

OECD SEE Investment Committee

Third meeting of the Regulatory Reform Working Group

Renata Šeperić Petak

Sarajevo, 22 October 2009.

1. Better legislation and regulation

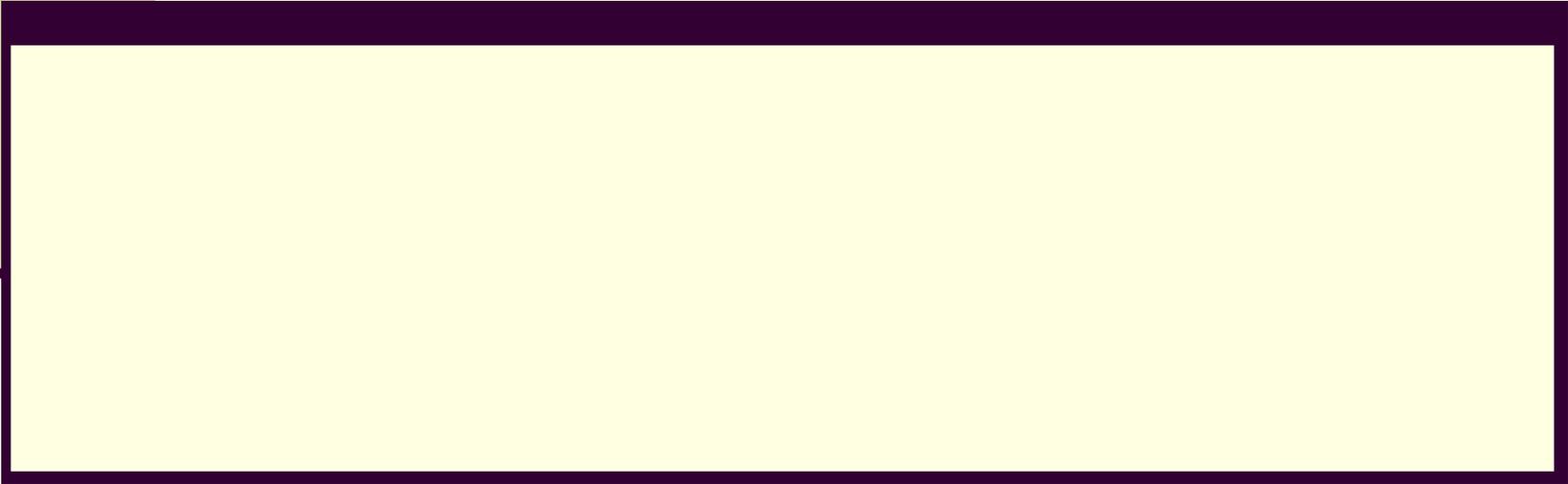
1. **Review and simplification of laws/regulations related to economic policy.**
2. **Use of Regulatory Impact Analysis (RIA).**
3. **Extent of harmonization of domestic laws with EU *acquis*.**
4. **Existence of forward planning mechanisms between government and Parliament.**

2. Transparency and Dialogue

- **Quality of Parliamentary Website.**
- **Adoption and implementation of a transparency law by Economic Commission.**
- **Existence of a system to record amendments to normative acts.**
- **Characteristics of consultative process with civil society on normative acts.**



Croatia: case study



Policy making and coordination system

- **White paper on European Governance, EC 2001**
- Principles: openness, participation, accountability, effectiveness and coherence
- Existing EU institutions and member states
- Aspiring countries to join the EU
- Aim: to enable country and institutions to adjust the requirements of membership and in order to operate effectively within the EU
- OECD best practice on coherence: 8 basic tools of coherence

EU /OECD Sigma program assessment of capacities for policy making and coordination

Preparation for accession and membership need to be underpinned by policy –making arrangements that:

- Create policies that are not deficient in law or substance, are consistent with one another, are economically efficient and do not impose unnecessary regulatory burdens;
- Create policies that are sustainable in budgetary terms;
- Ensure that decisions are implemented;
- Support principles of integrity in Government through transparency and consultation with the public; and
- Lay the foundations for operating effectively within the EU.

Current progress

- 2008 – Strategy for the Reform of the State Administration

- **Policy planning:**
 1. The system of EU integration/ An Annual EI Work Plan is prepared and approved by Government;
 2. Strategic Development Framework for 2006-2013 – coverage is wider than just EI issues; 10 priority areas – framework identifies goals, instruments and actions.

Review and simplification of laws/regulations

- “HITROREZ” regulatory reform completed
- Results has been achieved
- Public have doubts about the success of the project
- No major laws/regulations have been changed – those who where ‘high’ on the list of priorities
- Regulators heavily ‘fight’ for they *own regulations* in order not be changed – *often “excuse” was: adoption of EU acquis*

Use of RIA

- 2008 establishment of Office for RIA (RIA system Coordination Office)
- Prior to that decision, already existence of FIA, Environmental and Social IA – Market Competition and State Aid Impact
- July 2009 Office for RIA was closed down, due to the economic crisis and needs for budgetary cuts/savings
- Staff has been transferred to the Ministry of Administration, but there is no legal entity within the government that will carry on with RIA.

Harmonization with *Acquis*

- Since 2001 all legislative proposals dealing with harmonization with the *Acquis* (art.163) are passed as an urgent procedure
- 1995-1999 60% of legislation passed in urgent procedure
- At the end of 2007 – 75%
- 2008 – up to 91 %
- **2005 – establishment of the National Committee for Monitoring the EU Accession Process**

Forward planning mechanism – policy coordination

- Four particular difficulties:
 1. Time – the process is very compressed:
 - Mondays (the task forces meetings)
 - Tuesdays (ministerial committees & inner cabinet)
 - Thursday (Government session)
 2. If Monday and Tuesday system doesn't work properly – proposals submitted to the Government will be inadequately prepared und coordinated between the Ministries with the consequent risk of bad implementation or lack of financial resources which have not been allocated to them.

-
3. The General Secretariat of the Government is able to provide good logistical support to the system and to enforce the requirements of Standing Orders, but lacks the remit or capacity to provide any policy advice, to undertake any proactive policy coordination or to undertake any policy analysis.
 4. Substantial increase in the number of ministries and agencies greatly adds to the difficulty of policy coordination.

The role of the Croatian Parliament

- The Parliament has the exclusive right to pass legislation
- With the primacy of Government in drafting and proposing legislation, the legislative function of Parliament has weakened
- In actual policy process: Parliament gets involved at the stage when legislative /policy proposal get submitted to Parliament for approval and passing.

Fact & figures

- 30 parliamentary Committees
- On average every Croatian MP participates in 2,5 committees
- The result is: a lack of focus on specific policy areas; lack of competencies and expert support to make use of the committee structure for more thorough and evidence-based discussions of legislative proposals and a variety of reports on policy implementation.

Some concrete proposal for improvement

- An Annual Government work plan should be introduced
- A major initiative should be taken to improve policy – making system in ministries
- Finalize and implement the Code of Positive Practice for Public Consultation
- Clearly allocate responsibility for management IA to one organization
- Strengthen central decision- making by the Governments tasks forces and ministerial committees
- Introduce a system for monitoring the implementation of legislation and other government decisions
- Create an effective and adequately resourced centre of Government to manage policy coordination

Some concrete proposal for improvement

- Include representatives of relevant committees in the working groups drafting the proposals early in the policy planning phase of the cycle;
- Consider decreasing the number of committees individual MPs – policy specialization and adequate time for preparation for committee sessions
- Briefing with regulators (ministries) 6 months before of final proposal
- Strengthen expert capacities of committees, both in the form of external members, but also expert/policy analyst working for the committee in Parliament.
- Consultation with civil society should still improve, although some excellent cases of cooperation and creation of dialogue has been presented.