



Curbing the Flow – Improving New Policy Proposals Through RIA

**Kenya BRRU Presentation at the Kenya-Tanzania Workshop on
Regulatory Reforms**

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29th August 2007



Why RIA in Kenya?

- Continuing proliferation of new licenses and regulations
- The need for a sustainable way to address possible proliferation of new licenses and regulations after the recent licensing reforms
- Existence of multiple agencies with unchecked regulatory powers



RIA proxies in Kenya

- **The Process:** The budget process, coordination and fiscal impact assessment
- **Accountability:** “Dual signatures”
- **Stakeholder Consultations:** Extensive and increasing consultation with the private sector
- **Approval Systems:** Ministry of Local Gov’t approval of LAs plans and spending proposals



Recent Government Commitments to RIA

Budget Speech 2006

We intend to put a halt to the mushrooming of licences and permits after the elimination process is completed...

accordingly, I shall create a Business Regulatory Reform Unit in the Ministry of Finance to liaise with the Regulators to ensure that all future regulations with respect to licensing conform to international best practices. This Unit will develop and implement a medium-term regulatory reform strategy, including monitoring the quality of new licenses...



Licensing Committee recommendations

If the proposed control mechanisms [RIA] are not immediately implemented, the results of the licensing review may quickly be eroded by creeping re-regulation. New institutions, processes and capacities should be put in place to ensure that the results of the reform are safe-guarded, and that new licenses are subject to scrutiny...

*The Committee recommends that the Regulatory Reform Strategy provides an implementation and policy framework for the following issues:
Establishment of transparent and efficient processes for regulatory policy-making, piloting and adapting a system for RIA.*



Budget Speech 2007

“As announced in last year’s Budget Speech, we are also putting in place mechanisms to ensure the quality of new regulations and licenses...”


Current considerations about RIA in Kenya

- Scope of regulatory impact assessment:
 - Rules and guidelines for RIA
 - what issues to address e.g. administrative burden to businesses, environmental impact
- Legal considerations:
 - powers of regulators,
 - powers of vetting authority (MOF) relative to those of regulators
- Interactions with other institutions, e.g. Proposed Business Advisory Council



Key questions for discussion with Tanzanian BRU

- What should be the initial scope of the RIA system?
- What kind of legal underpinning (short term and long term)?
- Do you need a dedicated unit to lead the work?
- What should be the division of labor between regulators, the BRU, private sector and other key actors?
- What are the most important issues to observe to ensure success and avoid failure?



Thank you