

Bangladesh
Private Sector Development
Support Project



Workshop
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Dhaka Sheraton Hotel

Reducing Administrative Barriers to Investment

Introducing Regulatory Impact Assessment (RIA) in Bangladesh

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Think of the Regulatory Business Environment as a Swimming Pool



- To create a healthy, clean pool for businesses you must:
- Clean the water in the pool (the **regulatory stock**)
 - Filter new water coming in (review the **regulatory flow**)
 - Supervise water quality and temperature (**regulatory institutions**)

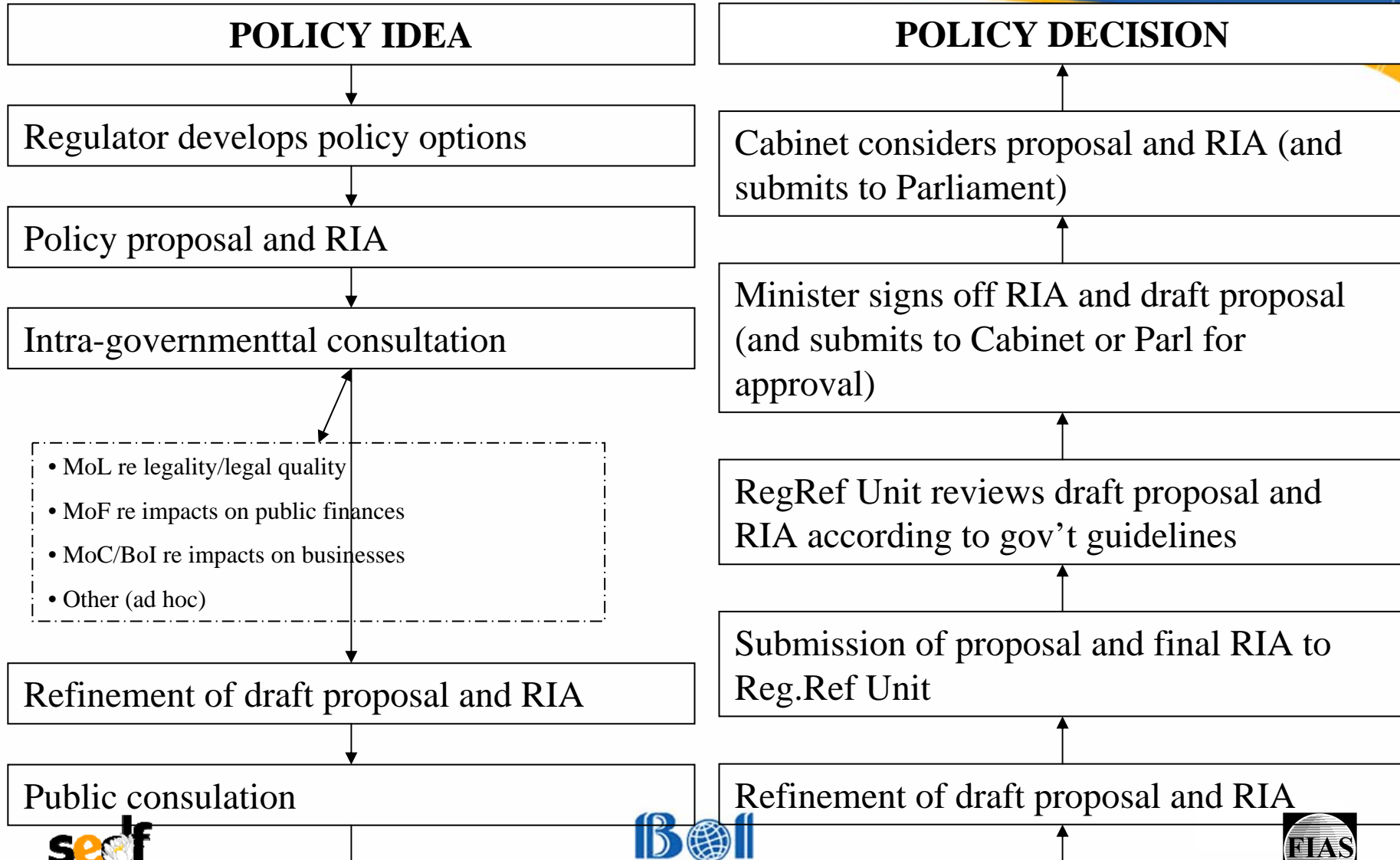
What is RIA?

- Fundamentally, RIA is about **asking the right questions**
- RIA provides a **framework** for the regulatory **process**
- RIA is **document** communicating this information to decision-makers and stakeholders

Outline of a basic RIA

1. What is the **problem**?
2. Is government **action justified**?
3. What are the **options**? What is the best form of action?
4. Is there a **legal basis** for regulation?
5. What is the appropriate **level** of government action?
6. Do **benefits justify the costs**?
7. Is the **distribution** of effects across society fair and transparent?
8. Is the regulation clear, comprehensible and **accessible** to users?
9. Have all **interested parties** had the opportunity to present their views?
10. How will **compliance** with new regulation be achieved?

...and a framework for the regulatory process



Starting points for a RIA system in Bangladesh

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1. Limited scope
2. Pragmatic methodology
3. Clear division of labour
4. Build awareness and appreciation
5. Generate high-level political support
6. Demonstrate quick-wins

The way forward – elements of a roadmap

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- February/March 2006:
 - Final RIA report and action plan submitted to PSD Task Force
 - Commitment by GoB to establish a Regulatory Reform Unit
 - Establishment of RIA Working Group
 - PSD Task Force endorsement of overall RIA Action Plan
- March-May 2006:
 - Inclusion of RIA recommendations in PSDSP Design
 - RIA function within the RRU in the PMO/BoI
 - RIA methodology and scope
 - RIA training, workshops and guidance
 - GoB acknowledgment of RIA PSDSP obligations
 - Sensitizing stakeholders and senior policy-makers

The way forward – elements of a roadmap (cont.)

- May-December 2006:
 - PSDSP effectiveness
 - Continue preparation of RIA system
 - Sensitizing stakeholders and senior policy-makers
- Spring 2007 (post election)
 - Sensitizing the new government
 - Legal mandate for RIA system, including RIA Unit authority and location
- Summer 2007
 - RIA system launched in Bangladesh

- Legacy of outdated and inconsistent laws
- Low compliance, random and negotiable compliance
- Make quick wins to build political capital
- RIA pilot workshop Monday 13 February 2006