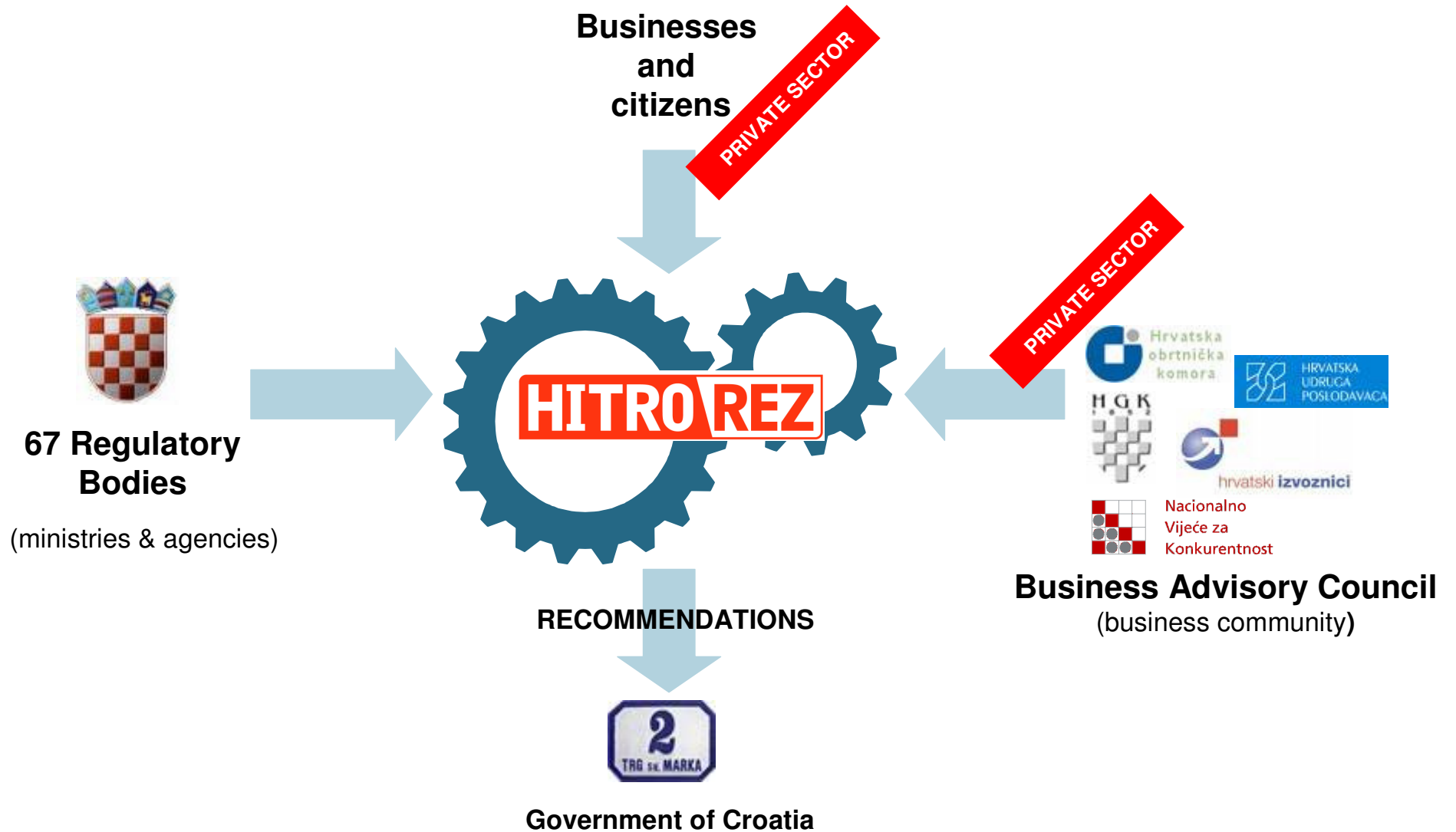


Why is the private sector participation in the reform essential?

- Private sector is a **key beneficiary** of the regulatory reform changes
- Private sector (will) have to compete in the international markets ones the country becomes the member of the European Union
- Only private sector could **precisely identify obstacles** for doing business (and later on those for citizens)
- Private sector could know better how particular regulatory obstacles have been **addressed in other markets**
- If a regulator “forget” to report all its regulations, private sector could **identify (unreported) missing regulations**
- Only private sector could **provide “objective” feedback** on the implementation and **“real” impacts of the changes**

Established shareholder's platform ensured transparency



Business Advisory Council (BAC) has 10 members



Chamber of Economy

- Public Law Institution
- **550 Employees**
- HQ + 21 county Chambers
- 7 representative offices (intl.)
- Mandatory membership
- **Over 70,000 member companies**
- 40 professional association
- 87 groups
- 19 affiliations



Chamber of Crafts

- Public Law Institution
- **180 Employees**
- HQ + 20 county Chambers
- 114 Craft Associations
- Representative Office in Brussels
- Mandatory Membership
- **105,000 Craft Members**
- 8 Guilds



Employers Association

- Represents Employer interests with Government and Trade Unions
- **34 Employees**
- 3 Regional Offices in Croatia
- Voluntary Membership
- **5,000 Member Companies**
- 23 Industry Sectors
- Member of ILO
- Member of Confederation of European Business



Croatian Exporters

- Represents members interest in Exports
- **3 Employees**
- Voluntary Membership
- **800 Member Companies**



Nacionalno
Vijeće za
Konkurentnost

Competitiveness Counsel

- National leadership organizations comprised of prominent representatives from **Academia, Business, Science, Labor and Government**
- Permanent Roundtable for 22 persons

Private sector role in assuring the credibility and support

Strategic support – Promoting reform and reporting progress

1 Communicating the reform goals to business community

2 Strategic consulting and guidance



Operational/practical support – Identifying, prioritizing, reviewing and proposing

3 Identify missing regulations and set the priorities for review

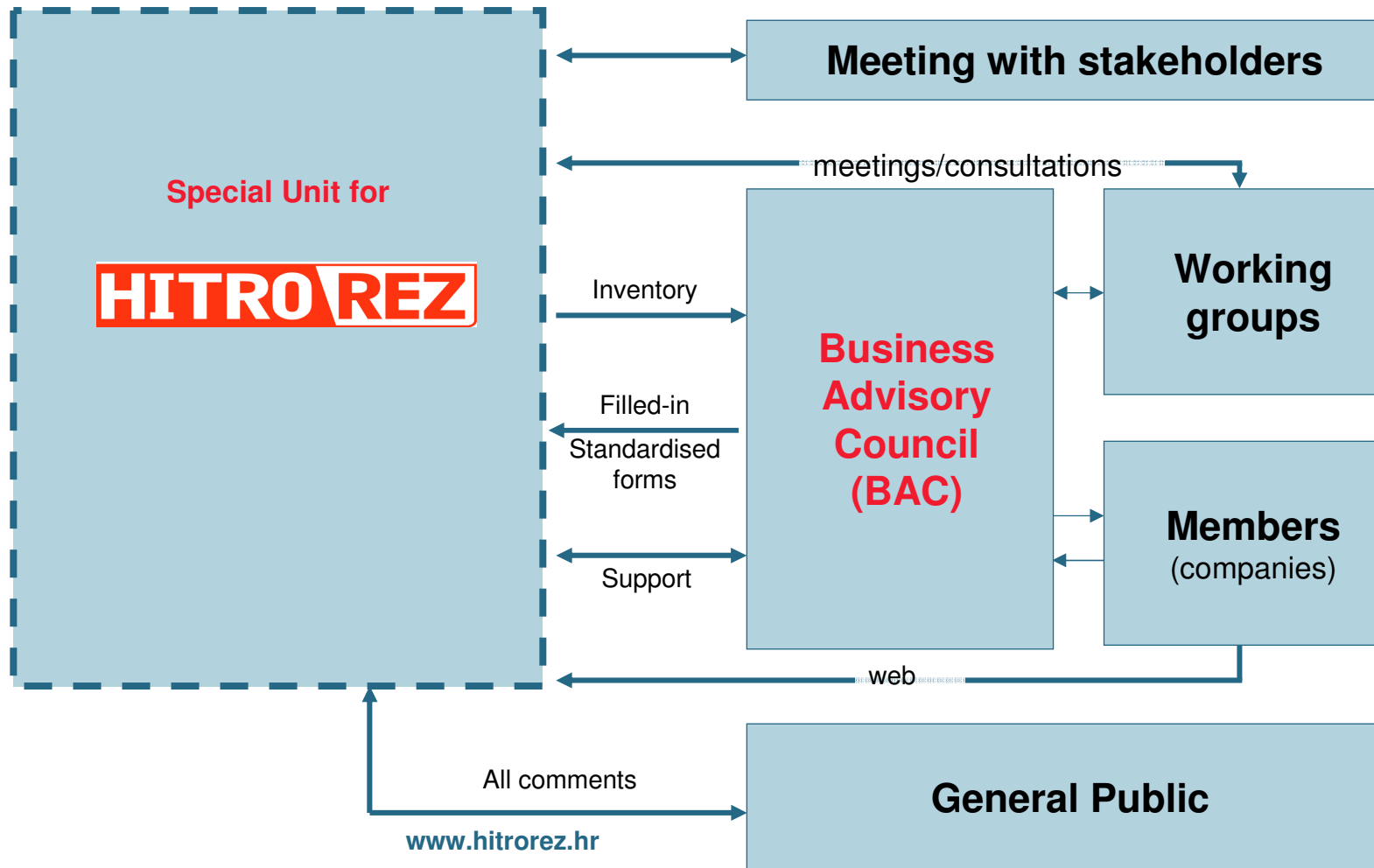
4 Collection of BAC and its members' reviews (Form 3)



5 Identify and prioritize Organized review of priority business areas by BAC Working groups



Private sector participation in the consultation process



More than 130 private sector experts were proactively engaged

Independent experts:

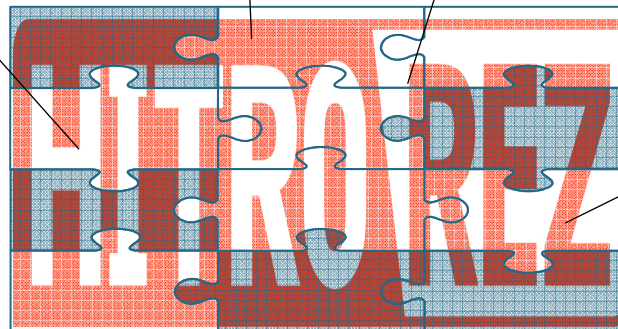
- 8 legal experts
- 2 law offices

Business Advisory Council:

- 10 key business individuals

Chambers and Associations experts:

- 26 from Chamber of Commerce
- 28 from Chamber of Crafts
- >10 from CBRD, CE, CEA, NCC

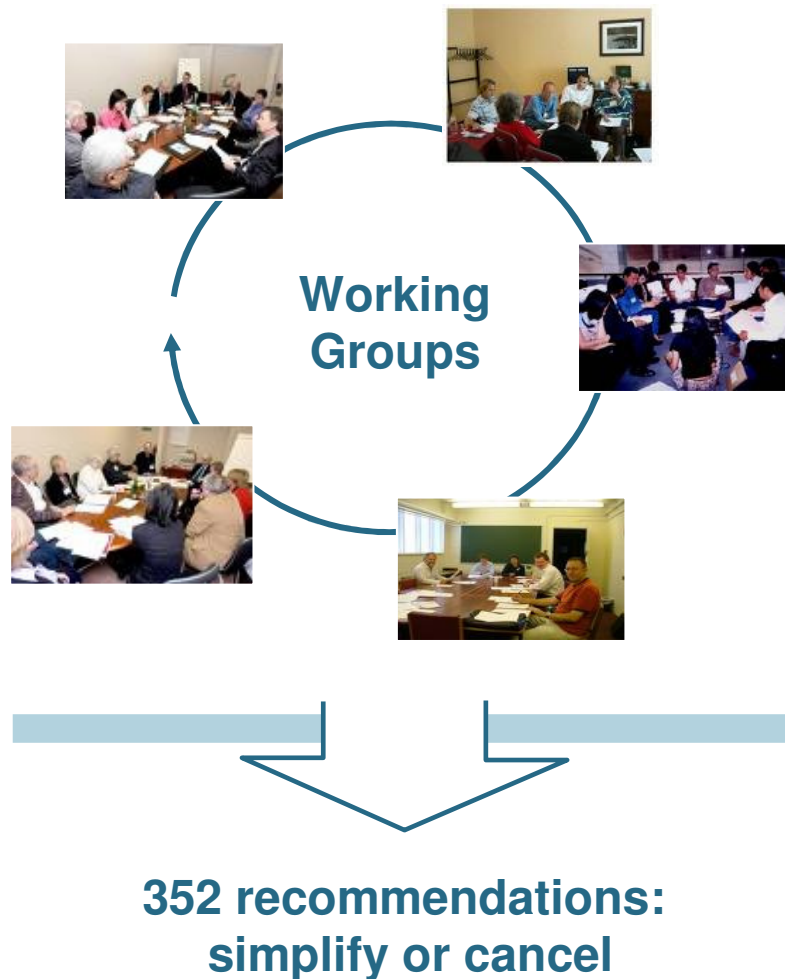


Business sector experts:

- 52 from BAC members (e.g. food, pharma sector etc.)

1) Business Advisory Council; CCE = Croatia Chamber of Commerce; CCC = Croatian Chamber of Crafts; NCC = National Competitiveness Council; CEA = Croatian Employers Ass.; CE = Cro. Exporters Union; CBRD = Cro. Bank for Reconstruction and Development; MFA = Ministry of Foreign Affairs; GOL = Gov's Office for Legislation

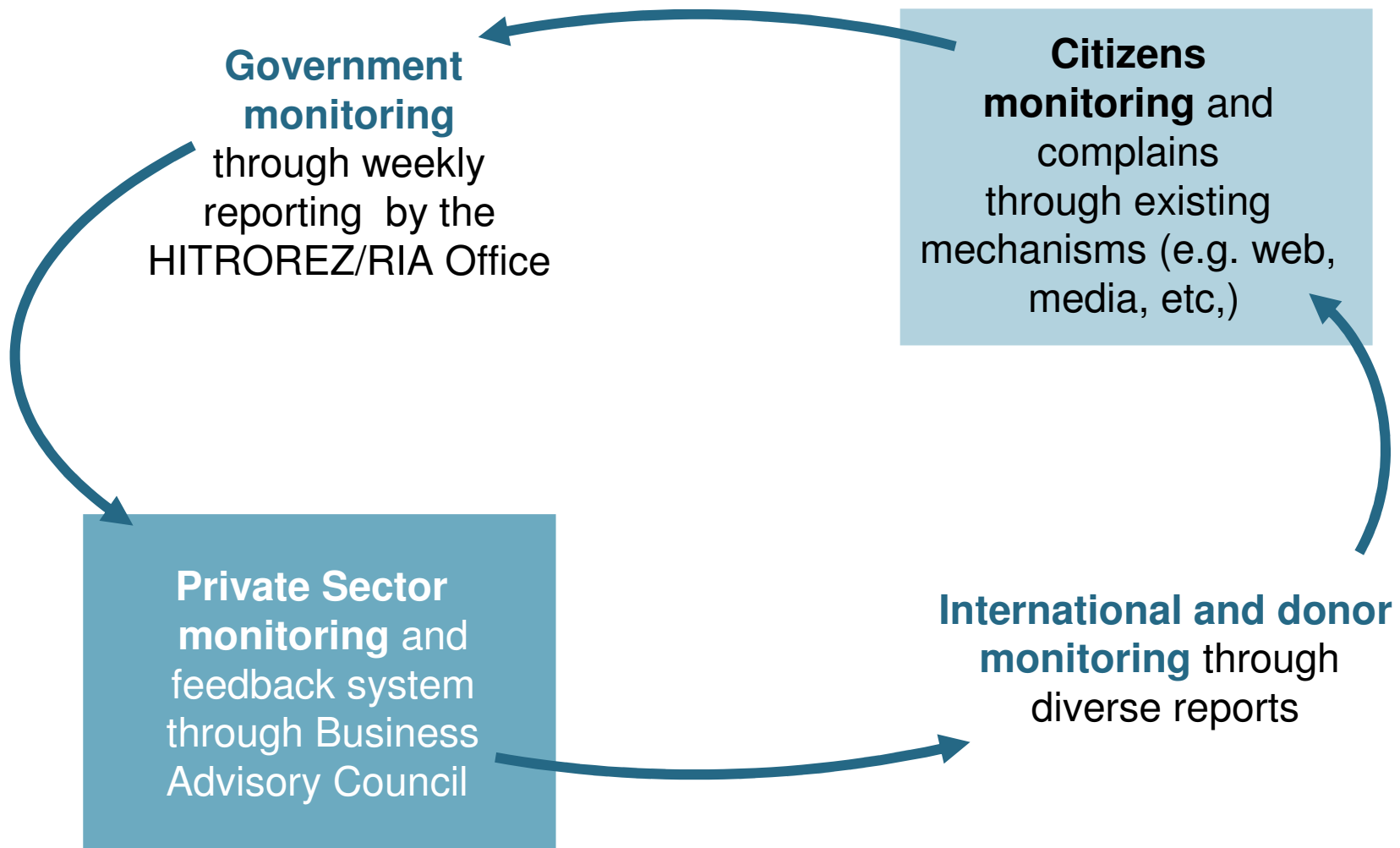
Operational organisation of the BAC Working Groups



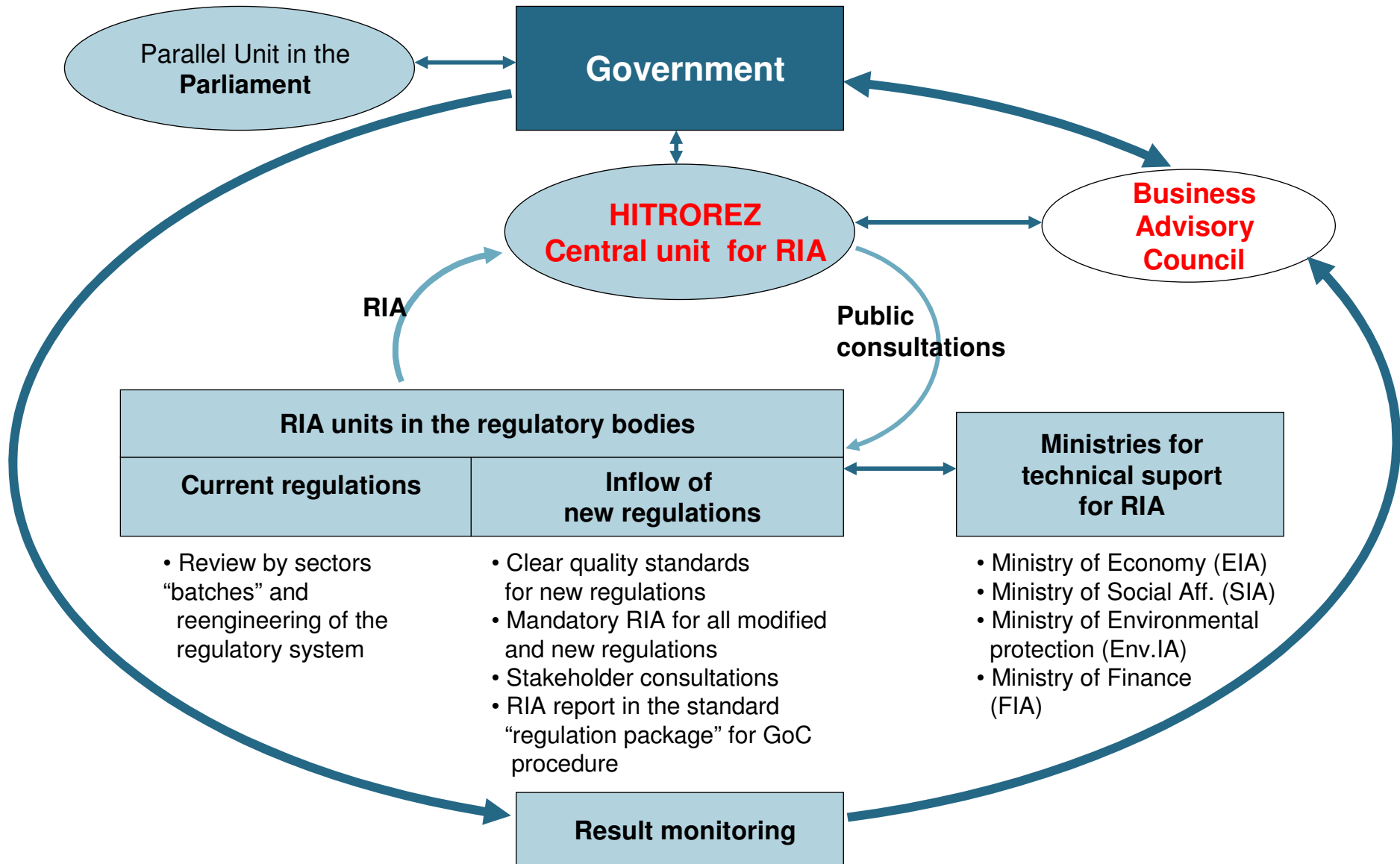
Comments

- **Working Group task:**
 - **Identify missing regulations** in inventory
 - **Identify priority regulations** for review
 - **Review set of regulations and develop recommendations of behalf of the private sector as inputs for HITROREZ**
- **Working Group output:** filled in standardised form with recommendations and rationale
- Working Groups experts with **mixed skills and knowledge** – Divided based on the area of expertise, type and volume of regulations
- **Head of Working Groups** from BAC members
- HITROREZ representatives as facilitators of each Working Group (not part of the WG)
- **Mandatory Working Group meetings** organised by HITROREZ

Monitoring implementation dynamics and reform impacts



Engagement of private sector in the RIA process



Lessons learned

- Create corporation alike **institutional framework** for private sector representatives – e.g. Business Advisory Council
- Focus on fewer relevant private sector institutions as private sector representatives through **key private sector opinion-makers**
- Do not agree with “declarative” support by the private sector – Insist from them to put **concrete practical support** (expertise) as well
- Create **long-term support infrastructure** for long-term cooperation – e.g. draft letters, organize regular BAC meetings, etc.
- Use **process and content transparency** to ensure long-term cooperation between private sector and the government
- **Report** regularly about the **progress and the problems**, proposing scenarios on how to resolve those
- Do not forget to **involve Labor Unions**