OECD

Organisation for Economic Cooperation and Development

Effective Regulatory Delivery Programme
Ensuring regulations are effectively implemented to achieve policy objectives
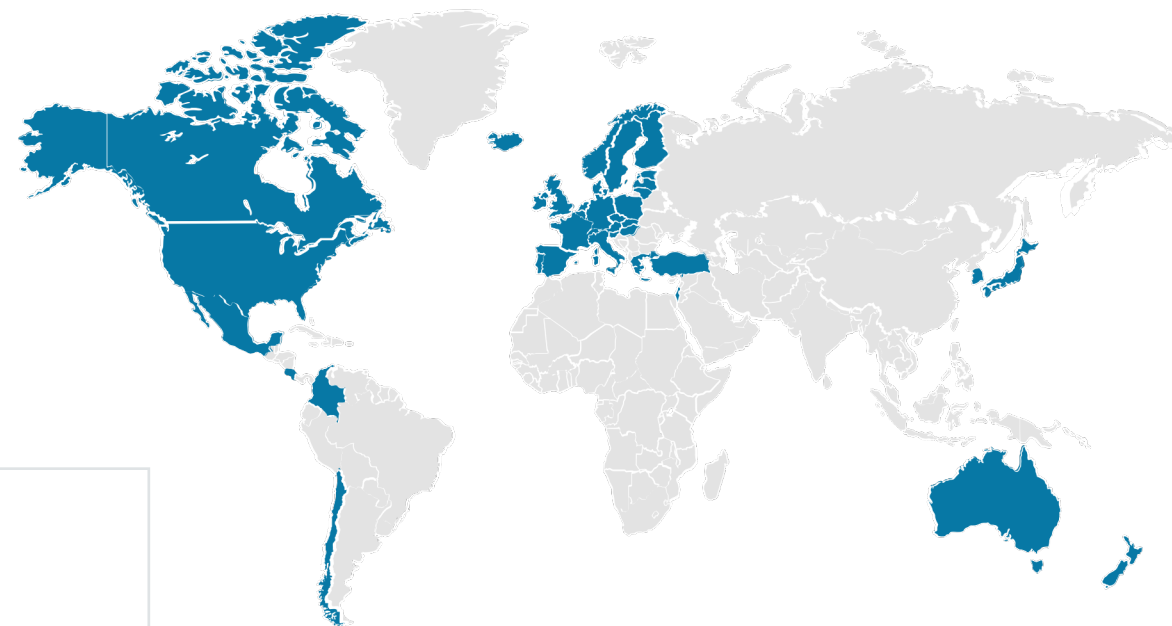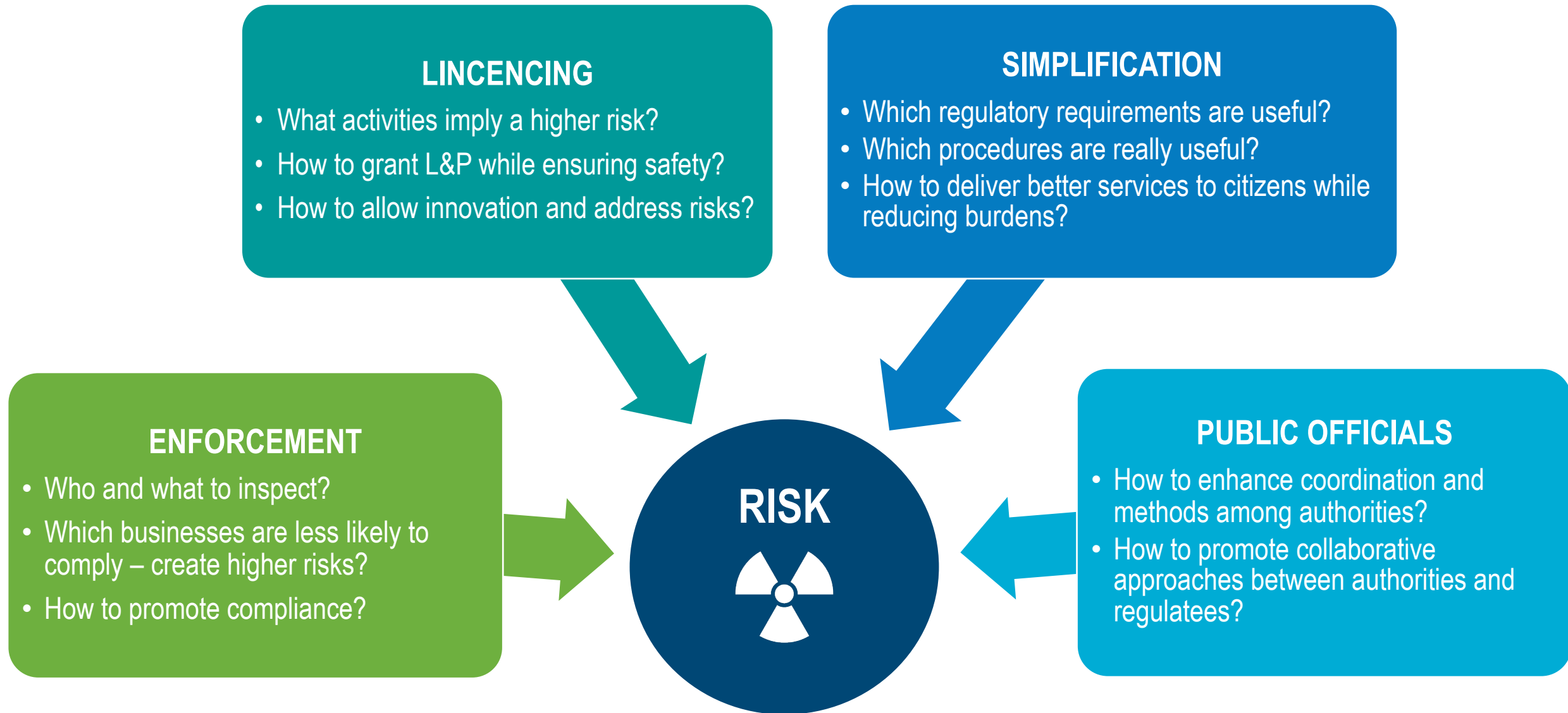
Address risks to protect public goods

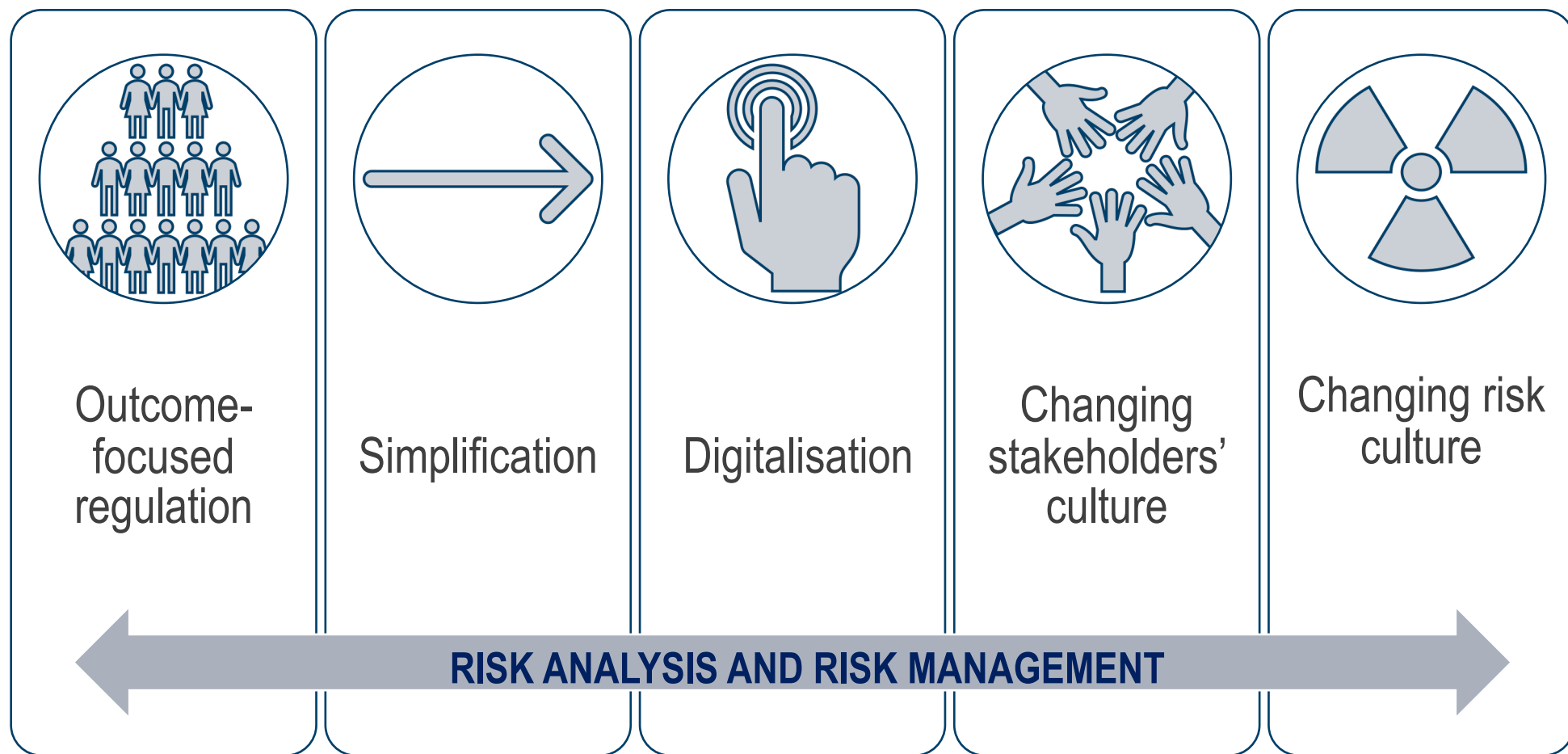- E.g. Environmental inspections aiming at preventing damage to the environment (and people)

Enabling businesses to perform economic activities while ensuring that risks are addressed

- E.g. Facilitating the energy transition while ensuring citizen safety and environmental protection

Regulatory delivery and risk

LINCENCING
- What activities imply a higher risk?
- How to grant L&P while ensuring safety?
- How to allow innovation and address risks?

SIMPLIFICATION
- Which regulatory requirements are useful?
- Which procedures are really useful?
- How to deliver better services to citizens while reducing burdens?

ENFORCEMENT
- Who and what to inspect?
- Which businesses are less likely to comply – create higher risks?
- How to promote compliance?

PUBLIC OFFICIALS
- How to enhance coordination and methods among authorities?
- How to promote collaborative approaches between authorities and regulatees?

RISK

Outcome-focused regulation | Simplification | Digitalisation | Changing stakeholders' culture | Changing risk culture

RISK ANALYSIS AND RISK MANAGEMENT

Outcome-focused regulation - Supporting Italy's universal civil service design/implemenation
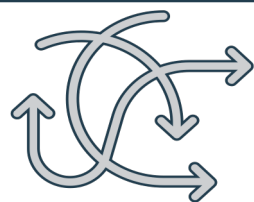
LIFTING REGULATORY BARRIERS TO ENHANCE DEMOCRACY

Problem: Overregulation prevents citizen from accessing public services

Difficulty: Authorities tend to regulate everything, making the regulatory system challenging to navigate and comply with

Why? Legalistic and formal approaches divert attention from the scope the regulation wants to achieve
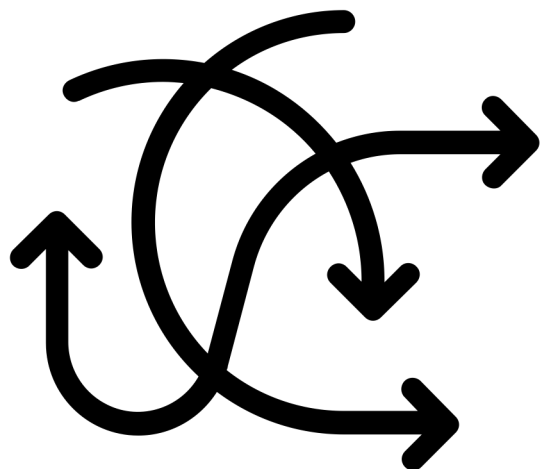
Change: Introducing the notion of risk helps authorities select fit-for-purpose regulation and remove regulatory obstacles to deliver services

Simplification – Accelerating Permitting for Renewable Energy in Lithuania

ENHANCING LICENSING FOR THE ENERGY TRANSITION

Complex permitting procedures	Key risk identification	Streamline	Simplified/faster permitting procedures

Key risk identification:

> **Risk analysis**: unnecessary steps are removed, only leaving those that are justified by potential risks

> **Digitalisation**: several steps are automated, and therefore accelerated and more effective/efficient

> **Data analysis**: L&P requests are assessed against risks, based on evidence. Risks are identified, and projects are classified according to their risk level

Simplified/faster permitting procedures:

> Low-risk projects follows a simpler procedure

> High-risk projects are checked in detail

> Inspections are planned according to risk levels

> Policy making is data-driven and evidence-based. Thus, more proportionate, effective, legitimate

Digitalisation – Reforming Regulatory Inspections in Italy

MANAGING RISKS TRHOUGH DIGITAL SOLUTIONS

| RISK ANALYSIS	COMPLIANCE PREDICTION	DATA-DRIVEN ENFORCEMENT

> How to perform inspections in an effective and efficient way?
 	
> Predictive ML models can support analysis to develop risk criteria and classify businesses according to their level of risks
	> How likely is a non-compliant business to experience non-compliance issues again?
	
	> AI: predictive algorithms can assess the likelihood of businesses complying
		> Through the use of statistics and ML algorithm, data analytics support a better understanding of risks providing information about:
		   ■ **The probability that a damage occurs**
		   ■ **The magnitude of the damage**
		
		> Inspections can be better targeted by analysing risks
		
		> Public goods are more likely to be protected through risks analysis

Culture transformation
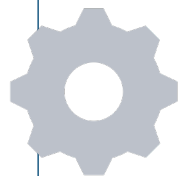
How to increase public authorities' effectiveness/efficiency?
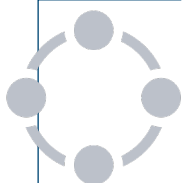
How to increase their coordination?

How to transition from a confrontational approach to a cooperative one?

Risk-based approach allows public officials to think in terms of risks

IT tools and IA support risks acknowledgement and understanding

Stakeholders align efforts submitting projects or information highlighting risks

Effectively regulating major public risks

RISK CULTURE TRANSFORMATION

Risks are unavoidable

Regulators must aim at identifying and assessing them

UNDERSTANDING AND ASSESSING RISKS

Take a proportionate approach rather than overregulate and forbid

Analyse, weigh, measure, and anticipate risks using data and trends

A structured governance framework to distinguish between acceptable, manageable, and critical risks

Regulating effectively major public risks

RISK CULTURE TRANSFORMATION

EDUCATING RISK CREATORS ON RISK MANAGEMENT

Avoiding all risks can lead to excessive caution and hinder innovation

Instead, agile and outcome-focused regulation allows businesses to understand and manage risks properly

Foster resilience rather than rigidity to enable progress

Regulators should focus on educating businesses on identifying risks and managing them properly

Appropriate requirements allow businesses to address risks while allowing adaptation and innovation

Regulating effectively major public risks

RISK CULTURE TRANSFORMATION

A one-size-fits-all regulatory approach can lead to inefficiencies, unnecessary burdens, and unintended consequences

Regulations should be tailored to risks

REGULATING PROPORTIONALLY TO RISKS

Not all risks are equal – regulations should be proportionate to risk levels

Overly strict rules can create inefficiencies and limit innovation

Tailored regulations ensure effective supervision without unnecessary restrictions

Thank you

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Draft Best Practice Principles for Licensing and Permitting

https://www.oecd.org/content/oecd/en/events/public-consultations/2025/01/managing-risks-and-incentivizing-growth-draft-oecd-best-practice-principles-for-licensing-and-permitting.html