about the process in question?
- The existence of multiple locations in order to complete all steps in a process?
- An excessive amount of time required to complete the process?
- A requirement to submit numerous forms, often with duplication of information?
- A requirement to provide multiple copies of supporting documentation?
- A requirement to pay various fees at different locations?
- A requirement to have documents notarized and presented in person?
- Insufficient coordination and sharing of information among municipal agencies?
- A lack of deadlines by which applications must be approved?
- The exercise of discretionary powers of individual officials?
- A significant number of complaints from the business community about the process?

Prepare Memorandum of Understanding (If Required)

Common Elements Found in a Memorandum of Understanding

- Parties
- Purpose
- Authority
- Responsibilities of the Parties
- Confidentiality
- Term of MOU

Build a Simplification Team

Skill sets required for project teams:

- Political expertise:** to provide leadership, advice and recommendations to achieve the simplification initiative's political objectives and address possible resistance to change.
- Legal expertise:** to provide advice and recommendations with respect to the application or interpretation of Legal Authorities, oversight mechanisms and potential conflicts where agreements (e.g., MOU), multiple laws or jurisdictions are involved.
- Operational expertise:** to examine design proposals in terms of business flow and context, stakeholder perspective, governance structures (e.g., provision of authority to one-stop centers) and feasibility in terms of change strategies.
- Technology expertise:** to the extent that technology is used as part of the existing process or contemplated as part of the process design, to provide technological advice on mainframe and legacy systems, Internet tools and system interfaces, information security, technical architecture and data flows.
- Information and records keeping expertise:** to provide advice on how records are maintained and the retention of information.
- Communications expertise:** to manage private sector consultations and organize initiatives to publicize the designed process.
- Management Representative:** a management representative from each of the departments or agencies that are affected by the initiative.
- Employee Participation:** one or more employees who are working with the current business process *and* will be working with the new process.

Create a Strategic Plan

Phase 1: Diagnostic Phase

(For more information, see Chapter 4A)

Anticipated Documents:

- A. Statement of Purpose and Objectives
- B. Statement of Responsibilities and Roles for Simplification Team
- C. Reform Initiative Timetable
- D. Communications Strategy
- E. Consultation Strategy and Process
- F. Capacity Assessment Report
- G. Regulatory Impact Assessment Report on Existing Process
- H. Process Map
- I. List of Performance Indicators
- J. Regulatory Policy (If Required)

Steps

Define Purpose and Objectives

- Define the purpose of the initiative and outline its objectives.
- Examine the results of other simplification initiatives to find applicable “lessons learned.”
- Define simplification team roles and responsibilities.
- Subject to refinement later in the initiative, understand who may “support” or “resist” any process design.
- Create a communications strategy plan to provide -- on an on-going basis -- accurate information to stakeholders.
- Create a consultation process to permit participation and feedback from stakeholders as the initiative continues. This includes soliciting comments from employees and managers (and permits sufficient time for input) as to how to change the regulatory process.
- Schedule and assign specific tasks associated with the initiative.
- Identify specific constraints that will affect process design.
- Establish specific milestones (in time or process) to determine progress toward short-term and long-term goals.

Conduct Capacity Assessment

Assess:

- Physical capacity.
- Human capacity.

- Financial capacity.
- Technological capacity.

- Conduct Detailed Analysis of Process
 - Prepare Regulatory Impact Assessment Report of the Existing Regulatory Process
 - Map Existing Elements of Process

Document:

- The step
- The purpose of the step
- Who performs the step (and how many persons are involved in the step)
- Time elapsed since start of process
- Documentation required by each step
- Documentation generated by the step and
- Location(s) of the activity.

Define and Measure Performance Indicators

- Number of Documentary Requirements
- Number of Steps in Process
- Number of Visits to an Office
- Time to Complete Process
- Cost to Client
- Time to Complete Inspection

Analyze Existing Legal Authority

- Identify and examine all laws, regulations, by-laws, orders (Legal Authority) that apply to the process under review.
- Determine if the Legal Authority is still in force.
- Determine if the Legal Authority has been amended.
- Determine if the process has been updated to reflect the amendments
- Determine if the scope of the Legal Authority is sufficient to cover all aspects of the contemplated process design.
- Conversely, determine if each step contemplated in the anticipated process design is covered under a Legal Authority.
- Determine if the Legal Authority is in more than one language and, if so, whether the scope of at least one language version is sufficient to cover all aspects of the anticipated design.
- Determine if any proposed new step in the anticipated process design conflicts with any requirement imposed by another Legal Authority in force.

- Determine if the Legal Authority avoids permitting an individual to make rules or decide compliance on a case-by-case basis.
- Determine if the Legal Authority contains vague language to permit enforcement officers to enforce it in any manner they wish.
- Avoid any subjectivity in enforcement of the process; ensure the creation of a clear, objective policy on how to interpret the Legal Authority.

Ensure Regulatory Policy Support Simplification

Does the Municipality's Regulatory Policy:

- Define the objectives of each regulatory process?
- Support the good design of regulatory processes?
- Require revising of outdated steps in regulatory processes or eliminating of obsolete ones?
- Ensure the effective implementation of regulatory processes?
- Provide measured, adequate and sufficient enforcement?
- Avoid conflicts with other regulatory processes?

Develop Regulatory Policy (If None Currently Exists)

Principles for Constructing a Municipal Regulatory Policy:

Before a municipality develops or changes a regulation or a process (including a document or information requirement), the regulatory authority within the municipality should:

- Assess whether the regulation is necessary, limited as appropriate, and publicly justified.
- Assess the regulation's impact to determine if the benefits outweigh the costs to citizens and businesses.
- Minimize any adverse impact on the capacity of citizens and businesses to generate income and employment.
- Consider other options to conform with the municipality's objectives, without imposing a regulatory requirement.
- Ensure the regulation's language, as well as that of any ancillary instruction or guidance, is clear, simple, and in plain language.
- Inform citizens and businesses before the regulation takes effect, give time to comply, and clearly inform them what happens in the event of non-compliance.
- Limit information and administrative requirements to what are absolutely necessary and impose the least possible cost on citizens and businesses.
- Consult citizens and businesses and provide sufficient opportunity for them to participate in developing or modifying the regulation, information requirement or process.
- Adhere to agreements or arrangements that the municipality enters into.
- Direct the regulation's enforcement or compliance so that the limited resources of the municipality are used where they will have the most positive effect.
- Coordinate with other municipal offices, governments or agencies, where appropriate.
- Conduct regular periodic review of the regulation or process to ensure that it is still necessary or effective.

Phase 2: Design Phase

(for more information, see Chapter 4B)

Anticipated Documents:

- A. Process Map for Simplified Regulatory Process
- B. Technology Capacity Assessment Report
- C. Process Map
- D. Regulatory Impact Assessment (RIA) Report on Existing Process
- E. Consultation Report
- F. Consultation Policy (If Required)
- G. Reform Implementation Plan

Steps

Simplify Information Submission

- Examine each requirement to determine whether a submission is necessary.
- If yes, consider whether an alternative can be used. (e.g., evidence that some acceptable agency has already accepted/examined the documents in question).
- If no, remove the requirements which are not necessary.
- Examine the means by which information is submitted.
- If no forms are used, use forms to ensure only limited information is required.
- If forms are used, simplify forms to use plain language and remove any unnecessary information fields.
- Document possible changes for consideration in the design phase.

Simplify Identification

- Assign and record a Client number to each Client dealing with the municipality.
- Where a Client has more than one dealing with the municipality, assign a separate file number to each matter.
- Provide the Client with the file number.
- Instruct the Client to refer to the file number in each inquiry with a municipal official.
- Train municipal employees to use the Client/file number in connection with each document provided or created in connection with each request.

Examine Time Frames

- Examine each step to determine the time actually taken to complete that step.

- Examine what influences the time taken.
- Determine how the time taken can be reduced.
- Document possible time reducing changes for consideration in the new design.

Design Process

- Determine whether the location of the steps can be combined (e.g., whether certain steps can be done in different offices be done in one office).
- Determine whether any related or ancillary processes (e.g., inspections) are necessary and, if so, whether they should be streamlined or simplified.
- Determine whether the performance of steps can be done by fewer people.
- Determine whether service standards can be imposed to reduce the time needed to complete a step.
- Determine whether a step is necessary.
- Create a process map to describe the revised process.
- Examine the proposed changes in terms of the municipality's organizational structure and information technology systems.
- Remove those elements that are not necessary or that can be combined with other elements.

Consider the Role of Technology

- Consider whether technology needs to be used in its simplification initiative.
- Assess whether the municipality has the capacity to plan the deployment of technology.
- Determine if other municipalities or levels of government will be involved in the design process.
- Determine the current state of the municipality's information technology infrastructure.
- Determine if there Clients are able to or want to operate in an electronic environment.
- Determine if legal authority governing the regulatory process will permit the municipality to operate in an electronic environment.
- Determine if the municipality can afford the indirect and direct costs of using technology.

Assess Proposed Process through RIA Questionnaire

Category	Questions	Yes	No
<i>Is the Legal Requirement or Process Justified?</i>	Are the municipality's specific objectives in having the legal requirement or using the process defined?		
	Is use of the legal requirement or the process necessary to address the problem?		
	Is there a legal basis for all aspects of the legal requirement?		

	Do all steps of the process have a legal basis?		
<i>Is the Process Design Results-Based?</i>	Does the design reflect a commitment to a results-based approach to achieve the municipality's objectives?		
	Is the proposed process change the most effective and efficient means of intervention?		
<i>Is the Legal Authority/ Process Description Written in Plain Language?</i>	Are the requirements written in plain language?		
	Are the legal and process requirements publicly and easily available to Clients?		
<i>Have Consultations Been Conducted?</i>	Have stakeholders had an opportunity to present their views during the development of the legal requirements or process?		
	Have stakeholder views had an impact on the final design of the legal requirements or process?		
<i>Has a Cost-Benefit Analysis Been Conducted?</i>	If the legal requirements or processes impose a burden on citizens or businesses, has a formal cost-benefit analysis of them been completed?		
	Is there a reasonable balance of benefits and costs?		
	Have those to whom the benefits accrued been identified? Have those who will pay the costs been identified?		
	What, specifically, will be the impact on small and medium size businesses?		
	If a formal cost-benefit analysis is not required, have the impacts of the legal requirements or process been examined?		
<i>Has a Competitive Analysis Been Conducted?</i>	Has the impact of the proposed legal requirements or process on the municipality's economic competitiveness been assessed?		
	Have the legal requirements or the process been compared with equivalent regimes in other relevant jurisdictions (e.g., neighboring municipalities or regions)?		
<i>Has Duplication with Other Jurisdictions Been Avoided?</i>	Do the legal requirements or process avoid overlap with requirements imposed by the other governments (e.g., national government)? Can the municipality harmonize its legal requirements with those in other jurisdictions?		
<i>Do Service Standards Exist?</i>	Does the process design ensure that those who administer the legal requirements will respond to Clients in a timely way?		

<i>Do Sunset Review and Expiry Provisions Exist?</i>	Has the legal requirement been amended to insert a review provision or an expiry provision?		
	If not, have the reasons these types of provisions cannot or should not apply to the legal requirements been identified?		
<i>Enforcement</i>	How will compliance with the legal requirements be monitored and enforced?		

Conduct Business Impact Test

Question	Response
Do you consider yourself to be in an industry affected by the proposed policy/regulation?	Yes No
Are you familiar with the proposed policy/process?	No Somewhat Mostly Yes
Do you feel the proposed policy/process meets the municipality's objectives?	No Somewhat Mostly Yes Unknown
Is your business already meeting the intent of the proposed policy/process?	No Somewhat Mostly Yes Unknown
Will you require major changes in your operating practices to comply with the proposed policy/process?	No Somewhat Mostly Yes Unknown
Are there any other policies/processes of which you are aware that will conflict with the proposed policy/process?	Other Municipality Other Level of Government Agreement
Is there anything you would like to add to describe your current situation with respect to the proposals?	[Free-form Answer]
How will the proposed policy/process affect customer acceptance of your products?	Negative Neutral Positive Unknown
How will they affect your ability to respond to consumer demand?	Negative Neutral Positive Unknown
How will they affect your ability to bring your product to market? (Timing)	Negative Neutral Positive Unknown

What will be the effect on the availability and variety of products you offer?	Negative Neutral Positive Unknown
How will the proposals affect your access to potential markets?	Negative Neutral Positive Unknown
Are there any concerns you would have about the impact on product marketing? Which parts will be most problematic or most beneficial?	[Free-form Answer]
Will the regulations affect your costs of: Facilities? Equipment? Hiring Employees?	Major Decrease Minor Decrease No Impact Minor Increase Major Increase Unknown Not Applicable
Will you require new or improved facilities?	Yes No
Will the policy/process affect your: Total employment? Training/retraining costs? Wage costs? New hiring?	Major Decrease Minor Decrease No Impact Minor Increase Major Increase Unknown Not Applicable
How will the policy/process affect your Transportation costs? Communications costs? Costs of raw materials? Costs of business services? Quality assurance? Availability of raw materials?	Major Decrease Minor Decrease No Impact Minor Increase Major Increase Unknown Not Applicable
Do you expect the regulations will affect your sources of financing?	Yes No Unknown
Do you expect financing to be easier or more difficult?	Yes No Unknown
Would you like to comment about the effect of the policy/process on business inputs and administration? Which part(s) will be most burdensome or most beneficial in this area?	[Free-form Answer]
How will the proposed policy/process affect your relationships with: Manufacturers? Suppliers? Importers? Other companies?	Negative Neutral Positive Unknown Not applicable

How will the proposed policy/process affect your legal liabilities?	[Free-form Answer]
How will the proposed policy/process affect your ability or intention to invest in or expand your business?	Negative Neutral Positive Unknown Not applicable
How will the proposed policy/process affect your ability to compete?	Negative Neutral Positive Unknown Not Applicable
What will be the effect on the sales of your product?	Negative Neutral Positive Unknown Not Applicable
What will be the effect on your prices?	Decrease No change Increase Unknown
Are there any comments you would like to add about summary impacts? Which parts of the policy/process will be most problematic or most beneficial?	[Free-form Answer]
What will be the effect of the proposed policy/process on your: Administrative costs? Operating costs? Capital costs? Labor costs? Marketing costs?	Initial Costs Initial savings Ongoing Costs Ongoing Savings
What proportion of the costs of the proposed regulations do you expect to be able to pass on to your customers?	None Some Most All Unknown
In order to understand what different types of businesses may be affected by the policy/process, please provide the following information about your company: Sales Employees Market Focus Ownership Structure Ownership	[Range of Numbers] [Range of No. of Employees] [Local Regional National International] [Individual Partnership Corporation Cooperative] [Local Foreign Government]

Prepare Regulatory Impact Assessment Report

Involve Stakeholders through Consultations

- Identify internal and external (private sector) clients and stakeholders.
- Define the objective of the consultation process. See table immediately below.
- Define the process for the initial consultation and subsequent discussions, if any.
- Ensure a representative selection of *both* users and stakeholders to participate in the consultations.
- Fix the schedule for consultations.
- Determine the municipal personnel -- both technical officials as well as those responsible for the consultation process -- available to participate in the consultations.
- Consider the use of focus groups -- prior to the formal consultation process and depending on the nature of the changes proposed -- with (1) employees having direct daily contact with process users; and (2) Clients.
- Clarify consultation objectives by (1) involving Clients and employees; and (2) ensuring everyone understands and agrees on the purpose of the consultation and their role.
- Determine how the results of the consultations will be collected (e.g., interviews, questionnaire/survey methods; ongoing feedback mechanisms; focus groups; polling).
- Consolidate and analyze the results of consultation sessions.
- Determine conclusions from the analysis.
- Prepare the report.
- Communicate findings to those consulted and the public through the publication of the complete report or summary.
- Develop, where necessary, a plan to revise the proposed regulatory process based on consultation results.

Develop Consultation policy (If None Currently Exists)

The Elements of a Consultation Policy

- Purpose
- Conceptual Statement
- Objectives
- Procedure
- Publicizing of Consultations
- Evaluation and Review
- Statement as to Discretion of the Municipal Council

Finalize Reform Implementation Plan

As implementation begins:

- Manage, periodically review and resolve all outstanding issues.
- Have people with decision-making authority make the necessary decisions to resolve issues as promptly as possible
- Where issues have been resolved, update the process design map and communications plan.
- Identify and document residual/outstanding risks for tracking.
- Construct a contingency strategy for each identified risk.
- Determine if any testing is required (e.g., in connection with the deployment of any technology).
- Update schedules and ensure each task has a completion date assigned to it.
- Plan and conduct a “dry run” of the new regulatory process.
- Communicate changes in the Implementation Plan to those involved in the implementation phase.
- If changes are required in dates, communicate the revised schedule to external stakeholders.

Phase 3: Implementation Phase

(For more information, see Chapter 4C)

Anticipated Documents:

- A. Operations Manual
- B. Training Plan
- C. Training Materials
- D. Statement of Service Standards
- E. Inspection Policy
- F. Communications Plan
- F. Communications Map

Steps

Develop Operations Manual

- Ensure a clear table of contents.
- Ensure a single consistent format used throughout the manual.
- Include the list of definitions.
- Include detailed policies and guidelines.
- Include a text and graphical visual step-by-step summary of procedures.
- Identify clearly the responsibilities of each particular position.
- Include a checklist for key questions, documents, and instructions.
- Include all the templates of the forms used.

Train Employees

- Identify training objectives.
- Identify current employees who require training.
- Identify skill sets required as a result of changes in process or technology.
- Ensure funding is addressed in preparing for training in the simplification initiative's budget.
- Integrate training into the project schedule to avoid "last minute" training.
- Map the skill level of employees and adjust training methods accordingly.
- Prepare training materials.
- Ensure and provide ongoing support and training.
- Identify, on an on-going basis, new or transferred employees who need training.

Make the Process Accessible and Convenient

- Ensure that clear regulations are in place with respect to working procedures.
- Where appropriate, establish a central location, close to the business community, to process regulatory applications (“One-Stop Shops”)
- Provide the One-Stop Shop with as much authority and autonomy as possible with respect to authorizing approvals.
- Hire qualified personnel and commit to their ongoing development and training.
- Develop a communication strategy to increase public awareness of the existence of the One-Stop Shops and the services they offer.
- Develop, publish and widely publicize a set of standard fees for the various services.

Establish Service Standards

- List the services associated with the regulatory process in question.
- Decide which services should have service standards (i.e., where it is appropriate or necessary).
- Determine Client satisfaction levels.
- As appropriate, consult with Clients and staff to ask about desirable or necessary changes in service levels and to measure Client expectations.
- Set the standards to be achieved.
- Publish a “plain language” description of the service and
 - Describe the quality of the services a Client may expect to receive;
 - Indicate the key aspects of access, response timeliness and accuracy;
 - Show, in advance, the costs of a service to help Clients to form realistic expectations about the services;
- Train staff to know what is expected of them.
- Provide any necessary equipment to improve productivity.
- Determine how to monitor performance against the service standards.
- Provide Clients a means to resolve their concerns when they feel the agency has not met its promised service standards.
- Determine the consequences of not meeting defined service standards (e.g., failure to approve a request within a specified period of time means that the request is automatically approved).
- Decide what records of the monitoring process will be retained for on-going or future evaluation.

Ensure Inspections Are Structured

Develop Inspection Policy (If Required)

Elements of an Inspection Policy

- When an Inspection Request May Be Made

- Assignment of Inspector
- Timing of Inspections
- Training
- Criteria for Inspections
- Requiring a Written Inspection Report
- Appeal Process

Communicate to Clients, Municipal Employees and Other Stakeholders

- Determine stakeholder expectations in terms of public communication and information dissemination.
- Consider creating a distinctive trademark or logo to be attached to all municipal information or communications concerning the simplification initiative.
- Identify appropriate stakeholders as target audiences.
- Use plain language in any communication to the public.
- Ensure no discrimination in language or message, and incorporate appropriate gender and cultural representation.
- Establish the most appropriate media to advertise the information that will reach the greatest number of stakeholders.
- Create a process to approve all materials to be communicated to the stakeholders.
- Evaluate the communications process based on performance, success, ease of use, and internal and public feedback.

Develop Communications Plan

- Assign specific responsibilities to:
 - Identify and assess stakeholder needs;
 - Prepare communication materials;
 - Approve the various types of communications; and
 - Handle *ad hoc* communication requirements as they develop.
- Develop a Communications Plan.
- Disseminate the Communications Plan.
- Ensure “buy-in” by supporters.
- Note communication-related tasks in project schedule.
- Track stakeholder contacts made with the municipality concerning the initiative.
- Update the Communications Plan when significant changes occur.
- Obtain ongoing feedback as to the effectiveness of communications efforts.

Develop Communications Map

Communications Map Template

Event/Document	Time	Form	Means of Communication	Intended Audience	Responsible Individual

Use Plain Language in Communicating

In drafting policy or process related materials:

- Organize the rules or the description of process steps in a logical sequence with informative headings.
- Avoid too many concepts in single sentences. (e.g., separate general rules from exceptions).
- Structure complex but nearly identical concepts into separate sections or subsections.
- Use common words, with a preference for short words, and short sentences.
- Use the active voice rather than the passive (e.g., “the owner must provide two letters of reference” instead of “at least two letters of reference must be provided”).
- Avoid the use of double negatives. (e.g., “a person must do X” instead of “a person must not refuse to do X”).
- Publish the proposed rules/process description to solicit feedback from stakeholders and the intended audience.

Organize a Public Relations Event

- Set up a new procedures launch date well in advance.
- Prepare an agenda for the event.
- Secure the participation of high-level officials.
- Organize appropriate media coverage.
- Inform all stakeholders, especially from the private sector about the event.
- Prepare the necessary printed materials – booklets, flyers, etc.

Phase 4: Evaluation Phase

(for more information, see Chapter 4D)

Anticipated Documents:

- A. Post Initiative Assessment Report
- B. Post-Implementation Performance Report

Steps

Prepare Post-Initiative Assessment Report

- Allow sufficient time to pass for an effective Post-Initiative Assessment Report to be prepared (e.g., 6 months).
- Retain an independent evaluator.
- Conduct a “gap” analysis by:
 - Reviewing original objectives;
 - Documenting current performance indicators;
 - Comparing original objectives to results; and
 - Comparing original pre-simplification performance to current performance.
- Solicit feedback from internal and external stakeholders, especially private sector users of the regulatory process (e.g., user satisfaction surveys).
- Schedule and conduct a “lessons learned” exercise, and in doing so:
 - Identify participants;
 - Retain an independent facilitator (one not previously connected to initiative);
 - Ensure the facilitator reviews available project material; and
 - Hold a structured session in a conducive environment.
- Document positive and negative results from stakeholder feedback and lessons learned in Post-Initiative Assessment Report.
- Draft recommendations for possible changes/improvements.
- Disseminate evaluation results to key stakeholders.

Conduct Post-Implementation Performance Measurement

- Number of Documentary Requirements
- Number of Steps in Process
- Number of Visits to at an Office
- Time to Complete Process
- Cost to Client
- Time to Complete Inspection
- Percentage Increase in Municipal Revenue
- Percentage Increase in Compliance

Annex B Definitions

Different terminology may apply to different regulatory processes. In some instances, “applications” will be made for “permits” or “licenses”; in others, there is no formal means to make an application, but instead an unsolicited written request may be submitted. To avoid multiple references to different aspects of regulatory processes, the following terms are “standardized” for use in this toolkit.

Approval: An authorization by a municipality, provided to an individual or business, to engage in one or more business activities. Examples would include a license to operate a business; a permit to construct a building; a permit to operate a specific type of business such as a taxi service or an establishment serving food and beverages or providing entertainment.

An approval may be final or provisional, the latter being an approval subject to a condition being satisfied at a later time. An example of a provisional approval would be a license issued but subject to revocation if the Client fails an inspection.

Client: An individual or business that has submitted a request for an approval.

Legal Authority: A law, by-law, regulation, order or resolution under which a municipality exercises its authority to establish and enforce a regulatory process to provide an approval.

Regulatory Process: A series of steps that must be followed in order for a municipality to issue an approval.

Request: A submission to a municipality by a Client seeking an approval to engage in a business activity.

Annex C

Case Studies

Bolivia - Municipality of La Paz

Mexico - Municipality of Mexico City

Philippines - Municipalities of Quezon City and Dagupan City

Canada - Province of Nova Scotia

Indonesia - Various Regions

Canada - Province of Ontario

Bosnia - Municipality of Gradiska

United States - City of Indianapolis

Colombia - Various Municipalities

Costa Rica - Various Municipalities

El Salvador - Various Municipalities

SUMMARY OF MUNICIPAL SIMPLIFICATION INITIATIVES

Title of Project	Location (Country)	Sub-National Level	Duration	Objectives	Main Results	Available Contact (July 2005)
Simplification of Business Licensing System	Bolivia	Municipality: La Paz	2003-2004	<p>To promote entry into formal economy of small and medium size businesses by simplifying the business regulation process.</p> <p>The project also looked at procedural documentation and support systems.</p>	<p>Following reform, the number of requirements and the average wait times drastically reduced.</p> <p>A positive effect on businesses occurred through increased numbers of business license applications.</p> <p>Achieved greater transparency in administration</p>	<p>Daniel Rico Cornejo Jefe de Unidad SITRAM Alcaldia de la Ciudad de La Paz drico@ci-lapaz.gov.bo tel: 591-2-220-2000</p>
Simplification of Business Licensing System	Mexico	Municipality: Mexico City	1989 - present	To streamline business licensing system by introducing reforms to reduce application approval time and number of requirements to start businesses.	Achieved a new system for business inspections and expedited business approvals.	Ali B. Haddou-Ruiz, Federal Regulatory Improvement Commission (COFEMER)
Simplification of Business Licensing System	Philippines	Municipalities: Quezon City and Dagupan City	2001-2003	To improve tax collection and business environments.	<p>More convenient tax collection.</p> <p>Reduced processing times.</p> <p>Increased revenue from</p>	<p>Perla Legaspi, Associate Professor, National College of Public Administration and Governance, University of</p>

Title of Project	Location (Country)	Sub-National Level	Duration	Objectives	Main Results	Available Contact (July 2005)
					<p>tax collection and number of business permits.</p> <p>Decreased opportunity for corruption and use of discretion.</p> <p>Greater support from community.</p>	the Philippines, Quezon City
Red Tape Reduction Initiative	Canada	Province: Nova Scotia	2000-2004	To identify how to improve the province's regulatory system and how it is administered through development of red tape avoidance "culture" in the province.	<p>Reduction in unnecessary legislative provisions.</p> <p>Implementation of regulatory impact assessment tool when changes are proposed to legislation or regulation.</p>	Red Tape Reduction Task Force, http://www.gov.ns.ca/cutredtape/
Analysis of One-Stop Shops	Indonesia	Municipalities: Sragen, Malang, Gianyar, Pontianak, and Parepare	April 2004 – May 2004	To evaluate One-Stop Shops located in 5 cities.	<p>Recommendations and action plans made.</p> <p>Strengthen one-stop shops through support by government officials.</p> <p>Effective and efficient services through good facilities and infrastructure (mainly through IT initiatives).</p> <p>Improving</p>	Dr. Ir. Y. Bayu Krisnamurthi Head of Center for Development Studies, Bogor Agricultural University

Title of Project	Location (Country)	Sub-National Level	Duration	Objectives	Main Results	Available Contact (July 2005)
					<p>expertise of staff.</p> <p>Have standard and transparent fees.</p> <p>Increase support by government officials.</p>	
Simplification of Corporate Registration Systems	Canada	Province: Ontario	Implemented 2002	To simplify dichotomous federal-provincial relationship for registration of business incorporation.	<p>Service provided to consumers was quicker, more convenient and less confusing.</p> <p>Increased compliance of information returns by federal corporations.</p> <p>More efficient processing times for new registrations.</p>	Government of Ontario Red Tape Commission
Analysis of Administrative and Regulatory Costs of Doing Business	Bosnia	Municipality: Gradiska	2004 - present	To promote business competitiveness through reduction of business operation expenses and identification and elimination of administrative barriers.	<p>Still in developmental stage.</p> <p>Recommendations made:</p> <p>Involvement of private sector.</p> <p>Establishment of one-stop shop.</p> <p>Simplification of many procedural tasks.</p> <p>Statistical</p>	IFC, Southeast Europe Enterprise Development

Title of Project	Location (Country)	Sub-National Level	Duration	Objectives	Main Results	Available Contact (July 2005)
					tracking and processing of data.	
Regulatory Study Commission	United States	Municipality: Indianapolis	1991-1997 (Implemented 1994)	To establish Regulatory Study Commission (RSC) to eliminate or modify outdated or excessively costly regulations.	<p>Increased number of licensed taxi companies.</p> <p>Decreased fees for businesses through reduction in business and occupational license requirements</p> <p>Decreased fees for property owners through reduction in building and construction permit requirements</p>	Adrian Moore, Director of Economic Studies at Reason Public Policy Institute, (310) 391-2245
Procedure Simplification Program for the Business Sector	Colombia	Municipalities: Bogotá, Barranquilla, Medellin, Cali, Bucaramanga, and Cartagena	2000 - 2002	<p>General: To promote a more efficient and transparent relationship between public and private sectors that deliver registration services.</p> <p>Specific: To streamline legal requirements and number of processes for entrepreneurs. To establish business service centers. To expedite process to bring</p>	<p>Reduced number of steps for formation of businesses.</p> <p>Reduced transaction processing time.</p> <p>Better quality of service.</p>	Chambers of Commerce of Bogotá, Barranquilla, Medellin, Cali, Bucaramanga and Cartagena http://www.amchamcolombia.com.co/

Title of Project	Location (Country)	Sub-National Level	Duration	Objectives	Main Results	Available Contact (July 2005)
				non-registered businesses within formal business sector. To improve entrepreneurs' access to information on procedures that need to be followed.		
Establishment of One-Stop Shop for Micro-enterprise and Small Business Formalization	Costa Rica	Municipalities: Various	Approved in 2001	<p>General: To expand participation of microenterprises and small businesses into formal economy.</p> <p>Specific: To increase rate of formalization of microenterprise and small business sector through simplified business registration system.</p>	<p>Recommendations made – the project will follow a course of 3 stages:</p> <p>Legal/technical review and institutional commitment.</p> <p>Installation of one-stop shops and basic regulatory framework.</p> <p>Simplification of procedures and dissemination of information.</p>	Costa Rica, Ministry of Economy, Industry and Commerce
Support for Micro-enterprise and Small Business Development	El Salvador	Municipalities: Various	Approved in 2000	<p>General: To support mechanisms to promote the development of microenterprises and small businesses.</p> <p>Specific: To support implementation of more structured institutional and policy frameworks;</p>	<p>Recommendations made:</p> <p>Facilitate compliance with policy guidelines for assisting micro and small enterprises.</p> <p>Promote development of micro and small businesses at</p>	

Title of Project	Location (Country)	Sub-National Level	Duration	Objectives	Main Results	Available Contact (July 2005)
				<p>To develop a mechanism for better coordination and information-sharing between public and private sectors.</p> <p>3) To assist decision-making process of microenterprises and small businesses through research and information systems.</p>	<p>regional level.</p> <p>Implement workplace safety measures and mitigate impact of their activities on the environment.</p>	

Country: Bolivia
Sub-National Level: Municipality of La Paz
Project: Simplification of Business Licensing System

Objectives

The primary objective was to simplify the business registration process in order to promote entry into the formal economy of small and medium size enterprises.. Procedure-related documentation and support systems were examined as well.

Regulatory Processes Examined

The business licensing process was the main regulatory process examined.

The table below shows the process to obtain a license for general economic activity. The column on the left shows the steps before simplification; the column on the right shows the process after simplification.

Municipality of La Paz, Bolivia Simplification of Licensing for Economic Activities in the General Sector		
Step	Original Procedure	Simplified procedure
1	Taxpayer obtains information regarding the pre-requisites for Municipal Tax Registry.	Taxpayer obtains information regarding pre-requisites for Municipal Tax Registry and Operating License.
2	Taxpayer obtains and completes form F401 and attaches required documents.	Taxpayer brings required documentation to Special Counter, together with completed form F401 and Operating License Form.
3	Taxpayer presents F401 form and required documents to the Municipal Taxpayer Registry Counter.	Personnel at Special Counter review forms and documents, and verify whether there are any debts. If requisites are missing, documents are returned to Taxpayer. Taxpayer is advised if there are any debts so that payment may be made and process may continue.
4	Personnel at Municipal Taxpayer Registry Counter receive F401 form, together with other requisites; verify that the form has been accurately completed and necessary documents attached; and sign and affix seal to the documents. If any requisites are missing, application is rejected.	If all documents are in order (and payment of debts has been made), worker at the Special Counter transcribes data contained on F401 form into Municipal System for the Administration of Transactions (computer system) and data contained in the Operating License Form into new e-tram system.
5	Taxpayer takes F401 form and requisites to counter 5, 6 or 7.	Operating License Form is printed and signed by Taxpayer and brought to Special Counter.
6	Personnel at counter 5, 6 or 7 receive F401 form and requisites and input the data into Municipal System for the Administration of Transactions (computer system).	Personnel at Special Counter sign and affix seal to F401 form, print it and give Municipal Tax Registry number and stub of F401 form to Taxpayer.
7	Municipal System generates Municipal Taxpayer Registry number, classifies activity, verifies any fines for failure to comply with formal duties. Taxpayer is provided with a Taxpayer ID card, together with the stub of the F401 form. If there is a fine for failure to comply, F5601 form is printed and provided to Taxpayer, together with F401 form stub, for payment at bank.	At Special Counter, Municipal System for the Administration of Transactions generates an Operating License number. Documentation is printed and provided to Collections Department.
8	Taxpayer pays fine at a bank, obtains a receipt and returns to counter 5, 6 or 7.	Collections Department reviews documents, signs them and brings Operating License to Special Counter.

9	Personnel at counter 5, 6 or 7 verify payment, and give Taxpayer a Taxpayer ID card. If payment has not been made, Taxpayer must return to bank to make payment.	Special Counter provides Operating License to Taxpayer.
10	Personnel at counter 5, 6 or 7 organize forms, file them and provide them to municipal official in charge of Municipal Taxpayer Registry.	Special Counter files documents and sends them to Archives Unit.
11	Municipal official transcribes forms into Municipal System for the Administration of Transactions, and assigns folio number. Files are sent on a monthly basis to Archive Unit.	Archives Unit reviews documentation to ensure conformity, classifies them, assigns an archive code in e-tram system, and archives them.
12	Archive Unit receives batches of files, ensures conformity and archives them.	End of Process.
13	Taxpayer obtains information on License for General Economic Activities.	
14	Taxpayer obtains and completes F ACEE-2000 form, and attaches requisites.	
15	Taxpayer delivers F ACEE-2000 form and requisites to municipal official in charge of Licenses for General Economic Activities.	
16	Municipal official verifies that form has been accurately completed, and that necessary documents have been attached, and marks form "Approved" or "Rejected."	
17	Taxpayer brings folder to Municipal Transaction System Counter.	
18	Personnel at Municipal Transaction System Counter receive folder and attach course of action sheet.	
19	Municipal Transaction System Counter accumulates transactions over the day and sends them to Collections Department.	
20	Assistant Director at Collections Department receives folder, registers it, marks it "Approved" and sends it to Director.	
21	Director receives folder, affixes seal and sends it back to Assistant Director.	
22	Assistant Director receives folder, registers it and sends it to Municipal Transaction System Counter.	
23	Municipal Transaction System Counter receives transaction record from Collections Department, registers it, classifies it appropriately and sends Operating License for General Economic Activities to municipal official in charge of Operating Licenses.	
24	Municipal official receives folder, registers it and archives it until Taxpayer presents himself.	
25	Taxpayer presents himself before municipal official in charge of Operating Licenses and requests date for inspection (for premises with an area over 50 m ²).	
26	Within 3 days, Taxpayer brings inspector to premises so that inspection may be completed.	
27	Inspector conducts inspection and	

	prepares hand-drawn sketch to verify square footage.
28	Inspector reports findings to Taxpayer and sends report to municipal official.
29	Taxpayer presents himself before municipal official. If inspection was passed, check is made for outstanding fines, Operating License is printed, inserted into a folder and sent to Head of the Unit. If Taxpayer has an outstanding fine, he must go to counter 5, 6 or 7. If the inspection is not passed, the taxpayer must go to counter 9.
30	At counter 9, Taxpayer must fill out form F402.
31	Personnel at counter 9 fill in the data on form F402 received from municipal official in charge of Operating Licenses. Taxpayer reviews form and signs it.
32	Personnel at counter 9 correct previous data and send Taxpayer to counter 5, 6 or 7.
33	Taxpayer presents himself at counter 5, 6 or 7.
34	At counter 5, 6 or 7, form F501 is printed.
35	Taxpayer is sent to bank to pay the administration fee for F501.
36	Taxpayer pays fee for F501 at bank.
37	Taxpayer returns to municipal official in charge of Operating Licenses 2 days after having made payment of fee at the bank. Debts are verified; Operating License is printed and attached to folder. Folder is then sent to Head of Unit.
38	Head of Unit receives folder, approves it and sends it to municipal official in charge of Operating Licenses.
39	Municipal Official receives folder, registers it and sends it to Collections Department.
40	Assistant at Collections Department receives folder, registers it and sends it to Director.
41	Director signs and seals the Operating License and sends it to Assistant.
42	Assistant receives folder and sends it to municipal official in charge of Operating Licenses.
43	Municipal official registers Operating License.
44	Municipal official sends folder to Archive Unit.
45	Archive Unit checks for conformity and archives folder.

Source: FUNDES, "Simplificación de Trámites de Registro y Habilitación de Empresas en el Gobierno Municipal de La Paz, Bolivia: Resumen Técnico del Proyecto," March 31, 2003.

Problems Experienced

The regulatory process in La Paz was perceived as complex and difficult. Problems experienced included:

- Unnecessary delays/long wait times;
- Uncertainty;
- High costs;
- Numerous, bothersome, and complex procedures;
- Changeability in “rules of play”;
- Loss of public trust;
- Conditions that encouraged abuse and extortion;
- Untrained and unmotivated workforce;
- Total lack of transparency/information to the public (i.e., absence of public information about municipal procedures, requirements, times and steps);
- Lack of accessibility;
- Poor customer service; and
- Deficient physical infrastructure.

Before reform, the procedure for issuance of an operating license consisted of the following:

- 45 steps and a wait time of 13 days for general economic activities
- 50 steps and a wait time of 33 days for food and beverage establishments
- 62 steps and a wait time of 43 days for electronic game establishments

Wait times were on average about 17 days.

Reforms Introduced

The plan for reform involved re-engineering administrative processes and reducing requirements, costs and times. It was necessary to develop legal foundations to support business simplification. It was also suggested that a One-Stop Shop be designed.

To implement this plan, municipal employees were trained; workshops to resolve operational problems were held; and procedure manuals and forms were created. Monitoring the new procedures and training of municipal employees continued during implementation of the new regulatory framework. Problems encountered during the implementation phase were quickly addressed and corrected.

Recommendations

The following basic principles/recommendations were put forward during the simplification initiative:

- Elimination of unnecessary requisites and formalities;
- A general requirement of good faith in accepting submitted documents/information;
- Creation of forms and unique file and Client identifiers;
- Design of a One-Stop Shop for business simplification;
- Establishment of maximum waiting terms;
- Decentralization of decision-making;
- Dissemination of information on requirements and procedures to the public;
- Training and sensitization of employees;
- Enactment of a new legal framework;
- An increase in monitoring and supervision; and
- Establishment of a general requirement of accountability.

Results

After reforms were introduced, the number of steps and the average wait times were greatly reduced. Operating permits for:

- General economic activities were reduced from 45 to 11 steps (75.5% reduction) – wait time was reduced from 13 days to 30 minutes (99.5% reduction).
- Food and beverage establishments were reduced from 50 to 23 steps (54% reduction – wait time was reduced from 33 to 3 days (90.9% reduction)
- Electronic Games establishments were reduced from 62 to 23 steps (61.9% reduction) – wait time was reduced from 43 to 3 days (93% reduction).

The number of necessary requirements for these types of licenses was also dramatically reduced in all areas.

The number of registered businesses increased by 20% as a result of the reforms introduced. The number of official visits was reduced from six to two. There was greater transparency in the municipal administration. New support software for business registration and authorization procedures were introduced and new infrastructure for customer service was created.

Inspections were being completed within a 48-hour time frame, which was faster than anticipated. Procedure manuals, forms and user guides were being utilized more frequently. Cases of inconsistent procedures were detected.

The number of applications for business licenses also significantly increased as a result of the regulatory reforms. Between May 5 and December 31, 2003, 2,432 applications were processed, 83.5% of which were approved. This was a 70% increase in applications and approvals compared to the previous 3 years. After reform there was also a 25% increase in revenues from operating permits.

However, the initiative's legal foundation was considered insufficient because support for the procedures manual was found only in a municipal resolution. There were also issues with respect to personnel such as:

- A lack of awareness;
- No clear definition of assigned duties or qualifications;
- A high turn-over rate; and
- A lack of a contingency plan for staff absences.

Starting a Business in Bolivia					
Nature of Procedure (2003)	Proc #	Before Simplification (2003)		After Simplification (2004)	
		Duration (days)	US\$ Cost	Duration (days)	US\$ Cost
Check uniqueness of name at the Commerce Registry	1	1	0	1	0
Attorney prepares deed and application	2	1	1,087.86	1	1,087.86
Notarize the articles of incorporation	3	1	111.57	1	111.57
Publish deed	4	2	34.86	2	34.86
Prepare the Opening Statement of Accounts (OSA)	5	1	50	1	50
Seal the OSA	6	1	100	1	100
Get unified tax registration card	7	1	0	1	0
Lawyer prepares a letter requesting commercial registration	8	1	0	1	0
Obtain Padrón Municipal	9	0.16	83.79	0	0
Obtain Licencia de Funcionamiento	10	17.28	174.72	0.5 (97%)	174.72 (-32%)
Get evidence of deposit of capital	11	1	0	1	0
Register deed at the FUNDEMPRESA	12	18	80	18	80
Register at the Chamber of Commerce	13	1	20.92	1	20.92
Register at the Caja Nacional de Salud	14	21	0	21	0
Get evidence of deposit of payroll	15	1	0	1	0
Register at INFOCAL	16	1	0	1	0
Register at the Ministry of Labor	17	2	0	2	0
Register with the pension system, Futuro	18	1	0	1	0
Register with the pension system, Prevision	19	1	0	1	0
Total	19	73.4	\$1,743.72	56.5 (-24%)	\$1,659.83 (4%)

Source: Elaborated from Doing Business Database 2003. The World Bank Group. "Doing Business in 2004: Understanding Regulation." 2003

Future Challenges

The following items were identified as challenges to be addressed in the future:

- Simplifying the processes for environmental licenses
- Red tape at Prefecturas
- Local capacity building

Country: Mexico
Sub-National Level: Municipality of Mexico City
Project: Simplification of Business Licensing System

Objectives

The objective of the initiative was to streamline Mexico City's business licensing system by introducing reforms to reduce application approval time, the number of requirements necessary to start businesses, and various other elements of the process.

Regulatory Processes Examined

The municipality's regulatory system was examined, specifically the business licensing regulations and in particular processes pertaining to the filing or issuance of:

- (a) Notice of Opening;
- (b) Registration of Fixed-Point Pollution Source or Wastewater Discharge;
- (c) Zoning Certificate;
- (d) Fire Safety Authorization;
- (e) Construction License;
- (f) Land Use License;
- (g) Operational Safety Authorization;
- (h) Evaluation of Environmental Impact;
- (i) Operating License; and
- (j) Authorization for Industrial Operations.

Problems Experienced

The process to formally register new businesses was extremely complex, especially for small and microenterprises. Burdensome red tape and a multitude of requirements increased operating costs and significantly decreased the competitiveness of businesses. Approval times were lengthy. There was also a lack of transparency.

Reforms Introduced

In 1995, all 31 Mexican states signed deregulatory cooperation agreements with the federal government. All states have also adopted similar approaches to the federal Agreement for the Deregulation of Business Activity (ADBA), which is a comprehensive federal plan for streamlining business activities. Twenty-one states have also signed agreements with their municipalities to promote deregulation at the local level.

Results

The Mexico City Regulatory Reform and Administrative Simplification Program is used as a model for similar municipal projects across the country. The program significantly reduced time and requirements necessary to start businesses and specifically achieved:

A New System for Business Inspections

The objective of the new system is to reduce the discretionary nature of inspections and the costs involved. Inspections will be random, with a list created to rank businesses according to risk-level. "High" risk businesses will be inspected with greater frequency than those of lower risk.

Higher-risk businesses are those whose activities require health, safety, or environmental controls. Inspections for most businesses will consist of only one visit from officials and will cover all aspects of regulatory compliance. Businesses will be able to verify the authenticity of inspectors and certificates by telephone.

Expedited Business Approvals

Since 1997, the Sistema de Apertura Inmediata de Empresas (SAINTE) has allowed businesses in Mexico City to begin operations in no later than seven working days for low-risk businesses and twenty-one working days for high risk businesses. 73% of activities are considered low-risk. This has substantially reduced the approval time for new business permits. Prior to reforms, the average approval time was forty-six days for low-risk activities and over 200 days for higher-risk “controlled” activities.

Maximum Permissible Response Times for Formalities Related to Business Openings (Sistema de Apertura Inmediata de Empresas)

Formality	Low-Risk Activities		Controlled Activities	
	Before	After	Before	After
Notice of Opening	1 hour	Immediate	-	-
Registration of Fixed-Point Pollution Source or Wastewater Discharge	15 days	4 days	-	-
Zoning Certificate	15 days	2 days	1 day	1 day
Fire Safety Authorization	15 days	Eliminated	15 days	Eliminated
Construction License	1 day	1 day	1 day	1 day
Land Use License	-	-	21-30 days	5 days
Operational Safety Authorization	-	-	Immediate	Immediate
Evaluation of Environmental Impact	-	-	30, 45, 60, or 90 days	6 days
Operating License	-	-	30 days	Eliminated
Authorization for Industrial Operations	-	-	15 days	Eliminated
Total	46 days	7 days	Over 200 days	21 days

Source: FUNDES, *International Practices and Experience in Business Start-Up Procedures - Final Report*, June 1999.

Procedures for obtaining operational permits in Mexico City have been streamlined. The number of operational permits and the maximum response time for administrative responses in Mexico City are provided in the table below. A number of administrative approval procedures were streamlined or eliminated. Under the principle of *affirma ficta*, official requests are now considered automatically approved if the regulatory authority responsible does not respond within the time period specified by law.

**Maximum Response Times for Formalities Related to Business Openings
(Sistema de Apertura Inmediata de Empresas) in Mexico City**

Formality	Low-Risk Activities	Controlled Activities
Notice of Opening	Immediate	Not Required
Zoning Certificate	2 days	2 days
Fire Safety Authorization	Not required	Not required
Construction License	1 day	1 day
Land Use License	Not required	5 days
Operational safety Authorization	Not required	Immediate
Operating License	Not required	Not required
Authorization for Industrial Operations	Not required	Not required

Source: FUNDES, *International Practices and Experience in Business Start-Up Procedures - Final Report*, June 1999

Country: Philippines
Sub-National Level: Municipalities of Quezon City and Dagupan City
Project: Simplification of Business Licensing System

Objectives

The improvement of tax collection and business environments in the municipalities of Quezon City and Dagupan City.

QUEZON CITY

Regulatory Processes Examined

The procedure for obtaining business permits is examined in great detail.

The Business Permit and License Office (BPLO) deals with the issuance of business permits, in four divisions:

- Business Permit Division, which supervises the processing, preparing and encoding of all business permits;
- Inspection Division, which inspects or verifies the operations of businesses and investigates complaints;
- Occupational Permit Division, which processes, prepares and records the issued occupational permits; and
- Records and Statistics Division, which receives, sorts, records and files all copies of issued business and occupational permits.

Problems Experienced

The regulatory process was perceived as long and arduous. For those seeking new business permits, problems experienced included:

- (a) Necessity for attendance at different offices around the city;
- (b) Need for a variety of clearances and certifications;
- (c) Multiple reviews;
- (d) Multiple inspections; and
- (e) Insufficient resources (i.e., employees) for municipalities to process applications in a timely manner.

Prior to 2001, businesses complained of too many requirements, which made it too cumbersome to get permits. These requirements extended the process by weeks or months required to get all the certificates and clearances to secure permits. Some businesses complained that even when they tried to satisfy all the requirements, inspectors would find ways to deny clearance or delay the processing of the application.

Further complaints were made regarding the physical layout in the BPLO offices. There were no windows for Client transactions. People would crowd inside the office. The recording system was poor, so that applications would get lost or could not be accessed when needed.

The lack of inspectors coupled with the numerous businesses seeking permits meant that there was a delay in the actual inspections.

There was a lack of up-to-date information on businesses and issued permits. There were double entries, unrecorded permits, and fake permits and receipts. This made monitoring and evaluation difficult.

There was a problem with the payment and assessment of taxes, fees and charges because of the lack of communication between the BPLO and the Treasurer's Office. Each office had its own procedures pertaining to businesses. There was also no universal or systematic scheme for businesses to pay their taxes.

Reforms Introduced

The plan for reform involved re-engineering administrative processes and reducing requirements, costs and times. It was also necessary to develop legal foundations to support business simplification. A suggestion was made that a One-Stop Shop be designed.

Recommendations

The Mayor issued two Executive Orders to facilitate the business permit process. The first, in May 2002, provided guidelines on the validity of the annual certificates and clearances issued by the different city offices:

- (a) Required certificates and clearances were to be issued only after the required inspection/verification was conducted;
- (b) Certificates or clearances issued were to have a one-year validity from the date of issue; and
- (c) The prior year certificate or clearance was to be used to secure the issuance of the business permit.

The second order, issued in November 2002, sought to ensure the early issuance of renewed business permits to Clients, while seeking to ensure public safety. For those seeking renewal of business permits for old business establishments, applications were divided into "low" risk and "high" risk businesses. For "low" risk businesses, proprietors were required to submit two important clearances, with other clearances and permits being submitted at a later date (within a year) after the permit was renewed. "high" risk renewal Clients had to submit all clearances and permits to the BPLO before a permit was issued.

Also, the systems have been computerized. The BPLO and the Treasurer's Office created a central database for tax assessment and payment. Security features have been added to receipts to eliminate the issuance of fake receipts. The City Administration made some renovations to allow for a more enjoyable tax payment experience. A comfortable waiting lounge was built in the offices for payment and assessment of taxes.

The BPLO also changed its office layout. It provided windows for business transactions. This has eliminated the need for people to physically enter the offices. Furthermore, during peak season, the office sends out marked employees to assist Clients by giving directions and assistance in completing application forms.

The City Engineer's Office has shortened the processing time for securing building permits. To do this, the City Engineer designated a documentary officer to be responsible for determining the completeness of documents submitted for processing before they go to the various sections.

Also, now all sections performing functions related to the granting of building permits are located in one area.

Results

After reforms were introduced:

- Introducing information technology resulted in a “cleansed,” reliable list of business taxpayers.
- From 2001 to 2002 the number of new business permits issued rose 69.4%. From January to June 2003, the number of registered businesses totaled 9,383.
- Opportunities for corruption have decreased since the computerization of tax assessment and payment. The ability to exercise personal discretion on the determination of the amount of tax to be paid has been diminished.
- Revenue increased as a result of a requirement to present the last year’s financial statement of the company. This countercheck measure caused the amount of tax collected from businesses to increase almost 44% (from P 984,381,461 in 2001 to P 2,239,281,590 in 2002).
- Better service in general has been reported.
- Tax collection was made more convenient with the addition of an air-conditioned lounge.
- Processing time for papers and documents has been reduced.

However, complaints about the numerous requirements and inspections did continue.

DAGUPAN CITY

Regulatory Processes Examined

The City Administration established a One-Stop Business Center with six sections (Processing, Inspection, Assessment, Collection, Releasing, and Records) for the issuance of business permits or licenses.

Problems Experienced

The business permit process makes no distinction between new and old businesses. Problems experienced included:

- (a) Poor tax collection, with no database to track tax receivables;
- (b) Cumbersome and lengthy procedures;
- (c) Arduous requirements;
- (d) Corruption, to speed up the process and/or to adjust the presumptive income level of the business; and
- (e) Inspection delays caused by a lack of inspectors in the Engineering Office, Health Office and Fire Department.

Reforms Introduced

The City Administration felt that in order to provide an environment that would promote business growth and development, procedures for the granting of business permits had to be streamlined and conducting business transactions at municipal office had to become more convenient.

A One-Stop Business Center was created to allow citizens to pay all their financial obligations (taxes, fees, etc.) in one location. This location was made comfortable with the introduction of ventilation and air-conditioning. An information counter was installed to assist citizens with their transactions, as were a collection counter, a bulletin board, and a suggestion box to permit feedback. Drinking water and newspapers were also made available for use by citizens while they waited for service.

To facilitate the issuance of business permits, representatives of the three relevant offices were co-located in the Centre. Inspectors are given only three days to conduct inspections of businesses, thus lessening the opportunity for informal payments to inspectors.

A database on the number of businesses operating in the area was created. The municipality was "tax-mapped" to produce two lists of businesses: those with permits and those without permits. The municipality then prioritized its enforcement activities and focused on those without permits.

Results

The municipality saw:

- Income increase to approximately P276, 000,000 in 2003 from P260, 000,000 in 2002 and from P243, 000,000 in 2001;
 - Permit processing increase;
 - Faster inspections and less corruption of inspectors; and
 - Greater support from proprietors who appreciate the municipality's efforts to assist businesses and provide a business-friendly environment.
-

Country: Canada
Sub-National Level: Province of Nova Scotia
Project: Red Tape Reduction Initiative

Objectives

In 2000, in the Province of Nova Scotia, Premier John Hamm established a Red Tape Task Force (Task Force) to identify how to improve both the province's regulatory system and how it was administered. The objective was to develop a red tape avoidance "culture" in the province.

"Red tape" was defined as unnecessary, uncoordinated, or unjustifiable requirements, restrictions, compliance, implementation, or overly burdensome administrative costs that impede business development, economic growth and job creation.

Regulatory Processes Examined

The province's regulatory system was examined in detail, with many different regulations and statutes evaluated and simplified.

Problems Experienced

There was an over abundance of regulations that posed problems, especially to small and medium size enterprises, where the costs were disproportionately high and were passed on to consumers.

Business and prosperity were being hindered by regulations that prevented efficient provincial government operations and allowed for inconsistencies and conflicts between the different levels of government, namely federal, provincial and municipal jurisdictions.

Reforms Introduced

In 2000, the Task Force tabled 12 recommendations for consideration. In 2001 the Task Force introduced another set of recommendations, aimed at establishing an ongoing legacy of regulatory review and practice tools. These were well received by the government, and a number of initiatives were further implemented after 2001.

Recommendations

Developing a Single-Window Access System for both the Public and Businesses

The Nova Scotia Business Registry (NSBR) offers the business community an electronic service window to handle many of their license, registration, and permit requirements on behalf of Service Nova Scotia and Municipal Relations (SNSMR), the Nova Scotia Workers' Compensation Board, the Canadian Revenue Agency and the Department of Environment and Labor. Access to government information and services has improved, with services available in more locations throughout the province and with online telephone access.

SNSMR is seen as the "service window" for many government services and interactions with the business community. SNSMR designs services based on Client needs. Government employees are better trained to help companies navigate the rules and regulations that affect business.

Developing E-Government as a Tool in the Single-Window Access System

NSBR allows businesses to reserve an operating name, obtain business account numbers, register with federal and provincial government agencies, and obtain a variety of business permits online. This has further simplified the business registration process by reducing registration time.

Establishing a One-Stop Business Registry for Businesses

The NSBR simplifies the registration and licensing process by combining provincial and federal business registration with an online application and payment process for business licenses. A business owner is able to:

- Register a business;
- Apply for, pay for and renew business licenses; and
- View and update business information online.

This has resulted in streamlined licensing, reduced paper burdens, more current information, and faster processing of applications.

Completing the Implementation of the Licenses, Permits and Approvals Process

NSBR has improved accessibility and convenience for businesses and individuals by consolidating in one location the various permits and licenses issued by different departments and agencies.

Expanding Payment Options by Allowing Businesses to Pay by Debit or Credit Cards

More government offices are now equipped with modern payment options, accepting debit and credit cards.

Enforcing Regulations but Not Treating Businesses as Adversaries

The Task Force realized that regulations sometimes take on a “one-size-fits-all” approach, but not all businesses are the same. The government’s objective should be to influence businesses to engage in business activities in a certain way. To do this, other options should be considered as well (e.g., economic incentives, self-regulation, and awareness and education programs). If regulations are deemed to be the most effective compliance tool, then those that are affected should be made aware of the rule or regulation and be made to understand how to comply.

Making Public Communication a Top Priority

Businesses need to know where and how to interact with the government. The government communicates with stakeholders in a variety of different ways, including:

- Discussion papers, which are circulated before most legislative reforms are drafted;
- Public meetings;
- Surveys;
- Meetings with stakeholders;
- Committees (i.e., Task Force) that travel the province to gain insights from the public;

- News releases, which are issued when legislation is introduced or regulations come into effect (an average of 1750 news releases and media advisories are issued annually);
- Orders in Council, which are publicized through the Nova Scotia Royal Gazette; and
- Government web sites, which publish thousands of pages of information.

The Government of Nova Scotia introduced its own Internet search engine to make it easier for people to find information they need about programs and services.

Improving Licensing by Changing Licensing Rules for Restaurants and Bars

Updating Regulations through the Removal of Out-of-Date, Unworkable Regulations

With the help of the Task Force, departments systematically examined their regulations to identify those that should be eliminated, those that should be harmonized with other jurisdictions, and those that needed to be updated.

Harmonizing with Other Jurisdictions

Results

As of September 2004, 35 Acts and 112 regulations were reviewed. Of these:

- 5 Acts were repealed;
- 14 Acts were updated;
- 15 Acts remained under review;
- 6 sets of regulations were repealed;
- 30 sets of regulations were simplified;
- 19 sets of regulations remained under review;
- 4 Commissions were eliminated; and
- Several boards were merged to become single entities with broader authority.

The Task Force implemented the Red Tape Reduction Checklist as a regulatory impact assessment tool. The checklist is used every time a department proposes changes to legislation or regulations. The checklist is used to:

- (a) Determine how the changes will address the issue at hand and whether regulation is the most appropriate policy instrument;
- (b) Consider alternatives to legislation and regulation;
- (c) Review the impacts and benefits of the proposed regulation;
- (d) Confirm that stakeholders have been consulted; and
- (e) Examine whether similar regulations exist in other departments and jurisdictions.

Every year, a roundtable meeting of business leaders is held to discuss possible additional red tape reduction efforts.

Country: Indonesia
Municipality: Various Regions
Project: Analysis of One-Stop Shops

Objective

The evaluation of One-Stop Shops providing services located in five different regions: Sragen, Malang, Gianyar, Pontianak, and Parepare.

Regulatory Process Examined

A variety of licensing processes were examined.

Region	License/Permit/Application Process	
Sragen	<p><i>Business Licensing</i></p> <ul style="list-style-type: none"> Business Location Permit / No-Disturbance License (SITU/HO) Building Construction Permit (IMB) Trade License (SIUP) Small Industry Registration (TDI) Company Registration (TDP) Sign Location Permit Principal License Tourism Permit Industry License (IUI) Street Blocking Permit "Huller" Business Permit Land Status Alteration Permit 	<p><i>Non-Business Licenses</i></p> <ul style="list-style-type: none"> National Identity Card (KTP) Family Card (KK) Certificate of Vital Statistics Advice Planning
Malang	<p><i>Business Licensing</i></p> <ul style="list-style-type: none"> Business Location Permit/ No-Disturbance License (SITU/HO) Building Construction Permit (IMB) Sign Vehicle Operation Permit (IjinTrayek) Transportation Business License Vehicle Business License Burial Ground Usage Permit General Gathering Permit Local Government's Building Rental Permit 	
Gianyar	<p><i>Business Licensing</i></p> <ul style="list-style-type: none"> Business Location Permit / No-Disturbance License (SITU/HO) Building Construction Permit (IMB) Trade License (SIUP) Small Industry Registration (TDI) Company Registration (TDP) Sign Location Permit Principal Permit Tourism Permit 	<p><i>Non-Business Licenses</i></p> <ul style="list-style-type: none"> National Identity Card (KTP) Family Card (KK) Certificate of Vital Statistics Land Certificate Yellow Card Building Tax Transfer Advice Planning

Pontianak	<i>Business Licensing</i> Business Location Permit / No-Disturbance License (SITU/HO) Building Construction Permit (IMB) Trade License (SIUP) Small Industry Registration (TDI) Company Registration (TDP) Sign Location Permit Public Transportation Permit	
Parepare	<i>Business Licensing</i> Business Location Permit/ No-Disturbance License (SITU/HO) Building Construction Permit (IMB) Trade License (SIUP) Small Industry Registration (TDI) Company Registration (TDP) Sign Vehicle Operational Permit Local Asset Usage Permit Local Facility Usage Permit Warehouse Registration	<i>Non-Business Licenses</i> National Identity Card (KTP) Family Card (KK) Certificate of Vital Statistics

Positive Effects of One-Stop Shops

A number of positive aspects were identified in several of the One-Stop Shops operating in the five regions.

Internal Aspects:

- (a) Appropriate status of One-Stop Shops (office/*dinas*) level;
- (b) Having full authority to act;
- (c) Sufficient qualities of human resources;
- (d) Costs for licensing application being low, some even free;
- (e) A mechanism of rewards and punishment for One-Stop Shops staffs;
- (f) Not using One-Stop Shops as main sources of local revenues;
- (g) Cost/fee transparency;
- (h) On-time services;
- (i) Promoting cooperation system of all types of licensing; and
- (j) A simple system of licensing services.

External Aspects

- (a) Institutional assistance;
- (b) Training in human resources;
- (c) Internship program and comparative studies;
- (d) Hardware and its systems;
- (e) Workshop and discussion between the governments and business people;
- (f) Program of policy evaluation facilitated by external supports; and
- (g) Support and commitment from the local governments, especially from the heads of the regions.

Problems Experienced

In the course of examining the regulatory (business licensing process) process, a series of problems were discovered. These problems included:

- (a) Lack of transparency;
- (b) Expensive fees;
- (c) Long application processing time;
- (d) Complicated procedures;
- (e) Complicated requirements; and
- (f) Lack of public awareness.

Recommendations

Several recommendations were made to improve the various processes:

Negative Aspects Identified	Solutions	Recommendations	Action Plans
Limited authority	Arrange internal delegation system.	Review the legal forms of each One-Stop Shops and its main duties and functions.	A study on One-Stop Shops legal forms and main duties and functions.
Delegation process inefficient	Improve One-Stop Shops authority to process business licenses.	Increase One-Stop shops authority.	Assisting local governments and One-Stop Shops to improve the licensing institutions.
Lack of accessibility	Improve accessibility.		
Training of human resources	Improve quality of human resources.	Recruit qualified staffs. Provide training.	Increase training In service standards, organization management, and licensing processes. Use apprenticeship programs. Provide training on excellent services, organization management, and licensing techniques.
Lack of physical and technological facilities.	Increase facilities.	Improve One Stop-Shops facilities.	Supply supporting facilities such as software, hardware.
Poor coordination among regulating institutions.	Increase coordination.	Make institutional adjustment suited to government's need and regulations. Conduct regular meeting among regulating institutions to discuss licensing issues.	Conduct an institutional study and rearrange the structure of the government.
Separated licensing	Promote One-Stop	Issue Regional	Assist local governments and

Negative Aspects Identified	Solutions	Recommendations	Action Plans
services (numerous regulating agencies).	services.	Regulation (PERDA) to unite licensing applications that are not yet handled by One-Stop Shops	One-Stop Shops. Hold workshop for licensing institutions.
Lack of rewards and punishments.	Clarify rewards and punishment for staffs.	Create clear mechanism of rewards and punishment.	Issue a regulation for rewards and punishments.
Lack of voluntary contribution of money. (no official fixed rate)	Replace voluntary contribution with an official fixed rate.	Issue a Local Regulation (PERDA) to replace voluntary contributions.	Review advantages and disadvantages of voluntary contributions.
Lack of transparency in licensing application fee. Longer application processing time. Incomplete requirements.	Provide information about a calculation index.	Provide detailed information to license Clients before issuing the license and itemized calculation afterwards.	Issue a regulation about Clients' right to know detailed calculations.
Processing delays in regulating institutions.	Increase members of evaluation team. Maximize coordination between One-Stop Shops and regulating institutions to minimize processing time.	Adjust the members of evaluation team. Increase the activities of operational staffs.	Review overlapping requirements. Facilitate web site design for internet accessibility.
Use of unofficial broker to apply for a license.	Issue a regulation about eligible Clients. Forbid regulating institutions to process applications that do not use One-Stop services.	Issue a regulation that a license Client must be the direct user or have an official letter. Issue a regulation that prevents <i>dinas</i> from processing applications that do not use the services.	Study the existing regulations. Increase socialization.
Several business licenses still processed in a different institution causing delays. Lack of communication to business people.	Increase service delegation especially for business licenses. Continue communication. Simplify licensing procedures.	Develop capacity building of One-Stop Shops. Reform institutions under the local governments. Review overlapping procedures and	Maximize the use of One-Stop Shops concept. Direct communication to business people and local media. Eliminate complicated licensing requirements.

Negative Aspects Identified	Solutions	Recommendations	Action Plans
<p>Numerous requirements for licensing application.</p> <p>Higher costs for SMEs, for frequently extending licenses.</p>	<p>Increase service quality.</p>	<p>requirements.</p> <p>Make use of local institutions for socialization, IT (Internet) and other media.</p>	<p>Train staff.</p> <p>Increase institutional capacity building.</p>
<p>Insufficient knowledge of One-Stop Shops staffs.</p> <p>No assistance given to certain One-Stop Shops.</p> <p>One-Stop Shops tendency to depend on the programs provided by external supports.</p> <p>Limitation of time and funds limiting launching several programs.</p> <p>Assistance given only covers unit level and local governments.</p>	<p>Increase staff knowledge.</p> <p>Provide assistance and support to One-Stop Shops.</p> <p>Adjust programs with the availability of time.</p> <p>Widen scope of assistance.</p>	<p>Develop IT network.</p> <p>Develop One-Stop Shops Sragen as a model for one-stop shops.</p> <p>Develop organizational capacity.</p> <p>Improve human resources.</p> <p>Design affordable programs for local governments.</p> <p>Increase involvement of other institutions.</p> <p>Provide integrated assistance.</p>	<p>Evaluate value added of One-Stop Shops resulting from external support.</p> <p>Facilitate the development of on line services (LAN) and Internet.</p>
<p>Lack of support from the head of regions.</p>	<p>Stress usefulness of One- Stop Shops to local governments.</p>	<p>Increase local government's political interest in One-Stop Shops.</p>	<p>Assist local governments improve One-Stop Shops.</p>

Results

There is no information at this time with respect to the recommendations arising out of the study of One-Stop Shops.

Country: Canada
Sub-National Level: Province of Ontario
Project: Simplification of Corporate Registration Systems

Objectives

The objective of these reforms was to simplify the relationship between the federal and the Ontario provincial incorporation registration systems. Prior to July 2002, a corporation incorporated in paper or electronic form under the Canada Business Corporations Act with the Government of Canada (Industry Canada). If the corporation's registered office was in Ontario, it was required to file a paper initial information return with the Government of Ontario (Ministry of Consumer and Business Services). There were two separate registration processes with two different levels of government in which some of the same information was filed twice.

Regulatory Processes Examined

The corporate registration systems of the federal and Ontario provincial governments were examined and simplified.

Problems Experienced

The following problems were experienced:

- Inefficiency in terms of time;
- Multiple applications for different levels of government;
- Confusion as a result of varying requirements depending on the level of government;
- Inconvenient service;
- Lack of compliance of corporations;
- High costs; and
- Processing deficiencies.

Reforms Introduced

The new simplified registration system, implemented in June 2002, permits a person incorporating electronically with the Government of Canada to also file an Ontario initial information return as part of the same electronic registration process. Upon incorporation, Industry Canada automatically transmits the corporate information required for Ontario purposes to the computer system maintained by the Ministry of Consumer and Business Services.

Results

The following results were found to have occurred:

Ease of Use

- Clients were provided with faster, more convenient service because it is "One-Stop Shopping" for businesses rather than multiple applications with different levels of government.
- Confusion in the business community about registration requirements was reduced.

Increased Compliance

- Filings of initial Ontario information returns by federal corporations have increased 125% from the 2001-02 fiscal year to the 2004-05 fiscal year. Effective September 30, 2004, the compliance rate was 91.99% (paper and electronic filings).

Efficient Processing

- Processing time for new registration has been reduced (guaranteed 2 business days versus 25 business days for manual filing of initial information returns).
 - Processing costs have been reduced for both the business community and the Ontario government, since one filing serves two purposes.
 - Less processing with 0% deficiency rate for the electronic initial information returns versus 25% for manual filings.
-

Country: Bosnia

Sub-National Level: Municipality of Gradiska

Project: Analysis of Administrative and Regulatory Costs of Doing Business

Objective

The municipality of Gradiska sought to promote its business competitiveness through the reduction of business operations expenses and the identification and elimination of administrative barriers.

Regulatory Process Examined

The business licensing process was the main regulatory process examined.

Problems Experienced

In the course of examining the regulatory (business licensing process) process, a series of problems were discovered. These problems included:

- (a) Numerous and varying administrative requirements;
- (b) Lack of clarity in the regulations;
- (c) Frequent regulatory changes;
- (d) Lack of transparency in the procedures for issuing permits and inspections of business entities; and
- (e) High cost for issuing permits to business entities.

Other municipalities in Bosnia have made the shift toward a simplified regulatory regime. This has made those municipalities more “entrepreneur-friendly” and introduced a need for Gradiska to become as competitive as those municipalities.

Reforms Introduced

In order to streamline Gradiska’s regulatory procedures, the problem was approached in a variety of different ways:

1) Fifteen existing procedural guides for Clients were analyzed. These procedural guides outlined specific instructions on what documentation and procedures were to be completed for different business offices.

- Municipal citizen registration system, counter services, and election lists;
- Citizen’s status (general administrative procedures);
- Offering of legal aid;
- Exercising of demobilized soldier and disability rights;
- Independent business and other activities;
- Incorporation of enterprises;
- Local procedures for entrepreneurship activities;
- Issuance of urban permits;
- Issuance of construction permit/license;
- Reports to urban planning and construction/building inspection;
- Issuance of use permits;
- Issuance of sanitary permits for the location, design and use of facility;

- Permits and fees from the utility area;
- Issuance of certificates for agricultural production; and
- Issuance of agricultural permits.

2) Two focus groups were organized:

- Municipal employees working on processing administrative procedures; and
- Business people within the municipality of Gradiska.

3) A survey was conducted that examined administrative and regulatory costs.

Recommendations

Several recommendations to be included in the municipality's Action Plan were made to create a simplified regulatory process:

- Simplification of the business registration system through the creation of a "One-Stop Shop" office;
- Development and updating of procedural guides for citizens and businesses that outline specific instructions on what documentation and procedures must be completed for different business offices;
- Statistical tracking and processing of data on the business entities in the municipality;
- Simplification of the certification process;
- Increased transparency in the administrative requirements of the certification process;
- Increased efficiency in processing applications;
- Reduction of fees paid in relation to real estate;
- Development of a consistent inspection system with clearer reporting;
- Development of a program to define the strategy to benefit from the advantages and resources available in the wood sector; and
- A more customer-service oriented approach toward citizens and businesses with respect to the administration.

The Action Plan will set these recommendations out as priorities, with precise timelines for implementation. The municipality also intends to involve the private sector in its plans through structured consultations.

Results

There is no information at this time with respect to specific results of the initiative.

Country: United States
Sub-National Level: City of Indianapolis
Project: Regulatory Study Commission

Objective

In 1991, Indianapolis Mayor Stephen Goldsmith established the Regulatory Study Commission (RSC) to eliminate or modify regulations found to be outdated or excessively costly.

Regulatory Processes Examined

The RSC focused on regulations in the following areas:

- (a) Ground Transportation (Taxis);
- (b) Business and Occupational Licensing; and
- (c) Development and Housing (Building and Construction Permitting).

Problems Experienced

As part of a survey on business conditions, where 1600 local entrepreneurs were asked what they perceived to be the chief external "impacts on profits," various regulations were cited as the chief external impacts.

Reforms Introduced

The RSC developed a set of principles that formed the basis of review:

- (a) The cost of a regulation should be no greater than the value of the benefit created for the community;
- (b) Regulations must be written to ensure the imposition of the minimum possible constraints upon the community;
- (c) Regulations must be simple, fair and enforceable; and
- (d) Local regulations should not exceed federal and state standards unless there is a compelling and uniquely local reason.

Particular attention was paid to the economic framework in which to assess regulations and determine where effort should be directed. A uniform cost/benefit analysis was adopted that posed five questions:

- How does the regulation benefit the consumer or public?
- How does the regulation benefit the regulated parties?
- How much does the regulation cost the consumer or public?
- How much does the regulation cost the regulated parties?
- What administrative or enforcement costs are paid by taxpayers?

Recommendations

Ground Transportation (Taxis)

Unnecessary regulation limited competition and hindered growth of the city's taxi service. The RSC proposed seven regulatory reforms:

- (a) Eliminate the cap on the number of outstanding taxis;
- (b) Require random vehicle inspections and enhanced background checks on drivers to address safety concerns;
- (c) Allow taxis to cruise for customers anywhere in the city;
- (d) Create a "maximum fare ceiling" that allows taxi operators to offer prices lower than, but not greater than, published maximums, encouraging price competition;
- (e) Eliminate unnecessary rules, including driver uniforms;
- (f) Allow for special customer taxis (i.e., wheelchair accessible, charter services, etc); and
- (g) Allow for the airport authority to impose stricter rules on airport taxis at their discretion.

These reforms were adopted by the Indianapolis City Council in May 1994.

Business and Occupational Licensing

The RSC discovered that the city had created business and occupational licensing requirements that did little more than limit competition for current businesses and practitioners.

Two types of regulations failed to meet the requirements of the principles established to guide the regulatory review.

The first type of regulations offered no benefit to the community and were eliminated in 1994 in a series of initiatives called "Fair Fees for Small Business." The second phase, entitled "Fair Fees for Small Business II," was implemented in 1996 and freed approximately 2000 local businesses from the unnecessary expense of annual licensing. Instead of a license, it required businesses to undergo a one-time, no fee registration. The RSC studied the enforcement and application histories of licensed businesses in order to determine which licenses to eliminate for both Fair Fees I and II. The licenses selected had seen almost no enforcement activity against license holders in the previous decade.

Building and Construction Permitting

The RSC determined that the city's building and construction permit requirements imposed significant costs on property owners seeking to make improvements to their properties. The high costs deterred property owners from repairing or improving their property. The compliance rate for such permits was low. Due to this low compliance rate and the absence of a measurable safety problem, the RSC concluded that the permit was not vital to citizen protection or justified.

The RSC created a subcommittee to improve the local permitting system in 1993. The subcommittee created the "Indianapolis Homeowner Freedom Act," which was a program that balanced the need for reform with consumer safety concerns. The Act eliminated more than 7200 unnecessary restrictions, fees and permit requirements on low-impact property-owner repairs and improvements. It also reduced the actual amount of permits required by citizens and contractors. The RSC also increased penalties for poor workmanship and violation of agreements, and toughened enforcement mechanisms to address safety concerns.

Results

Taxis

The number of licensed taxi companies tripled to over 70. Fares average approximately 7% less than before the regulatory changes. Complaints received by the controller's office regarding poor service were reduced dramatically. Dress codes for drivers have improved, as has the cleanliness of the taxis. The total number of taxis increased from approximately 225 to almost 500, with the average wait time decreasing from 45 minutes to 20 minutes.

Business and Occupational Licenses

The effect of the Fair Fees initiatives was a \$94,000 reduction in fees. By the end of 1997, the two programs together saved businesses a total of \$618,798 in fees not paid and staff and overhead expenses avoided.

Building and Construction Permitting

The RSC estimates that property owners save approximately \$750,000 in fees and associated costs each year. It is also estimated that property values will increase over time due to these changes, and thus property tax revenues will increase.

The RSC cited three keys responsible for the success of the regulatory reform plan:

- Community support
 - Political will, and
 - Sound economic analysis.
-

Country: Colombia

Sub-National Level: Various Municipalities

Project: Procedure Simplification Program for the Business Sector

Objectives

The general objective of this project was to promote a more efficient and transparent relationship between enterprises, the government, and private entities that deliver registration services to facilitate entry into the formal economy. The specific objectives were to:

- 1) Streamline legal requirements, steps, and formalities and reduce processing periods for entrepreneurs formalizing their productive activities;
- 2) Establish business service centers - Centros de Atencion Empresarial (CAE (II)) - in six Colombian cities;
- 3) Expedite the process by which non-registered businesses are brought into the formal business sector; and
- 4) Improve entrepreneurs' access to information on the procedures that need to be followed.

The intended beneficiaries are microenterprises and small and medium size businesses that were experiencing difficulties in the start-up process.

Regulatory Processes Examined

The business formalization (start-up) and registration process were the main regulatory processes examined.

Problems Experienced

The main problems facing entrepreneurs regarding registration of their businesses were identified as:

- (a) Lack of a one-stop window for completing all formalities;
- (b) Numerous forms, often with duplication of information;
- (c) Insufficient coordination and sharing of information among public agencies;
- (d) Lack of modern information systems at most of these agencies;
- (e) Notarization and presentation of documents in person;
- (f) Requirement to attend different locations to pay various fees; and
- (g) Discretion of the individual officials and lack of deadlines by which applications must be approved.

A new business must complete upwards of ten procedures or requirements before eight different entities in order to complete the registration process. This can take up to a year.

The lack of coordination among the various public agencies has impeded the creation of a streamlined system for start-up businesses. Regulations, procedures and formalities for the formal system are considered too excessive and obstruct the formalization of new business registrations. The entire process is made more expensive and limits business sector growth and consolidation.

Reforms Introduced

With respect to each CAE (II), the program was split into design and implementation components to fulfill its objectives. These two components were to be carried out sequentially.

Design of the CAEs

The design of the service centers on more “structural” components and include:

- (a) Legal and institutional mapping;
- (b) Proposals for streamlining procedures;
- (c) Validation of proposals;
- (d) Initial simplification activities through management agreements; and
- (e) Design of action plans for implementation.

Legal and Institutional Mapping

This was considered necessary to identify regulations in order to eliminate requirements considered obsolete and those based on interpretative provisions of legislation that were applied by officials and institutions that participated in the process.

Activities carried out under this component included:

- In public institutions with national jurisdiction – an analysis of the legislation that affected the business and its registration;
- In the municipalities – collection and analysis of rules related to business start-up and operation and validation of their applicability; and
- In private entities – an evaluation of regulations involved in the registration of new businesses.

Proposals for Streamlining Procedures

Detailed diagnostic assessments of business registration and start-up procedures required by each institution were conducted. The framework of administrative procedures was also evaluated. Consideration was given to diversifying the CAE (II) services to include others that would also promote business development.

Validation of Proposals

A set of best practices on regulations and procedures for formalization of business activities from other international bodies were examined and adapted to the Colombian case.

Initial Simplification Activities: Management Agreements

Based on the information collected and analysis conducted, local governments were to identify a basic model that would be adapted to the conditions of each city. Agreements would then be drafted between all levels of government setting out the commitments and responsibilities of each party in the implementation of the CAE (II)s. These agreements would consider:

- (a) Issuance of streamlining guidelines for administrative rules;

- (b) The model for delivering services (i.e., One-Stop Shop, one site with different windows, a single application for all procedures but with various forms, etc);
- (c) Each institution's requirements for incorporating its services into the CAE (II); and
- (d) Future expansion of CAE (II) services for entrepreneurs, in addition to those related to business registration.

Action Plan

Consultants will be retained to prepare an action plan to provide for the:

- Formulation of amendments to the current legal framework in the central government and participating municipalities;
- Reorganization of the entities involved;
- Restructuring of selected procedures for more efficient processing;
- Development or integration of information technology systems and design of Web pages for dissemination of available information;
- Training of personnel related to new systems and procedures;
- Design of a fee policy for the new processing system;
- Determination of physical infrastructure needs and architectural designs according to the selected service options; and
- Exchange of experiences and proposals from each of the participating cities.

Workshops are to be conducted to standardize the proposals and seek synergies among the plans to be adopted by the cities involved.

Implementation of the CAEs

The establishment of CAE (II)s in each city formed part of the action plans. With respect to the execution of the plans, consulting services and procurement were financed.

Legislative Reforms

Since 1991, the Government of Colombia has issued a series of decrees to simplify procedures and eliminate regulations:

Decree 1250 – Simplified bureaucratic procedures and implemented one-stop windows for all user services.

Decree 410/71 – Delegated responsibility for business, bidder, and non-profit organization registries as well as for arbitration and conciliation centers to the Chamber of Commerce.

Law 527/99 – Granted legal force to registration by electronic means.

Law 590/00 – Simplified the tax system applicable to small and medium size enterprises by establishing a unified taxation system for value-added tax and income tax payments.

This provided for the creation of a single registry for procedures, formalities and requirements.

Recommendations

The following recommendations are under consideration for streamlining the business

registration process:

- Elimination of the requirement that company accounting books be registered;
- Elimination of the requirement that documents for commercial registration be notarized;
- Consolidation, at the national level, of municipal registration requirements into a single initial application form;
- Creation of a single tax registration number;
- Revision of social security, employment and other labor registration;
- Improvement of social security information;
- Elimination of the need for approval from the Colombian Association of Authors and Composers for new businesses;
- Allowance of laboratory work inspections for companies outside Bogotá to be done at the regional level;
- Classification industries on the basis of high or low environmental risk;
- Elimination of *ex ante* environmental approval for low-risk companies;
- Reduction of environmental review from 8 to 4 months;
- Establishment of a one-stop window managed by the private sector;
- Design of a single form for tax registration and other operational permit; and
- Establishment of an interactive process with service quality control by the users.

Results

There is no information at this time with respect to specific results of the initiative.

Country: Costa Rica

Sub-National Level: Various Municipalities

Project: Establishment a One-Stop Shop for Microenterprise and Small Business Formalization

Objectives

The general objective of the project is to expand the participation of microenterprises and small businesses in the formal economy of Costa Rica. The specific objective is to increase the rate of formalization of the microenterprise and small business sector by means of a simple, flexible and efficient mechanism for business registration.

Regulatory Processes Examined

Business formalization (start-up) and registration were the main regulatory processes to be examined.

Problems Experienced

The main problems facing microenterprises and small businesses entrepreneurs' registration of their businesses include:

- (a) Complexity of regulatory requirements;
- (b) Numerous offices to attend in order to register (at least six different government institutions);
- (c) High cost of registration; and
- (d) Length of time required to complete the process.

Notwithstanding the benefits of formal registration, formalization of businesses in Costa Rica, at the time this project was initiated, was low because of significant disincentives.

Reforms Introduced

The project aims to simplify procedures for formalizing businesses in Costa Rica through the introduction of a "one-stop shop" concept, which would require a one-time entry of data for most of the formalities needed to register a business. The object is to reduce the cost and duration of the process.

An electronic network will be established connecting government agencies involved in the business registration process. The ultimate objective is to create a "networked One-Stop Shop," using information technology to connect the institutions, making it possible to enter data once to complete six legal procedures electronically. This will reduce the amount of time and the certifications required to carry out the processes. It would also reduce the cost and duration of the registration process, to provide incentive for an increase in microenterprise and small business formalization.

The perceived advantages of a "networked" one-stop shop:

- Avoiding political resistance to participation in the network, since the participating government agencies would not have to delegate administrative authority to other institutions;

- Reducing possible resistance of participating institutions by structuring the network so as to not require a substantial change in data processing or storage systems; and
- Permitting data entry by private entities, fostering development of a competitive, decentralized and separate market for enterprise registration services.

A private institution is to be designated to administer the network in order to ensure private-sector participation and aid transparency.

Recommendations

The project proposes to enable entrepreneurs to register their business at one easily accessible location. In addition, the project will work to streamline and simplify some of the registration procedures that, because of their nature, will not be handled through the one-stop shop.

There are three stages to this project:

Stage I – Legal / Technical Review and Institutional Commitment.

A legal and technical review is to be conducted to define the regulatory and technical parameters of the one-stop network. Specialists at this stage would:

- (a) Conduct a legal review of the regulatory framework;
- (b) Conduct a technical review of the operating specifications; and
- (c) Draft an interagency agreement that incorporates the commitments of the government agencies involved in the enterprise registration process.

The legal review will examine all regular laws and regulations that could limit the operation of an electronic registration system or increase its cost; pinpoint the most complex rules; and determine how and to what the proposed changes apply. The legal review will also establish the regulatory options that exist regarding management of the One-Stop Shop.

The technical review will establish the technical parameters of the operating system. Consultants will consider network connection and management and the design of the software programs to allow the exchange of data among participating government agencies without requiring any fundamental change in the agencies' computer systems.

The technical review will also include the development of a single form for electronic enterprise registration.

Stage II – Installation of the One-Stop Shop and its Basic Regulatory Framework.

Based on the reviews conducted during the first stage, necessary changes to implement the regulatory framework will be made and the institution to manage the one-stop network will be established. This will involve hiring specialists to prepare draft regulations; legally establish the institution that will manage the One-Stop Shop; and design and install the technical system.

The "management" institution is to reflect a transparent management structure that is independent and flexible.

A mid-term evaluation is scheduled to be conducted at the end of Stage II to evaluate the work carried out through the first two stages.

Stage III – Simplification of Procedures and Dissemination of Information.

The focus of this third stage is on changing certain laws and regulations that, although not essential to the operation of the One-Stop Shop, will have a significant impact on facilitating the entire business registration process.

Specialists are to be engaged during this stage to:

- (a) Adapt administrative procedures of participating government agencies;
- (b) Draft legislation to optimize use of the One-Stop Shops and simplify certain formalities related to the enterprise registration process; and
- (c) Promote and disseminate information on the One-Stop Shops.

Promotion of the One-Stop Shops is to include workshops and publicity campaigns to inform suppliers and potential users of the services.

Results

There is no information at this time with respect to specific results of the initiative.

Country: El Salvador
Sub-National Level: Various Municipalities
Project: Support for Microenterprise and Small Business Development

Objective

This project's general objective is to support mechanisms to promote the development of microenterprises and small businesses (MSBs). There are three specific objectives:

- (a) Support the implementation of an institutional and policy framework that facilitates the procedures for the formalization and operation of MSBs;
- (b) Develop a mechanism for coordination and information-sharing among public and private sectors in activities to benefit MSBs; and
- (c) Promote the introduction of research and information systems to benefit MSBs in their decision-making process.

The Comisión Nacional de la Micro y Pequeña Empresa ("CONAMYPE") [National Microenterprise and Small Business Commission] has a mandate to coordinate, facilitate, develop and promote policies, strategies and actions to support MSBs.

Regulatory Processes Examined

The main regulatory processes examined were the regulatory and policy framework for supporting the MSBs and administrative procedures for formalizing MSBs.

Problems Experienced

In the course of examining the national and international programs set up to provide assistance to MSBs, a series of problems were identified:

- (a) Lack of a regulatory and policy framework that facilitates and promotes the activities of MSBs, specifically:
 - i. No standard criteria for formalization of MSBs;
 - ii. Complicated and bureaucratic procedures;
 - iii. Requirements having no legal basis and corresponding arbitrary rules;
 - iv. Complicated forms that inhibit MSBs and make government supervision difficult;
 - v. Different procedural steps in registry offices in different municipalities; and
 - vi. Lack of information about procedural requirements and process steps.
- (b) Little coordination among the institutions working in the sector.
- (c) Little access to information by MSBs to make better decisions (with corresponding lack of mechanisms to promote such access).

Recommendations

Regulatory and Policy Framework

The project will make recommendations to:

- (a) Adjust labor, environmental, mercantile, and tax rules to facilitate compliance with the policy guidelines for assisting MSBs;
- (b) Promote the development of MSBs on the regional level; and
- (c) Promote actions by MSBs to mitigate the impact of their activities on the environment and introduce workplace safety measures.

Administrative procedures for formalizing MSBs are to be simplified by:

- (a) Designing and implementing a plan of action to eliminate and/or simplify prerequisites governing the formalization of MSBs;
- (b) Publicizing requirements and procedures for registering a microenterprise or small company; and
- (c) Designing, and implementing simplification processes to facilitate formalization of MSBs in five pilot municipalities.

Consultants will be contracted to perform various analyses and reviews.

Coordination among Different Players

Coordination will be promoted through the design of an information system to catalogue existing programs and institutions that serve MSBs as well as the geographic areas and sectors that receive assistance and those that have shortfalls in supply or demand. A consultative committee will be established to perform various analyses and reviews.

Research and Information

The project will make recommendations to:

- (a) Publicize and promote good practices that have been used successfully in developing MSBs on the national and international levels;
- (b) Design a system to measure MSB performance and the impact of sector support policies on that performance; and
- (c) Facilitate and promote the establishment of a dynamic system for information and counseling for MSBs.

Results

There is no information at this time with respect to specific results of the initiative.

Annex D

Sample Memorandum of Understanding

Short Form Model MEMORANDUM OF UNDERSTANDING BETWEEN

MUNICIPALITY of _____

AND

EXTERNAL AGENCY

I. PARTIES

This document constitutes an understanding and commitment between the External Agency (“External Agency”) and the Municipality of _____ (“Municipality”). Where references are made in this document to both parties, they shall be collectively referred as “the Parties.”

II. PURPOSE

A. Background

The External Agency and the Municipality believe that entrepreneurial activity contributes to economic growth. In support of this principle, the Parties believe that a simplification initiative related to the registration and operation of businesses will promote the formalization of such entrepreneurial activity.

B. Purpose

The municipality wishes to simplify its regulatory framework as it relates to one of its regulatory processes, specifically its process for the licensing of businesses to operate within the municipality. The External Agency seeks to encourage the simplification of regulatory processes in order to promote the formalization of business activity in the Municipality. This MOU is to record the cooperation and coordination between the Parties to achieve these objectives and to outline their respective responsibilities in relation to the development and implementation of a simplification initiative.

III. AUTHORITIES

Both Parties have the authority to enter into this MOU.

IV. RESPONSIBILITIES OF THE PARTIES

A. General

1) Both Parties commit and undertake to:

- a) cooperate and share information where it is appropriate and practicable; and
- b) Carry out their respective responsibilities as set out in this MOU in relation to the simplification initiative.

B. Municipality

The Municipality commits and undertakes to:

1) *Political Support*

- a) Publicly demonstrate the support of the Mayor and the Municipal Council for the simplification initiative;
- b) Enact, adopt or amend any resolution, regulation, and by-laws required to achieve or support the simplification initiative;
- c) Appoint a representative from within the Mayor's office to act as a liaison between the external agency and the municipality.
- d) Review and, as appropriate, revise regulatory policies as they pertain to regulatory processes affecting private sector business activities;
- e) Review, within a reasonable period of time, its regulatory processes affecting private sector business activities with the objective of decreasing the number of procedural steps and reducing processing time; and
- f) Take steps to decrease the number of procedural steps and reduce processing time with respect to the identified regulatory processes.

2) *Management Committee* – Assemble a management team, composed of senior officials from the relevant municipal departments, to oversee the simplification initiative.

3) *Pre-Initiative Plan* – Develop and draft a roadmap document outlining the municipality's plan of action with respect to the simplification initiative. This roadmap will outline the municipality's intended progression through the simplification initiative and describe how the external agency's resources will be distributed.

4) *Resources* – Make available appropriate resources, including but not limited to personnel and office space, for the management team and/or any consultants or advisors retained in connection with the simplification initiative.

5) *Completion Report* – Provide the external agency with a report six months following the completion of the simplification initiative ("Completion Report"). This report will include, but is not limited to, a description of the changes in regulatory process instituted and the results of a measurement of agreed-upon performance indicators.

6) *Post-Initiative Assessment Report* – Provide the external agency with a report eighteen months following the completion of the simplification initiative. This report will include, but is not limited to, a description of any changes in regulatory process instituted since the provision of the initial completion of the simplification initiative and the results of a measurement of agreed upon performance indicators.

7) *Communication* – Undertake to publicize the changes in the revised regulatory process to the general public and the business community in order to permit citizens and businesses to be made aware of the revised regulatory processes.

8) *Cooperation with Consultants* – Where consultants have been retained, in connection with the simplification initiative, ensure complete cooperation with the consultants and with the external agency in general by municipal officials.

C. The External Agency

The External Agency commits and undertakes to:

1) *Funding* – Where agreed, provide funding, in the agreed amount, to support the simplification initiative.

2) *Assignment of Project Teams/Consultants* – Where agreed, retain or assign advisors/consultants whose duties will include, but are not limited to:

- a) Working with the Municipality to map the regulatory process;
- b) Acting as a facilitator within the management team
- c) Providing or coordinating any required training;
- d) Advising on day-to-day matters and generally providing technical support; and
- e) Preparing the Completion Report.

V. CONFIDENTIALITY

If either Party should receive confidential information, each Party commits and undertakes not to disclose such confidential information to any other person or organization without the prior written approval of the other Party.

VI. EFFECTIVE DATE OF MOU

This MOU shall come into effect on the date the MOU is signed by both parties or such other later date as may be agreed upon (“Effective Date”).

VII. TERM OF MOU

This MOU will remain in force 24 months from the Effective Date and may be renewed upon mutual agreement of the Parties.

We, the undersigned, on behalf of each Party, commit to implementing these points of consensus regarding the proposed simplification initiative.

Signed this _____ day of _____, 20__

SIGNATURES

Annex E

Sample Terms of Reference for External Consultants

Terms of Reference¹

Simplification of the Administrative Procedures for Registration and Operation of Firms in the Municipality of X.

Introduction

The International Development Organization (IDO), through its Regional Office, has launched a Small and Medium Enterprise (SME) technical assistance program (the Program) in selected countries of the region to promote private sector growth through support to SMEs. The Program supports and complements relevant IDO Strategies and National Growth Strategies in the Program countries. It initially covers countries A, B, and C. The Program will also undertake some early, limited outreach activities in nearby countries, and will subsequently consider expansion into other countries in the region if these initial activities are successful and if there is adequate stakeholder support.

In country A, the Program focuses on the four priority SME areas: i) access to finance; ii) improving the regulatory environment for doing business; and iii) business linkages.

These priority areas were identified based on the abundance of studies, consulting reports and analytical work that have already been done, and on the basis of extensive consultation with private sector firms, professional and business associations, financial entities, government agencies, the IDO departments, and numerous bilateral and multilateral agencies and non-governmental organizations (NGOs).

This Project is an integral part of the IDO activities in the area of improving business-enabling environment in country A and is aimed at reducing regulatory constraints for entry to business in the country. It also supports the National Growth Strategy by contributing to private sector growth and to improving the overall business climate.

In 2002–2003, IDO supported similar administrative simplification projects in a number of countries. The present Terms of Reference are to expand the experience of those projects implemented in other countries to the municipality of X. This municipality has requested technical assistance to simplify its administrative procedures related to firms' registration and operation.

Objective

The Project objective is to contribute to the SME growth in the targeted municipality through simplifying business registration and operation procedures and processes at the municipal level. The Project will also enhance efficiency of the municipal authorities by reducing the administrative overheads and improving the quality of public services related to the business registration and operation. In addition, the Project will reduce the time and cost that entrepreneurs incur to comply with business registration and operation regulations.

¹ All the names used in these TORs are not real. The TORs serve as a sample, which should be tailored to the specific project circumstances.

Scope of Work

The Project will be implemented in municipality X in country A. The Project duration will be up to 12 months, commencing approximately in November 2006. The Project will be implemented in four phases:

Phase I. Diagnosis of the existing procedures for business registration and operation.

Phase II. Design of a proposal to simplify procedures for business registration and operation, including process re-engineering.

Phase III. Implementation of the simplifying proposal, including training of the municipal officials, elaboration of an operational manual and amendments to the municipal regulations.

Phase IV. Project monitoring and evaluation.

The table below summarizes the specific tasks and time frame for their implementation.

Table 1

Tasks	Timeline
a. Signing, in conjunction with IDO, a framework agreement with municipal governments of X on the implementation of the simplification program.	November 2006
b. Initial assessment of business regulatory procedures to be covered by the Project.	November/December 2006
c. Thorough diagnosis of business regulatory procedures based on the Project's defined coverage, including collection of baseline data on current costs, times and procedures.	January/February 2007
d. Design of a proposal of simplification of procedures, based on the simplification model developed under previous projects and adjusted to the specific needs of the targeted municipalities	March/May 2007
e. Design of a monitoring and evaluation system as part of the simplification system.	April 2007
f. Development of an Operational Manual, which describes new simplified procedures.	June 2007
g. Adoption of necessary amendments to the municipal regulations to legalize the new procedures developed.	July 2007
h. Training of municipal officials on how to apply the new simplified procedures.	August 2007
i. Launch of new simplified procedures.	August 2007
j. Public awareness campaign.	August 2007
k Evaluation and impact assessment of the introduced simplification program.	September/November 2007

Project Outputs/Deliverables

1. Diagnosis of current practice and procedures on business registration and operation, including baseline data on time and cost of complying with them in municipality X.
2. A detailed proposal, including a monitoring and evaluation system for simplification of procedures for business registration and other procedures identified.

3. An Operational Manual describing in detail the new simplified procedures.
4. Completion of training of the respective officials of the targeted municipal governments;
5. Implementation of the simplification proposal and official opening of the One-Stop Shop.
6. Completion of a public awareness campaign.
7. A final report in English and the country's official language, which documenting and evaluating the simplification system introduced.

Project Measurable Outcomes

1. Increase in number of businesses registered by the municipality.
2. Reduction in the time (duration and number of visits) spent to obtain an operating license and comply with other simplified municipal business procedures.
3. Reduction in the cost incurred to obtain an operating license and comply with other simplified municipal business procedures.
4. Reduction in the number of steps to be taken to obtain an operating license.
5. Reduction in the administrative overheads (including time reduction) for issuing an operating license and for other simplified municipal business procedures.

Implementation Arrangements

The project will be implemented by International Consulting Company (ICC) in close collaboration with the designated team from municipality X. The Project also envisages collaboration with other local partners involved in the process of regulatory reforms.

ICC is an institution dedicated to supporting SMEs. It has a presence in a number of countries of the region, and one of its activities is the improvement of the business enabling environment for SMEs. Recently, ICC executed an IDO-financed project, "Simplifying Business Registration and Authorization Processes in the Municipal Government of Y, country B." The model for simplification in municipality Y is being replicated by ICC in other municipalities, with funding from other donors. ICC also has expertise in business regulation simplification in other regions.

The Project will be financed by IDO. IDO will be responsible for overall project supervision. ICC will coordinate the Project implementation with the IDO Regional Office in the country A.

Throughout the course of the assignment ICC will report to Mr. (Ms.) Alexander (Alexandra) Smith (Task Manager) from the IDO Regional Office. If it appears necessary to modify the scope of work or exceed the time allocated, the consultant must obtain prior written approval from the Task Manager.

ICC will ensure that the funds are administered in accordance with the provisions of these TORs and that no funds for this assignment are disbursed to any organization or entity, whether or not formed by ICC, other than as specifically set forth in these terms of reference. In addition, ICC certifies that these activities will be performed in accordance with IDO environmental and social policies and guidelines.

ICC will maintain separate records and accounts adequate to identify the goods and services financed out of the IDO funds and furnish the IDO with an unaudited detailed statement of account of the IDO contribution within 60 days following the end of each quarter. IDO, or its authorized representative, shall have the right to inspect such records and accounts data at any time during the life of the agreement.

Within 30 days prior the end of each quarter, ICC will provide to IDO a report in English on its activities for that quarter which will include a detailed progress report on the status of implementation against the agreed upon implementation plan.

All Project outputs, including reports and other creative work called for by these Terms of Reference in written, graphic, audio, visual, electronic or other forms, shall remain the property of IDO and shall acknowledge the support of IDO.

Project Cost and Disbursement Schedule

The IDO, through the Project, has agreed to provide in the form of a grant a total of US\$000,000 for the execution of the simplification project in municipality X.

The disbursement schedule is specified hereinunder:

1. An initial payment of 10% of the total cost will be disbursed upon countersigning of the contract.
2. A second payment of 30% of the total cost will be disbursed upon completion of tasks a through c (as outlined in Table 1 of these TORs) and submission to and approval by IDO of a report which outlines the Project progress and includes the deliverable 1 mentioned in the section of these TOR's entitled Project Outputs/Deliverables.
3. A third payment of 40% of the total cost will be disbursed upon completion of tasks d through h, (as outlined in Table 1 of these TORs) and submission to and approval by IDO of a report, which outlines the Project progress and includes deliverables 2, 3 and 4 mentioned in the section of these TOR's entitled Project Outputs/Deliverables.
4. A final payment of 20% of the total cost will be disbursed upon completion of tasks i through ,k (as outlined in Table 1 of these TOR's) and submission to and approval by IDO of a final report, which summarizes the Project results, including verification of completion of deliverables 5, 6, and 7 mentioned in the section of these TOR's entitled Project Outputs/Deliverables, and documents and evaluates the simplification system introduced.

Annex F Process Table Template

Step No.	Description of Step	Purpose of Step	Performed by	Time Elapsed	Document(s) Submitted	Document(s) Created	Location of Activity
1.							
2.							
3.							
...							

Annex G

Model Consultation policy

Consultation policy
Municipality Of _____

Purpose

This policy is designed to provide a framework for all consultations to be held by the Municipality of _____ in order to involve the citizens, businesses and other interested parties in the planning and provision of municipal services.

The Municipality's View of Consultation

The Municipality considers appropriate consultations with citizens, business and other interested parties ("stakeholders") as a necessary part of its decision-making process. Depending on the subject in question, consultations allow stakeholders an opportunity to influence the development of policy and municipal services as well as obtain information, raise issues, and contribute ideas, options, and views.

Consultation does not mean that any decision will be delegated to those involved in the consultation process. Rather the decision, when made, is likely to be improved by the stakeholder involvement.

Objectives

The objectives of this policy are to:

- 1) Promote strong, positive relationships between the Municipal Council and the community.
- 2) Promote effective and reliable communication and consultation between the Municipal Council and the community.
- 3) Enable citizens and businesses of the Municipality to become more involved and participate in the decision-making process.
- 4) Provide a consistent consultation structure for community involvement in municipal decision-making.
- 5) Promote open, transparent, accountable, and responsive decision-making by the Municipality.

Principles

The Municipality believes the following principles are important to undertake effective consultations with all relevant stakeholders:

- 1) Consultations will be properly planned and sufficiently advertised by the Municipality in order to attract the greatest number of participants.
- 2) Relevant information about the initiative, which is the subject of the consultation process, will:
 - (a) Be distributed in an easily comprehensible manner;
 - (b) Be made easily accessible to stakeholders; and

- (c) Include contact details for municipal officials to permit stakeholders to obtain further, relevant information.

- 3) Communities have a right to be involved in key decisions that affect their specific area.
- 4) Appropriate methods of consultation, based on the context of the decision being contemplated, will be used.
- 5) Communications between the Municipality and stakeholders will be timely, relevant, factual, and honest.
- 6) The exact aspects of the decision-making process that can be influenced by stakeholder participation will be clearly identified by the Municipality.
- 7) The Municipality will listen attentively to all views expressed through the consultation process and will respond appropriately in a balanced way.

All consultation will be undertaken in accordance with the principles of this policy.

Procedure

The level of community consultation undertaken will relate directly to the level of community involvement required, and should always be appropriate to the nature, complexity, and impact of the decision.

The Municipality will always seek the appropriate degree of community input. The Municipal Council will take into account the views and aspirations expressed by the community while at the same time considering other influences, including budgetary constraints.

In conducting consultations, the Municipality will:

- (a) Define the regulatory process/service, which will be the subject of consultations;
- (b) Identify to the extent possible internal and external Clients and stakeholders;
- (c) Define the objective of the consultation process;
- (d) Define the process for the initial consultation and subsequent discussions, if any (see table below);
- (e) Ensure a representative selection of stakeholders (including users) participate in the consultations;
- (f) Fix the schedule for consultations;
- (g) Determine the municipal resources available to participate in the consultations;
- (h) Where appropriate and prior to the formal consultation process, use both employee and Client focus groups;
- (i) Clarify objectives to ensure that Clients and staff understand the purpose of the consultation and their role in the process;
- (j) Determine how the results of the consultations will be collected (e.g., interviews, questionnaire/survey methods; ongoing feedback mechanisms; focus groups that reflect diversity of Clients; polling);
- (k) Consolidate and analyze the results of consultation sessions;
- (l) Determine the conclusions from the analysis;
- (m) Prepare the report on the consultation findings;
- (n) Communicate the findings to those consulted and the public through the publication of a complete report or summary; and
- (o) Develop, where necessary, a plan to revise the proposed policy, process or service based on consultation results.

There are five types of consultation described in the chart below. The Municipality shall determine the appropriate type of consultation at the beginning of the process. Where appropriate, more than one type of participation may be used within a single decision-making process.

Type	When to Use It	Explanation
INFORM	Where a decision has already been made.	Providing the community with clear, balanced information to assist them in understanding problems and issues, as well as options, alternatives and solutions.
ASK	Where information is needed to help to make a decision. Can be used when a decision is nearing completion.	Information is given to, and views sought from, the public. Community feedback will be one of the factors that influence the decision; however, specialist or technical advice may carry more weight.
INVOLVE	Where there is a consensus view or a single community is affected. The decision would be improved by involving the community in the details of the decision.	Working with the community throughout the decision-making process to ensure their issues and concerns are identified, understood and considered.
COLLABORATE	Where decisions are truly shared between the Council and community. The Council will not make the decision alone, but will be a joint participant in a broader process or partnership.	Partnering with the community in each aspect of the decision, including developing alternatives and choosing solutions.
EMPOWER	Where the decision is a community responsibility, and the Council wishes to provide assistance.	Placing final decision-making in the hands of the community.

Publicizing Consultations

When initiating a consultation process, the Municipality shall publish a notice in the most convenient and widely available forum (e.g., local newspaper) describing the matter for which public consultation is required, and inviting interested members of the public to make submissions to the municipality within an established time period, being at least 21 days from the date of publication of the notice.

Evaluation and Review

The Municipality shall review this policy every 36 months to ensure ongoing improvement in the way it involves the community in municipal decision-making. As part of this evaluation and review process, input from stakeholders involved in previous consultations as to the policy's effectiveness shall be sought.

Discretion of the Municipal Council

The Municipality may exercise its discretion to not undertake consultations where

- (a) An issue is not of a nature or significance that requires consultation;
- (b) The cost of consultation outweighs the benefits;

- (c) A decision is required quickly, and the likely cost of delay would outweigh the benefits; or
- (d) There is a risk to public health and safety, and a delay will continue or increase this risk.

The Municipality may withhold certain information from the public if that information is of a sensitive nature.

Annex H

Model Inspection Policy

Inspection Policy Municipality of _____

The Municipality of _____ believes that inspections form a necessary part of its regulatory activities. It also believes that inspections are to be performed in a professional manner reflecting the Municipality's interest in providing better service to its citizens and businesses. Accordingly, it has prepared this Inspection Policy to be followed by municipal employees and inspectors.

The Municipality in some instances may provide an approval before an inspection occurs. If the Client fails the inspection, the approval will be revoked.

Requesting an Inspection

Inspections may be requested by contacting the [name of office] at [telephone number] during the hours of 8:00 am and 4:00 pm or online at [insert URL]. Clients can also request and schedule an inspection by phoning the automated inspection request telephone line at [insert telephone number].

In requesting an inspection, the Client shall provide the following information:

- 1) Client's name;
- 2) Assigned File number;
- 3) Address where inspection to be performed;
- 4) Type of inspection requested; and
- 5) Requested date of inspection.

Requests made by 4:00 P.M. on any business day will be responded to by 2:00 pm the following business day.

Assignment of Inspector

Following an application, once the need for an inspection has been identified or an inspection has been requested, an inspector will be assigned randomly from the pool of available personnel.

If the Client believes the assigned inspector is not appropriate for whatever reason (e.g., if there is a conflict of interest between an inspector and a Client), the Client shall contact [insert name of office] before the time of the inspection in order to permit a new inspector to be assigned. A Client may make such a request only once.

Timing of Inspections

Once assigned, an inspector shall conduct an inspection within [insert number] of business days following receipt the assigned inspection. If unforeseen circumstances arise and an inspection

cannot be performed within the time restriction, the inspector will promptly notify the Client and reschedule the inspection for the earliest possible date.

Training of Inspectors

All inspectors shall be trained to the standards established by the Municipality.

Inspectors shall be thoroughly familiar with the criteria for any inspection and will be able to answer any questions the Client might have concerning the inspection.

Criteria for Inspections

Once assigned, the inspector shall conduct the inspection according to the checklist provided by the Municipality. The Client shall receive a copy of this checklist prior to the inspection.

An answer must be provided for each item on the checklist. The only appropriate answers are "yes," "no," or "not applicable." If the inspector is unsure about an answer, or if there is partial compliance, the inspector will check the "not applicable" box. Any explanations or special circumstances must be noted in the inspector's written inspection report.

Inspectors should strive for objective inspections. The Client should not receive a negative, unduly critical, or punitive attitude by the inspector. Clients should expect and receive a thorough and fair inspection.

Conduct of Inspectors

The inspector will systematically examine in detail each item on the checklist with the Client. The inspector will discuss areas not adequately addressed, any difficulties, and the overall inspection with the Client. Deficiencies found by the inspector during the inspection should be presented to the Client with recommendations for improvement.

The Client will have all necessary documentation readily accessible at the time of the inspector's arrival. The Client will also make sure that the site is readily accessible to allow the inspection to take place.

Written Inspection Report

No more than [insert number] business days after the completion of the inspection, the inspector will furnish a written inspection report to [insert name of office]. The [name of office] shall deliver a copy of the inspection report by mail to the Client.

The inspector's name and the inspection date must be displayed on the front of the report. The completed checklist shall be attached to the written inspection report. The report shall explain all items on the checklist marked either "no" or "not applicable" in the written report and conclude with a statement as to the approval, conditional approval, or failure of the inspection.

A conditional approval allows the work to proceed while documented corrections are made and a re-inspection is requested. If the Client has failed the inspection, the reasons for failure must be clearly outlined, as well as a list of required changes.

It is the inspector's responsibility to make certain that the written inspection report and the checklist are completed accurately and within the time requirements specified by the Municipality.

Appeal Process

Appeals to an inspector's decision may be lodged verbally or by written submission within ten working days of the filing of the written inspection report. There will be no cost for this initial appeal. The appeal will be made to the [insert name of office] and reviewed by the [title of appropriate municipal official] A decision will typically be rendered within two business days following the request. This decision must be reduced to a written "Letter of Response" and sent to the Client within five business days of the decision. This decision will be considered final.

Annex I

List of Reference Materials

The materials presented below, in alphabetical order, were considered in the preparation of this toolkit.

Adrian T. Moore, "Indianapolis's Road to Regulatory Reform: A New Path in Licensing and Permits," *Regulation Magazine* 21:1 (Spring 1998) online:
<<http://www.cato.org/pubs/regulation/regv21n1/21-1f5.pdf>>.

"APEC-OECD Integrated Checklist on Regulatory Reform," (Seventh Workshop of the APEC-OECD Co-operative Initiative on Regulatory Reform, November 2004) [unpublished].

Barbara J. Bashein, et al. "Business reengineering: preconditions for BPR success and how to prevent failure" *Information Systems Management* 11(1994), 7-13.

Better Regulation Task Force, "Imaginative Thinking for Better Regulation," (2003) online: Better Regulation Task Force, United Kingdom
<<http://www.brft.gov.uk/reports/imaginativeregulation.asp>>.

Brian W. Hogwood, "Regulatory Reform in a Multinational State: The Emergence of Multilevel Regulation in the United Kingdom" (Paper presented to the 2001 European Consortium for Political Research, Grenoble, France) online: University of Essex
<<http://www.essex.ac.uk/ECPR/events/jointsessions/paperarchive/grenoble/ws20/hogwood.pdf>>

Center for Development Studies, Bogor Agricultural University, *Review of One-Stop Shops in Indonesia – 2004 – Executive Summary*, online: International Finance Corporation
<[http://www.ifc.org/ifcext/pensa.nsf/AttachmentsByTitle/One+Stop+Shop/\\$FILE/Exec+Summary+for+PDF.pdf](http://www.ifc.org/ifcext/pensa.nsf/AttachmentsByTitle/One+Stop+Shop/$FILE/Exec+Summary+for+PDF.pdf)>.

Centre for Public Service Innovation, "From Red Tape to Smart Tape: Easing the Administrative Burden of Public Service Delivery", online: Centre for Public Service Innovation, South Africa
<http://www.cpsi.co.za/contentfiles/4_Future%20Watch%20Report%202004.pdf>.

Centro de Estudios Bonaerense, "Evaluation of One-Stop Shop, Municipality of La Paz, Bolivia," Third Inspection, April 2004.

COFEMER, "Mexico's Federal Regulatory Improvement Programme," online: Comisión Federal de Mejora Regulatoria
<http://www.cofemer.gob.mx/index.php?option=com_content&task=view&id=203&Itemid=345>.

Colin Kirkpatrick and David Parker, "Regulatory Impact Assessment and Regulatory Governance in Developing Countries," *Public Admin. Dev.* 24 (2004), 333-344.

Colin Kirkpatrick and David Parker, "Regulatory Impact Assessment: Developing Its Potential for Use in Developing Countries" (Working Paper No. 56, Centre on Regulation and Competition Working Paper Series, July 2003) online: Centre on Regulation and Competition, University of Manchester <<http://idpm.man.ac.uk/crc/wpdl5099/wp56.pdf>>.

Colin Kirkpatrick and Yin-Fang Zhang, "Regulatory Impact Assessment in Developing and Transition Economies: A Survey of Current Practice" (Working Paper No. 83, Centre on

Regulation and Competition Working Paper Series, July 2004) online: Centre on Regulation and Competition, University of Manchester <<http://idpm.man.ac.uk/crc/wpdl5099/WP83.pdf>>.

Collins, D. "Climbing Bridalveil Falls: Organization Change, Process and Re-engineering," *Strategic Change* 11:2 (2002), 81-93.

Consultation policy, City of Auckland, New Zealand.

Darren Welch, "Introducing Regulatory Impact Assessment (RIA) in Developing Countries: The Case of Uganda" (Paper presented to the CRC 3rd International Conference, Pro-poor Regulation and Competition: Issues, Policies and Practices September 2004) online: Centre on Regulation and Competition, University of Manchester <<http://idpm.man.ac.uk/crc/conferences/southafricasep04/welch.pdf>>.

Deregulation and Regulatory Reform Office, "From Deregulation to Regulatory Reform," online: Regulatory Reform Office, Government of British Columbia <<http://www.deregulation.gov.bc.ca/toolbox.htm>>.

Derek Eldridge and Brian Goulden, "A Diagnostic Model For Capacity Building In Regulatory Agencies: An Empirical Study Based On The ICT Sector, Southern Africa" (Paper presented to the CRC 3rd International Conference, Pro-poor Regulation and Competition: Issues, Policies and Practices, September 2004) online: Centre on Regulation and Competition, University of Manchester <<http://idpm.man.ac.uk/crc/conferences/southafricasep04/eldridge&goulden.pdf>>.

Elena Suhir and Zlatko Kovach, "Administrative Barriers to Entrepreneurship in Central Asia" (June 30 2003) online: Centre for International Private Enterprise <<http://www.cipe.org/pdf/publications/fs/suhirkovach.pdf>>.

Elena Suhir, "Good Intentions and Bad Consequences: How Overregulation Impedes Uzbekistan's Growth" (January 29 2004) online: Centre for International Private Enterprise <<http://www.cipe.org/pdf/publications/fs/suhir.pdf>>

ECA Private and Financial Sector Department, "Early Warning System" (September 2003).

FIAS, "Manual for Identification and Removal of Administrative Barriers to Investment" (June 2005).

Francis Chittenden, Saleema Kauser, and Pannikos Poutziouris, "Regulatory Burdens of Small Business: A Literature Review," online: Department of Trade and Industry, Small Business Service, United Kingdom <http://www.sbs.gov.uk/SBS_Gov_files/researchandstats/Regulation-Report.pdf>.

Frank Sader, "Do 'One-Stop Shops' Work?" (FIAS Insights Paper, undated) online: Foreign Investment Advisory Services, The World Bank <[http://www.fias.net/ifcext/fias.nsf/AttachmentsByTitle/Do_One_Stop_Shops_Work%3F\\$FILE/One+Stop+Shop+Article+\(Frank\).pdf](http://www.fias.net/ifcext/fias.nsf/AttachmentsByTitle/Do_One_Stop_Shops_Work%3F$FILE/One+Stop+Shop+Article+(Frank).pdf)>.

FUNDES, "Simplification of Business Registration and Operation Procedures Within the Municipal Government of La Paz, Bolivia," March 2004 [unpublished PowerPoint presentation].

FUNDES, "Simplificación de Tramites de Registro y Habilitación de Empresas en el Gobierno Municipal de La Paz, Bolivia: Resumen Técnico del Proyecto," March 31, 2003.

FUNDES, *“International Practices and Experience in Business Start-Up Procedures - Final Report,”* June 1999.

Gobierno Municipal de La Paz, *“Manual Ciudadano de Trámites Municipales,”* 2004, [unpublished].

House of Commons Library, *“The Regulatory Reform Bill [HL]: background to red tape issues”* (Research Paper No. 01/26, March 2001) online: United Kingdom Parliament <<http://www.parliament.uk/commons/lib/research/rp2001/rp01-026.pdf>>.

Inter-American Development Bank, Multilateral Investment Fund, Memorandum, *“Colombia: Procedure Simplification Program for the Business Sector”* (October 10, 2000) [unpublished].

Inter-American Development Bank, Multilateral Investment Fund, Memorandum, *“Costa Rica: One-Stop Shop for Microenterprise and Small Business Formalization”* (April 10, 2001) [unpublished].

Inter-American Development Bank, Multilateral Investment Fund, Memorandum, *“El Salvador: Support for Microenterprise and Small Business Development in El Salvador”* (April 11, 2000) [unpublished].

International Finance Corporation, *“Simplifying Business Regulation in Bolivia: Case of the Municipality of La Paz”* [unpublished PowerPoint presentation].

The Global Development Research Center, *“Statistical definition of the informal sector - International standards and national practices”* online: <<http://www.gdrc.org/informal/huss0772.pdf>>.

J. Luis Guasch and Robert W. Hahn, *“The Costs and Benefits of Regulation: Implications for Developing Countries,”* *The World Bank Research Observer*, 14:1 (February 1999).

Jacobs & Associates, *“Reforming Business Registration in Serbia”* (2002) online: Jacobs & Associates <<http://www.regulatoryreform.com/documents/Business%20registration%20in%20Serbia%20Jacobs.doc>>.

Jacqueline Coolidge, *“International Benchmarks for Administrative Barriers and Lessons Concerning Reforms”* (Paper presented to the 2nd High Level South Asia Foreign Direct Investment Roundtable, April 2003), online: Foreign Investment Advisory Service, World Bank <[http://www.fias.net/ifcext/fias.nsf/AttachmentsByTitle/Conferences_SouthAsia_Maldives_Apr2003_Coolidge+040403.pdf/\\$FILE/Conferences_SouthAsia_Maldives_Apr2003_Coolidge+040403.pdf](http://www.fias.net/ifcext/fias.nsf/AttachmentsByTitle/Conferences_SouthAsia_Maldives_Apr2003_Coolidge+040403.pdf/$FILE/Conferences_SouthAsia_Maldives_Apr2003_Coolidge+040403.pdf)>.

Jin-Guk Kim, Tae-Yun Kim, and Junsok Yang, *“Regulatory Transparency: What We Learned in Korea”* (undated paper) online: United Nations Online Network in Public Administration and Finance <<http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN014177.pdf>>.

Margo Thomas, *“Improving the Business Climate by Reforming Administrative Regulation: Issues and Challenges for Implementing Systemic Reform”* (PowerPoint Presentation to CRC 3rd International Conference, Cape Town 2004) online: Centre on Regulation and Competition, University of Manchester <<http://www.competition-regulation.org.uk/conferences/southafrica04/Powerpoints/Thomas.ppt>>.

Ministerio Secretaria General de la Presidencia, Chile, "*Proyecto de Reforma y Modernización del Estado: Simplificación de Trámites, Manual Operativo*" (undated).

Norman Lee, "*Developing and Applying Regulatory Impact Assessment Methodologies in Low and Middle Income Countries*" (Working Paper No. 30, Centre on Regulation and Competition Working Paper Series, October 2002) online: Centre on Regulation and Competition, University of Manchester <<http://www.competition-regulation.org.uk/conferences/mcr02/index.shtml>>.

Northumbria University, Library Systems & Management Support, "*Developing Service Standards*" (October 18 2001) online: Northumbria University <<http://www.unn.ac.uk/central/isd/isu/dss1001.doc>>.

Organization for Economic Cooperation and Development, "*From Red Tape to Smart Tape: Administrative Simplification in OECD Countries*," *OECD Policy Brief* (June 2003) online: OECD <<http://www.oecd.org/dataoecd/9/62/2790042.pdf>>.

Organization for Economic Cooperation and Development, "*OECD Reviews of Regulatory Reform: Government Capacity to Assure High Quality Regulation in the United States*" (1999) [unpublished].

Organization for Economic Cooperation and Development, "*OECD Reviews of Regulatory Reform: Regulatory Policies in OECD Countries*" (2002) [unpublished].

Organization for Economic Cooperation and Development, "*Recommendation of the Council of the OECD on Improving the Quality of Government Regulation*" (1995) [unpublished].

Organization for Economic Cooperation and Development, "*The OECD Report on Regulatory Reform: Synthesis*" (1997) online: OECD <<http://www.oecd.org/dataoecd/17/25/2391768.pdf>>

Office of Regulation Reform, State Government of Victoria, Australia, "*Regulatory Alternatives*," online: Victorian Competition and Efficiency Commission, <[http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/regulatoryalternatives/\\$File/regulatory%20alternatives.pdf](http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/regulatoryalternatives/$File/regulatory%20alternatives.pdf)>

Office of Regulation Reform, State Government of Victoria, Australia, "*Principles of Good Regulation*," online: Victorian Competition and Efficiency Commission, <[http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/principlesofgoodregulation/\\$File/principles%20of%20good%20regulation.pdf](http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/principlesofgoodregulation/$File/principles%20of%20good%20regulation.pdf)>

Office of the Chief Parliamentary Counsel, State of Victoria, Australia "*Statutory Rules: Notes For The Guidance Of Legislation Officers*," online: Victorian Competition and Efficiency Commission <[http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/NotesfortheGuidanceofLegislationOfficers/\\$File/Notes for the Guidance of Legislation Officers.pdf](http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/NotesfortheGuidanceofLegislationOfficers/$File/Notes for the Guidance of Legislation Officers.pdf)>.

Perla E. Legaspi, "*Reforms and Practices in Local Regulatory Governance: The Case of the Philippines*" (Paper presented to the CRC 3rd International Conference, Pro-poor Regulation and Competition: Issues, Policies and Practices, September 2004) online: Centre on Regulation and Competition, University of Manchester <<http://www.competition-regulation.org.uk/conferences/southafrica04/legaspipaper.pdf>>.

Peter Sterne and Sandra Zagon, "*Changing the Relationship between Government and Canadians, Public Consultation Guide*," Canadian Centre for Management Development (1997).

Province of Nova Scotia, "*Red Tape Reduction: Final Report*," online: Government of Nova Scotia <http://www.gov.ns.ca/cutredtape/RED_TAPE_REPORT.pdf>.

Ralf Hussmanns and Farhad Mehran, "*Statistical definition of the informal sector"- International standards and national practices*," International Labour Office, Bureau of Statistics, (undated)

Regulatory Affairs & Orders in Council Secretariat, "*A Strategic Approach to Developing Compliance Policies*," online: Privy Council Office, Canada <<http://www.pco-bcp.gc.ca/raoics-srdc/default.asp?Language=E&Page=Publications&Sub=AStrategicApproachtoDeve>>.

Regulatory Affairs & Orders in Council Secretariat, "*Government of Canada Regulatory Policy*," online: Privy Council Office, Canada <<http://www.pco-bcp.gc.ca/raoics-srdc/default.asp?Language=E&Page=Publications&Sub=GovernmentofCanadaRegula>>

Scott H. Jacobs, "The Second Generation of Regulatory Reforms," (Paper presented to the IMF Conference on Second Generation Reforms, November 8-9, 1999) online: International Monetary Fund <<http://www.imf.org/external/pubs/ft/seminar/1999/reforms/jacobs.htm>>.

Scott Jacobs, "*An OECD Perspective on Regulatory Reform in China*" (published as Ch. 11 of *China in the World Economy: The Domestic Policy Challenges*) online: Jacobs & Associates <http://www.regulatoryreform.com/word_docs/Jacobs%20An%20OECD%20Perspective%20on%20Reg%20Ref%20in%20China%202002.doc>.

Simeon Djankov et al. "*The Regulation of Entry*," *Quarterly Journal of Economics* 117 (1) (2002) 1-37.

Small Business Administration, "*An Overview of Regulatory Reform and Performance Management*," online: United States Small Business Administration <<http://www.sba.gov/library/reform/archive/OverviewOfRegulatoryReformAndPerformanceManagement.txt>>.

Southeast Europe Enterprise Development Program, "*Analysis of Administrative and Regulatory Costs of Doing Business in Gradiska Municipality*," online: International Finance Corporation <http://www2.ifc.org/seed/PDFs/lzvjestaj_Gradiska_ENG.PDF>.

SRI International, "*International Practices and Experience in Business Start-Up Procedures – Final Report*" (June 1999) [unpublished].

Subramanian Muthu, Larry Whitman and S Hossein Cheraghi, "*Business Process Reengineering: A Consolidated Methodology*" (Paper presented to the 4th Annual International Conference on Industrial Engineering Theory, Applications and Practice, November 17-20, 1999, San Antonio, Texas) online: <<http://webs.twsu.edu/whitman/papers/ijii99muthu.pdf>>.

Thomas H. Davenport and James E. Short, "*The New Industrial Engineering: Information Technology and Business Process Redesign*," *Sloan Management Review* 31 (Summer 1990) 11-27.

Tor Jansson and Geoffrey Chalmers, "*The Case for Business Registration Reform in Latin America*" (Washington, D.C.: Inter-American Development Bank, Sustainable Development Department, 2001).

Treasury Board of Canada Secretariat, "*Quality and Affordable Service for Canadians: Establishing Service Standards in the Federal Government - An Overview*," online: Treasury

Board of Canada Secretariat <http://www.tbs-sct.gc.ca/pubs_pol/ojepubs/TB_D3/OQUA_e.asp>.

Treasury Board of Canada Secretariat, "Service Standards: a Guide to the Initiative," online: Treasury Board of Canada Secretariat <http://www.tbs-sct.gc.ca/pubs_pol/ojepubs/TB_D3/GUID_e.asp>.

Treasury Board of Canada Secretariat, "Benefit-Cost Analysis Guide for Regulatory Programs," online: Privy Council Office, Government of Canada <http://www.pco-bcp.gc.ca/raoics-srdc/docs/publications/CostBenefitGuideforRegul/CostBenefitGuideforRegul_e.pdf>.

United Kingdom, Cabinet Office, "Regulatory Impact Assessment Guidance" (2005) online: United Kingdom, Cabinet Office <http://www.cabinetoffice.gov.uk/regulation/ria/ria_guidance/index.asp>

Utilities Commission, Australia, "Developing a Standards-of-Service Framework, Issues Paper," online: Northern Territory Government <http://www.nt.gov.au/ntt/utilicom/s_docs/standards_service_issues_pap_050804.pdf>.

Wali Bhuiyan, "A foreign investor's experience with administrative barriers in South Asia" (Paper presented to the 2nd High Level South Asia Foreign Direct Investment Roundtable, April 2003) online: FIAS, World Bank <[http://www.fias.net/ifcext/fias.nsf/AttachmentsByTitle/Conferences_SouthAsia_Maldives_Apr2003_Bhuiyan+030403.pdf/\\$FILE/Conferences_SouthAsia_Maldives_Apr2003_Bhuiyan+030403.pdf](http://www.fias.net/ifcext/fias.nsf/AttachmentsByTitle/Conferences_SouthAsia_Maldives_Apr2003_Bhuiyan+030403.pdf/$FILE/Conferences_SouthAsia_Maldives_Apr2003_Bhuiyan+030403.pdf)>.

William Bridges, "Managing Transitions: Making the Most of Change," Reading, Mass.: Addison-Wesley Publishing Company, 1990.

William Klawonn, "Some Observations on the Legal and Regulatory Environment for SMEs in Central Asia" (Lecture presented to the Institute for SME Finance, Small Equity Investing Workshops, Almaty, Kazakhstan, April 27, 2001) online: Institute for SME Finance <<http://www.smeinstitute.org/>>.

World Bank, "Doing Business in 2004: Understanding Regulation" (2004) <<http://rru.worldbank.org/Documents/DoingBusiness/2004/DB2004-full-report.pdf>>.

World Bank, "Doing Business in 2005: Removing Obstacles to Growth" (2005) <<http://www.doingbusiness.org/documents/DoingBusiness2005.PDF>>.

Yogesh Malhotra, "Business Process Redesign: An Overview," IEEE Engineering Management Review, 26:3 (Fall 1998) online: <www.kmbook.com/bpr.htm>.

Paul Salembier, "Regulatory Law and Practice in Canada," Markham, Ontario: LexisNexis Canada Inc., 2000.

Notes

¹ The World Bank (2005), *Doing Business in 2005: Removing Obstacles to Growth*, Washington, D.C.

² Centre for Public Innovation, *From Red Tape to Smart Tape: Easing the Administrative Burden of Public Service Delivery*, March 2004.

³ Tor Jansson & Geoffrey Chalmers, *The Case for Business Registration Reform in Latin America*, Sustainable Development Department, Best Practice Series, Inter-American Development Bank: Washington D.C., July 2001, p.5.

⁴ Adrian T. Moore, *Indianapolis's Road to Regulatory Reform: A New Path in Licensing and Permits*, Regulation Magazine 21:1 (winter 1998) 49.

⁵ Ibid. See also J. Luis Guasch and Robert W. Hahn, "The Costs and Benefits of Regulation: Implications for Developing Countries," The World Bank Research Observer, Vol. 14, Number 1, February 1999.

⁶ Jansson T. and Chalmers G., *The Case for Business Registration Reform in Latin America*, Sustainable Development Department Best Practice Series, Inter-American Development Bank: Washington D.C., July 2001, p.7.

⁷ Idem.

⁸ Idem.

⁹ The World Bank, Doing Business database.

¹⁰ Perla E. Legaspi, *Reforms and Practices in Local Regulatory Governance: The Case of the Philippines* (Paper presented to the Centre on Regulation and Competition 3rd International Conference-Pro-Poor Regulation and Competition: Issues, Policies and Practices, September 2004) [unpublished].

¹¹ Centre for Development Studies, Bogor Agricultural University, *Review of One-Stop Shops in Indonesia*, June 2004. Study conducted for Program for Eastern Indonesia SME Assistance (PENSA), International Finance Corporation, The World Bank Group.

¹² M.W. Dale, *The Re-engineering Route to Business Transformation* 1993, <<http://www.mwdale.co.uk/rrbt.shtml>>

¹³ Ibid.

¹⁴ Southeast Europe Enterprise Development Program, *Analysis of Administrative and Regulatory Costs of Doing Business in Gradiska Municipality*, online: International Finance Corporation <http://www2.ifc.org/seed/PDFs/lzvjestaj_Gradiska_ENG.PDF>.

¹⁵ Interview with municipal officials, La Paz, Bolivia, 13 January 2005.

¹⁶ World Bank, *Doing Business in 2005 - Removing Obstacles to Growth: An Overview*, Oxford University Press, p.17.

¹⁷ Centro de Estudios Bonaerense, *Evaluation of One-Stop Shop, Municipality of La Paz, Bolivia: Third Inspection*, April 2004, Table 9, p. 47.

¹⁸ Center for Development Studies, Bogor Agricultural University, *Review of One-Stop Shops in Indonesia*, 2004, Study conducted for Program for Eastern Indonesia SME Assistance (PENSA), International Finance Corporation, The World Bank Group.