



USAID
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Projekat za bolje uslove poslovanja
Business Enabling Project

**USAID Business Enabling Project in Serbia
Invites Eligible Candidates to Apply for the Position
Consultant
for Redefinition of Urban Planning Regime**

Background

USAID's Business Enabling Project, implemented by Cardno Emerging Markets USA, is a five year initiative launched in January 2011. The purpose of the Project is to help the Government of Serbia improve the competitiveness of the Serbian economy and its private sector businesses. The Project will provide technical assistance, training, and other support to improve the business enabling environment, maintain macroeconomic stability, and further develop financial markets. The Project is demand driven: all activities are based on the priorities of the private sector and Government. The Project's activities are described in more detail on the Project's website: www.bep.rs.

The Business Enabling Project's Component 1, Business Regulation and Economic Governance, has a goal to streamline laws, regulations, and institutions, to improve regulators' capacity to implement laws and improve analysis and public-private dialogue.

The project's approach to achieving reforms is to help the Government work closely with the private sector and outside experts to make reforms that improve business competitiveness. The steps in this collaborative reform process include:

- Determine priorities by engaging with businesses, including surveys of businesses, and using regulatory impact assessment and other tools to measure the benefits of reforms
- Build demand for reforms through outreach and education
- Partner with the Government to plan and implement various priority reforms
- Build Government and private sector capacity to properly implement and sustain reforms
- Help the Government and private sector to monitor reform efforts.

These activities will reduce the time and money spent by Serbian businesses to comply with laws and regulations and will help the Government to be more efficient. The activities will also enable businesses to attract necessary investment at an appropriate cost. As result, Serbian businesses will be able to aggressively compete in the global economy. This will lead to export-led economic growth and increased employment.

Streamline Construction Permitting

Construction permitting in Serbia is an example of the inefficiency of public administration, characterized as it is by lengthy and numerous procedures and the large number of public bodies and enterprises involved; high costs; unpredictability regarding the duration, number of procedures involved, as well as uncertainty as to the final outcome, where the investor can never know whether or not construction will be allowed on any given plot of land. Consequently, large private projects have been stopped, and some of them have only slowly moved forward by fulfilling the requirements for issuance of construction permit or obtaining the same. Currently only major infrastructure projects (mainly financially supported by international development institutions and organizations, as well as by the domestic public bodies) are being conducted. The new Law on Planning and Construction and

ancillary by-laws, which affected issuance of the new construction permits, has not appeared to have improved the situation related to issuance of permits. Problems in obtaining construction permits are the most obvious in Belgrade, which is the market with the most investing potential. Consequently, domestic construction companies are facing major problems. In addition to slow procedures for issuing of the construction permits and difficulties in dealing with bureaucracy, developers must contend with expensive residential land, lack of urban plans, as well as a lack of clarity in pricing conversion of land from usage to ownership rights. These circumstances lead to lower level of economic activities and decrease of public revenues.

In practice, numerous and various problems arise in connection with all necessary documentation, steps and other elements in order to obtain construction permits: registration of construction land and related legal rights, conversion of land usage rights to land ownership rights, formation of building parcels, conversion from agricultural to building land, obtaining of technical requirements for the design of access to infrastructure, removing of the existing buildings on the land and gaining location permits.

Starting from these considerations and in order to identify constraints to the construction process, priority list and action plan for improvements in legislation and practice USAID BEP provided grant for the study on bottlenecks in construction permitting process in Serbia. On May 30, 2012, this study, named Assessment on Constraints to Construction Permitting in Serbia, was presented to expert audience, coming from construction and real estate companies, the Ministry in charge for Spatial Planning and other public institutions in charge for Construction and Spatial Planning on national and local level, business associations, law and consulting firms. The study examines the main causes of this situation. It also provides an analysis of the Law on Planning and Construction, the overarching piece of legislation in this area, as well as analyses of individual sectorial laws and their provisions governing construction permitting; unresolved issues as to the ownership of property and related concerns; the necessity of adopting all the requisite spatial and urban plans; and the procedural aspect of construction permitting. It is important to note that the study also sheds light on the role of public enterprises and other bodies and organizations whose technical requirements and approvals have a decisive impact on the duration and outcome of the issuance of construction permits. Most importantly, the Assessment on Constraints to Construction Permitting in Serbia presents recommendations for resolving the many complex issues that abound in this area.

As continuation of these activities, USAID BEP awarded follow-on grant to the consulting firm which was the author of the Assessment on Constraints to Construction Permitting in Serbia, with aim to improve regulatory, administrative and institutional framework and practice related to construction permitting through realization of previously provided recommendations. Furthermore, USAID BEP engaged expat consultant to review conducted analyses of the construction permitting constraints, propose specific segments for more in-depth research and give recommendations for improving the process. Local grantee and expat consultant work together, which should provide synergetic expertise effect of international and local knowledge and experience.

Scope of Work

This assignment will be part of the BEP project's Component 1 (Business Regulation and Economic Governance) activities. It is incorporated in BEP's Objective 1 (Improve and streamline business regulation), during year 2012.

Tasks

The consultant will conduct review of work products delivered by grantee and expat consultant regarding proposal of construction permitting re-engineered process, including proposed redistribution of authorities in the construction permitting process between public administration, public companies and other holders of public powers and licensed engineers. The consultant will focus on the urban zoning and planning processes and fees and charges related with construction permitting.

More precisely, a consultant is required to:

- 1) Review and comment on the Assessment of the Obstacles for Construction Permits in Serbia;
- 2) Review the proposal of re-engineered permitting procedure, with focus on the spatial planning segment of the process, and provide concrete comments on feasibility of each proposed reform;
- 3) Review and provide comments on feasibility of the Implementation Plan and its comprising elements – the time table, distribution of responsibilities, and the outline of resources needed for its implementation;
- 4) Make concrete proposals on feasible changes in distribution of responsibilities between the public administration, public companies and other holders of public powers and licensed engineers and specifically, including applicability of the “silence is consent” and “authority of last resort” concepts for different types of projects.
- 5) Propose changes to the regime of fees and charges related with construction permitting, with the emphasis on the land development charge.

Level of Effort

The consultant will have 4 (four) days of engagement for completion of the tasks.

Deliverables

Specific work products to be developed by Consultant include:

- 1) Written report containing all elements as stated in the points 1 through 5 of the Tasks section of this Scope of Work (by October 20, 2012).
- 2) Presentation of the findings and recommendations to USAID BEP staff and other stakeholders invited by USAID BEP.

Findings and proposals have to be presented in a word document that will be 5-7 pages long.

Consultant will furnish draft of this report to the USAID BEP not later than 10 days before expiry of the deadline for submission of the final report (October 20, 2012). USAID BEP will provide its comments in written not later than 5 days after receiving the draft report and consultant will submit the final report, taking into considerations comments received, within next five days.

All materials must be prepared in English unless expressly authorized otherwise in writing by the Cardno Emerging Markets representative.

Applications including CV clearly showing adequate technical background and relevant work experience, along with references should be sent by e-mail to: info@bep.rs, by October 10, 2012. Only short - listed candidates will be contacted.