



## ***APEC/OECD Integrated Checklist Issues, Process and Implementation***

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### **Purpose and relevance of the Integrated Checklist (IC)**

- Integration at 3 levels:
  - Existing APEC and OECD principles
  - 3 key policy areas: Trade, Competition, Regulatory Quality
  - Governance perspective: Transparency, accountability, performance
- IC as an instrument of self assessment
- The process of developing the IC has already enhanced mutual understanding

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## Elaborating the IC : A two level process

### ➤ Discussion about content of IC

Prototype	New Drafting
A1. Is there a central body in charge of assuring the quality of the existing and new regulation?	A1. What institutional capacities ensure an independent assessment of the quality of drafts produced by regulators?

### ➤ Approval at political level by “Leaders”/APEC, “Council”/OECD

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## Steps taken:

- Regulatory Capacity, Vancouver, Canada, October 2003
- Competition Dimension, Paris, France, December 2003
- Trade Dimension, Pucon, Chile, May 2004
- Finalisation meeting, Bangkok, Thailand, November 2004

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## Main Issues

- Implementation
- Governance is critical to investment; governments must have the capacity to adapt to change
- Linking Regulatory Reform to Structural Reform

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## 2005 Recommendations for Regulatory Quality

- Less focus on regulatory reform
- Promote concept of dynamic, long-term, proactive effort
- Economic and social objectives are mutually supportive
- Regulatory quality, competition and market openness are mutually supporting

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## Self-Assessments, First Round, 2006 Chinese Tapei

- How to narrow the gap between principles, practice is a learning process. The drivers for change include globalisation, technological innovation, and latent local potential.
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- Institutions: CEPD, a unit with a mission, appointed at a high level. Government reform mandate. But whole-of-government approach remains a challenge. It is easier to make progress on parts of a programme than to get broad support across sectors, institutions.
- Change the administrative culture that relies on a legal foundation for action: how to improve foreign consultation? Harmonisation? Land use decisions? Better consideration of alternatives to regulation?
- Good practices: Golden Axe Award; meetings with foreign stakeholders; incentives for re-engineering regulations; awareness raising.

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## Self-Assessments, First Round, 2006 Hong-Kong China

- Open and free competition in a port city where east meets west.
- Minimum government intervention; an outward looking market economy.
- Goals to eliminate outdated, unnecessary, excessive regulation; to analyse impacts of new regulations (RIA).
- Good practice: Economic Analysis and Business Facilitation Unit
- Challenges:
  - > effective cross-sector co-ordination;
  - > maintaining flexibility: avoiding under-regulation and over-regulation;
  - > facilitating upgrading of sectors and structural change
  - > timing and sequencing

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## Self-Assessments, First Round, 2006 United States

- Long-term, dynamic programme; high level political support by 5 presidents
- The Checklist helps to get beyond the legal formulas for process and the prescribed rules—closer to reality.
- Common goals:
  - cut red tape, enhance competitiveness,
  - reduce uncertainty, increase flexibility especially for SMEs
- Good practices: review of agency need for regulations by OMB; public comments on draft regulations
- Challenge: to communicate results and be assessed; to balance competing priorities and objectives

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## Lessons of experience

- Leadership as most important ingredient for success
- Crises as catalyst for change
- Harmful effects of a short-term perspective
- Role of central regulatory bodies to change administrative culture
- Need for communication strategy to build constituency for reform
- Getting the level of intervention right

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## Towards the future: interface between the public and private sectors

- Management of complexity of policy objectives, with often unexpected outcomes
- Greater use of alternatives to regulation
- Evaluation of regulations and of their social and economic impacts
- Risk awareness
- Extending coverage to public services such as education, health, environment

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## Towards the future: institutional frameworks

- Greater coherence across levels of government; bottom-up innovation
- Accountability by regulators
- Integration of competition and market openness principles in regulatory policy
- Stakeholder consultation, commitment to transparency

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## Conclusions:

- Adopt whole-of-government approach; avoid ad-hoc and piecemeal solutions
- Adopt philosophy of continual improvements; the benefits of reform wear off
- Learn from each other's experience, including failures as well as successes
- Change the administrative culture and expectations of citizens