

Regulatory quality: new insights from OECD

By Lorenzo Allio¹

1. *Forward-looking approaches taken by the OECD to regulatory policy*

The second meeting of the newly established **OECD Regulatory Policy Committee (RPC)**² took place on 14-15 April 2010 in Paris. The RPC's mandate³ aims to promote an integrated, horizontal and multidisciplinary approach to regulatory quality, to serve overall social welfare and not just sectoral interests. To cope with the challenge of contributing to build regulatory regimes that foster both sustainable growth and competitiveness, at the meeting the OECD proposed a number of new strands of activities – of which only a few are reported here.

At the core of them, the RPC placed **policy coherence**, which is to be understood in two ways at least. On the one hand, it is acknowledged that the architecture of international governance is changing (e.g. the G20), and this affects where policies are initiated. At the same time, countries increasingly face problems of cross-border and systemic risks. This prompts the need for enhancing international regulatory co-ordination, an area where the OECD is considering new work in 2011. On the other hand, the OECD intends to look into the domestic decision-making processes so as to achieving ever closer synergies between policy objectives. In this respect, particular mention deserves the proposed project on *RIA and policy coherence*, which should look into the contribution that impact assessment can last for a rational and consistent choice of the policy instruments available to governments. The OECD aims to address the administrative and technical challenges that member countries face in implementing RIA. An innovative and significant element of the project is the intention to establish active collaborations between other OECD committees, such as on environmental matters. This approach is to welcome as it also fully reflects and supports the **OECD Declaration on Green Growth** of June 2009.⁴ Policy coherence is also a constitutive element of the regulatory reform agenda of a number of jurisdictions, not least the new approach to **Smart Regulation**⁵ of the European Commission.

The RPC took also note of the impressive progress made by the **EU15 project**,⁶ an initiative carried out by the OECD in partnership with the European Commission. Almost two third of the planned countries reviews are now completed, and the reports on France and Germany, which were very well received, should be released publicly soon. The project represents the most important recent exercise to examine and update information on regulatory reforms in Western Europe on a systematic and coordinated basis. It offers very rich documentation for further (comparative) analysis and – above all – concrete benchmarking and stimuli for actual improvements.

Finally, the RPC discussed ways to enhance its **communication strategies**, with promising ideas that, if implemented, should ensure a wider and more timely dissemination of the relevant material produced by and shared through the RPC.

¹ The following are personal considerations by Lorenzo Allio, who attended the RPC meeting at the request of the OECD as an expert. They are not the official record of the OECD and do not commit any public authorities in any way.

² http://www.oecd.org/document/11/0,3343,en_2649_34141_44636299_1_1_1_37421,00.html

³ <http://www.oecd.org/dataoecd/53/42/44679685.pdf>

⁴ <http://www.oecd.org/dataoecd/58/34/44077822.pdf>

⁵ RegPlus blog <http://regplus.blogspot.com/2010/04/new-official-definition-of-content-of.html>

⁶ http://www.oecd.org/document/24/0,3343,en_2649_34141_41909720_1_1_1_1,00.html

All these elements constitute important building blocks for a renewed thrust in the international regulatory reform debate, and the OECD commitment to it remains a much needed input for the community of experts. For further information, please contact the OECD Regulatory Policy Division.⁷

2. *Gearing up Administrative Burden reduction programmes*

One session of the April 2010 meeting of the **OECD Regulatory Policy Committee (RPC)**⁸ was devoted to the recent developments and future perspectives of the Administrative Burden (AB) reduction programmes.

Under the label **Cutting Red Tape II**,⁹ over the past months the OECD Secretariat has produced valuable papers taking stock of the initiatives launched by many countries to advance administrative simplification. A thorough appraisal of what has been done on the war against red tape is topical than ever, given the degree of sophistication reached by a number of national programmes; the expansion of their remit to cover burdens on citizens and the public administrations; as well as their maturity – notably with the first deadlines of 25% reduction targets approaching soon. At the same time, and despite these valuable efforts, some stakeholders remain dissatisfied with the results achieved so far and irritation costs still constitute a problem.

As a part of the RPC debate, a paper was presented on **Evaluating Administrative Burden Reduction Programmes and their Impacts**. Authored by L. Allio and A. Renda, the paper seeks to assist national governments in the evaluation and improvement of their programmes by discussing the design of a framework for their *ex post* evaluation. The paper recommends (1) adopting a comprehensive approach to evaluation; (2) linking AB reduction measures with *ex ante* impact assessment; and (3) ensuring a continued, multi-actor evaluation effort. The PPT presentation held in front of the RPC can be downloaded here.¹⁰

For further information, please contact the OECD Regulatory Policy Division.¹¹

5 May 2010

⁷ http://www.oecd.org/contactus/0,3364,en_2649_34141_1_1_1_1_1,00.html

⁸ http://www.oecd.org/document/11/0,3343,en_2649_34141_44636299_1_1_1_37421,00.html

⁹ http://www.oecd.org/document/43/0,3343,en_2649_34141_38227179_1_1_1_1,00.html

¹⁰ <http://regplus.eu/documents/allio.pps>

¹¹ http://www.oecd.org/contactus/0,3364,en_2649_34141_1_1_1_1_1,00.html