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Government of Iraq Review

Operational Plan for ISRAR (Iraqi Solutions for Regulatory and Administrative Reform)

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1. Introduction to ISRAR

The government of the Republic of Iraq (Gol) wishes to launch a program of systemic reform to update its legal/regulatory policies and policy instruments, stimulate market-driven growth in the private sector, and boost national competitiveness. Iraq has inherited a massive accumulation of legal norms, with around 25,000 legal norms on the books dating back almost 100 years at the national level, and more added every week. Some of these legal norms are sensible and well designed for the future of the country, but many are unneeded, outdated or inconsistent with the new Constitution. There are also contradictions, inconsistencies, and complexities through the legal framework that are burdensome for citizens and businesses, and that discourage development in Iraq.

A broad regulatory guillotine,¹ using international best practices, is being launched at the national level to count, review, and improve the national regulatory framework affecting business activity and the lives of citizens. The Gol has decided to name this reform **ISRAR** (Iraq Solution for Regulatory and Administrative Reform), which means in Arabic "*determination*". The ISRAR reform will be operated by Iraqi reform units, overseen by the Iraqi government, and operating under Iraqi law and constitutional frameworks. Decisions to revise or eliminate regulations will be taken by the Iraqi Government or the Iraqi Parliament, using expedited legal procedures such as the omnibus package. .

This Operational Plan provides details of the ISRAR implementation, including a proposed baseline budget that can be up-scaled as needed.² The plan reflects the discussions of the Council of Ministers Secretariat (COMSEC), and discussions with a wide range of public officials, private sector representatives, and donors in Iraq. It is based on best practices in the guillotine method, drawn from the experiences and evaluations in a dozen countries that have implemented the guillotine methodology over the past several years.

The Operational Plan will be supplemented by a series of documents as ISRAR is developed. These include:

- Inventory manual and forms
- eGuillotine user manual
- Review manual, forms, and checklist for the central unit, the ministries, and the stakeholders
- Cost savings methodology for the use of the central unit

¹ The regulatory guillotine approach was developed by Jacobs and Associates and the term Regulatory Guillotine™ is its trademark. The eGuillotine™ trademark is jointly owned by SenseConsult and Jacobs and Associates.

² This Operational Plan is developed with the support of USAID. To support Government of Iraq (Gol) in its reform initiatives, USAID is funding technical assistance through the project 'Iraq Administrative Reform project' - TARABOT. TARABOT is a four year (20011-2015) Gol support program for strengthening public management institutions and improving service delivery to its citizens. TARABOT takes a "whole of the government" approach, to improve horizontal and vertical linkages among wide range of government agencies and across 15 provinces.

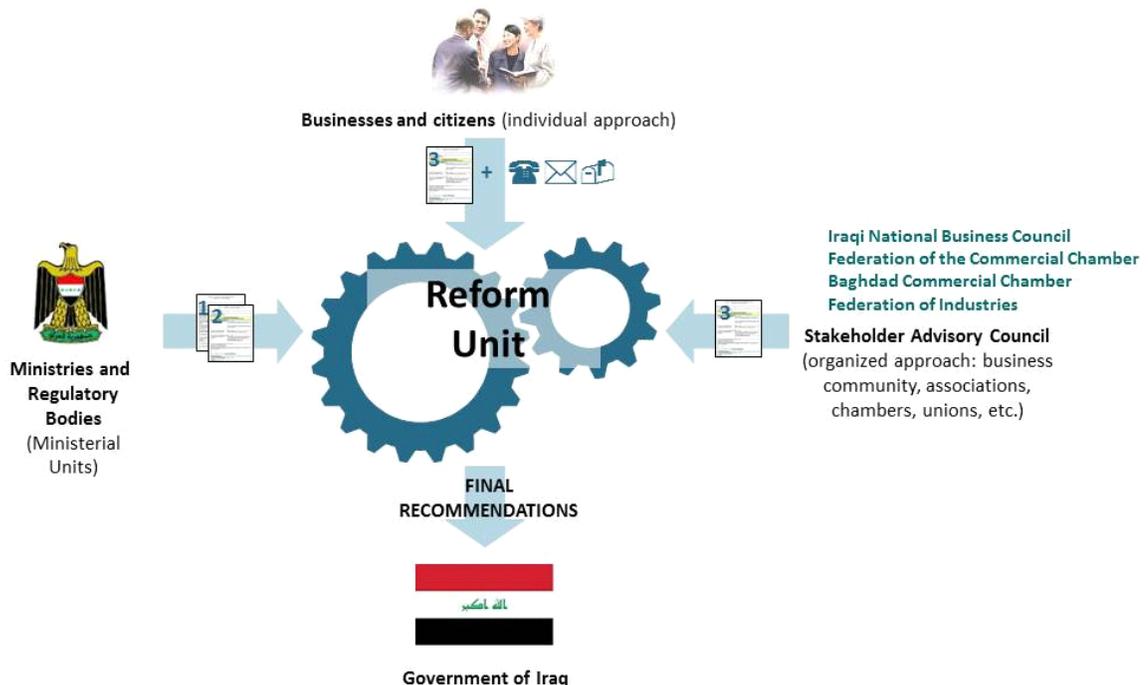
2. Summary and goals of ISRAR in Iraq

The reform presented here will, over 24-30 months, inventory and review the legal norms that affect businesses and citizens (perhaps around 8,000-12,000 of the 25,000 legal norms existing in Iraq), and eliminate or simplify those that are not legal, needed, or development-friendly. This is an ambitious and rapid framework plan. Its goals are to:

- Substantially reduce the costs and risks of regulations affecting businesses and citizens by simplifying or abolishing rules such as procedures, and produce concrete results in 2012, 2013, and 2014;
- Reduce corruption and business uncertainty resulting from complex and discretionary procedures;
- Build sustainable capacities such as regulatory quality practices and RIA for better regulation;
- Prepare for trade agreements such as accession to the WTO
- Set up an eRegistry to improve legal security in Iraq.

This operating plan states the roles and responsibilities of the various institutions involved. The overall concept of the reform is shown in Figure 1 below:

Figure 1: Concept of the ISRAR guillotine reform in Iraq



To achieve the goals of the reform, the guillotine will, beginning in March 2012,

- *Complete the inventory of legal norms in the Iraqi Legal Database (the ILD) so that it includes all legal norms used at national levels that affect businesses and citizens, including any unregistered ministerial norms, together with basic descriptive data.*

- *Carry out a transparent review of every legal norm* affecting businesses against clear and standardized criteria to determine its legality, development-friendliness, and need. This will be done in three stages: first, by the Ministries, second by an organized stakeholder consultation process and third by an expert central unit (the central unit) reporting to the Prime Minister who chairs a Regulatory Reform Council.
- *Develop concrete recommendations, as well as the draft legal normative documents needed, to simplify or abolish all legal norms* that are not legal, needed, or are holding back development. The recommendations will be transferred to the Government and, as needed, to the Parliament, for adoption.

This plan recommends that implementation of ISRAR should be assigned by Prime Minister decree to a special technical reform unit (the Reform Unit) in the Council of Ministers Secretariat (COMSEC), and should be overseen by a high-level Regulatory Reform Council that is capable of coordinating and managing relationships with political leaders. Because of the high-level and crosscutting nature of this reform, it is important that the work be carried out under the authority of the Prime Minister, and be responsible to him for progress. Technical work will be done by the national ministries, stakeholders through an organized consultation process, and, finally, the Reform Unit.

Organizing and providing a sound method that these institutions can use to succeed on schedule is necessary. Implementation of this reform program is based on four key principles:

1. Active political commitment and involvement in the reform from the highest levels of the government, including a public commitment to a major reduction in legal norms;
2. Independence and professional capacity in the ISRAR Reform Unit that is responsible for driving the reform, communicating with the public, and developing recommended actions;
3. Transparency and the full involvement of key stakeholders, including business representatives and other interested parties in civil society, in the review of legal norms.
4. Standardized and effective methods for the reform to ensure that it proceeds consistently, transparently, efficiently, and credibly across multiple institutions and many legal norms.

3. Benefits, costs, and risks of ISRAR

ISRAR, based on the guillotine approach, will produce both benefits and costs. These are briefly discussed below. Implementation costs are likely to be around \$8 million for a complete reform, while reasonable economic benefits are in the range of \$3.08 billion per year, or 3.75% of GDP. If Iraq matches the South Korean performance, annual economic benefits would be \$4.9 billion per year, or 5.97% of GDP. These gains are repeated annually as long as they are protected by a sustained program to ensure regulatory quality in Iraq. Other benefits include important dynamic effects of higher levels of investment, job creation, innovation, and productivity growth, which are not quantitatively calculated here. Costs include the cost of implementation, and a possible loss of short-term government revenues, which will be calculated for each recommendation.

a. Benefits of ISRAR

There are several possible benefits of this kind of comprehensive regulatory simplification program.

- **Better government services** through more efficient, less costly, and faster compliance with procedures, in line with the strategic plan of the Government of Iraq 2011-2014, activity 5.2. *Civil service reform*, and by strengthening inter-ministerial cooperation, professionalism and ethical standards of state administration. Clearer rules for the private sector will also facilitate private sector participation in service delivery and infrastructure.
- **Cost-savings to the government** through simplified administration. While the guillotine process does not itself reduce public staffing, its effects are to eliminate unneeded activities and to provide flexibility in the budget process for cost-savings. If a recommendation will produce clear savings to government costs, the reform will assess those savings on a case by case basis.
- **Anti-corruption effects** by reducing the complexity and discretion related to regulation.
- **International recognition and improved international rankings** in the Doing Business, WEF - Competitiveness Index, Corruption index, etc.
- **Preparation for accession to the WTO** by identifying regulatory constraints on WTO compliance.
- **Reduced costs on businesses and citizens, freeing up resources for higher investment and more job creation.** The economic benefits of the guillotine reform should be important. Regulation imposes high invisible costs on businesses and consumers. In the United States, for example, national regulation is estimated to impose invisible annual costs of nearly \$2 trillion, or 14% of GDP. Costs of regulation are even more important at the microeconomic level, due to high opportunity costs of firm-level resources. The disproportionate negative impact of regulatory compliance costs on small and medium enterprises (SMEs) has been repeatedly documented.³

To assess direct economic benefits of the guillotine in Iraq, we should estimate two figures: the cost of regulation and the likely cost-savings from the guillotine. First, the direct compliance cost and dynamic costs of regulation in Iraq are unknown, so we estimate this by benchmarking the Iraqi economy with those of European countries. Advanced economies have made some educated guesses about the cost of regulation and have come out with a total direct cost of compliance for regulation of about 10 – 12% of GDP.⁴ A range of cost estimates from various countries, each fraught with uncertainty, places the annual direct compliance costs of regulation at several percentage points of GDP, not including efficiency losses and dynamic effects.⁵ The costs of administrative procedures

³ See for example OECD (2001): *Businesses Views on Red Tape: Administrative And Regulatory Burdens on Small and Medium-Sized Enterprises*, Paris.

⁴ Financial Services Authority 'Speech By Sir David Arculus, Chairman of the UK Better Regulation Reform Unit, to staff of the Financial Services Authority', 29 June 2005

⁵ Scott Jacobs and Peter Ladegaard (2010) *Regulatory Governance in Developing Countries*, Investment Climate Advisory Services/World Bank Group, Washington, D.C. at http://www.fias.net/ifcext/fias.nsf/Content/BRG_Papers

or red tape alone are usually estimated in Europe at around 3% of GDP. To assess possible benefits in Iraq, we use a conservative estimate of 10% of GDP for the direct compliance costs of the estimated 8,000-12,000 legal norms on the books affecting citizens or businesses. That conservative approach would generate an estimate of the cost of regulation in Iraq of around \$8.215 billion each year, or an average annual cost to business of \$821,500 per legal norm (assuming 10,000 norms affecting businesses or citizens).

Next, we must estimate the potential cost reduction due to the guillotine. Here we have actual results from other guillotine reforms. The % of regulations eliminated ranges from 8.8% (Vietnam) to 54% (Mexico), and the % of regulations simplified ranges from 7.2% (Ukraine) to 100% (Vietnam). The total % of legal norms revised in the guillotine (either simplified or eliminated) ranges from 25% (Croatia) to 77% (Vietnam) (see Table 1 below). I use a conservative projection of 50% of the 10,000 legal norms either eliminated or substantially simplified in Iraq from a broad guillotine, or 5,000 legal norms eliminated or simplified.

Table 1. Results of Regulatory Guillotine reforms in 10 countries

	Type of review	Target rules	Number of regulations before cleanup	% of regulations eliminated	% of regulations simplified	Economic gains
Korea <i>(11 months)</i>	Legality, Need, Cost	Regulations	11,125	48.8%	21.7%	1,066,200 new jobs Business cost savings: +4.4% of GDP \$36.5 billion extra FDI over 5 years ⁶
Mexico <i>(9 months)</i>	Legality, Need, Cost	Formalities	2,038	54%	27%	Not estimated
Kenya <i>(18 months)</i>	Legality, Need, Cost	Licenses and fees	1,315	24%	29%	Savings to businesses estimated at US\$ 146 million/year, or .06% of GDP ⁷
Moldova <i>(6 months)</i>	Legality	Regulations	1,130	44.5%	12.5%	Not estimated
	Legality	Fee-based Permits	400	68%	20.3%	Not estimated
Ukraine <i>(12 weeks)</i>	Legality	Regulations	14,000	36%	7.2%	Not estimated
Bosnia /RS <i>(4 months)</i>	Legality, Need	Formalities	331	27%	42%	Direct savings to business estimated

⁶ Projection, using input-output tables, as cited in Byungki Ha, 1999, Economic Effect on Regulatory Reform in Korea, Seoul, Korea Institute for Industrial Economics and Trade.

⁷ Measuring Impacts: Monitoring and Evaluation of the Government of Kenya's Business Licensing Reform. Study conducted by Jacobs and Associates, July –October 2008 under FIAS Contract in Support of FIAS/World Bank Group's Kenya Regulatory Performance and Capacity Building Program. Final draft report October 2008

	Legality	Inspections	2,473	43%	31%	at US\$ 2 million/year, and indirect savings of US\$ 13 million/year ⁸
Croatia (9 months)	Legality, Need, Cost	Business Regulations	1,451	15%	10%	Savings of US\$ 65.6 million/year. or 0.13% of GDP ⁹ (actually implemented)
Serbia	Legality, Need, Cost	Formalities, including local levels				US\$ 106 million (including recommendations from local level implemented at national level)
Montenegro	Legality, Need, Cost	Business Regulations at municipal level				Municipalities only US\$ 4 million if all recommendations are implemented
Vietnam (3 years)	Legality, Need, Cost, WTO impact	All procedures at all levels of government	5,421	8.8%	77%	Full package estimated at \$1.45 billion/year ¹⁰

Source: Various sources, compiled by Jacobs and Associates, 2011

What cost-savings can we expect from those reductions in Iraq? If we eliminate 25% (reducing cost to zero) and simplify 25% (reducing cost by 50%), potential annual cost-savings are in the range of \$3.08 billion, or 3.75% of GDP. Better performance will yield better results. If Iraq achieves the South Korean performance of cutting 48.8% and simplifying 21.7%, the annual cost savings would be \$4.9 billion, or 5.97% of GDP. Those are annual increases in national wealth, enjoyed year after year if the government does not replace the eliminated regulations with new regulations. (The benefit of sustaining these reforms is the key argument for better performance on RIA for all new legal norms.)

These projections will be revised through the reform itself as priorities are set and the cost-savings of individual recommendations are calculated. The reform should set an informal goal of eliminating and simplifying at least 50% of the regulations reviewed to improve performance.

Dynamic effects on investment, job creation, wage levels, and productivity. The

The strategy in this proposal is to put into place the complete infrastructure and essential operating procedures and staff of the guillotine (the baseline budget), and, as the reform progresses, to upscale or downscale labor and skills inputs to complete the full reform.

⁸ <http://limun.hr/en/main.aspx?id=560374&Page=1>

⁹ An evaluation of the SCM measurements done as part of the reg 2009, Report submitted by short term consultant Peter Bay Kirke Group

¹⁰ Government of Vietnam estimates, using modified SCM method

dynamic impacts of the guillotine are hard to measure, but international evidence is mounting that reducing regulatory and administrative barriers to market entry has important economy-wide effects, including accelerating multifactor productivity growth, reducing the cost of capital, boosting innovation, and contributing to poverty reduction. Where the guillotine has made deep cuts, the guillotine has stimulated foreign investment (see the case of Korea in Table 1).

b. Costs of ISRAR

ISRAR will have two main costs: short-term revenue losses and project implementation costs.

Short-term revenue losses to government. Some regulations raise revenues for government coffers. A common example is a fee associated with a license or a customs procedure. When these regulations kill economic activity, they may sacrifice medium-term revenue gains through economic growth and diversity in favor of short-term revenue targets. It is impossible to calculate in advance of the reform the potential revenue losses of recommendations.

To ensure full transparency and objectivity, the guillotine reform will calculate, for each recommendation, the potential loss to short-term government revenue, so that decision-makers can clearly see the revenue losses and make appropriate transitional plans. The focus of the guillotine is on increasing government revenues through a growing and diversified market economy. To build the environment for increases in medium-term revenues, the guillotine will recommend elimination of those regulations that are damaging economic growth, even where short-term government revenues might be affected.

Implementation costs. There are many uncertainties about the full cost of a comprehensive guillotine, because at this stage some basic workload issues are not answered. For example, it is not yet clear how many legal norms will be reviewed, nor the level of technical input required. These questions will be answered after the inventory stage, and as the reviews commence. We estimate in the budget below around \$8 million to implement the guillotine in Iraq.

The strategy in this proposal is to put into place the complete infrastructure and essential operating procedures and staff of the guillotine (the baseline budget), and, as the reform progresses, to upscale or downscale labor and skills inputs to complete the full reform. The guillotine process, once underway, is easily upscaled or downscaled as needed to get the work done on schedule. We budget the critical mass needed to get the process underway, and as the work clarifies the magnitude of the task, we determine the exact scope of the work needed, and the capacities of the ministries and central unit. We then adjust the process, the labor inputs, or other aspects of the reform to get the work done on schedule. Methods of quickening or upscaling the guillotine work include:

- adding more staff to the central review unit;
- supporting reviews with more expertise from outside, such as international experts;
- improving the quality or speed of business reviews;
- prioritizing reviews and spending more time on high priorities and less time on low priorities;
- adding a few more months to the work of the existing team.

Annex 2 contains the baseline proposed budget for the guillotine to put into place the essential infrastructure, launch the process, and sustain the reform over a period of 24-30 months. The

guillotine process requires several kinds of inputs, summarized in Table 2 below. The largest cost is labor cost. Other inputs are itemized.

The cost of the baseline can be reviewed in that time, but if performance is good, it is likely that the guillotine will be extended to completely review all 8,000-12,000 legal norms affecting businesses.

c. Risks of ISRAR

A broad and rapid reform of this kind can fail if certain elements are not present. The key risks are these:

- *Political commitment* might fade in the face of strong resistance. The broad application and organization of the guillotine is intended to reduce the conflict of reform by using a consistent and transparent process across the whole of the government, but resistance from powerful groups inside and outside the government is likely. It is important that even controversial issues go through the normal guillotine process, and that special pleas do not short-circuit the structure. The proposed structure of Prime Ministerial leadership with a mandate and active oversight from a Regulatory Reform Council is intended to establish strong political credibility of the reform process.
- *Leadership* of the guillotine unit might be unable to carry out a credible reform, keeping both the integrity of the process and the trust of the political leadership that the guillotine is making the right decisions. The management and political skills of the head of the unit are critical.
- *Staff skills* in law and business affairs might not be available to staff the central unit. This is a low risk – no country that has operated the guillotine has yet been unable to put together a capable staff for the central unit.
- *Organization of business participation* might be slow or ineffective. A small unit of dedicated staff is needed to support business organization and participation.
- *Ministry organization* might be slow or poor quality. In the initial design, a help desk function of 5 people is included in the central unit with the primary task of assisting the ministries carry out their reviews.

4. Designing ISRAR - Overview

Implementation of the regulatory guillotine at the national level rests on a series of strategic and operational decisions that together form the design of the program. The decisions in guillotine program design are discussed below in this operational plan, with milestones, timing, desired results, and resources and budgeting needed to complete the guillotine successfully on schedule.

The proposed budget was discussed above and is presented in Annex 2. Government and donors should work together to finance the reform. A mix of inputs is needed in this project, including human resources and both Iraqi and foreign experts, software and hardware to support the IT strategy,

resources for communications and outreach, and equipping of the office that supports the work. This operational plan can be the basis for approval by the key political officials, development of the necessary legal text, and commitments by civil society and donors of resources that are needed.

In operation, the guillotine is a flexible method for rapidly reviewing a large number of regulations, and eliminating those that are no longer needed. It is a highly-organized, top-down approach that centralizes the key decisions in a high-level review group to move fast and ensure that ministries cannot protect unneeded regulations. The basics of the guillotine work like this:

1. The government establishes the scope of the guillotine, that is, defines precisely the kinds of regulatory instruments to be included and the regulatory bodies.
2. The government creates a central guillotine unit at the center of government that manages the whole reform and carries out independent reviews. It also consults with the business sector during the process.
3. An inventory of all legal norms in the scope of the guillotine completes an electronic database that is used to manage the reform.
4. In the guillotine process, each regulation must be justified to the central unit as meeting basic criteria. That is, the burden of proof is *on the regulator* to defend why the regulation should be kept. Three typical criteria are: *Is the regulation legal? Is the regulation necessary for future policy needs? Is the regulation business-friendly?* This review is done by the ministries themselves, then by stakeholders, and finally the final review is done by the central unit.
5. The final recommendations are sent by the central unit to the Government for adoption as a single package.
6. Surviving regulations are placed into a comprehensive electronic registry that improves legal security and transparency as it is maintained in the future. The registry can be the basis for one stop shops combining various procedures, and can further incorporate smart forms through a continuous process of improvement in future.

The Iraqi guillotine follows this basic process. The key steps and timing of the Iraqi guillotine are discussed in more detail below.

Box 2. Key points in the design of the ISRAR guillotine in Iraq

- Comprehensive approach across all legal norms affecting businesses
- Maximum time is 24-30 months, with results from October 2012 when the first priority reform packages are produced
- Baseline budget to get core teams and processes into place is around \$8 million, with potential up scaling if needed to complete on time
- After inventory is completed in months 5-6, we will assess the need for up scaling.

5. Scope of ISRAR

One of the most important decisions to be made in a broad guillotine program is the scope of the reform across three dimensions: *institutions*, *legal instruments*, and *reference groups*. Together, these dimensions define the “comprehensiveness” of the reform, which is important particularly from

the viewpoint of the regulated entity, which experiences regulatory costs and risks as a product of the entire regulatory system. Getting the scope right is a key to successful reform.

The Iraqi government has decided to have a broad effective scope, that is, a reform that extends across all national institutions and regulatory instruments. These decisions are summarized in Table 2 and discussed below.

Table 2: Summary of decisions on scope of ISRAR

International Good Practice	Decision in Iraq
Institutions: Broad application at national level	<p>The scope of the guillotine has been set as follows (Annex 3 has the full list of institutions):</p> <ol style="list-style-type: none"> 1) 29 ministries at national level 2) 15 bodies with regulatory authority at national level 3) 1 other agency 4) 4 trade associations with regulatory authority 5) 9 or more syndicates with regulatory authority over entry into their fields <p>Provincial-level regulations are not included in the scope of this reform.</p>
Legal instruments: Broad application	<p>The scope of the guillotine covers all levels of “legal norms” which are broadly defined as any requirement placed on the business sector or on citizens.</p> <p>Regulations include all national-level legal instruments and norms with legal effect, including Laws, Royal Wills, CPA orders, RCCs, Decrees, COM’s Resolutions, Regulations, Ordinances, Bylaws, Instructions, Statements, Declarations and other instruments with effects on citizens or businesses, whether published in the Official Gazette or unpublished.</p> <p>Excluded from this review are:</p> <ul style="list-style-type: none"> • Instruments with effects only interior to the public sector, such as Internal management decisions; • The Family Law and its related regulations; • Regulations related to national security and defense; • Regulations related to criminal law.
Reference groups: Either businesses or citizens or both.	The scope of the Iraqi guillotine covers effects on businesses.
Priority sectors: Set early priorities	<p>Reforms will be packaged into groups of recommendations, starting with priority packages as early as 6 months into the reform. The first priority package will focus on key Doing Business indicators such as:</p> <ul style="list-style-type: none"> • Key Construction permitting • Starting up a business • Trade impediments

Institutions. To produce the best results, the Iraqi guillotine should include the institutions listed in Annex 3. A truly national reform will apply to the broadest possible range of institutions so that businesses and citizens see maximum results. Where regulatory systems are complex, with many layers of regulations that offer much potential for overlap and inconsistency, operation of the reform across the entire state administration will produce the best results, because many relevant problems occur at the interface between institutions (inconsistent or duplicative regulations).

In the future, the scope of the guillotine could be extended to the provincial level. International experience shows that administrative bottlenecks can occur at county and local levels, even though national level procedures and regulations are quite modern, simple and transparent.

Legal instruments. A simplification program can operate at any level of regulation. The Iraqi guillotine includes the full range of legal instruments used in Iraq including both those with formal legal normative status and those that are used to impose requirements on the businesses and citizens without formal legal authority. This broad scope will be clearly stated in the instructions to ministries.

It was difficult to get information on the number of regulations from ministries and other public authorities in Iraq, so the number of rules was assessed based on the Iraqi Legal Database (the ILD).¹¹ Even though the UNDP database isn't complete (UNDP staff estimate that they have collected around 90% of regulations), it provides the best estimate available. Table 3 shows how the number of regulations is categorized by different types.

A kind of regulatory instrument called the "directive" is not required to be published in the Official Gazette, and so is missing from the database. There are reports that ministries are using directives to create regulations for private businesses, and, if this is confirmed, directives should also be included in the scope of the guillotine.

Table 3: Legal Norms included in the scope of ISRAR

Type of legislation	Status	Issuing authority	Total
Laws	Valid	Federal	5.234
Royal Will	Valid	Federal	65
CPA order	Valid	Federal	104
RCC	Valid	Federal	4.373
Decree	Valid	Federal	622
COM's Resolution	Valid	Federal	733
Regulation	Valid	Federal	1.894
Ordinance	Valid	Federal	104
Bylaws	Valid	Federal	443
Instruction	Valid	Federal	3.940

¹¹ See <http://www.iraq-ild.org/AboutEn.aspx>.

Statement	Valid	Federal	4.808
Declaration	Valid	Federal	541
TOTAL			22.862

This broad scope means that the inventory of regulations affecting citizens and businesses should be comprehensive, listing all laws and all other legal norms down to the lowest possible level (directives) for which each ministry is responsible.

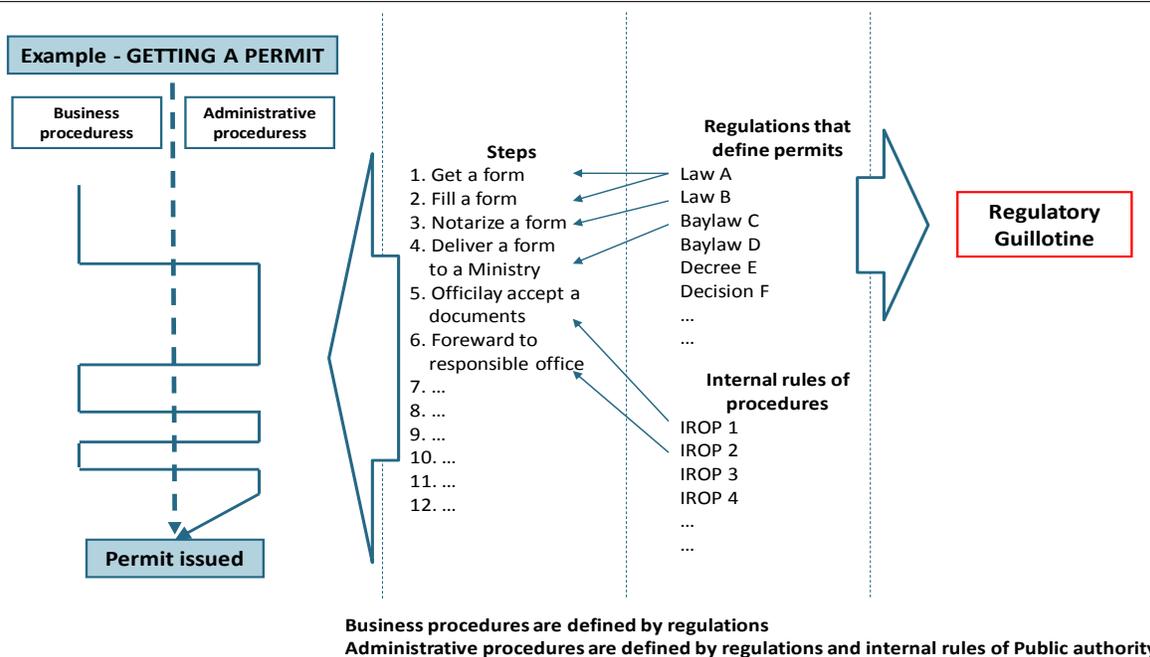
For specific reasons, some regulations are excluded from the scope of this reform. Excluded from this review are:

- instruments with effects only interior to the public sector, such as internal management decisions;
- the Family Law and its related regulations;
- regulations related to national security and defense;
- regulations related to criminal law.

One complexity in carrying out the reviews is the need to include business and administrative procedures as well as legal norms. In practical terms, in order to get a permit, a business has to carry out a list of specific steps which are defined by regulations. These activities that have to be carried out by a business in order to get a permit are “business procedures”. On the other side, in the process of issuing a permit, a public authority has to carry out a list of specific steps that are defined by regulations and internal rules of procedure of each authority. These activities by public authorities in order to issue a permit are “administrative procedures.”

Figure 2:

Procedures vs regulations



The guillotine will review business-related regulations and simplify business procedures (steps, fees, forms, information obligations, burdens, costs...). Due to the need to move quickly, complex simplification or re-engineering of administrative procedures, such as creation of one-stop shops, is not in the scope of the guillotine; however, it can be an activity in a next stage and follow-up project.

Reference group. All regulations apply to someone, which is called the “reference group” in the guillotine reform. We can target the reform by choosing which group we will focus on. Both businesses and citizens face high regulatory costs in Iraq. The decision in Iraq is to carry out an inventory on all norms affecting businesses and citizens, but to review only those legal norms imposing requirements on businesses, leaving review of those requirements on citizens for a later stage.

The proposed scope of the Iraq ISRAR across legal instruments and reference groups is summarized in the table below:

Table 4: Scope across legal instruments and reference groups

Laws and other legal norms affecting:	Inventory stage	Review stage
Internal management of the government	Not included	Not included
Citizens in non-commercial activities (general regulatory effect)	Included	Not included
Businesses in commercial activities (general regulatory effect)	Included	Included

Family Law and its related regulations	Not included	Not included
Regulations related to national security and defense	Not included	Not included
Regulations related to criminal law	Not included	Not included

6. Legal strategy of ISRAR

The legal framework for ISRAR has two components:

- A Decree in early 2012 setting out the institutions and mandate for ISRAR.
- An implementation strategy to adopt the legal changes recommended for various kinds of legal instruments. This legal strategy is based on the following approach:
 - From late 2012 to mid-2014, the Reform Unit will forward to the Prime Minister several packages of reforms. These packages will identify the various categories of legal instruments (laws, decrees, etc).
 - For each category of legal instruments that the Government can adopt, a Government decision will be taken. The Government decision will immediately implement those reforms, pending publication in the Official Gazette.
 - For changes to laws, the Government will forward the package to the Council of Representatives for action as an omnibus package. Preliminary discussions with the Legal Committee of the Council about the omnibus approach were positive, but a clear decision about how to deal with the package of simplification reforms has not yet been made by the Council.
 - For changes that must be made by other institutions, those legal changes will be forwarded by the government to those institutions to be adopted as quickly as possible.
 - The Reform Unit will set up a tracking and monitoring system to ensure that every legal change that is endorsed is adopted by the government.

7. Political leadership and role of institutions in the reform

International Good Practice	Decision in Iraq
The reform should be founded on clear legal authority and commitment from the top-levels of government, and should be implemented quickly through clear legal procedures.	<p>The Prime Minister should issue a decree (January 2012) mandating the reform, and setting up a Regulatory Reform Council chaired by the Prime Minister, who will oversee the reform and work of the Reform Unit.</p> <p>Regular progress reports will be circulated to the Prime Minister and Parliament to ensure that the reform stays on schedule.</p>

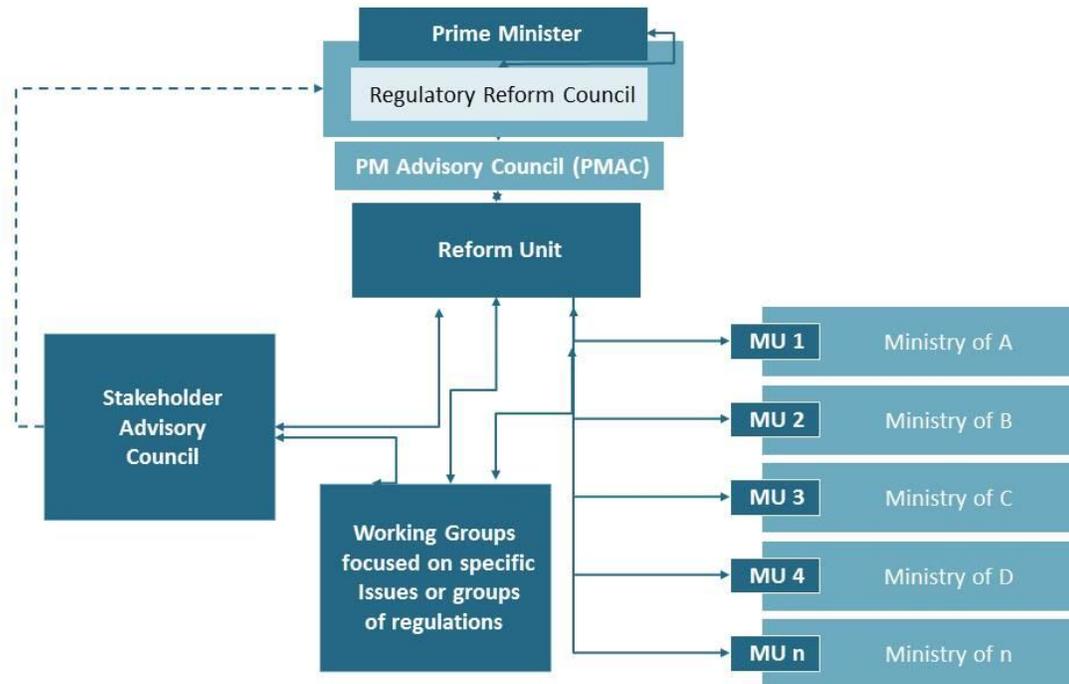
An independent and expert unit with clear authority from the top of government implements the project and reviews all administrative procedures, in consultation with the responsible ministries, as well as enterprises and the public	Reform Unit (20-40 people over the life of the reform) created to carry out technical reviews and other aspects of the reform
A Stakeholder Advisory capacity is needed to enable business stakeholders to review legal norms and provide recommendations for change	A Stakeholder Advisory Council will be set up to organize and coordinate the participation of various interests in Iraq

This plan sets out the procedures, the constituencies, and the institutions that can be used to sustain the reform to good results. If it is to succeed, the strategy must be deliberately planned to overcome the obstacles that have impeded many such reforms, such as passive or active resistance by insider groups, political fatigue and wavering commitment, lack of accountability for results, lack of expertise in the reform area, and high administrative costs of reform.

The central institutions of this reform are the Prime Minister chairing a small Regulatory Reform Council, which oversees the Reform Unit placed in the Council of Ministers Secretariat (COMSEC), and a Stakeholder Advisory Council. They will work with 29 national ministries and around 30 other bodies with regulatory authority, as well as with supportive donors, to implement the reform. These institutions are organized and their relationships are summarized in Figure 3.

Figure 3: Organization of the Iraqi ISRAR

Institutional setup - Overview



Mandate. If the guillotine institutions are to function effectively, there must be clear legal authority and the roles and responsibilities of the various institutions must be authorized from the highest level. All successful national-level guillotine reforms have operated under the authority of the Prime Minister or President. In Iraq, as in other countries, **a decree from the Prime Minister** will set up ISRAR and will establish the Regulatory Reform Council and the Reform Unit in COMSEC. Endorsement by the Prime Minister of this Operational Plan will be another useful step to enable financing commitments from donors.

Active political oversight can be facilitated by regular progress reports from the Reform Unit to the Prime Minister, the Government, and the Parliament, so that when the recommendations are finally presented, there is a clear understanding of their purpose and importance.

The Prime Minister will direct and lead this reform through:

1. Issuing a Decree;
2. Appointing a Head of the Reform Unit on the recommendation of the Head of COMSEC;
3. Endorsing this Operational Plan;
4. Making a public commitment to a significant reduction of regulations in Iraq. The public commitment to a concrete change has been used by Heads of State in other countries (50% by Korea's President, 40% by Croatia's Prime Minister, 30% by the Prime

- Minister of Vietnam) to motivate the public sector to make real changes, and to authorize the Reform Unit to take concrete action;
5. Chairing a small Regulatory Reform Council of reform-minded leaders who will oversee the reform;
 6. Receiving regular progress reports from the COMSEC and the Reform Unit, and the final recommendations for action;
 7. Publicly supporting the reform program through appropriate media and public announcements;
 8. Supporting the adoption of recommendations by the Government and the Parliament;
 9. Issuing legal normative documents necessary to carry out the plan and implementing final recommendations.

A **Regulatory Reform Council** should be created as an advisory body to the Prime Minister in overseeing ISRAR. It is expected that the Council will:

1. Be chaired by the Prime Minister,
2. Consist of respectable members of Government, public institutions, academia and experts, such as the Council Secretariat, Parliamentary Committees, the Prime Minister's legal advisor, and the High Judicial Council,
3. Actively monitor and promote the guillotine reform,
4. Actively support implementation of recommendations.

The Council of Ministers Secretariat (COMSEC) is ideally situated to carry out ISRAR. It should be the operational body of the project. COMSEC should ensure:

1. Direct communication with the Prime Minister and the Regulatory Reform Council
2. Full logistical and operational support for the Reform Unit with procurement, administrative, budgeting, and other support functions
3. Active promotional activities
4. Operational support in achieving designated dates and action plan
5. Reviewing weekly and monthly reports by the Reform Unit
6. Supporting in communication and activities with Ministries and Public Authorities
7. Providing regular reports to the Prime Minister and the Regulatory Reform Committee
8. Briefing and coordinating with the Prime Minister and RG Steering Committee to prepare for discussion of the final package of recommendations

A **Reform Unit** of 20-40 fulltime people (see operating budget) will be created in COMSEC as follows:

1. The Head of the Unit would be nominated by head of COMSEC, and appointed by the Prime Minister;
2. The Reform Unit would be under the direct authority of the Head of COMSEC, reporting to the Prime Minister and the Regulatory Reform Council, with day to day implementation by the Reform Unit Head
3. The staff would be hired from outside the government or appointed from within the government to meet the specific skills required for the task. The staff would work in a highly professional environment focused on performance, and would be trained in the methodology of the reform.

4. Expansion of the staff of the Reform Unit as needed and as resources become available.

The staff of the Reform Unit, in addition to the Head and Management team, will include a skilled mix of business experts, economists, lawyers, with a few IT and PR support experts. The usual mix is about half legal experts and half business experts.

It is good practice to include on the Reform Unit experts from other key institutions involved in the reform. In Iraq, to provide a broad perspective and establish a link with key groups, experts on the Reform Unit might include:

- The Secretariat of the Legal Committee of the Parliament
- The Ministry of State for Parliamentary Affairs
- Women's advocacy groups
- 2-3 members of Provincial Governments

Donor resources might be used to support temporary experts, and business associations might also supply people. They will work according to defined processes and schedules, using a staff performance measurement system supported by the eGuillotine™ software. The Reform Unit will perform the following tasks:

- Report to the Prime Minister through Prime Minister's Office/COMSEC and the Regulatory Reform Council,
- Instruct the bodies under the scope of the reform on the procedures needed to comply with the Decree, and assist these bodies in complying on schedule. Bodies covered under the reform shall comply with these guidelines and other guidelines issued by the Head of the Reform Unit;
- Inform the Prime Minister regularly and whenever problems arise that threaten the successful completion of the reform;
- Use the project management software (the eGuillotine) to improve the consistency, quality, transparency, and speed of the reform;
- Manage and coordinate the inventory of legal documents across selected Ministries and Public Authorities,
- Develop a complete database of regulations and publish it on the web for a public use,
- Coordinate and support Ministerial Units (MU), Stakeholder Advisory Council and any Working Groups,
- Coordinate, support and build capacity among all stakeholders
- Carry out independent reviews of the legal norms, considering information provided by the ministries, other state bodies, and civil society such as businesses and the public.
- Inform and encourage input from organizations such as the business group, and other stakeholders in the review of legal norms, and hold consultative seminars, workshops, meetings, or other forms of communication as needed to ensure transparency in the process of the reform;
- Develop a web site to enable the public to comment on legal normative documents and proposed changes.
- Publish the legal norms and submissions from state agencies on the Internet on the website of the Reform Unit, together with a description of the reform and the

opportunities for the public to provide comments, as well as recommendations and proposed changes. The website will permit any member of the public to provide comments and information relevant to this reform.

- Assess the fiscal revenue impacts and social cost-savings of recommendations for changes;
- Develop the final recommendations and prepare the necessary draft legal normative documents to implement those recommendations, and transmit those recommendations and draft legal norms to the Prime Minister and the Regulatory Reform Council;
- Prepare the contents of the electronic database and electronic Registry for operational status;
- Generate the legal and analytical information needed for the Reform Unit reviews;
- Monitor and evaluate the process and its results, and submit periodic progress reports to the Prime Minister, the Parliament, and involved donors;
- Monitor and evaluate the implementation of the recommendations.

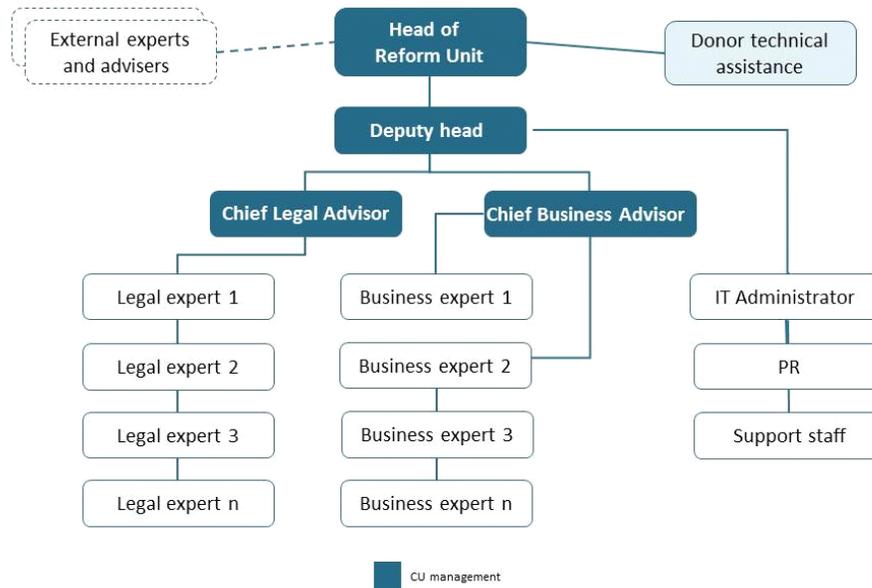
The proposed internal human resource structure of the Reform Unit is:

- Management:
 - Head
 - Deputy head
 - Chief legal officer and Chief business officer
- Experts and staff: At least 20 legal/business experts, rising to 40 during the review phase;
- IT Administrator, PR and marketing expert, support staff

Its human resources and TORs for key staff are in Annex 5 and shown in the figure below.

Figure 4: Organization of the Reform Unit

Reform Unit – Organizational Chart



More detailed responsibilities and other relevant information will be provided to the Reform Unit in separate documents such as User Guidelines (Operational, inventory, review manuals, etc.).

Ministries and regulatory bodies. Ministries and regulatory agencies are an active part of a guillotine project. These bodies are organized by *ad hoc* Ministerial Units formed within every state body participating in the reform. Each ministry and regulatory agency, using a Ministerial Unit to oversee the process, should identify each legal norm that it enforces on businesses and citizens, regardless of the document or legal form, and shall provide each legal norm to the Reform Unit in the form and on the schedule requested by the Reform Unit, as well as all currently valid legal normative documents issued by the ministry or agency and all other documents containing procedures being enforced by the ministry or agency such as official letters, notices, instructions guidelines or other documents issued by the ministry or agency or any of its departments or sub-departments, as well as higher level legal normative documents that the ministry or agency is responsible to implement.

Each ministry and agency shall conduct a review of each legal norm procedure to determine if it is legal, necessary, and business friendly, and shall submit the results of the review to the Reform Unit in the manner and on the schedule requested by the Reform Unit.

To prepare its inventory and to carry out its reviews, each ministry and state agency should:

- Create a small group (the Ministerial Unit) reporting to the head of the agency to oversee the development of the inventory and reviews and that reports directly to the Minister and Head of the Reform Unit
- Prepare a comprehensive list of all legal norms enforced by the institution on citizens and businesses, using the inventory form required by the Reform Unit;

- Collect the full text of each legal norm, form, and fee schedule, and keep these documents in a central location in paper or electronic copy or both;
- Compile all currently valid legal norms issued or implemented by the ministry or agency and all other documents containing procedures being enforced by the ministry or agency such as official letters, notices, instructions guidelines or other documents issued by the ministry or agency or any of its departments or sub-departments, as well as higher level legal normative documents that the ministry or agency is responsible to implement and keep these documents in a central location in paper or electronic copy or both, as well as submit paper or electronic copies thereof to the Reform Unit no later than the deadline provided in the schedule;
- Prepare an inventory form for each legal norm in the standard electronic format, and a review form;
- Submit the inventory and review forms to the central Reform Unit as forms are completed;
- Respond to any questions from the Reform Unit and supply any information that is requested;
- Consult as necessary with stakeholders to carry out these task at a high level of quality;
- Promptly implement the recommendations of the Reform Unit once they are adopted.

Ministerial Unit staffing shall be between 2 and 5 (experts in law, economics and other fields, and administrative personnel) to be called from units of Ministries and associated agencies to work on a full time basis.

A Stakeholder Advisory Council will be created to organize, promote, and channel the views of stakeholders in the business community and other parts of society into ISRAR, and to monitor the reform. The reforms cannot be done in isolation inside the state units, because only the affected stakeholders fully understand the impacts and problems created by administrative procedures in the business sector and day-to-day life. Participation of business and other relevant stakeholders such as media and academia is important for two reasons: 1) stakeholder groups are needed to mobilize the political system for continued change. That is, pro-reform elements of the business sector must act as a pressure group for change; 2) stakeholders such as provincial governments hold unique information about regulatory impacts that will greatly boost the impact of any reform.

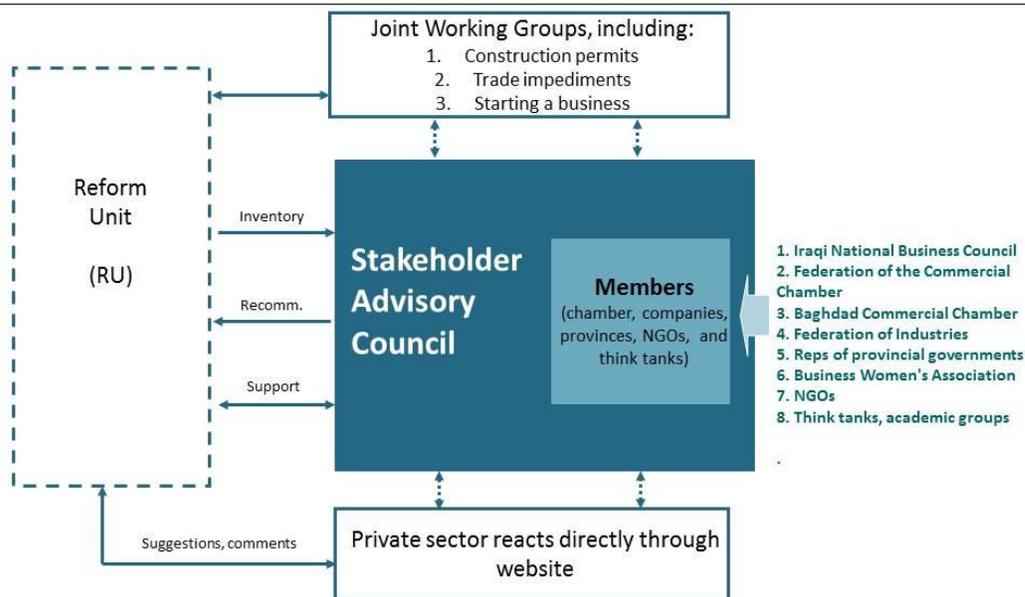
Members of the SAC are 15-25 representatives of the business sectors, women's interests, provinces, foreign investors, academic institutes, foreign Chambers, prominent experts, and other stakeholders. The SAC will work directly with the Reform Unit to ensure that information is collected and regulations are reviewed and delivered on time. The Stakeholder Advisory Group will:

1. Be created by invitation of the Prime Minister;
2. Be chaired by a business leader;
3. Be composed of representatives of the business community, provincial governments, and foreign investors, as well as prominent experts and other stakeholders;
4. Assist the Reform Unit in mobilizing part-time experts from private companies to assist in the review of regulations;
5. Work directly with the Reform Unit to carry out five tasks:
 - Check completeness of the inventory;

- Provide stakeholder comments on individual legal norms to identify problems and assist in a high quality review;
 - Participate in targeted working groups focused on groups of regulations;
 - Monitor the overall progress of the reform and report to the PM, the media, and the parliament;
 - Review the final recommendations for action developed by the Reform Unit.
6. Be supported by a small Secretariat that will work closely with the Reform Unit to identify specific contributions of the Stakeholder Advisory Group and to organize the advisory group and its working groups to provide high-quality and timely information on administrative procedures.

Figure 5: Stakeholder Advisory Council

Stakeholder Advisory Council – Proposed organization



Working Groups are organized by the Reform Unit to focus on groups of regulations that should be reviewed together. These groups are valuable to the overall regulatory reform concept since they are ‘in a field’ and working on creating and applying procedures and regulations on every day basis. An initial set of three working groups should be set up in March 2012 to focus on the following issues highlighted in the Doing Business reports:

1. Construction permits
2. Starting a business
3. Trade impediments

USAID and other Donors will be requested to support ISRAR by providing technical assistance and financial resources necessary to complete the reform. Possible support can include:

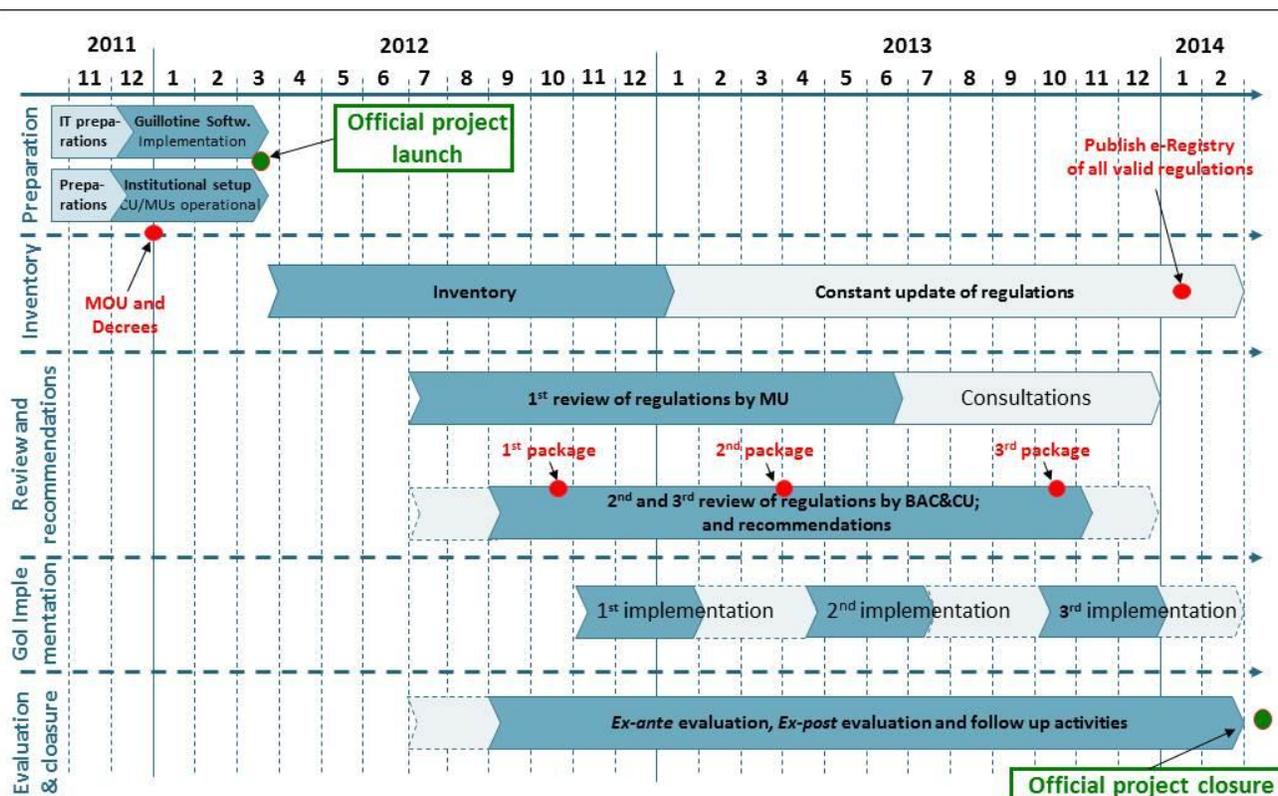
4. Providing international experience and advice to the Government and the Reform Unit;
5. Facilitating donor participation through, for example, a donor coordination group;
6. Providing other inputs such as IT procurement and support.

8. Timeline for ISRAR

The Regulatory Guillotine component is proposed to officially start with a launching event in mid March 2012 and end in June 2014, just before new Parliament elections in Iraq. The following Figure 6 illustrates the timeline of the reform.

Figure 6.

Project phases and timing



The timeline is further detailed in the key milestones in the following table.

Timing	Activities
January 2012	PM Decree on ISRAR
November 2011 – March 2012	Planning, training, creating Regulatory Reform Council, strengthening the Reform Unit and the Ministerial Units,

	mobilizing resources, and developing software tools
March 2012	Launching Event for the Regulatory Guillotine
March 2012	Formation of BAC and RG Steering Committee
February - March 2012	Instructions prepared and first operational training session for CU and MU
March 2012	Inventory process begins
April-June 2012	Creation of 3-5 Working Groups to develop the first package
July 2012	Review process begins for first package by Working Groups
September 2012	Review process begins by Ministries, SAC, and Reform Unit
October 2012	First review and recommendation package from the Working Groups
November 2012 – February 2013	First recommendation package approved and implemented
January 2013	Inventory finished and launch of beta e-Inventory
March 2013	Second review and recommendation package
April 2013 – July 2013	Second recommendation package approved and implemented
July 2013	Review process finishes for GWG and MU
October 2013	Third review and recommendation package
October 2013 – January 2014	Third recommendation package approved and implemented
July 2012 – March 2014	Monitoring and evaluation of implementation
February 2014	Fourth review and recommendation package
April 2014	Launch of eRegistry
June 2014	Official project closure

9. ISRAR, the guillotine method, the Checklist, and the Forms

The guillotine process is basically a highly structured process of counting and then reviewing legal norms over a politically-realistic timeframe.

It is impossible to reform a legal system without first mapping out the full legal system. The regulatory inventory is one of the most important steps underlying a program of regulatory reform. The inventory collects all regulations implemented by Ministries and regulatory agencies, and reveals, in many countries for the first time, the complete “stock” of regulations that has accumulated over many years.

To accomplish this, the Reform Unit issues standardized instructions and forms for the inventory phase to the ministries and state agencies, and trains them in completing the forms. All information is inputted into the eGuillotine™ software. To reduce search costs, the inventory will rely to the maximum extent possible, as a reference list and control mechanism, on the Iraqi Legal

Database (the ILD) developed by the UNDP with the Ministry of Justice, which already contains the full text of around 90% of Iraq's legal norms.

The inventory will be conducted by each ministry and regulatory agency for all regulations under their jurisdiction using a standard inventory form – called **FORM 1**. Meta data on every regulation will be “assigned” to each regulation such as codes, dates of issue, dates of validity, owner or “creator”, active links to related regulations, sectors covered, etc.

The inventory collects the names and legal text of each legal norm, together with any implementing forms and instructions, as well as several other pieces of information. The data elements in the inventory form are intended to satisfy several information needs:

- First, each legal norm must be precisely identified as to the enforcing institution and the instrument itself. This is because the titles of many norms are similar and other procedures overlap or duplicate. There must be precision in order to manage each dossier properly. As the Reform Unit receives the Inventory Forms, it will assign a unique inventory number to each norm. This unique inventory number will link the inventory to the reviews.
- Second, each norm must have some basic descriptive information about the nature of the procedure, such as whether it affects businesses or citizens, or involves a license, or has forms attached, or requires fees. This is to allow the Review Unit to establish priorities in the review phase.
- Finally, there should be a contact point for each norm in order to facilitate quality control and the collection of further information if necessary.

While the inventory is underway, the review process will begin. **FORM 2** (used by the ministries) and **FORM 3** (used by stakeholders) are the standard forms used to review inventoried regulations. The review process is based on a standardized checklist of specific questions that guide the reviewer toward a recommendation. The checklist functions as a scientific method to improve the consistency and objectivity of the reviews. The checklist defines the scope and substance of the review, and is tailored to the specific circumstances and priorities of Iraq. Draft 2 of the Checklist is included in Annex 3. **!**

The review proceeds on the basis of clear, standard, and transparent evaluation criteria that are applied systematically to all rules. Training in application of the evaluation criteria is necessary at all levels.

In each Form, the review criteria are organized into three basic questions:

1. Is the regulation legal?

Given the rapid change in legal frameworks in Iraq, and the new Constitution of 2005, a check on legality is extremely important for the success of the review and to improve legal consistency and security in Iraq. There are some clear cut cases of illegal promulgation of regulations. For example, the requirement to publish in the Iraqi Gazette was not always followed.

Another facet of legality is WTO compliance. It is impossible for ministries to do a complete legal analysis against the WTO criteria, so the checklist simplifies one of the key WTO principles – nondiscrimination -- into an easy question.

If a regulation is found not to be legal, it will be recommended for elimination.

2. *Is the procedure/regulation needed?*

This is the most difficult and subjective of the criteria, yet is extremely important because many of the regulations on the books in Iraq represent market or legal interventions that are unnecessary or damaging in the current development strategy. In this section, the checklist identifies the key areas of public interest in Iraq as environmental quality, safety and health, and national security. For regulations with other purposes, it asks basic questions that attempt to separate regulations with unclear, unnecessary or damaging purposes from those with clear and justified public policy purposes.

If a regulation is found not to be needed, it will be recommended for elimination.

3. *Is the procedure/regulation development friendly?*

Some regulations reduce economic growth and opportunity due to poor design or to anti-market goals. The extent to which a regulation supports the current goals of the Government of Iraq for equitable economic and social development is called “development friendliness”. There are many ways of measuring development friendliness. The criteria in the Checklist in Annex xx select a few simple standards for business costs, such as the length of time that a license is valid, the duplication of information, and the use of ex ante rather than ex poste requirements.

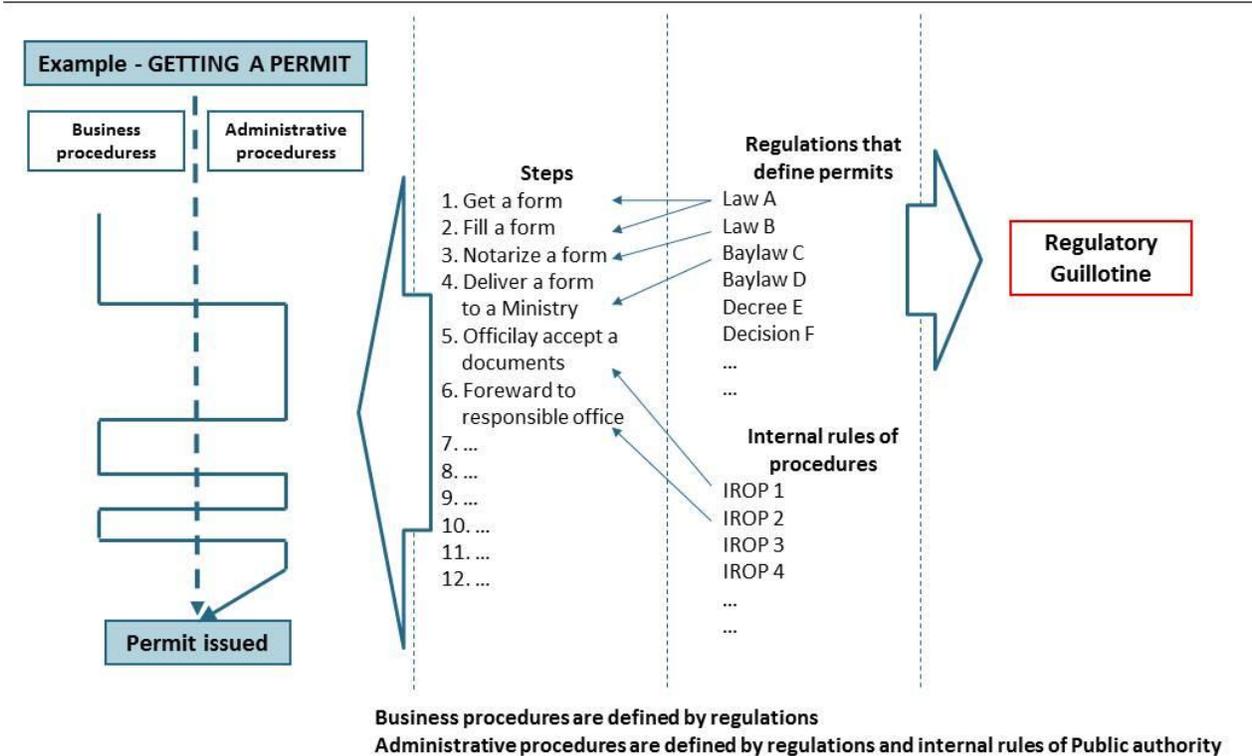
If a regulation is considered to be both legal and needed, but not development friendly, the result will be a recommendation from the Reform Unit for simplification.

The structure of regulation often complicates this process. In order to review and “simplify” regulation, every business related regulation should be broken down into smaller components. As illustrated in the World Bank’s *Doing Business* indicators, the first level in breaking down regulation is identifying procedures and information obligations - obligations arising from regulations to provide information and data to public agencies:

- Information obligations used between administrative agencies and individuals, organizations that are related to commercial activities
- Any obligation enforced by ministries and agencies that involves the presentation or retention of a document or information by companies/ enterprises
 - Everything that businesses need to write and present to ministries and agencies, or that requires a form or written document, or that could be sanctioned if not submitted
 - Formalities that are required to do business (e.g. water, sewage, rubbish, etc.)
- Examples: License, permit, permission, consent, clearance, approval, authorization, certification, notification, concession contract, survey, official book, etc.

Figure 7:

Procedures mandated by regulations



10. Measuring the economic impacts of ISRAR

The question that will be asked during the review phase of the guillotine is this: what cost-saving has been achieved? The challenge is using a low-cost yet credible method that can be applied during the reform to produce a baseline, and continuing estimates of the benefits that are produced, and able to produce a generalized and robust estimate at the end of the reform that will stand up to scrutiny.

Two impacts are particularly important in Iraq: cost-savings for businesses, and both reductions and increases in tax revenues. Both are possible with this reform.

We will develop a cost estimation technique that assesses both impacts.

In both Croatia and Bosnia, the Standard Cost Model used in Europe was adapted to estimate quantitatively the guillotine results. This approach was adapted for application to the Vietnam guillotine.

Using a simplified version of the cost estimation method used in the Standard Cost Model, we will estimate the baseline costs and the magnitude of cost savings to the economy (businesses and consumers) from the recommendations in the Iraqi guillotine. The application of the SCM is pictured in Figures 8 and 9 below:

Likewise, impacts on tax revenues must be estimated. Such impacts can be either negative or positive. Direct negative impacts can result from simplification such as of customs procedures. Some revenue will be lost as licensing and other fees are eliminated. Positive impacts can also be seen. A major impact over time would be a sizable increase in tax revenues. Iraq’s private sector is very small, yielding very small tax revenues. A growing and diversified private sector would generate a growing revenue stream for government. For example, taxes not collected at the border are passed through in the form of higher business profits, and collected as income taxes. We will consult with tax experts to develop an estimation method to objectively assess potential tax losses and tax gains from the recommendations of this reform. This information will be contained in the recommendations so that the impacts are completely transparent to decision makers.

Figure 8.

Example – Possible methodology of SCM for Iraq

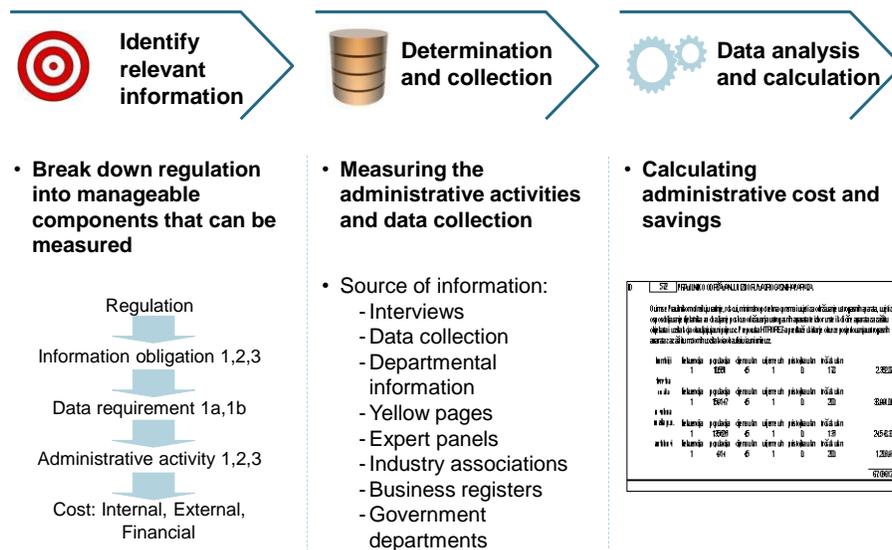


Figure 9.

Example of application of SCM

$$\begin{aligned} \text{Administrative cost} &= \text{cost} * \text{volume} \\ &= (\text{salary} * \text{time}^1) * (\text{population} * \text{frequency}) \end{aligned}$$

- 1 The **3 hours** time of an employee of a company is needed to comply with required administrative procedure e.g. *to submit a mandatory report to an authority*. The salary of the employee is estimated to be \$10/hour. Hence, the cost is **\$30** (3*\$10).
- 2 The **100.000 companies** have to comply with this administrative procedure and is required **3 times a year**. Hence, the volume is **300.000** (3 times/year*100.000 companies). Therefore, before the Regulatory Guillotine the administrative cost of this administrative procedure was **\$9.000.000** (\$30*300.000)
- 3 For example, if Regulatory Guillotine recommend reduction in frequency from 3 to 2 times a year, administrative cost after the implementation of Regulatory Guillotine recommendations will be **\$6.000.000** (\$30*(2 times/year*100.000))

Therefore, when recommendation is implemented, business sector i.e. economy will save **\$3 million annually** (\$9.000.000-\$6.000.000)

11. Communication strategy for ISRAR

International Good Practice	Decision in Iraq
<ul style="list-style-type: none"> • Strategy is prepared before the project starts • Engage a PR expert to assist in Communication strategy development and branding • Public statement widely disseminated in media • Partnerships established with business, industry, professional academic and other associations • Manage media campaign and building consensus from public • Hot line responds to questions of regulators and comments from the public 	<p>Include PR expert on Reform unit.</p>

The reform process will be highly visible and communicated to the public through a proactive media campaign. This part of the process will be handled by the PR machinery in the Reform Unit itself. A strategy will be developed to document how information will be disseminated to, and received from, all stakeholders of the project. This communication strategy will support the rollout and implementation of the Iraqi reform. The communications strategy will be developed before the start of the inventory phase. It will be adapted and expanded as required to accommodate progress of the project and to ensure that public communications effectively reflect the development and information of the guillotine reform.

Key elements of the communication strategy are:

- Branding
- A media engagement strategy to ensure that news media receive timely, accurate and authoritative information to support their reporting.
- A comprehensive market research program to ensure that communications effectively meet public needs.
- A national information campaign using a range of media, including electronic, print and online media and communications materials delivered through health providers.
- Direct-access information services, such as call centers and websites, to provide up-to-date information and advice.

Branding of reforms helps create a government reputation for reform. Without good communication, the public in Iraq will be largely unaware of the impact that the reform is having on their lives and the positive effects of the reforms. Developing a new brand is a difficult step in the communication process, but one of the most important to communicate to the public. The brand identity will be repeatedly communicated to the public, in multiple ways with frequency and consistency throughout the life of the project. An effective brand will create a unique identity that differentiates the reform from others. It should carry a simple but strong message. A branding expert might be engaged to assist the Reform Unit in identifying an appropriate brand and design of the brand logo. The words that could be considered in finding the right brand for Iraq could be related to words and phrases such as: transparent, quick, decisive, cut, simplification, ease of doing business, freedom, etc. For example, Croatia used the term “Fast Cut”.

Branding is only one step. To develop an effective communication strategy, the following other tasks should be carried out:

- Communication mechanisms should be used such as written reports, training seminars, workshops, videos, e-mails, newsletters, TV ads, etc.
- Key elements of information to be distributed by the different mechanisms will be identified, including frequency and information collection and collation
- Roles and responsibilities of key individuals responsible for ensuring that communication is adequate / appropriate and timely
- Identification of how unexpected information from other parties (including stakeholders) will be handled within the scope of the activity.

As the following table indicates, a series of complementary communication tools are needed that target different audiences during the evolving reform process.

Guillotine Process	Communication objectives	Communication instruments
INVENTORY PHASE	<ul style="list-style-type: none"> • Raise awareness among regulators and stakeholders • Improve compliance by regulators 	<ul style="list-style-type: none"> • TV ads • eGuillotine web site • Newspaper ads • Interviews
REVIEW PHASE	<ul style="list-style-type: none"> • Improve stakeholders 	<ul style="list-style-type: none"> • Continued PR

By the Reform Unit in consultation with businesses and the public	inputs <ul style="list-style-type: none"> • Build constituencies for the future • Build private sector support for the project • Strengthen Business Advisory Group engagement 	<ul style="list-style-type: none"> • Contest for the best proposal (award) • Personalised thank you notes to key individuals • National conference on proposals
RECOMMENDATIONS	<ul style="list-style-type: none"> • Increase awareness of the project results and experts engaged in review 	<ul style="list-style-type: none"> • Public summaries of proposals, impacts, and responses • Press releases on success stories • Testimonials

12. IT solution and ISRAR public website

Information Technology (IT) and eGovernment solutions play a vital role in government projects. To have a successful project, a reliable infrastructure and IT tools are needed for efficient and transparent implementation of projects based on the Regulatory Guillotine™ principles. Generally, an IT solution should:

- Create an open platform for communication between the Government and private sector
- Provide an effective tool for managing the documents, processes and public access to information about the progress of Regulatory Guillotine
- Improve communications and facilitate collaboration between the government and public. Ensure the highest possible efficiency of the Reform Unit and Ministry Units
- Enable management of the project to monitor performance and manage the process

The IT solution should assist ISRAR and Reform Unit staff to process and archive documents in electronic form in a simple but structured way, in particular:

- prevent unnecessary duplication of tasks of project staff and teams
- protect the integrity and security of the network, the connected systems and the stored data
- make the best use of expertise and resources
- foster collaboration among the project, government and public by creating the direct feedback mechanism and Internet visibility of the project
- ensure full transparency of the different information collected in the project
- simplify the interfaces for internal processes of tasks and document management
- simplify the interfaces for communication
- promote state-of-the-art IT solution and best international practice

- provide staff and management of the project with secure access to collected information and other resources for which they have authorization, at any time and regardless of where they happen to be.

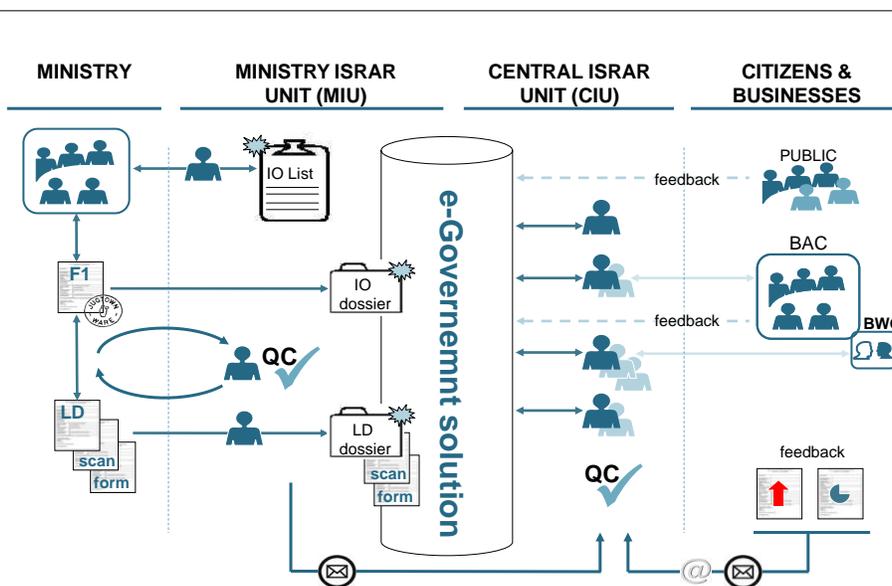
In order to fulfill above mentioned requirements, a globally proven e-Government IT solution called the e-Guillotine™ will be implemented and customized. The e-Guillotine™ is flexible IT web based application developed on open-source tools and designed specifically for regulatory reform projects. It will ensure increased legal, judicial and administrative transparency of the project and establish the feedback channel for broader public through web-based Portal. This application will be used to manage the process, document citizen and business proposals/complaints, and inventory all administrative procedures in the project scope.

The e-Guillotine™ will provide better access to information for all stakeholders including the broader public by publishing inventories of regulations in the form of a database accessible on the Internet. Such a database can build on the Iraq Legal Database to increase its value in terms of providing legal security to businesses. The software provides a structured approach to inventory and review process, with traceability to public comments and statistical analysis, and creates the platform for a public web-based fully functional electronic registry of regulations.

By using a structured database and processes for the guillotine, operations costs will be reduced as well. IT solutions for project management will ensure timely monitoring of performance and progress, and give management the most relevant and recent information with the press of a button.

Figure 10:

Stakeholders and interactions



Transparency is a critical element of a Regulatory Guillotine project. In order to be transparent, the e-Guillotine™ system must have internal and external user interfaces. The internal user interface will be only for Government officials, while the external interface will be on a publicly available website where all information regarding the project, its current status and progress reports will be available with the database of regulations and related documentations (Forms 1, 2 and 3, ect...)

Therefore, the Reform Unit will publish on a central website the inventory collected by Form 1 at the end of the inventory process, after the structuring and quality control of the database content and its interconnections is completed.

The Regulatory Unit will also publish announcements on the website. The site will permit anybody to:

- Follow up on ISRAR progress
- Search database of regulations
- Print out information of one's' interests
- Use TARABOT help-desk
- Provide comments and information relevant to ISRAR
- Include any written comments such as Form 3 received from any person or body
- Include written formal communication to the public bodies involved in this reform, such as these instructions

A detailed guideline will be provided on IT requirements and user manuals, but there are still issues that have to be defined:

- Define the location of the database
- Ensure maintained of the database throughout the project life and beyond
- Ensure funds for the hardware and database

13. Training needs of ISRAR

Three levels of training are planned within ISRAR:

- Training for trainers in the Reform Unit to be provided by experienced regulatory reform experts on all aspects of the operational work starting from the inventory phase and ending with implementation of recommendations. The purpose of this training is to focus on quality control, and checkpoints for insuring the quality of each submission before inventorying and starting the review. The training establishes a prioritization system to target efforts towards maximum impact, standard procedures for reviewing measures such as data gathering, preparing case documentation, managing meetings with regulators and stakeholders, and assessing and preparing opinions. Also, a simple cost model method (based on the Standard Cost Model popular in Europe) to monetize results of the review is presented.

- Training for the Ministry Units who are responsible for delivering inventory lists and review reports for regulations in authority of its regulatory body. This is to ensure the understanding and the quality of inputs provided by state agencies in completing Forms 1 and 2. Such training can be done through several training sessions of 4-6 hours. Training groups will not be bigger than 25-30 individuals. This training is planned before the beginning of the inventory phase and at the beginning of the review phase.
- Training for the Stakeholder Advisory Council and interested representatives from the business community, broader public, private sector, citizens, NGOs, and other stakeholders that have been identified in the Stakeholder lists. This is to inform and explain to identified stakeholders the scope and objectives of the reform, guide them through the Instructions on how to complete Form 3. This training is organized during the inventory or at the beginning of review phase. It will be repeated depending on interest.

14. Resources and the baseline budget for ISRAR

As noted above, there are many uncertainties about the full cost of a comprehensive guillotine, because at this stage some basic workload issues are not answered. For example, it is not yet clear how many legal norms will be reviewed, nor the level of technical input required. These questions will be answered after the inventory stage, and as the reviews commence.

The strategy in this proposal is to put into place the complete infrastructure and essential operating procedures and staff of ISRAR (the baseline budget), and, as the reform progresses, to upscale or downscale labor and skills inputs to complete the full reform. The guillotine process, once underway, is easily upscaled or downscaled as needed to get the work done on schedule. We budget the critical mass needed to get the process underway, and as the work clarifies the magnitude of the task, we determine the exact scope of the work needed, and the capacities of the ministries and central unit. We then adjust the process, the labor inputs, or other aspects of the reform to get the work done on schedule. Methods of quickening or upscaling the guillotine work include:

- adding more staff to the central review unit rising from an initial staffing of around 22 to a full staffing of around 40;
- supporting reviews with more expertise from outside, such as international experts;
- improving the quality or speed of business reviews;
- prioritizing reviews and spending more time on high priorities and less time on low priorities;
- adding a few more months to the work of the existing team.
- Outsourcing IT infrastructure to consultants.

The two summary budgets shown below indicate the potential upscaling of costs. The Baseline budget comes in at around \$8.7 million. The high budget comes in at around \$10 million. Annex 4 contains the baseline proposed budget for the guillotine to put into place the essential infrastructure, launch the process, and sustain the reform over a period of 24-30 months. The guillotine process requires several kinds of inputs, summarized in Table 5 below. The largest cost is labor cost. Other inputs are itemized below. For details on how these figures are calculated see the budget calculations in the Appendix.

Table 5

Baseline budget summary (22 people in Reform Unit)

a) Staffing of Reform Unit	\$1,710,000.00
b) Staffing of Ministerial Units	\$1,914,000.00
c) Media & communication campaign	\$645,000.00
d) IT support	\$526,200.00
e) Reform Unit set-up and non-labor operational costs	\$160,100.00
f) International TA	\$3,730,000.00
TOTAL	\$8,685,300.00

High budget summary (40 people in Reform Unit)

a) Staffing of Reform Unit	\$3,006,000.00
b) Staffing of Ministerial Units	\$1,914,000.00
c) Media & communication campaign	\$645,000.00
d) IT support	\$526,200.00
e) Reform Unit set-up and non-labor operational costs	\$160,100.00
f) International TA	\$3,730,000.00
TOTAL	\$9,981,300.00

A financing strategy will be necessary to ensure that the project is fully resourced so that it can progress effectively and on schedule. Sources of financing will be mixed among the Government of Iraq and donors, and will be confirmed through discussions and agreement with donors on the basis of a clear project description and budget, such as is contained in this operating plan.

The Government of Iraq and donors could work together to finance the Regulatory Guillotine project. A mix of inputs is needed in this project, including human resources and both Iraqi and foreign experts, software and hardware to support the IT strategy, resources for communications and outreach, and equipping of office that supports the work. Donors should/will be requested to support the Regulatory Guillotine project by providing technical assistance and financial resources necessary to complete the reform.

For example, one of the issues on donor 'menu' could be facilitation and financing of the external senior experts who provide necessary skills and knowledge that is missing in the Reform Unit.

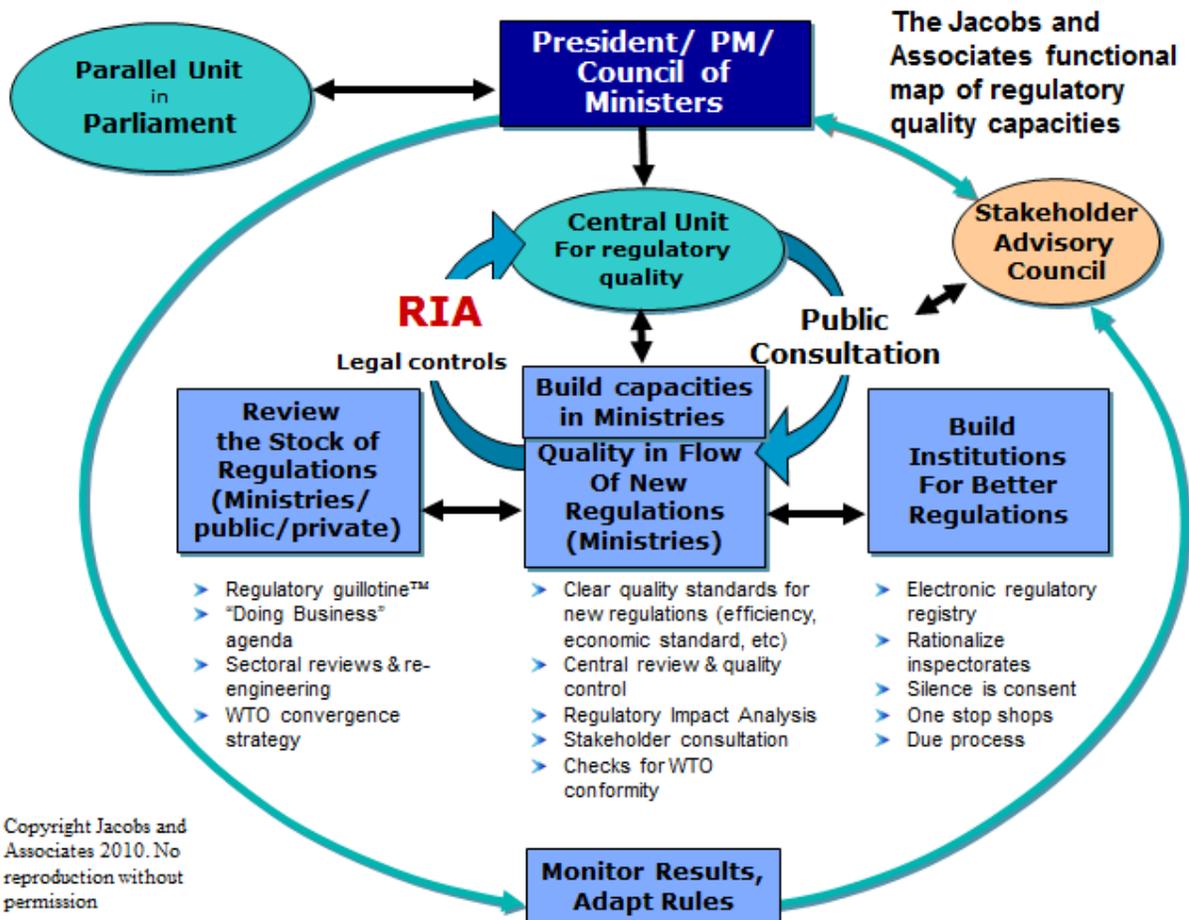
15. Transition to long-term regulatory quality strategy

The guillotine is a failed reform if reform stops once it is finished. Iraq should use the guillotine to begin a continuous process of converging with international good regulation practices. The elements of the guillotine – the quality control process, the central unit, the public consultation, and electronic registry – should be institutionalized and maintained for all future regulations.

Planning for institutionalization should begin early in the guillotine process, and drafts should be submitted through the political process, so that this reform is in place and ready to move forward at the conclusion of the guillotine. This process should begin as early as possible, particularly given the fact that components of the national regulatory strategy are already being implemented (such as RIA).

The components of the national strategy should be based on international good experiences and tools, such as the model shown in Figure 11 below.

Figure 11: A Map of the Quality Control Functions of a Modern Regulatory System



Annex 1: Explanation of terms

Administrative activity:	To provide the information for each data requirement a number of specific administrative activities must be undertaken which can be broken down in small components and measured in financial terms with tools like SCM-standard cost model
Administrative burdens:	Administrative burdens are the cost imposed on citizens and businesses, when complying with information obligations stemming from government legal documents
Administrative procedure:	Steps and mode by public authorities and which are coming from regulations and internal rules of procedures in order to handle a specific issue for citizens and businesses. Elements of administrative procedures can be regulated under one or several regulations and internal rules of procedures
Stakeholder Advisory Council:	An independent Regulatory Guillotine support body which represents private sector and other social interests such as provinces with representatives from economic chambers, associations, individual companies, etc.
Business procedure:	Steps and mode which are done by business and which are coming from regulations and in order to fulfill specific legal requirements. Elements of business procedures can be regulated under one or several regulations.
Reform Unit (RU):	is the Central Government body within Prime minister's Office responsible for implementation of Regulatory Guillotine
Data requirement:	A data requirement is each element of information that must be provided in complying with an Information obligation. Each information obligation consists of one or more data requirements.
Information obligation:	Information obligation is a subset of legal document which imposes citizens or business to do some specific activities like collect data, fill out forms, do specific steps in a process, ect. Information obligation does not necessarily mean that information has to be transferred to the public authority or private persons, but may include a duty to have information available for inspection or supply on request. A legal document may contain many information obligations.
TARABOT IT system:	A regulatory management system which will used as a database, work flow and project management tool for customized TARABOT purposes
Legal documents:	All general binding regulation stemming from Government of Iraq, authorized state agencies or authority such as laws, acts, executive orders, Orders in Council,

Ministerial regulation, regulation from regulators, legal normative document, specific document or administrative official document

Ministerial

Unit (MU): A collaboration office to the RU on the ministerial level

Organizations: Understood as commercial organizations, social organizations, professional organizations, socio-politic organizations, administrative organizations, public service providing agencies and other organizations as per legal regulations.

Public authority: Ministry, central government Agency, any administrative agency which has the authority to issue a legal document

Regulation: any form of legal document issued by a Government and Public Authority which applies to citizens or businesses

Regulatory Guillotine™: Globally used methodology for simplification of regulatory framework and trademarked by Jacobs&Associates

Standard Cost Model: Globally used tool and methodology for measuring economic impact (cost) of complying with regulations

Annex 2 State bodies included in ISRAR

Ministries

1. Ministry of Higher Education - www.moheiraq.org
2. Ministry of Justice - www.moj.gov.iq
3. Ministry of Interior (regulations not related to security issues or criminal law)
4. Ministry of Human Rights - www.humanrights.gov.iq
5. Ministry of Electricity - www.moedu.gov.iq
6. Ministry of Communications - www.iraqimoc.net
7. Ministry of Defense (regulations not related to defense or security issues)
8. Ministry of Construction and Housing - <http://imariskan.gov.iq> - moch@imariskan.gov.iq
9. Ministry of Industries and Minerals - www.industry.gov.iq
10. Ministry of Trade - www.mot.gov.iq
11. Ministry of Culture - www.mocul.gov.iq
12. Ministry of Foreign Affairs - www.mofa.gov.iq
13. Ministry of Health - www.moh.gov.iq
14. Ministry of Planning - www.mot.gov.iq
15. Ministry of Agriculture - www.moagr.com
16. Ministry of Finance - www.mof.gov.iq
17. Ministry of Science and Technology - www.most.gov.iq
18. Ministry of Education - www.moedu.gov.iq
19. Ministry of Transport - www.motrans.gov.iq
20. Ministry of Social Affairs
21. Ministry of Oil - www.oil.gov.iq
22. Ministry of Environment - www.moen.gov
23. Ministry of Water Resources - www.mowr.gov.iq
24. Ministry of Youth and Sports
25. Ministry of Municipalities and Public Works - www.mmpw.gov.iq
26. Ministry of Immigration - www.iraqi-modm.org
27. Ministry of Woman Affairs - www.iraqimow.com
28. Ministry of Provincial Affairs
29. Ministry of Youth and Sports - www.moys.gov.iq

Excluded as not relevant to business regulation:

30. Ministry of Parliament Affairs

Regulatory agencies

31. Communications and Media Commission (CMC) www.cmc.iq
32. Central Bank
33. Iraqi Civil Aviation Authority (ICAA) min of transport
34. General Company for Ports (GCPI) min of transport
35. Iraqi Republic Railroad (IRR) min of transport
36. State Board of Antiquities and Heritage min of tourism or cultural affairs
37. Iraq Securities Commission (ISC)
38. State Commission for Roads and Bridges min of building and housing
39. Iraqi Insurance Diwan (IID) www.iraqinsurance.org
40. [National Investment Commission](http://www.investpromo.gov.iq) - www.investpromo.gov.iq
41. Iraqi Media Network (IMN) www.imn.iq
42. Board of supreme audit (Financial Audit Diwan) - www.bsairaq.net
43. Integrity Commission
44. High Commission for Human Rights of Iraq
45. Council of Federal Public Service (Has been issuing its law, but council not yet approved by parliament).

Excluded as not relevant to business regulation:

46. Independent Electoral Commission of Iraq (IECI)

Other Agencies included

47. High Judicial Council

Unions included

48. Baghdad Chamber of Commerces - www.baghdadchamber.com

49. Iraqi Businessmen Union - www.ibmuiq.org - ibmu2001@gmail.com - info@ibmu-iq.org

50. Federation of Iraqi Industries.

51. Federation of Iraqi Chambers of Commerce. - www.ficc.org.iq

Syndicates included

52. Syndicate of Iraqi Engineers - www.ieu2006.org

53. Syndicate of Iraqi Agricultural Engineers

54. Syndicate of Iraqi Physician - www.ima-iq.org - iraq_ma_2005@yahoo.Com

55. Iraqi Dental Association (Syndicate) - www.iraqidental.org - iqdajournal@gmail.com

56. Syndicate of Iraqi Pharmacists - www.iraqipharm.com

57. Syndicate of Iraqi Journalists- www.iraqijs.org - iraqi1ju@yahoo.com , iraqiju@yahoo.com , iraqjs@yahoo.com

58. Iraqi Economists Association

59. Syndicate of Iraqi Economists

60. Association of Iraqi Engineers

61. Other syndicates with regulatory authority over market entry

Annex 3 Review Form, V. 2.

REVIEW OF REGULATIONS

[DRAFTING NOTE: Regulations include all national-level legal instruments and norms with legal effect, including Laws, Royal Wills, CPA orders, RCCs, Decrees, COM's Resolutions, Regulations, Ordinances, Bylaws, Instructions, Statements, Declarations and other instruments with effects on citizens or businesses. Excluded from this review are: instruments with effects only interior to the public sector, such as internal management decisions; the Family Law and its related regulations; and regulations related to national security and defense.]

Name of the Regulation	
Dossier number in the software	
Type of regulation	Law Royal Will CPA order RCC Decree COM's Resolution Regulation Ordinance Bylaw Instruction Statement Declaration Other (name) _____
Articles under review	If all, leave blank
Reviewing Agency	
Name and phone number of reviewer	
PLEASE READ CAREFULLY THE INSTRUCTIONS ON HOW TO FILL OUT THE FORM AND RESPOND TO THE FOLLOWING QUESTIONS ¹²	
I. On the legality of the regulation	
1. Is this regulation inconsistent with any part of the 2005 Constitution of Iraq?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is "YES", please specify the article of the Constitution.

¹² - Please mark "x" in the box to answer the questions.

	If the answer is YES, the regulation is illegal and must be eliminated.
2. Is this regulation authorized by a higher-level legal instrument?	a. Yes. <input type="checkbox"/> Name higher-level instrument and article _____ b. No. <input type="checkbox"/> If the answer is NO, the regulation is illegal and must be eliminated.
3. Is the content of this regulation contrary to any higher-level regulations?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is "Yes", please specify the name, date of issuance, article(s) and item(s) of the higher-level regulation. If the answer is YES, the procedure or business condition is illegal and must be eliminated.
4. Has the regulation been published in the Iraqi Gazette?	a. Yes <input type="checkbox"/> If yes, specify the date and page where the document is published _____ b. No <input type="checkbox"/> If the answer is NO, the regulation is illegal and must be eliminated.
5. Does the regulation treat foreign companies or products differently from Iraqi products or companies?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is "a", please explain: If the answer is YES, the regulation should be reviewed against future WTO commitments.
6. Was this regulation replaced or abolished by a later regulation?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is "a", please specify the name and date of issuance of the later regulation If the answer is YES, the regulation is no longer valid and must be eliminated.
7. With your answers to the questions 1-5 above, do you think this regulation is legal? a. Yes <input type="checkbox"/> b. No <input type="checkbox"/>	

If the answer is "NO", this regulation should be abolished or replaced.	
II. On the need for the regulation	
8. Is the purpose of the regulation clearly defined?	<p>What is its purpose? What precisely is the regulation supposed to accomplish?</p> <p>a. _____</p> <p>b. Purpose is not known or not clear</p> <p>If the answer is (b), the regulation is no longer needed and must be eliminated.</p> <p>If you answered (a), is this purpose still justified under current conditions in Iraq?</p> <p>c. Yes <input type="checkbox"/></p> <p>d. No <input type="checkbox"/></p> <p>If the answer is NO, the regulation is no longer needed and must be eliminated. Go to the conclusion, Section XX.</p> <p>If the answer is YES, go on to question 9.</p>
9. Is the regulation effective in achieving the purpose defined in 8 above?	<p>Is there any evidence that this regulation has actually achieved its purpose?</p> <p>a. Yes, there is clear evidence that it has achieved its purpose. <input type="checkbox"/></p> <p>b. No, there is evidence that it has not achieved its purpose. <input type="checkbox"/></p> <p>c. No, there is no evidence of its effectiveness. <input type="checkbox"/></p> <p>If you checked (b), the regulation should be eliminated as unneeded.</p> <p>If you checked (c), the regulation should be scheduled for evaluation.</p>
10. Some kinds of regulation are very damaging to investment, job creation, and growth. Does the regulation damage economic performance by containing any of the following restrictions?	<p>Price controls other than for monopolies</p> <p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <hr/> <p>Restricting entry into a business activity (such as by a business license) for any reason other than safety, health, or environmental concerns</p> <p>c. Yes <input type="checkbox"/></p> <p>d. No <input type="checkbox"/></p> <hr/> <p>Restricting the hiring or firing of labor</p> <p>e. Yes <input type="checkbox"/></p> <p>f. No <input type="checkbox"/></p> <hr/> <p>Restricting commercial advertising</p> <p>g. Yes <input type="checkbox"/></p> <p>h. No <input type="checkbox"/></p> <hr/> <p>Restricting the movement of products or services inside Iraq, such as across provincial borders</p> <p>i. Yes <input type="checkbox"/></p> <p>j. No <input type="checkbox"/></p> <p>If the answer to any part of 10 is YES, eliminate the regulation or justify why the procedure or business condition is still needed.</p>

<p>11. Would this regulation be more efficiently implemented at the provincial level?</p>	<p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <p>If the answer is "a", please state the reason specify the alternatives</p> <p>.....</p>
<p>12. Is there a less costly alternative to this regulation that would still achieve the purpose?</p>	<p>a. Yes <input type="checkbox"/></p> <p>If Yes, specify the alternative</p> <hr/> <p>b. No <input type="checkbox"/></p>
<p>13. With your answers to the questions 8-12 above, is this regulation still needed?</p> <p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <p>c. Should be replaced with a less costly alternative</p> <p>d. Should be transferred to provincial implementation</p> <p>e. Its effects should be evaluated further</p> <p>If the answer is b, c, or d, this regulation should be abolished, replaced or revised.</p>	
<p>III. On the development-friendliness of the regulation</p>	
<p>14. Does the regulation overlap, duplicate or contradict the content of any other regulation?</p>	<p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <p>If you checked (a), the regulation should be eliminated, revised, or merged with the other regulation.</p> <p>If the answer is "a", please explain and identify the other regulation(s) as well as the name(s) of the document(s) governing such regulation(s)</p> <p>.....</p>
<p>15. Does this regulation clearly define the agency/ organization responsible for handling this regulation for individuals and organizations?</p>	<p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <p>If the answer is "b", this regulation must be revised to define clearly the agency/organization responsible for handling. Please specify how to revise.....</p> <p>.....</p>
<p>16. Is this regulation clear, and simple for businesses and clearly define the how</p>	<p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p>

it should be implemented?	If the answer is “b”, this regulation must be simplified or clarified. Please define how to revise
17. If this requires businesses to provide information to an agency, is the kind of information required reasonable?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is “b”, please specify the reasons and propose how it can be simplified.....
18. Could this regulation create problems particularly for women starting up businesses or finding jobs?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is YES, please eliminate the regulation or revise to reduce negative effects on women. Specify here how the regulation will be revised:
19. If this regulation requires a business license or permit, is the license or permit valid for at least 5 years?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer is NO, please change the validity of the license or permit to at least 5 years.
20. Are deadlines for any response by the state agency explicitly established in this procedure?	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/> If the answer for option “a” is “YES”, what is the mandatory time needed for response? c. Can this time be shortened? Yes <input type="checkbox"/> No <input type="checkbox"/> What time is needed for response? _____ If you checked b., the procedure should set a deadline of no more than 30 days for response.
21. Are any forms pertaining to this regulation easy to find, understand, easy to implement, and in a format that is suitable for filling out?	a. No forms are needed <input type="checkbox"/> b. Yes <input type="checkbox"/> c. No <input type="checkbox"/> If you checked NO, the forms should be eliminated or simplified to make them easy to understand and to fill out.
22. Does this regulation require the result of settlement of (an)other	a. Yes <input type="checkbox"/> b. No <input type="checkbox"/>

regulation(s)?	<p>If the answer is “YES”, can the inter-departmental mechanism such as a one stop shop be applicable for handling this regulation to reduce burden for individuals and organizations?</p> <p>c. Yes <input type="checkbox"/></p> <p>d. No <input type="checkbox"/></p> <p>If the answer is YES, please specify how to apply the inter-departmental mechanism and propose the lead agency.....</p> <p>.....</p>
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23. Are there any complaints or comments on the complexity, obstacle and costliness of this regulation?	<p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <p>If the answer is “YES”, please summarize the comments and how the regulation can be simplified.....</p> <p>.....</p>
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24. With your answers to the questions 14 – 22 above, is this regulation business friendly?

a. Yes

b. No

If the answer is NO, this regulation must be simplified or eliminated.

IV. On fees for implementing the regulation

25. Are there any fees to be paid when the regulation is implemented?	<p>a. Yes <input type="checkbox"/></p> <p>b. No <input type="checkbox"/></p> <p>If the answer is YES, please specify the rate and amount of the fee(s)</p> <p>.....</p> <p>Are the rate and amount of fees reasonable?</p> <p>c. Yes <input type="checkbox"/></p> <p>d. No <input type="checkbox"/></p> <p>If the answer is NO, please propose more reasonable rate and amount of fees.</p> <p>.....</p>
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V. Recommendations

26. This regulation (Check only one recommendation)

<input type="checkbox"/> Fully meet the criteria in this Form and should be maintained without change →	
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<input type="checkbox"/> Would meet the criteria if revised, supplemented and should be maintained only with revisions and supplements that are clearly specified →	Please specify the content of and how to make the revisions.
<input type="checkbox"/> Does not meet the criteria and must be abolished or cancelled	Specify the contents that need to be abolished