

# *Inspection Reforms*

## *A stock taking study*

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# *Why stocktaking inspection reforms?*

- Inspection is a complex and not well understood area compared to other parts of the interface between State and Businesses and RegRef
- In the past few years, World Bank has invested time and resources in this area, in particular in the Balkans
- Based on recent empirical experience, an effort to systematize and analyze seem appropriate
- The end objective is to look for early lessons on objectives and approaches for reform

## *A - Starting point*

- World Bank FIAS recent efforts
  - Network of WB practitioners
  - Toolkit based on Mexico, US, Philippines, Latvia
- Reforms in BiH, Croatia and Slovenia
- Mapping of inspection ‘environment’ in Albania, Montenegro and Serbia

# *B – Overview of 21 countries worldwide*

- Name of the reform (starting date)
- Scope of reform (single, multi, systemic)
- Driving institution (WB, DFiD, other)
- Type of reform
- Main inputs of reform
- Main output of reform (laws, structure)
- Main outcomes (time, costs, risk reduction)

# B - Sample

Country	Starting	Main focused/output
Mexico	1995	Environment and customs
Uzbekisatn	1996	Many inspectorates
Canada	1997	Food inspectorate
Denmark	1997	Veterniary & Food
Ireland	1998	Merging inspectorates
Latvia	1999	Many inspectorates
Armenia	2000	Single law, coordinating inspectorates
United Kingdom	2000	Many inspectorate, Food and Safety
Georgia	2001	Many inspectorates, in particular food, veterinary and plant
Russia	2001	Single law
Mongolia	2002	Merging inspectorates
Romania	2002	Many inspectorates (labor, taxes)
The Netherlands	2002	Food and consumer products
Moldova	2003	Many inspectorates
Belarus	2004	Fire, Sanitary and Labor Inspectorate
Poland	2004	Single law, coordinating inspectorates
Montenegro	2004	Single law ,
Jordan	2005	labour, environment, food
Tajikistan	2005	Merging inspectorates
Ukraine	2005	Single law

# *C – Critical analysis of inspection reforms*

- Understanding the objectives
  - Government perspective
    - Rule of Law, anti-corruption, cost of enforcement
  - Tackle risks in a better way
    - Enforcement and compliance perspective
  - Lowering costs and risks for business

# *D – Common frameworks and approaches*

- *Reforms to inspection processes and procedures*
  - These reforms have focused on changes in the timing, the number of visits, setting up checklists, establishing risk base inspection, etc.)
  - Interesting cases are in Ukraine, Latvia (fire), Jordan
- *Reforms to the organizational framework*
  - Single law, merging of inspections and inspectorates, common procedures, forms, new body)
  - Bosnia, Croatia, Slovenia, Moldova, Mongolia

# *E – Results of selected inspection reforms*

- *Key case studies Bosnia, Serbia, Slovenia*
- *Story of the reform initiative*
  - Important contextual aspects on each case
- *Outputs in term of new organizational settings and procedures*
  - Organization and procedures (checklists)
- *Results and outcomes*
  - Number of inspections
  - Increased compliance (e.g. increase budgetary revenues)
  - Increase in formal employment
  - Increase coverage (number of visits and number of businesses visited)
  - Quality of inspection visits (business perception on inspections, media appearance)
  - Savings of on the inspection budget (?)