The MENA region has gone through a transformation based on greater transparency, accountability and participation. The implementation of regulatory policy principles that duly reflect these changes are an important part of the process of change itself. By assessing the current regulatory environment against the 2009 Regional Charter for Regulatory Quality and the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance, the OECD actively supports MENA’s transition towards more efficient and effective governance arrangements.

This first progress report assesses the implementation of OECD regulatory policy principles in Bahrain, Egypt, Jordan, Lebanon, Mauritania, Morocco, the Palestinian Authority, and Tunisia. The joint work of the Regulatory Policy Committee and Working Group IV of the MENA-OECD Governance Programme is based on country questionnaires, interviews, MENA-OECD reports, and comparative analysis provided by OECD countries.

MENA countries have introduced different approaches to enhance regulatory quality. While some countries have created initiatives to review the stock of specific legislation or regulatory issues organised by ministries (mostly business related), others have expressed an explicit commitment to regulatory reform. In addition, following latest events in MENA countries, regulatory reform has become more citizen focused and driven by public demand.

Regulatory policy and governance are relatively new in the MENA region. The most successful countries implementing regulatory policy have been those that have recognised it as part of the long-term reform process.

OECD regulatory policy framework for core policies

- More MENA countries are implementing programmes in pursuit of greater regulatory transparency.
- Most countries have introduced consultations so that the public participates actively in the preparation of regulatory proposals, but many countries have no explicit procedures for consultation processes, which usually take place informally and on an ad hoc basis.
- There are no explicit policies for a government-wide approach to regulation, and for risk and regulatory coherence.

Recommendations

- **Design** a single consistent whole-of-government regulatory policy including clear objectives and frameworks for implementation.
- **Implement** a public consultation and engagement policy for regulatory transparency.
- **Develop** a long-term regulatory reform strategy, and co-ordinate phased roll out in government agencies and ministries.

Open government in the Palestinian Authority, Bahrain, Lebanon and Jordan

Al-Muqtafi in the Palestinian Authority is one of the most developed legal database in the MENA region. Users can consult legislation enacted over the past 150 years, including the full text of all laws in force (see [http://muqtafi.birzeit.edu](http://muqtafi.birzeit.edu)). In Bahrain, legislation is available electronically on the website of the Legislation and Legal Opinion Commission ([www.legalaffairs.gov.bh/](http://www.legalaffairs.gov.bh/)). In Lebanon, legislations are posted on websites or published in newspapers prior to being sent to parliament. In Jordan, the Legislative and Opinion Bureau is obliged to publish any draft legislation for no less than 10 days to enable citizens and businesses to comment on it.
OECD regulatory policy framework for systems, processes and tools

- Regulatory Impact Assessments (RIAs) are not systematically used in the MENA region.
- MENA countries review regulations based on the priorities of the government. No policies are put in place to conduct a systematic review and update of existing regulations.
- Egypt, Jordan and Morocco implement some e-government tools (such as online services).
- There is no policy in place for conducting a systematic review and update of existing regulations.

Recommendations
- **Design** an action plan for piloting the implementation of an RIA strategy so that it can be incorporated into the policy-making process.
- **Adopt** legislative drafting standards manuals across the government and all regulatory institutions.
- **Develop** a strategy for reducing administrative burdens by identifying and reducing high burden regulations in priority sectors.
- **Review** the stock of regulations in specific policy areas with special attention to challenges for SMEs, such as government procurement law, taxation, social insurance and licensing requirements.

Improving the regulatory framework for business in Tunisia, Morocco and Egypt

In **Tunisia**, Circular 14 of the Prime Ministry (2011), superseded by a decree in 2012, is organised at central level and aims at improving the quality of the stock and flow of administrative regulations in all sectors. In **Morocco**, implementation of a one-stop shop for construction permits. To protect investors, minority shareholders have access to any non-confidential corporate documents during trials. To reduce administrative tax burdens, electronic filling and payment of corporate income tax and VAT were enhanced. **Egypt**’s ERRADA has made recommendations to reduce the burdens in some sectors that would have potential annual savings to business of USD 11.1 million.

OECD regulatory policy framework for actors, institutions and capacities

- Awareness for building institutional frameworks for regulatory management is already present. However, there is no one standardised kind of institution: several institutions are often involved in the legislative process.
- Specific units have been established in the ministries to guarantee consistency with current regulations or to ensure co-ordination between the various regulatory reform initiatives.
- In most countries, training and capacity-building activities for regulators are provided on an *ad hoc* basis.

Recommendations
- **Design** a central institutional mechanism within government aimed at enhancing the quality and efficiency of government policy and programmes.
- **Build and strengthen** co-ordination mechanisms inside and outside the administration to foster coherence across policy objectives and to clarify the responsibilities of the various actors in the regulatory system.
- **Develop** a policy for the continuous awareness raising and training of regulators.

Training in Egypt, Mauritania and Jordan

In **Mauritania**, regulators are sent on training courses in other countries on an *ad hoc* basis. However in each department there is a University-trained legal counsellor to ensure the quality. In **Egypt**, *ad hoc* training programmes are organised in collaboration with technical assistance organisations to support the reform efforts. **Jordan** has organised training activities for the regulators. It is compulsory and is attended by the majority of the regulators through contracts with many training centres based both in Jordan and abroad.

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