

# XII Meeting of the Ibero American and the Caribbean Network on Regulatory Improvement

**3 and 4 October 2023**

The XII Meeting of the Iberoamerican and the Caribbean Network on Better Regulation aimed at examining the topic of regulatory policy and its relationship with the administrations' climate and environmental objectives. For two days, participants were able to explore the functions and roles of different institutions promoting and implementing a regulatory framework conducive to climate objectives. The Ibero American and the Caribbean Network on Better Regulation promotes the cooperation and the exchange of good regulatory practices with the objective of strengthening the regulatory quality in the region. The Network is composed by over 10 countries from the region, as well as Portugal and Spain.

## Key takeaways

- Embedding environmental considerations in the rule-making process is an important topic for the region; however, it is still at early stages.
- The support from the highest political level will be crucial to ensure that environmental objectives are attained, particularly when it implies significant trade-offs.
- Collaboration across government levels and sectors is not only desirable, but necessary.
- Innovative approaches can help bring citizens and businesses closer to the administration and strengthen the regulatory process.

## Summary record

### *Workshop on regulatory impact assessment*

#### **Speakers:**

- Manuel Gerardo Flores Romero, Regulatory Policy Division, OECD
- Gloriana Madrigal, Regulatory Policy Division, OECD
- Kattia Saéñz, Head of the Regulatory Impact Analysis Department, Ministry of Economy, Industry, and Trade, Costa Rica

The OECD Regulatory Policy Division facilitated a workshop on the adoption and implementation of a successful regulatory impact assessment (RIA) system. Its main objective was to disseminate and deepen the audience's understanding of this tool, its components, and its scope. The workshop built on the [OECD Best Practice Principles for Regulatory Impact Assessment](#) to provide the framework for discussion and addressed the most common myths around the implementation of RIA. Attendees were able to exchange with peers on the challenges for the implementation of a robust and sustainable RIA system in their countries and institutions. The most salient issues identified by the participants included:

- Reduced capacities and technical expertise;
- Limited data and information to perform the assessments;

- Policy frameworks that are not conducive of a robust RIA system;
- Insufficient use of RIA by sub-national governments, autonomous institutions, and the legislative branch.

The second part of the workshop focused on Costa Rica's experience with the adoption and implementation of a RIA system. Costa Rica has taken steps to embed impact assessments in the rule-making process, focusing on those regulations that generate formalities (*trámites*). The tool has strengthened the quality of regulations in the country, fostered transparency and policy dialogues, as well as increased buy-in for regulatory proposals. Among the key lessons learnt after several years using RIA, are:

- The systematic use of RIA helps attain economic outcomes and increases transparency in the rule-making process, fostering trust in public action.
- The implementation of a RIA system usually implies a gradual cultural change in the administration
- The support of the highest political level and the buy-in from the different actors in the regulatory ecosystem are crucial for the development of capacities and capabilities in the administration.
- The institutional design should support the regulatory oversight functions.

### ***Opening session of the XII Meeting of the Iberoamerican and the Caribbean Network on Better Regulation***

#### **Speakers:**

- Francisco Javier Urra, Country Representative-Costa Rica, IDB
- José Antonio Ardavín, Global Relations and Cooperation Directorate, OECD
- Francisco Gamboa, Minister, Ministry of Economy, Industry, and Trade, Costa Rica

Speakers highlighted the relevance of the better regulation agenda and underscored the need to ensure the quality of regulations in the region. The development and implementation of evidence-informed regulatory frameworks is crucial to help countries and institutions attain economic, social, and environmental goals. The focus of the meeting on the use of regulatory policy tools and practices to drive environmental objectives showcased the need to further embed green considerations in the rule-making process and foster the collaboration among International Organisations, national and sub-national administrations, citizens, and businesses.

The Network provides a forum for the exchange of good practices, experiences, and lessons learnt and helps strengthen the quality of regulations in Iberoamerican countries. This was the first physical meeting after the COVID-19 pandemic and the participation of representatives of over 11 countries and a variety of institutions was a testament to the importance of these kind of initiatives.

### ***Special intervention: One-stop shop for investment of Costa Rica, an effective mechanism to simplify and streamline the creation of businesses in the country***

#### **Speakers:**

- Wilford Zamora, Director of the One-Stop Shop for Investment, Costa Rican Foreign Trade Promoter

The presentation focused on the key enabling factors for developing a one-stop shop that facilitates investment in Costa Rica. An **inter-institutional approach** to administrative simplification and digitisation, accompanied by the **institutional and intra-governmental articulation** is key to ensure that a one-stop

shop delivers on its objectives. These high-level elements are underpinned by an effort to **streamline and continuously improve processes**.

The number and nature of the processes included in the one-stop shop, as well as the wide range of institutions involved, increases the complexity and challenges linked to its successful implementation. Besides the technical difficulties, aspects such as the **cultural change**, the **coordination with the regulatory oversight body**, and the **limited availability of human and technological resources** in the different institutions, are some of the most pressing issues that can limit the scope and performance of the one-stop shop.

### ***Embedding green considerations in the regulatory policy system: The role of regulatory oversight bodies***

#### **Speakers:**

- Gloriana Madrigal, Regulatory Policy Division, OECD
- Martha Monge, Director of the Better Regulation Directorate, Ministry of Economy, Industry, and Trade, Costa Rica
- Lesly Windy Ayala Gonzáles, Coordinator of Regulatory Quality, Presidency of the Council of Ministers, Peru

#### **Moderator:**

- Sabrina Maciel, Regulatory Policy Director, Ministry of Development, Industry, and Trade, Brazil

The panel opened with an overview by the OECD on the role of regulatory oversight bodies and how these functions could be leveraged for attaining better environmental outcomes. Elements such as the **implementation gap**, the need to **engage with a wider range of stakeholders**, and the difficulty to **assess intangible impacts** are often identified as key challenges for the mainstreaming of environmental considerations in the rule-making cycle. Moving forward, administrations are encouraged to adopt **agile regulatory governance** practices, **engage with stakeholders throughout the regulatory cycle**, and develop **capacities and guidelines** to facilitate the implementation of new methodologies by regulatory oversight bodies and regulators.

The panellist from Costa Rica highlighted the role of regulatory oversight bodies in the development, implementation, and compliance with environmental regulations. **Collaboration among regulators, different government levels, and the private sector** is a key enabling factor for attaining a greener future. However, there is still a long way before fully embedding environmental considerations in the national regulatory policy. Table 1 lists some of the most salient challenges for fostering a whole-of-government green regulatory policy.

**Table 1. Key challenges for a green regulatory policy**

Costa Rica

Regulatory design	Evaluation of existing regulations	Stakeholder engagement
Move beyond economic impacts or administrative impacts and assess environmental costs and benefits	Tendency to regulate and forget	Move beyond public consultation and engage with the relevant stakeholders
Determine which regulations should consider environmental impacts	Lack of high-quality data and information	Limited channels for participation
Overlap of functions across different bodies in the administration	Limited resources	Little diffusion of public consultations

Lack of expertise		
Risk considerations across different regions and territories		
The role of sub-national governments		

Source: Ministry of Economy, Industry, and Trade, Costa Rica

Finally, in Peru the use of green considerations in the regulatory process is still at early stages. Nonetheless, the country is taking steps to strengthen its public consultation, especially with vulnerable or silent groups. Additionally, the experience of regulatory agencies and environmental inspectorates can be an inspiration to broaden the integration of environmental aspects in the country's recently revamped regulatory system.

### ***Integrating environmental and climate considerations in the regulatory framework: The role of sectorial regulators***

#### **Speakers:**

- Marco Cordero Arce, Intendent, Energy Intendency of the Regulatory Authority of Public Services (ARESEP), Costa Rica
- Jorge Cardoso, Executive Director, Water and Basic Sanitation Regulatory Commission, Colombia
- Alinne Fuentes, Director of Legal Analysis for Better Regulation, Federal Institute of Telecommunications (IFT), Mexico

#### **Moderator:**

- Sheila del Alba Castillo, Vice minister of Public Services, Ministry of Public Administration, Dominican Republic

The speaker from Costa Rica presented the initiatives in place to foster a **better management of water resources** using tariffs and market incentives. The Special Tariff for the Protection of Water Resources (*Tarifa de Protección de Recursos Hídricos*) is an initiative that aims at investing financial resources to ensure the sustainability, availability, and quality of water in the country. Although the implementation of the initiative is still at early stages, it has already showed positive results for the protection of water sources. Among the enabling conditions identified are the need for a **clear regulatory framework, allocation of resources based on evidence, constant monitoring and transparency, and use of risk-based approaches**.

On the other hand, the Colombian experience fostering **adequate waste management and a circular economy** underscores the need for the use of holistic approaches to address this topic. In particular, the use of IT tools and innovative techniques as well as a regulatory framework that is flexible and takes into account the environmental challenges are part of the building blocks for the sustainable management of resources.

Finally, the representative from the Federal Institute of Telecommunications of Mexico presented a different view to the role of institutions to foster environmental outcomes. The IFT has implemented a series of internal measures to reduce the environmental impact of its activities. The Institute has generated significant energy and water savings by adapting its headquarters based on energy efficiency standards and environmental responsibility.

### ***Keynote presentation: Challenges in the design and implementation of regulations to achieve environmental objectives***

#### **Speakers:**

- Rodolfo Lacy, International expert in environmental policy

The presentation urged policymakers to take concrete action to mitigate the effects of climate change on their countries. The LAC region will be severely impacted by the increase in global temperatures, leading to social (i.e. migration), economic, and environmental crises. In this context, the keynote speaker highlighted the need for **better and more flexible regulatory schemes that are ambitious enough to limit and reverse the negative impacts of certain activities**. Rule-making institutions as well as regulatory oversight bodies will play an increasingly important role in the development of a regulatory ecosystem that enables the attainment of the SDGs.

### ***Leveraging the use of data and information for better regulation***

#### **Speakers:**

- Rafael Juárez, Administrative Simplification and Impact Assessment Manager, Organism of Better Regulatory, El Salvador
- Miguel Durán, Intelligence and Data Analytics Coordinator, Regulatory Commission of Communications (CRC), Colombia
- Leticia Montiel, Legal and Technical Secretary, Autonomous City of Buenos Aires, Argentina
- Julia Souza Ferreira, Regulatory Processes Coordinator, National Agency of Sanitary Vigilance (ANVISA), Brazil

#### **Moderator:**

- Manuel Gerardo Flores, Coordinator of the OECD Regulatory Policy Programme for Latin America and the Caribbean

The session opened with the presentation by the representative from El Salvador, who highlighted the efforts that the country is taking to embed the use of evidence in the regulatory process. This requires the creation of the right conditions to produce, process, and use the information systematically. Some of the key challenges identified are the limited availability of information and the lack of the relevant expertise to manage data, among others. These difficulties are experienced by several member countries of the Network.

The presentation by the representative of the Regulatory Commission of Communications of Colombia showcased the institution's data strategy. This initiative focuses on managing the availability, quality, accessibility, and diffusion of data collected by the CRC. This translates into the publication of over 190 databases, 29 dashboards, and more than 80 reports with analyses of the information. Moreover, the entity defines a calendar with the dates for the publication of different datasets. These actions help **ensure predictability, provide users with easily accessible data, and foster transparency**.

The speaker from the Autonomous City of Buenos Aires presented an innovative tool that helps "translate" official communications into simple and clear language. [CLAPPI](#) is a platform that leverages developments in AI and machine learning to help public officials create documents that can be easily understood by citizens. The initiative has put in the spotlight the need for the introduction of **simple language as a state policy** as an enabling factor to scale up the tool and to strengthen the communication between the administration and citizens.

Finally, ANVISA has taken significant steps to leverage the use of data to strengthen its regulatory process. Through the creation of different dashboards, the public can follow the development of different regulatory proposals, the evolution of the regulatory stock, and key indicators of the regulated market. Moreover, ANVISA is using evidence to inform decision-making by generating of data that help the technical teams **anticipate future trends and scenarios and develop rules accordingly.**

### *Recent developments in stakeholder engagement activities in the region*

#### **Speakers:**

- Pedro Farias, Principal Specialist of State Modernization, IDB
- Jorge Luis Sanarrucia Aragón, User's Counsellor, ARESEP, Costa Rica
- Carolina Ramírez, Adviser, Deputy Director of Economic International Relations, Chile
- Susan Suárez, Senior Adviser of the Coalition for Regulatory Convergence in the medical technology sector. American Business Dialogue, Private Sector

#### **Moderator:**

- Marianna Saldivar, Minister – Executive Secretary of the Management Unit, Presidency of the Republic, Paraguay

The session opened with a presentation by the IDB on the importance of developing more effective and representative public consultations. In particular, new technologies can help harness the benefits of stakeholder engagement activities by supporting the development of centralised portals, use of AI to analyse comments, and encourage simple and user-friendly interactions. These actions should be accompanied by the creation of institutional capacities and the development of conditions that would enable the participation from different groups.

Costa Rica's ARESEP presented the programme of User's Counsellor (*Consejería del Usuario*). The initiative aims at fostering the effective and informed participation of stakeholders by providing evidence and supporting users. The User's Counsellor supports stakeholders by helping them access the consultation and ensuring that their participation is effective. An interesting aspect is that the Counsellor can support the development of comments or feedback that challenges the position of the ARESEP.

On the other hand, Chile's experience fostering stakeholder engagement activities has been significantly linked to international commitments. The use of instruments such as trade agreements to embed public consultation practices has laid the ground for broadening and strengthening these practices in the country. Chile is building on the experience of international partners, peers, and experts to develop a single consultation portal that will help increase certainty, predictability, and transparency.

The panel closed with the participation of the private sector. The representative from the American Business Dialogue underscored the importance of **involving stakeholders at all stages of the regulatory cycle**. This entails the preparation of the public sector to design a consultation that is based on good practices and requires the active engagement of the stakeholders. The private and public sectors can collaborate to design and implement more effective rules.

