



SUMMARY OF OECD COUNCIL RECOMMENDATIONS ON “IMPROVING THE QUALITY OF GOVERNMENT REGULATIONS”

19 August 2024



RATIONALE / DRIVERS TO IMPROVE QUALITY OF REGULATIONS

Regulations are an important instrument of Government interventions.

Economic growth is conditioned by a favourable environment for enterprises:

*Removal of barriers, rigidity
Support to Innovation and Development*



RECOMMENDATION TO OECD COUNTRIES

- ☐ To examine quality and performance of processes supporting the development, implementation, evaluation and revision of regulations.
- ☐ To develop administrative and management systems that support “good” decision-making:
 - Principles: efficient, flexible, transparent.
- ☐ To pay attention to impacts of regulations on:
 - Other countries.
 - International trade.
 - Investment
- ☐ OECD Reference Checklist for regulatory decision-making.





REFERENCE CHECKLIST FOR REGULATORY DECISION-MAKING

Context of Application

- ☐ To be applied as part of a regulatory management system:
 - Information collection.
 - Information analysis.
 - Consultation processes.
 - Systematic evaluations.
- ☐ To maintain societal, national, regional and cultural specificities.
 - Including, with respect to legal and constitutional systems.
- ☐ To minimize (negative) impacts on small / medium enterprise.
- ☐ To have OECD countries support common principles of regulatory decision-making.





KEY QUESTIONS

Question No.1: Is the Problem Correctly Defined?

The problem to be solved should be precisely stated, giving clear evidence of its nature and magnitude, and explaining why it has arisen (identifying the incentives of affected entities).

Question No. 2: Is Government Action Justified?

Government intervention should be based on clear evidence that government action is justified, given the nature of the problem, the likely benefits and costs of action (based on a realistic assessment of government effectiveness), and alternative mechanisms for addressing the problem.

Question No. 3: Is Regulation the Best Form of Government Action?

Regulators should carry out, early in the regulatory process, an informed comparison of a variety of regulatory and non-regulatory policy instruments, considering relevant issues such as costs, benefits, distributional effects, and administrative requirements.

Question No. 4: Is there a Legal Basis for Regulation?

Regulatory processes should be structured so that all regulatory decisions rigorously respect the rule of law; that is, responsibility should be explicit for ensuring that all regulations are authorised by higher-level regulations and consistent with treaty obligations, and comply with relevant legal principles such as certainty, proportionality, and applicable procedural requirements.

Question No. 5: What is the Appropriate Level (or Levels) of Government for this Action?

Regulators should choose the most appropriate level of government to take action, or, if multiple levels are involved, should design effective systems of coordination between levels of government.





KEY QUESTIONS (CONT'D)

Question No. 6: Do the Benefits of Regulation Justify the Costs?

Regulators should estimate the total expected costs and benefits of each regulatory proposal and of feasible alternatives, and should make the estimates available in accessible format to decision-makers. The costs of government action should be justified by its benefits before action is taken.

Question No. 7: Is the Distribution of Effects across Society Transparent?

To the extent that distributive and equity values are affected by government intervention, regulators should make transparent the distribution of regulatory costs and benefits across social groups.

Question No. 8: Is the Regulation Clear, Consistent, Comprehensible, and Accessible to Users?

Regulators should assess whether rules will be understood by likely users, and to that end should take steps to ensure that the text and structure of rules are as clear as possible.

Question No. 9: Have All Interested Parties had the Opportunity to Present their Views?

Regulations should be developed in an open and transparent fashion, with appropriate procedures for effective and timely input from interested parties such as affected businesses and trade unions, other interest groups, or other levels of government.

Question No. 10: How will Compliance be Achieved?

Regulators should assess the incentives and institutions through which the regulation will take effect, and should design responsive implementation strategies that make the best use of them.



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