



The Regulatory Reform Toolkit

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Three main axes for systematic regulatory improvement

I. Building a regulatory management system

- Regulate the regulators through transparency and accountability mechanisms (laws, policies, institutions, enforcement, etc.)
- Setting up enforcement institutions and procedures
- Building capacities

II. Upgrading the quality of **existing** regulations

- **Control of the stock** (Guillotine, deregulation, codification and restatement, registries, one-stop shop, etc.)

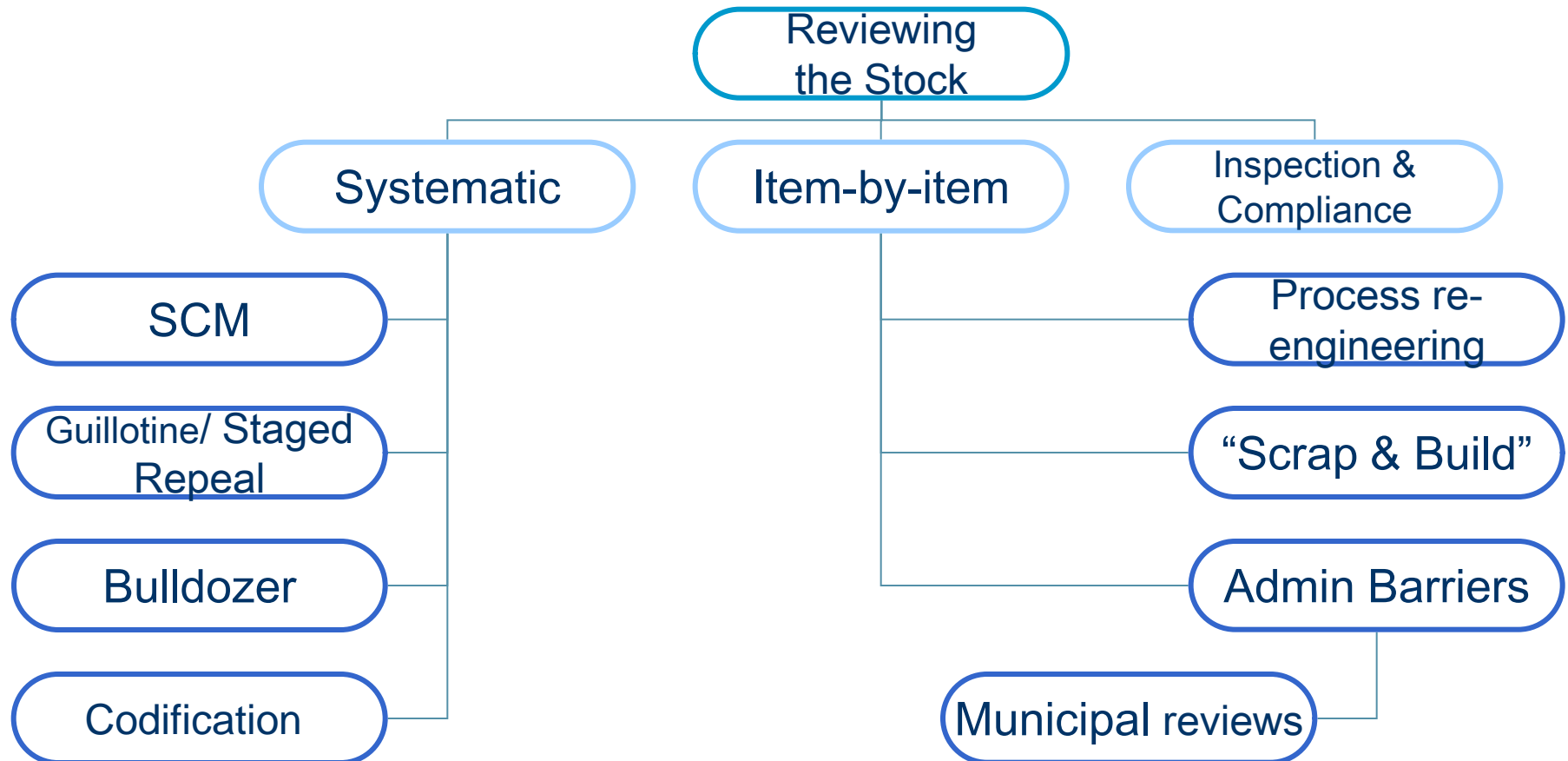


III. Improving the quality of **new** regulations

- **Control of the flow** (RIA, consultation, alternatives, co-ordination, etc.)



Models for Reviewing Existing Regulations





Key Elements of ‘stock’ tools

Initiative	Elements	Examples
“Scrap & build”	Structural deregulation/re-regulation	EU harmonization China WTO accession
Re-engineering	Reviews around the concept of ‘one stop shops’	Belgium Egovernment
Bulldozer	Elimination of business irritants	Bosnia
Admin Barriers	Reduction of time and burden of start up licenses	Dozen of studies Municipalities in LAC
Codification	Restating w or w/out legal changes	France “loi anti-loi”, Ireland re-statement
SCM	Target re-engineering to reduce redtape burdens	SCM in NL, DK, UK, EU Kenya
Guillotine	Automatic repeal in case of failure to justify regs	Hungary, Mexico, Korea, Moldova, Ukraine, Bosnia, Croatia, Kenya



Models for Reviewing the Flow of Regulations





Key Elements of 'flow' tools (1)

Initiative	Elements	Examples
Regulatory Impact Assessment	Systematic process of identification and quantification of important benefits and costs likely to flow from adoption of a proposed regulation or a non-regulatory policy option under consideration. May be based on benefit/cost analysis, cost effectiveness analysis, business impact analysis etc.	Bosnia (RS), Bosnia National Serbia, Croatia Albania, Macedonia
Consultation - active	Pro-active seeking feedback from stakeholders e.g. focus groups	Bosnia
Consultation: 'notice and comment'	Notice of the intention to regulate is published and comments are sought from all interested parties before the law or regulation is approved.	



Key Elements of 'flow' tools (2)

Initiative	Elements	Examples
Alternatives to regulations	Alternative to command and control regulation e.g. performance based regulation, process regulation, waiver or variance provisions, co-regulation, self-regulation, contractual arrangements, voluntary commitments, tradable permits, taxes and subsidies, insurance schemes, information campaigns.	OECD & EU Serbia, Croatia, Macedonia Albania Bosnia (RS)
Sunsetting	The automatic repeal of regulations a certain number of years after they have come into force. This will usually trigger a review of the regulation just before repeal occurs.	Australia
Forward Planning	Publication of lists of proposed future regulation is also a rapidly developing strategy for improving transparency	EC UK
plain language drafting	Improving Legal drafting through linguistic clarity, friendly language	Germany, Belgium



Issues, Gaps and Adaptation Needs? (1)

How to better sequence the introduction of tools

- Stock Vs Flow

How to resource the Regulatory Oversight Body

- Funds and the role of donors
- Human resources for short term (limits of pay scale)

How to complement the initiatives with other public management reforms

- EU transposition
- E.g. Budgetary or civil service reforms
- Pro-reform : market openness, competition



Issues, Gaps and Adaptation Needs? (2)

How to communicate without ‘spinning’ the initiatives

- “front burners” delivering tangible and easy-to-communicate results
- Propaganda Vs information
- “Low hanging fruits” VS focusing on irritants rather than structural issues

How to sustain the political constituency

- Difficult when ‘voice’ does really exists (e.g. business representatives)
- Administrative Vs Substantive compliance costs
- Irritant Vs ‘true’ compliance costs