Canada

Indicators of Regulatory Policy and Governance 2021









Overview and recent developments

Canada has updated their previous Cabinet Directive on Regulatory Management with the Cabinet Directive on Regulation (CDR) in 2018. It mandates government departments and agencies to conduct ex post evaluation on all subordinate regulations and provides guidance and trainings to policy makers on how to carry them out. In 2018, Canada also introduced Targeted Regulatory Reviews (TRRs) as part of their regulatory framework. These reviews support the government's broader agenda towards regulatory modernisation, and address regulatory requirements and practices that seem to cause bottlenecks to innovation, growth and competitiveness. In 2019, the first round of TRRs were completed and led to nearly 70 proposals for regulatory and legislative amendments, improvements to regulatory practices, and novel regulatory approaches.

RIAs continue to be mandatory and publicly available via a central registry along with their draft legal text for subordinate regulations only. The CDR reinforced requirements for the analysis of environmental and gender-based impacts and enshrines regulatory co-operation and consultation throughout the regulatory cycle. Canada conducts open consultation by a variety of mechanisms, including over

online government portals for draft subordinate regulations. The public can submit comments on consultations on the central government portal or directly to regulators themselves. Generally, once the consultation process is over, a summary of received comments is made publicly available in the final version of the RIA.

The Treasury Board of Canada Secretariat (TBS) oversees subordinate regulations, and provides a review and challenge function to ensure quality RIA, consultation, and regulatory co-operation. It supports the Treasury Board, a Cabinet committee that considers and approves regulations. A Centre for Regulatory Innovation has also been established at TBS to help businesses work with regulators to facilitate regulatory experiments and test emerging technologies. It aims to encourage innovation while safeguarding consumer trust and confidence. For primary laws, the Privy Council Office supports Cabinet in its assessment and approval of legislative proposals destined for parliamentary consideration. Canada could enhance existing oversight by regularly evaluating the quality of consultations and of ex post evaluations. The results of these evaluation could be made publicly available along with suggestions for improvement.

Indicators of Regulatory Policy and Governance (iREG): Canada, 2021



Notes: The more regulatory practices as advocated in the <u>OECD Recommendation on Regulatory Policy and Governance</u> a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (72% of all primary laws in Canada).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, http://oe.cd/ireg.

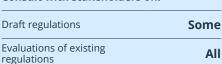
Canada: Transparency throughout the policy cycle





Inform the public in advance that: Consult with stakeholders on:

•	
A public consultation is planned to take place	All
Regulatory impact assessment (RIA) is due to take place	Yes
Ex post evaluations are planned to take place	All





Publish online:

Ongoing consultations*	All
Views of participants in the consultation process	Yes
RIAs	Never
Evaluations of existing regulations	Yes





Policy makers use:

Interactive website(s) to consult with stakeholders	Yes
Website(s) for the public to	
make recommendations on	Yes
existing regulations	

Policy makers provide a public response to:

Consultation comments	No
Recommendations made in	Always
ex post evaluations	Aiways

^{*} Publish on a single central government website.

Note: The data reflects Canada's practices regarding primary laws initiated by the executive. Source: Indicators of Regulatory Policy and Governance Survey 2021, http://oe.cd/ireg.



THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- Systematic adoption comprises formal requirements and how often these requirements are conducted in practice;
- Methodology presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- Oversight and quality control reflects the role of oversight bodies and publicly available evaluations; and
- Transparency comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (http://oe.cd/ireg).

Related links:

- Regulatory Policy Outlook 2021
- · Indicators and underlying data and methodology
- 2012 Recommendation of the Council on Regulatory Policy and Governance
- OECD Measuring Regulatory Performance Programme
- OECD work on regulatory policy

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