

13 Domestic inter-agency coordination



KEY INSIGHTS

- Inter-agency coordination (IAC) is a core GRP that operates across the entire regulatory cycle – from policy design and drafting to implementation, enforcement and review – reducing duplication and inconsistencies, improving predictability for suppliers and consumers. IAC is closely linked with several other GRPs, notably RIA, and stakeholder engagement.
- While neither the GATS nor SDR Disciplines refer to IAC, it is incorporated in recent PTAs via two recurring elements: (i) publishing the procedures and mechanisms for inter-agency coordination to promote transparency and accountability; and (ii) establishing dedicated platforms to exchange information and encourage regulatory alignment over time, including through a central coordinating body with monitoring and reporting functions.
- Economies at different levels of development use various arrangements showing that IAC can be tailored to specific mandates, capacity and sectoral needs, while pursuing coherent policy objectives. Domestic practice suggests that effective IAC depends on consistent political backing, clear mandates and resources, light-touch central coordination with respect to reporting/monitoring, flexibility, cross-institutional capacity building, and early risk management (e.g. overlaps, data-sharing, IT interoperability).

Key features

In the area of services, effective regulation often requires the involvement of multiple authorities with distinct mandates and technical expertise. Their competences may intersect at various stages of the regulatory process – from policy design and rule-making to implementation, monitoring and review. Where responsibilities overlap, coordination among agencies becomes essential to ensure coherent policy outcomes, avoid duplication and enhance regulatory quality.

This is particularly important in services sectors where regulation spans multiple mandates (e.g. competition, consumer protection, privacy, prudential¹ reasons, and health) and carries far-reaching societal impacts. Consider, for example, a situation in which the ministry of health sets quality and safety standards for healthcare providers, while the ministry of finance regulates pricing and the solvency of private insurers. If the two authorities act in isolation, well-intentioned measures could conflict: hospitals might be required to use cutting-edge medical equipment to ensure best quality patient care, while insurers may face strict price caps that prevent them from covering the higher costs.

While both ministries pursue legitimate policy objectives within their mandates, the lack of coordination between them may reduce the financial viability of both hospitals and insurers, ultimately limiting patients' access to affordable healthcare. The lesson extends beyond health: in many service sectors, uncoordinated regulation may impose duplicative or inconsistent requirements, raise compliance costs and undermine public policy objectives. In view of this, domestic IAC is today recognized as a core GRP. At a practical level, it connects trade and regulation by (i) aligning requirements and procedures and consolidating them (including in single window systems);² (ii) integrating international standards into domestic rule-making (including for the recognition of qualifications); as well as (iii) coordinating proportionate, risk-based implementation, supervision and monitoring.

IAC entails systematic dialogue, information sharing and joint action among competent authorities at all levels of government with a view to promoting coherence and efficiency in regulatory systems. Coordination mechanisms can take various forms – from standard inter-agency committees and shared information platforms to *ad hoc* working groups on

cross-cutting issues. To support coordination, a central body may be established with overarching oversight and reporting functions. Additionally, the IAC processes and mechanisms may be made publicly available to foster transparency and accountability. To function effectively, these arrangements typically rely on high-level political backing, clear allocation of responsibilities, adequate resources and transparent procedures. IAC contributes to a more predictable and transparent regulatory environment for service suppliers and consumers alike, reduces administrative duplication and facilitates alignment with international commitments, including those related to trade in services.

IAC is closely linked to various other GRPs, notably RIA and stakeholder engagement.³ RIA and IAC are mutually reinforcing; effective RIA relies on the collaboration of all relevant domestic bodies to gather data, assess potential impacts and validate findings. At the same time, IAC serves the broader function of ensuring coherence and information flow throughout the regulatory process – from policy design to implementation and review – and benefits from the expert insights gathered through RIA. Complementarities also exist with stakeholder engagement. High-quality consultation with external stakeholders thrives on inter-agency coordination of notices, timelines and responses; in turn, stakeholder input informs coordinated decisions on design, implementation and review. In light of this, this Handbook – like various other GRP toolkits⁴ – addresses IAC as a stand-alone GRP for effective and quality rule-making.

IAC occurs through a variety of formal and informal mechanisms⁵ and can take place at various stages of the policy cycle. These stages are not strictly sequential, as coordination may continue or re-emerge as new issues arise (Figure 1):

1. Policy formulation and agenda setting:

- The lead regulatory authority identifies the need for a new measure or amendment to an existing one and defines objectives.
- Early engagement with other competent authorities helps clarify mandates, share data and identify potential overlaps or synergies.
- Relevant agencies review the proposal and provide feedback, as well as align the initiative with wider policy priorities.

2. Drafting and design of measures:

- The inter-agency committee or working group is set up to prepare the draft measure.
- The committee reviews input from all relevant agencies, considers cross-cutting implications and ensures consistency of the draft measure with international obligations.
- Exchange of feedback between the committee and relevant agencies takes place until a coherent draft emerges.

3. Public consultation:

- The committee publishes the draft measure for comments by stakeholders.
- The committee considers the feedback received and makes relevant adjustments.
- The text of the measure is finalized by the committee.

4. Adoption, implementation and monitoring:

- The final measure is adopted through the appropriate procedures.
- The measure is implemented and enforced by the lead regulatory authority.
- Coordination continues during implementation, including through shared inspection systems, common data platforms, or joint compliance monitoring.
- Regular information exchange among agencies helps identify emerging issues and ensure consistent enforcement.

5. Evaluation and review:

- Relevant agencies jointly review the effectiveness, proportionality and continued relevance of the measure.
- Feedback and input are considered to assess the need for any adjustments or improvements.⁶

Various GRP-enabling conditions support IAC and help improve the quality of regulatory frameworks and government services delivery:

- **High-level political backing:** Visible support from senior leadership signals priority and is instrumental in ensuring that coordination is implemented and sustained.⁷
- **Clear mandates and responsibilities:** Assigning tasks, objectives, as well as necessary resources (human and financial) strategically contributes to ensuring

success of coordination.⁸ Publishing IAC procedures and mechanisms helps promote transparency.

- **Reporting and monitoring, including through a central coordinating body:** Establishing reporting and monitoring procedures promotes accountability of all stakeholders involved.⁹ A light-touch coordinating body with convening, tracking and reporting functions can help ensure that coordination works on the ground.
- **Adaptability:** Establishing flexible and simple coordination mechanisms is essential to guarantee their sustainability and continuous improvement over time.¹⁰
- **Cross-institutional capacity building:** The most successful forms of coordination appear to be those that are built as a standard practice (rather than being designed as an ad hoc temporary effort).¹¹
- **Risk forecasting:** Anticipate potential challenges (e.g. overlapping mandates, data-sharing barriers, IT interoperability, organizational pushback, timing misalignments) to enhance the chances of success of IAC.¹²

GATS, SDR Disciplines and other relevant trade agreements

The GATS does not include an obligation to require inter-agency coordination among relevant regulatory authorities of WTO members. Likewise, this area is not covered by the SDR Disciplines.

PTA practice

Recent PTAs increasingly incorporate GRPs on cross-border cooperation, with IAC appearing more and more as a recurring element. Across agreements, two obligations appear most often: (i) providing transparency about IAC mechanisms (public descriptions of processes and mechanisms, points of contact, etc.); and (ii) establishing institutional platforms (committees/forums) to exchange information and encourage regulatory alignment over time, including through a central coordinating body with monitoring and reporting functions.

One example is the 2018 CPTPP in which Chapter 25 is dedicated to “Regulatory coherence”, defined as “the use of good regulatory practices in the process of planning, designing, issuing, implementing and reviewing regulatory measures in order to facilitate

achievement of domestic policy objectives”.¹³ Notably, Article 25.4.1 states that “regulatory coherence can be facilitated through domestic mechanisms that increase interagency consultation and coordination associated with processes for developing regulatory measures”.¹⁴

Taking into account the different levels of development of the parties, as well as their political and institutional structures, the CPTPP stipulates that the parties are required to implement processes and mechanisms to facilitate effective inter-agency coordination, including through a central coordinating body.¹⁵ In addition, the parties are required to produce and make publicly available documents that include descriptions of the processes and mechanisms that have been set up to facilitate coordination.¹⁶ While IAC may take different forms depending on the specific circumstances of each party (including differences in levels of development and political and institutional structures), they should have the overarching abilities to:

- a. Review proposed regulatory measures covered by the agreement to determine their adherence to good GRPs;
- b. Strengthen consultation and coordination among domestic agencies with the objective of identifying potential overlap and duplication and precluding the creation of inconsistent requirements across agencies;
- c. Make recommendations for systematic regulatory improvements; and
- d. Publicly report on reviewed regulatory measures, proposals for systematic regulatory improvements, and updates on changes to the process and mechanisms.¹⁷

The 2019 EU-Japan EPA is another example: the parties are committed to maintaining internal coordination processes or mechanisms to foster GRPs.¹⁸ Furthermore, each party is required to make publicly available descriptions of the processes and mechanisms under which its regulatory authority prepares, evaluates and reviews its regulatory measures.¹⁹ Interestingly, the 2019 EU-Japan EPA provides for the establishment of a Committee on Regulatory Cooperation which is *inter alia* tasked with inviting relevant authorities and other stakeholders to exchange information and promote coordination on GRPs.²⁰

Another agreement that underpins the need for IAC is the 2020 USMCA. In a cross-cutting chapter dedicated to “Good regulatory practices”, the USMCA

recognizes that “the implementation of government-wide practices to promote regulatory quality through greater transparency, objective analysis, accountability, and predictability can facilitate international trade, investment, and economic growth, while at the same time contributing to each party’s ability to achieve its public policy objectives at the level of protection it considers appropriate”.²¹ It also underscores that “the application of good regulatory practices can support the development of compatible regulatory approaches, and the reduction or elimination of unnecessarily burdensome, duplicative, or divergent regulatory requirements”.²²

Accordingly, the USMCA notes the parties’ commitment to maintain a central regulatory coordinating body with the key functions of promoting government-wide adherence to GRPs, as well as performing key advisory, coordination and oversight functions to improve the quality of regulations.²³ In addition, the parties are committed to making internal processes and mechanisms of coordination publicly available.²⁴ It should be noted that the USMCA goes further than the CPTPP in articulating the objectives and scope of IAC. Notably, in the USMCA, IAC can also serve as a platform to conduct RIA with a focus on assessing existing regulatory burdens on small businesses, and ensuring that regulatory approaches do not unnecessarily restrict competition in the market.²⁵ Furthermore, IAC is considered essential for ensuring the integration of relevant international standards and supporting compliance with existing international trade and investment obligations.²⁶

Implementation at the domestic level

At the domestic level, governments have put in place different IAC mechanisms. For instance, in the US, the Federal Communications Commission (FCC) is the primary authority for communications law and policy.²⁷ The FCC has various responsibilities, including processing licenses and other regulatory filings, consumer information and education, as well as encouraging the development of innovative services. In addition, it is entrusted with ensuring that regulatory proposals and measures in force are consistent with both domestic policy objectives and international commitments. With this purpose, the FCC works closely with various other agencies, including the Department of Commerce, the Department of Justice, and the Federal Trade Commission.

Whenever the need for adoption of a new measure or modification to an existing one is identified under Title 47 (Telecommunication) of the Code of Federal Regulations, an inter-agency working group, consisting of various committees, is set up to address cross-cutting concerns. The committees provide objective and publicly accessible advice based on input from consumer groups, industry stakeholders, public safety officials and other interested parties.²⁸

In the UK, the Regulation Directorate – a unit within the Department for Business and Trade – provides central oversight of regulatory quality and leads the cross-government reform agenda. In collaboration with all departments, it promotes targeted, efficient and effective regulation aligned with international best practices.²⁹ Under the mandate of the government's Better Regulation Framework, the Regulation Directorate helps shape the UK's regulatory landscape as well as its international commitments, ensuring high-quality rule-making and proposing alternatives where appropriate. Furthermore, the Regulation Directorate exchanges information and expertise with foreign partners and international organizations and, in this way, fosters the UK's participation in shaping international standards and rules, with the main goal of levelling the playing field for UK businesses. Finally, when considered beneficial, the Regulation Directorate supports the alignment of the UK's regulatory practices with those of its foreign partners, including by commitments on cross-border cooperation under PTAs.

A different approach to IAC has been established by Malaysia. In 2009, the government sought innovative ways to optimize the provision of public services to further national development goals. This prompted the development of the “Blue Ocean Strategy” (BOS) with the primary aim of fostering collaboration between government agencies, non-governmental organizations, and the private sector.³⁰ With the goal of making Malaysia a high-income economy by 2020, government agencies were mandated to develop high impact, low-cost improvements to the provision of public services. The BOS launched several initiatives to be based on collaboration among multiple ministries and agencies, as well as in partnership with NGOs or the private sector.

One notable example of such an initiative is the collaboration between the Malaysian Communications and Multimedia Commission and private telecommunication operators, with the goal of extending the reach of broadband internet and other

communication infrastructure to rural areas. Other initiatives include the Urban Transformation Centres, the Rural Transformation Centres and the Mobile Community Transformation Centres. These centres operated as “one-stop shops” bringing together various stakeholders to efficiently and effectively provide different kinds of services (e.g. passports, licensing, health and social services). The success of the BOS was driven by several factors. Implementation was initially led by the Office of the Chief Secretary and later by the National Strategy Unit in the ministry of finance, which facilitated cross-agency collaboration, monitored delivery, and provided troubleshooting for bottlenecks. Better coordination domestically led to significant optimization of resources (personnel and infrastructure) and a reduction in duplications and inefficiencies, ultimately resulting in lower costs and higher quality services.³¹

Mozambique implemented an IAC system to improve the allocation of school grants and the availability of critical medicines.³² In 2011, Mozambique was facing significant challenges in the education and health sectors. This was due to insufficient communication and coordination with regards to the allocation of finances and other resources, between the ministry of economy and finance (MEF) and the line ministries, i.e. the ministry of health and the ministry of education and human development. The education sector reported persistent delays in the allocation of school grants, as well as a lack of transparency in the education budget and spending at the district level. In the health sector, difficulties were encountered with respect to medicine distribution, including fragmented management responsibility and inefficient and inaccurate information flow.

With World Bank support, the National Treasury Directorate – part of the MEF – established a Programme Coordination Team to strengthen coordination between the MEF and health and education ministries. The Programme was structured around various disbursement-linked indicators (DLIs) to be completed in the respective sectors by specific deadlines. Once a DLI was met, the World Bank would release funds as performance-based allocations to incentivize timely results and longer-term behavioural change. Ministries could use the funds for a wide range of activities, from improvements in the working environment and training, to procuring educational materials or medicines.

Coaches were appointed to (i) facilitate communication and coordination between the three ministries, as well as between the provincial and national authorities; and

to (ii) support ministries in identifying and overcoming bottlenecks in their efforts to achieve the DLIs. Through this Programme, Mozambique made measurable progress in allocating school grants and strengthening school management and supervision. Key success factors included institutional capacity building (including by training officials on new tools and processes, enhancing communication and coordination), clear incentives and upgraded IT and data systems to support coordination.

In conclusion, IAC – the regular flow of information and collaboration among government agencies and other stakeholders – is a core GRP underpinning coherent regulation across the entire regulatory cycle (design, implementation, enforcement and review). IAC is closely aligned with various other GRP tools, notably RIA and stakeholder engagement. Overall, effective IAC reduces duplication and inconsistencies and improves predictability for service suppliers and consumers.

While the GATS and the SDR Disciplines do not prescribe IAC, recent PTAs incorporate commitments in this area with a view to promoting the alignment of regulatory frameworks with GRPs. While IAC structures and functions vary, PTAs converge on two main GRP-related aspects: (i) publishing the procedures and mechanisms for inter-agency coordination to promote transparency and accountability; and (ii) establishing dedicated platforms to exchange information and encourage regulatory alignment over time, including through a central coordinating body with monitoring and reporting functions. At the domestic level, IAC takes different forms tailored to specific mandates, capacity and sectoral needs, and can serve a variety of purposes. Domestic practice suggests that, as policy issues grow increasingly complex, more stakeholders and a greater array of interests need to be involved in policy-making to foster the quality, effectiveness and efficiency of regulatory systems.

ENDNOTES

1 In financial services, the term “prudential” refers to a regulatory objective of protecting investors and depositors and of avoiding instability or crises in financial markets.

2 For more information, see subsection 2.4 on “Single Window”.

3 For more information, see subsection 2.7 on “Stakeholder Engagement”. For more information, see subsection 2.12 on “Regulatory Impact Assessment”.

4 OECD (2012), Principle 10: Regulatory Coherence across Levels of Government; OECD (2025), pp. 19-21, 121-136; Molinuevo and Sáez (2014), pp. 31-33.

5 Harrington et al. (2021), p. 8.

6 The information presented here is on the basis of several sources: Harrington et al. (2021); Moyi (2020); Schito (2022); Burke (2019).

7 World Bank (2018), pp. 21-22.

8 World Bank (2018), pp. 21-22.

9 World Bank (2018), pp. 21-22.

10 World Bank (2018), pp. 21-22.

11 World Bank (2018), pp. 21-22.

12 World Bank (2018), pp. 21-22.

13 CPTPP (2018), Article 25.2.

14 CPTPP (2018), Article 25.4.1.

15 CPTPP (2018), Article 25.4.1.

16 CPTPP (2018), Article 25.4.2.

17 CPTPP (2018), Article 25.4.2.

18 EU-Japan EPA (2019), Article 18.4.

19 EU-Japan EPA (2019), Article 18.5.

20 EU-Japan EPA (2019), Article 18.14.

21 USMCA (2020), Article 28.2.

22 USMCA (2020), Article 28.2.

23 USMCA (2020), Article 28.3.

24 USMCA (2020), Article 28.4.2.

25 USMCA (2020), Article 28.4.1.

26 USMCA (2020), Article 28.4.1.

27 US Government, Federal Communications Commission (FCC), “What We Do”, <https://www.fcc.gov/about-fcc/what-we-do>.

28 US Government, Federal Communications Commission (FCC), “What We Do”, <https://www.fcc.gov/about-fcc/what-we-do>.

29 See UK Government, “Regulation Directorate”, <https://www.gov.uk/government/groups/better-regulation-executive>.

30 World Bank (2018), pp. 57-60.

31 World Bank (2018), pp. 57-60.

32 World Bank (2018), pp. 61-66.



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