



GOOD GOVERNANCE FOR DEVELOPMENT IN ARAB COUNTRIES INITIATIVE

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

**DRAFT REGIONAL CHARTER FOR
REGULATORY QUALITY**

**THIRD REGIONAL MEETING OF THE WORKING GROUP IV
ON
PUBLIC SERVICE DELIVERY, PUBLIC PRIVATE PARTNERSHIPS AND REGULATORY
REFORM**

15-16 February 2007

Hotel El Metchel

Tunis, Tunisia

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

The establishment of a Regional Charter 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 Charter for Regulatory Quality

A Regional Charter 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 Charter 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 Charter for Regulatory Quality

During the Third Regional Meeting the Working Group IV on Public-Private Partnerships, Public Service Delivery and Regulatory Reform to be held on 15 and 16 February 2007 in Tunisia, a Special Drafting Group of the Focus Group on Regulatory Reform will engage in active and detailed discussion on the content and formulation of the Charter. A first draft version of the Regional Charter 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. Please find below this first draft version, which will serve as basis for discussion for the Drafting Special Sessions on 15 and 16 February 2007 in Tunis.

This Draft Charter thus is work in progress and we would be grateful to receive your comments both during and after the meeting of 15 and 16 February 2007. After the meeting, participants will have the opportunity to share the results of the joint drafting session with their own administration and consult with them on further changes to be made. **The deadline for comments following the meeting will be 16 March 2007.**

Should you wish to discuss any aspects of this document in further detail, or would like to send us your initial comments, changes or suggestions, please do not hesitate to contact

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DRAFT CHARTER 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 charter on law drafting and regulatory quality.

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 recognize 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.

4. We recognize that 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 publicize an explicit policy 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.

Use of regulatory tools to increase transparency in the process

7. We affirm the importance of administrative procedures for consideration of new regulations and laws, which must be clearly stated. These procedures 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.

Sustaining the path of regulatory reform

8. 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.

9. 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.