

*Towards a private sector
enabling environment*

*A Facility financed by the
European Development Fund*

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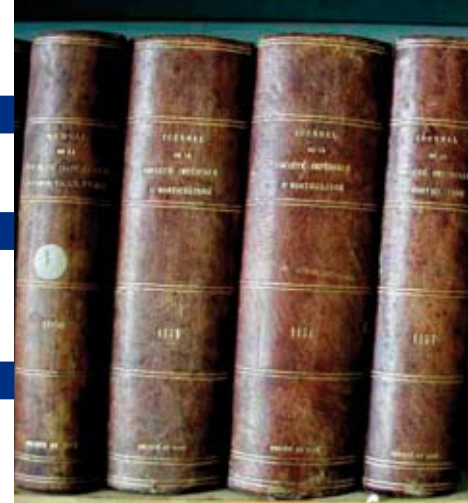
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The implementation of Regulatory Impact Assessment soon in Kenya

The implementation of the Regulatory Impact Assessment (RIA) could possibly take place in Kenya and should be of interest to other ACP countries.

BizClim is considering collaboration with the Foreign Investment Advisory Services (FIAS), a World Bank instrument, to support the design and implementation of a regulatory reform programme in Kenya. Also, discussions are ongoing with other countries on the introduction of a Regulatory Impact Assessment (RIA) tool that is adapted to the local situation. An e-learning course on this tool has been developed and posted on the BizClim Facility's website to explain and promote the adoption of the RIA tool in ACP countries.

Through the 1980s and the 1990s, more was learnt about the nature and impact of the regulatory framework and deregulation gave way to regulatory reform, then to regulatory management. Deregulation and improvement of Doing Business indicators are good starting points, but insufficient principles of reform. In most developing

countries, regulatory problems are systemic, and most of them well-known. The challenge is not to identify the regulatory constraints on business, but to prioritize and implement. What is needed is to support the design of a longer term and broad-based regulatory reform strategy aimed at reducing regulatory risks and costs. The design, piloting and implementation of a system for regulatory Impact assessment (RIA) have become a key component of regulatory reform programmes.

A better Regulation Agenda

More recently indeed, a forward-looking agenda – dubbed 'better regulation agenda' – was developed to improve regulatory quality, while preoccupation about regulations has shifted in focus. Identifying problem areas, advocating specific reforms and eliminating burdensome regulations, gave way to a broader reform agenda

The ACP Business Climate Facility (BizClim) provides technical assistance that is essentially about improving regulations, legislation, the institutional set up and financial measures (the rules of the game) relating to the enabling environment of the private sector in ACP countries or regions and to the reform of SOEs - and to do so by focusing on possible support to ACP governments or regional institutions.

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that includes adopting a range of explicit, overarching policies, disciplines and tools. The main and overriding objective of regulatory reform and management should be to turn political commitments and aspirations into good regulation where the benefits largely outweigh the costs. Implementation of such reforms involve the tasks of modernization of the existing stock of laws and regulations, of managing the flow of regulations, of capacity building of concerned institutions and of building drivers that ensure better regulation.

OECD Countries have their RIA

Canada and the United Kingdom, are internationally recognised as clear leaders in regulatory management and reform with sophisticated policies that have been refined by many years of experience. Today, almost all OECD countries have comprehensive RIA programmes in place or are using RIA for at least some regulations. Also some developing countries (e.g. Mexico, Sri Lanka, Uganda, South Africa) are beginning to apply some form of regulatory assessment.

A RIA to achieve better regulation

In order to achieve better regulation, a tool is required to improve the quality and coherence of the policy and regulatory development process. The tool should be conducive to an effective and efficient regulatory environment and further, to a more coherent implementation of the national strategy for development and other national objectives. The Regulatory Impact Assessment (RIA) is such a tool that provides a framework for a high quality, participatory

policy and regulatory development process, guiding developers of regulations through a series of steps. As an integral part of the whole policy making process, a RIA can be a useful tool for creating better regulation.

The RIA tool is not only an analytical tool, but a coordination tool that can bring different interests together. The European Union is using the RIA to complete the application of the subsidiarity and proportionality protocol annexed to the Amsterdam Treaty. The RIA tool ensures that the costs and benefits of new regulation are properly assessed before implementation. It allows questioning the relevance, effectiveness and value of existing or new regulations, guided by well defined structured mechanisms and guidelines. The RIA tool can inform the decision-making process by assessing the efficiency of a policy and the cost-effectiveness of its instruments and identifies and analyzes the trade-offs in achieving competing objectives.

There is no "correct" model for RIA. The appropriate path to regulatory reform will depend on the political, cultural and social characteristics of the individual country concerned. When the regulatory problem is vast and systemic, isolated and marginal reforms must be replaced by broad-scale and systematic reforms that extend across the public sector. There is always a need for focused reforms that target specific rules and procedures that are particularly onerous or complex. While the RIA system may vary from country to country, the content of an RIA is broadly similar. ■



BizClim to hold a regional workshop in the Caribbean

Answering a call from key Caribbean organizations, BizClim will hold a regional workshop probably in St. Domingo, the Dominican Republic, aimed at reviewing the state of play in reforming the business environment in the Caribbean. The workshop to take place in June or early July is expected to bring together both public and private sector representatives and galvanize discussions on the way forward, notably regarding possible assistance to the organizations represented in the workshop. Also, the Caribbean Regional Negotiating Machinery (CRNM), in partnership with CAIC and Caribbean Export, is expected to poll the participants on the creation of a Caribbean-EU Business Forum. BizClim will use this opportunity to hold one-to-one meetings with interested organizations to provide them with ample information and stimulate interest in making requests for assistance. Regular updates on our website

www.acpbusinessclimate.org/Carib-launch/

First Industrial Technologies Exhibition in Sudan

The Ministry of industry of Sudan is organizing the First Industrial Technologies Exhibition on April 24-28, 2007. The Exhibition offers broad opportunities for industrial establishments and investors to be acquainted with modern industrial technologies. The exhibition also offers chances for new partnerships among investors, and opens new horizons of cooperation between the Sudanese industrial sector and world producers of technologies and industrial inputs. The exhibition constitutes a new chance for exchange of experience and economic relations, as well known international firms in the field of modern technology are expected to participate. Most of the local, regional and international financing institutions are also expected, which paves the way for good cooperation with many other countries, and for opening wide doors for new investment fields. Additional information on the exhibition, the role of BizClim and on-line registration at

www.acpbusinessclimate.org

NEW REQUESTS UNDER EXAMINATION

Countries	Beneficiaries	Title
Senegal	CONFESEN	Study on creation of a mutual guarantee fund
Ghana	ECOWAS	Competition Policy project
The Caribbean	CRNM	Setting-up of a Caribbean EU-Business Forum
Kenya	EC Delegation	Improving regulatory performance and capacities
Africa	Unilever	Industry crusade against counterfeit products
Africa	Unilever	Global Traceability Net for Organic Products from Ghana