Establishing trust in the multilateral trade system through transparency and international standards implementation monitoring

PANEL DISCUSSION
with International Organisations having signed a cooperation agreement with the OIE
OECD perspective on good regulatory practices

Towards evidence-based, inclusive rule-making at domestic and international level

Céline Kauffmann, Deputy Head
Regulatory Policy Division
Organisation for Economic Co-operation and Development
The importance of good regulatory practices at domestic level

2. Adhere to principles of open government, incl. transparency & participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation.

4. Identify policy goals, and evaluate if regulation is necessary and how it can be most effective and efficient in achieving those goals.

5. Review to ensure that regulations remain up to date, cost justified, cost effective & consistent & deliver the intended policy objectives.

9. Apply risk assessment, risk management, and risk communication strategies to the design and implementation of regulations.

12. Give consideration to all relevant international standards & frameworks for co-operation in the same field (…).
The (trade) costs of regulatory divergences

Information costs
- Obtaining & processing information on regulatory requirements
- The more opaque & complex the system, the higher the costs

Specification costs
- Adjusting products & services to different requirements
- May include extra labour and input costs, reduced economies of scale

Conformity assessment costs
- Demonstrating compliance with requirements
- May include costs of additional lab testing, certif, inspection, audits

Other costs (not covered)
- Costs of customs procedures (at the border)
- Costs to regulators & inspectors

International regulatory cooperation

- Adoption of good regulatory practice
- Adoption of international standards
- Formal Partnerships
- Mutual recognition
- Regulatory provisions in trade agreements
- Regional and multilateral platforms for cooperation among regulators

Agreement or organisational arrangement, formal or informal, between countries to promote some form of coherence in the design, monitoring, enforcement, or ex post management of regulation

Adoption of international standards can drive regulatory convergence if they meet regulators’ confidence.
The partnership of international organisations for effective international rule-making

Voluntary structured framework of >45 IOs for exchange of experience on effective rule-making, cross-cutting and beyond IGOs

**Annual plenary meetings**, with rotation of hosts

**Working groups** on 5 focus themes led by focal points (UNECE, **OIE**, WHO, OECD, SIECA)

**Academic Friends of the IO partnership**: a flexible and open advisory group of some 20 dedicated academics

**Collection of practices** through a survey exercise leading to evidence-based analytical work

**Studies of specific IOs**
Key focus 1: the variety of international instruments - Soft law rather than binding agreements

Key focus 2: The development of instruments rather than on their implementation

<table>
<thead>
<tr>
<th>Activity</th>
<th>Systematically</th>
<th>Occasionally</th>
<th>Frequently</th>
<th>Never/not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchanges of information and experiences</td>
<td>31</td>
<td>14</td>
<td>5</td>
<td></td>
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<tr>
<td>Data collection</td>
<td>28</td>
<td>11</td>
<td>9</td>
<td>2</td>
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<tr>
<td>Research and policy analysis</td>
<td>22</td>
<td>16</td>
<td>11</td>
<td>1</td>
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<tr>
<td>Discussion of good regulatory practices</td>
<td>20</td>
<td>21</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Development of rules, standards or agreed</td>
<td>28</td>
<td>19</td>
<td>3</td>
<td></td>
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<tr>
<td>good/best practices</td>
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<tr>
<td>Negotiation of international agreements</td>
<td>10</td>
<td>10</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Enforcement – imposition of sanctions</td>
<td>5</td>
<td>8</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Dispute settlement among members</td>
<td>5</td>
<td>3</td>
<td>12</td>
<td>30</td>
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<tr>
<td>Crisis management</td>
<td>4</td>
<td>8</td>
<td>15</td>
<td>23</td>
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</table>

## Focuses 3 & 4: ensuring the quality of IO instruments through stakeholder engagement and evaluation

<table>
<thead>
<tr>
<th>Activity</th>
<th>Systematically</th>
<th>Occasionally</th>
<th>Frequently</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity for stakeholder groups to comment on proposed actions</td>
<td>23</td>
<td>14</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Opportunity for the general public to comment on proposed actions</td>
<td>9</td>
<td>4</td>
<td>10</td>
<td>27</td>
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<tr>
<td>Ex ante regulatory impact assessment (including cost-benefit analysis)</td>
<td>8</td>
<td>8</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Ex post evaluation of implementation and impacts</td>
<td>11</td>
<td>13</td>
<td>9</td>
<td>17</td>
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<tr>
<td>Review of the overall stock of regulatory norms in the organisation</td>
<td>7</td>
<td>13</td>
<td>13</td>
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Focus 5: Room for growing cooperation among IOs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Yes</th>
<th>Occasionally</th>
<th>Never</th>
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</thead>
<tbody>
<tr>
<td>Exchange information</td>
<td>45</td>
<td>4</td>
<td>1</td>
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<tr>
<td>Observe relevant actions of other bodies</td>
<td>42</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Joint meetings that provide forums for co-ordination</td>
<td>37</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>MOU or other agreement</td>
<td>29</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Participate in co-ordinating institution</td>
<td>28</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>Develop joint instruments</td>
<td>12</td>
<td>26</td>
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Background information:
The Regulatory Policy Committee was created by the OECD Council on 22 October 2009 to assist countries in implementing government-wide policies to promote regulatory policy and governance.

Information about OECD work on regulatory policy is available at: www.oecd.org/gov/regulatory-policy

Our work on international regulatory co-operation is available at: www.oecd.org/gov/regulatory-policy/IRC

Contacts: celine.kauffmann@oecd.org
OIE’s Observatory project on the implementation of OIE International Standards
The OIE contributes to a **fairer rules-based trading system** by supporting **harmonisation of international rules to animal health and welfare.**
How does the OIE contribute to establish trust in the multilateral trade system?

International standard setting process

- Science-based
- Inclusiveness
- Consensus-based

Mechanisms to support Members to implement OIE standards
- PVS Pathway
- Training activities

Mechanisms to establish trust between trading partners
- WAHIS
- OIE official disease status
- Self-declarations

Mechanism to encourage the use of OIE standards
- Observatory project
  - Monitoring and Evaluation

Inclusiveness
Science-based
Consensus-based
Transparency
The Observatory project - Objectives

Monitoring
• Collection of information on the implementation of OIE standards by Member Countries

Analysis
• Greater understanding of challenges to the implementation of standards
• Evaluate the effectiveness and the practicability of OIE standards

Strategy
• Enhancement of the standard setting process.
• Identification of tools to help Member countries overcome the challenges
• Help to ensure that OIE and donors’ investments in capacity building meet their goals.
The Observatory project – A challenging project (1)

- What are the relevant data to monitor?
- Are these data available?
- Are these data easily accessible?
- How to collect these data?
The Observatory project – A challenging project (2)

- Developing a robust analysis taking into account different factors such as level of development, regional specificities, etc.

- Defining criteria to evaluate OIE standards: relevance, effectiveness, efficiency, practicability, etc.

- Tracking the overall level of implementation at global level to identify challenges.
The Observatory project – A challenging project (3)

- Uptake of results
- Proposing solutions at international, regional and national level

Coordination with other international organisations
How can OIE Member Countries contribute to establish trust in multilateral trade system?

**At domestic level**

- Use of international standards
- Consultation of stakeholders
- Communication
- Publication
- Review and Evaluation

**At international level**

- Engagement in international standard-setting procedure
- Notification to WTO
- Notification to WAHIS
- OIE official disease status
- Self-declarations on OIE website
- PVS reports on OIE website
Conclusions

More transparency = Better data
Better standards
Better implementation = More harmonisation = Lower costs
Economic opportunities
Conclusions

Benefits

**OIE**
- Effective and inclusive multilateral rules-based system

**Member Countries**
- Increased trust between trading partners

**Private sector**
- Level playing field and stable environment

**Civil society**
- Increased trust in public action and multilateralism

**Donors**
- Impact assessment of investments
Thank you for your attention
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