Reform of Inspections – Way Forward to the Real Partnership

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Inspections as they are now

• Severe deficiencies:
  • Domains are very fragmented into many little inspectorates
  • Many overlaps and duplications in functions and between areas of inspections
  • Inspectorates have no capacity to do a well-evidenced, risk-based assessment, plan for checks, perform risk analysis and assessment
  • Inspectors are not trained and not at all equipped for many reasons: not enough budget, no motivation, no visionary management and no quality control, no accountability and no performance evaluation
  • “33 formal” and “39 informal” inspections - 72 bodies

• As a Result:
  • Regulatory burden these bodies create for businesses is too high considering the size of the country, the size of the economy, and pace of its growth
  • Businesses continuously complain (World Bank Group Cost of Doing Business Surveys) about high number of inspections, not planned inspections, unofficial payments to inspectors, lengthy inspections - - these all undermines trust in the Government and motivates wrongdoers
Solution

• To merge different bodies around very important themes/domains that have common nature/type of risks, based on the OECD best practices and methodologies (Best Practice Principles for Improving the Regulatory Enforcement and Inspections OECD -2013):

  • Merging the inspection bodies around common risks make the organization more cost-effective and efficient

  • Reduces number of inspections/checks to businesses per year, and at the same time increases the quality of the performed inspections, makes them more focused, deep and efficient

  • Ultimately, protects better the public interest to preserve life, health, property and environment

  • Save considerable administrative and other resources, and meet goals of small, smart and efficient government
Based on the risk-domains institutional reform proposes to organize the following Inspectorates only:

- **Food safety**: Sanitation, veterinary, fyto-sanitation and food; occupational safety; consumer protection.
- **Non-food products safety**: Market surveillance (consumer protection, metrology, standardization), occupational safety;
- **Technical and infrastructure/construction safety**: Dangerous industrial objects, fire protection, construction; occupational safety; consumer protection;
- **Public health**: Medicines, medical equipment
- **Environmental protection**: Environment, mining, energy objects; nuclear safety;
- **State Revenue Service**: fiscal and partially customs for the post-clearance checks of goods; Customs; labor contracts: child labor, unions requirement, hours, minimum salaries, illegal work;
- **Transportation safety**: air, naval and terrestrial transportation;
- **Court of Accounts**
- **National Accreditation Body**
- **Accreditation Body in Education Sector**
- **Banking, insurance and financial services supervision**: Only as authority with inspection function but leave them out of the Law 131/2012

Regulators / Competition and network regulators:

- **Telecom and communication** (including audiovisual content) *(National Agency for Regulation of Electronic Communications and Technology; Broadcasting Council Coordinator; Ministry of Information Technology and Communications)*
- **Energy** (National Agency for Regulation of Energy)
- **Data protection**
- **Competition Council**
Risk-Based-Inspections: risk assessment, risk communication and risk management

Risk assessment includes the following stages: threat identification, threat description, determination of the manner of establishing the danger and the granting of a characteristic to the risk. The risk assessment is based on truthful data and scientifically argued information. Risk assessment is carried out in an independent, objective and transparent way.

Risk management is the process of selecting the corresponding risk prevention and control measures by selecting the best alternative based on the risk assessment. The measures applied to reduce, remove or prevent the risk should be effective, objective and proportionate to the concerned risk.

Risk-Based Annual Plan of Inspections; Combination of inspections by different inspectorates, to ensure as less visits as possible.

Check lists – per domains/sectors

Centralized Inspection Registry - the single electronic platform for generation, modification, processing and storage in electronic format of documents related to state control in the control areas, to which this Law applies.

Dispute Resolution Councils – with representatives of business associations.
For Moldova