Good Regulatory Practices as the Basis for International Regulatory Cooperation

TBT Side Event on International Regulatory Cooperation
March 19, 2018
Purpose

1. Regulation in Canada

2. How can GRP enable regulatory cooperation?

3. Canada-United States Regulatory Cooperation Council (RCC)
Regulation in Canada

Legislation
The Parliament of Canada passes legislation which enable regulations

Regulatory proposals
Departments and agencies develop regulatory proposals

Central challenge function
The Treasury Board of Canada Secretariat challenges regulatory proposals

Cabinet review and approval
The Treasury Board considers and approves proposals
The life-cycle approach

Identify and assess issues

Set objectives and expected outcomes

Select instruments

Evaluate and review

Consult, coordinate and cooperate

Analyse benefits and costs

Plan for implementation and compliance

Measure and report on progress

Recommend an option
What is Good Regulatory Practice?

Good regulatory practices are internationally recognizes processes, systems, tools and methods for improving the quality of regulations.

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<th>Requirement</th>
<th>Description</th>
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<td>1. Commit to whole-of-government policy for regulatory quality</td>
<td>Adhere to principles of open government</td>
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<td>2. Adhere to principles of open government</td>
<td>Provide oversight of regulatory policy</td>
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<td>3. Provide oversight of regulatory policy</td>
<td>Regularly publish reports on performance of regulatory policy</td>
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<td>4. Integrate Regulatory Impact Assessment</td>
<td>Conduct systematic programme reviews of regulatory stock</td>
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<td>5. Conduct systematic programme reviews of regulatory stock</td>
<td>Ensure effectiveness of systems for review of legality and procedural fairness</td>
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<td>6. Regularly publish reports on performance of regulatory policy</td>
<td>As appropriate apply risk assessment, risk management, and risk communication strategies</td>
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<td>7. Develop a consistent policy covering the role of regulatory agencies</td>
<td>Foster the development of regulatory management capacity at sub-national levels of government</td>
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<td>8. Ensure effectiveness of systems for review of legality and procedural fairness</td>
<td>Give consideration to all relevant international standards and frameworks for cooperation</td>
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<td>9. As appropriate apply risk assessment, risk management, and risk communication strategies</td>
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<td>10. Where appropriate promote regulatory coherence through coordination mechanisms between all levels of government</td>
<td>11. Foster the development of regulatory management capacity at sub-national levels of government</td>
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Canada’s approach to Good Regulatory Practice

Treasury Board of Canada Secretariat

Central oversight body:
• Source of expertise for GRP
• Performs challenge function
• Coordinates Government of Canada regulatory cooperation

Cabinet Directive on Regulatory Management

Outlines requirements for RIA, consultation, evaluation, regulatory cooperation

Administrative burden reduction initiatives

• One-for-One Rule
• Small business lens
• Forward Regulatory Plans
• Service Standards
• Administrative burden baselines
• Interpretation policies

Regulatory cooperation initiatives

• Canada – United States Regulatory Cooperation Council
• Canada-European Union Regulatory Cooperation Forum
• Canadian Free Trade Agreement Regulatory Reconciliation and Cooperation Table
How can GRP enable regulatory cooperation?

A foundation in GRP builds trust in the quality of regulations and enables formal regulatory cooperation arrangements.

### Evidence-based regulation
- Provides **reassurance** to other parties that regulations are in the public interest.
- Facilitates a **common understanding** that initiatives should be supported by evidence.

### Transparency and engagement
- Builds **confidence** that evidence was considered, and due process was followed.
- Enables **information sharing** and **stakeholder engagement**.

### Central oversight
- Contributes to a **predictable regulatory environment** for other parties.
- Ensures internal **compliance** with GRP.
- Provides a **single window** and establishes clear processes for other governments and stakeholders.
- Ensures **coordination and monitoring** of initiatives.

### Outcomes:
- **TRUST**
- **FORMAL ARRANGEMENT**
RCC: Trust in quality of regulations

A shared foundation in GRP helps make Canada and the United States comfortable working together

Leadership support
Joint commitment at highest level of government to pursue shared regulatory outcomes

Trust between regulators
Practical approach to regulator-to-regulator cooperation

Stakeholder engagement
Bi-national groups of stakeholders working together on mutually beneficial opportunities

TRANSPARENCY (e.g. consultation, online publication)

EVIDENCE (e.g. RIA)

OVERSIGHT (TBS, OIRA)
RCC: Formal regulatory cooperation

GRP underpins the RCC’s approach to regulatory cooperation

Central oversight body

- RCC Secretariat
  - TBS
  - OIRA
- Canadian-US department

Life-cycle approach

- Stakeholder submissions
- Technical/Expert Working Groups
- Work Plan Development and Implementation
- Regulator review of submissions
- Regulator/ Stakeholder Event

SINGLE WINDOW

MONITORING & COORDINATION

EVIDENCE + TRANSPARENCY
RCC: Results

Trust in regulatory processes and the RCC’s adoption of GRP has contributed to concrete benefits to both Canadians and Americans.

- **Common Electronic Submission Gateway**
  - **What**: Companies can submit information about a health product market authorization once for both countries
  - **Benefit**: $22 million of savings for the pharmaceutical industry over 10 years

- **Sunscreen Inspection Pilot**
  - **What**: U.S. sunscreens enter into Canada without being quarantined and tested for a second time at the border
  - **Benefit**: $100,000 annually of savings per sunscreen for the consumer health product industry

- **Energy efficiency standards**
  - **What**: Harmonized standards for products such as refrigerators and air conditioners
  - **Benefit**: $1.8 billion of savings in energy costs by 2030 for Canadian consumers, and $1.5 million per year for manufacturers
Next-steps for Canada

Canada-United States Regulatory Cooperation Council (2011)

Canadian Free Trade Agreement- Regulatory Reconciliation and Cooperation Table (2017)


Trade negotiations (e.g. NAFTA, Pacific Alliance) and global discussions (e.g. OECD, APEC)
Thank you

For more information, visit...

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www.canada.ca/regulatory-cooperation

@TBS_Canada #cdnregcoop

Treasury Board of Canada Secretariat

Your Government at Work