INTERNATIONAL REGULATORY COOPERATION AND INNOVATION

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IRC is important for:

- Diffusion of technology
- Expanding markets for innovators and reducing trade costs
  - Enable Global Value Chains
- Creating trust by consumers and citizens
IRC at early stages of innovation

- Create regulatory certainty (at least reduce uncertainty)
- Enable disruptive innovations (at least do not hamper)
- Can avoid ending up with trade restrictive ‘stock’ of regulations later – new ones are easier to deal with!
Some issues

• Regulatory heterogeneity between countries is deeply engrained
• Regulators look at domestic reg objectives first
• Regulations use ‘science’ – but not only consideration!
Chocolate standards in Europe

The industrial revolution and science allowed testing of the ingredients in food/chocolate in the 19\textsuperscript{th} century

- Showed that adulteration was widespread, not just with cheap substitutes, but also with poisonous ingredients

=> Public outrage induced regulations and standards

But: different regulatory approaches
- France vs UK vs Germany
Three approaches to Chocolate regulation

1. Britain: **negative-list approach**
   - 1860/75: general food safety laws
   - sale of adulterated food 'injurious to health' was forbidden
   - labelling of (safe) ingredients was mandatory.
   - Cacao Butter Equivalents (CBEs: non-cacao vegetable fats) were not forbidden

2. France: **recipe approach**
   - 1910: Positive list of ingredients plus composition
   - Defines ‘quality’

3. Germany: **private standards and regulation**
   - 1879 General food laws + industry standards (negative-list)
   - From 1933: Private standards (recipes) become basis for regulation
A 30-year Chocolate War in Europe

1957:
• The six founding EU members had chocolate regulations close to the French model.

1973:
• UK, Ireland and Denmark join. Their chocolate follows the British model (and allows CBEs)

1980s and 1990s:
• More countries join and it becomes close to 50/50.

2003 (After 30 years!):
• A compromise: CBEs are allowed up to 5% in all of the EU
• Codex Alimentarius revised its chocolate standard to allow the use of up to 5% of vegetable fat – in line with EU legislation
Some (little) steps towards solutions

- Mutual recognition?
  - Of equivalence of outcomes
  - Of conformity assessment
- Underpinned by:
  - Agreed ‘good laboratory practices’ (science)
  - Agreed ‘good regulatory practices’ (regulators)
  - International standards
  - Transparency and early involvement of civil society