

# Regulation and Quality Infrastructure: Addressing the Challenges of Two Worlds Apart

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**I. OECD Regulatory Policy Committee: Background, Scope and Objectives**

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**III. GRPs and Trade: the difficulties with two separate policy communities**

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## **OECD Regulatory Policy Committee: Background, Scope and Objectives**



Trade policy

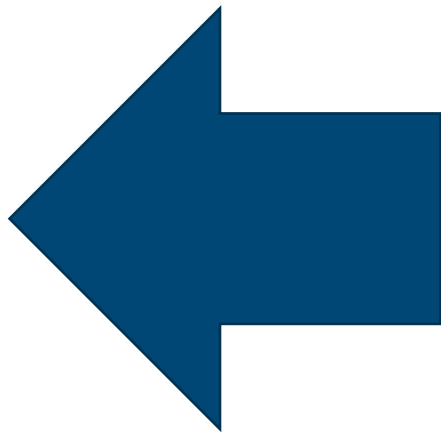
Regulatory  
Policy

Trade Policy  
Committee

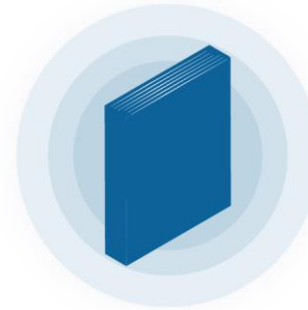
Regulatory  
Policy  
Committee

Trade and  
Agriculture  
Directorate

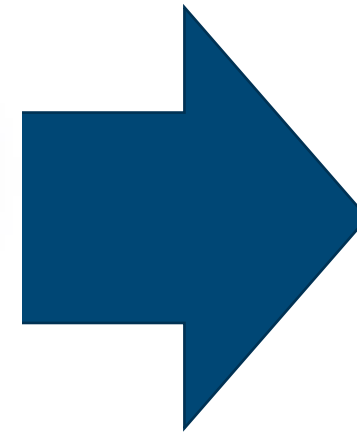
Public  
Governance  
Directorate



**450+**  
INTERNATIONAL  
STANDARDS DEVELOPED



**500**  
MAJOR REPORTS PER  
YEAR



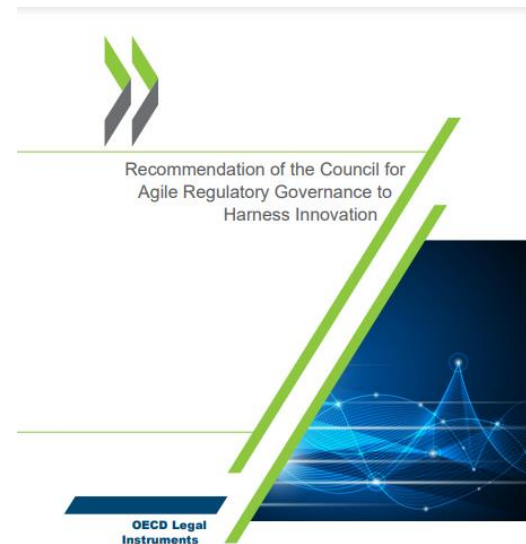
OECD Regulatory Policy Committee has been at the forefront of quality regulation for over 20 years. Today, three OECD Recommendations serve as reference points in the field.

## Regulatory Policy & Governance



- > OECD Recommendation on Regulatory Policy and Governance, 2012

## Agile Regulatory Governance for Innovation

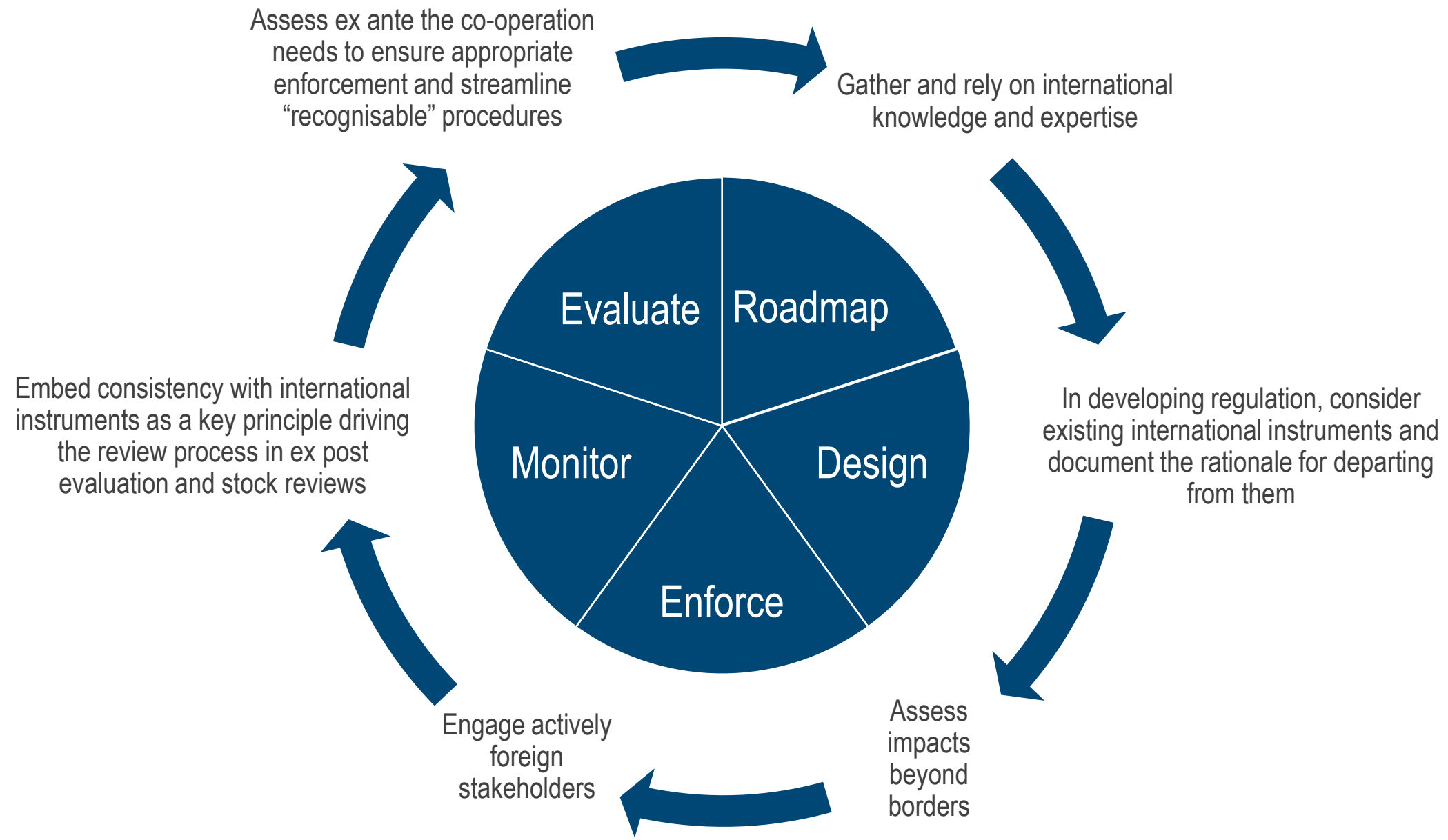


- > OECD Recommendation for Agile Regulatory Governance to Harness Innovation, 2021

## International Regulatory Co-operation



- > OECD Recommendation on International Regulatory Co-operation to Tackle Global Challenges, 2022

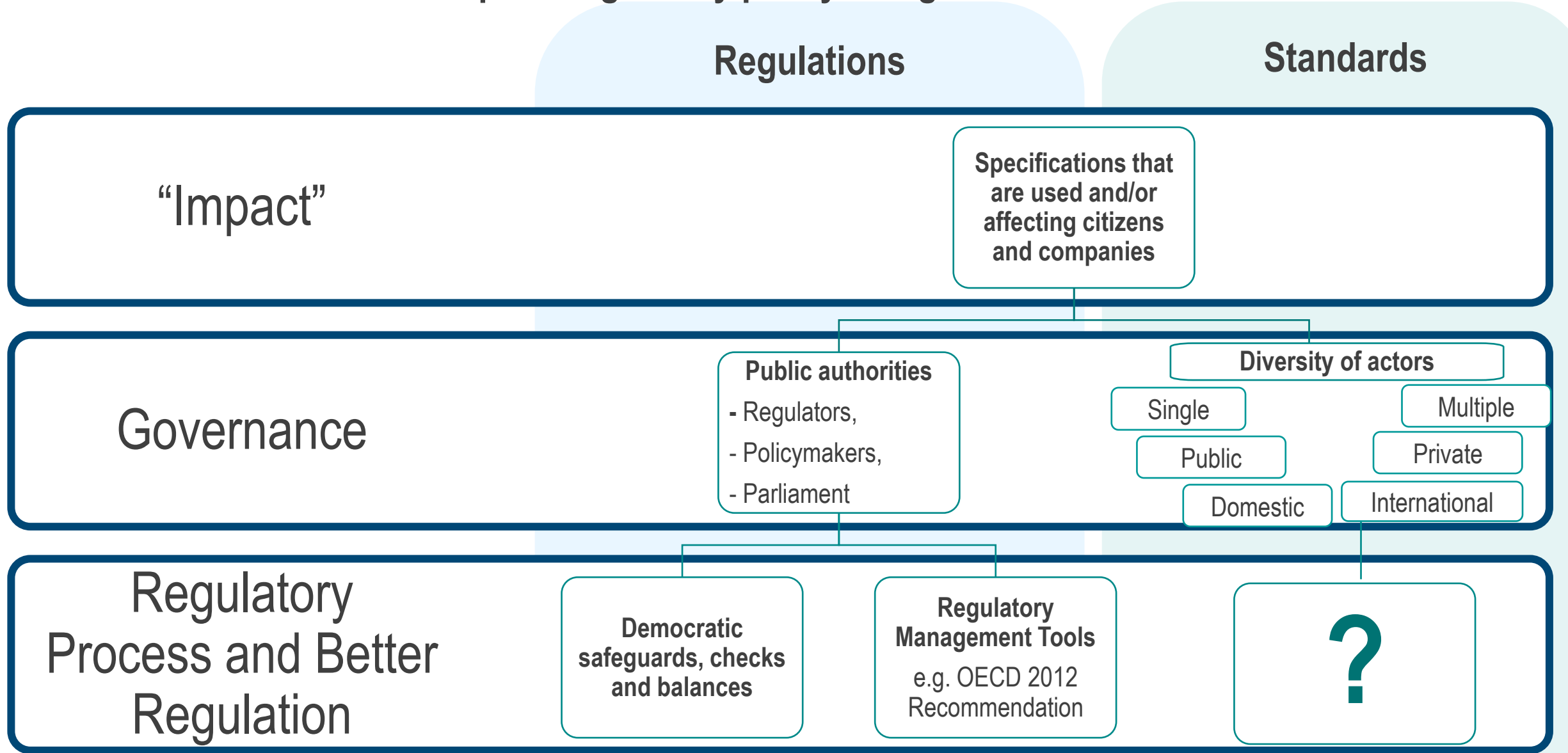




Why are standards and  
*“private-led” “regulatory”*  
approaches of interest for  
the RPC?



# Standard-setting by private actors has an increasing importance in normative landscape, but falls out of traditional scope of regulatory policy and governance







# Behind the scenes for standards: a whole “national quality infrastructure” to unbundle!

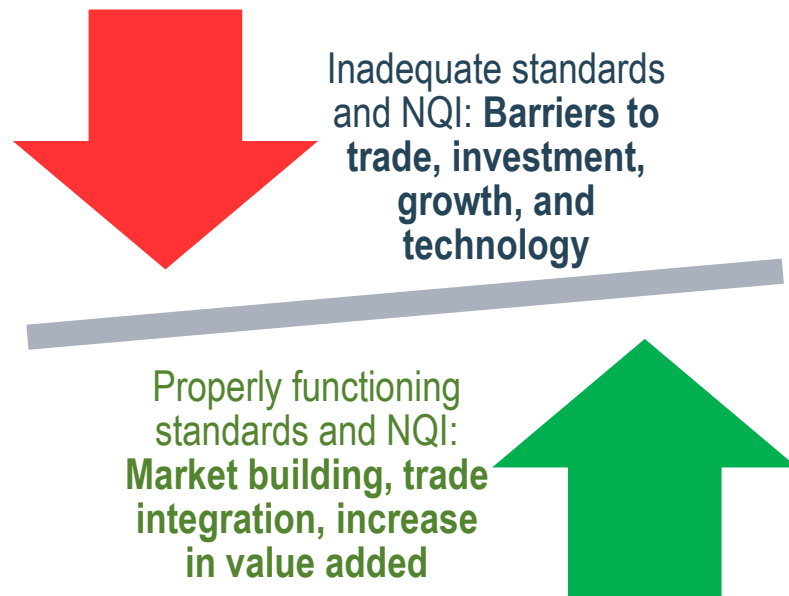
National Quality Infrastructure (NQI) is the framework of institutions, legislation and rules, processes and practices used to verify conformity to applicable mandatory rules, or truthfulness of claimed conformity to voluntary standards

- ✓ Ensuring safety
- ✓ Enabling trade
- ✓ Strengthening trust in transactions



# » The NQI and the **Regulatory Environment**

- > “Standards”: set of prescriptions that define how a product (or process) should perform and its main characteristics
  - > “NQI”: legislative and institutional arrangements that allow to translate standards into practice
- ✓ Standards help trading partners to know “what to expect”
  - ✓ NQI serves as a guarantee that standards are followed



**Impact on:**  
internal market development,  
external market access,  
competitiveness,  
investment and growth

**Specific relevance:**  
Investment climate  
Trade logistics  
Sector competitiveness  
Global Value Chains



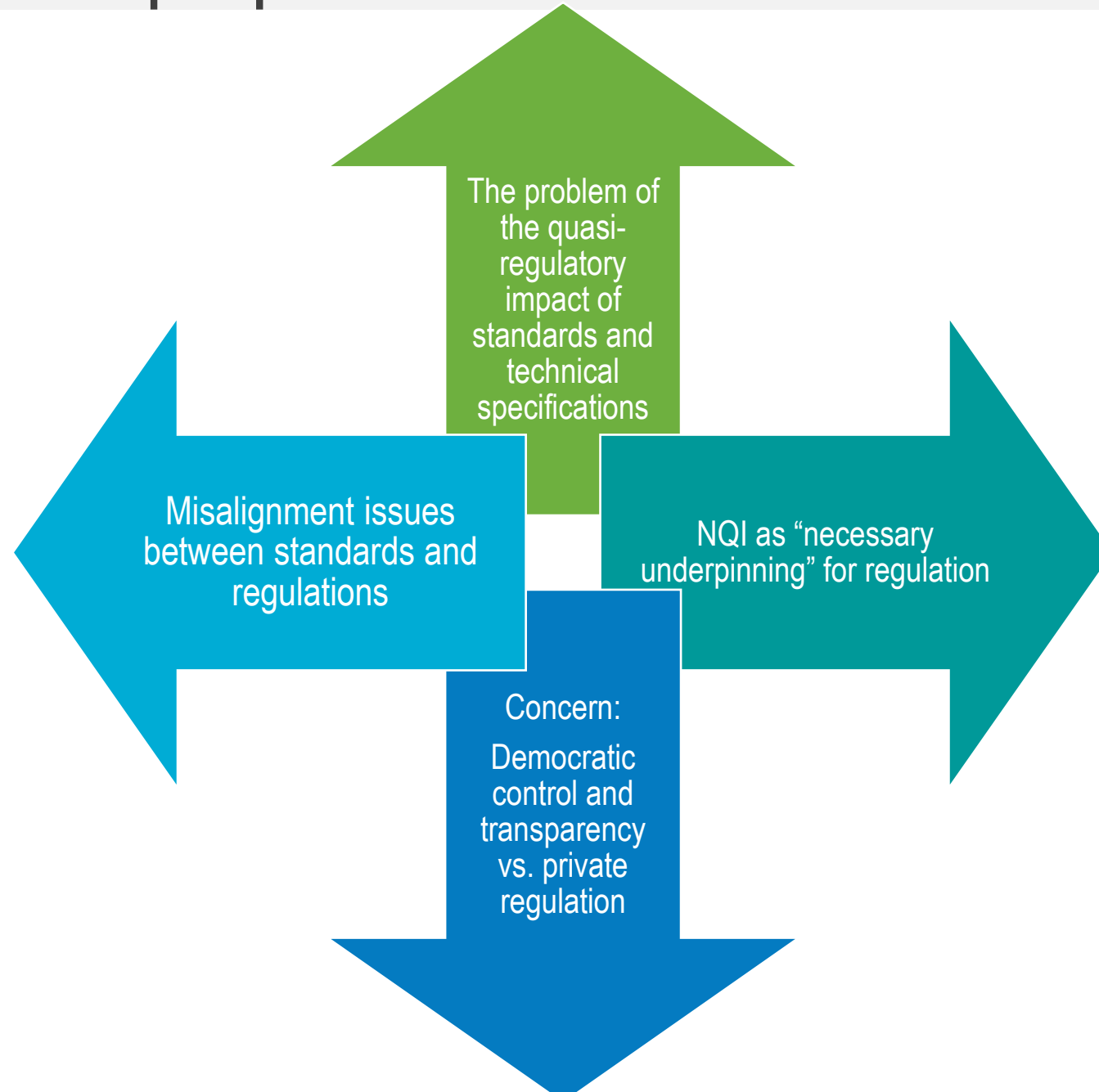
# Areas of Concern: Barriers to Trade and Competitiveness Effects

Negative effects arise when standards are not aligned with international ones, mandatory requirements are excessive, or claims of conformity don't reflect the reality.

<b>Barriers to trade</b>	> Costly imports and exports
	> Rent seeking, increased prices and reduced product choice
	> Low consumer trust; blocking of high-risk goods internationally
	> Constrained integration in value chains
<b>Barriers to innovation and technology adoption</b>	> Difficulties in launching products and adopting processes
	> Little incentive to innovate
	> Reduced market demand and burdens on producers
<b>Constraints to competitiveness, investment, and growth</b>	> Higher costs for consumers w/out commensurate increase in safety etc.
	> Undermined attractiveness to investment
	> Increased import costs and monopolistic tendencies
	> Undermined competition, growth, and job creation



# Potential issues and perspectives to cover to ensure an effective work (I)





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**GRPs and Trade: the  
difficulties with two  
separate policy  
communities**



# Regulatory policy and trade: objectives, institutions, processes and terminology differences



**Table 1: Terminology used in relation to regulatory policy**

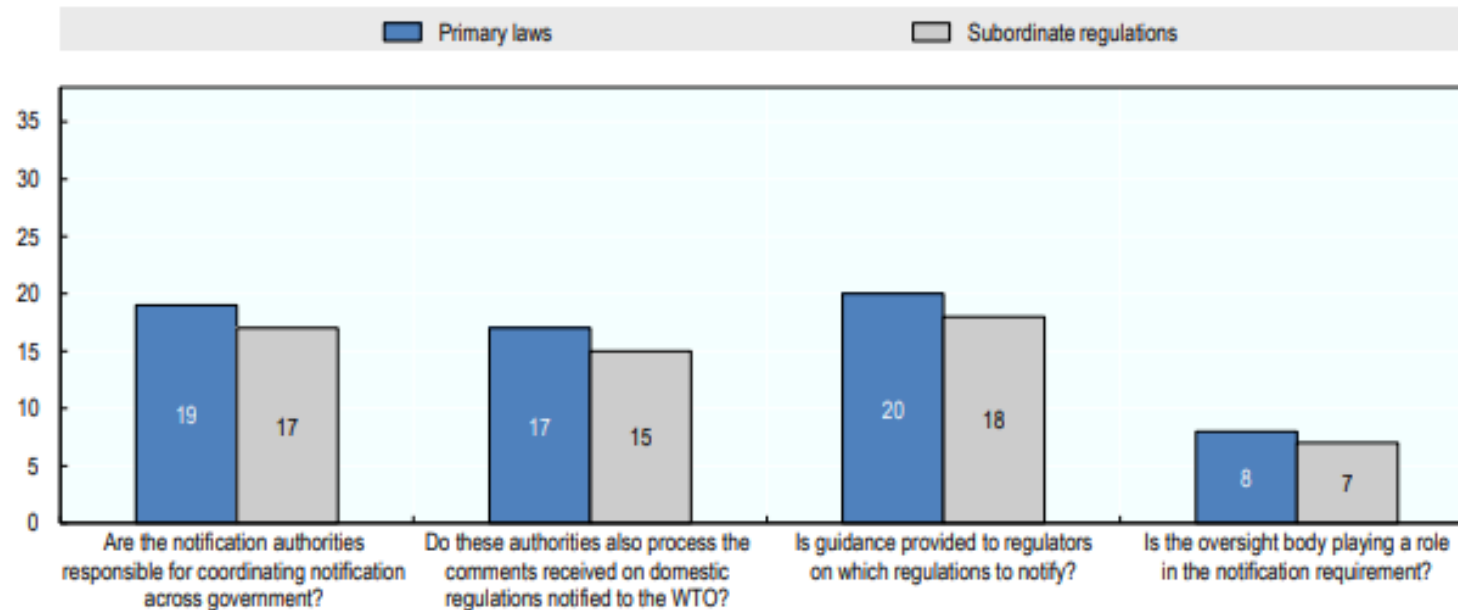
OECD	WTO TBT Committee	Other terminologies used in countries
Regulatory quality Regulatory reform Regulatory policy	Good regulatory practice	Better regulation Smart regulation Regulatory fitness deregulation Paperwork reduction Regulatory management Regulatory governance Regulatory improvement Simplification



# Transparency in SPS and TBT agreements in practice: the disconnect between trade and regulatory authorities

**Figure 5.10. Domestic procedures for compliance with WTO agreements on Technical Barriers to Trade and on the Application of Sanitary and Phytosanitary Measures**

38 respondents for primary laws and 39 respondents for subordinate regulations



*Note:* Data for OECD countries is based on the 35 OECD member countries, the European Union, and three accession countries. The question is not applicable for primary legislation in the United States.

*Source:* Indicators of Regulatory Policy and Governance Survey 2017, <http://oe.cd/ireg>.

**»» IV.**

**OECD past and future  
work in the area**





# OECD RPC work on regulatory policy and governance can help advance in this area from various perspectives

## Normative grounds for RPC expertise in this area:

### OECD 2012 Recommendation of the Council on Regulatory Policy and Governance

#### Regulatory policy and governance: the bread and butter of the RPC

- > The over 20 years of expertise of the OECD RPC can provide many lessons on increasing quality, effectiveness, transparency of processes to support similar reflections on standard-setting
- > Discussions on standard-setting in the RPC can help bridge language gap on regulation and standards, by bringing communities together

#### IO Partnership: a depth of analytical work and a network of international partners

- > The IO Partnership for Effective International Rule-making (IO Partnership) has conducted work on international rulemaking, including practices by organisations developing technical standards.
- > IO Partnership has issued Compendium of IO Practices, aiming to apply GRPs to international rulemaking and standard-setting
- > The IOP brings together many international actors interested in collaborating more closely on standard-setting and “quality infrastructure”

#### Regulatory delivery and enforcement

- > Work on regulatory inspections and enforcement
- > Food safety regulatory delivery
- > Country-level work: Market Surveillance, environmental regulations, food safety, etc.

# Building on previous RPC work...

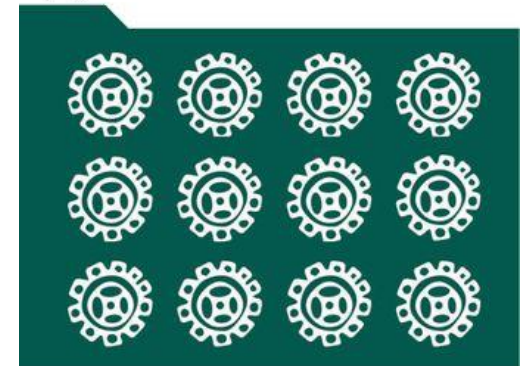
## International Organisations

Case studies looking at **international organisations** working around **Quality Infrastructure** developed in the context of the **Partnership of International Organisations for Effective International Rulemaking**

- a. International Organization for Standardization (OECD/ISO, 2014)
- b. International Organization of Legal Metrology (OECD/OIML, 2016)
- c. International Regulatory Co-operation and Trade: Understanding the Trade Costs of Regulatory Divergence and the Remedies (2017)
- d. World Trade Organization (OECD/WTO, 2019)
- e. International Bureau of Weights and Measures (OECD/BIPM, 2020)
- f. ASTM International (OECD, 2021)
- g. IO Compendium: Working Towards Better International Instruments (OECD, 2021)

## Country work

Implementing Technical Regulations in Mexico (OECD, 2020)





## ...To reinforce synergies between quality disciplines on regulation and standards

Misalignment issues between standards and regulations

QI & regulation

- > **Documenting the variety of actors and processes** related to the design, implementation, conformity assessment and enforcement of regulation and standard-setting respectively and their interrelations and interdependencies;
- > **identifying the key disciplines, steps, processes** etc. through which one or the other element may dysfunction and lead to sub-optimal regulatory outcomes throughout developed and developing countries;
- > Lay **initial recommendations** on how to overcome the inefficiencies to overall ensure better effectiveness of regulations and standards

Democracy & transparency

Quasi-regulatory effects

# Thank you!

For more info: <https://www.oecd.org/gov/regulatory-policy/irc.htm>

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