

## *Executive summary*

### **Economic context and drivers of Better Regulation**

A myriad of factors – economic, social, cultural and political – have led to the current economic crisis in Greece. As such, a range of responses – in terms of new policies, new ways of delivering or implementing them, new ways of thinking and new ways of working – must be employed if Greece is to successfully revitalise its economy and chart a sustainable path to restore market confidence and economic growth. The primary focus to date has been in addressing the most immediate economic issues so as to target deficit levels and to meet conditional requirements set out by the troika in order to secure bail-out funds. Addressing spending and expenditure issues alone will not in and of itself provide a solution for Greece. The challenge now for Greece lies in ensuring that both implementation of these issues as well as complementary reform areas are advanced and appropriately implemented without delay.

The heavily legalistic approach followed to date in Greece whereby all changes are legislated for, but are not always appropriately implemented, enforced, or monitored needs to be addressed. Greece has been targeting the Better Regulation agenda as a key reform area for much of the past decade. The inclusion of Better Regulation as a strand of the then Lisbon Strategy at EU level helped to keep Better Regulation on the agenda in Greece. To achieve the necessary targets and reforms both the political and administrative levels need to work together: central ministries, public sector agencies and local government all have roles to play in implementing the necessary and substantial fiscal reforms while also advancing significant reforms of the public administration itself.

Embedding strong structures at central level – particularly within the Centre of Government – to lead, enforce, monitor and oversee a progress is central to ensuring that the needed reforms stay on track and are implemented consistently across the administration. They will also be essential in ensuring that progress made is sustained over time by future administrations and that the historical propensity to “undo” previous reforms does not continue.

Actively embracing and advancing work on a comprehensive and coherent Better Regulation programme could be a key lever to enable Greece to advance and embed much needed broader governance reforms across the administration. Improving the regulatory environment for business is a precondition for Greece to successfully stimulate economic activity, create jobs and raise productivity. This is dependent on the government’s ability to manage the stock and flow of regulations, improve regulatory frameworks and effectively implement reforms to improve regulatory quality. The related tools, systems and structures that Greece needs to develop and/or embed across the public service in order to improve the regulatory framework provides the bedrock for all other reforms. It will also underpin the success or otherwise of Greece’s ability to react effectively to the global economic crisis, to improve competitiveness, ensure sustainable

growth and meet the ambitious targets set out in the austerity programme. Regulatory reform would spur private investment, streamline the procedures to open and operate a business, promote SMEs, and reduce administrative burdens.

Advancing the Better Regulation principles as part of the policy and legislation development process could also help to improve cross-ministry co-operation, strategic planning, resource assessment and allocation (through improved cost-benefit analysis). More effective and consistent *a priori* consideration of evidence as part of a consistent policy and regulatory impact assessment will better help identify the necessary factors to aid policy implementation and allow for more targeted allocation of available resources. Given the pressures on resources and the need to do more with even less, this is a significant challenge.

The challenge for Greece moving forward is to ensure that Better Regulation and an improved regulatory environment are not seen as separate elements of broader reform and change efforts. They are intrinsically linked to improving competitiveness and stimulating sustainable economic growth. Reforms on Better Regulation should equally be exploited so as to maximise their potential to lever broader public service reforms. An overall strategy that links the different initiatives needs to be developed. An improved regulatory environment and the reforms due to be introduced by the current Law on Better Regulation, combined with the reforms envisaged through the draft White Paper on Governance, should act as a lever to advance other much needed public sector reforms.

### The public governance framework for Better Regulation

Public administration reform and public trust are mutually dependent. Both are needed to help support government legitimacy. Poor implementation of reforms combined with the fiscal crisis has brought to the fore Greece's acute underlying problem of mistrust in its public institutions. Mistrust is aggravated by a generalised sense of weak law implementation, oversight and enforcement that undermines confidence in the rule of law. Tackling the roots of the crisis as well as the symptoms, is essential: public sector reforms are therefore central to Greece's ability to ensure fiscal stability, restore confidence and sustain growth going forward. The OECD's 2009 Economic Survey of Greece noted that:

The high fiscal deficit and recently rising public debt point to the urgency of improving the financial situation and efficiency of the public sector.... The need for reform is enhanced further by the looming pressures on public finances in the coming decades – the expected drop in the inflow of structural funds from the EU and the fiscal burden from demographic ageing. Efficiency of public services, especially in health and education, is below the OECD average. Renewed efforts at reforms in the public sector are thus needed to bring government finances on a sound basis, and enhance the efficiency of public services. A well-functioning public sector would also play a central role for modernising the economy and maintaining a high trend growth rate.

Implementation of needed reforms remains however a challenge. The 2011 Economic Survey further noted that Greece

... should take a firm and unified stance behind the reform programme to enhance credibility. It should establish clear responsibilities in ministries for monitoring reform implementation more closely on the basis of objective indicators....

Greece needs to work harder to convince of its capacity to implement reforms...It is also essential to communicate more widely that the reforms are in the interest of Greece.

Greece has to ensure that a more joined-up or whole-of-government approach is given across the ministries and levels of government, to advancing the reform agenda. A more co-ordinated and coherent approach is essential if it is to effectively improve competitiveness and restore market confidence. Increased collaboration across all relevant actors – at ministry, agency and sub-national level – in any given policy area is needed. Greece is under pressure to show results and also to demonstrate that gains made are sustainable in the medium- to long-term. The current lack of real communication and co-operation within and across government to turn promises into action will continue to hamper efforts to restore confidence, trust and competitiveness and must therefore be addressed as a matter of urgency.

Greece faces a number of challenges across its central administration structures. This report does not, nor cannot, examine these in depth. More detailed analysis and recommendations are set out in a separate OECD Report, *Greece: Review of the Central Administration* (OECD, 2011).

## Developments in Better Regulation and main findings of this review

### *Strategy and policies for Better Regulation*

Greece is now moving towards providing a legislative basis for Better Regulation. A Law on Better Regulation was recently enacted by Parliament.<sup>1</sup> Ministries will, for the first time, be legally obliged to ensure that the principles of Better Regulation are applied to all legislative developments. The requirement to conduct a Regulatory Impact Assessment (RIA) on all regulatory proposals will be placed on a statutory basis. The law also makes provisions as regards the supporting structures at a central and line ministry level to better help embed Better Regulation.

The Law on Better Regulation is a positive and welcome step. Its focus is on the process to be followed when regulations are in draft format. It does not however cover all aspects of a well-functioning policy and law-making cycle, notably as regards monitoring and evaluating laws once enacted and implemented. It is also silent on the importance of intra-ministerial consultation, despite the “Strategic State” programme recognising that cross-ministerial co-ordination and cohesion generally need to be addressed. Increased efforts need to be made in tandem with this law, to ensure that a consistent, evidence-based, quality approach to policy formulation and policy development is also pursued by all ministries.

The RIA process provides an excellent toolkit which both policy development and regulatory staff should follow from the time a policy proposal is conceived through to its implementation and subsequent evaluation. There is a danger that efforts to improve regulatory quality will not commence at a sufficiently early stage and before certain key assumptions and decisions are taken as regards how to proceed on implementing, amending or revising policy proposals. Greater efforts are also needed to consult effectively with the Finance Ministry regarding the cost of proposed policy and regulatory changes.

Greece needs to apply lessons learnt as to why previous reform efforts have stagnated or failed to be fully embedded. It should move quickly to establish and support the structural and institutional changes in the General Secretariat to the Government (GSG) (the Better Regulation Office, BRO, to be renamed the Office for Support of Better Regulation, OSBR), and in line ministries through the Regulatory Initiative Offices (RIOs). Political support for these structures and a commitment to adhere to the principles of Better Regulation is imperative. Efforts should be expanded across the system to ensure that all fora where regulatory proposals are discussed including at Cabinet, are aware of and are following the principles of Better Regulation. This will help to embed a more evidence-based approach as regards policy and regulatory development and change traditional ways of working.

The government has made efforts to improve communication generally with stakeholders as regards policy developments, notably through the establishment and increasing use by ministries, of the government portal [www.opengov.gr](http://www.opengov.gr). A consultation process did precede the development of the Law on Better Regulation and on the draft White Paper on Governance. These are welcome steps. There are at present no formalised mechanisms for central dissemination of information on the Better Regulation agenda. Article 15 (h) of the Law on Better Regulation however, will require the Office for the Support of Better Regulation to submit annual reports on the progress of Better Regulation to the Prime Minister which will be communicated to the Parliamentary Committee of Institutions and Transparency.

The Law on Better Regulation contains a number of measures aimed at improving *ex post* evaluation of regulation. At present however, this is limited to *ex post* reviews of regulations between 3-5 years after their enactment. There is no provision at present to review and evaluate the main Better Regulation strategy, its effectiveness and how the impact that Better Regulation policy generally has had on competitiveness, growth or the ease with which citizens do business with government.

The lack of joined-up back office systems is inhibiting progress in sharing information across all levels of government and in delivering more efficient and effective services for business and citizens. There is a limit to how effective one-stop shops for citizens and business can be in the absence of joined-up back-office systems. The administration is under pressure to increase efficiency and reduce administrative burdens for business in order to improve competitiveness. Urgent action is needed to streamline and codify different systems and policy areas. E-Government also needs to be seen as intrinsically linked to the achievement of an improved regulatory environment: at present there is a clear demarcation within the administration between these two policy areas. Greece is not unique in this regard, but in light of its needs and fiscal constraints, greater efforts should be made within the administration to combine efforts.

The need to reduce public expenditure and necessary fiscal constraints could however have negative impacts on Greece's ability to advance work in e-Government. Streamlining ICT and back-office systems will require expenditure in the short to medium term: long-term cost savings will not be achieved without an initial cost outlay. Improved e-Government systems can also facilitate greater provision of data and information to those involved in policy and regulatory formulation as well as those enforcing and monitoring implementation. Controlled expenditure in this area could contribute to more extensive cost-savings moving forward as well as helping to lever behavioural change both within and outside of the public administration.

### *Institutional capacities for Better Regulation*

The apparent inability of successive Greek governments to implement regulatory measures following their enactment is intrinsically linked to weaknesses in the functioning of the public administration. Specific challenges continue to exist within the central administration: fragmented responsibilities; silo-based approaches to policy/regulatory development; ineffective or non-existent co-ordination; and poor access to, and quality of, data and information. These challenges have been further compounded by poor and ineffective control, oversight and direction setting on Better Regulation (BR) by the Centre of Government and the political leadership.

Notwithstanding the extensive reforms that have been expounded through the austerity measures, there have been limited successes in changing traditional ways of working and the silo-based approach to policy development and policy delivery in Greece. Individual ministries tend to focus on advancing with work on their own priority issues without explicit reference or cross-governmental co-operation to see how these fit into broader overarching priorities, or how they can best support or advance broader priorities. This absence of horizontal co-operation or a “joined-up” or “whole-of-government” approach to policy/regulatory development and implementation creates particular difficulties.

Fragmentation of responsibilities regarding BR continues to be an issue. Responsibility for various elements of BR rest with the Ministry of Administrative Reform and E-Government (MAREG), the General Secretariat to the Government (through the Better Regulation Office, BRO), the Ministry of Finance or with individual ministries themselves. By establishing the BRO within the General Secretariat to the Government (GSG), it was hoped that this would raise the profile of BR and improve implementation of various reform efforts. The BRO however has been significantly under-resourced and lacks any real powers to compel other ministries to implement the principles of BR. As a result, much of the work in advancing BR has continued to rest with MAREG. There have been improvements in the number of RIA produced, but neither MAREG nor the BRO have the resources or powers to check the quality or consistency of the substantive content of these RIA.

Although a Law on Better Regulation has been enacted, there is as yet no strategic basis for a whole-of-government policy on BR in the Greek administration. There is no visible “White Paper”, or Action Plan or strategic programme for BR implementation to outline when and why efforts or reforms will be undertaken. The Law on BR proposes a number of changes as regards institutional structures. It provides for the majority of responsibility regarding BR to be transferred to the BRO and be recast as the Office for Support of Better Regulation (OSBR), though the law is silent on how the OSBR will be staffed and resourced. Fragmentation of responsibility however remains: the OSBR will not have any role or responsibility regarding simplification or administrative burden reduction efforts.

Developing an overarching administrative unit such as the BRO/OSBR and an action plan on BR will not on its own be sufficient to guarantee implementation or success. High level political support and leadership is essential. BR needs a political champion who will provide a voice at Cabinet meetings, who can follow up with other ministers or regulatory bodies on BR issues and who will support the administrative structures (the BRO/OSBR and the RIOs) in fulfilling their mandates.

The level of communication, co-operation and collaboration both within and across the current public service administration is weak: ministries do not regularly collaborate or co-operate on policy development; the central administration has poor co-ordination mechanisms with sub-national levels of the administration in relation to service delivery; and at a central level, there is fragmentation and variations in service delivery between actors at regional and prefectural level. Historically and traditionally, an autonomous approach to policy/regulatory development and service delivery is serving to reinforce fragmentation. There is little evidence of a joined-up approach to policy/regulatory development or implementation, with an apparent lack of awareness of serving the needs of citizens or business. The current culture reinforces an overly bureaucratic approach rather than a citizen-centric one. Actions must be taken now to develop a more holistic or “whole-of-government” perspective across the public service, and to develop a public service ethos that aims to provide a quality service to citizens and business. The system has the capability to change – “new” offices such as the office of the Ombudsman, or the local one-stop shops (KEPs) etc., where “new” staff have been brought in under progressive and forward thinking leadership, have demonstrated that change is possible.

Embedding consistent approaches to policy making across the administration could be of benefit. For instance, RIA continues to be seen as a stand-alone element of policy making, rather than an intrinsic element of an entire policy cycle/policy-making process.

### ***Transparency through consultation and communication***

Transparent and consistent processes for making and implementing regulation are fundamental to confidence in the rulemaking process and to opportunities of stakeholders to participate in decisions important to them. The rulemaking process is less structured in Greece than in many OECD countries. Greece does not have a specific law or regulation setting out rulemaking practices, apart from the general provisions in the Constitution. Relevant practices arise from various sources, and important elements of rulemaking procedures are left to informal administrative traditions and the discretion of ministries.

The development of the online consultation website – *www.opengov.gr* – where draft laws are made available for comments, is a positive step. The challenge, however, will be to ensure that moving forward, appropriate mechanisms are established to ensure that comments received through this website are taken into account by those involved in drafting the laws and that they are reflected in the development of the related RIA.

Consultation however is still seen as something that happens once a draft law or draft proposal has been significantly advanced by the line ministry, rather than an ongoing process that happens throughout the policy development cycle. Earlier and more active consultation processes would help in improving the quality of regulatory proposals and could help address challenges as regards implementation and compliance.

The regulatory culture and traditional ways of working within the Greek public service poses additional difficulties in Greece. Long-established methods and ways of working require public servants in Greece to adopt a number of changes to work practices, particularly given the additional focus that RIA and regulatory policy places on communication and consultation. Horizontal working, collaboration and inter-ministry communication are weak in Greece.

### *The development of new regulations*

There has been a downward trend in the production of new regulations in Greece, though the volume produced annually is significant. The new Law on BR proposes to limit each ministry to 3 new regulations per year. Should this be successfully implemented, it could contribute towards clarifying and simplifying the statute book, but efforts in this area must be actively monitored by the Centre of Government. The Better Regulation Office must have oversight of the production of new legislation as well as the separate simplification efforts (codification, recasting and administrative burden reduction). Such an approach could better enable Greece to strategically target problematic or economically sensitive areas for focused attention.

Structures in Greece to ensure compliance with the requirement to produce a RIA are weak. The BRO has responsibility for overseeing compliance with the requirement to complete and submit an RIA with regulatory proposals, but they have no powers to refuse to accept a regulatory proposal that is not accompanied by an RIA, or to refuse to accept draft proposals that are accompanied by sub-standard, or poorly developed RIA. The production of RIA within ministries needs to be actively monitored and linked to efforts to simplify the regulatory stock and reduce administrative burdens. The current fragmentation in the system is inhibiting progress. The proposed new structures to be introduced through the draft BR law will further cement this fragmentation and must be addressed as a matter of urgency. The proposal to develop RIOs within ministries with dedicated resources focused on improving the quality of RIA is welcome. It is essential that these are also appropriately resourced.

Secondary regulations in Greece present a particular challenge: once a law is adopted it is usually given practical effect through secondary regulations. There can be significant delays before the development and enactment of these secondary or implementing regulations.

Prior to the adoption of the new Law on Better Regulation, there was no legal requirement in Greece to produce a RIA – the obligation to do so stems solely from a Prime Minister’s circular from 2006.<sup>2</sup> That circular sought to embed impact assessment as a standard feature of quality law making. While RIAs are increasingly prepared and submitted with draft laws – in part due to a parliamentary decision to require an impact assessment before a bill could be considered – there is little data available on the quality and completeness of these RIAs. Limited resources in the Better Regulation Office (BRO) means that any review of a RIA before a law goes to the Cabinet, is largely focused on technical, rather than substantive issues.

For Greece, as with many OECD countries, RIA continues to be seen as an additional element in the development of regulations, rather than an intrinsic element of the broader policy development process. Greece has the opportunity in tackling the current economic climate to use BR and the use of RIA in particular, as a lever by which to implement far reaching changes that will result in better quality, effective regulations. Effective use of policy-making tools like RIA as part of the entire policy development cycle will help to produce a more efficient regulatory system, creating a suitable environment for competitiveness and sustained economic growth.

Greece faces challenges in relation to developing appropriate performance data, and in ensuring that proportionate and effective systems are in place to gather, analyse and interpret such data. It is unclear that appropriate data and information are currently available in Greece to conduct the necessary *a priori/a posteriori* comparisons so that the

true impact of regulations can be assessed. Greater assistance needs to be provided to staff to raise their awareness of the need for such performance and evaluative data, and also to ensure that the collection of such data does not in and of itself, create any additional unnecessary burdens for stakeholders.

### ***The management and rationalisation of existing regulations***

Evidence from the interviews conducted in Greece illustrated awareness of the need for action to address the existing stock of legislation. The standard practice to date in Greece has been to leave regulations on the statute books: the repeal of old laws or acts which are no longer necessary is not common practice. Effectively addressing the existing statute book would help to avoid overlaps, duplication and conflicts between existing laws. Reducing and simplifying the current statute book would also make it easier for the government and the administration to accurately assess what new areas need to be addressed from a regulatory perspective, as well as ensuring no “new” conflicts or duplications are introduced.

The new BR law will cement the existence of the existing KEK or Codification Committee as well as expanding its functions. With the enactment of the BR law, this will be known as the Central Codification and e-Regulation Committee (KEKHN). The KEKHN will, with the relevant ministries, identify, or suggest, areas to be codified and will set standards and guidance for codifying texts. The new BR law will also establish a Regulatory Recasting Committee with responsibility for the recasting of legislation not suitable or identified for codification. There is also provision to establish special committees within ministries to address simplification and codification issues.

These committees however, while setting standards, guidance and reporting to government on progress with the codification and recasting processes, will be heavily dependent on work conducted within the ministries. The RIOs to be established within ministries will themselves identify the laws and regulations within the ministry in need of simplification, codification or update and will conduct initial work before forwarding materials to the KEKHN or Recasting Committee for further elaboration. Successes to date in codifying or recasting regulations have had mixed results, in part due to challenges regarding resources – staff capacity and skills. This is an area that will need to be addressed.

It is also unclear what level of co-ordination will take place between the KEKHN, the Regulatory Recasting Committee and the OSBR, which at present is not due to have any role in simplification. Central support from the OSBR would help to ensure coherence in selecting regulations to be addressed and would ensure that a simplification programme is considered in tandem with other efforts to improve the regulatory environment. Awareness needs to be raised of the value of simplification: the OSBR is best placed to undertake this. It would also ensure that broader training, guidance and support that it offers to RIOs takes account of the simplification programme. Given the economic burden that regulation is known to have on business, a coherent and strategic programme of simplification could pay dividends in helping to improve the economic environment for business.

Separate structures have responsibility in Greece for advancing work on reducing administrative burdens. MAREG and the Ministry of Finance to date have joint responsibility, with much of the recent work being carried out by the Centre for European Constitutional Law – Themistokles and Dimitris Tsatsos Foundation (CECL). The OSBR will not have any responsibility in this area: as with simplification, the obligation for

ensuring that minimum administrative burdens fall on business, citizens and the administration falls on the regulator. The BR law is largely silent on how administrative burdens will be monitored and evaluated moving forward. Greece faces particular challenges in that it needs to impose certain obligations and burdens to ensure compliance with laws, commensurate with reducing such burdens. Given the significant challenges facing business in Greece and its EU commitment to reduce administrative burdens by 25% (net) by 2013, this is a concern.

The administrative burden reduction efforts are not expressly linked with simplification or with economic development to create a more coherent, policy approach to encouraging or facilitating economic growth. Much of the focus to date has been on reducing information obligations so as to minimise the number of interactions citizens or business will have with the administration, while ensuring all relevant offices receive pertinent information. The economic climate combined with the challenges in Greece of addressing non-compliance with legislation needs to be given careful consideration. A complete “quality legislation” effort is needed where the ability to measure, consider and evaluate necessary as opposed to costly and ineffective administrative burdens happens as part of the policy and regulatory development process. In this regard, the OSBR needs to have a role in promoting and driving efforts across ministries to measure and evaluate all burdens (not just Information Obligations). The OSBR should also support greater use by ministries of quantitative analytical tools such as Cost-Benefit Analysis and Risk Analysis when assessing impacts and costs/burdens. Political support for such a strategy is essential. A wide-scale communication strategy on Better Regulation highlighting the linkage between the development of quality legislation and economic growth would be of benefit.

### ***Compliance, enforcement, appeals***

Compliance, or rather non-compliance with legislative provisions, is a key challenge for Greece. In many instances, responsibility for ensuring compliance has fallen to inspectorate staff who are de-concentrated and based at the sub-national level. There are multiple underlying reasons for the level of non-compliance. Other reform measures required as part of the austerity programme seek to address some of these. Increased and structured dialogue between the central and sub-national levels, combined with increased monitoring and evaluation that follow the principles of Better Regulation could supplement these efforts and aid in improving compliance.

### ***The interface between member states and the European Union***

The establishment of an Office for International and European Affairs with a mandate to focus on improving transposition of EU directives has already borne fruit. Greece successfully met the European Commission’s transposition deficit target for the first time in the second half of 2010 and has continued to maintain this target. The success of the Office is due in no small part to the level of political support it has been given: the government identified correct and timely transposition of EU law as a top national priority. Sustaining the successes achieved in the transposition area will require ongoing political support.

A focus on timely transposition must be matched by increased efforts to deal with incorrect application of EU laws. Greece currently has the second highest number of open infringement proceedings at EU level. This is an area that the Office is mandated to focus on. Greater use by ministries of evidence-based approaches and the use of impact assessment during the negotiation and transposition phases could help to reduce the number of future infringement cases for incorrect application of EU law.

Other EU member states have benefited from establishing cross ministerial working groups to better co-ordinate domestic management of national policy approaches on EU law. Greater awareness across ministries of developments elsewhere which they may have a policy interest in will help to ensure coherence and improve the quality of the transposition process. This may also help to address challenges as regards infringements for delayed or incorrect transposition.

### ***The interface between sub-national and national levels of government***

The current priority for Greece is to embed improvements in policy formulation and the resulting regulatory proposals at national level. The sub-national level however will continue to play a role in regulating and in applying laws at local level. The application of the Law on Better Regulation should be extended to include sub-national levels of government at an early stage. Greater communication between the central and sub-national levels of government, particularly as regards the implementation of laws should be improved. Greater awareness of how laws and regulations are being applied locally and an evaluation regarding their implementation will better inform future amendments and reviews.

## **Key recommendations**

| <b><i>Strategy and policies for Better Regulation</i></b> |  |
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| 1.1   | Greece should develop and articulate an overarching strategy document that links BR reform to the other public administration reforms, changes and austerity measures to better illustrate how these will work together to improve competitiveness, economic growth and other important policy goals. This will better help to embed the rationale for change and elicit support from stakeholders. The proposed White Paper on Governance may offer opportunities in this regard. |
| 1.2   | An evidence-based approach and the principles of Better Regulation should be applied at the earliest point in the life-cycle of policy development, rather than being solely applied once a decision has been made on how to regulate. Greece should increase efforts to ensure that all stages in the policy cycle are subject to the provisions of the Law on Better Regulation.   |
| 1.3   | The structural and institutional changes proposed by the Law on Better Regulation should be established as a matter of urgency. The rules and guidelines on how items are submitted to the Cabinet for discussion should be amended to reflect the principles of Better Regulation to reinforce the importance of improving regulatory quality and the evidence underlying proposals.  |

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| 1.4 | An annual report gathering the different strands of BR policy should be developed and published by the GSG. In addition to sending this to Parliament, this should be widely disseminated to stakeholders – business representative groups, NGO’s etc. The Office for the Support of Better Regulation should develop a BR communication strategy. Initially this could be linked to a communication strategy on improving competitiveness: on a longer term basis this could be linked to broader policy and public sector reform. Ministries should also be encouraged to publish annual reports on their work that include reference to how they have contributed to advancing Better Regulation. Their reports should contain information on the number of consultation processes and RIA they have completed during the past year. |
| 1.5 | Planning should start now on how the Better Regulation policies and programmes will be evaluated and reviewed in the coming years. Performance indicators should be developed that will better allow measurement of the impact of the new Law on Better Regulation and the broader strategy generally, on competitiveness, economic growth and administrative burden reduction. The Office for the Support of Better Regulation should take a lead role in co-ordinating efforts on such evaluations.   |
| 1.6 | Greece should carry out a review of those systems that most urgently need to be streamlined and addressed in order to meet business needs. This review should be jointly advanced by the e-Government and Better Regulation sides of the administration. Formalised arrangements should be put in place to ensure ongoing co-operation and dialogue between the Office for the Support of Better Regulation and the MAREG. Business process reviews should be undertaken in key policy areas which actively look at how extant ICT systems are working and assess where greater synergies can be developed.   |

### ***Institutional capacities for Better Regulation***

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| 2.1 | Assign one central “owner” of the BR agenda (e.g. the OSBR). Develop a clear programme and action plan of reforms to be undertaken across the BR arena. This should incorporate efforts on simplification, administrative burden reduction, training, support, consultation and transparency as well as impact assessment and better policy/regulatory making tools.  |
| 2.2 | Provide appropriate staffing for the BRO (OSBR). Consider a transfer of staff already familiar with BR from MAREG to the BRO. Consider also the possibility of allowing for secondments or rotation of staff from line ministries to the BRO for a 1-2 year basis. This would help both to supplement resources within the BRO and provide for greater transfer of knowledge and awareness of BR across the administration. |
| 2.3 | Assign responsibility for BR reform to a Minister, with power to report to government and Parliament on the progress in implementing BR reforms. This Minister should report regularly to Cabinet on BR and should act as the political face of the OSBR.   |

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| 2.4 | Consider rebranding RIA as impact assessment (IA) and “selling it” within ministries/regulatory agencies etc., as a policy development tool that covers the entire policy cycle. The principles and model would not change (e.g. the European Commission’s IA model is broadly speaking an RIA model), but an IA model has the potential to resonate with those staff involved in actively developing the policy proposals, rather than just the legislative drafting staff involved once the key policy development thinking has occurred. |
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| <b><i>Transparency through consultation and communication</i></b> |   |
| 3.1   | Expand on the consultation provisions set out in the Law on Better Regulation to ensure that consultation with key stakeholder groups takes place early in the policy development process. This will help improve the quality of resulting regulations by better identifying implementation and compliance challenges at an early stage.                                  |
| 3.2   | In its forthcoming White Paper on Governance, Greece should seek to formalise arrangements for cross-ministerial co-operation and dialogue on policy development. The GSG and Prime Minister’s Office should take a lead role in both promoting dialogue across ministries as well as in facilitating discussion and cross-ministry discussions on priority policy areas. |

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| <b><i>The development of new regulations</i></b> |   |
| 4.1  | Greece should take steps as a matter of urgency to equip the BRO (and its replacement structure, the OSBR) with sufficient resources and powers to enable it to actively monitor regulatory production (both primary and secondary) across the ministries. The BRO should ensure coherence between the production of new regulations and the simplification efforts aimed at addressing the existing stock of legislation. It should also have the power (and political support) necessary to enable it to return legislative proposals to ministries that have incomplete or poor quality impact assessments. Ensure that the RIOs to be established within ministries are also appropriately resourced. |
| 4.2  | Consider options whereby ministries would submit outlines of the secondary regulations (implementation measures) that will be introduced with the draft laws and related impact assessments. The impact assessments should include specific references to the implementation process. Consider also the imposition of specified deadlines by which the implementation measures should be introduced following enactment of the primary law. The RIO within ministries should monitor implementation of secondary regulations, with the BRO having an oversight role, reporting to the government where significant delays are occurring.  |

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| 4.3 | As part of a broader communication strategy on BR and its relevance to sustainable economic growth, consider a targeted campaign of all ministry officials involved in policy development, to better embed the principles of Better Regulation and tools to improve quality policy making (impact assessment, consultation, cost-benefit analysis etc.).   |
| 4.4 | Examine options to better disseminate to staff involved in policy and regulatory development access to usable statistical information to better inform their quantitative assessment and evaluation of regulatory proposals. Provide increased assistance and training in the development and use of performance indicators. Efforts in this area should be linked to the simplification programme so as to ensure that good quality existing performance data can be better utilised and/or shared. Ensure that the development and collection of performance data does not create any additional unnecessary burdens for stakeholders. |

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| <b><i>The management and rationalisation of existing regulations</i></b> |   |
| 5.1  | Ensure that the OSBR has a role in advancing simplification. It should be actively involved in developing and setting out a strategic programme for simplification that addresses those areas of regulation causing most difficulty to business and economic growth. This will help ensure coherence across government in targeting and sequencing actions to maximise benefits for business.   |
| 5.2  | The success of a simplification programme is dependent on the ability of RIOs to advance work within their own ministry. The OSBR, KEKHN and Regulatory Recasting Committee should work together to provide comprehensive guidance and support to RIOs staff. Ministries should ensure that RIOs are appropriately staffed to advance work on simplifying the existing stock of legislation.  |
| 5.3  | Broaden the scope of the current administrative burden reduction programme beyond as assessment of information obligations. Develop guidelines for ministries on balancing the need for certain burdens or obligations to ensure compliance, with risk assessments for non-compliance. Provide training and support for ministries/RIOs on the use of quantitative analytical tools such as Cost-Benefit Analysis and Risk Analysis. Through the OSBR, develop a communication programme to publicise the importance of quality legislation, simplification and administrative burden reduction and their linkage to economic growth. |

| <b><i>Compliance, enforcement, appeals</i></b> |   |
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| 6.1  | Review the experiences of other EU member states in strengthening linkages between the sub-national and central levels of the administration, particularly as regards monitoring and oversight of how laws are being implemented and compliance rates. Data as regards implementation and increased monitoring of how laws are being complied with will help. Performance indicators, targets and timeframes for compliance should be developed in tandem with the policy and regulatory development process. |

| <b><i>The interface between member states and the European Union</i></b> |  |
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| 7.1  | To assist in efforts to reduce the number of open infringement proceedings at EU level and to sustain successes achieved in reducing the transposition deficit, Greece should extend the scope of the Law on Better Regulation to require application at an early stage of RIA during the negotiation and transposition process. This will help ensure both timely and correct transposition of EU law.                    |
| 7.2  | Establish a standing cross-ministerial working group at senior administrative level focused on the management and strategic co-ordination of EU legislation. This will help ensure greater coherence as regards negotiation and the application of Better Regulation principles at an early stage in the transposition process. Greece should examine how other member states have approached this (e.g. Ireland, Finland) |

| <b><i>The interface between national and sub-national levels of government</i></b> |   |
|--|---|
| 8.1  | Care should be taken to ensure that efforts centrally to improve regulatory processes are reflected at the municipal and prefectural levels/regional levels. The scope of the Law on Better Regulation should be extended to include the sub-national level. Review co-ordination and consultation mechanisms between central and sub-national levels with a view to encouraging greater dialogue between these levels as regards policy/regulatory development and implementation. |

## Notes

1. The Law on Better Regulation, “Regulatory Governance: Principles, Procedures and Tools of Better Law Making” was adopted on 21 February 2012.
2. Prime Minister’s Circular (Y190/2006), Regulatory Policy and the Assessment of Quality and Effectiveness of Legislation and Regulation.