

## AGENDA OF THE MERIDA WORKSHOP

**Wednesday 24 April 2002**

8:45 - 9:30

Registration

9:30 – 10:30

Welcome and opening remarks

- **Luis Ernesto Derbez Bautista**, Minister of Economy, Mexico
- Patricio Patron Laviada, Governor of Yucatan
- **Odile Sallard**, Director of the Public Management Service, Organisation for Economic Co-operation and Development (OECD)
- **Margarita Trillo**, Convenor of the Competition Policy and Deregulation Group, APEC and Technical Secretary of the Dumping and Subsidies Commission, INDECOPI (National Institute for the Defence of Competition and Protection of Intellectual Property), Peru. Ms. Trillo will review some of the important messages from the opening conference in Singapore in February 2001 and the First Workshop in Beijing, China in September 2001.

10:30 – 18:00

### **Session 1: Regulatory Impact Analysis Systems**

- **Chair: Rolf Alter**, Head of Programme on Regulatory Reform OECD.
- **Rapporteur: Luigi Carbone**, Chair of the OECD Working Party on Regulatory Management and Reform, and, for the Italian government, Counsellor of State and Deputy Director of the Regulatory Simplification Unit.

In an era of competitive global markets and rapid technological change, governments need to improve their understanding of the costs and benefits of regulation. Regulatory Impact Analysis (RIA) — the systematic assessment of positive and negative impacts of regulation and alternatives— has helped many economies to reduce regulatory costs on businesses, while maximising the effectiveness of government action in protecting public interests. RIA has also been instrumental in improving transparency and communication with concerned interests. This session will be divided into three panels that will examine how economies have addressed basic issues of setting up and enforcing a RIA system:

- • Setting up the institutional framework for a successful RIA system
- • Analytical tools and methods in RIA systems
- • RIA as a consultation and communication tool

10:30 – 12:30

**Panel 1: Setting up the institutional framework for a successful RIA system**

RIA, as the basic regulation for regulators, needs the adequate institutional framework to provide the right incentives for rule makers to produce high quality regulation. First and foremost, a successful RIA systems needs political backing to set up the system but years if not decades of maintenance and improvement are required to show an improved regulatory environment. The political decision also needs be translated into an adequate institutional setting. Experiences in many countries show no exception to the rule that RIA will fail if left entirely to regulators, but it will also fail if it is too centralised. To ensure ownership by the regulator and at the same time quality control and consistency, responsibilities should be shared between regulators and a central control unit. The panel will discuss the governmental policies and the legal framework for operating a RIA; the scope of RIA and its exemptions; the administrative procedures and their enforcement, and the human and financial capacities needed by the central units in charge of overseeing the process as well as of the regulators (i.e. proponent ministries) in charge of preparing RIAs.

Among the invited speakers are:

- **Cesar Cordova-Novion**, Deputy head of the Regulatory Reform Programme, OECD Secretariat, “Formal Policies for RIA in OECD countries”
- **Steven Blake**, Regulatory Impact Unit, Cabinet Office United Kingdom, “Setting up a Regulatory Impact Unit- the UK experience”.
- **Ali Haddou**, Co-ordinator of Regulatory Impact Assessment, Federal Regulatory Improvement Commission – COFEMER, Ministry of Economy, Mexico, “Improving the Capacities and Enforcing RIAs among Regulators- Mexico’s experience”.

12:30 – 13:30

Lunch and visits to document tables

13:30 – 15:30

**Panel 2: Analytical tools and methods in RIA systems**

As for all processes, the quality of RIA is related to the quality standards selected for assessing regulations. Typical standard tests vary from business compliance costs to benefit-cost analysis. However the methodology selected needs to be flexible according to the cost of collecting and processing the data as well as to the administrative capacities and resources to prepare a RIA. A RIA system also needs to balance the need for simplicity and timeliness with precision and robustness. The panel will discuss the pros and cons of alternative methods to measure the impacts of regulation including cost and benefit analysis, risk analysis techniques for health, safety, and environment regulations, qualitative indicators, etc.

Among the invited speakers are:

- **Ge Linssen**, Head of Competition, Deregulation and Quality of Regulation Project, Ministry of Economic Affairs, The Netherlands, “Measuring the Impact of Regulation in the Netherlands”
- **Randall Lutter**, Ph.D. Fellow, AEI-Brookings Joint Center for Regulatory Studies, USA “Improving RIA quality-insight from the US”
- **Stephen Rimmer**, Assistant Commissioner, Office of Regulation Review, Australia, “Measuring the impact of regulations: an Australian Perspective”

15:30 – 16:00

Coffee and visit to document tables

16:00 – 17:45

**Panel 3: RIA as a consultation and communication tool**

A good regulatory policy approach should be based on the principle of no regulation without representation. Using RIA in consultation and communication approaches helps bring transparency into regulatory decision-making processes. It provides an opportunity to the regulated parties to offer their understanding of the rationale as well as their perspective of the future impacts of the regulation. Public involvement in RIA improves the quality of RIAs by providing an additional source of important data and by subjecting the resulting analysis to critical assessment, helping to identify poor assumptions, faulty reasoning and unanticipated effects. Moreover, this improves compliance with the regulation and thus decreases the enforcement costs. The panel will examine different strategies to use RIA as a consultation and communication device.

Among the invited speakers are:

- **George Redling**, Assistant Secretary to the Cabinet, Privy Council Office, Operations, Canada “Regulatory Impact Analysis in Canada-Benefits and Challenges”
- **Changfa Lo**, Professor of National Taiwan University and former Commissioner of the Fair Trade Commission, Chinese Taipei “RIA as a Tool from Chinese Taipei’s Perspective” (Absent)
- **Mike Waghorne**, Assistant General Secretary, Public Services International (PSI) “Motivating Public Sector Workers: Using regulatory impact assessment as a consultation and communication tool”

17:45– 18:00

- **Summary by the Rapporteur**

**THURSDAY 25 APRIL 2002**

9:30 – 17:00

***Session 2: Integrating Market Openness into Regulatory Systems***

**Chair: Margarita Trillo**, Convenor of the Competition Policy and Deregulation Group, APEC and Head of International Relations and Technical Co-operation, INDECOPI (National Institute for the Defense of Competition and Protection of Intellectual Property), Peru.

**Rapporteur: Joanna Shelton**, Interim Director, the University of Montana, USA; Former Deputy Secretary General of the OECD

The interlinkage between efficient regulation and open conditions for trade and investment is an important aspect of regulatory reform. The Doha Development Agenda agreed by WTO Ministers in November 2001 will directly and indirectly intensify the focus of economies on non-tariff barriers arising from national or local regulation. A regulatory system that avoids unnecessary barriers to trade and investment will help countries draw full benefit from competition in a global economy by strengthening national economic performance and enlarging consumer benefits. This concept underlies the APEC Principles to Enhance Competition and Regulatory Reform as well as similar OECD principles. This session will be divided into three panels:

- ***Complementary Relationship between Regulatory Reform and Market Openness***
- ***The regulatory framework for internationally contestable markets: the case of customs procedures***
- ***Problems and solutions in favouring the use of international harmonised standards and the recognition of equivalence of foreign measures***

9:30 – 10:45

***Panel 1: Complementary Relationship between Regulatory Reform and Market Openness***

Does the national regulatory system allow enterprises to take full advantage of opportunities for competition in global markets? Reducing regulatory barriers to trade and investment enables countries in a globalising economy to benefit more fully from technological innovation and achieve greater efficiency in production and marketing, thereby bringing greater benefits for consumers. Maintaining an open world trading system requires regulatory styles and content that promote global competition and economic integration, avoid trade disputes and improve confidence across borders. In this panel, regulatory reforms that enable a more open market for products, services and investment will be discussed.

Among the invited speakers are:

- ***Gerardo Traslosheros***, Director General for Multilateral Trade Affairs, Ministry of Economy, Mexico
- ***Anthony Kleitz***, Head of Trade Liberalisation and Review Division, Trade Directorate, OECD “Integrating market openness into regulatory systems: some experience and emerging best practices”

***Panel 3: Problems and solutions in favouring the use of international harmonised standards and the recognition of equivalence of foreign measures***

A significant cause of regulatory barriers to trade and investment is the divergence and duplication of regulations in different markets, obliging firms wishing to be present in several markets to maintain different production lines and to submit them to duplicative testing and certification procedures. While there may be valid justifications for these divergences and duplications, they nevertheless entail costs that may seem excessive. In such cases, the question arises whether certain approaches would enable achievement of the intended regulatory results through more efficient and less costly means.

The approaches most often identified are international harmonisation of applicable standards and recognition of equivalence of national testing and certification procedures (both through MRAs and unilaterally). Keeping in mind different national situations as well as sectoral specificities, this panel will discuss experience with and prospects for adopting such approaches.

Among the invited speakers are:

- ***Koichi Noda***, Vice President, JETRO Geneva office, Former APEC/SCSC contact of Japan “Japan and APEC/SCSC Activities for Regulatory Reform Related to Standards and Conformance”
- ***Brian Jenkinson***, Deputy Head of Unit, the European Commission “A toolbox of measures to facilitate trade in the fields of technical regulations, standards and conformity assessment”
- ***Graeme Drake*** Head of Conformity Assessment, International Organisation for Standardisation (ISO); Former General Manager - International, Standards New Zealand, “Regulatory Structures and Trade - Mutual Recognition of Conformity Assessment and Use of International Standards”
- ***Chan-Hyun Sohn***, Senior Fellow, Department of Trade and Investment Policy, Korea Institute for International Economic Policy, Korea “What can we do about regulatory reforms in standards and conformance- linking the actions of the APEC, OECD and WTO”
- ***Charlotte Nyberg***, Director Trade Policy, Confederation of Swedish Enterprise International Trade, Sweden (discussant)

16:15– 16:30

**Summary by the Rapporteur**

16:30 – 17:00

Final statement by APEC and OECD and announcement of the next workshop in Seoul, Korea