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Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

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**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE  
REGULATORY POLICY COMMITTEE**

**PROPOSED HANDBOOK FOR DELEGATES OF THE REGULATORY POLICY COMMITTEE AND  
MEETING OF THE NETWORK OF ECONOMIC REGULATORS**

**9th meeting of the Regulatory Policy Committee and 1st meeting of the Network of Economic Regulators  
12-14 November 2013  
The OECD Conference Centre, Paris**

*Delegates are invited to:*

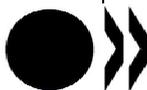
- *DISCUSS* the handbook at the meeting
- *PROVIDE* written comments to the Secretariat by

Please contact Nick Malyshev ([nikolai.malyshev@oecd.org](mailto:nikolai.malyshev@oecd.org)), Sara Kincaid ([sara.kincaid@oecd.org](mailto:sara.kincaid@oecd.org)) or Faisal Naru ([faisal.naru@oecd.org](mailto:faisal.naru@oecd.org)).

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**HANDBOOK FOR EFFECTIVE PARTICIPATION IN  
THE REGULATORY POLICY COMMITTEE (RPC) AND ITS SUBSIDIARY BODY, THE  
NETWORK OF ECONOMIC REGULATORS (NER)**

**Introduction**

1. This handbook is designed to support effective participation by delegates in Committee activities. The Regulatory Policy Committee holds bi-annual meetings at the OECD Conference Centre in Paris to discuss progress of work and projects, framed by the Committee's Programme of Work and Budget, renewed and approved by delegates every two years.
2. The handbook will be revised in line with the approved Programme of Work and Budget 2015-16 and the renewal of the RPC mandate, due at the end of 2014.

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## THE REGULATORY POLICY COMMITTEE (RPC)

### Mandate

3. The Regulatory Policy Committee (RPC) was created in 2009, as a result of the In-depth Evaluation of the Group on Regulatory Policy [[C\(2009\)36/REV1](#)]. Its revised mandate, which runs until 31 December 2014 (see Annex 1), requires the RPC to promote an integrated, horizontal and multidisciplinary approach to regulatory quality and seek to ensure that the OECD as a whole promotes sound regulatory policy and practices.

4. As part of the 41 *Level 1 OECD committees*<sup>1</sup>, the RPC has established itself as the venue for policy dialogue with senior regulatory policy officials from Member and non-Member countries.

5. The Committee's biannual programme of work [[GOV/RPC\(2012\)5/FINAL](#)] provides the overarching framework for the Committee's activities. In line with the strategic priorities set by the Secretary-General and the OECD Council, it builds on the *2012 Recommendation of the Council on Regulatory Policy and Governance* [[C\(2012\)37](#)] and takes into account guidance received from RPC delegates.

### The Committee's mission

6. The mission of the committee is largely framed by its mandate, its main objective being to assist Members and non-Members in building and strengthening capacity for regulatory quality and regulatory reform.

7. In particular, the Committee's work is directed toward helping countries strengthen their capacity to govern by improving regulatory quality and reform. The RPC examines what governments and regulatory agencies do and how they are seeking to improve regulatory reform through regular meetings with its delegates, consultation with field experts, and collection of data and analysis. By providing information, overseeing and directing the Secretariat's work, the Committee gives strategic direction to the Organisation's overall perspective on regulatory policy, and how it can contribute to achieving the Organisations' broader economic and social goals, Better Policies for Better Lives.

### Global Relations and Outreach

8. The Committee's work also takes into account the broader membership of the Organisation, following the accession by Chile, Estonia, Israel and Slovenia, and the critical role of Key partners (Brazil, China, India, Indonesia and South Africa). As a result, the Committee developed and adopted a revised strategy for global relations in 2013 including a "participation plan" for non-Member countries [[GOV/RPC\(2013\)4/FINAL](#)], recognising that effective regulatory policy and tools play a crucial role in promoting sustainable and governance best practices in a large range of countries. Strengthening regulatory policy capacities in a broader range of countries will yield mutually beneficial economic relationships.

9. The RPC global relations and outreach activities are conducted in collaboration with the relevant and appropriate internal (OECD) and external partners and institutions. The RPC works in close co-operation with the OECD's Global Relations Secretariat, on regional work with South East Asia and Latin America. Other regional activities involve engagement with the MENA (Middle East and North

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<sup>1</sup> [On-Line Guide to OECD Intergovernmental Activity](#)

Africa) Programme within the Public Governance and Territorial Development Directorate. The Committee also engages on a regular basis with organisations such as the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Co-operation (APEC) on topics of mutual interest.

10. A new OECD nomenclature refers to the different types of participation: non-Members with whom we engage are described as **Partners**; Enhanced Engagement Countries (Brazil, China, India, Indonesia, and South Africa) as **Key Partners**; former *Ad hoc* Observers as **Invitees**; former Regular Observers as **Participants**; and former Full Participants as **Associates**.

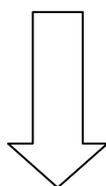
11. The Council's new *Resolution on partnerships in OECD countries* [[C\(2012\)100](#)] requires all OECD Committees to adopt a Participation Plan, setting the rules of participation of non-Members in the meetings and work of the Committee. On 15 September 2013, the Council approved the proposed Participation plan for the RPC. This approval implies that Russia will be officially invited as a participant to the Committee (following the agreement of the Committee on 28 June 2013 to do so), in addition to Brazil (see Annex 2).

### Composition and structure of the Committee

10. The RPC brings together senior regulatory policy officials from OECD countries who are nominated as delegates by their governments. Committee members may come from a Cabinet Office/Prime Minister's Department, Ministry of Economy or Finance, Ministry of Public Administration or other central agency. Country delegates typically attend two-day meetings twice a year at the OECD in Paris, and may also serve on subsidiary bodies (Network of Economic Regulators) and/or working and steering groups dealing with specific topics. These meetings offer an opportunity to exchange ideas and experience and to discuss strategies to build innovative and open governments. The Committee also provides a forum for addressing broad, cross-cutting issues and developments in areas of strategic importance to governments.

11. On 20 September 2013, the Executive Committee formally approved the creation of the Network of Economic Regulators (NER) as a subsidiary body of the RPC. Established to support the RPC in its activities related to the successful delivery of economic regulation by Members and non-Members, the NER is a platform composed of Economic regulators from various sectors from OECD and non-OECD countries (see page 10 for further information on the NER).

REGULATORY POLICY COMMITTEE (created in 2009)



NETWORK OF ECONOMIC REGULATORS (created in 2013)

12. In addition, the Committee works closely with other OECD Committees such as: the Public Governance Committee, the Territorial Development Policy Committee, the Competition Committee, the Investment Committee, the Trade Committee, the Working Party NO1 on Macroeconomic and Structural Policy Analysis and the Environment Policy Committee.

### **The Secretariat: Supporting Committee's operations,**

13. The work of the Committee and of its subsidiary body is carried out in collaboration with the OECD Secretariat. The OECD Secretariat serving the Committee belongs to the OECD Public Governance and Territorial Development Directorate (GOV). Its role is to support the Committee's work by providing analysis, comparative data, and assessments on regulatory policy arrangements in OECD countries, as well as in non-Member countries in the context of global relations.

14. Civil society organisations such as BIAC and TUAC are also closely involved in the work of the Committee, and are consulted on a regular basis by the Secretariat in the implementation of the RPC programme of work. They attend the biannual meetings at the OECD, as well as core workshops carried out annually, such as the Expert workshops on Measuring Regulatory Performance.

### **Role of Committee delegates**

15. Committee members are asked to come to the meetings prepared to represent the range of interests and their country's view on all agenda items.

16. Committee members should:

- Represent their country in **directing and shaping the RPC's programme of work**; and in giving **substantive direction to the development of RPC outputs**, to ensure that outputs accurately represent Member country practices and are consistent with their views;
- Ensure that the Committee's work attains full relevance and impact, particularly in bringing the attention of Ministers and policy makers at senior level to the outputs of the Committee's work
- Provide country views on **major regulatory governance issues** of strategic importance to their governments, many of which are cross-cutting in nature;
- Serve as a **two-way communications link** between the OECD and Member countries on RPC work:
  - 1) Committee members serve as the main contact for providing information to the OECD on regulatory policy trends and practices in their own countries, as a basis for RPC reports, and for exchanging information at RPC Committee meetings; and
  - 2) Committee members assist in **promoting RPC work** and in **disseminating information** obtained through RPC reports and meetings to officials within their own governments;
- Provide **guidance on critical management issues**, including communication strategies, ways to maximise the benefits of RPC work for Member countries; observership of non-Member countries and ways to improve the usefulness of RPC meetings.

### **The Bureau of the Regulatory Policy Committee**

17. A number of Committee delegates are designated annually to serve as officers who represent the Committee in providing more detailed direction to the Secretariat on issues of management and planning of the work programme. These representatives, known as "the Bureau" generally serve for 2-3 years. They participate in planning meetings prior to each Committee meeting and ongoing consultation by telephone and through e-mail and written exchanges. The Chair of the Committee conducts the Committee meetings and is involved in close consultation with the Secretariat on an ongoing basis. The vice-chairs also provide

ongoing guidance, and may be asked to replace the chair in his or her absence. The details of the procedures for designating members of the Bureau are presented in ANNEX 2.

18. The process of selecting Committee officers is a collaborative one between member countries and the Secretariat. As consensus of the Committee is required to designate the Bureau members, the Secretariat consults with individual Committee members in advance of the meeting on a list of possible candidates. This list will preferably contain representatives of a range of governmental systems, geographic regions and reform experiences, who have senior level positions and past involvement in the Committee. Following preliminary consultations with Member countries, the Committee is asked to approve the nomination of Bureau members at its first meeting of each year. (For more detail see ANNEX 2).

## Meetings of the Regulatory Policy Committee

### *What's on the agenda?*

19. Items are placed on the Committee agenda for a range of purposes: to promote mutual learning and exchange; to provide a forum for identifying emerging trends and practices and discussing viewpoints on major regulatory policy issues; to provide direction and policy guidance on the formulation and implementation of the Committee's work programme; to allow for input into work and identification of important issues at an early stage; for revision of work at a later stage; and decisions on whether and how to disseminate work at the final stage. In general, a balance is sought among seven categories of agenda items:

- Addressing major regulatory policy issues, and contributing to horizontal work with other relevant OECD Committees;
- Peer reviewing country regulatory policy reviews undertaken under the auspices of the Committee to identify and share best practice.
- Exchange of promising practices through other vehicles, including:
  - expert presentations around a common theme, drawing general lessons for Member countries;
  - panel discussions with a select group of Member countries and/or experts comparing country experiences;
  - oral presentation on reforms in a single country, with opportunities for questions and answers;
  - dissemination of short factsheets of 1-3 pages on recent regulatory policy developments, brought to the meeting by each Member country (written exchange).
- Discuss and approve the outputs produced under the work programme. These agenda items provide an opportunity for countries to give their viewpoints on emerging regulatory policy issues, and to ensure that the work is accurate and meets with their approval. Committee members are the crucial link in the information-gathering and development process. This access is available in part because member countries have the assurance that they will be involved in both the information-gathering and in the development of outputs, and that they will have the opportunity to review them for accuracy and final approval.
- Committee policy and planning issues. This includes consideration of the Programme of Work and Budget, communications strategies, planning of major meetings, outreach to non-Member

countries, etc. Committee input on these matters is important for the effective functioning of both the Committee and the quality of work that is produced.

- Informational updates. Certain items on the agenda are provided for informational purposes, including reports on recent developments related to RPC work, activity meetings, horizontal work within the OECD, reform within the organisation, budgetary decisions, etc. These do not generally require Committee input or preparation in advance, and only take a small portion of the meeting.

20. Although these are regular features of Committee meetings, none are obligatory, and this format may be adjusted as desired. The Secretariat regularly calls on selected country presentations at Committee meetings to expose Delegates to a wide range of promising practices.

#### *Documents*

21. The Secretariat aims to have all documents ready for distribution on the OECD Committee Information Service (OLISNext) in the OECD's two official languages, English and French, **three weeks** in advance of the meeting in original language and one week before for translations. Official OECD policy is that member countries are provided access to OECD documents through the OLISNext system, and should use it to obtain all meeting documents. Delegates can obtain access to OLISNext through a request from their government's OECD delegation in Paris. However, can also distribute the documents by e-mail if a delegate does not have access to the OLIS distribution system. Generally, the agenda is distributed about six weeks in advance, and all or most other documents are distributed 2-4 weeks in advance.

#### **What is circulated to Committee members outside of meetings by written procedure?**

22. Because of the desire to maintain a manageable amount of reading material required to prepare for Committee meetings, most publications and unclassified documents are circulated to member countries for review via written procedure review outside of Committee meetings. Countries are generally given three to six weeks to respond, depending on the length of the document and timing requirements for final dissemination. Committee representatives can circulate these within their government for comment as appropriate. Documents may be approved through written procedure, with a "silence is consent rule", under which the absence of a response is considered as agreement.

23. In addition, certain policy issues are raised to Committee members outside of the Committee meeting when deadlines do not allow a decision to wait until the actual Committee meeting. For example, unforeseen changes in the GOV budget may require consultation with Committee members before being implemented. A desire to streamline the decision-making process may also result in circulation of policy proposals outside of the Committee meeting.

## THE NETWORK OF ECONOMIC REGULATORS (NER)

### Background

24. On 20 September 2013, the Executive Committee formally approved the creation of the Network of Economic Regulators (NER) as a subsidiary body of the RPC [[GOV/RPC/NER\(2013\)4](#)]. The NER is a platform composed of economic regulators from various sectors from OECD and non-OECD countries to provide an expert forum that can support the RPC in respect to issues material to the successful delivery of economic regulation by OECD and non-Member countries. The fundamental role of regulators as actors of regulatory policy is recognised in the OECD *Recommendation of the Council on Regulatory Policy and Governance* [[C\(2012\)37](#)].

25. The RPC was created in 2009, as a result of the In-depth Evaluation of the Group on Regulatory Policy [[C\(2009\)36/REV1](#)]. Its revised mandate, requires the RPC to promote an integrated, horizontal and multidisciplinary approach to regulatory quality and seek to ensure that the Organisation as a whole promotes sound regulatory policy and practices.

### Mandate

26. The Network of Economic Regulators (NER) shall support the implementation of the Programme of Work and Budget 2013-2014 of the RPC in relation to the activities of actors of regulatory governance and the delivery of regulatory services, as underlined in the OECD Recommendation of the Council on Regulatory Policy and Governance [[C\(2012\)37](#)]. The NER shall provide a unique expert forum for peer discussion and review and the exchange of first-hand experience on emerging issues and best practices. The NER shall contribute to building and enriching comparative data, disseminating lessons and supporting a global dialogue on the application of effective regulatory governance among economic regulators, material to the delivery of essential services, investment in infrastructure and the economic performance of member states.

27. The pursuit of this goal reflects the core objective of the mandate of the RPC [[C\(2009\)171](#) and CORR1], which has oversight responsibilities for implementing the OECD Recommendation of the Council on Regulatory Policy and Governance [[C\(2012\)37](#)]. The NER shall make regular reports on its activities to the RPC.

28. The duration of the NER mandate shall not exceed that of its parent committee, the RPC, in accordance with OECD rules and procedures. The RPC mandate is required to be renewed by 31 December 2014 and the NER will be reviewed and evaluated in the context of the renewal of the mandate of the RPC.

### Participation and Membership

29. The NER is open to the participation of delegates to the RPC and nominated officials from the NER's economic regulators in all relevant sectors, such as energy, telecommunications, transport, airports, water and sewage, and ports. The participation of non-Members to the NER, in particular non-Member adherents to the Recommendation of the Council on Regulatory Policy and Governance [[C\(2012\)37](#)], will be approved in accordance with the rules on partnerships in OECD bodies [[C\(2012\)100/FINAL](#)] and in accordance with the RPC's proposed participation plan [[GOV/RPC\(2013\)4](#)].

30. NER members are asked to come to the meetings prepared to represent the range of interests and the view of their regulator on all agenda items.

31. NER members should represent their country regulator in directing and shaping the NER's programme of work; and in giving substantive direction to the development of NER outputs, to ensure that outputs accurately represent member country practices and are consistent with their views.

32. NER members serve as the key two-way communications link between the OECD and member countries on NER/RPC work in relation to regulators:

- i. NER members serve as the main contact for providing information to the OECD on regulatory policy trends and practices in their own countries, as a basis for NER/RPC reports, and for exchanging information at NER/RPC Committee meetings; and
- ii. NER members assist in promoting NER/RPC work and in disseminating information obtained through NER/RPC reports and meetings to officials within their own institutions and governments;

### **Resources and meetings**

33. The establishment of the NER will be Part 1 budget neutral. The Part one budget of the RPC PWB for 2013-14 includes an allowance for the organisation of two meetings of the NER per year. These meetings would be continued to be organised where demand exists back to back with the meetings of the RPC to prevent any additional travel costs for RPC delegates. No reallocation of Part one resources is therefore proposed and any further commitment of Secretariat resources would be on the basis of voluntary contributions as set out in the PWB.

### **Bureau of the NER**

34. A number of NER delegates are designated annually to serve as officers who represent the NER in providing more detailed direction to the Secretariat on issues of management and planning of the work programme. These representatives, known as "the Bureau" generally serve for 2-3 years. They participate in planning meetings prior to each NER meeting and ongoing consultation by telephone and through e-mail and written exchanges. The Chair of the NER conducts the NER meetings and is involved in close consultation with the Secretariat on an ongoing basis. The vice-chairs (if designated) or other members of the Bureau also provide ongoing guidance, and may be asked to replace the chair in his or her absence. The details of the procedures for designating the Chair members of the Bureau are presented in ANNEX 2.

35. The Chair of the NER will be designated at its first meeting in accordance with Rule 15 of the OECD Rules of Procedure. Afterwards, the Chair will be designated on a yearly basis.

36. The Bureau of the NER will be designated at its first meeting, following nominations received and consultations with individual members of the NER. Afterwards, the Bureau will be designated at its first meeting of each year.

## ANNEX 1. MANDATE OF THE REGULATORY POLICY COMMITTEE

### *I. Objectives*

- a) The objective of the Regulatory Policy Committee is to assist Members and non-Members in building and strengthening capacity for regulatory quality and regulatory reform.
- b) The intermediary objectives of the Committee include:
  - i) promoting an integrated, horizontal and multi-disciplinary approach to work on regulatory quality to increase public policy effectiveness and promote policy coherence;
  - ii) assessing the potential for regulatory reform to contribute to welfare, sustainable growth, innovation and equity, and developing effective ways to assess and manage risks, collaborating with, or drawing from work of other relevant Directorates in the process;
  - iii) examining the relationship between regulators and the regulated, and the institutional arrangements for the regulatory process in government to strengthen engagement with public and improve compliance with regulations;
  - iv) promoting evidence-based decision-making and regulatory transparency to create accessible, predictable and responsive regulations;
  - v) evaluating and improving regulatory management systems, tools and institutions designed to assure that regulations serve policy objectives efficiently and effectively and improve policy outcomes, including the use of ex ante impact analysis and ex post evaluation; and building and maintaining a body of qualitative and quantitative data and indicators;
  - vi) assessing and providing policy guidance on the components of regulatory quality that affect how regulations are designed, adopted and implemented, and on the functioning of regulatory institutions in Members and non-Members, through peer reviews, comparative studies and evidence of good practices, and promoting the wide diffusion of lessons and examples from them, including in guidelines and principles;
  - vii) identifying current and emerging regulatory policy challenges and developing strategies to address them by providing a forum for policy dialogue, co-operation and exchange among those responsible for regulatory policy in Members and non-Members, as well as with other relevant stakeholders including international organisations and institutions, the private sector, and civil society.

### *II. Co-operation arrangements*

- a) The Committee shall co-operate with other OECD committees (including, but not restricted to, the Public Governance Committee, the Competition Committee, the Trade Committee, and the Investment Committee) on matters related to regulatory quality and reform to promote a cross-sectoral perspective, and seek to ensure that the Organisation as a whole promotes sound regulatory policy and practices;
- b) The Committee will seek particularly close co-operation with the Public Governance Committee;
- c) The Committee shall keep itself informed of the activities related to regulatory policy and regulatory reform carried out in other international organisations including in the European Union, and it will develop, as practical, partnerships with these organisations to ensure effective complementarities;

- d) The Committee shall consider the views and input of BIAC, TUAC and other major stakeholders;
- e) The Committee shall encourage participation by non-Members in the Committee's work (including undertaking country reviews and contributing to thematic work) and their implementation of the Committee's recommendations and good practices.

## ANNEX 2. PARTICIPATION PLAN OF THE REGULATORY POLICY COMMITTEE

| <b>PARTICIPATION PLAN</b>                            |  |  |                            |
|--|--|--|----------------------------|
| <b>OECD Body</b>                                     | Regulatory Policy Committee (RPC)  |  |                            |
| <b>Subsidiary bodies to which this Plan applies:</b> | All  |  |                            |
| <b>Global Relations strategy</b>                     | OLIS reference: <a href="#">GOV/RPC(2013)4/REV1</a>  | Approved on: 28.06.2013                          |                            |
| <b>ASSOCIATES</b>                                    |  |  |                            |
| <b>Conditions</b>                                    | <p>1) Adhere to the OECD Recommendation of the Council on Regulatory Policy and Governance [<a href="#">C(2012)37</a>], and demonstrate willingness and ability to implement it.</p> <p>2) Demonstrate coherence with the regulatory policies and practices found in OECD Member countries. The RPC will review the quality of the potential Associate's policy frameworks and institutions for regulatory policy as well as their willingness and ability to implement the Recommendation on Regulatory Policy and Governance. In this regard, the RPC will use Regulatory Reform Reviews as a framework and tool for policy dialogue on regulatory policy matters in Partners aiming to acquire Associate Status in the Committee.</p> |  |                            |
| <b>Fee</b>   | EUR 50 700   |  |                            |
| <b>Associate</b>                                     | <b>Bodies to which invitation applies<sup>2</sup></b>  | <b>Approval date, summary record<sup>3</sup></b> | <b>Exchange of Letters</b> |
| None   |  |  |                            |

<sup>2</sup> Invitations as Associate apply to the inviting body, its subsidiary bodies, joint bodies, Ministerial meetings and Global Fora, unless provided otherwise.

<sup>3</sup> If applicable: information on suspension or termination should be mentioned in this column.

| PARTICIPANTS       |   |  |                   |
|--------------------|---|--|-------------------|
| Participant        | Bodies to which invitation applies <sup>4</sup>                     | Approval date, summary record <sup>2</sup> | Acceptance letter |
| Russian Federation | All   | [28.06.2013; RPC]                          |                   |
| INVITEES           |   |  |                   |
| Invitee            | Bodies and items to which the Invitee may be invited <sup>5</sup> : | Approval date, summary record              |                   |
| Bulgaria           | All   | [28.06.2013; RPC]                          |                   |
| Colombia           |   |  |                   |
| Costa Rica         |   |  |                   |
| Egypt              |   |  |                   |
| Hong Kong, China   |   |  |                   |
| Kazakhstan         |   |  |                   |
| Latvia             |   |  |                   |
| Lithuania          |   |  |                   |
| Malaysia           |   |  |                   |
| Morocco            |   |  |                   |
| Peru               |   |  |                   |
| Romania            |   |  |                   |
| Singapore          |   |  |                   |
| Thailand           |   |  |                   |

4 An invitation as Participant applies to the inviting body and its Global Forums, and may apply to its subsidiary bodies and joint bodies and Ministerial meetings.

5 An invitation as Invitee shall apply to an individual meeting of the body concerned, or one of its subsidiary bodies or a meeting at Ministerial level, as provided for in the invitation. It may apply to meetings of joint bodies, provided that their constituent bodies agree. It may be limited to specific agenda items.

|   |                      |   |
|---|----------------------|---|
| Tunisia   |                      |   |
| United Arab Emirates  |                      |   |
| Vietnam   |                      |   |
| <b>The following Invitees have been invited on a recurrent basis to participate in a (sub-)body's meetings for four years or more, and are not being proposed as Participants</b> |                      |   |
| <b>Invitee</b>  | <b>Body</b>          | <b>Reasons</b>  |
| None  |                      |   |
| <b>KEY PARTNERS (FOR INFORMATION)<sup>6</sup></b>   |                      |   |
| <b>Key Partner</b>  | <b>Invitation as</b> | <b>Bodies to which invitation applies<sup>7</sup></b> |
| Brazil  | Participant          | All   |
| China   | Invitee              | All   |
| India   | Invitee              | All   |
| Indonesia   | Invitee              | All   |
| South Africa  | Invitee              | All   |

<sup>6</sup> Key Partners (currently: Brazil, China, India, Indonesia and South Africa) may be invited as Invitee or Participants without prior Council approval, but should be mentioned in the Participation Plan for information.

<sup>7</sup> An invitation as Participant applies to the inviting body and its Global Forums, and may apply to its subsidiary and joint bodies and Ministerial meetings.

### ANNEX 3. BUREAU ELECTION GUIDELINES

#### *Considerations*

Any guidelines adopted must be consistent with the OECD Rules of Procedures and other relevant OECD rules and practices. The guidelines should apply both to the selection of a Chair and Bureau members.

There is a need to bring clarity and provide the Committee with a shared understanding of the process for Bureau elections. This will assist in the smooth functioning of the Committee and Bureau, in that all members will act on the basis of shared expectations and support collaborative relationships. A key challenge develops when there are more candidates than openings. Any guidelines would need to address this situation to ensure fairness in the approach taken.

#### *Key Points*

- Bureau members are to be designated at the first Committee meeting of each year and members should normally hold these positions for a maximum of three consecutive years;
- the decision of appointing Chairs should not be formalized (i.e. avoid formal voting);
- Chairs and Bureau members should be elected from amongst their own Committee membership;
- the best qualified person(s) should be elected - criteria: effective, helpful, impartial;
- nationality should have no bearing on choice;
- over time, each member country should have a chance to serve as Chair (and member of the Bureau);
- politicization of the process or deadlock should be avoided (i.e. avoid government and/or diplomatic intervention - no country should normally veto a candidate - block voting or the presentation of joint candidates should be avoided);
- the Secretariat should assist the Committee and ensure the necessary consultations of all delegations take place;
- numbers of officers are determined by each body - Article 8 is provided to guide decisions and suggests one Chair and two Vice chairs; and
- the Bureau should not take the place of the subsidiary body in the form of an enlarged Bureau including all delegations.

*OECD Rules and Practices*

The elections of the officers of the PGC will be carried out in accordance with OECD rules and practices. The following guidelines are intended exclusively to facilitate the application of these rules and practices.

*Size of the Bureau*

The size of the Bureau is determined by the PGC and should be relatively small. Maximum ceilings should be adhered to. It is currently comprised of a minimum of three and a maximum of seven seats.

*Bureau Enlargement*

Any further enlargement of the Bureau should be decided by the PGC on the basis of a well-grounded rationale. Such a decision must be taken before a new round of elections is opened, otherwise the maximum ceiling will be respected.

Confirmation of the maximum ceiling will be sought at the Committee meeting prior to the Committee meeting at which elections take place.

*Election of Officers*

Bureau officers should be elected from among the PGC delegates and normally for a maximum of three consecutive years.

Committee members who wish to be considered as candidates for the Bureau should have shown an active interest and participation in the activities of the Committee. Each candidate must be supported by their sponsoring country. Before any election, the Chair, with the help of the Secretariat, takes soundings in order to determine who the potential candidates may be in relation to the number of vacancies expected. When the number of candidates exceeds the number of vacant seats, informal consultation should be carried out by the Chair in close collaboration with the Secretariat, to determine whether all candidates wish to continue with their candidacy or whether some of them will withdraw.

If no candidate withdraws, informal consultations will take place with all member countries to determine where consensus may lie and which candidates have the widest support. Following this feedback, if no candidate withdraws there will be an indicative straw poll<sup>8</sup> taken at the Committee. The straw poll will be organised by the Secretariat.

The Committee recognizes that over time all countries should have an opportunity to participate in the Bureau, so as not to have the Bureau dominated by a set of countries. Especially when the number of candidates exceeds the number of vacancies, consideration should be given to ensuring a representative balance in the composition of the Committee particularly given that the work of the OECD is context dependant.

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8. Straw poll does not constitute a derogation from the consensus rule and is not a formal ballot. The straw is simply a mechanism to see where preferences and majority lie, formal appointment will continue to be done by consensus. The Secretariat will organise the straw poll by asking each full member of the Committee to identify the preferred candidates and identify where the consensus lies within the limit provided (e.g. maximum of seven positions). The Secretariat and OECD Legal Directorate will be responsible for administering the poll and reporting results.

**ANNEX 4. DRAFT RECOMMENDATION OF THE COUNCIL ON REGULATORY POLICY  
AND GOVERNANCE [C(2012)37]**

**THE COUNCIL,**

**HAVING REGARD** to Articles 1, 2a), 3 and 5b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Recommendation of the Council on Improving the Quality of Government Regulation [[C\(95\)21/FINAL](#)], including the OECD Reference Checklist for Regulatory Decision-Making ;

**HAVING REGARD** to the 1997 OECD Report on Regulatory Reform [[C/MIN\(97\)10](#) (summary) and [C/MIN\(97\)10/ADD](#)], the 2005 Guiding Principles for Regulatory Quality and Performance [[C\(2005\)52](#) and [CORR1](#)], the APEC-OECD Integrated Checklist for Regulatory Reform [[SG/SGR\(2005\)4](#)], and the Recommendation of the Council on Competition Assessment [[C\(2009\)130](#)];

**NOTING** the considerable progress made by Members and non-Members to improve the quality of regulation and of the tools and institutions for evidence-based decision making;

**NOTING** that the challenges facing governments today and in the foreseeable future include issues and problems with a regulatory dimension that have not been addressed systematically in previous OECD decisions, recommendations and principles;

**RECOGNISING** that democracy and the rule of law depend upon and reinforce sound regulatory frameworks;

**RECOGNISING** that regulations are one of the key levers by which governments act to promote economic prosperity, enhance welfare and pursue the public interest;

**RECOGNISING** that well-designed regulations can generate significant social and economic benefits which outweigh the costs of regulation, and contribute to social well-being;

**NOTING** that regulatory policy as a government policy framework for how regulations are made, assessed and revised should be carried out at the highest level by the office of the President or Prime Minister and calls for good governance practice to be implemented across departments and levels of government;

**RECOGNISING** that the financial crises and economic cycles, innovation, social change, environmental challenges and the search for new sources of growth highlight the importance of regulatory frameworks for well-functioning markets and societies and of regulatory policies and institutions to cope with the interconnectedness of sectors and economies;

**RECOGNISING** that the OECD has played a leading role in the international community to promote regulatory reform and the implementation of sound regulatory practices on a whole-of-government approach; and,

**RECOGNISING** that the Regulatory Policy Committee was created in 2009 to assist Members and non-Members in building and strengthening capacity for regulatory quality and reform;

On the proposal of the Regulatory Policy Committee:

**I. RECOMMENDS** that Members:

1. Commit at the highest political level to an explicit whole-of-government policy for regulatory quality. The policy should have clear objectives and frameworks for implementation to ensure that, if regulation is used, the economic, social and environmental benefits justify the costs, the distributional effects are considered and the net benefits are maximised.
2. Adhere to principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation. This includes providing meaningful opportunities (including online) for the public to contribute to the process of preparing draft regulatory proposals and to the quality of the supporting analysis. Governments should ensure that regulations are comprehensible and clear and that parties can easily understand their rights and obligations.
3. Establish mechanisms and institutions to actively provide oversight of regulatory policy procedures and goals, support and implement regulatory policy, and thereby foster regulatory quality.
4. Integrate Regulatory Impact Assessment (RIA) into the early stages of the policy process for the formulation of new regulatory proposals. Clearly identify policy goals, and evaluate if regulation is necessary and how it can be most effective and efficient in achieving those goals. Consider means other than regulation and identify the tradeoffs of the different approaches analysed to identify the best approach.
5. Conduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives.
6. Regularly publish reports on the performance of regulatory policy and reform programmes and the public authorities applying the regulations. Such reports should also include information on how regulatory tools such as Regulatory Impact Assessment (RIA), public consultation practices and reviews of existing regulations are functioning in practice.
7. Develop a consistent policy covering the role and functions of regulatory agencies in order to provide greater confidence that regulatory decisions are made on an objective, impartial and consistent basis, without conflict of interest, bias or improper influence.
8. Ensure the effectiveness of systems for the review of the legality and procedural fairness of regulations and of decisions made by bodies empowered to issue regulatory sanctions. Ensure that citizens and businesses have access to these systems of review at reasonable cost and receive decisions in a timely manner.
9. As appropriate apply risk assessment, risk management, and risk communication strategies to the design and implementation of regulations to ensure that regulation is targeted and effective. Regulators should assess how regulations will be given effect and should design responsive implementation and enforcement strategies.
10. Where appropriate promote regulatory coherence through co-ordination mechanisms between the supranational, the national and sub-national levels of government. Identify cross-cutting regulatory

issues at all levels of government, to promote coherence between regulatory approaches and avoid duplication or conflict of regulations.

11. Foster the development of regulatory management capacity and performance at sub-national levels of government.
12. In developing regulatory measures, give consideration to all relevant international standards and frameworks for co-operation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction.

**II. RECOMMENDS** that Members take appropriate steps to implement high standards and to improve regulatory processes, and to use regulations wisely in pursuit of economic, social and environmental policies, and to take into account the principles expressed in this Recommendation, which are recalled and further developed in the Annex to this Recommendation of which it forms an integral part.

**III. INVITES** Members and the Secretary-General to disseminate this Recommendation;

**IV. INVITES** non-Members to take account of and adhere to this Recommendation;

**V. INSTRUCTS** the Regulatory Policy Committee to monitor the implementation of this Recommendation and to report thereon to the Council no later than three years following its adoption and regularly thereafter, in consultation with other relevant OECD Committees.

## **ANNEX 5. TERMS OF REFERENCE FOR THE CHAIR OF THE NETWORK OF ECONOMIC REGULATORS**

### **Responsibilities and tasks**

The Chair of the OECD Network of Economic Regulators (NER) is an honorary, non-remunerated position. Financial expenses incurred by the Chair will not be covered by the OECD.

The Chair will represent the NER within and outside the OECD including in high-level events, and preside over the two meetings of the NER per year. The Chair will be assisted in this task by the OECD Secretariat in the form of background briefing prior to the events, analysis, comparative data and assessments during the OECD meetings.

The Chair will:

- Take an active role with the Bureau and provide relevant strategic orientations and support to the Secretariat in achieving the decisions taken by the NER;
- Host one of the two biannual meetings of the NER within the Chair's country and providing the logistical (venue, translation, catering, etc) and administrative (invites, printing and publication, etc) support for the organisation of the meeting;
- Champion the activities as identified and agreed by the NER;
- Share with OECD and non OECD relevant bodies and delegations, the work and results of the NER;
- Raise the profile of the NER in related events at different levels;
- Support the fundraising efforts of the OECD Secretariat to make the activities of the NER sustainable;
- In fulfilling the above responsibilities the Chair will:
- Ensure that the OECD rules and procedures, the NER mandate, all relevant decisions and practices of the NER are complied with;
- Pay due regard, in carrying out his/her duties to the opinion of all members of the NER;

After each meeting of the NER, the Chair will summarise the conclusions reached by the members and convey the key messages and decisions to relevant OECD bodies, networks, and delegations.

### **Eligibility and competences**

The Chair should represent an economic regulator, nominated by a high-level government representative, and be fluent in English (with additional languages beneficial).

The Chair should be/have been the head, or similar senior position such as Commissioner, of an economic regulator. S/he will have extensive experience and/or knowledge on regulatory governance issues internationally.

The Chair should have accumulated experience and skills in the following areas

- Chairing or leading decision-making bodies comprised of diverse stakeholders;
- Organising and facilitating discussions, and building consensus among diverse stakeholders;
- Demonstrating discretion and professional ethics with respect to confidential matters;
- Communicating clearly, concisely and persuasively;
- Listening attentively and respectfully to other stakeholder views; and
- Showing ability to act, think and speak independently with conviction and confidence.

### **Designation**

The term of office of the Chair will be for one year non-renewable, beginning from 1<sup>st</sup> January 2014 until 31<sup>st</sup> December 2014.

The selection of the Chair will stem from a transparent and open process, after an official call for nominations to the OECD permanent delegations, RPC Delegates and NER members

The Chair will be selected based on the above description of tasks, responsibilities and competences.

The Chair will be selected in November 2014 after an open discussion and based on consensus.

The Chair will preside over the NER meetings in 2014. The first to be held on 21 March 2014, at OECD Headquarters, Paris. The second, to be held in Quarter 3 or 4 of 2014 and hosted by the Chair's country.

## ANNEX 6. DESIGNATION OF THE CHAIR AND BUREAU OF THE NER

The process of selecting the Chair and Bureau is a collaborative one between NER members and the Secretariat, in accordance with the rules and procedures of the OECD and in line with those of the Regulatory Policy Committee (RPC).

As consensus of the NER is required to designate the Chair and Bureau members, the Secretariat consults with individual NER members in advance of the meeting on a list of nominated possible candidates. This list will preferably contain representatives of a range of governmental systems, geographic regions and reform experiences, who have senior level positions and past involvement in the NER. Following preliminary consultations with NER member countries, the NER is asked to approve the nomination of Chair and Bureau members at its first meeting of each year.

### *Considerations*

Any guidelines adopted must be consistent with the OECD Rules of Procedures and other relevant OECD rules and practices. The guidelines should apply both to the selection of a Chair and Bureau members.

There is a need to bring clarity and provide the NER with a shared understanding of the process for Bureau elections. This will assist in the smooth functioning of the NER and Bureau, in that all members will act on the basis of shared expectations and support collaborative relationships. A key challenge develops when there are more candidates than openings. Any guidelines would need to address this situation to ensure fairness in the approach taken.

### Key Points

- Bureau members are to be designated at the first NER meeting of each year and members should normally hold these positions for a maximum of three consecutive years;
- The decision of appointing Chairs should not be formalized (i.e. avoid formal voting);
- Chairs and Bureau members should be elected from amongst their own Committee or OECD body membership;
- The best qualified person(s) should be elected - criteria: effective, helpful, impartial;
- nationality should have no bearing on choice;
- Over time, each member country should have a chance to serve as Chair (and member of the Bureau);
- Politicisation of the process or deadlock should be avoided (i.e. avoid government and/or diplomatic intervention - no country should normally veto a candidate - block voting or the presentation of joint candidates should be avoided);
- The Secretariat should assist the NER and ensure the necessary consultations of all delegations take place;
- Numbers of officers are determined by each body - Article 8 is provided to guide decisions and suggests one Chair and two Vice chairs; and
- The Bureau should not take the place of the subsidiary body in the form of an enlarged Bureau including all delegations.

*OECD Rules and Practices*

The elections of the officers of the NER will be carried out in accordance with OECD rules and practices. The following guidelines are intended exclusively to facilitate the application of these rules and practices.

*Size of the Bureau*

The size of the Bureau is determined by the NER and should be relatively small. Maximum ceilings should be adhered to. It is currently comprised of a minimum of three and a maximum of seven seats.

*Bureau Enlargement*

Any further enlargement of the Bureau should be decided by the NER on the basis of a well-grounded rationale. Such a decision must be taken before a new round of elections is opened, otherwise the maximum ceiling will be respected.

Confirmation of the maximum ceiling will be sought at the NER meeting prior to the NER meeting at which elections take place.

*Election of Bureau*

Bureau officers should be elected from among the NER delegates and normally for a maximum of three consecutive years.

NER members who wish to be considered as candidates for the Bureau should have shown an active interest and participation in the activities of the NER. Each candidate must be supported by their sponsoring country. Before any election, the Chair, with the help of the Secretariat, takes soundings in order to determine who the potential candidates may be in relation to the number of vacancies expected. When the number of candidates exceeds the number of vacant seats, informal consultation should be carried out by the Chair in close collaboration with the Secretariat, to determine whether all candidates wish to continue with their candidacy or whether some of them will withdraw.

If no candidate withdraws, informal consultations will take place with all member countries to determine where consensus may lie and which candidates have the widest support. Following this feedback, if no candidate withdraws there will be an indicative straw poll taken at the NER. The straw poll will be organised by the Secretariat.

The NER recognises that over time all countries should have an opportunity to participate in the Bureau, so as not to have the Bureau dominated by a set of countries. Especially when the number of candidates exceeds the number of vacancies, consideration should be given to ensuring a representative balance in the composition of the NER particularly given that the work of the OECD is context dependant.

In addition, any changes in the composition of the NER Bureau may be phased such that every year a number of Bureau members stand down, while the remainder continue. And new Bureau members that are elected will ensure there is the opportunity for all to participate while having continuity from existing Bureau members still serving.