



NATIONAL CONVENTION ON GOOD REGULATORY PRACTICE

From Sectoral to Whole-of- Government Approach on GRP

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What is 'good' regulation?

- A sound rationale and clear objectives
- Targets the main source of a problem
- Proportionate to scale/risk
- Avoids undue prescription
- Complements other regulations
- Understandable and consistent
- Can be effectively administered and enforced
- It remains 'fit for purpose'



OECD and Regulatory Policy

25 years of experience in dealing with regulatory policy/better regulation

OECD has **reviewed** regulatory policy in most of its member countries + Brazil, China, Russia, Indonesia

Internationally recognised Principles: *Recommendation on Regulatory Policy and Governance*





The OECD Regulatory Policy Outlooks



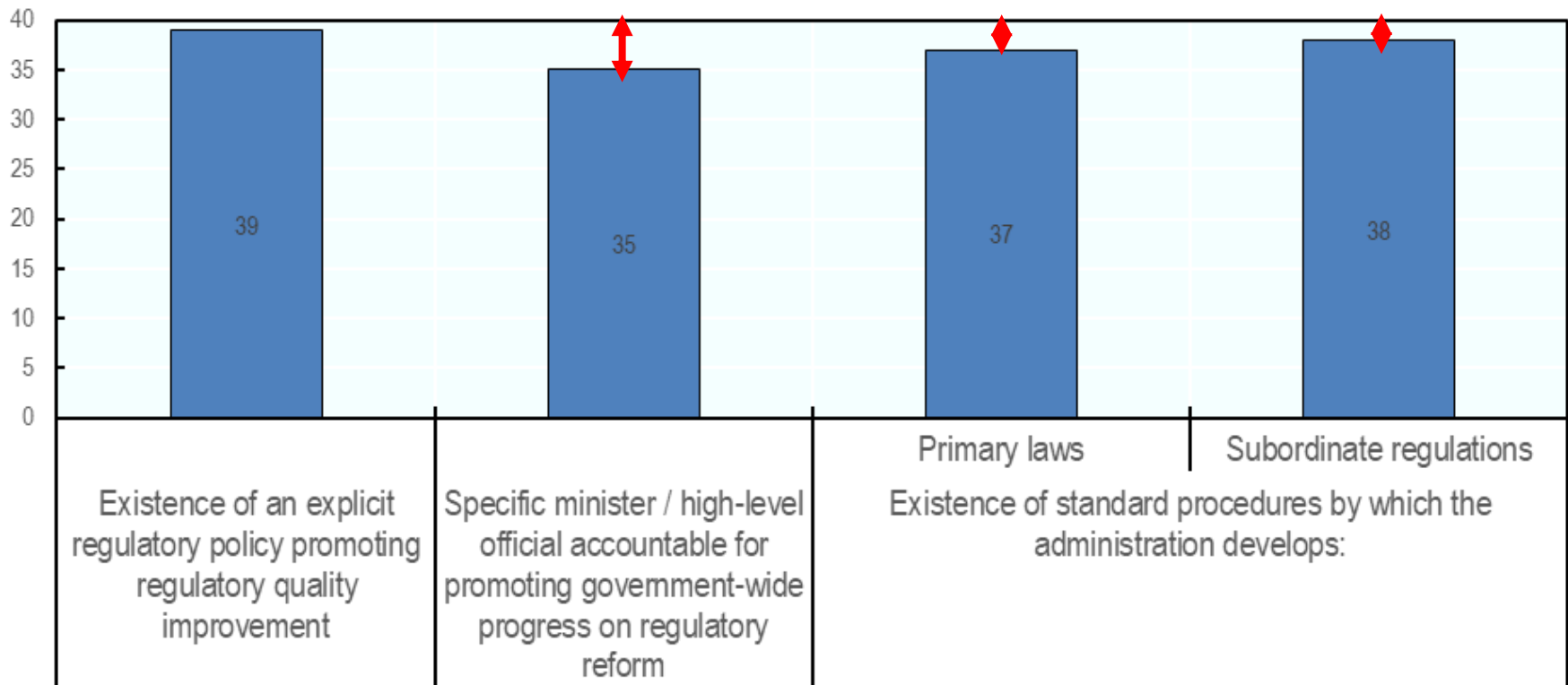
- Evidence-based cross-country analysis of progress to improve quality of laws & regulations
- Based on the Indicators of Regulatory Policy and Governance (iREG)
- Chapters on trends in RIA, stakeholder engagement and ex post evaluation; institutional setup for regulatory policy; regulatory delivery; international regulatory co-operation; and the use of behavioural insights
- Profiles for all OECD member and accession countries and the EU

<https://oe.cd/RPO2018>



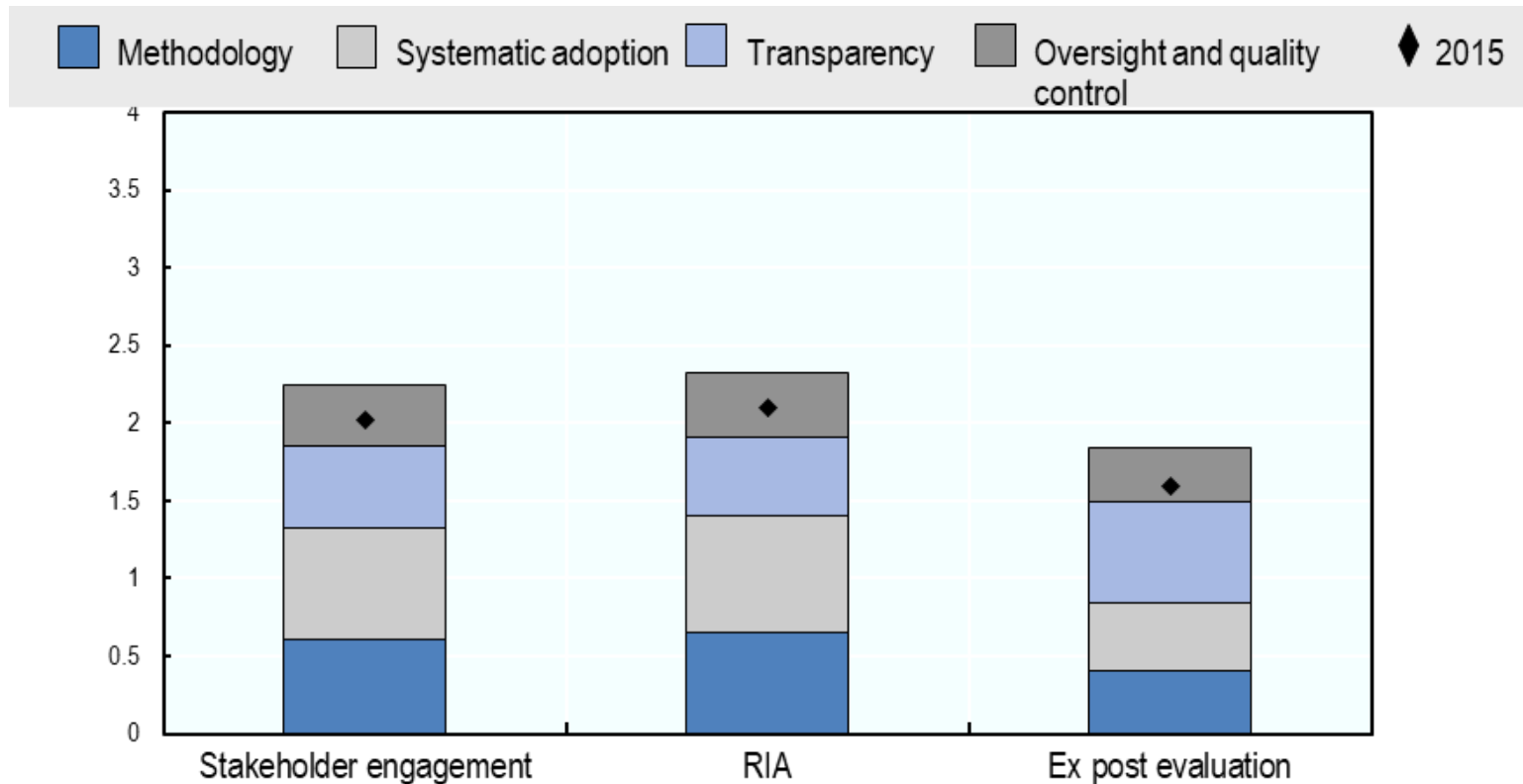
OECD countries have recognised the importance of regulatory policy.

Whole-of-government approach for regulatory quality





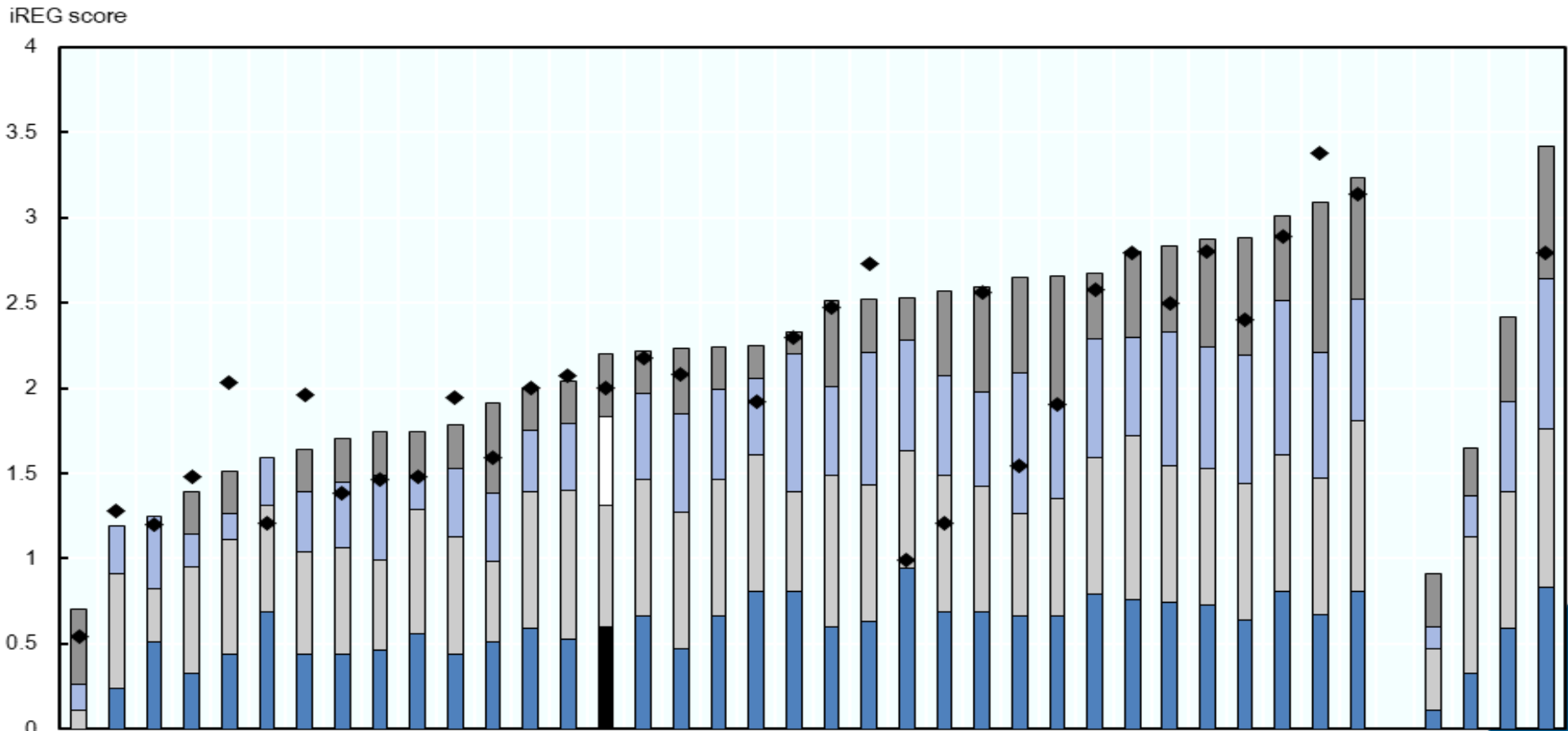
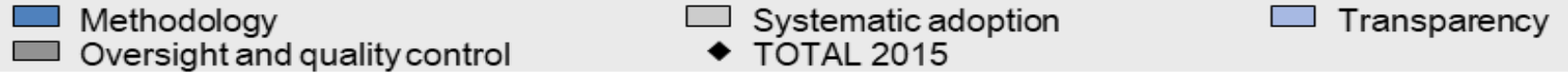
Average OECD composite indicators on regulatory policy



Notes: Data for OECD countries is based on the 34 countries that were OECD members in 2014 and the European Union. Data on new OECD member and accession countries 2017 includes Colombia, Costa Rica, Latvia and Lithuania. Source: Forthcoming 2018 OECD Regulatory Policy Outlook.

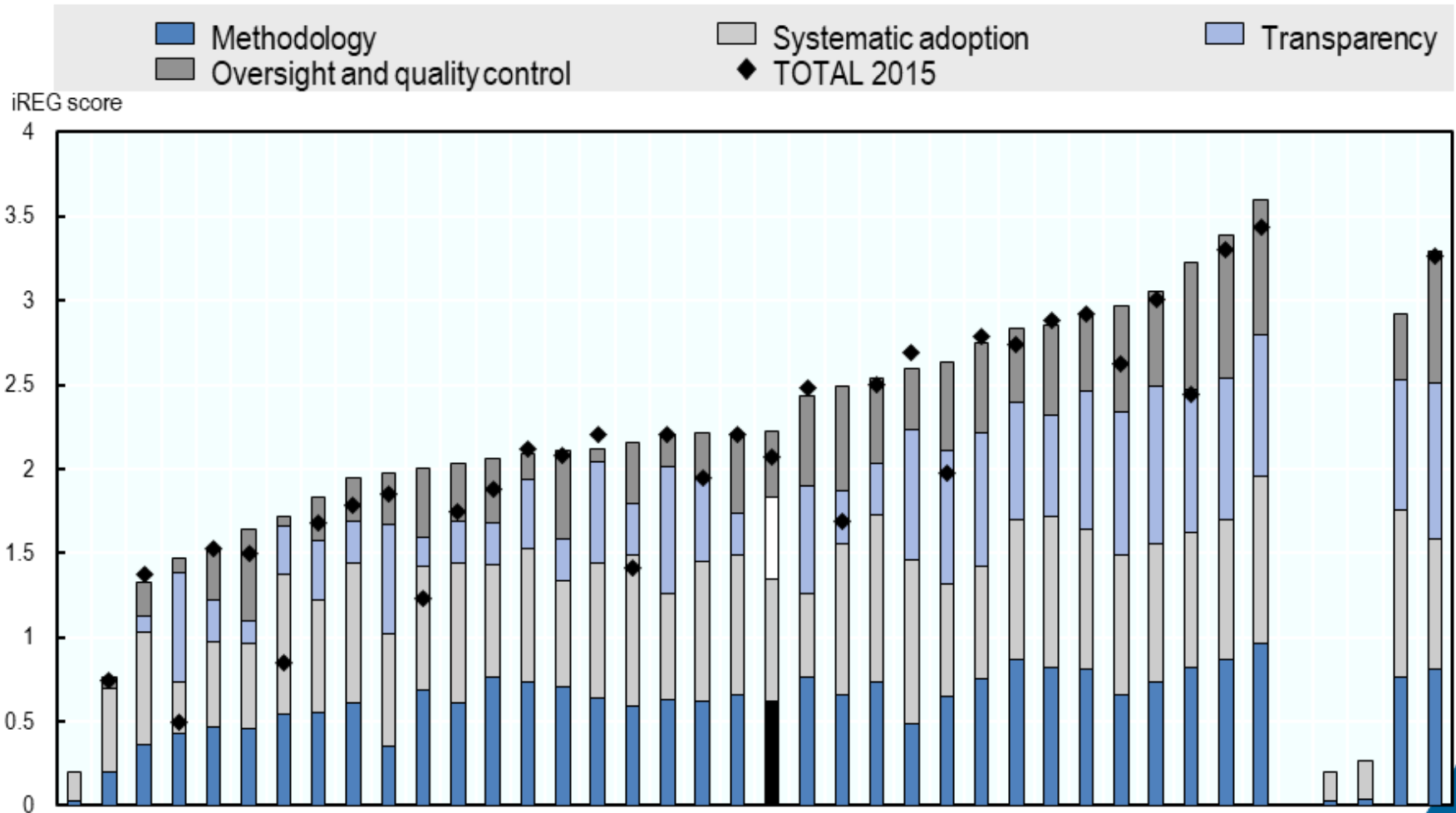


Composite indicators: Stakeholder engagement in developing primary laws, 2018



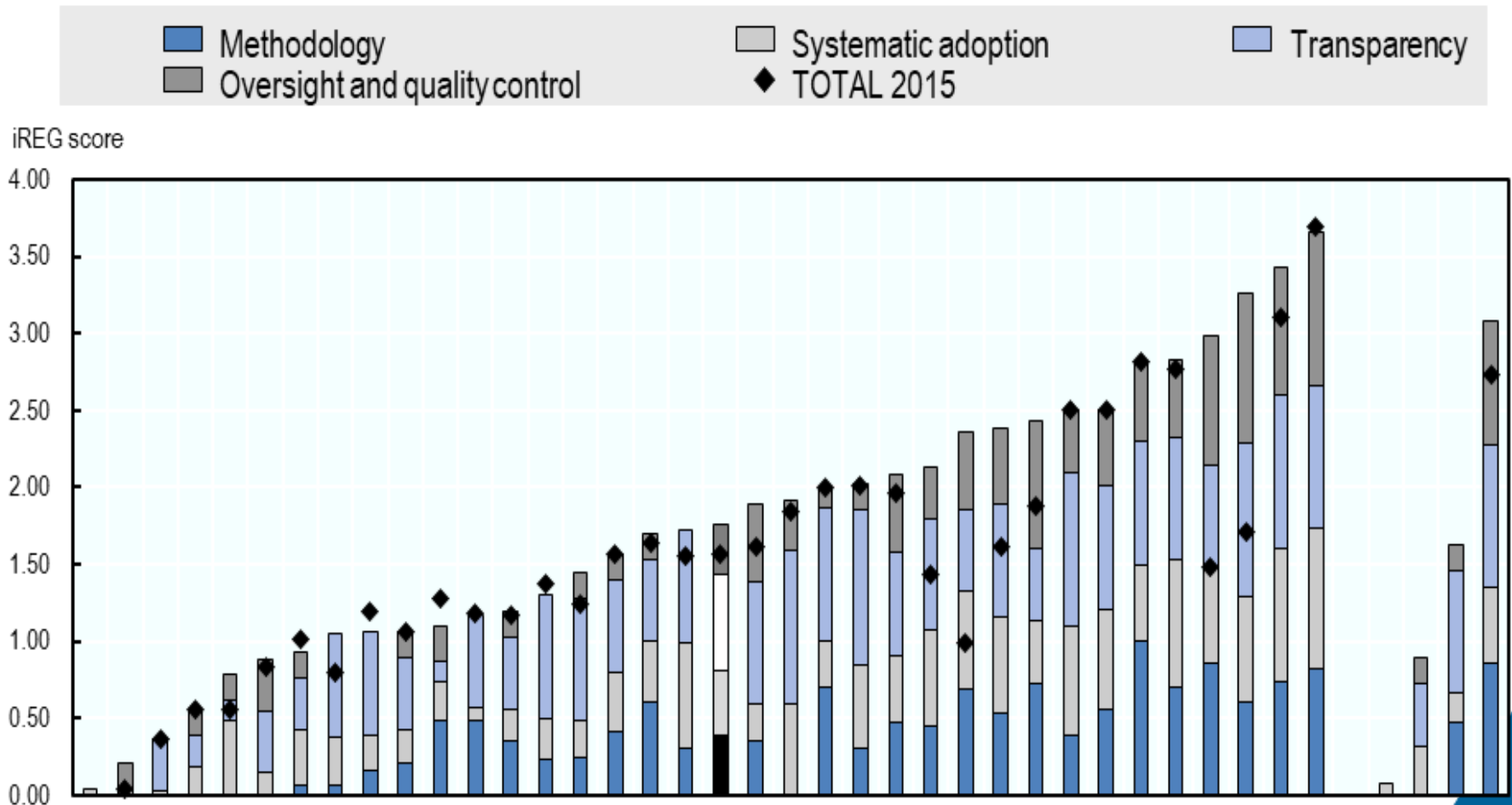


Composite indicators: regulatory impact assessment for developing primary laws, 2018





Composite indicators: Ex post evaluation for primary laws, 2018





SEVEN KEY STEPS TO GET YOUR REGULATIONS IN ORDER

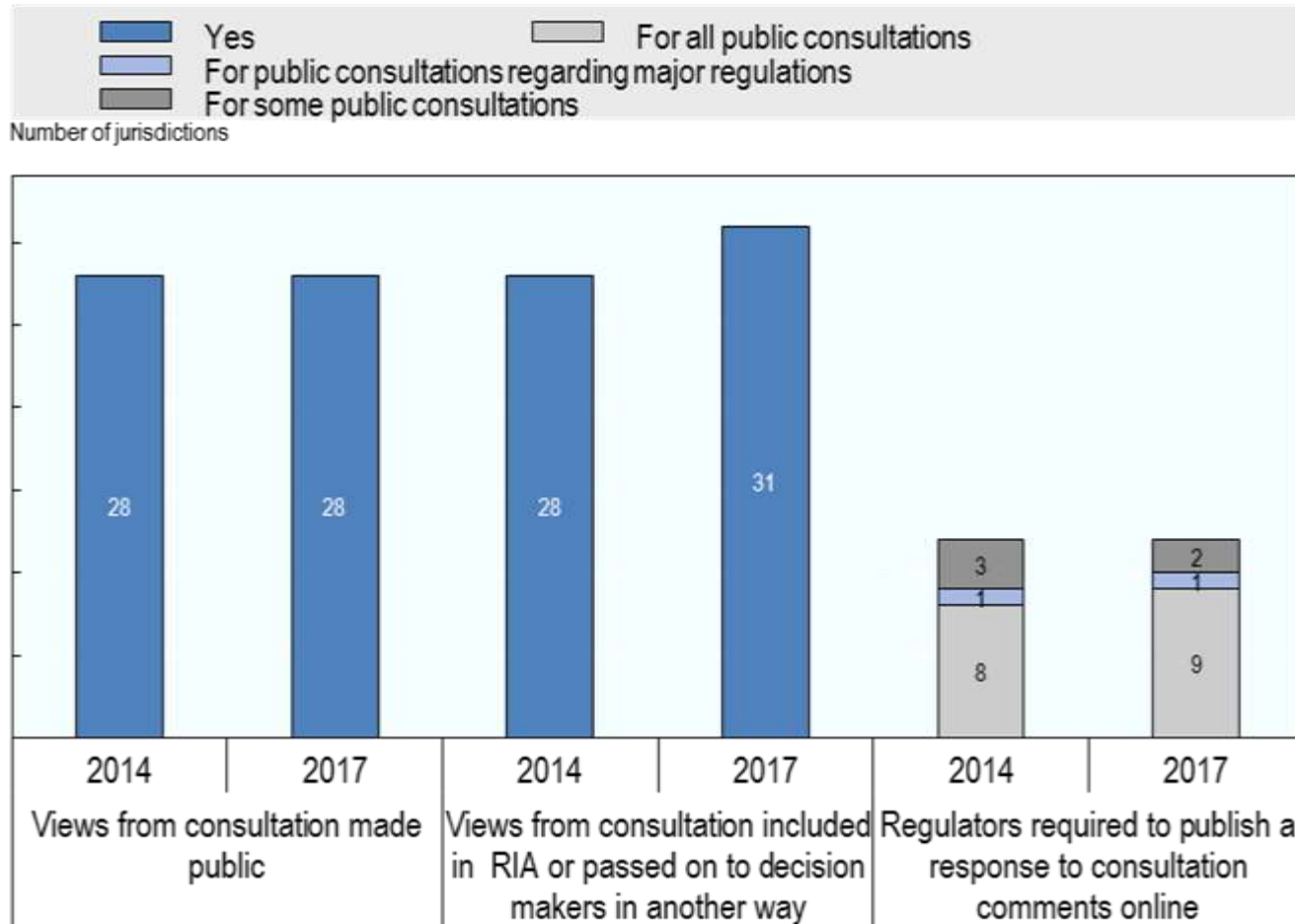


#1 Stakeholder Engagement

- A process of communication, consultation and participation that informs the policy process
- Both an instrumental and intrinsic policy tool
- Both an administrative practice and a mind-set
- A shift from 'government' to 'governance'
- Fundamental for understanding citizens' and other stakeholders' needs
- It can improve trust in government



Keep it real by engaging stakeholders and give them feedback on their input





Challenges in ensuring effective results

- *Low participation literacy* – insufficient information on how to take part in the policy-making process
- *Information overload* – confusing intrinsic and instrumental objectives
- *Lack of awareness* - the evidence does not seem to show an increased participation
- *Consultation capture* - smaller players and individuals do not see a real chance to influence the decisions
- *Bad experience due to past record* - many stakeholders do not see the real impact of the consultation process on the final product

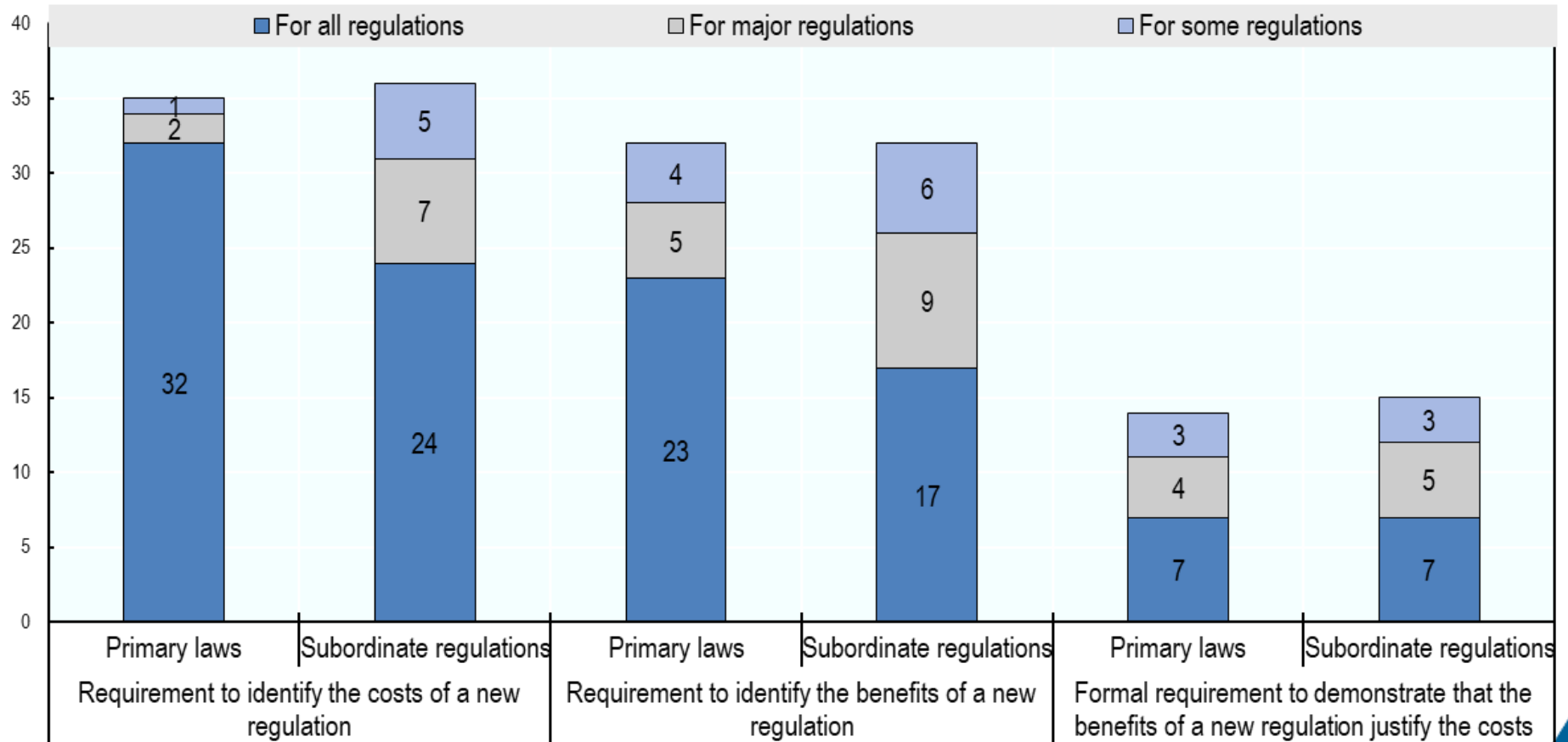


#2 Regulatory Impact Assessment

- Successful RIA critically depends on the level of commitment expressed by political leaders...
- ... coupled with adequate incentives for public officials.
- Involving stakeholders is essential, especially through public consultation.
- RIA must be seen as a key element of a broader “policy cycle”, which includes tools for the ex ante analysis and for the ex post evaluation.
- Legal, administrative and cultural peculiarities and traditions must be taken into for RIA to work successfully.
- Regulatory Oversight Bodies (ROBs) play a key role in coordinating and supervising the effective realisation of the policy cycle.
- Different roles, mandates and instruments call for different degrees of independence of the ROB.



Do your homework using Regulatory RIA





Strategies for long term improvement

- RIA is a fundamental element of regulatory improvement, but **not the only one**.
- For most countries the implementation of **RIA remains a work in progress**.
- The integration of RIA into the policy process should be seen as a **long term policy goal**.
- All countries experience problems with the **quality and timeliness** of RIA process.
- An on-going need to provide **support for public officials** responsible for RIA and to improve the way that RIA is prepared.
- Close the policy cycle; do not forget about **post implementation evaluation**.



#3 Review and Evaluation

All regulations are ‘experiments’

- Many will not have been done well
- Others will have passed their ‘use by date’
- Regulation is dynamic

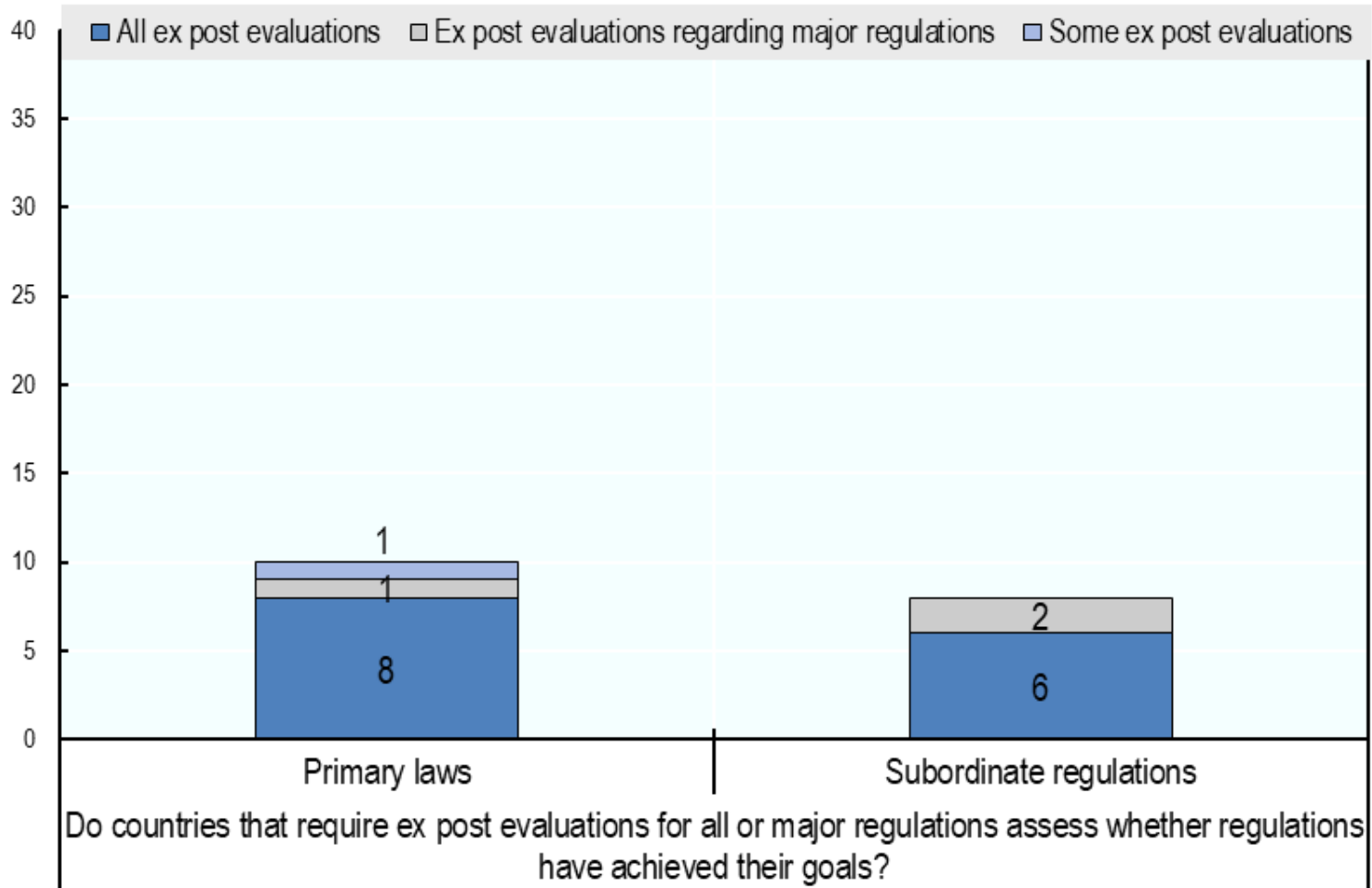
The ‘stock’ of regulation is much greater than the flow

Ex post reviews can also provide learnings for future reforms

Evaluations can build trust and help sustain political support



Nobody is perfect – do a reality check of your regulations.





Evaluation Challenges

- The need for a formal policy
- The need for oversight to evaluate the quality of the reviews
- The synergies associated between ex ante and ex post
- Who carries out the review, who owns the review
- Capacity development is central to effective review
- Ex post reviews most effective when supported by political and administrative leadership



#4 A policy for enforcement

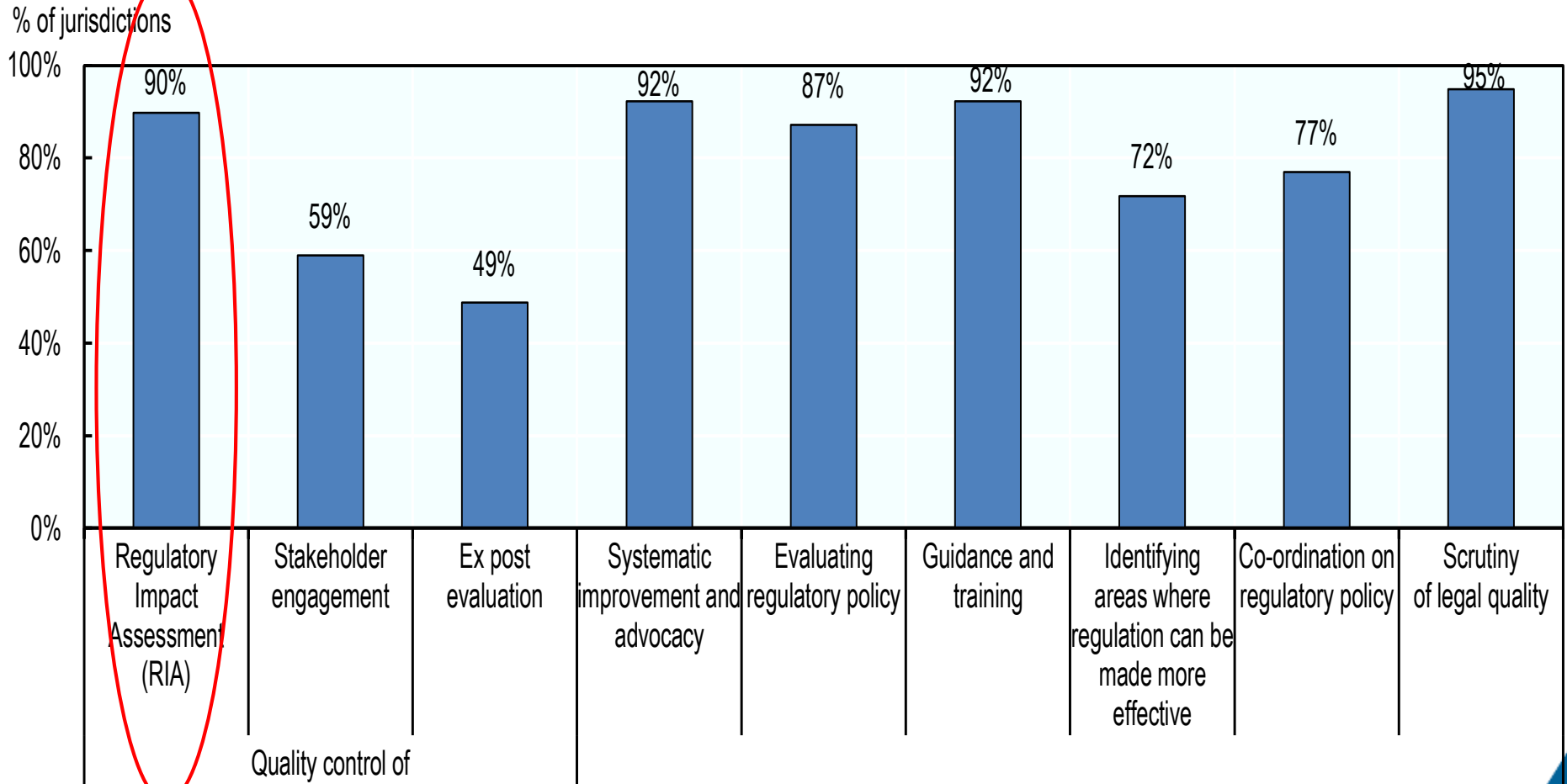
A great regulation is worth nothing if you do not enforce it!





#5 Regulatory Oversight

It is worth the investment!



Note: Data is based on the 35 OECD member countries, the European Union, and three accession countries.

Source: Forthcoming 2018 OECD Regulatory Policy Outlook.



#6 International Regulatory Cooperation

Policy problems do not stop at national borders

- Global trade intensity doubled between 1990 and 2015
- Passenger air traffic will grow by 3% to 6% /yr in next 15 years



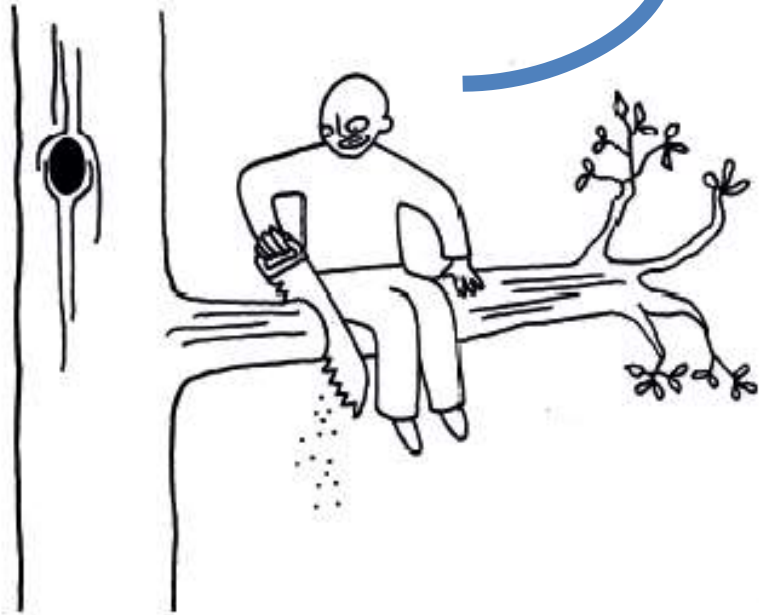
- In 2015, 13% of total population living in OECD countries were foreign-born (9.5% in 2000).
- Internet enables cross-border financial transfers. Users increasingly access content outside their own country



#7 Behaviours insights

Understand what you are try to do!

1 HUMAN BEHAVIOUR CAN BE A MYSTERY



BEHAVIOURAL INSIGHTS FOR
BETTER POLICIES, AND BETTER LIVES



Conclusion and ways forward

- Use regulatory policy strategically and not bureaucratically
- Secure political commitment and institutionalise
- It is a long journey...with bumps along the way
- Implementation, implementation, implementation along with some monitoring.
- Regulatory policy is a key ingredient for a healthy democracy!



Thank you very much for your attention!



OECD Regulatory Policy
Outlook 2018



Check out the full report, underlying data and individual country profiles at:
<https://oe.cd/RPO2018>