

Stakeholder engagement is a central and fundamental pillar of regulatory policy. The central objective of regulatory policy – ensuring that regulations are designed and implemented in the public interest – can only be achieved with help from those subject to regulations, be they citizens, business, civil society or other members of the community. Stakeholder engagement allows governments to collect better evidence as a basis for their decisions. It aims to improve the quality of the rule-making process by getting more diverse inputs and opinions from those who will be affected by government's decisions. Moreover, engaging affected parties in the process of developing new regulations has shown to increase the sense of ownership and to lead to better compliance with regulations. A transparent regulatory process increases credibility and trust in regulatory institutions.

Stakeholder engagement practices are common among LAC countries, but their scope and depth vary greatly. While Mexico and Brazil have already established fairly advanced consultation systems and perform around or above the OECD average, other countries are still building systematic procedures that ensure public participation in the regulatory process. Formal requirements are in place in all LAC countries covered, but practice lags behind in most cases and participating countries face important gaps in implementation. This contrasts with the trend observed in most OECD countries, to consult with stakeholders on a systematic basis on all or major regulatory proposals.

Stakeholder engagement at early stages of the regulatory process is not common in LAC countries. Similar to OECD countries, consultations normally focus on draft regulations, and not at an earlier stage to collect views on the nature of the problem and explore the best way to solve it. Some good consultation practices can be highlighted, such as the initial attempts to consult with the public on a Regulatory Impact Analysis (RIA) before a regulation has been drafted in some regulatory agencies in Brazil. Also some regulators in Costa Rica and Colombia are experimenting with this method, which can contribute to solicit stakeholders' views early enough in the process.

The way stakeholder engagement is conducted in the region shows that other tools, such as focus groups, interviews, questionnaires, etc., could be used to increase the participation of interested parties. Formal requirements and practice have to be in alignment and regulators need to provide timely information for stakeholders to better inform their participation. Building on existing initiatives in specific areas or institutions, LAC countries need to develop and strengthen proper mechanisms to ensure active stakeholder engagement and participation and greater transparency. Strengthening institutional oversight of the

regulatory process is crucial in embedding regulatory policy in practice and would help address the existing implementation gap.

### Methodology and definitions

The OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 draw upon responses to the OECD-IDB Survey on Regulatory Policy and Governance 2015 from selected LAC countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. Responses were provided by government officials and reflect the situation as of 31 December 2015. The scope of the data covers regulations initiated by the executive at the national level. Data for OECD countries are drawn from the OECD Indicators of Regulatory Policy and Governance (iREG) 2015. Figure 4.4 displays the aggregate score of the composite indicator on stakeholder engagement in developing subordinate regulations across four categories. The maximum score for each category is 1, and the maximum aggregate score for the composite indicator is 4. The more regulatory practices as advocated in the 2012 *OECD Recommendation on Regulatory Policy and Governance* a country has implemented, the higher its indicator score. Additional information on the methodology is included in Annex B. The full dataset underlying the composite indicator can be accessed on line at: [www.oecd.org/gov/regulatory-policy/ireg-lac.htm](http://www.oecd.org/gov/regulatory-policy/ireg-lac.htm).

Subordinate regulations are regulations that can be approved by the head of government, by an individual minister or by the cabinet – that is, by an authority other than parliament/congress. Public consultation refers to consultations where any member of the public has access to information on the consultation and is able to submit comments.

### Further reading

- OECD (2015), *Regulatory Policy Outlook 2015*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264238770-en>.
- OECD (forthcoming), *OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy*, OECD Publishing, Paris.
- OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264209022-en>.

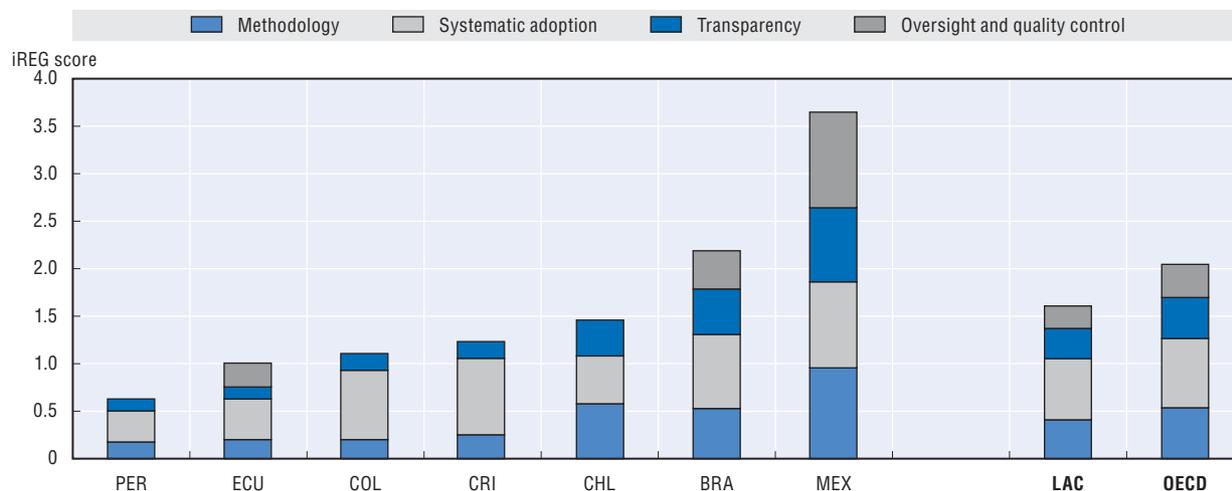
## 7.3. Requirements and types of stakeholder engagement, 2015

	Requirement to conduct stakeholder engagement	Practice of stakeholder engagement to inform officials about the nature of the problem and possible solutions	Practice of consultation on draft regulations or proposed rules	Can any member of the public choose to participate in a consultation?
Brazil	■	▶	▶	■
Chile	▶	▶	▶	▶
Colombia	■	▶	▶	▶
Costa Rica	■	▶	▶	▶
Ecuador	▶	□	▶	▶
Mexico	■	▶	■	■
Peru	▶	□	▶	▶
<b>LAC total</b>				
■ All subordinate regulations	4	0	1	2
▲ Major subordinate regulations	0	0	0	0
▶ Some subordinate regulations	3	5	6	5
□ Never	0	2	0	0
<b>OECD total</b>				
■ All subordinate regulations	18	2	18	13
▲ Major subordinate regulations	7	3	7	4
▶ Some subordinate regulations	6	21	8	13
□ Never	3	8	1	4

Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. OECD Indicators of Regulatory Policy and Governance (iREG) 2015. [www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm](http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm).

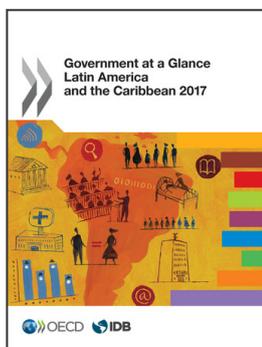
StatLink  <http://dx.doi.org/10.1787/888933431780>

## 7.4. Composite indicator: Stakeholder engagement in developing subordinate regulations, 2015



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. OECD Indicators of Regulatory Policy and Governance (iREG) 2015. [www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm](http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm).

StatLink  <http://dx.doi.org/10.1787/888933431360>



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