



RECENT AND ONGOING ACTIVITIES OF THE OECD RELATED TO THE WORK OF THE TBT COMMITTEE ON GOOD REGULATORY PRACTICES

The following communication, dated 11 June 2015, is being circulated at the request of the OECD (Organization for Economic Co-operation and Development).

1 THE RECOMMENDATION OF THE COUNCIL ON REGULATORY POLICY AND GOVERNANCE

1.1. On 22 March 2012, the Council of the OECD adopted a new, state of the art international instrument to address regulatory policy, management and governance as a whole-of-government activity that can and should be addressed by sectoral ministries, regulatory and competition agencies: the Recommendation on Regulatory Policy and Governance. (<http://www.oecd.org/gov/regulatory-policy/2012-recommendation.htm>).¹

1.2. The Recommendation sets out the measures that Governments can and should take to support the implementation and advancement of systemic regulatory reform to deliver laws and regulations that meet public policy objectives and have a positive impact on the economy and society. The Recommendation addresses consultation and citizen engagement, regulatory impact assessment, ex-post evaluation, multi-level coherence, risk and regulation, institutional responsibility for policy coherence and oversight, and the role of regulatory agencies through 12 principles.

2 THE MONITORING OF THE RECOMMENDATION ON REGULATORY POLICY AND GOVERNANCE

2.1. In October 2015, the OECD will launch the Regulatory Policy Outlook, the first evidence-based analysis of the progress made by OECD countries to improve the way they regulate, using the Recommendation as the benchmark. The Outlook is based on a unique survey completed by the 34 OECD members and the European Commission and designed to track country practices every three years. Over time, the Outlook aims to take stock of the progress made by countries in creating high-quality regulation and linking these efforts to policy outcomes.

2.2. The Outlook assesses the progress of countries in establishing the conditions for good regulation. It reviews the use of regulatory management tools, such as Regulatory Impact Assessment, stakeholder engagement and ex post evaluation. It further develops suggestions and recommendations to use them in a more strategic manner to inform the development and delivery of regulations. It also provides insights into the organisation and institutional settings in countries to design, enforce and revise regulation.

2.3. Over the past two decades, OECD countries have made significant progress to improve regulatory quality through the systematic adoption of the principles and tools of regulatory policy. OECD countries have also generally taken a whole of government approach to regulatory policy and made it an instrumental pillar of public sector reform. In most countries, there is a formal

¹ It followed on and built on the 1995 *Recommendation of the Council on Improving the Quality of Government Regulation* and the 2005 *APEC-OECD Integrated Checklist on Regulatory Reform*: www.oecd.org/gov/regulatory-policy/recommendations-guidelines.htm.

requirement to conduct RIA and stakeholders' engagement in the development of new regulatory proposals.

2.4. Looking ahead, the Outlook highlights ways in which countries can further embed regulatory policy in law and practice to promote growth and well-being. It identifies a stronger focus on regulatory delivery and enforcement as having significant potential for enhancing the impacts of regulatory policy. It proposes ways to use regulatory policy tools more strategically by applying them further upstream in the development and delivery of regulations to better inform the decision-making process. It shows that parliaments and other actors could be mobilised further to improve the quality of regulation.

2.5. The OECD is also working with a number of countries in Asia and Latin America to extend the Regulatory Indicators and support countries' efforts to improve regulatory quality.

3 THE DEVELOPMENT OF GUIDANCE ON STAKEHOLDER ENGAGEMENT, RIA AND *EX-POST* EVALUATION

3.1. The 2012 Recommendation of the Council on Regulatory Policy and Governance provides a springboard to advance the regulatory policy agenda of countries to the next level. Looking forward the OECD Regulatory Policy Committee will work to "unbundle" the components of the Recommendation in order to develop more operational guidance on its implementation. The work will build on the Survey of Regulatory Indicators and the Outlook to develop best practice principles covering regulatory impact analysis, ex-post evaluation and stakeholder engagement.

3.2. Ex-ante policy evaluation is the core tool to promote evidence-based policy making. It has the potential to facilitate better informed policy choices, increase policy effectiveness and reduce compliance costs. The best practice principles will aim to put a greater focus on institutional underpinnings and governance framework for successful RIA.

3.3. Ex-post evaluation is the least used of the regulatory policy tools. Looking ahead, a significant number of OECD countries need to deploy ex post evaluation systematically and to focus on assessing whether the policy goals of regulation have been achieved. The best practice principles will discuss the pros and cons of different approaches to ex-post evaluation, provide guidance on the institutional framework for ex-post evaluation and give examples of good practices.

3.4. There is scope for improving and broadening stakeholder engagement and making it an integral part of rule-making. Engagement needs to take place during the earlier stages of problem identification, while developing regulations and when a regulatory option has been identified. The work will lead to a guidance on how to improve stakeholders' involvement throughout the regulatory governance cycle and to the development of indicators to assess the effectiveness of public consultation processes.

3.5. For more information, visit www.oecd.org/gov/regulatory-policy or contact: Céline Kauffmann, Deputy Head, OECD Regulatory Policy Division: celine.kauffmann@oecd.org.
