

Date: September 19, 2007

Course No.: 01-0177-1-07

EVALUATION RESULTS

(Based on 20 contributions out of 23 participants)

How to Design Better Financial Regulation – Regulatory Impact Assessment (RIA): A Key Policy Analysis Tool –



September 12-14, 2007

The workshop took place in Ljubljana from September 12 to 14, 2007

Course objectives:

What is RIA:

Regulatory Impact Assessment (RIA) consists of a systematic analysis of the likely impact of a proposed policy intervention and of discussion of a range of alternative policy options.

The course is designed to help authorities improve regulatory process by using a solid methodology based on two main tools:

1. A well defined and effective procedure to be used in a regulatory design;
2. The cost/benefit analysis enabling to assess the final impact of current and alternative policy choices.

The course also highlights the crucial role of the consultation of interested parties as a key step in impact assessment and, bottom-line, in policy design. Regulators can extract large value by properly involving market participants through the drafting process. Impact assessment and public consultation are both part of the EU good regulatory making practices. The course is application-oriented and participants are stimulated to have an active role in discussing practical cases.

By the end of the course, participants will have the understanding on: (1) How the regulatory process in financial sector can be shaped in a more systematic and efficient manner; (2) How to blend law background with economic and financial evidence; (3) How to deal with regulatory options by applying a benchmarking approach; and (4) Which stakeholders to involve in the process and in which way.

Topics covered:

- overview of RIA as a tool to make regulation more effective
- procedural steps used by the European Commission, the UK, and other EU countries in performing RIA

- presentation of existing approaches, methodologies and ex-ante/ex-post assessment
- analyzes case studies of micro-regulatory impact assessment pertaining to European Union and some EU countries
- the concrete application of RIA methodology on case studies.

Presentations from:

- Ms. Helen Carrier, *Senior Economist, Department for Business, Enterprise and Regulatory Reform UK Government*
- Mr. Paul Gower, *Senior Adviser, Oxera*
- Mr. Stefan Nanu, *Director General, Ministry of Economy and Finance, Romania*
- Ms. Alexandra Berketi, *Senior Officer, CESR*
- Ms. Sandra Wesseling, *Senior Officer, CEIOPS*
- Mr. Velimir Šonje, *General Manager, Arhivanalitika, Zagreb*
- Mr. Stephen Dickinson, *Senior Regulator, UK Financial Services Authority*
- Mr. Pietro Scabellone, *Head, Impact Assessment Unit, Italian Banking Association*
- Mr. Sebastijan Hrovatin, *Administrator, European Commission, DG Internal Market and Services, Financial Market Infrastructure Unit*
- Ms. Oana Nedelescu, *Director of Policy and Analytics, SPI Romania*
- Mr. John Pyne, *Senior Regulator, Ireland Financial Regulator (Ireland)*
- Mr. Luigi Passamonti, *Head, Convergence Program, The World Bank*
- Mr. Riccardo Brogi, *Senior Regulatory Economist, Convergence Program, The World Bank*

General appreciation and comments of participants

1. Workshop assessment:

1. Please rate the workshop

3.71

(from 1 to 4, with 4 as the best)

2. Did the workshop meet your expectations?

Remarks:

- It was for the first time I attended a course at CEF and also met with RIA. I found all information and new acquainted useful and rewarding.
- More workshop
- Very good combination of topics and lecturers.
- I expect to build my capacity in design the regulation which is my primary task.
- But too short as period.
- Knowledge from EU, MIFLD, experience sharing.
- The workshop was very interesting and useful because I get a view about RIA, about basics of RIS and how is implementing in other countries and it will help me in my further work.
- New knowledge, examples from practice, openness for problem identification
- More rigorous and individual/group work should have been asked from participants. Presentations differed a lot in teams of their suitability from case studies. This introductory seminar needs a follow-up training. Maybe too much theory on the first day, instead of practice on the third day.
- Most relevant, organized, highly professional with practical application, focused and well structured.
- The objectives of the workshop - as the course outline was clearly meet.
- Very well thought and organized seminar.
- The workshop met exactly my expectations. I've got formations on the topic and I also can use it in the future when working to do own IAS.

3. What did you like best about the workshop and how would you compare it to other workshops you have attended?

Remarks:

- Use of new knowledge in practice; use of international advice and practical issues etc.
- More theory.
- High qualification of the lecturers.
- The staff of CEF, presentations and facilitators are open for communication and further help to the participants.
- It is the first workshop which I've attended, that's way I couldn't compare it.
- It was similar to the one I have attended in Bucharest (organized by SPI) - I like both, presentations and the exercise.
- Open minded approach, working in small teams, match making, better than conferences.
- Good organization, actual topic, real-life examples.
- Excellent choice of lectures, excellent organization of the course as far as substance and technical implementation is considered, case studied with practical experiences.
- We had sufficient information on RIA principles to implement acquired knowledge in working groups - was very well composed related to specific knowledge of members and the topics to be analyzed.
- It's very comprehensive and people from various countries attend, changing the experience.
- Good lectures, useful information, final workshop.
- It was good organized and presenters were good.
- The number of high quality presenters and range of different RIA case studies was excellent.
- The best was practical exercise. Workshop is standard and met my expectations..
- Very well organized, excellent lectures, interactive way of communication, new knowledge is presented, and experience shared as between the lectures and participant, as well as between the participants themselves.
- The case studies were very interesting. Usually the workshops are too much theoretical and going with information too much in details

4. Did you feel enough time was allowed for questions and free class discussion?

(from 1 to 4, with 4 as the best)

3.71

Remarks:

- Yes, enough time was allowed, however I suspected some of the participants were not the right people to compare **I** the discussion.
- It was really enough time for interaction between participants and speakers.
- Absolutely.
- More practical questions.
- Maybe the time was allowed, but the atmosphere of the class participants was not favorable in this regard. Attendants should have been more encouraged to discuss.
- Absolutely yes.
- Absolutely, the topic was quite new for many participants and there was many questions.

5. What makes this seminar useful for you and your job?

Participants were asked to evaluate listed by scoring from 1 to 4, where 4 was the best.

Newly-acquired knowledge	3.86
Refinement of existing knowledge	3.43
Exchange of experience with other participants	3.36
Practical case studies	3.58
Final day team presentation	3.81

6. Would you find it useful if this workshop or a continuation of it would be delivered in your institution (in your country)?

Remarks:

- Yes, however some practical questions when already implemented RIA would be useful from the institution side, the course at CEF is for the basic knowledge and excellent start.
- Yes.
- It will be very useful if more people can obtain new knowledge about RIA and participate in practical case studies.
- In Romania SPI has already organized a similar seminar.
- It would be very good if this workshop would be delivered in my country because Croatia is in a process of acceding to EU and we are dealing with adjustment our land to the law of EU's, so it would be very useful.
- Never enough best practices knowledge.
- To promote RIA concept widely to be established as a good practice.
- I found it very useful and recommend the continuation, as there is limited knowledge on RIA - or it is rarely used.
- Yes, it will be very useful to be delivered at our institution.
- The use of RIA needs to be supported by ongoing training to a greater number to government regulations in Montenegro.
- Depends on the need. I suppose the need exists, but I am not sure.
- Yes, much is already depends on the definition of the officials of my institution.

7. Do you recommend more workshop or training on this topic?

Remarks:

- Yes, as I understand RIA is a way of thinking and more persons has to be familiar with it's advantage.
- Yes.
- Yes.
- More practical exercise.
- Surely I recommend, because RIA is something that is totally new for Croatia and other countries that are in process to become a member of EU, so all kinds of training on this topic are useful and get unnecessary knowledge.
- Yes, extend to other related areas, not only narrow financial industry/sector. It should apply to almost all regulations, policy guidelines, etc.
- IA on a concrete EU directive and its implementation in natural law.
- Yes, because it is not enough for three day to understand such material and to learn every thing.
- Yes, otherwise it will not be adopted in new team.
- Yes.
- Sure.
- Differently and more orientated supervisors on as on the banks and MOFs.

8. How useful did you find the following parts of the Workshop?

Participants were asked to evaluate listed by scoring from 1 to 4, where 4 was the best.

Impact Assessment at Better Regulation Executive	3.82
A framework for assessing the costs and benefits of financial regulation	3.77
Romania MOF Director General Address	3.43
Illustration of Impact Assessment Guidelines prepared by CESR-CEBS-CEIOPS	3.52
Standard Cost Model: a key tool for policymakers to monitor effectively regulatory administrative burden	3.55
Panel Concluding Session	3.50
Day's Chairperson support	3.71
Case study on Securitization in Croatia	4.00

Case study on MiFID	3.27
Case study on Italian banking sector	3.00
Case study on EU Post-trading services	3.82
Day's Chairperson support	3.59
Team Execution of a standard RIA procedure	4.00
General Discussion	3.79
Day's Chairperson support	3.34

9. Lecturer Assessment:

The participants were asked to evaluate each lecturer by technically skilled in subject, effective workshop design and delivery and if participant would attend or recommend others attend different workshop by this lecturer, by scoring from 1 to 4, where 4 was the best.

Ms. Helen Carrier	
Technically skilled in subject?	3.84
Effective workshop design & delivery?	3.89
Would you attend or recommend others attend different workshop by this lecturer?	3.88

Mr. Paul Gower	
Technically skilled in subject?	3.92
Effective workshop design & delivery?	3.81
Would you attend or recommend others attend different workshop by this lecturer?	3.65

Mr. Stefan Nanu	
Technically skilled in subject?	3.48
Effective workshop design & delivery?	3.32
Would you attend or recommend others attend different workshop by this lecturer?	3.24

Ms. Alexandra Berketi	
Technically skilled in subject?	3.76
Effective workshop design & delivery?	3.52
Would you attend or recommend others attend different workshop by this lecturer?	3.51

Ms. Sandra Wesseling	
Technically skilled in subject?	3.64
Effective workshop design & delivery?	3.20
Would you attend or recommend others attend different workshop by this lecturer?	3.25

Mr. Velimir Šonje (as speaker)	
Technically skilled in subject?	4.00
Effective workshop design & delivery?	4.00
Would you attend or recommend others attend different workshop by this lecturer?	4.00

Mr. Stephen Dickinson (as speaker)	
Technically skilled in subject?	3.70
Effective workshop design & delivery?	2.14

Would you attend or recommend others attend different workshop by this lecturer?	3.20
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Mr. Pietro Scabellone	
Technically skilled in subject?	3.32
Effective workshop design & delivery?	2.90
Would you attend or recommend others attend different workshop by this lecturer?	2.90

Mr. Sebastijan Hrovatin	
Technically skilled in subject?	3.96
Effective workshop design & delivery?	3.89
Would you attend or recommend others attend different workshop by this lecturer?	3.84

Ms. Oana Nedeleescu	
Technically skilled in subject?	3.83
Effective workshop design & delivery?	3.79
Would you attend or recommend others attend different workshop by this lecturer?	3.74

Mr. Stephen Dickinson (as facilitator)	
Technically skilled in subject?	3.94
Effective workshop design & delivery?	3.77
Would you attend or recommend others attend different workshop by this lecturer?	3.80

Mr. John Pyne (as facilitator)	
Technically skilled in subject?	3.78
Effective workshop design & delivery?	3.74
Would you attend or recommend others attend different workshop by this lecturer?	3.77

Mr. Velimir Šonje (as facilitator)	
Technically skilled in subject?	4.00
Effective workshop design & delivery?	3.95
Would you attend or recommend others attend different workshop by this lecturer?	3.95

10a. Which topics, critical for the practical use of RIA techniques, were missing in this workshop?

- Effective, detail delivery of details, methodology and its traps at the time of its individual application in practice. However, I would not be too critical, as you made it possible to learn the experience of different case studies. More topics would be useful on the public consultation step.
- More extensive explanation of the EU guidelines and case study in banking (consumer credit fraud is not a pure RIA case or the presentation was weak).
- It was new area for us from Kosovo - but very interesting and very attractive for daily use.
- Case study example for SME's.
- An example of a past evaluation in case study format.
- Costs benefit analysis exercise with figures, even simple case studies. Source of financing RIA.

10b. Which workshop topics could be dropped in the future?

- Continued must be with financial topics in the public sector.
- No specific topic should be dropped. Only the scope of some was too long (e.g. CESR).
- The introduction part should be as short as possible.
- Case study on Italian banking sector.
- One good intro lecture on RIA concept and methodology would be sufficient.
- The team exercise to prepare as RIA could have been more interesting and challenging if new situations were assessed - the presentations tended to cover/repeat issues, process with the case studies presented by the experts.
- Nothing.
- More inter-active case studies - participants should participate in identification of the problem, defining the policy objectives (in all 9 steps).

11. Would you recommend this workshop to your colleagues?

86 % of participants answered "Yes" and 14 % "Yes, with minor adjustment".

12. Which department of your institution should be represented in future RIA workshop?

% of answers are Legal Department
25 % of answers are Regulation Department
16 % of answers are Financial Department
16 % of answers are Supervision Department
19 % of answers are Research/other Department

Other:

- Depends on the field activities.
- SME's associations
- Primary regulators and legislators should be involved.
- Financial Supervision Commission
- Security commission
- Ministry of economy, SME's associations
- Financial Supervisory Authority
- Central bank and MFIN should have been represented, but did not. Decision making officials were missing.

13. Which Authorities/Institutions, other than Central Bank and Ministry of Finance, should be represented in future RIA workshops?

18 % of answers are stock exchange
25 % of answers are supervision authority
23 % of answers are prime minister's office
16 % of answers are economic think-tanks
18 % of answers are private sector firm

Other:

- Depends on the field activities
- SME's associations
- Primary regulators and legislators should be involved.
- Financial Supervision Commission
- Security commission
- Ministry of economy, SME's associations
- Financial Supervisory Authority

-Central bank and MFIN should have been represented, but did not. Decision making officials were missing.

14. How soon do you expect to use the knowledge acquired in your work?

33 % of answers are Yes immediately in my regular workflow
38 % of answers are Partially, if I speak with my superior and colleagues
29 % of answers are No, but expect to use it in the future

15. Will in your opinion RIA implementation in your country improve the quality of regulatory activities?

76 % of participant answered "Yes, a lot" and 24 % "Perhaps".

2. Organizational Arrangements:

Participants evaluated organizational arrangements by the following categories, by scoring from 1 to 4, where 4 was the best:

Organization of the workshop	3.87
Reception by CEF	4.00
Accommodation and meal arrangements	3.82
Classroom	3.60
Lunch and coffee breaks	3.83
Length of the "school day"	3.66

Remarks:

- Everything is fine. I am extremely satisfied with my stay in Ljubljana. Thank you very much.
- Bigger classroom for large group of attendants.
- Actually the length of the school day was too long, too much information for one day. Also the quality of the lunch could be better. And definitely, larger classroom is recommended.
- Classroom was too small, additional desk space needed. Hotel room was with no daylight at all, but this was the only disadvantage. All other organizational arrangement were perfect.
- More days if possible instead of long days.

17. What are your recommendations for future workshops at the CEF that are not related to this topic.

Remarks:

- If you could attract participants from as many countries as possible, that would be helpful.
- Cross border financial services. Financial services (credit) consumer protection.
- I am most happy with all aspects and I have to be privileged to participate at future workshop at the CEF from my field of work.
- Market research, MIFID cases, seminars and workshops for SME's sector, such as legislations, financing, incentives, educations, SME's in Croatia: enterprise, crafts, cooperatives.
- More study cases.
- RIA workshops for SME'S financing.
- Continue with RIA workshop, strategic and financial planning, procedural and structural program of budget and financial planning, workshop of EU directives on procurement, procedures, general administration on managing of staff.

3. Application of RIA techniques to real regulatory making

18. To build better RIA awareness among your superiors and colleagues, would you suggest that Convergence helps design an in-country capacity building exercise tailored to your country's specific needs?

100 % of participant answered "Yes".

19. If you answered 'Yes' to the previous question, please make your choice for the specific elements of the capacity building program:

19.1. Length:

6 % of answers are 1 session for a total of 2 days
50 % of answers are 2 sessions for a total of 3 days
44 % of answers are 3 sessions for a total of 5 days

Remarks:

- In Romania a similar workshop was organized.
- Additional time to developed a case study, with real CBA example with figures, adjustment for a specific country - more exercise.
- The time of a one single session should be shorter than present session.

19.2. Content:

Participants were asked to evaluate listed by scoring from 1 to 4, where 4 was the best.

RIA techniques (e.g. methodology and procedures)	3.04
RIA case studies drawn from international experience	2.96
Application of RIA techniques to an existing domestic Regulation	3.11
Application of RIA techniques to a regulation still in draft	2.91

19.3. Participants:

24 % of answers are Ministry of Finance
21 % of answers are Central Bank
16 % of answers are other financial supervisors

Remarks:

- auditors, accountants, etc.
- auditors
- institutions involved in better regulation process
- financial supervision commission (non-banking, financial regulator)
- the supervision of whole financial market
- security com, insurance supervisory agency
- security regulators, insurance supervisors
- security commission of insurance regulator

5 % of answers is other local agencies

Remarks:

associations
regional development agencies
if relevant for the project

18 % of answers are private sector

16 % of answers are independent experts

23. Do you suggest that Convergence and CEF should contact your superior(s)/colleague(s) in order to illustrate to and design with them a possible tailor made RIA program?

89 % of participant answered "Yes" and 11 % "No".

24. How do you suggest that Convergence and CEF should discuss possible next steps with your superior(s)/colleague(s)?

50 % of answers are organization of a seminar

45 % of answers are setting up a working meeting

1 % of answers is other:

-Firstly, contact competent officials at institute of banking education in National Bank of Slovakia and make necessary arrangement.