Non-Tariff Measures

Streamlining Non-Tariff Measures – A Toolkit for Policy Makers

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Outline

- Why and How to address regulatory challenges
- Toolkit to streamline NTMs
- World Bank engagement on NTMs
Reforms are complex…

- Regulations aim to achieve legitimate policy objectives, but can have adverse economic impacts (particularly on SMEs)
- In-country, need to identify, and agree, on
  - what IS the national interest?
  - how to achieve this with regulations?
  - how to minimise negative effects?
- Need for shaping balanced regulation, not their removal → but how?
- Transparency, dialogue, and capacity are key
... demand analytical capacity....

- For regulatory reform, capacity is needed at all levels (government, private sector, public) to **identify costs and benefits**
  - Understand **what** current regulations/measures are (complex, legal documents)
  - Understand what the effect of these regulations is and how they **benefit/hurt the domestic economy**
  - **Prioritise** products for regulatory reform (strategic)
  - Identify and agree on broadly supported **public policy objectives**
  - **Compare and balance** different regulatory options to achieve these objectives (i.e. bans/taxes): including global or regional standards
  - **Design** effective regulations
  - **Enforce** regulations in the domestic economy
...and increased coordination.

- To achieve such consensus and effective design it is critical to
  - increase **transparency** and access to information to all stakeholders
  - improve **governance and decision making** through internal and external consultations:
    - Inter-ministerial consultation around competitiveness
    - Consultation with the private sector and other stakeholders that might be affected by the regulation
Streamlining NTMs – a toolkit

- Governments are responsible for the standards/regulations they use, and their impact on (different actors in) society
- Legitimate policy objectives, so focus on “streamlining NTMs”, not “eliminating NTBs”
- Offer a pragmatic and comprehensive approach to address the NTM agenda
  - Institutional Process (review / design)
  - Analytical tools and questionnaires
  - Data transparency
  - Case studies and international experience
- Introduce the culture of Regulatory Impact Assessment in policy making

→ Allow governments make informed and sound decision based on dialogue and use of analytical tools for cost benefit analysis
Flowchart of an NTM review

- **Is the case substantial?**
  - Yes: Do not initiate review of NTM
  - No: Propose regulation phase-out

- **Is there market failure?**
  - Yes: Propose regulation redesign
  - No: Propose regulation phase-out

- **Does the regulation rightly target the market failure?**
  - Yes: Debates regulation justification
  - No: Propose regulation redesign

- **Do regulatory benefits outweigh its costs?**
  - Yes: Regulation should be kept and solution sought to reduce trade cost
  - No: Debates regulation justification

- **Analytical tools**

- **Information Questionnaire**

- **Trigger Questionnaire**
Institutional Arrangement – an example

Members of the review committee:
- Chair Agency Leading process
- Ministry of Health
- Ministry of Environment
- Ministry Agriculture
- Ministry Industry and Trade
- Other regulatory agencies

- **Trigger 1**: Formal Request from any stakeholder
- **Trigger 2**: Self-initiation by Agency Responsible for reviews
- **Trigger 2**: Mandatory review provided by the law

Public-Private Business Facilitation Task Force chaired by private association and key ministry

Consultation with Stakeholders

- Findings and Recommendations
  - Review process led by body with clear mandate and strong political support

- Screening
  - NTM or competitiveness Working Group

- No Review – if request not fulfilling minimum requirements

Inputs from experts or academics

Line ministry Responsible for issuing the regulations

Information questionnaire

Recommendation
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The toolkit – Knowledge and Technical Assistance

**NTM DATA COLLECTION/AVE ESTIMATION**

**ENGAGEMENT**
- Process launch

**DATA**
- Identification of «problem cases»

**PRIVATE-SECTOR CONSULTATION**

**Review**
- Justification of measures
- WTO consistency
- Effectiveness of measure
- Costs of measure
  - Sourcing
  - Procedures

**Recommendations**

**ANALYSIS**
- Technical assistance
- Trigger questionnaires
- Main information questionnaires
- Analytic guidance principles measurement
- Institutional setup sample TOR

**NTM REVIEW TOOLKIT + TECHNICAL ASSISTANCE**

**ACTION**
- Reform

**PRIVATE-SECTOR CONSULTATION**

Institutional setup for sustainable regulatory improvement
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