

## **APEC EoDB Workshop on Reforming the Regulatory System for Construction Permits- Final Report and the Lessons Learned**

### **1. Background and the Outline of the Workshop**

The APEC Workshop on Reforming the Regulatory System for Construction Permits was held in Singapore on from October 18 - 22, 2010. The workshop constituted Phase 1 of the capacity building work programme under the APEC Ease of Doing Business (EoDB) Action Plan.

The workshop was attended by 34 participants from 13 APEC member economies, namely Brunei, Canada, Chile, Chinese Taipei, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Russia, Thailand and Viet Nam. Most of the participants are practitioners in the regulatory agencies in their home economies, but there are also participants from the Coordinating Ministry, Finance Ministry, as well as representatives from the professional associations.

The workshop was designed to promote awareness amongst APEC economies, especially amongst relevant practitioners, on specific regulatory strategies and innovations for promoting regulatory reform in the area of construction permits. It also provided an opportunity for participants to discuss the regulatory regimes in their own economies and feedback key obstacles they face in reforming their respective regimes.

### **2. The Detailed Outcomes of the Workshop**

#### **a) Day 1 Content: Singapore Government and Land Use Planning**

This session provided an introduction to Singapore's system of government and approach to regulation, governance and business enterprise promotion by the Civil Service College, the Ministry of National Development and the Pro-Enterprise Panel (PEP). These presentations highlighted the structure of and leadership in government and its approach to resource utilisation. It also described the framework used to evaluate proposals and make changes to existing regulations to promote business initiatives coming from the private sector.

The participants found that the structure of government exerts a strong influence in administering development and transforming the business environment. They learned about collaboration between administrators and politicians and cross-department efforts at play to achieve 'Whole-of-Government' objectives while balancing with organizational goals enable capacity building for business initiatives to flourish. They also found interesting and useful the PEP rules review and when it decides to intervene on behalf of businesses.

In the presentation of Singapore's land use planning and development control regime, participants were drawn to how the department which is in charge of land use planning, the Urban Redevelopment Authority (URA), gauges the views of affected citizens and make land use decisions based on those views through an institutionalized public consultation process. They were impressed with the intensive use of detailed master plans to evaluate development proposals and the use of separate outline submission, formal submission and plan lodgement schemes to maximize submission bandwidth while streamlining the approval process.

#### **b) Day 2 Content: Singapore's Regulatory Regime and Processes**

The Building and Construction Authority (BCA) presented the regulatory and licensing schemes with an overview of the legislative instruments and the professional stakeholder roles that support the

building control system. This led on to the permitting requirements for the various stages of construction and the building life cycle, including those by parallel agencies like the Fire Safety & Shelter Department (FSSD), the National Environment Agency (NEA) and the Land Transport Authority(LTA) that look into building safety, fire safety, traffic impact, waste removal and environment.

The participants noted the level of integration among regulatory agencies in Singapore, despite not having a centralised, one-stop regulatory agency. They are also appreciative of the central coordinating role that BCA plays despite having no jurisdiction over the other regulatory agencies. Many economies do not have a similar entity as BCA and this prompted a rethink about the effectiveness of a centralised agency which does not facilitate parallel multi-department control of processes. Participants recognised the challenge involved in decentralising a regime that may be subject to multiple interpretation when translated across jurisdiction and felt that their economies would have to work steadily towards such a change, for it to succeed.

Armed with an insight on Singapore's regulatory regime, participants took part in a breakout session to discuss in groups the regulatory regime in their economies, including licensing schemes and areas they would like to see improvement. This resulted in a comparison table of regulatory requirements for professionals among APEC economies. Their other findings were also shared to help each other identify areas that could be improved.

**c) Day 3 and 4 Content: Construction and Real Estate Network(CORENET), Case Studies & Learning Journey, Sharing by APEC Economy (New Zealand)**

This began with a look at information technology (IT) and its applications in Singapore and how it can be further harnessed and leveraged. As participants learned about e-Government applications and the various online portals that citizens, businesses and government use to interface and carry out transactions, they also appreciated the cost and complexity of an integrating platform across agencies and over a geographically large & diverse area.

Some participants appreciated the importance of an economy wide coordinating body to implement an integrative system for communication and sharing information. They pointed out that its greatest value is in leveling the information collection and dissemination process, reducing duplication and improving transparency. Participants also noted the measures that Singapore has taken for ensuring system integrity, infrastructure reliability and mitigating disruptions due to natural calamities.

The preceding session on IT led on to the first case study on CORENET, a coordinated and integrated permitting system. Participants learnt about the rationales and considerations of its development and its central role in enabling a quantum leap in productivity and efficiency in construction permitting for Singapore. The second case study on CORENET expanded on the challenges and considerations in making the industry transition from manual to electronic, including the programs and incentives to encourage participation and adoption by the private sector.

During the small group discussions, participants related with their economy's conditions to start thinking about what they could do and what they should look out for in an industry implementation of an integrated submission and approval system. Economies shared their thoughts through short presentations. The participants highlighted that the key benefit of such a system in their own economy is to foster transparency in the process of plan submission, compliance and timeframes. They identified the need to offer programs and incentives to design professionals and offices to lower the stakeholders' cost of changing their practice and interfacing their system to the e-platform requirements, especially the small players and one-man firms that face the greatest difficulty in

picking up new skills and technology.

The workshop invited New Zealand's Deputy Chief Executive of the Building and Housing Department Mr David Kelly to give a formal sharing session on his economy, which has done well in its dealing with construction permits but did not use an e-platform. He also presented an alternative perspective of reforms taking place in an economy with a multi-tiered government, which participants whose economy grapple with several layers of government (municipal, provincial, central) to clear a set of plans could relate to.

Through this session, participants were able to appreciate a different approach to re-engineering the permitting process without involving IT as part of the solution. It further brought home the message that both Singapore and New Zealand are common in their approach in targeting the professionalism of its industry players, the close involvement of technical agencies and the coordination between them. Several participants feedback that they are much clearer now that it is this attention to getting the process right first that enabled high performance in the two economies, and then technology could be applied to harness the synergy and sharpen the competitive edge.

#### **d) Day 5 Content: Sharing by World Bank and Closing Dialogue**

In this session, the World Bank's Team Lead for Dealing with Construction Permits, Mr Alejandro Espinosa, explained the indicators used in ranking the economies and shared the results and suggested the factors that may have influenced and determined where reforms have been more successful than in others. Some participants raised questions regarding the methodology and the statistics used to determine ranking. Participants noted that it will be helpful to proactively facilitate the data collection by World Bank, for example by assisting to identify more respondents with whom it could engage. All the economies saw the ranking as a positive event and volunteered to be contacted to provide local parties to participate in the Doing Business survey for 'Dealing with Construction Permits'.

CEO(BCA) Dr John Keung, rounded up the programme with a dialogue session with participants focused on their key learning points that they had obtained from the workshop. During this session, 6 economies Chile, Indonesia, Malaysia, the Philippines, Russia and Mexico presented their takeaway on the critical success factors in introducing reforms, on strategies that have been adopted in Singapore that may be applicable in their own economies and on their ideas of potential improvements that could be initiated for the short to medium term.

### **3. Evaluation**

The programme was well received and the participants gave an overall rating of 4.41 out of 5. [Table 1](#) lists the ratings for the individual programme objectives and overall programme quality and administration, suggesting that quality and design intent has been achieved.

**Table 1: Overall Programme Quantitative Ratings**

<b>Average rating for programme objectives (50%)</b>		
Objective 1: Increased knowledge of regulatory strategies and innovations that can make the issuance of construction permits cheaper, faster and easier, and made more aware of success factors for the implementation of reforms	4.20	<b>4.28</b>
Objective 2: Better able to analyse permit issuance processes in own economy to identify possible areas for improvement	4.28	
Objective 3: Found useful reference on Singapore's experience in re-engineering and reforming the regulatory system for construction permits for own economy through the detailed case studies provided at this workshop	4.36	
<b>Overall satisfaction with quality of programme (40%)</b>		
Satisfied with the learning format, range and depth of the topics and knowledge and expertise of the speakers		<b>4.52</b>
<b>Programme administration and logistical support (10%)</b>		<b>4.60</b>
<b>Total Weighted Average</b>		<b>4.41</b>

Participants were generally participative in the sessions, exhibiting keenness to know the critical factors and policies behind strategies while also asking about details on processes and procedures. They further provided extensive feedback on what they picked up and elaborating in some instances how these prompted them to think deeper and come up with ideas they may apply in their own economies.

#### **4. Follow-up Activities**

Singapore is currently developing Phase 2 of capacity building for Dealing with Permits, which will involve customised diagnostics for selected APEC member economies, with the aim of helping economies to design action plans tailored to address the specific concerns and constraints of their line agencies. We will work closely with learner economies to develop these customised programmes, and we are targeting to implement Phase 2 in 2011.