

NDRC

National Development
and Reform Commission



ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

Regulatory Reform Review in China II Working Group Seminar

Agenda

Hotel Nikko New Century Beijing. Shouti South Street, 6
新世纪日航饭店。北京海淀区首体南路 6 号
Beijing, People's Republic of China
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Introduction

Regulatory policy is about the process by which regulations are drafted, updated, implemented and enforced. The approach to regulatory governance should be broad, aiming at promoting business and investment-friendly environments and regulatory processes that reinforce good governance and rule of law. Regulations encouraging market dynamism, innovation and competitiveness promote economic performance. The aim is to increase efficiency, effectiveness and a better balance in delivering social and economic policies over time.

This is the second Working Groups Seminar held in the framework of the OECD Regulatory Reform Review in China. This review, requested by Chinese authorities, is based on the well-tested methodology, which has generated country reviews in 22 OECD member countries, Russia and Brazil. The China review takes into account the specific reform needs and challenges in China, while retaining the benefits of comparing and illustrating Chinese reform challenges with OECD practices.

To support discussions between the Chinese Government and OECD member countries during the analysis and formulation of the Review, a number of policy makers and experts from China and OECD countries are participating in working groups. Working groups cover areas of regulatory frameworks at the national and municipal level, trade and competition. The first meeting was held in Beijing on 12 September 2007.

As other OECD Country peer reviews, the study includes specific themes at the request of the national Chinese administration, cases covering the existing capacities for regulatory policy: healthcare facilities, water and sanitation, and electricity. The structure of the meeting is similar to this work: from a regulatory governance perspective to the examination of regulatory frameworks available for public service delivery.

The goal of this seminar is to support the work of the Regulatory Reform Review in China. The aim of this review is to interrelate the areas mentioned above to generate recommendations for China on how to improve its regulatory frameworks for public service delivery.

8:30-9:00	Registration
9:00-9:30	Opening Session
<i>Moderator: Mr. Xu Shanchang, Deputy Director General, Economic System Reform Department, National Development and Reform Commission, NDRC, PR China.</i>	
Opening remarks	
<ul style="list-style-type: none"> • Mr. Kong Jingyuan, Director General, Economic System Reform Department, National Development and Reform Commission, NDRC, PR China. • Mr. Josef Konvitz, Head of the Regulatory Policy Division, OECD. 	
Part I – Regulatory Governance: An international perspective	
9:30-11:00	Session 1 –Administrative Simplification to improve the economic environment
<i>Co-Chair: Mr. Xu Shanchang, Deputy Director General, Economic System Reform Department, NDRC, PR China.</i>	
<p>The objective of this session is to provide an overview on regulatory governance from an international perspective, with special focus on the role of administrative simplification strategies as tools to improve the quality of regulation. The session will draw on a number of examples from industrialised and transition economies, which have faced great challenges in the transformation of their public policy.</p> <p>Regulatory governance is not a synonym of deregulation, it is a complex process of providing consistent and coherent rules for changing environments in the framework of a better regulation paradigm.</p> <p>A key pillar of regulatory governance is administrative simplification. Also known as cutting ‘red tape’, it is aimed at reducing and streamlining administrative formalities and paperwork – the most visible component of which is often permits and licences. Administrative procedures are needed for an ordered economic and social system: they give means to carry out public policies and provide crucial sources of information to support policy design and evaluation. A single business must comply with requirements issued at different public institutions, the role of the government is to ensure that this compliance is feasible and simplified.</p> <p>Poorly designed or applied regulations can slow business responsiveness, divert resources away from productive investments, hamper entry into markets, reduce job creation and generally discourage entrepreneurship. Measurement and reduction of unnecessary burdens can create benefits to enterprises by setting pro-competitive market frameworks in which commercial transactions can take place in low cost environments. Strong co-ordination within government should be ensured in the use of administrative simplification tools to successfully ease requirements and resource constraints.</p>	
Speakers	
<ul style="list-style-type: none"> • Mr. Nick Malyshev, Senior Economist and Principal Administrator, Regulatory Policy Division, OECD. • Mr. Flemming Olsen, Policy Analyst and Administrator, Regulatory Policy Division, OECD. • Ms. Karen Hill, Director of Regulatory Services, Department for Business, Enterprise and Regulatory Reform, UK. 	
11:00-11:30	<i>Coffee Break</i>

Part II – Regulatory Frameworks for Public Service Delivery

There is not a single model to develop regulatory frameworks for public service delivery. Though there should be principles to ensure high quality regulation, historical, political, legal and cultural factors are to be taken into account.

Some of the main common challenges for governments regarding the delivery of public services refer to legal and institutional frameworks, tariff and price setting, public and private ownership-provision responsibilities and promotion of high volumes of investment.

From an international perspective, challenges and regulatory policy options for improving public service delivery would be explored for each of the following sectors:

11:30-12:45 **Session 2 – Hospitals and medical centres**

Co-Chair: Mr. Xu Shanchang, Deputy Director General, Economic System Reform Department, NDRC, PR China.

A healthy population is necessary to sustained social and economic development. Medical costs are one of the main causes of poverty. Accessible quality healthcare service must be ensured by public authorities. Different governance models and mechanisms have been implemented in OECD countries. The objective of this session is to shed light on the challenges faced in China by exploring policy experiences in other countries.

Speakers

- **Mr. Peter Scherer**, Head of the Health Division, **OECD**.
- **Ms. Li Zhen**, Professor, China Renmin University, **PR China**.
- **Mr. Charles Tsai**, Researcher, Groupe d’Economie Mondiale (GEM), **Sciences Po**.

12:45-14:00 *Lunch*

14:00-15:30 **Session 3 – Water supply and sanitation**

Co-Chair: Mr. Roberto Villarreal, Head of the Regional Competitiveness and Governance Division, OECD.

Water and sanitation management is an important element of local governance. Water is a public good facing the challenges of scarcity, high demand of investment and delicate environmental conditions. Water availability and disposal capacities are key services for consumption and industrial production, therefore of utmost importance to economic performance. This session deals with regulatory capacities and good experiences ensuring supply and sanitation.

Speakers

- **Ms. Aziza Akhmouch**, Policy Analyst, Regulatory Policy Division. **OECD**.
- **Mr. Pu Yufei**, Deputy Director General, Information Centre, NDRC, **PR China**.
- **Mr. Simon Spooner**, Principal Consultant, Water & Environment, **Atkins**.

15:30-16:00 *Coffee Break*

16:00-17:45 **Session 4 – Electricity**

Co-Chair: Mr. Nikolai Malyshev, Senior Economist and Principal Administrator, Regulatory Policy Division, OECD.

Safety, risk management and efficient administration of an electric system are at the core of public policy. There are four dimensions to take into account: generation, consumption, network provision and security of supply. Supervision and monitoring of these mechanisms must be ensured by independent institutions. This is even more acute for systems under deep restructuration, changes in ownership as well as in provision responsibilities. This session provides examples of successful experiences governing electricity industry.

Speakers

- **Mr. François Nguyen**, Senior Energy Analyst, Electricity Markets, **International Energy Agency**.
- **Mr. Zhang Qing**, Law and Economics Centre, China University of Political Science and Law. Regulation and Competition Centre, University of Manchester.
- **Mr. Russell Pittman**, Director of Economic, Antitrust Division, Department of Justice, **U.S.**
- **Mr. Darryl Biggar**, Economic Adviser, Australian Competition and Consumer Commission, **Australia**.
- **Mr. Daniel Assandri**, Head of Power Systems, **ABB (China) Ltd.**

17:45-18:00 **Closing Session**

Summary of discussions, link to past and future work, and closing remarks.

- **Mr. Nick Malyshev**, Senior Economist and Principal Administrator, Regulatory Policy Division, **OECD**.
- **Mr. Liang Qihua**, Deputy Director General, Economic System Reform Department, **NDRC**.