



OECD RECOMMENDATION ON INTERNATIONAL REGULATORY CO-OPERATION TO TACKLE GLOBAL CHALLENGES

**12/07/2022, WTO TBT Committee, Thematic Session on Regulatory Co-
operation between Members**

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Division

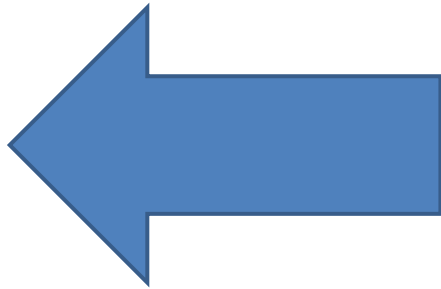


Background on OECD approach

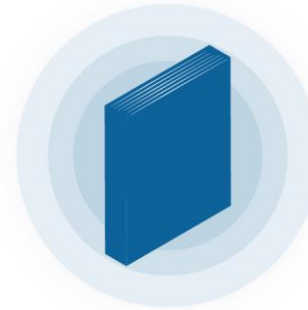


Trade Policy Committee

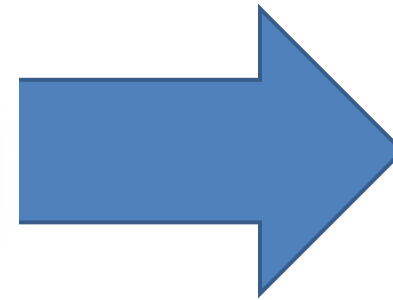
Trade and Agriculture Directorate



450+
INTERNATIONAL
STANDARDS DEVELOPED

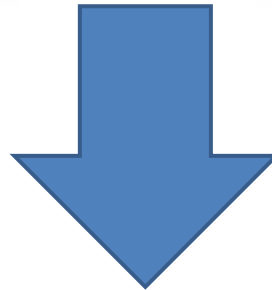


500
MAJOR REPORTS PER YEAR



Regulatory Policy Committee

Public Governance Directorate



SME and Entrepreneurship Committee, Centre for Entrepreneurship, SMEs, Regions and Cities

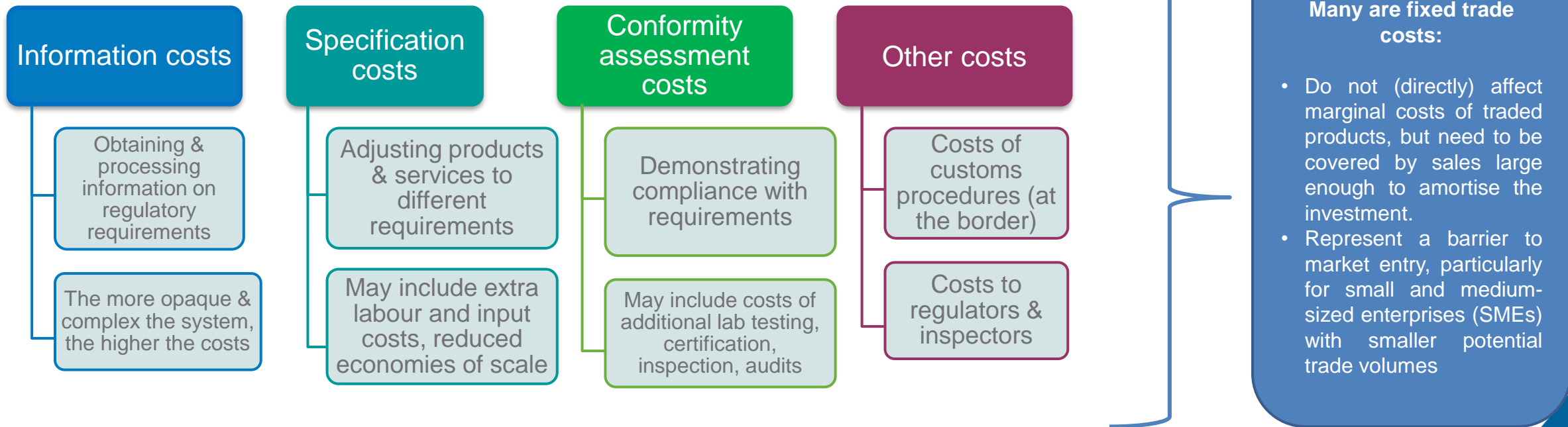


IRC and Trade: Why is it important for SMEs?



GRPs can support regulatory coherence and reduce trade costs

Heterogeneity-related trade costs incurred by producers and traders





**How can IRC address
regulatory
heterogeneity?**



What are the solutions to the different types of trade costs and how can IRC help?

GRPs throughout the regulatory cycle with a pinch of IRC => interoperability of regulatory frameworks

Information costs

- **Transparency**, centralized in a single source about upcoming and existing regulations
- In governments: virtual one-stop shops to SMEs, clustered around some basic business services
- At international level: WTO TBT/SPS website, e-ping, EU DG Growth TBT Database.

Specification costs

- **Consideration of impacts on SMEs**: SME lenses in RIAs
- **Stakeholder consultation** by regulators with active efforts to SMEs
- **SME perspective considered at international level**, in standard-setting processes

Conformity assessment costs

- **Risk-based regulation**
- **Early consideration of CAPs**, when designing regulation
- **Mutual recognition agreements**



Summary of [OECD Recommendation on International Regulatory Co-operation](#)

Establishing the IRC strategy and its governance

- > Develop a whole of government IRC policy / strategy
- > Establish a co-ordination mechanism in government on IRC activities to centralise relevant information on IRC practices and activities and to build a consensus and common language
- > Enable an IRC conducive framework – i.e. raise awareness of IRC, build on existing platforms for co-operation, reduce anti-IRC biases and build in incentives for policy makers and regulators

Embedding IRC throughout the domestic rulemaking

- > Gather and rely on international knowledge and expertise
- > In developing regulation, consider existing international instruments and document the rationale for departing from them
- > Assess impacts beyond borders
- > Engage actively foreign stakeholders
- > Embed consistency with international instruments as a key principle driving the review process in ex post evaluation and stock reviews
- > Assess ex ante the co-operation needs to ensure appropriate enforcement and streamline “recognisable” procedures

Co-operating internationally (bilaterally, plurilaterally & multilaterally)

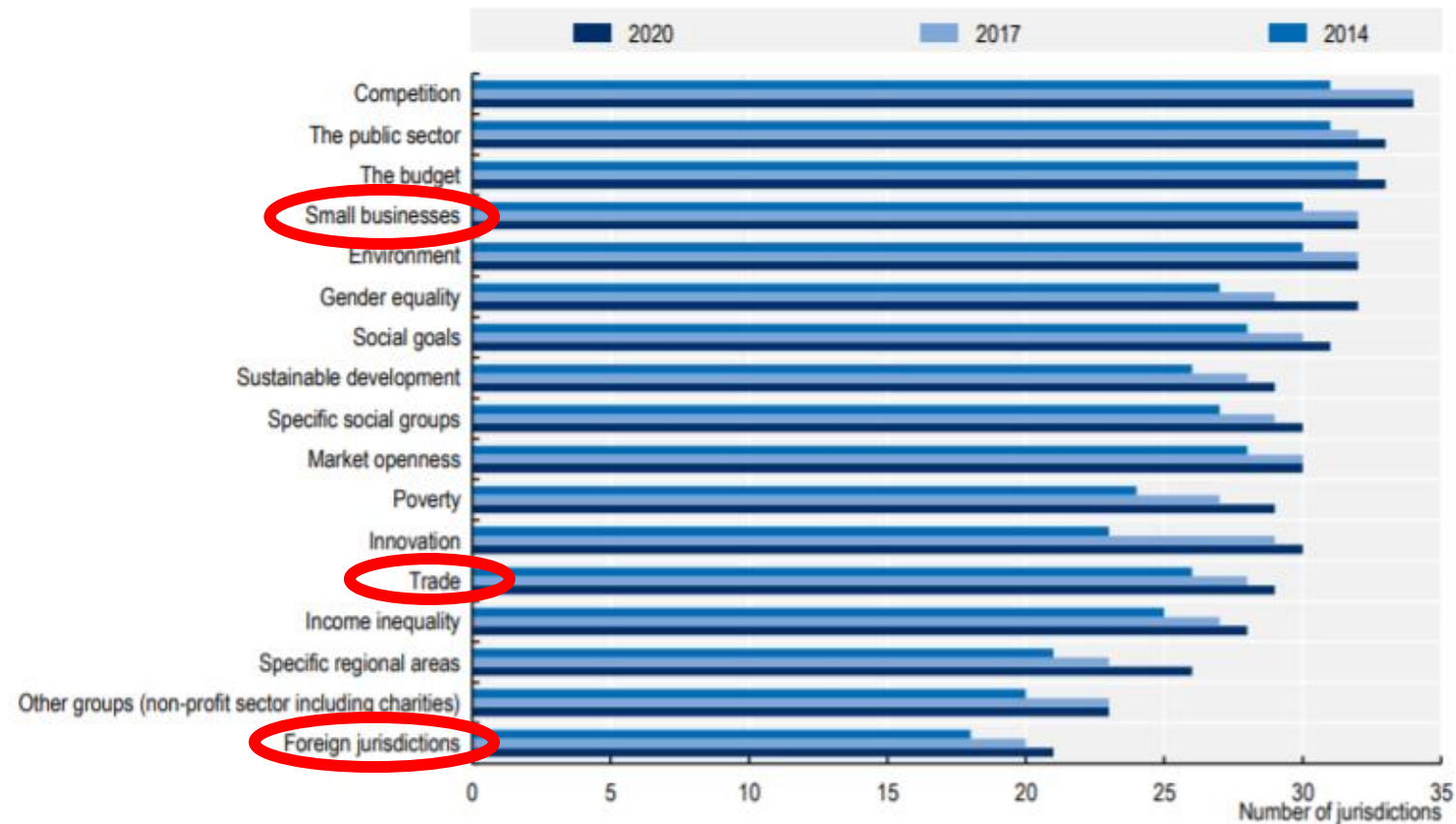
- > Co-operate with other countries to promote the development and diffusion of good practices and innovations in regulatory policy and governance
- > Contribute to international fora which support regulatory co-operation
- > Use mutual recognition in combination with international instruments
- > Align IRC expectations across various policy instruments, including in trade agreements

+ See [Best Practice Principles on IRC](#)



Regulatory impact assessment as a tool to assess trade impacts

Figure 2.15. OECD regulators are assessing regulatory impacts on an increasing number of factors

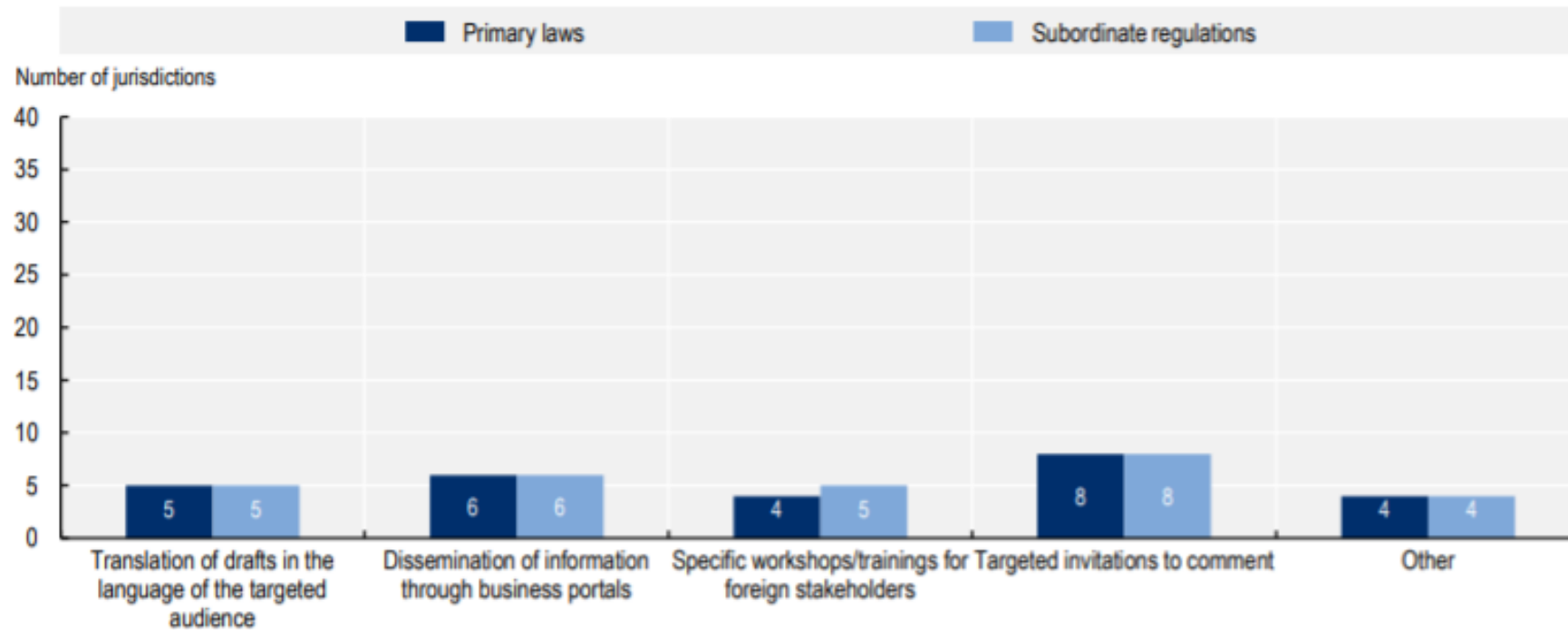


Note: Data are based on 34 OECD member countries and the European Union.
Source: Indicators of Regulatory Policy and Governance (iREG) Surveys 2014, 2017 and 2021.



Foreign stakeholder engagement: specific efforts still rare, but potentials are high

Figure 4.6. Approaches to assessing impacts on foreign jurisdictions and to targeting jurisdictions for assessment for subordinate regulations



Note: Data for OECD Countries is based on the 38 OECD member countries and the European Union.

Source: Indicators of Regulatory Policy and Governance Survey 2020.

Thank you for your attention!

See more on our work on IRC: www.oecd.org/gov/regulatory-policy/IRC

Further questions welcome to
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