

Executive Summary

of the implementation of Regulatory Impact Assessment Program (RIA Program) From October 2011 to December 2018

1. Background

The Regulatory Impact Assessment Program in short "RIA Program" started in Cambodia in 2008 with the pilot implementation of the RIA Methodology to Prakas at the former Ministry of Mines and Energy. It was a project in the Promoting Economic Diversification Program (PED) of the Ministry of Commerce to help Cambodian industry as the global financial crisis raged. Because of The benefits of RIA in the regulatory making process, the Organization for Economic Co-operation and Development (OECD) has recognized and has long implemented in member countries and also H.E. Deputy Prime Minister Sok An, Minister in Charge of the Office of the Council of Ministers, and the Asian Development Bank agreed that Economic, Social and Cultural Council (ECOSOCC) would be in charge of the RIA program since 2011, with the signing of two memorandums of understanding to form the RIA project under the Asian Development Bank (ADB Grant 0224).

In support of the first phase of the project, ADB hired the German consulting firm POHL Consulting & Associates for building capacity and organized study visits to get international experiences from 2012 to February 2013 and from March 2013. ECOSOCC has been responsible for the training ministry-institution of the Royal Government.

The RIA project was officially announced in October 2012 at a workshop with the participation of national and international speakers presenting on, and discussing, the experience of RIA implementation. The workshop was also honored with the presence of H.E. Deputy Prime Minister Sok An, Minister in Charge of the Office of the Council of Ministers, presiding at the closing ceremony.

In the pilot implementation of the RIA project, from October 2011 to 2015, there were only four ministries at first, the Ministry of Commerce, the Ministry of Mines and Energy, the Ministry of Environment and the Ministry of Tourism. Three additional ministries joined during the pilot, namely: the Ministry of Education, Youth and Sport, the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Labor and Vocational Training.

Subsequently, seven more ministries commenced participation: the Ministry of Industry and Handicrafts, the Ministry of Public Works and Transport, the Ministry of Posts and Telecommunications, the Ministry of Health, the Ministry of Land Management, Urban Planning and Construction, the Ministry of Economy and Finance and the Ministry of National Defense.

Following the completion of grant No. 0224, ADB provided technical assistance TA8834-CAM to continue supporting RIA until June 2019.

Because of the benefits of the RIA program and RIA methodology, the Royal Government has issued a Decision No. 132 SSR, dated 26 December 2016, on the establishment of the Regulatory Impact Assessment Working group. Since then, there have been four more ministries: the Ministry of Justice, the State Secretariat of Civil Aviation, the General Secretariat of the Senate and the General Secretariat of the Constitutional Council, which

have joined the program. Therefore, by 2018 there were 18 ministries participating in the RIA program. ECOSOCC also established a regulatory executive team, known as the RET, which serves as a unit responsible for training, disseminating, and advising all 18 ministry-institution in the RIA implementation.

2. RIA Work and Activity

The RIA program and the RIA methodology aim to improve the effectiveness and efficiency of regulations through placing good regulatory practice in line ministries, by using the RIA methodology as a technical tool for evaluation.

During the seven years of RIA implementation, ECOSOCC and other ministries have actively collaborated to advance the work, because RIA's practice is a change of mindset from old habits to real scientific forms. The program outputs are divided into seven major parts:

1. Capacity Building;
2. RIA Report Preparation;
3. Dissemination;
4. RIA's project management and monitoring;
5. Consultative Survey on RIA Implementation;
6. Challenges; and
7. Conclusion and way forward which are summarized below.

Capacity building

Capacity building is organized in two ways: 1. In-house Training and 2. Study Tours Abroad to learn from international experiences. At the start of the RIA project, ADB selected an international consulting firm with 3 international consultants to provide training and coaching on RIA Report preparation for the ministry-institution. From March 2013, when the international consultants left, ECOSOCC's RIA team has had the capacity to provide training and advice to ministry-institution in preparing their RIA reports.

The training on the seven elements of RIA methodology and cost and benefit analysis (CBA), has been delivered 30 times with approximately 1,000 participants. Besides organizing and providing, ECOSOCC's RIA team also organized short training at the Council of Ministers on in-depth cost and benefit analysis, which was taught by an international expert (resource person) who has experience in hand from Australia. In addition to this, CamEd Business School was contracted to teach the subject of cost and benefit analysis, and economic principles while American University of Phnom Penh was also contracted to conduct training of Trainers (TOT) on the subject of public policy, as a supplemented subject to increase knowledge to the 270 officials who participated in the training course.

In order to strengthen and expand knowledge and gain RIA implementation experience, 88 officials from the Ministry-Institution and RET went to Australia, Britain, Vietnam and Canada, countries that have successfully implemented RIA. On those occasions, the RIA team met with RIA executives from several ministries and institutions of the countries, which gave officials confidence in the benefits of implementing RIA.

Some RIA team leaders also participated in the ASEAN-OECD, ASEAN-New Zealand Forum, on Good Regulatory Practice Network, International Regulatory Cooperation, and the 8th Workshop of OECD's "Towards Better Regulation: New Approaches, New Challenges" and also 7 Meetings on Impacts : Role of institutional framework in regulatory policy "Measuring Regulatory Performance" took place in Indonesia, Lao, China, Australia, Philippines and Malaysia to expand global awareness and monitor what other countries have been actively working to enforce in order to contribute effectively to the efficiency and effectiveness of the competition.

In total, from the beginning of the project, from 2011 to 2018, 1300 RIA team officials from RIA Ministry-institution have been trained through: (i) 30 Training Courses on Regulatory Impact Assessment Methods with 950 participants in total; (ii) 5 Training courses : 1-economic skills, 2-cost and benefit analysis, 3- economic principles 4- public policy, and 5-training of trainer with a total of 270 participants; and (iii) five study tours to other countries with a total of 88 participants.

RIA Report Preparation

From 2011 to 2018, ORIA facilitated 110 consultative meetings on 62 draft RIA reports prepared by the RIA Working Group of the Ministry, Institution and completed 53 preliminary assessment reports (7MOC, 8MoME, 6MoE, 6MoT, 2MAFF, 3MoLVT, 14MoEYS, 1MPWT, 1MEF, 1MPTC, 3MoIH, 1MoJ) and 3 full assessment reports (2MoLVT, 1MAFF) and are continuing to prepare 9 preliminary assessment reports (1MoC, 1MoME, 1MoAFF, 1MoLVT, 1MoLMUPC, 1MoND, 1MoH, 1MoPWT, 1MoIH) and 1 full assessment report (MoEYS).

In total, from the beginning of the project in 2011 to 2018, the RIA teams from line ministries have completed 53 preliminary assessment reports and 3 full assessment reports.

In order to make a clear and transparent analysis, the RIA team has cooperated with RET to consult with stakeholders to collect the data, as illustrated in the following images:

Dissemination/Public Awareness

From 2011 to 2018, RIA team from line ministries had conducted 223 public outreach to ministries, institutions, private sectors, civil society, with a total of 12,000 participants.

On September 12-13, 2017, ECOSOCC and the Asian Development Bank organized a regional workshop on RIA under the theme "**Towards Improved Good Practice for ASEAN**" at SOKHA Phnom Penh Hotel, presided over by H.E. **YIM NOLLA**, Senior Minister in charge of Special Mission and Chairman of ECOSOCC.

H.E. Senior Minister, Chairman of ECOSOCC, delivered the opening speech in the morning of the first day, and in the afternoon of the 2nd day, H.E. Dr. **Bin Chhin**, Permanent Deputy Prime Minister and Minister in Charge of the Office of the Council of Ministers, presided over the closing ceremony of the workshop.

Speakers at the two-day workshops included H.E. YIM NOLSON, Vice Chairman of ECOSOCC and who is also Chief of RET, H.E. **Samiuela T. TUKUAFU**, ADB Country Director for Cambodia, H.E. Chief of RIA Working Group of Ministry of Commerce and H.E. Chief of RIA team of Ministry of Education, Youth and Sports (Cambodia) And RIA experts

from five ASEAN member countries - Laos, the Philippines, Malaysia, Indonesia, Vietnam, with RIA experts from Australia and the Organization for Economic Cooperation and Development (OECD) and there were 350 participants in the workshop.

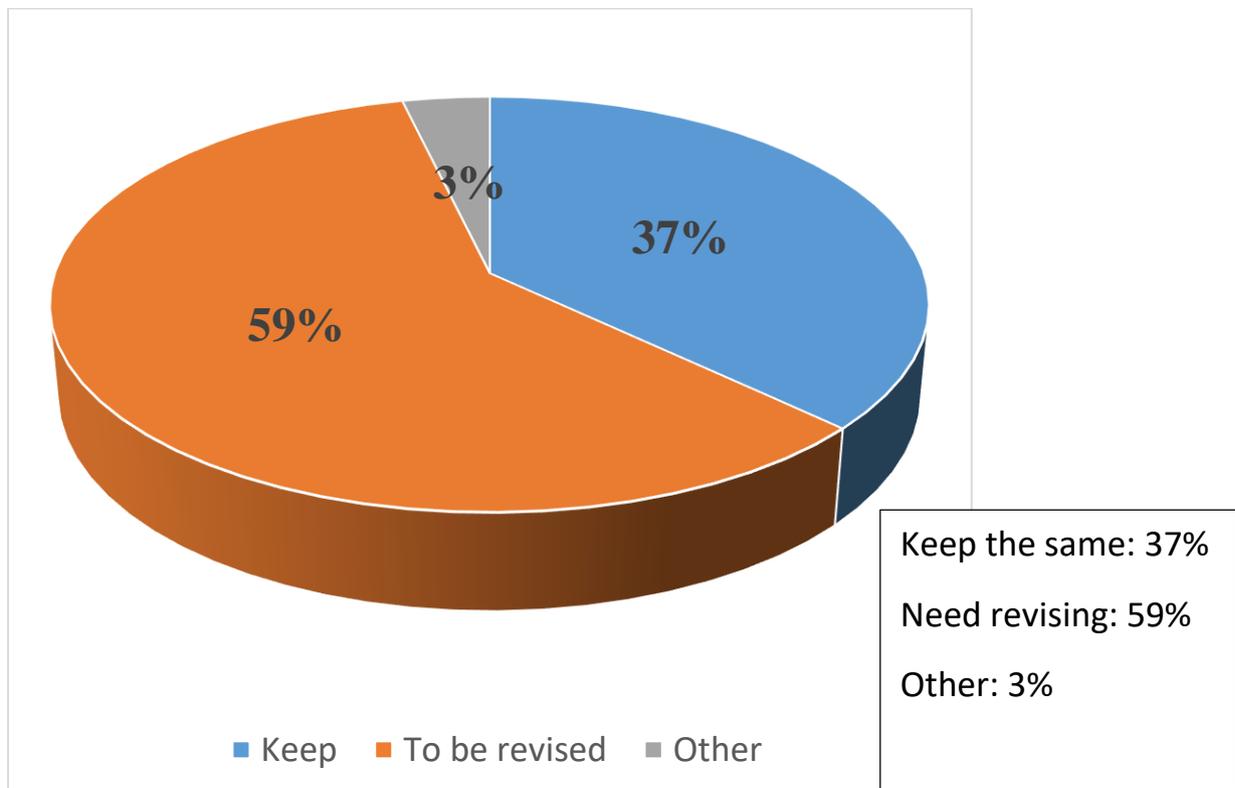
Management and monitoring of RIA project and RIA programs

In order to manage and monitor the RIA project and RIA program to be smooth and active, RET met with ADB's mission to discuss the RIA program implementation and strategic direction and met with the RIA working group comprising 18 ministry-institution quarterly and in semester, and also organized a yearly retreat to experience the RIA's performance from one group to another and strengthen the relationship among all RIA team and summarize the results, identify the challenges and find the solutions and set out the strategic plan for further implementation. We also printed and distributed 16,600 copies of books on the Regulatory Impact Assessment Handbook and the Cost Benefit Analysis Guide in both English and Khmer version.

Study of Consultative Survey on RIA Implementation

RET along with 18 ministry-institution involved in the RIA program have consulted and conducted preliminary assessment of the implementation of the RIA program to make further strategic plan and has achieved the following outcomes:

A- PA Format:

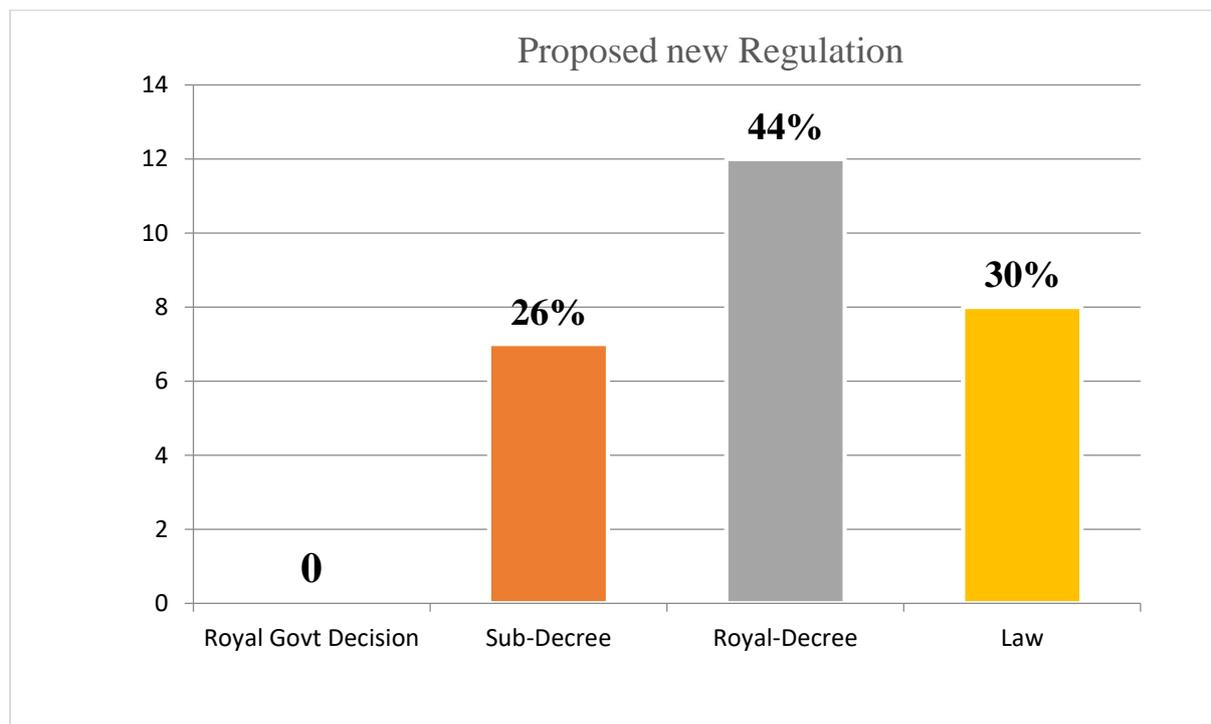


Proposed to adjust the PAS Template to conform to the Cambodian context for ease of implementation

B- Proposed regulations for RIA:

100% of the representatives of the RIA Working Group, the 18 ministry-institution and RET proposed to amend the Royal Government's Decision No. 132 dated December 26, 2016 on the establishment of Regulatory Impact Assessment Working Group to a higher level one to improve RIA implementation for effectiveness, efficiency and sustainability.

According to the consultation survey from representative officials from the 18 line ministries-institution as well as RET discover that:



- 26% proposed to upgrade to sub-decree
- 44 % proposed to upgrade to Royal decree
- And 30 % proposed to upgrade to law.
- There is also a suggestion that we should have clear regulations stating about the RIA's working structure and obligation, which they can use the state program budget, considering that voluntary action is ineffective. RIA implementation in Cambodia is an adjustment of habit in regulatory making process at the ministry-institution, so it requires human and budget resources to run the RIA implementation smoothly and effectively.

Challenges

The implementation of the RIA program in 2018 has been smoothly and better just on training, but the preparation of RIA report is still limited, it doesn't meet the need of the RIA program due to the government's decision No. 132 dated 26 December 2016 not clearly stipulated the RIA's obligation such as not mandated to attach RIA report with the draft proposal (Voluntary Based Implementation by ministry's decision).

Most of the RIA team cannot use the national program budget for their work. The term "working group" seems to have been set up to deal with the matter for short term, but this work is permanent and regular.

In addition, the RIA officials from most ministries have many other core tasks to be fulfilled and have not given priority to the RIA, nor are they encouraged to be active.

ADB's technical assistance will also be finished by June 2019, which is a huge problem, because both RET as well as the ministry-institution have not yet funded their own operations. In particular, RET has not yet had enough staff in charge of RIA. Currently, there are three project officers supported by ADB, which facilitates coordination with ministry-institution in the preparation of the RIA Reports. Therefore, RET faced human resource challenges in addition to the budget issues.

Conclusions and Way forward

To further strengthen the RIA program implementation activities, ORIA has targeted key activities for 2019 and subsequent years are as follows:

- Be strong enough without having to only rely completely on technical assistance from development partners
- Continue to outreach and disseminate RIA methodology as well as its benefits to other ministries, institutions and other stakeholders and to better prepare the ecosocc website.
- Continue to train the RIA method and introduce RIA implementation to more ministries
- To open a special training course for all **ECOSOCC** members to be ready for RIA review when the Ministries or agencies come up with a draft regulation.
- Find out more training courses in the country and abroad to strengthen the RIA team capacity
- Prepare and compile the guidelines for implementing the RIA for easy and detailed implementation of RIA for line ministries. (procedure and structure of RIA implementation for line ministries)
- Continue to strengthen RIA report quality
- Seek further RIA support with ADB and other development partners
- Update on the Impact Assessment of Regulatory Impact Assessment and Adjust PAS/FAS Report Format for Easy Practice.
- Conduct a large consultative workshop with other RIA ministries and agencies to disseminate the results of the initial evaluation of RIA implementation as an additional input in reporting to the Royal Government.
- In the first semester of 2019, the **ECOSOCC** will organize a workshop to disseminate the results of RIA implementation to the Office of the Council of Ministers and other ministries and agencies to seek further support.
- Organize the ORIA team at **ECOSOCC** to have much more robust structure than nowadays and they need to manage the training and review the RIA report to ensure the sustainability of the RIA program.
- The **ECOSOCC** will submit a request to the Royal Government through the Office of the Council of Ministers requesting the preparation of a sub-decree or Royal-decree on the establishment of the RIA Working Group to promote the effective, efficiency and sustainability of RIA implementation.
- Performing other tasks in a practical and necessary manner.