

Importance of Good Regulatory Practices

Context and application in the field of standards

Virgilio Andrade Martínez

Head of the Federal Commission for Regulatory Improvement

Mexico City

*North American Conference on Good Regulatory
Practices and Regulatory Cooperation*

December 10, 2014

- I. Regulation
- II. The policy of Regulatory Improvement
- III. Good regulatory practices
- IV. Implementation in the context of standards
- V. Benefits of good regulatory practices in standards
- VI. Challenges and Opportunities

I. Regulation

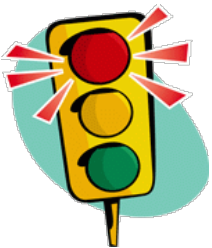
Issuance of rules governing economic and social activities of individuals

Ensures the functioning of markets and rights

It avoids or reduces damage and risks in health, the environment and the economy

Limits the impact of market and government failures

"Visible hand" that operates when the 'invisible hand' is not capable of encouraging behaviours in favour of social welfare



Traffic light that restricts the activities or unwanted behaviors in a society, and that makes it easy for the benefit (control or release).

II. The policy of Regulatory Improvement

Development of clear regulations

Effective institutions for its creation and application

Simplified procedures and services

Objective of Regulatory Improvement

Scopes of the Regulatory Improvement
(Economic and social fields)

Deregulate

Simplify

Regulate gaps

Manage and prevent risks

International Best Practices

Higher benefits for the society with the least possible costs

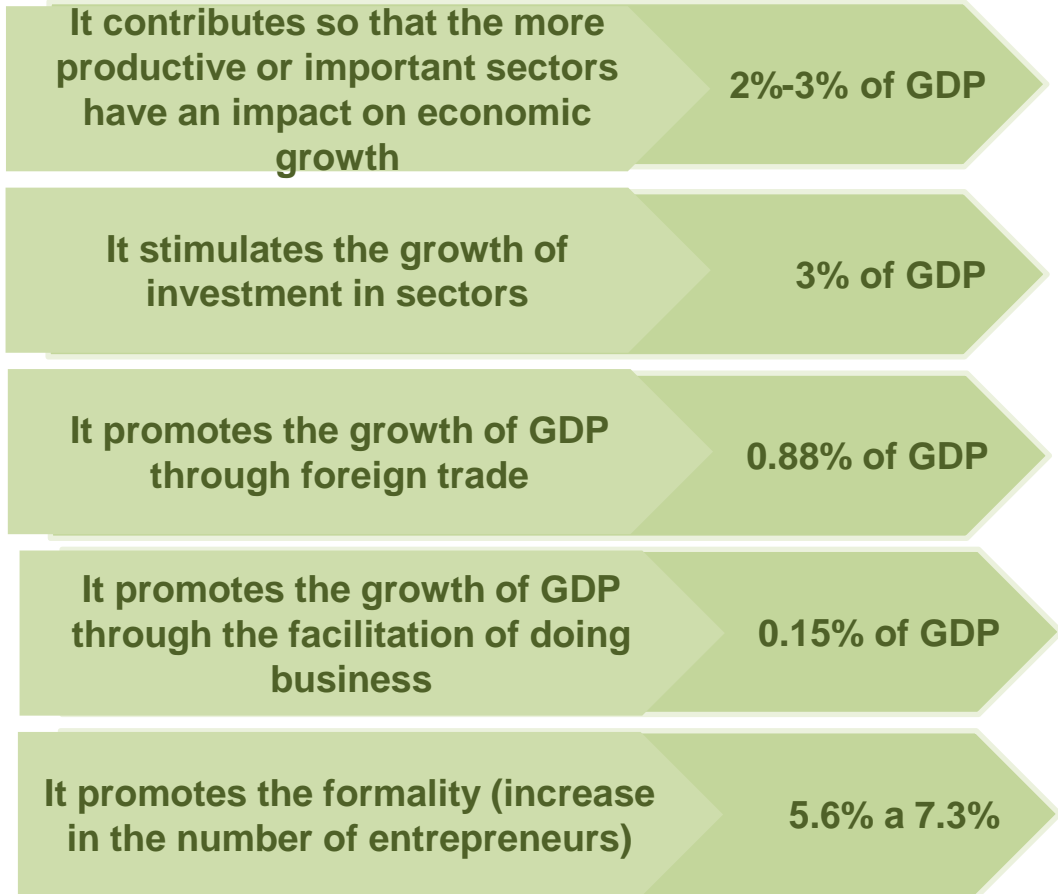
Raise the **quality** of the legal system, through a revision of the rules, **ensuring** that they encourage the:

- ✓ Investment
- ✓ Business development
- ✓ Innovation
- ✓ Competitiveness
- ✓ Economic competition
- ✓ Productivity
- ✓ Efficiency and effectiveness of the institutions
- ✓ Human development and social welfare

II. The policy of Regulatory Improvement

II.1. Main Benefits

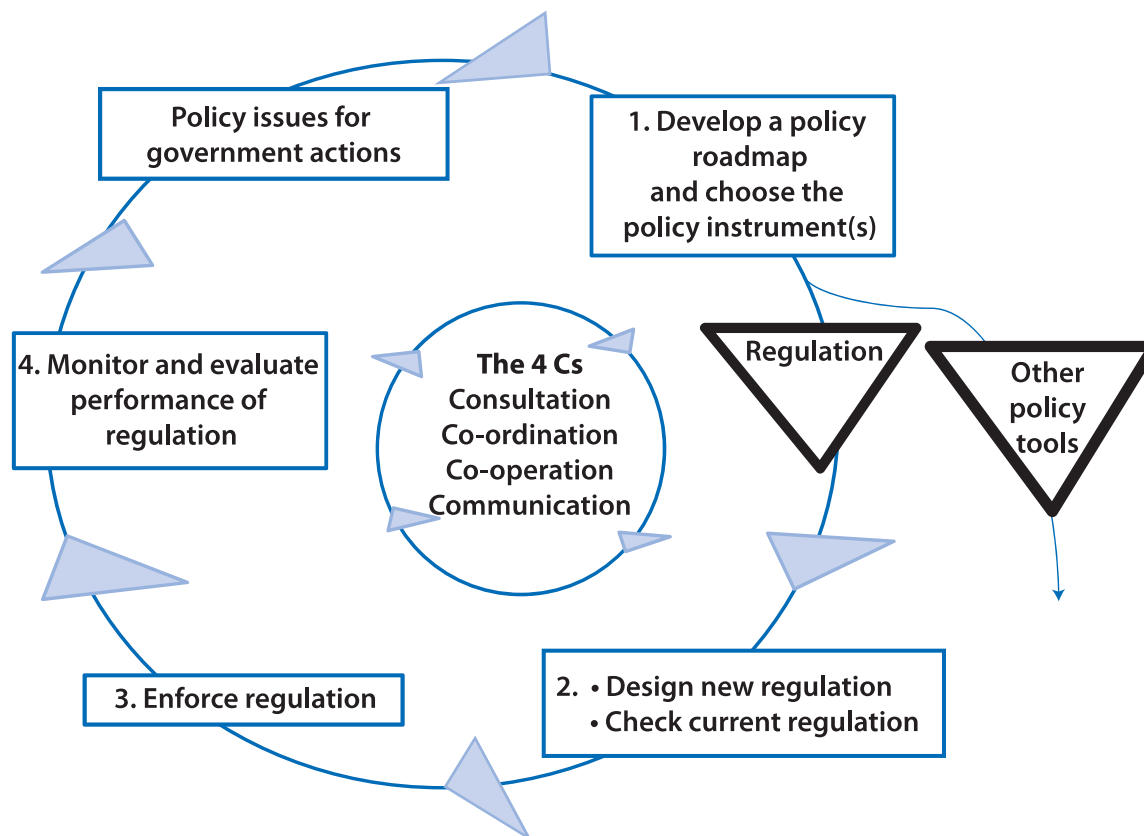
Benefits of the policy of Regulatory Improvement



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III. Good Regulatory Practices

Governance Regulatory Cycle



Source: OECD, 2011

III. Good Regulatory Practices

Institutional Coordination

OECD

RIA

Public consultation and transparency

Ex Post Evaluation, Review of the
regulatory stock

Regulatory planning

Risk Analysis

Domestic and international regulatory
coherence

Inspection, compliance and
monitoring

IV. Implementation in the context of standards

Technical, mandatory and voluntary standards (NOM's and NMX in Mexico)

Specifications, attributes, guidelines, characteristics or prescriptions applicable to a product, process, installation, system, activity, service or method of production or operation

Terminology, symbols, packaging, marking or labeling

To protect the population/promote competitiveness

IV. Application in the field of standards

Technical Standards

Protect health and life

Consumer safety

Optimal conditions for the provision of services

Reduce risks to the environment

Reduce asymmetric information

Position products and competitive services in the market

IV. Application in the field of standards

Planning

- National standardization program
- Detection of **needs in the current regulation**

Definition of targets and consideration of alternatives

- Definition of **measurable objectives** and related to the purpose
- Consideration of **alternatives** related to the existing problem
- Consistency with **international standards**

Consultation, design and evaluation

- Dialog with the regulated and experts - **Public Consultation**
- Design of **evidence-based** standards
- Evaluation of **impacts** (benefits, costs, trade, risks, competition, PyMES) **RIA**

Application, inspection and monitoring

- **Conformity Assessment** – clear processes.
- Enforcement and Compliance - **Certification and Accreditation Bodies**, authorized Third Parties

Monitoring and Ex-Post analysis

- Analysis of the obtained results - **five-year review, sunseting**
- Detection of **opportunities for planning**

V. Benefits of good regulatory practices in standards

- Elimination of barriers to entry and trade, release of resources
- Reduction of the possibility of regulatory capture and of the problem of the principal-agent
- Public Consultation - collaborative process, more information
- Agility and clarity in its implementation and verification
- Safety in the delivery of goods and services
- Better planning for a permanent attention to the objectives of regulatory policy

VI. Challenges and Opportunities

- Institutional capacity and support to manage regulatory improvement
- To count with specialized bodies of high technical capacity
- Sufficient human resources
- Risk-based inspection schemes
- Involvement of the private sector without falling into problems of regulatory capture
- Concise and clear procedures of assessment of the conformity for the regulated subjects
- Real consideration of the international standards and alternatives
- An effective Ex-post review and not as a formality
- Mutual recognition agreements

Thank you

Virgilio Andrade Martínez

virgilio.andrade@cofemer.gob.mx