

Licensing and Permit System Reform Approach ZERO PLUS©

🌐 A Brief Story About The Reform

The Zero Plus© approach builds an effective licensing and permit system free of excessive regulations. Instead of interminable reform procedure, this instrument facilitates the process though rapidly eliminating the entire set of regulations, shifting the responsibility for justification and proving the need for each regulation to the regulatory agencies, and ultimately establishing a well-coordinated and efficiently-functioning system within 6-18 months.

PMCG offers support to countries seeking to convert their regulatory frameworks in a way that focuses on the well-being of individuals and societies. It employs this instrument to transform public service culture through the replacement of burdening and often corruptible regulations into a streamlined system exclusively comprising essential regulations.

🌐 Delivering Progress On Four Dimensions

1

Institutional arrangements

strengthening ownership to lead and coordinate reform process

2

Legal grounds

making clear definitions and principles of regulation

3

Public Administration & Structure

enhancing capacity of public servants to take over the responsibility for each regulation

4

External Outreach

building public trust

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Unique Features

Reduced requirements and actors to lower corruption

Foundation for establishment and/ or enhancement of the one-stop shop agency for a consistent approach to licensing and permitting

Single governing legislation for each license and permit with minimized references to other legislative acts

Transparent and reasonable process of adding/removing (new) licenses/ permits

Reduced time and cost of compliance with licenses and permits regulations

Improved intergovernmental communications and policy making process

🌐 Reform Milestones Within 6-18 Months

1

Establish reform coordination body and define scope of the reform

2

Identify the key principles of the regulatory framework

3

Draft regulatory framework

4

Request for justifications

5

Finalizing the draft list

6

Parliamentary review

7

Approval and enforcement

Impacts and Outcomes: Georgia, Kosovo, Mongolia

The Zero Plus© approach was piloted in Georgia in 2006 and proved to be enormously successful. Before that, Georgia had a complicated licensing system, where the responsible agencies lacked the technical means to assess applications and many simply sold licenses and pocketed the proceeds. This reform reduced the total number of licenses and permits by 84%, and streamlined procedures. Georgia went from 282 days and 29 procedures necessary to receive a construction permit in 2005 down to 29 and 11 as of 2019.



In 2011, PMCG started advising on applying this methodology in Mongolia and Kosovo. Although the draft laws are still being discussed, during the process both countries recorded improvement in different directions.

Simplified Doing Business

Georgia rose from 132nd place to 18th in the World Bank's Doing Business ranking between 2004-2007. In 2005-2010, it was ranked by the World Bank Top country. In 2012-2016, Mongolia progressed from 97th to 36th and Kosovo climbed from 117th to 66th in the Starting a Business indicator. Under Trading Across Borders Indicator, Mongolia jumped from 159th to 74th place, while Kosovo rose from 131st to 71st. Under the Dealing with Construction Permits indicator, Mongolia soared from 119th to 25th, while Kosovo progressed from 171st to 136th.

Reduced Corruption

Between 2012 and 2015, Mongolia's score on the Corruption Perceptions Index (CPI) improved by 3 points, while Kosovo's increased by 5 points over the same period.

Boosted FDIs

Georgia's foreign direct investments (FDIs) increased from USD 492 mil in 2004 to USD 1.8 bil in 2007.