



Activity Update Governance Committee January 2016

ABOUT BIAC

As the officially recognized voice of business to the OECD, the Business and Industry Advisory Committee (BIAC) conveys business perspectives and expertise to policymakers on a broad range of global economic governance and policy issues. In the framework of its consultative status with the OECD, BIAC keeps the OECD informed of the private sector's response to different policy options, thus giving the business community a chance to shape the development of long-term policies in OECD countries.

This *Activity Update* provides an overview of key activities of the OECD and of the BIAC Governance Committee in the field of public governance and regulatory policy.

PUBLIC GOVERNANCE AT THE OECD

The OECD provides governments with the analytical basis to develop public policies, through performance reviews, data collection, policy analysis, and projections. For several decades, the OECD has been supporting member and non-member countries to design public policies that are both efficient and effective at promoting good regulatory practice and a sound framework for public governance. The overarching activity of the OECD Public Governance Directorate is essential to reach that goal.

BIAC GOVERNANCE COMMITTEE

BIAC advocates pro-competitive, transparent, predictable and quality regulatory frameworks that support business, entrepreneurship and innovation with minimum administrative burden. The BIAC Governance Committee contributes to the OECD's work on regulatory policy and good public governance, with a view to improving the quality and impact of rule-making processes across sectors. It also addresses the regulatory dimension in other policy fields such as competition and market openness.

COMMITTEE LEADERSHIP

- *Jens Hedström*
Confederation of Swedish Enterprise (Sweden)
- *Dr Yilmaz Argüden*
ARGE Consulting (Turkey)
- *Ján Oravec*
The Entrepreneurs Association of Slovakia (Slovak Republic)

REGULATORY POLICY



Regulatory policy is about achieving government's objectives and reforms through the use of regulations, laws, and other instruments to deliver better economic and social outcomes and thus enhance the life of citizens and business.

Making Economic Growth and Regulatory Efficiency Mutually Supportive

At the OECD Public Governance Ministerial meeting in Helsinki (27-28 October 2015), Ministers focused on public governance for inclusive growth and public service delivery. Good public governance requires a whole-of-government approach throughout the policy cycle that leverages informed decision making and gives all stakeholders a voice. Public governance institutions, tools and processes should be designed to improve coherence across sectors and levels of government while empowering the implementation and evaluation of growth-oriented policy packages.

Participating in the Ministerial meeting in Helsinki, the Chair and Vice Chairs of the BIAC Governance Committee stated again their support to good regulatory practice and presented the main conclusions of a BIAC Statement on Regulatory Policy Practice and an Enabling Public Governance Framework for Business.

BIAC's Annual Consultation with OECD Ambassadors

During BIAC's annual consultation with OECD Ambassadors and Secretary-General Gurría on 18 January 2016, Members of the BIAC Executive Board and BIAC policy group leaders engaged in discussions with Ambassadors on five fundamentals for raising productivity growth: [1] Promoting open markets and improving the business climate; [2] Developing regulatory environments conducive to productivity growth; [3] Fostering policy frameworks for innovation, health, and the digital economy; [4] Promoting lifelong learning; and [5] Creating greater opportunities for employment. Regulatory Policy was featured prominently in the BIAC Statement and the consultation was a valuable occasion to define and shape the core theme of the June 2016 OECD Ministerial Council Meeting "*Enhancing Productivity for Inclusive Growth*".

Promoting the 2012 OECD Recommendation on Regulatory Policy and Governance

BIAC has been a strong supporter of the OECD's 2012 Recommendation on Regulatory Policy and Governance from its inception. 50% of the BIAC participants to our 2014 Economic Policy Survey indicated that they have been using the Recommendation to promote regulatory reform with their respective governments. BIAC's Governance Committee has been continuously stressing the importance of an enabling regulatory framework supported by sound regulatory processes.

Measuring Regulatory Performance



In 2014 and 2015, BIAC contributed to the OECD country-survey of selected regulatory indicators. The survey aimed to gather information on regulatory policy practices and the implementation of the 2012 *Recommendation* in OECD countries, focusing on 3 core areas of regulatory indicators: Regulatory Impact Assessment, stakeholder engagement, and ex-post evaluation of regulations. The results are featured prominently in the first [OECD Regulatory Policy Outlook](#) which was released at the Governance Ministerial in Helsinki (October 2015), and available [online](#).

On the occasion of the launch of the Outlook, OECD Deputy Secretary-General Mari Kiviniemi explained that although countries have made substantial progress in the application of regulatory policy, some are still facing major challenges in the field of regulatory governance. The OECD as a group can also make better. The *Regulatory Policy Outlook* represents unprecedented stock taking of regulatory policy practices an based on a unique data set. It is an essential tool underpinning the monitoring of the 2012 *Recommendation*, and a source of critical information on how countries perform.

BIAC was furthermore associated in a number of events promoting the launch of the *Outlook*, such as a Brussels-based Seminar with BusinessEurope (photo) and follow-up launch events e.g. with the Confederation of Swedish Enterprise.



International Regulatory Cooperation

In November 2015, a strong BIAC delegation participated in a joint meeting of the OECD Regulatory Policy Committee and of the OECD Trade Policy Committee discussing the features of international regulatory cooperation. Acknowledging the great relevance but also the limitations of such cooperation pathways, the BIAC participants encouraged the OECD to explore options for more analytical work, case studies and exchange of best practice.

INTEGRITY



Corruption in the public sector *hampers the efficiency of public services, undermines confidence in public institutions and increases the cost of public transactions. Integrity is essential for building strong institutions resistant to corruption.*

OECD Trust Initiative

The OECD is focusing on the main drivers for trust in policy making (namely: competence, values and fairness), with two pillars of activity on:

- Trust in Business – targeted through the development and implementation of policies and practices that demonstrates the competence and values of an organisation to its shareholders /and stakeholders in general.
- Trust in Public Institutions – mainly perceived as being driven by the way policies are designed and implemented, as well as by the credibility of the actors and institutions involved;

Due to the horizontal nature of this agenda, key policy areas at stake are: public governance, regulatory policy, competition, financial sector regulation, taxation, responsible business conduct, consumer and privacy protection, anticorruption, education.

Addressing the Demand Side of Corruption

Conscious of the great expectations towards the private sector in the fight against corruption, BIAC engaged early on in the OECD work and in activities around the implementation of the OECD Anti-Bribery Convention. But the OECD Convention focuses only on the supply side of a bribery transaction and does not address the demand side, i.e. bribe solicitation and extortion by public officials. Including the demand side of bribery effectively in OECD work going forward represents a significant step towards a more corruption-free business environment.

BIAC is committed to partnering with the OECD to identify measures and develop recommendations that will support more integrity and ethics in its interactions between private and public actors. BIAC also stands ready to contribute to the exchange of good practice and experience drawn from private-sector compliance efforts, and to contribute to the first ever OECD *Public Integrity Outlook* currently under development.

Senior Public Integrity Officials

In 2015, BIAC participated in the meetings of the Senior Public Integrity Officials (SPIO), which focus on the following themes:

- Mapping key integrity challenges for updating the OECD Principles for Managing Ethics in the Public Service,
- Implementation at organizational Level,
- Focus on managing conflict of interest and whistle-blower protection.

OECD Integrity Week

BIAC is an active contributor to the *Integrity Week* which is organized annually by the OECD. On this occasion, we are present in a number of public events relating to anti-corruption and integrity. The Integrity Week will focus this year on *Global Trade without Corruption* (18-22 April).

Public Procurement



Public procurement accounts for a large share of government spending - annually on average 13% of GDP, amounting to €4.3 trillion and 30% of total public expenditures, in OECD countries. An efficient and effective public procurement system is a pre-condition for a well-functioning government.

As part of our engagement in the OECD work on Integrity, BIAC was invited to participate in the Leading Procurement Practitioners (LPP) on 16 and 17 December 2015. The Working Party provides a global view of leading procurement practice through knowledge-sharing on effective approaches to strengthening public procurement systems and consolidating best practices, bringing together senior procurement officials from OECD countries, accession and key partner countries.

Following up on the release of the 2015 OECD *Recommendation on Public Procurement* last February, discussions focused on the implementation of the Recommendation's key provisions under the motto "transforming theory into practice", and on the development of practical tools to support countries in their implementation efforts.

Effective OECD support to countries in reforming public procurement systems is strengthened by the policy dialogue with the private sector and the evidence-based framework established by the Organization through comparative data analysis, international benchmarking, and peer reviews.



2015 OECD MEETINGS SUPPORTED BY BIAC

25-26 March	OECD Integrity Week
14 April	OECD Steering Group on Measuring Regulatory Performance
15-16 April	OECD Regulatory Policy Committee
18-19 June	7th Workshop on Measuring Regulatory Performance in Reykjavik
4 November	OECD Steering Group on Measuring Regulatory Performance
5-6 November	OECD Regulatory Policy Committee and Joint meeting with the Trade Committee
27-28 October	OECD Public Governance Ministerial in Helsinki
9 December	Launch of the OECD Regulatory Policy Outlook in Brussels
16-17 December	Working Party of the Leading Practitioners on Public Procurement

2016 MEETINGS SUPPORTED BY BIAC

Please find below a non-exhaustive list of meetings scheduled for 2016. Some meetings are subject to confirmation and others will be added. Don't hesitate to contact the BIAC Secretariat for final confirmation.

18 January	BIAC's Annual Consultation with OECD Ambassadors
19 January	Launch of the OECD Regulatory Policy Outlook in Stockholm
29 February	OECD Symposium on the Governance of Infrastructure
11-15 April	OECD Regulatory Policy Week
18-22 April	OECD Integrity Week
21-22 April	OECD Public Governance Committee
31-1 June	OECD Forum
1-2 June	OECD Council Meeting at Ministerial Level
31-4 November	OECD Regulatory Policy Week

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