



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

**REGULATORY GOVERNANCE INITIATIVE  
IN SOUTH EAST EUROPE**

**SEMINAR ON REGULATORY TRANSPARENCY  
THE USE OF PUBLIC CONSULTATION TO IMPROVE THE  
INVESTMENT CLIMATE**

**REGIONAL FLAGSHIP INITIATIVE  
IN THE FRAMEWORK OF THE INVESTMENT COMPACT  
OF THE STABILITY PACT**

**21-22 NOVEMBER 2002  
THESSALONIKI, GREECE**

# REGULATORY GOVERNANCE INITIATIVE IN SOUTH EAST EUROPE

## A REGIONAL FLAGSHIP INITIATIVE IN THE FRAMEWORK OF THE INVESTMENT COMPACT OF THE STABILITY PACT

### *Background*

On 18 July 2002, a Ministerial Conference in the framework of the Investment Compact was held in Vienna. One important result of the meeting was the adoption of the Ministerial Declaration *Attracting Investment to South East Europe: Common Principles and Best Practices*. The Declaration acknowledged that “sustained and intensified efforts are needed within the framework of the Investment Compact to implement economic, legal, and administrative reforms and to provide for good governance structures, which are essential for creating confidence in public administration and the efficient functioning of markets and enterprises”.

The central aim of the Regulatory Governance Initiative (RGI) seminars is to assist the signing countries in implementing the principles identified as contributing to a favourable climate for both international and regional investment. The RGI seminars will provide multidisciplinary discussions, where speakers and participants will share their policy expertise in topics addressing a set of prioritised themes in the regulatory governance agenda:

1. Transparency, public consultation, and communication of the regulatory framework
2. Regulatory Impact Analysis
3. Barriers to business creation and development (reforming business licensing and permits)

To monitor efforts and progress made in the implementation of each of these pillars, OECD will assist the SEE countries in preparing individual *Action Plans* for the regulatory reform process. The *Action Plans* will be based on a *Self-Assessment Questionnaire* prepared by the OECD Secretariat, and the Plans will constitute an integrate part of the *Monitoring Instruments*.

### *Objective of the 2002 Thessaloniki Seminar*

As one of the key strategies for regulatory quality, the 2002 Thessaloniki Seminar will focus on regulatory transparency and, more specifically, on public consultation as a tool to ensure regulatory quality. The overall objective of the seminar is to explore how public consultation can contribute to regulatory transparency, which in turn contributes to strengthen the regulatory foundations on which investment depends. Particular emphasis will be on how consultation can be used to (1) identify impacts on business and investment; (2) support the development of institutions and tools where domestic and international investors are consulted; and (3) identify how to make the law-making and consultation process more effective and efficient. The seminar will be hosted and co-organised by the Greek Government.

### ***Aim of the Regulatory Governance Initiative***

The Regulatory Governance Initiative (RGI) aims at improving the foundations for a sound regulatory environment conducive to investment in South East Europe (SEE) countries. The intended outcome of the RGI is to strengthen the institutional, knowledge, and process capacities for developing and implementing efficient and effective regulation, supportive of sound and competitive markets. The RGI is a Regional Flagship Initiative of the Investment Compact, which co-ordinates regional actions and events based on the priorities set by SEE countries and the private sector to attract investment and improve the climate for investment. The RGI was launched in October 2001 in Thessaloniki, which established a framework for policy dialogue on regulatory reform between the countries of SEE and the OECD.

### ***Rationale of the RGI***

The Investment Compact programme is based on the assumption that "improvement of the investment climate and acceleration of economic reform through sound market-oriented policies is the only way to promote a vibrant private sector and increase investment in the economy, both domestic and foreign". The RGI contributes to the achievement of better regulatory outcomes by applying OECD's experience on regulatory management and reform, developed over a ten-year period.

### ***The Regulatory Quality Concept***

The RGI builds on the central concept of *Regulatory Quality*, which is the backbone of the OECD *Regulatory Reform Programme*.<sup>1</sup> Adopted in the 1997 *OECD Report to Ministers on Regulatory Reform*, the *Regulatory Quality Concept* is built on two pillars:

- Economic development through liberalisation, privatisation, selective de-regulation, and re-regulation
- Good governance through efficient, transparent and accountable government policies and institutions to protect consumers and achieve social and environmental goals

### ***Further Information***

To obtain further information on the RGI and download proceedings of past seminars, please consult [www.oecd.org/puma/regref](http://www.oecd.org/puma/regref).

### ***Contact***

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<sup>1</sup> Since 1998, the OECD Regulatory Reform Programme has been documenting reform efforts that boost sectoral efficiency and innovation, enhancing economy-wide flexibility and potential growth, increasing consumer choice and welfare and increasing government effectiveness in maintaining high standards of environmental, consumer and safety protections.

# FINAL AGENDA

**Thursday 21, November 2002**

9:00 – 9:30

***Registration***

9:30 – 10:00

Welcome and opening remarks by Mr. Ilias Liakopoulos, Secretary General of the Region of Central Macedonia (Greece).

Introduction by Mr. Cesar Cordova-Novion, Regulatory Reform Programme (OECD)

Statement by the Chairman Mr. Panagiotis Karkatsoulis, Ministry of Interior, Public Administration and Decentralisation (Greece).

10:00 – 12:00

***Session 1: Why is regulatory transparency important for investment and economic growth?***

The session will explore the benefits of creating a transparent, stable and non-discriminatory regulatory framework for investment and economic growth. National and foreign firms, individuals and investors seeking access to a market must have updated information so they can base decisions on the existing and evolving regulatory environment. This knowledge will permit them to assess potential costs, risks and market opportunities. Policies and institutions supporting regulatory transparency reduce search costs and increase confidence of consumers and market players in the well-functioning of the rule of law.

The discussion will discuss different dimensions and relationships between investment and transparency such as:

- How a transparent and non-discriminatory regulatory environment can reduce burdens on entrepreneurship and facilitate a more dynamic business sector.
- How regulatory transparency decreases the risk of regulatory capture.
- How transparency improves accountability and reduces corruption through a better control of administrative discretion.

***Speakers:***

- Mr. Cesar Cordova-Novion, Regulatory Reform Programme (OECD)
- Mr. Georgi Nikolov, Bulgarian International Business Association

12:00 – 13:30

***Lunch***

13:30 – 16:00

***Session 2: Access and communication of regulatory information***

Access to regulatory information is a pre-condition for a well-functioning market. Investors will base business decisions on the formal and informal regulatory framework as well as the predictability of regulatory changes. Also, lack of clear knowledge of the existing framework can foster non-compliance by businesses and create possibilities for unethical behaviours. Different tools and mechanisms can provide this type of transparency, including new information and communication technologies (e-governance). This session will discuss governmental capacities to provide access to regulatory information and communicate governmental decisions to national and foreign partners including foreign traders and investors.

***Speakers:***

- Ms. Carine Bernard, Commission for Administrative Simplification (COSA)
- Ms. Angeliki Maniti, Ministry of Interior, Public Administration and Decentralisation (Greece)

***Discussant:***

- Ms. Elena Petkanovska, Ministry of Local Self-government (Former Yugoslav Republic of Macedonia)

16:00 – 16:30

***Coffee break***

16:30 – 18:30

***Session 3: Country experience roundtable***

In line with the *Monitoring Instruments* of the Investment Compact, the RGI aims to develop regulatory reform *Action Plans* for the adoption and implementation of criteria, processes, and well-structured institutions conducive to investment and economic growth. Based on a *Self-Assessment Questionnaire*, the roundtable will permit all SEE country delegates to report on the current level of regulatory transparency and communication of the regulatory framework, major recent developments in this area and reforms planned for the next two years.

18:30

***Cocktail***

## **Friday 22, November 2002**

9:30 – 12:00

### ***Session 4: Consultation in rule making***

The session will explore issues on how to consult business groups, private sector representatives, social partners and civil society in order to foster the development of investment opportunities and to provide input to the administrative procedures affecting investment policies, laws and regulations. Regulatory issues differ greatly in impact and importance, scope and number of affected groups, information needs, timing of government action and resources available. The design of public consultation methods must recognise cultural, institutional, administrative and historical dimensions specific to every country. Understanding these factors is thus crucial in determining the effectiveness of particular public consultation tools developed and applied by OECD and SEE countries.

The following are some of the issues to be discussed:

- Setting up feedback mechanisms (one-way) such as creating registers, bulletin boards of regulations and setting up public notice-and-comments.
- Organising in-depth consultation (two-way) such as advisory boards, target groups and test panels.
- How to improve responsibility of consulted parties and their commitment to the outcome.

### ***Speakers:***

- Mr. Robin Clarke, Cabinet Office for Public Service Reform (United Kingdom)
- Mr. Christian Vergez, Public Governance and Territorial Development Directorate (OECD)
- Ms. Giola Valatsou, Ministry of the Interior, Public Administration and Decentralisation (Greece)

### ***Discussants:***

- Mr. Dobrosav Milovanovic, Ministry of International Economic Relations (Serbia)
- Ms. Bettina Hagerup, Danish Commerce and Companies Agency

12:00 – 13:30

### ***Lunch***

13:30 – 15:30

***Session 5: Transparency in privatisation and public procurement systems***

Privatisation and public procurement procedures are central to the regulatory reform agenda. However, they have often tended to be highly complex, opaque and sometimes duplicative practices, imposing significant delays and costs on commercial operators. The increased importance of these procedures has also raised awareness in the political agenda. Problems in these areas will not only have an impact on the success of structural and regulatory reforms but also on the credibility of the reforms and the thrust in the government by the general public and investors. The session will discuss different transparency procedures and institutions supporting the design of privatisation and public procurement initiatives.

***Speakers:***

- Dr. Jan Winiecki, European University (Germany)
- Mr. Tom Annikve, Public Procurement Office (Estonia)

***Discussant:***

- Mr. Lucian Goj, Authority for Privatisation and Management of the State Ownership (Romania)

15:30 – 16:00

***Coffee break***

16:00 – 17:00

***Session 6: Country action plans and the review questionnaire***

Based on the *Self-Assessment Questionnaire* and the information obtained from the seminar, each SEE Member will be encouraged to prepare a regulatory reform *Action Plan* for the next two years. The *Action Plan* will help sustain commitment and monitor progress in order to ensure that investment takes place in a transparent regulatory environment in which stakeholders are being heard. Completed *Action Plans* will be assessed and reviewed by the OECD and will form an integrate part of the *Monitoring Instruments*.

The session will introduce the upcoming seminar on Regulatory Impact Analysis, which constitutes the second pillar of the regulatory monitoring process.

17:00

***Closing of the seminar***

Mr. Nikolai Malyshev, Head of Russia, South East Europe and New Independent States Unit (OECD).