



STAKEHOLDER ENGAGEMENT IN REGULATORY POLICY

Marianna Karttunen
Policy Analyst, Regulatory Policy Division
Organisation for Economic Co-operation and Development



Structure of Presentation

1. OECD and Stakeholder Engagement
2. Overview of Stakeholder Engagement
 1. Why engage?
 2. Who to engage with?
 3. How to engage?
 4. When to engage?
3. Conclusion



1.1 The Organisation for Economic Co-operation and Development



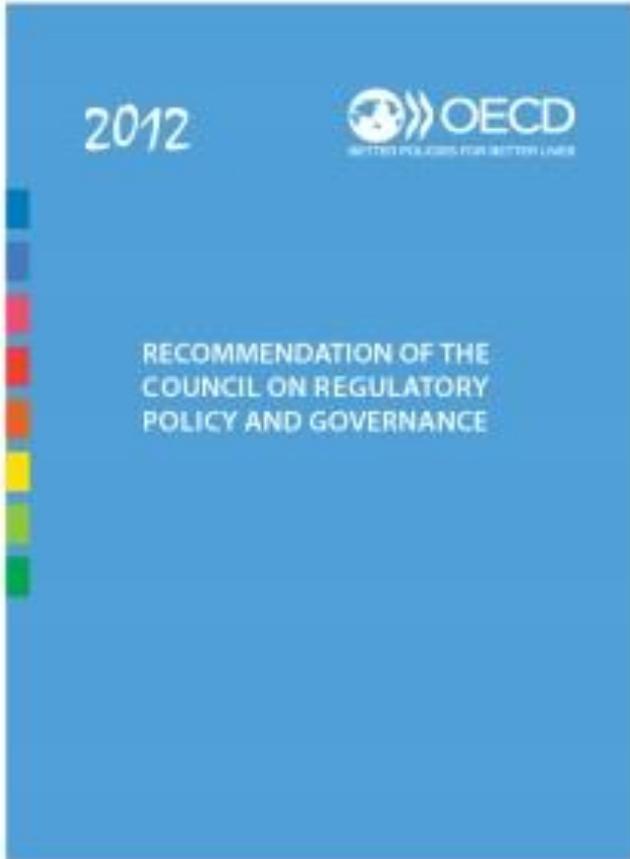
OECD

BETTER POLICIES FOR BETTER LIVES

- 35 members economies from around the globe, extensive work with non-members
- Mission: to promote policies that will improve the economic and social well-being of people around the world
- More than 20 years experience on regulatory policy



1.2 The OECD Regulatory Policy Committee



- **Aim:** Assist countries in building and strengthening their regulatory reform efforts.
- **Legal instrument:** 2012 Recommendation of the Council on Regulatory Policy and Governance
- **Evidence on implementation:** Country reviews; Regulatory Policy Outlook (2015 & 2018)
- **Draft OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy**
 - ⇒ Online public consultation ! www.oecd.org/gov/regulatory-policy/public-consultation-best-practice-principles-on-stakeholder-engagement.htm
- **Extensive work with non-OECD countries**
 - LAC Network on Good Regulatory Policy Practices
 - Southeast Asia & Good Regulatory Practice Network
 - OECD Accession candidates: Colombia, Costa Rica, Lithuania, Russia



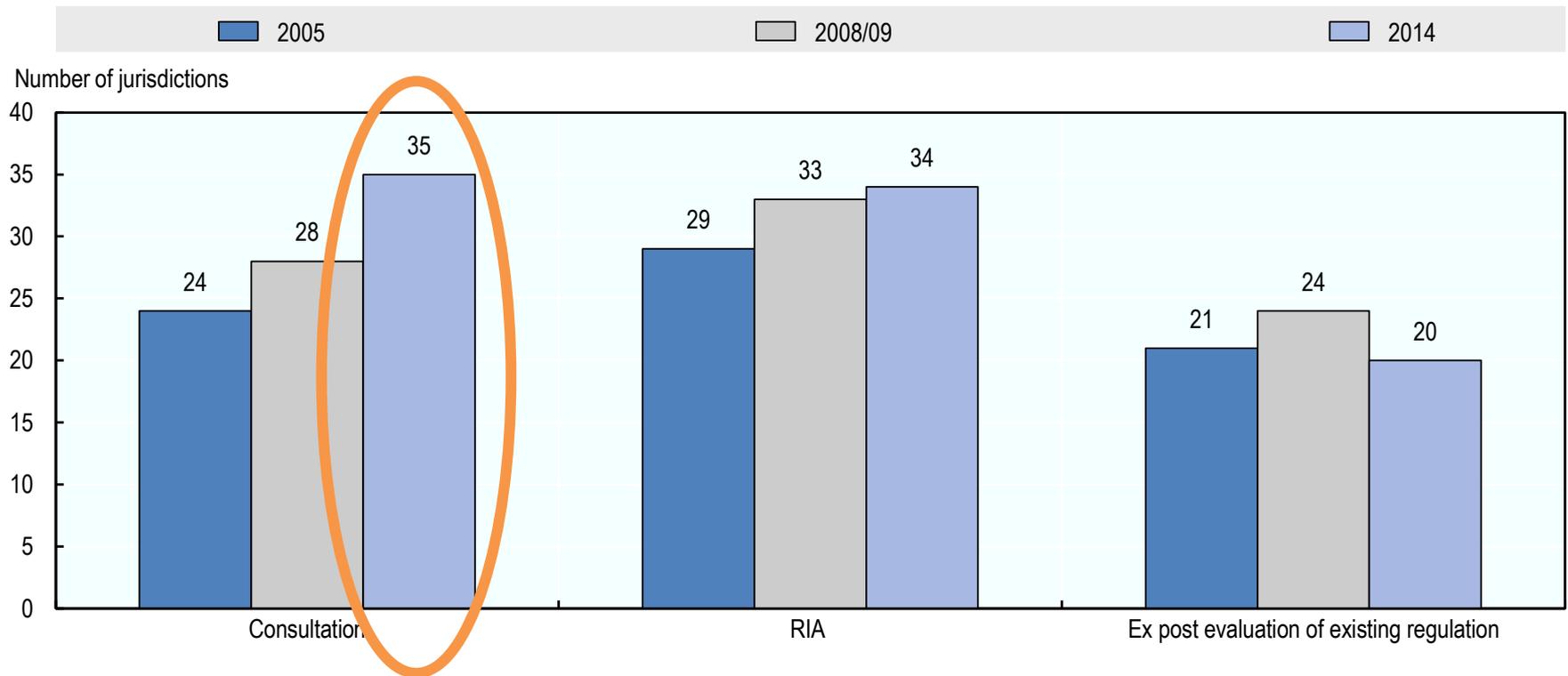
1.3 Stakeholder engagement: key pillar of regulatory quality





1.4 All OECD Countries engage with stakeholders

Formal requirements in the areas of consultation, regulatory impact assessment and *ex post* evaluation



Note: Based on data from 34 countries and the European Commission. Chile, Estonia, Israel and Slovenia were not members of the OECD in 2005 and so were not included in that year's survey.

Source: 2015 OECD Regulatory Policy Outlook



2. But doesn't this slow down government activities?





2.1 Why engage with stakeholders?

- **Collecting better evidence:**
Getting more diverse and well-informed inputs to best address real needs of citizens
- **Improving compliance:**
Increase a sense of ownership among stakeholders – increases compliance and reduces enforcement costs
- **Strengthening legitimacy of decision-making:**
Ensure accountability of the government and civil servants and regain trust in public policies



2.2 Who to engage with?

Those interested and affected by regulation

‘Stakeholders’ can potentially include citizens, businesses, trade unions, civil society organisations, public sector organisations, etc.

General guidance:

- Consultation should be open and voluntary
- Be specific when selecting who to consult
- Revisit stakeholder analysis throughout the consultation process
- Avoid over reliance on advisory bodies or expert groups

Keep in mind:

- Stakeholders usually least represented (eg. new entrants, SMEs)
- Potentially affected foreign stakeholders



2.3. How to engage with stakeholders?

Building a framework for stakeholder engagement

1. A clear cross-cutting policy on stakeholder engagement

- Government-wide policy with clearly set objectives
- Guidance for SE (for civil servants and stakeholders) – on tools, information dissemination, providing feedback

2. Mechanisms and institutions to provide oversight of engagement activities

- Clear competences for coordination and promotion of stakeholder engagement

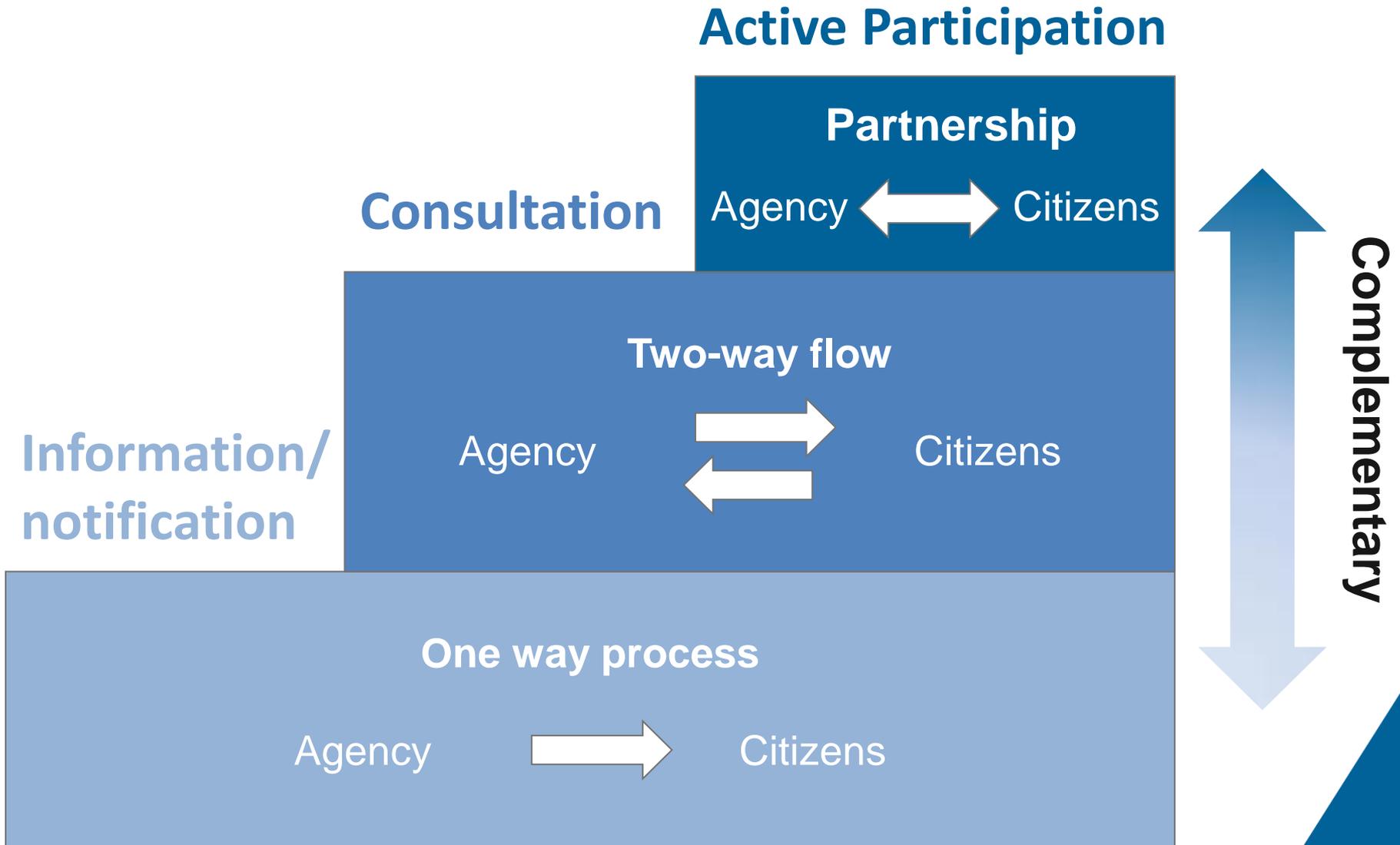
3. Planning stakeholder engagement actions beforehand and strategically

- Helps identify when stakeholders will be engaged with and select the right tools to conduct engagement



2.4 How to engage with stakeholders?

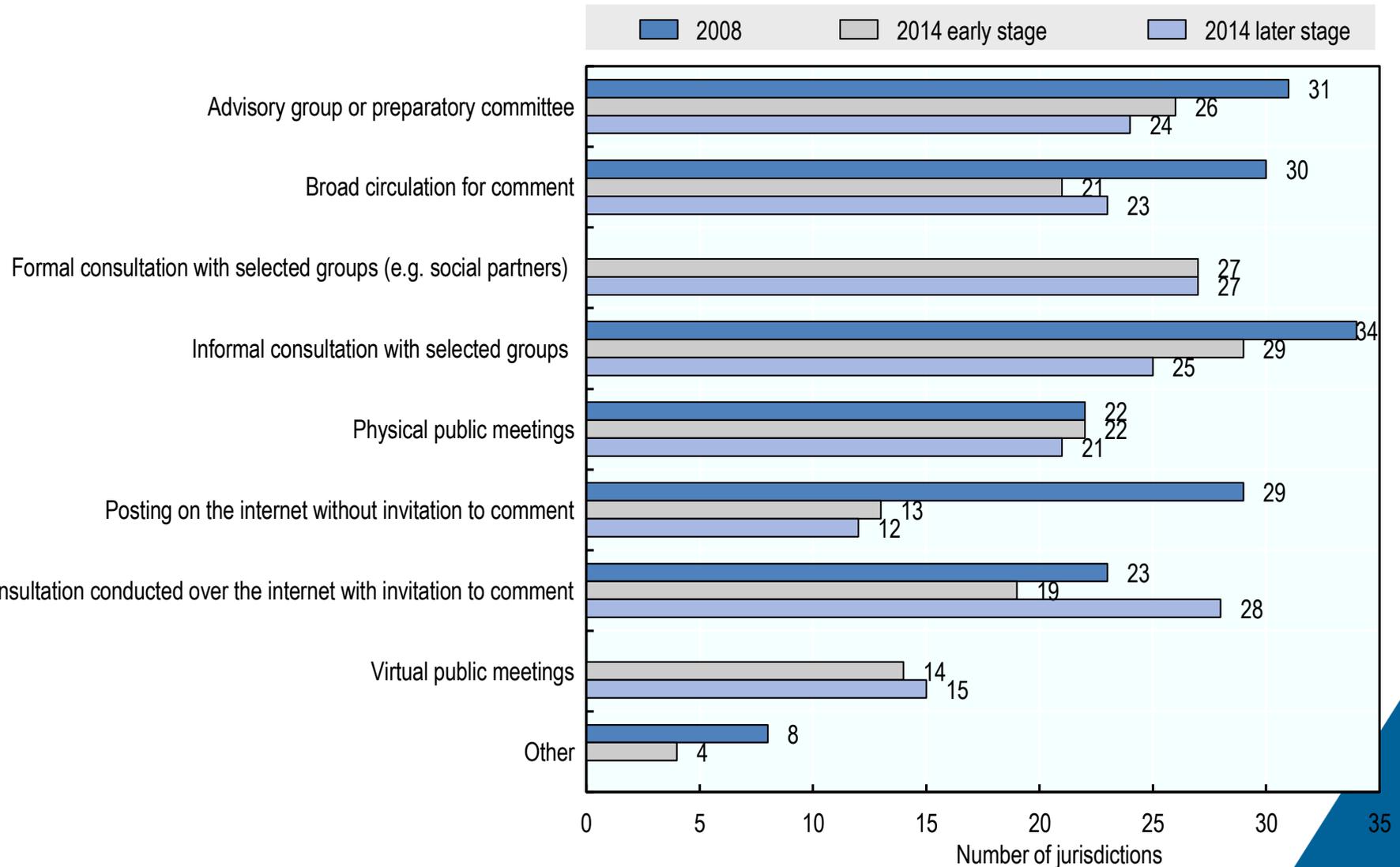
Scope and form of stakeholder engagement





2.5 How to engage with stakeholders?

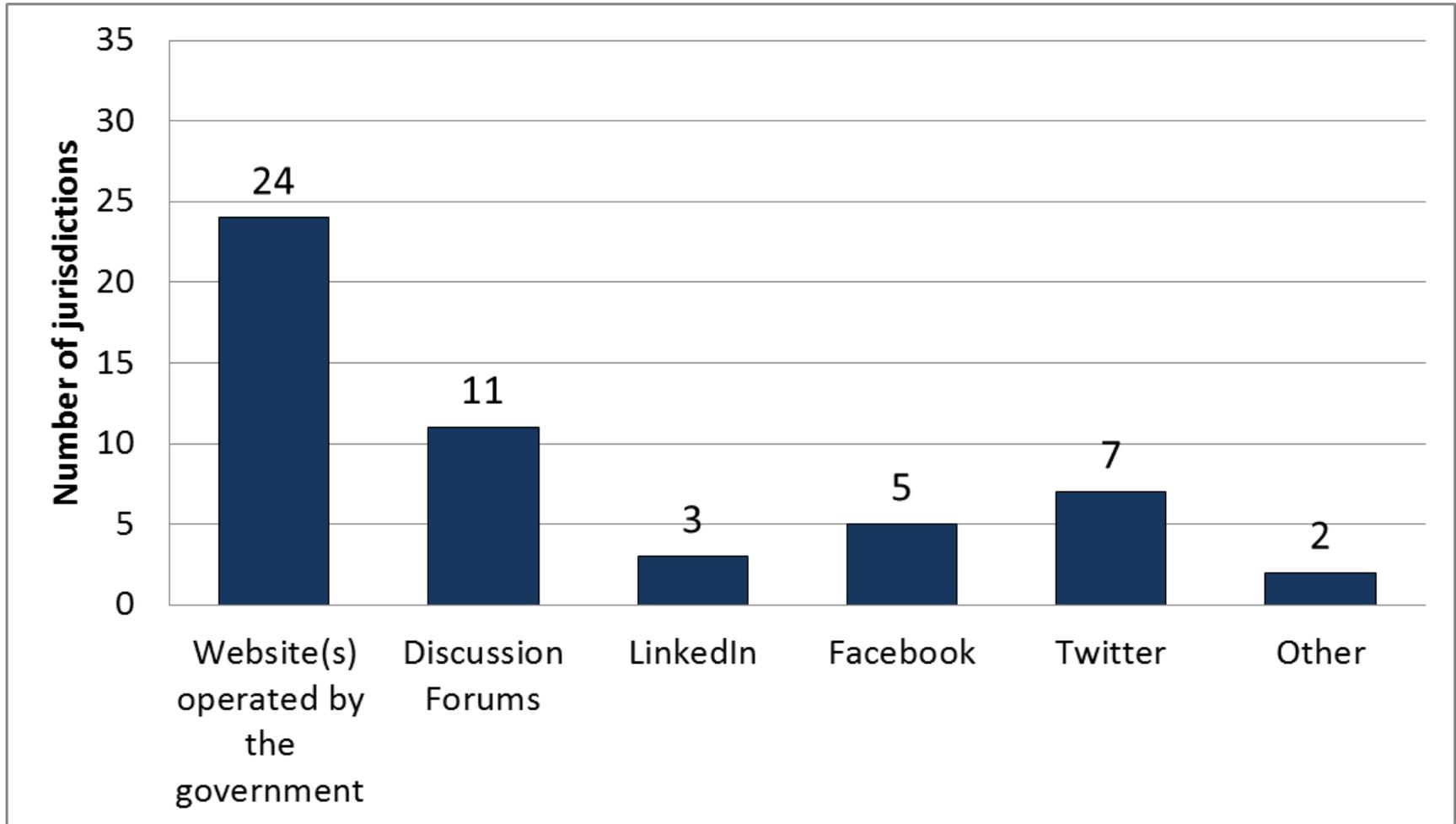
Types of consultation in OECD economies





2.6 How to engage with stakeholders?

The full potential of ICT remains to be exploited



Source: 2015 Regulatory Policy Outlook.



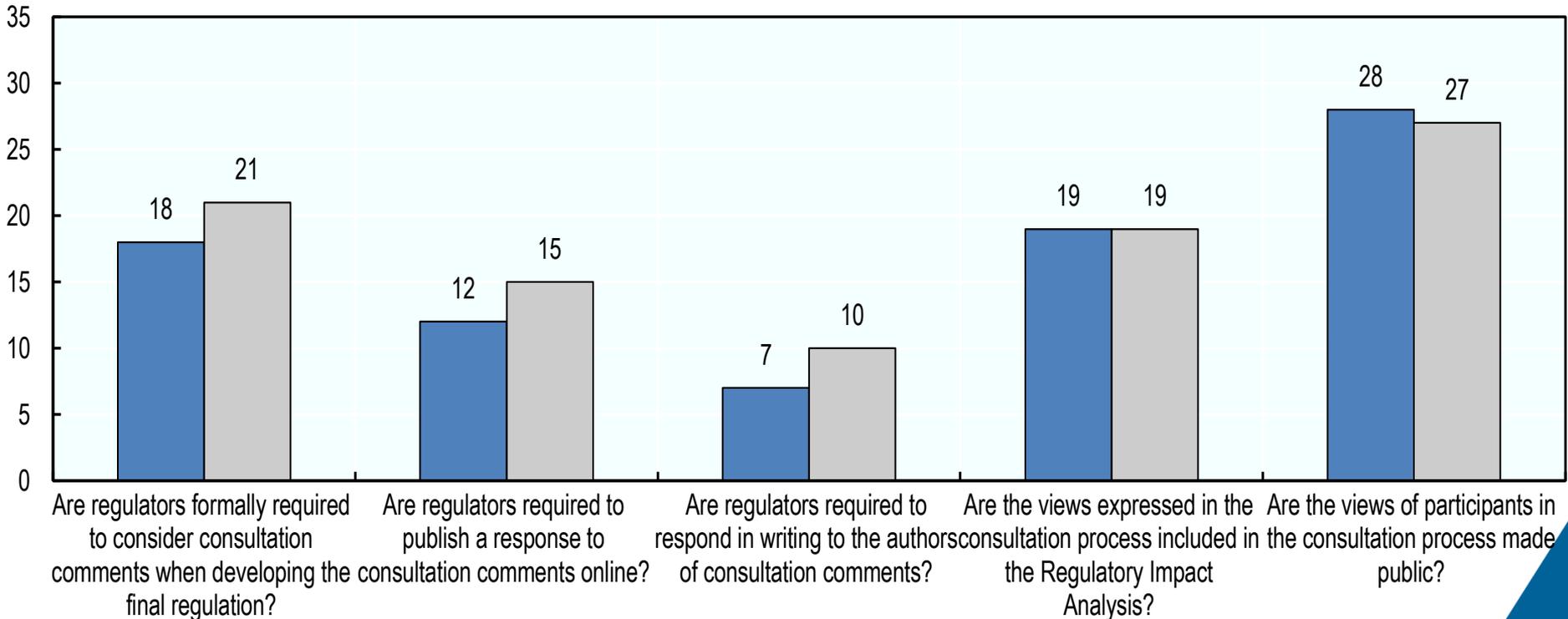
2.7 How to engage with stakeholders?

Follow-up to inputs received

Obligation to provide feedback

Primary laws Subordinate regulation

Number of jurisdictions



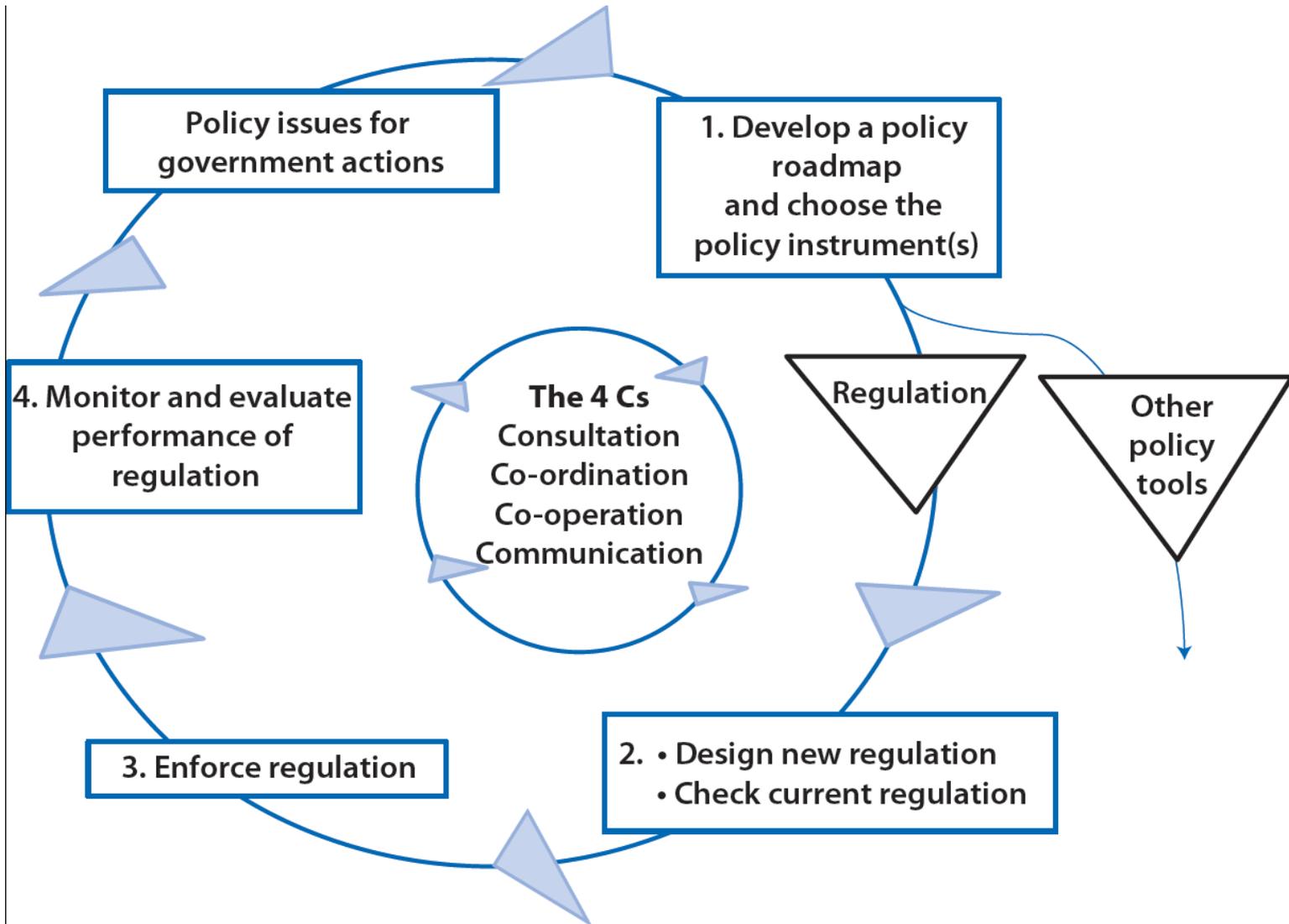
Note: Based on data from 34 countries and the European Commission.

Source: 2015 OECD Regulatory Policy Outlook.



2.8 When to engage with stakeholders?

Throughout the regulatory policy cycle

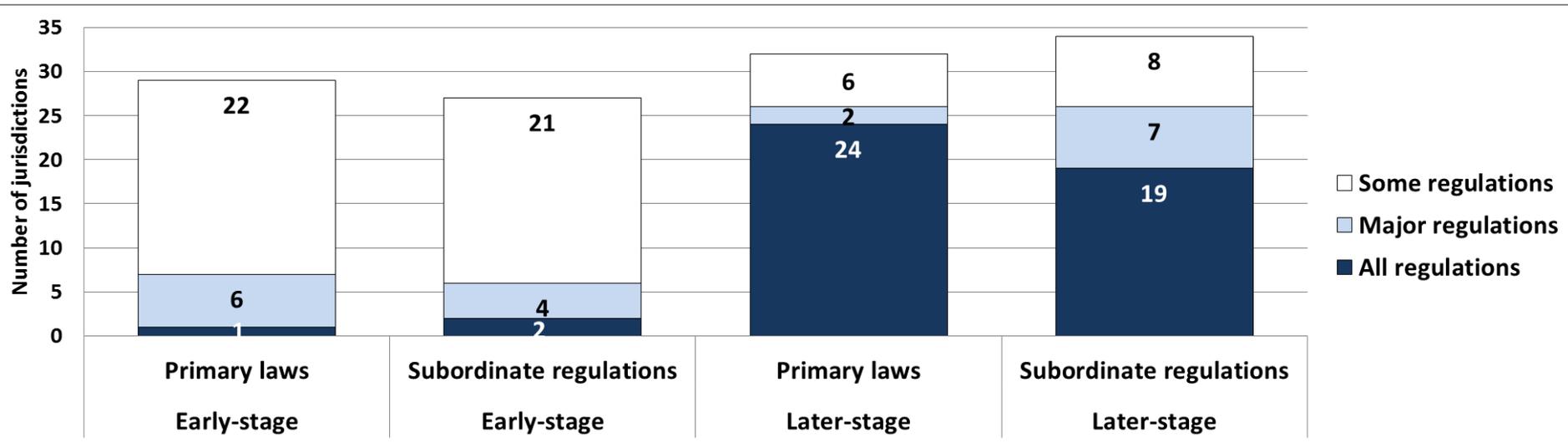




2.9 When to engage with stakeholders?

Trends in OECD Economies

Consultation tends to happen at a late stage in the rulemaking process





3. Conclusion: Critical pillars for stakeholder engagement

- Stakeholder engagement is key for evidence-based policy making
- Effective and meaningful stakeholder engagement may be supported by:
 - ✓ A clear, cross-cutting policy
 - ✓ Engagement at each stage of life-cycle of regulation
 - ✓ Engagement with all interested and affected parties
 - ✓ Feedback about consideration given to inputs
 - ✓ Regular evaluation of stakeholder engagement policy and practices



Thank you!

For more information:

www.oecd.org/gov/regulatory-policy

Marianna Karttunen, Policy Analyst,
Regulatory Policy Division, OECD

Marianna.karttunen@oecd.org