

GOOD PRACTICE

Proposed Draft Law on the creation of a one stop shop for foreign investors

ORGANISATION: IVACE International/ regional Government of Valencia

TOPIC: Attraction of investment

TOPIC OF THE GOOD PRACTICE

This law focuses on administrative simplification that minimize the problems facing foreign companies when investing in the Valencia region. Many of the administrative procedures required of investors have no real justification. Removal of unnecessary barriers and streamlining other administrative procedures require detailed efforts by governments involving the exercise of significant political leadership.

DETAILED DESCRIPTION OF THE GOOD PRACTICE

Name of the good practice: **One stop shop Law**

Name of the stakeholder: IVACE International/ regional Government of Valencia

Beneficiaries: foreign investors

Budget: no Budget is needed

Duration:

Location: all countries

Topic of the good practice: This law focuses on administrative simplification that minimize barriers that companies face when investing in the Valencia region.

It also fosters inter-administrative collaboration between various departments and agencies of the Generalitat (regional Government); as well as with the State and local Administration, in order to offer centralized assistance.

Description: This law seeks to facilitate the compliance of administrative procedures between various departments and agencies of the Regional Government, as well as with the State Administration and Local Government, acting as a liaison with the investor. It will also eliminate the disincentive effect that complex administrative procedures provoke in companies when starting an investment project.

The project can enjoy the following advantages:

- Advice provided by a single entity
- Information about the procedures necessary for the realization of the Project.
- Prioritization of projects selected
- Reduction of the ordinary deadlines of the administrative procedures foreseen in the autonomous legislation (decrees, laws and orders).
- Support on identifying possible problems and solving them.
- Follow-up of the dossier up to the implementation of the Project.

Description: a project must meet the criteria listed below:

- Economic criteria: an investment in fixed assets, excluding real estate, for an amount equal to or greater than 600,000 euros
- Employment criteria: generation of ten or more jobs with an indefinite full-time contract.
- Social and environmental criteria: in areas such as environmental protection, promotion of social inclusion, equality in the workplace, family reconciliation and co-responsibility, among other social and environmental criteria.

The one stop shop is expected to set up a Permanent Investment Commission and a technical investments commission

- The functions of the Permanent Investment Commission shall be:
 - a) Propose economic, social and environmental criteria required to be considered as projects of interest for the Valencian Community
 - b) Make proposals that optimize and improve administrative procedures in order to save time and costs and elevate them to the bodies of the corresponding administrations for their consideration and approval, if appropriate.

The Permanent Investment Commission shall meet at least once a year, as well as, when necessary. Its operation will not involve additional expenditure for the Administration of the Regional Ministry.

- The functions of the Technical Investment Commissions shall be:
 - A) Attend the meetings by the one stop shop to provide the necessary information for the proper management of the investment projects.
 - B) Support this one stop shop in the coordination, promotion and management of the procedures required in business projects.
 - C) Make proposals that optimize and improve administrative procedures in order to save time and costs when processing the project
 - D) Follow up the projects managed in collaboration with the one stop shop to the investment

ROLE OF ACTORS

The main promoter is the Regional Ministry of Sustainable Economy, Productive Sectors, Commerce and Employment via IVACE foreign investment department. This body carried out an analysis of the investment and reinvestment environment in the Valencia region. It concluded that there is a need to reduce administrative barriers for the companies when undertaking their business activity in the Valencia Region.

The following public bodies will be involved, both in the development and in the implementation of the Law:

- Presidency of the regional Government
- Finance and Economic Model Regional Ministry
- Education, Research, Culture and Sport Regional Ministry
- Sustainable Economy, Productive Sectors, Trade and Labor Regional Ministry
- Housing, Public Works Regional Ministry
- Equality and Inclusive Policies Regional Ministry
- Justice, Public Administration, Democratic Reform and Public Freedoms Regional Ministry
- Universal Health and Public Health Regional Ministry
- Agriculture, Environment, Climate Change and Rural Development Regional Ministry
- Transparency, Social Responsibility, Participation and Cooperation Regional Ministry

- Chambers of Commerce of the Region de Valencia
- Valencian federation of municipalities and provinces.

BENEFICIARIES

This Law is addressed to any natural or legal person, local, regional, state or international, with an investment project that meets the following criteria listed below:

- Economic criteria: an investment in fixed assets, excluding real estate, for an amount equal to or greater than 600,000 euros
- Employment criteria: the generation of ten or more jobs with an indefinite full-time contract.
- Social and environmental criteria: in areas such as environmental protection, promotion of social inclusion, equality in the workplace, family reconciliation and co-responsibility, among other social and environmental criteria.

Annually, it will be proposed a list of evaluable social and environmental criteria, as well as the minimum score required for the projects to be qualified as projects of interest to the Region of Valencia. This proposal will be transferred to the Technical Committee on Permanent Investment, which will be submitted to a representative of the Regional Ministry responsible for economic development, business support and investment projects, for approval by resolution.

Any company interested in starting an investment project or business reinvestment that meet the requirements established in the preceding paragraph may request the Valencian Institute of Business Competitiveness (IVACE) the assistance.

CULTURAL ASPECTS: POSSIBLE KEY LEVERAGES FOR INTERNATIONALISATION PROCESSES

The aim of the creation of a one stop shop for investors is to promote investment and employment, enabling adequate procedures to facilitate the investment processes of companies. All of this by simplifying administrative procedures and eliminating the obstacles at the beginning of a business activity, reducing deadlines to facilitate entrepreneurship, job creation and the generation of confidence based on the fulfilment of social responsibility factors.

INNOVATION OF THE GOOD PRACTICE, POTENTIAL FOR IMPROVEMENT AND REPLICABILITY

This law provides a useful and quality service for potential investors as it achieves, first and fundamentally shorten deadlines, and secondly a single contact in the Administration. It is innovative since it reduces red tape and simplify procedures. It is replicable in other countries, and mostly in those where the regional and local administration is well developed.

Therefore, if a possible investment project, after being evaluated becomes a project that can be taken care of by the one stop shop, then the project can enjoy the following advantages:

- Advice and Interlocution with a single body;
- Information about the procedures necessary for the realization of the Project;
- Prioritization of projects selected;
- Reduction of the ordinary deadlines of the administrative procedures foreseen in the autonomous legislation (decrees, laws and orders);
- Support in identifying possible problems and solving them;
- Follow-up of the dossier up to the implementation of the Project.

EVIDENCE OF SUCCESS AND THE ASSESSMENT OF THE IMPACT AND RESULTS OF GOOD PRACTICE

The Law is going to be passed this year, it has not been evaluated it yet.

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