

## Dealing with construction permits Survey – Economy

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Dear Contributor,

We would like to thank you for your cooperation with the *Doing Business* project. Your contribution and expertise are essential to the success of the *Doing Business* report, an annual publication of the World Bank and the IFC that benchmarks business regulation in 183 economies worldwide.

*Doing Business 2010: Reforming through Difficult Times* was launched on September 9, 2009. This year's report received a record number of 2,517 media citations within one month of publication, including coverage from all major global, regional and local media outlets including TV, print, broadcast and web.

The positive feedback from governments around the world who are using the *Doing Business* reports as an input for policy debate about regulatory reform is only possible thanks to the generous contribution of over 8,000 experts like you, in 183 economies.

Since its inception in 2004, *Doing Business* has informed 270 reforms around the world, making it easier for small and medium sized entrepreneurs to do business. In 2008/09, 31 economies made it easier to deal with construction permits.

For further information about the report, please visit our website on [www.doingbusiness.org](http://www.doingbusiness.org). We also invite you to read our quarterly newsletter for updates on the growing global network of *Doing Business* contributors around the world.

For *Doing Business 2011*, we are honored to be able to count on your expertise:

- Before completing the survey, please review the assumptions of the case study. We ask that you update last year's information, included in the survey.
- Please describe in detail any reform that affects the process of dealing with construction permits since June 2009.

We would appreciate if you could return the completed survey by February 9, 2010 to [aespinosa@worldbank.org](mailto:aespinosa@worldbank.org) or [fmeunier@ifc.org](mailto:fmeunier@ifc.org). Please make sure to complete your name and address, so we can mail you a complimentary copy of the report.

If you have any questions, do not hesitate to contact us. Thank you again for your invaluable contribution to the World Bank's work.

Sincerely,



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### Primary Contributor Information

All information will be published. Please **check** the information you **do not** want us to **publish**. We do not publish mobile phone numbers.

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### Additional Contributors' Information

Name	Occupation	Email	Phone	Address, if different than above
[title] [first name] [last name]	[firm] [position] [profession]	[ ]	[phone] [mobile]	[street] [state/province] [city/country]
[title] [first name] [last name]	[firm] [position] [profession]	[ ]	[phone] [mobile]	[street] [state/province] [city/country]
[title] [first name] [last name]	[firm] [position] [profession]	[ ]	[phone] [mobile]	[street] [state/province] [city/country]

### Case Study Assumptions

<p><b>The company, BuildCo:</b></p>	<ul style="list-style-type: none"> <li>▪ Operates in <b>DB City</b></li> <li>▪ Is 100% domestically and privately-owned limited liability country</li> <li>▪ Is fully licensed and insured to carry out construction projects, such as building warehouses.</li> <li>▪ Has already paid all taxes and taken out all necessary insurances that are applicable to its general business activity (accidental insurance for construction workers and third-person liability insurance).</li> </ul>
<p><b>BuildCo's ownership and employees:</b></p>	<ul style="list-style-type: none"> <li>▪ Has 5 owners, none of whom is a legal entity.</li> <li>▪ Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.</li> <li>▪ Has at least one employee who is a licensed architect and registered with the local association of architects.</li> </ul>
<p><b>The land plot owned by BuildCo:</b></p>	<ul style="list-style-type: none"> <li>▪ Is 929 m<sup>2</sup> (10,000 ft<sup>2</sup>)</li> <li>▪ 100% owned by BuildCo, and is registered in the cadastre and land registry.</li> <li>▪ Has road-access and is located in the peri-urban area of <b>DB City</b> (i.e., is in the fringes of the city—but still within its official limits).</li> <li>▪ Is not located in a special economic or industrial zone, but the zoning requirements for warehouses are met by building it in an area where other similar warehouses are to be found.</li> </ul>
<p><b>Warehouse specifications:</b></p>	<ul style="list-style-type: none"> <li>▪ Has two stories, both above ground, with a total surface of approximately 1,300.6 m<sup>2</sup> (14,000 ft<sup>2</sup>). Each floor is 3 meters (9 feet, 10 inches) high.</li> <li>▪ Will be used for storage of non-hazardous goods such as books</li> </ul>
<p><b>Estimated value of the warehouse:</b></p>	<ul style="list-style-type: none"> <li>▪ DKK 14,957,000</li> </ul>

### Case Study Additional Questions

<p>Please provide an estimate for building a warehouse of these specifications in <b>DB City</b> <u>if it is different than the value listed above</u>. Please explain your calculations.</p> <p>■</p>
<p>Please specify <u>which districts or neighborhoods in DB City</u> this warehouse or a similar commercial structure is likely to be built.</p> <p>■</p>

## Reform Update

1. Have there been any reforms (in practice or in the laws and regulations) related to dealing with construction permits **since June 1, 2009**? Please describe. If there has been a legal reform, please indicate the name and date of the law. If possible, please provide a copy of the law or a link to the text of the law.

Yes  No

Comment:

2. Last year, Doing Business recorded the following “future reform.” Has this reform been implemented **since June 1, 2009**?

### Future reform from DB10

Yes  No

Comment:

3. Are you aware of any reform (in practice or in the laws and regulations) related to dealing with construction permits that is **expected to be adopted prior to June 1, 2010**? Please describe.

Yes or  No

Comment:

4. Are you aware of any reform (in practice or in the laws and regulations) related to dealing with construction permits that is **ongoing and is expected to be adopted in the longer term**? Please describe.

Yes or  No

Comment:

## Data Update

For your convenience, the **summary table** lists the data published in last year's report, *Doing Business 2010*. This information is based on unified answers received from various contributors in your country last year. It represents the total procedures, time, and cost to deal with all the approvals related to building a warehouse and connecting it to utilities.

Data published in Doing Business 2010	
Procedures (number)	Procedure
Time (calendar days)	Time
Total cost (local currency)	Cost

Please update the **detailed procedure list on the following page**, taking into account the assumptions of the case study on page 2. Please describe in detail any change to the data and indicate when the change took effect. We ask you to specify if the data were erroneous ("correction"), or if the change resulted from a modification in practice or by law which occurred after June 1, 2009 ("reform").

While revising the detailed procedure list below, please update all data that has changed since June 2009 bearing in mind that:

- **Time** is measured in calendar days and the minimum time for each procedure is 1 day;
- A **procedure** is any interaction of the company's employees or managers with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public and private inspectors and technical experts apart from in-house architects and engineers. Procedures sometimes take place simultaneously. Examples of this are marked with an asterisk (\*);
- **Costs** only include official fees. Non-recurring taxes that are necessary for the completion of the specific project are recorded. Bribes are excluded.

**A. Before Construction** – Please verify all the procedures required before BuildCo can obtain the permission to begin construction of the above-mentioned warehouse. If there are any missing procedures please list them in section E.

<b>Procedure</b>	
<b>Time</b>	<b>Time update</b>
<b>Cost</b>	<b>Cost update</b>
<b>Agency</b>	<b>Agency update</b>
<b>Details</b>	<b>Additional details field</b>
Please indicate whether the changes above are due to a <b>correction</b> (i.e. incorrect data) or a <b>reform</b> (i.e. modification in practice or by law since June 2009).	

**B. During Construction** – Please verify what inspections take place during the construction process. If there are any missing procedures please list them in section E.

<b>Procedure</b>		
<b>Time</b>		<b>Time update</b>
<b>Cost</b>		<b>Cost update</b>
<b>Agency</b>		<b>Agency update</b>
<b>Details</b>	<b>Additional details field</b>	
Please indicate whether the changes above are due to a <b>correction</b> (i.e. incorrect data) or a <b>reform</b> (i.e. modification in practice or by law since June 2009).		

**C. After Construction** – Please verify whether the following procedures capture all the requirements for the completed warehouse to be fully operational and accurately registered. If there are any missing procedures please list them in section E.

<b>Procedure</b>	
<b>Time</b>	<b>Time update</b>
<b>Cost</b>	<b>Cost update</b>
<b>Agency</b>	<b>Agency update</b>
<b>Details</b>	<b>Additional details field</b>
Please indicate whether the changes above are due to a <b>correction</b> (i.e. incorrect data) or a <b>reform</b> (i.e. modification in practice or by law since June 2009).	

**D. Utilities** - the warehouse being built must also be connected to electricity, water and sewage, and a telephone line. Please keep in mind that the connections would be new connections because the warehouse is a new construction.

<b>Electricity</b>	<ul style="list-style-type: none"> <li>▪ 3-phase, 4-wire Y, 140 kVA. 3-phase service is available in the construction area.</li> <li>▪ Unless even in peri-urban areas, service is underground, we assume the service to be overhead.</li> <li>▪ Connection is 10 meters long.</li> <li>▪ Unless installation of a private substation (transformer) or extension of network is required, connection to the electricity network is a simple hook-up.</li> <li>▪ Connection involves installation of only one electricity meter.</li> <li>▪ BuildCo is assumed to have a licensed electrician on their team.</li> </ul>
<b>Water and sewage</b>	<ul style="list-style-type: none"> <li>▪ The warehouse is 10 meters away from the existing water source and sewer tap.</li> <li>▪ A fire extinguishing system (dry system) is used. Hence, no water is needed for fire protection reasons.</li> <li>▪ In case a wet fire protection system is required by the law, it is assumed that the water demand listed below also covers the water needed for fire protection.</li> <li>▪ The connection is a 1-inch diameter water supply and 4-inch sewage</li> <li>▪ The warehouse neither uses nor stores chemicals.</li> </ul>
<b>Telephone</b>	<ul style="list-style-type: none"> <li>▪ BuildCo must obtain a fixed international telephone line.</li> </ul>

<b>Procedure</b>		
<b>Time</b>		<b>Time update</b>
<b>Cost</b>		<b>Cost update</b>
<b>Agency</b>		<b>Agency update</b>
<b>Details</b>	<b>Additional details field</b>	
Please indicate whether the changes above are due to a <b>correction</b> (i.e. incorrect data) or a <b>reform</b> (i.e. modification in practice or by law since June 2009).		

**E. Additional procedures to build a warehouse or connect to utilities** - Please specify any new or existing procedures that have not been included in the above lists. Please specify the sequencing of this procedure relative to the ones we currently record.

<b>Procedure</b>	
<b>Phase</b>	
<b>Time</b>	
<b>Cost</b>	
<b>Agency</b>	
<b>Details</b>	
Please indicate whether this entry is due to a <b>correction</b> (i.e. incorrect data) or a <b>reform</b> (i.e. modification in practice or by law since June 2009).	
Please indicate the sequence of this new procedure (ex: between procedures 2 and 3)	
Can this procedure take place simultaneously with another procedure? If so which one(s)?	

<b>Procedure</b>	
<b>Phase</b>	
<b>Time</b>	
<b>Cost</b>	
<b>Agency</b>	
<b>Details</b>	
Please indicate whether this entry is due to a <b>correction</b> (i.e. incorrect data) or a <b>reform</b> (i.e. modification in practice or by law since June 2009).	
Please indicate the sequence of this new procedure (ex: between procedures 2 and 3)	
Can this procedure take place simultaneously with another procedure? If so which one(s)?	

## Research

The following questions are part of the research *Doing Business* conducts. Please disregard the case study assumptions to complete this section of the survey. The answers to the research questions will not be included in the *Doing Business* indicators or rankings.

### Professional Liability

1. Please check the statements that best describe the professional liability in your country:
- The supervising architect/engineer is liable in case of faulty construction
  - The construction company, BuildCo, is held liable in case of faulty construction
  - The building authority is liable in case of faulty construction
  - Other, please explain:

2. What is the system of penalties in case of violations (civil, criminal, etc.)?

3. In your opinion, how can the current system of liabilities be improved?

### Professional Accreditation

4. Do construction professionals (i.e. architects, engineers, etc.) have to be accredited by a professional association?

Yes or  No

Please list the names and websites of the main associations:

Please describe eligibility requirements for accreditation (i.e. passing a professional exam):

Please describe the frequency of renewal of accreditation:

5. Do construction professionals (i.e. architects, engineers, etc.) have to be registered with the building authority? If yes, please explain how

Yes or  No

Please describe eligibility requirements for accreditation (i.e. passing a professional exam):

Please describe the frequency of renewal of accreditation:

### Constraints and Reforms

6. In your opinion, what is the biggest constraint in the operating environment for dealing with construction permits and related approvals (i.e. administrative backlogs, high application fees, etc.)?

## Referrals

Please help us expand our list of contributors by referring us to other experts in the private and public sector who can answer the Dealing with Construction Permits Survey.

	First name	Last name	Firm	Position	Phone	E-mail
Architects/ Engineers	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Construction company	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Developers	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Construction authorities	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

### Thank you for completing the survey!

We appreciate your contribution to the Doing Business project.

The results will appear in *Doing Business 2011* and on our website: <http://www.doingbusiness.org>.

Your work will be gratefully acknowledged in both.