



WORLD BANK GROUP

Governance

Regulatory Policy and Management

Good Regulatory Practice

World Bank approach, products and program

ASEAN-CER Integration Partnership Forum

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Da Nang, Vietnam

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World Bank.

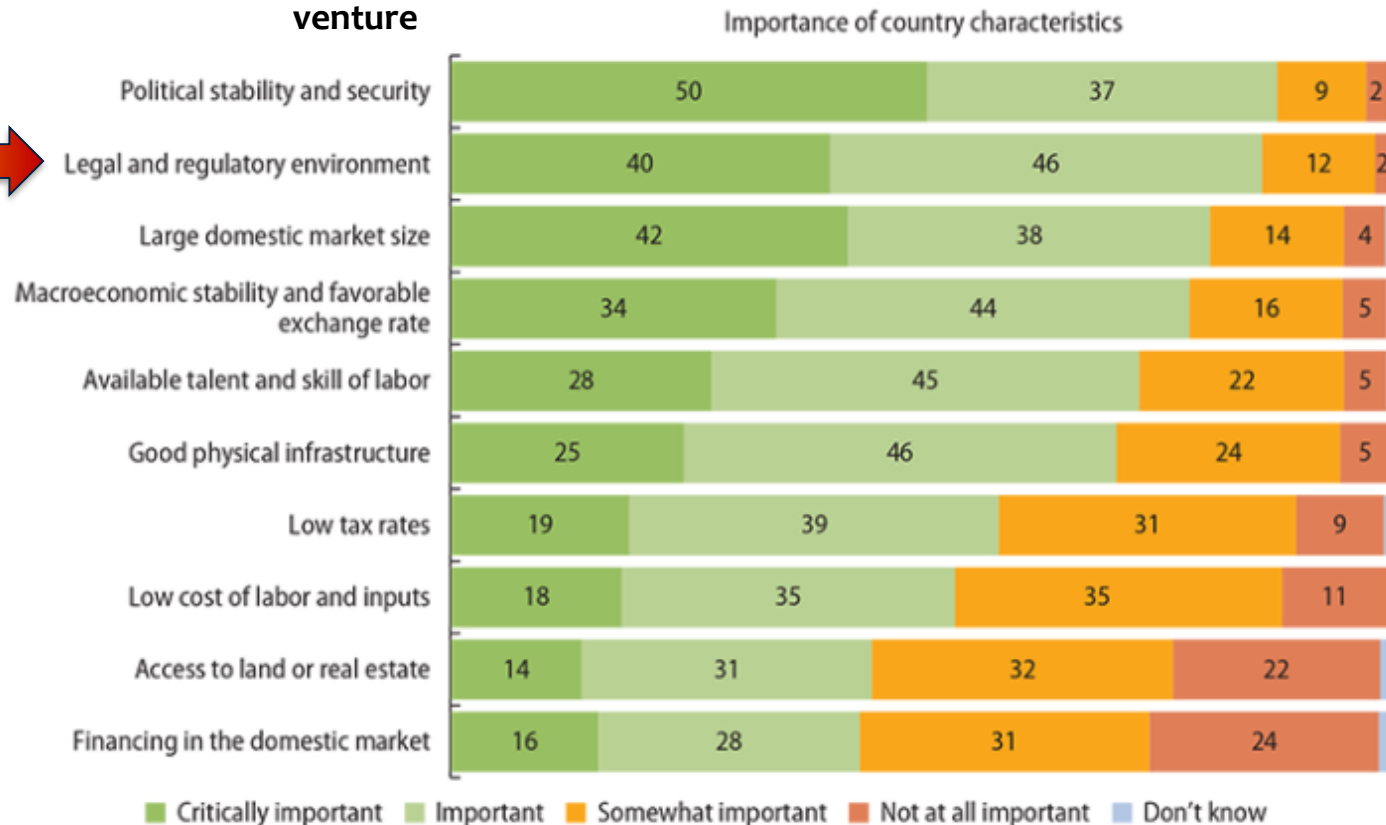
Outline

1. Why Good Regulatory Practices (GRP)?
2. An overview of the World Bank's GRP Program
3. Examples of new products and approaches
4. “Business model” and country programs

STREAMLINING
TRANSPARENCY
CONSULTATION
OVERSIGHT
REGISTRIES
CODIFICATION
RIA
REGULATORY MANAGEMENT
NUDGING
INSPECTIONS
GROWTH
EFFECTIVENESS
EFFICIENCY
REGULATION
BURDENS
COSTS
POLICY
BENEFITS
COMPLIANCE
REGULATORY GOVERNANCE
E-GOVERNMENT

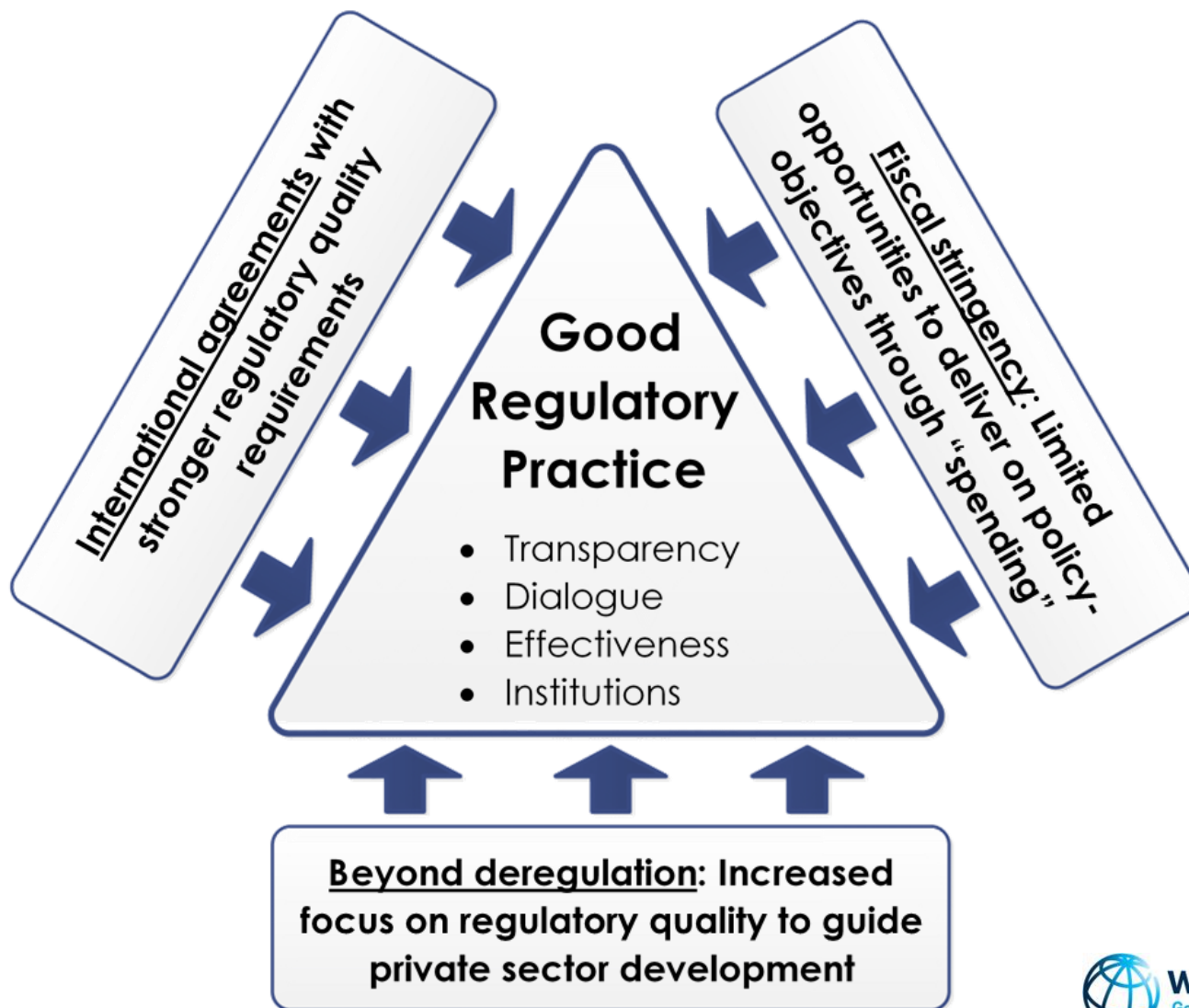
Regulatory quality is critically important in investment decisions

Considerations by executives in multinational corporations about the relative importance of various country characteristics when they commit capital to a new venture



Source: World Bank (2017): Global Investment Competitiveness Report 2017/2018; Survey of 750 multinational investors and corporate in developing countries.

Drivers of Good Regulatory Practice



The World Bank's GRP program: Seven components delivering on three objectives

Program

- Launched in October 2015
- 4-year program (phase I)

Cross-cutting expertise

- Global Indicators Group
- Governance
- Business regulation

Goal

Help governments enhance the quality of regulatory regimes and their outcomes and put in place systems and tools for effective, transparent, accountable and consultative regulatory reform processes which will assist in reform prioritization, design, and implementation

Program Components

Create reform momentum and help identify priority reform areas

Cross-country Indicators on Rule-making

Regulatory Policy and Delivery Review

Improve quality of regulatory design

Evidence-based Policy-making (RIA)

Public Consultation (Notice and Comment)

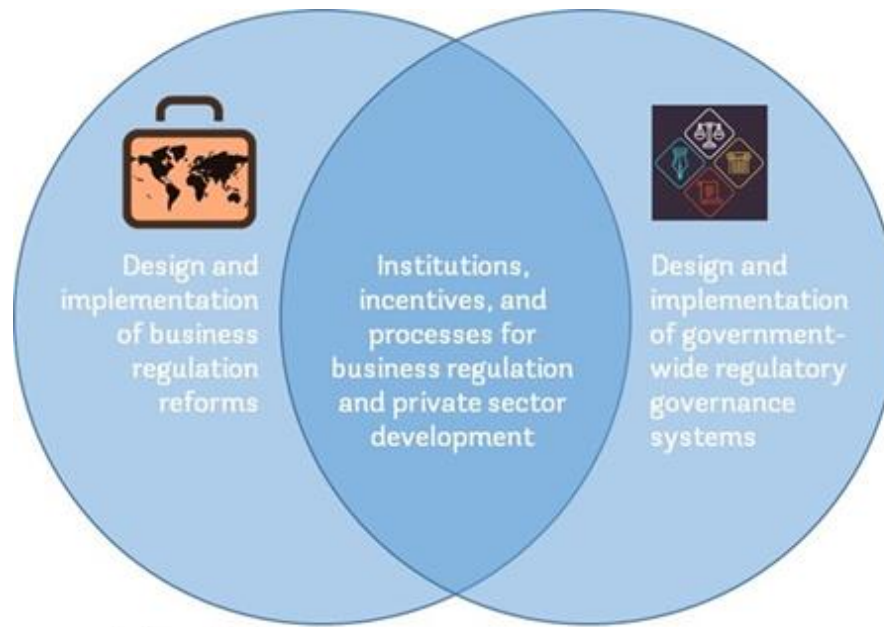
Reduce implementation gaps through better feed-back

Feedback Loops on implementation gaps

Systemic Investor Response Mechanism

Closing Implementation Gaps in G2B Services

Integrating “up-stream” and “down-stream” regulatory reform tools and approaches



Business Registration
Doing Business Reforms
Licensing and Inspection
Construction Permitting
Process Simplification
One-Stop-Shops and Transactional Portals
Indicators for Regulatory Governance
Regulatory Impact Assessment
Regulatory Transparency / Open Government
Grievance & Appeals Mechanisms
Public Consultation / Notice & Comment
Governance of Sector Regulators
ICT for Regulatory Service Delivery
Regulatory Oversight Institutions
Regulatory Policy
Strategic Planning
Civil Service Incentives & Reform

DATA:

Indicators for Regulatory Governance

A NEW SET OF INDICATORS PROVIDING DETAILED AND GLOBALLY COMPARATIVE GRP DATA



- Data for 185 economies (and the European Union)
- Latest dataset launched in June 2017 with data collected November 2016–February 2017. New dataset to be launched in 2018.
- Data collected from 1,500 experts in public and private sectors.

<http://rulemaking.worldbank.org/>

Global indicators measure five aspects of regulatory governance



Notification: How citizens learn about new regulations being considered

Consultation: The extent to which they are able to engage with officials on content

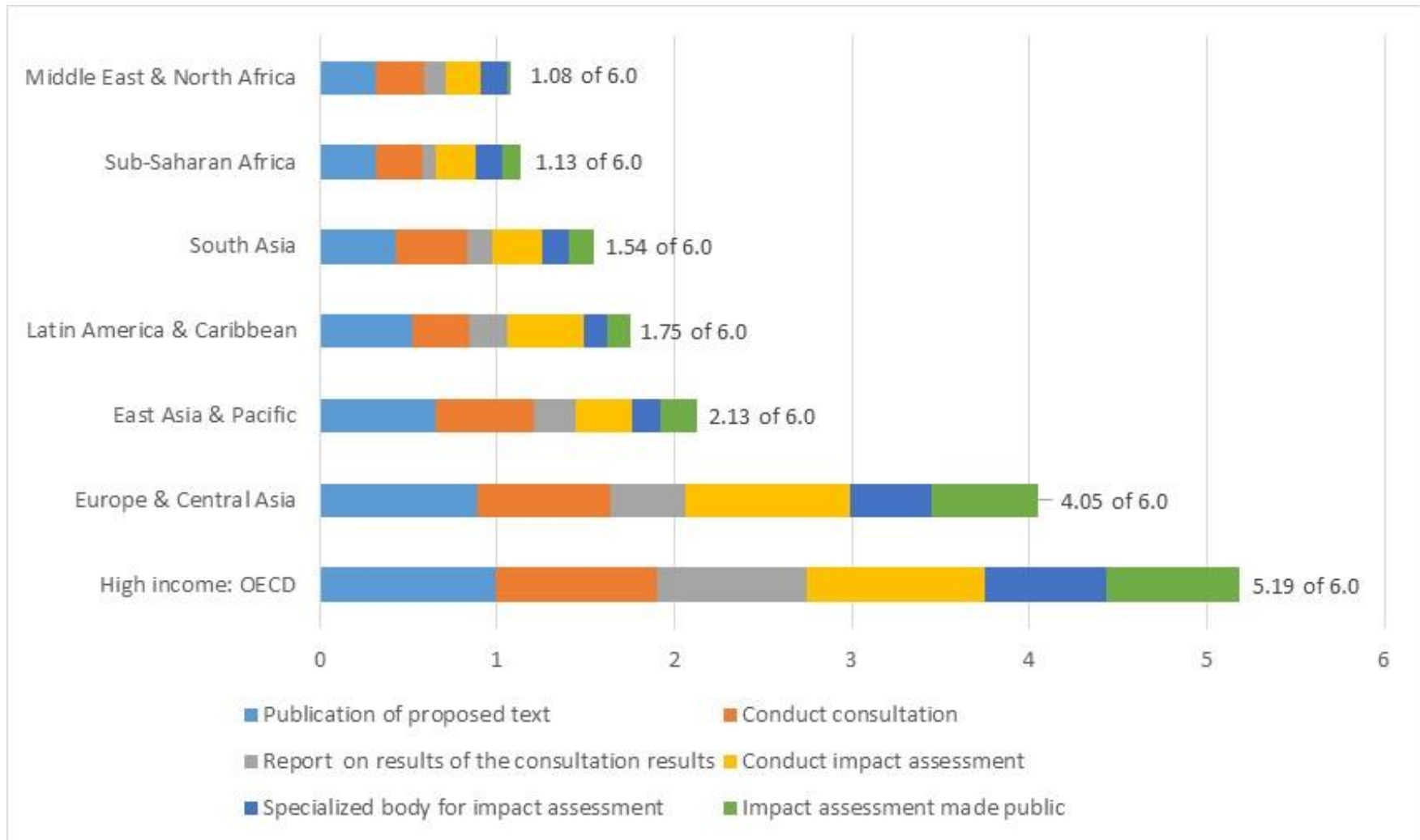
Impact assessment: Systematic consideration of costs and benefits

Appeal: The ability of stakeholders to challenge regulations

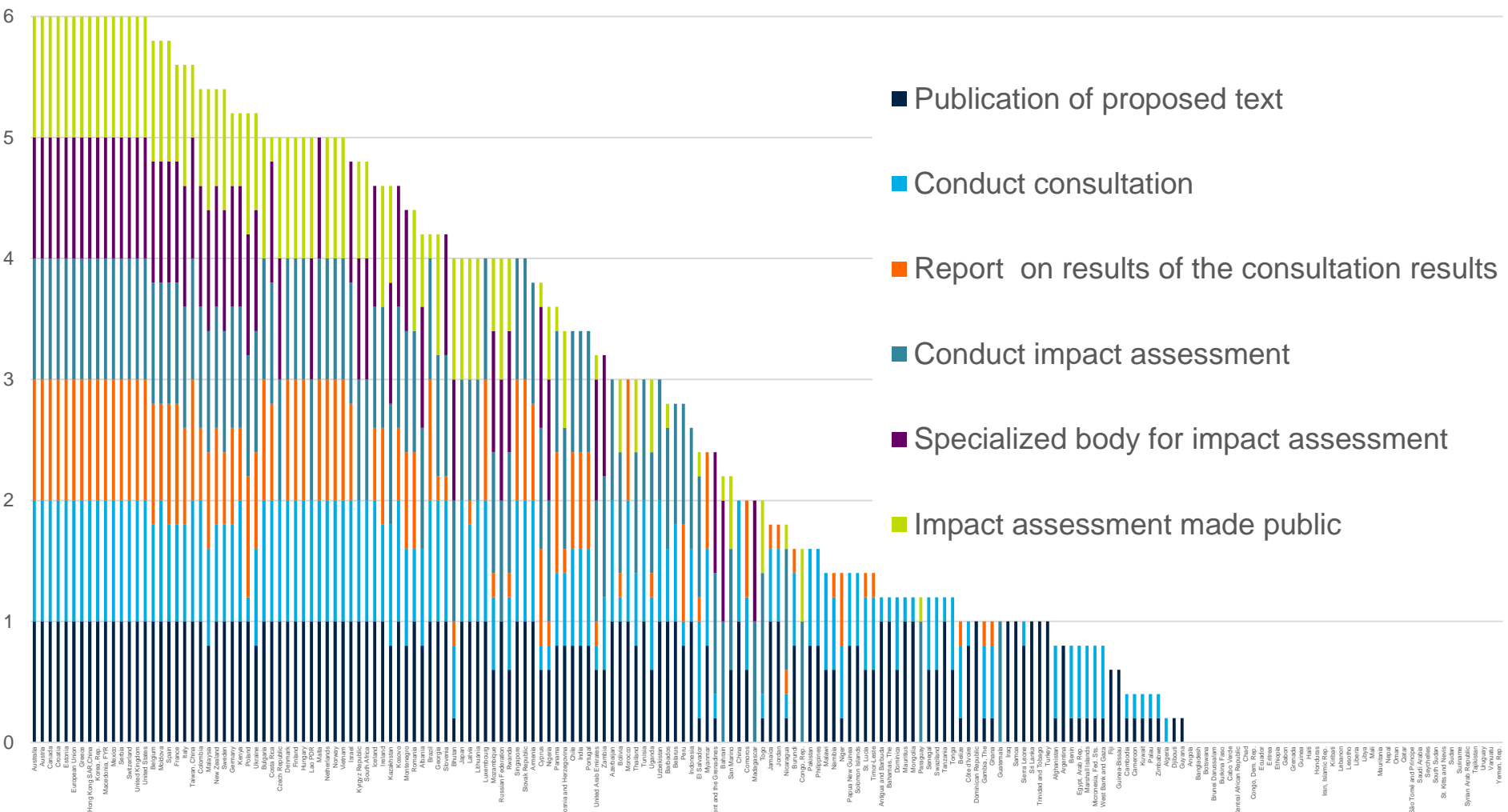
Access: The accessibility of laws and regulations after their enactment

IN PRACTICE

Allows for more systematic country comparisons *and* targeting of reforms



What gets measured gets done...



DIAGNOSTIC:

Regulatory Policy and Delivery Review

- ❑ The Regulatory Policy and Delivery Review (RPDR) is a diagnostic tool to comprehensively review a country's Good Regulatory Practices
- ❑ The RPDR documents in an integrated manner regulatory policies, institutions, delivery mechanisms and procedures (i.e. RIA, consultation, forward planning, coordination, implementation, appeal, regulatory delivery, oversight functions etc.).
- ❑ The review is prepared in close cooperation with government counterparts and key stakeholders.
- ❑ The review creates a benchmark and roadmap for future GRP reforms, including a prioritized action plan.

DESIGN (i):

Unified portal for on-line public consultation



A collage of various government portals and websites from different countries. The top row includes 'regulations.gov' (USA), 'overheid.nl' (Netherlands), and a Chinese government portal. The middle row shows 'socialdialogue.gov' (USA), 'HØRINGS PORTALEN' (Denmark), and 'VELKOMMEN' (Denmark). The bottom row features 'BÚSQUEDA DE REGULACIONES' (Spain), 'Обсуждение нормативных актов Республики' (Russia), and 'WORLD BANK GROUP Governance' (World Bank). The portals display various services like rule submissions, public consultations, and legislative updates.

A common issue for many public consultation websites...

No comments...

Source: World Bank

New approach with focus on user engagement and experimentation

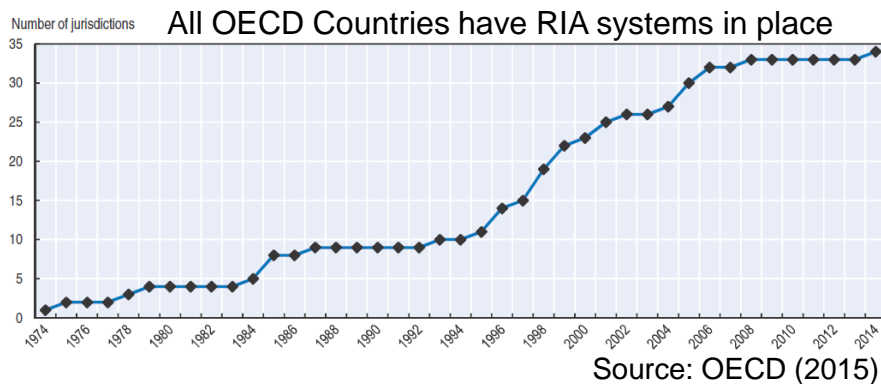
Four dimension of N&C systems – usually only two are observed.



Source: World Bank

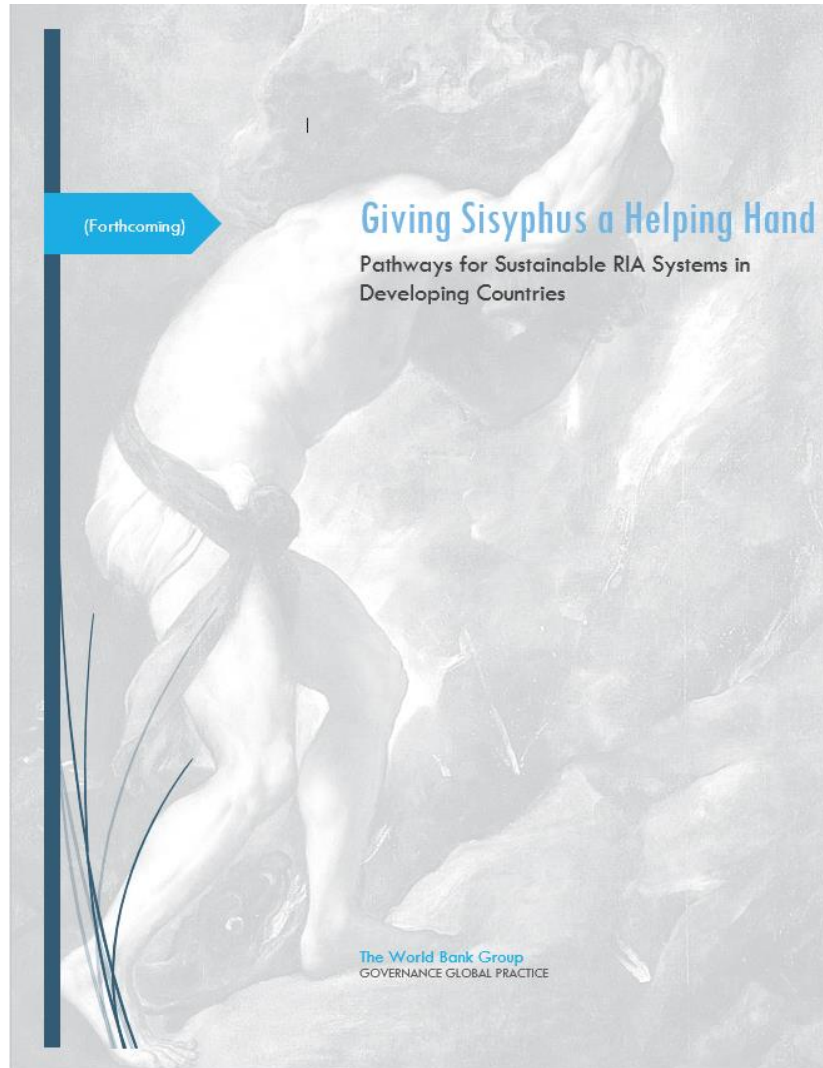
DESIGN (ii): Evidence-based policy-making (RIA)

Growing attention to GRP
reflected in the proliferation of
RIA systems

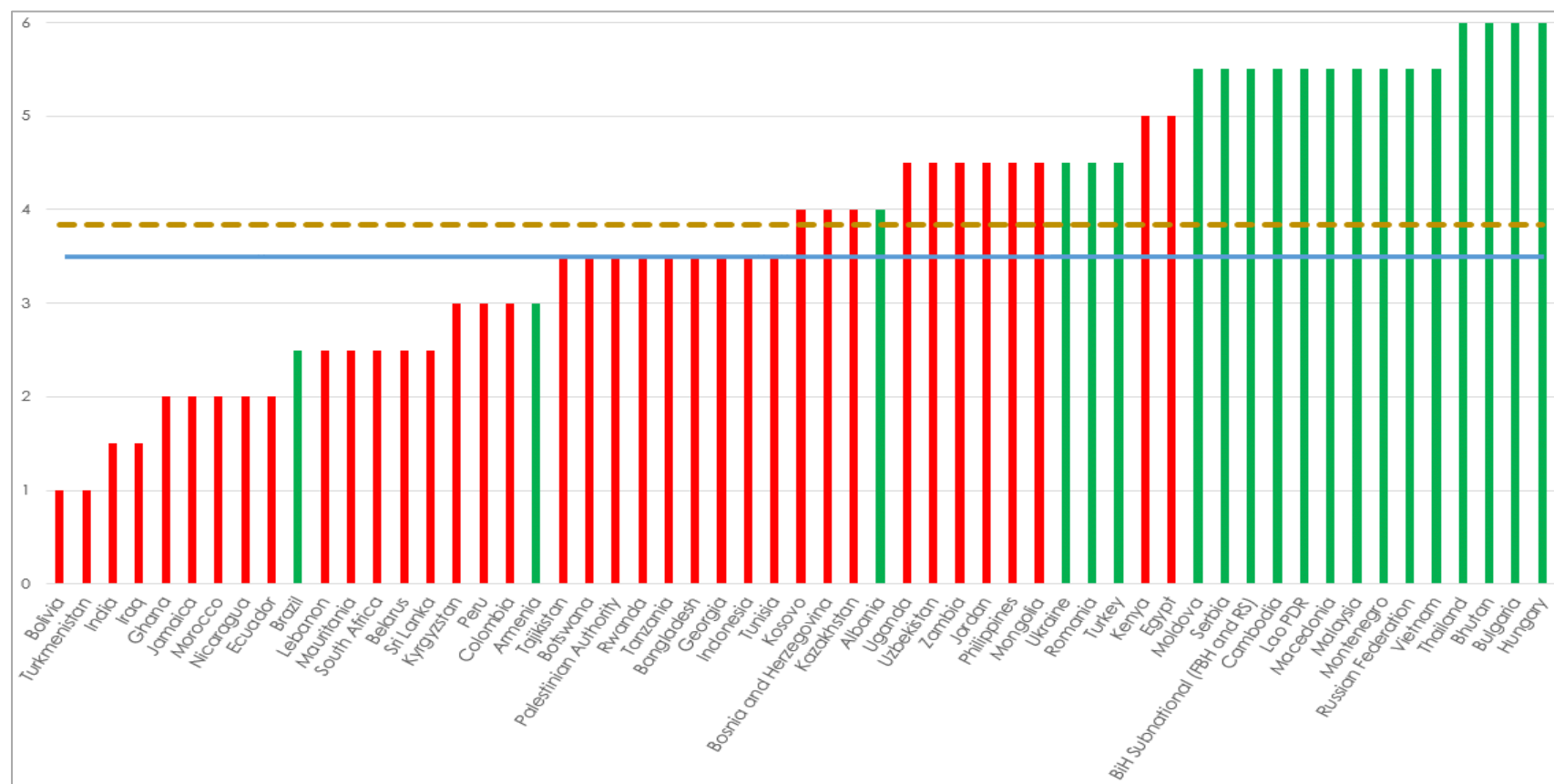


*) Regulatory Impact Assessment (RIA) is a systematic approach to critically assessing the positive and negative effects of proposed regulation and non-regulatory alternatives. RIA encompasses a range of methods (such as Cost-Benefit Analysis (CBA)), and different focus areas (such as impacts on competitiveness, public finances or distributive impacts)

Limited empirical evidence on what makes RIA systems work

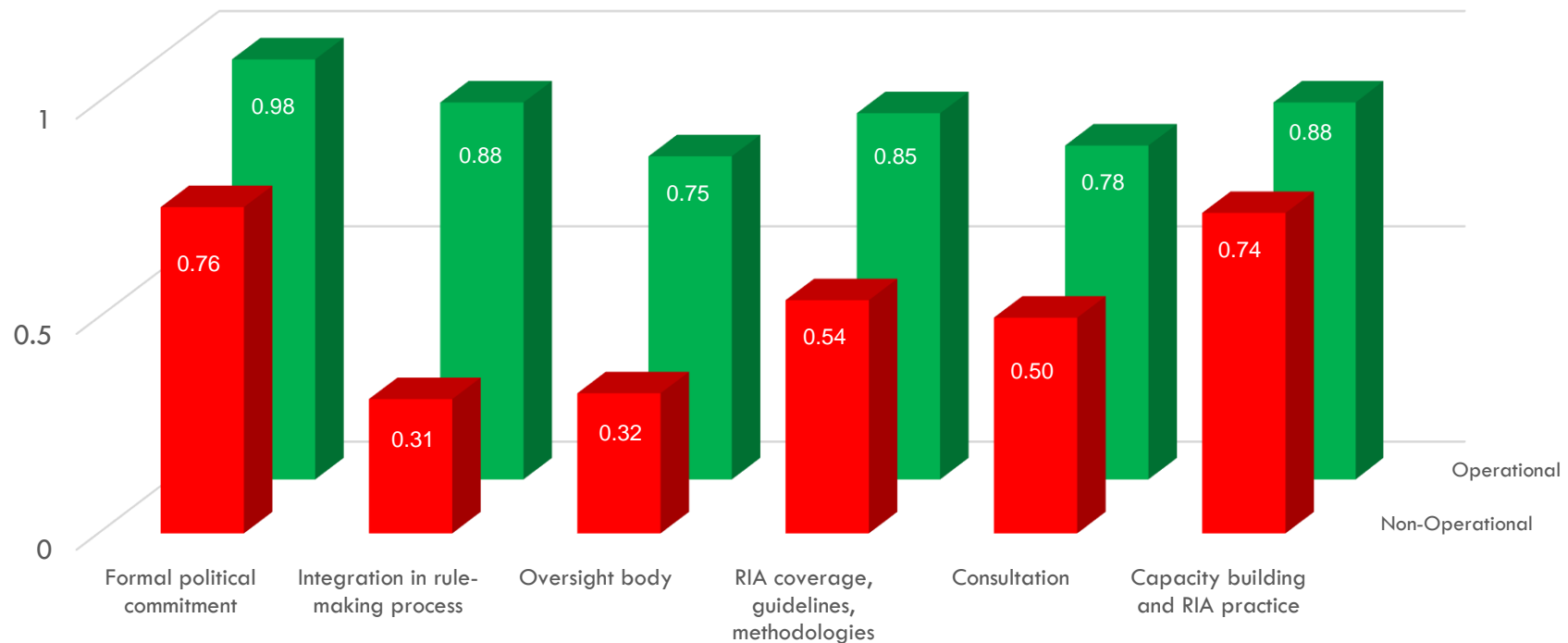


More than 1/3 of reforms are “successful” after 2 years;
strong correlation between “good practices” and success



Design Scores for RIA Reforms which have been concluded for more than two years (N=57). Green columns illustrate reforms that led to a functioning RIA system; Red columns show reforms that did not lead to a functioning RIA system; The blue line indicates the threshold for well-designed reforms (3.5), and the yellow dotted line indicates the mean reforms' score for the sample (mean = 3.8).

But some good practices are better than others: Formal integration in rule-making and an oversight body are the most important determinants of success



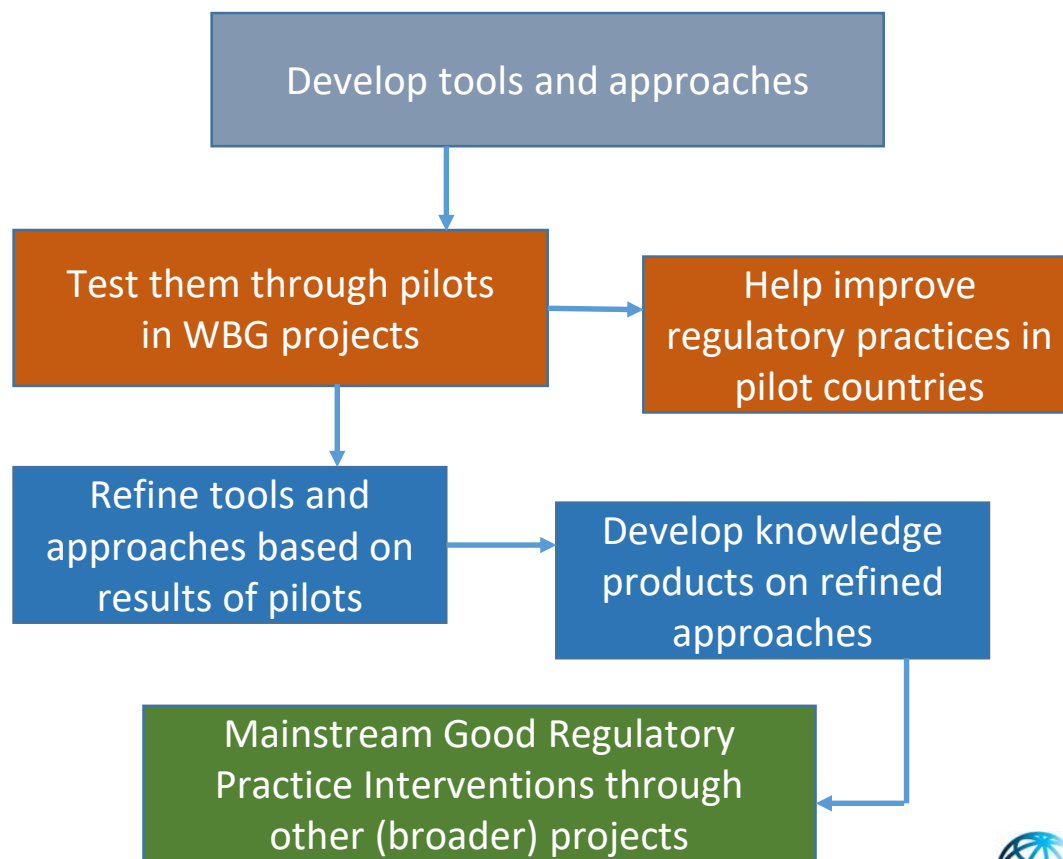
Average design scores for RIA reforms leading to operational and non-operational RIA systems (N=57, of which 20 operational and 37 non-operational).

Source: World Bank:

<http://documents.worldbank.org/curated/en/691961521463875777/Giving-Sisyphus-a-helping-hand-pathways-for-sustainable-RIA-systems-in-developing-countries>

Business model and country programs

Program Approach – from product development to mainstreaming



Business model and country programs (cont'd)

- ❑ “Experimental” – new tools and approaches
- ❑ Cooperation with academia, other international organizations, regional fora
- ❑ Delivered through WB country offices with HQ support
- ❑ Decision to support usually depending on
 - i. Political commitment;
 - ii. Likelihood of impact/success;
 - iii. Contributions from beneficiary government/other donors;
 - iv. Synergies beyond the GRP reforms (i.e. to broader PSD or Governance reforms)
- ❑ 19 operational pilots have so far received support from the GRP program.
- ❑ The operational pilots cover a diverse range of countries, topics and themes.
- ❑ GRP pilots in ASEAN include Malaysia and Vietnam.
- ❑ Continuation of current GRP program under consideration.

Thank you.

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