

**COUNCIL****Council****DRAFT RECOMMENDATION OF THE COUNCIL FOR AGILE  
REGULATORY GOVERNANCE TO HARNESS INNOVATION****(Note by the Secretary-General)****JT03480363**

1. This document presents, in its annex, the draft Recommendation of the Council for Agile Regulatory Governance to Harness Innovation (hereafter, the “draft Recommendation”) on the proposal of the Regulatory Policy Committee (RPC) for adoption by the Council.
2. The draft Recommendation aims to help governments develop agile approaches in regulatory policy and governance to realise the benefits of innovation while addressing its risks. The RPC approved the draft Recommendation and its transmission to the Council for adoption at its meeting on 20 July 2021 [[GOV/RPC\(2021\)9/FINAL](#)].

## Rationale for developing the draft Recommendation

3. The pace, scope and complexity of the changes caused by innovation (see Box 1.1), together with the current societal and environmental changes afoot, are significantly affecting every facet of the economy and society. Indeed, innovation in the 21<sup>st</sup> century has led to the development of new products, services and business models that were inconceivable just a few years ago and keep evolving quickly. Prominent examples span a wide range of areas including digital technologies (e.g. artificial intelligence, blockchain or the internet of things), biotechnologies (e.g. gene editing) and advanced materials (e.g. nanomaterials).
4. Changes derived from innovation have far-reaching consequences for the well-being and cohesion of society as a whole. Likewise, they affect our economy deeply through their effects on productivity, employment, skills, resource allocation, trade and the environment. As shown by the OECD Going Digital project and reflected in its Integrated Policy Framework<sup>1</sup>, digitalisation in particular is leading to profound changes in the ways people interact, create, produce and consume. Digitalisation has indeed created opportunities for promoting wider consumer choice, stronger competition, economic growth, freedom of expression, and brought people, firms and organisations closer across borders.
5. However, if insufficiently shaped by policy, digitalisation and transformative innovations more broadly can also entail exacerbating risks and potential adverse effects by, *inter alia*, disrupting labour markets, marginalising vulnerable populations, generating market power and increasing wealth concentration. Additional challenges relate to ethics, data privacy and ownership, digital security, potential bias and discrimination, minors’ protection and violent content, as well as the spread of misinformation and disinformation and their potential risks for democracy. Further, certain technological developments (such as innovations in biotechnology) might raise unprecedented global risks for society. While such events may have a low probability to occur, the magnitude of their potential consequences warrant due consideration from governments.

### Box 1.1. ‘Innovation’ in the context of the draft Recommendation

For the purposes of the draft Recommendation, ‘innovation’ refers to new or improved ideas, products and business models that have been or may be introduced on the market or otherwise brought into use.

6. Through laws, regulations and other policy instruments, governments can have a major influence on the development of innovations, the realisation of their benefits for society, and the avoidance or limitation of associated risks. Regulatory quality is therefore a priority

<sup>1</sup> OECD (2020), *Going Digital integrated policy framework*, OECD Digital Economy Papers, No. 292, OECD Publishing, Paris, <https://dx.doi.org/10.1787/dc930adc-en>.

if key objectives such as inclusiveness, resilience and sustainability are to be pursued in a context of high uncertainty and rapid change. Governments face several questions in this respect. In particular:

- How to enable innovation and accommodate technology-driven disruption while ensuring a sufficient level of regulatory protection for people and the public interest at large?
- How to reconcile the need for agile and flexible regulatory approaches with the need to provide stability and predictability for businesses?
- How to develop experimental regulatory approaches while continuing to ensure competitive markets and a level playing field?
- How to design, implement and enforce regulation effectively in the presence of innovations whose impact transcends administrative and jurisdictional boundaries?
- How can international regulatory co-operation support domestic regulatory approaches?

7. The pace, scope and complexity of innovation pose far-reaching and interrelated regulatory challenges for governments, which can be broken down into four broad categories: i) the “pacing problem”; ii) designing “fit-for-purpose” regulatory frameworks; iii) regulatory enforcement challenges; iv) institutional and transboundary challenges (see Box 1.2).

### **Box 1.2. Regulatory challenges raised by innovation**

#### **The “pacing problem”**

At times, regulatory frameworks are not agile enough to accommodate the fast pace of innovation and, as a consequence, existing rules become outdated and no longer relevant. Lack of knowledge of how innovations will affect markets and societies can make it hard for governments to keep pace in a way that avoids reducing the potential benefits of innovation, while also protecting the legitimate interests of all stakeholders. As a result, fundamental issues stemming from the widespread adoption of innovations have so far been left unaddressed, undermining public trust in governments and institutions.

#### **Designing “fit-for-purpose” regulatory frameworks**

Traditional regulation is often designed on an issue-by-issue, sector-by-sector or technology-by-technology basis and may not be a good fit for the challenges brought by innovation. In many areas, innovations are indeed eroding, straddling or blurring the usual delineation of sectors, and the increasing convergence of technologies is exacerbating this issue.

#### **Regulatory enforcement challenges**

The categories underpinning regulations subject to verification and enforcement are often not strictly applicable to new situations, products, and services. Depending on legal frameworks and enforcement approaches, governments can end up either cracking down indiscriminately on innovations that do not fit previously existing categories, or being powerless to respond to emerging risks – or both. Adding to this, the traditional notions of liability may no longer be fit for purpose due to difficulties in apportioning and attributing responsibility for damages caused – for instance, in accidents involving AI-embedded machines or devices.

### **Institutional and transboundary challenges**

The mismatch between the transboundary nature of transformative innovations on the one hand, and the fragmentation of regulatory frameworks across jurisdictions on the other hand, puts increasing strain on regulators operating within the limits of their own jurisdictions. This can undermine the effectiveness of government action, people's trust in government and generate barriers to the spread of beneficial innovations.

Source: OECD (2019), *Regulatory effectiveness in the era of digitalisation*, <https://www.oecd.org/gov/regulatory-policy/Regulatory-effectiveness-in-the-era-of-digitalisation.pdf>.

8. The COVID-19 crisis has intensified the above-mentioned challenges and forced governments to rethink their approach to rulemaking. The social and economic disruption that the pandemic has wrought further highlights the strategic importance of developing more agile and co-ordinated regulatory approaches to increase responsiveness and resilience in changing environments, harness the opportunities provided by innovation and protect the public interest. As governments recover and adapt, they must ensure that the innovation that will power economic growth and solve the world's most pressing social and environmental challenges is not held back by regulations designed for a different time.

9. Regulatory policy and governance have a crucial role to play in promoting a human-centred and forward-looking approach to innovation that respects fundamental rights, democratic values, the rule of law and the principles of an open and transparent market economy. Building on the 2012 Recommendation of the Council on Regulatory Policy and Governance [[OECD/LEGAL/0390](#)] (hereafter, the “2012 Recommendation”), relevant related guidance such as the best practice principles on International Regulatory Co-operation<sup>2</sup>, the long-standing expertise of the RPC and the Network of Economic Regulators (NER) on regulatory policy and the challenges raised by innovation and technological change<sup>3</sup>, as well as broader OECD efforts and initiatives to help governments address the challenges raised by innovation such as the work undertaken by the Committee for Digital Economy Policy and the Committee on Scientific and Technological Policy (including the Going Digital Integrated Policy Framework<sup>4</sup>), the draft Recommendation for Agile Regulatory Governance to Harness Innovation presented in this document has been developed with the aim of further strengthening regulatory governance (see Box 1.3) by helping to update and enhance relevant instruments, processes, and institutions. More precisely, it seeks to provide a conceptual framework and relevant guidance for using and adapting regulatory policy and governance in the face of the regulatory challenges and opportunities arising from innovation. The draft Recommendation is conceived to catalyse efforts to improve regulatory policy and governance so as to support government reform and facilitate co-operation in response to those regulatory challenges. It also seeks to contribute to the development and implementation of agile and resilient regulatory approaches in response to and to further stimulate innovation.

<sup>2</sup> OECD (2021), *International Regulatory Co-operation, OECD Best Practice Principles for Regulatory Policy*, OECD Publishing, Paris, <https://doi.org/10.1787/5b28b589-en>.

<sup>3</sup> OECD (2019), *Regulatory effectiveness in the era of digitalisation*, <https://www.oecd.org/gov/regulatory-policy/Regulatory-effectiveness-in-the-era-of-digitalisation.pdf> and OECD (2020), *Shaping the Future of Regulators: The Impact of Emerging Technologies on Economic Regulators*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/db481aa3-en>.

<sup>4</sup> OECD (2020), *Going Digital integrated policy framework*, OECD Digital Economy Papers, No. 292, OECD Publishing, Paris, <https://dx.doi.org/10.1787/dc930adc-en>.

10. The draft Recommendation aims to complement the 2012 Recommendation as well as the related best practice principles series produced under the auspices of the RPC<sup>5</sup> – the effective implementation of which is a pre-requisite for addressing many of the challenges associated with innovation. Moreover, the draft Recommendation should be considered in the context of broader OECD efforts and initiatives to help governments address the challenges raised by innovation, such as the Going Digital Integrated Policy Framework<sup>6</sup> as well as the work undertaken by the Committee for Digital Economy Policy and the Committee on Scientific and Technological Policy (including the development of relevant standards such as the Recommendation on Artificial Intelligence [OECD/LEGAL/0449] and the Recommendation on Responsible Innovation in Neurotechnology [OECD/LEGAL/0457], both of which are targeted primarily at the pre-regulatory environment of scientific discovery and initial technological development). The draft Recommendation also seeks to complement the Recommendations on Digital Government Strategies [OECD/LEGAL/0406] and the Recommendation on Open Government [OECD/LEGAL/0438], as well as the OECD Declaration on Public Sector Innovation [OECD/LEGAL/0450].

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<sup>5</sup> OECD (2020), *Regulatory Impact Assessment, OECD Best Practice Principles for Regulatory Policy*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/7a9638cb-en>; OECD (2020), *Reviewing the Stock of Regulation, OECD Best Practice Principles for Regulatory Policy*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/1a8f33bc-en>; OECD (2014), *Regulatory Enforcement and Inspections, OECD Best Practice Principles for Regulatory Policy*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264208117-en>; OECD (2020), *One-Stop Shops for Citizens and Business, OECD Best Practice Principles for Regulatory Policy*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/b0b0924e-en>; OECD (2021), *International Regulatory Co-operation, OECD Best Practice Principles for Regulatory Policy*, OECD Publishing, Paris, <https://doi.org/10.1787/5b28b589-en>; and OECD (Forthcoming), *Draft Best Practice Principles for Regulatory Policy on Stakeholder Engagement*.

<sup>6</sup> OECD (2020), *Going Digital integrated policy framework*, OECD Digital Economy Papers, No. 292, OECD Publishing, Paris, <https://dx.doi.org/10.1787/dc930adc-en>.

### Box 1.3. Regulatory Policy and Governance: a definition

Together with taxes and spending, laws and regulations are critical levers governments have to promote well-being, economic growth and the achievement of societal and environmental goals.

Regulatory Policy and Governance (referred to as “Better Regulation” and “Good Regulatory Practice” in specific jurisdictional settings) promote evidence-based rulemaking and enhance the performance, cost-effectiveness and legal quality of regulation and administrative formalities. The notion of regulatory quality covers two main aspects:

- **Process:** laws and regulations should be developed and enforced in accordance with the key principles of consultation, transparency and accountability. In addition, regulatory decisions should be evidence-based. Different tools are available to implement regulatory policy and foster regulatory quality, including regulatory impact assessment (RIA), stakeholder engagement and ex post evaluation;
- **Outcomes:** regulations should be effective at achieving their objectives, efficient, coherent and simple.

Source: OECD (2018), *OECD Regulatory Policy Outlook 2018*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264303072-en>

### Objectives and scope of the draft Recommendation

11. The draft Recommendation aims primarily at:
  - Advancing knowledge and understanding of regulatory quality in light of the shortcomings in existing approaches as well as the high levels of uncertainty associated with rapid innovation and technological change;
  - Agreeing on the basic core elements of modern regulatory frameworks in order to ensure that innovation serves fundamental societal goals and enhances prosperity and well-being on a sustainable basis. This includes deciding how stakeholder engagement, impact assessment, risk assessment, institutional co-operation (including international regulatory co-operation) need to evolve in a context of rapid innovation and technological change;
  - Promoting effective cross-border regulatory action including enforcement, to ensure the coherence and interoperability of regulatory frameworks related to innovation;
  - Promoting the key role of regulatory policy in governments’ broader strategies for innovation.
12. To these ends, the draft Recommendation is organised around four main pillars:
  - Adjusting regulatory management tools to ensure regulations are fit for the future;
  - Laying institutional foundations to enable co-operation and joined-up approaches, both within and across jurisdictions;
  - Developing or adapting the governance frameworks to enable the development of agile and adaptive regulation;
  - Adapting regulatory enforcement activities to evolving needs.

13. Alongside the draft Recommendation, the RPC has also developed a Practical Guidance on Agile Regulatory Governance to Harness Innovation [[C\(2021\)99/ADD1](#)]. The Practical Guidance aims to support Adherents in implementing the draft Recommendation by providing more detailed information on concrete ways in which Adherents could implement the provisions of the draft Recommendation in practice.

## Process for developing the draft Recommendation

14. The work programme leading to the development of the draft Recommendation was overseen by a joint steering group composed of delegates from the RPC and the NER that provided guidance throughout the process. Input has also been received from relevant Directorates across the OECD Secretariat, including the Directorate for Science, Technology and Innovation (STI), the Directorate for Financial and Enterprise Affairs (DAF), and the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE).

15. The draft Recommendation draws, in particular, on the analytical work conducted by the RPC under its 2019-2020 Programme of Work [[GOV/RPC\(2018\)2/REV2](#)]. A concept note on "Effective rulemaking in the Fourth Industrial Revolution" [[GOV/RPC/RD\(2019\)8](#)] was presented at the 21<sup>st</sup> session of the RPC held on 6-7 November 2019. During the meeting, delegates called for the development of principles for agile regulatory governance to harness innovation that would guide governments in using and adapting regulatory policy and governance in the face of the disruptions and opportunities brought by innovation [[GOV/RPC/M\(2019\)4](#)]. Further to this commitment, the principles became a priority area of work for the RPC in its 2021-22 Programme of Work [[GOV/RPC\(2020\)2/REV1](#)]. A proposal outlining the building blocks in the development of the principles [[GOV/RPC\(2020\)25](#)], a background paper [[GOV/RPC/RD\(2020\)5](#)] and an outline of the draft principles [[GOV/RPC/RD\(2020\)6](#)] were circulated for comments at the 23<sup>rd</sup> session of the RPC of 16-20 November 2020.

16. RPC and NER delegates discussed a first set of principles and policy recommendations at the 24<sup>th</sup> session of the RPC, held on 19-22 April 2021 [[GOV/RPC\(2021\)9](#)]. Following this, an updated draft incorporating their comments, set out in Recommendation format and together with a draft companion document going into more detail with a view to supporting Adherents in implementing the draft Recommendation on the ground, was circulated for comments through the written procedure [[GOV/RPC\(2021\)9/REV1](#)].

17. Following consultations with (i) stakeholders (academics, government officials and representatives from civil society and the business community) and (ii) relevant OECD bodies (including the Public Governance Committee, the Committee for Digital Economy Policy, the Committee on Scientific and Technological Policy, the Competition Committee, the Committee on SMEs and Entrepreneurship and their relevant respective subsidiary bodies), a revised draft Recommendation incorporating comments received through the consultations as well as further comments received from RPC delegates was discussed in an *ad hoc* session of the RPC, held on 20 July 2021 [[GOV/RPC\(2021\)9/REV2](#)]. The RPC also discussed a revised version of the draft companion document [[GOV/RPC\(2021\)14](#)].

18. In the meeting, the RPC approved the draft Recommendation, with a number of limited changes to the text, together with its transmission to the Council, via the Executive Committee, for adoption [[GOV/RPC\(2021\)9/FINAL](#)]. The RPC also approved the draft companion document, with the same changes as were agreed in the text of the draft Recommendation and with the revised title "Practical Guidance on Agile Regulatory Governance to Harness Innovation" (hereafter, "Practical Guidance")



[[GOV/RPC\(2021\)14/FINAL](#)]. The RPC also approved the Practical Guidance's declassification at the time of the draft Recommendation's adoption by the Council.

### Implementation, dissemination and non-Member adherence

19. To support Adherents and follow up on the implementation of the draft Recommendation, it is proposed that the RPC, in consultation with other relevant committees:

- *Serve as forum for the exchange of information on policies and experience* with respect to the implementation of the draft Recommendation, fostering dialogue with and among stakeholders, and improving the evidence base on agile regulatory governance to harness innovation. These discussions would aim to support the exchange of experience among Adherents, thereby supporting mutual learning and the elaboration of good practices;
- *Review and update the Practical Guidance over time to ensure it remains relevant.* This would ensure that the Practical Guidance serves as a living document that stays up to date and useful in a fast-moving policy area;
- *Develop further guidance and evaluation frameworks* to help Adherents implement the provisions of the draft Recommendation;
- *Review the implementation, dissemination, and continued relevance of the Recommendation* and report to the Council thereon no later than five years following its adoption and at least every ten years thereafter. This report would assess the impact and continued relevance of the draft Recommendation and be based primarily on information collected through ongoing work streams and the regular iREG survey, to which a small number of additional questions may be added in order to ensure coverage of all elements in the draft Recommendation.

20. The draft Recommendation would be open to non-Member adherence. Having interested non-Members adhere to the Recommendation would underscore the global relevance of the OECD's work on agile regulatory governance to harness innovation as well as the draft Recommendation's call for international co-operation. Non-Member Adherents would be encouraged to share their experiences in implementation and included in the coverage of the report to Council, and OECD Member countries would benefit from the insights into such Adherents' practices that this exercise would provide.

21. The draft Recommendation invites the Secretary-General and Adherents to disseminate it. Once adopted, the draft Recommendation would be available on the online [Compendium of OECD Legal Instruments](#). A booklet with the draft Recommendation and background information would be accessible in PDF format to facilitate dissemination. Adherents would be invited to provide translations in their respective languages. The Secretariat would also disseminate the draft Recommendation through available communication tools, including at relevant national and international events in which it participates.

22. Lastly, it is proposed that the Participation Plan of the RPC be updated to include adherence to the draft Recommendation as a condition that any non-Member seeking Associate status would be required to meet, as is the case for the other Recommendations under the responsibility of the RPC.



## Proposed Action

23. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

### THE COUNCIL

- a) noted document [C\(2021\)99](#);
- b) adopted the draft Recommendation of the Council for Agile Regulatory Governance to Harness Innovation set out in the Annex to document [C\(2021\)99](#) and agreed to its declassification;
- c) agreed to add adherence to the legal instrument mentioned under b) as a condition for Associate status in the Regulatory Policy Committee and to amend its Participation Plan accordingly;
- d) recalled that the participation of non-Members in OECD bodies is governed by the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)].

## **Annex. Draft Recommendation of the Council for Agile Regulatory Governance to Harness Innovation**

### **THE COUNCIL,**

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Recommendation of the Council on Improving the Quality of Government Regulation [[OECD/LEGAL/0278](#)], the Recommendation of the Council on Regulatory and Policy Governance [[OECD/LEGAL/0390](#)], the Recommendation of the Council on Digital Government Strategies [[OECD/LEGAL/0406](#)], the Recommendation of the Council on Open Government [[OECD/LEGAL/0438](#)], the Recommendation of the Council on Artificial Intelligence [[OECD/LEGAL/0449](#)], the OECD Declaration on Public Sector Innovation [[OECD/LEGAL/0450](#)], and the Recommendation of the Council on Responsible Innovation in Neurotechnology [[OECD/LEGAL/0457](#)];

**RECOGNISING** that, while not an end in itself, innovation can drive more inclusive and sustainable growth, promote well-being, help address social and global challenges including climate change and other environmental emergencies, and foster resilience;

**CONSIDERING** that realising the full potential of innovation in high-uncertainty contexts, enhancing its benefits for societies while addressing its risks, including the occurrence low-probability events that entail high impacts, requires a shift in regulatory policy and governance towards more agile and forward-looking approaches;

**ACKNOWLEDGING** the crucial role of innovation in overcoming global challenges such as the Covid-19 crisis and that, while the ravages of the pandemic will abate with time, the influence of emerging technologies on societies will only grow in the years to come;

**ACKNOWLEDGING** that innovation ecosystems and related value chains tend to cut across national and jurisdictional boundaries and thus require concerted governance approaches;

**RECOGNISING** the important contribution of new ventures and innovative entrepreneurs to innovation and the need to ensure a regulatory environment that minimises barriers for their establishment and access to markets and resources;

**RECOGNISING** that holistic, open, inclusive, adaptive, and better-co-ordinated governance models enhance systemic resilience by enabling the development of agile, adaptive regulation that upholds fundamental rights, democratic values, and the rule of law;

**RECOGNISING** that strengthening regulatory policy and governance to ensure that innovation is sustainable and human-centred is crucial and that addressing current challenges warrants adapting the design and application of existing regulatory management tools to ensure their continued relevance;

**RECOGNISING** that, while innovation-related challenges will often require more flexible and adaptive regulatory frameworks, increased flexibility may lead to more discretion in decision-making and case-by-case trade-offs for which creating societal buy-in by demonstrating that the selected approaches are evidence-based, fit for the future, and trustworthy, including through broad-based and continuous public stakeholder engagement and close monitoring of outcomes, will be crucial;

**RECOGNISING** that capacity and skills are key enabling factors for agile and innovation-friendly regulatory policy;

**RECOGNISING** that developing appropriate institutional arrangements, culture, and working methods is a pre-condition for regulatory policy and governance to help steer innovation on a desirable trajectory;

**HAVING REGARD** to the Practical Guidance on Agile Regulatory Governance to Harness Innovation (hereafter the “Practical Guidance”) [[C\(2021\)99/ADD1](#)], developed by the Regulatory Policy Committee to support Members and non-Members having adhered to this Recommendation (hereafter the “Adherents”) in the implementation of this Recommendation and that may be modified as appropriate by the Regulatory Policy Committee;

**On the proposal of the Regulatory Policy Committee:**

**I. AGREES** that, for the purposes of the present Recommendation, the following definitions are used:

- **‘Regulation’** refers to the diverse set of instruments by which governments set requirements on enterprises and citizens. Regulation includes all laws, formal and informal orders, subordinate rules, administrative formalities, and rules issued by non-governmental or self-regulatory bodies to whom governments have delegated regulatory power.
- **‘Regulatory management tools’** refers to the different tools available to implement regulatory policy and foster regulatory quality including, in particular, regulatory impact assessment, stakeholder engagement, and ex post evaluation.
- **‘Regulatory policy’** refers to the set of principles, rules, procedures, and institutions introduced by government for the express purpose of developing, administering, and reviewing regulation.

**II. RECOMMENDS** that Adherents **adjust regulatory management tools to ensure regulations are fit for the future** by:

1. Developing more adaptive, iterative, and flexible regulatory assessment cycles, while capitalising on technological solutions to improve the quality of evidence.
2. Putting in place mechanisms for public and stakeholder engagement in the regulatory process, including citizens and innovative small and medium-sized enterprises (SMEs) as well as start-ups, from an early stage and throughout the policy cycle to enhance transparency, build trust, and capitalise on various sources of expertise.
3. Considering the international innovation ecosystem to draw on the most relevant evidence and regulatory approaches.

**III. RECOMMENDS** that Adherents **lay institutional foundations to enable co-operation and joined-up approaches within and across jurisdictions** by:

1. Strengthening co-operation across policy-making departments and regulatory agencies as well as between national and sub-national levels of government.
2. Stepping up bilateral, regional, and multilateral regulatory co-operation to address the transboundary policy implications of innovation.

**IV. RECOMMENDS** that Adherents **develop governance frameworks to enable the development of agile and future-proof regulation** by:

1. Developing or adapting governance frameworks and regulatory approaches so that they are forward-looking by developing institutional capacity and assigning clear mandates accordingly, conducting systematic and co-ordinated horizon scanning and scenario analysis, anticipating and monitoring the regulatory implications of high-impact innovations, and fostering continuous learning and adaptation.

2. Developing more outcome-focused regulatory approaches to enable innovation to thrive by harnessing the opportunities offered by digital technologies and big data.
3. Harnessing, under the condition that corresponding outcomes can be appropriately monitored, the opportunities provided by non-legally binding approaches either as an alternative or as a complement to other regulatory instruments.
4. Enabling greater experimentation, testing, and trialling to stimulate innovation under regulatory supervision.

**V. RECOMMENDS** that Adherents **adapt regulatory enforcement strategies and activities to promote compliance, help innovators navigate the regulatory environment, and uphold public protection, including across jurisdictions by:**

1. Adopting data-driven responsive approaches to identify, assess, and manage risks, and revising existing risk governance frameworks as appropriate.
2. Integrating enforcement-related considerations in legislative proposals and related assessments as appropriate.
3. Fostering co-operation among authorities leading investigations and enforcement of regulations related to innovation, both domestically and, where practical and feasible, across jurisdictions.

**VI. INVITES** the Secretary-General to disseminate this Recommendation.

**VII. INVITES** Adherents to disseminate this Recommendation at all levels of government.

**VIII. INVITES** non-Adherents to take due account of and adhere to this Recommendation.

**IX. INSTRUCTS** the Regulatory Policy Committee, in consultation with other relevant committees, to:

- a) serve as a forum for exchanging information on policies and experience with respect to the implementation of this Recommendation, fostering dialogue with and among stakeholders, and improving the evidence base on agile regulatory governance to harness innovation;
- b) review and update the Practical Guidance over time to ensure it remains relevant;
- c) develop further guidance and evaluation frameworks to support the implementation of this Recommendation; and
- d) review the implementation, dissemination, and continued relevance of this Recommendation and report thereon to the Council no later than five years following its adoption and at least every ten years thereafter.