

Public infrastructure projects often involve large amounts of financial resources and take many years. They need to operate under regulations that contribute to optimising their lifespan and costs, assess risk exposure, and build resilience. The OECD Recommendation on the Governance of Infrastructure highlights that a coherent, predictable, and efficient regulatory framework encourages investment in public infrastructure, and ensures the delivery of ongoing improvements in the quality of infrastructure services.

The OECD Infrastructure Governance Indicator (IGI) on regulatory frameworks for public infrastructure provides an overview of countries' performance in promoting efficient regulatory frameworks and permit procedures, and ensuring good governance (i.e. independent and accountable economic regulators). Across OECD countries, indicator values range widely from 0.43 to 0.81 with an average of 0.64 (Figure 8.3). On average, countries score higher for *governance of economic regulators* (0.71) and *permitting practices* (0.64). The *regulatory framework* sub-pillar has the lowest average score (0.58) as many countries lack dedicated mechanisms to facilitate access to and review of regulations relevant to infrastructure, and co-ordination between regulatory bodies and across levels of government could be further improved.

As many OECD countries accelerate infrastructure projects to promote the green transition, most have become aware of the importance of transparent, predictable, coherent and efficient permit procedures. Streamlined procedures have been identified as a priority to speed up the renewable energy transition (McKinsey, 2022). Twenty-three out of 32 OECD countries (72%) systematically collect data to inform permit practices, while 27 out of 31 (87%) have transparent processes allowing the public to track progress in issuing permits for transport infrastructure. Similarly, almost all countries (30 out of 32 or 94%) have created mechanisms to provide relevant information and invite citizens and stakeholders to comment on permit applications before a decision is made. For example, in the United Kingdom, most local planning authority applications require public notice and enough time for the public to provide feedback. In most of these countries (27 out of 32 or 84%), stakeholders are informed on how and why their input has been considered in the permitting procedure (Table 8.4).

While most OECD countries have adopted good practices in promoting transparency and stakeholder participation, more could be done to increase the accountability of permitting agencies. Currently, only 43% of OECD countries (13 out of 30) have put in place mechanisms to measure and assess permitting agencies' performance against regulatory goals (based on outcomes rather than on outputs) in the transport sector (Table 8.4). For example, the United States' Department of Transportation is required to establish a performance accountability system to track the environmental review and permit process for each major project.

Methodology and definitions

Data are drawn from the 2022 OECD Survey on the Governance of Infrastructure and the 2018 OECD Indicators on the Governance of Sector Regulators. The latter capture the governance arrangements of economic regulators as of 1 January 2018 in the energy, e-communications, rail transport, air transport and water sectors (see Annex B for more details). The former was conducted in May 2022, with responses from 34 OECD countries (Denmark, Hungary, Israel and the Netherlands did not answer to the survey). The survey monitors policies and arrangements in place at the national/federal level during the survey implementation (from May until October 2022) and does not cover specific practices at subnational levels. Spain and the United States have reported changes since then. Respondents were predominantly senior officials in the central/federal ministries of infrastructure, public works and finance, as well as in infrastructure agencies and other line ministries. The IGI on regulatory framework are composed of three sub-pillars: regulatory framework, permitting practices and governance of economic regulators, each with an equal weight (33%). The overall index ranges from 0 (lowest) to 1 (highest).

Regulatory frameworks set the “rules of the game” for a particular sector and market. They have profound impact on infrastructure investment, development, maintenance, upgrading and decommissioning.

Permitting/licensing is the practice of requiring prior approval by a government authority for the construction and operation of infrastructure. Approval is based on the provision of specific validated or certified information, usually in written form. Governments use permits or licences – in varying degrees and with different objectives – to protect the environment, assure certain market allocations or protect users.

Further reading

McKinsey (2022), *The energy transition: A region-by-region agenda for near-term action*, McKinsey.

OECD (2020), “Recommendation of the Council on the Governance of Infrastructure”, *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0460>.

OECD (2012), “Recommendation of the Council on Regulatory Policy and Governance”, *OECD Legal Instruments*, OECD, Paris, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0390>.

Figure notes

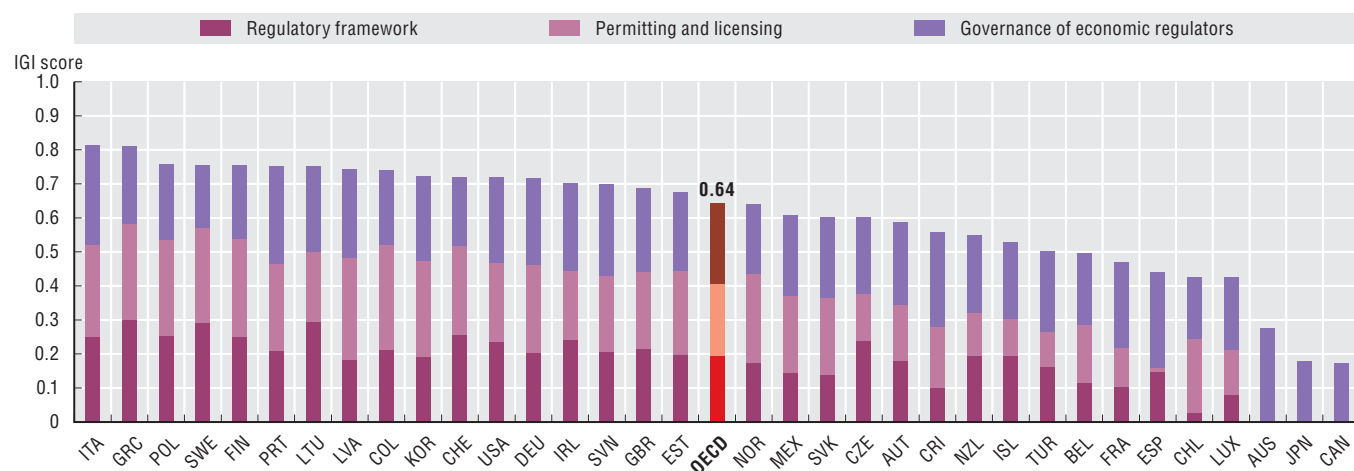
Data for Belgium are based on responses from Flanders only.

8.3. Japan does not have complete data for this indicator. The sub-pillars on regulatory framework and permitting are not applicable for Australia and Canada at the federal level. Only the sub-pillars with complete data are included (countries with incomplete data are not included in the OECD average).

8. INFRASTRUCTURE PLANNING AND DELIVERY

Public infrastructure regulatory frameworks and permit procedures

8.3. Regulatory frameworks for public infrastructure, 2022



Source: OECD (2022), Survey on the Governance of Infrastructure – Part II: Promote a coherent, predictable, and efficient regulatory framework; OECD (2018), Survey on the Indicators on the Governance of Sector Regulators.

StatLink <https://stat.link/0tm6ey>

8.4. Promoting efficient permit procedures, 2022

| Country | Systematic collection of data to inform permitting practices | Transparent permitting procedures for transport infrastructure | Stakeholder participation in the permitting procedure | Information on consideration of stakeholder inputs in the permitting procedure | Assessment of permitting agencies' performance for transport infrastructure |
|--------------------|--|--|---|--|---|
| Australia | – | – | – | – | – |
| Austria | ✓ | ✓ | ✓ | ✓ | × |
| Belgium (Flanders) | ✓ | ✓ | ✓ | ✓ | × |
| Canada | – | – | – | – | – |
| Chile | ✓ | ✓ | ✓ | ✓ | ✓ |
| Colombia | ✓ | ✓ | ✓ | ✓ | ✓ |
| Costa Rica | ✓ | ✓ | ✓ | ✓ | .. |
| Czech Republic | × | ✓ | ✓ | ✓ | × |
| Estonia | × | ✓ | ✓ | ✓ | × |
| Finland | ✓ | ✓ | ✓ | ✓ | ✓ |
| France | × | × | ✓ | ✓ | × |
| Germany | ✓ | ✓ | ✓ | ✓ | × |
| Greece | ✓ | ✓ | ✓ | ✓ | ✓ |
| Iceland | ✓ | × | ✓ | ✓ | × |
| Ireland | ✓ | ✓ | ✓ | × | ✓ |
| Italy | ✓ | ✓ | ✓ | ✓ | × |
| Japan | ✓ | .. | ✓ | × | .. |
| Korea | ✓ | ✓ | ✓ | ✓ | ✓ |
| Latvia | ✓ | ✓ | ✓ | ✓ | ✓ |
| Lithuania | ✓ | ✓ | ✓ | × | × |
| Luxembourg | × | ✓ | ✓ | ✓ | × |
| Mexico | ✓ | ✓ | ✓ | ✓ | × |
| New Zealand | × | × | ✓ | ✓ | × |
| Norway | ✓ | ✓ | ✓ | ✓ | ✓ |
| Poland | ✓ | ✓ | ✓ | ✓ | × |
| Portugal | × | ✓ | ✓ | ✓ | ✓ |
| Slovak Republic | ✓ | ✓ | ✓ | ✓ | × |
| Slovenia | ✓ | ✓ | ✓ | ✓ | ✓ |
| Spain | × | × | × | × | × |
| Sweden | ✓ | ✓ | ✓ | ✓ | ✓ |
| Switzerland | ✓ | ✓ | ✓ | ✓ | ✓ |
| Türkiye | × | ✓ | × | × | × |
| United Kingdom | ✓ | ✓ | ✓ | ✓ | × |
| United States | × | ✓ | ✓ | ✓ | ✓ |
| OECD Total | | | | | |
| ✓ Yes | 23 | 27 | 30 | 27 | 13 |
| × | 9 | 4 | 2 | 5 | 17 |
| – Not applicable | 2 | 2 | 2 | 2 | 2 |
| .. Not available | | 1 | | | 2 |

Source: OECD (2022), Survey on the Governance of Infrastructure – Part II: Promote a coherent, predictable, and efficient regulatory framework.

StatLink <https://stat.link/r2g4v3>



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