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**WORKING GROUP IV: PUBLIC SERVICE DELIVERY, PUBLIC-PRIVATE PARTNERSHIP
AND REGULATORY REFORM**

**DRAFT REGIONAL FRAMEWORK FOR
REGULATORY QUALITY**

**SPECIAL SESSION OF THE OECD WORKING PARTY ON
REGULATORY MANAGEMENT AND REFORM**

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INTRODUCTION AND BACKGROUND INFORMATION ON THE DRAFT REGIONAL FRAMEWORK FOR REGULATORY QUALITY

The establishment of a Regional Framework for Regulatory Quality for the Middle East and North African Region has been highlighted by participating Arab countries as a key priority during past activities in the Good Governance for Development in Arab Countries Initiative. It is also reflected as such in the GfD Country Action Plans in the field of regulatory reform.

Rationale and Benefits of the Regional Framework for Regulatory Quality

A Regional Framework for Regulatory Quality can provide useful information for those countries in the region interested in

1. Integrating principles of good quality regulation into the policy-making process; and
2. Moving closer to good international practices.

The Regional Framework for Regulatory Quality can create an orderly framework for decision-making that sets out key concepts to guide administrators through the complexities of the design and implementation of an effective and high quality regulatory reform policy. This can be of great help for policy makers when identifying options and targeting priorities.

Drafting the Regional Framework for Regulatory Quality

The Draft Regional Framework has been prepared on the basis of technical and political consultations with both OECD and Arab countries. A first draft version of the Regional Framework for Regulatory Quality has been shared with participants at the Second Special Session of the OECD Working Party on Regulatory Management and Reform in the Framework of the GfD Initiative (Focus Group on Regulatory Reform) on 25 April 2006 in Paris. Delegates from Greece, Lebanon, Tunisia, Yemen and the Palestinian National Authority participated in further discussions on content during the Third Regional Meeting the Working Group IV on Public-Private Partnerships, Public Service Delivery and Regulatory Reform on 15 and 16 February 2007 in Tunis.

DRAFT REGIONAL FRAMEWORK FOR REGULATORY QUALITY

PREAMBLE

1. To improve national economies and to strengthen the role of government in guiding economic and social development, we have drafted this regional framework on law drafting and regulatory quality. Legitimacy and the rule of law are the foundation of modern societies and states. They cannot be taken for granted when consensus and stability are weak. We must remedy the effects of regulatory complexity which contribute to informality and corruption. Parallel efforts to strengthen civil society are needed to improve the quality of law-drafting.

2. We will draw on the 1995 OECD Recommendation on Improving the Quality of Government Regulation and the 2005 OECD Guiding Principles for Regulatory Quality and Performance when improving procedures to draft laws and regulations that are adapted to our institutions, cultures and potential for development.

Regulatory policy: a broad programme with a whole-of-government perspective

3. We recognise that regulatory reform should be supported at the highest political level, to promote consideration of regulatory policy, tools and institutions as a whole, and to communicate strategies and benefits to the public. We will strengthen co-ordination mechanisms inside the administration to foster coherence across policy objectives and to clarify responsibilities and roles. Better regulation strategies are consistent with the existing responsibilities and competence of ministries. The challenge lies in carrying out a whole-of-government initiative, to achieve greater policy coherence.

4. Once public policy objectives have been set, governments need guidance to decide when and how to pursue these objectives through laws. Careful consideration of alternatives to regulation should be given early in the process. Attention to clear language drafting, including the preparation of laws in more than one language or their translation into several languages, is a priority. An oversight body can have a role to play, to assure progress. We recognize that if a regulation is needed, good regulation should (i) serve clearly identified policy goals, and be effective in achieving those goals; (ii) have a sound legal and empirical basis; (iii) produce benefits that justify costs, considering the distribution of effects across society, and taking economic, environmental and social effects into account; (iv) minimise costs and market distortions; (v) promote innovation through market incentives and goal-based approaches; (vi) be clear, simple and practical for users; (vii) be consistent with other regulations and policies; and (viii) be compatible as far as possible with competition, trade and investment-facilitating principles at domestic and international levels.

Building institutional frameworks for regulatory reform

5. We will develop and publicise an explicit strategy for regulatory policy based on sound principles of good governance which can be the responsibility of an oversight unit to monitor, so that problems and

gaps can be identified, the benefits of regulation measured, and progress reported on a consistent and regular yearly basis to the government and to the public.

6. We will establish institutional arrangements for regulatory quality that are accountable and transparent, including measures that promote integrity. Regulatory institutions should ensure that the public interest is respected.

7. The role of the public administration is central in regulatory reform, especially insofar as primary legislation calls for secondary regulation (decrees, etc.) which are drafted in the Executive. We will improve the preparation of secondary legislation to reduce delays which affect legal certainty and enforcement.

Use of regulatory tools to increase transparency in the process

8. We affirm the importance of administrative procedures for consideration of new regulations and laws. These procedures must be clearly stated and should promote transparency, administrative certainty and due process. Consultation should be broadly based and balanced amongst different interest groups, and consultation processes themselves must be transparent and responsive. Law-drafting procedures should be managed efficiently, to reduce delays that create uncertainty and confusion, as when implementation decrees are needed to make laws effective.

9. We will promote the introduction and use of regulatory impact analysis as a priority, targeting in particular any legislative measure likely to have a significant socio-economic impact. The improvement of RIA methodology and the use of good practices for consultation, provide a basis for exchange of experiences among countries. Training of senior administrators and of technical staff is essential for the successful implementation of RIA, which must be undertaken early in the decision-making process to have political effect. As experience with RIA accumulates, we will endeavour to make these analyses public and to have them evaluated.

Sustaining the path of regulatory reform

10. In pursuit of these goals, we will develop specific action plans: (i) staff units adequately to carry out assessments of regulations against the principles of good regulation and assure compliance with quality standards, and to consider alternatives to regulation where appropriate and possible, (ii) assess and improve rule-making procedures to carry out a review of both the legal basis and the economic impacts of existing or new legislation; (iii) update existing regulations, and review regulations where change will yield the highest and most visible benefits; (iv) develop electronically accessible Websites to make rulemaking information accessible to the public, to receive public comment on regulatory matters, to make all laws available to the public, (v) assure clear and plain-language drafting, including in translations, and (vi) reduce administrative burdens and licensing and permit requirements, with particular attention whenever new regulations and laws are drafted, and measure administrative costs for citizens and business.

11. We recognize that regulatory reform calls for a dynamic approach, sustained over time. Capacity has to be developed in stages, incrementally. We commit to participate in regional networks and centres dedicated to administrative simplification, regulatory quality and policy, and public service delivery. We will report on progress made through annual reports or other forms as appropriate.