

Investment Committee for South East Europe

Working Group Report

Paris, France

12 November 2007

1. Introduction to the SEE Investment Committee and Regional Working Groups

The SEE Investment Committee was launched on April 2nd 2007 by the Investment Compact and the SEE countries to support implementation of policy reforms by developing detailed guidelines on how to implement reforms in selected priority areas. The selected priority areas are derived from the results of the Investment Reform Index 2006 and in consultation with SEE countries.

The SEE Investment Committee addresses the four selected priorities through Regional Working Groups of experts that meet twice a year. Working groups are composed of a Chair (SEE country), experts from participating countries, private sector representatives and international organisations. The Working Groups also include OECD experts and members of the Investment Compact team. The aim of each Working Group is to develop a set of practical guidelines for policy makers to design and implement effective policy measures. The four Working Groups in 2007 are:

- Anti-Corruption (Chaired by Romania)
- Human Capital (Chaired by Croatia)
- Investment Promotion (Chaired by Bulgaria)
- Regulatory Reform (Chaired by Serbia)

2. Progress updates for each Working Group

The first round of Working Group meetings took place between June and October 2007.

Working Group	First meeting	
	Location	Date
Investment Promotion	Antwerp	18 June 2007
Human Capital	Zagreb	10 July 2007
Anti-corruption	Bucharest	11 September 2007
Regulatory Reform	Belgrade	30-31 October 2007

2.1 Investment Promotion Working Group

2.1.1 Working Group Focus

The focus of this Working Group is to develop guidelines on how to develop SME-FDI linkages programmes in SEE countries.

2.1.2 Main Findings to date

Findings to-date based on initial meeting with the working group experts, interviews with best practice Investment Promotion Agencies and learnings from South East Europe countries:

A) Identifying local and foreign companies: How to identify supply and demand?

- **Prioritise and focus on specific sectors to address:** An industry specific approach helps focus and identify industry specific linkages. The initial stage of this approach is to segment the industry and understand its value chain. As a result opportunities for linkages become more targeted: For example a local call center can either target a business process outsourcing provider or a company directly.
- **Pilot one sector first and then address others:** Addressing several sectors at the same time can limit the sharing of learning and experience. Best practice organisations start with a pilot sector to tailor the approach and leverage the learning before addressing other sectors. For example, a pilot for service and for manufacturing based sectors can help consolidate learning for those two industry models.
- **Develop a data base including all local suppliers for the sector:** Best practice organisations develop thorough databases including the companies profile, segments, history of relationships with foreign companies and most importantly a direct link with the ministry of statistics to constantly update the database. The database also includes international companies profiles bases on past relationships.

B) Developing linkage programs: How to match supply and demand?

- **Develop and leverage selection criteria to identify the most relevant foreign companies to target:** Filtering criteria based on knowledge of the sector helps target the most relevant players. For example, existing strategy and announced plans (eg reduce cost, enter new markets, etc.), market share, revenue and profit growth, presence in the region, existing relationships, past interactions with companies in the relevant country.
- **When possible, use a direct approach to contact companies:** A ‘push’ approach like road-shows, targeting specific companies, seem to be more effective than a ‘pull’ approach like generic investor missions. However, each serve a different purpose and can be used in conjunction. The former aims at developing direct relationships, the latter at raising awareness and eventually identifying relevant SME-FDI linkages.
- **Time the initiative and leverage country media campaigns:** Where possible, best practice organisations build on existing country wide media campaigns in foreign markets to time their road-shows/investor missions targeting specific sectors eventually highlighted in the media campaign.
- **Use forums to identify potential program:** Best practice organisations use a series of forums with the same local and international companies to help them find common grounds on eg business collaboration, training, financing of projects, etc.
- **Develop interactive databases:** Investing in a leading-edge database that has logs of past conversations and communications between local companies and foreign companies can help identify areas of common interest

C) Implementing linkages between local and foreign companies: How to make linkages sustain?

- **When relevant, build sector or cross-sector clusters to sustain linkages and develop them further:** In OECD and non-OECD countries, clusters are proving to help local companies and foreign companies but also local authorities, research and academia and other key stakeholders to develop common programs. The example of the French ‘Pole de competitivitee’ were companies bid together with academia for a project grant helps nurture linkages and collaboration across companies. In

addition, physical localisation helps develop collaboration - For example in the automotive industry were component suppliers are key to automotive manufacturers

2.1.3 Next steps

- Design an evaluation questionnaire to take stock of the current situation and send it to SEE countries by mid of November 2007
- Prepare a survey with OECD countries/best practice IPAs for best practices and learning and send it by mid November 2007
- The two questionnaires to be filled in by countries by mid December 2007
- Data collected and used to perform detailed evaluation where the SEE countries stand in developing initiatives that support linkages and SME competitiveness and identify best practice programmes.
- Draft detailed Guidelines by mid January 2008
- Guidelines to be discussed during next Working Group meeting
- The next Working Group meeting should be held in Sofia the 23th and 24th of January 2008
- Publish “How to guidelines” first quarter of 2008
- Define country action plans to implement linkage programmes

2.2 Human Capital Working Group

2.2.1 Working Group Focus

The focus of this Working Group is to help SEE countries in improving the availability of skills by supporting them in implementing sector specific skills gaps and crafting strategies and action plans to increase the availability of needed skills.

2.2.2 Main findings to date

- Information on skills gaps is limited and spread across various ministries and agencies due to lack of co-ordination and global vision of skill supply and demand in the economy. An effective approach to human capital development needs to combine inputs from multiple government stakeholders and the private sector and rely on long term political commitment. It was suggested to set up a horizontal unit reporting to the highest level of government to develop policy recommendations.

- The private sector should contribute both to determining skills gaps as well as offer in short term solutions to skills development, and such activities should be supported by government sponsored initiatives. This is particularly the case with vocational education and training.
- When assessing the skills gap, it is important to include long-term planning and forecasting of skill demand and supply.
- When using the skills gap assessment to determine future policy, both teacher training and creating curriculum that matches forecasted labour market needs are critical.
- Migration flows are an important aspect to skills gap which is often overlooked. With regards to immigration, countries and regions should work toward officially recognising foreign qualifications. Concerning emigration, the key issue is to retain skilled labour or encourage the return of those that already emigrated.

2.2.3 Next Steps

- Conduct screener skills gap survey to preliminarily evaluate the extent of the skills gap in three sectors in conjunction with the Targeting Investment Promotion Activities Programme. October – November 2007.
- Based on the screener skills gap survey, agree on one sector and one country for a pilot comprehensive skills gap assessment at the next Human Capital Working Group meeting in Zagreb on 17 January 2008.
- Focus on one sector (most probably ICT) to conduct a skill gap assessment on 2 SEE countries
- Conduct a comprehensive assessment of skills supply for the targeted sector in two SEE countries; assessment will include a questionnaire directed at all relevant public and private training providers (March 2008).
- Conduct a comprehensive assessment of skills demand, including a company survey building off of the results found in the screener skills assessment (March 2008)
- Two pilot skills gap assessments to be reviewed by next Human Capital Working Group (March/April 2008).

2.3 Anti-Corruption Working Group

2.3.1 Working Group Focus

The focus of this Working Group is to develop practical guidelines for policymakers in SEE countries on how to fight corruption in public procurement by supporting them in identifying areas most vulnerable to corruption and designing and implementing revised structures in the public procurement system.

2.3.2 Main findings to date

- The public procurement system is not per se designed to fight corruption. Laws are made for increasing competition and reducing corruption risks by using formalised procedures. Therefore, there is a need to focus in particular on three elements to fight corruption:
 - Sanctions
 - Prevention
 - Education of officials and other stakeholders.
- The most vulnerable areas to corruption in public procurement are the phases of needs assessment, preparation of tender documents (including defining technical specifications), opening of bids, and contract implementation.
- One of the most important measures to reduce corruption is the choice for open/competitive procedures.
- Industry sectors especially at risk to corruption in public procurement are construction, transport and health sector.
- A strong and independent complaints and review system with the power of enforcement is important in order to have its decisions implemented and respected.
- The limited power of enforcement for complaints review systems and limited accountability of contracting authorities was highlighted by several SEE countries as a key problem to overcome.

2.3.3 Next steps

- Send out finalised questionnaire that focuses on the most vulnerable areas to fight corruption in public procurement for SEE
- Leverage results from questionnaire to review and adapt the OECD Checklist on fighting corruption in public procurement to SEE countries
- Next Working Group in March 2008

2.4 Regulatory Reform Working Group

2.4.1 Working Group Focus

The focus of this Working Group is to help and support SEE countries in their regulatory reform process by supporting them in implementing Regulatory Impact Analysis (RIA) through the development of specific guidelines.

2.4.2 Main findings to date

- Simple definition of Regulatory Impact Analysis: “Measure the likely benefits, costs and effects of new and changed regulations before they are implemented.”
- SEE countries have an opportunity to leapfrog mistakes made by OECD in the area of regulatory reform
- RIA is not only a technical tool to evaluate legislation; it also supports the process of having key stakeholders accept the most difficult reforms (through better communication and a sound basis for decision making). RIA can also help improve the clarity and transparency (and therefore accountability) of the regulatory process
- Results from RIA can only be achieved if countries take into account:
 - Culture (eg; consensus driven like the Dutch or empirical like the US)
 - Resources available including available data
- RIA is often applied too late in the policy making process. It is crucial that RIA is introduced at the beginning.
- Need to have an independent administrative that reviews draft RIA even if only with 3 to 5 people. This unit should be backed at the highest political level
- Important to have standard criteria which allow rapid filtering of which legislation must undergo RIA that is more or less in depth (eg; Estimated impact on business). In addition: all initial RIA estimates should follow a standard template to ensure that a “RIA language” is developed in the administration
- To build support for RIA internally you need to adapt your communication to different government stakeholders (Ministers vs bureaucrats vs Parliamentarians)
- RIA teams should mix different backgrounds including lawyers, economists and social scientists
- National parliaments can be major bottleneck for reform; RIA can be a way to better communicate with Parliamentarians and involve them to make legislation go through
- RIA is part of a wider policy making process. You need to have the basic systems in place (like a functioning Parliament) for RIA to have some effect.

2.4.3 Next Steps

- Assess the current state of regulatory reform in SEE countries through a common set of indicators (this will be the regulatory reform dimension of IRI 2008-2009).
- Develop guidelines on how to implement RIA that are adapted to the development context and resources of SEE countries.

- Conduct a regional assessment of how to involve parliamentarians in the regulatory reform process (culminating in a regional conference with Parliamentarians).

Appendix I

**Investment Promotion Working Group
Agenda of first meeting on FDI-SME linkage programmes**

**Investment Committee for South East Europe
Working Group on Investment Promotion:**

**“How to implement FDI-SME linkage programmes in
South East European countries”**

AGENDA

18 June 2007

LOCATION:

Ramada Plaza Antwerp
Formerly known as the Corinthia Antwerp Hotel
Desguinlei 94, 2018 Antwerp
Belgium
Room : Chambertin I

MONDAY 18 JUNE 2007

**09:00
-17:45**

1ST MEETING OF THE WORKING GROUP ON INVESTMENT PROMOTION

**08:30-
09:00** **REGISTRATION/WELCOME COFFEE**

**09:00-
09:30** **OPENING SESSION**

Welcome and Introduction by:

Mr. Luc Van Looveren, Head of Euro Info Center, Voka - Chamber of Commerce Antwerp – Waasland Flanders

Mrs. Elena Pishtovkoleva, Director, Investment Policy Directorate, Bulgaria
Chair of the Working Group on Investment Promotion

Mr. Anthony O’Sullivan, Head of Programme, OECD Investment Compact

**09:30-
11:00**

SESSION I: OVERVIEW OF THE FDI-SME LINKAGE PROGRAMMES

Chairs of Session I: Bulgaria and OECD

OECD presentation on the role of the Working Group on Investment Promotion and introduction to FDI-SME linkage programme:

- Definition
- Focus and rationale

Panel discussion on:

Benefits of linkage programmes illustrated by examples from OECD countries

Panellists:

Mr. Vit Svajcr, Head of Sourcing Section, Czech Invest

Mr. Barry Condrón, Director, Strategy Partners Ireland

Ms. Mariarosa Lunati, Economist, OECD Centre for Entrepreneurship, SMEs and Local Development

**11:00-
11:30**

Coffee Break

**11:00-
13:00**

SESSION II: REVIEW OF DRAFT CONCEPT PAPER ON “HOW TO IMPLEMENT” AN FDI-SME LINKAGE PROGRAMME

Chairs of Session II: Bulgaria and OECD

OECD presentation of how to implement an FDI-SME linkage programme:

- Process and Approach
- Key Success Factors

SEE Investment Promotion Agencies (IPAs) inventory existing initiatives to support SMEs competitiveness and linkages with FDI

Panel discussion:

SEE Investment Promotion Agencies

Mr. Vit Svajcer, Head of Sourcing Section, Czech Invest

Mr. Barry Condrón, Director, Strategy Partners Ireland

**13:00-
14:30**

LUNCH: HUGO’S RESTAURANT (HOTEL RAMADA PLAZA)

**14:30-
16:00**

SESSION III: OPPORTUNITIES TO PUT THE FDI-SME LINKAGE PROGRAMME INTO ACTION

Chair of Session III: OECD

OECD presents an overview of the project “Strengthening Sector Specific Sources of Competitiveness” financed by the European Commission:

- Objectives, approach and timeline

Panel discussion:

SEE Investment Promotion Agencies

Mr. Vit Svajcer, Head of Sourcing Section Czech Invest

Mr. Barry Condrón, Director Strategy Partners Ireland

**16:00-
16:30**

COFFEE BREAK

**16:30-
17:45**

SESSION IV: PLANNING 2007-2008

Chairs of Session IV: Bulgaria and OECD

OECD and SEE Investment Promotion Agencies define the agenda for the Working Group on Investment Promotion in 2007-2008:

- Timeline and milestones to implement the working agenda
- Next Steps

Conclusions and end of meeting¹

¹The Ministry of Flanders has organised a visit at 19:00 to the exhibition "Wondrous animals on paper in Plantin's day", Museum Plantin-Moretus/Prentenkabinet.

Appendix II

**Human Capital Working Group
Agenda of first meeting on skills gap analysis and skills development**

**Investment Committee for South East Europe
Working Group on Human Capital:**

**How to Implement Economic Reforms
Skills gap analysis and skill development in South East
Europe**

AGENDA

TUESDAY 10 JULY 2007

**08:30-
09:00**

REGISTRATION AND WELCOME COFFEE

Location :
Hotel Dubrovnik
Gajeva 1 10 000 Zagreb

**09:00-
09:15**

OPENING SESSION: ROOM BAN I

Welcome and Introduction by:

Croatia, Chair of the Working Group on Human Capital
OECD Investment Compact

**09:15-
10:30**

SESSION I: COMPETITIVENESS, SKILLS SUPPLY AND DEVELOPMENT AND FDI TRENDS

Exploring the links between competitiveness, education system, skill supply, skill development and investment trends

- The analytical framework, Antonio Fanelli, OECD Investment Compact
Mr Gerhard Kowar , OECD Education department
- Introduction to question and answer session by Mr Pasi Sahlberg
(European Training Foundation – ETF)

Questions and Answers and Open discussion

**10:30-
10:45**

Coffee Break

**10:45-
13:00**

SESSION II – THE POLICY RESPONSE: BEST PRACTICES

- The experience of Ireland, Mr Martin Shanahan, Head of Human Capital and Labour Market Policy, Forfás
- The experience of Estonia, Ms. Tiina Annus, Head of analyses department, Ministry of Education and Research, Estonia

Questions and Answers and Open discussion

**13:00-
14:30**

BUFFET LUNCH: ROOM CENTRUM

**14:30-
16:00**

SESSION II – THE POLICY RESPONSE: SEE EXPERIENCES

- Introduction OECD-ETF
- VET and the Labour Market transformation correlation mechanisms, Ms Madlen Serban, Director, National Centre for Vocational Education and Training Development, Romania.
- Activities of the Croatian Employment Services in harmonizing demand and supply on the labour market, Ms. Mirjana Zečirević, Croatian Employment Services, Croatia

Questions and Answers and Open discussion

**16:00-
16:15**

Coffee Break

**16:15-
17:30**

CONCLUSIONS AND DEFINITION OF THE WORK PROGRAMME 2007/ 2008

- Discussion Continued
- Synthesis of the workshop
- Definition of the work programme 2007/2008

Appendix III

Anti-Corruption Working Group

Agenda of first meeting on fighting corruption in public procurement

Investment Committee for South East Europe

Working Group on Anti-corruption:

“How to fight corruption effectively in public procurement in South East European countries”

AGENDA

11 September 2007

LOCATION:

Ministry of Foreign Affairs
Aleea Alexandru, Nr. 31, Sector 1
011822 Bucharest
Romania
Gafencu Meeting Room

TUESDAY 11 SEPTEMBER 2007

**09:00
-17:45**

1ST MEETING OF THE WORKING GROUP ON ANTI-CORRUPTION POLICY

A1

**08:30-
09:00**

REGISTRATION/WELCOME COFFEE

A2

**09:00-
09:15**

OPENING SESSION

Welcome and Introduction by:

Ms. Oana Andrea Schmidt – Haineala, Director, Ministry of Justice, Romania
Chair of the Working Group on Anti-Corruption

Mr. Anthony O’Sullivan, Head of Programme, OECD Investment Compact

A3

**09:15-
09:45**

SESSION I: OVERVIEW OF THE PROPOSED “HOW TO” CONCEPT ON FIGHTING CORRUPTION IN PUBLIC PROCUREMENT

Chairs of Session I: Romania and OECD

OECD presentation on the role of the Working Group on Anti-Corruption and introduction to the “how to” concept

Q&A Session

A4

**09:45-
12:00**

SESSION II: GOOD PRACTICES FOR FIGHTING CORRUPTION IN PUBLIC PROCUREMENT

Chairs of Session II: Romania and OECD

Romania’s experience with fighting corruption in public procurement

Ms. Sabina Bendas, Ministry of Justice, and Mr. Bogdan Olaru, Ministry of Public Finance, Romania

Montenegro’s experience with fighting corruption in public procurement

Ms. Katarina Radovic, Commission for the Control of Public Procurement, Republic of Montenegro

Presentation of good practice cases in fighting corruption in public procurement:

France

M. Jean-Pierre Bueb, Service Central de Prévention de la Corruption, France

UK
Mr. Jonathan Denison Cross, Office of Government Commerce, UK

Asia and the Pacific Countries
Mr. Joachim Pohl, Anti-Corruption Division, OECD

**12:00-
13:30**

LUNCH

A5

**13:30-
16:00**

SESSION III: FIRST OVERVIEW OF THE AREAS IN PUBLIC PROCUREMENT WHICH ARE MOST VULNERABLE TO CORRUPTION IN SEE COUNTRIES

Chair of Session III: Romania and OECD

**13:30-
15:15**

OECD Secretariat
Overview of current public procurement systems in SEE countries and how they are structured to fight corruption

Tour de Table with SEE experts

**15:15-
16:00**

OECD Secretariat
Review of questionnaire that will be used to assess fighting corruption in public procurement in SEE countries

**16:00-
16:10**

COFFEE BREAK

A6

**16:10-
16:45**

SESSION IV: PLANNING 2007-2008

Chairs of Session IV: Romania and OECD

OECD and SEE representatives define the agenda for the Working Group on Anti-Corruption in 2007-2008:

- Timeline and milestones to implement the working agenda
- Next Steps

Conclusions and end of meeting

Scenario for the Working Group Meeting

A3: SESSION I: OVERVIEW OF THE PROPOSED “HOW TO” CONCEPT ON FIGHTING CORRUPTION IN PUBLIC PROCUREMENT

The setting: OECD representatives and the Romanian CET leader will chair the session. The audience will be mostly composed of SEE experts of the Working Group on Anti-Corruption (mostly representatives from Ministries of Justice and Public Procurement Agencies in SEE), international experts, representatives from regional organisations and private sector representatives.

The presentation: The OECD representative will present the role of the Working Group on Anti-Corruption and introduce the “how to” concept. Following, a Q&A session will be held.

A4: SESSION II: GOOD PRACTICES FOR FIGHTING CORRUPTION IN PUBLIC PROCUREMENT

The setting: The Chair of the Working Group, Ms. Schmidt-Haineala and the OECD will chair the session.

The presentations: A representative of the Romanian Ministry of Justice, Ms. Bendas, will present Romania’s experience with fighting corruption in public procurement followed by a presentation of Ms. Katarina Radovic, Commission for the Control of Public Procurement, from the Republic of Montenegro.

Representatives from OECD countries will present good practices for fighting corruption in public procurement.

A5: SESSION III: FIRST OVERVIEW OF THE AREAS IN PUBLIC PROCUREMENT WHICH ARE MOST VULNERABLE TO CORRUPTION IN SEE COUNTRIES

The setting: The Chair of the Working Group, Ms. Schmidt-Haineala and Mr. Geiger, OECD, will chair the session.

The presentation: SEE experts will present a short intervention on how their public procurement systems are structured to fight corruption which will be followed by a discussion.

SEE countries and the OECD representatives will review the questionnaire that will be sent before the Working Group meeting to the SEE countries for review. This questionnaire will be used to assess fighting corruption in public procurement in SEE countries.

A6: SESSION IV: PLANNING 2007-2008

The agenda of the Working Group in 2007 -2008 will be defined including timeline, milestones to implement the working agenda and next steps. The meeting will be closed by a summary of Mr. Geiger.

Appendix IV

**Regulatory Reform Working Group
Agenda of first meeting on improving regulatory impact analysis**

How to Implement Economic Reforms

**Improving Regulatory Impact Analysis (RIA) in South
East Europe**

AGENDA

30 - 31 October 2007

LOCATION:

**Ministry of Economy and Regional Development
Belgrade, Serbia**

TUESDAY 30 OCTOBER 2007

*Address: Bulevar Kralja Aleksandra Street, no.15.
First floor*

08:30-09:00 REGISTRATION AND WELCOME COFFEE

09:00-09:30 OPENING SESSION

Opening remarks:

- **Mr. Velimir Gavrilovic**, Assistant Minister, Ministry of Economy and Regional Development, Serbia.
- **Mr. Anthony O'Sullivan**, Head of the Private Sector Development Division, OECD.
- **Mr. Edward Donelan**, Principal Administrator, SIGMA Programme, OECD.

PART A: OVERVIEW OF REGIONAL AND INTERNATIONAL EXPERIENCE

09:30-11:00 SESSION I – INTEGRATING RIA INTO A REGULATORY REFORM STRATEGY: INTERNATIONAL PRACTICES

Chair: Mr. Anthony O'Sullivan, Head of the Private Sector Development Division, OECD.

RIA has been developed during more than three decades in different OECD countries. The OECD has served as a platform for developing a framework for RIA based on good practices, encouraging exchange between practicing countries. Today most OECD countries systematically use RIA, many developing countries are on their way to set up an RIA system. Their general goal is to improve the quality of regulation and contribute to ensuring adequate conditions for economic growth.

This session explores international common practices, as well as the different approaches that have helped adapting RIA to adequate its results to the needs of a particular regulatory system, and to fit it into the policy making process.

Speakers

- **Ms. Delia Rodrigo**, Policy Analyst, Regulatory Policy Division, OECD.
- **Mrs. Andreja Marusic**, Secretary Team Leader, Council for Regulatory Reform, Serbia.
- **Mr. Krisztian Orban**, Better Regulation Adviser, Ministry of Justice and Law Enforcement, Hungary.
- **Dr. Panagiotis Karkatsoulis**, Policy Advisor, Hellenic Ministry of the Interior, Greece.

Questions for discussion

- What are the key elements to set up and to consolidate RIA?
- What are the international practices for setting up an RIA system?
- What options are available for international co-operation on RIA?

11:00-11:30 Coffee Break

11:30-13:00

SESSION II – RIA SYSTEMS IN THE SEE COUNTRIES

Chair: Mr. Anthony O’Sullivan, Head of the Private Sector Development Division, OECD.

Several initiatives aiming at the improvement of regulatory governance have been already launched in South East Europe. Parts of these efforts include the introduction of Regulatory Impact Analysis as a policy tool to improve the stock and flow of regulation. This first session of the seminar serves to discuss current programmes in the region, lessons learnt so far, evaluation of outcomes, and challenges ahead.

Speakers

- **Mr. Lazar Ristic**, Foreign Investment Advisory Services, World Bank Group.
- **Dr. Cesar Cordova**, Director, Jacobs & Associates, Europe.
- **Mr. Eugeniu Osmochescu**, Regulatory Reform Specialist, DAI Europe.
- **Mr. Vedran Antoljak**, Managing Partner, Sense Consulting, Croatia.
- **Ms. Slavica Penev**, Senior Researcher Fellow, Economics Institute, Serbia.

Questions for discussion

- What have been the steps taken to integrate RIA into a broad regulatory reform initiative in SEE?
- What is the political support for RIA in each country?
- How has an RIA model been established in practical terms?
- Which obstacles have been encountered by practitioners in the region?

13:00-14:30

LUNCH OFFERED BY THE MINISTRY OF ECONOMY AND REGIONAL DEVELOPMENT

PART B: LEVERAGING RIA AS A PRACTICAL TOOL FOR POLICY MAKING

14:30- 16:00

SESSION III – IMPROVING INSTITUTIONAL AND HUMAN CAPACITIES FOR RIA

Chair: Mr. Edward Donelan, Principal Administrator, SIGMA Programme, OECD.

Solid building blocks for an adequate framework to consolidate RIA are related to institutional and human capacities. On the first place, RIA implementation will be useful only if there is a common understanding of this policy tool and its use. Secondly, it will not have positive results unless expectations are supported by realistic resources. Thirdly, there should be a coordinated and coherent work inside the administration.

These are only a few requisites for RIA improvement. This session presents an opportunity to explore the institutional settings to frame RIA, the efforts to have RIA as a common practice for rule makers and users, and the methodologies of RIA taking into account constraints of emerging markets (for example effective cost-benefit analysis).

Speakers

- **Mr. Krisztian Orban**, Better Regulation Adviser, Ministry of Justice and Law Enforcement, Hungary.
- **Mr. Mario Martelli**, Managing Partner, Agora 2000, Italy.
- **Mr. Pedro Andres-Amo**, Policy Analyst, Regulatory Policy Division, OECD.
- **Mr. Jordan Trajkovski**, Economic Advisor for Regulatory Reform, Cabinet of the Deputy Prime Minister for Economic Affairs, FYR Macedonia.

Questions for discussion:

- What kind of coordination mechanisms should be put in practice?

- The role of oversight bodies for regulatory reform – How to make them work for RIA?
- What are the human and technical requirements for designing and implementing RIA?

16:00-16:15

Coffee Break

16:15-17:30

SESSION IV – LEVERAGING RIA TO MAKE REFORMS HAPPEN

Chair: Mr. Edward Donelan, Principal Administrator, SIGMA Programme, OECD.

Having an effective and efficient institutional and human framework for RIA will not be enough to consolidate RIA unless it is well placed in the policy making process. To reach this, challenges are numerous and complex.

Experience reveals significant vested interests opposing common use of RIA. Usually, some risk averse positions see RIA interfering decision-making capacities. Others critic that there could be a high risk of capture of the policy making process.

This session brings together expertise to discuss how opposition to RIA manifests, how to deal with it and to build confidence and support for this policy tool. Once RIA becomes an objective evidence-based policy tool, it should be communicated to the general public and to different regulatory powers, familiarising the political culture with RIA and encouraging public participation in the regulatory processes. Communicating RIA results to the general public promotes support for regulatory decisions.

Speakers

- **Mr. Daniel Trnka**, Director, Department for Regulatory Reform and Public Administration Quality, Ministry of Interior, Czech Republic.
- **Dr. Panagiotis Karkatsoulis**, Policy Advisor, Hellenic Ministry of the Interior, Greece.
- **Mr. Eugeniu Osmochescu**, Regulatory Reform Specialist, DAI Europe.

Questions for discussion

- Regarding RIA design and inclusion in the policy making process: How to best target RIA? What are the most urgent needs in the region?
- What are the most efficient tools to ensure RIA is well understood by the general public?
- How can RIA be used to find support for reform?

20.00

DINNER AT RESTAURANT MADERA

HOSTED BY THE MINISTRY OF ECONOMY AND REGIONAL DEVELOPMENT

WEDNESDAY 31 OCTOBER 2007

Address: **Vlajkovičeva St., no.10**
-1 and first floor

08:45-11:00 **SESSION V – WORKSHOP ON RIA**

To complement the seminar on the first day, a more practical session under the format of a workshop will give participants the opportunity to see more in detail some components of an RIA. The experience will encourage the share of experiences and team working.

Participants will form small discussion groups to conduct case study exercises to map the costs and benefits of new regulations. This exercise of policy dialogue aims at finding solutions to common problems and establishing contacts with other countries' practices.

See the document “NOTES FOR SESSION V: WORKSHOP ON RIA” for the agenda of the workshop.

11:00-11:15 **Coffee Break**

11:15-12:00 **CONCLUSIONS AND DEFINITION OF THE WORK PROGRAMME 2007/ 2008**

The conclusion of the event will mainly cover:

- Presentation of results and synthesis of the seminar and workshop
- Definition of the future programme of work for the initiative
- Summary of emerging recommendations on how to address key challenges for RIA in SEE countries