



OECD Regulatory Policy Outlook 2021

Regulatory oversight: A key enabler of Better Regulation



Chapter 3

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Robust oversight is necessary to ensure that rules and regulations are evidence-based, consistent and forward-looking, thus helping to enhance systemic resilience.

Regulatory oversight bodies (ROBs) must promote the systematic, appropriate and consistent use of evidence and stakeholder engagement in the design and revision of rules, as well as strong institutional co-ordination and risk-based and innovative approaches to regulation.

- ▶ All members continue to have at least one ROB in charge of promoting and monitoring regulatory policy reform, and some ROBs have assumed new responsibilities;
- ▶ Close to 50% and 40% of jurisdictions report having a ROB focusing on innovation-friendly regulation and regulatory quality during a crisis respectively. Adequate capacity and resources are crucial for ROBs to fulfil such demanding roles;
- ▶ OECD members are lagging behind with regard to oversight of *ex post* evaluation and stakeholder engagement, and the performance assessment of key regulatory policy tools is not fully transparent or systematic.

Oversight continues to focus primarily on RIA, and the development of systematic quality control of *ex post* evaluations and stakeholder engagement remains too slow.

Examples of ROBs' innovative practices

Canada's Treasury Board has requested advice from an external advisory committee to ensure that Canada's regulatory system enables investment and innovation. Recommendations to date include strengthening capacity for regulatory experimentation.

The **Norwegian Better Regulation Council** has taken steps to scrutinise if regulatory proposals are innovation-friendly (e.g. 2019 statement on a set of proposed new rules governing the use of drones).

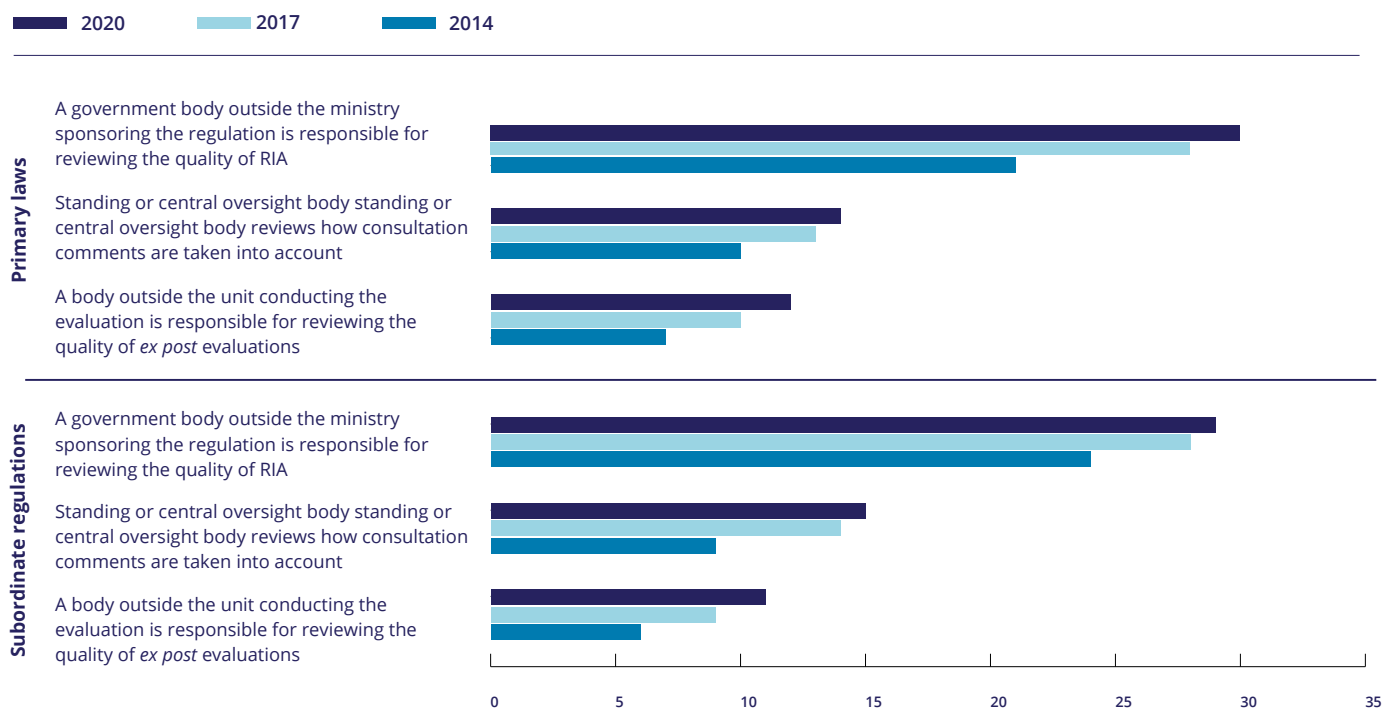
In 2018, **Denmark** set up a **Secretariat for digital-ready legislation** in charge of evaluating whether digitisation is considered in rulemaking and providing ministries with guidance and advice on digital-ready legislation.

The **UK's Regulatory Policy Committee** will scrutinise the application of an innovation test to ensure that the impact of legislation on innovation is duly considered throughout the regulatory cycle.

Source: UK Government (2019), *Regulation for the Fourth Industrial Revolution: White Paper*; Denmark's Agency for Digitisation (2020), *Secretariat for digital-ready legislation*; Government of Canada (2019), *External Advisory Committee on Regulatory Competitiveness*

There are now more jurisdictions with a body in charge of reviewing the quality of *ex post* evaluations compared with 2014, but these still account for under one third of the total and quality control seldom applies to all evaluations. Moreover, only a small minority of OECD members have a ROB in charge of reviewing the quality of *ad hoc* reviews of the regulatory stock or *ex post* evaluations of legislation packages. More systematic quality control is also needed to ensure the effectiveness of stakeholder engagement practices, including those involving foreign stakeholders, throughout the regulatory cycle.

Most OECD members have not yet set up bodies to review the quality of *ex post* evaluations or stakeholder consultations



Note: Data is based on 34 OECD member countries and the European Union.

Source: Indicators of Regulatory Policy and Governance Surveys, 2014, 2017 and 2021.

ROBs can help improve how the performance of regulatory management tools is tracked, measured and communicated upon, thus enhancing governments' ability to reap the benefits from regulatory reform.

Although RIA is a pivotal element of regulatory policy, about one third of jurisdictions still do not publish online reports on the performance of their RIA system and in many of them reporting is not regular but *ad hoc*. Only a handful of OECD members report on the effectiveness of *ex post* evaluations in improving the regulatory stock on a regular basis, and, despite the widespread recognition of stakeholder engagement's relevance, just about one third publish reports on the performance of consultation practices on draft regulations – generally on an *ad hoc* basis.

Few OECD members report regularly on the performance of regulatory management tools	2020
Reports on RIA system performance: Annually	9
Reports on RIA system performance: Every 2-3 years	3
Reports on RIA system performance: Ad hoc	12
Reports on <i>ex post</i> evaluation system performance: Annually	5
Reports on <i>ex post</i> evaluation system performance: Every 2-3 years	0
Reports on <i>ex post</i> evaluation system performance: Ad hoc	7
Reports on performance of consultation practices on draft regulations: Annually	3
Reports on performance of consultation practices on draft regulations: Every 2-3 years	2
Reports on performance of consultation practices on draft regulations: Ad hoc	9

Note: Data refers to the situation as of end 2020 and is based on 38 OECD member countries and the European Union.

Source: Indicators of Regulatory Policy and Governance Survey 2021.



Related links

- ▶ [OECD Regulatory Policy Outlook 2021](#)
- ▶ [OECD 2012 Recommendation on Regulatory Policy and Governance](#)
- ▶ [Indicators of Regulatory Policy and Governance](#)
- ▶ [Case Studies of RegWatchEurope Regulatory Oversight Bodies and the EU Regulatory Scrutiny Board](#)
- ▶ [OECD 2021 Recommendation for Agile Regulatory Governance to Harness Innovation](#)
- ▶ [Practical Guidance on Agile Regulatory Governance to Harness Innovation](#)

For further information, please contact [Guillermo Hernández](#), OECD Regulatory Policy Division.