



**ASIA-PACIFIC ECONOMIC COOPERATION
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT**

FOURTH WORKSHOP OF THE

APEC-OECD CO-OPERATIVE INITIATIVE ON REGULATORY REFORM

NOTE AND FINAL AGENDA

VANCOUVER, 8-9 OCTOBER 2003

A Workshop Organised by

*OECD Regulatory Reform Programme and the APEC Competition Policy and Deregulation Group
(CPDG) convened by the Federal Competition Commission of Mexico*

And Hosted by

The Government of Canada

NOTE FOR THE

**INTERNATIONAL WORKSHOP OF THE APEC-OECD CO-OPERATIVE INITIATIVE ON
REGULATORY REFORM**

The APEC-OECD Co-operative Initiative

APEC and OECD economies have embraced a similar set of regulatory quality principles as the foundation for further progress on regulatory reform. The September 1999 APEC declaration for supporting growth through strong and open markets included APEC Principles to Enhance Competition and Regulatory Reform. Regulatory quality is at the core of the OECD's 1997 Report to Ministers on Regulatory Reform and the OECD's current in-depth reviews of regulatory practices in its member economies. In the 1997 Report, Ministers from OECD economies reached agreement on a broad set of principles for regulatory reform, covering economic regulations, social regulations, and government formalities.

An APEC-OECD Agreement on joint work on regulatory reform was developed in the Fall 2000 and was endorsed at the APEC Ministerial Meeting on 12-13 November 2000 in Brunei Darussalam. The Agreement set out the framework for the co-operative initiative for APEC and OECD, with the aim of supporting implementation of the principles on regulatory reform adopted by the member economies of the two organisations. The first phase of the joint work was organised around a series of related events in Singapore (February 2000), Beijing, China (September 2001), Merida, Mexico (April 2002) and the Island of Jeju, Korea (October 2002). Each meeting focused on two central themes of regulatory reform such as fostering political support for reform, linking regulatory reform to market openness policies, establishing a regulatory impact analysis system or addressing the relationship between competition authorities and sectoral regulators.¹ The concluding workshop was held back-to-back with a High Level Conference hosted by the Korean Government, to assess the results of the first two years of the Initiative and to discuss the launching of a new bi-annual phase of co-operation.

Through a series of four events, the second phase of the *APEC-OECD Co-operative Initiative* will focus on the elaboration of an APEC-OECD *Integrated Checklist* for self-assessment on regulatory, competition and market openness policies, to implement the OECD and APEC principles. In parallel to these discussions, participants will continue exchanging information on good regulatory practices and concepts that can contribute to understanding the necessary elements for the *Checklist* at each workshop. The final conference in 2004 will complete the discussions and seek an agreement on a common presentation and communication vehicle for the *Regulatory Checklist*. The conference will also discuss the follow up and implementation mechanisms to be launched in the next phase of the *Co-operative Initiative*. The outcome for the work is to present for approval the *Integrated Checklist* to the respective Executive Bodies of the APEC and the OECD in 2005.

The following note and final agenda describes the Workshop.

¹ Proceedings of all the events are published by the OECD Secretariat, distributed to all participants and posted on the OECD Web site (www.oecd.org/regreform).

Organisation

The meeting will be the first out of four events of the second phase series of the APEC-OECD Co-operative Initiative.

Objectives of the workshop

The workshop has two main objectives. First, the event aims at initiating the development of the OECD-APEC Integrated Checklist for Regulatory Policy as a tool to implement the APEC and OECD Principles on Regulatory Reform. The workshop will also provide a discussion on experience and practices in reviewing and reforming existing regulations in APEC and OECD economies.

Format of the discussions

The workshop will be divided into five sessions. Two sessions (Session 1 and 3) will deal with the development of the Integrated Checklist. Session 3 in particular will concentrate on the 'regulatory policy' component of the Checklist. A prototype of the Integrated Checklist and a discussion note circulated by the Secretariat mid July 2003 will support participants' discussions. This draft document will give participants a more concrete idea of what an integrated checklist might look like and what it might address, without prejudging the content of the issues and questions to be developed during this and the following workshops of the APEC-OECD Co-operative Initiative.

The three other sessions (Session 2, 4, 5) will deal with principles, policies, strategies and tools of reviewing and reforming existing regulations. Key speakers' presentation will be followed by an open discussion among participants. To help the discussion, the OECD Secretariat will circulate a one-page summary of the speakers' presentations at least a week prior to the workshop.

Participation

Participants will be officials from APEC and OECD economies and Secretariats, invited experts from other international organisations, and invited representatives of the private sector, trade unions and academia.

Proceedings

The OECD Secretariat will produce a report on the event, which will be posted on the APEC and OECD internet sites.

BACKGROUND TO THE WORKSHOP

Supporting regulatory reform in APEC and OECD economies

Regulatory reform continues to accelerate throughout the APEC and OECD economies, as market liberalisation deepens in many sectors, markets open to trade and investment, and reform of public sector institutions creates capacities for more transparent and efficient regulatory regimes.

Both APEC and OECD Ministers have noted that these reforms can be effective in boosting sectoral performance, enhancing economy-wide efficiency, innovation and growth, increasing consumer choice and welfare, and government effectiveness in maintaining high standards of environmental, consumer, and safety protections. Regulatory reforms can be market-opening and ease trade tensions through efficient regulatory system advocating free international trade and investment. Regulatory reform also reduces the vulnerability of economies to external shocks, reducing the risk of economic crisis. As a result, supply-side reforms to stimulate investment and competition and reduce regulatory inefficiencies have become central to effective economic policy.

The regulatory reform agenda includes objectives of good governance. Regulatory reform today is based on ideas of “regulatory quality,” or the appropriate use of regulation to support market functioning and foster public interests. Pro-competition regulations and institutions, such as competition and consumer policies and independent regulators, are needed to enforce market competition. Domestic regulations will continue to be essential tools of governments to carry out vital public policies such as safety and health, labour standards, environmental and consumer protection, but those regulations should be as efficient as possible to avoid wasting economic resources.

The APEC-OECD Co-operative Initiative on Regulatory Reform provides a forum for multidisciplinary policy discussions to deepen understanding of regulatory reform as a vehicle for stimulating enhanced productivity and economic growth.

In October 2002, delegates to the High Level Conference decided to embark on the preparation of an Integrated Checklist that should promote the individual and collective implementation of the APEC and the OECD principles (see Annex).

The *APEC-OECD Regulatory Checklist* should help build domestic capacities for quality regulation through self-assessment of *regulatory, competition and market openness policies*.

Why an APEC-OECD Integrated Checklist?

Regulatory checklists are flexible tools that can be used for a variety of purposes within governments. They are management instruments intended to draw attention to priority areas and facilitate action by officials responsible for regulation. They can be helpful to create a framework in which such priorities are targeted. Checklists can also raise awareness and benchmark capacities. They can identify options, provide information to decision makers, and help design legal instrument to be drafted. They also provide reference points against which the decisions themselves will be made, and quality standards to assess how well regulators are doing.

The APEC-OECD Regulatory Checklist will include the most relevant questions for achieving effective approaches to designing and implementing:

- **Regulatory reform** refers to changes that improve regulatory quality to enhance the economic performance, cost-effectiveness, or legal quality of regulations and related government formalities. Reform can mean revision of a single regulation, the scrapping and rebuilding of an entire regulatory regime and its institutions, or improvement of processes for making regulations and managing reform. Deregulation is a subset of regulatory reform and refers to complete or partial elimination of regulation in a sector to improve economic performance. Regulatory, competition and market openness policies are key drivers for a successful and coherent regulatory reform.
- **Regulatory policies** are designed to maximise the efficiency, transparency, and accountability of regulations based on an integrated rule-making approach and the application of regulatory tools and institutions.
- **Competition policies** promote economic growth and efficiency by eliminating or minimising the distorting impact on competition of laws, regulations and administrative policies, practices and procedures; and by preventing and deterring private anti-competitive practices through vigorous enforcement of competition laws.
- **Market openness policies** aim to ensure that a country can reap the benefits of globalisation and international competition by eliminating or minimising the distorting effects of border as well as behind-the-border regulations and practices. These policies influence the range of opportunities open to suppliers of goods and services to compete in a particular national market (*e.g.* through trade and investment), irrespective of whether the suppliers are domestic or foreign.

The Checklist will be an integrated tool, which will avoid separating the three categories, which often do not reflect the political reality confronting many decision-makers. The goal will be to provide a whole-of-the-government tool for managing and monitoring regulatory reform.

Reviewing existing regulations

The workshop will also concentrate on a key dimension of all regulatory policies: reviewing and reforming **existing** regulations. Experience in many economies shows that governments face three basic tasks in reforming their regulatory systems:

- They must establish **regulatory policies, management capacities and institutions** for promoting the quality of regulation, initiating changes and reforms, and co-ordinating cross-cutting issues.
- They must reform the processes for developing **new** regulations to ensure that regulation is used only when necessary and that the continuing stream of needed regulations meets high quality standards.
- They must upgrade the quality of the enormous inventories of **existing** rules and formalities that have survived without serious examination for years or even decades. Deregulation will be required in some areas.

Past APEC-OECD events have dealt with the first two dimensions. The latter however has not yet been discussed in the context of the *APEC-OECD Co-operative Initiative*, though the two sets of Principles sustaining the *Initiative* address this crucial issue. Indeed, most governments have large stocks of laws, secondary legislation (regulations, measures), and administrative formalities that have accumulated over years or decades without adequate review and revision. Regulations that are efficient today may become inefficient tomorrow, due to social, economic, or technological change. Overall, the constant accumulation of measures, often creates duplication and contradiction in the legal framework, creates unnecessary costs for business and citizens and facilitates corruption. To respond to these challenges many governments have launched since the mid-1980s deregulation and re-regulations of laws and regulations. Moreover, as governments have discovered, engaging in periodic reviews supports the quality of their regulatory environment and practices. Such programmes, as in most regulatory policies, need to incorporate a mechanism for input by affected stakeholders, to build public support and to confront interest groups. These programmes also need clear focus to avoid creating unnecessary instability in the regulatory environment.

APEC-OECD Co-operative Initiative on Regulatory Reform

Fourth Workshop

Developing an Integrated Checklist on Regulatory Reform

Vancouver, 8-9 October 2003

FINAL AGENDA

Wednesday 8 October 2003

08:45 – 09:15

Registration

09:15 – 9:45

Welcome and opening remarks

- **Mr. Geoff Regan**, Parliamentary Secretary to the Leader of the Government in the House of Commons, Government of Canada
- **Mr. Peter Mumford**, Chair, Ministry of Economic Development, New Zealand
- **Mr. Ernesto Estrada Gonzalez**, General Director for International Affairs, Federal Competition Commission, Mexico and Convenor of the APEC Competition Policy and Deregulation Group (CPDG)
- **Mr. Rolf Alter**, Deputy Director of Public Governance and Territorial Development, OECD

9:45 – 10:00

British Columbia's approach to regulatory reform

- **Hon. Kevin Falcon**, Minister of State for Deregulation, Government of British Columbia, Canada

10:00 – 12:00

Session 1: Developing the OECD-APEC Integrated Checklist for Regulatory Reform

As agreed at the High Level Conference in Jeju Island, Korea last October 2002, a central element of the APEC and OECD joint programme is to develop a draft *Integrated Checklist on Regulatory Reform*. This collective effort will take an important share of the time of the four events planned for 2003 and 2004. It is thus important to assess the background and relationship with the APEC and OECD Principles. Furthermore, to build on secure ground, it is also crucial to clarify the goals, limits and working methods for its development. This session will permit participants to discuss the scope of the Integrated Checklist and agree on the approach to develop it. In particular, participants will review:

- Why the Integrated Checklist is important?
- The purpose and objective of the Integrated Checklist;
- The scope and type of questions to be developed in the Integrated Checklist;
- The work methods proposed to prepare the Integrated Checklist.

Documentation:

Developing the APEC-OECD Integrated Checklist on Regulatory Reform: Addressing Regulatory, Competition Policy, and Market Openness Policy Issues, Discussion Note, September 2003

(Confirmed Speakers)

- ***Mr. Rolf Alter***, Deputy Director of Public Governance and Territorial Development, OECD
- ***Mr. Eric Milligan***, Chairman, Regulatory Consulting Group Inc., Canada
- ***Mr. Alexander Hunt***, Office of Management and Budget, USA

12:00 – 14:00

Lunch

14:00 – 17:00

Session 2: Reviewing and Reforming Existing Regulations:

Principles, Policies and Institutional Framework

One of the most important tasks facing governments today is updating the accumulated regulations and formalities that have gone unexamined over years or decades. The reviews can be *ad hoc* – often taking the form of a deregulation programme – or they can be periodic as national regulatory framework requires maintenance. Both types of reviews of existing regulations can help to ensure that desirable outcomes are achieved, unneeded or inefficient rules are weeded out, and remaining rules are adapted to new economic and social conditions. However, for achieving results and ensuring transparency and accountability, the initiatives need be supported by clear policy objectives and institutional and administrative frameworks. In this session, participants will discuss the general policy framework for launching and sustaining these policies. Some of the questions to be tackled will include:

- What are the principles that can help steer a review of existing regulations (*e.g.* promotion of economic efficiency, more competition in the markets, transparency and accountability of regulators, improved market access, etc.)?
- What kind of institutions can drive a review of existing regulations?
- What are the obstacles to a review of existing regulations? What are the impacts on the predictability and stability of the regulatory environment and how can these impacts be minimised?
- How can consultation and co-ordination add value to a review of existing regulations?

(Confirmed Speakers)

- ***Ms. Ewa Freyberg***, Deputy Minister, Ministry of National Education and Sport, Poland
- ***Ms. Jie Yuan***, Division Director, Dept. of Treaty and Law, Ministry of Commerce, China
- ***Mr. Greg Bounds***, Manager, Competition and licensing Essential Services Commission, Australia
- ***Mr. Dick Van den Bosch***, Legal Counsellor, Ministry of Justice, Netherlands
- ***Mr. Akira Kawamoto***, Director, Ministry of Economy, Trade and Industry, Japan
- ***Mr. Manuel Santiago Dos Santos***, Head of Sector, European Commission

17:00 **Reception hosted by the Canadian Government**

Thursday 9 October 2003

9:30 – 11:00

Session 3: Developing the Integrated Checklist: How to assess capacities for high quality regulatory policy?

This session will build on the results of the previous day's discussions on the general framework for drafting the *Integrated Checklist*. Participants will in this part concentrate on discussing the regulatory policy component: one of the three dimensions of the *Integrated Checklist* (see Background note). The aim of a regulatory policy is to maximise the efficiency transparency and accountability of laws and regulations based on a government-wide and systematic rule-making approach. Particular elements to be covered under this component are a government's capacities to assure the quality of new and existing laws and regulations, and the performance of key regulatory tools such as Regulatory Impact Analysis, public consultation and use of alternatives to regulation.

(Confirmed Speakers)

- *Mr. Cesar Cordova-Novion*, Deputy Head of the Regulatory Reform Programme, OECD
- *Mr. Hirofumi Sugiyama*, Director, Ministry of Public Management, Home Affairs, Posts and Telecommunications, Japan
- *Mr. Phillip Legg*, Director, Policy Development BC Federation of Labour, Canada
- *Mr. Sudharma Yoonaidharma*, Professor of Law, Chulalongkorn University, Thailand

Documentation:

Developing the APEC-OECD Integrated Checklist on Regulatory Reform: Addressing Regulatory, Competition Policy, and Market Openness Policy Issues, Discussion Note, September 2003

11:00 – 13:00

Session 4: Reviewing and Reforming Existing Regulations (continued)

Strategies and Tools

Even with a strong policy and institutional framework, reforming existing regulations is a complex task. Some countries have used radical approaches, others more progressive ones. Some have focused on short-term results; others have embarked on multi-year processes focusing on cultural change. Review processes have also followed comprehensive and 'whole-of-government' approaches; others have focused on deregulating specific sectors and regimes. Overall, governments have needed to develop original review instruments and procedures to support their different strategies. This session will concentrate on the main strategies and tools that have been developed by APEC and OECD economies. Particular attention during the discussion will concentrate on the advantages and disadvantages of each of these strategies and tools. Among the recent experience that will be discussed, the following will be addressed:

- A comprehensive review programme (*i.e.* ‘a scrap and build’ approach);
- Nullification of regulations not centrally registered after a certain date (‘guillotine rule’);
- A targeted deregulation of sectors and regimes;
- The establishment of ‘sun-setting clauses’ and automatic review provisions.

(Confirmed Speakers)

- **Mr. Carlos Arce**, Head of the Federal Regulatory Improvement Commission, Mexico
- **Mr. Anatoly Golomozin**, Deputy Minister, Ministry for Antimonopoly Policy and Support of Entrepreneurship, Russia
- **Mr. Dae Yong Choi**, Director General, Regulatory Reform Bureau II, Prime Minister's Office, Korea
- **Ms. Nipon Poapongsakorn**, Senior Consultant, Thailand Development Research Institute, Thailand
- **Ms. Duong Lan Huong**, APEC, ASEM Division, Multilateral Trade Department, Ministry of Trade, Vietnam
- **Mr. Shokichi Hirabayashi**, Counsellor, Secretariat of the Council for Regulatory Reform, Cabinet Office, Japan

13:00 –14:00

Lunch

14:00 –16:30

Session 5: Reviewing and Reforming Existing Regulations (continued)

Codification and Administrative Simplification

Among the policies and approaches that countries have used to review existing regulations, two of them deserve special attention: the codification of legal texts and the simplification of administrative regulations. The first has focused on reducing, arranging and systematising into a single ‘code’ existing laws and regulations. Codification in some countries has also been accompanied by efforts to improve the quality of the text and encouraged use of plain language. A second popular approach has been to embark on administrative simplification programmes. These types of programmes have often covered reinventing procedures, applying new techniques and setting up *ad hoc* institutions. Important goals have been to eliminate unnecessary business licences, reform internal administrative procedures and re-design forms needed to enforce a law or regulations. For both approaches, E-government tools and information and communication technology have become important support and drivers of the approaches. In this session, participants will discuss the following key issues:

- What are the main codification and administrative simplification approaches that government can use?
- How can e-government and ICT contribute to the success of the codification and administrative simplification?
- How can codification be used to improve the regulatory framework?
- How can regulatory reform and administrative simplification policies be integrated?

(Confirmed Speakers)

- *Ms. Claudine Segelle*, Deputy Director, Ministry of Economy, Finance and Industry, France
- *Mr. Edward Donelan*, Director, Office of the Attorney General, Ireland
- *Mr. Arne Petter Gahre*, Advisor/Project manager, Ministry of Labour and Government Administration, Norway
- *Mr. Didik J. Rachbini*, Commissioner, Commission for the Supervision of Business Competition, Indonesia
- *Mr. Roderick G. Quiney*, Deputy Assistant Commissioner, Assessment and Collections Branch, Canada Customs and Revenue Agency, Canada

16:30 – 17:00

Summary of the sessions

17:00 **Closing Remarks**

ANNEX

APEC PRINCIPLES TO ENHANCE COMPETITION AND REGULATORY REFORM

- Open and Competitive Markets are the Key Drivers of Economic Efficiency and Consumer Welfare;
- Recognising the strategic importance of developing competition principles to support the strengthening of markets to ensure and sustain growth in the region and that these principles provide a framework that links all aspects of economic policy that affect the functioning of markets;
- Recognising that these principles are non-binding and will be implemented by each member economy voluntarily, consistent with the way APEC operates;
- Recognising that the adoption of these principles for policy development needs to take account of, and encompass the diverse circumstances of economies in the region and the different priorities that arise from these circumstances;
- Recognising that member economies will have flexibility to take into account their diverse circumstances in implementing this framework;
- Recognising that policy and regulation in APEC economies may properly have objectives other than promoting competition;
- Recognising that exemptions and exceptions from a competition driven regulatory framework may be necessary and that these will be implemented in a way that minimises economic distortions, giving consideration to this framework;
- Recognising that an improved competitive environment is beneficial to small and medium sized enterprises, and that extensive consultation has occurred with the business community in developing these principles; and
- Drawing upon relevant inputs from various APEC fora and the Pacific Economic Cooperation Council's "Principles for Guiding the Development of a Competition-Driven Policy Framework for APEC Economies";

APEC endorses the following principles:

1. Non Discrimination

(i) Application of competition and regulatory principles in a manner that does not discriminate between or among economic entities in like circumstances, whether these entities are foreign or domestic.

2. Comprehensiveness

(ii) Broad application of competition and regulatory principles to economic activity including goods and services, and private and public business activities.

(iii) The recognition of the competition dimension of policy development and reform which affects the efficient functioning of markets.

(iv) The protection of the competitive process and the creation and maintenance of an environment for free and fair competition.

(v) The recognition that competitive markets require a good overall legal framework, clear property rights, and non discriminatory, efficient and effective enforcement.

3. Transparency

(vi) Transparency in policies and rules, and their implementation.

4. Accountability

(vii) Clear responsibility within domestic administrations for the implementation of the competition and efficiency dimension in the development of policies and rules, and their administration.

5. Implementation

To achieve this,* APEC Member Economies will make efforts to:

- 1) Identify and/or review regulations and measures that impede the ability and opportunity of businesses (including SMEs) to compete on the basis of efficiency and innovation.
- 2) Ensure that measures to achieve desired objectives are adopted and/or maintained with the minimum distortion to competition.
- 3) Address anti-competitive behaviour by implementing competition policy to protect the competitive process.
- 4) Consider issues of timing and sequencing involved in introducing competition mechanisms and reform measures, taking into account the circumstances of individual economies.

* Recognising that efforts will seek to avoid the duplication of work of other fora, as appropriate

- 5) Take practical steps to:
 - Promote consistent application of policies and rules;
 - Eliminate unnecessary rules and regulatory procedures; and
 - Improve the transparency of policy objectives and the way rules are administered.
- 6) Foster confidence and build capability in the application of competition and regulatory policy. This will be achieved, *inter alia*, by:
 - Promoting advocacy of competition policy and regulatory reform;
 - Building expertise in competition and regulatory authorities, the courts and the private sector; and
 - Adequately resourcing regulatory institutions, including competition institutions.
- 7) Provide economic and technical co-operation and assistance and build capability in developing economies by better utilising the accumulated APEC knowledge and expertise on competition policy and regulatory reform, including by developing closer links with non APEC sources of technical expertise.
- 8) Build on existing efforts in APEC to help specify approaches to regulatory reform and ensure that such approaches are consistent with these principles.
- 9) Develop programmes, including capacity building and technical assistance, to support the voluntary implementation of the approaches to regulatory reform developed by relevant APEC fora.
- 10) Develop effective means of co-operation between APEC economy regulatory agencies, including competition authorities, and ensure that these are adequately resourced.

THE 1997 OECD POLICY RECOMMENDATIONS ON REGULATORY REFORM

1. Adopt at the political level broad programmes of regulatory reform that establish clear objectives and frameworks for implementation.

- Establish principles of “good regulation” to guide reform, drawing on the 1995 OECD Recommendation on Improving the Quality of Government Regulation. Good regulation should: (i) be needed to serve clearly identified policy goals, and effective in achieving those goals; (ii) have a sound legal basis; (iii) produce benefits that justify costs, considering the distribution of effects across society; (iv) minimise costs and market distortions; (v) promote innovation through market incentives and goal-based approaches; (vi) be clear, simple, and practical for users; (vii) be consistent with other regulations and policies; and (viii) be compatible as far as possible with competition, trade and investment - facilitating principles at domestic and international levels.
- Create effective and credible mechanisms inside the government for managing and co-ordinating regulation and its reform; avoid overlapping or duplicative responsibilities among regulatory authorities and levels of government.
- Encourage reform at all levels of government and in private bodies such as standards setting organisations.

2. Review regulations systematically to ensure that they continue to meet their intended objectives efficiently and effectively.

- Review regulations (economic, social, and administrative) against the principles of good regulation and from the point of view of the user rather than of the regulator.
- Target reviews at regulations where change will yield the highest and most visible benefits, particularly regulations restricting competition and trade, and affecting enterprises, including SMEs.
- Review proposals for new regulations, as well as existing regulations.
- Integrate regulatory impact analysis into the development, review, and reform of regulations.
- Update regulations through automatic review methods, such as sunseting.

3. Ensure that regulations and regulatory processes are transparent, non-discriminatory and efficiently applied.

- Ensure that reform goals and strategies are articulated clearly to the public.
- Consult with affected parties, whether domestic or foreign, while developing or reviewing regulations, ensuring that the consultation itself is transparent.
- Create and update on a continuing basis public registries of regulations and business formalities, or use other means of ensuring that domestic and foreign businesses can easily identify all requirements applicable to them.
- Ensure that procedures for applying regulations are transparent, non-discriminatory, contain an appeals process, and do not unduly delay business decisions.

4. Review and strengthen where necessary the scope, effectiveness and enforcement of competition policy.

- Eliminate sectoral gaps in coverage of competition law, unless evidence suggests that compelling public interests cannot be served in better ways.
- Enforce competition law vigorously where collusive behaviour, abuse of dominant position, or anticompetitive mergers risk frustrating reform.
- Provide competition authorities with the authority and capacity to advocate reform.

5. Reform economic regulations in all sectors to stimulate competition, and eliminate them except where clear evidence demonstrates that they are the best way to serve broad public interests.

- Review as a high priority those aspects of economic regulations that restrict entry, exit, pricing, output, normal commercial practices, and forms of business organisation.
- Promote efficiency and the transition to effective competition where economic regulations continue to be needed because of potential for abuse of market power. In particular: (i) separate potentially competitive activities from regulated utility networks, and otherwise restructure as needed to reduce the market power of incumbents; (ii) guarantee access to essential network facilities to all market entrants on a transparent and non-discriminatory basis; (iii) use price caps and other mechanisms to encourage efficiency gains when price controls are needed during the transition to competition.

6. Eliminate unnecessary regulatory barriers to trade and investment by enhancing implementation of international agreements and strengthening international principles.

- Implement, and work with other countries to strengthen, international rules and principles to liberalise trade and investment (such as transparency, non-discrimination, avoidance of unnecessary trade restrictiveness, and attention to competition principles), as contained in WTO agreements, OECD recommendations and policy guidelines, and other agreements.
- Reduce as a priority matter those regulatory barriers to trade and investment arising from divergent and duplicative requirements by countries.
- Develop and use whenever possible internationally harmonised standards as a basis for domestic regulations, while collaborating with other countries to review and improve international standards to assure they continue to achieve the intended policy goals efficiently and effectively.
- Expand recognition of other countries' conformity assessment procedures and results through, for example, mutual recognition agreements (MRAs) or other means.

7. Identify important linkages with other policy objectives and develop policies to achieve those objectives in ways that support reform.

- Adapt as necessary prudential and other public policies in areas such as safety, health, consumer protection, and energy security so that they remain effective, and as efficient as possible within competitive market environments.
- Review non-regulatory policies, including subsidies, taxes, procurement policies, trade instruments such as tariffs, and other support policies, and reform them where they unnecessarily distort competition.
- Ensure that programmes designed to ease the potential costs of regulatory reform are focused, transitional, and facilitate, rather than delay, reform.
- Implement the full range of recommendations of the OECD Jobs Study to improve the capacity of workers and enterprises to adjust and take advantage of new job and business opportunities.