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LICENSING, PERMITS AND AUTHORISATIONS FOR INDUSTRY

EMPHASISING SMES

LEAD REPORT

HELMUT JEGLITSCH,
CHRISTINE MÉSZAROS-KNOLL

June 2000

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Report compiled by the Austrian Institute of Economic Research on behalf of the Federal Ministry for Economic Affairs and Labour and the European Commission, DG Enterprise • It includes contributions from other Member States

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LICENSING, PERMITS AND AUTHORISATIONS FOR INDUSTRY

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Executive summary

This project focuses on benchmarking the process of authorising industrial investments in the EU with special emphasis on the burden on SMEs. The aim is to identify good practice and to develop recommendations on how to implement these so that they can become the normal practice in Member States.

57 licensing procedures in eleven countries and regions were examined. 75 percent of the enterprises investigated had less than 250 employees and 84 percent of the investments studied amounted to less than 10,000,000 □. Most firms studied had very little experience in applying for licences.

Findings:

The benchmarking study found that major changes to the legal framework are not necessary to improve the licensing systems. The most important elements for firms are the **time taken** and the **amount of work required** to apply for and receive a license and the **early predictability** of the result were the crucial **quantitative benchmarks** for the firms. The key means to this end for both the firms and the authorities are the **process benchmarks**:

- the 'attitude' of the various stakeholders in communicating with each other;
- the qualifications and experience of the people involved;
- the organisational skills/project management.

Recommendations:

Provide Targeted Licensing Information

Licensing authorities should take the communications task seriously and aim to provide targeted information on the licensing procedure. An attitude of openness and good communications should be fostered between the authorities and the general public as well as with the applicants for licenses.

Facilitate informal preliminary queries to increase predictability of outcome

- Provide clear application forms on the internet and elsewhere.
- Use electronic filing and a central register of applications.
- Facilitate contacts with licensing personnel.
- Arrange special consultation meetings with licensing authority specialists.

Optimise organisational matters to minimise time-span for procedure

- Authorities should use **highly qualified and motivated personnel** who are aware of the impact of their decisions on firms.
- Authorities should set down **maximum handling times** for the processing of applications.
- **One-stop shops** should be established where information can be obtained and applications made for various licenses.
- **On-site hearings** should be used. These serve to increase understanding of the planned development on all sides and to reassure the neighbours about what is to happen. Possible problems are often identified at this stage and can often be resolved to everyone's satisfaction.
- Administrations should consider the **decentralisation** and delegation (e.g., to regional or local licensing authorities) as well as the **contracting out** of licensing services.
- On-going **monitoring** of licensing rules, regulations and legislation should be instituted. Existing rules and procedures might become obsolete and should then be removed.
- It is recommended that Member States use **industrial parks or zones**. This helps to avoid problems with domestic neighbours when companies wish to expand production and apply for a license to do so.

Finally, based on the results of the exercise an optimal target time for authorities to conduct a simple licensing procedure is between 15 and 50 working days. It would be useful for Member States to track on an annual basis how many licence applications are processed within this optimal time span.

1. In short

1.1 Findings

57 authorisation processes (or applications for licences) were investigated. All of them were conducted between 1996 and 1999, and all of them concerned investments in the renewal or extension of production facilities, many cases included new buildings.

The focus of the study is on SMEs, as the burden of authorisations or licences on them is considered to be disproportionate. SMEs tend not to have experience with these processes nor do they have large budgets to cover licence applications. In SMEs it is the chief executive officer or the general manager who deals with the license application. If the procedure is difficult and complicated and absorbs a lot of the manager's time, this is a serious opportunity cost for the SME.

Businesses are interested in the rate of return of their investment, be it **time** to get a licence or the amount of 'discounted cash flow' they must bear before they can earn income from the extended production facility for which the licence is required. Some larger enterprises are also included in the investigation to facilitate learning from their good practices.

Intensive interviews were conducted for each case study with the firms and the authorities involved. The goal was to understand the processes, to identify benchmarks and to discover best practices.

There was great variation in the legal frameworks between the participating countries, not only in laws and procedural rules, but also in the legal philosophy behind them. Industrial authorisation is mainly concerned with safety, in particular the safety of employees, of clients, of neighbours, of the public, of the environment. These different public safety concerns are the basis for the different procedures.

Confronted with an enormous variety of legal frameworks, national specialities and special individual cases, the study identified four quantitative benchmarks:

Number of Licences: How many licences are required.

Number of Authorities: How many different authorities are directly involved.

Number of Experts: How many experts are needed to grant a licence.

Time: How long it takes to get a licence.

In most cases two or three licences are needed, and two or three different authorities are directly involved in the procedure while a number of additional authorities are indirectly involved. Entrepreneurs judged the use of external consultants differently: While some of them highly recommend it, others avoided using external experts because of the expense.

Table 1: Input-benchmarks for authorisation processes (see also Table 10)

	Licences required	Authorities involved	External experts involved
Austria	2	1 – 2	0 – 3
Brussels	2 – 3	2 – 3	0 – 1
Flanders	2 – 4	2 – 4	0 – 1
Finland	1 – 2	1 – 2	0 – 1
Greece	2 – 8	3 – 9	1 – 3
Luxembourg	2 – 3	3 – 4	3 – 5
Portugal	3	2 – 3	0 – 1
Sweden	1 – 4	1 – 4	0 – 1
Victoria	2 – 6	1 – 4	0 – 1
Georgia	1 – 2	3	0 – 1
Quebec	2	2	0 – 3

In general, the number of licences required, authorities involved and external experts hired by the enterprises reflect the complexity of an investment project on the one hand and the problems of the desired location on the other hand. In 9 cases investigated more than 3 licences were required and in 7 cases more than 3 authorities were involved. In most of these and in quite a number of the other cases a reduction of these numbers might be feasible.

It is the time span elapsing between the first formal application by enterprises for a licence and the decision of the authorities concerned to grant or refuse a licence, which largely determines the costs incurred by both enterprises and authorities involved in the approval processes. Because of specific factors which made practically all of the cases in the project 'special or particularly complex

cases' the optimal time span of 15 to 50 working days is not achieved by many of the countries represented in the study as documented in the table below.

Table 2: Time (in calendar days) elapsed from submission of file to granting of authorisation[1] *(see also Table 11)*

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7
Austria	46	53	9	209	176	98	
Brussels	176	245	202	92	158		
Flanders	60	70	220	135			
Finland	14	40	19	30	12		
Greece	240	120	150	990			
Luxembourg	210	> 240	570	45	> 1,080		
Portugal	71	45	170	2	127		
Sweden	240	360	390	1,140	90	1,050	
Victoria	60	60	180	180	90	210	30
Georgia	85	5	60	15	3		
Quebec	20	30	14	15	14		

[1] Case 1,2 . . . 7 do not cover the same industries for the different countries.

This table describes in most of the cases the time elapsed between the first formal application for licences and the reception of permit to start construction activities. This time span depends mainly on the authorities, while all other periods in question depend relatively more on the efficiency of the enterprises. An exact presentation was not possible in all cases (e.g., in Sweden, where the time between application and permit for production is described); and in two cases (in Luxembourg) the procedure had not been formally completed when the study was carried out.

Extreme cases (less than 10 days, more than 2 years) may be too special for drawing general conclusions.

Key points:

In simple cases granting a licence within 15 to 50 working days is a fair performance. Further pressure on an "optimal time-span" may lead to a loss in the quality of procedure and decision.

Some of the individual benchmarks can be related to each other, e.g., using external experts or increasing the time spent on informal preliminaries may lead to higher costs, but on the other hand, may reduce the whole time required and, above all, improve the quality of the procedure and of the result.

Firms are interested in the value and stability of the license, i.e., they prefer to get a better licence than to get a weaker one in a shorter time span.

Speed is influenced by several components: workload, complexity of the problem, number of authorities involved and, occasionally, changing decisions by the enterprise.

For most enterprises an early predictability of the success of the authorisation process is more important than a quick termination of the formal procedure. Enterprises often start with

construction or production activities at their own risk a long time before the respective permits are received.

Some qualifications should be noted:

- Starting point and end of period measured do not correspond exactly for all cases.
- The number of cases studied is not statistically significant.
- Almost each of the cases can be called a special case.
- In a number of cases the time elapsed for granting a permit does not only show the organisational standard of the authority, but also the level of project management skills within the enterprise.

Although we could not put our finger on a "normal case", the investigation provides an illustration of the wide range of divergence between countries, even in cases without any special environmental difficulties. The scope for improvement is obvious.

Based on Table 2 clearly something can be learned from Finland and Quebec. In these countries (and in some cases described in other countries) the fast turn around in the granting of licences can be explained by a number of favourable factors: in the sphere of the authorities, the positive attitude of the officials, the culture of accessibility of the officials to the applicants for licences and the use of state-of-the-art communication and organisation techniques. In the sphere of the enterprises, clear decisions and a well-trained staff as well as making good use of informal preliminary contacts to authorities are important factors for efficient authorisation procedures. Additionally, efficient zoning and locating enterprises in special industrial zones minimises problems in advance.

Qualitative and process benchmarks

In summary the licensing study concluded that the qualitative and process benchmarks that counted most in the good practices cases were:

- the qualifications of the people involved;
- the organisational skills of both authorities and applicants for licences;
- the experience of the personnel involved in the procedure on both the industry's and the authorities' side; and, most importantly:
- the attitude of the various stakeholders in communicating with each other.

a) Process Benchmarks for Firms

The key process benchmarks for the **firms** are **knowledge** of and **experience** with regulations, good **organisation** (i.e., project management skills), personal **contacts** and good **communication** with all stakeholders. The stakeholders include the **authorities, neighbours** and the **public**.

b) Process Benchmarks for Authorities:

The crucial process benchmarks for the licensing authorities are also linked to **organisation** (i.e., good co-ordination between departments), and **communication** with stakeholders. In addition, the key benchmarks for the authorities are **internal time limits**, **service attitude** and **motivation**, as well as **qualified staff**, **equipment** and **information**.

The interviews made it clear that the bottlenecks and delays arose from a **lack of attention to** the **highlighted** elements on the part of the firms and the authorities. Interestingly and perhaps surprisingly, the process benchmarks are the same for all the countries involved in the study. These process benchmarks do **not** allow for any **quantification,** but they are the decisive components of the licensing processes. **Increasing their quality will lead directly to shorter and better procedures.**

1.2 Recommendations

Based on the benchmarks identified, a number of recommendations for improvement can be made with one important proviso: any improvement in the cost-benefit-relationship which merely shifts the burden from the firm to the authority or vice versa is not recommended as it would not be an increase in overall efficiency. Indeed such cost-benefit based suggestions should only be considered, if such a shift means a genuine reduction of individual cost components.

Authorities to provide targeted general information:

a) Every effort must be made to ensure that information from authorities to firms is provided in the most professional way. Authorities might even consider calling in external public relations (PR) experts to achieve this. The targeted communications campaign should explain to the public what the authorities' tasks are in relation to investment applications responsibilities (i.e., safeguarding the environment, public health and safety) and how they set about meeting them.

b) Authorities should facilitate the enterprises' access to general information at the various stages throughout the licensing approval procedures. This information needs to be of good quality and tailored for its audience. Voluminous and unsorted information create problems, especially for SMEs, if it is not designed and directed towards their particular needs. Plain language is a must.

Positive public relations based on openness and good communication with firms:

The development of positive relations with the public, if they do not already exist, is recommended to enterprises, above all to SMEs. Their public relations profile should aim to show a reliable and positive attitude towards safety, neighbours and the environment. In connection with any investment project, the enterprise should adopt an active communication strategy towards its neighbours at a very early stage. The information provided should be accurate and give as much detail as possible, without disclosing any confidential matters.

Specific information and informal preliminaries:

- Application forms

A professional and target-oriented information policy by the authorities would go a long way towards making sure that documents submitted are relevant and more complete right from the start, thus reducing the time lapse in the approval process.

- Call centres

Authorities should use the facilities that are normal practice for other service organisations, such as well-organised telephone call centres with convenient opening hours. These could also be linked to the relevant civil servants' mobile phone, thus making sure that they will be available to deal with a prospective applicant's questions.

- Electronic filing and central register of applications

Furthermore, the call centres should be linked to an electronic filing system, which would enable agents to give information relevant to the case in question. A central licensing information register with links to all the authorities involved is strongly recommended.

- Personal direct contacts

In addition to the services of call centres, it is of great importance that the authorities' technical and legal experts make themselves available in person to assist applicants (and "agents") when dealing with more complex matters. Their personal knowledge of the location and the subject matter as well as mutual direct contacts (personally and/or by phone, by e-mail) should make it easier for the remaining procedural requirements to be completed expeditiously.

- Special consultation meetings or discussion days

Individual face-to-face counselling should be taken a step further. Special consultation days should be set aside by authorities for informal discussions, particularly with representatives of SMEs. Firms can then obtain all the necessary legal and technical information for their project. The authorities should also benefit by providing a kind of pre-application screening procedure; such special meetings or counselling days are likely to reduce the time needed and stress experienced by authorities when finding incomplete applications or when having firms seeking appointments to check on their applications. The predictability of the procedure, in particular, receiving early feed-back on the likely outcome of the licence application, can be of critical importance for the enterprise.

On-site visits and hearings:

Except for very simple and straightforward investments, the procedure should include a hearing open to people involved in the case. Neighbours should be invited to participate in the hearing but need not have access to any commercially sensitive material. A general face-to-face discussion and, if necessary, a personal visit to the site by the authority's legal and technical experts involved, can be expected to clear up any misunderstandings. It will also show up where the real problems, if any, are and in many cases lead to appropriate solutions.

Optimal organisational standards:

Within the limits set by their individual responsibilities for public safety, etc., authorities should develop an enlightened attitude and work methods aimed at minimising the burden of the regulatory processes on enterprises. Such a change would not only improve their internal structures and procedures greatly, but would also promote an understanding of the economic pressures on their clients (the entrepreneurs).

Organisational change must be preceded by close examination, discussion and understanding of internal procedures. Such a process per se, will lead to the discovery and elimination of inefficient aspects of existing procedures.

Once basic management terms such as competition, teamwork, result-orientation, cost-benefit accounts, project management, quality management, process controlling, simultaneous processes, etc., become familiar to the civil service and once their offices are supplied with state-of-the-art means of communication and staffed by people with appropriate qualifications, the result will be a simplification and a speeding-up of approval processes while at the same time maintaining high standards of quality and safety.

Firms are recommended, especially when the investment project is large or complex, to consider installing a project management system, including a project leader for all matters concerning the authorisation process in order to ensure proper co-ordination between all parties involved. Alternatively, it might be worthwhile to hire external experts to develop the project and to process applications.

Highly qualified and motivated personnel:

Specialised management training for civil servants as well as suitable incentives for them to devise and implement measures for improving working methods within their own department are vital in order to improve authorisation processes.

Maximum handling times:

The setting of maximum handling times is also recommended – including some flexibility to allow for referrals and plan changes made by the applicant or required by the authority. The time limit should be set by government directives or statute, backed up by appropriate motivation-raising actions for the personnel. In cases where delays can be anticipated, the applicants should be warned of this possibility as soon as possible, and they should be kept informed of the progress of their formal application. Imposing sanctions in case of failing to meet a deadline by automatically granting the licence applied for ("silent is consent") might also be taken into consideration.

One-stop shop:

One-stop shops serving as centres of information and as helpdesks in planning and execution are strongly recommended and compatible with the telephone call centres suggested above. They need not be part of the authority, but could be run by semi-official organisations with or without public funding or sponsoring.

One-stop shops serving as the central points for submission of applications (similar to the start-up shops) are also strongly recommended and should be organised **within** an authority, preferably the one mostly concerned with issuing licences. These are compatible with special consultation days and the personal contacts as recommended. Ideally, they should be linked to an integrated approval system or master licence. For example, a comprehensive business activities approval package would be of considerable benefit to SMEs and would not require substantial legal changes. Where several licences are required, special care should be taken to avoid contradictory requirements and to ensure that the problems affecting one process are made known to all the other authorities involved. A one-stop shop of the kind recommended should make it possible for the companies to submit all their documents just once. Copies could then be generated electronically as needed for the different licensing processes.

Issuing the licences or permits:

The final decision of the authority – to grant or to refuse a licence or listing any conditions on which the licence is granted – should be issued in writing by registered post and should reach all those concerned within a given deadline. In most cases these licences are not cases of a simple "yes" or "no" decision, but rather permits granted "under certain conditions". It is those conditions that are of decisive importance and which must be communicated clearly to the firms.

The firms should be given the opportunity to raise objections or appeal against any delay or conditions imposed on them within a specified legal period.

Appeal provision:

To ensure confidence in the regulatory system, it is advisable to provide a speedy and low-cost appeal system which will allow entrepreneurs who are dissatisfied with the decisions of authorities to have such decisions reviewed by an independent body consisting of people well versed in the building industry, in particular.

The way in which a decision can be appealed should be communicated clearly to the firms and others involved from the outset.

Ongoing monitoring of legislation:

An ongoing check and monitoring of the existing legal framework with a view towards deciding whether the aims of the regulations and approval processes can be achieved at an optimal cost-benefit-relation is recommended. Laws and regulations tend to remain on the statute book, even when the circumstances for which they were made no longer apply.

Decentralisation of decisions or contracting out:

It should be the aim of an efficient administration that the central bodies determine the general guidelines and deal with particularly complicated and controversial cases or cases concerning a larger area, leaving the majority of the processes to be carried out at regional or lower local levels. For some procedures, outsourcing or contracting out might be the answer.

A system of **checks and balances is needed** to safeguard the public and economic interest. A total decentralisation of responsibilities carries the danger of arbitrariness and favouritism. A highly decentralised system also requires a much higher degree of co-ordination to ensure that the law is applied consistently.

One or more parts of the authorisation process could be outsourced. Semi-public or even private organisations could act as independent 'certificators' or inspectors, and authorities need only control those 'certificators' by carrying out spot checks. Inadequate or improper performance should carry heavy penalties, such as taking the registered certificator off the list at once.

Establishing industrial zones:

Finally, legal regulations for facility approval are to a great extent aimed at the protection of neighbours and the environment. Setting up special industrial zones in suitable areas, at a suitable distance from residential districts, recreational areas and other sensitive areas, goes a long way towards avoiding troubles and therefore speeds up approval procedures. The creation of more such industrial zones is recommended.

Finally, it would perhaps be useful for Member States to know for their own internal benchmarking and for quality and service improvement purposes how many of their annual quota of licences are processed within the optimal time span of 15 to 50 working days.

2. Scope and objectives

2.1 Introduction

The European Commission and the Republic of Austria, represented by the Federal Ministry for Economic Affairs, have commissioned the Austrian Institute of Economic Research to carry out a benchmarking study on "Licensing, Permits and Authorisations for Industry emphasising SMEs" in co-operation with various Member States of the EU. The participating countries have conducted specific national studies, which have been incorporated into the final report. As the lead country, Austria prepared, co-ordinated and compiled the final report on the project.

In order to take into consideration experience from overseas, the project also includes a third country component. Experts from the Universities of Melbourne (Australia) and Georgia (USA) contributed to the project by examining conditions in overseas countries.

Table 3: Participating countries and regions

	Square in 1,000 km²	Population in 1,000	GDP in billion □	GDP per capita in 1,000 □
Austria	83.9	8,072	189	23.4
Brussels	0.2	954	28	29.4
Finland	338.1	5,161	113	21.9
Flanders	13.5	5,927	120	20.2
Greece	131.6	10,539	107	10.2
Luxembourg	2.6	428	15	35.0
Portugal	91.9	9,956	95	9.5
Sweden	410.9	8,855	202	22.8
Victoria (Aus)	227.4	4,605	89	19.3
Georgia (USA)	154.0	7,353	202	27.5
Quebec (Can)	1,541.0	7,335	119	16.2

The inclusion of some overseas countries has proved a real gain to the project. The legal frameworks in Australia, the USA and Canada are fundamentally different from those in the European countries. Under these very different framework conditions models of organisations and procedures have developed which may not be readily adopted the way they are by EU-countries for the time being. However, it is the very originality of these models which will hopefully lead to new insights and ideas for improvement in authorisation processes in Europe.

The basic idea behind this benchmarking project is that the quality, efficiency and duration of authorisation processes for new investments in plant equipment and new technologies affect the competitiveness of European industry. **Therefore, it is believed that efficiency gains in this area would substantially improve the overall competitiveness of the European economy.**

The benchmarking project focuses on licensing or authorisation processes for industrial plants and equipment in different countries. It identifies best practices and their enablers as well as measures which could be implemented in order to improve the authorisation processes in EU-countries.

It should be noted, that this study aims neither at a ranking of the countries participating nor at a change of the overall political and legal framework – for example a dropping of standards required for licensing. Nevertheless, in some countries the improvement of processes could require some changes in the legal provisions concerning authorisation processes.

Neither could special attention be paid to possible regional differences in conducting licensing procedures within the countries participating. The limited number of cases studied made it impossible to follow up this otherwise highly interesting question.

This report focuses on the main results of the project and on the recommendations derived therefrom. It is a summarised extract of the contributions contained in the national reports, provided by several expert meetings and by a lot of bilateral discussions. All experts involved have contributed substantially to this end.

The recommendations are primarily aimed at governments and authorities of EU-member states. It is they who can really change the situation within a reasonably short period and with tangible results. Any changes in the legal framework must be considered long term measures, both concerning their materialisation and their impact. They are thus not the main target of this study, but such suggestions have not been completely excluded.

Nor are recommendations to enterprises and entrepreneurs' associations a primary target. However, they were a natural product of the analysis of the interviews carried out. This fact in itself is an interesting result of the study. In addition, we must bear in mind that in some member states entrepreneurs' associations are strong and influential and cannot reasonably be excluded from consideration.

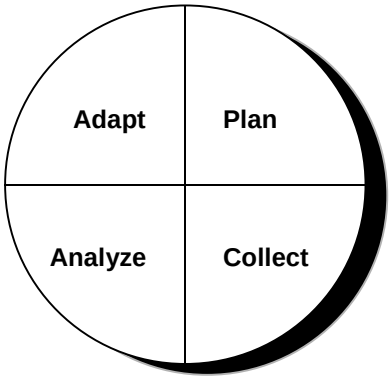
Most of the recommendations included in this report are based on best practices observed in the countries participating. Some commendable and feasible procedures suggested have not been drawn from the actual practices of participating countries. Rather, they are based on what was revealed in the case studies, for example the repeated complaints of persons involved in approval proceedings about "bad practices", and are intended to improve practices observed.

Although based on the specific terms of the project, some of the innovations suggested deserve wider consideration. They should be of interest not only to SMEs and to public authorities concerned with licensing procedures, but also to large enterprises and to public authorities generally.

2.2 Methodology

The project followed the concept of the APQC (American Productivity and Quality Centre) and the affiliated IBC (International Benchmarking Clearinghouse).

Table 4: Four phases of benchmarking



The logical order is Plan – Collect – Analyse – Adapt. The study started off with a detailed planning phase as it was of decisive importance for the whole.

Obviously, the individual phases did not always permit clearly defined beginnings and endings as there was overlapping in various details and there were also some parallel activities. Besides, this four-some wheel turned several times, because during the run of the project some previous steps had to be recalibrated.

Most of the many necessary steps to be taken for a business start-up, such as choice of location, register access, tax issues, credit supply, etc were not subject of this analysis. This did not exclude per se the authorisation process for the first production site of a newly founded enterprise from this study, as it is, on the whole, subject to the same conditions existing enterprises find themselves confronted with when planning to expand.

The entire legal and administrative process, from the very first contact with authorities to the plant start-up, was investigated. It includes all steps necessary for obtaining approval for investments such as construction permits, plant approvals and environmental permits. In addition, it also considers the number, duration and intensity of all informal contacts made with authorities, which may and should reasonably take place well before starting any formal procedure.

The methodology applied for this study included the following steps:

1. selection of approximately 5 investments in each country,
2. intensive interviews with representatives of enterprises and authorities for each case,
3. compiling national reports of comparable structure,
4. overview of legal frameworks in the countries participating,
5. double-level benchmarking: on a national and on an international level,
6. evaluation of best practices.

The improvement of the administrative environment for businesses was to be achieved by a distinctive approach, based on identifying and promoting the exchange of best practice. Best practices are not to be adopted the way they are, because situations differ so widely and what is considered best practice in one place can hardly be best practice elsewhere. It is rather a matter of spotting individual favourable elements and adapting them to existing local requirements.

A project homepage was set up in order to guarantee full transparency throughout the project for all parties concerned: Countries and experts participating, WIFO, the Commission and the Austrian Federal Ministry for Economic Affairs.

By means of this web-site, national contributions could be circulated, comments on draft reports could be exchanged, and general information relating to the development of the project could be disseminated. Various tasks have been performed simultaneously and in a very effective way:

- steering of the project,
- permanent information and motivation for all experts involved,
- documentation and filing,
- close contact with Commission and Benchmarking Co-ordination Office at all stages of the project,
- full transparency for all persons involved.

2.3 Selection of cases

57 authorisation processes in 11 countries and regions were investigated, and most of these procedures were conducted and terminated throughout the years of 1996 to 1999, apart from 2 exceptions, which had not been concluded when the investigation was carried out. 55 out of 57 investments were made by already existing enterprises. All cases concerned investments in the renewal or extension of production facilities, many cases included new buildings.

Enterprises of industrial production sectors were the main subject of the investigation. Such sectors as are of great importance in all countries participating were given preference. Additionally, a small number of enterprises of the service sector were included.

Table 5: Sectors of enterprises investigated

Sectors	Cases
Chemicals, plastics	15
Wood	11
Food, beverages	10
Machinery	10
Metal	2
Pharmaceutics	1
Electrical wiring	2
Trading, retailing	3
Transport	2

Health/social care	1
Total	**57**

The focus of the study is on SMEs, as the burden of authorisations or licences on them is considered to be disproportionate. SMEs tend not to have experience with these processes nor do they have large budgets to cover licence applications. In SMEs it is the chief executive officer or the general manager who deals with the license application. If the procedure is difficult and complicated and absorbs a lot of the manager's time, this is a serious opportunity cost for the SME.

Another focus was on "simple cases", which are in line with urban planning guidelines and are quite unproblematic as to objections from neighbours, or negative impact on the environment.

Businesses are interested in the rate of return of their investment, be it **time** to get a licence or the amount of '**discounted cash flow**' they must bear before they can earn income from the extended production facility for which the licence is required. Some larger enterprises are also included in the investigation to facilitate learning from their good practices.

Table 6: Size of enterprises investigated

Number of employees[1]	Cases	Turnover Mill. €	Cases
4 – 50	20	0.2 – 5.0	11
51 – 100	15	5.1 – 20.0	13
101 – 250	11	20.1 – 40.0	7
250 – 500	7	40.1 – 60.0	5
500 – 1,300	4	60.1 – 320.0	6
Total	**57**	**Total**	**42** [2]

[1] Some of those figures are estimated, because of agreements of confidentiality. - [2] Those figures were not reported for all cases investigated.

81 percent of the enterprises investigated had less than 251 employees, 74 percent of the enterprises reported had a turnover of less than 41 Mill. €. Two thirds of the enterprises reported had no or very limited experience in conducting authorisation procedures.

Table 7: Authorisation experience

	Cases
None	11
"Few", "some"	11
0 – 1 per year	9
2 or more per year	9
"High", "significant", "extensive"	7
Total	**47** [1]

[1] Those figures were not reported for all cases investigated.

The choice of the cases was to guarantee international comparison in respect to size and business sectors of the enterprises as well as in respect to size and specification of the investment. All have been investments in upgrading the production of goods and services, most of them including new

buildings and some of them including new offices. As a rule, upgrading of production included also improvements of environmental standards. 84 percent of the investments reported amounted to less than 10 Mill. □.

Table 8: Size of investments investigated

1,000 □	Cases
20 – 100	4
101 – 1,000	12
1,001 – 1,500	9
1,501 – 10,000	13
10,001 – 70,000	7
Total	**45** [1]

[1] Those figures were not reported for all cases investigated.

The location of the investments was of special interest for our purpose, but unfortunately there was not enough information on that matter from all countries participating In particular, the overseas countries did not pay too much attention to it, maybe because location is of minor importance in those countries. Furthermore, not every information received was very clear, but some conclusions could be drawn.

Table 9: Location of investments investigated

Area	Cases
Rural	5
Mixed	9
Residential	3
Industrial	24
Total	**41**[1]

[1] Those figures were not reported for all cases investigated.

More than half of the investments reported were located in existing industrial areas or special industrial zones and were blessed with

- existing infrastructure,
- few problems with neighbours,
- few objections by authorities.

3. Overview on the legal frameworks in the participating countries

The legal provisions concerning licenses and permits for industry vary considerably in the participating countries. Based on diverse historical, cultural and economic developments and varying points of national focus, each country has developed its own legislative and administrative

policy. The very same undertaking will be subjected to notification or approval processes varying in degree of difficulty based on the respective country's requirements.

3.1 Austria

Austria is a Federal republic consisting of 9 Federal states. Federal laws are adopted by the bicameral Parliament, the National Council and the Federal Council, and enforced by the Federal Ministries as well as provincial bodies ("indirect federal administration"). Each of the states has its own legislative body (Provincial Diet). Provincial Laws are enforced by local and district administrative bodies. There are 15 towns with special statutes, 84 political districts and 2,335 communities.

Both federal laws and provincial laws apply to the approval of industrial facilities. Various bodies are in charge of their enforcement. The most important regulations applicable in this content are the Federal Industrial Code and the nine provincial Building Codes. In specific cases additional regulations, such as the Waste Management Act, the Water Rights Act, the Forestry Act, the Air Pollution Control Act, the Environmental Impact Assessment Act, etc., have to be considered.

The industrial code:

The erection, operation and modification of an industrial facility is subject to approval if this is likely to endanger the health of people nearby and/or the property or other real rights of neighbours, to present a nuisance to neighbours through odours, noise, smoke, traffic jams, vibrations or in any other way; or if in any way it might interfere with certain public interests (exercise of religion in churches, road traffic, water protection, etc.).

Procedures:

The "owner/operator" has to file an application for approval with the district administrative authority, submitting the documents necessary.

For "standard" facilities approval proceedings comprise a compulsory on-site hearing, which constitutes the central element of the proceedings and serves the taking of evidence on site. The neighbours have to be summoned in person to the hearing by written notice. In order to be admitted as parties to the proceedings, neighbours have to raise objections regarding their legal positions during the on-site hearing, at the latest. If they fail to do so, they do not have the right to appeal. For facilities with minor hazard/nuisance potential simplified proceedings without on-site hearing may be carried out.

Based on the application submitted and the results of the on-site-hearing, conditions are imposed for the protection of those concerned. Appeals may be lodged with the provincial governor.

Firstly and most importantly, the approval of an industrial facility grants the right to operate the facility under the conditions named in the notice of approval. Industrial facilities have to be monitored by the authorities by means of trade and industry inspections. Special monitoring requirements have to be met in the case of facilities likely to constitute a hazard. In these cases, state-of-the-art safety measures have to be provided for the event of an incident.

Building codes:

In general, all construction projects, such as the erection of new buildings and the extension and conversion of existing buildings, are subject to approval. Authorities concerned are the Mayor or municipal authority (first instance), and the district Commissioner (second instance and in special cases). The construction permits procedure basically follows the same steps as the industrial permits procedure. Upon completion of the building works a permit to use the building is issued.

3.2 Belgium

Belgium is a parliamentary monarchy. The bicameral parliament consists of the Chamber of Representatives and the Senate, which can delay but not block legislation. Belgium is a federal state comprising 3 regions (Flanders, Walloon and the capital, Brussels), 3 communities (the Flemish, the French and the German-speaking Community), 9 provinces and 589 municipalities. The environmental and urban planning competencies are regionalised.

The Brussels-Capital Region has its own government and parliament. The Region is divided into 19 municipalities.

Flanders is a merger of the Flemish Community, which comprises of all the Flemish people, including those living in the Brussels region, and the Flemish region, i.e., the 5 Flemish provinces.

3.2.1 Brussels – capital

The most important licensing procedures applicable in this content are the urban planning permit procedure, regulated by the Ordinance on planning and urban development (Brussels-Capital Region Council), and the environmental permit procedure according to the Ordinance concerning environmental permits (Brussels-Capital Council). In specific cases additional licenses, such as the wastewater discharge license and the groundwater uptake license, have to be obtained.

Urban planning permit:

For obtaining an urban planning permit, the competent authority is the municipality. Opinions have to be gathered from the delegated civil servant of regional urban planning administration, the fire department, and the co-ordination commission for some applications. Appeals may be filed with the Urban planning College (1st) and the Regional Government (2nd instance).

A permit is required to (re)build or to demolish a building and for some other, rather specific measures concerning the use of ground and site. Depending on the size and location of the site, there are different procedures.

Procedures:

The steps of the whole procedure are:

- introduction of the file, including appropriate forms and plans. For certain building works an impact assessment study is needed,
- file considered as complete,
- public inquiry & co-ordination commission, in certain cases,
- advice of the delegated civil servant at regional level, in certain cases,
- issue of the permit.

Specific time frames are to be kept by the authorities, ranging from 45 to 120 days. 20 days after the permit has been issued by the municipality the delegated civil servant of the regional urban planning administration can always suspend the permit for good reasons. Within 30 days of issuing the company has the right to appeal if not satisfied with the decision.

A project needing an environmental permit and an urban planning permit is a mixed project. Both files follow the same specific measures of publicity and one permit is not valid without the other. Usually permits are issued for an unlimited period of time.

Environmental permit:

Competent authorities for issuing environmental permits are the municipality (class 2, 3) and the Brussels Institute for Environmental Management at regional level (class 1A, 1B). Opinions are asked from the regional urban planning administration, the municipality (class 1A, 1B), the fire department for some applications, and the co-ordination commission (class 1A, 1B). Appeals may be filed with the Environmental College (1st), and the Regional Government (2nd).

A permit is required when the facilities in question are included in at least one of the ± 200 subdivisions of the listed activities. These activities may fall into class 1A, 1B, 2 or 3. Class 1A contains activities with great impact, class 1B activities with a lesser impact and class 2 activities with local impact on the environment. For class 3 investments only a notification is needed.

Procedures:

Different procedures apply to the various classes. The normal procedure for classes 1A, 1B and 2 includes the following steps:

- introduction of the file at the municipality, including the appropriate forms for class 1, 2 or 3, plans and project descriptions. For class 1B an environmental report is needed,
- file considered as complete,
- establishing of specifications for the impact assessment (only class 1A),
- public inquiry, co-ordination commission (for class 1A and 1B),
- impact study (only class 1A),
- specific measures of publicity (only class 1A),
- opinions received from different bodies (urban planning administration, municipality, fire department or environmental regional administration),
- issue of the permit.

There are provisions for time frames to be kept by the authorities, ranging from 60 to 450 days. When legal delay is over the permit is considered refused.

The company has 30 days after the permit has been notified or if the official delay is over, to appeal. Neighbours have also 30 days to appeal against the permit but since it has been advertised.

The competent body has the right to modify, to suspend or to withdraw the permit whenever the conditions to protect the environment and the health are not met. Permits are issued for 15 years and can be renewed once. After that period a new file must be introduced.

3.2.2 Flanders

The most important licensing procedures applicable in this content are the building permit procedure, regulated by the Flemish Decree on Physical Planning, and the environmental licence procedure including the Environmental Impact Assessment and Safety Report according to the Flemish Environmental Regulation (VLAREM). Other licences and regulations relevant in this context are the Soil Certificate according to the Parliament of Flanders Act on soil decontamination, the Derogation for the use of hazardous goods and the Transportation Permit for the transportation of gas and hydrocarbons.

Building permit (Bouwvergunning):

In general a building permit is required when (re)building a construction.

Procedure:

The applicant files the application file including the necessary documents to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen checks whether the file is complete and whether a public inquiry is necessary. If the file is complete, a receipt is given. If the authorised civil servant considers the file to be incomplete, he will inform the applicant and the municipality. The applicant will then have to submit a new application. The Board of Mayor and Aldermen decides and notifies the applicant of the decision within 75 days after receipt of the complete file. 4. If the authorised civil servant does not suspend the positive decision by the Board within 15 days, and there is no pending appeal procedure, the permit will be applicable on the 21st day after the decision has been taken. The authorised civil servant may suspend the decision or attach conditions to the delivery of the permit. If he suspends the decision, the Board has 40 days to withdraw the permit or not. If the Board does not withdraw the permit, the Minister shall decide whether the decision by the Board remains valid. His decision completes the procedure in the first instance. If no decision has been taken within 75 days or if the Board has not notified the applicant of a decision within 75 days, the latter has the right to request the authorised civil servant by registered mail to take a decision. The authorised civil servant decides within 30 days of the registered letter's receipt. With this letter, the applicant encloses a certified statement of the file just like he sent it to the Board. Attention! If no decision is taken within 30 days, the application is considered to have been refused.

The applicant can lodge an appeal with the Provincial Executive Committee. The Executive Committee has 60 days to come to a decision. If the decision by the Executive Committee is disadvantageous to the applicant or no decision has been taken within the legal term, he can lodge an appeal with the Government of Flanders. If the Government of Flanders does not decide within 30 days, it is assumed that a tacit permit has been granted and the works can be started without any further formalities.

It should be noted, that a new Act, the Parliament of Flanders Act on town and country planning (May 18, 1999), is in force now and the procedure has been changed considerably. An important new concept is the spatial structure plan (regional, provincial and municipal structure plans) laying down the guidelines in the field of town and country planning. As soon as a municipality disposes of a structure plan, more power of decision and responsibilities concerning the building permit will be transferred to the local level.

Environmental licence (Milieuvergunning):

Depending on the nature and importance of the environmental impact of a plant an environmental licence (class 1 for most noxious plants or class 2 for less noxious plants) must be obtained. For the least noxious class 3 plants a report, which cannot be refused, must be sent to the authorised Board of Mayor and Aldermen.

Procedures for an environmental licence class 2 and class 1:

1. Filing the application with the authorised Board of Mayor and Aldermen (class 2) or the Executive Committee(class 1).
2. Notification of completeness/admissibility or request for additional information. If no written notification has been sent within a fortnight, the application is considered to be complete and admissible.
3. Environmental permit applications for certain operations must include a confirmed Environmental Impact Assessment or a Safety Report, which must be confirmed by AMINAL, Administration for Environment, Nature, Land and Water.
4. Treatment and decision by the Board of Mayor and Aldermen (class 2) or the Executive Committee (class 1). The necessary advice is gained and a public inquiry is organised. The applicant too may ask to be heard by the Provincial Environmental Licences Committee.

   There are time limits for the decision and the notification of the decision, which may be extended. If no decision has been taken within the legal term, the application is refused tacitly! It is possible to lodge an appeal.
5. Possible appeal procedure (class 2): It is possible to lodge an appeal with the Executive Committee against the decision by the Board of Mayor and Aldermen within 30 days of the decision's notification. The Executive Committee takes a decision within certain time limits. If no decision has been made within the legal term, the application is accepted tacitly.
6. Possible appeal procedure (class 1): It is possible to lodge an appeal against the decision of the Executive Committee with the Minister of the Government of Flanders for Environment within 30 days of the decision's notification. The Minister of the Government of Flanders for Environment takes a decision within certain time limits. If no decision has been taken within the legal term, the application is accepted tacitly.

3.3 Finland

Finland is a parliamentary democratic republic. Legislative power is held by the unicameral parliament (Eduskunta), and by the president. At regional level there are 12 provinces – each administered by an appointed governor – and 455 municipalities.

The most common licences required for investments in Finland are construction permits and (four different) environmental permits. The exceptional permit concerning construction, the action permit concerning building, the permit to modify and repair an existing plant, permits granted by the water right court, approval procedures for food product plants and approval procedures for self control systems are of minor importance.

Construction permit:

A construction permit is required when (re)erecting or extending a building or when changing the internal structures of a building fundamentally. The application has to be filed with a specific

elected municipal body, e.g., the building board, the environmental board, some other boards, but not the municipal executive board.

Procedure:

The construction permit is applied for in writing from the municipal body mentioned above. Prior to the decision an inspection usually has to be carried out on the building site. The applicant and the neighbours have to be informed about the inspection beforehand. Reports from the health and fire authorities as well as other authorities have to be collected. The municipal body has to approve a person who supervises the building work and is responsible for it.

The building work has to start within three years from getting the permit, the maximum extension of this period being two more years. If the building work has not been finished within five years from getting the permit, the permit expires, unless there are specific reasons to extend its validity period.

Environmental permit:

An environmental permit forms a whole including a statement about compliance with the requirements of four separate acts. Thus an environmental permit has to include:

1. An emission permit prescribed by the adjoining properties act, which is applicable when building a facility or changing its operation is presumed to cause permanent undue burden to the neighbourhood.
2. A placement permit prescribed by the health care act, which is applicable when the operation may cause health hazard.
3. An air permit prescribed by the air protection act, which applies when the operation may cause air pollution.
4. A waste permit prescribed by the waste act, which applies when waste reclamation or treatment are necessary and significant from the viewpoint of waste disposal.

The licensing authority has to make a decision considering the separate permits as a whole. The applicant has to apply for all four permits included in the environmental permit. Environmental permits are applied for in writing and are granted by regional environment centres and environment authorities in municipalities or municipal federations. Regional environment centres make the decision when it is presumed that the operation of the facility concerned will affect environment beyond the municipality borders.

3.4 Greece

Greece is a parliamentary democratic republic. It is divided into 13 regions and 54 prefectures plus the Republic of Athos.

The new National Law 2516/97 of the Ministry of Development is the legal basis for the installation, construction and operation of industrial and SME enterprises. This law covers all relevant administrative procedures related to public authorisation for industrial plants. One single

authority acts as a "one stop shop" issuing one single license and being responsible for all industrial procedures included in the licensing regulations. This authority co-ordinates the approvals from other public offices, collects the respective formal statements and organises joint inspections to the plants. The whole authorisation process is run at regional level by the regional bodies of the Ministry of Development and specifically by the General Secretariat of Industry.

License for installation:

The procedure starts with the submission of application forms with the Industrial Office of Self-Governed Prefecture, i.e., the license issuing office. Applications regarding the licence of installation for investments greater than $ 375,000 have to be made public within 5 days from the application by the public authority. The licence issuing office then sends copies of the submitted documents to all different authorities involved in the licensing process within five days. These authorities are obliged to issue all licenses required by other provisions or to notify their arguments in case of refusal or to describe their proposals within sixty days for investments of category A1 or within forty days for investments of category AII and B. If the time limit (sixty or forty days) passes without an answer from the other ministries involved, the license issuing office proceeds with the examination of the application considering as positive the opinion of the other departments. In any case the time lapse for the decision cannot exceed the time limit of ninety days (i.e., thirty days after completion of the time limit of sixty days). The license applicant is obliged to make public the license within twenty days after the issuance of the license. If he fails to do so the license is suspended.

The installation of any industrial activity is prohibited in a place where there have been specified land uses different from those of industrial activity. The licence for installation is valid for three years, which may be prolonged by another three years. In any case the total time of validity cannot exceed six years.

License for operation:

In order to obtain the license of operation the enterprise must submit – within the time period of validity of the license of installation – an application for the license of operation.

The application must include an official declaration that the installation was made according to the terms and restrictions described in the license for installation and according to the approved detailed technical studies; a statement that the protection of the environment during the operation of the plant is secured; a detailed Flow Chart of all activities; an official declaration detailing the number and the specialisation of engineers to be used in the plant; an official declaration of the responsible engineer in charge of the supervision of mechanical equipment; all necessary documents for the issuance of required approvals from other authorities involved in the licensing process.

The licence for operation is valid for unlimited time, provided that the installation was made according to the terms and restrictions prescribed.

3.5 Luxembourg

The Grand Duchy of Luxembourg is a constitutional monarchy and parliamentary democracy. The unicameral parliament, the Chamber of Deputies, holds legislative powers, the Council of Ministers provides the executive branch. Luxembourg has 118 communes, each headed by a directly elected mayor. Luxembourg City, the capital, is served by 27 councillors.

The most important authorisations are the building permit and the operating authorisation splitting into the environmental authorisation and the health & safety authorisation. Other types of licences such as the business license, authorisation for operating in green zones, the river permit, the road permit, waste authorisations, the foodstuff permit and the alcohol and tobacco licence are of minor importance in the context of this study.

The building permit:

A building permit is requested for all construction or demolition activities and when the function of the building is modified. Requirements for obtaining the permit are specific for each commune. The building permit is issued by the mayor of the municipality and only enters into effect once the two permits for the operation authorisation have been issued.

The operating authorisation under the "Commodo/Incommodo"-Law:

The operating authorisation considers the protection of the public and the environment from dangerous, unhealthy and inconvenient establishments and aims at informing the public by an official inquiry. Authorisations are required for facilities belonging to one of the 397 categories listed in the official classification of dangerous, unhealthy and inconvenient establishments. An operating authorisation must be obtained in case of construction, transformation, relocation, destruction or extension of an establishment as well as in case of a stop or a restart of establishment activities.

According to their risks the categorised establishments are divided into three classes. Two (class 1 and 3) are authorised by the Minister of Labour and Employment and the Minister of Environment and one (class 2) is authorised by the mayor of the municipality concerned. For investments of class 1 and class 2 in communities exceeding 5,000 people a public inquiry is needed.

The authorisation splits into two parts, i.e., the "Health and safety" permit delivered by the Inspectorate of Health and Safety (ITM) on behalf of the Ministry of Labour and Employment, and the "Environmental" permit delivered by the Administration of Environment (ADENV) on behalf of the Ministry of Environment.

Generally the operation authorisation are valid indefinitely but in special cases temporary limited authorisations may be issued.

3.6 Portugal

Portugal is a democratic republic. The unicameral Assembly of the Republic holds legislative powers, the Council of Ministers, directed by the prime minister, forms the executive branch.

The most important regulation concerned in this context is the REAI – Regulamento do Exercício da Actividade Industrial (Licensing Regulation for Industry), a federal law which is applicable nation-wide. The REAI is administered by the Ministry of Economy (DRE) and its five regional bodies on NUTS-II level, i.e., Direcção Regional de Economia – Lisboa e Vale do Tejo (DRE-LTV), Norte, Centro, Alentejo, and Algarve.

Permits related to infrastructures and building works – such as construction licenses – are issued by the municipalities according to architectural and building construction rules. For industrial facilities the license is issued only upon confirmation by the co-ordination authority that the industrial licensing application is completed.

Licensing regulation for industry:

The "REAI" is a consolidated legal instrument integrating the different relevant government authorisations in the field of health and safety (both for workers and public) as well as in the field of environment and territory administration.

Main characteristics of the Portuguese licensing system are the regional decentralisation and the one-stop shop approach, the regional body of the Ministry of Economy acting as a co-ordinator between all relevant official bodies (Environment, Labour and Health Departments) and issuing a single integrated license. Specific time schedules are established for each phase and for each official body to issue their opinions.

Industries are classified in 4 categories (A, B, C or D) according to their respective global risk. All investments related to fixed assets or those affecting functioning conditions of plants are subject to an official authorisation process. The licensing process is more elaborate for industries included in categories A and B, less elaborate for category C and rather simplified for category D. For example, category A investments in some branches may require an environment impact assessment report, for category D investments only a notification of the co-ordinating authority is required.

There is no specific limit for the duration of the industrial license. However, if non-compliance with the terms of the license are identified at any moment, license has to be reconfirmed by the co-ordinating authority. Terms of the license automatically change when a new national law affecting those terms comes into force.

Procedure:

The applicant files an the application with the co-ordination authority DER including an industrial project description and a certificate of location.

The co-ordination authority informs all relevant official bodies in order to collect their formal statements and contributions. Precise time schedule is defined for these bodies to deliver formal statements.

The co-ordination authority decides upon project approval and notifies the applicant and the authorities involved. The notification includes all recommendations issued by the different official bodies involved.

After finishing the plant and before starting production a request for inspection must be submitted to the co-ordination authority. The co-ordination authority then organises a joint inspection of all relevant official bodies in order to check the plant's compliance with the approved project and with the specific recommendations made by official bodies. The inspection team issues a joint report as a basis for the industrial license. In case of a favourable report the co-ordination authority issues the license. If objections are identified in the inspection report, the enterprise is asked for improvements and a new joint inspection takes place.

In principle other authorities are free to intervene or not in the licensing process, either in the formal statement stage or in the joint inspection stage. They may avoid participating if they

consider industrial investments do not involve relevant risks within their respective interest areas (environment, safety, etc). Under these circumstances a tacit approval is assumed. For Category C industrial investments the co-ordination authority is free to request for other authorities intervention according to preliminary analyses of potential risks.

3.7 Sweden

Sweden is a constitutional monarchy and a parliamentary democracy. The powers to rule lie with the unicameral parliament (Riksdag) and the Government, headed by a Prime-minister. All policies are decided centrally, there is no regional or local legislation.

The administration is carried out on the central, the regional and the local level. A number of central agencies have their functions on licence cases divided regionally, e.g., the National Road Administration and the tax authorities. At the regional level 21 County Administrative Boards deal with licensing cases. The County Administrative Boards – divided into specialised units with a high degree of independence – act as licensing agencies for several types of licence cases, including certain environmental permits. Appeals against certain licensing decisions of local agencies are also lodged with the County Administrative Board. The public administration at the local level is run by the 288 municipalities as autonomous political systems. They are responsible mainly for building and planning cases and those involving order and safety issues.

For expansion of an existing business, several licenses are normally required from different agencies depending on the type of business conducted by the company. The most important licenses dealt with in the case studies are the building permit under the Building and Planning Act and the production license under the Law on Environmental Protection. Several other licenses of minor importance (e.g., amendment of the detailed local plan, demolition permit, permit for environmentally hazardous activity, permit for handling and storage of inflammable and explosive goods, permit for transport of hazardous goods, approval of premises for food production, permit for private business for short-term residents under section 69 of the Social Services Act) were also included in the procedures.

Most licenses do not apply any time limit as long as the conditions do not change essentially and as long as the activity fulfils the licensing conditions.

In most cases people affected by an authorities decision can appeal against it to a higher authority at two or three levels within a certain period of time.

Building permit:

Applications for licenses under the Planning and Building Act have to be filed with the municipal environment and building committee (1st instance) at local level. Before deciding on the case the authority may ask for an environmental impact assessment study, gather the comments of the neighbourhood and carry out on-site inspections. The license becomes binding after 3 weeks upon arrival. Appeals may be lodged with the County Administrative Board (2nd instance) and the Administrative Court of Appeal (3rd instance).

Environmental licence (production permit):

Licenses under the Law on Environmental Protection are usually granted by the County Administrative Board or the Board of Concessions (for type A businesses). Various authorities may be involved in the process depending on the type of the business and/or the licenses needed for the investment (e.g., the Swedish Environmental Protection Agency; the National Inspectorate of Explosives and Inflammables; the National Rescue Services board, The municipal water works; The municipal waste water treatment works).

The procedure usually includes informal contacts, the submission of the formal application, provisions of supplementary information and discussions with the authorities. The licensing authority refers the case for consultation to other authorities, committees, neighbours and other parties concerned, then carries out some form of inspection – be it an on-site inspection including the public and the authorities or be it inspections by the company itself according to a monitoring plan. Before final approval is granted a "start-up-permission" for construction and/or production may be issued. After deciding on the final approval the authority publishes its decision and appeals may be lodged by the parties concerned. If no appeal is lodged the licence enters into legal force.

3.8 U.S. – Georgia

The USA is a federal republic consisting of 50 states and the District of Columbia. Federal legislative power lies with the Congress, made up of the Senate and the House of Representatives. The president heads the executive. Sole responsibilities of the federal government are matters of defence, foreign affairs, coinage, posts, and the higher levels of justice. The States exercise a measure of internal self-government.

Industrial permitting:

Concerning industrial permitting the U.S. federal government has power under the supremacy and commerce constitutional clauses to pre-empt conflicting state and local activities. Federal laws usually establish basic policies but require States to administer them.

In the Clean Air Act Amendments of 1970 , for example, the federal government sets national air-quality standards but requires states to devise plans for their implementation and enforcement. At the other extreme there exist a few statutes that establish national programs but permit states to delay or even veto the national government's legislative pronouncements.

Zoning and use of land in Georgia:

Zoning and land use is primarily a matter of state jurisdiction falling under State constitution and State laws. The Georgia Constitution vests zoning and land-use control in county and municipality authorities. There are more than 158 countries in the state of Georgia, one of which is Fulton County including Atlanta.

In Fulton County the Board of Commissioners, the elected governing body, has adopted a Land Use Plan which sets several general recommendations for the desired use of properties. If the property in question is not zoned for the intended use it must be rezoned and/or a use permit must be obtained. Once appropriate zoning and use permits have been obtained, usually, the next step is to have a review by the staff in the Department of Public Works. After fees have been paid and all plans have been approved by the development review staff, a land disturbance permit and building permit(s) have to be obtained from the Inspections and Permits Department. During the construction phase of a project many inspections will occur. The certificate of occupancy is the objective of all this work.

Building vodes in the USA and in the State of Georgia:

Georgia's Construction Code Program identifies fourteen "state minimum standard codes", some of which are applicable to all construction ("mandatory codes"), and some are only applicable if a local government chooses to adopt and enforce one or more of these codes ("permissive codes"). Examples for mandatory codes are the Standard Building Code, the National Electrical Code, the Standard Gas Code, the Standard Fire Prevention Code, or the Standard Plumbing Code. Permissive codes are for example the Standard Housing Code, the Standard Amusement Devise Code, or the Standard Swimming Pool Code.

Georgia law also grants local governments other powers regarding code enforcement, such as. inspecting buildings; employing inspectors; requiring permits and establishing charges for said permits; contracting with other local governments for code enforcement.

Environmental permits in Georgia:

The Environmental Protection Division (EPD) of the Department of Natural Resources protects Georgia's air, land, and water through the authority of state statutes and major parts of five federal environmental statutes. These laws regulate public and private facilities having to do with water quality, air quality, hazardous waste, water supply, solid waste management, surface mining and other areas. The EPD issues and enforces all state permits in these areas as well as all permits required by federal laws (excepting wetlands permits). For this purpose it has received authority from the U.S. Environmental Protection Agency (EPA).

Procedures:

1. Initial Conference between EPD "industrial-technical task force" and the investor to discuss the industry's processes, explain Georgia environmental regulations, and answer questions about the industry's effluent discharges and emissions, water supply and quality requirements. Prior to the filing of an application, the EPD may do a pre-screening to inform companies about the chance to get a permit.
2. Preparation and submission of the Environmental Engineering Reports and Permits Applications to EPD.
3. Review and evaluation of Report by EPD. EPD assigns the report-permit package to the technical task force for review. Permit applications are processed by the appropriate branch of EPD (Air, Water, or Land Protection). Consultations are held as needed among division and branch staffs, and with the applicant. Applicable requirements and technical analyses then provide criteria for evaluating application and for recommending permit conditions to the EPD director. Draft permits are prepared and reviewed with the applicant to assure general understanding of requirements.
4. Public notice. After submission of permit applications, any required public notices are placed in the news media and sent to other interested persons. All NPDES permits require a minimum of 30 days public advertisement.
5. Public Hearings. If requested by the public and deemed appropriate by the EPD Director, a public hearing on the permit request will be held, following a 30-day notice. If a public hearing produces evidence justifying a change in the permit recommendation, it will be made in accordance with state and federal regulations.
6. Signing of permits. The EPD Director is the sole person authorised to issue permits or orders. This authority cannot be delegated to anyone else.
7. Appeals Procedure. Within 30 days of permit issuance, anyone aggrieved or adversely affected may launch a petition for a hearing with DNR's Administrative Law Judge. His/her decisions can be appealed to higher courts.

Georgia's environmental protection laws provides for legal counsel from the State Attorney General who has an assigned staff of attorneys to assist EPD.

Environmental Resource Management is accomplished through the Resource Allocation Authority, by which EPD allocates surface and ground water as well as assimilative capacities of both air and receiving streams. Georgia permit-holders are thus assured that other industries or local governments will not be allowed to encroach on its assigned resources.

With its co-ordinated permit and the environmental engineering report, Georgia has established adequate review of environmental considerations without the requirements of an Environmental Impact Statement, which saves considerable time for an investor.

3.9 Canada – Quebec

Canada is a parliamentary democracy and a constitutional monarchy headed by the monarch of the U.K., who appoints the governor general. Parliament consists of the elected House of Commons with legislative powers and the Senate, appointed by the governor general. The prime minister heads the cabinet.

The Canadian governmental jurisdiction is split among the federal government, the provincial and the territorial levels of government. Examples of federal functions are the federal-provincial financial arrangements, federally subsidised programs, and more general tax (and tax relief) provisions; employment policy; energy and natural resource policies; income security programs.

The federal state is composed of 10 provinces and two northern territories. Many of the powers of the federal government are dealt with in co-operation with the provinces. Municipal and local governments are set up by the provincial legislatures. Mayors, reeves, and councillors are elected on a basis, which the provincial legislature prescribes. There are now close to 5,000 municipal governments in the country.

The provincial role in urban and regional planning has three dimensions, one involving federal relationships (e.g., environmental policies), one involving municipal relationships (e.g., provincial planning policies), and a third in which it operates independently.

Québec is a member province of Canada and has considerable autonomy within Canadian federalism. The legal system is based on civil laws in Québec.

Zoning and use of land:

The development of land for commercial, industrial, residential, public, recreational or cultural uses is regulated in the official municipal zoning plan prepared by the municipality and approved at the provincial level. All land developers have to follow the guidelines set out this plan.

Building codes:

Responsibility for building regulation and construction permitting in Canada rests with the Provinces and Territories. The National Codes are either adopted unchanged as the regulations of a province, territory or municipality or, in some cases, altered to suit local needs. The National Building Code of Canada provides minimum requirements for health, life safety and structural sufficiency in new and existing buildings. The National Fire Code of Canada provides minimum fire safety requirements for buildings, structures and areas already in use where hazardous materials are used. The National Plumbing Code covers the design and installation of plumbing systems in buildings.

Environmental permits:

The constitutional responsibilities regarding environmental matters are split between the Dominion and the provinces. At the federal level, the Canadian Environmental Protection Act (CEPA) deals with environmental issues, e.g., pollution prevention, managing toxic substances, public participation, and codes of practice. CEPA requires effective consultation between provincial

governments. The Department of the Environment Act provides for co-operative agreements for the implementation of environmental protection measures by federal, provincial, and territorial governments.

In Québec the Canadian Environmental Protection Act (CEPA) is not as relevant as in other Provinces. There is a complete legislative framework concerning environmental issues which applies everywhere in Québec. The most important regulation is the "Loi sur la Qualité de l'Environnement", i.e., the law on the quality of environment.

Any company starting a new business or expanding an existing one, has to get prior authorisations from the Provincial Ministry of Environment. The Ministry's field operations are carried out mostly by the Operations Executive Branch composed of 17 regional offices located in Québec's 17 administrative regions. This does not apply for the Urban Community of Montreal (28 municipalities) where the The Provincial Minister for Environment has delegated Ministerial powers over air and water environmental permitting to the Urban Community of Montreal.

Businesses planning to implement a project impeding environment quality need certain authorisations. Applications have to contain detailed plans and descriptions of the project (e.g., work methods, equipment, likely impacts on the environment), a certificate issued by the municipality attesting that the project does not contravene any municipal by-law; an identification of the applicant; the land registry designation of the lots in question; a plan of the site specifically indicating the zoning in the land in question.

Recent legislation has assigned more liability to persons who own, occupy or control contaminated sites and to previous owners or occupants.

3.10 Australia – Victoria

Australia is a member of the British Commonwealth, the Queen of Britain being Head of State, as well as a democratic federal state. It has a bicameral parliament consisting of the House of Representatives and the Senate. The Australian government is made up of the federal government – the Commonwealth – and the six regional governments of the States. There are also 10 Territories which are effectively offshoots of the Commonwealth over which it has full powers.

Federal legislation covers 39 specific matters, e.g., defence, customs and excise, foreign affairs, taxation, financial institutions, communications, immigration, interstate and foreign trade. The States have all other powers not specified for the Commonwealth. However, in respect of the coincident powers, the Commonwealth law prevails.

Local government does not form a third tier of government. Municipalities or councils are creatures of State governments which delegate certain functions to them.

Planning and building permits:

A planning permit is issued by the town planning department of the local government authority (the 'council'). This authority is concerned with the overall impact of the proposed development on the site and locality including height of building, traffic implications, drainage, car parking facilities,

signs, and health. Where there appear to be significant environmental implications, a reference is made to the environmental protection authority for a report. The area under the jurisdiction of each council is broken up into 'zones', with different environmental requirements. If food is sold or prepared for sale, the health department of the council must be alerted to report. If dangerous good are stored, the fire authority is alerted and approval may have to be sought. In general, arising from one application for authorisation from the quasi co-ordinating planning department, other approvals may be necessary. However, the onus is on the applicant to secure the necessary approvals from all relevant authorities.

The planning authority decides whether a proposed development should be advertised and the neighbours should be given an opportunity to object. Although site inspection is not generally required, as a matter of normal practice an officer of the planning department would inspect the site in order to obtain a clearer view of the development implications.

Applicants may appeal to Administrative Appeals Tribunal against the requirements imposed by the planning authority.

It should be noted that a building permit cannot be issued without a planning permit having been obtained. The building authority inspects the site and examines the building plans to ensure that they meet the requirements of the building regulations. Permission to incorporate any significant departure from the regulations may be sought from the Building Appeals Board. It is common that the building authority seeks the approval of the fire authority on the positioning of fire hydrants or emergency exits, if these depart from the regulations.

The issue of a building permit to commence construction is followed by mandatory inspections during the construction phase. Finally, on completion of the development, a final inspection is necessary before the occupancy permit may be issued.

Environmental permits and licenses:

The construction or modification of premises from which waste may be discharged or where noise is likely to be emitted, requires an Environment Protection Authority (EPA) works approval permit before construction can start. The proposed development is advertised in newspapers, and objections by neighbours are considered by the EPA before issuing an approval notice. If dissatisfied with the outcome, third parties may appeal to the Administrative Appeals Tribunal.

The licence obtained after completion is renewable annually and the licensee is expected to maintain the standards required. Any complaints from third parties would be investigated by the EPA, and if valid, it would order an abatement of the pollution.

The time lines for the issue of the works approval notice is a maximum of 4 months, and the issue of a licence must be done within 21 days of the completion of the development.

4. Definition and evaluation of benchmarks

The cases investigated were not selected with a view to their being statistically significant or representative. In general people prefer to talk about the successful parts of their work, and so it may well be that in some countries participating the selection of cases contains a bias to better practices. On the other hand some procedures had to cope with special circumstances, e.g., polluted soil, considerable impact on the environment, changing of ownership of the enterprise in the course of the process, etc. Political interests in particular investments may also have been of importance. Actually, almost each of the cases can be called a special case. So the quantification of benchmarks has been rather questionable, and under no circumstances do the results of this study allow any ranking of different cases or different countries. The quantitative benchmarks identified have to be seen under those reservations.

4.1 Input-Benchmarks

4.1.1 Number of licences required for the investment

4.1.2 Number of authorities directly involved in the procedure

4.1.3 External experts hired by the enterprise to design project and procedure

In 42 out of 57 cases two or three licences were needed, and in 42 cases two or three authorities were directly involved in the procedure. In many cases a number of additional authorities were indirectly involved. Entrepreneurs judged the use of external experts differently: While some of them highly recommended it, others avoided using external consultants because of the expense. 21 cases managed without external expert, and in 25 cases only one was involved.

Table 10: Input-Benchmarks for authorisation processes (see also Table 1)

	Licences required	Authorities involved	Experts involved
Austria	2	1 – 2	0 – 3
Brussels	2 – 3	2 – 3	0 – 1
Flanders	2 – 4	2 – 4	0 – 1
Finland	1 – 2	1 – 2	0 – 1
Greece	2 – 8	3 – 9	1 – 3
Luxembourg	2 – 3	3 – 4	3 – 5
Portugal	3	2 – 3	0 – 1
Sweden	1 – 4	1 – 4	0 – 1
Victoria	2 – 6	1 – 4	0 – 1
Georgia	1 – 2	3	0 – 1
Quebec	2	2	0 – 3

In general, the numbers of licences required, authorities involved and external experts hired by the enterprises reflect the complexity of an investment project on the one hand and the problems of the desired location on the other. In 9 cases investigated more than 3 licences were required and in 7 cases more than 3 authorities were involved. In most of these and in quite a number of the other cases a reduction of these numbers might be possible.

4.1.4 Costs of obtaining licences

Costs of obtaining licences arise partly from the procedures themselves and the processing efficiency of the authorities, but partly also from the degree of complexity of the developments and the efficiency with which the enterprises and their consultants carried out the documentation. They are composed of several components:

1. Out-of-pocket-costs incurred by the enterprise consist of expenses for the preparation of documents to be submitted, external experts (architects, master-builders, project managers), and fees paid to the authorities and official experts. Internal costs for staying in touch with the authorities, the experts, neighbours, etc., depend on the working hours spent and related labour costs.

2. Costs incurred by the authorities involve the fees of experts and the labour costs arising from internal organisation and handling the applications, which cannot be invoiced directly.

Scarce and rather inconsistent information about the costs of designing an investment and conducting authorisation processes came to light in this study. It has been found that hardly any of these cost components can be reliably delimited from others and quantified. If the entrepreneur (managing director) is the internal project co-ordinator him/herself, as is often the case with SMEs, his/her working hours are usually not accounted for in any way. Costs for external project managers and/or architects are usually known but it is hard to actually say how much time they spent on the individual steps of the procedure. Many documents required by the authorities are also needed for the building project. Enterprises can thus only quantify the costs incurred for external experts and the fees they pay for the hearing.

In Europe the fees for obtaining permits are more or less symbolic in character. They do not really influence the investment decisions of the enterprises, nor do they cover the real costs to the authorities.

Big firms with internal and external project experts as well as with proper internal accounting know that costs for planning and supervising a rather complex investment project amount to 5 to 10 percent of the total investment sum. There is no reason why this should be substantially less for SMEs, but very often they forget to take the time and energy spent by their GEO into consideration, and therefore tend to underestimate the real costs. In some cases hiring an experienced consultant was recommended as an investment with a good cost-benefit relation.

4.2 Output-benchmarks

4.2.1 Time elapsed for obtaining licences

Among the benchmarks defined by the national studies there is one that crops up again and again and can easily be expressed in numbers: It is the time span elapsing between the first formal application by enterprises for a licence and the decision of the authorities concerned to grant or refuse a licence, which largely determines the costs incurred by both enterprises and authorities involved in the approval processes. This trade-off between time and costs can hardly be overestimated.

Most of the authorisation procedures follow certain steps:

1. decision to invest,
2. informal contacts with authorities,
3. formal submission of application for construction permit,
4. formal submission of application for operation permit,
5. issue of permit for construction,
6. construction permit becomes legally binding,
7. start of construction,
8. issue of permit for operation,
9. operation permit becomes legally binding,
10. start of operation.

These milestones can be completed with intermediate and/or additional steps and the periods in between are not necessarily consecutive. In particular, if a number of permits are requested or a number of authorities are involved, it is common practice that the steps overlap each other. In general, while some processes concern the construction of buildings, others deal with production and environmental impacts.

According to the milestones of an authorisation process mentioned above, different periods to be measured could be defined, some of them overlapping each other.

This table describes in most of the cases the time elapsed between the first formal application for licences and receipt of a permit to start construction activities. This time span depends mainly on the authorities, while all other periods in question depend relatively more on the efficiency of the enterprises. An exact presentation was not possible in all cases (e.g., Sweden, where the time between application and permit for production is described), and in two cases (Luxembourg) the procedure had not been formally completed when the study was carried out.

Table 11: Time (in calendar days) elapsed from submission to authorisation[1] [2]
(see also Table 2)

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7
Austria	46	53	9	209	176	98	
Brussels	176	245	202	92	159		
Flanders	60	70	220	135			
Finland	14	40	19	30	12		
Greece	240	120	150	990			
Luxembourg[1])	210	> 240	570	45	> 1,080		
Portugal	71	45	170	2	127		
Sweden	240	360	390	1,140	90	1,050	
Victoria	60	60	180	180	90	210	30
Georgia	85	5	60	15	3		
Quebec	20	30	14	15	14		

[1] Two procedures were unfinished at the time the respective cases were investigated. [2] Case 1,2 . . . 7 do not cover the same industries for the different countries.

Table 12: Total time elapsed from submission to authorisation

Days	Cases
Less than 31	10
31 – 60	11
61 – 90	6
91 – 120	5
121 – 150	4
151 – 180	7
181 – 350	6
More than 350	8
Total	**57**

Extreme cases (less than 10 days, more than 2 years) may be too special for drawing general conclusions. In simple cases granting a licence within 15 to 50 working days is a fair performance. Further pressure on an "optimal time lapse" may lead to a loss in the quality of procedure and decision.

4.2.2 Value of the licenses

Similar types of permits are not of the same value in all countries. According to the respective legal frameworks, different elements of value could be rated:

Validity: Standards and risks for operation.

Liability: The amount of risk that remains for both the applicant and the authority after authorisation has been granted.

Stability: Power of resistance of a license against subsequent complaints.

Duration: Length of time a license once approved remains in force.

On the basis of the information provided it proved impossible to quantify those elements of value. The complexity of the particular permits within the different legal frameworks did not allow us to come up with a meaningful benchmark.

4.2.3 Predictability of procedure

In 43 out of 46 cases the applicants were pretty sure of having their permit granted when formally submitting their application. 22 of them had even been reassured well ahead of handing in their documents. In some countries a number of investors started with construction activities or took up operation well before the respective permits had been formally issued. (Many other cases did not explicitly comment on this matter.) Interestingly, both Finland and Quebec – those countries with the speediest performance – discuss this matter in detail, although in neither of their cases studied construction or operation had started prematurely.

Some qualifications should be noted:

- Starting point and end of period measured do not exactly correspond for all cases.
- The number of cases studied is **not statistically significant**.
- Almost each of the cases can be called a special case. Although we could not put our finger on the "normal case", the investigation provides an illustration of the wide range of divergence between countries, even in cases without any special environmental difficulties.
- Some of the individual benchmarks can be related to each other. e.g., using external experts or increasing the time spent on informal preliminaries may lead to higher costs, but on the other hand, it may reduce the whole time required and, above all, improve the quality of both procedure and result.
- Speed is influenced by several components: Workload, complexity of the problem, number of authorities involved, and, occasionally, changing decisions by the enterprise.
- In a number of cases the time elapsed for granting a permit does not only show the organisational standard of the authority, but also the level of management skills within the enterprise.
- For most enterprises an early predictability of the success of the authorisation process is more important than a quick termination of the formal procedure. Enterprises often started with construction or production activities at their own risk a long time before the respective permits were received.

- Considering all circumstances **these benchmarks do not allow any ranking of countries,** but they provide some illustration of the wide range of what may happen. The scope for improvement is obvious.

4.3 Process-benchmarks

The interviews made it clear that the bottlenecks and delays arose from a **lack of attention to the decisive elements** on the part of the firms and the authorities. Interestingly and perhaps surprisingly, the process benchmarks are the same for all the countries involved in the study. These process benchmarks do **not** allow for any **quantification,** but they are the decisive components of the licensing processes. **Increasing their quality will lead directly to shorter and better procedures.**

In general, the words which seem to recur in discussion with the enterprises and authorities were: flexibility, discretion, streamlining, one-stop shop, and the lack of speed of regulatory reforms. Some of these words reflect the prevailing 'flexibilisation' culture throughout industry which has also crept into attitudes on regulatory processes. But it also reflects the impact of rapid technological changes and a more competitive environment, and the need to adapt to them in various walks of life.

These process-benchmarks do not allow any quantification, but they represent the components decisive for the result. Increasing their quality will lead directly to shorter and better procedures.

4.3.1 Process benchmarks for authorities

The crucial process benchmarks for the licensing authorities are also linked to **organisation** (i.e., good co-ordination between departments), and **communication** with stakeholders. In addition, the key benchmarks for the authorities are **internal time limits**, **service attitude** and **motivation**, as well as **qualified staff**, **equipment** and **information**.

Authorities should ask themselves:

- Do they have qualified, experienced and easily accessible personnel to assist applicant enterprises with advice on the regulatory requirements of their particular investments, and do they issue checklists or similar printed material relating to the requirements?
- Do they proceed to on-site inspections (where needed) soon after applications are submitted and are they prepared to discuss any deficiencies in the material submitted informally at that stage?
- Do they undertake effective intra and extra authority communication and consultation on applications, in effect acting as one-stop shops?
- Do they process applications speedily?
- Do they have sufficient discretion to apply, as far as possible, performance/outcome criteria rather than rigid and narrow prescriptions?

4.3.1.1 Co-ordination, organisation

The extent and quality of co-ordination of the proceedings between different authorities as well as between representatives within the authorities are of crucial importance for the whole procedure. Efficient organisation includes efficient project management, electronic file systems and internal time limits for each step of operation. The "three C's" of inter-organisational co-ordination – the use of committees, clearances and compromises – would insure that industrial permitting is an integrated process.

4.3.1.2 Communication, information management, service

This includes information events organised by the authorities, information sheets and checklists in print and on the internet. The counselling process should also involve the scheduling of project timing in co-operation with the enterprise.

Specifically, information should be provided about difficulties to be expected and what to do about these, and it should be disclosed right away if a project cannot be carried out.

The provision of timely and relevant information by public authorities to enterprises before and during the application process is critical. The use of internet sites to provide regulations, forms, deadlines, etc., creates unique opportunities to remedy information gaps. An informal one-stop shop for all classes of permit information as well as process-related open door events have proved extremely helpful. A process of "consultation" should be allowed between the applicant firm and the public authorities' experts. Public authorities should encourage "negotiations" rather than "rulings". Application-specific documents should be made available simultaneously rather than sequentially to all officials involved in review.

4.3.1.3 Qualification, motivation

The application of appropriate personnel management methods and service laws are important factors for speeding up and enhancing the quality of processes. Officials and experts must be sufficiently well trained in technical and legal matters as well as in chairing negotiations and appropriate incentives and recognition for officials and experts must be granted. In a number of cases significant correlation between on-the-job training, working conditions and performance was reported.

4.3.1.4 Equipment

Appropriate equipment, i.e., office equipment (laptops, printers), copying machines and communication facilities (internet access, e-mail, electronic files) are prerequisites for expedient and efficient proceedings. Improvements in computerisation and the use of internet technologies to track application can reduce delays and anticipate problems. Considering that using state-of-the-art equipment is normal procedure for most of the enterprises as one partner in the authorisation procedures, it should become common practice for the other partner, the authorities, as well.

4.3.2 Process benchmarks for firms

The key process benchmarks for the **firms** were **knowledge** of and **experience** with regulations, good **organisation** (i.e., project management skills), personal **contacts** and good **communication** with all stakeholders. The stakeholders include the **authorities, neighbours and the public**.

Enterprises should ask themselves:

- Do they have good managerial skills, including the skill to select personnel, to plan and organise the projected investment efficiently?
- Do they have the knowledge about the necessary regulatory requirements for the investment or the capacity to secure such knowledge from available sources?
- Do they have the capacity to balance the cost of processing the investment through the authorities themselves as against contracting it out to a consultant?

4.3.2.1 Knowledge about regulatory requirements, experience

Newly created firms and smaller sized firms typically lack the invaluable experience of successfully filing industrial permit applications. The learning curve is connected with relatively high costs to reach a comfort zone with the full range of regulatory permitting. A marginal regulatory cost or burden logic quickly sets in for firms which have gone through the process in the same or different local jurisdictions. A mix of familiarity with regulatory and documentary burdens, good tactical contacts in the municipal or state/provincial agency of jurisdiction, and industrial project management expertise is decisive. Regulatory information needs to be obtained during the pre-investment site selection and must be integrated in the industrial project design phase. Lack of knowledge can be compensated by retaining the services of expert consultants. The paradox is that smaller firms are more likely to rely on their own.

4.3.2.2 Organisation and managerial skills

Fine organisational culture and clear-cut decisions within the enterprise prior to and after proceedings before the authorities are helpful. Enterprises should have an internal project manager who acts as a liaison officer with the authorities and is supported by the company management. In major projects, the appointment of an internal project team is recommended. If the enterprise has little experience in obtaining operations facility permits, an experienced external project manager who is also known to the authorities as a reliable person should be called in at an early stage.

During proceedings, it is recommended to submit complete and high-quality documents with the application as quickly as possible while taking the results of meetings into consideration in these. It is also recommended to file the formal application for the permit to use the operations facility without delay and to submit any missing documents reliably at a later date. Furthermore it is recommended to get in touch with neighbours in due course and in a targeted way.

Investment and location decisions reflecting the broad range of skills and departments within the firm make for a more efficient process. Industrial permit issues should be addressed as a matter of course in the decision matrix of a growth-oriented company. Organisationally speaking, an industrial project manager can act as the "linchpin" and elicit input from all the impacted departments and managers. Internal gaps in industrial permit knowledge and location-specific information can be compensated by retaining the services of a competent and trusted consultant.

4.3.2.3 Communication with stakeholders, personal contacts

During proceedings, it is recommended to use available informal channels to clarify matters (personal meetings with representatives of the authorities, project open day).

Information should be obtained about the limits imposed to the authorities by law, and necessary requirements and orders for documentation should be accepted. Agreements reached with the authority should be reliably adhered to. Willingness to co-operate with neighbours should be

shown early on, information and clarification of problems should be provided in advance, if possible.

5. Best practices for enablers

5.1 Finland: improving licensing procedures

(Reported by Raija Lääperi, Jyvaeskylae)

In 1996 the Council of State decided to run an SME policy programme including the development of the business environment of SMEs. Simplification of the administrative procedures was an intrinsic part. After some investigations a working group proposed:

1. **Easing administrative procedures**, e.g., standardisation of practices, upgrading information technologies.
2. **Consolidating administrative procedures,** e.g., establishing one-stop shops, improving the compatibility of electric data files.
3. **Improving availability of service**, e.g., providing service at local or regional level, using electronic data transmission, setting target time limits for administrative proceedings, intensifying co-operation between different authorities.
4. **Improving administrative business expertise**, e.g., developing the administrative culture in an entrepreneur-oriented way through active training of both local and national authorities in understanding the impact of administrative measures.

As a result of those efforts the enterprises in the cases investigated had no problems with collecting information on the procedures and they were in close contact with the officials (e.g., by mobile phones, by e-mail) before and during the formal procedure. The authorities had an entrepreneur-friendly attitude and provided the enterprises with informal personal counselling well before the formal application. Application forms were available on the internet. In most cases the procedures took place on a local level. Neighbours had been contacted by the authorities and heard as part of the procedures, and so appeals could be avoided. In some cases the authorities even called together extra board meetings because of the urgency of the licensing procedure. Different permits were processed simultaneously. One-stop shops were established: all information and services concerning the administrative procedures directed to enterprises were available in one place, reasonably close to the enterprise. A fair predictability of the process was given: in all cases the enterprises considered it self-evident that the permits would be granted.

As recently as in the early 1980s construction permits were always granted by a statutory building board. Often the meeting timetables and agendas of the building boards prolonged the authorisation process. A national experiment starting in the early 1980s gave municipalities greater power to decide which municipal authority should make the decisions concerning building. Planning power was delegated to the municipal councils, the obligation to submit land use plans

was partly waived, deviation right was delegated from the Ministry to the municipalities and officials were authorised to make decisions concerning construction permits. This delegation of decision making contributed to the speedy authorisation process.

The introduction of the delegation rights in the municipal construction permit processes was brought about by clients' expectations and demands for quicker and more flexible authorisation processes. The speed in building itself had increased. Simultaneously the idea of permit applicants as clients who should be served and paid attention to became prevalent in the municipal sector. Municipals and officials began to aim at flexibility, which is now an established practice.

The explaining factor behind the good practices described above is, presumably, the increased significance of small and medium-sized enterprises as employers in recent years and especially after the depression at the beginning of the 1990s. Municipalities see that it is important to attract new enterprises as well as make existing enterprises stay in the area. Municipalities even vie with each other to attract new enterprises.

In many cases the permit procedure has been speeded up and made more flexible by the fact that the enterprises have located in an industrial area covered by a town plan, where building and extension investments are easier to carry out than elsewhere in the municipality. The planning of industrial areas is part of the work that municipalities do to attract new enterprises. In Finnish municipalities industrial areas have been built for several decades.

5.2 Victoria: regulatory reform

(Reported by Prof. Joseph E. Isaac, Melbourne)

In Australia, it was the economic crisis of the mid-1980s, that provided the stimulus for fundamental changes in regulations. Australia became more exposed to foreign competition. In order to increase industry's competitive power, people have become sensitive to benchmarking. There is general concern about productivity (Research output of Productivity Commission).

The regulatory reform process in Victoria has relied on the Subordinate Legislation Act 1994. This Act imposes an obligation on all government departments to rigorously scrutinise and analyse all new regulation proposals on the basis of Regulatory Impact Statements (RIS). Impact statements are required "to assess the costs and benefits of all the economic, environmental and social impacts and the likely administrative and compliance costs, including resource allocation costs, of any regulatory proposal." Further, the Act requires that, unless revoked earlier, all regulations are subject to a 10-year 'sunset clause', to be reviewed at their expiry for updating in the light of changed circumstances.

Comprehensiveness and clarity of the necessary information for processing developments are critical in the speed and cost of meeting licensing requirements. The Business Licence Information Service (BLIS) provides business information for the three levels of government on regulatory/licensing requirements. It is intended that comprehensive information about licensing

requirements for particular industries and occupations, may be drawn electronically from the net by external users.

Two significant procedural reforms which have taken place in recent years relate to the issue of planning and building permits.

Under the planning reform program, a standard set of planning provisions has been formulated for the whole of the State to ensure consistency in the legislative framework. The councils are required to formulate their particular strategic plans consistent with the State planning policy framework which includes general principles of land use and development, environment, housing and industrial development, and infra-structure.

Regarding building permits one reform relates to the privatisation of the building authority function, since 1994, with the establishment of the Building Control Commission to advise the Minister on building control matters. Until then, the granting of a building permit was entrusted only to the building department of the council in which the development occurred, making it in effect a monopoly. This task has now been opened to competition and can be undertaken, at the choice of the applicant, by any council department or by any private building surveyor properly registered with a state government body known as the Building Practitioners Board.

The second innovation is the basis on which a building permit is issued. Consideration of a building application rests on regulations laid down in the Building Regulations of Australia on a national basis. The rigid prescriptive basis on which these regulations were applied, has given way to a performance-based approach on the New Zealand model, focussing on outcomes rather than on narrowly prescriptive requirements, and resting substantially on the expert judgement of the building authority.

The regulations lay down time lines during which the relevant authorities are required to determine an application. Thus, the planning authority must make its decision on an application within 60 days of receipt of the application if no referrals are necessary. The time limit for the building authority to consent to an industrial application is 15 business days from the time of receipt of the application if no referrals are necessary.

The Government's concern about minimising the impact of regulation on small businesses is reflected in the establishment of the Office of Regulation Reform within the Small Business and Regulation portfolio of the Minister for Small Business. From time to time, a regulatory reform task force is established to review the cost burden on a particular industry and any impediments to its growth arising from existing regulatory requirements. The procedure of the task force includes benchmarking these requirements against the best practices elsewhere in Australia and internationally as well as wide consultation with interested parties.

5.3 Austria: efficiency award for public managers

(Reported by Stephan Schwarzer, Vienna)

In 1999, the Austrian Federal Economic Chamber invited nominations for the Efficiency Award for Public Managers for the third time. This award goes to government officials in licensing agencies, who handle licensing procedures for industrial plants efficiently, rapidly, and without excessive red tape.

This campaign has triggered a positive echo from government administrators, the media, and the business community. Individuals and teams with an outstanding record of effective process management will be selected by industry representatives on the basis of the nominations received.

The impact of this campaign is meanwhile making itself felt all over Austria: many government offices have set up special licensing departments where the responsibility for handling the licensing procedures under different legislative provisions is now under one roof. Project applicants are given an opportunity to meet with all official representatives involved for a preliminary appraisal to ensure that their application meets the required standards of quality and to avoid time-consuming adjustments later on. Cut-and-paste elements which are useful for the paperwork that needs to be done in the course of the licensing procedure (written statements, expert opinions, official notices) are drafted in order to minimise red tape. In some federal provinces, the involvement of experts has been decentralised to avoid experts spending a vast amount of their time travelling to and from the site of hearings. Finally, government administrators are increasingly relying on a monitoring system which fully records the number and duration of cases submitted for licensing, in order to be able to identify and remedy bottlenecks as soon as they arise.

These improvements have meanwhile shortened the processing time for official procedures: in many government offices, the average length of completion for procedures has been cut back to one half or even to one third of what it used to be. The driving force behind these internal administrative improvements has been the understanding that business needs smooth licensing procedures to assert itself as a successful player in global competition.

The "Efficiency in public management" campaign is a major contribution to making government decision-makers realise how important efficient facility licensing is for the overall economy of a country. The campaign aims at introducing state-of-the art process management on a nation-wide scale.

5.4 Luxembourg: follow-up to the benchmarking project

(Reported by Marc Lemmer, Luxembourg)

The national Luxembourg report issued in July 1999 focussed on the legal framework situation valid in Luxembourg during the years 1995-1998. The new legal framework situation generated through the revised law on operating authorisations (the so-called 'Commodo/Incommodo' law) voted on April 29, 1999, was **not** considered.

Furthermore, a new political situation appeared in September 1999 following to parliamentary elections held on June 13 1999.

Considering these events it seemed therefore interesting to have now a follow-up on the Luxembourg situation.

When this benchmarking project started in December 1998, the revision process of Luxembourg law on operating authorisations had already been on the way for several years. All parties from industry and trade defending the economic competitiveness of the Grand Duchy of Luxembourg claimed for a revision of the existing law in order to shorten much too long delays and clarify administration procedures. The new law, which came into effect on September 1st, 1999, considers several of these claims. One of the major changes is that both administrations involved in operating authorisation now have to respect very tight deadlines for issuing their reports or authorisations.

The parliamentary elections of 1999 gave rise to a new political situation. One of the parties, member of the opposition during the previous legislative periods and supporter of major parts of the new law, is now in charge of the Ministry of Environment. As a result, the Administration of Environment, which clearly appeared to be responsible for large parts of the delay problems, has undergone some organisational and personal changes.

The administration management staff responsible for authorisation procedures showed itself very interested in this benchmarking study. On their request, they obtained all necessary information on the project from the Ministry of Economy.

After recent discussions with the administration staff the following preliminary conclusions can be drawn:

- That administration mainly responsible for delay problems showed strong interest in this project.
- For the moment it seems that this interest is limited only to collecting information, mainly in order to position themselves 'against' border countries. They try to find out what is 'state-of-the-art' in other European countries and what is the positioning of Luxembourg practices relatively

to these countries (i.e., delays). *Remark: In this context the study is not highly interesting for Luxembourg because of the absence in the study of the large neighbouring countries Germany and France.*

- In the short run this project will probably not lead to fundamental changes in authorisation management at administration level. But it is encouraging to see that they are now open minded for new ideas and that these new ideas may be taken from the project.

5.5 USA

Reinventing Government

See: http://www.npr.gov/

Plain Language Action Network

See: http://www.plainlanguage.gov/
http://www.sba.gov/plain/

See also: http://www.plainenglish.co.uk/)
http://www.justitie.regeringen.se/klarsprak/english/

Paperwork Reduction Act

(Reported by Prof. John R. McIntyre, Atlanta/Georgia)

Under the PRA (Paperwork Reduction Act), agencies must take into account the burden that their information collections impose on the public. This burden is balanced with the "practical utility" of the information to be collected. In earlier decades, when information was maintained manually rather than through automation, paperwork burden could be captured by estimating the "burden hours" that an individual, a company, or other entity would have to spend in filling out a form or otherwise responding to an agency collection. Over the succeeding years, as computers and other automated systems have assumed an ever-increasing role in society, paperwork burden has increasingly come to be represented by the financial costs associated with information technology. The financial costs imposed by a federal collection have been included as "burden" in the Paperwork Reduction Act and in OMB's (Office of Management and Budget) implementing regulations.

Currently, agencies separately estimate the "hour burden" and "cost burden" of each particular information collection. This ensures that all types of burden are taken into account, but requires two calculations of burden, one in the form of "burden hours" and the other in the form of "dollars." This approach also poses difficulties for evaluating over the years a particular collection's overall burden. For example, as respondents move from manual to automated information processing, a collection's "hour burden" would typically decrease. Its "cost burden" might increase or decrease, depending on the level of offsetting "cost burden" reductions from electronic recordkeeping and reporting. While the use of automation can decrease overall burden, the current reliance on

separate categories of burden poses difficulties for arriving at precise comparisons over time of a collection's overall burden. For similar reasons, the current reliance on separate burden categories can sometimes pose difficulties for comparing the overall burden imposed by different collections of information, since collections can involve significantly different mixes of "hour burden" and "cost burden." For example, in the case of collections involving household respondents, overall burden would typically consist primarily of "burden hours." In the case of collections involving large business respondents, "cost burden" would assume a larger significance, due to the greater reliance on automation.

Economic theory suggests that the opportunity cost of giving up an hour of leisure will be equal to the wage foregone from the next hour the individual would have worked. In most cases, this will be the same as the respondent's average wage. In other cases – for example, if the respondent is eligible for overtime pay for her forty-first hour of work in a week – it may be more than the average wage.

Alternatively, to measure the value of leisure time, agencies could observe the actual fees paid by individuals and businesses to others (e.g., paid tax preparers, contractors) to prepare and submit information to the government. This measurement approach is sometimes referred to as "revealed preference".

Categories of Burden. OMB also seeks comment on the advantages and disadvantages of expanding the categories of burden that agencies report to OMB. Such an approach could involve dividing estimates of federal paperwork burden into three categories, with a fourth category representing an aggregate measure of burden. The first two categories, burden hours and financial costs, are used under the current approach, but could be improved using new procedures designed to address problems with burden estimation practices. A possible third category could be burden hours converted, or "monetised", into dollars, depending on resolution of the issue discussed above. A possible fourth category might combine financial costs and monetised burden hours to create, for the first time, a dollar measure of total federal paperwork burden.

Since enactment of the original Paperwork Reduction Act of 1980, which established paperwork burden reduction goals, agencies have made progress in reducing paperwork burden. More recently, as part of the Administration's regulatory reform efforts, President Clinton directed the federal agencies to increase their use of electronic means of information collection and, where feasible, to decrease the frequency of reporting by the public by one-half. As a result, many initiatives have already been undertaken. For instance, during the 1997 tax season, the Internal Revenue Service (IRS) offered Telefile to most single filers who do not claim dependants, allowing over 4 million taxpayers who had previously filed the 1040EZ paper form to file their tax returns using a touch-tone phone. In addition, as of September 30, 1996, agencies have taken 131 actions to reduce the frequency of reporting by the public, resulting in 3,380,000 hours of burden reduction.

The PRA set an annual government-wide goal for the reduction of the total information collection burden of 10 percent during each of fiscal years 1996 and 1997 and 5 percent during each of fiscal years 1998 through 2001. The baseline is the total burden of information collections as of the end of FY 1995. There have in fact been many achievements in streamlining federal

information requirements; agencies have lessened the "hassle factor", simplified content, and worked to identify and collect only information that is actually needed and used in the administration of programs. As demonstrated below in the information collection burden reduction accomplishments for FY 1996 and the planned initiatives for FY 1997, electronic submission of information and overall improved management of existing collected information reduced, and will continue to reduce, the time that the public spends to provide information for government needs.

6. Recommendations to administration

Entrepreneurs often tend to underestimate the importance of organising their own approach towards the whole procedure. Thus it should be advisable to nominate one and the same person for all matters concerned with the authorisation process and/or to set up a special project group within the enterprise. Sometimes the supplier of the new machines, etc., offers to take upon him all official procedures involved. Possibly, some elements of the official procedure might be out-sourced for greater efficiency.

Many basic rules of efficient management apply to both authorities and enterprises.

6.1 Information and communication

6.1.1 General information

In some of the participating countries, dissemination of relevant information on regulatory requirements as well as access by applicants to such information, call for further development in line with currently accepted public relations techniques. Authorities should explain to the public what their tasks and responsibilities are in relation to investment applications (i.e., safeguarding the environment, public health and safety) and how they set about meeting them. In order to provide legal certainty, official registers for all licences should be established. Such guidance would go a long way towards assuaging the concern of investors on regulatory requirements.

Every effort must be made to ensure that information from authorities to firms and to the public is provided in the most professional way and by one central body. Authorities might even consider calling in external public relations experts to achieve this.

Best practices in different countries:

In most of the countries participating in this study authorities provide a wide range of information: They offer pamphlets, tapes and videos (in some cases customised packages) as well as personal service. Over the last years the Internet has become of increasingly great use. The homepages listed here are accessible to the public and most of them provide links to other homepages. Looking up the homepages quoted below might prove fruitful, despite language problems.

Austria:	http://www.help.gv.at/ http://www.magwien.gv.at/ma53/in_wirt.htm
Brussels:	http://www.brda.be http://www.investinbrussels.com http://www.ibgebim.be
Finland:	http://www.vyh.fi/haku/haku.htm http://www.tampere.fi/ytoteto/tepa/palvelup/rak.htm http://www.vyh.fi/eng/fei/fei.html
Flanders:	http://www.ondernemen.vlaanderen.be/
Luxembourg:	http://www.etat.lu/
Sweden:	http://www.direktsvar.nutek.se/
Georgia:	http://www.dnr.state.ga.us/dnr/environ/
Quebec:	http://www.mef.gouv.qc.ca/
Victoria:	http://www.business.gov.au/ http://www.business.channel.vic.gov.au/ http://www.bli.net.au/

Furthermore, several authorities have set up their own homepages, listing them would go beyound the scope of this report. Besides, their number is constantly increasing.

Plain language is a must: The wording used has to be intelligible to a legally untrained target-group and ensure effective communication and comprehension.

Authorities should facilitate access by enterprises to general information at the various steps in the licensing approval procedures. This information needs to be of good quality and tailored for its audience. Voluminous and unsorted information creates problems, especially for SMEs, if it is not designed and directed towards their particular needs. With regard to the increasing internationalisation of enterprises it would furthermore be highly desirable to offer at least the most important information in a language other than the national one.

6.1.2 Specific information and informal preliminaries

Authorities often complain that application documents received, especially from SMEs, are incomplete and not to the point. This causes them additional work and leads to considerable procedural delays. However, when applicants are not provided with appropriate information, the blame rests on the authorities themselves. A professional and target-oriented information policy by the authorities, would go a long way towards making sure that documents submitted are relevant and more complete right from the start, thus reducing the time lapse in the approval process.

The first level of general information should be supplemented by a second level of more specific information. In the following, three possible ways of establishing contact with increasing intensity and focus on a particular investment application are presented.

6.1.2.1 Call centres

Authorities should use all facilities that are normal practice for other service organisations, such as well-organised telephone call centres with convenient opening hours. These could also be linked to the relevant civil servant's mobile phone, thus making sure that they will be available to deal with a prospective applicant's questions. Furthermore, they should be linked to an electronic filing system which would enable agents to give information relevant to the case in question. A central licensing information register with links to all the authorities involved is strongly recommended.

Setting up efficient call centres requires three elements:

1. Technology: A balanced system of powerful telephone computers with easy access to internet facilities.
2. Staff: Highly trained "agents" capable of dealing with the majority of incoming queries on their own and of redirecting the remaining queries to the right person. (In this way "agents" differ greatly from ordinary telephone "operators" whose job is a mere technical one: Connecting people or taking messages.)
3. Organisation: Call centres work at their best when linked to sophisticated electronic file systems and internet-facilities.

It is obvious that not every local administration can be equipped with a call centre. Such a facility is required on a higher regional level, with link-ups to all authorities concerned. The high cost of such an organisation could be justified on the basis of the benefits arising from the improvement of procedures as well as the substantially improved communication with the applicants. Furthermore, such call centres do not only provide services to the public, but will greatly reduce the workload of highly qualified civil servants. Moreover, apart from facilitating authorisation procedures, they will lead to a substantial improvement in contact generally between authorities and the public.

6.1.2.2 Personal direct contacts

In addition to the services of call centres it is of great importance that the authorities' technical and legal experts make themselves available in person to assist applicants (and "agents") when dealing with more complex matters.

Their personal knowledge of the location and the subject matter as well as mutual direct contacts (personally and/or by phone, by e-mail) should make it easier for the remaining procedural requirements to be completed expeditiously.

Best practice in Finland:

"In recent years the services provided using information technology have increased significantly and they have been found worth using also in licensing procedures. The authorities handling construction permits move about a lot in their work and therefore they have mobile phones in addition to office phones, which increases their availability also when they are not in their office."

6.1.2.3 Special consultation meetings or discussion days

Individual face-to-face counselling should be taken a step further. Special consultation days should be set aside by authorities for informal discussions, particularly with representatives of SMEs. They can then obtain all the necessary legal and technical information for their project. The authorities should also benefit by providing a kind of pre-application screening procedure, such special meetings or counselling days are likely to reduce the time needed and stress experienced by authorities when finding incomplete applications or when having firms seeking appointments to check on their applications.

In particular, there should be an opportunity for enterprises to clarify the feasibility of a specific project at a very early stage, even before the investment decision is finalised. Promising investment projects can, in this way, be put on the right track while projects that have no chance of succeeding, may be stopped at an early stage, before further costs are incurred. Moreover, the granting of various forms of "semi-formal", preliminary licences and notifications might be feasible as a result of such informal discussions, e.g., advance notifications and start-up permissions.

The predictability of the procedure, in particular, receiving early feed-back on the likely outcome of the licence application, can be of critical importance for the enterprise.

Best practice in Quebec:

"Pre-investment roundtable meetings between municipal authorities and Ministry of Environment officials and potential industrial investors are encouraged though they are not required by the enabling legislation. When used, they provide essential information and guidelines for successful and timely applications. Note, however, that applicant industry would have to request a separate meeting with the municipality and the Ministry and the meeting would not be a joint one."

Best practice in Georgia:

"The State of Georgia Environmental Protection Division makes systematic use of an initial screening conference with prospective industry consideration a location in Georgia. An in-house "industrial-technical task force" meets prospective industry, discusses processes, explains environmental regulations and seeks to answer questions about industry's effluent discharges and emissions, solid waste management, water supply and quality requirements. The task force experts are familiar with the specific industry under review."

6.1.3 On-site visits and hearings

Except for very simple and straightforward investments, the procedure should include a hearing open to people involved in the case. Preferably this should take place at the site itself with representatives of the applicant and the authorities involved both present. Neighbours should be invited to participate in the hearing but need not have access to any commercially sensitive material. A general face-to-face discussion and, if necessary, personal visits to the site by the authority's legal and technical experts involved, can be expected to clear up any misunderstandings. It will also show up where the real problems, if any, are and in many cases lead to appropriate solutions.

Best practice in Brussels (similar to Austria's):

After a public inquiry and a company visit by the environmental department and the fire department, a co-ordination commission (with members of the municipality, regional urban planning administration, regional environmental administration, regional development agency) is organised. During the public part of this commission the neighbours can be heard. The "Opinion of the commission" does not mean a final decision, but in almost all cases the final decision follows the commission's opinion: favourable, unfavourable or favourable under certain conditions.

A decision like this provides the necessary security for the applicants to continue their internal planning process well before the formal procedure is finished.

6.2 Organisation of the licensing administration

6.2.1 Organisational standards

The administrative set-up and the procedures involved in decision-making within enterprises on the one hand and authorities on the other are basically different.

Under the pressure of increased competition, the organisational structures and procedures of enterprises have changed a great deal in recent decades towards more flexibility and speed of reaction. Enterprises which do not adapt to market demands will face the prospect of closure. Authorities, on the other hand, do not have this automatic economic penalty, making it far more difficult for them to realise shortcomings in their performance.

Authorities, within the limits set by their individual responsibilities for public safety, etc., should develop enlightened attitudes and working methods aimed at minimising the burden of the regulatory processes on enterprises. Such a change would not only improve their internal structures and procedures greatly, but would also promote an understanding of the economic pressures on their clients (the entrepreneurs). Organisational change must be preceded by close examination, discussion and an understanding of internal procedures. Such a process per se will lead to the discovery and elimination of inefficient aspects of existing procedures.

Special attention should be paid to the implementation of an efficient electronic file processing system which would be particularly useful in connection with call centres and one-stop shop.

Once basic management terms such as competition, teamwork, result-orientation, cost-benefit accounts, project management, quality management, process-controlling, simultaneous processes, etc. become familiar to the civil service and once their offices are supplied with state-of-the-art means of communication and staffed by people with appropriate qualifications, the result will be a simplification and a speeding up of approval procedures while at the same time maintaining high standards of quality and safety.

Best practice in Austria:

In 1998, in a town's construction authority, an external management consultant was called in to carry out a close output-oriented re-engineering study in which each and every staff member became intensively involved. It turned out, that misunderstandings and frictions within the staff were the most serious problem in the procedures, and it took a lot of internal meetings to overcome this problem. As a consequence, some steps were eliminated altogether, others could be shortened and speeded up. About 50 percent of the steps were marked as unproductive for the output (e.g., the licence). In this way, licences were issued more rapidly and the workload of civil servants and experts was considerably reduced.

Many regional authorities in Austria have adopted the following improvements regarding their procedures:

Project applicants are given an opportunity to meet with all official representatives involved for a preliminary appraisal to ensure that their application meets the required standards of quality and avoids time-consuming adjustments later on. Cut-and-paste elements which are useful for the paperwork that needs to be done in the course of the licensing procedure (written statements, expert opinions, official notices) are drafted in order to minimise red tape. In some federal provinces, the involvement of experts has been decentralised to avoid experts spending a vast amount of their time travelling to and from the site of hearings. Finally, government administrators are increasingly relying on a monitoring system which fully records the number and duration of cases submitted for licensing, in order to be able to identify and remedy bottlenecks as soon as they arise.

These improvements have meanwhile shortened the time for official procedures: in many government offices, the average length of completion for procedures has been cut back to one half or even to one third of what it used to be. The driving force behind these internal administrative improvements has been the understanding that business needs smooth licensing procedures to assert itself as a successful player in global competition.

Actually, providing electronic information and electronic file processing should only be individual items building towards an all comprising electronic government (e-government). This ought to be structured along the following lines:

- Information: e.g., find your way through the red tape (list of offices, help desk), public registers, call for tenders, etc.
- Communication: e.g., e-mail communication with officials.
- Transaction: e.g., submission of applications or documents.

The above examples refer merely to direct contact with authorities within authorisation processing. Good e-government ought furthermore to consider its citizens' every day problems and facilitate its citizens' participation in political decisions, by means of the scheme set up above.

6.2.2 *Highly qualified and motivated personnel*

Specialised management training for civil servants as well as suitable incentives for them to devise and implement measures for improving working methods within their own department are vital in order to improve approval proceedings. Developing the administrative culture in an entrepreneur-oriented way by active training both for local and national authorities, to understand the impact of administrative measures, is highly recommendable.

Whereas civil servants are usually well versed in administrative matters, they are not always as well versed in such matters as: organisation techniques, presentation techniques, the chairing of meetings and similar matters of social interrelationship – a competence devoutly to be wished. This holds good particularly in approval procedures where civil servants find themselves constantly face to face with managers to whom the application of management methods is second nature, even in SMEs. Professional application of managerial methods in administrative organisations would not only serve to improve the procedures but would also contribute to an improvement of internal organisation. Public money spent on training and the purchase of pertinent external know-how will yield substantial benefits.

Incentives for furthering personal initiatives of public servants should be awarded to those at the higher levels in the authorities concerned, preferably in the form of performance-based remuneration. Although the room for extra-awards is limited in most countries by rigid remuneration schemes, such an incentive scheme deserves to be considered. Initiatives of this kind need not be taken by the authorities themselves; external organisations like entrepreneurs' associations, would be suitable sponsors of such awards.

6.2.3 *Maximum handling times*

The setting of maximum handling times is also recommended – including some flexibility to allow for referrals and plan changes made by the applicant or required by the authority. The time limit should be set by government directives or statute, backed up by appropriate motivation-raising actions for the personnel. Three levels of setting goals recommendable:

1. Internal goals of maximum handling times set up by the authority.
2. External goals set up in general directives.
3. External goals in connection with "silent is consent".

Setting goals of this kind should be covered by appropriate motivation for the personnel. In cases where delays can be anticipated, the applicants should be warned of this possibility as soon as possible; and they should be kept informed of the progress of their formal application. This will provide enterprises with the assurance and confidence they need for their day-to-day planning.

If prescribed deadlines are not kept, applicants ought to have the opportunity of complaining to the higher level or to an independent body. Imposing sanctions in case of failing deadlines by automatically granting the licence applied for ("silent is consent") might be the solution if authorities refuse co-operation with enterprises or if it is highly appropriate within the national legal frameworks.

Best practices in Portugal:

It must be emphasised that Industrial Licensing Regulation (REAI) establishes precise and binding time limits for relevant interventions and decisions of authorities involved. Examples are: for requesting additional clarification or elements missing in the application (10 days), for the territorial administration authority to issue the location authorisation (45 days), for the co-ordination authority to send a copy of the investment project to relevant authorities in order to get formal statements (8 days), for relevant authorities to issue formal statements (60 days), for project approval by the co-ordination authority after collecting all formal statements and clarifications (30 days).

6.2.4 One-stop shop – master licence

Within the national studies different types of "one-stop shops" are illustrated:

Type A: A help desk serving as the centre of information and help in planning and execution;

Type B: A start-up shop as the central point for submission of applications;

Type C: A master authority that will carry out all procedures required for a particular investment and issue a master licence as a result.

Type A one-stop shops (help desk) are strongly recommended and compatible with the call centres suggested above. They need not be part of the authority, but could be run by semi-official organisations, with or without public funding or sponsoring.

For many SMEs a service centre that will just help them fill in the forms may be of great importance.

In some countries applicants may choose from among a variety of such bodies whose services are partly overlapping, partly competing with each other. Such an arrangement carries the risk of inconsistent advice being given. Critical monitoring and a possible restructuring of such institutions should be given serious consideration.

Best practice in Brussels-Capital Region for one-stop shop of Type A (similar in Flanders and in other countries):

"ECOBRU department within the Brussels Regional Development Agency is a free of charge public service, which includes general information, individual guidance and support in matters involving environmental and urban regulations. The help of ECOBRU one-stop shop department and the experience and network of relations it can bring to bear on an application can also facilitate the approach from companies' point of view. Companies supported by ECOBRU had a better understanding of the procedure and knew when to intervene if critical questions arose".

Type B one-stop shops (start-up shops) should be organised within an authority, preferably the one mostly concerned with issuing licences, and need organisational diversification between front

offices and back offices. One-stop shops of this type are compatible with special consultation days and personal contacts as recommended. Ideally, they should be linked to an integrated approval system or master licence. For example, a comprehensive business activities approval package would be of considerable benefit to SMEs and would not require substantial legal changes. Where several licences are required, special care must be taken to avoid contradictory requirements and to ensure that the problems affecting one process are made known to all the other authorities involved. A one-stop function of this kind should make it possible for the companies to submit all their documents just once. Copies could then be generated electronically as required for the different licensing procedures.

Type C one-stop shops (one authority – one license) can be useful in special legal environments, but they cannot be recommended generally without reservation. In some of the countries studied, legal matters concerning industrial investment are too complex for one authority to be able to deal with each and every detail. Besides, such a step would require considerable legal and even constitutional changes. It is highly questionable whether the political effort involved in attempting to make such changes justifies the expected benefit, which can just as easily be obtained from type B one-stop shops.

Best practice in Portugal for one-stop shop of Type B:

One single counterpart for the enterprise is established on the administrative side as far as industrial licensing is concerned. DREs (Direcção Regional de Economia) are the company counterpart for all relevant Stages, from preliminary information, and the submission of all licensing requests, to the final authorisation for an industrial plant operation. DREs collect formal statements and contributions directly from relevant official bodies (Environment, Labour, Health and Safety). Inspections are also organised and co-ordinated by the DREs to ensure that a joint formal statement is issued by the authorities involved. Finally, the industrial license is issued by the same authority.

6.2.5 Issuing the licences

The final decision of the authority – to grant or refuse a licence or listing any conditions on which the licence is granted – should be issued in writing by registered post and should reach all those concerned within a given deadline.

If the applicant has not received any notification by the given deadline, this is to be taken as a refusal of the application in some of the countries surveyed, while in other countries, it means that the application has been approved. Such practices are not advisable, since they provide none of the assurance and confidence required by applicants or other parties concerned in the project for their day-to-day planning.

In most cases, applications are not cases of a simple "yes" or "no" decision, but rather licences are granted "under certain conditions". It is those conditions that are of decisive importance and which must be communicated clearly to the firms. The firms and other parties involved should be given

the opportunity to raise objections against any delay or conditions imposed on them, within the legal period.

7. Recommendations to policy makers

7.1 Ongoing monitoring of legislation

An ongoing check and monitoring of the existing legal framework with a view towards deciding whether the aims of the regulations and approval processes can be achieved at an optimal cost-benefit-relation, is recommended. Laws and regulations tend to main on the statute book, even when the circumstances for which they were made no longer apply.

Best practice in Victoria:

"The State of Victoria . . . has been in the forefront of regulatory reform in Australia and provides an interesting example of what can be done to reduce the costs of regulation particularly for SMEs which tend to bear a disproportionate burden of regulatory requirements. A considerable degree of licence simplification has occurred in recent years, although many of the regulations discarded had, in any case, become obsolete and had not been invoked for some time." "Between 1987 and 1998, the number of business regulations has fallen by 65 percent, from 1,241 to 432. To date, 126 of the 482 licences existing in Victoria before 1992 or 26 percent, have been removed." "No best practice system can expect to continue to be best practice. The march of ideas and technology must be allowed to intrude into and test the existing practices in order to provide the opportunity for modifications. Under Victorian law, not only new regulatory proposals but also existing regulations, are required to be reviewed, the latter under the sunset term of regulations." "Unless revoked earlier, all regulations are subject to a 10-year 'sunset clause', to be reviewed at their expiry for updating in the light of changed circumstances." "The establishment of the Office of Regulations Reform provides the vehicle for a running review, monitoring and co-ordination of reform activities."

In most countries, changes in legal requirements are a lengthy process, demanding political effort which can be achieved on a national level only after close consideration of the issues. Here a few examples of the goals which individual countries should aim at when dealing with approval proceedings are pointed out.

7.2 Decentralisation of decisions or contracting out

It should be the aim of an efficient administration that the central bodies determine the general guidelines and deal with particularly complicated and controversial cases or cases concerning a larger area, leaving the majority of the procedures to be carried out at regional or lower local levels. For some procedures, outsourcing or contracting out might be the answer.

In some countries the majority of decisions are taken at the central level (ministries, central bodies), while in other countries the majority of the decisions are taken at the local level. The latter case is undoubtedly preferable, and for good reason: The local administrations have a better and more direct knowledge of the facts relevant to a particular project, and access to such authority by the

applicant is less complicated. All procedures are more transparent and the individual steps can follow each other more rapidly.

Furthermore, unduly narrow prescriptive requirements, centrally determined, should be avoided if possible, in order to allow those at the local level a certain degree of discretion and pragmatism in applying performance or outcome-related criteria in the approval process. However, to ensure that such discretion is properly applied, a high level of competency is required from those involved in the process.

Best practice in Quebec:

"City Councils have granted greater delegated authority to building inspectors to issue construction permits, thereby reducing the processing time and diminishing the involvement of elected municipal councils, particularly, in smaller communities. The Provincial Ministry of Environment has regionalised its operations: Seventeen regional directorates handle 15,000 applications yearly for the entirety of the Ministry, of which the majority relate to industrial use permitting. This has brought the process closer to applicants and made the regional directorates more responsive to request for information and applications."

However, a system of checks and balances is needed to safeguard the public and economic interest. A total decentralisation of responsibilities carries the danger of arbitrariness and favouritism. Furthermore, there is the risk that applicants might face a different interpretation of rules and conditions, depending on the location and nature of the investment, making the outcome of an application less predictable. A highly decentralised system also requires a much higher degree of co-ordination to ensure that the law is applied consistently.

There is no need for official experts to check the many technical details in each and every case. Authorities should make good use of certificates awarded to enterprises previously, such as ISO-certificates, environmental and security management systems, insurance checks, guarantees of firms contributing towards the investment, standardisation of machinery, etc.

Authorities should be obliged to make public which of their requirements coincide with e.g., ISO-standards, etc. Such measures would also speed up decisions, cut costs and avoid double work.

Best practice in Sweden:

"In the case of building permits, responsibility for implementing inspections has largely been transferred to the firm. A monitoring plan is drawn up and a person responsible for quality is appointed. Nowadays the company, within the framework of the monitoring plan therefore carries out most of the inspections required during the building process. When the inspections included in the plan have been performed, the company sends a signed monitoring plan to the licensing authority, which then – provided no adverse findings remain to be remedied – issues a final licence for the construction. A monitoring plan is drawn up and a person responsible for quality is appointed by the licensing authority.

One or more parts of the authorisation process could be outsourced. Semi-public or even private organisations could act as independent certificators or inspectors, and authorities need only control those certificators by carrying out spot checks. Inadequate or improper performance should carry heavy penalties, such as taking the registered certificator off the list at once.

Such innovative steps should create a competitive environment. A special case, for example, could be the appointment of insurance companies to certify the safety of an installation. In order to fully benefit from such innovations, a basic restructuring of public institutions may be required.

Best practice in Victoria:

"Until 1994, the granting of a building permit was entrusted only to the building department of the council [local government authority] in which the development occurred, in effect a monopoly. This task has now been opened to competition and can be undertaken, at the choice of the applicant, by any council department or any private building surveyor properly registered with a State government body known as the Building Practitioners Board. . . . Registration is on an annual basis and is subject to a fee. . . . However, any privately obtained building permit, together with all relevant documents, has to be lodged with the building department of the relevant council. The BCB [Building Control Commission] conducts random checks on the performance of the private authorities. Improper practices and inadequate performance are subject to de-registration or suspension. . . . The advantage of this scheme is that it provides an incentive for speed and lower cost. . . . One source claims that approval times have fallen from 4 to 6 weeks to 7 to 10 days, and this trend was confirmed by the building authorities in the case studies . . .".

7.3 Appeal provision

To ensure confidence in the regulatory system, it is advisable to provide a speedy and low cost appeal system which will allow entrepreneurs who are dissatisfied with decisions of authorities to have such decisions reviewed by an independent body consisting of people well versed in the building industry in particular. The way in which a decision can be appealed should be communicated clearly to the firms and other stakeholders involved from the outset.

It is not only procedures of normal routine that should be dealt with quickly and efficiently, but also the difficult and controversial cases. Authorities should not be the final arbiters of how the requirements are applied. Hence an independent appeal system should be quick, inexpensive and perceived as fair. Examples in Australia show that providing an informal 'alternative dispute resolution' or ombudsman scheme are of great advantage in many areas of activity, including insurance claims and banking.

There are indications that some licensing systems have greatly been improved by strengthening and simplifying the administrative appeal processes.

7.4 Establishing industrial zones

Legal regulations for facility approval are to a great extent aimed at the protection of neighbours and the environment. Setting up special industrial zones in suitable areas, at a suitable distance from residential districts, recreational areas and other sensitive areas, go a long way towards avoiding troubles and therefore speed up approval procedures. The creation of more such industrial zones is recommended though they are already widespread among the Member States.

That will not be feasible in all cases and it will not avoid all problems automatically. However, in order to minimise frictions, every effort should be made to arrive at an optimal zoning pattern and to provide suitable sites for industrial development. Desirable investments within industrial zones might be granted simplified authorisation procedures.

Best practice in Quebec, similar to other countries':

"The existence of "Technoparcs" is a unique concept in which the technology parks work closely with the City Council and permit issuing authorities. Technoparcs have special delegated authority which allows them to recruit companies for their area, assist them with incentives, and facilitate the issuance of permits."

8. Recommendations to enterprises and entrepreneurs' associations

8.1 Information and communication

8.1.1 Information destined for the public

The development in general of favourable public relations, if it does not exist already, is advisable for all enterprises, above all for SMEs. Their public relations profile should show a reliable and positive attitude towards safety, environment and neighbours. In connection with any investment project, the enterprise should adopt an active communication strategy towards its neighbours at a very early stage. The information provided should be accurate and give as much detail as possible, without disclosing any confidential matters.

The relevant authorities should also be included as unbiased participants in meetings with neighbours. This will create a more constructive atmosphere to sort out matters before they become a problem.

Best practices in an number of participant countries:

In several cases surveyed informal contacts with neighbours right after preliminary contact with authorities minimised troubles. In one case reasonable requests (installation of sound-proof windows to be paid for by the company) were taken into account.

8.1.2 Information destined for authorities

It is essential that enterprises open up towards authorities and not regard them as adversaries to be fought, but rather to see them as unbiased partners whose job it is to ensure the safety and health of the workers and neighbours of the enterprise; and to do so in a manner which minimises the burden on the enterprise. A convincing display of such an attitude, should greatly improve the discussion climate and facilitate speedy resolution of problems. Complete and accurate information on the projected investment is a necessary condition for such an outcome.

Semi-public organisations, like development agencies or entrepreneurs' associations, should by rights have a keen interest in better information being available to both the public and authorities. They could become, in effect, mediators between enterprises and authorities as well as between enterprises and the public, and should offer their services by way of information and counselling. Moreover, they should consider setting up a network of experts on the planning and authorisation of investments and offer these services to their members on reasonable terms. Support of this kind could be of particular value to SMEs.

8.2 Project management

Firms are recommended, especially when the investment project is large or complex, to install a project management system, including a project leader for all matters concerning the authorisation process in order to ensure proper co-ordination between all persons involved. Alternatively, it may well be worthwhile to hire external experts to develop the project and to process applications.

Large enterprises carry out a variety of bigger and smaller investment projects frequently. As a rule, they have, within their establishment, an experienced project team and internal experts who are well versed in the requirements of the system and are familiar with the personalities involved. Moreover, it is to the authorities' advantage to be facing one and the same project leader and a seasoned expert on behalf of the enterprise. However, as SMEs undertake investment projects at greater intervals and generally on a smaller scale, they do not possess the administrative structures required for such planning and for official contacts, and sometimes tend to underestimate the importance of organising their own approach towards the whole procedure. In the circumstances, while it may not be economical for them to establish a project team, it may serve them well to employ an external expert to undertake the authorisation process.

Best practice in Luxembourg:

"The enterprise may have the assistance of a consultant for the global management of the authorisation procedure as well as for co-ordination with the enterprise, the administrations and the authorised bodies. Although this is a supplementary cost factor, the study showed that external professionals in the field of authorisation management might improve communication quality between the interested parties and thus accelerate the procedure."

Best practices in Quebec and Georgia:

Industrial permit applicants are tempted to delegate the process to an external expert consultant. While this approach is often very effective, far superior is a "team" approach involving multidirectional communications among corporate, operational, legal, and financial departments during the application process. It guarantees relatively "problem-free" applications, whether allied to the services of an expert consultant or not. In the Quebec and Georgia sampled cases, the use of external consultants reporting directly to a CEO (Chief Executive Officer) or project site manager led to a less than optimal set of decisions on industrial permit issues. While this may be difficult if the project is a "greenfield" operation with skeletal staff in place, in the case of "brownfield" or expansion, multidirectional communications on the industrial permit process is the best insurer of optimal outcomes.

However, using external "process experts" can only be a kind of emergency measure under present circumstances. It calls for the danger of releasing the authorities from their responsibility. The ultimate goal has to be to design the authorisation procedures in such a way that even untrained small and medium entrepreneurs can deal with them properly.

9. General conclusions

The study has shown that there is a long way to go before all of the EU-countries can be said to be operating more or less the same approval procedures. EU legal systems are far too diverse at present to make such uniformity in procedures possible.

However, it has not been shown that one only best practice exists, not even in any of the individual countries surveyed. Moreover, there is general agreement that there are several sound organisational and procedural practices which could be considered for adoption in a number of countries, with modifications if necessary. Furthermore, today's best practice need not necessarily be tomorrow's. Conditions, goals and techniques are continuously changing, and the optimal organisation of procedures is a moving target to be constantly adjusted.

The time it takes to get a licence is indeed of great importance, as it largely determines the costs incurred by both enterprises and authorities involved in the approval proceedings. There is, however, a limit to shortening this period of preparation: Even under the best of conditions, the "optimal time lapse" may not allow any further reduction without a loss in the quality of decision. However, it seems that at present most of the countries surveyed are a long way from reaching this limit.

Furthermore, none of the best practices found in the individual countries can be transferred bodily and without some modification from one country to the other. One of the main ideas of benchmarking has to be noted: Its main goal is not to adopt slavishly the procedures of other countries, but on the basis of knowledge of the processes and performances of those countries, to modify and improve its own continuously.

In the course of the national studies, positive outcomes may already be emerging in some participating countries. Experience shows that the mere examination of a certain procedure in all its detail can generate an impulse for change and improvement in the existing legal system. There is a classic phenomenon, well known in natural science, that observation can influence the facts observed. For our purposes, this is a desirable effect.

Efficiency in the operation of the licensing system has to be considered from two sides. While both enterprises and authorities may have the potential to reduce the overall costs of the licensing process, it is important to remember that any improvement in the cost-benefit-relation of one of the partners should not be at the expense of the other suffering increased costs. Such a situation will not lead to an increase in overall efficiency.

It should also be noted that, in general, the overall goals to be achieved by the authorisation procedures and their corporate cultures tend to be basically different between enterprises and authorities. However, these differences are not irreconcilable.

The main object of the enterprise in its encounter with the regulatory process, is to obtain the necessary authorisations quickly and at low cost, in the interest mainly of the shareholders or proprietors. The primary task of the authorities is broader and subject to political control as determined by the law governing their activities. They must, therefore, be sensitive not only to the needs of enterprises, but also to the interests of third parties and the public generally. This is a balancing act in which unduly restrictive regulatory requirements can impair investments and damage the interests of enterprises and the health of economy; while undue permissiveness in such requirements can endanger the safety of the environment, the workers concerned and others.

Recognition by enterprises and authorities of their respective objectives, roles and responsibilities is a necessary first step towards establishing a fruitful partnership between them, in which their differences can be reconciled amicably and, in terms of cost/benefit, optimally. The recommendations and observations in this report are directed towards achieving such an outcome.

Last but not least, a best practice can be shown, within which several of the above mentioned recommendations have already been put into daily practice:

Best practice in Austria:

Over the years 1991 to 1996 an Austrian district authority carried out a project, which was to help increase the competitiveness of local industry by speeding up the licensing processes. The causes for delays were analysed and, where possible, removed. One of the actions taken to bring about this improvement was the setting aside of special office days for a counselling service for licensing applicants and a pre-evaluation of projects before any official application. Powers within the licensing authority were delegated. A project co-ordinator for each licence was appointed by the authorities. It is believed that if the firms also appointed an internal co-ordinator for interfacing with the authorities, further improvements could be made.

In order to evaluate these measures, 247 processes completed over this five-year period were statistically analysed. The result of those initiatives was that the time span for the processing of a

license was reduced from 300 days to between 70 to 75 days. Between 60 and 80 percent of applications were now processed in five to six weeks. Additionally, fewer staff were needed by the administration. This project resulted in considerable cost savings for both the authority and for industry and has led to a significant improvement in process efficiency.

This shows what remarkable results can be achieved by a comparatively simple initiative at a local administrative level. Moreover, the model character of this undertaking cannot be over-estimated: Numerous other Austrian district authorities have since then taken similar initiatives, some of which have already come up with comparatively good results.

The statement of the Australian expert should be borne in mind when evaluating the results of the study: "The extent to which any 'best practice' prescription drawn from international benchmarking may be applied to any country, will depend on a political judgement on where the balance between economic, cultural and social considerations lies. Further, it would be unsafe to draw conclusions mechanically from comparisons of time lapses and number of licences. The case studies show variations which are affected by a number of factors which do nor relate to procedural inefficiencies. Nevertheless, international benchmarking on the basis of case studies, comparing, as far as possible, like with like enterprises (itself a problematical process), provides a substantially objective basis for identifying 'best practices' as a guide for consideration by other countries." These remarks are applicable to all national studies.

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