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International Best Practice in Energy Infrastructure Permitting

Energy Summit, April 21, 2016

Jane Wilson

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INTERNATIONAL BEST PRACTICE

- EIA conducted in-depth research on international best practice in permitting.
- The “International Best Practice on Energy Infrastructure Permitting” paper contains:
 - Key findings from multiple EU studies on permitting
 - In-depth research of the best permitting practice in Germany, the US State of Ohio and Turkey
- Recommendations based on the research are made for BiH
- The paper can be found in English and local language at www.usaideia.ba



Why is a Reformed Permitting Regime Important for Investment?

- Experience in countries with well developed energy sectors shows that an investor friendly authorization regime (permitting) attracts investment.
- Investor friendly means:
 - Transparent – what is required to obtain a permit is easily determined
 - Efficient – permitting procedure is consistent, coordinated and streamlined, without undue delays
 - Predictable, as risk is decreased



EU Permitting Reform

- All EU Member States have deeply reformed their authorization processes.
- The last major reform effort began in 2004, when the EU set its renewable targets.
- Multiple studies were performed to determine what permitting revisions were needed.
- Policy (in the form of primary and secondary EU legislation) was issued.
- Transposition by Member States.



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Main Obstacles Found in EU Studies

- Number of processes and process steps
- Number of institutions that have competence for the issuance of permits and approvals
- Responsibility for overall procedure
- Transparency of permitting procedure
- Processes in parallel or sequential
- Application documents, particularly EIAs
- Duration
- Involving and informing stakeholders



EIA Paper on International Best Practice - General Steps Needed

- **Governments must:**
 - assess the whole of the applicable permitting legal framework as it exists to bring it into a coherent and streamlined package, and
 - generate the political will and cooperation structure to formulate and adopt the necessary policy.
- **Allocate the necessary resources to initiate and complete the necessary policy, legislation and regulations.**
- **Create a cooperation structure to formulate and facilitate adoption of the necessary policies, laws and regulations (e.g., working group(s)).**



Specific Steps Needed

- Determine in detail
 - what the legal framework actually is on all government levels.
 - what the project permitting procedure is on all government levels.
 - the gaps and overlaps with the desired policy, legislation and regulations.
- Amend as necessary.



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What about Federal System Governments?

- There are certain challenges in formulating a coherent permitting system within the sub-units in a federal governmental system.
- Germany is a federal government system that has a “best practice” permitting framework.



7 Recommended Features of an Investor-Friendly Permitting System

1. One coordinating authority composed of all competent permitting authorities (on all levels).
 - a. Consulted by developer in the first instance
 - b. In charge of mandatory scoping
 - c. Will monitor the progress of the authorization(s) through final permitting
 - d. Interventions if one permitting authority has not met its deadlines must be determined
 - e. The nature of the final permitting decision must be determined – whether one decision or a composite, and who is responsible for coordinating and compiling it



7 Recommended Features cont'd

2. Mandatory Scoping.

- a. Consultation between developer and all authorities involved in permitting the proposed project.
- b. Group comes to consensus on:
 - i. What permits are required from which authority;
 - ii. What documentation is required from the developer;
 - iii. The timeline for all activities.
- c. Experience shows that with mandatory scoping, authorities rarely ask for additional documents.



7 Recommended Features cont'd

3. Spatial Planning

- a. Definition: methods and approaches used by the public and private sectors to plan the distribution of people and activities in spaces of various scales. [Univ. of Innsbruck]
- b. Where energy infrastructure is not included in spatial plans, the result is uncertainty and a latent risk that the developer will not be able to find a site.
- c. In some countries (like the UK), spatial planning permits are integrated with the environmental procedures. In others, it is separate.
- d. Spatial planning must be placed at the beginning of the procedure. A site must be assured prior to the serious and prolonged permitting procedure.
- e. In Germany, inclusion of renewables in spatial planning is mandatory.



7 Recommended Features cont'd

4. Integrated Permit Proceeding

- a. Streamlining = the reduction/removal of multiple authorities considering the same issues, criteria and material separately.
- b. Combination of multiple processes into just one or several.
- c. Germany first combined all environmental procedures and now has added all permits necessary for building a generation facility – except spatial planning and water permitting.
- d. This does not eliminate permits or shut out permitting authorities.



7 Recommended Features cont'd

5. Public Participation and Environmental Advocate.

- a. Environmental permitting requires involvement of the public at an early stage in consultations.
- b. Like in Austria, create an Environmental Advocate position, which ensures that citizens and the environment are well represented, regardless of the number of citizens or NGOs that are involved in early consultations.



7 Recommended Features cont'd

6. Duration

- a. All the above features will reduce the duration of the proceeding.
 - i. One coordinating authority and a body of all involved authorities on a per project basis.
 - ii. Mandatory scoping.
 - iii. Integrated permitting procedures.
- b. The coordinating authority can remove the problem of projects “sleeping” on authorities’ desks or delayed because authorities do not know what to do.



7 Recommended Features cont'd

7. Manuals on permitting.
 - a. Increase transparency;
 - b. Where a country's investment procedures are opaque or confusing, the risk for development projects increases exponentially.
 - c. Manuals decrease the risk assessment and act as a friendly invitation to invest.



Conclusion

- Commitment and coordination are required to:
 - Solidify the political will to create an investor friendly energy infrastructure permitting framework.
 - Create a coordination mechanism, such as a working group.
 - Allocate the resources necessary to accomplish the work.
 - Assess the current permitting framework and find the gaps/overlaps.
 - Include the recommended features to streamline the permitting procedure.



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THANK YOU FOR YOUR ATTENTION!

Email : jwilson@aeai.net

Web: www.usaideia.ba