Chapter 3

The Importance of Regulatory Coherence for a Connected and Integrated ASEAN

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Introduction

Regulations are important in achieving public policy objectives such as protecting the environment, worker protections, and public health and safety. Regulatory coherence is critical to the design of effective regulations, and regulatory cooperation should be considered but only implemented where it is both feasible and desirable. Therefore, governments should have established commitments to transparency and stakeholder involvement, as such inputs provide regulators the breadth of information needed to balance costs and benefits.

In attracting investment and spurring innovation in the Association of Southeast Asian Nations (ASEAN) region, ASEAN has developed a good network and exchange of information with other nations, especially developed countries. In the process, each government must meet internal (within the capacity of organisations), external (balancing the efficiency demands of businesses with social obligations), and international (treaty) expectations. In matching those expectations, the governments of the ASEAN Member States (AMS) have undertaken rapid changes and adjustments to ensure their competitiveness and to avoid being left behind.

Regulatory coherence is important to encourage businesses to participate in the market and avoid the dominance of certain firms – creating de facto barriers to entry and innovation. This is especially important as the world moves towards a more innovative economy through digitalisation, and as ASEAN integrates more fully in the global value chain (GVC), for which it needs to boost innovation while increasing trade and investment. Business groups, strong environmental advocates, and multinational corporations have always insisted on being part of decision-making (Farazmand, 2012). These demands have made governments proactive in balancing regulation with the economy, public safety, environmental conservation, and international trade agreements. To address these requirements, the adoption of 'good governance' by the respective governments can address market failures and improve the business environment through regulatory reform that will guarantee market efficiency (Sundaram and Chowdhury, 2013).

Measures of Good Governance

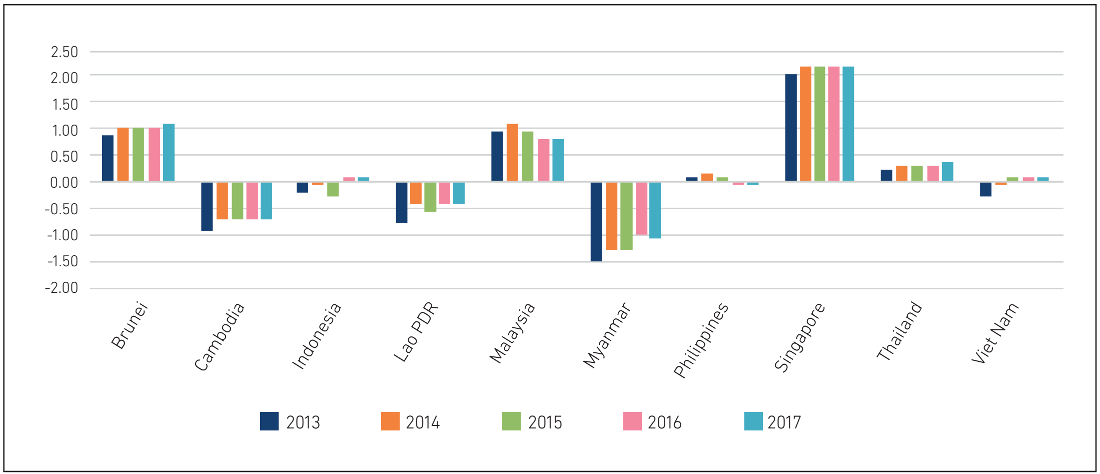
The Worldwide Governance Indicators published by the World Bank have introduced two indicators to measure good governance – **governance effectiveness** and **regulatory quality**:

> **Government effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
>
> **Regulatory quality** captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

Government efficiency and regulatory quality indicators are deemed appropriate measures of a country's performance, as they relate to decision-making and the formulation of regulations or policy (Kaufmann, Kraay, and Mastruzzi, 2011).

Government efficiency lies in the quality of the regulations. The data for these indicators are based on the composite data index captured from 30 worldwide data sources (Kaufmann, Kraay, and Mastruzzi, 2011). The indicator ranges from −2.5 to +2.5, with −2.5 representing the lowest level of effectiveness and +2.5 the highest level of effectiveness (Alam, Kiterage, and Bizuayehu, 2017). The indicators summarise the performance of countries within a region. Figures 3.1 and 3.2 present the AMS with positive scores, indicating that they are performing better than AMS with negative scores in government effectiveness and regulatory quality. Empirical evidence shows that good institutions and governance stimulate economic growth (Alam, Kiterage, and Bizuayehu, 2017; Kaufmann, Kraay, and Mastruzzi, 2011).

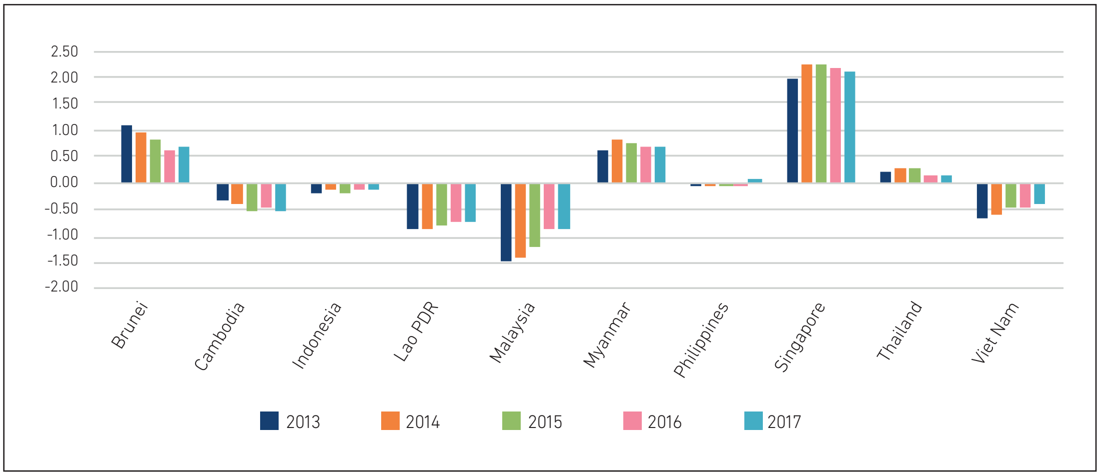
Figure 3.1 Government Effectiveness of AMS, 2013–2017



AMS = ASEAN Member States, ASEAN = Association of Southeast Asian Nations.

Source: World Bank (2019), GovData360. https://govdata360.worldbank.org/ (accessed 30 November 2019).

Figure 3.2 Regulatory Quality of AMS, 2013–2017



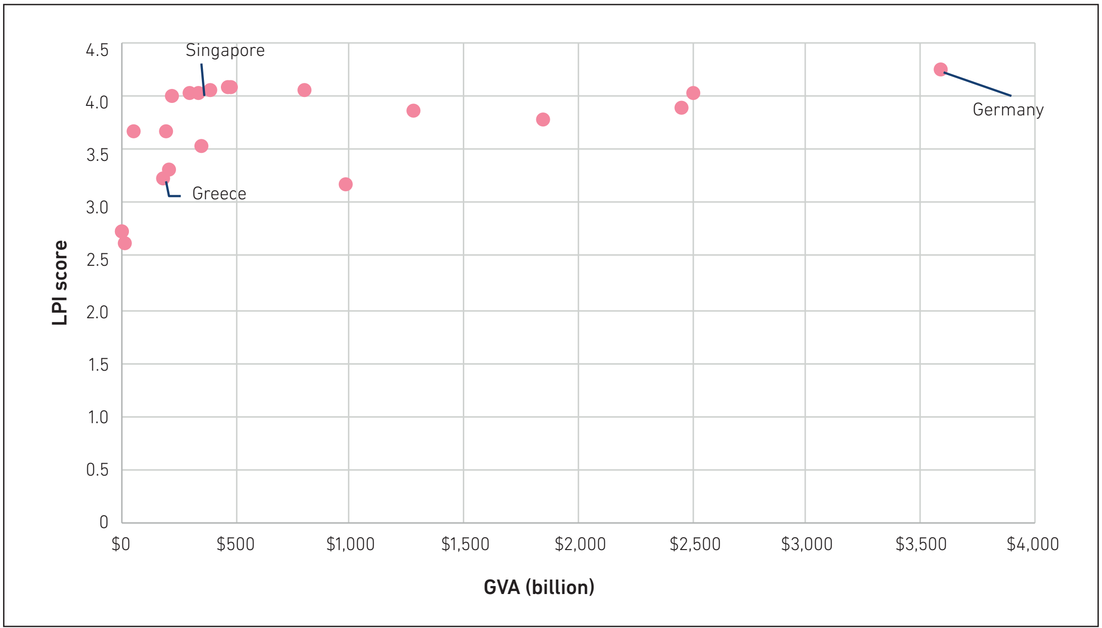
AMS = ASEAN Member States, ASEAN = Association of Southeast Asian Nations.

Source: World Bank (2019), GovData360. https://govdata360.worldbank.org/ (accessed 30 November 2019).

The complex regulatory frameworks of certain regions may lead to inefficiency in the movement of goods from one country to another. The region will lose its competitive edge and become less attractive for foreign direct investment. Many countries with weak regulatory frameworks in a particular region may suffer high costs as trade becomes riskier. As a result, the enforcement of contracts and coordination of inter-firm operations is becoming more difficult (Pietrobelli and Rabellotti, 2010).

In Europe, the value-added content of gross exports in the European Union (EU) has risen tremendously with the expansion of the GVC. The flow of raw materials, and unfinished or finished products, is becoming easier from one country to another in the EU. However, regulations and standards can be absolute barriers to entry in the GVC where they involve products that do not comply with government regulatory requirements or that face inefficiencies in customs and permit approvals. Protectionism and burdensome procedures could also lead to low Logistics Performance Index (LPI) scores, as mentioned by the World Bank (Arvis et al., 2014). Figure 3.3 shows that almost all the EU 15 [1] countries have an LPI score of more than 3.5 (except Greece), and only Singapore scored more than 3.5 in ASEAN. The ASEAN region needs to explore integration to reduce unproductive procedures and red tape so that ASEAN can become more attractive to GVC activities.

Figure 3.3 Comparison of AMS with the EU 15 – LPI and GVA, 2018



AMS = ASEAN Member States, ASEAN = Association of Southeast Asian Nations, EU = European Union, GVA = gross value added, LPI = Logistics Performance Index.

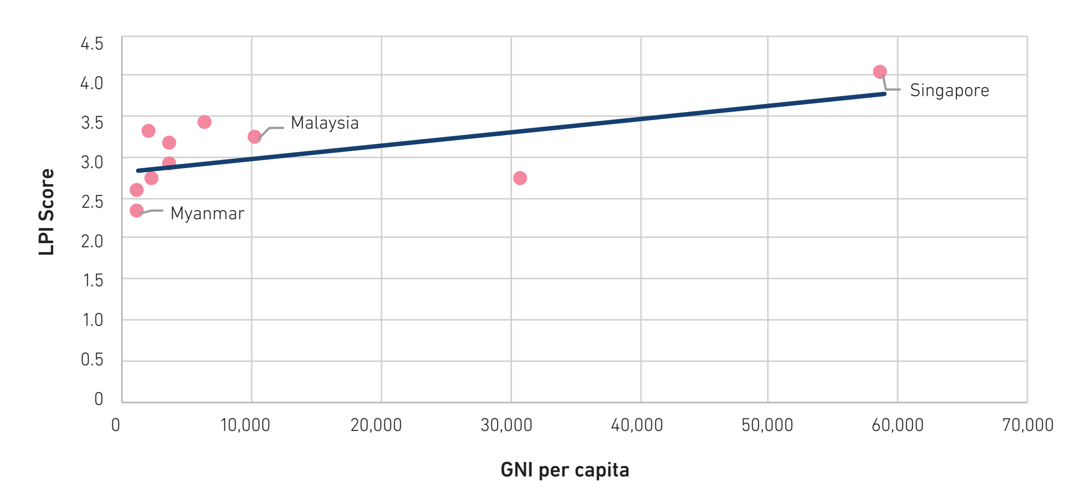
Note: No data were found for Malaysia, Myanmar, the Philippines, and Thailand.

Sources: World Bank (2019), International LPI. https://lpi.worldbank.org/international/global/2018 (accessed 25 November 2019); and World Bank (2019), Gross Value Added at Basic Prices (GVA) (Current LCU). https://data.worldbank.org/indicator/NY.GDP.FCST.CN (accessed 25 November 2019).

[1] Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

Figure 3.4 shows that Singapore – the only AMS with gross national income (GNI) per capita above $50,000 – had an LPI score of 3.99.

Figure 3.4 LPI Score and GNI per Capita of AMS, 2018



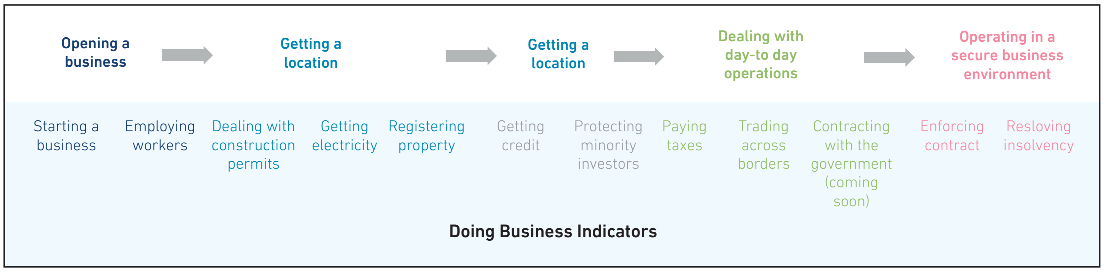
AMS = ASEAN Member States, ASEAN = Association of Southeast Asian Nations, GNI = gross national income, LPI = Logistics Performance Index.

Sources: World Bank (2018), Global Rankings 2018. https://lpi.worldbank.org/international/global/2018 (accessed 30 November 2019); and World Bank (n.d.), GNI per Capita, Atlas Method (current US$). https://data.worldbank.org/indicator/NY.GNP.PCAP.CD (accessed 30 November 2019).

Performance of AMS in Ease of Doing Business

The World Bank introduced the Doing Business project in 2002 to measure business regulations and their enforcement across 190 economies. The Doing Business report, usually published each October, showcases the regulatory environment of business activities in one economy against others. It captures the interactions between businesses and regulators for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency (Figure 3.5).

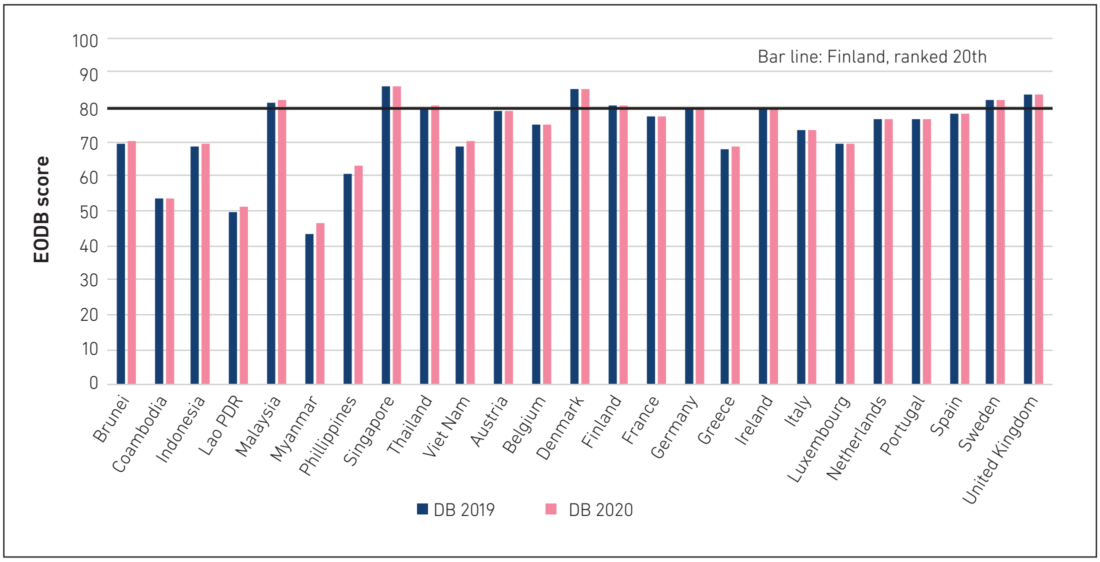
Figure 3.5 Indicators Used by the World Bank for Doing Business



Source: World Bank (2019).

The information given by each country is translated into a doing business score or ranking. Doing Business is a valuable tool that governments can use to design sound regulatory policies, as it helps policymakers compare notes with others on the best policy in one region or in the world. Governments can use the ease of doing business (EODB) rankings strategically to gain support for their policies. For all economies, the Doing Business report advocates regulatory quality and efficiency by instituting reforms. For example, it has inspired Malaysia to drive a multitude of public–private sector initiatives to improve the efficiency of service delivery in support of a vibrant, competitive, and conducive business environment. Malaysia has been consistently ranked amongst the most competitive economies. Thus, in the Doing Business Report 2020 (World Bank, 2019), Malaysia was ranked 12th amongst 190 economies worldwide – an improvement from 15th the previous year (Figure 3.6).

Figure 3.6 Overall Performance of ASEAN and the EU15 in Doing Business



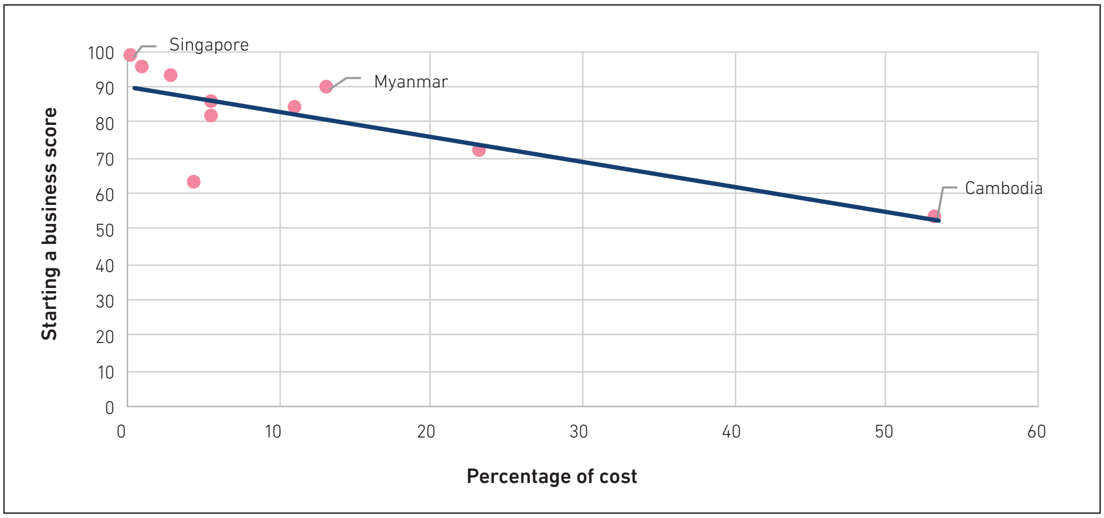
ASEAN = Association of Southeast Asian Nations, DB = Doing Business, EODB = Ease of Doing Business, EU = European Union.

Source: World Bank (2019).

The 10 areas of Doing Business are scored using case studies and are standardised for all 190 economies. A high EODB ranking means that the regulatory environment is conducive to starting and operating a local firm. The rankings are determined by sorting the aggregate scores on 10 topics. In ASEAN, Singapore has been consistently ranked the highest on EODB. Amongst its best practices are the use of electronic systems: online business incorporation processes, electronic tax filing platforms, online procedures related to property transfers, and online construction permits. More importantly, Singapore has sound business regulation with a high degree of transparency. It has triggered other AMS to benchmark and adapt these good practices to make their countries attractive destinations in which to do business.

Figure 3.7 shows the relationship between the regulation of entry and the income gap between developing and developed nations. It highlights that low-income countries may be associated with having more barriers to entry to start a business and one reason for this could be cost. Looking at this performance, ASEAN has plenty of room to close the gap between developed and developing economies in each EODB indicator. Many studies have revealed that a reduction in regulatory burdens on business will improve countries' economic performance and strengthen their competitiveness (e.g. MPC, 2016a). A recent World Bank report showed that improvement of regulations could lead to a better environment for doing business (World Bank, 2019). The World Bank (2019) report also showed that many developed nations with good EODB rankings recorded the highest gross domestic product.

Figure 3.7 Starting a Business and Cost in ASEAN



ASEAN = Association of Southeast Asian Nations.

Source: World Bank (2019).

Implementation of Good Regulatory Practice in ASEAN

AMS have recognised that regulatory quality is important to provide a conducive business environment and to improve citizens' quality of life. The Economic Research Institute for ASEAN and East Asia (ERIA) conducted a baseline study on ASEAN's Regulatory Management Systems (RMS) in 2018–2019 to evaluate good regulatory practice (GRP) in the ASEAN region (ERIA, 2019). The study was a joint initiative of the ERIA and the ASEAN Secretariat for the High-Level Task Force on ASEAN Economic Integration. It mapped the development of RMS in AMS to evaluate initiatives on streamlining regulations or administrative procedures and to discover the challenges faced by AMS in implementing GRP principles. The study also documented the EODB linkages in the operational GRP initiatives of AMS to harmonise regulations.

Regulatory Reform Mandate

Mandate of Individual AMS

Most AMS governments are striving towards making regulations more efficient and effective. This can be seen in initiatives reported by international bodies such as the Organisation for Economic Co-operation and Development (OECD) and the World Bank. Some AMS have gone beyond this by engaging experts to develop GRP frameworks, providing training on how to use GRP tools, and institutionalising GRP oversight bodies to monitor and remove regulatory burdens.

The ASEAN Economic Community (AEC) Blueprint 2025 stated that AMS have to implement 'Good Governance' (B.6) and 'Effective, Efficient, Coherent and Responsive Regulations and Good Regulatory Practice' (B.7) (ASEAN, 2015). This triggered the AMS to make the necessary changes to national regulations that hinder innovation and competition. The blueprint aims to strengthen AMS to remain competitive, conducive to business, and relevant in the global arena. The blueprint also emphasises that AMS have to implement non-discriminatory regulations, promote a competitive market, and exercise transparent processes, when it comes to enforcing new regulations and removing unnecessary regulatory burdens.

ERIA (2019) showed that all AMS have implemented regulatory reform initiatives, some have institutionalised the framework related to governance, and some are monitoring the vertical improvement programs.[2] The driving factor behind carrying out GRP is not just to meet the AEC's objective but, more importantly, to enhance the competitiveness of each AMS for the betterment of the domestic business environment. Table 3.1 shows the mandate of the individual AMS in enforcing GRP programs.

[2] Vertical improvement programmes cover comprehensive scans or the stocktake of all business licenses and the review of regulatory requirements within each ministry or agency.

Table 3.1 **Mandate of Individual AMS for Conducting Regulatory Reform**

AMS	Regulatory Reform Mandate
Malaysia	National Policy on the Development and Implementation of Regulation (2013) • Enforce RIA • Review existing regulations
Philippines	Ease of Doing Business and Efficient Government Delivery Act (2018) • Review business- and policy-related regulations, especially on EODB regulations
Thailand	First Action Law Reform Committee (2016) • Eliminate unnecessary regulations and simply remaining regulations through regulatory guillotine project
Viet Nam	Law on Promulgation of Legal Normative Documents (2013) • Require RIA before a new regulation can be enforced Resolution 19 (2019) • Simplify and/or eliminate burdensome administrative procedures
Indonesia	RIA Guidelines (2009) • Guide agencies to prepare RIA Presidential Decree No. 7/2017 • Mandate an RIA and public consultation, when needed, for each proposed ministerial regulation
Brunei Darussalam	Establishment of EODB Steering Committee • Conduct regulatory reforms to improve the regulatory framework of the business ecosystem
Cambodia	Regulatory Executive Team (previously the Office of Regulatory Impact Assessment) mandated to • implement RIA in selected ministries under the guidance of ADB in 2011; and • expand RIA to all ministries by December 2016.
Lao PDR	Ministry of Justice has instructed ministries to • ensure that regulators implement RIA; and • streamline EODB regulations.
Singapore	Culture of excellence and stakeholder-centricity • Apply impact assessments at all times • Use RIA when major reform is needed
Myanmar	Open dialogue with the Union of Myanmar Federation of Chambers of Commerce and Industry to express changes or gather feedback

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, AMS = ASEAN Member State, EODB = ease of doing business, RIA = regulatory impact analysis.

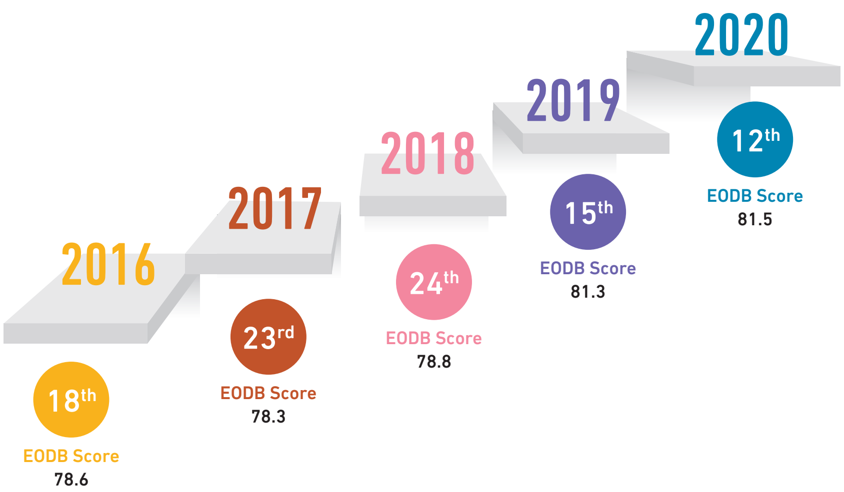
Sources: ERIA (2019), OECD (2018a), OECD and ERIA (2018), USAID/VNCI and CIEM (2011).

Each AMS is stepping up to make their country more conducive and friendly to business. As reported by the World Bank (2019), individual AMS have achieved improvements in the Doing Business indicators. Malaysia has structured mechanisms and processes in place to review existing and new regulations and is the only country that has institutionalised GRP with all the recommendations set by the OECD and the World Bank (see the Box). Table 3.2 shows the degree of legislative simplification and regulatory impact analysis (RIA).

Box PEMUDAH, A Public–Private Task Force to Make Reforms

In Malaysia, the government established the Special Taskforce to Facilitate Business (PEMUDAH) in 2007 to remove red tape. Since its establishment, the main task of PEMUDAH has been to study the World Bank's Ease of Doing Business report and to propose necessary recommendations for improving the ranking or score (Figure). Technical working groups (TWGs) have been set up to improve the indicators. The Malaysia Productivity Corporation, as the Secretariat of PEMUDAH, works closely with the respective TWGs to initiate and monitor the implementation of the various improvement initiatives under the 10 ranked indicators in the Doing Business reports. The TWGs update their strategies on how to improve their ranking; and identify irrelevant regulations, procedures, forms, or unproductive transactions to be proposed for review. The TWGs take turns to present their progress in monthly PEMUDAH meetings (MPC, 2019).

Figure Malaysia's Overall EODB Score and Ranking



EODB = ease of doing business.

Source: MPC (2019).

Table 3.2 Legislative Simplification and Regulatory Impact Analysis

Item	BRN	KHM	IDN	LAO	MYS	MMR	PHL	SGP	THA	VNM	Me-dian	SD
Planning and design	2.66	2.93	3.48	2.65	5.72	1.28	2.66	4.58	3.48	2.47	2.80	1.17
Implementation	4.36	2.32	3.70	2.72	5.04	1.55	3.27	5.70	2.30	3.09	3.18	1.22
Monitoring and evaluation	1.00	2.65	3.48	2.65	5.58	1.00	1.83	4.31	1.83	3.48	2.65	1.39
Total sub-dimension score	**2.94**	**2.60**	**3.57**	**2.68**	**5.38**	**1.34**	**2.77**	**5.03**	**2.62**	**2.95**	**2.85**	**1.14**

BRN = Brunei Darussalam, IDN = Indonesia, KHM = Cambodia, LAO = Lao PDR, MYS = Malaysia, MMR = Myanmar, PHL = Philippines, SD = standard deviation, SGP = Singapore, THA = Thailand, VNM = Viet Nam.

Note: Scores are on a scale of 1 to 6, with 6 being the highest. Please refer to Chapter 3 and Annex A for further information on the methodology.

Source: OECD and ERIA (2018).

Brunei Darussalam

Brunei formalised the EODB Steering Committee and its taskforce in 2011 to oversee, coordinate, and exercise regulatory improvement initiatives related to EODB and other business regulatory issues (Razak, 2011). The steering committee monitors the EODB results annually and makes recommendations regarding each indicator measured by the World Bank. Continuous monitoring and evaluation of the implementation of recommendations will help Brunei to improve its overall ranking (Thambipillai, 2018). The GRP component is limited to requests for a revisit of the existing regulation and depends on the attorney general and the regulator to carry out assessments before drafting bills (Khalid, Masri, and Muhamad, 2019).

Cambodia

The Regulatory Executive Team under the Economic, Social and Cultural Council at the Office of the Council of Ministers (previously the Office of Regulatory Impact Assessment) is mandated to promote GRP and assist ministries to implement RIA in Cambodia (Pohl Consulting & Associates, 2011). The government selected four ministries to apply RIA, with the support of a team of international and local GRP experts. In December 2016, all ministries were required to form RIA working committees to implement RIA. The Economic, Social and Cultural Council is also responsible for publishing RIA implementation reports (Pohl Consulting & Associates, 2011).

Indonesia

Indonesia has carried out RIA for almost 20 years. The Ministry of National Development Planning/National Development Planning Board (BAPPENAS) strengthened it in 2009 and published RIA guidelines to minimise business risk and make Indonesia more friendly to investors (Kurniawan, Muslim, and Sakapurnama, 2018). BAPPENAS continuously promotes RIA at central and regional agencies and facilitates the preparation of draft legislation.

Lao PDR

The Minister of Justice of the Lao People's Democratic Republic (Lao PDR) requires regulators to implement RIA before submitting draft legislation to ensure consistency of quality (MOJ, Lao PDR, 2016). The intention is to minimise the risk for both the government and businesses or citizens. The government has made efforts to streamline regulations to support businesses, especially small and medium-sized enterprises (SMEs). It is setting up a public–private forum to make regulations more practical (OECD and ERIA, 2018).

Malaysia

Malaysia's GRP mandate is more inclusive, as it aims to improve the regulatory management system by embedding GRP in government policy decision-making processes. The circular on the National Policy on the Development and Implementation of Regulations, issued on 15 July 2013, requires all federal ministries and agencies to undertake GRP and RIA in developing new and amended regulations (Prime Minister's Department, 2013). This policy seeks to ensure that regulations are developed according to international best practice in regulatory management (MPC, 2016b). Together with the introduction of the National Policy on the Development and Implementation of Regulations, the Best Practice Regulation Handbook and the Quick Reference of Best Practice Regulation Handbook were issued to provide guidelines for ministries and agencies (MPC, 2013). The circular also underlines the efforts to be taken by relevant ministries and agencies to review existing regulations periodically to ensure that the regulations still meet the objectives and that they are carried out efficiently.

Myanmar

In Myanmar, proposed recommendations are commonly discussed between the largest union – the Union of Myanmar Federation of Chambers of Commerce and Industry – and the government agencies. The union represents 30,000 members from private sector entities (central and regional businesses) and was established to communicate with the government. The union is also actively involved in shaping SME-related policy.

Philippines

In the Philippines, Republic Act No. 11032 – known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 – is another example of legislation to attract investment. The act was introduced to review policy, regulations, and government procedures to improve the ease of doing business in the country. It promotes transparency and accountability by both the government and businesses (Romero, De Guzman, and Cuya-Antonio, 2019).

Singapore

Singapore is far more advanced than other AMS in shaping domestic regulations, as most of the requirements are well linked with international standards or requirements. RIA is not widely used or required under the regulatory framework in Singapore, but the country can ensure periodic reviews of business-related requirements (OECD and ERIA, 2018). Public administration in Singapore is less complex than in other AMS. The government only uses RIA when it wants to overhaul the total value chain of economy-wide sectors, unless the current administrative system is sufficient to support the dynamic requirements (OECD and ERIA, 2018). Almost all transactions in Singapore are via online platforms, and engagement between the government and business is focused on optimising resources and engendering greater ownership of outcomes (Bourgon, 2009).

Thailand

Thailand has made many attempts to establish RIA in its regulatory framework since 1988. The 1988 Rule explored the possibility of reducing red tape, making the cost of doing business cheaper, applying self-regulation, improving the competitiveness of local businesses, and enhancing government delivery (Samootsakorn et al., 2015). From 1991 to 2003, the Government of Thailand strengthened the regulatory reform committee to repeal obsolete or unnecessary regulations, retain relevant regulations and remove ineffective regulations, and simplify the regulations. In 2005, the Royal Decree of Submission of Agenda, the Cabinet Meeting 2005, and the Regulation on Rules and Procedure for Submission of Agenda to the Cabinet for Consideration 2005 were enacted to ensure that all government agencies submit a proposal according to the Checklist for Necessity to Law Issuance (Samootsakorn et al., 2015).

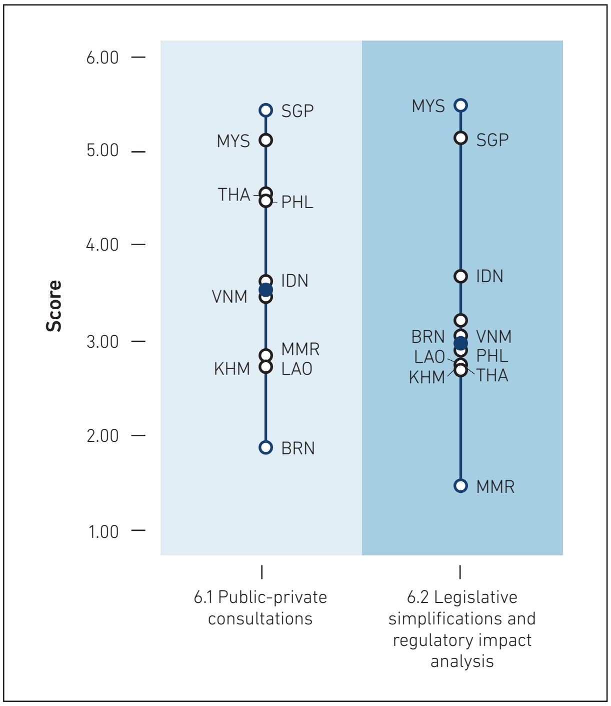
Viet Nam

Viet Nam introduced RIA in 2009 and was the first AMS to implement the GRP tool after the Law on Promulgation of Legal Normative Documents was enacted (effective as of 1 January 2009). The regulator has to implement RIA, and the proposal and the evaluation must be endorsed before drafting laws, ordinances, and decrees (USAID/VNCI and CIEM, 2011). On 12 March 2015, the Government of Viet Nam issued Resolution 19/NQ-CP/2015 to improve the business environment and national competitiveness. The objectives of the resolution include simplifying administrative procedures, and synchronising and integrating business processing at different agencies into a single window (ZICO Law, 2015).

ASEAN SME Policy Index

The ASEAN SME Policy Index 2018 (OECD and ERIA, 2018), which aims to assess and benchmark SME policies within ASEAN, has plotted the results of the current situation in each AMS as shown in Figure 3.8.

Figure 3.8 Weighed Scores of AMS



ASEAN = Association of Southeast Asian Nations, AMS = ASEAN Member State, BRN = Brunei Darussalam, IDN = Indonesia, KHM = Cambodia, LAO = Lao PDR, MYS = Malaysia, MMR = Myanmar, PHL = Philippines, SGP = Singapore, THA = Thailand, VNM = Viet Nam.

Source: OECD and ERIA (2018).

The indicators reported in OECD and ERIA (2018) in Table 3.3 highlight the public–private dialogue of the 10 AMS. First, they measure the frequency and transparency of public consultation; the mandatory requirements for public consultation, which focus on the structure, practice, and frequency of those consultations; and the existence and use of feedback and comment-collection mechanisms. Second, they examine the openness and transparency of private–public dialogue, as well as the ability of the private sector to initiate dialogue. Third, they monitor and evaluate the performance of public–private consultations.

Table 3.3 Public–Private Dialogue

Item	BRN	KHM	IDN	LAO	MYS	MMR	PHL	SGP	THA	VNM	Median	SD
Frequency and transparency	2.83	2.98	3.22	2.81	5.11	2.06	4.16	4.97	4.69	3.85	3.54	0.99
Private sector involvement in consultations	1.09	3.39	4.61	3.29	5.34	4.33	5.16	6.00	4.87	4.03	4.47	1.31
Monitoring and evaluation	1.55	1.00	2.65	1.55	4.87	1.55	3.75	5.43	3.75	1.55	2.10	1.50
Total sub-dimension score	**1.88**	**2.75**	**3.66**	**2.75**	**5.15**	**2.86**	**4.48**	**5.47**	**4.58**	**3.46**	**3.56**	**1.12**

BRN = Brunei Darussalam, IDN = Indonesia, KHM = Cambodia, LAO = Lao PDR, MYS = Malaysia, MMR = Myanmar, PHL = Philippines, SD = standard deviation, SGP = Singapore, THA = Thailand, VNM = Viet Nam.

Note: Scores are on a scale of 1 to 6, with 6 being the highest. Refer to Chapter 2 and Annex A for further information on the methodology.

Source: OECD and ERIA (2018).

Conclusion

ASEAN is becoming more connected and integrated with the rest of the world. Dynamic trade activities within ASEAN have put a lot of pressure on the existing domestic regulatory frameworks. Therefore, AMS need to adapt quickly to the challenge of globalisation by harmonising their domestic regulations or making full use of international standards to tap export opportunities and increase investments. Regulators should consider the following tips shared by OECD (2018b):

(i) Use evidence-based approaches when developing regulations.

(ii) Conduct inclusive engagement by gathering feedback from international parties or learn from multinational companies the best practices of other countries on regulatory requirements.

(iii) Blend international standards when developing domestic regulations or consider exploiting the use of standards for subsidiary regulations.

(iv) Organise international/regional coordination activities to reduce information asymmetry and promote practical solutions.

To strengthen ASEAN's regulatory quality and economic performance, the ASEAN Secretariat has a significant role to play in assisting AMS to build and strengthen their capacity for regulatory quality and in conducting continuous monitoring of the GRP implementation of AMS. As highlighted by OECD (2012), to reach high regulatory quality and good governance, each country needs to implement the following recommendations:

1. Commit at the highest political level to an explicit whole-of-government policy for regulatory quality.
2. Adhere to principles of open government, including transparency and accountability.
3. Institutionalise oversight committees to monitor and evaluate and provide support for GRP activities.
4. Integrate RIA into the early stages of the policy process for the formulation of new regulatory proposals.
5. Conduct systematic reviews of the stock – horizontal and vertical – to ensure that regulations remain up to date, cost-justified, cost-effective, and consistent; and that they deliver the intended policy objectives.
6. Publish regular reports on the performance of regulatory policy and reform programmes and the public authorities applying the regulations.
7. Build capacity to enhance regulators' competency to conduct adequate evaluation and prepare a sound regulatory proposal.
8. Organise sufficient engagement with stakeholders, and have mechanisms/portals in place for them to access all related documents.
9. Conduct risk assessment during the formulation of regulations – including the cost of implementation and the enforcement strategy to meet the objectives.
10. Promote regulatory coherence at all levels – central/national, state/provincial, or local – to avoid duplication of regulation or conflicts of interest.
11. Extend capacity building and offer a research team to state and local governments to carry out RIA and review of existing regulations.
12. Incorporate international standards and frameworks where appropriate.

Two strategies will help the AMS immediately. First, the AMS should be able to assess their performance against their peers on existing regulatory policies, GRP programmes, utilisation of tools, and GRP progress. Second, the AMS should track the satisfaction of stakeholders, especially multinational companies, based on improvements made by the government. This would assist the AMS to put in place the necessary measures to ensure regulatory coherence in their law-making and therefore reduce unnecessary burdens on business.

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